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President Guebuza inaugurates Nacala Airport

President Armando Guebuza on 13 December officially inaugurated the new international airport in the northern port city of Nacala, costing over US$250 million and built with the financial support of Brazil. President Guebuza declared that the imposing new buildings are yet further proof that “there are people committed to the construction of a prosperous Mozambique, and who oppose those who only know how to make speeches which incite to violence and destruction”.

The President stressed that this airport, which can accommodate planes of any size, “shows that the development of Nacala is unstoppable”.

The airport, he added, was one of several major investments in Nacala. These include the new coal terminal at Nacala-a-Velha, and the railway connecting it to the Moatize coal basin in Tete province, the expansion of the existing Nacala port, and two new hotels nearing completion.

President Guebuza said that, in the almost ten years of his two presidential terms of office, a great deal has been done to build the infrastructures which will form the basis for the accelerated development of Mozambique.

Nacala is the fourth major civil aviation investment of the past decade. The others are the complete reconstruction of domestic and international terminals at Maputo airport, the rehabilitation of Pemba airport in the far north, and the transformation of Vilankulo airport, in Inhambane province, into an international airport, aimed essentially at the tourist trade.

The first airline using the new airport is Mozambique’s publicly owned carrier, LAM (Mozambique Airlines). As from 8 December, LAM has been operating the Maputo-Nacala route three times a week. There are also tentative plans to fly from Nacala to Dubai and to the Indian city of Mumbai.

During the ceremony, Transport Minister Gabriel Muthisse praised the work of President Guebuza in transport and communications, which he described as a continuation of the work he had done when he held that ministerial portfolio between 1987 and 1994.

He stressed the President’s leadership in the construction and rehabilitation of rail and port facilities which are “a major lever for the country’s development”.

SAA increases flights to Maputo

South African Airways (SAA) on 2 December announced that it has added more flights into the Mozambican capital, Maputo.

From the beginning of December the airline has increased the number of flights between Johannesburg and Maputo from 17 to 21 per week.

In addition, it has added one flight per week to the routes between Johannesburg and Harare, Mauritius and Kinshasa.

According to the company’s acting chief executive, Nico Bezuidenhout, “the strengthening of these routes comes in the wake of positive load factors and increased traffic between the countries”.

Other airlines are also upping their flights to Mozambique. Last month Malawi Airlines opened routes between the Malawian capital Lilongwe and the Mozambican cities of Beira, Tete and Nampula.

At the end of October it was announced that Air France/KLM is negotiating with the Mozambican government on the resumption of direct flights between Paris and Maputo. There have been no direct flights between these capital cities for around two decades.

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

CNE to give results sheets to Constitutional Council

The National Elections Commission (CNE) will hand over to the Constitutional Council, the country's highest body in matters of constitutional and electoral law, all the results sheets from the 15 October general elections that it has asked to see, CNE spokesperson Paulo Cuinica told AIM.

On 12 December, the CNE received a request from the Council for the provincial results sheets drawn up by the 11 provincial elections commissions, and district or city results sheets from the central province of Zambezia.

The Council wanted to see the results sheets from the provincial capital, Quelimane, and from the districts of Ile, Inhassunge, Alto Molocue, Lugela, Maganja da Costa, Milange, Mocuba, Namacura, Namarroi, Nicoadala and Pebane.

The Council also asked for the originals of all the polling station results sheets that were rejected because the CNE computer system could not process them.

Finally, it asked the CNE to clarify the claims by the weekly paper "Canal de Mocambique" that results sheets have gone missing. The paper has for weeks been running a campaign against the CNE, claiming that it is "hiding" the results sheets.

Cuinica categorically denied such claims. He said that the polling station results sheets used to draw up the provincial results were all sent to Maputo, where they are kept in a warehouse to which three CNE members have keys – they are members appointed by the three main political parties, the ruling Frelimo Party and the two opposition forces, Renamo and the Mozambique Democratic Movement (MDM).

But there are other copies of the same results sheets in the districts. Each polling station sent a results sheet and all the valid votes to the district or city elections commission. They are kept by the Commissions, Cuinica said, in case the Constitutional Council should order a recount of the votes cast at any particular polling station.

The invalid votes are not kept in the districts. They were sent to Maputo, where the CNE looked at each and every one of them in late October, to check whether they really were invalid. The CNE was able to rescue about 23 per cent of them, and distributed them among the various parties and candidates.

The computers will not accept results sheets that contain mathematical mistakes – either honest mistakes made by tired polling station staff in the middle of the night, or attempts to deliberately tamper with the sheets and alter the results.

In such cases, Cuinica said, the correct results might be recovered from the polling station minutes, or from the copies of the results sheets given to the accredited monitors from the political parties. But if they all contain the same mistake, or the same tampering, then the results sheet cannot be recovered and that polling station is excluded from the final count.

The Constitutional Council is charged with validating and proclaiming the election results. But first it had to deal with the appeals lodged by the political parties. There were ten of these – one from Frelimo, two from Renamo, four from the MDM, and one from PUMILD (United Party of Mozambique for Democratic Freedom).

It took the seven judges on the Council most of November and the first few days of December to deal with the appeals. Only then could the Council turn to the major task of analysing the entire election, and judging the accuracy, or otherwise, of the results announced by the CNE on 30 October.

All district capitals electrified by year end

The capitals of all of Mozambique's 128 districts will be electrified by 31 December, according to Energy Minister Salvador Namburete.

Namburete was speaking in Macossa, in the central province of Manica, on 4 December during a ceremony at which this district capital was connected to the national grid. An identical ceremony took place earlier in the day in Nhacolo, capital of Tambara district.

He said that only four districts remain to be electrified – Massangena and Chicualacuala in Gaza province, Maringue in Sofala and Nipepe in Niassa. Work is under way in all four of these small towns and it is expected that the electrification projects will be completed by the end of the year.

The Minister added that the government has thus complied fully with the rural electrification plan that forms part of its five year programme for 210-2014.

With the electrification of Macossa and Tambara, all the district capitals in Manica are now receiving power from the national grid. The challenge now, Namburete said, is to take electrification down to the administrative posts.

The figure of 128 refers to the number of districts existing when the electrification plan was drawn up. Since then 13 new districts have been created, which used to be administrative posts. Seven of these are already linked to the grid, but six are not.

Namburete said the electrification of Macossa and Tambara is part of a broader rural electrification programme, which includes the construction of transmission and distribution lines in the Sofala districts of Maringue and Muanza, and the expansion of four sub-stations.

This project, costing more than US$55 million, was co-financed by the African Development Bank (ADB), the OPEC Fund, and the publicly owned Mozambican electricity company, EDM.

Since the launch of the rural electrification plans, EDM and its partners have been spending an average of US$100 to US$120 million a year.

Namburete said the challenge for the coming period will be to intensify the productive use of electricity, through building systems which make it possible to improve agricultural production and productivity, create jobs and promote business.

Electricity, he added, cannot be seen as a final product, but as a catalyst for development, since "where there is no energy, there is no development".

Korean loan for Quelimane Hospital

The South Korean government is to make available to the Mozambican authorities an additional loan of US$25 million for the construction of Quelimane Central Hospital, in the capital of Zambezia province.

To this end, notes on the project were initialled in Maputo on 10 December by Deputy Foreign Minister Eduardo Koloa and by the South Korean ambassador, Hee-yoon Kang.

The total estimated cost of building the hospital is US$56 million, co-financed by the Mozambican and South Korean governments.

Construction of the hospital, which will contain 600 beds, began in 2013. It is being built by a consortium of the Korean companies Sammi Construction. Co ltd and Yul trading corporation, and should be completed within 24 months (i.e. by the end of April 2015).

The hospital will provide services that cannot be found elsewhere in Zambezia.

Deputies' Privileges bill passed

The Mozambican parliament, the Assembly of the Republic, on 4 December passed the final reading of a bill increasing the benefits and privileges of parliamentary deputies.

The bill had been passed in May, but caused a storm of protest among civil society bodies leading to organised protests against "legalised theft" and "luxury deputies".

President Armando Guebuza took the protests seriously and vetoed the bill, sending it back to the Assembly for re-examination. He also vetoed a separate bill granting additional rights to the President of the Republic during and after his term of office.

President Guebuza told the Assembly that the bills needed to be re-analysed "paying special attention to the negative socio-economic impact they could cause, and the financial and budgetary difficulties in complying with them".

But the parliamentary group of the ruling Frelimo Party overrode Guebuza's veto, and pushed through both bills. Overcoming a presidential veto requires a two thirds majority in the Assembly, which Frelimo, holding 191 of the 250 seats, can muster on its own.

The two opposition parties, Renamo and the Mozambique Democratic Movement (MDM), had originally voted for the increase in parliamentary privileges but, faced with the public outcry, they changed their minds.

Frelimo was irritated that opposition members of the Assembly's Constitutional and Legal Affairs Commissions voted in favour of the re-examined bills in the Commission, but against in the Assembly plenary.

"Renamo voted in favour in the Commission, because there are no journalists and cameras in the Commission", accused Frelimo deputy Caifurdine Manasse.

For Renamo, deputy Carlos Manuel retorted "we voted against this bill because of the concerns raised by civil society bodies whom we represent."

The bill passed with the 188 Frelimo deputies present voting in favour and the 36 opposition deputies in the chamber voting against. It will now go back to President Guebuza and, with his veto over-ridden, he has no choice but to promulgate it.

A deputy who has served three full parliamentary terms, and has paid 13 per cent of his or her basic wage in social security contributions, is entitled to a full pension equivalent to 100 per cent of the salary for the highest parliamentary post occupied. The pension will rise every year, just as the salaries of serving deputies rise.

Deputies who have only served for two terms also receive the full pension but only when they reach the official retirement age, or have worked for the state, in one capacity or another, for 35 years. After the former deputy has died, their immediate family inherits the pension.

The "reintegration allowance" is a lump sum of 75 per cent of the deputy's basic salary for every year served in parliament. For a deputy who has served for 15 years, this sum could easily be in excess of US$300,000.

Other rights of deputies include purchasing a light vehicle free of customs duties and other taxes, the right to carry a gun for personal defence, and medical care. If this is in the National Health Service, it is free of charge – but deputies may also use private health care, when justified, and the Assembly will pay 75 per cent of the cost.

Former deputies may also import a vehicle free of tax. In one slight concession to public opinion, the bill was amended to make it clear they can only do so once.

The only right entirely removed after President Guebuza's veto was the right of every deputy to an office and a house in the "parliamentary citadel". This is a parliamentary complex which may eventually be built in the municipal district of Katembe. But currently it does not exist, and so rights to houses and offices there are purely theoretical.

Bill passed on leader of second party

The Assembly of the Republic on 4 December passed the second and final reading of a bill which creates the post of "Leader of the Second Largest Party in Parliament".

The post is roughly equivalent to that of "Leader of the Opposition" in countries which have a Westminster style parliament. But in the Mozambican case the "Leader" concerned does not necessarily sit in parliament.

The first person to benefit will certainly be Afonso Dhlakama, leader of the largest opposition party Renamo. Dhlakama has never stood for a seat in the Assembly, running only for the presidency, losing in five successive presidential elections.

The bill passed easily with the combined votes of Renamo and the ruling Frelimo Party. The five deputies present from the Mozambique Democratic Movement (MDM) abstained, protesting against the cost of the new position.

The estimate from the Finance Ministry is that the Office of the Leader of the Second Largest Party will cost the 2015 state budget 71.6 million meticais (US$2.3 million).

Under this bill Dhlakama will have the right to a state salary, and the usual range of monthly allowances that senior state figures receive. He will have an official residence, an official car and a full equipped office with staff. He will also be able to purchase a vehicle for his personal use, free of duties and tax.

He will be entitled to medical care, first class air travel, diplomatic passports for himself and his immediate family, and special protection and security.

He cannot be brought to trial, except with the consent of the Council of State, an advisory body to the President of the Republic, and if he is charged with any crime, the case will be heard by the Supreme Court.

The only duties listed are that the Leader of the Second Party in Parliament must attend meetings of the bodies of which he is a member, inform the President of any official travel abroad, and "put the national interest above all others"

Japan donates rice

Japan has offered Mozambique rice valued at US$6.2 million to support the country's food security.

Deputy Foreign Minister Eduardo Koloma and Japanese ambassador Azira Mizutani signed an agreement to this effect in Maputo on 5 December.

Thanking the Japanese government for its longstanding assistance in food security, Koloma said the rice will be sold, and the resulting funds will be deposited in a bank account in Japan. Later the two governments will decide how the money should be used.

For his part, the ambassador said that the offer arises in response to a greater than expected shortfall in rice production in Mozambique because of floods in 2013.

"I hope that this aid will become another fundamental corner stone for the well-being of Mozambique, and will strengthen our bilateral cooperation", he said.

Japan began sending food aid to Mozambique in 1977, and to date the value of this aid is in excess of US$170 million.

Gas decree to provide "fiscal stability"

Companies exploiting the natural gas discovered in the Rovuma Basin, off the coast of the northern Mozambican province of Cabo Delgado have been offered highly favourable taxation and labour arrangements in a Decree-Law issued by the Council of Ministers (Cabinet).

Prospection and production contracts were signed in 2006 with consortia headed by the US company Anadarko and the Italian energy company ENI covering offshore areas one and four of the Rovuma Basin.

Both Anadarko and ENI discovered huge deposits of gas, which seem to be part of the same field. Both plan to produce Liquefied Natural.

The new decree-law sets down the guidelines for the LNG operations. Because of the complexity of the matter, the Mozambican parliament, in a controversial move, decided not to legislate on LNG itself, but gave the government the power to do so by decree.

The decree offers Anadarko and ENI "legal and fiscal stability". This means that the government is guaranteeing lengthy periods in which the taxes paid by the companies will not be raised, or the basic legal framework changed.

Changes will be discussed between each company and the government at ten yearly intervals – on the tenth and twentieth anniversaries of the first shipment of LNG (which, at the very earliest, will be in 2018). In these negotiations, if no agreement is reached, the company will be obliged to pay an extra four per cent on the petroleum production tax after the tenth year, and an extra six per cent after the 20th year.

There are various exceptions which could lead to changes before ten years have passed – such as measures adopted for reasons of national security to guarantee fuel supplies during a state of emergency – but essentially the decree gives the companies the certainty that for a period of ten years there will be no significant change in their legal status or taxation.

In addition, the labour regime established under the decree-law is much more favourable to the companies than the general labour law.

Mitsui to buy stake in Vale coal assets

The Japanese company Mitsui has agreed to pay US$763 million for a stake in the coal and infrastructure assets of Brazilian mining giant Vale.

Vale and Mitsui have both issued statements that Mitsui is to pay upfront US$450 million for a 15 per cent stake in the Vale's local subsidiary, Vale-Mozambique, which holds a 95 per cent stake in the open cast coal mine in Moatize, in the western Mozambican province of Tete.

In addition, Mitsui may pay a further US$30 million resulting from an "earn out" clause. There is also a "claw back" clause covering US$120 million. Enforcing these will depend on production targets agreed between Vale and Mitsui. Depending on these clauses, the final sum paid by Mitsui could vary between US$330 and US$480 million.

At a Maputo press conference, Vale announced that Mitsui will make a pro-rata contribution, in line with its 15 per cent holding, to finance the investment still necessary to expand the Moatize mine. That will be a further US$188 million.

Mitsui is also to contribute US$313 million in equity and quasi-equity to the Nacala Integrated Logistics Corridor (CLN), a consortium which is currently 80 per cent owned by Vale and 20 per cent by Mozambique's publicly owned rail and port company, CFM. Mitsui is now acquiring half of the Vale holding.

CLN runs the coal terminal at the new port of Nacala-a-Velha, built on the opposite side of Nacala Bay to the previously existing port of Nacala, and the 900 kilometre long railway from Moatize to Nacala-a-Velha, which runs across southern Malawi.

The sale of the Vale assets will not be concluded until it has obtained the approval of the Mozambican government.

World Bank agreement on budget support

The Mozambican government and the World Bank signed an agreement in Maputo on 11 December under which the bank will support the Mozambican state budget for 2015 with a credit of US$110 million for poverty reduction programmes.

The money is a loan from the International Development Association (IDA), the branch of the World Bank group that provides soft loans to developing countries.

Government approves new power stations

The Mozambican government on 9 December approved the terms and conditions for the construction of two hydroelectric power stations at Chemba, on the south bank of the Zambezi River, in the central province of Sofala.

The approval by the Council of Ministers (Cabinet) paves the way for a public private partnership to build the two plants (Chemba I and Chemba II) on the Zambezi.

Chemba I will produce 600 megawatts of electricity and Chemba II 400 megawatts. It is estimated that construction will cost US$2.55 billion.

The concession will go to the public electricity company, EDM and private company Hidroeléctrica de Tambara.

Ivory smuggler arrested

The Mozambican police on 8 December arrested a 42 year old Thai citizen Pitak Nuengniyom at Maputo International Airport in possession of 43 kilos of ivory bracelets.

This is the second major wildlife crime involving Maputo airport in less than two months. On 1 November, the South African authorities announced the seizure of the largest ever haul of rhinoceros horns.

Embarrassingly for the Mozambican authorities, the horns were being transported on a plane from Maputo. The final destination of the two smugglers was Vietnam.

So far there has been no explanation as to why the scanners at Maputo airport did not detect 41 kilos of rhino horn.

Mozambique News Agency, c/o 26 Withdean Crescent, Brighton BN1 6WH, UK. Tel: +44 (0) 7941890630 - mozambique-news@geo2.poptel.org.uk

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