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176,000 face acute food insecurity in Mozambique

Almost 176,000 people, mostly in the southern provinces of Gaza and Inhambane, are facing acute food insecurity due to the drought. This is according to data released on 30 December by the Food and Nutritional Security Technical Secretariat (SETSAN), and the relief agency, the National Disaster Management Institute (INGC).

A further 575,000 people are at risk of food insecurity -they currently still have stocks of food, but when those run out they will be dependent on food aid.

According to Marta Manjate, the INGC's Director for Arid and Semi-Arid Zones, the situation is now serious enough for the government to announce an orange alert.

The latest data come from a SETSAN report which shows worsening food security, particularly in Gaza and Inhambane. In northern Gaza there are now 77,365 people in acute food insecurity. The equivalent figure for Inhambane is 75,565 people. The situation has steadily deteriorated in both provinces since May.

The situation is less serious elsewhere – but 14,000 people require food aid in the central province of Sofala, and 9,000 in the northern province of Niassa.

The weather forecast for the next few months is not promising. January to March should be the wettest months of the year, but the forecast from the National Meteorological Institute (INAM) is that the dry conditions could persist in southern and central Mozambique for the next three months.

In the northern provinces of Nampula, Niassa and Cabo Delgado and the northern parts of Zambezia, the forecast is for "normal to above normal" rains.

100 cattle die in Mabalane

The drought is taking a toll on livestock in Gaza province, with the authorities reporting the death of at least 100 head of cattle between August and December in the Combomune area of Mabalane district.

According to Paulo Cuinica, head of the Combomune administrative post, "there's no longer any water in the region. The sources dried up a year ago, and right now the government is involved in opening water sources".

To find water, cattle must now walk 13 kilometres a day to the Limpopo River, said Cuinica. The river still contains water, but there is no pasture. With nothing to graze, the cattle are extremely weak.

Cuinica said that all twelve villages in Combomune have been facing a shortage of rain since the beginning of 2015.

The latest official figures are that livestock farmers in Combomune owned 18,000 head of cattle, but the shortages of water and of pasture call their survival into question.

About 13,000 people live in this region, and 12,000 of them are considered to be affected by the drought.

Cahora Bassa water level remains adequate

Although water levels at the Kariba dam, on the Zambezi River, are so low that the dam may be forced to stop generating electricity for Zambia and Zimbabwe, there is so far no such problem further downstream, at the Cahora Bassa dam in the western Mozambican province of Tete.

According to Mozambique's National Water Board (DNA), the Cahora Bassa reservoir is 61 per cent full, and the dam is discharging water at the rate of 1,900 cubic metres a second. For the foreseeable future there is no danger that Cahora Bassa will be obliged to reduce its generation of electricity.

This contrasts sharply with the situation at Kariba. On 7 January, Zambia's Energy Minister Dora Siliya warned that water levels were at dangerously low levels, which could force the power station to cease operating.

As of 28 December, the Kariba reservoir was just 14 per cent full, compared with 51 per cent a year earlier. If the current drought continues, Kariba, which has the theoretical capacity to generate over 1,600 megawatts, will be unable to produce any electricity at all. If that happens, Zambia will have no alternative but to fall back on emergency thermal power stations.

Most other Mozambican dams are in a reasonable state. In the north, the Nampula and Nacala reservoirs, critical for the water supply in these two cities, are 60 per cent and 91 per cent full respectively, and their levels are continuing to rise.

At the Chicamba dam, on the Revue River, in the central province of Manica, the reservoir is only 24 per cent full. Chicamba is not generating electricity at the moment due to the ongoing rehabilitation of the power station where obsolete equipment, dating from the colonial epoch, is being replaced.

In the south the Peqenos Libombos and Corumana dams in Maputo province are 46 per cent and 28 per cent full, and are continuing to discharge (at the rates of four cubic metres and 11 cubic metres respectively).

But levels at the Massingir dam, on the Elephants River, the major tributary of the Limpopo, in Gaza province, are down to 4.4 per cent.

The level of most rivers in the country is dropping, and they thus present no threat of flooding. The exception is the Messalo River, in the northern province of Cabo Delgado, which is approaching flood alert level.

Renamo leader states Catholic Church interested in mediating

Afonso Dhlakama, leader of Mozambique's largest opposition party Renamo, has claimed that the Roman Catholic Church is willing to mediate talks between Renamo and the government. Dhlakama made this announcement at a press conference by telephone.

Last August Dhlakama broke off the dialogue between Renamo and the government which had been under way since April 2013. He has also repeatedly rejected the invitations from President Filipe Nyusi to a face to face meeting between the two men in Maputo.

Dhlakama has called for renewed talks to be mediated by the Catholic Church and by South African President Jacob Zuma. Renamo spokesperson Antonio Muchanga first announced this in late December, and now Dhlakama has stated that he personally, and Renamo as an organization, have written letters to Zuma asking him to mediate.

The Catholic Church had responded promptly to the Renamo request, he said, although he did not say which person or body inside the church had replied. He said there were signs that Zuma had also accepted his invitation.

When the government agreed, in 2013, to Renamo's request for a dialogue, it was at Renamo's insistence that five Mozambican mediators were appointed – prominent academic Lourenco do Rosario, Anglican bishop Dinis Sengulane, catholic priest Filipe Couto, Methodist pastor Anastacio Chembeze and moslem cleric Sheikh Saide Abibo.

Dhlakama stated that they had not behaved in an impartial manner. Thus Renamo wants to sack these mediators and appoint new ones.

Dhlakama also repeated his threat to take over, as from March, six northern and central provinces where he states that Renamo won the October 2015 general elections. He claimed that he would stage this coup peacefully, but he promised to respond to what he called "provocation".

Renamo accused of abducting local officials

Mozambique's ruling Frelimo Party has accused the militia of the country's largest opposition party Renamo of intimidating and kidnapping local Frelimo leaders in six districts in the central province of Sofala.

According to Radio Mozambique, the Frelimo provincial secretary for mobilization and propaganda, Fatima Batalhao, told a press conference in Beira on 8 January that these attacks had occurred in Gorongosa, Maríngue, Cheringoma, Chemba, Muanza, Nhamatanda and Chibabava districts.

She strongly condemned the behaviour of the Renamo gunmen and urged local people to denounce to the authorities any individuals who try to destabilize communities.

Batalhao said that on 11 December Renamo kidnapped the first secretary of a Frelimo committee in Muanza and now, almost a month later, his whereabouts are still unknown. On 25 December Renamo kidnapped two couples at Tica, in Nhamatanda, but released them the following day.

The most recent case, Batalhao continued, occurred on 5 January when Renamo kidnapped the first secretary of a Frelimo committee in Bebedo locality, also in Nhamatanda. He was released the following day, but with marks of torture.

When the Radio contacted Renamo officials in Sofala, they were unwilling to talk about the matter.

The spokesperson for the Sofala provincial police command, Daniel Macuacua, confirmed that kidnappings of citizens have taken place in the districts mentioned by Batalhao.

Shipping company opens new route to Nacala

The international shipping company CMA CGM has announced that it is adding the northern port of Nacala to its regular container service known as the "Swahili Express".

The service will begin on 20 January when the container ship Kumasi arrives at Nacala.

The Swahili Express starts from the Indian port of Nhava Sheva and then sails to Khor Fakkan and Jebel Ali in the United Arab Emirates. It then passes through Mayotte and Dar es Salaam and Zanzibar in Tanzania, before arriving in Nacala. The ships then return to India via the Seychelles.

The introduction of this regular service reinforces Nacala's growing role as a transport hub. The port currently serves commercial operators and farmers both locally and in neighbouring Malawi.

The port has recently undergone a major modernisation project funded through a loan from the Japanese government. The first phase has been completed at a cost of US$84 million. This included repairing the north pier and paving the container terminal. The second phase is due to begin later this year and will cost US$270 million.

The Swahili Express service will open the gates to two of the world's most important container terminals. The port of Nhava Sheva is the largest container terminal in India, whilst Jebel Ali is the world's largest man-made harbour and is an international hub for the transhipment of containers.

Nacala has become a focus of huge infrastructure investments. Across the bay from the port is the new port of Nacala-a-Velha which this month will begin receiving coal transported along the brand new 900 kilometre long railway line linking it with the coal fields of Tete. Together, the railway and port cost around US$4.5 billion.

In addition, in December Nacala International Airport was awarded certification for international operations. It will thus open to international traffic later this year.

Inflation rises above ten per cent

Inflation in Mozambique in December, as measured by the consumer price indices of the three largest cities (Maputo, Nampula and Beira), was 4.76 per cent, the National Statistics Institute (INE) announced on 8 January.

This was by far the largest monthly rise of 2015, and brought accumulated inflation for the year to 10.55 per cent.

Most of the December inflation is accounted for by food prices. The average price of tomatoes in the three cities rose by 28.1 per cent, and of maize by 22.9 per cent. Other significant price increases were for rice (12.9 per cent), maize flour (3.8 per cent), cooking oil (11.5 per cent), onions (11.5 per cent), and frozen fish (4.22 per cent).

Looking back over 2015, prices rose in the first three months of the year, followed by a period of deflation, as prices fell in April, May and June. There were small prices rises in July, August and September, but then inflation took off in the last quarter of the year.

Every year prices rise in the couple of months prior to the festive season. But in 2015, inflation was much higher in part because of the sharp devaluation of the national currency, the metical, particularly in November.

The metical has staged a recovery against the dollar and particularly against the South African rand, the currency in which many of the country's food imports are denominated. Pressure on prices may thus be relaxed in January.

The figures are unwelcome news for the government, which had hoped for an inflation rate of no more than 5.6 per cent in 2015.

Household survey shows improved living standards

The data from the 2014-15 Household Survey, undertaken by the National Statistics Institute (INE), and released in Maputo on 30 December, show an across the board improvement in living standards since the previous survey, held in 2008-09.

Perhaps the most startling figure is the declining percentage of disposable income spent on food. In the 2002-03 survey, households reported that 48 per cent of their expenditure went on food and non-alcoholic drinks. In 2008-09, when poverty increased, food amounted to 51.4 per cent of expenditure.

But now that figure has fallen to 35.6 per cent. Poorer households inevitably spend a higher percentage of their income on food than do richer ones. So this figure points towards a sharp decline in monetary poverty.

Transport as a percentage of expenditure rose from 6.3 per cent in 2008/9 to 9.7 per cent in 2014/15, while there was a remarkable rise in the amount spent on restaurants, hotels and cafes, increasing from 0.7 to 8.4 per cent of expenditure. The amount spent on communications almost doubled, from 2.1 to 4.1 per cent of total expenditure.

The figures show a continuing sharp urban/rural divide. For households in urban areas food only accounts for 20.7 per cent of their expenditure, but in the countryside the figure rises to 53 per cent.

In absolute terms, average monthly household expenditure per capita rose from 324 meticais in 2002/3 to 721 meticais in 2008/9 to 1,408 meticais (US$31.3 at current exchange rates) in 2014/15.

Per capita expenditure is vastly higher in Maputo than anywhere else in the country – 5,094 meticais a month in Maputo city and 3,150 meticais in Maputo province. The most populous provinces, Nampula and Zambezia, are clearly also the poorest in monetary terms. The survey found that monthly household expenditure per capita was 809 meticais in Zambezia and 874 meticais in Nampula.

A further indicator of rising living standards is the possession of durable goods. In 2008/09 only 23.5 per cent of households owned a mobile phone, but now the figure has risen to 55.8 per cent. The number of households owning a television set has almost doubled, from 12.4 to 24.2 per cent, while ownership of radios has fallen significantly, from 46.1 to 39.5 per cent.

Car ownership has doubled, from two to 4.1 per cent of households, while ownership of motor-cycles has more than doubled, from 3.6 to 8.1 per cent. On the other hand, the number of households owning bicycles has fallen from 38.3 to 32.8 per cent.

There has been a significant increase in personal comfort – the number of households owning beds or bunks has risen from 39.1 to 52.4 per cent.

The survey found that illiteracy has fallen from 49.9 per cent of the population aged 15 and above in 2008/09 to 44.9 per cent now. There are sharp gender and geographical differences. 30.1 per cent of men are illiterate, but 57.8 per cent of women cannot read and write. 23.1 per cent of the urban population and 56.6 per cent of the rural population are illiterate. As expected, the lowest illiteracy rate (9.5 per cent) is in Maputo city. The highest (60.7 per cent) is in the northern province of Cabo Delgado (rising to 73.7 per cent among Cabo Delgado women).

One alarming, and so far unexplained, anomaly is a rise in illiteracy in Tete province – from 50.3 per cent in 2008/09 to 55.2 per cent now. Tete was the only province where illiteracy rates worsened.

There was also a sharp improvement in water supply and sanitation. In 2008/09 only 40.5 per cent of households took their drinking water from safe sources (such as piped water in the house or from standpipes, wells and boreholes with hand pumps, or protected springs). The 2014/15 survey showed this figure has increased to 50.9 per cent.

In 2008/09, 49.3 per cent of households had no latrines at all, and thus defecated in the open. That figure has now fallen to 37.5 per cent.

The number of households with improved latrines has risen from 11.9 to 20.6 per cent, and with unimproved latrines from 34.9 to 35.5 per cent. Only a small minority of households have toilets linked to septic tanks – but this minority is growing, from 4.1 per cent in 2008/09 to 6.3 per cent now.

There has also been a sharp increase in the use of electricity. 24.8 per cent of households said they use electricity for lighting, compared with 13.9 per cent in 2008/09. The use of firewood for lighting has fallen from 24.8 to 14.2 per cent, and the decline in the use of kerosene lamps has been dramatic, falling from 44.5 to 13.2 per cent.

The household survey is based on a sample of 11,628 households, in both urban and rural areas and covering all provinces, in 1,236 sampling areas. It took place over a year, and during this period each household was interviewed three times.

The survey also shows a widening gap between the richest fifth of the population and everybody else.

The richest quintile saw its monthly per capita expenditure rise from 1,487 meticais in 2008/09 to 5,812 meticais now. This is more than the other four quintiles put together.

For the first, and poorest, quintile the rise was from 222 to 427 meticais, for the second quintile it was from 371 to 743 meticais, and for the third expenditure rose from 485 to 1,118 meticais. For the fourth quintile, monthly per capita expenditure rose from 647 to 1,776 meticais.

Police confirm extradition of Danish Satar

The spokesperson for the General Command of the Mozambican police, Inacio Dina, on 5 January confirmed that Danish Abdul Satar, wanted in connection with the wave of kidnappings that hit cities as from late 2011, has been extradited and is currently under police custody in Maputo.

Satar was detained by Interpol in Rome in November, and it proved possible to deport him to Maputo despite the lack of an extradition treaty between Mozambique and Italy.

The case against Danish Satar dates back to 2012. Dina recalled that he was briefly detained, but a Maputo court ordered his release on bail. Satar should have reported regularly to the court. Instead, he skipped the country.

He left Mozambique the day after the police arrested seven other members of a kidnap gang. Dina said that the charges facing Satar include kidnapping and “private imprisonment”.

Danish Satar is a member of the notorious Abdul Satar crime family. He is the son of Asslam Abdul Satar, one of the masterminds of the US$14 million bank fraud of 1996.

Asslam’s brother, and Danish Satar’s uncle, Momad Assife Abdul Satar (“Nini”), another key player in the bank fraud, is one of the three businessmen found guilty of ordering the assassination in November 2000 of Mozambique’s foremost investigative journalist, Carlos Cardoso.

Nini Satar was released in 2014 after serving half of his 24 year prison sentence for the Cardoso murder. A condition for his parole was that he should report regularly to the Maputo City Court. But he too has skipped the country and is currently living in Europe.

IMF grants Mozambican loan request

The Executive Board of the International Monetary Fund (IMF) has approved the Mozambican government's request for a loan of 204.5 million Special Drawing Rights (SDRs - about US$282.9 million) under the Fund's Standby Credit Facility (SCF). The Board took this decision on 18 December, and the first instalment of the loan, for 85.2 million SDRs (US$118.9 million) is available immediately,

Mozambique requested the loan in late October. The request came following a decade in which Mozambique owed no money at all to the IMF. The IMF was once a significant creditor, but all of Mozambique's debts to the IMF were cancelled in December 2005, under the Multilateral Debt Relief Initiative (MDRI). Since then, Mozambique has taken no further loans from the IMF – until now.

The purpose of this loan is "to alleviate the external balance of payments shocks and, through strengthening macroeconomic stability, to achieve the government's goals on poverty reduction and inclusive growth".

After the Board meeting, IMF Deputy Managing Director and Acting Chair, Min Zhu, issued a statement, reiterating the Fund's confidence in Mozambique's long term prospects.

"Despite challenges, Mozambique's economic growth continues to be robust and inflation remains low", declared Min. "However, lower commodity prices and a decline in foreign exchange inflows have generated a temporary balance of payments gap. The authorities have taken strong policy measures to preserve macroeconomic stability. Continued implementation of prudent policies under the standby credit facility will be essential to ensure debt sustainability, safeguard against external shocks, as well as promote strong and inclusive growth".

He praised what he called "the authorities' front-loaded corrective measures, including a tightening of the 2016 budget deficit". He believed that these measures, plus a reform of the foreign exchange market "should help to stabilize the economy".

Min claimed that "rigorous implementation of the budget, enhanced VAT (Value Added Tax) management, close monitoring of fiscal risks, and allowing for continued exchange rate flexibility will be key to restoring macroeconomic stability. The central bank should stand ready to further tighten liquidity conditions as needed".

The IMF declared that "despite lower commodity prices and a weaker global environment, Mozambique's economic prospects remain positive given planned massive investment in natural resources".

It described the economic outlook as "robust" with expected economic growth of 6.3 per cent in 2015 and 6.5 per cent in 2016. These projections are significantly lower than those of the government which is forecasting seven per cent growth in both years.

The IMF believes that, over the medium term, growth rates will recover to 7.5 to eight per cent, "supported by massive investment in natural gas projects and higher coal production if key agreements can be reached for coal and gas sector development".

World Bank announces budget support

The Executive Board of the World Bank has approved funding of US$70 million to Mozambique, as direct support to the 2016 state budget and to the government's five year programme.

The money comes from the International Development Association (IDA), the member of the World Bank group that provides soft loans to developing countries. Half of the money takes the form of a soft loan, while the rest is a grant.

According to the World Bank, the funding "is provided under the Eleventh Poverty Reduction Support Credit program that supports the Government's programmatic reform agenda agreed upon with the World Bank in the context of general budget support".

The Bank notes Mozambique's high rates of economic growth in recent years, averaging over seven per cent a year for two decades but warns "there has been relatively little structural transformation in the economy resulting from that growth pattern".

The Bank added that "the share of the manufacturing sector contribution to the economy grew from 13 percent in the early 1990s to only16 percent in the early 2000s, and fell to 10 percent in 2010-14".

The World Bank added that "recent strong growth has had limited effect in poverty reduction".

IFAD to disburse US$67 million over three years

The International Fund for Agricultural Development (IFAD) is to make US$67 million available to Mozambique over three years for projects intended to empower the rural poor.

The IFAD representative in Mozambique, Robson Mutandi, made the announcement on 17 December during the annual review meeting of the Country Strategic Opportunities Programme (COSOP). The programme was approved in 2011, and establishes a framework for the partnership between IFAD and the Mozambican government.

New power station at Ressano Garcia

The energy company Gigwatt-Mozambique has announced the completion of a gas-fired power station at Ressano Garcia, on the border with South Africa, with the initial capacity to generate 120 megawatts. The total cost of the station was US$200 million.

The power, equivalent to 24 per cent of the electricity requirements of southern Mozambique, will be sold to Mozambique's publicly owned electricity company, EDM, under a long term contract with Gigawatt. The power can be used in Mozambique or sold to the regional network of the Southern African Power Pool (SAPP).

The natural gas is purchased from the Matola Gas Company (MGC), which in turn obtains it from the Pande and Temane gas fields in Inhambane province, operated by the South African petro-chemical giant, Sasol.

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