# Mozambique News Agency
# AIM Reports

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# Cahora Bassa: prophets of disaster proved wrong

Mozambican President Armando Guebuza declared on 26 November that those who predicted disaster when Mozambique took majority ownership of the Cahora Bassa dam have been proved wrong.

Speaking at the graduation ceremony for the first 17 engineers trained by the Higher Polytechnic Institute of Songo, the nearest town to the dam, President Guebuza recalled “seven years ago we proclaimed to the nation and to the world that Cahora Bassa is ours. It was a cry of victory against the last holdout representing 500 years of foreign domination”.

Under the agreement signed in 2007, Portugal sold most of its shares in Hidroelectrica de Cahora Bassa (HCB), the company that operates the dam, to Mozambique. The Mozambican state’s holding in HCB rose from 18 to 85 per cent, and that of the Portuguese state fell from 82 to 15 per cent.

At the time, President Guebuza recalled, “it was an enormous challenge to train staff to meet the growing demand in various specialist areas indispensable to the electricity industry to take control of this enormous undertaking called Cahora Bassa”.

He told the HCB staff that “with competence and professionalism you have denied the pessimists who forecast a gradual decay in this, our second independence”.

No disaster occurred, President Guebuza added, “because Mozambicans have self-esteem, they are patriots, they are enterprising, and above all they are results-oriented”. Mozambicans, he said, “know how to turn challenges into opportunities”,

The Songo Institute (ISPS) started with 102 candidates for its engineering courses. The 17 who graduated are he first to conclude the courses. The others have either dropped out for various reasons, or have not yet finished their degrees.

President Guebuza told the graduates that “the school of life” now awaits them in the workshops and factories, where they will find skilled and experienced workers who will be “your masters”, and will plunge them into the daily life of their profession.

“Respect them and learn from them”, the President urged, “and share with them what you have learnt here during your training”.

The graduates, he added, should value the investment made in their training and honour the expectations of their future work for Mozambican industry.

ISPS will cooperate with HCB in training staff for the dam, and to this end a memorandum of understanding was signed by HCB chairperson Paulo Muxanga and ISPS director Francisco Vieira.

Under the memorandum, HCB will provide internships for ISPS students on the electronic, mechanical and hydraulic engineering courses, and will sponsor the publication of works by ISPS staff and students. Members of the HCB technical staff will lecture at ISPS, and HCB will contribute to studies and research projects that are of interest to the management of the dam.

Speaking at the ceremony, Muxanga said the memorandum formalises a partnership between two institutions which are “umbilically linked”, since HCB is one of the main beneficiaries of the courses taught at ISPS.

### Mozambique and Spain sign partnership programme

The Mozambican and Spanish governments in Maputo on 21 November signed a new Partnership Framework Programme under which Spain will provide €46.55 million (US$57.8 million) in aid during the period 2014-2016.

The funds are intended for the health sector, food security, rural development and decentralisation, gender issues and culture in Cabo Delgado, Inhambane and Maputo provinces.

## Caretaker government would be unconstitutional

The demand for a "caretaker government", raised repeatedly by Renamo leader Afonso Dhlakama is "an unconstitutional proposal", according to Edson Macuacua, spokesperson for President Armando Guebuza.

Nothing in the Mozambican legal order would make it possible to form such a government, Macuacua told reporters on 28 November.

Dhlakama has made this demand before the definitive results from the 15 October general elections are known, The Constitutional Council, the country's highest body in matters of constitutional and electoral law has yet to validate and proclaim the election results.

Macuacua urged all political parties to be patient and wait for the decision of the Constitutional Council. So far the Council has only given rulings on appeals by political parties (mostly by the Mozambique Democratic Movement, MDM). It has yet to rule on the validity of the elections themselves.

On tour in central Mozambique, Dhlakama claimed the elections were fraudulent and that the way forward was to put together his 36 per cent of the vote, which he described as genuine, and the 57 per cent of Filipe Nyusi, the candidate of the ruling Frelimo Party which he considered "false", and to form what amounts to a coalition government.

Dhlakama insisted that he would not be president of the "caretaker government". He said it could include, not only people chosen by Frelimo and Renamo, but also "intellectuals" and people from the minor parties.

### Assembly passes freedom of information bill

The Mozambican parliament, the Assembly of the Republic, on 26 November unanimously passed the second and final reading of a freedom of information bill which will oblige public bodies, and those private bodies which undertake activities of general interest, to release information to any citizen requesting it.

The bill passed its first reading on 21 August, during the final ordinary sitting of this legislature. But the Assembly ran out of time, and as the election campaign began (on 30 August), its members scattered across the country, and the bill was one of the matters left in limbo.

This bill, and several other items of unfinished business from the previous sitting, was the main reason for calling an extraordinary sitting.

The call for a Freedom of Information Act came, not from any political party, but from journalists. A draft bill on the matter was submitted to the Assembly over eight years ago by the Mozambican chapter of the regional press freedom body MISA (Media Institute of Southern Africa). The political party parliamentary groups clearly did not regard it as a priority. Even when it found its way onto the parliamentary agenda in 2013, it was not discussed because that sitting too ran out of time.

The bill, as finally passed, marks a major step forward in obliging officials to make information freely available. It states that the bodies covered, public and private, "have the duty to make available information of public interest in their power, publishing it through the legally permitted channels, which can make it increasingly accessible to citizens".

Among the material which must be made available are annual activity plans and budgets; audit, inquiry and inspection reports; environmental impact reports; and contracts, including the revenue and expenditure involved.

In the past, state bodies have often turned down requests from journalists for such documents on the grounds that they are "secret". But the bill now specifically forbids restrictions on access to information of public interest, and orders public powers to keep their archives open.

All information must be kept "in duly catalogued and indexed records so as to facilitate the right to information".

The bill states "public bodies, and private bodies invested with public powers, by law or by contract, exercise their activities in the interest of society and so those activities must be made known to citizens".

It adds "the permanent democratic participation of citizens in public life presupposes access to information of public interest so as to formulate and express value judgments on the management of public affairs, and this influence decision making".

Public documents and archives must be open to anyone wishing to see them. The people requesting access do not need to state what they intend to do with the information.

The person requesting the information needs do nothing more than identify him or herself. The documents requested must be made available within 21 days, and consulting them is free of charge (apart from the costs of photocopying, if the petitioner wishes to take them away).

There are exceptions. Freedom of information does not apply to state secrets. But state secrets must be defined as such by law, and officials cannot just decide off the top of their heads what constitutes a classified document.

Documents that are involved in ongoing court cases and are therefore sub judice are also exempt from the freedom of information rules. More controversially, sensitive information on banks and their clients cannot be revealed, and commercial and industrial secrets are also protected, if knowledge of these matters by competitors could damage the productivity of the company concerned.

The bill also exempts the private lives of citizens from freedom of information requests and states that no information that could endanger the victims of crimes, witnesses or whistle blowers should be made public.

If any official rejects a request for information, he must explain why, and the petitioner may appeal, including through the courts.

### Mozambique and India sign hydrocarbon MoU

Mozambique has signed a Memorandum of Understanding (MoU) with India for cooperation in the oil and gas sector. The signing took place on 26 November in New Delhi during a meeting between Mozambican Foreign Minister Oldemiro Baloi and India's Petroleum Minister Dharmendra Pradhan.

The MoU underscores opportunities for the two countries to work together to enhance capacity building, forge closer cooperation between research and training centres, and intensify technology transfer.

The bilateral accord was approved by the Indian government at the end of October. At the time the government commented, "Mozambique is strategically located near India and is ideally suited for bringing natural gas to India at market-determined price. Participation of Indian energy companies in the project will facilitate access to LNG for the growing Indian gas market".

Three Indian companies have a combined thirty per cent stake in Area 1 in the Rovuma Basin, off the coast of Cabo Delgado, where US company Anadarko is the operator.

Baloi is in India on a six day official visit at the invitation of Minister for External Affairs Sushma Swaraj.

## Mozambican coal arrives in India

The Indian state-owned International Coal Ventures Ltd (ICVL) on 27 November announced that the first shipment of coal from its concession in central Mozambique has arrived at port in Visakhapatnam in eastern India.

The premium hard coking coal from the Benga mine is destined for use by the Steel Authority of India.

In October, ICVL acquired three concessions in Mozambique from the Anglo-Australian company Rio Tinto – its 65 per cent stake in the Benga open cast coal mine, and the Zambeze and Tete East projects, all in Tete province (the remaining stake is owned by Tata Steel). Of these, only Benga is in production, currently mining five million tonnes of coal a year. However, the company is looking at increasing production to twelve million tonnes per year.

In a statement ICVL pointed out that "this shipment marks the beginning of establishing a long term and reliable source of supply".

It added, "with huge reserves now under the control of ICVL, coal output would be progressively increased for meeting current and the growing requirements of the Indian steel majors".

The company argued that "ICVL is putting in place a strong management team to make the mining operations efficient and cost effective. With transport infrastructure in Mozambique under expansion, ICVL would be well positioned to take advantage of increasing volumes from its Mozambique assets for imports to India".

ICVL is a joint venture between five Indian state owned concerns, namely the Steel Authority of India Ltd (SAIL), Coal India Ltd, Rashtriya Ispat Nigam Ltd (RINL), NTPC Ltd and NMDC Ltd. It was set up to acquire coal assets abroad, in order to guarantee secure supplies of coking coal for the Indian steel industry.

SAIL and RINL are increasing steel production and by 2015 will need 25 million tonnes per year of coking coal, most of which will be imported.

## First goods train from Moatize arrives in Nacala

The first goods train to use the new railway from the Moatize coal basin, in the western province of Tete, to the mineral port at Nacala-a-Velha, on the northern coast, arrived at the port on 24 November.

The train had set off from Nacala-a-Velha several days earlier with empty wagons, and returned with an assortment of merchandise, which did not include coal. This was a dummy run to test the new line, the main purpose of which is to transport the coal mined by the Brazilian company Vale at its open cast mine in Moatize.

After the arrival of the train, the port equipment will be tested and the cargo loaded onto a waiting ship.

The railway and the Nacala-a-Velha coal terminal are operated by the Integrated Nacala Logistics Corridor (CLN), which is owned 80 per cent by Vale and 20 per cent by the Mozambican ports and rail company, CFM.

CLN's forecast is that by the end of 2015 the line will carry 11 million tonnes of coal a year. Continued investment in improvements to the line will push this up to 13 million tonnes a year in 2016, and 18 million tonnes a year in 2018.

## Nacala airport due to open on 13 December

The new international airport in the northern city of Nacala is expected to be inaugurated on 13 December, according to Transport Minister Gabriel Muthisse.

Speaking during a visit to the construction site, the minister added that the work is now 95 per cent complete.

The airport has been under construction since September 2011. It will have two departure lounges (for domestic and international flights) and the ability to handle half a million passengers per year. It will also have a cargo terminal with the capacity to handle 4,600 tonnes of cargo per year.

According to a report in the independent daily "O Pais", Ethiopian Airlines and South African Airways are interested in using the airport, although the first company to operate out of the facility will be the national airline LAM.

LAM has announced that it will start operating three flights a week between Maputo and Nacala. In May LAM revealed that it is considering using its new Boeing 737s (which are due to arrive in May next year) to fly from Nacala to Dubai and Mumbai.

## President inaugurates road in Zambezia

President Armando Guebuza on 27 November inaugurated the rehabilitated road linking the town of Gurue to the locality of Magige in the central province of Zambezia.

The 35 kilometre road cost US$11 million provided as a loan from the Islamic Development Bank.

At the ceremony, President Guebuza said this road was one of several that consolidated Mozambique's position in the regional network, with links to Malawi, Zambia and Zimbabwe. He said the new stretch of road greatly improves links from Malawi and the Mozambican interior to the port in Quelimane, Zambezia's provincial capital.

He added that on the road corridor from Ile to Gurue in Zambezia, and on to Cuamba, in Niassa province, via Magige, 13 bridges are currently under construction. As part of the same strategy, according to a source in the National Roads Administration (ANE), the road from Magige to Cuamba is currently being tarred.

The improved roads, President Guebuza said, will facilitate the movement of crops from upper Zambezia, such as tea, maize, beans, cassava and sunflower.

### *Key roads in Cabo Delgado opened*

On 25 November the President inaugurated two stretches of road in the northern province of Cabo Delgado.

One is the 122 km stretch from the Oasse crossroads in Mueda district to the coastal towns of Mocimboa da Praia and Palma, while the second runs southwards from Oasse for 103 kilometres to the town of Macomia.

The total cost of the two roads was 3.6 billion meticais (about US$116 million), obtained as loans from the Portuguese government.

The contractor for the Oasse-Mocimboa da Praia-Palma road was the Brazilian Andrade Gutierrez group, while the Oasse-Macomia road was rebuilt by the Mozambican building company CETA, which is part of the Insitec investment group.

Taken together the two repaired roads will dramatically improve the 400 kilometre journey from the Cabo Delgado provincial capital, Pemba, to Palma, the nearest town to the offshore natural gas discoveries in the Rovuma Basin. Prior to the rehabilitation this journey, even in a four wheel drive vehicle, was a bone shaking, stomach churning experience. The worst stretch was from Oasse to Mocimboa da Praia: this used to take four hours, but the journey time has now been cut to two hours.

The work began in September 2011, and should have taken 30 months. Construction hit delays and an additional nine months was added to the time frame.

### Triton plans rapid development of graphite project

The Australian mining company Triton Minerals on 26 November announced that a scoping study on its Nicanda Hill resource at the Balama North graphite project, in the northern province of Cabo Delgado, justifies launching a feasibility study.

According to the company, this will form the basis for the rapid development of the resource and establish Triton as a low cost, high quality graphite producer. Triton plans to commence production in 2017.

The study puts the average mine gate cost of producing graphite at Nicanda Hill at US$250 per tonne with an FOB (Free on Board) cost at the port of Pemba of US$315 per tonne.

Thus, the company expects to make huge profits from the mine, with the scoping study assuming a conservative average graphite price of US$985 per tonne.

Triton plans to run the mine for thirty years. However, it calculates that it will pay back its initial capital investment of US$110 million within just ten months of commissioning the mine.

The company added that this calculation does not take into account the fact that Nicanda Hill contains 3.9 million tonnes of vanadium oxide, which makes it the largest known reserve of vanadium in the world. It also contains deposits of zinc and other base metals.

It stated that “further and more comprehensive test work is still required to understand whether the vanadium and zinc can be further upgraded into saleable concentrate levels”.

Graphite is a form of carbon that is highly valued due to its properties as a conductor of electricity. It is used in batteries and fuel cells and is the basis for the “miracle material” graphene, which is the strongest material ever measured, with vast potential for use in the electronics industries.

### Savannah Resources raises funds for Jangamo

The British based mining company Savannah Resources on 21 November announced that it has raised £1.3 million (over US$2 million) to fund its projects which include significant heavy mineral sands zones at its Jangamo deposit in the southern province of Inhambane.

The funds were raised through placing 29,483,704 new shares on the London Stock Exchange.

Part of these funds will pay for defining the Jangamo deposit’s reserves in line with the Australian code for reporting mineral resources, JORC. The company intends to complete this by the end of 2014.

In September, Savannah revealed results from a 3,990 metre drilling programme. Its chief executive David Archer commented, “We are seeing very good grades of thick, near surface heavy mineral sands mineralisation over excellent strike lengths”.

Heavy mineral sands contain ores such as ilmenite (titanium iron oxide), rutile (titanium dioxide), and zircon (zirconium silicate). Ilmenite and rutile 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.

The license for the Jangamo deposit was originally held by the Mozambican company Matilda Minerals. Savannah acquired an 80 per cent interest in Matilda Minerals in October 2013.

### Auroch Minerals defines gold deposit

Australian mining company Auroch Minerals has announced that its Fair Bride deposit in the central province of Manica holds a million ounces of gold.

Using the Australian code for reporting mineral resources, JORC, the company stated that the deposit has 923,200 ounces of gold, of which 291,600 ounces are measured, 263,300 ounces indicated and 368,300 ounces inferred.

On 19 November the company announced that tests have shown that it can recover between 74 and 78 per cent of the gold. However, the company stated that the process is yet to be optimised and significant improvements in the extraction rate are expected.

With the price of gold hovering around the US$1,200 mark, this makes the gold likely to be recovered worth over US$800 million at today’s prices.

However, the viability of the project will depend on the cost of production. Gold mines around the world have been closing due to a slump in gold prices, down from a peak of US$1,824 in August 2011.

Auroch will need to mine and process 9,546,000 tonnes of material to extract the gold at a rate of three grammes per tonne.

Auroch has two other deposits in Manica, which together with Fair Bride hold an estimated 2.8 million ounces of gold.

Despite these huge reserves, the financial markets remain sceptical with Auroch’s share price languishing at three Australian cents (about 2.58 US cents).

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

**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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