

# Mozambique News Agency

## AIM Reports

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## President Nyusi calls for competitive agro-processing

President Filipe Nyusi on 22 December challenged the Ministry of Industry and Trade to boost simple, accessible and competitive agro-processing to add value to crops produced by peasant farmers. The President was speaking at the ceremony in Maputo where he swore into office Ragendra de Sousa as the new Minister of Industry and Trade. Sousa, who was previously the Deputy Minister, replaces Max Tonela, who was appointed Minister of Mineral Resources and Energy earlier in the month.

President Nyusi stressed that the ministry should also improve the agricultural marketing circuits to absorb the greater part of peasant production. He stressed, “in much of the country, the population is in possession of agricultural surpluses which need to be conserved, transported, sold and processed”.

The President said that the 2016-2017 agricultural year had resulted in significant improvements in production and productivity. He expected that in the 2017/2018 agricultural year, the results will be even better.

To make the country more competitive, President Nyusi added, further economic reforms must be accepted and implemented, removing barriers that make the business environment difficult.

President Nyusi also swore into office the new Deputy Foreign Minister, Maria dos Santos Lucas. He said the task of her ministry is to show the world the potential of Mozambique, despite the difficulties the country currently faces.

“In Mozambican diplomacy, the priority is our national interest”, he said. “We want a vigorous diplomacy, which operates on the principle of always making more friends, which respects other nations and which, above all, ensures that Mozambique is respected”.

### Renamo no longer demanding direct election of governors

The opposition party Renamo has dropped its demand for the direct election of provincial governors, according to its leader Afonso Dhlakama. His change of heart came in a long interview published by the daily newspaper “O Pais” on 28 December.

In the lengthy and secretive negotiations between the government and Renamo over decentralisation, there has been agreement that provincial governors should be elected, rather than simply appointed by the President, as is the current constitutional arrangement. But there was a lengthy impasse over whether the election should be direct or indirect.

Renamo had argued for the direct election of governors – which would have resulted in four ballot papers at general elections: for the President of the Republic, the national parliament, the Assembly of the Republic, the Provincial Assembly, and the Provincial governor.

The government, however, preferred an indirect method of election, whereby the elected provincial assembly would choose the governor.

Any change must be approved by parliament, and Dhlakama added that he and President Nyusi “have been doing our utmost to ensure that when the document on decentralisation enters the Assembly, our parliamentary groups will approve it”. He said that, in his phone conversation with President Nyusi, on 13 December, the two had agreed that the decentralisation document will be deposited in the Assembly “within 30 days”.

Dhlakama was confident that “the document will be discussed and approved in March”. This would allow President Nyusi to announce the exact date of the October 2019 presidential, parliamentary and provincial elections 18 months in advance (i.e. in April) as legally required.

“The important thing is that there is consensus”, said Dhlakama. “We in Renamo are very pleased, because we have made a historic achievement – an effective decentralisation”.

But there was no such consensus on the second matter under discussion in the working groups set up between the government and Renamo – namely the inclusion of members of the Renamo militia in the armed forces and the police. Dhlakama has made the appointment of his men to senior military and police positions a condition for disarming and demobilising his militia.

Despite his demand for a “non-partisan” army, Dhlakama still has a vision of an officer corps where half comes from the ruling Frelimo Party, and half from Renamo. But Frelimo abolished its branches in the army decades ago, and there is a ban on serving officers taking any active part in politics.

“What we have been defending is balance in the leadership of the defence and security forces”, Dhlakama said. “For example, if we decide that our army should have eight colonels, then four should be from Frelimo and four from Renamo”.

When AIM, in reaction to this, asked the Frelimo Central Committee Secretary for Mobilisation and Propaganda, Caifardine Manasse, how many colonels Frelimo has, he replied “Frelimo is a political party and as such Frelimo doesn’t have an army. It doesn’t have any colonels. It just has members and sympathisers”.

## Police launch “manhunt” in Mocimboa da Praia

The deadline given by the police for Islamic fundamentalists in the northern district of Mocimboa da Praia to surrender has expired, and the police say they have now launched what they describe as a “manhunt” to round up “terrorists”.

This follows the abortive Islamist insurrection on 5 October, in which armed fundamentalists launched simultaneous attacks against three police installations in Mocimboa da Praia. The defence and security forces regained control of Mocimboa town the following day, but there have been subsequent attacks against outlying villages, and ambushes of police vehicles.

The most recent ambush was on 18 December, when the national director of reconnaissance of the riot police was killed, and five other police officers were seriously injured.

Speaking to reporters on 26 December, the spokesperson for the General Command of the police, Inacio Dina, said those involved in the October attacks “are now regarded as enemies and terrorists”. He gave no details of how many had responded to a police appeal to turn themselves in.

The newspaper “O Pais” has reported that on 22 December the defence and security forces attacked the village of Mitumbate, regarded as a bastion of the insurgents, by air and by sea. “Two helicopters were used and a boat of the marines”, a resident of Mocimboa town told the paper. He said the insurgents were taken by surprise and lost about 50 people, including women and children.

“O Pais” also reports a significant number of injured people entering Mocimboa da Praia rural hospital, but it is unclear how many of them are members of the defence forces and how many belong to the Islamist group.

“The situation is not at all good. I cannot say anything more”, the head doctor of the hospital told the paper. But a nurse, not named by the paper, said that most of the injured are policemen and soldiers. The bodies of those who died in the clashes are not kept in the hospital, but senior officers ask the doctors to issue death certificates.

“O Pais” noted plainclothes police officers in the hospital corridors, who are on the lookout for injured Islamists.

## Long jail terms for kidnap gang

The Sofala Provincial Court has sentenced four members of a kidnap gang to between 18 and 24 years imprisonment.

The presiding judge, Laurindo Mahoche, said it had been proved that the four men had participated in the kidnapping of a nine year old boy, the grandson of a Beira businessman, Harish Motichande, in May 2016. The boy was abducted on his way to school. The kidnappers shot the family driver and seized the boy from the car. They demanded a ransom of over four million meticais (US\$67,000), which was deposited in four accounts held in commercial banks in Maputo.

Those accounts were operated by Djesse Jonas Sitoi, Samuel Okafor, Jose Sarmiento and Jeremias Muianga. They were found guilty of kidnapping, assault causing grievous bodily harm, falsification of documents and fraud.

There are separate criminal proceedings against those who actually snatched the boy from the car, who are still on the run.

The Judge sentenced Sitoi, Ofakor and Sarmiento to 24 years, and Muianga to 18 years. They were also ordered to pay a fine of 160 meticais a day for a year, which comes to 58,400 meticais (about US\$1,000). Much more significant is the compensation the court ordered for the victims. The four must pay 2.4 million meticais to the family of the kidnapped boy, and 250,000 meticais to the injured driver,

The defence lawyers say they are considering an appeal, on the grounds that the jail terms are too long.

## Census shows population of 28.9 million

There were 28.9 million people living in Mozambique in August 2017, according to preliminary results from the country’s Fourth National Population Census carried out in that month.

The figures, released on 29 December, showed a population of 28,861,863 inhabitants. As expected, there are more women (15,061,006) than men (13,800,857).

The previous census, held in 2007, showed that the population then was 20.5 million. Thus, in the space of a decade, the Mozambican population has grown by 41 per cent.

Population growth has accelerated. The first post-independence census, in 1980, showed a population of 12.1 million. By the time of the second census in 1997, the population had grown to 16.1 million.

Thus, in the 17 years between 1980 and 1997, the population only grew by 33 per cent. The fact that the population in 1997 was about a million less than expected was due to the heavy mortality during the war of destabilisation waged by the South African apartheid regime against Mozambique between 1981 and 1992, and perhaps also to the onset of the AIDS epidemic.

Between 1997 and 2007 population grew by 27.3 per cent.

The most populous of the provinces remains Nampula, in the north, with 6,102,867 inhabitants, followed by the central province of Zambezia, with 5,110,787. The western province of Tete is in third position, with 2,764,169 inhabitants.

The least populous province is Maputo City, with 1,101,170 inhabitants. There is a movement of population from Maputo to neighbouring Matola, capital of Maputo province. Maputo province is now the most heavily populated province in the south of the country, with 2,507,098 inhabitants.

The other two southern provinces, Inhambane and Gaza, have 1,496,824 and 1,446,654 inhabitants respectively.

39 per cent of the total population is concentrated in Nampula and Zambezia, while the southern four provinces between them only account for 23 per cent of the population.

Speaking at the ceremony presenting the results, the chairperson of the National Statistics Institute (INE), Rosario Fernandes, said that these figures, although only preliminary, provide a secure basis for designing public policies in the social and demographic fields. He guaranteed that the final results will be published in late June 2018.

## Officials refusing to declare assets

Many senior officials are defying the clause in the 2012 Law on Public Probity, which obliges them to declare their assets.

Lucia do Amaral, the chairperson of the Reception and Verification Commission (CRV), the body in charge of implementing the law, told a Maputo seminar on 21 December that 7,056 officials are obliged to declare their assets on taking office and update their declarations every year. But to date, the CRV has only received declarations from 4,454 officials.

Those who do not submit their declaration of assets can be fined twice their monthly wage. If they still fail to comply, they can be sent to prison for up to two years.

Those who should declare their assets include members of the central and provincial governments, members of parliament and of the provincial assemblies, judges, prosecutors, members of the board of the Bank of Mozambique, and managers of public institutions, public funds, and companies which are owned by the state or where the state has a holding.

A second member of the CRV, Joao Vahiua, told reporters that all members of the Council of Ministers (Cabinet), have declared their assets.

## Ethiopians found dead in Sofala bush

The bodies found dumped in the bush in Cheringoma district are likely to be of Ethiopian citizens, and not Somalis as originally thought, according to the district administrator, Jose Tomas, cited by the television station STV. Thirteen bodies were found in the bush, at Becanta, which is part of Inhaminga town, and they were inspected on the spot by a team consisting of forensic doctors, the public prosecutor's office, and the Criminal Investigation Service (SERNIC). Tomas said the team determined that death was caused by asphyxiation.

This strongly supports the theory that the dead were victims of a people trafficking operation that went terribly wrong. It is thought that they were inside a container on the back of a truck, and when the driver discovered that his human cargo had perished, he dumped the bodies in the bush.

The team inspecting the bodies worked from 23 to 25 December. Then, given the advanced state of decomposition, the bodies were buried on the spot. Rather than tip the bodies into a mass grave, each of the 13 victims was given an individual grave. According to Tomas, "we buried them all the dignity they deserved".

The police were alerted to the existence of objects scattered in the bush in the Cheringoma locality of Mazamba. These included clothing, bottles of water and beer, and remains of food, such as dried pieces of bread. Crucially, Ethiopian identification documents were also found. The authorities concluded that these were the possessions of the dead.

A further six bodies were found on 23 December in the neighbouring district of Maringue – two of them are still alive. The Sofala provincial attorney's office suspects that these had been among the foreign citizens trafficked in the fatal container. Three of these bodies were found in Nhanzana locality and one in Nhamperuea. The remains were taken to the morgue at Caia rural hospital, on the south bank of the Zambezi, where they are awaiting autopsy.

A source in the Sofala attorney's office said that the two survivors were taken across the river into Zambezia province, where they were cared for in Quelimane General Hospital, and are now out of danger.

## 2017 tax collection exceeds target

The Mozambican Tax Authority (AT) has exceeded its tax collection target for 2017 by at least six per cent. Speaking at a press conference on 29 December, the chairperson of the AT, Amelia Nakhare, said that by 27 December the AT had collected 198 billion meticaís (US\$3.38 billion), compared with a target set in the 2017 budget of 186.3 billion meticaís.

Nakhare added that these figures do not include the US\$352.6 million of capital gains tax paid by the Italian energy company ENI, on the sale of shares in the natural gas fields of the Rovuma Basin in the far north of the country to the American oil and gas giant ExxonMobil.

The final destination of this money is not yet clear. Finance Minister Adriano Maleiane has ruled out using the ENI payment for any current expenditure. It is likely that it will be used as the core of a sovereign wealth fund.

Nakhare attributed the collection of more tax than expected to measures such as the obligatory fiscal stamps now placed on tobacco products and wines and spirits, which had reduced the amount of contraband in cigarettes and alcoholic drinks.

Nakhare added that next year Value Added Tax (VAT) will be "reformulated", and several scenarios for this "reformulation" are under consideration. The opposition Mozambique Democratic Movement (MDM) has long called for a reduction in the general rate of VAT from 17 to 14 per

cent. But Nakhare pointed out that basic foodstuffs are currently exempt from VAT. Cutting the rate of tax might involve abolishing the exemptions, which would increase the prices of such goods as maize flour and bread.

## Public prosecutor acts on illicit investment

The public prosecutor's office has charged senior figures in the National Social Security Institute (INSS), and in the private company CR Aviation, of embezzlement and abuse of office.

Those charged, according to a report in the Maputo daily "Noticias", are the former chairperson of the CTA (Confederation of Mozambican Business Associations), Rogerio Manuel, who owns 49 per cent of CR Aviation, INSS chairperson Francisco Mazoio, the former INSS managing director, Baptista Machaieie, and the former managing director of CR Aviation, Miguel Curado Ribeiro. The four were charged on 29 September, but only now has the charge sheet leaked to the press.

The case arises from a memorandum of understanding signed between the INSS and CR Aviation in 2014, which envisaged using INSS funds to purchase four aircraft for CR Aviation at a cost of 84 million meticaís (about US\$3 million, at the exchange rate of the time).

Alerted to this deal by press reports in 2016, the public prosecutor investigated and found a damning range of irregularities which constitute criminal offences. Thus, the Memorandum of Understanding (MoU) was not submitted for approval to the Administrative Tribunal, the body that inspects the legality of public expenditure. CR Aviation had never submitted business plans explaining how the money the INSS invested in the company would be repaid. Additionally, the INSS managers decided to grant the money to CR Aviation without even consulting the INSS Board of Directors.

The public prosecutors have also begun proceedings in the Maputo branch of the Administrative Tribunal to hold the INSS managers responsible for the return of the money unduly paid to CR Aviation.

This case might have gone unnoticed had it not been for some investigative journalism in early 2016. Those reports said that the INSS intended to invest US\$7 million in CR Aviation, a claim denied at the time by Manuel. Journalists discovered that the deal had not been completed, but, by the time it was made public, 84 million meticaís of INSS funds had been invested in CR Aviation.

According to the MoU, obtained and published by "Magazine Independente", US\$3 million of the INSS funds were to be used to buy a 15 per cent stake in CR Aviation, and Manuel denied that these shares had yet been purchased. However, he did not deny that the other US\$4 million had been invested. This money was to be used to purchase four light aircraft and pay for inspection and maintenance costs.

The INSS is not allowed to invest in companies unless their shares can be traded on the Mozambique Stock Exchange (BVM), which CR Aviation has never done.

The deal was negotiated in the final year of the previous government, headed by President Armando Guebuza. When the current Minister of Labour, Employment and Social Security, Vitoria Diogo, found out, she was furious, and allegedly demanded that the money be returned.

Belatedly Mazoio, in March 2016, demanded the money back. But this did not satisfy the prosecutors.

CR Aviation is one of several dubious investments by the INSS. The most notorious was the decision to sink social security funds into a tiny bank, O Nosso Banco ("Our Bank") which failed last year. The Bank of Mozambique was obliged to step in and liquidate this bank.

## Zimbabwe paying debt to EDM

The Zimbabwean electricity company ZESA is paying off its debt to its Mozambican counterpart, EDM, in equipment rather than cash, according to a report in the Maputo daily "Noticias".

According to the chairperson of the EDM Board of Directors, Mateus Magala EDM expects to receive 500 new transformers from ZESA to pay off the debt completely. Magala did not put a figure on ZESA's debt, but said it was not very worrying. In total, EDM's clients owe the company about US\$100 million. The greater part of this, US\$57 million, is owed by the Zambian electricity company, ZESCO.

He praised ZESA which, unlike the Zambian company, was making a serious effort to pay off its debt to EDM. "We ended up reaching an agreement with them under which, since they produce transformers locally, we could accept equipment for our company in lieu of payment", said Magala.

Looking at the broader southern African picture, Magala was concerned at the surplus of electricity in South Africa. A few years ago, South Africa was chronically short of electricity, which led to rolling power cuts. The situation is now very different, and South Africa has a surplus of 7,000 megawatts. Magala blamed this on the slowdown in the South African economy, which has led to the closure of several industries. Magala was concerned that South Africa is dumping its surplus on the region, to the prejudice of other electricity suppliers, including Mozambique.

ZESA also buys power from Hidroelectrica de Cahora Bassa (HCB), the company which operates the Cahora Bassa dam on the Zambezi River in the western Mozambican province of Tete. A source in HCB told AIM that ZESA cleared its debt to HCB in August.

## Heavy sentences for theft of FDA funds

The Maputo City Court on 20 December sentenced Setina Titosse, former chairperson of the government's Agricultural Development Fund (FDA), to 18 years imprisonment for her part in the theft of 170 million meticaïs (US\$5.6 million at the exchange rate of the time) from FDA funds.

Of the 23 others in the dock alongside Titosse, the court sentenced 21 to prison terms varying between 18 months and 12 years. Only two of the accused were acquitted.

In addition, each of those found guilty must pay two years of fines at the rate of five per cent of the statutory minimum wage per day. That works out at a total fine for each of 146,000 meticaïs. In a few cases, the fine is reduced to one year, six months or three months. The accused must also repay the 170 million meticaïs stolen from the state.

The court suspended the prison terms for those regarded as bearing a lesser degree of guilt, and, in several cases, allowed them to avoid going to prison altogether, if they paid compensation to the state at once.

Prompt action by the authorities in freezing the bank accounts of the accused, has allowed much of the stolen money to be recovered. Seizure of the money in the accounts, plus the sale of cattle owned by Titosse, has raised 130 million meticaïs. All other property acquired with the money stolen from the FDA is now forfeit to the state.

The lawyers for the accused have promised that they will appeal. This has the effect of suspending the prison sentences, and so all the accused remain at liberty while the appeal procedure runs its course.

## Former chair of Nampula Assembly sentenced

The Nampula City Court on 20 December sentenced the former chairperson of the Nampula Municipal Assembly, Manuel Tocova, to ten months imprisonment for the illegal possession of a firearm.

The man from whom Tocova had hired the pistol, for 3,000 meticaïs (US\$ 50) a month, Pedro Ussene, a former parliamentary deputy from the opposition party Renamo, was also jailed for illicitly renting out a firearm.

Both men had their jail time converted to fines. Tocova must pay 290,000 meticaïs and Ussene 70,000 meticaïs.

This is not the first time Tocova has clashed with the law. After the assassination, on 4 October, of the mayor of Nampula, Mahamudo Amurrane, Tocova became interim mayor. He immediately sacked councillors who had worked with Amurane and appointed his own supporters. The Public Prosecutor's Office warned him that this was illegal, since the powers of an interim mayor are limited to routine matters of day-to-day management, which do not include reshaping the composition of the Municipal Council.

Tocova paid no attention and swore the new councillors into office. He was hauled before the city court, found guilty of disobedience and given a three month suspended sentence.

The police discovered Tocova's illegal possession of a firearm because he stopped paying the rent, and in early November Ussene complained to the police – who promptly arrested both of them.

## World Bank grants for primary health care

The World Bank on 21 December approved grants to the value of US\$105 million for the Mozambican government's Primary Health Care Strengthening Programme-for-Results.

According to a World Bank release, US\$25 million comes from the Global Finance Facility (GFF) and US\$80 million from the International Development Association (IDA).

The release noted that "a recent assessment of the primary health care system in Mozambique indicated that the country is not yet on track to reach the United Nations' health Sustainable Development Goals. It noted weaknesses in provider competencies; low adherence to clinical guidelines; high levels of dropout for child immunisation; and little continuity in care delivery over time".

To cope with such challenges, the government has developed a five year programme focused on Reproductive, Maternal, Neonatal, Child and Adolescent Health and Nutrition. It is this that the GFF/IDA grants will boost.

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

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