

# Mozambique News Agency

## AIM Reports

Report no.430, 5<sup>th</sup> September 2011



## President Guebuza inaugurates All-Africa Games

The 10th All-Africa Games, officially inaugurated on 3 September at Mozambique's national stadium, in the Maputo suburb of Zimpeto, should symbolise unity among Africans and promote the culture of peace on the continent, declared President Armando Guebuza.

Addressing the opening ceremony, President Guebuza urged all the participants to strive to improve their performance, but always in an atmosphere of friendship and festivity.

The President of the Supreme Council for Sport in Africa (SCSA), Jacques Yvon Ndolou, praised the commitment of all those involved in preparing the games. Ndolou also announced that the SCSA has granted President Guebuza its highest honour, the Medal of Merit, for his personal involvement in organizing the games.

Giving President Guebuza the medal, before a crowd of thousands attending the ceremony, Ndolou praised the President for his leadership, and Mozambique for its determination in stepping forward to organise the games after the original host, Zambia, had announced, in 2009, that it was unable to do so.

The Zambian authorities had argued that the impact of the international financial crisis, particularly the fall in the world market price of the country's main export, copper, made it impossible to bear the burden of organizing the games.

Mozambique volunteered to take on responsibility for the games, despite the tight calendar. There were sceptical voices in the Mozambican press, doubting that the government would be able to keep its promises and deliver adequate facilities for the games. Nonetheless, the Games Village for the athletes, consisting of 840 apartments, was concluded on time, and so was the construction or rehabilitation of all the necessary sports facilities.

Just before President Guebuza's formal declaration of the opening of the games, Mozambican basketball player, Flavia Azinheira, read out a statement from the athletes, pledging that they will observe the spirit of fair play, and the rules of the various sports.

There are 36 countries taking part, and their teams filed past President Guebuza and the other dignitaries.

Of particular interest was the Libyan team, which marched behind the flag of the National Transitional Council (NTC), rather than the all-green banner of the Muammar Gaddafi regime. Mozambique has not yet recognised the NTC, but the Libyan embassy in Maputo now flies the flag of the insurrection.

At the same time, the flag of the Libyan rebels was flying over another major sporting event at the other end of the continent. In Cairo, the Libyan national football team won its qualifying match for the African Cup of Nations against Mozambique by one-nil.

The opening ceremony concluded in a blaze of colour and music, as young Mozambicans performed dances illustrating episodes in the country's history leading to its independence in 1975. At the end, the skies above Maputo were lit up in a ten minute firework display.

### President Guebuza opens Maputo International Trade Fair

President, Armando Guebuza on 29 August opened the 47<sup>th</sup> Maputo International Trade Fair (FACIM), where he challenged the business community to embrace innovation to improve the productivity and quality of goods manufactured in the country.

This is the first time FACIM has been situated in Ricatla, in the district Marracuene, about 27 kilometres north of Maputo.

The President took the opportunity to talk with exhibitors and look at the range of products on show.

According to Joao Macaringue, the chairperson of the Export Promotion Institute (IPEX), there are over 1,600 exhibitors, including 600 from 17 different countries (including Spain, Portugal, Brazil, Italy, Poland, Denmark, South Africa, Botswana, Tanzania and Malawi).

FACIM 2011 ended on 4 September.

## Government confident biofuels will be ready next year

More than 30 biofuel projects are currently underway in Mozambique with a total investment of over \$100 million.

According to Helio Neves, biofuel programme coordinator at the Agricultural Promotion Centre (CEPAGRI), if all the existing projects become fully operational the country will save more than \$682 million per year through reduced fuel imports.

Neves stated that most of these projects are in the early stages and they are still studying the best variety of plant species to be grown in Mozambique. Despite this, he believes that there will be enough ethanol and biodiesel to mix with fossil fuels, which will become mandatory next year.

From 2012, petrol (gasoline) will need to be mixed with ten per cent ethanol (to produce the fuel known as E10) and diesel will need to be mixed with three per cent biodiesel (producing B3). As a result of this initiative the government expects to reduce fuel imports by \$22 million a year.

Neves pointed out that Petromoc (the publicly owned fuel company) has already reached agreement with producers for the supply of raw materials for the production of biodiesel from copra and jatropa. He argued that in the case of ethanol, the country has an abundance of the raw material molasses due to the existence of sugar plantations at Marromeu, Mafambisse, Xinavane and Maragra.

The Mozambican government in 2009 approved a strategy for renewable energy that regulates the introduction of biofuels and identified coconut, jatropa, sugar cane and sorghum as the four crops that could be used. The strategy also lays down principles aimed at ensuring that biofuel policy does not lead to land conflict or threaten food production.

## Government secures finance for solar panel factory

The Export-Import Bank of India has approved a concessional loan of \$13 million to finance the construction of a solar panel factory in southern Mozambique. The credit agreement was signed on 1 September in Maputo by Mozambique's Minister of Finance, Manuel Chang, and Exim-Bank chairman, TCA Ranganathan.

Speaking during the signing ceremony, Chang explained that the loan is based on concessional terms with repayment to be spread over twenty years with a five year grace period.

Chang pointed out that the production of photovoltaic solar power panels will enable rural areas to be electrified.

He continued, "this project, apart from improving the supply of solar power, will create new jobs for Mozambican technicians, will improve health care through the increased capacity to store vaccines and other drugs in rural areas, and will expand education and literacy".

Chang acknowledged the role of the Indian government and the Exim-Bank in searching for appropriate mechanisms for contributing to Mozambique's development and for the improvement of living conditions.

The construction of the factory at the industrial park at Beluluane in Maputo province is due to begin later this year.

Constructing the factory will create 700 jobs, and once fully operational the factory will employ 70 people.

The factory will reduce the cost of importing solar panels, which is estimated to be running at between \$5 million and \$6 million a year.

## Mozambique releases seven new potato varieties

The Mozambican government has approved the distribution of seven new potato varieties which were developed with the assistance of the International Potato Centre.

The release of the new varieties is part of the Mozambican government's national strategy of reducing the country's dependence on imported food.

Official figures show that in the 2010-2011 agricultural season Mozambique produced 229,268 tonnes of potatoes, but consumed 277,830 tonnes - a deficit of 48,562 tonnes.

This marks a large reduction in the deficit. In the 2009-2010 agricultural season the country produced only 138,356 tonnes of potatoes while consumption stood at 264,600 tonnes - a deficit of 126,244 tonnes.

Potato production is increasing in nine of the country's eleven provinces, but the country is still importing potatoes and 2,000 tonnes of seed potato. It is hoped that the new varieties will lessen this dependence.

The new varieties have been bred to produce a high yield, improve storability, and be resistant to late blight (*phytophthora infestans*).

The Mozambican government is prioritising food security, and has adapted its agricultural regulations to fast track the release of new seeds.

## Government approves resignation of Mayors

The Council of Ministers (Cabinet) on 30 August in Maputo approved the resignation of the mayors of Cuamba, Pemba and Quelimane.

As a result, the government will need to organise by-elections to replace Arnaldo Maloa, mayor of Cuamba (Niassa province); Sadique Yacub, mayor of Pemba (Cabo Delgado province); and Pio Matos, mayor of Quelimane (Zambezia province).

There had been complaints about the performance of these mayors, but the ruling party Frelimo denies that they were asked to resign, arguing that the decision was taken of their own free will.

Speaking at a press conference shortly after the Cabinet meeting, the Minister of State Administration, Carmelita Namashalua, explained that, because more than a year of their term of office remained, there would need to be by-elections. In the meantime, the mayors will be replaced by the chairpersons of the Municipal Assemblies.

Namashalua said everything will be done to mobilise funds to run the by-elections, to prevent a power vacuum developing in those municipalities.

Rumours began circulating in August that Frelimo had asked five mayors to resign. The list included the three who have now stepped down, along with the Jorge Macuacua, the mayor of Chokwe (Gaza province), and Alberto Chicumba, the mayor of Manhica (Maputo province).

On 1 August, Arnaldo Maloa was the first to submit his resignation letter, followed later by Yacub and Matos.

The dates of the by-elections are yet to be announced by the National Elections Commission (CNE).

The next municipal elections are scheduled to take place in mid-2013.

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

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## Comair begins flights from Maputo

The South African airline Comair on 1 September began operating flights between Maputo and Lanseria airport, which is located between the South African cities of Johannesburg and Pretoria.

Comair is a franchise partner of British Airways and flies under BA colours and livery. It will use Aerospatiale ATR aircraft with a capacity of 48 passengers.

According to Comair's Stuart Cochrane, the new flights will enable business customers to fly from South Africa in the morning and return in the same day, thus avoiding accommodation expenses.

The service will run daily from Monday to Friday, with two flights on Monday, Wednesday and Friday.

The flights were due to begin in May, but were delayed due to problems with Lanseria airport.

Meanwhile, the budget airline 1time made its last flight between Johannesburg and Maputo on 31 August, blaming the decision on the fact that the company was only authorised to run five flights per week, restricted to one flight per day.

The company had since last August been operating the route using a McDonnell Douglas MD-80 aircraft with a capacity of 157 seats.

In another development, the Mozambican company Kaya Airlines on 29 reinstated its flights following a halt to services in May. The airline launched its first flight from Maputo to Beira using an Embraer 12 aircraft with a capacity of 30 passengers. The company is also offering flights to Vilanculos, Tete city and Nampula city.

## Increase in cargo at Maputo port

Cargo handled at Maputo port between January and July this year reached 6.4 million tonnes, a 1.6 million tonne increase compared to the same period last year. The increase in cargo follows the dredging of the port which was completed in January.

In the first half of the year the port received 597 ships. Most of the cargo handled by the port are minerals, including ferro-chrome, iron ore, coal and magnetite. Ferro-chrome cargo rose from 592,700 tonnes in 2010 to nearly 1.1 million tons in the first seven months of this year.

There was also a substantial increase in coal volumes, reaching 486,600 in the first seven months this year, up from 174,800 tonnes for the same period last year.

Meanwhile, the volume of cargo handled between January and July at Matola grain terminal increased from 27,800 tonnes in 2010 to 139,800 tonnes in 2011.

The depth of the access channel has been increased from 9.4 to 11 metres, while the depth at the quays and at the container and coal terminals was restored to 12 metres.

Prior to the dredging the largest size vessel that the port could accommodate was 50,000 DWT (deadweight tonnes). However, the port can now receive "Panamax" size vessels, of up to 80,000 DWT.

## Antonio Gumende appointed Ambassador to UN

President Armando Guebuza on 25 August named Antonio Gumende as the country's next Ambassador to the United Nations. He replaces Daniel Antonio, who took up the position in October 2009.

Antonio Gumende has been serving as High Commissioner to Great Britain and Northern Ireland since November 2001.

## Anti-retroviral factory to open in 2013

A pharmaceutical factory which will manufacture anti-retroviral medicines is expected to start operating in 2013, according to Jose Luiz Telles, head of the Brazilian Osvaldo Cruz Foundation (FIOCRUZ), who was speaking in Maputo on 20 August.

Work is underway on the construction of the new factory, which should be completed early in 2012. This will be followed by the installation of equipment.

According to Jose Luiz Telles, "2013 will be a special year for Mozambicans, with the beginning of the manufacturing of anti-retroviral drugs, along with medicines to treat high blood pressure and diabetes".

The factory, which will employ 88 Mozambicans, will manufacture 20 different medicines for the treatment of a number of diseases, especially anti-retroviral drugs for people living with the HIV virus.

This project has been under preparation since 2003, when Brazilian President Luis Inacio Lula da Silva visited Mozambique. However, it was only in 2009 that the Brazilian Senate gave the green light for the project to be implemented.

Both countries are also working towards the establishment of a medicines regulatory agency, which will evaluate and certify drugs manufactured and sold in Mozambique.

The new regulatory body, to be named Agencia Sanitaria Nacional, will regulate, supervise, audit and standardise medicines and related products, including foods and cosmetics, sold in the country.

## Belgium donates €25 million for health training

The Minister-President of Flanders, Kris Peeters, announced on 24 August in Maputo a €25 million financial package for training health workers over the period 2011 to 2016.

The Belgian politician, who is in Mozambique to strengthen economic cooperation, said that he had discussed with Health Minister Alexandre Manguela the best way to support training in the health sector.

At the meeting the two politicians also discussed the possibility of using rats in the diagnosis of diseases such as tuberculosis. The Belgian non-governmental organisation "Apopo" has been using rats for the detection of landmines in Mozambique, and has been training rats in Tanzania to sniff out tuberculosis.

Peeters has also held meetings with Foreign Minister Oldemiro Baloi and Trade and Industry Minister Armando Inroga.

At a press conference, Peeters announced that the Belgian company "Quinvita" will develop a project in Mozambique to grow jatropha for the production of biofuels. An agreement on a feasibility study for the projects will be signed on Thursday, and it is planned that once operational the project will cover an area of 15,000 hectares.

Inroga said that the visit of the Minister-President will strengthen economic relations. Last year Mozambique exported €515 million of goods to Belgium, mainly consisting of aluminium ingots.

According to Inroga, economic cooperation can be enhanced in the areas of dredging, logistics and port management.

Maputo Port's access channel was recently dredged and deepened by the Belgian company "Dredging International"

## Petronas to launch Rovuma Basin tender

The Malaysian oil company Petronas is launching a tender to select a company to conduct a study to find a suitable drilling site in its concession in the Rovuma Basin, off the coast of Cabo Delgado province in northern Mozambique.

Petronas has gathered and processed 2D seismic data covering an area of seven thousand square kilometres. This data needs to be interpreted to locate the best spot to drill for oil and gas.

In 2008 the Mozambican government awarded a licence to Petronas for drilling in two blocks (Area 3 and Area 6) in the Rovuma basin, in return for a payment of \$40.6 million.

The Mozambican state is represented by the Mozambican National Hydrocarbon Company (ENH).

Over recent years several companies have invested heavily in the search for oil and gas in Mozambique. Between 2009 and 2010 a total of \$370 million was spent on prospecting in the Rovuma Basin.

The biggest investment has been made by the Texas-based Anadarko Petroleum Corporation, which has found large quantities of natural gas. By 2013 it will have invested \$3 billion in the Rovuma Basin. If it goes ahead with the plan to develop a Liquefied Natural Gas (LNG) plant, its total investment will reach \$18 billion by 2018.

## Prime Minister lays first stone for gas power station

Prime Minister, Aires Ali, on 19 August laid the first stone for the construction of a new gas-fired power station in the district of Ressano Garcia, on the border with South Africa.

The company "Gigawatt-Mozambique" is investing \$230 million on the construction of the plant which will generate 100 megawatts of electricity as from 2013.

Gigawatt-Mozambique is 40 per cent owned by the South African company Gigajoule, which is also the foreign investor in the Matola Gas Company (MGC) that distributes natural gas to companies in the Matola and Boane region, including to Mozambique's largest factory, the Mozal aluminium smelter.

The Mozambican private investors in MGC hold the other 60 per cent of Gigawatt. The largest of these is the company Intelec, with 26 per cent.

Speaking during the event, Aires Ali said that the project will create additional capacity for power generation to meet the growing needs of the population, as well as attract new projects for this region of the country.

There a number of power generation projects in the pipeline, including the Mpanda Nkuwa dam on the Zambezi river, 60 kilometres downstream from the existing Cahora Bassa dam, and a new coal-fired power plant to be built by the Brazilian giant Vale, both in the western province of Tete.

## Government paying special attention to land management

President Armando Guebuza declared on 22 August that his government is paying special attention to issues related to land management.

President Guebuza, speaking in Maputo at the opening session of the Council of Ministers (Cabinet), said that "one of the questions that have been at the centre of our preoccupations is land management. Under the direction of President Samora Machel, we had the sensitivity, proactivity and vision to produce the current legal framework governing the right to use of land".

The President said that land should be preserved, enhanced and utilised, and the law should be applied scrupulously "even by those who, in contact with local authorities, seek to imply that they are powerful or sent by someone with a lot of power".

He said that the government's message is that it is necessary to avoid land conflict for this and future generations.

## Tourism earned over \$700 million in 2010

Tourism earned Mozambique about \$741 million in revenues in 2010, up from \$616 million in the previous year, according to National Director of Tourism, Martinho Muatxiwa.

Tourism investment in the country has seen a remarkable increase in recent years, with the same trend in the number of international visitors, which is attributed to initiatives carried out by the Mozambican authorities.

Muatxiwa explained that Mozambique boasts a positive image which is a magnet for foreign investors and tourists. "There is huge potential to further increase tourism revenues because the volume of investments is continuously growing", he said.

The choice of Mozambique as a prime destination for tourism investments is partly due to incentives granted by Mozambican authorities provided in the country's Tourism Law and Code of Fiscal Benefits, which include a number of facilities to investors, regardless of their origin.

"The Ministry of Tourism can accommodate all types of investors provided that projects are designed taking into account country's legislation. Also, foreigners are allowed to invest in the country without having to team up with Mozambican nationals. However, local residents should be given priority in terms of job opportunities", explained Muatxiwa.

According to official figures, there are 10.779 rooms and 37,550 beds across the country, with the tourism sector employing about 40,000 workers.

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UK	£15.00	£25.00
Europe	£25.00	£40.00
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