

# Mozambique News Agency

## AIM Reports

Report no.463, 7<sup>th</sup> April 2013



## “People can no longer live in fear” - President Guebuza

Mozambican President Armando Guebuza declared in the Malawian capital, Lilongwe on 4 April that the Mozambican people should no longer live in fear. He was reacting to the clashes earlier in the day between armed members of the former rebel movement Renamo and a unit of the riot police in the small town of Muxungue in the central province of Sofala.

The death toll from the shoot-out, according to Chibabava district administrator Arnaldo Machoe, is five – four policemen and local Renamo commander Rasta Mazembe.

Machoe said that the clashes began when armed Renamo members attacked a riot police post at about 3am. The shooting went on until 4.30am. The population of Muxungue fled from their homes and the only establishment in the town that continued functioning was Muxungue Rural Hospital.

The Chibabava Director of Health, Women’s Affairs and Social Welfare, David Guitimela, cited in the Maputo daily “Noticias”, said that a further 11 people had been injured. Two with minor injuries are being cared for in the Muxungue hospital, the other nine were evacuated, first to the Nhamatanda Rural Hospital and then to Beira Central Hospital for surgery.

The train of events began on 3 April when the riot police dispersed a group of around 200 men who had been gathered at the Renamo Muxungue office since 20 March, allegedly for military training as part of Renamo’s promised attempts to sabotage the November municipal elections.

President Guebuza, speaking to Mozambican journalists accompanying him on his state visit to Malawi, stressed that, ever since the signing of the peace agreement in 1992, the government has done everything in its power to avoid confrontation with Renamo – but these efforts have never met with any corresponding gesture from the other side.

“At some moment we have to put an end to fear, because it is not correct that the people should always live in a state of fright”, he said.

This fear has been particularly acute in those parts of Sofala where Renamo has kept groups of armed men, on the grounds that they are a security force protecting Renamo leader Afonso Dhlakama.

“Every effort has been made to reach a peaceful solution, avoiding bloodshed”, President Guebuza stressed, but now “we must find a solution”. Renamo, he said, had continually hardened its position, despite attempts at dialogue.

President Guebuza admitted that he had always found it difficult to hold a dialogue with Afonso Dhlakama. He recalled that he had met with Dhlakama about a year ago in the northern city of Nampula, in an attempt to persuade him

not to opt for violence. But the Renamo leader always slipped back into making bellicose threats.

President Guebuza declined to commit the government to continued use of force in order to disband Renamo’s illegal “Presidential Guard”. When AIM asked him if he had drawn the conclusion that only force could end the problems, he simply replied “that may be your conclusion”.

### Former members attack MDM office

Former members of the Mozambique Democratic Movement (MDM) have attacked the party’s offices in the northern town of Angoche, according to the newspaper “O Pais” on 3 April.

Cited by the paper, MDM general secretary Luis Boavida, claimed that the assailants came from outside Angoche and were led by Mario Albino, a former Nampula provincial delegate of the MDM.

The group vandalised the office and their purpose, allegedly, was to entice MDM members in Angoche to join a new political association which intends to transform itself into a political party and contest the 20 November local elections in six northern municipalities in Nampula province.

According to Boavida, the new proto-party is led by his predecessor as MDM general secretary, Ismael Mussa. Mussa was elected to the country’s parliament, the Assembly of the Republic, on the MDM ticket in the 2009 general elections, and he remains a member of the MDM parliamentary group.

However, a dispute between Mussa and the head of the MDM parliamentary group, Lutero Simango in 2010, led to the group depriving Mussa of the right to speak in parliamentary debates.

According to Boavida when Albino’s group reached Angoche, he claimed that he was still a member of the party, met with the local MDM leadership, and attempted to persuade them to join the new association.

Boavida added that the group tried to bribe MDM members to leave their party. They promised goods such as bicycles and motorbikes, and monthly allowances to anyone who would leave the MDM.

It is not yet clear how successful this tactic has been, and how many people have left the MDM in Angoche.

## Beacon Hill to begin Moatize coal production

The London-based mining company Beacon Hill Resources has announced that it is in the process of commissioning a wash plant at the open cast coal mine Minas Moatize in the western province of Tete, which will lead to the production of saleable coal beginning in May.

The company is planning to increase capacity at the mine to 2.8 million tonnes per annum by the end of this year, and will focus on mining the high value hard coking coal.

According to the company's chairman, Justin Farr-Jones, by the end of the year the mine will have the annual capacity to produce 500,000 tonnes of coking coal for export to India and another 500,000 tonnes of thermal coal for sale to customers locally and regionally.

Farr-Jones explained that the company has a quota that will enable it to transport half a million tonnes of coal per year along the Sena rail line to the port at Beira.

To move the coal Beacon Hill has invested \$21 million in new rolling stock. It has ordered from South Africa five locomotives from Grindrod and 90 wagons from Transnet. These are due to arrive in the third quarter of this year.

In an interview with AIM, Farr-Jones said that the company may transport some coal by truck to Beira or it may choose to stockpile the coal until the rail link is running.

He stressed that the company is committed to using the Sena line to meet its needs, explaining that "we have an eight per cent allocation on the Sena line and it is expected that the line's capacity will double from 6.5 million tonnes to approximately 13 million tonnes per annum over the next few years, ultimately reaching a maximum capacity of about 20 million tonnes per annum".

On 3 April in Maputo Minas Moatize entered into a 25 year mining contract with the Mozambican government. The contract was signed by Mozambique's Minister of Mineral Resources, Esperanca Bias, and the Chief Executive Officer of Minas Moatize, Rowan Karstel.

Under the agreement the Mozambican government has taken a five per cent share in Minas Moatize and has the option to purchase another ten per cent stake at market prices.

## Minas de Revuboe awarded mining contract

The Japanese corporation Nippon Steel has announced that Minas de Revuboe has been awarded a mining contract by the Mozambican government, which represents a big step towards the commercial exploitation of coal at the Revuboe mine in Tete province.

The agreement was signed in Maputo on 3 April by Minister Esperanca Bias; the Chairman of Talbot Group, Denis Wood; and Yasushi Aoki of Nippon Steel.

The Revuboe concession is close to the coal projects operated by Rio Tinto (the Benga and Zambeze projects), and to the open cast mine of the Brazilian company Vale. It has an estimated reserve of 1.4 billion tonnes of coking and thermal coal.

Coking coal is used in steelmaking and is in great demand in Asia. Thermal coal can be used in Mozambique and neighbouring countries for producing electricity or pig iron.

It is estimated that once fully operational the mine could produce five million tonnes of coking coal per year.

Revuboe has been in the news over the last week due to the decision by mining giant Anglo American to pull out its \$555 million buyout of Talbot's share in the project. Plans are now being drawn up to go ahead without Anglo American, with coal production due to begin in 2016.

Minas de Revuboe is currently owned by the Talbot Group, Nippon Steel (33.3 per cent share) and the South Korean steelmaker Posco (7.8 per cent share).

Under the agreement signed with the government, five per cent of shares will be transferred to the Mozambican state represented by the Mozambican Mining Company (EMEM) with another five per cent being made available to national investors at market value.

## ProSavana agreement signed in Tokyo

The master plan for the Nacala Development Corridor, which will be finalised later this year, will define the overall budget for the Programme of Triangular Cooperation for Developing Agriculture in the Tropical Savannahs of Mozambique (ProSavana).

ProSavana will be developed in the north of the country, mostly along the Nacala Development Corridor, to increase agricultural productivity, with a strong component of technology transfer.

It covers about 700,000 hectares, and is based on a project that Japan implemented in Brazil in the 1970s, which revolutionised agricultural production in an area now regarded as the most productive in Brazil.

On 3 April a memorandum of understanding was signed in the Japanese capital city Tokyo at the end of a working visit by Mozambique's Agriculture Minister Jose Pacheco.

Speaking after signing the memorandum, Pacheco said "once we have the master plan we will know what the contribution of each of the parties in the project will be for the implementation of ProSavana".

The document was also signed by the Deputy President of the Japan International Cooperation Agency (JICA), Tsuneo Kurokawa, and the Director of the Brazilian Cooperation Agency (ABC), Fernando de Abreu.

Pacheco told journalists that the agricultural extension component of the project has not yet advanced to the desired level, but that the conditions have been created to accelerate progress.

One of the ultimate goals of ProSavana is to equip farmers with the ability to practice commercial agriculture, producing goods for the internal market and for export. Agricultural extension is the means to ensure that the transfer of new production technologies reaches the thousands of farmers still involved in subsistence agriculture in the Nacala Corridor.

This year, according to the Minister, agricultural extension will be driven forward by new staff that will join other specialists in the public and private sector. The first big impact of this injection will be during the forthcoming 2013/2014 agricultural campaign.

The trilateral commission of Mozambique, Japan and Brazil also agreed that the agricultural research mechanisms looking at the types of crop cultures to be used have been established locally and are progressing vigorously. Technicians are currently testing various varieties of maize, beans, soya and cotton.

Pacheco stressed that what is now important is to consolidate the partnership between the three countries, especially strengthening dialogue to ensure the participation of all the actors in the value chain in agricultural production in the Nacala Corridor.

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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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## Government to tackle illegal fishing

Illegal fishing for prawns and tuna in Mozambican waters resulted in losses of \$67 million last year, according to the Ministry of Fisheries. Illegal fishing is mainly carried out by foreign boats entering the bays of Maputo and Sofala.

This year the Mozambican government has made the control of illegal fishing one of its priorities. The authorities plan to carry out at least 297 inspections in the provinces of Maputo, Sofala and Zambezia, as well as 253 patrol missions in the country's Exclusive Economic Zone. In parallel, there will be 150 hours of surveillance flights over the Sofala bank and the Exclusive Economic Zone.

The Minister of Fisheries, Victor Borges, announced earlier this year the intensification of action to control fishing, including the adoption of policies to promote the sustainable exploitation, protection and conservation of resources, and compliance with regulations by operators.

Mozambique spends 70 million meticaís (\$2.25 million) each year in the fight against illegal fishing. However, this is low in comparison with the amount spent by other members of the Southern African Development Community (SADC).

In an attempt to keep down costs Mozambique has been promoting joint patrols with neighbouring South Africa, Madagascar and the Seychelles.

The illegality can take the form of fishing without a licence or violating quotas. Not only does this result in financial losses for the state, but can result in overfishing leading to ecological threats.

## Lichinga – Cuamba road to be asphalted

The EN13 highway between Cuamba and Lichinga in the northern province of Niassa is due to be asphalted by 2014.

Funds for construction work covering 210 kilometres of the road have already been secured. The \$240 million of funding will come from the African Development Bank and the Japanese International Cooperation Agency, along with funds from the Mozambican government.

Included in the project is the construction of bridges over rivers along the route from Cuamba to Massangulo in the district of Ngauma.

The central and provincial governments will be looking for \$80 million to finance the remaining section between Massangulo and Lichinga.

The EN13 highway is seen as vital for the development of Niassa province, providing a link with the port of Nacala. The other route seen as central to the region's development is Cuamba – Marrupa – Lichinga.

It is hoped that rehabilitating these routes will help traders and make the province more appealing to investors.

## Ressano Garcia railway line reopens

The Ressano Garcia railway between Maputo and South Africa reopened on 2 April after being closed for 45 days due to damage to a bridge caused by the derailment of a goods train from South Africa.

Many South African companies have been hit by the rail closure, especially those relying on the line to export their goods through Maputo port. Some switched to trucking their goods by road to Maputo whilst others used the Goba railway line to Maputo, via Swaziland.

Maputo port was financially damaged by the closure of the line, with 70 per cent of its total volume coming from South African iron ore and coal transported over the Ressano Garcia line.

## Parliament elects CNE members

The Mozambican parliament, the Assembly of the Republic, on 28 March approved by consensus its appointments to the National Elections Commission (CNE).

Under the electoral legislation passed in December, the new CNE will have 13 members. The three parties represented in parliament will choose eight CNE members – five appointed by the ruling Frelimo Party, two by the main opposition party Renamo, and one by the Mozambique Democratic Movement (MDM).

However, Renamo has taken the decision to refuse to accept the new electoral legislation and is threatening to boycott the municipal elections scheduled for 20 November this year. It has therefore not nominated anybody.

All the nominees of Frelimo and MDM affirmed during a sitting of the Assembly's Legal and Constitutional Affairs Commission that they do not have conflicts of interest as defined by the Law on Public Probity and that they would renounce any incompatible posts.

Frelimo's nominations were Antonio Chipanga, Rodrigues Timba, Antonio Muacorica, Abilio Diruai and Eugenia Chimpene, MDM nominated Bernabe Ncomo.

Two CNE members will come from the legal community – a judge and an attorney, appointed by the two regulatory bodies, the Higher Council of the Judicial Magistracy, and the Higher Council of the Public Prosecutor's Office.

The other three will come from civil society organisations. The law states that civil society bodies may propose candidates for the CNE to an ad-hoc committee set up by the Assembly. From the names proposed, the ad-hoc committee will draw up a short list of between 12 and 16 names that will be submitted to the Assembly plenary.

A secret ballot vote in the plenary will choose the three CNE members, while the three runners-up become supplementary members who will take over if any of the full members dies, resigns or is incapacitated.

## TRAC welcomes toll free increase

Trans African Concessions (TRAC), the company that operates the Maputo-South Africa motorway, has welcomed increases to the tariffs on the route whilst stressing that it is the Mozambican government that sets the toll fees.

The increases in the tolls range from eight to 28 per cent, much higher than the inflation rate which was only 2.02 per cent in 2012. The tolls came into effect on 1 April.

Anita Heyl from TRAC told AIM that between 2006 and 2011 there was no adjustment to the tariffs, which she said was in breach of the concession contract.

According to TRAC this left it suffering extensive financial losses which "as well as other circumstances beyond TRAC's control, hampered the rehabilitation and maintenance programme earmarked for the EN4".

TRAC argues that this financial burden "was compounded by nationwide asphalt shortages, overloading of heavy vehicles (particularly sand trucks) and limited (or no) law enforcement" which "created additional pressures on TRAC's ability to provide the high standard of road infrastructure it is known for".

TRAC welcomed the toll increases, stating that they will "give impetus to the planned rehabilitation and maintenance programme which is expected to commence within the next four to six months".

The company has also announced that it is setting up an asphalt plant in Mozambique to provide material for upgrading the toll road.

## EDM discusses power line with partners

The chairperson of the board of Mozambique's electricity distribution company, EDM, Augusto Fernando, has announced that the company is working with its partners to finalise details of CENSUL – the project for a new electricity transmission line from the Zambezi Valley to Maputo.

Among these partners are the Portuguese electricity company REN, Eletrobras of Brazil, Eskom of South Africa and EDF of France.

The CENSUL line is commonly referred to as “the backbone” of the Mozambican electricity grid.

Fernando added that the new line is dependent on the building of a new dam on the Zambezi at Mpanda Nkuwa, 60 kilometres downstream from the dam at Cahora Bassa.

A consortium headed by the Brazilian company Camargo Correa will build Mpanda Nkuwa, and work will be carried out simultaneously on the new dam and the new power line.

A new transmission line is necessary, because the existing line, which carries Cahora Bassa power to South Africa, will be insufficient once more power sources come on stream – these include Mpanda Nkuwa, a second power station at Cahora Bassa, and coal fired power stations built by the mining companies Vale and Rio Tinto.

The CENSUL line is budgeted at \$2.5 billion and is key to industrialisation in Mozambique and the region.

The project involves two parallel high voltage power lines running from Tete to Maputo, with five new substations (at Cataxa, Inchope, Vilanculos, Chibuto and Moamba). One will be an alternating current line operating at 400 kV, while the other will carry direct current at 500 kV.

The new lines will reduce Mozambique's dependence on South Africa for electricity. The current line south does not take Cahora Bassa power directly to Maputo. Instead the line goes to the Apollo substation in South Africa, and is then carried back into Mozambique on lines belonging to Eskom.

The CENSUL project should solve interconnection problems between the various subsystems that form the national grid, and will encourage the development of new electricity generation projects.

## 20 million mosquito nets distributed by USAID

The United States Agency for International Development (USAID) has, since 2007, distributed 20 million insecticide treated mosquito nets in collaboration with the Mozambican government, according to Polly Dunford, the interim USAID director in Mozambique.

Speaking on 21 March at a meeting reflecting on the cooperation between the US and Mozambique, she said that the mosquito nets, distributed under the President's Emergency Plan for AIDS Relief (PEPFAR), have reduced the impact of malaria which has been the main cause of mortality, particularly among Mozambican children, and at peak periods, the main cause of hospitalisation.

Dunford said that, since the launch of PEPFAR in Mozambique in 2006, USAID has disbursed over \$200 million for the anti-malaria programme. This sum has

covered not only the bed nets, but also spraying against mosquitoes, intermittent preventive therapy for pregnant women, and the purchase of more effective new drugs against the disease.

Dunford said USAID also pays special attention to agriculture, since this is the sector on which about 80 per cent of the population depends for their survival. “We believe in Mozambique's potential to become a supplier of foodstuffs to the region”, she said. “In addition the country has an excellent strategic position expressed in ports such as Beira and Nacala, and the trade corridors that radiate from them”.

She cited examples of successful peasant associations, which, after training programmes supported by USAID, have proved able to sell their produce on their market. The associations have also obtained better access to improved seeds, and to agricultural machinery, as well as a guaranteed market for their surplus crops.

US ambassador Douglas Griffiths said for his part that the US investment in Mozambique has been running at around \$500 million a year, much of it going towards strengthening the health sector.

Despite Mozambique's high rates of economic growth, the country is still extremely poor. The US, Griffiths pledged, would therefore pay special attention to supporting policies to create jobs, improve education and reduce poverty.

## Bill creating new districts passed

The Mozambican parliament, the Assembly of the Republic, on 21 April passed a government bill creating 13 new districts in four northern and central provinces.

In most cases, this involves upgrading administrative posts to district status, but in two cases (Quelimane, in Zambezia, and Mozambique Island, in Nampula) districts that had been abolished in 1986 are reinstated.

The government states that the measure is intended “to consolidate the district as the main territorial unit for the organisation and functioning of the local state administration, and as the basis for planning economic, social and cultural development”.

The new districts would also “consolidate new poles of development in order to fight against poverty” and “will bring the centres of political, administrative and economic decisions closer to the public”.

The bill was entirely uncontroversial, and so was passed unanimously.

The new districts are as follows: Nampula province - Mozambique Island, Lurde and Liupo; Zambezia province - Quelimane, Luabo, Mulevala, Mocubela, Derre and Mulombo; Tete province - Marara and Doa; Manica province - Macate and Vanduzi.

These changes mean paying for staff and capital expenditure in 13 new districts. The Ministry of Finance puts the budgetary impact of the bill at about 1.1 billion meticaís (\$36.4 million) spread over three years.

With all provincial capitals now also considered as districts, the total number districts rises to 151.

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