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Eighty per cent of Kruger poachers are Mozambican

About eighty per cent of the poachers arrested by the South African authorities in the Kruger National Park are Mozambicans, according to William Mabassa, of the public relations service of the Kruger Park.

Speaking on 14 July, at a seminar in the southern city of Inhambane on “The role of the media in the promotion of tourism and the fight against poaching”, Mabassa said the South African authorities are seriously concerned at the number of Mozambicans crossing the border to slaughter wild life.

Some have paid with their lives. Wardens shot dead 13 Mozambican poachers in the Kruger Park in 2013, and a further seven in 2014.

Mabassa urged the Mozambican government to invest more in communication so as to raise the awareness of communities about the need to fight against poaching. Local languages should be used, he said, to make communities understand that animals such as elephants and rhinoceros are worth more alive than dead.

“The media have an important role to play in raising awareness”, he said, “particularly when the content is made available in the languages that Mozambicans speak”.

This was the consensual position of the journalists attending the seminar, who also argued that there should be specific government funding for this purpose. The seminar was organised by Radio Mozambique, as part of the celebrations of its 40th anniversary.

Meanwhile, the fight against poaching took a step forward with the appointment of one of the country’s most prominent environmentalists, Carlos Serra, as National Director of the Legal Office of the Ministry of Land, Environment and Rural Development.

“I accepted this new challenge after much thought and consultation”, Serra wrote on his Facebook page. “I shall do my best in drawing up and revising legislation, and in training professionals in the sector”.

He pledged that he would remain linked to environmental activism and to academic work, despite his new government responsibilities.

Serra was one of those who insisted that ivory and rhino horns seized from poachers must be destroyed, lest they once again fall into the wrong hands. The government eventually agreed, and on 6 July the authorities incinerated 2.4 tonnes of illicit wildlife produce seized from poaching gangs. 618 elephant tusks and 82 rhino horns were consigned to the flames.

New inspection vessel for Lake Niassa

President Filipe Nyusi on 5 July inaugurated a new fisheries inspection vessel, baptised the “Ngolokolo”, on Lake Niassa.

Jose Ntaia, head of the inspection department in the Niassa Provincial Fisheries Directorate said that the “Ngolokolo” will make a major contribution to covering the entire 245 kilometre length of the lake on the Mozambican side. “We can now work in tranquillity in covering the entire extent of the lake”, he said.

The new vessel joins three small patrol boats in protecting the lake from illegal fishing. An agreement on fishing disputes exists with Malawi, which owns two islands inside what is otherwise the Mozambican portion of the lake.

“What is being done is to promote debates and share information about the use of fisheries resources”, said Ntaia.

President Nyusi also inaugurated a photo-voltaic power station in Mavago district which can generate 550 kilowatts of power. This station can supply electricity for about 1,000 households and several local social and economic undertakings.

The energy generated by the station comes from 2,495 solar panels, and the power station is run by the National Energy Fund (FUNAE). President Nyusi urged FUNAE and Mavago communities to coordinate with the district administration in order to adopt a management model which can bring benefits in terms of integrated development, and generate revenue which can gradually pay for the US\$13 million invested in building the station.

President Nyusi told the Mavago residents who attended the inauguration ceremony that it had been possible to build the power station because of an environment of peace and tolerance. He urged his audience to continue cultivating that environment.

The power station was built with funds provided by the South Korean government, and is the third photo-voltaic power station to be established in Niassa. The others, financed by the Mozambican government, are in Muembe and Mecula districts.

The chairperson of the FUNAE board, Miquelina Menezes, said that Mavago station is the largest of the three in terms of generation capacity. The availability of electricity in Mavago could attract private investment in industries to exploit and process the precious stones known to exist in the district, as well as in agro-industry based on local production of maize, beans, oilseeds and vegetables.

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

Central Bank leaves interest rates unchanged

Despite continued pressure on the Mozambican currency, the metical, the Monetary Policy Committee of the Bank of Mozambique has once again decided to keep the Central Bank's key interest rates unchanged.

A statement from the Committee, issued on 13 July, announced that the Standing Lending Facility (the interest rate paid by the commercial banks to the central bank for money borrowed on the Interbank Money Market) will remain at 7.5 per cent. This rate was cut in November 2014, by 75 base points, from the previous rate of 8.25 per cent which had been in force for the previous year.

The Standing Deposit Facility (the rate paid by the central bank to the commercial banks on money they deposit with it) remains at 1.5 per cent, and the Compulsory Reserves Coefficient - the amount of money that the commercial banks must deposit with the Bank of Mozambique - is also unchanged at eight per cent.

This is despite a fall in the value of the metical, which the Committee blames on the strengthening of the dollar on international currency markets, and the deterioration in Mozambique's balance of payments due "an unfavourable international conjuncture in the price of raw materials".

At the end of June, the dollar was quoted on the Inter-Bank Exchange Market at 39.03 meticaïs. This was a depreciation of the metical over the month of 13.03 per cent, and of 23.55 per cent since the start of the year. From 1 July 2014 to 30 June 2015, the metical depreciated by 27.03 per cent against the dollar.

In the commercial banks, the average exchange rate on the last day of June was 39.96 meticaïs to the dollar.

There was a slight recovery in the first fortnight of July. On 14 July, the Interbank Exchange selling rate published by the bank of Mozambique was 38.12 meticaïs to the dollar. The selling rate of the largest commercial bank, the Millennium-BIM, was 38.56 meticaïs to the dollar.

The metical fell to 3.21 meticaïs to the rand at the end of June, a fall of 12.3 per cent over the month, and an annual depreciation of 11.07 per cent. Again, there has been a slight recovery and the selling rate quoted by the Bank of Mozambique on 14 July was 3.05 meticaïs to the rand.

The Monetary Policy Committee also decided to intervene on the inter-bank markets to ensure that the monetary base does not exceed 60.075 billion meticaïs (US\$1.576 billion). In June the monetary base increased by 1.601 billion meticaïs to read 56.673 billion, which was 1.556 billion meticaïs below the ceiling for the month.

According to the consumer price index for Maputo, Beira and Nampula, inflation in June was minus 0.46 per cent. The falling prices between April and June mean that inflation for the first six months of the year is only 0.93 per cent.

Net international reserves increased by US\$146 million in June, to reach US\$2.6 billion, US\$50 million above target for the period. These reserves are enough for 3.85 months of imports of goods and non-factor services, when operations of the foreign investment mega-projects are excluded.

The general fall in international commodity prices is a mix of good and bad news for Mozambique. The fall in oil prices cuts the country's bill for fuel imports (although, since these are denominated in dollars, the depreciation of the metical erodes this gain). Mozambique will also benefit from the fall in the world market price of rice by 35.5 per cent between July 2014 and June 2015.

But key exports also saw their prices fall. Aluminium (Mozambique's largest export) fell in price by 2.8 per cent in June, and thermal coal by 2.6 per cent.

Standard and Poor's downgrades Mozambique

The Standard and Poor's credit ratings agency has downgraded Mozambique's long term rating from B to B-, largely due to the US\$850 million loan taken by the Mozambican Tuna Company (EMATUM) in 2013 on the Eurobond market, and guaranteed by the government.

Standard and Poor's, one of the world's three major ratings agencies, was alarmed by the statement in June in the Mozambican parliament, the Assembly of the Republic, by the Minister of Economy and Finance, Adriano Maleiane, that the government was seeking to restructure the loan.

The EMATUM accounts for 2013 and 2014, published in May, painted a grim picture of the company's finances. The accounts showed that in 2014 EMATUM made a loss of over 850.5 million meticaïs (US\$24.9 million). The accumulated losses, from 2013 up to December 2014 were 1.17 billion meticaïs.

Maleiane told the Assembly that the loan carries the very high interest rate of LIBOR (London Inter-Bank Offered Rate) plus 6.5 per cent. It is repayable over seven years, with a two year grace period which is about to expire.

Maleiane wanted to re-negotiate the terms of the loan. The debt had already been split in two - the fishing assets, valued at US\$350 million, were now the responsibility of EMATUM itself, while the state would repay the rest.

"Seven years is a short period to repay US\$500 million, even with a two year grace period", said Maleiane, "particularly at a high interest rate. We are trying to negotiate a longer repayment period and a lower interest rate, and our partners, including the IMF, agree with us".

Standard and Poor's, regarded Maleiane's statement as a serious issue. "We understand that the government of Mozambique is considering restructuring an US\$850 million government guaranteed loan issued by a government-owned company, EMATUM. While details are pending, we view the guarantee as the government's financial obligation under our criteria, and we expect that we would classify the restructuring as a distressed debt exchange", said a release from the agency.

A "distressed debt" is defined as the debt of companies that have filed for bankruptcy or have a significant chance of filing for bankruptcy in the near future.

Standard and Poor's adds "the financial difficulties of Ematum, established in 2013, raise broader questions about Mozambique's governance and public sector debt management, in our view", and, as a result, the agency has radically revised its previously optimistic assumptions about Mozambique's growth prospects.

"We no longer project that Mozambique will exhibit high per capita growth for a country at its stage of development", says the release. "In addition, current account deficits remain very high and fiscal deficits sizable. We are therefore lowering our long-term sovereign rating on Mozambique to 'B-' and placing the 'B-/B' long- and short-term ratings on CreditWatch with negative implications".

A Credit Watch is an announcement by a ratings agency which indicates that a credit rating is under review. It is usually followed by a credit downgrade.

Standard and Poor's adds "we expect to resolve the CreditWatch as soon as more information is available on the government's capacity and willingness to ensure full and timely debt service on Ematum's debt. We expect such information to be available within the next 90 days".

This the second time this year that the agency has downgraded Mozambique's credit rating. In February, Standard and Poor's downgraded the country from B+ to B.

Government accuses Renamo of violating ceasefire

The Mozambican government on 13 July accused the country's largest opposition party Renamo of systematically violating the agreement on a cessation of hostilities which former President Armando Guebuza and Renamo leader Afonso Dhlakama signed on 5 September last year.

At the 111th round of the dialogue between the government and Renamo, the head of the government delegation, Agriculture Minister Jose Pacheco, accused Renamo of launching armed attacks in at least two provinces in early July, though without causing any fatalities.

"On 3 July, in Tsangano district, in Tete province, Renamo attacked a police unit", he said, "and the following day it launched a second attack causing damage to a vehicle that was transporting police agents. These are clear signs that Renamo is not prepared to demilitarise".

In the central province of Sofala, Pacheco added, a Renamo group kidnapped and assaulted a traditional chief, named as Jose Paulo, supposedly because he was mobilising local people to undertake productive activities, in the context of publicising the government's five year programme for the 2015-2019 period.

In Pacheco's view, these attacks give the impression that the government is faced with "a violent Renamo that is not interested in disarming".

When journalists asked him about these attacks, the head of the Renamo delegation, Saimone Macuiana, said he did not have enough information to comment on the matter.

"It is true that the government may have brought this material forward verbally, but the Renamo delegation has demanded that it bring it in writing to the next rounds, so that we can understand what is happening", said Macuiana.

Like all the preceding rounds that dealt with the matter, there was no progress on disarming and dismantling the Renamo militia. The government is still waiting for Renamo to submit a list of names of the people it wishes to see recruited into the armed forces and the police. Without this list it is impossible to integrate the Renamo gunmen into the defence and security forces, or, in the cases of those who are too old or otherwise unsuitable, back into civilian life.

Renamo will not hand over the list unless the government appoints Renamo figures to senior positions in the military and the police. The government has rejected such a share-out of top positions, pointing out that dividing military positions on party political lines is in flagrant contradiction to Renamo's demand that the state and political parties should be separated.

Maria Guebuza steps down as OMM president

Maria da Luz Guebuza, the wife of former Mozambican President Armando Guebuza, has resigned as president of the Mozambican Women's Organisation (OMM), which is affiliated to the ruling Frelimo Party.

The resignation, announced on 10 July, at a meeting of the OMM National Council in the southern city of Xai-Xai, was unexpected. Just the day before the announcement, the Council's spokesperson, Maria Machule, had told reporters that Maria Guebuza remained the organisation's President.

Guebuza was not at the meeting as, along with her husband and the rest of the family, she was in mourning for the death of the former president's mother, Marta Andre Bocota, who passed away on 3 July at the age of 103.

Maria Guebuza's resignation precipitated a decision to advance the next OMM Congress to December, a few months

before it is due (under its statutes, the OMM holds congresses every five years, and the last one was in April 2011). Only the Congress can elect the OMM President.

It is, however, widely expected that one First Lady will give way to another, as the Congress proclaims Isaura Nyusi, wife of President Filipe Nyusi, as the OMM's new President.

The National Council, accepting Guebuza's resignation, passed a motion praising her work in the years when she had been at the head of the organisation, particularly her defence of the rights of women and children. The motion noted her campaigning work against the HIV/AIDS epidemic, and more recently on persuading women to be screened for cervical and breast cancer.

The Council expressed gratitude for Guebuza's work, declared "we would always like to count on your support and experience".

OMM General Secretary Maria de Fatima Pelembe ended the meeting with a call for unity among all women. "We need unity, placing the interests of the nation above our own differences", she stressed.

United efforts, she declared, were needed in the fight against child marriages, pointing out that such premature marriages, by removing girls from school, are one of the main obstacles to the empowerment of women.

Gorongosa hosts international symposium

Gorongosa National Park in central Mozambique is hosting an international symposium on the topic of "disruptive" conservation, which is described by the organisers as "a new model for building community driven conservation in some of the world's most remote and biologically diverse places".

The "2015 Lost Mountain Next Gen Symposium" brings together forty university students, scientists and conservationists. The twelve day event, which began on 11 July, will focus on conservation planning and management principles, leadership development models and "Leave No Trace" techniques, and will examine the challenges facing conservation and development.

The initiative follows on from the work of Majka Burhardt, who in May 2014 led a team to remote Mount Namuli in Zambezia province, and its previously unexplored habitats. That expedition discovered a new snake species, 40 ant genera and 27 herpetological specimens, many of which have yet to be identified.

The aim of the symposium is to look at how people and ecosystems can thrive together on Mount Namuli. Burhardt commented that, "at this point in the process it is imperative to bring future leaders into the discussion around conservation".

Biologists and conservationists have identified Mount Namuli as a place of critical biodiversity. According to Burhardt, the area "provides an opportunity to model a new vision for wildlife preservation that integrates the wishes and needs of local people".

"By bringing key conventional and unconventional players into the mix, we were able to create nimble, effective, and innovative solutions for conservation and development," Burhardt says. "We are using the Symposium to make real time decisions and action plans for our next steps with Mount Namuli--that is disruptive conservation."

The Lost Mountain Consortium receives financial support from the Critical Ecosystem Partnership Fund, which is a joint initiative of the French Development Agency (AFD), Conservation International, the European Union, the Global Environment Facility, the Japanese government, the MacArthur Foundation and the World Bank.

Microbank launches financial inclusion project

The Botswana-based microcredit institution, Letshego, announced in Maputo on 8 July that it will launch a new "financial inclusion" project to reach the poorest strata of Mozambican society and the most remote parts of the country.

The chief executive officer of Letshego-Mozambique, Chipiliro Katundu, told reporters that the objective of this micro-credit bank, which operates in all Mozambican provinces, is to use "innovative financial solutions" to improve the economic conditions of the Mozambican public.

Letshego began its operations in Mozambique in 2011 and has become one of the most sought after financial institutions, as it only charges four per cent interest on its loans, making it more attractive than other commercial banks.

Letshego has lent 4.25 billion meticais (US\$ 112 million) in loans of between 3,000 and 500,000 meticais.

Letshego was set up in Botswana in 1998, and also operates in Lesotho, Namibia, Rwanda, Swaziland, Tanzania and Uganda. It is the largest company quoted on the Botswana Stock Exchange.

New hotel and office development to open in November

A new hotel and office development, known as the Rani Towers, will open for business in Maputo in November, according to the managing director of the Dubai-based Rani Investment, Salim Bitar.

It cost US\$206 million to build the Rani Towers, and the adjacent, already functioning Radisson Blu Hotel, all located on the Maputo coastal road. The project is the fruit of cooperation between Rani Investment and the Minor Hotel Group, which is headquartered in Bangkok.

One of the towers has 21 floors reserved for apartments, while the other has 17 floors of office space covering 22,000 square metres. There will be 181 fully furnished apartments.

The facilities include two swimming pools, a shopping area, a conference hall with space for over 450 participants, a gymnasium, lounges and restaurants,

Rani has been operating in Mozambique for 15 years, and its other properties include the Pemba Beach Hotel in the northern province of Cabo Delgado, and luxury island hotels in the Bazaruto and Quirimbas archipelagos

Coal India releases much of its licence in Tete

The state-owned Indian mining company Coal India has announced that it is relinquishing 75 per cent of its licence area in Moatize district, in the western province of Tete, according to the Indian newspaper "Economic Times".

Coal India was granted the A1 and A2 blocks in a previously unexplored part of Moatize about six years ago.

"At a board meeting last week, it was decided that the foreign subsidiary of Coal India, Coal India Africana Ltd, will just about keep 54 square kilometres of the 205 square

kilometre blocks that it had earlier acquired," a senior coal sector official told the paper on condition of anonymity. "The decision was taken following completion of a near three-year exploration programme."

At the time Coal India acquired the two blocks, it was assumed that they contained a mix of high quality coking coal and lower grade thermal coal. There were hopes of reserves of perhaps as much as a billion tonnes.

But the exploration went badly. The official claimed that in 75 per cent of the area, Coal India found nothing that could even be called coal.

This announcement came as a surprise since as late as November 2014, Coal India had announced that it planned to start mining on these blocks in the near future.

If the anonymous Coal India executive is right, then the company has been extremely unlucky, since Moatize district sits on vast coal seams, which other companies, notably Vale of Brazil, are exploiting.

German aid for Mozambique

The Mozambican and German governments on 3 July signed three agreements in Maputo under which Germany will donate €128 million (US\$142 million) for various development projects. The agreements were signed by Foreign Minister Oldemiro Baloi and German ambassador Philipp Schauer, and cover a two year period.

The grant will support "the three priority areas in the cooperation between Mozambique and Germany, namely education, decentralisation for rural development, and sustainable economic development".

In addition, some of the German funds have been allocated to the newly established Foundation for the Conservation of Biodiversity (BIOFUND), and for the Limpopo National Park.

After signing the agreements, Baloi said the German aid would assist, among other areas, in supporting Mozambican municipalities, promoting the financial sector, modernising the electricity network and adaptation to climate change.

Schauer explained that €30 million is Germany's commitment to the education sector common fund (FASE).

There are also several new programmes of German support. In education, German aid will "expand the supply of technical and professional education through a partnership with some of these education institutions". In all over a third of the aid (€50 million) will go to education, maintaining Germany's position as one of the major donors in this area.

Some of the money will be used to improve access to electricity, through modernising and expanding the electricity grid, and to "promote good financial governance at the level of decentralised administration".

German cooperation, Schauer said, would support the Mozambican government in achieving "the priorities set out in the five year programme: the consolidation of good governance, and inclusive economic growth with the creation of more jobs, and increased competitiveness, productivity and household income".

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