

Mozambique News Agency

AIM Reports

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Dhlakama extends Renamo truce for two months

Afonso Dhlakama, leader of the opposition party Renamo, on 3 March announced a further two-month extension of the truce his forces have been observing since late December. Speaking from a Renamo base in the central district of Gorongosa, Dhlakama declared “as from zero hours tomorrow, 4 March, a new truce takes effect, lasting until 4 May”.

Initially, the truce was only for a week, beginning on 27 December. Dhlakama announced the truce after phone conversations with President Filipe Nyusi. In early January the truce was extended by a further two months, to 4 March.

Dhlakama confirmed that he remains in regular phone contact with President Nyusi, and guaranteed that the peace talks “are on a good path”. He also announced that a new figure “of recognised merit” internationally will join the “contact group” announced by President Nyusi on 1 March. Dhlakama did not announce the name of this figure.

The “contact group” consists of seven ambassadors resident in Maputo, and its co-chairs are Swiss ambassador Mirko Manzani and US ambassador Dean Pittman. The statement from President Nyusi’s office announcing the creation of the contact group said it “will provide coordinated financial and technical assistance, and carry out other tasks as indicated in their terms of reference”.

This assistance is to the two working groups that President Nysui and Dhlakama have set up, one dealing with decentralisation and the other on military questions.

President Nyusi announced that he and Dhlakama had agreed that the two groups can begin working “because the Mozambican people are in a hurry to live definitively in peace”.

Two children die in Limpopo flood

Two children have died in the flooding in the Limpopo Valley, in the southern province of Gaza. The children lost their lives on 4 March when, along with seven adults, they were crossing the Limpopo River in a rowing boat, attempting to reach Chibuto district. According to district administrator Brigida Matavele, the boat overturned, and the two children drowned. All the adults were rescued.

The river inundated parts of Chokwe, Guija and Chibuto districts, although it did not reach the predicted height of 8.3 metres. This would have been 3.3 metres above flood alert level, and enough for the river to have swept over the top of the dyke built to protect Chokwe town. The maximum reported height of the Limpopo at Chokwe was 7.5 metres.

In Chokwe, 1,366 hectares of crops were flooded and 600 regarded as lost. In Guija, 906 hectares are flooded, and in Chibuto more than 300 hectares are said to be lost.

Visiting the Limpopo Valley at the weekend, Joao Machatine, the general director of the Mozambican relief

agency, the National Disaster Management Institute (INGC), said that, when the waters retreat, it is crucial to take advantage of the humidity and replant.

“We shall work with our partners to reduce food aid and acquire seeds”, said Machatine. Chokwe needs 22 tonnes of seeds, Guija 40 tonnes and Chibuto 10 tonnes. Two-thirds of these requirements are for maize seeds and the rest for beans.

Five drown as Mussapa bursts its banks

Five people died and five others are missing, when their vehicle they were travelling in was swept away by the waters of the Mussapa River, in Sussundenga district, in the central province of Manica.

The tragedy happened on 27 February when the waters of the Mussapa burst their banks. The victims were travelling in a vehicle belonging to the Chimanimani National Reserve, which is an important conservation area in Manica. There were 21 people on board, 11 of whom survived. Five bodies were recovered and the other five are still missing: they are three workers of the Chimanimani reserve and two members of a local community.

Three children drown in Beira floods

Three children have drowned in floods caused by torrential rains in the central city of Beira. The rain began on 26 February, coinciding with high tides, and swamped many low-lying areas. One of the child victims was a seven-month-old baby who drowned in his sleep. His parents, also asleep, did not realise that the flood waters had invaded their house.

A four-year-old boy died while he was playing in the muddy water. He is believed to have fallen into a hole and drowned. The third victim, a 12-year-old boy, drowned in a ditch as he was trying to make his way to school.

Homes were inundated in outlying neighbourhoods such as Munhava, Macarungo, Manga, Chota, Muchatazina and Vaz.

Speaking to reporters, the mayor of Beira, Daviz Simango, recalled that Beira has special characteristics that make it prone to flooding. Part of the city is below sea level, and the water table is very high. This made it crucial to maintain the city’s drainage system, and Simango reported that the new floodgates installed at the Chiveve River, inaugurated in January, performed well, as did the older floodgates in the Palmeiras neighbourhood.

ENI selling stake in Rovuma Basin

The Italian energy company ENI has said it is “within weeks” of finalising a deal worth billions of dollars to sell a stake in its operations in the Rovuma Basin, off the coast of northern Mozambique, according to a report in the “Financial Times”.

ENI chief executive Claudio Descalzi told the paper that the transaction was “very close” but declined to comment on the identity of the buyer.

However, it is no secret that ENI has been in lengthy negotiations with the US company ExxonMobil, and last October the chairperson of Mozambique’s National Hydrocarbon Company (ENH), Omar Mitha, told the Maputo daily “Noticias” that ExxonMobil would become a partner of ENI in offshore area four of the Rovuma Basin.

Massimo Bonisoli, an analyst at the debt recovery company Equita, cited by the “Financial Times” estimated the sale of a 20 per cent stake in Area 4 could raise US\$1.79 billion for ENI, with the potential for this to rise to as much as US\$2.63 billion should the Italian group eventually hand over operational control to the buyer. This is of enormous interest to Mozambique, because of the huge amount of capital gains tax that would be paid on such a transaction.

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

Plans are advanced to set up a floating liquefied natural gas (FLNG) facility in Area Four above the Coral South gas field. So far, the consortium has invested about US\$2.8 billion in Area Four, and it is estimated that the FLNG project will cost a further eight billion dollars.

Production of LNG is due to begin in 2022. However, the Final Investment Decision cannot take place until CNPC formerly commits itself to the investment (all the other partners have now approved their share of the investment).

An agreement has already been reached under which all the gas produced from the FLNG plant will be sold to the British company BP over a twenty year period.

The total gas discovered in Area Four is 85 trillion cubic feet. Neighbouring Area One, where the US company Anadarko is the operator, holds an estimated 75 trillion cubic feet of gas. Anadarko is planning to build an onshore LNG facility to produce 12 million tonnes of LNG a year. Later it hopes to raise production to 20 million tonnes a year. However, Anadarko is at least a year behind ENI in the race to deliver LNG to the market.

Unions suggest two wage rises in 2017

Mozambique’s main trade union federation, the OTM (Mozambican Workers’ Organisation) has suggested that, if the country’s current financial situation prevails, then the minimum wage should be increased twice this year.

OTM General Secretary Alexandre Munguambe made this call public on 3 March, during a meeting of the Labour Consultative Commission (CCT), the tripartite negotiating forum between the government, the unions, and the employers’ organisations.

The standard practice has been for the CCT to agree on a set of minimum wages by sector, which the government then puts into law. The new wages take effect as from 1 April each year. But the OTM is now suggesting that in times of high inflation, wages should be adjusted more frequently.

“We recall that in the past when annual inflation reached two digits, the minimum wage was increased twice a year”, said Munguambe. “If the current situation continues, there is every reason to return to this practice”.

In 2016, inflation rose, largely because of the depreciation of the Mozambican currency, the metical. According to the National Statistics Institute (INE), based on the consumer price indices of the three largest cities (Maputo, Nampula and Beira), inflation for the year reached 25.27 per cent.

Munguambe stressed that workers’ living standards had tumbled. “2016 was characterised by politico-military instability, natural disasters, a financial crisis, depreciation of the metical and unsustainable foreign debts”, he said. “These factors raised the cost of living to unbearable levels, and worsened the poverty of the majority of Mozambicans”.

Labour Minister Vitoria Diogo, who chairs the CCT, gave a much rosier picture, claiming that 277,647 jobs were created in 2016. In addition, 106,749 citizens, mostly young, had attended professional training courses, thus increasing their chances of obtaining good jobs.

Top official denounces prison overcrowding

Serious overcrowding in Mozambican prisons hinders the rehabilitation of prisoners, damages their dignity, and imposes extra costs on the State, denounced the President of the Supreme Court, Adelino Muchanga, on 1 March.

Speaking at the ceremony opening the 2017 judicial year, Muchanga pointed out that total capacity in Mozambican jails was for 8,188 prisoners, but they are now holding over 18,000 people – more than twice the installed capacity.

He blamed the overcrowding on excessive use of preventive detention, the slowness in bringing prisoners to trial, and the use of imprisonment, rather than alternative forms of punishment, for petty offences.

In 2016, Muchanga said, 35 per cent of those in the country’s jails had not been tried but were in preventive detention. Many of them had not even been charged, and of those facing charges many could be released on bail and told to await their trials at home.

In addition, there has been a substantial increase in the number of habeas corpus requests reaching the Supreme Court. “We receive 15 habeas corpus requests in 2015, and the number rose to 61 in 2016, almost all of them based on the fact that the limits on preventive detention had been exceeded”, he continued.

Most detainees cannot afford a lawyer, and know nothing about the habeas corpus rules: if they did, the number of requests would certainly be much larger.

Attorney-General Beatriz Buchili also denounced prison conditions, noting that the number of people now incarcerated was higher than it had been for the last three years. She agreed with Muchanga that the situation could be minimised by reducing the number of illegal detentions, speeding up judicial procedures, and using alternative punishments (such as community service) instead of imprisonment.

Buchili hoped that a new Penal Procedural Code and a Code on Alternatives to Prison, now under consideration by the country’s parliament, the Assembly of the Republic, will significantly improve prison conditions.

She also denounced the “countless reports” of inhuman treatment of detainees in prisons and police cells. A major challenge for the bodies of the administration of justice, she said, was to eliminate these situations, since “people who are incarcerated, although they have committed offences, are still human beings and deserve full respect and dignity”.

Swedish support for safe abortion

The Swedish government and the international NGO Ipas, which works around the globe to support the sexual and reproductive rights of women, are now collaborating to ensure the access of Mozambican women and girls to safe abortion and contraception services.

According to a press release from the Swedish embassy, this programme began last December and will run until December 2019. Sweden is contributing about US\$5 million to the programme.

It is intended to increase the knowledge, opportunities and capacities of women and girls to take informed and safe decisions about abortion and contraception.

In Mozambique, Ipas works with the Ministry of Health and is a member of the Ministry's Technical Group on Abortion, which is developing norms and directives for the provision of comprehensive abortion services.

Abortion was decriminalised under the new Penal Code, approved by the Mozambican parliament, the Assembly of the Republic, in 2014.

The Ministry of Health estimates that about 11 per cent of all maternal mortality in Mozambique is due to unsafe, clandestine abortions.

The Swedish release notes that currently, safe abortion services are only available in the urban areas of southern Mozambique. So the programme supported by Sweden will focus on the northern province of Nampula, and on Zambezia in the centre of the county, where there is little or no abortion service. Between them, these two provinces account for about 40 per cent of the Mozambican population. But they have some of the worst sexual and reproductive health indicators in the country.

Sexual and reproductive rights "are fundamental human rights for attaining gender equality, poverty reduction and sustainable development", declared Swedish ambassador Irina Schoulgin Nyoni. "This support is a fundamental part of Sweden's feminist foreign policy".

Rehabilitation of Manica power stations

The Mavuzi and Chicamba hydro-electric power stations, on the Revue River in the central province of Manica, have been delivered to the publicly-owned electricity company, EDM, after a complete rehabilitation.

Rehabilitation and modernization of the two power stations was in the hands of a consortium of French and Norwegian companies. It cost US\$120 million and took three years. Although they will not be formally re-inaugurated until late March, they are already in use.

According to the project coordinator, Abraao Rafael, who is also EDM's deputy director for electrification and projects, the final certificate testifying to receiving the stations after their rehabilitation was signed on 20 February.

EDM uses Chicamba and Mavuzi to supply electricity to Manica and the neighbouring province of Sofala, and the power is only sufficient with the interconnection with the Chibata sub-station which draws its power from the Cahora Bassa dam on the Zambezi.

The modernisation was important in order to prolong the life of the two power stations, which were in danger of shutting down entirely due to the obsolescence of their components. Because the original parts no longer exist on the international market, the consortium had to design and make new parts. EDM claims that the work has given Chicamba and Mavuzi an additional 30 years of useful life.

The work also allows the stations to generate almost 20 megawatts more than they could prior to the rehabilitation. Thus the maximum generating capacity at Chicamba has risen from 38 to 44 megawatts, and that at Mavuzi has risen from 30 to 41 megawatts.

New power station for Inhambane

A new gas-fired power station, capable of generating 400 megawatts of electricity, will be built in the southern province of Inhambane, the Minister of Mineral Resources and Energy, Leticia Klemens, announced on 23 February.

Construction will begin next year and should be concluded by 2021. The source of power is the natural gas from the Temane and Pande gas fields in Inhambane, exploited by the South African petrochemical giant Sasol. The power station, plus the transmission line to carry the electricity from Temane to Maputo, will cost US\$1.2 billion.

Klemens said the transmission line will be run as a partnership between EDM and HCB, while the power station will be "a public-private partnership between Sasol and EDM".

EDM chairperson Mateus Magala said the transmission line will be ready six months before the power station since it is the line to Maputo that will make the whole project viable. This transmission line would become the first stage in the "backbone" of the country's electricity grid, running from the Zambezi Valley to the far south.

This "backbone", discussed for many years, would end the embarrassing situation whereby the Cahora Bassa power that EDM buys from HCB to supply the south of the country does not go there directly but passes through South Africa.

The African Development Bank (ADB) has expressed an interest in financing the project but wants to see whether it can be profitable, before taking a final decision. "What we can invest will depend on the revenue this project can generate, but we are interested in taking part", said the ADB representative in Mozambique, Joseph Ribeiro.

The list of potential funding agencies also includes the World Bank, Norway, the German development bank, KfW, the Japanese International Cooperation Agency (JICA), and the French Development Agency (AFD).

Klemens said the Inhambane power station is part of the strategy to diversify sources of energy. There are already two gas-fired power stations at Ressano Garcia, on the South African border, which can generate 295 megawatts between them. Adding the projected 100 megawatt combined cycle power plant (using both gas and a steam turbine) in Maputo, the 40 megawatt Kuvaninga power station at Chokwe, in the Limpopo Valley, and now the Inhambane project, this means that within the next few years a total generating capacity of 835 megawatts will be available in southern Mozambique.

Klemens said this would bring to fruition the idea of "developing a Southern Regional Electricity Generating Park".

For EDM, the Inhambane project comes as a lifeline to rescue it from major financial difficulties, since it would greatly increase EDM's revenue, and relieve it of its current need to import electricity from the South African company Eskom.

The current electricity demand in Mozambique is 900 megawatts (excluding the consumption of the Mozal aluminium smelter). EDM acquires 750 megawatts from domestic sources, mainly HCB, but must purchase the other 150 megawatts from Eskom, which is much more expensive.

Chinese investment in coking coal

On 24 February a memorandum of understanding was signed in Maputo under which a Chinese steel company will set up an industry to transform the thermal coal extracted from mines in Tete province into coking coal.

The plant, budgeted at US\$1.3 billion, will be set up in the northern province of Nampula, in the transport corridor leading to the port of Nacala.

The memorandum was signed by the Permanent Secretary of the Ministry of Industry and Trade, Carla Soto, and the chairman of the company China Brasil Xinnenghuan International Investment (CBSteel), Zhang Shengsheng.

The plant is planned for a production capacity of four million tonnes of coking coal a year, and construction work is due to begin in the second half of this year.

According to Zhang Shengsheng, building the factory could take about a year, and would create 1,500 jobs. He envisaged “a major industrial zone” springing up around the factory, with the potential to create many more jobs.

The coking coal produced at the new factory would be exported from Nacala to CBSteel’s mills in Brazil. The raw material, thermal coal from Tete, can reach Nampula along the railway from the Moatize coal basin, which runs through southern Malawi and links up with the Nacala Corridor.

Genetically modified maize tested in Chokwe

Testing of genetically modified maize is taking place at the Chokwe Agricultural Station, in the southern province of Gaza. The purpose is to identify a strain of maize, suited to Mozambican agro-ecological conditions that can tolerate drought and resist insect pests.

The first sowing of this trial maize, imported from the United States, took place in Chokwe on 18 February, in the experimental field run by the Mozambican Agricultural Research Institute (IIAM). It is part of the programme WEMA (Water Efficient Maize for Africa).

WEMA involves researchers from the IIAM, Tanzania, South Africa, Kenya and Uganda. The Chokwe experimental field was established recently by the IIAM specifically for trials of Genetically Modified Organisms (GMOs).

The first sowing was focused on a strain of the crop resistant to insects. Drought tolerant strains will be planted during the cool, dry season when, in much of Gaza, there is virtually no rainfall at all.

German aid for Inhambane

The German government is making a further €1.18 million available for food aid and the acquisition of seeds in the southern Mozambican province of Inhambane.

This aid follows €550,000 donated last year, via the NGO Welthungerhilfe (German Agrarian Action), for food aid and combating the effects of the El Nino weather phenomenon in Inhambane. Last year’s project reached over 10,000 people in the drought-stricken districts of Mabote and Govuro. The new finance will allow German Agrarian Action to extend its

support to Massinga district, and to cover 25,000 people.

The food aid provided through this project will be supplemented by the provision of seeds to small farmers.

Massinga was one of the districts worst hit by cyclone Dineo, which struck Inhambane on 16 February.

Germany has also recently provided €500,000 to the NGO CARE-Mozambique, and €13 million to the United Nations World Food Programme (WFP), to improve the food situation of people affected by last year’s drought, and, over the medium term, to make them more resilient to drought.

German Agrarian Action has been operating in Mozambique since the late 1980s, providing emergency aid, and supporting rural development, and the provision of water and sanitation services.

Over half a million affected by cyclone Dineo

The latest estimate of the damage caused by cyclone Dineo, which struck the southern province of Inhambane on 15 February, is that over 550,000 people were affected, according to the government spokesperson, Deputy Health Minister Mouzinho Saide.

Speaking to reporters on 28 February, after the weekly meeting of the Council of Ministers (Cabinet), Saide said the known death toll from the cycle stands at seven, with 96 people injured, 16 of them seriously.

The report was given to the Council of Ministers, Saide added, said that Dineo destroyed 33,712 houses and damaged a further 71,526. 1,692 classrooms were destroyed, and 72 health units were also affected.

Saide pledged that, through the country’s relief agency INGC, the government “will continue to provide humanitarian assistance to the people affected and to the most vulnerable groups”.

Mustang Resources discovers graphite

The Australian mining company Mustang Resources has discovered high-grade graphite at its Caula project in the northern Mozambican province of Cabo Delgado.

According to a company press release, “spectacular grades of up to 26 per cent Total Graphitic Carbon demonstrate the potential for Caula to become a low-cost supplier to the lithium battery industry”.

The cores from the drilling programme are being sent to Perth in Australia for testing and will be used to estimate the deposit’s reserves in line with the Australian code for reporting mineral resources.

Mustang has observed that the graphite deposit contains large flakes, and it will carry out a comprehensive analysis to confirm this finding.

Graphite is a form of carbon that is highly valued due to its properties as a conductor of electricity. It is used in batteries and fuel cells and is the basis for the “miracle material” graphene, which is the strongest material ever measured, with vast potential for use in the electronics industries. Graphite is also used for high-quality steel production.

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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