

# Mozambique News Agency

## AIM Reports

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## Mozambican embassies to issue ID and passports

The Ministry of the Interior is training staff from some Mozambican embassies and consulates so that they can issue identity documents and passports. Currently, the process of collecting data and issuing these documents is carried out by brigades sent from Mozambique to countries where significant numbers of nationals reside. The data collected is then sent to Maputo where the documents are produced.

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The National Director of Civil Identification, Domingos Jofane, explained to the daily newspaper “Noticias” that the new system will allow diplomatic missions to carry out these tasks throughout the year to improve the service to citizens.

Jofane stated that once the data is collected it will be sent to Maputo for verification. Once processed, the documents will be printed and sent to the missions where they will be issued. He pointed out that the new process will greatly reduce the need for people to return to Mozambique to renew their documents.

The pilot programme will begin in Ethiopia and Portugal before probably being spread to South Africa and Germany.

Not all diplomatic missions will offer the service. However, it is expected that citizens will be able to travel to the relevant missions to apply for documents. For example, it may be that Mozambicans living in Britain would be able to apply for documents by travelling to Lisbon rather than Maputo.

### All exports of logs banned as from January

The Mozambican parliament, the Assembly of the Republic, on 1 December unanimously passed the second and final reading of a government bill that will ban all exports of unprocessed logs, in an attempt to halt the devastation of hardwood forests.

Semi-processed timber may be exported, but is subject to an export surtax, which declines the greater

the amount of processing. The tax ranges from 20 per cent for simple beams, and 15 per cent for planks to only three per cent for parquet. There is no surtax on the export of finished wooden goods, such as furniture.

The ban on log exports takes effect on 1 January. Introducing the bill, the Minister of Land, Environment and Rural Development, Celso Correia, pointed to an alarming rise in the legal export of logs, from 22,846 cubic metres in 2010, to 148,093 cubic metres in 2015. There was also an increase in illegal logging and illegal exports. The destination of most of this wood, whether legally or illegally logged, was China.

The Assembly also passed, again unanimously, the second and final reading of a bill imposing heavy prison sentences on traffickers in protected wildlife species. Previous Mozambican legislation suffered a weakness in that only those who shot protected animals could be sent to prison – those who financed the poaching or who transported elephant tusks, rhino horns or other illicit wildlife produce would at most suffer a fine.

Under the new law poachers and traffickers are treated in the same way. Prison terms of between 12 and 16 years are thus not only for those who pull the trigger, but also for anyone who “heads, directs, promotes, instigates, creates or finances, joins, supports, or collaborates directly or indirectly with any group, organization or association of two or more people” involved in the destruction of protected species of fauna and flora.

The same penalty is imposed on anyone who, without authorization, sells, distributes, buys, receives, transports, imports, exports, or owns products from protected species.

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This is a condensed version of the AIM daily news service – for details contact [pfauvet@live.com](mailto:pfauvet@live.com)

## Government to introduce tourism fee

The Assembly of the Republic on 30 November authorized the government to issue a decree-law establishing a tourism fee to be added to the accommodation bill of every tourist visiting the country's hotels, lodges, and similar establishments.

The bill giving the government this power is very short and does not establish any limits on the new tourism fee. It is called a fee rather than a tax because only the Assembly itself can legislate on new taxes. Opposition deputies protested, arguing that the government's power to pass decree-laws was being abused.

The Minister of Culture and Tourism, Silva Dunduru, said the money raised by the tourism fee would be used to promote and market tourist attractions abroad. However, the opposition warned that, by making tourism more expensive, it might reduce the number of tourists.

Dunduru said there was nothing extraordinary about a tourism fee, and that, in the entire SADC (Southern African Development Community) region, Mozambique is the only country that does not have one. He stressed that the fee would only be added to accommodation, and not to other expenses such as restaurant meals.

He said the country attracts over two million tourists a year and believed there was nothing impossible in the target of four million tourists a year by 2025, as advocated in the national tourism strategy. But to achieve such a target, promotion and marketing were needed.

The overall majority of the ruling Frelimo Party ensured that the government bill passed. The 133 Frelimo deputies present voted in favour, the 16 from the MDM voted against, while 74 Renamo deputies abstained.

The Assembly also amended the Customs Tariff list, which was passed unanimously. The most significant changes were to exempt from customs duties a range of agricultural and health imports. Thus, under the new tariff list, seeds, fertilizers, pure-bred breeding animals, and irrigation equipment are zero rated. The duties on material for producing animal feed for poultry and cattle are cut from 20 per cent to zero. Wheelchairs, orthopaedic equipment, prosthetic limbs, hearing aids, spectacle lenses, and frames, are all zero rated if imported by the National Health Service. So are wild animals, if imported to restock Mozambique's national parks.

## Death toll from tanker explosion reaches 100

The death toll in the explosion of a fuel tanker in Moatize district, in the western province of Tete has now reached 100. The explosion occurred on 17 November while a large crowd of people were trying to steal fuel from the tanker in the locality of Caphiridzange. 43 people died instantly, and two more on their way to the hospital. Since then 55 people have died of their injuries in Tete provincial hospital, despite all efforts by medical staff to save their lives.

23 of the burn victims have been operated on. Their condition is now improving and she hoped that some of them will be discharged from hospital in the next few days. But in many cases, the burns were so severe that skin grafts were impossible. 45 victims of the explosion are still in the hospital, and eight of them, including four children, remain in a critical condition.

## Economic crisis increases burden on courts

Mozambique's economic crisis is putting extra burdens on the country's courts as banks sue their debtors and workers sacked from failing companies demand their redundancy pay.

At the opening on 29 November of a session of the Judicial Council, the Deputy President of the Supreme Court, Joao Beirao, stressed the increased demand for court services due to the fallout from the economic crisis.

As can readily be seen from the court notices published in the press, banks are going to court to collect unpaid loans from borrowers who have defaulted.

Cited in the newspaper "O Pais", Beirao said economic growth in recent years had led to rapid expansion in bank credit – but now many people who took out bank loans find they are unable to meet the repayment schedule.

"Today, because of the soaring interest rates, these bank loans have become a torment for families, leading to court actions to recover debts", he added.

Beirao predicted that in the current climate tensions will increase between employers and workers, leading to increased layoffs, and demands for redundancy pay. Family disputes were also likely to increase, and problems with the payment of alimony.

He warned that the economic crisis could be used as an excuse for not meeting legal obligations, and for disrespecting contractual obligations between employers and their workers.

The current context, Beirao said, demanded "a redefinition of priorities and strategies", so that the courts could reply to citizens' concerns in good time. Furthermore, increased demand for court services should be met by increased public investment in the system.

## Tete steel plant to produce 1.5 million tonnes per year

The steel plant planned for the western province of Tete will cost about US\$950 million and will produce 1.5 million tonnes of steel a year, according to the Minister of Industry and Trade, Max Tonela.

He was speaking in Maputo at a meeting presenting the results of the viability study for the project, which has been developed by the British company Baobab Resources

In addition to steel production, the project includes construction of a coal-fired power station capable of generating 250 megawatts of electricity. By the third year of operation, this project should be employing around 2,580 workers, 85 per cent of them Mozambican.

Tonela said this project has been under study for the past decade. Baobab and its partners have already invested over US\$50 million in research and studies.

Baobab is in partnership with the International Finance Corporation (IFC) of the World Bank Group, and the project's main technological partner is the Metallurgical Corporation of China International (MCCI).

Tonela said that, because of the enormous potential of the steel project, and the large number of business opportunities that could spring up around it, the government recently approved the creation of the Rovubue Industrial Free Zone, covering 4,456 hectares in Moatize and Chiuta districts.

## Illegal fishing costs \$57 million annually

Illegal fishing in Mozambican waters results in losses of US\$57 million annually, partly due to the lack of effective maritime surveillance along the 2,800-kilometre coastline.

According to the national director of operations in the Ministry of the Sea, Inland Waters and Fisheries, Leonild Chimarizene, the Mozambican coast is unusual as berthing is possible practically anywhere. In most other countries mooring has to take place in a port.

Chimarizene explained that “this means that we have to have inspectors all along the coast. This is one of the challenges that we have in order to combat illegal fishing. However, we are working to overcome this problem through community fisheries councils.

He gave as an example the community fisheries council in Costa do Sol, a neighbourhood of the capital city Maputo. In this area, local fishermen are involved in looking out for and denouncing illegal fishing.

Authorities are particularly concerned by the influx of recreational boats, mainly from South Africa, which complicates the drive to reduce illegal fishing. Some of these boats are used to hide various types of illegal activities, including trafficking contraband, sailing in prohibited areas, and fishing protected species.

According to the weekly newspaper “Domingo”, these boats transport hidden passengers and illicit materials, violate the laws of navigation and protection against pollution, fail to respect customs regulations, and do not comply with inspection requirements.

In addition, Mozambican waters are invaded by unlicensed fishing vessels that deplete fish and prawn stocks. These vessels often use unacceptable methods and at times abandon nets in the sea.

Some of the larger boats have the facility to process fish on board. For example, on 30 September fishing inspectors seized two boats from the Comoro Islands which had on board between 300 and 400 kilogrammes of fish each. They were both fined five thousand dollars and their fishing gear confiscated. In addition, a lawsuit is currently being filed against the owners.

## India donates \$10 million for drought relief

The Indian government has donated US\$10 million to support the victims of the severe drought that has hit southern and central Mozambique.

According to a statement by India’s Ministry of External Affairs, the funds will go towards purchasing wheat from the international market to “help ensure availability of food for vulnerable sections of the Mozambique population”.

The United Nations estimates that, following two years of drought, 1.5 million Mozambicans are suffering from a lack of food security and require food aid.

The statement points out that “Mozambique is also among our most important economic partners in Africa, and accounts for almost a quarter of India’s net foreign direct investment (FDI) into Africa”.

It adds, “we see a closer economic partnership with Mozambique as a vital ingredient in addressing India’s future needs of energy and food security”.

## ENI pledges \$10 billion investment

The Chief Executive Officer of the Italian company ENI, Claudio Descalzi, on 21 November announced an initial investment of around US\$10 billion in developing the Coral South gas field in Area Four of the Rovuma Basin, off the coast of the northern province of Cabo Delgado.

Descalzi was speaking to reporters in Maputo immediately after a meeting with Prime Minister Carlos Agostinho do Rosario.

The Coral South project will involve the drilling of six subsea wells that will be linked to a floating platform where liquefied natural gas (LNG) will be produced. ENI says that it will produce 3.3 million tonnes of LNG a year.

The Coral South field, discovered in May 2010, is entirely located inside Area Four, and the gas reserves in the field are estimated at 16 trillion cubic feet. Other gas fields straddle Area Four and the adjoining Area One and are therefore subject to negotiation between ENI and the operator of Area One, Anadarko. The total known reserves of gas in Area Four are 85 trillion cubic feet.

In October, ENI and its partners in the Area Four consortium signed an agreement with BP for the sale of all liquefied natural gas produced from the Coral South field, over a period of 20 years. This is the first agreement ever signed on the sale of Mozambican LNG.

Descalzi said that the Final Investment Decision will become effective “after the project and its financing are approved by the other partners in Area four. This process is now being finalized”.

The Coral South project, Descalzi added, including the exploratory work already done, “is worth about \$10 billion. Of this sum, \$7 billion is for the LNG”.

ENI is the operator and controls a 50 per cent indirect interest in Offshore Area Four owned through ENI-East Africa, which holds 70 per cent of the concession. The other 20 per cent held via ENI-East Africa belongs to the Chinese company CNPC. The other three partners, with ten per cent each, are Kogas of Korea, Galp Energia of Portugal, and Mozambique’s National Hydrocarbon Company, ENH.

With approval already received from ENH, ENI is now just awaiting the go-ahead from its Chinese, Korean and Portuguese partners. As soon as they gave the green light, “we shall start developing the project”, said Descalzi.

## New appointees take office

President Filipe Nyusi on 28 November swore into office the new Education Minister, Conceita Sortane, and the Deputy Minister of Mineral Resources and Energy, Augusto de Sousa Fernando.

Also sworn in was Orlando Quilambo, for a second five-year term as Vice-Chancellor of the Eduardo Mondlane University (UEM), and former education minister Jorge Ferrao, as the new Vice-Chancellor of the Pedagogic University (UP), the country’s largest institute of higher education.

Addressing the ceremony, President Nyusi said he hoped the new leaders in these sectors would open an era of hope, despite the difficulties the country is passing through.

## First stone laid for combined cycle power station

Minister of Mineral Resources and Energy, Leticia Klemens, on 17 November laid the first stone in a combined cycle power station in Maputo, fired by natural gas. A combined cycle power station uses both a gas and a steam turbine together to produce up to 50 percent more electricity from the same fuel than a traditional simple cycle plant.

The gas to feed the new station will come from the Pande and Temane gas fields in the southern province of Inhambane. When the new power station is complete, in August 2018, it will be capable of generating 106 megawatts of electricity.

At the ceremony, Mateus Magala, the chairperson of the publicly-owned electricity company, EDM, said that the new power station will cost about US\$180 million.

The Japanese International Cooperation Agency (JICA) is providing a soft loan of US\$167 million. The loan carries an interest rate of 0.01 per cent a year and should be repaid over 40 years, including a grace period of ten years. The remaining US\$13 million comes from EDM's own funds.

As well as the construction costs, the financing covers the training of EDM staff in how to operate and maintain the equipment, as well as six years of maintenance services provided by the manufacturer.

"This will be the first combined cycle power station in the country", said Magala. "It ensures a more efficient use of our energy resource, natural gas, adding more value and reducing emissions".

Magala said that this type of power generation helps preserve the environment and contributes to sustainable economic development.

The new power plant, plus the continuing rehabilitation of EDM's hydro-electric power stations at the Chicamba and Mavuzi dams in the central province of Manica, will boost EDM's own power generating capacity from the current 206 megawatts to around 315 megawatts by mid-2018.

Most of the power distributed by EDM, however, does not come from its own power stations but is purchased from HCB, the company that operates the Cahora Bassa dam on the Zambezi River. HCB's maximum capacity is 2,075 megawatts, but most of this is sold to South Africa.

New generating capacity is urgently needed since, according to Magala, growth in electricity consumption over the past five years has been running at an average of 12 per cent a year (the highest in southern Africa). To respond to this demand Mozambique needs to increase its generating capacity by 100 megawatts a year.

Klemens said that the plant will be the most efficient in southern Africa, and will contribute to the security of electricity supply to the cities of Maputo and Matola.

JICA representative Katsuyoshi Sudo said the Japanese combined cycle technology will increase efficiency and substantially reduce carbon dioxide emissions.

The combined cycle cuts out waste. The fuel, natural gas, is burnt in gas turbines, and the resulting heat then drives a steam turbine, recovering around a third of the energy that would otherwise be lost to the atmosphere.

## Workshop on financing renewable energy

The Mozambican authorities have, over the past ten years, electrified 310 small towns through new and renewable sources of energy, according to the chairperson of the government's Energy Fund (FUNAE), Antonio Saide.

Talking to reporters in Maputo on 21 November after the opening of a workshop on the financing of renewable energies, Saide said that renewables now meet 15 per cent of the energy requirements in the country.

"The problem is that the investment in renewable energy is public investment", said Saide. "We want to transform this paradigm by bringing the private sector in as a stakeholder in the discussion on the development of renewable forms of energy".

Opening the seminar, the Minister of Mineral Resources and Energy, Leticia Klemens, explained that at the UN climate change conference in Marrakesh, Mozambique, the European Union, and 13 European governments had signed a joint declaration intended to support Mozambique to draw up and revise energy policies, design energy projects and promote mobilisation of the private sector in the use of renewable technologies.

## Siemens repairs gas turbine in Beira

The German multinational Siemens has revived electricity generation in Beira by rehabilitating a gas turbine that had been out of operation for more than five years.

Siemens has signed a contract with the publicly owned Mozambican electricity company, EDM, which envisages modernization of the Beira power plant, preventive maintenance of the turbine and auxiliary equipment, and a new fire-fighting system.

Siemens has also provided training for EDM staff operating the power station.

The station, owned by EDM, runs on a diesel-fired Siemens gas turbine. The turbine was used as a backup but had been out of order since 2010.

Most of the electricity for Beira comes from the Chicamba and Mavuzi dams on the Revue River in Manica province. But since EDM has been undertaking full rehabilitation of these two hydroelectric power stations, it wanted to return the gas turbine to full working order to guarantee that power would be available to meet Beira's needs.

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