

# Mozambique News Agency

## AIM Reports

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## Renamo returns to dialogue

After three months of persistent boycotts, Mozambique's largest opposition party Renamo returned to dialogue with the government on 27 January. For the first since October, Renamo sent a delegation led by senior parliamentary deputy Saimone Macuiana to a meeting with the government at Maputo's Joaquim Chissano Conference Centre.

It was Renamo, back in April 2013, which requested the dialogue, but in October broke off the talks threatening that it would not return until the government accepted the presence at the table of national and international mediators and observers.

The head of the government delegation, Transport Minister Gabriel Muthisse, told reporters that the spirit of both sides was "positive", and they had reached an understanding on "essential questions" concerning the participation of "third parties" in the dialogue.

Muthisse said he had the impression that Renamo had rejoined the dialogue in a positive spirit. "In the coming sessions we shall try to consolidate this spirit", he added, "so that it has a positive impact on the life of our people".

"The most important thing is the participation of third parties, of observers", Muthisse stressed. "The two parties will sit down to define the criteria for the participation of these third parties. I think that our perspective, and I believe also that of Renamo, is not to see who has won and who has lost. Our expectation is that all Mozambicans will gain from this debate. Our focus is that Mozambicans should win so that they can produce and live in a climate of peace".

### *Observers agreed*

At a meeting on 1 February the government and Renamo held a further meeting and agreed on the names of five Mozambicans who will act as observers during the dialogue.

The names of the observers were not revealed. However, two of the names are already known – they are Anglican bishop Dinis Sengulane and the Vice-Chancellor of the Polytechnic University, Lourenco do Rosario, who have already been carrying messages between President Armando Guebuza and Renamo leader Afonso Dhlakama.

Saimone Macuiana told reporters, "during the talks the two sides decided that space is open for Mozambican citizens and institutions who want to contribute to the success of the negotiations between Renamo and the Government".

### *Voter registration delayed*

Following the resumption of talks, the government postponed this year's voter registration by a fortnight, in order to facilitate participation by Renamo.

Registration was to have begun on 30 January, lasting 75 days. But at an extraordinary session on 29 January the Council of Ministers (Cabinet) decreed a delay with registration now running from 15 February until 29 April.

The Council of Ministers stated the delay was at the express request of Renamo "in the context of the dialogue under way between the government and Renamo so that this party may better prepare itself to participate in the 2014 presidential, parliamentary and provincial elections".

The government "in the framework of promoting the spirit of peace, reconciliation, national unity and multi-party democracy agreed with the Renamo request".

### **Storms injure 75 people in January**

Heavy rains and high winds across Mozambique in January injured at least 75 people, 61 of them in the northern province of Nampula.

On 4 February, government spokesperson Deputy Justice Minister Alberto Nkutumula said the storms directly affected 4,372 households. Of these, 2,473 were in Nampula and 897 were in Sofala.

The storms also destroyed 796 houses, 571 of them in Nampula. A further 2,840 houses were damaged. 255 classrooms and four health units were inundated.

In Sofala, the Buzi River burst its banks, and seven neighbourhoods in Buzi town were flooded. Nkutumula said that 1,057 Buzi houses were inundated and 12 destroyed. As from 31 January, Buzi had been isolated from the rest of the country because flooding had cut the access road to the town in four places in Guara-guara.

Six boats were mobilized for Buzi and for Caia, on the lower Zambezi. A helicopter has been stationed in Beira to survey the areas surrounded by water.

In Nampula, shelter kits, rolls of plastic and foodstuffs have been channelled to Erati district to support displaced households.

## MDM wins Gurue elections

The opposition Mozambique Democratic Movement (MDM) has won the re-run elections for the mayor and for members of the municipal assembly in the town of Gurue, in the central province of Zambezia

Like all the other 52 municipalities, Gurue first went to the polls on 20 November. However, electoral staff committed so many gross irregularities that the Constitutional Council, the country's highest body in matters of constitutional and electoral law, annulled the elections and ordered a rerun, which took place on 8 February.

The results, announced by the District Elections Commission, were as follows:

### *Mayoral election*

Jahanguir Hussein (Frelimo) - 6,389 (44.84%)  
Orlando Janeiro (MDM) - 7,860 (55.16%)  
Invalid votes - 469  
Blank ballots - 398

### *Municipal Assembly election*

FRELIMO - 6,532 (46.15%)  
MDM - 7,623 (53.85%)  
Invalid votes - 422  
Blank ballots - 537

The results are not yet definitive. They must be confirmed by the National Elections Commission (CNE), which must check all the votes declared invalid at the polling stations and see if any of them display a preference for the candidate or the other, even if the voter made a slight mistake in filling out his ballot paper.

Finally, the Constitutional Council, the highest body in matters of constitutional and electoral law, must validate and proclaim the results. Only then can the new mayor and assembly be sworn into office.

This result brings the total number of municipalities run by the MDM to four – the others being the cities of Nampula, Beira and Quelimane. Frelimo continues to control the other 49 municipalities.

## LAM to purchase three Boeing 737-700

Mozambique Airlines (LAM) has put in an order to purchase three new Boeing 737-700 aircraft, valued at \$228 million.

According to Boeing, the order is part of Mozambique's "long-term strategy to increase flight frequency and provide greater route flexibility".

LAM's chief executive officer, Marlene Manave, commented, "this investment in the Next-Generation 737-700s will help Mozambique to remain at the forefront of the growing demand for air travel in our region and enable expansion into several new markets".

Manave identified the development of the hydrocarbon industry in Mozambique as one of the drivers of increased demand in the aviation sector, and stated a strong aviation infrastructure "will be of enormous benefit to the people of Mozambique, business travellers and our tourism industry, and will substantially contribute to our economic development".

The Next-Generation 737-700s can accommodate 126 passengers, seated in two travel classes. They have a range of 5,500 kilometres, a cruising speed of almost 950 kilometres an hour, and can fly at a maximum altitude of 41,000 feet.

## Merck pledges strategic partnership with Mozambique

The international pharmaceutical company Merck announced on 6 February that it is entering into "a strategic partnership" with Mozambique, centred on an "Advanced Capacity Building Programme".

Under this programme over 1,000 university medical students will benefit from clinical training in dealing with diabetes and other chronic illnesses.

During a visit to the medical faculty of Maputo's Eduardo Mondlane University, Stefan Oschmann, head of the pharmaceutical division of Merck, said the company hoped to maintain a long relationship with the University "to improve the pattern of diabetes and high blood pressure, health care, medical education and awareness of the problem of diabetes among Mozambicans".

The director of the medical faculty, Mohsin Sidat, said the partnership with Merck "will help us combat the ever growing rate of prevalence of diabetes".

## Nutritional supplement launched

Population Services International (PSI), which is a longstanding partner of the Mozambican Health Ministry, on 5 February, launched a nutritional supplement for children aged six months to two years, named "Super Baby".

"Super Baby" comes in one gram powder sachets, which are added to semi-solid foods when preparing infants' meals.

PSI's Leonardo Chauque told AIM that the supplement is intended to deal with the lack of micronutrients that Mozambican children under the age of two suffer.

"We know that about 44 per cent of Mozambican children under the age of five suffer from chronic malnutrition, and one of the forms of nutritional deficiency is the lack of micronutrients", he said citing a Health Ministry study, now ten years old, on vitamin A and iron deficiency.

Micronutrients are substances required in trace amounts for proper growth and metabolism. They include a range of vitamins, iodine and metals such as iron and zinc. A shortage of micronutrients in the diet can have grim consequences. For example, vitamin A deficiency can lead to blindness. Iodine deficiency is the foremost cause of brain damage. Iron deficiency causes anaemia and is the leading cause of deaths during childbirth.

Chauque said that "Super Baby" provides an easy way to ensure that infants receive appropriate doses of micronutrients. "It is easy to dissolve this powdered supplement in porridge", he added.

But "Super Baby" should not be mixed with liquids, since if that happens the micronutrients will simply float to the top of the recipient.

The new supplement is being launched simultaneously in all of Mozambique's provincial capitals.

At the Maputo event, the Mozambican singer Mingas, who is an Ambassador the UN's Millennium Development Goals (MDGS), said "we know that breast milk is very important for feeding children right up until that are two years old. But after the age of six months, breast milk alone is not sufficient, and children should be given semi-solid foods".

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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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## Citizens honoured on heroes' day

President Armando Guebuza on 3 February decorated over a hundred people, many of them posthumously, for their contributions to the country.

The decorations were the centrepiece of the ceremony marking Mozambican Heroes' Day, the 45th anniversary of the death of the founder and first president of the Mozambique Liberation Front (Frelimo), Eduardo Frelimo, who was assassinated on 3 February 1969 by a parcel bomb sent by the Portuguese political police, the PIDE.

The ceremony also marked the re-inauguration of Heroes' Square in Maputo. At the centre of the square stands a star shaped monument of white marble, where Mondlane, the country's first President, Samora Machel, and others who gave their lives for the liberation struggle, are buried. The repairs to the monument mean that its lighting system has been restored so that it once again will shine at night.

Twenty four people were posthumously granted the country's highest honour, that of "Hero of the Republic of Mozambique". The only person who had previously received this title was Samora Machel, in 1983.

Heading the list was Mondlane himself. The decoration was received, on behalf of the family, by his oldest son, Eduardo Mondlane Junior. Others decorated as Heroes of the Republic included the first commander of the Frelimo guerrilla army, Filipe Samuel Magaia, one of the founder members of the Frelimo Women's Detachment, Josina Machel, and such prominent guerrilla commanders as Paulo Samuel Kankhomba, Osvaldo Tazama, Bonifacio Gruveta, and Sebastiao Mabote (who became chief of staff of the armed forces after independence).

The non-military figures decorated as Heroes of the Republic were Jose Craveirinha, widely regarded as Mozambique's greatest poet, and composer Justino Chemane.

Figures closely connected to the negotiations that led to the general peace agreement signed on 4 October 1992 between the government and the Renamo were decorated with the "4th October Order".

This is awarded "to recognise and value extraordinary acts in the struggle to preserve peace and concord, and in the promotion of the values of peace, socio-political inclusion and citizenship".

Among those receiving this honour were key government negotiators Teodato Hinguana, Francisco Madeira and Aguiá Mazula. The head of the Renamo negotiating team Raul Domingos, has turned down the honour.

The men who led the united Mozambican armed forces (FADM), which emerged from the peace accord, the first FADM chief of staff, Lagos Lidimo, and his deputy Mateus Ngnhamo, also received the 4th October order.

Two churchmen deeply involved in the peace negotiations, Anglican bishop Dinis Sengulane and the Catholic Archbishop of Beira, Jaime Goncalves, were also awarded this Order.

Fourteen citizens who had fought in the independent struggle were awarded the Veterans' Medal, and medals of Merit were granted to several dozen people for their work in the police, in the academic and scientific sphere, in the fight against poverty, in the economy and in arts and culture.

Among those recognized were Orlando Quilambo, Vice-Chancellor of Maputo's Eduardo Mondlane University, the country's leading architect, Jose Forjaz, writer Luis Bernardo and musicians Dilon Djindi and Chico da Conceicao.

President Guebuza said these awards were the start of a process that will take place annually and will be extended to the provinces in ceremonies chaired by provincial governors.

## Growth has not led to economic transformation

Although the Mozambican economy has been growing at an average rate of seven per cent a year for the past two decades, this has not yet led to the economic transformation of the country, according to research published in Maputo.

This study, entitled "Survey of Manufacturing Industries 2012" says that economic growth has been driven by mineral resource discoveries, the increase in the prices of basic goods and the recovery of domestic demand.

"However, this growth has not yet been accompanied by a generalised structural transformation, and poverty reduction is less than expected", states the study, which is the joint work of the Confederation of Mozambican Business Associations (CTA), the Ministry of Planning and Development (MPD), and the University of Copenhagen.

The survey gathered data from 761 micro, small and medium enterprises from Maputo and Gaza in the south, Sofala, Manica and Tete provinces in the centre of the country, and Nampula in the north. 216 of these companies had taken part in the previous survey, held in 2006.

The purpose of the survey was to look at the rate of company survival in manufacturing and the changes that have occurred in the sector.

The data show that of the 90 micro enterprises surveyed in 2006 six have made the transition to become small companies, while two are now classified as medium companies. On the other hand, of the 92 small companies surveyed in the earlier study, 23 have shrunk and are now considered micro enterprises. 11 grew to become medium companies, while the rest have remained small companies.

As for the medium companies, the survey looked at 34 of them – seven of them are now classified as small companies, but none have descended to the level of micro-enterprises.

Many of the companies surveyed are breaking the law by failing to pay their workers the statutory minimum wage. Almost half of the workers in the companies surveyed earned less than the minimum wage.

Presenting the study, the economist Finn Tarp, of the Development Economic Research Group (DERG) of the University of Copenhagen, said that one of the problems noted is that many companies are operating at a very low level of productivity.

"In comparison with other economies in the southern African region, one notes that the degree of survival of small companies in Mozambique is very high. But is this a good or a bad thing?" he asked.

He believed that, in a context of economic growth, there should be a dynamic in companies, and simple survival "is not a sign that things are going well".

Tarp stressed that economic transformation in agriculture and in manufacturing industry is not happening in Mozambique, and it was necessary to find out why.

For Augusta Pechisso, deputy national director of studies and policy analysis in the MPD, stagnation, or the fall of companies to a lower classification, is due to the business environment.

The chairperson of the CTA's industry, trade and services portfolio, Mumbaque Abdulrazac, noted that the government's figures show that the extractive industry grew by 22 per cent in the first six months of 2013, but the growth in manufacturing over the same period was only 4.8 per cent.

The research was financed by the Business Environment Fund, a body resulting from a partnership between the Mozambican and Danish governments intended to make the Mozambican business environment more favourable for the private sector.

## Lease for Cabo Delgado ports signed

The Mozambican government and the newly formed Ports of Cabo Delgado Company (PCD) have signed an lease agreement for the port terminals in Pemba and Palma.

Pemba is the capital of Cabo Delgado province and contains an existing port. Palma is the northernmost district of Cabo Delgado, where a liquefied natural gas (LNG) factory will be built to process the gas extracted from offshore fields in the Rovuma Basin.

PCD's shareholders are two public owned companies – the National Hydrocarbon Company (ENH), and the Port and Railways Company (CFM), holding 50 per cent each.

The lease contract was signed by Transport Minister Gabriel Muthisse and by the chairman of the PCD board, John Kachamila, who is a former Minister of Mineral Resources, and Minister of the Environment.

The lease on the Cabo Delgado ports is for 30 years and was agreed by the government in December as a means of ensuring the development of infrastructures that will support the gas (and possibly petroleum) industry in Cabo Delgado.

Speaking to reporters, Kachamila said that PCD will make an initial investment of about \$150 million on infrastructures to guarantee the development of logistics for natural gas.

In Palma, an entirely new port is needed with the main aim of exporting LNG. Work on the port should begin next year. In Pemba, a second port will be build alongside the existing one which is currently managed by CFM. The new Pemba port will be built and managed by PCD, under a special regime designed to open up space for attracting private investment.

“We are behind schedule”, warned Kachamila. He pointed out that one of the companies that has made major natural gas discoveries, the Texas-based Anadarko, “is very advanced with its project and wants to start building the Liquefied Natural Gas plant in 2015. We have to start before they begin building their infrastructures”.

PCD would need to undertake a great deal of work in 2014, he said. “We have to start putting into place all the infrastructures that the gas companies need. We have already held some meetings with them, and we know what their priorities are”.

Muthisse said the government's decision to sign a lease with PCD results from the need for the Mozambican state to lead the establishment of a logistical platform for Cabo Delgado hydrocarbons. But the fact that a public company, PCD, is dealing with strategic questions “does not mean that private imitative in the ports is being cast aside”.

On the contrary, he added, “the business opportunities that will arise in this area of infrastructures are countless, and to be successful many of them must be private undertakings”.

PCD, Muthisse said, should identify and publicise all the opportunities in Cabo Delgado, to allow greater participation by Mozambican companies in the entire business chain generated by the hydrocarbon industry.

## CFM receives new locomotives

Mozambique's publicly owned ports and rail company, CFM, on 29 January inaugurated, at Maputo central rail station, four locomotives purchased from General Electric.

This is the first shipment of a total of ten diesel-electric locomotives, of General Electric's C30ACI model, purchased in South Africa.

The ten locomotives, plus a training programme for the CFM staff who will drive and maintain them, cost \$41.2 million, according to Deputy Transport Minister Eusebio Saide. This money comes entirely from CFM's own funds.

Saide said the locomotives will be used throughout CFM's southern region, particularly to move traffic to Maputo port. The southern region consists of the lines from Maputo to South Africa, Zimbabwe and Swaziland.

Each of the 3,000 horsepower locomotives can haul 2,700 tonnes of cargo. CFM regards investment in new locomotives and rolling stock as crucial to attracting to the Maputo port and rail system the estimated 10 million tonnes of cargo that could use the port annually.

“Modernisation of the transport infrastructure looks not only to the present, but to the future, to allow Mozambique to lead this strategic sector in the SADC (Southern African Development Community) region”, declared Saide.

Currently CFM has 12 operational locomotives in the south, and on average nine are available on any given day.

The new locomotives, when they have all arrived, will push the number of locomotives available up to 22. However, the desirable figure for the southern lines would be 30.

These are the first new locomotives acquired by CFM since 1992. They can pull about 30 per cent more cargo than any other locomotive operating in the country. General Electric says they are endowed with state-of-the-art technology, to ensure high standards of efficiency, safety and reliability. Their lower fuel consumption will reduce transport costs and pollution levels.

## Swedish support for electricity in Inhambane

The Swedish government is supporting Mozambican electricity company EDM with the installation of two generators to provide power for the districts of Vilanculos and Inhassoro in the southern province of Inhambane.

Sweden is providing \$8.7 million for the gas fired generators to meet the growing demand for electricity.

The two districts rely on the Temane gas power plant for electricity. However, this no longer meets peak demand.

According to the Swedish Embassy, the project will improve the socio-economic wellbeing of an estimated 190,000 people in the districts by “providing sufficient, affordable and reliable electricity which will in turn help boost economic growth, facilitate delivery of public services such as health and education, and encourage the use of more environmentally friendly electricity”.

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