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Assembly to discuss bill on "leader of the opposition"

The extraordinary sitting of the Mozambican Parliament, the Assembly of the Republic, due to begin on 26 November, will discuss a bill creating the position of "leader of the opposition". This position would be filled by Renamo's leader Afonso Dhlakama since his was the party with the second largest number of votes in the 15 October general elections.

Dhlakama called for the creation of this post in a recent interview with the weekly paper "Savana", and the idea was also mentioned by President Armando Guebuza on 5 September, when he and Dhlakama signed the agreement on a cessation of military hostilities.

The bill on the "leader of the opposition" has been drafted by the Assembly's governing board, its Standing Commission.

The Standing Commission refused to put on the agenda for the extraordinary sitting the Renamo demand for the creation of a "caretaker government" with members appointed by both Renamo and Frelimo.

The second deputy chairperson of the Assembly, Renamo deputy Viana Magalhaes, claimed that a caretaker government was necessary to safeguard peace and economic growth because "everybody knows" that the October elections were marked "by serious irregularities, blatant disorganisation and acts of fraud which directly influenced the results".

The matter was put to a vote and the Renamo proposal was rejected by the votes of the Commission members from Frelimo and the MDM.

The other points on the agenda for the extraordinary sitting, which could last for ten days, are unfinished business from the previous sitting.

Some of these matters are uncontroversial. For example, the Assembly ran out of time before it could pass a Law on Freedom of Information. This long awaited bill, which will oblige public bodies, and those private bodies which undertake activities of general interest, to release information to any citizen requesting it, passed its first reading unanimously.

But it needs a second and final reading before it can be sent to President Guebuza to be promulgated. Enjoying the support of all three parliamentary parties, the bill is likely to pass by acclamation.

Another item hanging over from the previous sitting is the new Penal Code. The Assembly approved the code in July – but President Guebuza sent it back. After consultations with the Attorney-General's Office and with the Justice Ministry, he had doubts as to whether several articles were in line with the country's constitution. Since there is broad cross-party consensus on the Penal Code, there should be no problem in re-discussing the articles queried by the President.

The extraordinary sitting should also vote on the report from Eduardo Mulembue, chairperson of the parliamentary ad-hoc commission drafting amendments to the Constitution.

MDM mayor blames "arrogance" for poor election results

The mayor of Quelimane, Manuel de Araujo, has blamed the relatively poor showing of his party, the Mozambique Democratic Movement (MDM), in the 15 October general elections, on "arrogance".

Araujo is one of the best known figures in the MDM. He overturned the Frelimo majority in Quelimane in a municipal by-election in 2011, and was re-elected with a crushing majority in the November 2013 local elections. On both occasions the MDM was the only opposition to Frelimo, since Renamo had opted to boycott the municipal elections.

Interviewed in the weekly "Savana", Araujo accepted that the MDM must bear some of the blame for the election results. After its successes in the municipal elections, "the MDM became arrogant, and I think the people punished this arrogance", he said.

The MDM had secured majorities in the municipal assemblies in Quelimane, Nampula and Gurue, as well as in the party's birthplace of Beira, and "certain MDM leaders who don't live in those municipalities and weren't elected by the citizens there thought they had the right to interfere and sometimes to block the municipal governance agenda", Araujo accused.

"The height of this arrogance was the imposition, without consultation, of people from outside the constituencies in prominent positions on the MDM's parliamentary lists, and even as head of the lists in some provinces", he added.

Natural gas not second best to oil

Experts attending an oil and gas conference in the United Arab Emirates have argued that natural gas is no longer the poor sister of the hydrocarbon family.

Speaking on the sidelines of the Abu Dhabi International Petroleum Exhibition and Conference, the President of Strategies et Politiques Energetiques, Francis Perrin, told AIM that in fact over the last twenty years natural gas has gained several advantages over oil. In particular, it is the cleanest fossil fuel and is increasingly in demand as the world's economy grows.

In October Mozambique's Minister of Mineral Resources, Esperanca Bias, revealed that just five years of exploration in the Rovuma Basin in the north of the country has increased known natural gas reserves from five trillion cubic feet to over 200 trillion cubic feet. Previous to these discoveries the known gas was located in the southern province of Inhambane.

The operators of the two successful northern concessions, US company Anadarko and Italy's ENI, are now developing plans to build Liquefied Natural Gas (LNG) plants which will cool the gas until it becomes a liquid prior to shipping to market.

There is enough gas for the two to jointly build at least ten production units each capable of making five million tonnes of LNG per year. However, this could cost up to US$80 billion. In addition, ENI is designing a floating production unit (FLNG) to produce a further two million tonnes per year.

These developments could begin operation before the end of the decade, and once operational will make the country one of the world's largest exporters of LNG alongside Qatar and Australia.

Perrin pointed out that Mozambique is developing these plans at a difficult time due to a well-supplied market with many projects due to come on stream.

He warned that several very large gas deposits will soon be commercialised, including those in Tanzania, Angola, Cyprus, Israel, Qatar and Australia. In addition, shale and tight gas will become major sources in the United States and elsewhere in coming years.

However, he argued that Mozambique has huge deposits of high quality gas which enables investors to take a very long term view.

The key region for LNG sales is Asia, and Perrin pointed out that Mozambique is in a great geographical position with uninterrupted marine routes.

He argued that Mozambique should continue to seek advice from African countries with experienced national hydrocarbon companies to ensure that it receives a fair share of future revenue. In particular, he mentioned Algeria which was the first to export LNG.

Perrin argued that gas is now a competitor of oil. In addition to being a fuel, it can be used to make fertilisers and plastics, and new techniques can transform it into a liquid at room temperature for use in vehicles (a process known as Gas To Liquid - GTL).

Mozambique also stands to gain from geopolitical and economic imperatives.

Despite the fact that the United Arab Emirates is an exporter of oil, gas and LNG, it is building a regasification terminal on the east coast at Fujairah. The EmiratesLNG project was launched in 2012 to provide an additional reliable source of energy.

Currently, the UAE imports gas from Qatar through the Dolphin Gas Project pipeline, and Perrin pointed out that relations between the two countries have not always been easy. In addition, the regasification plant is to be located on the eastern coastline, avoiding the need for tankers to travel through the Strait of Hormuz, where in the past tensions have arisen with Iran.

It is expected that EmiratesLNG will be in contact with Mozambican companies.

Funding the multi-billion dollar LNG plant in Mozambique will require the owners to take loans from banks. To secure these loans they will need several twenty year LNG supply contracts. This is where negotiations with companies such as EmiratesLNG can determine whether the project is viable.

Oil and gas consultant Dr Neil Ford told AIM that despite the challenges faced by the increasing global supply of LNG, Mozambique is doing the right thing in getting the two consortia headed by Anadarko and ENI to cooperate over the commercialisation of their adjoining gas fields (ENI's proposed Floating LNG vessel will be used for reserves found in deeper water).

By using a single site for producing LNG the development will be greatly speeded up through the sharing of roads, logistics, harbour and port, and the environmental impact assessment.

Dr Ford pointed out that in Australia, where several projects are being implemented separately, huge delays are faced due to duplication and expert staff shortages.

He stressed that there is more demand for LNG than ever before, particularly driven by South Korea, Taiwan, Japan, India and China.

From the geopolitical perspective, Dr Ford suggested that Mozambican gas could play a role in the Chinese policy sometimes known as the "String of Pearls". Although the term is not used by Chinese sources, it describes efforts to secure access to trade routes and resources through the development of ports in countries west of China, including in Bangladesh, Sri Lanka, Myanmar, Pakistan and Tanzania.

In 2013 ENI sold a twenty per cent stake in its Mozambique asset to the Chinese National Petroleum Corporation (CPNP) for US$4.21 billion. This should be put in context of Chinese companies buying stakes in almost a hundred hydrocarbon assets around the world at a cost of over a hundred billion dollars.

This year's ADIPEC event received over sixty thousand visitors with more than 1,800 exhibiting companies. The event devoted an afternoon session to East Africa, signalling the growing importance of the region to the hydrocarbon industry.

President Guebuza inaugurates Tete bridge

President Armando Guebuza on 12 November inaugurated a second bridge across the Zambezi River in the western city of Tete, linking the city to the coal mining district of Moatize.

It has been baptized the “Base Kasswende Bridge”, after a major guerrilla base in the Tete district of Maravia used by FRELIMO during the war for independence from Portuguese colonial rule.

Construction of the bridge began in April 2011. It is 1,600 metres long – twice as long as the existing Samora Machel bridge, nearer the centre of the city, which was built in the early 1970s. The bridge cost about €3145 million (US$181 million) with loans from Mozambican banks and the Portuguese government. The money will be recovered over 30 years from tolls from motorists.

At the inauguration ceremony, President Guebuza stressed the economic importance of the new bridge, describing it as an anchor for the development of the province, of Mozambique as a whole, and of the neighbouring countries.

He forecast an increase in the circulation of people and goods between the two banks of the river since the Kasswende Bridge can carry much more traffic than the Samora Machel Bridge. The latter has come under enormous pressure in recent years as the Tete economy has expanded, largely because of the mining boom. At the time the Samora Machel Bridge was built the volume of heavy traffic thundering through Tete was not forecast.

The Samora Machel Bridge, and now the Kasswende Bridge, are not only key for Mozambique – they are also part of the highway between Zimbabwe and Malawi which passes through the middle of Tete province.

All heavy traffic across the river will now have to use the new bridge. The Samora Machel Bridge will be restricted to light vehicles and motorcycles.

The bridge was built by the company Estradas do Zambeze (Zambezi Roads), 80 per cent of which is owned by the Portuguese companies Soares da Costa and Ascendi Concessoes. The remaining 20 per cent is held by the Mozambican company Infra Engineering.

Under the contract with the government, Estradas do Zambeze will also build 14 kilometres of new road, take responsibility for the rehabilitation and maintenance of roads linking Tete city to Zimbabwe, Malawi and Zambia, and operate and maintain the Samora Machel Bridge.

President Guebuza opens Fisheries Museum

President Armando Guebuza on 13 November inaugurated the Fisheries Museum in Maputo.

Building the museum cost US$5 million, provided by the Mozambican government in partnership with the government of Norway. The museum is installed in a new building alongside the Maputo fishing port.

During the inauguration ceremony, President Guebuza stated, “we have to make fishing and aquaculture increasingly profitable activities, from the commercial, sporting and recreational points of view”,

He stressed that fishing must always respect the principles of sustainability and of preserving the environment.

Businessman kidnapped in Maputo

Unidentified assailants on 12 November kidnapped a wealthy Mozambican businessman, Mohamed Bashir Suleiman, whom the US government accused in 2010 of being a drug baron.

A police source told AIM that Bashir was kidnapped at gunpoint at the Maputo Shopping Centre which his company, MBS, owns.

Bachir started his career as the owner of modest shops selling printed fabrics (“capulanas”) in the northern province of Nampula. In the 1990s he rose to become a major business figure. He founded the Kayum Centre which for a time was the main supplier of electrical appliances to the Maputo market.

In downtown Maputo, he then built the Maputo Shopping Centre, said to have cost US$32 million.

Now Bachir has become the latest, and best known, victim in the wave of kidnappings of business people which began in Mozambican cities in 2011.

Several trials of kidnappers have been held, but the lengthy prison sentences imposed have not acted as a deterrent. In one of the most recent trials, in Beira in late September, three people were sentenced to between 16 and 20 years imprisonment for their part in the abortive kidnapping of the son of a businessman a year earlier.

Inhambane declared free of land mines

Mozambique’s National Demining Institute (IND) on 6 November formally concluded mine clearance in the southern province of Inhambane.

Over the past 16 years, 6.5 million square metres in the province has been cleared of land mines, and released for productive activities. 570 land mines and other items of unexploded ordnance were destroyed over this period, and 12,000 munitions of various calibres were removed.

Under the government’s National Mine Action Plan (PNAC) for the 2008-2014 period, about US$4 million a year was spent on mine clearance in the province. The work was undertaken by the humanitarian organisation Handicap International and several commercial operators.

Since 2008, there have been four mine explosions in Inhambane, killing two sappers and three civilians.

Seven of the country’s ten provinces are now officially free of land mines, and 120 of its 128 districts. At the ceremony classifying Inhambane as land-mine free, held in the coastal district of Inhassoro, IND Director Alberto Augusto said he was optimistic that the remaining areas in the rest of the country still affected by mines could be cleared by the end of this year.

Malawi Airlines begins flights to Beira

Malawi Airlines on 11 November began flights between the Malawian capital Lilongwe and the central Mozambican city of Beira.

The first flight from Lilongwe touched down in Beira at about 14.00. Malawi Airlines plans to fly to Beira twice a week, on Tuesdays and Fridays. In addition, the Malawian company is also operating flights from Lilongwe to Tete and to Nampula.

Chinese companies to operate Chibuto sands

Two Chinese companies on 3 November signed a contract with the Mozambican government to exploit the titanium-bearing heavy mineral sands in Chibuto district, in the southern province of Gaza.

Anhui Foreign Economic Construction Group and Yunnan XinLi Non-ferrous Metals Co. Ltd. propose to invest US$471.4 million in Chibuto.

According to a report in the daily paper "Diario de Mocambique", the two companies are expected to extract a million tonnes of ilmenite (titanium iron oxide) a year for a period of 25 years.

Since the Irish company Kenmare Resources has the capacity to produce around 800,000 tonnes of ilmenite a year from its dredge mine in Moma district, in the northern province of Nampula, a million tonnes a year from Chibuto would make Mozambique the largest producer of ilmenite in the world.

The sands at Chibuto contain known reserves of 72 million tonnes of ilmenite, 2.6 million tonnes of zircon and 400,000 tonnes of rutile.

Ilmenite (iron titanium oxide) and rutile (titanium dioxide) are used to make white pigments for paints, paper and plastic. Titanium can be extracted from these ores and used to manufacture metallic parts where light weight and high strength are needed. Zircon (zirconium silicate) is used for abrasive and insulating purposes.

In the first phase, 500 Mozambican workers will be employed. The minerals will be taken by road to Maputo and shipped to China for processing.

President Guebuza lays first stone for Incomati dam

President Armando Guebuza on 31 October laid the first stone for the construction of the Moamba Major dam on the Incomati River, in Maputo province.

Speaking at the ceremony, President Guebuza said that when the dam is complete in five years' time it will contribute to the economic activities of the region and will guarantee increased water supply to the capital.

The dam will generate 15 megawatts of electricity and guarantee the irrigation of 19.000 hectares of land. It will regulate the waters of the Incomati, which have regularly caused devastating floods.

The dam will create 1,800 direct jobs, as well as boosting agricultural production, and ensuring a reliable additional source of drinking water for the two million people living in the Greater Maputo Metropolitan Area.

The dam will cost US$433.6 million borrowed from the Bank of Brazil. The bank has already provided a loan of US$8.5 million for the environmental impact study and the executive project for the construction.

Passengers detained with 41kg of rhino horn

South African authorities on 31 November seized one of the largest ever haul of rhinoceros horns which were being transported on a plane from Maputo. The final destination of the two smugglers was Vietnam, where rhino horn is peddled as a miracle cure.

Two men were intercepted in the international departures section of Johannesburg airport after a detector dog reacted very strongly to one of their bags.

The two men were found to be carrying 34 large pieces of rhino horn, weighing a total of 41 kilos. They were travelling on the scheduled Qatar Airways flight from Maputo to Doha via Johannesburg.

South Africa's Kruger National Park has announced that 58 rhino poachers have been arrested in and around the Park in October. But so far this year more than 600 of South Africa's rhinos have lost their lives to poachers.

According to a spokesperson for South African National Parks (SANParks), Reynold Thakhuli, "there were also arrests in adjoining reserves in Mozambique where 26 suspected poachers were apprehended and 12 rifles confiscated"

Poaching continues because of the high price of rhino horn on the Asian market, reported to fetch US$65,000 a kilo, making it more expensive than gold or cocaine.

Montepuez marble production to resume

The state-owned Mining Exploration Company (EMEM) on 14 November signed an agreement with the Sarla Group of India to resume production of marble at Montepuez in the northern province of Cabo Delgado.

There is a long history of marble mining in Montepuez, but the marble quarries fell silent four years ago, when the Portuguese Visabeira Group closed its operations, allegedly because it had run into technological problems in extracting the marble.

The new mining company will be 51 per cent owned by Sarla and 49 per cent by EMEM. The Sarla group intends to invest US$10 million in the quarries, while the EMEM contribution consists of the land rights, and the existing equipment and premises.

The initial target is to produce 10,000 cubic metres of marble a year. The next step will be to build a marble cutting and polishing plant in the Cabo Delgado provincial capital, Pemba. Such a plant would require additional investment of US$5 million, and considerably more if production was expanded beyond 10,000 cubic metres a year.

This is a condensed version of the AIM daily news service – for details contact pfauvet@live.com

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