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President Guebuza visits China in search of investment

President Armando Guebuza on 19 May ended a week long working visit to China during which he met with senior political and administrative figures and business leaders.

Speaking to journalists at the end of his tour, President Guebuza rejected claims that China was recolonizing Africa and pointed out that the country is a friend of Mozambique and has already proven its intention to build a relationship based on mutual gains.

The President described his visit as “very good, a total success” and lambasted critics of China’s growing links with Africa for treating the continent’s leaders as if they were children who do not know what is good for them.

During his visit, President Guebuza brought a portfolio of over a hundred projects in need of funding with a total budget of over ten billion US dollars.

Most of these projects are for the construction of roads, railway lines and ports throughout Mozambique. Others cover the building of schools, polytechnics and institutions of higher education.

On 16 May President Guebuza met with the chairman of the Kingho Group, Huo Qinghua, in Shanghai.

The Kingho Group is one of the world’s largest mining and energy companies and it is keen to explore for coal in the Moatize basin in Mozambique’s western province of Tete.

Kingho is planning to construct a new port in the city of Beira and a completely new railway line linking the port to Moatize, via Chimoio in Manica province.

As part of his tour of Shanghai, President Guebuza visited several sites along the Huangpu River during which he received a detailed explanation of the economic development along both banks of the river.

He also held a meeting with Shanghai’s Mayor, Yang Xiong before attending a working dinner during which ways to increase financial support for various projects in Mozambique were discussed.

Under the electoral law, the chairperson must be one of the CNE members nominated by civil society organizations. There are only three of these - Carimo, nominated by the Centre for Democracy and Development Studies (CEDE), Paulo Cuinica, one of the candidates from the Electoral Observatory, a coalition of religious bodies and NGOs, and Rabia Valigy, proposed by the Association for the Struggle against Poverty (a body that could charitably be described as invisible). Both Cuinica and Valigy were also members of the outgoing CNE.

Initially, all three said they would stand for the post of chairperson, but Valigy then dropped out for “personal reasons”.

Carimo is the General Secretary of the Islamic Council of Mozambique (CISLAMO), which is one of the component parts of the Electoral Observatory. He has also been Executive Director of the Observatory.

When he was elected, Carimo declared that his greatest challenge will be to ensure that this year’s municipal elections and the 2014 general elections are held in a peaceful climate, and that they respect the Mozambican Constitution.

“I hope that the elections will be calm”, he said, adding that he did not want to see the CNE accused of favouritism towards any particular candidate or political party.

The CNE consists of eight members from the parliamentary parties (five appointed by the ruling Frelimo Party, two by the main opposition party, Renamo, and one by the Mozambique Democratic Movement (MDM), three from civil society, a judge appointed by the Higher Council of the Judicial Magistracy, and an attorney appointed by the Higher Council of the Public Prosecutor’s Office.

But the two seats for Renamo remain vacant. Renamo has announced that it will boycott the elections and has so far refused to appoint its CNE members.

Carimo predicted that Renamo will eventually change its position, and take up its seats. “I believe that Renamo will come to the CNE”, he said. “I don’t see any other scenario”.

Abdul Carimo appointed CNE chairperson

President Armando Guebuza on 23 May issued a dispatch appointing Abdul Carimo Nordine Sau to the post of chairperson of the new National Elections Commission (CNE).

This was a legal formality, since on the previous day the CNE had elected Carimo its chairperson by nine votes to two.

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

Health strike hits patient care

As of 26 May, there is no sign of an end to the doctors' strike called by the Mozambican Medical Association (AMM) in pursuit of a demand for a 100 per cent rise in doctors' basic wages. However, the Health Ministry says it is confident that the great majority of doctors and other health workers are ignoring the strike call.

At a press conference in Maputo on 24 May, Ministry spokesperson Francelina Romao said that, despite the strike, all health units in the country are functioning, although there remain what she called "isolated problems".

Romao said that many of the health professionals who went on strike earlier in the week had returned to work. This has allowed the government to dispense with the services it requested from NGOs and other agencies, as an emergency measure, in several parts of the country, notably the central provinces of Sofala and Manica.

She warned that the Ministry of Health will apply the disciplinary measures envisaged in the General Statute of State Employees to those health workers who remain absent from their posts.

Romao stressed that the Ministry is willing to enter a dialogue with the AMM in order to reach agreement on the matters covered by the memorandum of understanding which ended the first doctors' strike in January.

She suggested that subsequently, or simultaneously, the Ministry could meet with representatives of the second striking organization, the Commission of United Health Professionals (PSU).

But the AMM President, Jorge Arroz, claimed that the Ministry has not given any formal response to the Association since the start of the strike on 20 May. The strike would therefore continue "until the problems which trouble health workers are solved".

When reporters visited health units in Beira, they found that they were open, but with large queues, caused by the absence of some doctors, particularly specialists.

In Manica, the situation is described as "stable". Seven doctors joined the strike on 20 May, but five have subsequently returned to work. Of the two remaining strikers, one is in the main hospital in the provincial capital, Chimoio, and the other is in Machaze district. There are 49 Mozambican doctors in Manica, 26 of whom work in the Chimoio hospital.

In the northern province of Nampula. The majority of those who had taken strike action were back at their posts by the end of the week.

In Zambezia province, the provincial chief doctor, Epifanio Mahagajo, called a press conference on 24 May to announce that doctors in this part of the country had not joined the strike, and that patients are being seen in all Zambezia health units without any limitation. He said that, while the demands posed by the AMM may be legitimate, the key needs were to treat patients and to prioritise dialogue.

Despite Mahagajo's optimism, it is known that at least one Zambezi health unit, the Morrumbala District Hospital, could not attend to patients on the first day of the strike, because the doctor and other staff did not appear for work. Mahagajo said he knew nothing about this, and insisted "there is no doctors' strike in Zambezia".

In Gaza and Inhambane provinces, which had been seriously affected by the strike at the beginning of the week, the strikers have been gradually returning to work. Thus in the Gaza town of Chokwe only two of the eight doctors stationed there have not yet returned to work

In Cabo Delgado and Tete provinces, no doctors at all

have gone on strike. In the Cabo Delgado provincial capital of Pemba, reporters from the daily newspaper "Noticias" could personally confirm that there has been no interruption of service in any part of the provincial hospital. Phone calls to all the other significant urban centres in the province confirmed that there was no sign of a strike in any of them.

Maputo has remained the area worst hit by the strike, but even here some of the health centres closed down earlier in the week have re-opened and are functioning, but with limitations. Some of the capital's health units, however, remain closed.

The National Human Rights condition (CNDH) has called for an end to the strike, and for an understanding between the parties involved. Although health workers have a right to strike, the CNDH said, patients have a right to health and to medical care.

A CNDH statement said it was concerned at the fate of children in paediatric wards, pregnant women in maternity wards, people hospitalized in the surgical and general wards, and those in need of psychiatric care. Also of great concern was the situation of HIV/AIDS parents undergoing anti-retroviral treatment. If they do not receive their drugs every day, they are at serious risk of losing their lives.

This was a case where fundamental rights – the right to strike and the right to health – are in collision. The CNDH believed that in such situations, the right to health and to life should always be given the top priority.

Mozambique needs to diversify energy sources

Deputy Minister of Energy Jaime Himede has warned that the Mozambique and the whole southern African region needs to diversify its sources of energy to meet the demand created by industrial development.

Speaking in Maputo on 22 May at the opening ceremony of the conference "Challenges of the Energy Industry", Himede stressed the need to build the infrastructure capable of supporting the development of the industry emerging from the recent discoveries of natural resources.

Himede reminded the audience that, at the current pace of economic and social development, Mozambique will need to increase its electricity generation capacity by at least 100 megawatts a year. This figure does not include the energy required for any further mega-projects, and does not include increased exports of electricity.

According to Himede, Mozambique is looking to close the energy deficit through building new hydroelectricity power stations at Mpanda Nkuwa (Phase I, 1,500 megawatts, and phase II, 900 megawatts), Borama (200 megawatts), Lupata (600 megawatts), Lurio (120 megawatts), and on the north bank of Cahora Bassa (1,245 megawatts).

Himede pointed out that these new power stations will need investments that are beyond the financial capacity of the Mozambican state and will require public-private partnerships.

He added that the development of the energy sector in Mozambique will not be based on one source as the country also has access to natural gas, coal, ethanol and renewable energy capable of ensuring sustainable development.

The chief economist at the bank Millennium-BIM, Omar Mitha, told the conference that future growth in Mozambique depends on supplying energy to small and medium sized enterprises.

According to Mitha, "by 2025 Mozambique could be a developed country that, due to the high levels of growth, might even become the third power in Africa".

UN Secretary General believes Mozambique is on track to meet MDGs

The United Nations Secretary General Ban Ki-moon on 20 May said that he believes that Mozambique is on the right road towards achieving the Millennium Development Goals (MDGs), but warned that there are still challenges to be overcome if the country is to reach all the targets by the deadline of 2015.

The eight MDGs set specific targets on poverty alleviation, education, gender equality, child and maternal health, environmental stability, HIV/AIDS reduction, and the creation of a Global Partnership for Development.

Ban Ki-moon was speaking in Maputo during a round table discussion on the theme "The Millennium Development Goals – The vision post-2015" organised by the Community Development Foundation (FDC) in partnership with the United Nations in Mozambique.

Ban Ki-moon expressed satisfaction at the economic and social progress in Mozambique. He pointed out that most children have access to early schooling and the number of children living beyond their fifth birthday has more than doubled in recent years. He added that progress has been made in providing the population with access to water and sanitation, and boosting women's participation in government, with 40 per cent of deputies being women.

The Secretary General pointed out that Mozambique has seen economic growth over the last few years, and that this has been boosted by the recent discovery of mineral resources and hydrocarbons.

However, he lamented that more than half of the population lives below the national poverty line, more than forty per cent of children are stunted or undernourished, and HIV/AIDS remains a major challenge.

He also pointed out the need for the country to continue to focus on building social and economic infrastructures. This has the potential to make Mozambique an example to the world of sustainable development.

Ban Ki-moon stated, "around the world, wherever we look, the MDGs have brought success. But not complete success. Achievements vary among and within countries. Globally, we are lagging badly on some targets – especially sanitation, which poses a major threat to the health of people and the environment".

He warned that "there are less than 1,000 days to go before the end of 2015. Less than 1,000 days of action. We must focus on where we are falling short and accelerate momentum".

Mozambique is one of fifty countries taking part in consultations about the post-2015 period, and the Community Development Foundation has been working in partnership with the United Nations on these consultations since December 2012, involving six hundred people.

According to the Foundation's president, Graca Machel, people recognised that the country is growing. However, they warned of the continuing social inequality, unemployment, low levels of production and productivity.

The consultations also found strong support for the government to continue paying increased attention to the provision of basic social services such as health, education and sanitation.

Speaking on behalf of the Mozambican government, Amelia Nakhare, the Deputy Minister of Planning and Development, confirmed that the country is making good progress in meeting some of the MDGs but recognised that there are still constraints related to the availability of financial resources.

Post flood reconstruction could cost \$517 million

Reconstruction in Mozambique after the floods of earlier this year could cost \$517 million according to new government figures.

According to the Minister of Planning and Development, Aiuba Cuereineia, of this amount about \$353 million will be for reconstruction in the public sector and \$164 million in the private sector.

The minister was speaking on 3 May in Maputo at the annual review meeting of the donors and funding agencies who provide direct support to the Mozambican state budget, known as the Programme Aid Partners (PAPs) or G-19.

The new figure represents a large increase on the preliminary estimate given on 14 March to the country's parliament, the Assembly of the Republic, by the Minister for State Administration, Carmelita Namashalua.

She said that the figures for damage indicated a need for at least \$322 million – \$309 million for the public sector and \$13 million for the private sector.

Funds are needed for repairing or rebuilding schools, health units, roads, bridges, water supply sources, as well as for food aid and resettlement.

Flooding in January and February affected over 478,000 people and resulted in 117 deaths. In addition, more than 172,000 people were made homeless.

At the beginning of May the World Bank announced the revision of its macro-economic projections for Mozambique, lowering expected annual economic growth for this year from eight to seven per cent.

Brick makers block Sena line

Brick makers from the resettlement area of Cateme, in the western Mozambican province of Tete, on 12 May once again blocked the Sena rail line, preventing coal trains of the Brazilian mining company Vale from making the journey to the port of Beira.

The sabotage of the railway followed a breakdown in negotiations on 10 May between the company and the brick makers over resettlement compensation.

This is the second time in less than a month that the brick makers have prevented Vale from moving its coal. The earlier blockade took place on 16 April, when a group of 500 people, led by young brick makers, halted all movement along the line, until they were dispersed by the police.

The brick makers consider that the compensation of 60,000 meticaís (slightly less than \$2,000) paid by Vale when they were resettled is inadequate.

The brick makers have announced a new formula to calculate compensation – this is the annual production of 102,000 bricks at the price of two meticaís a bricks multiplied by 50 (the number of years they say they will be unable to produce bricks). This comes to 10.2 million meticaís (over \$335,000) each.

Vale says it cannot possibly pay such an amount. Earlier demands by the brick makers were for only 120,000 meticaís each.

Tete provincial governor Ratxide Gogo has called for dialogue, but stressed that the people affected should not make demands that cannot be met.

He pointed out that they had received the compensation four years ago, and it makes no sense for them to claim now that the sum was derisory.

LAM to fly to all regional capitals by 2017

Mozambique Airlines (LAM) has announced that by 2017 it will be flying to all the capital cities in the Southern African Development Community (SADC).

This aspiration was expressed by LAM's Chief Executive Officer, Marlene Manave, during the visit of Prime Minister Alberto Vaquina to the company's headquarters in Maputo.

Manave explained LAM has seen remarkable growth over the last few years with volume of business increasing from \$100 million in 2009 to \$157 million last year.

The growing confidence of the airline is shown by its plan to introduce next year flights to Cape Town and Durban. It also plans to connect the Mozambican cities of Tete and Nampula with Blantyre and Lilongwe in Malawi.

The other regional target is Windhoek in Namibia, with flights scheduled to begin in 2017.

In addition, LAM is considering launching intercontinental flights to Rio de Janeiro and Sao Paulo in Brazil in 2016 or 2017.

According to Manave, LAM is working hard to remove Mozambique from the list of countries that are banned from flying in European Union airspace. If this is not possible, LAM is pushing for the company to be listed in the EU blacklist's "Annex B" which covers airlines which are restricted to operating certain aircraft within EU airspace.

Meanwhile, Kenya Airways has announced that it is adding an extra flight from Nairobi to Maputo in June to meet rising demand.

This is the latest in a string of new services to Mozambique. On 6 May British Airways launched its maiden flight between Johannesburg and Maputo.

Mozambique signs air transport accord with UAE

Mozambique and the United Arab Emirates (UAE) on 16 May in Dubai signed a bilateral accord covering air transport.

The agreement will pave the way for airlines to launch services for the movement of passengers and cargo, and will serve as a basis for the growth of trade and investment and the development of partnerships in sectors such as tourism.

The accord was signed by Mozambique's Transport Minister Paulo Zucula and the UAE's Minister of Economy Sultan Bin Saeed Al Mansouri.

According to the Mozambican Civil Aviation Institute (IACM), the accord is the culmination of more than seven years of negotiations and consultations.

The final round of discussions was held on 14 and 15 May in Dubai where Mozambique was represented by a delegation led by the head of the IACM, Joao Abreu.

The delegation also included representatives from Mozambique Airlines (LAM), the Mozambique Airports Company (ADM) and the government.

The accord designates five UAE airlines including Emirates, Etihad and RAK Airways. In addition, a public tender will soon be held for Mozambican companies wishing to fly the route.

French catering company lands Vale contract

French catering company CIS announced on 16 May that it has signed a \$50 million contract with the Brazilian mining giant Vale to provide services in northern Mozambique.

The three year contract includes the construction a kitchen and restaurant with seating for six hundred people at Nacala-a-Velha in the northern province of Nampula. It is here that Vale is creating a new port terminal to export the huge amounts of coal that the company is mining in its concession in western Mozambique.

Vale is building a new railway line to transport the coal from the Moatize coal basin in Tete province and CIS will also be providing catering services at Nacala-a-Velha and at two points along this new line.

CIS will be catering for between 3,500 and 5,500 people daily and will also be doing the laundry for 730 residents at Vale's base camp at Nacala-a-Velha.

The industrial zone at Nacala-a-Velha and the Nacala Development Corridor have the potential to turn northern Mozambique into one of the most developed regions in the country and perhaps even in the Southern African Development Community (SADC).

Vodacom launches M-Pesa service

The Mozambican mobile phone operator Vodacom on 16 May in Maputo launched its M-Pesa cash transfer service.

Speaking at the launch ceremony, Ernesto Gove, the governor of the Bank of Mozambique, said that the existence of a strong and stable financial system that is comprehensive and inclusive is an objective that must be realized for the benefit of people living in districts without any point of access.

M-Pesa was launched by Vodacom in Kenya in 2007 and is now available in eight countries including Tanzania, Afghanistan, South Africa, India and the Democratic Republic of Congo. Worldwide it has 17 million users.

According to Gove, adjustments to the legal and regulatory framework in 1999 and 2004 opened the way for new forms of financial institutions and the emergence of new services and products.

The launch ceremony was attended by members of the government, business figures and other guests.

An academic report last year into the mKesh service provided by Mozambique's publicly-owned mobile phone company mCel found that financial literacy has increased in rural areas where mobile money has been introduced.

According to the researchers, there are about five million subscribers to mobile phone services, which is about a quarter of the population. This makes the potential for mobile money in rural Mozambique enormous, given that bank branches do not extend beyond provincial capitals and some, but by no means all, of the district capitals.

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

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