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President Nyusi appoints new Prime Minister

President Filipe Nyusi on 3 March completed a government reshuffle, relieving Prime Minister Carlos Agostinho do Rosario of his duties and replacing him with Adriano Maleiane who, up until 2 March, had been Minister of Economy and Finance.

The appointment came as a surprise, because of Maleiane's age: he is 72 and is the oldest member of the government.

Ernesto Max Tonela, previously the Minister of Mineral Resources and Energy, becomes the new Minister of Economy and Finance. President Nyusi also appointed a prominent economist, Amilcar Tivane, as Deputy Minister of Finance. He has not held any previous government posts.

Carlos Zacarias, previously the chairperson of Mozambique's National Petroleum Institute, becomes the new Minister of Mineral Resources and Energy.

Carlos Mesquita moves from the Ministry of Industry and Trade to become Minister of Public Works, Housing and Water Resources. He replaces Joao Machatine who had become a controversial figure because of his staunch defence of toll roads, and because some recently inaugurated roads and bridges collapsed during the current rainy season.

Silvino Moreno, the previous chairperson of Ecobank-Mozambique, becomes the new Minister of Industry and Trade.

President Nyusi also promoted Lidia Cardoso, formerly Deputy Health Minister, to the post of Minister of the Sea, Inland Waters and Fisheries. The previous minister, Augusta Maita, was among those relieved of their duties.

As is normal in cases of government appointments and dismissals, no reasons were given in the

LNG production due to begin in October

Production of Liquefied Natural Gas (LNG) from the Coral Sul gas field off the coast of the northern Mozambican province of Cabo Delgado is due to begin in October and continue for the next 25 years.

Addressing a press conference on 8 March in Maputo, at the end of the weekly meeting of the Council of Ministers (Cabinet), the government spokesperson, Deputy Justice Minister Filimao Suaze, highlighted the growing role of Mozambicans in developing the project.

Suaze pointed out that there are currently 27 Mozambicans working on the final stages of making the floating LNG platform ready for operation, involving fabrication, transportation, and anchorage.

According to Suaze, over the next fifteen years, about ninety per cent of workers on the platform will be Mozambicans.

Budgeted at over seven billion US dollars, the Coral Sul project is owned by a consortium headed by the Italian energy company, ENI. It will have a production capacity of 3.4 million metric tonnes of LNG per year, all of which has been secured by British Petroleum (BP) through a long term contract.

Coral Sul lies within the Rovuma Basin Area Four concession and will be the first project to produce LNG in Mozambique. The main participant in Area Four is Mozambique Rovuma Ventures, a partnership between ENI, the US oil and gas giant ExxonMobil and the China National Petroleum Corporation (CNPC), which together control 70 per cent of the undertaking. The remaining 30 per cent is divided equally between the Mozambican state enterprise ENH, Galp Energia of Portugal, and Kogas of South Korea.

The floating platform was baptised by Mozambique's President Filipe Nyusi in November last year in South Korea and arrived at its final destination in January. It has now been anchored and is undergoing pre-commissioning that will continue until June 2022.

Good prospects for economy

There are good prospects for the Mozambican economy this year, the new Prime Minister, Adriano Maleiane, told the country's parliament, the Assembly of the Republic, on 9 March.

Key to improved performance, he said, were the investments underway in key sectors of the economy, including the extraction of liquefied natural gas (LNG) off the coast of the northern province of Cabo Delgado, and the positive impact of the easing of the restrictions that the government had imposed because of the Covid-19 pandemic.

Speaking at the start of a session where the government responds to the deputies' requests for information, the Prime Minister said that the positive trends began in 2021 with an environment of political stability, allowing the normal functioning of state institutions, despite the continuing challenge of the fight against terrorism in Cabo Delgado.

The Prime Minister said that the easing of the restrictive Covid-19 measures, the successful mass vaccination campaign, and the improvement of internal and external demand, had all helped drive a recovery of economic activity. Economic growth in 2021 was back in positive territory. The economy grew by 2.16 per cent, compared with a decline in economic growth of 1.3 per cent in 2020.

Contributing to this economic growth, said the Prime Minister, were the dynamics and positive performance of the sectors of agriculture, fisheries, financial services, trade, health and social welfare, education, and public administration.

Average annual inflation in 2021, he said, was 5.7 per cent, lower than the average for sub-Saharan Africa of 7.9 per cent.

He stressed the government's commitment to electrification, pointing out that by the end of 2022 a further 500,000 homes would have electricity: some from the national grid and some through isolated systems (mostly dependent on solar panels). A further 77 administrative posts, across the country, would be electrified.

As for water supply, he promised the rehabilitation and expansion of 15 water systems in cities and towns, and 24 in rural areas. There would be a further 23,000 domestic connections to water systems in urban areas.

In health, five new district hospitals will be built – in Montepuez (Cabo Delgado province), Sussundenga (Manica), Buzi (Sofala), Mopeia (Zambezia), and Matutuine (Maputo). Two general hospitals would be completed, in Beira and Nampula,

REDD+ project to protect Inhambane forests

The Canadian company Carbon Neutral Royalty has entered into an agreement with Mozambican company Mozban under which 30,960 hectares of forest and sustainable agriculture in the southern province of Inhambane will be protected under the international REDD+ framework.

REDD+ was created by the United Nations Framework Convention on Climate Change Conference of the Parties (COP) to reduce carbon emissions from deforestation and forest degradation along with the enhancement of forest carbon stocks in developing countries.

Carbon Neutral Royalty will provide up to US\$335,000 for the development of the project in Inhambane. The project will last 49 years, although Mozban has the right to extend the project for successive 10-year periods.

Carbon Neutral Royalty states that a third party pre-feasibility study estimates that the project will generate an average of 25,000 to 35,000 Verified Carbon Units (VCU) per year over a 20 year period. Each VCU represents a reduction of one tonne of carbon dioxide and can be bought and sold on the international market as a "carbon credit".

Under the agreement, Carbon Neutral Royalty will be entitled to receive all the carbon credits that are issued until a compounded annual return on investment of ten per cent is received. After that, it will be entitled to receive half of the credits produced over the life of the project.

The land leased to Mozban is composed of several parcels used for cattle ranching and features degraded dry forest and savannah. The company intends that this will be transformed into a conservation & Sustainable Agricultural Land Management (SALM) project.

The next step will be to carry out further feasibility studies and work on the project design document. The project is to begin in 2024.

Many international companies purchase Voluntary Carbon Units to offset the damage that they are doing to the planet. These units are bought and sold on the market like any other commodity and their price depends on the interaction between supply and demand, along with a large element of market speculation. This year there has been a huge variation in the price of VCUs, ranging from US\$9.44 per unit at the end of February to US\$5.45 on 4 March. According to a report produced in October by the consulting firm McKinsey, the global value of the voluntary carbon markets is US\$300 million. However, it warns that these are "not yet investable as an asset class".

Polio vaccination campaign launched

A national campaign to vaccinate children against polio was launched in Mozambique on 11 March in response to the emergence of a case of wild poliovirus in neighbouring Malawi.

According to the national director of public health, Quinhas Fernandes, to reach the target of vaccinating 4.2 million children under the age of five in the first two rounds and subsequently a further 5.1 million, the campaign must go from door to door. However, Fernandes added that this will be supplemented by fixed posts in places such as churches, markets, creches, and camps for internally displaced people.

The first two rounds of the campaign will focus on the provinces of Tete, Manica, Sofala, Zambezia, Niassa, Nampula, and Cabo Delgado, reports the daily newspaper Noticias. The third and fourth rounds will cover the rest of the country.

The campaign will involve 46,000 people including vaccinators, mobilisers, registrars, supervisors, coordinators, data inputters, logistics experts, and independent monitors.

To avoid duplications, children will have the fingernails on their little finger on the left hand marked with indelible ink.

Fernandes stressed that “the logistics team must not rest until the vaccine has reached the most distant points. We have about ten to twelve days to place the vaccine in all the vaccination posts whilst maintaining ideal conditions for its conservation”.

Africa was declared and certified as free of indigenous wild poliovirus in August 2020. However, laboratory analysis has shown that the outbreak in Malawi is linked to a strain that was circulating in Pakistan’s Sindh Province in 2019.

Mozambique was certified free of polio in 2016 following a meeting of the Africa Regional Certification Commission (ARCC) for Poliomyelitis Eradication.

The only two countries in the world where polio remains endemic are Pakistan and Afghanistan. Poliovirus is highly contagious and mainly affects children under the age of five. It invades the nervous system and can cause total paralysis within hours. The virus is transmitted from person to person mainly through faecal matter or, less frequently, through contaminated water or food. While there is no cure for polio, the disease can be prevented by a safe, simple, and effective vaccine.

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

Significant progress made in promoting financial inclusion

President Filipe Nyusi on 9 March expressed his satisfaction with the significant progress that has been achieved in terms of financial inclusion, especially access to banking services. This progress, he said, has been attained under the government’s national strategy for financial inclusion that was launched in 2016.

President Nyusi was speaking in the district of Maringue, in the central province of Sofala, at a ceremony to mark the opening of a new bank branch, under the “one district, one bank” project.

According to President Nyusi, banking services are now available in 85 per cent of districts compared with just 55 per cent in 2016. In addition, the percentage of people living in rural areas who have access to banking has increased from just four per cent in 2014 to 31 per cent in 2020.

The President pointed out that “financial exclusion across the country fell from 60 to 40 per cent, with the percentage of people holding bank accounts rising from 18 per cent 2014 to 30 per cent in 2020”. In addition, the number of ATMs has increased significantly.

President Nyusi said that the country is following a strategic development approach that focuses on three axes. The first is agricultural production supported by the government’s agricultural development programme, Sustenta. This aims to consolidate the value chain and promote rural marketing and agro-processing - and requires financial intermediation.

He explained that the second axis of the development strategy is building infrastructures, electrifying administrative posts under the Energy for All programme, expanding the telecommunications network of mobile telephone and internet services, increasing the geographical coverage of the branches of the Central Bank, and constructing and rehabilitating rural roads.

The President noted that “these expansions make it possible to optimise and implement the digital communication tools of the electronic platforms of the financial system and the easy operation of the bank clearing system”.

The third axis covers training and empowering young people through the financial literacy programme of the Central Bank to facilitate the recruitment of local labour and to improve communication between the bank and its clients.

President Nyusi concluded that all of these factors will lead to a reduction in operational costs and bring banking services to the districts.

Minister briefs parliament on REVIMO

The publicly owned company REVIMO (Road Network of Mozambique) in its first two years of operation paid 162 million meticaïs (just over US\$2.5 million) to the state, according to a parliamentary briefing by the Minister of Public Works, Carlos Mesquita.

REVIMO is the company that was set up to build, maintain, and operate infrastructure that can be leased by the government such as roads and bridges, through a system of tolls.

Speaking in the country's parliament, the Assembly of the Republic, on 9 March, Mesquita explained that REVIMO had been contracted by the government because it is listed on the Mozambican stock exchange, making it more credible, allowing for various actors to play a part in the project and promoting public scrutiny.

The minister was responding to questions from deputies, largely hostile, about the installation of toll gates along some of the country's main roads, including the 72 kilometres long Maputo Ring Road.

For the minister, the leasing of 550 kilometres of roads to REVIMO will result in the maintenance and rehabilitation of the network being carried out by the company using its own resources and toll fees. He added that "this frees up resources from the state budget for investment in other roads that face resource limitations".

Mesquita added that the tolls will also cover the return on investments, operating costs, and the financial and administrative costs linked to the concession.

He warned that if the tolls had not been introduced, the annual maintenance cost would be 2.6 billion meticaïs which corresponds to 62 per cent of the state budget for road maintenance despite the REVIMO roads being only two per cent of the road network.

The minister pointed out that REVIMO is contractually obliged to carry out high levels of service efficiently. In the event of non-compliance, the government can trigger penalties that could lead to the termination of the concession contract and concluded: "deputies, rest assured that if REVIMO fails to comply with its obligation, we will not hesitate to activate the mechanisms provided in the contract".

REVIMO has been granted the concessions to operate the Maputo Ring Road, the suspension Bridge over Maputo Bay and the roads connecting it to the South African border, and the Beira - Zimbabwe highway in the centre of the country.

It is technically a private company, but all its shareholders are public bodies with 70 per cent of the shares held by the government's Road Fund, 15 per cent by the National Social Security Institute (INSS) and 15 per cent by Kuhanya, the company that runs the Bank of Mozambique's Pension Fund.

Prime Minister assesses cyclone damage

Prime Minister Adriano Maleiane on 14 March visited the northern province of Nampula to assess the damage caused by cyclone Gombe.

According to figures issued by the Mozambican relief agency, the National Disaster Management Institute (INGD), the number of known deaths caused by the cyclone has risen to 15. The cyclone struck the coastal district of Nampula on 11 March with winds of up to 240 kilometres an hour, and gusts of 240 kilometres an hour. It caused severe damage, destroying many homes and other buildings, and affecting over 100,000 people.

As Gombe moved inland, it lost strength and eventually dissipated over southern Malawi.

A note from Maleiane's office explained that the main purposes of his visit to Nampula were to monitor actions of humanitarian response underway in the areas hit by the cyclone, to express the government's solidarity, and to assess emergency reconstruction needs to replace the basic social facilities that have been destroyed.

Maleiane visited cyclone-hit areas in Mogincual and Monapo districts and held meetings with State bodies in the province and members of the Emergency Operational Committee.

Although the cyclone did not score a direct hit on the neighbouring province of Zambezia, the torrential rains it brought, according to a report in the daily newspaper "O Pais", destroyed 82 houses and damaged 242 others. Gombe also damaged 15 classrooms and seven places of worship. 17 people were injured, mostly because their flimsy houses collapsed on top of them.

The INGD Zambezia provincial delegate, Nelson Ludovico, said the rains had cut the access roads to Mocubela and Pebane districts.

Former Labour Minister to go on trial

The trial of Mozambique's former Labour Minister, Helena Taipo, on corruption charges is to begin on 15 March in Maputo.

Taipo, and ten others, are charged with the theft of about 113 million meticaïs (about US\$1.8 million at current exchange rates) from the National Social Security Institute (INSS).

Taipo is accused of receiving bribes to favour particular building and printing companies in contracts with the INSS, with the money diverted from the pensions of Mozambican miners working in South Africa. Her co-accused include INSS managers and directors of the four companies involved in the scheme.

The prosecution argues that, with this money, the defendants purchased real estate, cars, and alcoholic drinks among other items. During the investigations, 27 vehicles and seven properties were seized and seven bank accounts were frozen.

She and her co-accused are facing charges of embezzlement, illicit participation in business, abuse of trust and forgery.

Taipo was Labour Minister from 2005 to 2015 and the crimes allegedly occurred a year before Taipo left office.

MRM to double processing capacity

Montepuez Ruby Mining (MRM), the company that operates what is believed to be the world's largest deposit of rubies, in Montepuez district, in the northern province of Cabo Delgado, plans to double its operations with the installation of a second processing plant and fuel storage facility, budgeted at US\$59.6 million.

This operation, according to an MRM press release, was preceded by a public consultation on the proposal to increase capacity. This complied with a legal requirement, but also served as an opportunity to understand the opinions of the main parties interested in the project.

"This project will have a significant impact both on the company and on the country", said the release. "Once concluded, the new treatment station proposed should increase production substantially, as well as the basis for the company's income", said the note, citing the deputy managing director of MRM, Claudius Nhongonhema.

According to Nhongonhema, the increase in the company's capacity will lead to an increase in the production tax and the royalties paid to the Mozambican government. This investment will also create 400 new jobs, helping to reduce the level of unemployment in the nearby communities.

MRM's current installed capacity is 200 tonnes an hour and when the new facility is installed, this will rise to more than 400 tonnes an hour. The current fuel storage capacity is 130,000 litres which will now rise to 300,000 litres.

It is expected that work in the ground to install the new equipment will begin in June.

President Nyusi inaugurates pasta production line in Beira

President Filipe Nyusi on 10 March inaugurated a new pasta production line in Beira operated by the food processing company MEREC.

Speaking at the ceremony, President Nyusi stated that the project has various objectives, which includes increasing food production for the internal market, strengthening the linkages with the agricultural sector, substituting imports, and developing the value chain.

The President urged other companies to replicate this project in other provinces with good port logistics to reduce the asymmetries in industrial development which currently favour Maputo, Nampula, and Sofala.

In addition, he encouraged MEREC to promote, in the medium and long term, wheat processing and added that he will raise the current constraints faced by the company with the Ministry of Industry and Trade and the tax authorities.

Speaking on behalf of MEREC, Mhamud Charania said that the new production line is the company's fourteenth and is the largest in terms of capacity, being capable of producing 102 tonnes of pasta per day and generating 34 new jobs. He added that the project was financed through a partnership with the bank Millennium Bim and incorporates technologies developed in Italy. With the addition of this production line, the company's output from the factory in Beira will grow to 234 tonnes per day or eight thousand tonnes per month.

During the ceremony, Mhamud Charania formally handed over to the President ten tonnes of corn flour and ten tonnes of pasta for the victims of terrorism in the northern province of Cabo Delgado.

Displaced youths graduate from professional training in Cabo Delgado

Over two hundred young people displaced by Islamist terrorism in the northern province of Cabo Delgado graduated on 4 March in the provincial capital, Pemba, from vocational training provided by IFPELAC (Alberto Cassimo Institute of Professional Training and Labour Studies).

Among the courses taken were carpentry, metalworking, brickmaking, bricklaying, plumbing, secretarial work, air conditioning maintenance, painting, and electrical installation.

The courses form part of the efforts by the United Nations Refugee Agency (UNHCR) to promote social and economic inclusion in Cabo

Delgado through the transfer of skills to enable people to enter the labour market.

According to a press release from UNHCR, the project also promotes gender equality with women receiving access to technical and professional training.

The head of UNHCR in Pemba, Margarida Loureiro, stressed: “We hope that this group will be just the first and it is an example of equitable and sustainable reconstruction”.

For Joao Massingue of IFPELAC, “we are committed to training young people in the province, not only for their insertion into the labour market but also for activities in line with the Cabo Delgado Reconstruction Plan”. The Reconstruction Plan was approved by the government in September and will restore social and economic infrastructure destroyed by Islamic terrorists.

Under the partnership with IFPELAC, UNHCR covers the costs of registration and fees for technical courses, a stipend for transport and basic necessities, protection equipment, professional kits, and the development of essential life skills through additional training and experiential learning.

Mozambique to sell electricity to Eswatini

Mozambique’s publicly-owned electricity company, EDM, will supply over the next 17 months 20 Megawatts of power to the Eswatini Electricity Company (EEC).

A press release issued by EDM indicates that, under a recent agreement between the two power utilities, the amount of electricity sold to Eswatini might well increase, depending on the growth in demand.

The release said the two sides reviewed the ongoing projects on power generation and transmission and agreed to negotiate a mid and long-term contract not only to answer the increasing demand but also to improve the safety of the power supply to Eswatini.

The Chairperson of the EDM Board, Marcelino Gildo, highlighted the Temane Thermal Power Plant (CTT) in the southern province of Inhambane, currently under construction, and which is scheduled to begin its commercial operation by 2025.

“The CTT Project includes a 400kV transmission line from Vilankulo to Maputo, which will be interconnected with the Motraco system,

the same that interconnects Mozambique and Eswatini. The line will carry the power produced in Temane, not only to Eswatini but to the entire Southern African region, through South Africa,” Gildo said.

The EEC delegation expressed great satisfaction with the existing opportunities and is keen to import more electricity from Mozambique, over the next few years. The release claimed that the decade-long bilateral relations between EDM and EEC are sound, and the kingdom relies on Mozambique to meet its electricity needs.

Maputo Port to double in size

Maputo Port is to double in size over the next few years following the decision of Mozambique’s Council of Ministers (Cabinet) to lease an additional 138 hectares to the Maputo Port Development Company (MPDC) in response to the growth in demand for cargo handling services both nationally and regionally. As a result, the size of the concession granted to MPDC will grow from 140 to 278 hectares.

Speaking on 8 March in Maputo, at the end of the weekly meeting of the Council of Ministers, the government spokesperson, Deputy Justice Minister Filimao Suaze, explained that the development of the port will allow for both an increase in the Port’s capacity and an improvement in its regional competitiveness.

Despite the negative impact of the Covid-19 pandemic, last year the Port of Maputo set a new record, handling 22.2 million tonnes of cargo. The previous record had been set in 2019 (before the onset of the Covid-19 pandemic) when it handled 21 million tonnes.

In January, MPDC explained that this record “is a reflex of the post-Covid recovery of the market, but also the efficient use of quays 7, 8 and 9, alongside the expansion of the iron terminal and a dedicated rail line”. In addition, the Port has increased its capacity through dredging and through purchasing new cranes, carriages, wagons, and locomotives.

MPDC is a private-led consortium that holds the lease on the port until 2033, with an option to extend the lease for a further ten years. The partners in the consortium are DP World of Dubai, Grindrod of South Africa, the Mozambican private company Mocambique Gestores, and the publicly-owned port and rail company, CFM.
