

Mozambique News Agency

AIM Reports

Report no.408, 6th September 2010



Unrest worsens living conditions: President Guebuza

President Armando Guebuza on 2 September warned citizens that the riots that took place in Maputo and Matola only brought pain and grief, and would lead to the deterioration of living conditions. In the early hours of 1 September, residents of Maputo and Matola were shaken by a wave of protests taken against the rising cost of living. In total, thirteen people died and at least 150 people were injured as the protests turned violent and police responded with tear gas and rubber bullets.

In an address to the nation, the President deplored the fact that instead of a peaceful and orderly demonstration, the protests resulted in deaths and serious injuries, and scenes of vandalism, destruction and looting.

According to the President, looting a stall, shop or warehouse, or vandalising a car or a house, may seem a setback just for the owner. However, he pointed out, “in the middle of heightened emotion we forget that it also represents a backwards step for those who depend on the attacked property for supplies, for transport or employment. It even affects some individuals involved in these acts”.

The President continued, “destroying markets, streets and other social and economic infrastructure is exactly the opposite of what we have been doing to help combat poverty in our beloved Motherland”.

President Guebuza asserted that the Government is aware of the life led by the Mozambican population, “which is aggravated by external factors, such as the financial crisis and the rising price of food and fuel”.

To counter the impact of these crises on the life of citizens, the Government has adopted a series of measures such as the subsidies on fuel and the importation of wheat, explained the President.

Furthermore, the implementation of the Plan of Action for Food Production (PAPA) has a big emphasis on the struggle against poverty in urban areas and the countryside.

According to President Guebuza, there is progress in the implementation of PAPA, as well as improvements in water supply and sanitation, transport and communications, and health and education.

The President stressed that the Government continues to engage in the struggle against poverty through its Five Year Programme.

President Guebuza emphasised the importance of observing the law, public order and tranquillity, which is fundamental to attracting national and foreign investment that contributes to the generation of more employment.

Therefore, the President called on Mozambicans to maintain calm and not engage in any type of agitation. He further exhorted citizens to dissuade the naïve, maintain vigilance and denounce to the authorities the agitators.

President Guebuza also urged people to increase productivity to fight poverty both individually and collectively.

The head of state extended his condolences to the bereaved families, and extended his sympathy to all those who were affected by the events.

President Guebuza ended by saying that “the Government will continue to work to return life to normal for our fellow citizens and our institutions”.

For an in depth analysis of events, read MozambiqueFile. Subscription rates are individuals \$40 institutions US\$50. Send an International Money Order to AIM, CP 896, Maputo, Mozambique.

Life returning to normal after riots

Life has begun to return to normal after serious rioting hit the cities of Maputo and Matola on the first two days of September. Unrest also took place on a smaller scale in Beira and Chimoio. The death toll stands at thirteen, with over one hundred and fifty people injured.

Schools reopened on 6 September after a three-day closure, and in central Maputo traffic was flowing normally. Shops and banks opened at the usual time, and the privately owned minibuses known as "chapas" were back in full service.

According to a report in the newsletter "Mediafax", the government has ordered troops to support the police in their patrols of the city, particularly at the key points in the unrest. These include public transport terminals and city markets. The soldiers have also helped in the clean-up operations, removing the remains of the barricades thrown up by the rioters.

"Mediafax" remarked that the government ought to have called on the defence and security forces immediately after mobile phone text messages began circulating, calling for protests against food price rises on 1 September. Instead, "up to four hours after the start of the disturbances in several places, prone by their very nature to acts of vandalism, there was not a single law and order officer present, which created the conditions for the demonstrations to degenerate into looting, pillage and theft".

The number of people arrested in connection with the riots has risen to 150, following the detention of eight individuals involved in attempts on 3 September to set up barricades of burning tyres in parts of Matola.

The Maputo daily "Noticias" reported that rioting and looting on 3 September in the central city of Chimoio led to the destruction of 160 stalls in the Francisco Manyanga informal market.

The spokesperson for the Manica Provincial Police Command, Belmiro Mutatiwa, said that the police are continuing to make arrests as they look for the ringleaders of the disturbances.

Renamo members arrested in Nampula

The police have arrested six people in Nampula city, accusing them of mobilising people for demonstrations against food price rises. However, the detainees claim that they were simply planning a meeting to elect a local official of the main opposition party, Renamo.

According to the newsletter "Mediafax", three are Renamo members - including the Renamo secretary and head of mobilization and propaganda in the Nampula neighbourhood of Natikiri, Antonio Namarocolo and William Namele.

Asked to explain the arrests, the Nampula provincial police spokesperson, Inacio Dina, insisted that the group had been plotting "disturbances of public order and tranquillity".

Cost of riots to energy sector

The rioting in Maputo and the neighbouring city of Matola caused losses estimated at 15 million meticaís (about \$411,000) to the Mozambican electricity company, EDM, and to fuel distributors, according to Energy Minister Salvador Namburete.

According to Namburete the rioters vandalised EDM branches, transformer posts and vehicles, and tore down electricity cables. Two petrol stations were looted, one of which was set on fire.

As for the recent increase in the price of electricity, supposedly one of the causes of the riots, Namburete said the increase was justified by the high costs of producing electricity and the need to recover the investments made by EDM in rural electrification. He pointed out that electrifying the rural districts is costing around 3.5 billion meticaís (about \$96 million) a year.

Furthermore, the construction of a new power line from Tete province to Maputo will cost \$1.8 billion. The current line from the Cahora Bassa dam in Tete goes to South Africa (the major purchaser of Cahora Bassa power). The power that EDM imports from South Africa to supply southern Mozambique is counted as Cahora Bassa power, but is transported along a line belonging to the South African electricity company, Eskom, for which EDM pays a rental.

"Cahora Bassa will only truly be ours once we have made the \$1.8 billion investment in the Tete-Maputo line", Namburete stressed. This was a top priority, he said, and one purpose of the price increase was to raise money for this investment.

Namburete added that electricity remains cheaper than in some other southern African countries.

According to Minister of Industry and Trade Antonio Fernando, rioters wrecked 13 buses belonging to the Maputo bus company, TPM. A calculation of how many people fit into a TPM bus and how many trips each bus makes per day, shows that the riots deprived 23,400 passengers a day of the cheapest form of transport in the city, forcing them to use the more expensive, privately owned minibuses, known as "chapas".

The riots forced the suspension of rail services in Maputo for two days, and Fernando put the costs of this stoppage at \$500,000.

He added that the destruction of shops, warehouses and other establishments has meant the loss of around 4,000 jobs, directly affecting around 20,000 people.

Where shops were destroyed, local people would have to travel further to make their purchases. Thus what was supposed to be a protest against the cost of living "in reality has only complicated matters still further", said Fernando.

As for the price of bread, another alleged trigger to the riots, Fernando stressed that the government is already indirectly subsidizing bread, through scrapping import duties and Value Added Tax (VAT) on wheat and flour - which represents \$46 million in taxes per year that the treasury was not receiving.

Demobilised soldiers leader acquitted

The leader of the National Forum of Demobilised Soldiers, Herminio dos Santos, on 30 August was acquitted by the Machava Judicial Court in Maputo of charges of disobeying a police subpoena and issuing threats against the State.

According to the judge in the case, Maria Laura Karlsen, it was clear to the court that Herminio dos Santos did not disobey the police because he had not received a summons. Furthermore, the plan of demobilised soldiers to demonstrate peacefully did not constitute a threat to the State, as the right to demonstrate is guaranteed by the Constitution of the Republic. As a result, the court acquitted the defendant.

Speaking after the acquittal, Herminio dos Santos reiterated the plan of demobilised soldiers to launch national demonstrations beginning in September.

The arrest of dos Santos sought to control and discourage the preparations for a demonstration of former soldiers from the 16-year war in Mozambique.

The organisers wanted to protest against the low pensions received, which are between 500 and 1,300 meticaïs a month (at current exchange rates, there are about 36.70 meticaïs to the US dollar).

Chinese business to invest \$13 billion

A delegation of Chinese business people from Shanghai announced in Maputo on 26 August that they intend to invest \$13 billion in a number of projects in Mozambique over the next five years.

The Mozambican Government and the Chinese investors signed two memorandums of understanding that lay the basis for the implantation of these projects.

The projects include an industrial park and a car assembly plant. Another project is a “China Town”, to be built in Catembe municipality across the Maputo Bay from the capital, to accommodate Chinese and Mozambicans.

Speaking during the ceremony, Cao Hongru said, “these two memorandums are the result of the visit of the Mozambican Prime minister, Aires Ali, to China last June, when he invited Chinese businesspeople to invest in Mozambique”.

“We will start by investing one billion US dollars. We will definitely reach our goal,” stressed Cao Hongru, who is the Chair of the board of the China Tong Jian Investment company in Shanghai.

Direct flights are planned to link Maputo and Shanghai to boost trade and tourism between the two countries. Cao Hongru believes that, with direct flights, over a million Chinese tourists could visit Mozambique annually.

This is a condensed version of the AIM daily news service – for details contact aim@aim.org.mz

US to donate \$250 million a year to combat AIDS

The United States government has given a commitment to donate \$250 million each year until 2013 to support the implementation of Mozambique’s national strategy against HIV/AIDS.

On 23 August, Foreign Affairs Minister Oldemiro Baloi and the United States Ambassador Leslie Rowe signed an agreement, to create a joint strategic plan for cooperation between the two governments, for an effective response to the “disease of the century”. The initiative is part of the President’s Emergency Plan for AIDS Relief (PEPFAR), launched by President Barack Obama’s predecessor, George W Bush.

Oldemiro Baloi said that the accord is of extreme importance because AIDS is a major cause of mortality in Mozambique.

Baloi said that, in addition to various forms of action in the fight against AIDS, it is also important to consider the psychological aspect in order to stem discrimination and stigma towards people living with HIV.

Ambassador Rowe added that “today is the day to think about our partnership and our shared responsibility to impede the spread of a terrible disease and guarantee that one day people with HIV will not have a reason to lament, but a reason to fight”.

UNDP donates \$900,000

On the same day, Mozambique’s Public Service Ministry and the United Nations Development Programme (UNDP) signed an agreement under which UNDP will provide \$900,000 for the fight and prevention of HIV/AIDS in Mozambique.

The funds will be used in the prevention of HIV/AIDS among the country’s 170,000 public servants.

This sum is part of the Rapid Results Fund budgeted at \$4.5 million to finance activities for the prevention and fight against HIV/AIDS, which includes the provision of food baskets for people living with the disease.

A survey conducted in 2008 covering 170,000 public servants found that about 32,000 were HIV positive. The same survey showed that about ten thousand employees needed antiretroviral drugs, with the death toll reaching about 1,600 per year.

Anadarko strikes oil

Minister of Mineral Resources Esperanca Bias on 16 August announced that the US oil company Anadarko has found oil deposits in the Rovuma Basin, in the northern province of Cabo Delgado.

Apart from Anadarko there are another three companies prospecting hydrocarbons in the Rovuma Basin, including ENI from Italy, Petronas (Malaysia) and Statoil (Norway).

Zambia rail link to port of Nacala inaugurated

The Mozambican Northern Development Corridor (CDN) is now linked with Zambia following the inauguration on 27 August of a 27 kilometre stretch of line through Mchinji, in Malawi, to Chipata, in Zambia. As a result, the rail link between Zambia with the Mozambican port of Nacala, in the northern province of Nampula, has been shortened by 600 kilometres.

The line will be used for cotton and tobacco exports, and for fuel and fertiliser imports through the Chipata to Nacala section. The connection provides Zambia with another route to the sea. Until now, it has had the choice of a rail link to Dar es Salaam in Tanzania, Beira in Mozambique, or South Africa's ports.

Metical continues to depreciate

The Mozambican currency, the metical, depreciated during the first two weeks of August compared to the US dollar, the South African rand and the euro.

According to the Bank of Mozambique, on the 15 August the exchange rate was 36.67 meticaïs per dollar, a fall of 2.72 per cent since the beginning of the month. At one stage this year a dollar was equivalent to 27 meticaïs.

According to the Bank of Mozambique, a survey of the price of vegetables and plants showed a slight fall during August. This has helped cushion the generally high level of prices that have been apparent since the beginning of the year.

The Consumer Price Index, published early in August by the National Statistics Institute (INE), shows that prices of the main commodities in Maputo have increased by 11.95 per cent since the beginning of the year. Prices of food and non-alcoholic drinks rose by 9.45 per cent. Tomatoes, rice, cabbages, lettuce, onions, oil and gasoline were products whose rising prices had a major impact on total inflation.

In response to the falling value of the metical, the government has banned all educational institutions at all levels, both public and private, from charging fees in foreign currency.

In a similar move, the Maputo Central Hospital has banned the use of dollars in all payments in the hospital.

Mozambican exports dropped 19 per cent in 2009

Mozambican exports dropped by 19 per cent in 2009 compared to the previous year, with the main reasons being a fall in demand in international markets coupled with low prices.

Speaking in Maputo on 30 August during the opening ceremony of the 46th Maputo International Trade Fair (FACIM), President Armando Guebuza said that despite this setback, the country's exports have grown over the last five years. President Guebuza pointed out, "In 2009 we exported goods worth \$2,147 million, up from \$1,475 million in 2005".

In his speech, President Guebuza expressed his belief that there is a favourable environment in the country to induce export growth. He listed a number of initiatives to boost exports, which include the diversification of exports and a focus on non-traditional commodities.

The President also urged Mozambican business people to improve the quality of packaging to make their products more attractive to buyers.

Electoral law deadline extended

The Public Administration Commission of the Mozambican Parliament, the Assembly of the Republic, has extended the deadline given to political parties to submit proposals for the revision of the Electoral Law. Parliamentary parties must now submit their proposals for changes by 15 September.

"Yes, it is true. The program had to be changed a little concerning the deadline given to the parliamentarian groups", the Commission's Chairman, Alfredo Gamito told the newspaper "O Pais".

According to Gamito, the extension of the deadline was due to delays in the process of public consultation carried out in the provinces. "We should have started the process of public consultation on 1 August, but we only started on the 10 August. Later, we realised that the timing was compromised. For this reason we have decided to extend the deadline" explained Gamito.

He tried to downplay the issue by saying "I reassure you that these changes will not affect the schedule of the remaining issues on the agenda", adding that he is sure that the new Electoral Law will be completed by the deadline of 30 months before the local elections that are to be held in 2013.

Mozambique News Agency, c/o 26 Withdean Crescent, Brighton BN1 6WH, UK. Tel: +44 (0)7941890630 - mozambique-news@geo2.poptel.org.uk

Subscription Rates (24 issues)	Individuals	Institutions
UK	£15.00	£25.00
Europe	£25.00	£40.00
Rest of the World	£30.00	£50.00

Overseas subscribers are requested to pay in sterling. If payment is made in another currency, add the equivalent of £6.00 to cover bank charges.