

Mozambique News Agency

AIM Reports

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President reshuffles government

President Armando Guebuza on 8 October dismissed Prime Minister Aires Ali. The fall of Ali had been widely expected since the congress of the ruling Frelimo Party in late September, when Ali lost his seat on the party's most powerful body, the Political Commission. The new Prime Minister is Alberto Vaquina, formerly governor of Tete province, and one of the newcomers elected to the Political Commission at the Congress.

President Guebuza also sacked the Minister of Youth and Sport, Pedrito Caetano, replacing him with Fernando Sumbana, who was previously Minister of Tourism. The tourism portfolio is now occupied by Carvalho Muaria, who is another of the newcomers to the Frelimo Political Commission. Muaria was governor of Sofala province, and previously held the post of Deputy Minister of Public Works.

The Minister of Education, Zeferino Martins, lost his job and was replaced by one of the deputy ministers, Augusto Luis Jone. The governor of Zambezia province, Francisco Itai Meque is appointed to Jone's former position as deputy education minister.

The Minister of Science and Technology, Venancio Massingue, was also dismissed. His replacement is Luis Pelembe, a professor of food technology at the country's largest institution of higher education, the Eduardo Mondlane University.

President Guebuza also took the opportunity to dismiss the governor of Nampula, Felismino Tocoli. He had clearly lost the confidence of Frelimo members in Nampula. In the provincial conferences that preceded the Frelimo Congress, Tocoli was the only one of the 11 governors who was not elected onto the Frelimo Central Committee.

Tocoli has been replaced by a Frelimo parliamentarian Cidalia Chauque, and a second parliamentarian, Joaquim Verissimo, becomes governor of Zambezia. Both Chauque and Verissimo are members of the Standing Commission (governing board) of the Mozambican parliament, and will now have to be replaced.

The new governor of Sofala is Felix Paulo, a former national director of veterinary services, and the new governor of Tete is Ratxide Gogo, a former deputy general director of the Electoral Administration Technical Secretariat (STAE).

Following this reshuffle, the composition of the Mozambican government is as follows

President of the Republic: Armando Emilio Guebuza
Prime Minister: Alberto Clementino Vaquina

Ministers

Foreign Affairs and Cooperation: Oldemiro Julio Baloi

Planning and Development: Aiuba Cuereneia

Finance: Manuel Chang

Agriculture: Jose Condungua Pacheco

Industry and Trade: Armando Inroga

Transport and Communications: Paulo Zucula

Mineral Resources: Esperanca Bias

Energy: Salvador Namburete

Public Works and Housing: Cadmiel Muthemba

Fisheries: Victor Manuel Borges

Education: Augusto Luis Jone

Health: Alexandre Manguela

Defence: Filipe Nyussi

Interior: Alberto Mondlane

State Administration: Carmelita Namashalua

Veterans' Affairs: Mateus Oscar Kida

Tourism: Carvalho Muaria

Youth and Sport: Fernando Sumbana Junior

Public Service: Vitoria Diogo

Labour: Maria Helena Taipo

Justice: Maria Benvinda Levy

Science and Technology: Luis Augusto Pelembe

Culture: Armando Artur

Women's Affairs and Social Welfare: Iolanda Cintura

Coordination of Environmental Action: Alcinda Abreu

Minister in President's Office – Antonio Fernandes Sumbana

Ministers in the Presidency: For Social Matters – Feliciano

Gundana; For Parliamentary, Municipal and Provincial

Assembly Affairs – Adelaide Amurane.

A full list of the current government is available on our web site at www.poptel.org.uk/mozambique-news

This is a condensed version of the AIM daily news service. For details contact aimredacao@gmail.com

Senior welfare officials charged with theft

The Public Prosecutor's Office in the central province of Zambezia has laid charges of the theft of public funds against two senior officials of the Zambezia delegation of the National Social Welfare Institute (INAS).

The charges have been laid, and the case sent to court, two years after investigations began into allegations against the then INAS Zambezia delegate, Leonel Correia, and the head of the Administration and Finance department, Rossana Passa.

The case was brought to light in 2010 by a group of INAS workers who claimed that the two officials had helped themselves to funds intended to support the poorest people in the province.

The charges are now before a judge in the Zambezia provincial court, who must decide whether there is enough evidence to put Correia and Passa on trial.

85 municipal policemen punished

The command of the Maputo Municipal Police has so far this year punished 85 policemen, most of them trainees, for violating the principles that should govern the work of the police force.

The offences committed by the 85 included lack of discipline, extorting money from motorists and traders and unjustified absences from work.

The penalties imposed included suspension from duty and, in the case of absences from work, deductions from their wages of sums ranging from 2,000 to 14,000 meticaís (between \$70 and \$490).

District Attorney accused of theft

A district attorney in the southern province of Inhambane, who was sentenced to ten days imprisonment last month for illegal driving, is now facing the much more serious charge of the theft of state funds.

Mario Candido Marione, the chief attorney in Govuro district, is under investigation over the theft of more than 500,000 meticaís (\$17,360) from the Inhambane Provincial Planning and Finance Directorate.

Mozambican coal on way to Britain

A shipment of 35,000 tonnes of coking coal from the Benga open cast coal mine in the western province of Tete is on its way to Britain to feed Tata Steel's furnaces in the eastern town of Scunthorpe.

The shipment is due to arrive at Immingham port in late October, and will be the first of six shipments totalling 200,000 tonnes that should be unloaded by the end of March next year.

The Benga coal mine began operations in February, and was formally inaugurated by President Armando Guebuza in May. It is run by the multinational company Rio Tinto, with Tata Steel of India owning a 35 per cent share.

A spokesperson for Tata Steel told AIM that "the Benga mine benefits Tata Steel by increasing security of supply in high-quality coking coal and financially through its equity position in the mine".

Tata produces 10.7 million tonnes of steel in Britain, and will be importing an increasing amount of coking coal from Mozambique as part of its strategy to secure supplies and reduce market volatility.

Mozambique and EU to redefine cooperation

Mozambique and the European Union will redefine their areas of cooperation, Deputy Foreign Minister Henrique Banze told Mozambican reporters in Brussels on 14 October.

Banze is accompanying President Armando Guebuza who is leading a Mozambican delegation to the 2012 European Development Day.

Banze said that the main change will be that the EU will reduce its areas of support from eight to three. He said that the EU has decided, under its international cooperation policy, to direct and concentrate its resources into just three main areas. "We are working to select the three main areas, and these will have implications for other areas", said Banze.

He admitted that "without doubt, this is a very difficult choice to make. Naturally, this choice will be made with the European Union, but also with other cooperation partners".

Banze took the opportunity to stress the need for greater rigour in the use of the resources made available by the EU. This rigour should also extend to the definition of priorities and to monitoring, so that the results established by the Mozambican government can be achieved.

Banze explained that, over the past two years, Mozambique has been part of a group of countries which have embarked on a pilot project so that donor support for the State Budget is channelled through a formula known as "Contract for the Millennium Development Goals (MDGs)".

The idea is that the EU support for the development programmes established by Mozambique should have a positive, visible and tangible impact with regard to the MDG. An additional programme has thus been drawn up to work towards food and nutritional security (the first of the MDGs is "to eradicate extreme hunger and poverty").

In the discussions with the EU, Banze said, both sides agreed they should work in this direction, and drew up a programme for agriculture and fisheries, seeking to improve productivity.

"There is no doubt that the cooperation between Mozambique and the EU is excellent", said Banze. "Right now we are in the programme covering the period 2008-2013, and we recently concluded an intermediate assessment of our cooperation".

To date, he added, cooperation with the EU has been aligned with the government's main development objectives, notably in the area of agriculture, health, infrastructures and general budget support.

The EU describes the European Development Days (EDD) as "Europe's premier forum on international affairs and development cooperation". The event, it is claimed, will "bring some 6,000 people and 1,500 organisations from the development community together on an equal footing, in a true spirit of partnership".

Paralysed textile factory sold

The paralysed Riopete textile factory, located in Marracuene has been sold off to a consortium formed by the Mozambican company Intelec holdings, and three Portuguese companies, Compim Abreu, Mundiflos and Mundo Textil.

The deed was signed on 12 October by representatives of the consortium and of the Mozambican government's Institute for the Management of State Holdings (IGEPE).

Speaking at the ceremony, IGEPE chairperson Apolinario Panguene described the acquisition of Riopete by the Luso-Mozambican consortium as "a courageous gesture" since this textile factory has been silent for many years.

Over \$1.7 billion invested in Matola

The mayor of the southern city of Matola, Aaro Nhancale, told a business conference on 11 October that between 2009 and 2011 the city had received more than \$1.7 billion investment.

Speaking at the opening of the Fourth Matola Business Forum, Nhancale said that during 2010-2011 at least \$500 million went into financing 50 business projects that created about 2,000 jobs.

He stressed in particular the project to build 5,000 houses in the new neighbourhood of Intaka (budgeted at around \$200 million), the modernization and expansion of Matola port (\$180 million), a new factory producing building equipment (\$15 million), the construction of a hotel and shopping centre in the suburb of Machaba (\$2.5 million), and the installation of the Lingamo industrial park (\$3 million).

Among the other significant projects under way, the Mayor added, were a vehicle assembly plant in Machava (which will cost \$150 million), and the construction of what will be the largest Coca-Cola bottling factory in southern Africa.

These numbers, Nhancale said, express the growing interest of national and foreign businesses in investing in Matola, and reflect the conditions and facilities created by the municipal authorities in promoting the city as a preferred destination for investment and business.

Matola is an industrial city, and Nhancale pointed out that 30 per cent of all Mozambican companies are installed in Matola, employing 46.8 per cent of the waged work force. Such figures reflect the economic potential of Matola, he said.

The Matola Municipal Council, as a result of decisions taken at the previous business forums, has reserved an area of 46 hectares for the construction of new factories in the Matola-Gare neighbourhood.

This area was earmarked, Nhancale said, because there is not enough space available in the existing industrial area for new undertakings.

Rosneft to build new pipeline to Harare

Russia's petroleum company Rosneft is to construct a new pipeline for refined products from the port of Beira in the central Mozambican province of Sofala to the Zimbabwean capital, Harare. The pipeline will also supply oil for Zambia, Malawi and Botswana.

Roman Trotsenko of Rosneft told the Russian news agency TASS that "we will prepare legal documents, a joint venture agreement and will get all permits for the pipeline by the year end".

He explained that the agreements are complicated by the necessity of covering two jurisdictions. He added that when other countries join the project, "we will have a large-scale intergovernmental agreement between six countries".

According to Trotsenko, Zimbabwe currently consumes five million tonnes of oil products a year, which is beyond the full capacity of the current oil pipeline. As a result oil products are imported by road.

Trotsenko stated that Rosneft has obtained a permit from the Mozambique government to increase the current pipeline's capacity, which will involve a new pipeline through a joint venture between Russia, Zimbabwe, and Mozambique.

The cost of the first stage of the project is put at \$700 million, to be funded by a consortium set up by Rosneft.

Supreme Court judges sworn in

President Armando Guebuza on 12 October swore into office five new Supreme Court Judges. They are: the current director of the Legal Aid Institute (IPAJ), Pedro Nhatitima; former Attorney-General, Antonio Namburete; appeals court judge Osvalda Joana; judge Matilde de Almeida; and jurist Augusto Hunguana.

They were appointed following a public tender organised by the regulatory body for judges, the Higher Council of the Judicial Magistracy (CSMJ).

The CSMJ also approved two other candidates, Justice Minister Benvinda Levy and Attorney General Augusto Paulino. But they will only take up their positions on the Supreme Court after leaving their current jobs.

Speaking during the ceremony, President Guebuza recalled that the appointment of the new additions to the Supreme Court occurs a few months after the Higher Appeals Courts have begun operating.

The appeals courts will take some of the pressure off the Supreme Court, which previously had to deal with every appeal against rulings by the 11 provincial courts. A larger Supreme Court, dealing with fewer appeals, should be able to devote more of its time to guaranteeing uniform application of the law across the country.

President Guebuza added, "you are all aware that each of your decision will be a reference point for the lower courts and for citizens in general. Citizens expect from you total and constant commitment to knowing, deciding and applying the law and justice in good time and in an impartial and responsible manner".

The appointments bring the number of Supreme Court judges to 14. But Norberto Carrilho has been seconded to the Constitutional Council, the country's supreme body in matters of constitutional and electoral law, and two other members are believed to be on the verge of retirement.

Planning Minister blasts World Bank hypocrisy

Minister of Planning and Development, Aiuba Cuereneia, has expressed puzzlement at the World Bank's criticism of Mozambique for failing to develop its agriculture, pointing out that the Bank has previously not shown the slightest interest in investing in agriculture.

The World Bank's 2013 World Development Report claims that agriculture is "the origin of much of Mozambique's poverty". It laments that "the persistence of extremely rudimentary technologies" in Mozambican agriculture ensures that productivity remains low.

Thus, after decades of working in Mozambique, the World Bank has suddenly noticed that most Mozambican farmers own nothing more sophisticated than a hoe.

Cuereneia told the Portuguese news agency Lusa that he was "surprised that the World Bank, which has never invested in agriculture, should say this".

The Bretton Woods institutions "are still not investing seriously in agriculture", he added. "They are not supporting African countries to improve their agriculture, and the countries are doing their best. We are doing our best".

Cuereneia pointed out that the Mozambican government has made this criticism in meetings with the World Bank.

In these meetings "our African colleagues and we Mozambicans, have always raised the question of agriculture in Africa", continued Cuereneia. "We have stressed the need for international support for African agriculture".

Cuereneia believed that the situation was improving, at least with regard to the production of basic food crops.

Spanish company to build 4,500 homes

The Spanish group Sanjose on 11 October signed an agreement with the Mozambican government's Housing Promotion Fund (FFH) to build 4,500 houses in three of the country's provinces.

They will be built in Marracuene district, about 30 kilometres north of Maputo, in the central town of Dondo and in the northern city of Nampula. In each place, 1,500 houses will be built, at a total cost, according to Sanjose chairperson Jacinto Gonzalez, of around \$150 million. The houses are all to be built within 24 months.

These 4,500 homes are just the first step. The Mozambican government hopes to involve Sanjose in the construction of 100,000 houses over the next decade.

There will be two types of building. The single storey houses will have three bedrooms, living room, bathroom and kitchen. They will each cover 51.42 square metres with an additional 38.25 square metres for front and back yards.

The larger homes are three bedroom flats in four storey buildings. Each flat covers 70.65 square metres, and will have a living room, a kitchen and two bathrooms.

The prices of these homes start at \$30,000. Each house will be connected to the electricity grid and will have running water. The project also includes access roads, public lighting, gardens and playgrounds, and areas reserved for schools, health centres, crèches and shops.

Speaking at the ceremony, the Minister of Public Works, Cadmiel Muthemba, said that this and other housing projects result from a plan devised two years ago, which led to the adoption of the government's Housing Policy and Strategy, and the restructuring of the FFH, endowing it with greater capacity to stimulate the construction of housing.

He regarded Sanjose as a valid partner or the development of social housing in Mozambique. The Spanish group, he added, has promised to create 20,000 construction jobs and to train Mozambican labour.

Five banks sign memorandum on mortgages

There is no short term solution to the housing problem in Mozambique, the Minister of Public Works, Cadmiel Muthemba, admitted on 8 October.

He was speaking in Maputo at the signing of a memorandum of understanding between the government's Housing Promotion Fund (FFH) and five commercial banks on mortgage arrangements for citizens who wish to buy the houses under construction in the new neighbourhood of Intaka, in the southern city of Matola.

Muthemba said that many people interested in buying houses cannot acquire bank loans because they have no collateral. The memorandum provides a mortgage scheme that would be familiar to Europeans or Americans, whereby the house itself is the collateral. If the house buyers fall behind with their mortgage payments, the bank will be able to seize the house.

The banks who have signed the mortgage deal are

Barclays-Mozambique, Standard Bank, First National Bank, Moza Banco and Banco Unico.

The Mayor of Matola, Arao Nhancale, said that the project to build 5,000 houses in Intaka will create a new pole of development in the city.

The first stone for the project was laid by the then Prime Minister Aires Ali in September 2011. The development covers an area of 300 hectares, and the first 330 houses are expected to be finished by the end of this year.

Intaka was designed by the Mozambican state, and is being implemented by a partnership between the FFH and the Chinese firm, the Henan Guoji Industrial and Development Company.

In addition to the houses, the project includes basic infrastructure such as electrification, water supply, sanitation, and access roads. Intaka will also have a school, a health centre and a market. The total investment in the project is around 12 billion meticaes (\$417 million).

The table of prices for the Intaka houses, published in the Mozambican press in July, show that the cheapest house, covering an area of 80 square metres, will cost \$63,700, while the most expensive, covering 160 square metres, will cost \$158,000.

Chicken hatchery opens in Goba

The South African company Astral Foods on 5 October opened a broiler chicken hatchery next to the Goba dam in the southern Mozambican province of Maputo.

The MOZPINTOS hatchery will have the initial capacity of producing 62,000 chicks per week, with the eggs imported from South Africa. However, a breeding farm is being built at the site to make the project self-sufficient. At full capacity, the site will be producing 158,000 day old chicks per week.

According to the company Director Roedolf Steenkamp, "we believe that chicken is the most affordable and sustainable form of animal protein in Africa".

He added that "the consistent development of the Mozambique economy together with growth in many industries in that country, and a favourable investment climate created by government, allows the establishment of poultry production capacity in Mozambique and supports the rationale for commissioning the MOZPINTOS Hatchery".

Astral plans to launch a brand called "Festiva" to sell chicken to the consumer market and to open an abattoir.

Astral's Chief Executive Officer, Chris Schutte told AIM that the facility will eventually employ 52 people, with 19 working in the hatchery and 28 in the breeding farm. The remainder will be support personnel.

He also explained that the day old chickens will be vaccinated against Newcastle Disease and Gumbora Disease (Newcastle Disease is endemic in Mozambique and causes severe losses each year).

Schutte pointed out that in addition the company has brought in a Brazilian nutritionist to work with local farmers on biosecurity and best farm practices to reduce bird fatalities, which will improve the livelihood of the farmers.

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