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President urges unity in fight against domestic violence

President Filipe Nyusi, on 7 April urged the unity of all Mozambicans in the struggle against domestic violence. He was speaking to reporters shortly after laying a wreath at the Monument to the Mozambican Heroes in Maputo, on Mozambican Women's Day.

President Nyusi said the country had made advances in the battle for women's emancipation, for the promotion of gender equality, and in the fight against such phenomena as child marriages. But he was deeply concerned about "the tragic acts of domestic violence in our society".

"Our appeal is that we should look at domestic violence as a problem that rests on the structure of values that supports the social model in which we live", said the President, stressing that domestic violence is a crime that all Mozambicans should fight against.

"We urge all public and private institutions, trade unions, civil society bodies and academic associations, among others, to join efforts in this struggle which seeks to raise the dignity of Mozambican women", added the President.

This year, Mozambican Women's Day is being celebrated under the motto "justice and decent work, men and women united in the struggle against violence". That theme, President Nyusi said, "invites us to make a reflection on the role of each of us, men and women, in this noble mission for the emancipation of Mozambican women".

Mozambique's independence in 1975, he continued, marked the start of a new stage in the struggle for Mozambican women for justice and dignity in their work.

"We have integrated the gender perspective into the country's development policies and strategies", said President Nyusi. "We have trained women and men in matters of gender equity and equality. We have stepped up the fight against child marriages, and we have also boosted activities aimed at the empowerment of women".

Prime Minister launches TVM International

Prime Minister Carlos Agostinho do Rosario on 7 April launched the international channel of the public television station. TVM. Speaking on behalf of President Filipe Nyusi, Rosario stressed the government's commitment to "pluralism and expansion of the mass media, thus establishing continual improvement in access to information for the entire Mozambican population".

He praised TVM for its effort to expand coverage to all provincial capitals and to broadcast in Mozambican languages, as well as in Portuguese, "which helps reduce asymmetries in access to information".

The new channel will bring TVM's services to an international audience. Initially, the channel, which will broadcast only in Portuguese, will be aimed at the

Mozambican diaspora living in other southern African countries.

Rosario pointed out that the launch of the new channel coincides with the start of digital migration. This would bring advantages in "more robust transmission of the signal, better quality of the contents, ease of producing contents for various platforms, and space for more television channels".

The Prime Minister urged greater speed in the switch from analogue to digital "so that we can benefit from the opportunities of this technology".

According to Jaime Cuambe, the chairperson of the TVM Board of Directors, the new channel will not be any added burden to TVM's budget. Doubtless, this is partly because TVM is also abandoning its second domestic channel.

Cuambe said that TVM-International will transmit 24 hours a day on a closed, pre-paid signal in Mozambique and abroad. Outside the country, it will initially broadcast to South Africa (which has by far the largest community of Mozambicans living in the diaspora), Angola and Tanzania. At a later stage, it will also broadcast to Portugal and Germany, the European countries where there are sizeable Mozambican communities.

President receives Chinese deputy foreign minister

President Filipe Nyusi on 6 April received the Chinese Deputy Foreign Minister, Zhang Ming.

Speaking to reporters at the end of the audience, Zhang said that his meeting with the President served to strengthen cooperation between the two countries in agriculture and public works.

"I informed President Nyusi about the level of implementation of the consensus attained during his visit to China (in 2016)", he said, describing the relations between the two countries as "increasingly consolidated".

"There is a brotherhood between Mozambique and China, and this was reaffirmed in our meeting, during which we discussed a variety of matters", said Zhang, who is on a working visit to Mozambique.

China has become one of the major investors in Mozambique, and the latest sign of this, clearly visible to all visitors to the capital, is the construction by a Chinese company of a suspension bridge across the Bay of Maputo. When completed (which should be by December), this will be the longest suspension bridge in Africa.

Seized wood to be sold at auction

Minister of Land, Environment and Rural Development, Celso Correia, has confirmed that the 150,000 cubic metres of wood seized so far in “Operation Trunk”, in the north and centre of Mozambique, will be sold to the highest bidder at public auction.

“Operation Trunk” was launched in March to check the legality of timber operations. Over 120 timber yards were inspected, and illegal operations were discovered in 75 per cent of them. Many of these illegalities were found in timber yards owned by Chinese citizens.

Speaking to timber operators at a meeting in Maputo last week, Correia said the wood will be sold at auction, and the condition for participation in the auction is that the buyers must be willing to use the wood to make school desks. It is hoped that the seized wood will produce 800,000 desks – this will meet the requirements of the national education system for at least the coming year.

Correia’s announcement may go some way towards mollifying legal timber operators who were horrified by his declaration on 4 April that all logging is banned for the next three months (April, May and June). Since the first quarter of the year, January to March, is already a closed season for logging, this means there is now a six-month ban on logging.

This move is intended to provide time to reorganise the timber industry and protect the country’s forests from the ravages of uncontrolled logging. But the timber companies protested that the three-month ban will cause them huge losses.

Correia listened to the complaints but told his audience that the decision for a three-month ban on logging had been taken and would not be changed. What was at stake, he said, was the interests of all Mozambicans and not of this or that individual.

Without this measure, he warned, within a couple of years there would be no forests left in Mozambique. “It’s a real problem”, he said, “because there are honest operators who are being prejudiced. We must separate the interest of individuals from the public interest. The moment demands maturity. The results of Operation Trunk reveal a desolate and unacceptable scenario of the devastation of our forests”.

“During Operation Trunk, we found total anarchy in the way forestry operators were working”, Correia continued, “which shows flagrant impunity, and that’s why we decided to suspend for 90 days the start of the forestry exploitation period”.

The ban has been welcomed by environmentalists. Thus, the coordinator of the Forest Programme of the Worldwide Fund for Nature (WWF) in Mozambique, Rito Mabunda, congratulated the government on the ban.

He believed that the three-month period for reorganising the timber industry would allow for sustainable exploitation of forestry resources.

He warned that it was imperative to strengthen inspection activities to prevent illegal loggers continuing to cut down trees during the three-month ban.

Both Operation Trunk and the three-month ban only affect the central and northern provinces. That is because there has already been severe deforestation in the southern provinces of Maputo, Gaza and Inhambane, where there are no substantial hardwood forests left.

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

Rhino horn seized in Malaysia

The Malaysian authorities have seized 18 rhino horns imported from Mozambique at Kuala Lumpur airport, according to reports in the Malaysian media.

The horns weighed 51.4kg with an estimated value of US\$3.1 million. The director of airport customs, Hamzah Sundang, speaking at a press conference, said officials acting on a tip-off discovered the horns in a wooden crate at the cargo terminal on 7 April. The crate, listed as containing works of art, had arrived on a Qatar Airways flight and had passed through the Qatari capital of Doha.

Since both species of African rhinoceros, the black and the white, are believed to be extinct in southern Mozambique, the 18 horns seized in Kuala Lumpur most likely came from rhinos poached across the border in South Africa. The seizure is further proof that traffickers in rhino horn are using Mozambique as a transit route to the lucrative Asian market.

All items loaded onto flights departing from Maputo international airport are supposed to pass through electronic scanners, which should have picked up the presence of 18 rhino horns. That the crate was loaded is an indication of collusion by corrupt airport staff with the traffickers.

Increase in capital requirements for banks

The Bank of Mozambique has announced a massive increase in the capital requirements for commercial banks.

Speaking at a Maputo press conference on 10 April, the governor of the central bank, Rogerio Zandamela, said the minimum share capital required for a commercial bank has increased from 70 million meticais (about US\$1.05 million) to 1.7 billion meticais (US\$25.6 million).

This is an increase of 2,328 per cent. Existing commercial banks are given three years to raise their share capital.

The central bank also increased the minimum solvency ratio for a commercial bank from eight per cent to 12 per cent. Again, the banks have three years to reach this ratio.

Macroeconomic indicators were pointing in the right direction, the governor said. Inflation in March, as measured by prices in the three largest cities (Maputo, Nampula, and Beira) was only 0.88 per cent, compared with 1.25 per cent in February and 2.15 per cent in January.

Accumulated inflation, since the start of the year, is 4.3 per cent. The annual inflation rate (1 April 2016 to 31 March 2017) was 21.57 per cent. This compares with inflation of 25.27 per cent for all of 2016. Zandamela expected inflation in 2017 to reach 12.2 per cent.

The Mozambican currency, the metical, has continued to gain ground against the dollar. It appreciated by 6.65 per cent against the dollar between 31 January and 6 April.

The balance of trade improved in the first quarter of 2017, with the value of exports rising and that of imports declining. From January to March, exports amounted to US\$938.7 million, which compares with US\$696.9 million in the same period of 2016. Comparing the two quarters, imports fell from US\$1.238 billion to US\$1.017 billion.

Zandamela said that some of this improvement was due to price increases for key Mozambican exports (eight per cent for aluminium, and three per cent for natural gas), but also the truce declared by the opposition party Renamo has allowed great improvement in transport conditions.

Mozambique’s net international reserves have risen from US\$1.787 billion at the end of December to US\$2.068 billion on 6 April. This is enough to cover 5.3 months of imports of goods and non-factor services (excluding the foreign investment based mega-projects).

Laboratory tests on imported chickens

The results of laboratory tests on imported chickens seized in March are not yet ready, Deputy Minister of Industry and Trade, Rajendra de Sousa, has admitted.

Interviewed by the independent television station STV, Sousa said samples had been sent to laboratories in South Africa and Portugal to test whether the chickens and chicken products were fit for human consumption.

On 30 March, the government announced a temporary ban on all chicken imports. The main target was Brazilian chicken, in the wake of “Operacao Carne Fraca” (“Operation Rotten Meat”) by the Brazilian Federal Police, aimed at corruption and crimes against public health in the meat trade.

The Brazilian police uncovered a scandal whereby certain meat companies used food additives (such as ascorbic acid or sodium nitrate) to disguise the fact that their meat or chicken was going rotten, or had passed its expiry date.

Many of the Brazilian chickens imported into Mozambique came from the companies BRF and Seara International, which had been cited in the “Carne Fraca” investigations.

The Mozambican government decided to suspend temporarily the import of all meat from Brazil, and all chickens from anywhere. This was because Brazilian chickens are sent all over the world, and are often re-packaged and re-exported.

Brigades from the National Inspectorate of Economic Activities (INAE) seized 526 tonnes of imported chicken. These chickens were been placed in sealed bags inside freezers, in the care of the shops or other companies that own them, while laboratory inspections were undertaken.

The government hoped that the laboratory results would be known within a week, but this deadline has been missed. Sousa said that if the analyses show that the chickens are not fit for consumption, they will be incinerated. He thought that this was the most likely outcome.

Sousa added that the “Carne Fraca” scandal showed the need for much tighter checks on imported chickens. This could take the form of rigorous pre-shipment inspection before the chickens have left their country of origin.

Police raid mandrax factory

The Mozambican police on 6 April dismantled a clandestine factory making the illegal drug mandrax in a house in the Mussumbuluco neighbourhood in the southern city of Matola.

In the police raid five people were detained, four of them Mozambican, and the fifth a Zambian citizen normally resident in South Africa.

At the Mussumbuluco house, the police seized three vehicles, a quantity of mandrax pills, two machines and various products used in the manufacture of the drug.

Teodoro Obiang visits Maputo

President Filipe Nyusi has invited his counterpart from Equatorial Guinea, Teodoro Obiang, to set up a diplomatic representation in Mozambique to speed up relations of friendship and cooperation between the two countries.

Speaking in Maputo on 5 April at a state banquet, President Nyusi said that the visit of the Equatoguinean leader would contribute to closer cooperation, leading to the development and prosperity of both countries.

President Nyusi stressed the human capital and natural resources of the two countries as the essential platform for maximising gains and recognised the experience of

Equatorial Guinea in exploiting petroleum and natural gas, which had boosted its economic development.

Earlier, the governments signed cooperation agreements, and President Nyusi said there was now the prospect for regular work on the challenges facing both countries, internally and at the regional level. He believed that Mozambique and Equatorial Guinea could exchange experiences in the fight against poverty, organised crime and terrorism, and how to combat the effects of climate change.

For his part, Obiang said that African countries should bank on access to new technologies, in accordance with the potential of each of them, as the path for attaining economic self-sufficiency.

Obiang, who spoke in Portuguese rather than Spanish, declared that “the development of the African continent is in the hands of Africans themselves, and our progress will depend on instruments of cooperation”.

Dream of cheap biodiesel over

The dream of producing cheap biodiesel from the shrub *Jatropha* is over, according to the Ministry of Mineral Resources and Energy.

Under the previous government, led by President Armando Guebuza, a great deal of hope was placed in *Jatropha*. The plant grows readily in Mozambique, and it was imagined that the production of biodiesel from *Jatropha* seeds might be a way of reducing Mozambique’s dependence on imported fuels.

Crushed *Jatropha* seeds can produce high-quality diesel, and the plant has also been used to produce aircraft fuel. Several countries, including Brazil and Pakistan, grew *Jatropha* commercially and produced diesel from it. But in Mozambique, *Jatropha* cultivation was on a small scale, and most farmers declined the invitations to grow *Jatropha*, preferring to concentrate in food crops.

The final nail in the *Jatropha* coffin was the sharp fall in oil prices. Cited in the 6 April issue of the daily newspaper “O Pais”, Almirante Dima, deputy national director of hydrocarbons in the Ministry of Mineral Resources and Energy, pointed out that, at the height of the enthusiasm for *Jatropha*, a barrel of crude oil was selling for US\$130. There was talk that prices could reach US\$200 a barrel.

That would certainly have made biodiesel from *Jatropha* highly competitive. But, contrary to the prophecies, the price of oil has tumbled. Dima said no-one would buy biodiesel at US\$70 a barrel when conventional fuels cost \$50 or \$60 a barrel. “Nowadays it is not viable to use biodiesel because the cost of producing it is higher than the cost of conventional fuels”, he said.

The government had once planned to make it compulsory to add biofuels to conventional fuels. As from 2012, fuel companies were supposed to sell diesel that was a mixture of three per cent biodiesel and 97 per cent ordinary diesel. Petrol would be 10 per cent ethanol and 90 per cent orthodox petrol. This measure, it was believed, would cut the annual fuel import bill by 22 million dollars.

But it never happened. Despite the announced support of the Brazilian government, the project fell victim to the global financial crisis, which halted funding for biofuel initiatives. In 2014, the then National Director of Renewable Energies, Eusebio Saide, said the financial crisis had blocked the development of the biofuel industry in Mozambique.

Chances of revival seem slim. Nowadays, the main alternative to imported liquid fuels is Mozambique’s own natural gas, and the words “biofuel” and “*Jatropha*” can no longer be heard in official discourse.

Date fixed for municipal elections

The government has fixed 10 October 2018 as the date for the next municipal elections. The date had been proposed by the National Elections Commission (CNE) and maintains the tradition that elections are held on a Wednesday.

Announcing the decision to reporters on 4 April, at the end of the weekly meeting of the Council of Ministers (Cabinet), the government spokesperson, Deputy Health Minister Mouzimho Saide, said the CNE must now begin to train staff for the municipal elections, set up the district and provincial election commissions and prepare for voter registration.

The CNE estimates the 2018 municipal elections and the 2019 presidential, parliamentary and provincial elections will cost 900 million meticaís (US\$13.6 million).

There are 53 municipalities, and the number may increase if the Assembly of the Republic decides to upgrade more towns to municipal status.

The largest opposition party, Renamo, boycotted the last municipal elections, held in 2013. They were, therefore, a contest between the ruling Frelimo Party, and the second opposition force, the Mozambique Democratic Movement (MDM). Frelimo won in 49 of the 53 municipalities, and the MDM in four – but the MDM's victories included three of the ten provincial capitals (Beira, Nampula and Quelimane).

This time the competition is likely to be more intense since Renamo has abandoned its boycott and says it will compete in all the municipalities.

Wheat flour subsidy ends

The government has ended the subsidy on wheat flour. Speaking at a Maputo press conference, the spokesperson for the Ministry of Industry and Trade, Nelson Jeque, said that when the subsidy was reintroduced in July 2016, through memoranda of understanding between the government and the Association of Mozambican Bakers (AMOPAO) and the Association of Milling Companies, it was intended to last until 31 January 2017. The government and the two associations then agreed to extend it by a further two months.

Since October 2015, the price for a standard 250-gram loaf has been 7.5 meticaís (about 11.3 US cents). It was to avoid a threatened price rise that the government reintroduced the flour subsidy, which kept the price paid by bakers for a 50kg sack of flour at 1,250 meticaís.

Jeque said that the flour subsidy had cost the government 330 million meticaís (US\$5 million) between July 2016 and February this year. The government could see no reason to renew the subsidy, partly because the metical, which had depreciated sharply in the beginning of 2016, has now recovered somewhat. At worst, the metical was trading at 80 to the dollar, but on 31 March Millennium-BIM was quoting a rate of 66.3 meticaís to the dollar.

Jeque said Ministry inspectors had been watching the Mozambican bread market and concluded that the subsidy made little difference to the price consumers pay. For the subsidy only covers bakeries that are members of AMOPAO. There are around 800 of these, which is only 40 per cent of

the total number of bakeries in the country. The unsubsidized bakeries charged much the same as the subsidised ones, said Jeque. At most, the difference was about one metical.

There were also cases where subsidised bakeries cheated their customers by selling underweight loaves. When such cases were detected, the bakeries concerned lost their subsidy. Some of the milling companies also cheated, Jeque added, by selling flour to subsidised bakeries for more than 1,250 meticaís a sack.

But now each bakery will be free to set its own prices. "The rules of the market will operate, and supply and demand will determine the prices", he said.

Vale concludes sale of assets to Mitsui

The Brazilian mining giant Vale has announced the conclusion of the sale of part of its assets in Mozambique to the Japanese company Mitsui.

According to Vale, it has received US\$733 million from Mitsui and expects to receive a further US\$37 million later in the year.

Under an agreement which took three years to negotiate, Mitsui is purchasing 15 per cent of Vale's holding in its open cast coal mine at Moatize, in the western Mozambican province of Tete. Vale owns 95 per cent of the mine, while the other five per cent belongs to the Mozambican state.

Mitsui is also purchasing half of Vale's participation in the Nacala Logistics Corridor (CLN). This consists of the new coal terminal at the northern port of Nacala-a-Velha, and the railway from Moatize to Nacala, which crosses southern Malawi. 50 per cent of CLN is owned by Vale and the remaining 50 per cent by the publicly owned Mozambican ports and rail company, CFM.

With the recent recovery in coal prices, Vale's investment in Mozambique is now a very profitable concern.

US\$75 million in profit for Millennium-BIM

Mozambique's largest commercial bank, the Millennium-BIM has announced net profits of about five billion meticaís (US\$75 million) in the 2016 financial year.

A general meeting of the bank's shareholders, held in Maputo on 29 March, approved the annual report and accounts, which showed that Millennium-BIM increased its deposits in 2016 by 9.7 per cent, reaching a total of 97.8 billion meticaís.

The bank's credit portfolio grew by 19.7 per cent and reached 84.4 billion meticaís. Financing of companies during the year was 68.4 billion meticaís, an increase of 25.6 per cent on the 2015 figure. During the year, the bank paid the Mozambican state about 3.7 billion meticaís in tax.

A statement issued by Millennium-BIM declared that the bank's solvency ratio remains 18.8 per cent – much higher than the eight per cent required by the Bank of Mozambique.

The bank declared that it now has about 1.6 million clients, served by around 2,500 bank workers. It remains the largest bank in Mozambique and occupies the 56th position in the ranking of the 100 largest banks in Africa.

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