

Mozambique News Agency

AIM Reports

Report no.472, 17th October 2013



President Guebuza honoured in Uganda

President Armando Guebuza on 8 October called for stronger economic ties with Uganda to realise the potential of both countries. He made his comments during an official banquet held in his honour by President Yoweri Museveni.

The President said that, contrary to the geographic perspective that Mozambique and Uganda are distant countries, from a diplomatic and political analysis they are neighbours working to become even closer.

He added, “economists will argue that Mozambique and Uganda can further reduce the distance separating them by consolidating the excellent diplomatic and political relations through taking advantage of the many business opportunities”.

He explained that the two countries have different natural resources, which have the potential to be economically complementary.

President Guebuza arrived in Uganda on 8 October for a working visit during which he will seek to expand common interests in education, health and infrastructure.

On 9 October, President Guebuza took part in celebrations in Rukungiri to mark the 51st anniversary of Uganda’s independence.

During the celebrations, President Museveni decorated President Guebuza with Uganda’s highest honour given to heads of state.

The Most Excellent Order of the Pearl of Africa was awarded in recognition of his leadership in the Southern African Development Community (SADC) and for his role in the anti-colonial struggle in Mozambique.

Museveni has a longstanding relationship with Mozambique’s ruling Frelimo Party, and underwent military training with Frelimo guerrillas prior to Mozambican independence. His National Resistance Movement (NRM) is also grateful to Mozambique for its participation in the overthrow of Ugandan dictator Idi Amin in 1979.

UniLurio awards degrees in rural development

Mozambican President Armando Guebuza on 18 October will attend the first graduation ceremony for the subjects of forestry and rural development at the University of Lurio.

The ceremony takes place at the University’s faculty of agrarian science, based in Sanga district in the northern province of Niassa. It will be preceded by the inauguration of the Wunango (Unango) University Campus.

The University of Lurio has its headquarters in Nampula city. It was created in December 2006 and has campuses in Nampula, Cabo Delgado and Niassa.

The students graduating are from a group of seventy who began their higher education in 2009 at the same time as the University started its operations in Niassa.

During his working visit to Niassa province, President Guebuza will inaugurate a power station in Chimbonila. The President will also visit an agro-industrial complex at Matama and the company Chikweti Forests of Niassa.

Bilingual education promoted in Sofala

The Sofala provincial government in central Mozambique has found that bilingual education in early school years is making a positive difference to children’s learning.

According to the provincial director of education and culture, Pedro Mbiza, five thousand students are being taught bilingually. This is taking place everywhere in the province except for the districts of Marromeu, Cheringoma, Gorongosa and the city of Beira.

Mbiza told AIM that the scheme was introduced in 2004 to help children who enrolled in school without knowing any Portuguese. He explained, “these children are taught in two languages until their third year, after which they only receive teaching in the official language (Portuguese)”.

One of the difficulties faced is that some teachers cannot speak the local language. This problem has been tackled through rotating teachers and delivering training. Mbiza stated that it takes between four and six months for teachers to learn a local language to a level where they can communicate easily with students.

Although Portuguese is the official language, it is mainly used in cities and towns. According to a study by Ngunga and Bravo (2011), it is spoken by 1.7 million Mozambicans, which represents just 10.8 per cent of the population aged over five years old.

In the rural areas, the population communicates using local languages. Therefore, in 2003 the Mozambican government launched bilingual education in selected schools nationwide using sixteen of the country’s languages.

Viability study for cervical cancer vaccination

The Mozambican government on 15 October launched a viability and feasibility study for a vaccine against the human papilloma virus (HPV) that is responsible for the majority of cases of cervical cancer. This is a major step towards introducing the vaccine by 2016.

In the pilot phase, the study will be carried out in the districts of KaMavota in Maputo city and Manhica in Maputo province. It will be conducted by the Manhica Health Research Centre (CISM).

The study will include sensitising the local community, health screening and administering the vaccine to 6,000 ten-year-old girls each year.

At a ceremony in Manhica to launch the study, the researcher Esperanca Sevene explained that the girls would be recruited in schools and health clinics.

The ceremony was witnessed by Mozambique's First Lady, Maria da Luz Guebuza, Deputy Health Minister Nazira Abdula and former Prime Minister Pascoal Mocumbi.

Cervical cancer is the second most common cancer in women worldwide. There are about 500,000 new cases diagnosed and 275,000 deaths each year. Nearly ninety per cent of these deaths are in developing countries, where cervical cancer is the most common cancer in women and there is a shortage of cancer screening and treatment services.

In Mozambique, 6.18 million women are at risk of developing cervical cancer. Each year, 3,690 cases are diagnosed and 2,356 die from the disease.

Maria da Luz Guebuza stated, "we are here to say that Mozambicans have another war to wage. Our women and children cannot continue to die because of an illness that is preventable and curable when detected early".

The study is being supported by the Barcelona Institute for Global Health and funded by Barcelona City Council's Department of International Cooperation. The vaccines will be paid for by GAVI (the Global Alliance for Vaccines and Immunisation) and the Mozambican government will provide staff and logistics.

Mozambique less affected by climate change than neighbours

Mozambique will be less affected by climate change than its neighbours, according to a study published in "Nature", one of the most respected international academic journals, on 10 October.

The study combines 39 different models of the impact of climate change.

The first question the study asks is: when will annual mean air temperature rise above the historical boundaries? For Mozambique, this will not be until around 2050, and the rise will be around four degrees.

In contrast, for Zambia it will be around 2030 and the rise will be around seven degrees, and for some west African countries such as Guinea it will be before the end of this decade - although the temperature rise will be less, about four degrees.

Air temperatures in the Mozambique Channel will exceed historical boundaries by 2030, which probably means more serious cyclones. And the study also points out that means earlier damage to coral reefs, mangrove forests, and fish.

The models also show that the United States and Europe, which have done the most damage to the climate, will also get off easiest, and will not rise above historical boundaries until around 2060.

The research team is from the University of Hawaii.

Government approves plan for green economy

The Mozambican government has approved its Plan of Action for the Green Economy (PAEV) for the transition period 2013/2014.

The government defines a green economy as one that results in improved wellbeing and social equality whilst significantly reducing environmental risk and ecological scarcity.

For the implementation of this plan, the government advocates a cleaner, lower carbon economy that is efficient in the use of resources and socially inclusive.

Speaking to reporters on 15 October after the weekly meeting of the Council of Ministers (Cabinet), the Deputy Minister for the Coordination of Environmental Action, Ana Chichava, explained that the plan envisages the rational and sustainable use of natural resources through the integration of three pillars of sustainable development: economic, social and environmental.

Chichava stressed, "that means that we cannot approve any business project without analysing the economic gain, the social impact and the environmental impact".

The Cabinet also approved the creation of the Magoe National Park in the central province of Tete, covering an area of 355,852 hectares in the districts of Magoe and Cahora Bassa.

The government spokesperson, Deputy Justice Minister Alberto Nkutumula, told reporters that the Park aims to strengthen the work of the Tchuma Tchato programme to protect and manage the ecosystem.

The Tchuma Tchato programme involves the local communities in a partnership with the government and private sector in the management of the area's natural resources.

Nkutumula mentioned that the area is home to endangered roan antelopes, elephants, hippopotami, lions and other big cats.

Train departs for Zambia

A train loaded with a thousand tonnes of fertiliser left the port of Beira in central Mozambique on 3 October at the beginning of a ten day journey to the Zambian capital city Lusaka.

The 25 wagon train carried the first consignment from a shipment of 10,000 tonnes that has been offloaded at the port. On its return, the train will carry copper for export through Beira.

This is the first time that the one thousand kilometre route has been used by Zambia Railways since the 1980's when the war of destabilisation led to the Machipanda railway becoming impassable.

At a ceremony in Beira marking the occasion, Zambia Railways' Christopher Musonda said that the relaunching of the freight service represents a great gain for the Southern African Development Community (SADC).

The governor of Sofala province, Felix Paulo, stressed that the reintroduction of the freight service was one of the actions planned by the provincial government to reduce traffic along the EN6 highway from Beira to Machipanda.

He added that the volume of traffic on the two lines that make up the Beira rail system increased in September to 2,883,900 tonnes. This represents a 32 per cent increase on the same period last year.

The Beira rail system consists of the Machipanda line and the Sena line from Beira to the Moatize coal mines, with a spur to Malawi.

Baobab receives investment boost

The British company Baobab Resources on 11 October announced that it has reached a placing agreement with African Minerals Exploration & Development (AMED) that will see the investor increase its stake in the company to 37.5 per cent.

Baobab is looking at a range of scenarios that could see Mozambique host the largest pig iron operation in the world.

It is planning to produce low impurity pig iron using ore from its Tenge/Ruoni deposit in the western province of Tete and locally mined thermal coal. It is currently focussing on the feasibility of building a facility to produce two million tonnes of pig iron per year.

Under the agreement, AMED is to purchase five million Baobab shares at 15 pence each – a 15.4 per cent premium on the previous day's closing price on the London Stock Exchange.

It will also have the option of buying a further five million shares at 20 pence each at any time before the end of June 2016.

There are additional options that could see Baobab receive several million pounds sterling in investment from AMED.

Baobab's managing director Ben James told AIM, "as our corner-stone investor, it's great to see AMED's continuing commitment to Baobab Resources and our Tete Pig Iron Project. To see them come in at a premium to market price just shows how much they support the work that Baobab has done and is continuing to do".

He added, "their investment also means that we have the mechanism to fully fund to the end of the Definitive Feasibility Study at Tete, which we expect to reiterate the compelling economics of this unique project for Mozambique".

As a result of the announcement, Baobab's share price on the London Stock Exchange jumped by almost ten per cent to 14.25 pence.

The Tete pig iron, vanadium and titanium project is 85 per cent owned by Baobab, with a 15 per cent share held by the International Finance Corporation (IFC), the member of the World Bank Group that focuses on the private sector in developing countries.

Pig iron is an intermediate product mainly used in the production of steel.

Beira oil terminal study presented

The environmental impact assessment study on the proposed renovation of the BP oil terminal in Beira has been presented to the public. The study was carried out by the Mozambican company Impacto.

The General Director of BP Mozambique, Martinho Guambe, told the meeting in Beira that the oil terminal needs investment to meet the growing demand in central Mozambique and in the hinterland of Zimbabwe and Malawi.

Guambe stated that the renovation work is valued at \$85 million and will begin in December. It involves demolishing and rebuilding five of the seven oil tanks. The other two tanks will be upgraded.

Participants at the meeting praised BP's plans, pointing out that recently the country has faced shortages in oil products.

Candida Cumbe, the Sofala provincial director of Mineral Resources, welcomed the BP initiative because it will reduce supply problems in the province. In addition, it will provide a source of revenue for the Mozambican state.

Major road works on EN4

Repair work has begun on a 35 kilometre section of the EN4 motorway linking Maputo and South Africa.

The work is on "section 17" between Moamba and an outlying neighbourhood of the southern city of Matola. The construction company WBHO will carry out the repairs.

According to Trans African Concessions (TRAC), the company that operates the toll road, the rehabilitation is to cost \$39 million.

The work will take a year. WBHO is required to stop work between 15 December and 10 January. During this period, it must make sure that the road is open.

TRAC's chief representative in Mozambique, Fenias Mazive, told a press conference in Maputo that overweight vehicles are responsible for the damage to the road.

A new weighbridge is to be built to discourage truck owners from overloading their vehicles.

Currently, there are two weighbridges at the Maputo end of the motorway and thousands of trucks are fined each year for exceeding the legal weight limit. However, many more manage to avoid the weigh stations by taking detours.

A traffic survey by TRAC between October 2011 and March 2012 estimated that 19 per cent of trucks using "section 17" were overloaded.

Israeli company to expand mobile network

The Israeli company MER Group on 7 October announced that it has secured a contract to expand the mobile phone and data network in Mozambique. Two of the country's three mobile phone operators, M-Cel and Vodacom, have hired MER Group to expand their networks.

According to the company, "the new tower sites will provide the operators with improved coverage and network quality".

The company's representative, Uri Bar-Yosef, commented, "we are delighted to be working in partnership with two leading mobile operators as we take our first steps into Mozambique. Our continued expansion in Africa emphasises our belief in the growth of Africa's mobile telecommunications market. We are confident that we can provide top quality service to operators to help them expand and improve their networks while optimising costs".

Postal service to launch ATM card for pensioners

The publicly owned company Correios de Mocambique (Mozambique Post Offices) is developing plans to introduce a payment card for pensioners.

Under the scheme, people will use the card to withdraw their pensions at any automatic teller machine (ATM).

According to financial officer Valdemar Jessen, this will be part of the modernisation of the company's services.

He confirmed that the company has overcome its financial crisis. Previously, the postal company had fallen behind with paying salaries, in some cases by up to eight months. Currently, the company is able to pay wages on time in all but two provinces.

In 2009, the company had a deficit of eight million meticaís. This improved over the next three years, with only a small deficit registered last year due to investments in offices and transport.

Correios de Mocambique employs 550 people.

Policemen jailed for renting out guns

The Sofala Provincial Court in central Mozambique on 30 September sentenced two policemen to 12 year jail terms for hiring out police firearms to criminals.

The two policemen were Celestino Cacaue and Lazaro Saene. The latter will not be serving his jail sentence because he was recently shot dead while trying to escape from Beira central prison.

The two police were in the dock alongside 12 alleged members of the gang who used the guns. The court found seven of the 14 accused guilty, but acquitted the other seven.

Judge Alberto Assane sentenced the leader of the gang, Joao Chico Joao (better known by the nickname Amonike) to 20 years imprisonment. He had led robberies of shops and homes in which the gang used an AK-47 assault rifle which Saene had obtained from the police armoury.

The longest jail term, 22 years, was handed down to Domingis Zambo, found guilty not only of armed robbery, but also of manslaughter. He was among those who stole a car from a sales stand in Beira. The getaway went horribly wrong when the car overturned, ploughing into a group of pedestrians, killing five of them, mostly children.

Among those acquitted were two taxi drivers, Rodrigues Tembe and Tomas Evaristo, who transported members of the gang. But the court accepted they did not know that the people using their taxis were criminals.

Viability study made before ship purchase

The chairperson of the Mozambican Institute for the Management of State Holdings (IGEPE), Apolinario Panguene, has told the independent daily 'O Pais' that an economic viability study was undertaken before an order was placed with a shipyard in the French town of Cherbourg for a tuna fishing fleet.

Thirty ships were ordered from the shipyard, 24 of them fishing vessels, plus six patrol boats, costing between €200 and €300 million, according to French sources. The order came from the newly formed Mozambique Tuna Company (EMATUM), and the ships are being paid for by an EMATUM bond issue that raised \$500 million on the European bond market.

Technically, EMATUM is a private company, but its three shareholders are state bodies. The largest shareholder is IGEPE with 34 per cent. The other two shareholders, with 33 per cent each, are the state fishing company Emopesca, and GIPS, a company set up by the state information and security service, SISE.

Panguene said that the economic viability study showed that the tuna fishing fleet could make money, and the business would be profitable. He added that the study could be made available to the public.

He added that the EMATUM board has taken office, and that, in due time, he would provide the contact details of its members, so that they could clear up any further doubts about the purchase of the ships.

As for the patrol boats, Panguene said these were part of the order in order to provide security for the investment made in the tuna fleet.

Finance Minister Manuel Chang has insisted that the purchase of the ships is not dependent on funds from the state budget. The role of the state was that of a guarantor of the bond issue.

Chang told 'O Pais' that the state would never guarantee a business without a detailed viability study. "Do you really think we would do what we are doing without making any studies?", he asked the reporter. "Obviously all this existed. There exists a company, it has its articles of association, and it's been intervening in international institution. I don't know why anybody could think that there might not have been a study".

As for the apparent anomaly of a private company where the only shareholders are state bodies, Chang pointed out that EMATUM was far from the first company in this situation. The national airline, LAM, the telecommunications company, TDM, and the insurance company EMOSE are all examples of private companies where the only shareholder is the state.

Trade with India could double by 2016

Trade between Mozambique and India could more than double by 2016, according to India's Minister of Commerce and Industry, Anand Sharma.

Sharma was speaking in Maputo after holding a meeting with Mozambique's Minister of Industry and Trade, Armando Inroga.

The two ministers agreed that there is a need to diversity trade and investment. However, Sharma pointed out that bilateral trade could grow to \$3 billion by 2016, up from the current level of \$1.28 billion.

India has supported Mozambique's development through various lines of credit from its Export Import Bank, which have totalled \$640 million. In July, it opened a \$217 million credit line to finance infrastructure projects. That followed on from an even larger credit line opened during the visit of Mozambican President Armando Guebuza to India in 2010.

Indian companies are heavily involved in developing Mozambique's large coal and gas deposits.

Anand Sharma invited Inroga to visit India for the 2014 Partnership Summit, which is organised by the Confederation of Indian Industry and the Indian government to promote international collaboration.

The Indian statesman also met with Prime Minister Alberto Vaquina to discuss bilateral issues. In addition, he addressed a meeting on "Enhancing Economic Partnership between India and Mozambique".

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

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

Subscription Rates (24 issues)	Individuals	Institutions
UK	£15.00	£25.00
Europe	£25.00	£40.00
Rest of the World	£30.00	£50.00

Overseas subscribers are requested to pay in sterling. If payment is made in another currency, add the equivalent of £6.00 to cover bank charges.