

# Mozambique News Agency

## AIM Reports

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## El Nino threatens drought in southern Mozambique

The Mozambican National Meteorological Institute (INAM) has warned that the “El Nino” weather phenomenon is recurring this year and could lead to poor rainfall in the south and centre of the country.

El Nino is characterised by an abnormal warming of the surface water of the equatorial Pacific Ocean. This has impacts on weather around the globe, and in southern Africa it is associated with drought. 2018 was a normal year, and in the January-March period (the height of the rainy season) there was regular rainfall. But INAM fears this may not be the case in 2019 because of El Nino.

The prognosis of INAM is for very low levels of rainfall in the southern provinces and parts of the central region. However, heavy rainfall is expected in northern Mozambique due to the influence of systems of low pressure and the Inter-Tropical Convergence Zone. This is more pessimistic than the forecast made by INAM in September, which was for normal to below normal rains in the south and centre, and normal to above normal rains in the north.

According to the latest situation report from the national relief agency, the National Disaster Management Institute (INGC), citing INAM, the first three months of the rainy season (October to December) were highly uneven. Rainfall levels were low in October, but picked up in November, with rains over most of the country, but particularly in the central region. In December there have been regular rains in the north, but poor rainfall in the south and centre.

The poor rains could worsen the situation of food insecurity in the south, particularly in Gaza province. The latest data from the INGC warn of over 814,000 people affected by food insecurity.

The Mozambican government on 27 December decreed an “orange alert” because of the risk of flooding in some of the main river basins. An orange alert is one step down from a red alert, the maximum state of disaster readiness. Under an orange alert there is partial activation of the Local Disaster Risk Management committee and of the Emergency Operational Centres, and items required for response to extreme weather events are pre-positioned at strategic locations. Operational response plans are drawn up and assistance provided to victims.

The orange alert was declared in Maputo at a special meeting of the government’s Disaster Management Coordinating Council (CCGC), chaired by Prime Minister Carlos Agostinho do Rosario. The meeting analysed the current situation along the main river basins, and the long-range weather forecast, and was briefed on the activities

undertaken so far by the INGC.

Rosario declared that the government needs to anticipate phenomena and prevent deaths from natural disasters such as drought and floods. “We decided we had to hear what the real situation is, and take preventive measures”, he said.

The INGC general director, Augusta Maita, told reporters that declaring an orange alert was declared particularly to allow assistance to the southern region, “but we ended up proposing the alert across the entire region, because there are extreme events elsewhere”.

One such event was an earthquake on 22 December, measuring 5.5 on the Richter scale which shook Mossurize district, in the central province of Manica. It destroyed 108 houses and damaged a further 319 people. Ten people are known to have been injured in the earthquake, which was also felt in Sofala, Inhambane and Gaza provinces. School and health posts were also damaged. Maita said the INGC is on the ground in Manica, distributing tents and food to families who have lost their homes.

### PM urges people to draw inspiration from Manuel

Prime Minister Carlos Agostinho do Rosario on 2 January urged the country’s business class to take inspiration from the life of Rogerio Manuel, who died in a helicopter crash on 29 December.

Speaking to reporters after Manuel’s funeral in Maputo, Rosario said that Manuel, who for six years was chairperson of the Confederation of Mozambican Business Associations (CTA), had shown that he was someone who fought for the welfare of Mozambicans, and particularly Mozambican business people. “We must take inspiration from the work he was doing so that we can continue to promote the development of our country”, the Prime Minister declared.

Manuel’s successor at the helm of the CTA, Agostinho Vuma, praised his commitment in working for the cohesion of the business class. He promised to keep Manuel’s ideas alive, in order to strengthen business associations. While Manuel was CTA chairperson, Vuma recalled, he had worked to decentralise the confederation and to ensure that it became self-sufficient. Under Manuel, he said, the CTA had established a “good image” abroad, and a legal platform had been created for dialogue between the government and the private business sector.

## Former Finance Minister Chang seeks bail

Rudi Krause, the South African lawyer for Mozambique's former Finance Minister, Manuel Chang, who has been detained in Johannesburg since 29 December, says he intends to seek bail for his client. Manuel Chang is due to appear in the Kempton Park Magistrates Court in Johannesburg on 8 January, and Krause told the independent newsheet "Carta de Mocambique" that he will apply for bail, so that Chang can await in freedom the subsequent steps in the procedure for his extradition to the United States.

Chang was detained at OR Tambo International Airport on the basis of an international arrest warrant issued by the US authorities. He is being charged with conspiracy to commit money laundering, wire fraud and securities fraud.

The charges arise from the scandal of Mozambique's "hidden loans", whereby three companies, Proindicus, Ematum (Mozambique Tuna Company), and MAM (Mozambique Asset Management), in 2013 and 2014, obtained loans for over two billion dollars through the European banks Credit Suisse and VTB of Russia.

The loans were only possible because they were guaranteed by the Mozambican government, so that, in the event that the companies could not repay, the government would be liable for the whole two billion dollars. As Finance Minister at the time, it was Chang who signed most of the loan guarantees, although they violated the ceiling on guarantees laid down in the budget law.

The US prosecutors have so far arrested five people – Chang, three former executives of Credit Suisse, Andrew Pearse, Surjan Singh and Detelina Subeva; and Jean Boustani, the lead salesman and negotiator for Privinvest, the Abu Dhabi based concern that was the sole contractor for Ematum, Proindicus and MAM.

"It doesn't make sense for my client to remain in detention until the extradition procedure is decided", Krause told "Carta de Mocambique". That could still take a long time: Krause claimed that the US Justice Department has not yet submitted all the paperwork necessary to support an extradition request. It has 60 days to do so, and Krause saw no reason to keep Chang detained for such a long period.

He noted that the three former Credit Suisse executives were released on bail in London shortly after their arrest. Krause did not see why Chang should be treated any differently. He said the former minister is not a flight risk. However, both South Africa and the United Kingdom have extradition treaties with the US, while Mozambique does not. Chang has announced that he intends to fight the extradition request – and even if the Johannesburg court agrees to extradite him, he can still appeal to the South African Supreme Court. Meanwhile, the court in New York has set the date for the first hearing for 22 January.

The judge is William Francis Kuntz II, who was appointed judge to the eastern district court of New York in 2011 by the then President Barack Obama. He has a good reputation, and the Metropolitan Black Bar Association of New York elected him its "jurist of the year" in 2017.

## Seven die in terrorist attack in Nangade

Seven people died on 6 January when an armed group attacked a pick-up truck in Nangade district, in the northern Mozambican province of Cabo Delgado, according to a report in the online edition of the daily newspaper "O Pais".

The truck was carrying passengers from the town of Palma to the administrative post of Pundanhar in Nangade. The attackers, believed to be Islamic fundamentalists, opened fire, forcing the vehicle to stop. They ordered all the occupants to step out of the truck. The terrorists then beheaded the driver, and used machetes to kill six passengers, most of them women.

On 5 January, the insurgents attacked the village of Mussemuku in the mainland part of Ibo district. There are no reports of any casualties from this raid. Local sources told "O Pais" that the Mozambican defence and security forces captured several insurgents.

Meanwhile journalist Amade Abubakar, detained on 5 January in Macomia district, has been transferred to a military prison in Mueda, 300 kilometres from Macomia. Abubakar works for the Macomia community radio station, and strings for the Zitamar news agency.

Cited by "O Pais", his father, Abubakar Artur, said that, despite contacting the Macomia district government and police command, he did not know where his son was being held or why he had been arrested. The state-owned Mass Communications Institute (ICS), which owns the Macomia radio, also had no idea why Abubakar had been picked up. The Cabo Delgado ICS delegate, Paulo Cazimoto, said "our journalist was detained, but we have no details about the case. Despite approaching the authorities, we also don't know his whereabouts".

Eye-witnesses report that, immediately prior to his detention, Abubakar had been photographing households fleeing from the interior of the district into Macomia town, escaping from terrorist raids. There is no Mozambican law forbidding journalists, or anybody else, from taking photographs in public places. In this case, Abubakar was merely documenting something that is already well known – the exodus of peasant families from rural Macomia, because of terrorist raids.

The terrorist attacks began in October 2017 in the district of Mocimboa da Praia. Subsequently the raids have spread to the districts of Macomia, Nangade and Palma.

## Rotting fish to be fed to crocodiles

The Mozambican government's General Inspectorate of Economic Activities (INAE) has found a use for over six tonnes of fish unfit for human consumption that it seized recently from a cold store in a Maputo shop. Normally, rotting or otherwise dangerous foodstuffs are incinerated. But this time the fish will be fed to crocodiles.

The INAE General Inspector, Rita Freitas, told AIM on 5 January that the fish has been sent to the warehouses of AA Enterprise, a company that owns a crocodile farm in Namaacha district, near the border with Swaziland. Freitas added that so far INAE had weighed six tonnes of deteriorated fish "but there's still a lot more fish to be weighed". The fish was being sold to the public, when INAE inspectors stepped in and seized it. The shopkeeper selling the fish has been fined almost 1.7 million meticais (US\$27,600 at current exchange rates).

## New bridge has major impact on tourism

The new suspension bridge over the Bay of Maputo and its connecting roads are having a major impact on the two conservation areas in Matutuine district, in the far south of the country.

The bridge has greatly increased the number of tourists visiting the Maputo Special Reserve (once known as the Elephant Reserve) and the Partial Marine Reserve of Ponta de Ouro, near the border with the South African province of KwaZulu-Natal.

According to the administrator of the Maputo Special Reserve, Miguel Goncalves, "the inauguration of the Maputo-Katembe bridge, and the road from Katembe to Ponta de Ouro has brought challenges and some development opportunities. Unfortunately, we are having problems with some motorists who do not respect the speed limit (50 kilometres an hour) inside the reserve. This leads to animals being run over".

The bridge and the connecting roads were inaugurated on 10 November. Since then, Goncalves said, cars have run over and killed at least two impalas, two waterbuck, a zebra, and a python, as well as smaller animals such as hares and tortoises. One car collided with a giraffe. Thanks to prompt veterinary intervention, the animal did not die.

Both reserves are located on the coast. Unfortunately, the visitors have brought with them from Maputo the bad habits of leaving rubbish behind. "People leave in the reserve, and on the beach, bottles, cans and plastic bags, among other objects", said Goncalves. "When the tide rises, the rubbish is swept out to sea". He added that excessive consumption of alcohol on the beaches has resulted in one death (from drowning), with five other inebriated visitors needing to be rescued.

Goncalves thought that ensuring respect for the laws on speed limits and on the sale of alcohol "could help the country promote high-quality tourism throughout the year". A further challenge, he added, were "illegal incursions by commercial fishing boats into the marine reserve".

Goncalves had no comparative statistics since the data will only be available after the end of the year – but he was convinced the reserves are receiving more tourists than in previous years.

## Bridge on key road collapses

A bridge on the road from Pemba, capital of the northern province of Cabo Delgado, to the northern district of the province, collapsed on 31 December under the weight of an overloaded truck, according to a report in the newspaper "Carta de Mocambique". The bridge crosses the Mwala River, between Macomia and Awasse. This road is used to reach Palma district, the site of gigantic natural gas liquefaction projects. It is also part of the overland link to Tanzania.

The truck that wrecked the bridge belongs to the Chinese company Mongo, Ltd. It was travelling from Palma towards Pemba, carrying two containers full of wood weighing over 40 tonnes. The weight limit on the Mwala bridge is 28 tonnes.

While the bridge is down, anyone who wants to travel from Pemba to the districts of Palma, Mocimboa da Praia, Nangade and Mueda, will have to make a detour of over

100 kilometres after Macomia. The roads exist but they are not suitable for heavy vehicles.

A government source told "Carta de Mocambique" that the authorities are considering opening a shorter alternative route, while mobilising funds for the complete reconstruction of the Mwala bridge.

The collapse is a headache for all companies hoping to move materials by road to Palma for the planned construction of liquefied natural gas factories.

## EDM promises to restore power in central region

Mozambique's publicly-owned electricity company, EDM, has pledged that power will be restored on 7 January to the central provinces of Manica and Sofala.

The power cut resulted from a storm in Manica on 2 January which brought down a pylon in Barue district. The pylon was on the high voltage line carrying electricity from the Cahora Bassa dam in Tete province southwards.

EDM sought alternatives, notably importing electricity from Zimbabwe, and increased use of the Chicamba and Mavuzi dams on the Revue River. But this was not enough to supply the full electricity demand from Manica and Sofala consumers. The situation was particularly serious in Beira, where shops and other establishments that do not own generators had to throw out large amounts of perishable foods which were rotting in the summer heat.

Brigades from EDM and from Hidroelectrica de Cahora Bassa (HCB), the company that operates the Cahora Bassa dam, have been working to repair the damage to the transmission line. Cited in the daily newspaper "O Pais", Horacio Bive, the EDM director of transmission for the central region, declared "we are doing all we can to shorten this period, but the rain falling in the region is having a negative impact on our work".

Bive added that it is in EDM's own interests to restore the power as quickly as possible. It is losing money, since it cannot bill clients for power they are not receiving.

## 1,100 police officers promoted in Nampula

The Interior Ministry on 28 December promoted 1,100 members of the police force at a ceremony in the northern city of Nampula.

Addressing the newly promoted police officers, the Nampula provincial police commander, Manuel Zandamela, said their rise to new ranks was due to the commitment and selflessness they had shown in carrying out their daily duties of maintaining public order. "Promotion is a normal procedure in managing human resources in institutions, by granting recognition to those who have proved themselves in carrying out their missions", he said. "I also want to encourage those not covered by this measure not to give up, since you too have contributed to guaranteeing order and public security".

Zandamela added that the promotion ceremony should serve as a moment to reflect upon solutions for increasing the operational effectiveness of the police force, through strategies to mitigate the social ills that affect communities.

"This indelible mark will impose new challenges on your lives and will require from you greater responsibility and commitment", he told the ceremony. "We want you to identify with your new ranks, and to feel capable of taking up leadership positions in any part of our province".

## ENI expects Rovuma Basin FID in 2019

The Italian energy company ENI and its partners in natural gas operations in Area Four of the Rovuma Basin, off the coast of the northern province of Cabo Delgado, say they have secured sufficient commitments from buyers to move towards a Final Investment Decision on the Rovuma Liquefied Natural Gas (LNG) project. These commitments from buyers “will provide a foundation to secure project financing”, declared a press release on the ENI website.

ENI’s partners in Area Four are the oil and gas giant ExxonMobil, the China National Petroleum Corporation (CNPC), Kogas of Korea, GALP of Portugal, and Mozambique’s National Hydrocarbon Company (ENH).

ENI expects the Final Investment Decision to be taken in 2019. Massimo Mantovani, Eni chief gas and LNG marketing and power officer, explained that the buyer commitments “are an important step forward for the Rovuma LNG project and provide a solid foundation for securing project financing. This achievement highlights the strength of our partnership and commitment to developing Mozambique’s natural resources.”

The LNG project envisages the production, liquefaction and marketing of gas extracted from the Mamba gas field in Area Four. ExxonMobil will lead construction and operation of natural gas liquefaction and related facilities on behalf of the Area 4 joint venture, while Eni will lead the construction and operation of the upstream facilities. The project involves the construction onshore, on the Afungi Peninsula, in Palma district, of two gas liquefaction plants (known as “trains”), which will each produce 7.6 million tonnes of LNG a year.

“In addition to generating government revenues”, the release adds, “the proposed Rovuma LNG project will support long-term economic growth in Mozambique by developing the local workforce, building the capabilities of and demand for suppliers, and assisting with community development efforts”.

## Mozambique and Zimbabwe discuss river pollution

The government of the central province of Manica, and its counterpart in the Zimbabwean province of Manicaland are studying mechanisms to fight illegal gold mining, and the subsequent pollution of rivers in both countries.

The illegal miners often use mercury which pollutes the rivers, kills wildlife, and endangers the health of people who rely on the rivers for drinking water.

The Manica provincial director of mineral resources, Silva Manuel, speaking to reporters in the provincial capital, Chimoio, said the main purpose of the discussions with the Manicaland authorities is to find mechanisms which can help reduce or even eliminate illegal mining, which is at its worst in areas along the Mozambique/Zimbabwe border. “Many rivers rise in Zimbabwe and it’s there where most of the illegal mining

happens. Here we receive water that is already murky”, said Manuel. He accused the Zimbabwean miners of disregarding the recommended techniques for extracting alluvial gold. “Work is underway to bring the two provinces together and see how we can eliminate this practice”, he added.

The largest rivers that cross Manica province are the Pungue and the Lucite. But the water in these two rivers is murky and polluted at all times of the year. Thousands of households used to live along the river banks, so that they could use the waters to irrigate their fields. But because of the pollution, many farmers are now abandoning the area, and looking for somewhere with clearer water where they can produce their crops.

## Ruby auction raises US\$55.3 million

The latest auction of Mozambican rubies, held in Singapore from 10 to 14 December, raised US\$55.3 million, according to Montepuez Ruby Mining (MRM). 685,363 carats of rubies were on offer, of which 655,623 carats (96 per cent) were sold. The rubies fetched an average price of US\$84.32 a carat and the money from the auction will be entirely repatriated to Mozambique.

This was the 11th auction of MRM rubies since June 2014. Taken together, the auctions have produced gross revenue of US\$462.6 million.

MRM is 75 per cent owned by the British company Gemfields, and 25 per cent by the Mozambican company Mwiriti. Since February 2013 it has invested over US\$182 million in the construction and operation of the ruby mine in Montepuez, in the northern province of Cabo Delgado. It has paid US\$107 million in production taxes to the government, which is about 26 per cent of the total revenue.

It has also invested US\$2.7 million in community development programmes (in health, education and food production), as well as in environmental conservation projects in partnership with two conservation areas, the Quirimbas National Park and the Niassa National Reserve.

Adrian Banks, the Executive Director of Products and Sales of Gemfields, said “our most recent auction in Singapore produced a convincing result which shows the growing and robust demand for Mozambican rubies”.

According to MRM, the consistency in the supply and reliability of the Gemfields system of classifying rubies continues to be well received by the buyers, since it reduces risk and helps meet demands for larger amounts.

The Gemfields Chief Executive Officer, Sean Gilbertson, said that MRM and Gemfields “believe that coloured precious stones should be mined and marketed based on three key values – legitimacy, transparency and integrity”.

“We also believe that Mozambique should benefit equitably from its natural resources”, added Gilbertson, repeating his company’s pledge to repatriate the full amount of the revenue from the auction to Mozambique, and to pay the taxes owing in full.

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