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Mozambique's economy to rebound strongly

The Fitch Ratings agency expects Mozambique's growth to accelerate this year as investment and production in Liquefied Natural Gas (LNG) ramps up. In an analysis released on 21 February, Fitch predicts a strong economic rebound as "the lifting of social distancing restrictions boosts private consumption, while a somewhat more stable security environment supports stronger investment, particularly into the hydrocarbon sector".

Fitch forecasts real GDP growth of five per cent this year, up from an estimated 2.8 per cent in 2021 and notably stronger than the 2015 to 2019 average of four per cent. It notes that the latest available data from the government's National Statistics Institute (INE) shows that real GDP expanded by 3.4 per cent in the third quarter of last year, up from two per cent in the second quarter.

Fitch expects this acceleration to continue. It previously predicted real GDP growth of 4.4 per cent and this is a sign of growing business confidence in the country. It should also be noted that Fitch predicts average real GDP growth for sub-Saharan Africa of 3.8 per cent.

In particular, growth in private consumption is expected to accelerate due to the government's decision to reduce restrictions put in place due to the Covid-19 pandemic. This is forecast to grow by 2.5 per cent, up from 1.6 per cent last year. Among the measures taken by the government are the opening of beaches and the return to normal business opening hours.

In addition, Fitch notes that the country's vaccination programme is gathering pace and that "the government's target of fully vaccinating half of the population by the end of 2022 looks likely to be achieved and even exceeded, potentially providing space for a faster loosening of restrictions. As the economy reopens, this will support labour market conditions and household incomes".

Fitch argues that private consumption will be "further buoyed by the first increase in the minimum wage in two years, which took effect in August 2021". However, it acknowledges that this increase is on a sector basis with wage increases

ranging from 1.5 per cent to 8.7 per cent, whilst inflation is predicted to be 7.5 per cent in 2022, up from 5.6 per cent last year.

The agency is optimistic about the future of the LNG gas production facilities that are due to be built in the northern province of Cabo Delgado. Last year, the operator of one project, TotalEnergies, declared force majeure on its 20 billion US dollar development due to Islamist terrorism. The other project, headed by ExxonMobil, has had its final investment decision delayed. However, Fitch notes the improved security situation and states that "Total indicated that it plans to restart construction on the large project this year, which we think should boost fixed investment".

In addition, Fitch points out that the country will become an exporter of LNG in the second half of the year when the floating LNG project operated by the Italian company ENI comes into production with a capacity of 3.4 million tonnes per annum.

Fitch predicts that the LNG exports will more than offset increased imports of both consumer goods, due to stronger domestic demand, and capital goods as work on Total's LNG project ramps up.

For Fitch, these forecasts are dependent on the continued success of Mozambican defence and security forces and its allies from Rwanda and SADC (Southern African Development Community). It warns that "further attacks or instability could delay the progress of the ENI and Total projects, potentially even encouraging them to pull operations out of the country and would stall other firms currently considering investment in the country, like ExxonMobil".

Poor harvest expected in southern Mozambique

The US-funded Famine Early Warning Systems Network (FEWS NET) on 1 March warned that below-average rainfall is expected to result in a poor harvest in the southern Mozambican provinces of Gaza and Inhambane, and the southern parts of Manica and Sofala provinces.

According to its latest Food Security Update, the lack of rainfall could result in failed harvests and is likely to result in a level 3 crisis in the interior of those areas. The report notes that a delayed start to rainfall at the beginning of the season and significantly below-average rainfall since late January is resulting in the wilting of crops, with crop failure likely as the forecast rainfall is not expected to reach minimum crop requirements.

It adds that in the southern parts of Tete province food security will be “stressed” due to irregular rainfall resulting in multiple failed plantings. Households affected by the tropical storms Ana and Dumako will also face difficulties if they do not have enough seeds to replant.

FEWS NET also notes that some parts of Cabo Delgado and Niassa province will remain in food crisis due to conflict, although this will be ameliorated in areas receiving regular humanitarian food assistance. It points out that Islamist terrorists “continue to conduct small-scale attacks and killings frequently, primarily in districts along the northern border with Tanzania”. Despite an improvement in the security situation, with some internally displaced people beginning to return to their homes, most are not returning with only limited participation in the ongoing agricultural season.

Despite these specific difficulties, the national harvest is expected to be near the five-year average due to good conditions in the productive areas in the centre and north of the country. One caveat is that delays in the rains at the start of the season along with abnormally high temperatures leaves some uncertainty over whether there will be sufficient time for crops to reach maturity.

The report notes that the Mozambican government and its humanitarian partners are assisting households hit by the tropical storms and the ongoing conflict in Cabo Delgado province.

However, a lack of funds is putting the humanitarian work of the World Food Programme (WFP) at risk. Currently, it is distributing monthly supplies containing 24 days worth of calories to around 818,000 people in Cabo Delgado and Nampula. FEWS NET warns that although these

rations will continue to be distributed until the end of March, there is the danger of a break in supply in May unless more funding is secured.

FEWS NET was created by USAID in 1985 to provide evidence-based early warning and analysis on food insecurity covering thirty countries. Its team members include the National Oceanic and Atmospheric Administration, United States Department of Agriculture, National Aeronautics and Space Administration (NASA), United States Geological Survey, and Climate Hazards Center of the University of California Santa Barbara.

Kidnap mastermind arrested in South Africa

The South African Police (SAPS) on 26 February announced the arrest of a 37 year old man believed to have masterminded a spate of kidnappings in Maputo and the South African province of Gauteng.

According to the SAPS, on 23 February the Crime Intelligence National Anti-Kidnapping Task Team arrested the alleged mastermind and three of his accomplices in Brackenhurst, just outside Johannesburg. Police found what they called “three high powered vehicles”, 6.000 tablets of the illegal drug Mandrax, a receipt for the sale of a 1.9 million rand (US\$124,000) property in the town of Bryanston, assorted luxury brand clothing, and an unspecified amount of cash. The police believe all these goods were acquired from the ransoms paid by the families of the gang’s victims.

On 24 February another suspected member of the gang was arrested in Benoni, and another luxury vehicle was seized.

One of the high profile kidnappings carried out by the gang, according to the police, was that of Jahyr Abdula, the son of Salimo Abdula, chairperson of the Business Confederation of the Community of Portuguese Speaking Countries (CPLP). Salimo Abdula had previously been the chairperson of the Confederation of Mozambican Business Associations (CTA) and chairperson of the board of the Mozambican branch of the mobile phone company. Vodacom.

Jahyr Abdula and a friend were kidnapped on 15 October 2021. Law enforcement officers and private security agents rescued Abdula’s friend that same day, but Jahyr Abdula himself was not freed until 26 November, following a police operation that found him on a farm near Heidelberg.

None of the suspects has yet been named. The SAPS says it is “confident that the Task Team is closing in on several syndicates responsible for kidnapping for ransom cases”.

SERNIC arrest four kidnappers

Mozambique's National Criminal Investigation Service (Sernic) has announced the arrest of four men aged between 24 and 38 in connection with five kidnappings that took place in Maputo city and province between October 2021 and January this year.

The four are accused of kidnapping a well-known doctor, Bassir Gani, a Portuguese citizen seized near the Portuguese consulate in Maputo, the manager of the Takdir restaurant, and two other businessmen.

At a press conference on 28 February, SERNIC spokesperson Henrique Mendes also showed reporters three luxury residences in Maputo which the kidnappers had turned into prisons to hold their victims. Mendes said they were paying a monthly rent of between 50,000 and 100,000 meticaís (US\$780 to US\$1,560) to the owners.

For one of these homes, the kidnappers paid three months' rent in advance – 300,000 meticaís. Mendes said that the payments were made in coordination with one of the leaders of the kidnap gang who lives in South Africa.

One of the accused, whom Mendes named as Omar (but who calls himself Alberto Tomoneque) "identified the residences and negotiated with their owners. He was also responsible for guaranteeing the logistics. This was financed by his uncle, who lives in South Africa".

Mendes said Sernic "is working in coordination with the South African police in order to arrest the remaining members of this gang".

Tomoneque denied any involvement in the kidnappings and blamed them on his brother-in-law who lives in South Africa. But he did admit to accompanying this brother-in-law when he scouted out the three residences used as prisons.

He said "I don't know anything. I just heard my brother-in-law speaking with his friend, saying they had beaten a man who was kidnapped in the Zimpeto suburb, and they put him in a house in Triunfo neighbourhood. They put the doctor in one of the houses and in the third they put the woman from the embassy (the woman kidnapped near the Portuguese consulate)".

Asked about the reports of Mozambicans arrested in South Africa on charges of fraud and kidnapping, Mendes gave no details but said the information will soon be shared with the public.

South Africa to deploy more troops in Cabo Delgado

The South African National Defence Force (SANDF) will shortly deploy additional troops to the northern Mozambican province of Cabo Delgado, according to a report in the South African internet portal "Defence Web".

The combat group, to be known as "Combat Team Alpha" will consist of soldiers from the South African 2nd Infantry Battalion and the 1st Parachute Battalion and will "relieve and reinforce South African Special Forces in Mozambique".

The Mozambican defence and security forces, in alliance with Rwanda and SADC (Southern African Development Community), are fighting against Islamist terrorists in Cabo Delgado. South African troops are a key component of the SADC Mission in Mozambique (SAMIM).

Combat Team Alpha is expected to deploy to Cabo Delgado in the next few weeks.

In addition to the troops themselves, between 60 and 80 armoured personnel carriers are expected to be sent to Cabo Delgado, says the "Defence Web" article.

A Special Forces Group from the Fourth Special Forces Regiment will relieve the unit from the Fifth Special Forces Regiment that has been deployed in Cabo Delgado since July 2021

Last July President Cyril Ramaphosa promised up to 1,495 members of the SANDF to help Mozambique combat terrorism and violent extremism in Cabo Delgado.

The South African navy may also send a frigate for "interdiction patrols" off the coast of Cabo Delgado.

In the 2022 budget delivered to the South African parliament on 23 February, the country's Treasury said that South Africa's own national security hinges on the stability and prosperity of the African continent and particularly of the SADC region.

"As such, the Department of Defence will continue to participate in operations to support peace in the Democratic Republic of Congo and northern Mozambique, as part of the SADC standby force", said the Treasury. "These deployments will also assist the Department in achieving 100 per cent compliance with its SADC standby force pledge and external operations".

Frelimo concerned about revival of Renamo Military Junta

The head of the parliamentary group of Mozambique's ruling Frelimo Party, Sergio Pantie, on 28 February expressed concern at reports that the Renamo Military Junta has appointed a new leader.

Speaking in Maputo at the opening of a sitting of the Mozambican parliament, the Assembly of the Republic, Pantie said this was "a sign that the Junta wants to continue along the path of looting, killing and the destruction of infrastructures important for our development".

He urged members of the Military Junta and its "political wing" to "abandon the path of armed banditry and follow that of peace".

"Our experience shows that the people are against those who persist on the path of insurgency and banditry and that they come to an inglorious end", said Pantie.

It was thought that the Junta had died along with its first leader, Mariano Nhongo, who was shot dead in a clash with the Mozambican defence and security forces in Sofala province on 11 October last year. Since Nhongo's death, there have been no reports of any armed activities by the Junta.

It was a surprise when the Director of Operations of the Mozambican Armed Forces (FADM), Chongo Vidigal, announced on 26 February that he had information according to which the Junta had elected new leadership at a meeting in the bush of Gorongosa district. He did not give the name of Nhongo's successor.

Renamo General Secretary Andre Magibire, interviewed by the independent television station STV, doubted the veracity of Vidigal's claim and did not believe there were any members of the Junta left in the bush of central Mozambique. More than 90 members of the Junta had been demobilised, he said, and there were none left to be demobilised.

Covid-19: over 72 per cent vaccinated

The Ministry of Health on 26 February reported that a further 63,915 people were vaccinated against Covid-19 during the previous 24 hours, bringing the number of people fully vaccinated against the disease to 10,988,141. This is 72.2 per cent of all citizens aged 18 and above.

The ministry also reported 18 new cases of the Covid-19 respiratory disease, compared with 19 the previous day. Since the start of the pandemic, 1,267,427 people have been tested for the

coronavirus that causes Covid-19. The 18 positive cases brought the total number of people diagnosed with Covid-19 in Mozambique to 225,036.

The number of people under medical care in the Covid-19 treatment centres fell from 19 on 25 February to 15 on 26 February, three of whom were receiving supplementary oxygen. Nine of these patients (60 per cent) were in Maputo. The number of active cases of Covid-19 rose slightly from 3,503 to 3,520.

President Nyusi calls for debt relief

President Filipe Nyusi has urged developed countries to consider full debt relief for African countries that have been severely affected by the Covid-19 pandemic.

Addressing the participants of a health forum, held on the sidelines of the 11th EU-Africa summit in Brussels on 17 February, President Nyusi said that the Covid-19 pandemic has weakened African countries with the health sector most affected.

The forum shares experiences between Europe and Africa on health issues and President Nyusi highlighted his country's "health diplomacy" which has enabled Mozambique to ensure health care for the great majority of the citizens.

President Nyusi pointed out that "we have managed to reduce infant mortality and to reduce deaths caused by breast and prostate cancer, as well as by tuberculosis. Now, we want to strengthen capacity building to answer the sector's outstanding challenges".

Mozambique has a Covid-19 vaccination rollout programme, President Nyusi added, which has enabled the country to vaccinate over 30 per cent of the 30 million Mozambicans (and about 68 per cent of all those aged 18 and above). Soon, the country will begin to vaccinate children aged over 15 years, due to the solidarity demonstrated by the other countries.

President Nyusi also spoke about the government initiative "One district, One hospital" and water expansion in rural areas in a bid to improve health. The country is engaged in a relentless offensive to find partners who can contribute to improving health care in rural areas, he declared.

In his intervention focused on the topic "New era in EU-Africa relations, through health diplomacy", President Nyusi said that Africa is no longer the continent others talk about, but the continent they talk with, and what happens in Africa is important to Europe, while what happens in Europe is also important to Africa.

Cyclone Ana leaves over 3,600 people in need of humanitarian assistance

Over 3,600 people need urgent humanitarian assistance in the central province of Manica after losing their homes, crops, and livelihood as a result of tropical cyclone Ana.

According to the head of the technical department of the provincial branch of the National Disaster Management Institute (INGD), Vernito Gongga, out of this number only 648 households are receiving food aid from the government and its partners. However, efforts are underway to ensure more assistance to those without food.

The World Food Programme (WFP), he added, is the partner that has responded to the government's requests for support, delivering timely food aid to the victims. "We hope that other partners join the cause and help to support the households who are now homeless and without food", Gongga declared.

Districts such as Barue, Gondola, Mossurize, and the provincial capital Chimoio are among the areas most affected by the storm, which caused four deaths and destroyed various infrastructures including schools and health centres.

Elephant tusks seized in Tete

Officers of the National Criminal Investigation Service (Sernic) have seized eleven elephant tusks in a house in the western city of Tete, according to a report in the newspaper "O Pais" on 20 February.

The police moved in as the traffickers were about to sell the tusks with two men arrested. The traffickers denied involvement in poaching and said they were only middlemen hired to sell the ivory.

The Tete Sernic provincial spokesperson, Celina Roque, said that to arrest the traffickers, police officers had pretended to be interested in buying the ivory.

This is the second ivory seizure reported within a week. The first was a police raid on a house in Boane municipality, about 30 kilometres west of Maputo, in which 50 tusks were seized. It is not yet known whether these elephants were killed in Mozambique or a neighbouring country.

Poachers face lengthy prison sentences with the killing of any protected species carrying a jail sentence of between 12 and 16 years.

Rail traffic reopens between Nampula and Cuamba

The movement of coal trains between the Moatize coal basin in the central province of Tete and the coal terminal in Nacala-a-Velha, in the northern province of Nampula, resumed on 14 February following a serious accident that took place on 12 February in the administrative post of Mutuali in the district of Malema.

The accident was caused by a truck loaded with maize ignoring warnings from other motorists and attempting to drive over the track on an unmanned level crossing as a train was approaching. As a result, it was hit by the train and dragged along the track.

According to Nacala Logistics, the company that operates the railroad, cargo trains are moving again on this stretch of the railway following the removal of debris from the tracks.

Nacala-Logistics runs coal trains from Moatize to Nacala-a-Velha. The line also carries general cargo and passenger trains.

In October 2021, at least two people died and seven injured after a cargo train belonging to Nacala Logistics derailed at Murissa, less than 20 kilometres from Cuamba city, the economic hub of the northern province of Niassa.

India grants US\$10 million for Mueda water supply

The Indian government has pledged ten million US dollars to finance a water supply project in Mueda district, in the northern Mozambican province of Cabo Delgado.

This was revealed on 14 February during a ceremony where a Memorandum of Understanding (MoU) was signed by Mozambique's Foreign Minister, Veronica Macamo, and the Indian High Commissioner, Ankan Banerjee. Under the agreement, the water supply to 100,000 residents of Mueda will be improved.

Veronica Macamo stressed that "the memorandum we have just signed is an important milestone for the people of Cabo Delgado province, particularly for Mueda".

Ankan Banerjee pointed out that access to drinking water is crucial for development as well as for social and economic inclusion.
