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Nacala changing rapidly – President Guebuza

The northern port city of Nacala is changing rapidly and will drive development throughout Nampula province and Mozambique in general, declared President Armando Guebuza on 10 July. Addressing a mass rally in the city, as part of his “open and inclusive presidency”, President Guebuza noted the progress in building Nacala’s new international airport, and stressed “there is a great deal of work underway here, creating a huge range of opportunities, including for employment. But this is still not all that we want”.

President Guebuza stressed that “these are only initial steps which will expand to Nacala-a-Velha”. This is the district adjacent to Nacala port and it is here that the Brazilian mining giant Vale plans to build a new coal terminal.

The terminal will be at the end of a new rail line from the Moatize coal basin in Tete province, running across southern Malawi, and reaching the sea at Nacala-a-Velha. The plan means that in the near future there will be two deep water ports in Nacala bay.

President Guebuza said he was also impressed with progress on the rehabilitation of the Nacala dam and the city’s water supply project, which seeks to meet a rapid increase in demand for drinking water. The water supply project is budgeted at \$30 million financed by the United States’ Millennium Challenge Account (MCA). The work should be complete by April 2013.

“I was impressed with what I saw at the dam, because it will meet the water needs of many people”, said the President. The benefits extended to the training of Mozambican technical staff who are gaining experience in major engineering works.

President demands return of rule of law in Guinea-Bissau

President Armando Guebuza on 20 July demanded “the return of constitutional order and the rule of law in Guinea-Bissau”. The President was speaking in Maputo at the opening of the heads of state summit of the Community of Portuguese Speaking Countries (CPLP).

The main theme of the summit was “the CPLP and the Challenges of Food and Nutritional Security”. However, it was overshadowed by the military coup in April that overthrew the legitimate government of Guinea-Bissau.

The CPLP continues to recognise Raimundo Pereira, the man toppled by the Guinean military, as the legitimate President, and it is he who represented Guinea-Bissau at the Maputo summit.

The summit also heard from the President of the European Commission, Jose Manuel Durao Barroso, who declared that the European Union “recognises the potential of the CPLP and wants to be an active and committed partner in its growth”.

Barroso said the EU has stepped up cooperation with the CPLP “as an organisation and with its individual member states through partnership agreements, seeking political dialogue and the development of economic, cultural and scientific interchange”.

Barroso noted that Mozambique “has been a successful case in our development aid policy”. It was one of the countries that had benefitted most from the European Development Fund (EDF), and the European Union (the European Commission plus the member states) contributes “about 75 per cent of the country’s development aid”.

There is now a specific regional cooperation programme between the European Commission and the Portuguese speaking African countries (Mozambique, Angola, Cape Verde, Guinea-Bissau and Sao Tome and Principe) plus East Timor. In the tenth edition of the FED this programme received €33 million (about \$40 million).

Barroso stated that implementing this programme “is not always easy because the countries in question are not geographically contiguous, but its validity is clear to everyone and to the European Commission”.

Barroso hoped to improve the efficiency of this programme through strengthening the 2007 Memorandum of Understanding between the European Commission and the CPLP Secretariat.

He stressed that the European Commission had honoured its commitments despite the international financial crisis and “some turbulence in the euro zone”.

Mozambique now takes over the Presidency of the CPLP for the next two years. President Guebuza pledged that Mozambique will strengthen cooperation, not only among CPLP members, but with other regional and international bodies “in search of synergies to ensure implementation of the CPLP Food and Nutritional Security strategy”.

President inaugurates gas fired power station

President Armando Guebuza on 18 July inaugurated a gas-fired power station at Ressano Garcia, on the border with South Africa. The natural gas comes from the Pande and Temane fields in Inhambane province which are operated by the South African petro-chemical giant Sasol. Most of the gas is exported via a pipeline to South African. A spur from the pipeline takes some of Mozambique's royalty gas, provided under the contract with Sasol, to the power station.

The power station is operated by the British company Aggreko, which has invested \$80 million in the project, in a joint venture with the South African Shanduka Group.

The power station will provide 15 megawatts to the Mozambican electricity company EDM, while the South African power utility Eskom will purchase 92.5 megawatts.

Currently, EDM has 369 megawatts of power generated by the Cahora Bassa dam to supply southern Mozambique, which is insufficient for domestic consumption.

Other gas-fired power stations are planned – a second in Ressano Garcia will generate 160 megawatts, and one in Chokwe, in the Limpopo Valley is planned to produce 140 megawatts. Both should be operational in 2014.

At the inauguration, President Guebuza declared that Ressano Garcia will become “one of the great centres of energy production in the country and in the region”.

The new power station was “an important step in social and economic development, intended to boost the welfare of Mozambicans, through maximising the benefits associated with natural resources”, the President declared.

He stressed that the availability of electricity is fundamental for attracting investment.

President Guebuza stressed that the availability of safe and reliable electricity was key for the development of agro-industries that would improve food and nutritional security and create jobs. Similarly, electricity was a sine qua non for improving health, education and water supply services.

He added that the discoveries of vast deposits of natural gas and of coal will become “preponderant factors” in the industrialisation of Mozambique. The construction of a new transmission line from the Zambezi Valley to the south and more projects to generate electricity from coal and gas would not only guarantee power for other parts of Mozambique, but could supply other southern African countries “where the availability of electricity has become critical in recent years”.

New General Secretary for Renamo

The National Council of Mozambique's main opposition party, Renamo, meeting in the northern city of Nampula on 6 July, elected 43 year old Manuel Bissopo as its new General Secretary.

He replaces Ossufo Momade, who had held the post for the previous six years. Like Momade, Bissopo is a Renamo deputy in the Mozambican parliament, the Assembly of the Republic. He is also a former Renamo political delegate in the central city of Beira.

Immediately after his election, Bissopo declared that he wanted to continue the work already planned under Momade “in the spirit of the cohesion of the Party”.

He added, “I will do everything to create conditions so that young people find in Renamo an environment favourable to the development of their knowledge, thus contributing to the growth of our country”.

The meeting also discussed preparations for Renamo's participation in the 2013 municipal elections and the 2014 presidential and parliamentary elections.

Anti-piracy patrols should move north

Defence Minister Filipe Nyussi has argued that the anti-piracy patrols currently undertaken by Mozambique, South Africa and Tanzania should move north to cover Kenyan.

“Currently, we are sharing our activities against piracy with South Africa and Tanzania”, he said, “but one day we shall have to extend them to Kenya, to halt the enemy while he is still very distant from us, and before he constitutes an immediate internal threat”.

Nyussi was speaking on 6 July, in the town of Boane, some 30 kilometres west of Maputo, at a meeting with foreign military attaches accredited to Mozambique.

He declared that “the problem of piracy and other transnational crimes goes beyond Mozambique's borders, and the strategy our country has adopted is to share maritime patrolling and inspection with other countries”.

The idea, he added, is to involve all the member countries of the Southern African Development Community (SADC), with or without access to the sea, “so that we may fight together against these evils, since all of these countries are direct or indirect users of the sea, of Mozambican waters, and of the entire Mozambique Channel”.

Nyussi added that the Mozambican armed forces (FADM) “are working at sea to protect economic interests, such as fisheries and tourism, as well as to prevent pollution of the sea. That's why we are training and involving more troops in these activities”.

In August 2011, SADC adopted a maritime security strategy, intended to reduce the threat from Somali pirates in the Indian Ocean, and particularly the Mozambique Channel.

Funds for Maputo – Catembe bridge guaranteed

With the signing on 18 July in Beijing of an agreement between the Mozambican government and the Chinese Exim Bank, funds are now guaranteed to build a bridge across the Bay of Maputo, connecting central Maputo with the district of Catembe.

According to a source in the Ministry of Finance, the loan from the Exim Bank is for \$681.6 million, which is 85 per cent of the total cost of the project (\$725 million).

As for the rest of the money, ten per cent is in the form of a soft loan from the Exim Bank, and five per cent come from the Mozambican state budget.

The bridge will be built 48 metres above the bay, thus ensuring that ships of any size can enter and leave Maputo port at any time of day. The bridge will have two carriageways and a total length of 2.7 kilometres.

The project includes not only the bridge, but the construction of 120 kilometres of road from Catembe to Ponta de Ouro, an important tourist resort on the border with the South African province of KwaZulu-Natal.

The bridge will make Catembe a much more desirable place to live. Its population is expected to expand from the current 20,000 to perhaps as many as 400,000 in the next two to three decades. Many of these people will doubtless move from the more overcrowded neighbourhoods of Maputo.

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

Tourist operators violate labour legislation

The Labour Inspectorate in the Mozambican Labour Ministry has detected 286 cases of violations of the country's labour legislation in tourist establishments in the Ponta de Ouro region, in the far south of the country.

In May, when President Armando Guebuza visited Ponta do Ouro, as part of his "open and inclusive presidency" local residents took the opportunity to complain at blatant illegalities committed by tourism employers.

An investigation was ordered, and a joint team from the Labour Inspectorate and the Economic Activities Inspectorate spent 10 days visiting 53 hotels and other tourist establishments, which employ a total of 1,003 workers.

According to Olga Manjate, the Maputo Provincial Director of Labour, 63 cases were found where employers violated the eight hour working day provision of the Labour Law. The normal working day is eight hours long, and the law states that anything above eight hours is overtime and involves additional payments to the workers.

The inspectors also found 29 cases where the employers had not taken out any insurance against accidents at work. Some of the establishments lacked safety and hygiene equipment, and some did not pay extra for night shifts.

Some employers did not pay their workers in the local currency, the metical, but in South African rand.

Manjate said that, of the 286 violations, 92 led to fines. In the other 194 cases, the employers were given warnings. "I should stress that the purpose of the inspection was not to punish, but to educate", she said.

Some of the employers claimed ignorance of the law. To ensure no repetition, the inspectors left two copies of the Labour Law in each establishment – one for the employer, and one for the workers.

The inspectors also suspended 15 foreigners who were working illegally. They were all given deadlines to regularize their situation.

"We are not trying to frighten investors away, but we want them to comply with Mozambican law", said Manjate.

She said her directorate would continue to inspect labour practices in Ponta do Ouro, since it was not tolerable for Mozambicans to be ill-treated in their own country by foreign employers.

Climate change discussed in Maputo

By the end of this year, Mozambique will have a National Climate Change Strategy which will include the strategic objectives the country hopes to attain to make it more resilient to the impacts of climate change.

According to the Permanent Secretary of the Environment Ministry, Mauricio Xerinda, the strategy seeks to endow the country with opportunities to mitigate greenhouse gas emissions and to achieve sustainable development – that is, development which meets the needs of the present without compromising the needs of future generations

Xerinda was speaking at the opening on 17 July of a National Seminar on Climate Change Funding, attended by government institutions, donors, financial institutions and civil society organisations.

"Climate change has ceased to be seen as something that only affects the environment", said Xerinda. "It affects all the key sectors of socio-economic development, notably agriculture and food security, human health, sanitation, livestock, forestry, trade, water resources, tourism, and fishery resources".

Police announce arrest of five kidnappers

The spokesperson for the Mozambican Police, Pedro Cossa, on 17 July confirmed that five people have been arrested as suspects in the cases involving the kidnapping of Mozambican and foreign businessmen and the extraction of huge ransoms from their families.

Cossa declined to reveal the names of those arrested, in order not to interfere with continuing police investigations. He told reporters that all five are Mozambican citizens, one is a woman and one is the son of a senior police officer.

Over the last five months there have been 22 kidnappings, mostly in Maputo and the neighbouring city of Matola, but also in the central provinces of Sofala and Tete. Cossa insisted that the same gang was responsible for all the abductions. He said they had imprisoned their victims in three places in Matola – two farms and a residence.

In addition to those now in custody, the police are looking for a further ten people.

Vast investment needed in transport sector

The total investment required in Mozambique's transport and communications infrastructures over the next five years is in excess of 400 billion meticaís (about \$14.3 billion), Transport Minister Paulo Zucula told a Maputo press conference on 13 July.

This dwarfs the amount invested over the past three years. Zucula said that since 2009 the government and its private sector partners have invested over 28 billion meticaís in ports, railways, civil aviation, roads and telecommunications.

This was much lower than required given the pressure from private investment in other sectors of the economy. "The expectations are enormous and our internal resources are scarce", said Zucula.

The immediate projects, beginning this year, and costed at over 150 billion meticaís, are aimed at solving the logistical problems involved in transporting huge volumes of coal from the mines in the Moatize coal basin, in Tete province, to the sea.

EU to donate €41 million

The European Union on 19 July agreed to provide Mozambique with €41 million to support local economic development, the rule of law, and non-state actors.

The agreement formalising this support was signed in Maputo by Mozambique's Deputy Foreign Minister, Henrique Banze, and the head of the EU delegation in Mozambique, Paul Malin. The ceremony was witnessed by President Armando Guebuza, and by the President of the European Commission, Jose Durao Barroso.

The support for local economic development accounts for €27 million, and "will fundamentally contribute to support our districts", said Banze. The money will be spent in the districts of Sofala province, in the centre of the country, and of Inhambane and Gaza in the south. Through this aid, the government hopes to "empower the districts" by providing them with a greater capacity for production and productivity.

"Our expectation is that we will continue to work with the European Union in these and other areas to reach our ultimate goal, which is the fight against poverty and the development of our country", declared Banze.

Malin said that EU is one of Mozambique's largest and oldest partners, and the agreement bears witness to their longstanding cooperation.

Korean grant for technical education

South Korea has pledged a technical package equivalent to \$18 million to finance the construction and equipping of technical and professional schools in the northern provinces of Niassa and Nampula, and in Zambezia in the centre of the country.

The agreement is in line with the Mozambican government's plans to boost technical education, particularly in order to provide Mozambican staff who have the skills to work in the rapidly expanding mining and hydrocarbon sectors.

The loan agreement was signed in Maputo on 12 July by Finance Minister Manuel Chang and the Deputy President of the Korean Exim Bank, Byun Sang Wan.

The signing ceremony was witnessed by Mozambican Prime Minister Aires Ali, and by his Korean counterpart, Kin Hwang-Sik.

Sugar production reaches record level

Sugar production in Mozambique recorded an increase of 24 per cent in the first half of this year, compared with the figures from January-June 2011, according to the six monthly balance sheet drawn up by the government's Centre for the Promotion of Agriculture (CEPAGRI).

According to the CEPAGRI figures total production from the four functioning sugar mills (at Maragra, Xinavane, Mafambisse and Marromeu) was 102,256 tonnes. More than half of this amount – 53,583 tonnes – was exported, entirely to the European Union. The price for this amount of sugar was \$25.5 million.

Over the six month period, 80,729 tonnes of sugar were sold on the domestic market, which is four per cent lower than in the same period in 2011. The reason for this fall in domestic demand is not yet clear.

Most sugar production takes place in the second half of the year, and CEPAGRI forecasts that, by the end of the year, the four mills will have produced 470,000 tonnes. That would be a 21 per cent increase on the 2011 figure.

"With the production forecast for 2012, the country will be in a good state to meet the needs of the domestic market, and provide considerable surpluses for export", declared CEPAGRI.

Total exports are expected to reach 250,000 tonnes – 13,000 tonnes to the United States and the rest to Europe, bringing in export earnings of \$119 million.

Clinton pledges support for HIV positive Mozambicans

Former US President Bill Clinton on 16 July urged Mozambicans to commit themselves to efforts aimed at eradicating the transmission of the HIV virus from pregnant women to their babies ("vertical transmission").

Clinton said that mother-to-child transmission of the virus is a threat to the efforts made by governments to halt the spread of HIV/AIDS.

He was speaking at the Health Centre in the Maputo neighbourhood of Polana-Canico where he was looking at the progress made by this health unit in treating HIV/AIDS and tuberculosis, with the help of the Clinton Health Access Initiative set up by the William J. Clinton Foundation.

The former President, accompanied by Mozambican Health Minister Alexandre Manguete, visited at length the various wards in the health centre. He said that his foundation will continue to provide support so that hundreds of thousands of HIV-positive Mozambicans can have better access to the life prolonging anti-retroviral therapy.

He added that the Foundation will also help improve the nutritional status of the patients.

Manguete said that the Clinton Foundation has played a significant role in the expansion of anti-retroviral treatment in Mozambique, which now covers more than 300,000 people. He also believed the Foundation had been instrumental in forcing a 90 per cent reduction in the prices that pharmaceutical companies had charged for these life-saving drugs.

President Guebuza receives British minister

The British Minister for International Development, Andrew Mitchell, said in Maputo on 19 July that his government is committed to ensuring that British aid encourages growth in various areas of development.

Speaking to reporters after an audience granted by President Armando Guebuza, Mitchell said that Britain wants its aid to contribute to "the fight against corruption, wealth creation, the development of companies, economic growth and job creation".

Mitchell arrived in Mozambique on 17 July and immediately visited the western province of Tete, where the London-based company Rio Tinto is operating a gigantic open cast coal mine.

"We also discussed the importance of wealth creation, the future of this extraordinary wealth of mineral resources in Mozambique, and that these resources should be a blessing for the future of Mozambique and the people of Mozambique", he said.

Mitchell said he had talked with President Guebuza about the British role, both in private investment, and in the provision of development aid. He stressed that Britain is now the second largest development partner of Mozambique.

"I had an excellent meeting with the President", he declared. "Relations between the United Kingdom and Mozambique have been good from the start. We are both members of the Commonwealth, and we hope to receive President Guebuza in the United Kingdom at the opening of the Olympic Games".

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