

Mozambique News Agency

AIM Reports

Report no.481, 10th March 2014



Filipe Nyussi elected Frelimo presidential candidate

The Central Committee of Mozambique's ruling Frelimo Party on 1 March elected Defence Minister Filipe Nyussi as the party's candidate for the 15 October presidential election.

As none of the five candidates won a 50 per cent majority in the first round, the voting went to a second round. The results from the first round were:

1. Filipe Nyussi (Defence Minister) - 91 votes (46 per cent)
2. Luisa Diogo (former Prime Minister 2004-2010) – 46 votes (23 per cent)
3. Alberto Vaquina (current Prime Minister) – 37 votes (19 per cent)
4. Aires Ali (former Prime Minister 2010-2012) – 19 votes (10 per cent)
5. Jose Pacheco (Agriculture Minister) - 3 votes (2 per cent).

In the second round, Nyussi clinched victory, winning 135 votes (68 per cent) to 61 votes for Diogo (31 per cent).

The election marks a generational shift in Frelimo, in that all the candidates are under 60 years old and thus too young to have taken part in the independence war that freed Mozambique from Portuguese colonial rule.

Of the five, Nyussi is the one with the closest links to the liberation war, in that his parents were Frelimo veterans in the northern province of Cabo Delgado, and he was educated at the Frelimo primary school at Tunduru, in southern Tanzania, prior to Mozambican independence,

Nyussi was born on 9 February 1959, in the Cabo Delgado district of Mueda, often regarded as the cradle of the Mozambican revolution. He undertook his secondary education at the Frelimo school at Mariri in Cabo Delgado, and then at the Samora Machel Secondary School in Beira. He took a degree in mechanical engineering at the military academy in Brno, in Czechoslovakia, completing it in 1990.

Back in Mozambique, he joined the publicly owned ports and rail company, CFM, and became assistant head of maintenance in the northern branch of the company (CFM-Norte) in 1992. He was Executive Director of CFM-Norte from 1995 to 2007.

He had never held any government position until 2008, when President Armando Guebuza appointed him Defence Minister, the post he has held up until now.

He was elected to the Frelimo Central Committee in September 2012. He is not a member of the party's most powerful body, its Political Commission. Even if he is elected President in October, according to the Party's statutes, he will only sit on the Political Commission as a co-

opted member, without the right to vote.

Of the five candidates, Nyussi is the least well-known nationally. Frelimo thus faces a major task to ensure that his name and image are known and recognized throughout the country before the October election, where he will almost certainly face the two best known figures in the opposition – Afonso Dhlakama, leader of Renamo, and Daviz Simango, leader of the Mozambique Democratic Movement (MDM).

Renamo demands release of “political prisoners”

Renamo has raised another pre-condition to be met before it will lay down its arms – the release of “political prisoners”.

After the latest round of dialogue between the government and Renamo on 5 March the head of the Renamo delegation, Saimone Macuiana, claimed that the release of these prisoners was essential for a return to peace.

According to a report in the daily newspaper “O Pais”, chief among those whom Renamo wishes to see freed is the head of its information department, Jeronimo Malagueta, who was charged with incitement to violence last June.

Macuiana also demanded the release of the Renamo gunmen detained in a clash with the riot police in the northern city of Nampula in March 2012.

This comes on top of another Renamo pre-condition – namely that there should be “international mediation” in future talks with the government.

For the government, this is unacceptable. The head of the government delegation, Agriculture Minister Jose Pacheco, told reporters that the dialogue with Renamo was an internal matter between Mozambicans for which no foreign mediation was required. The government had no wish to “internationalise” the discussions.

Meanwhile, the government is calling for the unconditional disarming of Renamo.

The ruling Frelimo Party is incensed at what it regards as Renamo's bad faith. In February, Frelimo agreed to amend the electoral legislation to accommodate all of Renamo's key demand, including staffing the electoral bodies with hundreds of political appointees. Since the excuse for the Renamo attacks was the electoral legislation, Frelimo expected Renamo to halt the attacks, and that has not happened.

Incomati flood laps at edges of EN1

The flood surge down the Incomati River in southern Mozambique on 9 March reached Manhica district, about 80 kilometres north of Maputo, and was lapping at the edges of the country's main north-south highway.

Water was on both sides of the main road, near the 3rd February village – the same spot where the river has submerged the road during several previous rainy seasons.

Further upstream the flood has completely disrupted communications in Magude district. The bridge on the road from Magude to the neighbouring district of Moamba is under water, and it is not yet clear how badly damaged it is. The roads from Magude town to the other parts of the district have been cut.

Electricity pylons and trees have been swept away by the fast flowing river. Farmers and companies unable to move their equipment in time have seen pumps, tractors and vehicles submerged. Crops are under water, but no preliminary estimate of the costs of the flood has been made.

Death toll

So far, the death toll from floods and storms in the current rainy season (from October 2013 up until March) is 17, Minister for State Administration, Carmelita Namashalua, told the Assembly of the Republic on 5 March.

Seven were killed by lightning strikes, five were drowned, four died when houses collapsed, and one was killed by a falling tree.

Answering questions about the government's response to natural disasters, Namashalua said that a further 76 people had been injured, 1,665 houses had been destroyed, and a further 5,905 were damaged.

The flooding affected 20,687 hectares of crops, of which 8,034 hectares have been lost, affecting 15,077 peasant households. Namashalua said the amount of crops lost is equivalent to 0.54 per cent of the area sown.

In general, however, the rains have been a blessing for Mozambican agriculture. Namashalua said "there are good prospects for the harvest throughout the country, due to the regular rainfall and its good spatial and temporal distribution, but mainly to the government's efforts in providing agricultural inputs and equipment".

Poor sanitary conditions mean that there is always a spike in water borne diseases during the rainy season. In January and the first half of February, 12,995 cases of diarrhoeal diseases were notified, with five deaths.

Some of these cases, in Nampula province, were believed to be cholera. There were also fears of cholera in Tete, Niassa and Zambezia, said Namashalua, but the cholera bacterium was not confirmed in any of the samples taken.

Prime Minister Alberto Vaquina pointed out that the intensity of the rains was not very different from previous rainy season "but the human and social impact has been limited thanks to the government's work in improving the early warning systems, in repairing protective dikes, and in the gradual removal of people from dangerous to safer areas".

Major resettlement work was retaken after the 2007 and 2008 Zambezi floods. Vaquina said there are now 110 resettlement areas in the Zambezi, Buzi, Save, Limpopo and Incomati basins "where people are living in relative stability and tranquillity without the risk of losing their property or their lives, or becoming displaced, every year when the rainy season arrives".

It was in these areas, Vaquina added, that the government has been urging people to settle "abandoning the uncertainty and dangers of zones of risk".

President lays first stone for new prison

President Armando Guebuza on 7 March laid the first stone for the construction of a new prison complex at Moamba, about 60 kilometres northwest of Maputo.

The complex, which will be the first new prison built in the country since independence in 1975, will cost US\$250 million. It will have 625 compartments, with a capacity to house 2,820 inmates. This capacity should significantly reduce current levels of overcrowding in Mozambican jails.

In addition to the prison, the complex will contain training facilities for prison guards.

At the existing Moamba practical school for prison guards, President Guebuza chaired a ceremony where 430 guards graduated after a nine month course.

President Guebuza declared that the training of these new guards, 30 per cent of whom are women, is of great importance in improving the performance of the National Prison Service (SERNAP). Currently the prisons are facing a shortage of guards: before this latest intake the prison system only had one guard for every 13 inmates.

This was the first time in the country's history that a course for prison guards took place in SERNAP's own installations. Previously, such courses were held in the Police Basic Training school at Matalane, in the neighbouring district of Marracuene.

President Guebuza stressed that appropriate and good quality training for prison staff is one of the main ingredients for the success of the reform of the country's prison system.

Mining companies failing to fund communities

Most mining companies operating in the western province of Tete are not honouring legal obligation to channel part of their revenues to the development of the local communities.

Speaking at a press conference on 6 March during a meeting of the Coordinating Council of the Ministry of Planning and Development, the Tete provincial director of planning and finance, Maria de Lurdes Fonseca, said the mining companies should have paid 22.2 million meticaís (US\$719,000) in 2013. But in reality only 7.2 million meticaís was paid to the communities, and that came from just one company, Vale of Brazil.

According to Prime Minister Alberto Vaquina, speaking in the Mozambican parliament, the Assembly of the Republic, the state budget, for both 2013 and 2014, stipulates that 2.75 per cent of the revenues generated by mining companies should be used for community development in the areas where the mines are located. This is covered by laws on mining taxation of 2007 and 2013.

But Fonseca said that most of the companies have so far paid nothing at all. The other companies that ought to have paid are Anglo-Australian company Rio Tinto, Jindal of India and Minas de Moatize (owned by Britain's Beacon Hill).

"We have to work harder to convince the companies to hand over the revenue", she said. Several meetings with company representatives have been held, but the three companies are still not respecting their legal obligations to the communities.

"Because there's been no consensus, we've asked for support from the central authorities to overcome the problem", added Fonseca.

Money paid by Vale had financed 14 community projects in agricultural marketing, general trade, and poultry farming.

320 permanent and seasonal jobs were created, and an agricultural service centre was set up in Tete, equipped with seven tractors to assist peasant farmers.

Low inflation in February

The rate of inflation in Mozambique in February, as measured by the consumer price indices for the three largest cities (Maputo, Nampula and Beira), was 0.39 per cent.

This is a decline on the January inflation rate which was 0.98 percent, and it is a much lower rate than in February 2013, when prices rose by 1.16 per cent.

Most of the significant February price rises were for foodstuffs. The rises which had most impact on the consumer price index were for tomatoes (15.4 per cent), cabbage (12.4 per cent), lettuce (14.2 per cent), and coconuts (2.7 per cent). Between them these four products pushed the overall level of prices up by 0.47 per cent. Tomatoes alone were responsible for pushing the consumer price index up by 0.32 per cent.

Several key foods fell in price – the price of cassava flour declined by 6.7 per cent, while potatoes and onions were 4.4 per cent and 1.5 per cent cheaper respectively.

The accumulated inflation so far this year is 1.37 per cent. At the same time in 2013, it was 2.52 per cent.

Comparing prices this February with prices in February 2013, the increase has been 2.38 per cent.

The average 12 monthly inflation rate over the past year was 4.14 per cent – down from 4.29 per cent in January.

There were significant differences in the inflation rate between the three cities. Maputo saw the sharpest price rises in February, of 0.66 per cent, while in Beira and Nampula price rises were minimal. In Nampula the consumer price index rose by 0.13 per cent and in Beira by 0.11 per cent.

Over the last year, Nampula had the highest inflation rate at 3.43 per cent, followed by Maputo with 2.26 per cent. In Beira, however, prices only rose by 0.63 per cent.

Administrator faces corruption charges

The Central Office for the Fight against Corruption (GCCC) has charged the administrator and the permanent secretary of one of the districts of the northern province of Nampula of embezzling 1.1 million meticaís (US\$36,000).

According to GCCC spokesperson Bernardo Duce, the two claimed that the money had covered expenditure concerning travel on duty inside and outside the district.

Duce said that in February the GCCC processed 47 cases, four of which have been sent to courts for trial. No corruption trials were held in February (which is part of the judicial holidays when courts do not hear any new cases). There were no reports of the arrests of any allegedly corrupt officials.

One of the cases that has been charged concerns a former director of district education, youth and technology services, in the central province of Zambezia who, on learning that a teacher was ill, set up a mechanism to steal his wages. He managed to steal 105,000 meticaís that belonged to the teacher before he was found out and sacked.

Another case concerns an official in the Inhambane provincial government who demanded bribes of 8,200 meticaís from two people who were seeking teaching jobs.

Meanwhile, the national director of the Legal Aid Institute (IPAJ), Justino Tovela, has announced that ten members of the Institute have been caught extorting money from clients.

IPAJ is supposed to provide legal services to people who cannot afford to pay for a lawyer, but several of its members were found to be making illicit charges for work that should be free of charge.

Tovela said the ten have been suspended from duty and will be taken to court.

Finance Minister states public debt is sustainable

Mozambique's total public debt, as of 31 December, stood at US\$6.8 billion, Finance Minister Manuel Chang told the Mozambican parliament, the Assembly of the Republic, 6 March.

Answering a question from the opposition Mozambique Democratic Movement (MDM), he said that, of this amount, US\$5.8 billion was foreign debt, and US\$994 million was domestic debt (accumulated mainly through the sale of treasury bonds).

Chang said that the current levels of foreign public debt are sustainable, falling well within the tolerable limits for all debt sustainability ratios.

Thus the ratio of the net present value (NPV) of the debt to the country's GDP, which should not exceed 40 per cent, was 24.8 per cent in 2010, rising to 29.6 per cent in 2013. The limit for the ratio of the debt NPV to exports is 150 per cent: this ratio was 67 per cent in 2010 and 90.9 per cent in 2013.

The debt service to exports ratio was 1.7 per cent in 2010 and 3.4 per cent in 2013. This is far below the limit for this ratio, which is 20 per cent.

Chang added that Mozambique is also nowhere near reaching the limit of 30 per cent for the debt service to government revenue ratio. This was 2.9 per cent in 2010 and 4.3 per cent in 2013.

The minister said that Mozambique's main multilateral creditors are the World Bank, the African Development Bank (ADB), the European Investment Bank (EIB), and the International Fund for Agricultural Development (IFAD). The main bilateral creditors are Japan, China, India, France, Portugal, Brazil and Germany.

The foreign debt consists mostly of long term soft loans, with periods of maturity ranging from 20 to 50 years, grace periods of five to 10 years, and interest rates of between zero and 1.5 per cent. There are no such favourable terms for the domestic debts, which have maturity periods of between three and seven years, and variable interest rates.

"Contracting debts follows criteria of sustainability", said Chang. Debt sustainability is regularly analysed, and this analysis "is a tool which seeks to guide the government in taking decision on the viability of the plans for the country's indebtedness".

In the past, the country's foreign debt had indeed been unsustainable, he added. In 1998, the foreign debt stock was 153 per cent of GDP, 13 times the state revenues for that year, and 25 times the country's exports.

The country's creditors, in light of the economic reforms introduced by the Mozambican government, cancelled much of the debt, under the initiatives known as HIPC (Heavily Indebted Poor Countries initiative) and MDRI (Multilateral Debt Relief Initiative).

As a result, the foreign debt fell from US\$6 billion in 1998 to US\$3.3 billion in 2006. Since then it has grown to the current figure of US\$5.8 billion, said Chang, because "given the need for more investment in infrastructures and economic development programmes, we have been contracting more loans".

He also pointed out that there is nothing secret about Mozambique's debt. Detailed information is published regularly on the Finance Ministry website, and in quarterly and annual reports.

Nine truckloads of illegal wood seized

The forestry and wild life services in the western province of Tete have seized nine large trucks carrying illegal loads of 160 cubic metres of unprocessed hardwoods.

According to the head of inspection in the Tete forestry services, Damiao Caliano, the trucks were seized at the end of February in Changara and Moatize districts.

Fines of four million meticaís (US\$131,000) have been imposed on the owners of the trucks. Caliano said they had begun to pay off the fines in order to recover the vehicles. They cannot recover the timber which forfeits to the state.

Large trucks cannot use dirt roads in the rainy season, and so illegal loggers are concentrating their attentions on Changara and Moatize because the highway from Zimbabwe to Malawi runs through these districts.

Caliano said the forestry inspection teams are concentrating on these districts with fixed posts and mobile brigades, in collaboration with the local communities.

French loan for Maputo runway

The French government has granted Mozambique a soft loan of US\$44 million to finance the rehabilitation of the runway at Maputo International Airport.

The agreement was signed in Maputo on 3 March by Finance Minister Manuel Chang, the French Minister of Foreign Trade, Nicole Bricq, and the Maputo Director of the French Development Agency (AFD), Virigine Dago.

The loan has a maturity of 20 years, including a period of grace of four years. It carries an interest rate of 0.79 per cent.

The cost of rehabilitating the runway and the apron is US\$70.5 million. In addition to the French loan, the work is financed by a loan of US\$25 million from the European Investment Bank (EIB) and a grant of US\$1.5 million from the European Union-Africa Infrastructure Trust Fund (ITF).

Speaking at the ceremony, Chang said that air transport in Mozambique has undergone considerable expansion over the last decade, including completely new international and domestic terminals at Maputo airport. It was the government's task "to provide passengers with greater safety and to modernize infrastructures".

The rehabilitation of the runway, in line with the recommendations of the International Civil Aviation Organisation (ICAO), would give Mozambique "a gateway to the world with better services for attending to passengers, better airport security and cargo handling facilities", which in turn would lead to an increase in the flow of tourism and business, Chang added.

Bricq, who was accompanied by a delegation of 38 French business people, said that France is determined to step up its economic relations with Mozambique. She said that, in the near future, an Economic Services section will be opened in the French embassy in Maputo.

Bearing in mind recent natural resource discoveries, the French minister believed that Mozambique enjoys all the conditions to guarantee sustainable economic growth.

416,000 Mozambicans receiving anti-retrovirals

416,000 Mozambicans are receiving anti-retroviral (ARV) drugs that prolong the lives of HIV-positive people, Deputy Health Minister Nazira Abdula announced on 3 March.

Addressing the Fifth National Meeting on HIV/AIDS, Abdula said that the country now has 563 health units that offer ARV treatment.

The expansion of treatment facilities, she said, meant that the proportion of people receiving ARV therapy has risen from 51 per cent of those known to be infected to 71 per cent. Paediatric ARV treatment now covers 41 per cent of children known to be carrying the virus.

The 2013-15 Plan for Accelerated Response to HIV envisages raising the percentage of adults and children eligible for ARV treatment and actually receiving the drugs to 80 per cent by 2015. The Plan also aims by then to reduce the number of new infections by 50 per cent, and to cut drastically the number of children infected by HIV in their mother's womb. By 2015 it is hoped that fewer than five per cent of babies born to HIV-positive women will be infected.

Abdulah told the meeting that "we should be aware that AIDS is a threat to the development, stability and well-being of Mozambicans", pointing out that AIDS was the main cause of death among adults in Mozambican health units, and the second cause of death among children (after malaria).

There has been no thorough survey of rates since 2009. The survey of that year showed an HIV prevalence rate of 11.5 per cent among citizens aged 15 to 49.

Japanese aid for Gaza water supply

The Agricultural Directorate of the southern province of Gaza and the Japanese government signed in Maputo on 27 February a grant agreement worth US\$114,617 for the construction of two boreholes in Gaza.

The aid is part of the Japanese programme of Assistance to Community Projects (ACP). The boreholes will be drilled in Guija district, which is regularly affected by drought, and will benefit 3,000 people.

Speaking at the ceremony, Japanese Ambassador Eiki Hashimoto said that, in addition to drilling the boreholes, the money will also be spent on acquiring two electric pumps, two solar panels and a water tank. There will also be a programme for general improvement in hygiene conditions.

South Korea supports energy projects

The Korean International Cooperation agency (KOICA) has sent a team to Mozambique to discuss preliminary research for three energy projects valued at US\$7 million.

One project involves the installation of two interconnection lines – one from Maputo to Bela Vista and Salamanga in the southernmost district of Matutuine. The other will run from Chibabava in Sofala province southwards to Vilankulo and Massinga in Inhambane province.

The other two projects are the construction of an electricity training centre, and project to reduce power cuts.

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.