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Mozambique's forests under threat, warns Minister

Forests still cover 51 per cent of Mozambique, but this percentage is declining due to slash and burn agriculture, the exploitation of wood fuel, notably charcoal, and illegal logging, warned the Minister of Land, Environment and Rural Development, Celso Correia, on 15 November.

Speaking at the opening of a conference organised by the Attorney-General's Office (PGR), on the theme of "Effective Inspection of Legality for Sustainable Use of Forests", Correia said that the rate of deforestation was about 0.58 per cent annually – this meant that every year Mozambique is losing about 219,000 hectares of forest cover.

The government, he said, had taken measures to halt the decline, including a ban on the export of unprocessed logs as from the end of 2016, and a five-year ban on all exploitation of Ironwood (known in Mozambique as Pau-ferro).

As from the end of 2015, no further requests for areas for forestry exploitation had been granted, and all existing forestry licences were being assessed.

In April this year, Correia added, a 90-day ban on logging had been imposed on all forestry operators who do not have their own timber processing units.

The government had also strengthened the forestry inspection powers of the National Environmental Quality Control Agency, he said, and had introduced security features on licences and timber transit guides (to make it difficult to forge these documents).

In terms of economic benefits, the government wanted to prioritise the export of finished or semi-finished wood products, and not logs.

"If we do not take effective action", said Correia, "we run the risk of losing the forestry potential we possess, with serious losses for local communities, for the environment, and for our economy. This would also increase the country's vulnerability to climate change".

Ambitious targets set for financial inclusion

Mozambique's National Committee for Financial Inclusion (CNIF) on 17 November reaffirmed the ambitious target of ensuring that, by the end of next year, 40 per cent of the adult population has physical or electronic access to financial services provided by a formal financial institution.

The records from 2016 show that in that year only 14.22 per cent of the economically active population had access to financial services. Yet the Committee wants to boost this figure to 40 per cent by next year and to 60 per cent by 2022.

The commitment to this ambitious target was restated by the Deputy Governor of the Bank of Mozambique, Victor Gomes, at the first meeting of the working groups of the CNIF, held in Maputo.

The expectation is that by next year 75 per cent of districts will have at least one point of access to formal financial services, and that all districts will be covered by 2022.

The strategy also seeks to ensure that 55 per cent of the population has a point of access to financial services less than five kilometres from their home or workplace, and that this figure should rise to 75 per cent by 2022.

The government approved, in 2013, the Financial Sector Development Strategy for 2013-2022, and one of the main pillars of this strategy is to improve access to financial services. The Bank of Mozambique then, in coordination with the Mozambique Insurance Supervision, and with the support of the World Bank, drew up the National Financial Inclusion Strategy, approved by the government in 2016.

80 buses delivered to Transport Ministry

The Chinese ambassador to Mozambique, Su Jian, on 16 November delivered a shipment of 80 buses, offered by the Chinese government, to Transport Minister Carlos Mesquita.

The buses are intended to improve passenger transport in the country's urban areas, particularly in Maputo and the neighbouring city of Matola.

At the ceremony, Mesquita said the Chinese grant goes alongside the government's efforts to improve passenger transport. These include the final phase of acquiring a further 300 buses, the leasing of routes to private operators, the creation of ticket offices and restructuring the public municipal bus companies.

Given the complexities of route licensing, the government set up earlier this month the Maputo Metropolitan Transport Agency, intended to promote a transport system resting on integrated and coordinated planning in Maputo and Matola, and the adjacent districts of Boane and Marracuene.

Mesquita said the government is paying special attention to technical assistance and maintenance. Strengthening the fleet of buses, he stressed, must be accompanied by rigorous and professional maintenance and repair services, to ensure that the useful life of the buses is not cut short.

Ambassador Su said that China has not only offered the buses but has financed the building of a new maintenance centre in Matola.

A pilot experience with 50 buses, acquired in 2015, had gone smoothly, Mesquita said, and 20 months later all the buses were still operating and were in good condition.

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

Coal exports switch from Beira to Nacala

The export of coal through the central port of Beira has declined by more than half because of competition from the new port of Nacala-a-Velha in the north of the country.

Interviewed by the television station STV, Jan de Vries, the chief executive officer of Cornelder de Mocambique, the company that operates Beira port, said the initial forecast for 2017 was that Beira would handle five million tonnes of coal.

But the latest prediction is that only two million tonnes will be exported through Beira, entirely because the largest of the coal exporting companies, the Brazilian mining giant Vale, has switched all its exports to Nacala-a-Velha.

This was to be expected. Vale had invested heavily in a new railway from the Moatize coal basin in Tete province to Nacala via southern Malawi, and in a new custom-built coal terminal at Nacala-a-Velha.

One of the main advantages of the switch is that Nacala Bay is a natural deep-water harbour that does not require dredging and so can accommodate ships of any size, while Beira requires regular dredging.

“We are in a difficult situation, since Vale-Mozambique has opted for the exclusive use of the northern corridor”, said de Vries. “We just have the other two mining companies (Jindal and ICVL of India), and as a result the amount of coal handled in Beira has fallen by more than half”.

On the brighter side, the amount of containerised general cargo handled in Beira has risen from about 100,000 tonnes in 2015 to over 200,000 tonnes this year.

Emergency dredging began on 10 November, and should improve the port’s performance significantly. Currently the Beira access channel is only 5.5 metres deep which limits access to ships of no more than 30,000 tonnes. With the dredging, ships of up to 60,000 tonnes will be able to berth at Beira.

Beira lies just north of the convergence of two major rivers, the Pungoe and the Buzi, which means that sediment is continually entering the harbour, and so dredging too should be continual.

“We hope that with this dredging, the costs of moving ships in our port will drop and we can attract more clients and greater financial power”, said de Vries.

Deputy Minister calls for biodiversity tourism

Deputy Minister of Land, Environment and Rural Development, Celmira da Silva, argued on 16 November that tourism based on biodiversity can play a significant role in the economic sustainability of conservation areas.

Speaking in the southern town of Boane, at the opening of a national meeting of the National Administration of Conservation Areas (ANAC), the body that manages the country’s national parks and reserves, Silva noted that the conservation areas only have 1,500 beds for tourists.

The challenge ANAC has to meet is to increase this number fivefold by 2024, the year in which the ANAC Strategic Plan is due to end.

This type of tourism, she added, can also provide a wide variety of employment, and can be used as an educational vehicle, showing the negative impact on habitats that can be caused by unsustainable human activities.

Silva praised the progress made in conserving biodiversity, with the recent restocking of conservation areas including the Zinave National Park and the Maputo Special Reserve, with 3,308 animals of various species, some from elsewhere in Mozambique, and some from neighbouring countries.

Three mosques closed in Pemba

Following the abortive Islamist uprising on 5-6 October in Mocimboa da Praia district, in the northern province of Cabo Delgado, the government has ordered the closure of three mosques in the provincial capital, Pemba, believed to have some connection with Islamic fundamentalism.

According to a report in the Maputo daily “Noticias” on 17 November, the mosques are in the Pemba neighbourhoods of Cariaco, Alto Gigone and Chiuba.

The Provincial Director of Justice, Alvaro Goncalves, confirmed the closures, and said the decision is “irreversible”. He warned that the closures will be extended to other parts of Pemba, and to the districts of Chiure, Montepuez, Macomia, Nangade, Palma and Mocimboa da Praia itself.

“This was a measure taken by the government and affects only those mosques which had some contact with the group of citizens involved in the Mocimboa da Praia events”, he added. He said the government is acting in coordination with the main Muslim organisations in the country, such as the Islamic Council of Mozambique and the Islamic Congress.

On 5 October, the Islamist group attacked three police units in Mocimboa da Praia, and several days later a police vehicle on the road to the neighbouring district of Palma was ambushed by people believed to be members of the same group. In the clashes five policemen and 16 Islamists were killed. The attackers also murdered a local community leader.

According to Justice Minister Isaque Chande, speaking to the parliament earlier this month, 75 people were detained following the attacks.

Gemfields ruby auction raises record \$55 million

The London-based mining company Gemfields on 14 November announced that the latest auction in Singapore of rough rubies from its mine in the northern Mozambican district of Montepuez raised a company record of US\$54.96 million.

Gemfields holds 75 per cent of the shares in Montepuez Ruby Mining Ltd. The other 25 per cent are owned by the Mozambican company Mwiriti.

Gemfields promotes itself as the world’s leading supplier of “responsibly extracted coloured gems”. It has specialised in Zambian emeralds and amethysts but has branched out into Mozambican rubies.

Of the 76 lots offered at the auction, 71 were sold with an average price of \$90.81 per carat. According to a statement from the company, “the proceeds of this auction will be repatriated to MRM in Mozambique, with the production tax due to the government of Mozambique being paid on the full sales price achieved at the auction”.

This was the company’s ninth ruby auction, which in total have raised more than \$335 million. According to the company’s chief executive, Sean Gilbertson, “the strong revenues from this auction provide a solid boost to the Gemfields cash position and underscore the fact that market demand for responsibly sourced rubies from Mozambique remains in fine fettle”.

He added, “as always, we extend our thanks to our loyal customers, to Mwiriti Limitada - our partners in MRM - and to the government of the Republic of Mozambique for their collective efforts and support in making this auction and the outcome possible”.

Gemfields is entirely owned by the private equity company Pallinghurst following a successful takeover bid in July.

Mustang Resources director resigns

The Australian mining company Mustang Resources on 13 November announced that its managing director, Christiaan Jordaan, has resigned due to “personal reasons”.

The resignation follows the hugely disappointing ruby auction that the company held earlier this month. The company had hoped to raise over \$7 million, yet only managed to sell \$713,456 worth of stones.

The rubies were collected from Mustang’s mine in Montepuez, in the northern Mozambican province of Cabo Delgado. Prior to the sale, Mustang had confidently announced record production at its mine and strong results from its artisanal miner development programme (where the company purchases gems from local miners).

However, buyers attending the auction in Mauritius expressed disappointment at the poor quality of the stones.

As a result of the auction’s flop, shares in the company on the Australian stock exchange plummeted from a high of 18.5 cents in mid-October to 3.7 cents – an eighty per cent drop.

Despite the poor results from the auction, Mustang “emphasises that it was Mr Jordaan’s decision to resign and the directors reluctantly accepted his resignation”.

Mustang’s Montepuez Ruby Project consists of four licenses covering 19,300 hectares directly adjacent to the world’s largest ruby deposit which is mined by Montepuez Ruby Mining Ltd.

Seized timber used to make school desks

In the central province of Zambezia, the Mozambican government is keeping its promise to transform timber seized from illegal loggers into school desks.

According to the Provincial Director of Land, Environment and Rural Development, Diogo Borges, cited in the newspaper “Noticias” on 17 November, over 155,000 school desks will be produced from the timber seized in the province during “Operation Trunk”.

This was the operation in which brigades formed by the Environment Ministry, the police, the customs services and other agencies raided timber yards throughout northern and central Mozambique, and seized huge amounts of illegally logged timber.

In the Zambezia districts of Quelimane, Nicoadala, Mocuba, Mocubela, Maganja da Costa and Mopeia, the brigades seized 5,049 logs, amounting to slightly more than 1,650 cubic metres of timber. During these raids timber operators were fined 2.12 million meticaís (US\$35,000).

The seized timber, Borges said, is being turned into school desks in phases. The first tender was won by the Oliba-Mocambique, which will produce 2,500 desks – but by 2019 the total produced will rise to 155,000. This is almost exactly the number of desks that Zambezia needs to ensure that no child will have to study sitting on the ground.

Largest shopping centre formally opens

The Mayor of Maputo, David Simango, on 15 November formally opened Baia Mall, which will be the largest shopping centre in Mozambique.

Built on the Maputo coast road, the Mall covers 30,000 square metres, and has space for over 100 shops and restaurants. To date 85 per cent of the spaces available have been rented – although very few are currently open.

Of these, the largest is the Maputo branch of the South African supermarket chain “Game”. Other South African chain stores that are setting up branches in Baia Mall include

Premier Superspar, Woolworths and Mr Price. Five Mozambican commercial banks intend to set up branches there, and there will also be a hotel belonging to the Southern Sun group. The Mall car park can hold 900 vehicles.

The Mall managers expect that Baia Mall will generate about 2,000 direct jobs, and many more indirect jobs. 95 per cent of these jobs are expected to go to Mozambicans.

The partners in the Mall are the Automobile and Touring Club of Mozambique (ATCM), which holds the rights to the land, the South African private equity company Actis, and the real estate company RPP Development. The total investment in the mall is put at US\$96 million.

According to the chairperson of ATCM, Antonio Marques, ownership of the Mall will be gradually transferred to ATCM so that, after 50 years, it will own 100 per cent of the undertaking. Management of the Mall has been farmed out to Capital Land Asset Management, a company formed in 2007 which manages real estate throughout southern Africa.

Iron and steel contract approved

The government on 14 November approved the contract authorising Capitol Resources, a subsidiary of the Australian company Baobab, to mine iron ore in Chiuta district, in the western province of Tete.

The contract also envisages the construction of a thermal power station. The contract is for 25 years and is renewable.

Baobab is developing the Tete Iron and Steel Project in partnership with the International Finance Corporation (IFC), which holds a 13 per cent stake in the project. The IFC is the private sector lending arm of the World Bank group, and claims to be the largest development organisation exclusively focused on the private sector in developing countries.

The steel plant will be located about 50 kilometres north of Tete city.

The Council of Ministers also approved two loans contracted by the government with the Italian bank Cassa Depositi e Prestiti in September.

One loan is for €60 million and will finance the Maputo City stormwater drainage system. The second loan, for €35 million, will finance the Technical and Professional Education reform programme.

The two loans are interest free and are to be repaid over 25 years.

President appoints two deputy ministers

President Filipe Nyusi on 9 November appointed Joao Leopoldo da Costa as Deputy Minister of Health and Helena Mateus Kida as Deputy Minister of the Interior.

Before this appointment, Costa was Vice-Chancellor of one of Mozambique’s private universities, the Higher Institute of Science and Technology (ISCTEM). Between 2007 and 2013 he was the chairperson of the National Elections Commission.

The Health Ministry has been without a deputy minister since June, when the previous occupant of the post, Mouzinho Saide, was appointed General Director of Maputo Central Hospital.

Helena Kida is a judge by profession, and prior to her appointment to the government, she was a criminal investigation judge on the Maputo Provincial Court, in the southern city of Matola.

The post of Deputy Interior Minister had lain vacant since January, when President Nyusi relieved the former holder of the post, Jose dos Santos Coimbra, of his duties.

Motorists arrested for offering bribes

The police have arrested 82 motorists for attempting to bribe members of the traffic police.

The spokesperson for the General Command of the police, Inacio Dina, told reporters on 14 November that the arrests occurred during routine inspection operations on the country's roads. He claimed that the motorists offered the bribes in attempts to avoid paying fines for various traffic offences.

The bribes offered varied in size between 50 and 2,500 meticais (between 82 US cents and \$41).

Dina said police have recently stepped up their presence on the roads, in order to boost road safety, and as a side-effect the number of motorists caught offering bribes has increased.

Iceland ends development support

The Icelandic government announced on 9 November that it is ending its development aid to Mozambique, according to a report carried by the television station, STV.

The Icelandic charge d'affaires, Vilhjalmur Wium, made the announcement at a ceremony in the town of Chokwe, in the southern province of Gaza, where President Filipe Nyusi inaugurated an Aquaculture Research Centre (CEPAQ). The Centre was financed by \$6 million provided by the governments of Norway and Iceland.

Wium announced the decision to end Iceland's aid regretfully, and expressed concern for the future of CEPAQ, particularly its funding and its management. He gave no reasons for the Icelandic decision.

Iceland's cooperation with Mozambique dates back to 1995, and has been concentrated mainly in fisheries and in water and sanitation. The second phase of the Mozambican government's Fisheries Master Plan, supported by Norway and Iceland, was scheduled to run from 2013 to 2017.

CEPAQ covers an area of 14 hectares, including laboratories, and tanks for production and experimentation. It includes a unit for the genetic improvement of species of farmed fish.

Although Chokwe district, located on the Limpopo river, has a long history of severe flooding, the National Fisheries Research Institute (INIP), which is responsible for the management of CEPAQ guaranteed that the premises are protected against inundation by means of a drainage channel.

The Centre should produce annually about a million fingerlings of genetically improved tilapia, and this figure should rise to a maximum of three million fingerlings a year. CEPAQ will provide its fingerlings to both commercial and family fish farmers.

Assembly ratifies Paris climate change agreement

The Mozambican parliament, the Assembly of the Republic, on 8 November unanimously ratified the Paris agreement on climate change. The agreement was negotiated by representatives of 196 countries at the 21st conference of the parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Paris, and agreed by consensus in December 2015.

The agreement seeks to respond to the threats posed by climate change by keeping the global temperature rise this century to below two degrees Celsius, and to pursue efforts to limit the rise still further to 1.5 degrees Celsius.

Mozambique is extremely vulnerable to climate change. It would only take a fairly small rise in sea level (caused by such factors as the melting of the polar ice caps, and the thermal expansion of water as the temperature rises) to inundate much of the Mozambican coastal plain and threaten coastal cities such as Beira and Quelimane.

The Assembly also unanimously ratified the African Union Convention on protection and assistance for internally displaced people on the continent (also known as the Kampala Convention).

This convention seeks to "promote and strengthen regional and national measures to prevent or mitigate, prohibit and eliminate root causes of internal displacement as well as provide for durable solutions".

It aims to set up "a legal framework for preventing internal displacement and protecting and assisting internally displaced persons in Africa".

President inaugurates pumping station

President Filipe Nyusi on 9 November inaugurated the Magula pumping station in the Lower Limpopo irrigation scheme, in Chonguene district, in the southern province of Gaza.

This is a facility that can irrigate a total area of 1,050 hectares, with the capacity to pump 2.49 cubic metres of water a second. The pumping station cost US\$10.1 million, financed by a loan from the African Development Bank (ADB).

The system will allow the production of 5,000 tonnes of rice and 20,000 tonnes of vegetables per agricultural campaign, in addition to maize and other crops.

President Nyusi declared that the pumping station will boost the potential of the region. It will allow increases in production and productivity, in order to guarantee food security and generate income for farming households. "This is an initiative which seeks to implement the government's dream of transforming subsistence peasant farmers into agro-business producers", he said.

Motorway tolls to increase

Trans-African Concessions (TRAC), the South African company that manages the motorway between Maputo and South Africa, on 17 November announced it is increasing tolls on the two tollgates in Mozambique on 1 December.

This is the second increase in tolls this year – the first was in July. The December toll increase is only for light vehicles: heavy trucks, which do most of the damage to the surface of the road, will not pay anything extra.

All the increases are much higher than Mozambique's current inflation rate. According to the latest figures from the National Statistics Institute (INE), inflation from January to the end of October was 3.75 per cent. Annual inflation (1 October 2016 to 30 September 2017) was 8.35 per cent.

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