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“Hidden debts” trial: court will not be hurried

The judge in the trial in Maputo of 19 people accused of involvement in Mozambique’s largest-ever financial scandal has stressed that it will sit as long as necessary.

The judge’s statement comes in response to a protest by the Mozambican Bar Association (OAM) on 17 September at what it regarded as excessively long interrogations of some of the accused. At the opening of the morning session the OAM, which is assisting the Public Prosecutor’s Office, mentioned specifically the nine hours taken on the previous day to question Angela Leao, the wife of the former head of the Security and Intelligence Service (SISE), Gregorio Leao.

OAM spokesperson Filipe Siteo said this might be regarded as a violation of human rights, as degrading treatment or even as psychological torture, with the result that the outcome of the trial might not be regarded as fair. Neither judge Efigenio Baptista nor prosecutor Sheila Marrengula accepted this criticism. Baptista denied that any rights were violated merely because a defendant sat in a courtroom for over nine hours – particularly when these nine hours were not uninterrupted but included intervals.

Baptista said the trial could only be considered unfair if the defendants had no right to defend themselves – which is not the case with this trial, where each defendant is represented by at least one lawyer.

The question of how long the court should sit every day had been discussed earlier in the trial, he pointed out, and the answer was – as long as necessary. On 16 September the court had adjourned at 22.30, and on one occasion it had sat until after midnight. “If we have to sit until 22.00, 23.00 or into the small hours of the morning, we will do so”, said Baptista.

The alternative would be to declare that the day’s proceedings must end by, for example, 18.00. That would risk prolonging the trial into January 2022, or beyond. As it is, the trial is scheduled to last until early December, making it the longest trial in Mozambican history.

“The trial is continual, as provided for under the Penal Procedural Code”, said Baptista. “The court is not going to change its mind, even if you ask a thousand times”.

The trial centres on the setting up of three security-linked companies, Ematum (Mozambique Tuna Company), Proindicus, and MAM (Mozambique Asset Management) and how between 2013 and 2014 they borrowed over two billion US dollars from Credit Suisse

and VTB of Russia. The three companies had no track record, and they were only lent the funds because government officials, notably former Finance Minister Manuel Chang, signed loan guarantees pledging that, if the companies did not repay, the Mozambican state would be liable. As none of the companies ever made any money, the debt quickly fell on the state.

Inter alia, the court will consider whether payments made to some of the accused by the sole contractor, Privinvest, were legitimate payments.

Court sentences Chinese citizen to 14 years for wildlife crimes

The Inhambane Provincial Court in southern Mozambique has sentenced a Chinese citizen, Liu Rong Wu, to 14 years imprisonment, for his involvement in an environmental crime consisting of an attempt to smuggle around nine kilos of dried seahorses out of the country.

Liu had packed the seahorses, which are legally protected, and intended to ferry them to China where they would be used in traditional Chinese medicine.

The court declared that the seahorses were found in his residence, on 19 January. He had purchased them from local fishermen to whom he paid amounts ranging between 30 and 50 meticaïs (four and seven US cents, at current exchange rates) per kilo. The seahorses, the court added, would be traded in Chinese markets at the price of US\$1,800 per kilo.

The court has also fined Liu 250 times the minimum monthly wage in the public administration, which amounts to 1.172 million meticaïs (US\$18,300), plus 800,000 meticaïs in compensation to the State.

There are 46 species of seahorse, and many of them are endangered – indeed, scientists fear that some species may already be extinct. Among the causes for the decline in seahorse populations are the deterioration in habitats such as coral reefs and seagrass beds, and overfishing for use in Chinese medicines. Seahorses are believed by some to cure impotence and bedwetting, among other ailments.

Liu’s defence lawyer has promised to lodge an appeal, and until the appeal is heard, Liu is out on bail.

Illegal timber yard dismantled

The National Agency for Environmental Quality Control (AQUA) and the National Inspectorate of Economic Activities (INAE) have jointly dismantled a timber yard that was unlawfully exploiting wood in the administrative post of Muxungue, in the central province of Sofala, according to a report on 20 September in the daily newspaper “Noticias”.

Morgado Mussengue, the AQUA delegate in Sofala, said the yard belongs to Cam International, a Chinese company, which, since 2013, has been purchasing and trading forestry products without any licence. In addition, the company logged legally protected species of trees.

Mussengue said preliminary data indicated the company was in possession of 6,163 cubic metres of timber, logged in the district of Machaze in the neighbouring province of Manica.

INAE official Gabriel Raul said the joint team will remain on the site indefinitely. He said Cam International has no authorisation to operate in Muxungue. It is allowed to operate only in Beira, and only for the sale of wood from exotic species such as pine and eucalyptus and not native hardwoods.

The multisector team also added that punitive measures will be taken against the company to safeguard the interests of the State.

The firm’s representative, Adriano Bungamano, declined to comment claiming that it is too early and the company would address the matter after the joint team has concluded its work. But he confirmed the existence of a permit authorising the activities in Beira, but not for purchase and trading in Muxungue. He added that the firm also conducts similar activities in Dondo district.

Water restrictions in Nampula city

Mozambique’s Water Supply Investment and Assets Fund (FIPAG), in the northern province of Nampula, has started the second phase of water supply restrictions, in a bid to rationalise the dwindling amount of water available in the reservoir of the Monapo dam.

According to a report on 20 September in the Maputo daily “Noticias”, the water supply restrictions include daily reductions of volume distributed during certain hours to ensure the smooth supply to all consumers. The second phase, to run between September and November, is a response to the current dry season which is likely to worsen the water shortage in Nampula.

The Northern Regional Water Board (ARA-Norte), the body that manages the Monapo dam, advised FIPAG in June to reduce the amount of water supplied by the dam from 40,000 to 31,000 cubic metres a day. This reduction was implemented between June and August. But in the second phase, starting in September, the amount of water available from the dam will be cut to no more than 25,000 cubic metres a day.

Meanwhile, FIPAG has declared that efforts are underway to improve the water supply through the opening of more boreholes in the outskirts of the city.

SADC forces dismantle terrorist base

The military forces of the Southern African Development Community (SADC) on 18 September announced that they had dismantled a terrorist base in Macomia district, in the northern province of Cabo Delgado.

According to an official statement, “the SADC Mission in Mozambique forces in support of Forças Armadas de Defesa de Moçambique (FADM) on 14th September 2021 launched an offensive operation and captured an Al Sunnah wa Jama’ah (ASWJ) insurgents’ stronghold base South of Messalo River in the Cabo Delgado Province”.

It added that this base is believed to be the “Sheik Ibrahim Base” which was used as a training camp.

Weapons, military training manuals, and communication devices were also seized.

The increased intensity of military action against the terrorists is having an impact on morale. Fifteen members of the terrorist group deserted from a base in the Quiterajo administrative post, in Macomia district, and surrendered to the Mozambican defence forces. The defectors described the base as the terrorists’ main base in which leaders of the group are living.

Despite the military gains of the Mozambican defence forces and their allies, atrocities are continuing. In Quissanga district, terrorists beheaded five people in the village of Namaluco on 16 September. They are believed to be part of a group fleeing from the joint Mozambican/Rwandan offensive in Mbau administrative post, Mocimboa da Praia district.

After the terrorists were dislodged, first from Mocimboa da Praia town, and then from Mbau, they fled southwards into Quissanga, and may be heading for the provincial capital, Pemba, in the hope of blending in with the tens of thousands of displaced people in Pemba.

EDM restores power to Nangade and Mueda

Mozambique’s publicly owned Electricity Company, EDM, has restored power to Nangade district, in the northern province of Cabo Delgado.

Nangade was reconnected to the national power grid on 11 September, which follows the restoration of power to the neighbouring district of Mueda during the previous week. For over a year electricity supplies have been cut to these areas as a result of sabotage of the Awasse substation by ISIS terrorists.

According to the Minister of Mineral Resources and Energy, Max Tonela, work is underway to restore power to the districts of Palma, Mocimboa da Praia and Muidumbe by the end of this month.

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

Minister launches road rehabilitation

The Minister of Public Works, Joao Machatine, on 17 September laid the foundation stone for the rehabilitation of three important roads in the southern province of Gaza, with a combined length of 122 kilometres. Unlike the vast majority of Mozambican roads, these will all be toll roads.

The roads run from Macia to Bilene, Macia to Chokwe, and Chokwe to Macarretane. Budgeted at 2.6 billion meticaís (US\$ 41 million), the costs will be paid by the Road Network of Mozambique (REVIMO) with the work due to be concluded by October 2022.

The work will create 750 jobs and will be undertaken by a Chinese contractor in partnership with Mozambican subcontractors. The lanes will be widened to 3.5 metres, new drainage ditches will be installed, and the road surface will be improved.

Addressing the ceremony, Machatine stressed that the roads will galvanise agricultural activity and remove the barriers farmers face bringing their crops to market. He added that “according to official data, Chokwe district has an annual agricultural potential estimated at 500,000 tonnes out of which only 60 per cent is marketed, while the rest is lost due to poor road conditions”.

Machatine was confident that, after completion of the road rehabilitation, communities will see a growth in income from the sale of their agricultural surplus. Tourist activity is also expected to grow significantly along the road between Macia and the resort of Bilene beach.

Expansion of water supply requires US\$1.8 billion

President Filipe Nyusi on 15 September launched a programme to mobilise US\$1.8 billion to finance the expansion of the urban water supply to bring clean drinking water to a further four million people over the next decade. In addition to drinking water, the project includes sanitation infrastructure which will be resilient to the effects of climate change.

The programme was launched at a time when only two-thirds of Mozambicans have access to clean water despite major investments in recent years.

Addressing the opening ceremony in Maputo of a conference of water supply financing agencies, President Nyusi said that the government also hopes to fast-track the attainment of several objectives of the Sustainable Development Goals (SDGs) by 2030,

The President added that “the investment programme, estimated at US\$1.8 billion over the next 10 years, represents a structured response to the challenges the country has been facing in expanding access to water”.

The World Bank representative, Michel Matera, reaffirmed the Bank’s commitment to supporting the government in expanding access to safe water across the country. He pointed to the projects that are already underway to increase water access and sanitation in urban areas, which have a budget of US\$458 million.

South Korea provides aid for farmers

The government of South Korea, through its Korean International Cooperation Agency (KOICA), has donated US\$5.7 million to the United Nations World Food Programme (WFP) for its project to support smallholder farmers in the central Mozambican province of Sofala.

According to a WFP press release, the project will improve food security and livelihoods with a focus on climate resilience for smallholder farmers. The project will begin in the districts of Chemba, Maringue, and Caia, and by the time it is completed in 2025, it will have helped 36,000 smallholder farmers and their families.

The project will be run in association with Mozambique’s Ministry of Land and Environment, the Ministry of Agriculture and Rural Development, and the National Meteorology Institute (INAM).

WFP points out that Mozambique is one of the countries most vulnerable to the impacts of climate change, and that “over the past three years, five tropical cyclones (Desmond, Idai, Kenneth, Chalane, Eloise, and Guambe) have caused human and material damage mainly in central Mozambique”.

According to Antonella D’Aprile, WFP Country Director in Mozambique, “this generous donation from the people of Korea through KOICA will help change the lives of Mozambicans most affected by climate change”. She explained that “by supporting smallholder farmers to become climate-resilient, we are also protecting their livelihoods and food security of their families and communities”.

Air France begins Paris-Maputo flights in December

Air France has announced that from 2 December it will operate flights between Paris and Maputo. The flights had been planned to begin in October but were delayed due to the continuation of the coronavirus pandemic.

According to the Air France/KLM country manager for southern Africa, Wilson Tauro, “Mozambique has emerged as an important business destination due to its natural energy reserves. However, tourism is also a key asset of the country”.

The flights will be an extension of the Paris to Johannesburg route, departing from the French capital on Sunday and Thursday nights at 23.35. These will arrive in Maputo the following afternoon at 14.20. The return flights will depart from Maputo at 16.30 and will arrive at Charles de Gaulle airport in Paris at 05.45.

Other flights can be arranged with Air France through the airline’s partnerships with the national airline LAM and the South African based company Airlink.

The introduction of this new route between Maputo and Europe is a positive sign that the economy is expected to bounce back from the economic crisis caused by the Covid-19 pandemic. Currently, the only European company operating flights to Maputo is the Portuguese national airline TAP. Turkish Airlines had been running a service, but this has been suspended.

Former Transport Minister sentenced to ten years in prison

The Maputo City Court on 13 September sentenced former Transport Minister Paulo Zucula to ten years imprisonment for his part in corruption linked to the purchase of two aircraft from the Brazilian company Embraer in 2009.

Mateus Zimba, the former representative in Mozambique of the South African petrochemical giant Sasol, who acted as a middleman in the deal, also received a ten-year sentence. However, Jose Viegas, the chairperson of Mozambique Airlines (LAM) at the time of the purchase was acquitted.

The case concerned a bribe of US\$800,000 paid by Embraer to ensure that LAM would buy two of its aircraft. The prosecution argued that the accused had used the LAM purchase of Embraer aircraft in order to enrich themselves, with Zimba, who had no prior connection with LAM or with civil aviation, setting up a shell company, “Xihivele”, registered in Sao Tome and Principe, through which the bribe was channelled.

Embraer has admitted to paying bribes in several countries, including Mozambique. The bribes came to light due to investigations by Brazilian and United States prosecutors into Embraer’s business practices. Embraer confessed to paying bribes and reached a settlement with the US and Brazilian authorities which involved paying total fines of around US\$225 million and giving full details of the bribes.

Viegas was acquitted, in part, because there was supposedly insufficient evidence against him, and in part, because the statute of limitations on the crime of which he was accused, illicit participation in business, had expired. According to documents from the Brazilian Federal Prosecutor’s Office, it was Viegas who negotiated the size of the Mozambican bribe, although there is no evidence that he took any of the money himself. Embraer paid the bribe, disguised as “sales commissions”, in two instalments of US\$400,000 each to a Xihevele account in Portugal.

The court also sentenced Zucula and Zimba to pay the Mozambican state compensation of 70.7 million meticaís (just over US\$1.1 million). This sum, the court said, reflected not only the US\$800,000 bribe but also the damage done to Mozambique’s international reputation. The goods confiscated from Zucula and Zimba (real estate and money frozen in bank accounts) will now revert to the state.

The defence lawyers for both men have announced that they will appeal against the verdict.

Montfort Group acquires oil storage terminal

The global commodity trading and investment company Montfort has announced that it has acquired equity in the Matola Terminal de Armazenamento de Petróleos

SA, which operates oil tanking storage at the Matola Terminal (part of the Port of Maputo).

Montfort will own, run, and develop the oil terminal in partnership with Energi Asia, which took over the terminal in June.

According to Montfort, “the decision to acquire the stake in the Terminal was part of Montfort’s overall objective to expand its business in the region and support Montfort’s aspirations to reach out to customers in South and East Africa”.

The oil terminal has over 58,000 cubic metres of storage capacity and will enable Montfort to trade petroleum products in Mozambique and neighbouring countries. Montfort points out that the terminal is one of the most recently built in the region so should only need a minimum of maintenance downtime. It adds that the terminal is managed by experienced, well-trained professionals.

Over three thousand patients received new TB combined therapy

Patients across Mozambique are undertaking the new tuberculosis preventive therapy which couples strong doses of isoniazid (H) and rifapentine (P), to prevent simple and non-contagious cases from worsening.

The new therapy, launched in March by the Mozambican government in partnership with the IMPAACT4TB consortium, is a four-year project which introduces a new approach not only to deal with latent infection but also to combat the abandonment of treatment and thus increase efficacy levels.

Addressing a workshop on 8 September in Maputo, IMPAACT4TB representative Emilio Valverde explained that “so far, 3,413 patients have begun the new treatment in 70 health units and no relevant side effects have been recorded, except for a child in Maputo city who presented minor flu symptoms”. He added that only one case of abandonment has been recorded. The new therapy, he explained, can easily be taken and consists of a smaller quantity of pills in a short period of time, which has reduced the abandonment of treatment.

He added that the therapy under implementation in Maputo city and the districts of Chokwe and Mandlakazi, in Gaza province, is prescribed to new patients undergoing Anti-Retroviral Therapy (HAART) and children under 15 years of age who have been in contact with tuberculosis.

Mozambique is the first country in the world to adopt the combined fixed dose which enables a more effective and practical treatment. Gradually, it will be spread to other areas across the country where there are tuberculosis patients.

Valverde added that preventive treatment is crucial in the fight against tuberculosis, and it is necessary to adopt therapies that make access and completion easy, to ensure the core objectives of the “End TB” strategy.