Dhlakama reappears after four months in hiding and insists that he will govern in March (see page 49 for more).
OBJECTIVE
Offering seamless solutions for asset protection in SADC political and security environment.

VISION
Providing a network of political and security risk advisers with first-hand knowledge of Mozambique and neighbouring nations in the SADC.

SCOPE OF SERVICES
Country Risk Management
- Country Risk Assessment
- Market Entry
- Due Diligence
- Research & Investigations
- Cultural Nuances and Understanding
- Health, Safety & Environmental Management
- Physical Site Assessment

Compliance
- Sanctions (US, EU, UK, Asia)
- Anti-Money Laundering (AML)
- Anti-Bribery / Corruption (FCPA, BBA, OECD)
- Litigation Support
- Know your Client / Source of Funds (KyC / SoF)

Specialised Security Services
- Corporate Security Planning
- Crisis Management
- Emergency Evacuation
- Executive Protection
- Kidnap and Ransom

OPERATING AREA:
The SADC

KEY PERSONS
Dr. Leonardo Simão - Executive Chairman
Executive director of the Joaquim Chissano Foundation, Chairman of United Bank of Africa and Member of the SADC Mediation Team for Madagascar, Leonardo Simão served as Minister of Health from 1988 to 1994 and Minister of Foreign Cooperation from 1994 to 2005. Graduated in Medicine, Specialist in Public Health. He is a founding member of the Medical Association of Mozambique and member of the Mozambique Medical Council.

Nuno Tomas - Director
A career diplomat, Nuno Tomas is Senior Adviser to former President of Mozambique, Joaquim Chissano since 2005. He has been involved in special political missions across Africa focussed on Conflict Resolution, Sustainable Development, Accountability and Good Governance.

Nigel Morgan - Director
For more than two decades, Nigel Morgan has advised multinational companies, financial institutions and private clients on political and security risk related to foreign direct investment in Africa. He served in the Irish Guards and at the Centre for Policy Studies in London during the premiership of Margaret Thatcher.

Joe van der Walt - Director
Former South African military officer, who has specialised in private-sector security in Africa and the Middle East, with particular expertise in the oil, gas and mining sectors and working experience in Angola, DRC, Liberia, Zambia, Somalia, Iraq, to name a few.
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Mozambique Exchange Rate and Fuel Prices: 19 February 2016

**Mozambique Metical (MZN) Exchange Rate**

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<th>Currency</th>
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<th>Sell</th>
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<tr>
<td>Euro (EUR)</td>
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<tr>
<td>U.S. Dollar (USD)</td>
<td>45.00</td>
<td>45.90</td>
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<tr>
<td>S.A. Rand (ZAR)</td>
<td>2.91</td>
<td>2.97</td>
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**Mozambique Fuel Prices**

<table>
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<tr>
<th>Fuel Type</th>
<th>Price Per Litre</th>
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<tr>
<td>Petrol</td>
<td>47.52MT</td>
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<tr>
<td>Diesel</td>
<td>36.81MT</td>
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*Prices only valid for Maputo, Beira and Nacala*

**GRAPH 1: MOZAMBIQUE CURRENCY EVALUATION**
After Mozambique’s spending, the reckoning

In March, Mozambique will have to repay another US$100 million tranche of an opaque and roundly criticised bond deal. The money could have been used to build four hospitals. Instead, it will repay a wildly overinflated contract for tuna-fishing boats. In the words of the country’s former prime minister Luísa Diogo: “Something has gone wrong”.

Back in 2007, Mozambique was feted in ballrooms and boardrooms. Bankers pointed to stellar growth rates and the sound macro-economic management that had led the fastest turnaround of a post-conflict country since Vietnam. Former president Joaquim Chissano won the inaugural Mo Ibrahim Prize for good governance that year.

Today, it seems like a rerun of Africa in the 1980s: rising debt, a pile-up of white elephant projects, murky finances and a balance-of-payments crunch requiring an International Monetary Fund (IMF) bailout.

Reckless decade:

Mozambique is not the only African country experiencing economic turbulence at the end of a commodity and credit boom, but the impact is more painful than in most after a decade of reckless spending and borrowing. Fixing the problem will mean tackling the corruption that underpins some of that recklessness.

That leaves President Filipe Nyusi on the horns of a dilemma. If he fails to act against the shady elements of his predecessor’s regime – that of the free-spending Armando Guebuza – his credibility will be undermined. Push too hard, and he risks revolt (or worse) from Frelimo.

Under Guebuza and former finance minister Manuel Chang, the way in which Mozambique managed its finances changed fundamentally. State spending increased in the double digits almost each year, foreign aid declined and the government took on deficit financing.

Capital spending rose and was covered by foreign debt. Funding gaps for the recurrent budget were financed on domestic markets, and domestic debt rose 28% per year between 2001 and 2013 to MT30 billion.

By 2015, sovereign debt had risen more than 200% since Mozambique’s international debt relief in 2000, including a 53% increase in the last two years Guebuza was in office.

Debt will continue to rise as projects are implemented and to finance government expenditure, including a budget deficit of US$1.1 billion in 2015, or about 6.5% of gross domestic product (GDP). By 2020, debt is projected to double again to more than US$16 billion.

With debt markets drying up, this leaves little wriggle room for Mozambique’s financial planners. Various shades of austerity loom. According to Standard and Poor’s analyst Gardner Rusike, Mozambique’s case is not entirely unusual: “A number of African countries that had fast-paced growth also have expanded fiscal positions and higher debt to GDP ratios – this has not led to greater creditworthiness”.

Under Guebuza, Mozambique became a country that could increase state spending, pay higher wages and develop
prestige projects that appeal to national pride. However, the government also discarded the difficult market reforms and macro-economic stability that were the basis for growth in the post-civil-war period.

The government halted privatisations and encouraged poorly performing parastatal companies to assume ambitious nation-building roles. These companies now run substantial losses and are a growing drain on public finances. This was made possible, according to Fernando Lima (the publisher of independent newspaper Savana), “by the belief that resource riches through gas and coal were imminent and that we should not be afraid to take on debt”.

No bonanza:

But the world-class gas deposits in the Rovuma Basin, discovered by multinationals Anadarko of the United States and ENI of Italy, are not the resource bonanza Frelimo’s leadership was hoping for, especially with the current global slump in gas prices.

Analysts forecast that production is unlikely to begin before the first half of the next decade, a longer time horizon than official estimates of 2020. Even then, revenue-sharing terms mean that foreign companies will recoup their investment costs first in the early years of production.

The chimera of gas cash also offered the ability to end restrictions on sovereignty that came through oversight in Western aid relationships. “Guebuza and his group believed that we could do whatever we wanted and didn’t need to listen to anyone. As a result, we got a confrontational relationship with donors. Friendly countries like China, Brazil, India, Vietnam and South Africa were supposed to replace the Western donors”, says Lima.

State spending then became politicised and inefficient. The largest projects include the US$725 million Catembe Bridge, which crosses over Maputo harbour to undeveloped land, and a US$300 million Maputo Ring Road.

There is a new Chinese-built international airport in Maputo, new ministerial buildings and, soon, a new parliament in Catembe. Brazil financed a US$144 million international airport with capacity for half a million passengers in Nacala – an isolated northern city – a project that was costly and ill-conceived.

Most contracts were untendered and sole-sourced. The government often did not disclose its terms, and in some cases there are questions about inflated prices. These deals were often taken on as sovereign debt and involved commercial rather than concessional financial terms, contrary to undertakings made for debt relief through the previous international debt-relief programme.

There are also suspicions about corruption. Manuel de Araújo of the Movimento Democrático de Moçambique (Mozambican Democratic Movement, MDM) and mayor of Quelimane explains: “These investments could have been done on low interest rates or for lower cost, but he [Guebuza] was not interested in the economic viability of projects or rational planning. Nobody can explain why we needed a bridge to Catembe or a new parliament and why these were priorities. They were ideas that came from nowhere”.


Benefits to cronies:

Mayor de Araújo argues that Guebuza was more interested in the political symbolism of projects and careless about their costs. “The interests of the ruling party were elevated over the State, and so the party was strengthened and the State weakened. Public investment projects had to be useful to the party elite. We have so many big projects now because these are the easiest way to distribute benefits”, he says.

The largest and most expensive sovereign liability is the Empresa Moçambicana de Atum (Ematum) state fishing company and related naval contract backed by an US$850 million commercial bond that was Mozambique’s debut on international capital markets in 2013.

Questions over a lack of transparency and alleged irregularities include that it was negotiated in secret outside of normal government channels – neither the National Assembly or Cabinet were informed – and with the involvement of close associates and family of former president Guebuza.

The bond has had disastrous consequences. Ematum is unviable as a company and cannot service its debts, which have been taken on as a public liability. With that move, Mozambique’s annual debt-service bill doubled overnight to US$400 million. Some donors ended budget support entirely or cut aid over concerns about corruption and fiscal irresponsibility.

The government is in talks on restructuring the loan, something Standard and Poor’s Rusike says would “mean a commercial default”. The ratings agency downgraded Mozambique in July and assigned a negative outlook, with an Ematum default being a possible catalyst for a further downgrade.

The consequences of a credit binge and years of ignoring macro-economic advice came together in the last quarter of 2015 in an economic crisis that has still to reach its peak. In October, the authorities were forced to turn to the IMF for a US$284 million bailout package.

Balance of payments problems were worsened by the first, US$100 million, payment to Ematum bondholders in September and another is due in March. Falling foreign reserves and foreign exchange scarcity have led to a currency crash, including a 21% fall for the metical against the US dollar in one week in late November when the central bank was said to have temporarily run out of US dollars.

Downhill all the way:

The metical depreciated 64% in nominal terms against the dollar in 2015 – one of the worst records of any developing-market currency. Even against the South African rand, the currency of Mozambique’s dominant trade partner and also one of the weakest global currencies, the decline was 32%.

Lima adds that: “There were voices in Frelimo questioning these policies, but they were silenced. [Guebuza’s] party leadership style created a chorus of approval around his decisions, which were celebrated, not questioned”.

President Nyusi’s government, now facing mounting debt and a funding gap, is pursuing economic stabilisation with the IMF. Negotiations are under way over
tough targets in the 2016 budget involving fiscal consolidation estimated at 2% of GDP.

The government has also acted to patch up relations with donors and halt the decline in foreign aid. The efforts have been well received, and early budget support commitments for 2016 at US$312 million are already up on the US$273 million of 2015.

According to one Western donor with much experience in Mozambique, the current reset with President Nyusi is a final opportunity: “The country now has a window of about five years to put in place the systems and financial controls to account for resource wealth”.

The question is, should President Nyusi be interested, could the slump in revenue be used as political cover for an anti-corruption drive? It is a vulnerable period for those in Guebuza’s camp.

However, it is unclear that President Nyusi has control over the military, let alone the police and judiciary. Some members of his Makonde ethnicity – with a group led by Alberto Chipande – believe they are owed something for their electoral support and are pushing for spoils.

For those looking for positive signals, the public dressing down of Defence Minister, General Atanásio Ntumuke (another Makonde), shows that President Nyusi is preparing to assert himself. He will need to control Frelimo’s top body – the political commission, which is currently packed with Guebuza loyalists – before he can unpick the web of state corruption dragging the country down.

Source: The Africa Report

President Nyusi grapples with Guebuza’s toxic legacy one year on

When Filipe Nyusi became president, he inherited three painful problems rooted in his predecessor’s lack of foresight. 12 months on, he is still reaping the whirlwind Armando Guebuza sowed.

Attacks on Mozambique’s main highway by suspected Renamo gunmen during the course of the week 5 to 12 February, were a harsh reminder that President Nyusi is still struggling to deal with the mess left to him by his predecessor, Armando Guebuza.

President Nyusi took to office on 9 February 2015, replacing his counterpart from the ruling Frelimo party who had led the country since 2005. Since then, the former defence minister has tried to make his mark, but his year-long reign has so far occurred under the shadow of his predecessor’s questionable policies.

Low level guerrilla activity by the opposition Renamo party has generated much concern across Mozambique and beyond, but it is just one of three particularly toxic legacies President Nyusi has inherited.

Renamo’s resurgence:

Renamo was formerly a guerrilla movement that waged war against the Frelimo government. Backed by apartheid South Africa, Renamo battled for 16 years before a peace accord was signed in 1992. Realising that it could never win the conflict, Renamo laid down its arms and became a political party in a multi-party system.

At the time, it was said that such a settlement was only possible because
Mozambique had no mineral resources. But this changed when, in the early 2000s, valuable coal reserves and then one of the largest gas fields in Africa were discovered.

The potential for profit from these findings was huge – billions of US dollars were spent on infrastructure, while contracts and land deals yielded considerable rewards. Much of these went to Frelimo elites who set up businesses, sometimes with very shady foreign companies.

In light of this windfall, Renamo demanded that the proceeds of Mozambique’s bounty be shared with opposition parties too, but Guebuza refused. Reaching a head in 2013, a frustrated Renamo returned to the bush and revived low-level guerrilla activities. A new peace deal was subsequently reached, but collapsed. Afonso Dhlakama, Renamo’s former commander-in-chief and now political leader, maintained his call for greater powers and finances. But still, Guebuza refused to budge.

Fast forward to today and Renamo continues to launch low-level attacks, such as the assault on 11 February when gunmen shot at traffic on the country’s main north-south road, injuring three people. Unlike his predecessor, President Nyusi sees the importance of buying off Dhlakama and wants to negotiate, but this process has hit some snags.

Twice last year unknown gunmen attacked Dhlakama’s armed convoy in Manica Province, and on 9 October police raided his house in Beira (Sofala Province). Then, on 20 January 2016, Renamo’s Secretary-General, Manuel Bissopo, was seriously injured and his bodyguard killed in a drive-by shooting.

The attack on Bissopo ended any chance of negotiation and Dhlakama, rightly fearing he could be a target, retreated to a former Renamo camp.

Five years ago – before it was clear how valuable Mozambique’s gas was and before Renamo showed how disruptive a few guerrillas could be – Guebuza could have won a relatively cheap settlement. A couple of hundred million US dollars would probably have been enough to appease Renamo. But now Dhlakama wants much more, the fighting continues, and President Nyusi is faced with a much bigger problem.

Fishy debts:

The second unfortunate Guebuza legacy that President Nyusi is still contending with is the fallout from the controversial US$850 million Eurobond the former president approved in secret.

Launched in 2013, much of the money raised from this surprise move went to fund Ematum, which is part-owned by Mozambique’s security services. The details of this deal were fishy from the start and have raised many concerns of fraud, but another US$500 million from the Eurobond has not been accounted for at all. The government refuses to explain where this huge sum has gone, though many believe it went to Guebuza as a retirement gift as well as to his allies.

Although Mozambique earned little from coal and nothing from gas under Guebuza, it did gain substantial capital gains taxes as pieces of ownership of the natural resources changed hands. Guebuza’s government assumed that continued revenues from these deals would enable the Eurobond to be paid off easily. But the collapse in commodity
prices has put an end to that plan, leaving President Nyusi’s government with the enormous debt to pay off itself.

Adding insult to the injury President Nyusi inherited, donors – who still provide a fifth of the government budget – were also outraged by the controversial Eurobond deal and withheld aid last year. This forced President Nyusi to go cap-in-hand to the IMF which approved a new US$286 million loan last December, adding to Mozambique’s debt obligations.

Food prices rising:

This links to a third inherited problem. For the 10 years under president Guebuza, few efforts were made to support local production or industrialisation, and in the capital Maputo at least, the majority of food and consumer goods are imported from South Africa.

Thanks to an inflow of aid money and capital gains taxes, the government has typically been able to keep an overvalued exchange rate, making these imports cheaper. There were attempts to devalue its currency in 2008 and 2010, but rising food prices sparked riots and the government decided instead to keep the exchange rate level.

This policy was facilitated by a 10-year decline in the trade-weighted value of the US dollar. But over 2014 and 2015, the value of the US dollar jumped 25% and Mozambique was finally forced to devalue its currency late last year. According to the Bank of Mozambique, this led to 4.8% inflation in December and 2.5% inflation in January.

With food prices set to continue rising – in large part thanks to Mozambique’s failure to support local production and heavy dependence on imports – will there be riots again?

President Nyusi inherited three big problems rooted in his predecessors’ lack of foresight. A deal with Renamo was possible five years ago, Frelimo insiders could have stopped the Ematum loan, and earlier devaluation and the promotion of local production could have kept inflation low.

But it was easier to do nothing and not rock the boat. And now, one tough year into his first term, President Nyusi is still reaping the whirlwind that Guebuza sowed.

Source: Joseph Hanlon

**Credit Suisse’s fishy Mozambican deal**

Recent loans have hurt the government but have benefited players inside and outside of Mozambique, says Jose Ivo Correia, Researcher at Centro de Estudos Moçambicanos e Internacionais.

Acquiring debt is not necessarily a bad policy. Most of Mozambique’s recently acquired debt was supposed to help set up a productive base, to diversify the economy and to promote economic linkages in the country, rather than promoting private interests, financial speculation and real-estate rent seeking.

Three-quarters of Mozambique’s debt has been allocated to the US$850 million bond for a tuna-fishing company and defence equipment, US$725 million for the Maputo-Catembe Bridge leading to a remote area, and a US$300 million contract for digital migration awarded to StarTimes, a company headed by the former president’s daughter, Valentina Guebuza.
But what about the role of Credit Suisse in the fishy deal that will cost hundreds of millions of Mozambican tax revenue to repay?

Credit Suisse raised a US$500 million bond for a month-old state-owned tuna-fishing company with no declared board of directors or established premises at the time.

Despite concerns about transparency, the Swiss bank went ahead with the deal, as a state guarantee made the bond without strings attractive. The bond was oversubscribed, and Russian bank VTB raised a further US$350 million.

Credit Suisse told Bloomberg in 2014 that: “there are no weapons or combat systems of any kind” in the deal. Today, revelations suggest that most of the tuna money went for defence equipment instead of the promised fishing vessels.

As the tuna company looks likely to default, Finance Minister Adriano Maleiane has come forward proposing a restructuring of the interest rates and repayment dates, but other questions are being asked such as where did the money go, who should be prosecuted and what role Credit Suisse and the backers of the tuna bond played.

Source: The Africa Report

How Minister Maleiane is transforming the economy

Finance Minister Adriano Maleiane does not have an easy job. Yet his resolve has helped promote macro-economic stability and encourage investment in one of Africa’s fastest-growing economies.

With the previous government known for its free-spending ways, the incoming government making lofty employment promises, and the economy feeling the tremors from both a Federal Reserve rate hike and a fall in Chinese demand, whoever was to be chosen in January 2015 as Mozambique’s new finance minister would certainly have his work cut out for him.

Enter Minister Maleiane, chief executive of the state-owned Mozambican development bank. His longstanding ties to the ruling socialist-inspired Frelimo party might have made him a questionable choice to observers worried about the fragility of democracy in a state that in many ways is still reeling from a 16-year civil war several decades earlier. Yet his strong knowledge of the Mozambican economy, illustrated by his prior 15-year stint as central bank governor, gave hope to reformers who wished that Maputo could finally prioritise financial transparency and soundly prepare for a coming massive influx of oil and gas money.

One year on, it seems President Filipe Nyusi made the right choice.

A rocky start:

Minister Maleiane inherited an economy buoyed by expectations about future energy development, chiefly the 170 trillion cubic feet (tcf) of offshore natural gas reserves in northern Mozambique’s Rovuma Basin, currently being developed by energy giants ENI and Anadarko. The field is slated to transform the country into the world’s third largest exporter of liquefied natural gas (LNG), and within a few years net Maputo US$20 billion annually, triple the current budget. Investors were bullish about the country’s well-established coal industry as well, with
an estimated 25 billion short tons untapped in Tete Province.

However, fears of a coming “resource curse” were not wholly unfounded, evidenced by former president Armando Guebuza’s penchant for costly public projects like the Maputo Ring Road, Maputo-Catembe Bridge, and the setting up of the state-owned Ematum tuna company, even as commodity prices were tumbling, trade growth was diminishing, budget deficits were widening, and debt levels were increasing.

Indeed, it was the latter fishing project which was part of the reason Standard and Poor’s lowered Mozambique’s sovereign credit rating from B+ to B in February 2014. And when a report detailing how a sizable amount of Ematum’s US$850 million government-backed bond issue was actually spent on military equipment was released a few months into Minister Maleiane’s tenure, Standard and Poor’s downgraded Mozambique’s long-term rating yet again, to a B-.

The start of fiscal prudence:

In an economy where often-fickle aid and foreign direct investment comprise 40% and 26% of GDP, respectively, Minister Maleiane soon set his stamp on sound fiscal management.

He immediately set his sights on reigning in government spending. In 2014, Mozambique’s budget deficit was 10% of GDP. That dropped to 6.5% a year later under Minister Maleiane’s watch. No doubt that some of this was due to pressure from donors and the IMF. Yet the finance minister proved himself an able reformer during his past stints in government, overseeing much of the privatisation in Mozambique’s financial sector and tackling corruption at the central bank.

In addition, steps were taken to increase revenue, such as expanding the tax base, streamlining the state revenue authority, and enabling tax payments both online and at banks. This is expected to boost revenue by 1% of GDP, and will soon be complemented by possible plans to privatise more than half of all companies in which Maputo has a stake.

At the same time, Minister Maleiane has firmly pushed for financial transparency, digitising payments to public sector employees alongside rolling out automated electronic payments for all public procurement processes. He also convinced the government to tie its hands when it came to future budgetary influxes, introducing new rules governing windfall revenue (restricting its use to certain public investments, debt repayment, or national emergencies).

These moves even extended to the past administration’s poor accounting, which led to Mozambique’s business community being owed as much as US$300 million in VAT reimbursements. Through securitising the debt, Minister Maleiane made sure to honour the promise, while not drastically increasing annual outlays from the treasury.

But the former SOAS graduate also understands that prudent fiscal management does not preclude external financing, especially at concessionary terms. Minister Maleiane has already helped secure a soft loan of US$250 million from Japan for a large-scale expansion of the critical Nacala port in Mozambique’s north.
The coast is not yet clear:

Also notable was acquiring a US$286 million Standby Credit Facility from the IMF, although the context behind it was more than a bit troubling: Maputo suffers from the third-highest current account deficit in the world (45% of GDP), and of the more than 30 African currencies Bloomberg tracks, the metical was the second-worst performing across 2015, losing more than half its value between September and December 2015 alone.

It is true that the metical’s biggest drop against the US dollar in two decades has been slightly offset by appreciation so far this year, and inflation in Mozambique remains relatively contained. But this still shows how difficult it is to gauge fiscal performance in an environment where emerging country currencies and economies are greatly impacted by interest rate increases in the US, slowing demand from China, and the global commodities crash.

In spite of its promise, Mozambique continues to face a number of economic obstacles. Moody’s cut its credit rating from B2 to B1 in August and placed it under further review a few months later. In November, government employees were paid late, a sign that Maputo may have a larger and more volatile short-term fiscal gap than previously thought. In spite of Minister Maleiane’s best efforts, public sector debt has risen from 37% of GDP three years ago to 60% today, with overall debt reaching a worrisome 99% of GDP today.

Finally, the biggest issue that threatens to derail Minister Maleiane’s steady economic hand is beyond his control: sporadic violence and increasing tensions between the State and elements of Renamo, the political party which battled Frelimo during the civil war and even now maintains some armed elements in Mozambique’s central and northern regions.

Chances are a political resolution will ultimately be found, especially given the risk that renewed instability has on the natural gas bonanza. But both sides occasionally look to flex their muscles in order to better their position at the negotiating table, and investors are surely taking notice.

Yet, in a country where the IMF predicts annual economic growth might balloon from under 7% today to as high as 24% in as little as five years (due to forthcoming natural gas production), a continuation of gradual fiscal reforms and budgetary belt-tightening in the interim will likely be sufficient to improve Mozambique’s economic prospects. And few are better placed at the helm to drive these changes than Minister Maleiane.

Source: Global Risks Insight

Government reaffirms 7% growth forecast in 2016

Speaking on Sunday 14 February, during the closing of the 2015 Planning Meeting between the government and the State Budget Programme Aid Partners (PAP) group, Finance Minister Adriano Maleiane acknowledged that 2016 would be a “difficult” year, but emphasised that everything possible was being done to correct any potential negative effects on production.

The minister also rejected the need for an amending budget, due to the fact that the floods and the rains – although worse
than expected – were already adequately covered by contingency plans.

“Floods and drought are above the forecasts in the Economic and Social Plan and will have a significant impact on agriculture and livestock production, but we do not believe this will affect the economic growth forecasts for this year”, Minister Maleiane said.

The minister also expressed his hopes for the energy and gas sector, where, he implied that negotiations with operators of the Rovuma natural gas project in Cabo Delgado are almost completed.

“Negotiations on the Rovuma gas project are already completed. There is no longer anything to negotiate either with Anadarko or with ENI. We will have a meeting within days to finalise details”, he said.

Investments in this project may positively influence economic growth indicators as early as this year.

If all goes according to plan, Rovuma gas production could start in 2021. A few years later, Mozambique could be the world’s third largest producer of natural gas.

The meeting with the PAP group partners was aimed at assessing the government’s planning instruments, notably the Economic and Social Plan and the State Budget, as well as the definition of performance goals for the government and partners for the 2016-18 period.

The chairman and Portuguese ambassador, José Duarte, said that the last four months had been marked by changes in the macro-economic scenario, which could lead to the slowdown in economic growth.

Ambassador Duarte reaffirmed the partners’ commitment to predictability in the disbursement of funds pledged to the Mozambican government (which this year will reach US$305 million), while pointing out some areas where government efforts to improve the management of funds might be focused, including ongoing public finance management reforms.

The partners recognised that there had been progress in this area, but reasserted the necessity for continued momentum. A further challenge is the fight against corruption and its effects on business environment in the country.

Ambassador Duarte also mentioned peacekeeping as one of the major challenges that the country faces in order to maintain macro-economic stability.

Source: Notícias

Bank of Mozambique raises interest rates again

On Monday 15 February, the Bank of Mozambique once again increased its key interest rates in its struggle to bring down inflation.

A statement issued by the Bank’s Monetary Policy Committee announced an increase of 100 base points in the Standing Lending Facility (the interest rate paid by the commercial banks to the central bank for money borrowed on the Interbank Money Market). This rate therefore rises from 9.75% to 10.75%.

This is the highest interest the Bank of Mozambique has charged since September 2012. The rate subsequently fell gradually, reaching 7.5% in November 2014. It remained at that level for a year, but three rate rises in October, November
and December 2015 brought it back up to 9.75%. That rate held in January, but now the upward trend has resumed.

The Standing Deposit Facility (the rate paid by the central bank to the commercial banks on money they deposit with it) rises by 50 base points, from 3.75% to 4.25%. The Compulsory Reserves Coefficient – the amount of money that the commercial banks must deposit with the Bank of Mozambique – remains unchanged at 10.5%.

The Monetary Policy Committee said that it has increased the interest rates because of “the probable impacts of the adverse international conjuncture, as well as the expected effects of drought in the south and centre of the country and floods in the north”. In addition, the country’s GDP was growing at less than the initial forecast, while “projections for domestic inflation show the prevalence of pressure in the short and medium terms”.

Mozambique’s GDP expanded by an annual 5.9% in the third quarter of last year (Q3, 2015) and the central bank estimated fourth quarter growth of 5.6% with business confidence as expressed by the economic climate indicators down for the fourth consecutive month in December.

Figures from the National Statistics Institute (INE), based on the consumer price indices for the three largest cities (Maputo, Nampula and Beira), showed an inflation rate for January of 2.48%, following inflation of 4.76% in December. Inflation for the year 1 February 2015 to 31 January 2016 was 11.25%.

The metical, after a sharp depreciation in late 2015, showed signs of stabilising in January. On the last day of January, the metical was quoted at MT46.06 to the US dollar on the Inter-Bank Exchange Market, a depreciation of 2.47% over the month, and an annual devaluation of 42.25%.

In the commercial banks the average rate cited at the end of the month was MT47.65 to the US dollar – a monthly devaluation of only 0.74%.

The metical was doing much better against the South African rand, the currency in which most food imports are denominated. At the end of the month there were MT2.88 to the rand, the same as in late December. The annual depreciation of the metical against the rand slowed down to 4.35%.

Provisional figures show that the country’s net international reserves fell by US$124.5 million to US$1.869 billion. The reserves are enough to cover 3.1 months of imports of goods and non-factor services, when the operations of the foreign exchange mega-projects are excluded.

The Monetary Policy Committee also decided that the central bank will intervene in the inter-bank markets to ensure that, by the end of February, the monetary base does not exceed MT68.163 billion.

The monetary base shrank by MT2.533 billion in January to MT71.179 billion, rather higher than the ceiling fixed by the Committee of MT70.211 billion. Over the past year the monetary base has increased by 25.6%.

The continued fall in commodity prices has hit key Mozambican exports. According to the Committee’s statement, over the past year, the prices of aluminium had fallen by 18.5%, thermal
coal by 16.5%, natural gas by 13.5%, and sugar by 11.6%.

On the other hand, Mozambique’s bill for imported liquid fuels has fallen sharply because of the collapse in the oil price. The price of the benchmark Brent crude fell by 34.2% over the year, and is continuing to fall. A barrel of Brent crude was quoted at US$34.4 at the end of January, and fell to US$33.36 on 12 February.

Source: Agencia de Informacao de Moçambique/Counting Pips/Central Bank News

The central bank cited the drought in southern Mozambique and floods in the north as among the reasons for food inflation which is driving the high rate of overall inflation. Nampula-based online newspaper @Verdade pointed out on Tuesday 16 February, that the business lobby group Confederation of Economic Associations of Mozambique (Confederação das Associações Económicas, CTA) warned in late 2015 that continuing to raise interest rates risks strangling the business environment.

In its staff report on Mozambique in January, the IMF supported the Bank of Mozambique’s tighter monetary policy stance, and encouraged the authorities to “take further action, as needed, to curb inflationary pressures and improve the foreign exchange market”.

However, in a study into Mozambique’s financial sector published the same day, IMF economists Felix Simione and Yuan Xiao found that “monetary fine tuning does not seem to exert visible impact on inflation”.

The banking system, they write, depends more on interbank lending from one or two banks which are “structurally over-liquid in meticals, and therefore can act as de facto price setters and market makers”, regardless of the central bank’s lending terms.

When it comes to commercial loans, the interest rate depends more on what banks pay their depositors. As the market is dominated by around 25 large clients, these customers can “largely dictate their interest rates”, the report said.
This group of large clients is made up of 14 public companies, two large pension funds, and “not more than 10 large non-bank financial institutions”. Between them, these clients contribute between 15-20% of all deposits in Mozambique’s banks – and for some banks the share is probably much higher, Simione and Xiao say. The deposit rates exert a bigger influence on banks’ lending rates than the Bank of Mozambique’s reference rate, they conclude.

Foreign exchange crisis looms:

Besides fighting inflation, the IMF hopes the tighter monetary stance will help the Bank of Mozambique to begin rebuilding its foreign exchange reserves later this year. Over the last month, reserves fell again by US$124.5 million, to US$1,869 million.

In March 2016, Mozambique will need to make the next US$100 million repayment on the Ematum loan. The first such repayment, in September 2015, was associated with a foreign exchange crisis in the country which triggered a sharp sell-off in the metical, which lost around half its value against the US dollar.

The metical has stabilised over recent weeks after the IMF approved an emergency credit facility in December 2015, but could come under pressure again as the next Ematum payment nears. Already, businesses are starting to feel the pinch – with one insider telling Zitamar News this week that the Bank of Mozambique appears to have “frozen the supply of foreign currencies into the economic system”, causing shortages for industries trying to import raw materials.

Source: Zitamar News/IMF

Notary and registration services get their first price hike in 18 years

The steady depreciation of the metical, the dynamics of the economic and social strata, and increases in operating costs resulting from digitisation are among the reasons given by the authorities for the first increase in the cost of notary and registration services in 18 years.

Procedures relating to car ownership are now more expensive, as are the recognition of documents, according to Fatima Achá Baronet, National Deputy Director of Registry and Notary Services.

However, Baronet said that there are not only cases where rates have remained unchanged, but some new services, such as registration of births and deaths, signature recognition and authentication of copies of original documents, which are now exempt.

However, customers do not like the increases and say that the new prices are unaffordable.

Source: VOA Português

302,000 jobs generated in Mozambique in 2015

On Tuesday 16 February, the Minister of Labour, Employment and Social Security, Vitória Diogo, announced that more than 302,000 jobs were created in Mozambique last year as a result of investment by the government, the private sector and international agencies.

The figures were released during a training event promoted by the National Institute of Employment and Vocational Training (INEFP).
The INEFP event brought together 20 representatives from several regions of Cabo Delgado Province (including Palma, Chiure and Montepuez) and is a partnership between the Mozambican government and the South Korean International KOICA Agency, organised by the International Labour Organization (ILO).

The training forms part of the government’s effort to ensure the sustainability of ongoing external and internal investments and to increase employment by up-skilling local workers.

Minister Diogo said that the training course aimed to serve anchor projects such as the research and exploitation of natural gas in the Rovuma basin, requiring a spirit of entrepreneurship from trainers and adding to the value chain.

The meeting aims to teach 20 INEFP trainers the ILO-developed TREE methodology, which aims to empower rural communities by ensuring that their training is linked to economic and employment opportunities and is relevant to disadvantaged target groups, such as women and people with disabilities.

The methodology is being deployed for the first time in Mozambique in an ILO project using a US$1.8 million grant from KOICA. The INEFP has been appointed as the implementing agency.

The project, which began in October 2014 and will be completed in August 2017, covers 1,000 disadvantaged young people in rural Cabo Delgado communities in the Palma, Montepuez and Chiure districts. By the end of the project, it is estimated that 700 of these young people will have obtained or created a job.

“Today’s leaders must be able to shape the minds of their students when it comes to employment. A person who knows carpentry and earns a livelihood with the result of this activity cannot be considered unemployed, because having a job does not happen only when one is engaged in a wage situation”, the minister said.

Source: Notícias

Mozambique slips 14 places in the Index of Economic Freedom

Mozambique has fallen 14 places in the Index of Economic Freedom (IEF), to rank 139th in the list of 166 countries. At 59th, Cape Verde is the best placed Portuguese-speaking country and third on the African continent, with 66.5 points out of a possible 100, up 0.1 from 2015.

The IEF indicates that Mozambique has improved in only two of the 10 indicators used to calculate the index.

In the index, prepared annually by the Heritage Foundation and The Wall Street Journal, Sao Tome and Principe occupies 120th place, up 16 positions from 2015 but still in the “mostly unfree” group – along with Mozambique.

The IEF puts Angola squarely in the group of “repressed economies” at 156th, despite the country having climbed two positions from 2015. As for other Portuguese-speaking countries, Portugal is in 64th position and Brazil in 120th, with Guinea-Bissau remaining in 145th place.

Hong Kong leads the index of 166 countries, followed by Singapore with 87.8 points and New Zealand with 81.6 points.

Source: A Bola
Lack of legal knowledge and judicial weakness affect businesses in Mozambique

The lack of legal knowledge and the absence of a strong judicial system are still challenges for the business environment in Mozambique, according to a report which analyses corporate governance in 13 African countries.

“Despite the reforms that have been introduced, including the Commercial Code, there is still a considerable lack of public knowledge of laws and regulations related to the business environment and corporate governance”, reads the document produced by the African Network for Corporate Governance and the Institute of Directors of Mozambique, released on Tuesday 16 February.

The document notes that companies in Mozambique are usually small, and says that the country still has a weak judicial system, representing a challenge to the business environment.

“Generally, companies in Mozambique are small, which means that corporate governance is seen as relatively expensive”, the authors of the report write, going on to advise Mozambique to streamline access to information regarding laws and regulations as a means of increasing the level of corporate governance in the country.

Source: Lusa

South Africa has the most new high-net worth individuals on the continent in 2015

The 10-year forecast says Mozambique and Zambia millionaires will increase. The 2015 Africa Wealth Report shows that South Africa has the highest number of High Net Worth Individuals (HNWI) on the continent of Africa. Following in a close second, is Egypt, with exciting forecasts for Mozambique and Zambia.

African HNWI has increased by 145% over the past 14 years. In South Africa, the Black Economic Empowerment Programme (BEE) has accounted for a number of the newly wealthy. The BEE was launched in South Africa as a way to address the inequality between black individuals and the wealthy whites in post-apartheid South Africa. The combined wealth of the African HNWI’s is estimated to be in excess of US$660 billion. The Sunday Times reported in May this year

South Africa inflation breaches central bank target

South Africa’s annual headline inflation accelerated in January, adding pressure on the central bank to continue raising interest rates.

The inflation rate jumped to 6.2% from 5.2% a month earlier, breaking through top end of the central bank’s target since August 2014, according to official statistics.

Analysts said the rand (the currency of Mozambique’s dominant trade partner) has declined by 8.6% against the US dollar since December and the worst drought in more than a century are driving the prices of food higher.

The IMF forecasts that the South African economy will expand by less than 1% this year amid a slump in commodity prices, the current drought, and a slowdown in China, the country’s biggest export market.

Source: AfricaNews
that there are vast discrepancies in South Africa. The super wealthy have a net worth of around US$184 billion. There are approximately 46,000 millionaires in the country and they are living the high life.

Professor Dilip Garach told The Sunday Times that most of the newly rich have acquired their fortunes since the beginning of the Rainbow Nation in 1994. The divide between the wealthy whites and the wealthy blacks is becoming blurred. However, at grass roots levels the greater population of the country is struggling with rising costs of basic foodstuffs, loss of employment and downturn in the economy. Race is no longer a guarantee of wealth in South Africa. Many middle-income earners are facing hard times. More and more whites are working at labouring or minimal income jobs. Equality in poverty, one must suppose is, at least, better than no equality.

The Mozambique wealthy are projected to increase over the next 10 years, and according to the World Bank, recent discoveries of oil and gas in Mozambique will pave the way for investment and wealth generation if the natural resources are correctly managed.

Zambia has long been defined as a country stricken by poverty. 58% of the rural community lives in extreme poverty. The disparity of wealth in the country is huge but the economic outlook is encouraging. Zambia has been performing well in recent years and the economy is expected to grow by a further 6% in 2016. Zambia’s super-wealthy individuals are projected to emerge from the tourism, business and mining sectors over the next 10 years.

France pardons Mozambican debt: €500,000 to fund tourism and energy studies

The French government will give Mozambique €500,000 in a fourth instalment of the Mozambican debt pardon, following agreements reached by President Filipe Nyusi during his visit to the European country last year.

The document formalising the grant was signed in Maputo on Friday 12 February, by the Mozambican Minister of Economy and Finance, Adriano Maleiane, and the French Ambassador to Mozambique, Bruno Clerc.

“This figure is the last instalment of a debt pardon worth €17.5 million”, the French ambassador said, adding that the money will help finance studies in the field of professional qualification. Of the €17.5 million in the current 2015-19 period, €10 million has been allocated to the State Budget, €2 million to the environment and €5.5 million to vocational training.

“These studies in the vocational training area will contribute to decision-making on tourism and energy funding from 2016 to 2019”, the ambassador explained. Ambassador Clerc said that the agreement signed on Friday is evidence of the two countries’ close diplomatic and business ties.

Source: Folha de Maputo

Japan earmarks African infrastructure projects for assistance

The Japanese government plans to allocate development assistance for some 60 projects in African countries, focusing primarily on infrastructure development, agriculture and health care.
The plan has been formulated in preparation for the sixth Tokyo International Conference on African Development (TICAD), which Japan co-sponsors with the United Nations (UN) and the African Union (AU), scheduled to be held in Nairobi (Kenya) in August. Prime Minister Shinzo Abe is expected to announce the assistance at TICAD, a source close to the matter said.

The commitment is partly to counter China, which in recent years has stepped up its presence in the continent with massive aid packages, while also aimed at gaining support from African countries for Japan’s bid to be a permanent member of the UN Security Council.

According to the source, Tokyo considers Africa to be the world’s last major growth market and aims to offer high-quality, safety-focused infrastructure technology as an alternative to China’s.

In July last year the Japanese government decided to focus on development in three regions of Africa: the areas surrounding Kenya’s Mombasa port, Nacala port in northern Mozambique, and the Ivory Coast and surrounding West African nations.

Funding has been earmarked for the roughly 60 projects in total, many involving infrastructure – including ports and road networks. However, the total amount of assistance will be worked out at a later stage. The projects also include the development of natural gas extraction in Mozambique and an urban transport network for Nairobi.

A model project will be launched in Zambia to distribute medical testing equipment in light of the difficulties in dealing with infectious diseases such as Ebola.

An Africa-wide exchange student programme with Japan and a microloan system to channel funds to capital-strapped farmers are also on the table, the source said.

Tokyo will now set about negotiating the scale of the assistance with each recipient country. The sixth TICAD, scheduled to take place on 27 and 28 August, will be the first to be held within Africa. It has previously been held in Japan every five years since 1993, but will now be held every three years.

Source: Japan Today

Portugal finances projects in Mozambique

Portugal’s development agency Sociedade para o Financiamento do Desenvolvimento (Sofid) will support the expansion and modernisation of companies in Mozambique through a Financing Memorandum signed on Tuesday 16 February, with Banco Terra Moçambique (BTM).

The agreement, signed in Maputo by the chairmen of BTM, Almeida Porto, and Sofid’s representative, Paulo Lopes, covers all key sectors of the Mozambican economy, with particular focus on renewable energy, environment, infrastructure and tourism.

Sofid is a finance company that is 64.3% owned by the Portuguese State. It supports the internationalisation of Portuguese companies in Mozambique, where it operates through the InvestimoZ Fund to finance public and private investment projects promoted by
Portuguese companies or Luso-Mozambican partnerships.

BTM’s shareholders are Rabobank Development (which is part of Rabobank Group of the Netherlands), Montepio Holding (part of Montepio Geral – Associação Mutualista), Norfund (a financial entity to support development controlled by the Norwegian State), and GAPI (a financial institution for development based on a Mozambican public-private partnership).

*Source: Macauhub*

**Canada-Mozambique Business Forum**

On Thursday 18 February, the first ever Canada-Mozambique Business Forum took place in Maputo, bringing together approximately 120 attendees, including businesspeople and representatives of Canadian and Mozambican institutions.

The event was designed to strengthen trade relation and to stimulate business links and investment between the two countries. Representatives from various colleges and universities from the Canadian province of Alberta (the epicentre of Canada’s oil and gas industry) were also present at the meeting.

According to the Canadian High Commissioner in Maputo, Shawn Barber, his country wants to help Mozambique in creating a generation of skilled workers for the oil and gas industry.

According to the agenda, the meeting focused on discussions relating to oil and gas, procurement, infrastructure, education and mining. The first half of the forum was centred around the mining sector, featuring presentations on the latest developments within the industry (presented by Vale, Anadarko and Chicago Bridge & Iron Company).

The Mozambican Minister of Transport and Communications, Carlos Mesquita, opened the event with a presentation on the country’s infrastructure sector.

The second half of the forum focused on infrastructure projects in Mozambique, with presentations by companies such as Hidroeléctrica de Cahora Bassa (HCB) and Empresa Nacional de Hidrocarbonetos (ENH), bringing new perspectives on the future of the sector.

The meeting closed with a presentation on the technical and financial capacities of Canada in Africa, featuring discussions by companies and institutions such as Export Development Canada, The Southern Alberta Institute for Technology and Kentz Engineering.

The Forum is a business meeting that brings together Canadian and Mozambican businesspeople with the aim of exchanging experiences and exploring business opportunities and partnerships between actors from both countries.

This event was organised by the Canadian High Commission in partnership with the Business Council Canada-Mozambique.

*Source: Jornal Notícias*

**US to expand Africa Trade Initiative to include Mozambique**

The US intends to expand a new trade initiative to include Mozambique, among other countries. US ambassador in Ghana, Michael Froman, told a hearing on the African Growth and Opportunity Act (AGOA), that to build upon AGOA’s
successes, the US government and its African partners launched the Trade Africa initiative with the East African Community (EAC) in 2013, signing a multifaceted Cooperation Agreement in 2015 focused on compliance with WTO standards on trade facilitation, sanitary and phytosanitary measures, and technical barriers to trade.

“The US is currently working to expand the Trade Africa Initiative to involve new partners, including Cote d’Ivoire, Ghana, Mozambique, Senegal, and Zambia”, he said.

AGOA has been noted to be successful. In June 2015, it was projected that exports of textiles and apparel from African countries to the US under AGOA would reach US$4 billion over the next 10 years.

In 2014, US clothing imports from sub-Saharan Africa countries reached US$986 million, up nearly 6% from 2013, as countries such as Lesotho, Kenya, Ethiopia and Tanzania participated in the programme.

AGOA is also said to have fuelled growth in Africa-US trade since the Act came into operation. AGOA-related non-oil exports from Africa have grown five-fold to US$53.8 billion from US$8.1 billion over 10 years, by 2011.

As of June 2011, there were 37 countries in the programme, but on 25 October 2011, President Barack Obama signed a presidential proclamation designating Côte d’Ivoire, Guinea and Niger as eligible for AGOA benefits.

The programme expands the list of products which eligible sub-Saharan African countries may export to the United States subject to zero import duty under the Generalized System of Preferences (GSP). While general GSP covers approximately 4,600 items, AGOA GSP applies to more than 6,400 items. AGOA GSP provisions are in effect until 30 September 2015.

Meanwhile, on 11 June 2015 the US Congress renewed the AGOA for another 10 years. The trade agreement will end in 2025.

Source: Ghana Business News

Secretary Mundell meets Mozambique officials to discuss Aberdeen partnership

On Monday 15 February, Scottish Secretary David Mundell met with the Mozambican Minister of Industry and Trade, Ernesto Tonela, to discuss a partnership potentially worth tens of millions of pounds to the Scottish economy.

Secretary Mundell was on a five-day working visit to Mozambique and Malawi. He explained that the main purpose of his visit is to support the development of a Memorandum of Understanding (MoU) between the Scottish city of Aberdeen and the northern Mozambican port of Pemba, the city nearest to the massive discoveries of natural gas off the coast of Cabo Delgado Province.

The MoU, laying the ground for a formal relationship between the two cities, is expected to be signed later this year.

Secretary Mundell noted that, prior to the discovery of oil and gas in the North Sea, the Aberdeen economy had depended on farming and fishing. Now it is effectively
the capital of the British hydrocarbon industry.

He believes that Pemba can benefit from Aberdeen’s experience, as the Mozambican natural gas industry takes off. The business community, he said, should work with the Mozambican and UK governments “so as to make the most of the opportunities presented by gas”.

Secretary Mundell believed that the Mozambican offshore gas discoveries were “a huge opportunity” for Scottish energy companies. He regretted that the scale of these discoveries is not yet widely known – in particular, Mozambique has the potential to become the world’s third largest producer of gas (after Qatar and Australia), and the reserves discovered so far could last for 70 years.

A release from Secretary Mundell’s office declared that: “the Aberdeen oil and gas hub model, built on lessons learned from 40 years of North Sea operations, sets the highest standards in governance, transparency, value for money, quality and environmental responsibility”.

Secretary Mundell believes that the partnership between Aberdeen and Pemba “will not just help protect existing jobs and businesses – it is a chance to develop new opportunities and markets and create new sources of employment for people in the north-east and Scotland as a whole … It is a great example of what can be done when all levels of government work together”.

“This is a win-win situation because Mozambique can benefit greatly too”, he said, “with an injection of expertise which can help it in taking the next step towards becoming a major gas producer”.

During the visit, Secretary Mundell also met up with Gordon McIntosh, director of enterprise for Aberdeen City Council, who has led on the partnership on behalf of the authority.

Secretary Mundell added that: “Gordon McIntosh is doing a superb job in supporting a development plan which will not only benefit Scotland, but will be of great help to Mozambique, allowing Pemba to take steps towards becoming a world-class gas hub along the lines of Aberdeen”.

On the matter, McIntosh said that: “The link between Aberdeen and Pemba will provide opportunities for a wide variety of companies. Whether it is training, support services, subsea operations or infrastructure, there are roles to be played for Scottish businesses.

The British government has supported the initiative through awarding Aberdeen city council a grant of £120,000 (US$174,000) from the Foreign Office to help draw up the action plan for the Pemba hub.

A second goal of Secretary Mundell’s visit is to protect Scotch whisky producers from imitation drinks. He is lobbying the Mozambican government to grant Scotch whisky “geographic indication (GI) status”, in order to help genuine whisky producers to market their products and be protected against imitations.

The move would mean only whisky that has been made in Scotland could legally be sold as Scotch in the country.

Exports of whisky to Mozambique have risen strongly in recent years.
Secretary Mundell raised the issue as part of an effort to promote Scottish exports during a tour of Mozambique and Malawi.

He said that: “Whisky is one of Scotland’s greatest success stories and it is important that our exporters get all the support they deserve.

“Our firms adhere to the highest standards and make a product which is recognised the world over.

“They should be protected from imitators, and consumers in Mozambique and elsewhere should be able to have confidence that what they are drinking is the real thing”.

Scotch Whisky Association (SWA) chief executive David Frost said that: “It is great to see that Scotch Whisky is in such demand in Mozambique and we expect its popularity to increase as the country’s economy grows.

“We have the same positive outlook for many African countries with a growing-middle class seeking out high-quality imported products such as Scotch.

“We are pleased that the British government is supporting Scotch whisky in Mozambique through the Secretary of State for Scotland’s visit.

“As well as raising the profile of Scotch and the opportunities for producers, the visit is also a chance to talk about some of the challenges to doing business, for example high levels of taxation on Scotch in Mozambique”.

Last year Scotch whisky won protected status in Africa for the first time, after Botswana recognised the spirit as a geographical indication (GI).

The SWA said at the time it expected to see demand for Scotch increase in African countries in future years as economies on the continent grew.


“Mozambique energy market could help gender inequality” – British High Commissioner

On Tuesday 16 February, the British High Commissioner to Mozambique said that she hoped women could benefit from the country’s emerging gas industry, as she welcomed the proposed deal with the north-east.

Joanna Kuenssberg suggested that the presence of big firms with global gender equality policies could make a difference in the future.

But she also pointed to the challenge of widespread illiteracy, particularly among women, which holds them back from undertaking the necessary training to exploit job opportunities.

Kuenssberg was speaking to the Press and Journal during Scottish Secretary David Mundell’s visit to Mozambique.

The Tory Cabinet minister was there to drive forward a trading partnership between Aberdeen and Pemba (Cabo Delgado Province), where huge reserves of natural gas have been discovered off the coast.

Anadarko and its partners have discovered more than 75 tcf of recoverable resource and are working to develop one of the world’s largest LNG projects.
Kuenssberg said that women were well represented in Mozambique’s National Assembly, with high-level people in both the main parties.

But she added: “That doesn’t seem to translate into particular improvements to the position of women and girls in society”.

She also highlighted the “entrenched” problems of early enforced marriage, the lack of importance attached to investing in girls’ education and the commonly held view that a woman’s work is “expendable when the first disadvantage comes along”.

Asked whether the growth of the gas industry could advance the cause of Mozambican women, she replied: “It’s an opportunity for Mozambique and I think what’s interesting about having foreign investors is that the international companies present in oil and gas supply chains around the world tend to have their own institutional policies on gender equality.

“So I think there is something in there about the impact that companies with a global policy can have”.

Regardless of will, however, companies complain that finding potential female employees is hard because of the literacy gap between men and women.

Kuenssberg said that: “You come back to this point about educating women, particularly in technical and scientific areas.

“It is not something that culturally is done or seen as something that people should be interested in”.

Kuenssberg hailed the forthcoming Aberdeen Pemba link, adding: “There are plenty of people here who understand that in order to maximise the potential – having the third biggest gas reservoir in the world – if they really want to do that, they have got to take a much more structured approach than they probably have been able to so far.

“Looking round at places that have managed to change themselves quite dramatically, I think Aberdeen in a lot of ways is a good model and it has worked with many, many different countries in the last 20 or 30 years”.

The UK department for international development (Dfid) funds the £17million Skills for Employment programme in Mozambique. It is aimed at helping private sector companies get the people they need into the workforce and has a particular focus on women and marginalised youths.

Source: Energy Voice

Tanzania and Mozambique eye gas exports despite oil price slump

The phenomenal drop in global oil prices has no doubt brought massive headwinds for much of the energy value chain, especially exploration and production companies.

Exploration and development of reserves has fallen sharply in most parts of the world as investors stayed cautious – stirred by the fact that oil prices have fallen almost 75% since mid-2014 as producers pump up to two million barrels of crude every day and far in excess of demand.

However, in East Africa a budding rivalry between Tanzania and Mozambique, which have both discovered major gas
reserves, has sparked renewed activity in the LNG segment despite the slump in energy projects in other parts of the world.

The two countries are in a vicious race to become Africa’s newest LNG exporter and snap up contracts before supplies from rival producers in other parts of the world come to market. Both nations have a target to export gas by early 2020.

Tanzania’s land deal:

In a move that signalled a push to expedite LNG development and exports, on 29 January Tanzania announced that it had finalised a land acquisition for the site of a planned LNG plant and was now working to compensate and resettle villagers. For a long time oil firms have been unable to gain access to the site, dealing a blow to the country’s dream of pumping gas to the market.

“After securing the title deed, the law requires the owner to pay compensation to the relevant parties based on a valuation done by the chief government valuer”, the state-run Tanzania Petroleum Development Corporation (TPDC) said in a statement.

About 55 tcf of natural gas has so far been discovered in Tanzania in recent years and more is expected as exploration activities continue. Following the deal in Tanzania, TPDC now owns title deed for some 2,071.705 hectares of land that have been set aside for the construction of the planned two-train LNG terminal at Likong’o village in the southern Tanzanian town of Lindi, which is located close to large offshore gas finds.

TPDC plans to build the onshore LNG export terminal in partnership with BG Group, Statoil, ExxonMobil and Ophir Energy.

Speeding up:

The action by Tanzania came in the wake of resolutions by Mozambique and contracted firms, Anadarko and ENI, to get the natural gas projects online within the shortest time possible.

“What is critical is that we need to speed up the pace to the market because the window of opportunity might shrink”, said Omar Mithá, chairman of the State owned ENH.

“The reason behind that is because the dynamics of the marketplace are changing”, he added. Anadarko separately said that it was pushing ahead with its planned US$20 billion Mozambique gas export project and will make a Final Investment Decision (FID) once the government approves its development plan.

“We’re working full out to achieve a Final Investment Decision as soon as possible”, Anadarko’s country manager John Peffer told Reuters in Maputo, without committing to a timeline. Anadarko aims to have its first LNG cargo leave Mozambique by the end of the decade, delayed from an original plan of 2018.

In the five years to 2015, Anadarko Petroleum and ENI have made gas discoveries in the Rovuma Basin in the Indian Ocean that are estimated collectively to exceed 160 tn cu ft.

Support:

Both Tanzania and Mozambique are keen on tapping wealth from LNG resources to support their economies as soon as
possible amid tightening economic conditions.

Only recently the IMF approved Mozambique’s request for a US$282.9 million loan to augment reserves and maintain macro-economic stability. The SCF loan aims to alleviate the external balance of payments shocks, and through strengthening macro-economic stability, to achieve the government’s goals on poverty reduction and inclusive.

“Despite lower commodity prices and a weaker global environment, Mozambique’s economic prospects remain positive given planned massive investment in natural resources”, the IMF said.

Tanzania is also banking on its gas reserves to help build its forex reserves through exports. East Africa’s second largest economy also hopes to save approximately US$1 billion a year in oil imports for electricity generation when it shifts to gas-fired power plants.

In October 2015 Tanzania launched a US$1.33 billion project that aims to construct a 532 kilometre natural gas pipeline to its capital Dar es Salaam from Mtwara, where its gas fields are located. The project will also entail construction of gas processing plants.

Tanzania has indicated that it will give priority to domestic use of its natural gas resources over exports under energy policy that will guide the exploitation of its vast reserves.

Source: AFK Insider

Sasol seeks to fuel performance in Africa

Sasol has held discussions with various entities in Africa on the long-term potential for a chemicals plant, the group’s executive, vice-president for chemicals Fleetwood Grobler, said on Thursday 11 February.

The chemicals and energy group has production facilities in South Africa, Mozambique and North America. It is investing US$8.9 billion in the state of Louisiana in an ethane cracker and processing plant that will treble its US chemicals capacity.

Grobler said that during the company’s last financial year Africa, the Middle East and India contributed just under a third of the ZAR105 billion turnover of Sasol’s chemicals business. The short-to medium-term focus in Africa was on improving the performance of agents and distributors and selecting the best locations for a sales office.

The focus in Africa is on countries with the fastest GDP growth, including Angola, Mozambique and Nigeria.

The effect on the South African business from forecast GDP below 1% this year would be mixed, said Sasol’s senior vice-president for base chemicals, Brad Griffith.

Mining was under pressure, which would affect demand for explosives. Sasol was working with its mining customers to improve their cost position through better planning.

The polymers division, which sells to manufacturing and packaging firms, should benefit from continued consumer
spending but building applications would be affected by the capacity problems in municipalities. Sasol was working with government departments and municipalities to bring projects together.

In Sasol’s 2015 financial year its chemicals business contributed 57% of group turnover.

Grobler said the group would report on 7 March on its interim results to December, when it would also update the market on the progress of the Louisiana project. He said the group was reassessing the project’s timelines, but was confident the Gemini joint venture with Ineos to make high-density polyethylene would be completed this year.

As oil prices have slumped in the past two years, naphtha cracker plants in Europe and Southeast Asia have become less competitive than ethane crackers, which use feedstock from shale gas, Grobler said. The Louisiana ethane cracker project would give Sasol a competitive advantage in selling products to China.

Asked about the effect of lower oil prices on the group’s chemicals business, Grobler said it would vary. On some products margins would be squeezed but the performance chemicals division was more robust.

Source: Business Day Live

Vale Mozambique miners on strike as ‘unprofitable’ company cuts bonuses

Some 1,400 workers at Vale’s Mozambique coal mine in Moatize (Tete Province) are on strike after they were told that they will not benefit from a profit-sharing scheme this month.

According to a report, workers at the mine downed tools at 20:00hrs local time on Monday 15 February, after Vale said that their ‘Variable Remuneration’ (RV) bonus would not be paid this month.

So far the strike has been entirely peaceful, with the strikers simply refusing to work.

Workers are “at their limit” with Vale after they suffered a pay cut of around 25% last year. That pay cut was negotiated with the provincial government, after Vale said it was necessary to avoid job cuts.

Speaking to reporters, the spokesperson for the trade union committee at the mine, Armando Manjate, said that the strike was entirely justified because the workers were losing rights previously agreed upon with their employer.

Manjate said the workers were taken by surprise, when the company announced that the RV was being withdrawn because of Vale Moçambique’s poor results. There had been no profits to share with the workers.

This, however, is doubtless due, not to any problems in the workers’ performance, but to the collapse of world market prices for coal.

“The information did not please the workers”, said Manjate. “So they decided to down tools until the company reverses its decision”.

The workers are unimpressed with Vale’s complaint that the mine is not running at a profit. Manjate said that, unless the company changes its mind and reinstates the RV, they will not return to work.

The Tete provincial secretary of the National Union of Construction, Timber
and Mining Workers, Fernando Raice, told reporters that the strike is legitimate.

“The workers have already been losing because the company scrapped the 14th, 15th and 16th cheques”, he said. Further information that the RV was being eliminated reached the workers late, when this month was already half way through.

On Thursday 18 February, Vale responded to the situation, describing the strike as “illegal”. The company has argues that the RV pay-outs were merely bonuses and not a mandatory part of the wages.

A press release from the company says that the RV is an additional payment which Vale grants to its workers throughout the world as a premium resulting from positive and extraordinary results attained by the company.

This remuneration is defined based on the profits generated and the performance of the workers during the year. The release says the decision was taken that no RV for 2015 would be paid to any Vale workers, anywhere in its global operations, because the company did not achieve the minimum financial results required to trigger the payment.

The release blames this “on the falling prices of the minerals produced by Vale, including coal”.

Source: Zitamar News/Agencia de Informacao de Moçambique/Xinhua

**Triton Minerals’ further enhances Balama North with wide zones of graphite**

Triton Minerals’ latest drilling results underpin the significant and robust graphite deposit at Nicanda West, which is characterised by large to jumbo flake graphite.

Key drilling results include: 31 metres at 10.4% total graphitic carbon (TGC); eight metres at 10.3% TGC; 13 metres at 9.1% TGC; and 35 metres at 8.1% TGC.

Notably, recent exploration work at Nicanda West has confirmed that graphite mineralisation at the prospect is dominated by the all-important flake and jumbo sized graphite. This makes it potentially suitable for both the multi-billion dollar lithium battery market and also expanded graphite products.

Drilling results reported previously from Nicanda West indicate thick zones of graphite mineralisation that form true widths of up to an impressive 190 meters. Selective higher grade zones, some averaging up to 12% TGC, also occur within the broader mineralised zone.

One of the most recent down hole mineralised intersections went for 169 meters, further demonstrating the robust nature of the Nicanda West prospect.

A simple four-stage floatation process yielded a total graphitic carbon grade of 96.1% including a preserved proportion of large and jumbo flake of 53% greater than 150 microns with 12.6% over 300 microns.

Geotechnical drilling to firm up the company’s DFS at the Nicanda Hill prospect also removed any doubt about the robustness of the resource model with an outstanding hit of 37 meters grading 31.1% graphite from just 20 meters down hole.

Preliminary floatation test work results from the company’s emerging Balama
South prospect showed a final concentrate grade of 97% TGC, recoveries of 90% and a distribution of greater than 30% of large flakes greater than 150 microns.

Triton will shortly update the market with respect to their drilling programme that was undertaken in 2015 at the exciting Ancuabe project, also in Mozambique, with all results currently pending.

Preliminary test work at Ancuabe has returned some of the highest quality jumbo and super jumbo flake graphite in the world with over 73% of flake exceeding 30 microns in size and 43% exceeding 50 microns.

In addition to its super flake size, the preliminary test work at Ancuabe also indicates that the deposit can produce grades of greater than 90% TGC from floatation.

Triton’s Balama North Graphite Project in Mozambique comprises of the Nicanda West and Nicanda Hill graphite prospects.

Nicanda West is located 1.2 kilometres north west from the main Nicanda Hill deposit.

Source: Proactive Investors/Business News Western Australia

Mozambique graphite set to supply Chinese electric cars and American steel

Australian graphite miner Syrah Resources has signed a series of agreements over recent weeks to supply graphite from its mine in Cabo Delgado Province to the Chinese electric vehicle market and to US steel producers – in addition to agreements it made in 2014 to supply aluminium and other metal producers around the world.

Syrah intends to start producing graphite later this year at its Balama mine, the most advanced of a number of Australian-owned graphite-producing projects in Cabo Delgado. Although all of its sales agreements so far are non-binding, one of them is slated to bring in revenues of at least US$100 million per year for the first five years of the project’s operation.

In November 2015, Syrah agreed to a deal with Chinese firm Morgan Hairong to supply graphite to the growing Chinese electric vehicle market. According to research by UK-based consultancy Benchmark Minerals, China looks certain to have overtaken the US as the world’s largest producer of electric vehicles in 2015.

Syrah’s most recent sales agreement is a ‘statement of sales intent’ (SSI), signed in January 2016 with Hillier Carbon, a supplier of raw materials to North American steel producers. According to the SSI, Hillier Carbon intends to sell up to 35,000 tons per year of Syrah’s graphite recarburiser, an important ingredient in the steel-making process, to steel producers in the US, Canada, and Mexico for a period of five years. In November 2015, Syrah signed a 10-year deal to sell up to 15,000 tons of graphite to an unnamed “major refractory producer”.

The recent agreements are on top of two offtake agreements made almost two years ago, when Syrah signed a MoU with China’s Chinalco, the world’s second largest producer of Alumina and the third largest aluminium producer; and with Asmet, a metals trading company.
The deal with Asmet is the only one whose approximate value has been made public. Asmet intends to buy 100,000 to 150,000 tons of graphite per annum at a price of approximately US$1,000 per ton over an initial period of five years. At the lower end of that estimate, the deal would bring in US$100 million per year for Syrah Resources.

According to an update published on 29 January 2016, the Balama Project is on track to start commissioning its processing plant in late 2016, and to ramp up production in the first quarter of 2017.

Source: Zitamar News

Savannah Resources has high hopes for 2016

Savannah Resources boss David Archer reckons 2016 will be a “transformational” year for the firm, as it targets commercial copper production in Oman later in the following year.

The miner reported an increased loss before tax in the year to end 2015 to £3.1 million from £1.9 million in 2014 due to a £0.7 million loss on the disposal of its listed interests and a £1 million associated impairment.

It has a solid cash position of £2 million following the investment from private investment trust Al Marjan, which recently backed the firm in a £1.75 million placing.

Highlights of the year gone included defining an exploration target of between 150,000 and 700,000 tons of contained copper estimated for Block-4 and 5 in Oman, and an agreement inked with titan Rio Tinto to combine Rio's Mutamba Project and Savannah’s adjacent Jangamo project in a joint venture located in a world-class heavy mineral sands (HMS) province in Mozambique.

Archer said that: “With defined development strategies in place targeting commercial copper production in late 2017, and a planned fast paced, staged evaluation of Mutamba/Jangamo I believe 2016 will be a transformational year for the company”.

He added: “Key milestones to look out for in Oman include an increase in the current copper Mineral Resource in addition to improved confidence in the gold potential.

“We will also continue to assess a number of potential production routes relating to the establishment of a central copper concentrate production facility. In Mozambique, our key focus is on obtaining the Government’s approval for Joint Venture agreement with Rio Tinto and improving the resource confidence by not only increasing the heavy mineral sands resource currently defined but also completing a scoping study in order to help define likely production plans and targets”.

House broker Northland said that: “In Oman, 2016 is expected to see the expansion of the mineral resource estimate with the continued assessment of a number of potential production routes, while in Mozambique the focus will be on an updated mineral resource estimate alongside a scoping study and pilot plant test work for a dry mining operation”.

Source: Proactive Investors
So who is not ‘dying’ in African mining? The answer may surprise you

Consider these numbers: mineral export revenue for Zimbabwe, which forms the biggest source of foreign exchange, fell 7.2% in 2015, from US$1.95 billion to US$1.81 billion. Zimasco, the country’s biggest miner of ferrochrome, dismissed most of its employees as output plummeted 48%.

In South Africa, where miners use less power than they did in 2007, and where unemployment is already a tinder box, tens of thousands of jobs are threatened: Anglo will close more than half of its mines and trim its workforce from 85,000 to 50,000.

Zambia has been hanging for dear life as revenues of its mainstay, which account for nearly 70% of exports, plunged, an issue that could decide its presidential election this year.

Mining majors such as BHP Billiton, Rio Tinto and Glencore, all of which have interests in Africa, have seen their value cut in half in less than a year.

And it shows even at this week’s Cape Investing in African Mining Indaba, the continent’s showpiece industry event in Cape Town (South Africa): last year 45 governmental delegations showed up in Cape Town, this year that number is down to about half, daunted both by the US$1,600 ticket and by the gloom surrounding the billion-dollar industry, the rapidity of which is unparalleled in recent times.

All around it is a story of carnage as industrial metal prices last year fell 27%, the steepest since 2008 during the global financial crisis, as the biggest buyer, China, eased up on its appetite, as it chalks up the slowest growth in a generation.

The tough ones:

As such it would be easy to say minerals have taken a hammering. But not all – some, three of them to be exact, are proving bulletproof, and may just serve to refocus Africa’s growth priorities.

One might hazard a guess would be lithium – used to make batteries for which the rechargeable variety is increasingly in demand (think Tesla) – prices have gone up.

But Wilfried Pabst, who runs a lithium operation in Zimbabwe, says the continent’s lithium is of a lower grade than that used to make batteries: that technology exists in, you guessed it, China.

But you wouldn’t be too wrong: graphite is another component of batteries, in addition to other uses such as in steel-making, electrodes and in lubricants.

Where there’s recovery:

Mining continues in countries such as Tanzania, Zimbabwe, Mozambique and Madagascar, and prices have seen a recovery in the last six months. Graphite is only about 5% of what is used in batteries, with the bulk in steel-making which is suffering from the Chinese hangover, but costs of production are expected to increase in the Asian country, as demand for use in lithium batteries also goes up. In other words, the only way is up.

The identity of the other two “Houdinis” is more difficult to guess: the nutrients of phosphate and potash.
Used in fertilisers, prices have held high: a 12-month high of US$123 a ton for phosphate rock, and US$300 for potash.

The reason for their climbing prices is two-fold: they have less exposure to China, and Africa is increasing the acreage under food production as its population booms.

The two nutrients have no substitutes. Farmers take nutrients out of the soil, and they must replenish them or production will plunge. And with the continent’s growing urbanisation, demand for food can only grow – people do have to eat every day.

Which leaves producers such as Eritrea, Congo-Brazzaville, Senegal, Gabon and Angola rubbing their hands in glee.

The only problem is that these minerals are not the big-hitters: diamonds, gold, iron ore and copper are among the elites, but one suspects they won’t be too worried about status as the dollars add up.

Source: Mail & Guardian

**Tata Chemicals sheds biofuels business in Mozambique**

On Monday 15 February, the Indian soda ash and sodium bicarbonate producer Tata Chemicals Ltd. announced that it has agreed to sell the 95% stake it holds in certain biofuel assets in Mozambique for US$5.5 million.

The Mumbai-based company’s unit Bio Energy Venture - 1 (Mauritius) Pvt Ltd has inked a definitive agreement with the buyer – Rademan Janse van Rensburg. Under the terms of the contract, the latter will pay the purchase consideration on a deferred payment basis through end-2020, according to the statement.

The target, called Grown Energy Zambeze Holdings Pvt Ltd Mauritius, holds the 95% interest in the owner of the Mozambican biofuel plants Grown Energy Zambeze Limitada. The remaining 5% in GEZ Ltda are in the possession of founding member Rensburg.

The deal is subject to a number of customary conditions, the vendor noted.

Source: SeeNews Renewables

**EdM to invest US$160 million to improve supply quality**

On Monday 15 February, the Board of Directors of Electricidade de Moçambique (EdM) met with members of the MDM to clarify the company’s plans.

One of the issues raised was the poor quality of energy supply in major urban centres. Additionally, the MDM requires more transparency in company management.

Obsolete equipment is the main reason for the frequent power outages, and Chairman of the Board, Mateus Magala, says that the company plans to invest over US$160 million (approximately MT7.7 billion) over two years in order to replace cables and transformers.

Thereafter, the company intends to undertake maintenance to prevent further deterioration of equipment. Subsequently, part of the funds will be invested in alternative electricity sources.

Source: O País/VOA Português
Japanese Sumitomo and IHI to build power plant in Mozambique

Sumitomo Corp. will become the first Japanese company to build a thermal power plant in Mozambique and soon start work on one in neighbouring Tanzania, expanding its power generation business in Africa.

The trading house will partner with heavy industry group IHI on the roughly ¥17 billion (approximately US$149 million) order from EdM for a natural-gas-fired plant to be built near the capital Maputo. Construction is to begin soon, with a summer 2018 target for completion.

The 110,000kW facility is expected to satisfy about a fifth of the country’s demand for electricity. It marks the first sub-Saharan power plant project for IHI, which will supply the generating equipment.

At the signing ceremony for the new power plant on Wednesday 17 February, EdM Chairman, Mateus Magala, said that the plant is the first of a series of projects that will increase generation capacity in the country by 335 megawatts (MW) in the coming years.

The financing deal, under which Mozambique will pay back the interest-free ¥17 billion loan over 40 years after a 10-year grace period, was signed in January 2014 between JICA and Minister Pedro Couto, when he was deputy finance minister. Now the country’s Energy Minister, Couto said that the signing of Wednesday’s construction contract gave him “great satisfaction”. Other new projects include a 50MW gas-fired project near Chokwe (Gaza Province), known as Kivanunga. EdM said it is also prioritising generation plants for the central and north of the country – in particular, the Nacala and Beira corridors.

Hydropower provides the main source of electricity in both Mozambique and Tanzania. But as their economies have grown, power shortages have become an obstacle. Sumitomo will build each country’s first combined-cycle power plant, which captures the heat wasted by a gas turbine to run a steam turbine, providing additional output. These plants are said to be 50% more efficient than conventional coal-fired power stations.

Sumitomo is already building a combined-cycle plant in Ghana and operates a wind farm in South Africa. Among other Japanese trading houses, Marubeni has built a fossil-fuel power plant in Nigeria, while Mitsui & Co. is involved in a project to build and operate a coal-fired plant in Morocco.

The United Nations projects Africa’s population will increase by 40% from 2015 to 2030, outstripping growth of 12% in Asia and 11% in North America. Africa’s need for power plants is thus likely to rise relatively faster. Competition for this business is also becoming energised, with Siemens and General Electric, not to mention Chinese companies, jumping into the fray.

Source: Nikkei/Zitamar News

Turkish ‘powership’ docks in Nacala to generate 100MW for Zambia

On Thursday 18 February, a Turkish-built floating power plant docked in Nacala port where it will spend the next two years generating 100MW for the Zambian market as well as fortifying the electricity grid in northern Mozambique.
The ship, which belongs to Turkish power company Karadeniz, will burn heavy fuel oil and has a nameplate capacity 110MW. It has been contracted by EdM, which will sell the power on to neighbouring Zambia.

However, in practice, the electricity sold to Zambia will be generated by the Cahora Bassa hydroelectric plant in Tete Province, closer to the Zambian border, while the ‘powership’ output will supply Mozambique’s northern grid, in particular the cities of Nacala and Nampula.

The new set-up means northern Mozambique is no longer at risk of losing its energy supply if transmission lines from Cahora Bassa fail – as they did in January 2015 when flooding knocked out the transmission line over the Licungo River at Mocuba. Moreover, EdM will save electricity that would usually be lost along the long transmission route between Tete and Nacala.

The powership arrived in Nacala on Thursday afternoon, and should be connected to the grid in around 10 days’ time, a source working on the project told Zitamar News. The ship’s arrival is a further boost for EdM after this week’s signing of a deal for two Japanese companies to build a 110,000kW gas-fired power plant in Maputo.

Source: Zitamar News

African renewable energy projects profiting from investment

Renewable energy projects in Zambia, Ethiopia, Mozambique, Chad and Tanzania include hydroelectric, geothermal and solar energy, and herald a new stage in the company’s activity in Africa, as it announced plans to expand its activities in 2016. InfraCo will receive £39 million in new funding following the signing of a new funding arrangement in December last year with its parent, the London-headquartered Private Infrastructure Development Group (PIDG), an organisation funded by several national governments.

In Zambia, InfraCo invested US$5 million through its developer, eleQtra, in a hydropower project in the country’s Western Province, designed to reduce local power shortages. The money will help to fund measures including the external studies, negotiations and procurement, in collaboration with state-owned power company ZESCO.

Another hydropower plant is being funded in Mozambique. The Pavua Hydropower project is receiving US$8 million to cover its financing, and is being developed by eleQtra and Tora Holdings. The project aims to provide stable power supply to support economic growth, and includes the construction of a reservoir which will supply the plant, provide water security for the area and ease flooding.

In Ethiopia, InfraCo is working with Berkley Energy, the Africa Renewable Energy Fund – partially funded by the African Development Bank, Icelandic Drilling and Reykjavik Geothermal,
investing US$15 million to develop the Corbetti Geothermal project on a greenfield site, the first independent power project (IPP) in Ethiopia. The funding will initially provide six wells and a small power plant, followed by a second stage of nine to 13 wells and a commercial-scale power plant.

Finally, the company is funding two solar projects in Chad and Tanzania. The Djermaya Solar project in Chad is receiving US$3 million to be developed in two phases, with the first plant due to be online by 2017, the first commercial photovoltaic plant in Chad, and the country’s first IPP, in collaboration with London-headquartered energy company Aldwych International, French renewable energy development and consulting company CDEN and Canadian private equity firm JCM Capital.

Meanwhile, Tanzania’s Redavia solar photovoltaic rental project, which is partly funded by its German parent company Redavia GmbH, Vienna-based Renewable Energy and Energy Efficiency Partnership and the Shell Foundation – Shell’s social investment initiative, has received US$5 million from InfraCo.

InfraCo was advised on Ethiopia, Chad and Tanzania projects by a team from London-headquartered international law firm Eversheds, led by Howard Barrie, a project and structured trade finance partner, assisted by associate Lynne Wells. The firm advised on due diligence, drafting and negotiating joint development arrangements and loan documentation.

Founded in August 2004, InfraCo Africa is owned by PIDG. Headquartered in Surrey (UK), PIDG was founded in 2002, to “overcome the obstacles to private sector involvement in infrastructure development in developing countries”, by the governments of the UK, Sweden, Switzerland and the Netherlands, and managed by their development agencies, along with those of Austria, Ireland, Germany and Australia, and the World Bank.

In 2014, the UK’s National Audit Office criticised the UK Department for International Development, whose funding of the company reached £700 million last year, for a lack of transparency and oversight in its investment.

Source: African Law & Business

**Mozambique to increase rail capacity by 31.5 million tons**

The capacity of Mozambique’s railways will increase significantly once the line between Moatize and Nacala (known as the Nacala Corridor) is complete, along with the strengthening of the Sena line, to be completed in the coming months.

The Nacala Logistics Corridor has the capacity to transport 18 million tons of cargo per year and will mainly serve the coal industry at a time when some exporters are facing logistical problems that make it even more difficult to continue operating at a profit, given the low commodity prices.

The opening of the line prompted the Economist Intelligence Unit (EIU) to revise coal production forecasts upwards in the short term, allowing for a faster increase in exports in 2016 and 2017 and, consequently, a smaller current account deficit for Mozambique.

“Nacala will finally ease transport bottlenecks in the Mozambique coal
industry”, the EIU said in its latest report on the country.

Approximately 18 months behind schedule and significantly over budget, the 902 kilometre line and associated deep water port were developed by Brazilian group Vale, which has a concession on Mozambique’s largest coal mine in Moatize, which can now increase production and reduce costs.

Construction of the proposed US$3.5 billion project started in 2012 when the price of coal was over US$100 per ton, double the amount recorded at the end of 2015, leading the major producers such as Vale, Jindal Power, International Coal Ventures Limited (ICVL) and Beacon Hills Resources to delay expansion plans.

“For the rest of the industry, Nacala will free up space on the Sena line, the only one available”, but the Mozambican coal industry will remain below its potential, said the EIU.

The new railway is also used by other mining companies to transport their production, and state port and rail company, Portos e Caminhos de Ferro de Moçambique (CFM), will transport passengers and cargo.

The provincial governor of Nampula, Victor Borges, recently said that the second phase of the works to modernise and expand the port of Nacala, a US$270 million investment, could begin this year and tenders are currently being prepared.

In the first half of this year work to increase the capacity of the Sena line is due to be completed, increasing from 6.5 million to 20 million tons per year, said the provincial director for Transport and Communications of Sofala, HÉlcio Canda.

The Sena line links the port of Beira to Moatize, between the provinces of Sofala and Tete, over a total length of 575 kilometres, including the Inhamitanga/Marromeu branchline.

Source: Macauhub

**Mozambique’s secondary and tertiary ports to undergo rehabilitation as cabotage shipping makes a comeback**

Shipping cabotage – the transport of goods by sea along the Mozambican coast – is set to become a hot topic this year, and the government is already working on a proposal to submit to the Council of Ministers (Cabinet).

The Minister of Transport and Communications, Carlos Mesquita, said the project will require the intervention of the private sector or a public-private partnership, and asked subordinate institutions to be ready.

Minister Mesquita also pointed out that the initiative would require substantial financial investments, and has called upon Transmarítima of Mozambique in particular to be ready to meet the challenges, suggesting that all secondary and tertiary ports in the country be rehabilitated.

The minister said that the ongoing Rovuma gas survey traffic between Pemba and Palma in Cabo Delgado is technically cabotage, and stressed that shipping competes with road and rail all over the world.

He called on his staff to look at cabotage shipping as a challenge and to address the revitalisation of secondary and tertiary ports, which will in turn stimulate local economies.
Mozambique has a 3,000 kilometre coastline whose potential, industry officials say, cannot continue to be underutilised, representing as it does a major competitive advantage vis-à-vis other Indian Ocean nations.

Source: Notícias

New bridges to address Mozambique’s challenges

UK manufacturer, Mabey Bridge, has completed six new bridges that are poised to solve various infrastructure challenges in Mozambique.

The Compact 200 bridges are helping to put a major infrastructure project back on track after heavy flooding in 2015 washed away most of the road infrastructure.

Among facilities affected include a concrete bridge in the Ile District, which threatened the completion of a major road construction project in the region.

JICA, a governmental agency that co-ordinates official development assistance (ODA) on behalf of the government of Japan, is funding the road construction project in Zambézia Province.

JICA’s contractor, Konoike-Daiho, turned to Mabey Bridge to help resolve the issue, and the installation of six Compact 200 modular bridges commenced in November last year.

Mark Wong, Mabey Bridge general sales manager – Asia, said that the company was proud of the speed at which it was able to provide a response to the customer and of the support it was able to provide in helping the JICA obtain funding approval quickly.

“Once installed, our temporary bridges will enable a major infrastructure project to recommence. We are delighted to have been able to support a customer in this way”, said Wong.

The bridges are each 30 metres in length and comprise one lane, providing temporary relief until a more permanent structure can be built. Although temporary, they are designed to bear the weight of the major road building equipment that the contractor is bringing onto site to recommence the construction of the road network.

Once completed the new 225 kilometre long highway will link Ile with Cuamba.

Source: CAJ News

Daimler optimistic of expanding business in Mozambique

The German vehicle company Daimler is optimistic that the new southern African regional centre it opened in Pretoria (South Africa) on Thursday 11 February, will greatly expand its truck and bus business in Mozambique.

Currently very few new trucks are sold to Mozambican consumers. Wolfgang Bernhard, a member of the Daimler Board of Management responsible for Daimler trucks and buses, told reporters that in 2015 only 62 new Daimler trucks (of the Mercedes-Benz and FUSO brands) were sold to Mozambican clients, all of them sourced from the Daimler factory in the South African city of East London.

Bernhard recognised that “80-90%” of the market for trucks in Mozambique is for used vehicles, and he was confident that Daimler is well positioned to meet this market. Across the world, the company
frequently leases out trucks. The leases expire after three or four years, and the trucks revert to Daimler. These used trucks, still in good condition, can be sold to customers, with a guarantee that Daimler will continue to provide service and spare parts.

“We could support these customers in the same way that we support the purchasers of new vehicles”, he said. The Mozambican companies who distribute Daimler vehicles were enthusiastic about expanding their services to cover used trucks.

Mozambican customers, he insisted, deserved the same level of service as anyone else who bought a Daimler vehicle. “Customers should have seamless access to supplies of spare parts”, said Bernhard. “We want the same level of service and parts supply wherever the customer is”.

He said he was optimistic about the future of southern Africa, despite the region’s immediate economic problems. Bernhard took a long view: “southern Africa is a region of vast natural resources and there are hundreds of millions of people who need to be transported. The fundamentals are there”, he said.

“We are prepared to do our job for the region”, he added. The company had a long term interest in southern Africa, and its determination to stay and to expand “shows our commitment to the region”.

Daimler’s first involvement in southern Africa was in Namibia, in 1905, “and we’re not going to walk away now”, said Bernhard.

He said that Daimler does not fear its competitors, but it does take them “very seriously”. However, he did not believe that any of them could better the “seamless” level of service which Daimler offers its customers.

As part of the policy of decentralising the company to regional centres, Daimler would soon roll out “new products” from its East London factory, but Bernhard declined to forecast exactly what kind of vehicles these might be.

Source: Agencia de Informacao de Moçambique

Barclays board said to debate Africa unit future this week

Barclays Plc’s board will debate the future of its Africa business at meetings which commenced on Wednesday 17 February, in London, with options including a sale of the entire stake, according to two people with knowledge of the matter.

The board meeting, led by Chief Executive Officer Jes Staley and Chairman John McFarlane, hasn’t been specifically scheduled to discuss the future of the African business, said the sources, who asked not to be identified because the agendas of the meetings are private. Executives will also discuss the bank’s latest plans for separating the UK consumer and investment banking arms under so-called ringfencing rules, they said.

The British lender owns a 62% stake in Johannesburg-based Barclays Africa Group Ltd., which was built up under former CEO Robert Diamond. Staley, under pressure to focus on the most profitable businesses in the UK and the US, has to decide whether to keep the unit amid concerns over slowing
economic growth and a falling South African rand.

If the board reaches a decision, Staley could give more details on his plans for Africa in a strategic update to be presented alongside the bank’s full-year earnings on 1 March, said the sources. A Barclays’ spokesperson declined to comment on the contents of the meetings.

Barclays’ shares closed at 168.15 pence in London, up 4.2%. They have decreased about 23% this year.

Africa Profit:

In Africa, where Barclays has operated for almost a century, pre-tax profit slipped 7.7% in the third quarter, compared with increases at the credit-card and personal and corporate-banking divisions. The region reported a return on equity of 9.7% in the third quarter, below the bank’s target of at least 11%.

The bank had £52.2 billion (approximately US$75 billion) of assets, or about 14% of its total, in the region at the end of the third quarter and employed 44,700 people in Africa and the Middle East at the end of 2014, according to its annual report.

Barclays is also considering selling its Egyptian unit after abandoning a plan to fold it into its Africa business, people with knowledge of the plan said on Wednesday. The unit, whose presence in Egypt dates back to 1864, may be worth more than US$500 million, according to one of the sources. No final decision has been made on a sale, which may attract domestic buyers from the region.

UK banks had to submit their “near final” plans for ring-fencing to the Bank of England’s Prudential Regulation Authority on 29 January, according to a spokesperson. Regulators are seeking to separate riskier investment-banking activities from consumer lending.

Source: Bloomberg

Funding programme for Mozambique’s agribusiness private sector now open

The third public grant application window for the US-Mozambique government Finagro agribusiness promotion programme is now open.

The Finagro programme supports small and medium-sized companies, associations, co-operatives and individual entrepreneurs in the agriculture, agri-processing, marketing and export fields.

Launched in May 2013 by the US Agency for International Development (USAID) and the government of Mozambique, and implemented by TechnoServe, an NGO operating in Mozambique since 1998, and with support from the Zambezi Valley Development Agency, the Finagro programme has MT166 million available in project finance.

The Finagro programme finances projects which promote partnerships between commercial, small and emerging farmers; increase access to inputs and equipment in specific areas; rectify gender imbalance and encourage female entrepreneurship; and generate new jobs or increase the value or volume of exports.

63 projects with a total value of MT115 million have been approved to date.

The programme is directed particularly at activities in the legume, tropical fruit, oilseed and cashew nut value chains and covers Beira (Sofala Province), the Zambezi Valley and Nacala corridors.
Several information sessions have been organised to clarify the geographical areas covered by the programme and other details. The locations, dates and times of the sessions can be found on the www.finagro.org.mz web page and include sessions in the Chiuta district government conference room on 17 February at 9:00hrs and the Ribaué Resource Centre on 19 February at the same time.

The deadline for applications is 3 March.

Source: Finagro

Obtala attracts US$3 million from trio of timber investors

Obtala Resources has received a US$3 million investment into its Mozambique forestry business from three specialist timber investors.

The deal sees the trio taking minority equity interests and off-take rights over specified forest concessions in Mozambique. One of the investors, Hong Kong-based Basic Materials, has also set up a sales and marketing arrangement for Asia, Russia and the Middle East.

As a result of the investment, Obtala has postponed plans to spin off Argento, its forestry arm. Some US$1.2 million has been paid already with the remainder of the US$3 million investment due by June. The money will pay for two new kilns, a sales and distribution centre at Maputo and health and community programmes.

Kevin Milne, Obtala’s deputy chairman, said the investment would allow it to retain a strong balance sheet without having to issue new shares or give up substantial control of the forestry business.

Obtala will receive US$900,000 from Basic Materials, US$1.15 million from George Miller, a private investor, and US$900,000 from Hong Kong-based Global Timber.

All will take stakes in special purpose vehicles (SPVs) that have been set up to manage their investments and concession rights. Binding commercial agreements have been agreed with the SPVs over the off-take arrangements.

Meradell Trading, a new company set up for the purpose, will pay each SPV 5% per annum of the aggregate investment and 5% of its profits into a fund to support social programmes to benefit local communities.

Milne added that: “We now look forward to bringing forward revenues through access to new international export markets that were not previously open to us.

“More specifically, Basic Materials, an off-taker and investor, which is based in Hong Kong, Shanghai and Russia, affords a route to these valuable markets”.

Source: Proactive Investors

Delta Africa buys warehouse in Mozambique

Delta Africa, the largest pan-African listed property fund, has announced that it will acquire a warehouse complex in Pemba (Cabo Delgado Province).

“Delta has identified this well-positioned warehouse complex opposite the port in Pemba as an opportunity to expand its footprint in Mozambique”, the company said on Tuesday 16 February.

“With the discovery of gas in the Rovuma River basin in the northern province of
Cabo Delgado, Pemba is forecast to receive significant investment from both the oil and gas sector and the government of Mozambique”.

The total purchase consideration due under the acquisition agreement amounts to US$8.5 million. Delta is acquiring the asset from various companies.

Delta is currently in a merger process with Mara Diversified Property Holdings, which is creating a fund with approximately ZAR7 billion worth of assets.

Stanlib’s head of listed property funds, Keillen Ndlovu, has said the Delta Africa and Mara partnership appeared to be a strong move by both parties.

“It’s a good deal. It has more critical mass as compared to funds doing something on their own and having small portfolios”, he said.

Source: Business Day Live

Correction: 20,000 square metres of shopping for Matola in 2017

By the end of 2017, Matola will have 20,000 square metres of retail space with the launch of the Novare Matola project.

The first phase, recently approved by the EISA, will have a gross leasable area of 19,500 square meters. The new shopping mall, called “Novare Matola” is scheduled to open in the last quarter of 2017, and will be located in EN4, close to the Mozal.

According to promoter Novare Equity Partners, a manager of private equity funds focused on the development of commercial real estate in sub-Saharan Africa, the new shopping centre has undergone a major expansion since the idea was first floated, increasing in size due to the strong demand from tenants and the 6,000 square metres anchor store from hypermarket chain Premier SuperSpar.

Novare Matola’s location was due to the growth observed in Matola, the capital’s largest suburb and the second most populated area of the country. “With its modern port, the region is regarded as the largest industrial area in the country, with a population of about one million people”, representing a huge pool of potential consumers, the development website declares.

Source: O País

Former Texmoque workers blockade plant and threaten protests in Nampula

On Monday 15 February, more than 100 former Texmoque fabric workers (who were retrenched 10 years ago) blocked access to their old workplace in Nampula Province, demanding what they claim are unpaid wages, bonuses and holiday pay from the government.

The Texmoque factory was sold to the Metil group, which has been manufacturing cotton fabric in the same location for three years.

A group of 130 workers, who claim to not have received any compensation, have accused the Management Institute of State Affiliated Companies (IGEPE) of ignoring a 5 January letter expressing their concerns. As such, the disgruntled former employees decided to barricade the new Texmoque plant and stay there until a solution has been found.

In the long-running saga, the government has compensated many of the more than 1,000 retrenched workers, but a number
of payments are still disputed. The situation of former Texmoque employees was debated in the National Assembly, but problems remain.

The IGEPE disputes the workers’ claims and says that it included vacation pay in the compensation, while Astam Ossufo, Provincial Labour Inspector in Nampula, says the dispute is the responsibility of IGEPE and the local government is waiting on a Maputo team to find a solution.

Source: VOA Português

POLITICS

Dhlakama reappears after four months and insists he will govern in March

On Friday 12 February, a group of reporters met Renamo leader, Afonso Dhlakama, at a military base at the foot of the Gorongosa mountains (Sofala Province), ending speculation as to his whereabouts.

Dhlakama told the reporters that he arrived at the military base in Satunjira in January, after a two-and-a-half-month march from Beira.

"The goal is undoubtedly to continue to fight for democracy", Dhlakama explained to the journalists, insisting that he will govern by March in the six provinces where his party claims victory in the 2014 elections.

The Renamo leader appeared thin and showed journalists the straw mat he said he slept on every night.

In a conciliatory note, Dhlakama said that his return to Gorongosa “is not revenge” or any prelude to restarting the war, but a complement to the fighting which began in 1977 to “teach democracy to Africa and the world”.

“I did not come to pick up weapons and fight”, he said, adding that his intention was not to “show belligerence, but to demonstrate the ability of a leader, peaceful and still willing to negotiate”.

Comparing himself to Nelson Mandela, Dhlakama said that he is committed to the future of Mozambique, considers his strategies normal and says he can achieve his goals from the Satunjira military base, where he feels safer.

“[President Filipe] Nyusi said, we want to get the president Dhlakama to lead a normal life. I am leading a normal life. A normal life for [President] Nyusi is to live in a palace in Maputo, with half a dozen people but without support, and here I am with millions and millions”, Dhlakama said, claiming that his return to Gorongosa is a source of great satisfaction for the local population.

The military base where Dhlakama is staying is barely a kilometre from its former location, now controlled by the state armed forces, which overran the base in October 2013.

The Renamo leader had not been seen in public since 9 October, when police raided his residence in Beira, allegedly for a weapons-collection operation. It was the third serious incident in less than a month involving the opposition leader and his entourage.
During discussions with the reporters, Dhlakama said that he has lost total confidence in the government of Mozambique and is only available for possible negotiations on behalf of the future of democracy in the country.

Dhlakama said that recent incidents concerning his convoy, the police invasion on his home in Beira and reports of abductions and killings perpetrated against members of his party affect his availability for dialogue.

“After what happened on 12 and 25 September [attacks on convoy in Manica Province], there is no trust. It is one thing to attack the base, but to attack my car on the move, any human being, even the pope, would question the security and trust for dialogue”, he said.

Dhlakama informed the journalists that he is available to return to the negotiation table with the government, but only if certain conditions are met. The first of Dhlakama’s conditions is that the negotiations must take place outside of the capital city, as security in Maputo is a concern. Dhlakama insists that the meetings can therefore be held in Gorongosa, Beira, Chimoio and Nampula – provided that his safety is ensured.

Additionally, Dhlakama insists that the negotiations cannot take place until after he has assumed power in six northern and central provinces (Tete, Niassa, Zambézia, Nampula, Sofala and Manica), where his movement claims victory in the 2014 general elections.

Lastly, Dhlakama said that talks will only take place if they are mediated by the Catholic Church and by South African President Jacob Zuma.

While Dhlakama reiterated his promise to assume power of the six provinces by March, he clarified that that will not necessarily mean physically deposing the existing governors appointed by President Nyusi.

“Being a governor or administrator doesn’t mean having a physical space”, he said. “It doesn’t mean going in to the office of my sister Helena Taipo [governor of Sofala], or of the governor of Zambézia. Democracy is not done in offices”.

Rather, he said that: “governing means having executive power in your hands; or, having the people at your side, and leading with international and national investors”.

However, he warned that if the sitting governors try to block Renamo’s attempts in those provinces, Renamo will be left with no option but to “push them out of their palaces and put our governors in their palaces”.

On the topic of the attacks carried out by Renamo guerrillas in recent days, mainly in the central region, Dhlakama said that: “These military kids have come to provoke us and what we are doing is just responding to Frelimo’s provocations”.

The party’s leader in Parliament, Ivone Soares, said on Monday 15 February, that she did not yet have any more information on the attacks than what has appeared in the media.

For follow-up see: www.youtube.com/watch?v=_y_EPBDW-Yc for the TVM interview.

Source: Lusa/A Bola/Zitamar News/VOA Português/Folha de Maputo
Renamo says President Zuma did receive its request

On Monday 15 February, Renamo produced copies of correspondence which, it said, proves that South African President Jacob Zuma had indeed received its letter requesting him to mediate between Renamo and the Mozambican government.

At a Maputo press conference, the Renamo spokesperson, António Muchanga, distributed copies of a letter signed by Dr. Cassius Lubisi, the director of President Zuma’s office, acknowledging receipt of the Renamo letter.

Muchanga triumphantly declared that this proved that the South African Foreign Minister, Maite Nkoana-Mashabane, had lied when she denied last week that the South African government had received any invitation to mediate.

However, the content of Lubisi’s letter should have wiped any smiles off Muchanga’s face. For President Zuma’s office gave Renamo the brush-off. Far from responding positively to the approach, as Renamo leader Afonso Dhlakama had claimed, the letter told Renamo to go and speak to the Mozambican government. Only if the government and Renamo agreed jointly to seek mediation, would the South African government consider it.

In the letter, dated 25 November 2015 and addressed to Renamo Secretary-General, Manuel Bissopo, Lubisi acknowledges the 19 October request, saying: “Please know that the President was informed about your request for mediation between the Government of Mozambique and your party. The role of mediation must first be discussed and agreed between the two parties – the government of Mozambique and Renamo. We encourage your party to continue to participate in talks with the government. It is through dialogue that Mozambique will find peace, stability and development”.

Dhlakama has insisted that mediation by President Zuma and by the Catholic Church is a pre-condition for any face-to-face meeting between the Renamo leader and President Filipe Nyusi.

Since the Mozambican authorities have made it abundantly clear that they do not regard any foreign mediation as necessary in what is a purely internal dispute, the Renamo request looks like a non-starter (although Muchanga claimed that Renamo is waiting for a “yes” from the government).

In August, Dhlakama unilaterally suspended the dialogue between his party and the government which had been under way since April 2013. He also unilaterally dispensed with the services of the five Mozambican mediators to the dialogue – prominent academic Lourenco do Rosário, Anglican bishop Dinis Sengulane, catholic priest Filipe Couto, Methodist pastor Anastacio Chembeze, and Muslim Cleric Sheikh Habib Abibo. Since the mediators were appointed by both sides, it is unclear as to whether only one side has the power to dismiss them.

Source: Agencia de Informacao de Moçambique/VOA Português

Frelimo accuses Renamo of putting development at risk

Tensions created by Renamo are putting Mozambique’s development at risk, according to Margarida Talapa, head of the parliamentary group of the ruling
Frelimo Party, at the opening of the first sitting of the National Assembly, held on Wednesday 17 February.

Talapa said she believed that there are people within Renamo “who are not apologists for war, and who understand perfectly well that dialogue is the best option for obtaining effective peace in Mozambique”.

But she accused this supposedly reasonable wing of Renamo of cowardice. In a clear reference to Renamo parliamentarians, Talapa said that: “their convenient and cowardly silence, so that they don’t lose any benefits, prevents them from confronting the apologists of violence and of looting the people”.

Talapa thought it “a great pity” that some Renamo parliamentary deputies have used the Assembly “for incendiary and totally irresponsible speeches, which are an incitement to civil disobedience, divisions, tribalism and war, in order to come to power”.

“We should rely on dialogue to achieve consensus around the questions that divide us, because permanent and unconditional dialogue is the only way to consolidate democracy, attain effective peace and contribute to the development of Mozambique”, she said.

“We urge all politicians to be actors in development and not promoters of civil disobedience and war”, she added, urging Renamo to comply with the Agreement on the Cessation of Military Hostilities (which it signed on 5 September 2014), and to hand over its weapons.

Talapa said that Frelimo believed that, under a democratic system, differences “should be overcome by resorting to a permanent, open, serious and frank dialogue, without preconceptions of any kind. Nothing justifies that the greed for power of some people should endanger the calm and harmony of millions of Mozambicans”.

She added that Frelimo would encourage the government to consider proposals and viewpoints from other political forces, “as long as these are based on good sense and reason, and not on political blackmail”.

Talapa urged the Renamo leader, Afonso Dhlakama, to unconditionally accept the invitation addressed to him repeatedly by President Filipe Nyusi “for a constructive dialogue, in order to disarm the residential Renamo forces, and reintegrate them into various sectors so that they can make their contribution to the development of Mozambique”.

But a strident speech from her Renamo counterpart, Ivone Soares, made it very clear that Renamo does not have the slightest intention of disarming.

Most of Soares’ speech consisted of denunciations of Frelimo and the government, which she accused of “state terrorism”. She claimed that: “Frelimo manipulates the defence and security forces and attacks Renamo forces which are awaiting reintegration”.

In fact, there are no Renamo forces awaiting reintegration, because Renamo never provided the list of names of those members of its militia whom it wanted to see recruited into the armed forces (FADM) and the police.

The government had repeatedly asked for such a list after the Agreement on the
Cessation of Military Hostilities was signed, but none was ever forthcoming.

Soares claimed that Renamo only keeps its militia in existence because “Frelimo does not want to comply with the General Peace Agreement and the Agreement on the Cessation of Hostilities”.

The 1992 General Peace Agreement allowed Renamo to maintain an armed force to protect its top leaders. But the Agreement itself stated that this was a transitional measure for the period between the ceasefire and the first multi-party elections. These were held in October 1994, and since that moment the Renamo militia has been entirely illegal.

Soares made the standard Renamo claim that Frelimo’s victory in the October 2014 elections was due to generalised fraud (although this is not supported by any domestic or foreign election observation mission), and insists on Renamo’s right to govern six northern and central provinces (Manica, Sofala, Tete, Zambézia, Nampula and Niassa).

Her speech was laced with regionalism, claiming that Frelimo “discriminates against the people of the centre and the north. It is Frelimo that wants to divide the country. It does not regard the centre and the north as part of Mozambique”. She claimed that, for Frelimo, the Save River (the conventional boundary between the southern and central provinces) “marks the border of the country”.

She failed to explain how it was that, if Frelimo discriminates against the north, a man from the north, Filipe Nyusi, is President of the Republic.

*Source: Agencia de Informacao de Moçambique*

**President Nyusi urges OMM to train young women**

On Saturday 13 February, President Filipe Nyusi, speaking in his capacity as president of the ruling Frelimo Party, urged the Mozambican Women’s Organisation (OMM), which is affiliated to Frelimo, to focus more of its energies into training young women.

Speaking at the closing session of the OMM IV Congress, in the southern city of Matola, President Nyusi said that this change in the OMM’s priorities should be accompanied by an open debate of the problems facing both the OMM and Frelimo, which would make it possible to take “structuring decisions”.

He added that the OMM must be guided by participatory methodologies that value the knowledge and militancy of women of all social strata who are committed to Frelimo, taking inspiration from the ideals that have oriented the OMM since it was founded 43 years ago.

“The country is waiting for us”, declared President Nyusi. “We should not rest while there are still women who sleep unsure of what they will eat the following day, or where to find calm for their child, or how to produce from the family field, while there are still malnourished children, and women without access to maternity facilities, while there is still no effective peace”.

Society is crying out for change, said the President, and no-one is better positioned to bring about that change than “united and visionary women”.

“We should commit ourselves to the decisions taken at this congress, with faith in victory and the certainty that the OMM
will be able to impose itself in society and that, thanks to its fruits, no Mozambican woman will want to be left out of this noble mission of fighting for socio-economic liberation”, President Nyusi added.

He claimed that the OMM has become more powerful because it brings together women from various generations who transmit knowledge, examples and histories of sacrifices in defence of women and of Mozambique.

“Today Mozambican women cannot be bypassed in the political, economic, social and academic panorama”, said President Nyusi. “I congratulate the OMM for showing society that we are an organisation with firm traditions, principles and values”.

The Congress elected a new leadership for the organisation. The First Lady, Isaura Nyusi, was elected to the post of President of the OMM, taking over from the previous first lady, Maria da Luz Guebuza.

Elected as Secretary-General was Mariazinha Niquice, formerly the Frelimo First Secretary in the central province of Manica. She replaces Maria de Fatima Pelembe, whom President Nyusi appointed Deputy Minister for Veterans’ Affairs last year.

Speaking at the close of the Congress, Isaura Nyusi cited the words of the country’s first president, Samora Machel, that: “the liberation of women is not an act of charity. It is not the result of a humanitarian or compassionate position. It is a fundamental necessity for the Revolution, a guarantee of its continuity, and a condition for its success”.

She stressed the main challenges facing the OMM as the empowerment of women, support for children and other vulnerable groups, the promotion of gender equity, through building the capacity of both women and men in the various spheres of development.

Priorities for action, she added, included the promotion of births in health units rather than at home, equitable access to education, health care and housing, the fight against child marriage and early pregnancies, and reducing the incidence of chronic malnutrition, HIV/AIDS and breast and cervical cancers.

“We do not need to remind ourselves every day of the natural pacifying role of women because women are the guarantee for the strengthening of peaceful and democratic co-existence, which are the foundations for strengthening peace and national unity”, she declared.

In turn, Niquice pledged to defend the goals for which the OMM was created, and to raise the name of Frelimo and the cause of gender equity.

Source: Agencia de Informacao de Moçambique

Government denounces conditions of its refugees in Malawi

On Monday 15 February, the government expressed its concern over the deplorable conditions in which its citizens are living in the Kapise Refugee Camp in neighbouring Malawi. The camp shelters Mozambican citizens who fled their country because of insecurity in their region as a result of sporadic clashes between armed Renamo guerrillas and the defence and security forces.
The most recent count puts the number of Mozambican refugees in Malawi at 5,600.

The plight of the Mozambican refugees led the government to send Foreign Minister Oldemiro Balói to Malawi, in order to assess the situation and to discuss with the Malawian authorities how to improve the conditions in the camp and how to return the refugees home.

Although Minister Balói recognised that his fellow country men and women are free to live in any other country, the refugees in Kapise are living under deplorable conditions.

This, he explained, is why he thinks the best solution is for them to return home where they can “produce and live well like they have been since the 1992 Rome Peace Agreement”.

“Your best place, by what I see here, is your homes where you can produce, your children can study. Peace is something good. That’s why since the signing of the peace accord in 1992, a lot has been done by all of us. We gradually built roads, schools, hospitals, water supply facilities and markets. All this happened with everybody’s help”, Minister Balói said.

“No, when people abandon their place of origin to come and live under these conditions. This is worrying and is not what the government wants. Therefore, we have to continue working with the Malawian authorities and organisations towards a common goal: to create conditions so that you can return home and resume the life you led before and not this way”, he added.

Analysts in Maputo say that the Mozambican government must first create stability and good security conditions before rushing people back home, where the locals are sometimes forced to sleep in the bush because of clashes between the Renamo militia and members of the country’s defence and security forces.

In the meantime, the Mozambican government is accusing the representative of the UN High Commissioner for Refugees (UNHCR) in Malawi, Monike Ekoko, of urging the refugees not to return to Mozambique, despite the unsatisfactory conditions in which they are living.

According to reports, the government wants the refugees to return, but says that Ekoko is acting against this.

Reports suggest that Minister Balói verbally confronted Ekoko for attempting to convince the Mozambican refugees to stay in Malawi.

Ekoko subsequently rejected the allegations and denied that she had said that the refugees should remain in Malawi indefinitely, but only that they must return when conditions in Mozambique permit them to do so.

“The return of refugees to Mozambique is a free process, but they have told us they are fleeing conflict, that their homes have been burned down and that they are afraid to return to their villages. We have told Foreign Minister Balói that they must return only when the situation is stabilised”, she said.

“When there are no kidnappings, when armed forces stop fighting, when there is an end to insecurity, when people are no longer killed – when, in short, there are conditions for people to live”, the UNHCR
will encourage them to return, because “home is home”.

The UNHCR representative said that there are upwards of 6,000 Mozambican refugees in Malawi, more than the 5,600 claimed by the government in Maputo.

“Unfortunately we have about 6,000 of them crowded in. We have to wait for more land, more space, which is not happening. There are pressures on the Malawi government not to do it, but that is not our problem”, Ekoko said.

However, she added that Malawi was doing its part giving asylum to the Mozambican refugees, and would continue providing subsistence with the help of the international community.

In the meantime, BBC’s Southern Africa Correspondent, Karen Allen, claims that the Mozambican government seems keen to play the situation down, refusing to recognise those leaving as refugees.

Source: APA/VOA Português/BBC

Government hoping to bring refugees home

The delegation found there were now approximately 5,600 Mozambican refugees in Malawi. It concluded there were two reasons for citizens fleeing from Tete Province into Malawi – one was the clashes between the defence and security forces and Renamo gunmen, and the other was the severe drought that has struck parts of Tete.

Deputy Minister Comoana said that Minister Balói’s delegation had found that minimum conditions for survival exist in the accommodation centre for the refugees set up at Kapise by the Malawian authorities.

Deputy Minister Comoana said that the government will continue to work to maintain peace, and to establish living conditions that would allow the refugees to return to their areas of origin. “The government will take measures that prioritise the establishment of improved basic conditions in the places where these Mozambicans come from”, she said.

She pledged that the government “will continue to undertake actions to maintain effective peace, dialogue and political and social stability”.

The government also considered the drought that is currently gripping much of southern and central Mozambique.

Deputy Minister Comoana appealed to domestic solidarity and to bilateral partners for the funds required to provide food and drinking water to the drought affected population.

Setting an example, the Cabinet members decided to donate a day’s salary to assist the drought victims.
Deputy Minister Comoana said that the government regards the drought situation as under control, and that there is no need to launch an international emergency appeal, as has happened in the past, when Mozambican governments found that the scale of disasters was beyond the country’s internal capacity to deal with them.

Source: Agencia de Informacao de Moçambique

Angola and Mozambique sign visa waiver agreement for ordinary passports

On Friday 12 February, the interior ministers of Mozambique and Angola signed a visa waiver agreement for ordinary passport holders of both countries.

“This agreement will allow more visits and exchange of experience between our two countries”, Mozambican Interior Minister Jaime Monteiro said after signing the agreement with his Angolan counterpart, Minister Ângelo de Barros Veiga Tavares, in Maputo.

Minister Monteiro said that the agreement was in line with one of the fundamental objectives of the Southern African Development Community (SADC) to encourage the development of policies aimed at the progressive elimination of obstacles to the free movement between member states.

Highlighting the importance of the mechanism for “two countries that share historical ties”, Minister Monteiro said that the agreement would stimulate joint private sector activities.

“We want businessmen to find fewer difficulties in transactions between the two countries”, Minister Monteiro said, adding that the Mozambique and Angola are also increasing co-operation on security issues.

Minister Tavares said that the agreement would strengthening bilateral relations by allowing freer movement between the two countries.

“Our wish is for businesspeople to have no more difficulties in transactions that involve both countries”, said Minister Tavares, adding that the two governments were making efforts to increase the level of co-operation on security.

“During my visit, we have identified new areas for co-operation. We hope to strengthen our relationship”, said Minister Tavares, who also met with President Nyusi on Friday.

The Angolan minister noted that: “this kind of co-operation among African countries is very important and must continue”, highlighting security as a priority for both parties.

“We want to increase co-operation on police training in security matters”, Minister Tavares said, adding that Mozambique and Angola had always maintained regular contact.

The visa waiver agreement follows President Nyusi’s state visit to Angola last November. Initially the negotiations for the introduction of facilities in granting visas will cover multiple visas valid for 90 days.

However, preparations are underway for visas to be abolished between Angola and Mozambique, and a technical committee has been set up to monitor and assess the agreement that has just been signed.

Source: Lusa/Macauhub
Congressional delegation calls for dialogue

On Monday 15 February, a visiting delegation from the US Congress declared that the only tool that can guarantee Mozambique’s continued growth is a dialogue leading to effective peace.

The leader of the delegation, Republican Senator from Arizona, Jeff Flake, made this claim immediately after an audience granted by Mozambican Foreign Minister Oldemiro Balói.

“We are pleased with the legislative advances the country has made in recent years”, Senator Flake said. “It is in our interest that peace be established, so that various sectors of society are not compromised”.

The United States wants Mozambique to continue growing in a favourable environment, and to remain a safe destination for investment. “That’s why we are calling for urgent dialogue between the parties involved, since this is the best path for solving conflicts”, said Senator Flake. Senator Flake also addressed other problems facing the country, such as poaching, environmental degradation and organised crime.

“We have been witnessing an improvement in strategies to combat poaching and note that you are still working for the parks and reserves to become less vulnerable, creating favourable environments for bio-diverse conservation”, said the senator, adding that environmental crimes must still be reduced considerably.

He recalled that Mozambique had gone through very difficult times during the war of destabilisation “and this scenario must not be repeated, because it may compromise the economic development of the country, particularly the quality of life, the development of infrastructures, and the growth of tourism, and could put at risk all the advances made in recent years”.

“Tourism is one of the sectors that most needs peace”, said Senator Flake. “People need security for tourism. So we shall continue to redouble our efforts to guarantee the positive role of our intervention in attaining peace. We repeat that there is an eminent need for understanding”.

The visit is part of a four nation mission covering Botswana, Mozambique, Namibia and Zimbabwe. The delegation includes Senator Jeff Flake, Senator Thad Cochran, Senator Christopher Coons, Senator Ben Cardin, and Representative Adam Schiff.

Sources: Agencia de Informacao de Moçambique/The Zimbabwean

Ilyas Umakhanov in Maputo

On Wednesday 17 February, the Deputy Speaker of Russia’s Federation Council (Upper House), Ilyas Umakhanov, arrived in Maputo for a three-day working visit aimed at strengthening relations of cooperation between the two countries and their people.

During his stay, Umakhanov held a working meeting with the Mozambican Speaker of House, Veronica Macamo, aimed at ratifying an agreement for the development of inter-parliamentary cooperation between the parliamentary institutions of both countries.
Umakhanov also met with the First Vice President of the National Assembly, António José Amelia, with the aim of strengthening bilateral co-operation between the two countries. Umakhanov is also expected to meet with President Filipe Nyusi and the Minister of Foreign Affairs and Cooperation, Oldemiro Balói.

Source: Jornal Notícias

Portuguese ambassador to Mozambique to step down

The Portuguese ambassador to Mozambique, José Augusto Duarte, will step down from his position in order to become diplomatic adviser to President-elect Marcelo Rebelo de Sousa of Portugal. Besides being ambassador to Mozambique, Ambassador Duarte is also non-resident ambassador to the Seychelles, Swaziland, Tanzania and Mauritius.

The diplomat can boast a 26-year career in diplomacy, including stints in the United States and Spain and a spell as Permanent Representative to the European Union (EU) in Brussels. Before coming to Mozambique in 2013, he was director-general of Administration of the Portuguese Ministry of Foreign Affairs.

Marcelo Rebelo de Sousa was elected president of Portugal in January of this year with more than 52% of the vote, and will take office on 9 March.

Source: Club of Mozambique

Paulino Macaringue appointed High Commissioner of Mozambique in Namibia

President Filipe Nyusi has appointed Paulino Macaringue to the position of High Commissioner of Mozambique in Namibia.

According to reports, Macaringue will be stationed in Pretoria (South Africa), where he is currently the representative of Mozambique to the Republic of South Africa.

Macaringue replaces Fernando Fazenda, who was dismissed in October 2015.

Source: Folha de Maputo

Minister Maleiane appoints new director-general of Customs

On Monday 15 February, the Minister of Economy and Finance, Adriano Maleiane, dismissed Guilherme Mambo and appointed Aly Malla as the new director-general of Customs.

Malla has been a member of the Mozambican Customs for 37 years, where he was serving as deputy director general, a position he held for over 10 years.

Mambo was dismissed after three years in office and 17 in the institution, a period during which he held various positions, including the project of the Single Electronic Window (Janela Única Electrónica- JUE).

This appointment is within the context of ongoing changes in the institution, implemented by the new president of the Tax Authority, Amelia Nacare, since she was appointed to the post six months ago and has already dictated the appointment of new top managers in almost all leadership stations at all organisational levels.

Source: Folha de Maputo
Mozambique’s success story under threat

Since mid-2015, over 3,000 refugees from Mozambique have fled to neighbouring Malawi and are being housed in camps set up by the United Nations High Commission for Refugees (UNHCR).

The World Food Programme and humanitarian organisation Médecins sans Frontières (Doctors Without Borders, MSF) are also now assisting with the influx of people who say they are fleeing reprisals from government soldiers against the low-level guerrilla warfare staged by Renamo rebels.

However, this story has not hit international headlines.

Veteran rebel leader Afonso Dhlakama has insisted that his movement, Renamo, would take over the local administrations of the six central provinces (out of 11) that he believes were won in the elections in 2014. Renamo refused to accept the results of the elections, which it claims were rigged.

Insecurity in Mozambique is worsening. On Thursday 11 February, a new attack on Mozambique’s main north-south highway saw three people injured. This was part of a series of ambushes on vehicles in the past few weeks. And on 20 January, Renamo Secretary-General, Manuel Bissopo, was shot and wounded in Beira ( Sofala Province), and his bodyguard killed.

According to Agencia de Informacao de Moçambique, Bissopo was hospitalised in South Africa, and the Mozambique government has launched an investigation into the assassination attempts. In the same report, Agencia de Informacao de Moçambique says that threats made by Renamo on 8 February, to set up armed roadblocks on the main highways in central Mozambique, amounts to “tearing up the agreement of 5 September 2014 on the cessation of military hostilities”.

Institute for Security Studies (ISS) researcher Dimpho Motsamai warns that even though there are doubts about Renamo’s military and financial capacity to sustain a war effort, it could temporarily render the country ungovernable. “Government can no longer afford to dismiss the threats as mere warmongering”, she says.

Still, apart from alarm in Mozambique, and especially in the affected areas – particularly Tete Province – the situation hasn’t been put on the agenda by any of the continental institutions like the SADC or the African Union (AU).

According to Paula Roque, an expert on lusophone Africa and an Oxford University scholar, the relative dearth of international reaction is partly due to Mozambique being seen as one of Africa’s post-conflict success stories. People are reluctant to let go of that narrative. “There is also relatively little reporting in international media, partly because fighting has not reached the capital”, she says. It is not only African institutions that are at fault for not reacting, but the international community at large, Roque says.
Mozambique has indeed been hailed as an example of how a country can pick up the pieces after a devastating civil war, which ended in 1992. The country’s phenomenal economic growth, recently spurred by the massive gas finds, contributed to optimistic predictions that Mozambique could become an economic giant in years to come.

Researchers concur, however, that although Mozambique’s peacebuilding efforts were exemplary, not enough has been done to consolidate the gains made after the peace was signed with Renamo. Dhlakama is clearly still in wartime mode. He briefly came out of his hiding place and signed a peace deal to participate in the October 2014 elections, but has again urged his Renamo fighters to take up arms.

“Long-term goals of peacebuilding can be undermined by the temptations of immediate political gains”, say researchers Lisa Reppell, Jonathan Rozen, and Gustavo de Carvalho in a soon-to-be-published ISS report. De Carvalho explains: “the current challenges in Mozambique provide a lesson on the importance of ensuring that peacebuilding processes are sustained, despite particular gains that might have been experienced”.

While Renamo’s tactics are to be condemned, the opposition in Mozambique does have some legitimate grievances – especially when it comes to corruption by the elite within the governing Frelimo, as noted by ISS researchers Sibongile Gida and Amanda Lucey. “Although Renamo has been portrayed as the sole cause of the current conflict, the government does need to acknowledge some of the grievances put forward by the opposition”, they said. Tension in the country has also increased in recent years because the natural resource wealth has not been distributed equally.

Are the continent and the region turning a blind eye to what has been happening in Mozambique? Clearly the government doesn’t want much international focus on the events for fear of scaring off potential investors. It has urged refugees to return home and has committed to relocating them to a safe haven. Reports of Mozambicans being forced to find refuge in a neighbouring country are harmful to its international reputation and evoke bad memories for everyone in the country.

For now, it doesn’t seem as though regional leaders will get involved in mediation efforts, unless the violence escalates even further. This is despite reported calls by Dhlakama for South Africa’s President Jacob Zuma to get involved in mediating in the crisis.

Asked whether South Africa would play a role in the political crisis in Mozambique, Maite Nkoana-Mashabane, South Africa’s Minister of International Relations and Cooperation, reportedly said that there had been no official request for South Africa to get involved. If such a request were to be made, the Cabinet would first consult with the Mozambican government, she told the African News Agency during a visit to Maputo on Wednesday 10 February. “Mozambique has an elected government”, she is quoted as saying.

Roque believes that given Renamo’s legacy as a rebel movement supported by the former apartheid regime in South Africa, countries like neighbouring
Zimbabwe would also not be keen to see SADC mediation. “Renamo is on the wrong side of history”. Mozambique’s neighbours did participate in a structure called the Military Team of International Observers for the Cessation of Military Hostilities, led by Botswana, set up to monitor the 2014 pre-election agreements.

Motsamai says the fact that the government insists that this is a domestic matter precludes regional mediation at this stage. “It explains SADC’s current position on Mozambique, which is a repeat of what happened in the past. When the clashes escalated in 2013 and Renamo said it ended its peace deal with the Frelimo government, the SADC was the only organisation that remained mum on the developments. The AU, the European Union, the United States and others released statements condemning the acts and encouraging dialogue”.

At the time, Mozambique chaired SADC’s security organ and its executive secretary was Mozambican. Currently, Mozambique’s President Filipe Nyusi chairs the Organ for Peace, Politics, Defence and Security, so SADC cannot intervene without President Nyusi’s invitation she says.

Some believe a neutral broker, like the Italian government, could again be roped-in to try and get a new dialogue on the go. The Community of Saint’Egidio, an Italian Catholic organisation, was instrumental in getting Renamo to sign the September 2014 peace deal and to agree to participate in the elections. Saint’Egidio was also involved in mediating the first peace agreement in 1992, which ended the civil war.

In the short-term, it seems to be up to Mozambicans to solve the crisis. President Nyusi, who took up office in January 2015, has offered many times to negotiate with Dhlakama and dialogue has been ongoing at a more informal level. However, Dhlakama retreated to his hideout in the Gorongosa mountains following and attack on his motorcade in September 2015 and the subsequent raid on his Beira home in October by the country’s security forces, and he has since refused to meet with President Nyusi.

During a recent visit to Namibia, former president Joaquim Chissano said that dialogue with Renamo is the only viable way to resolve the current impasse and “to avoid the killing of people in a more generalised conflict”. The impasse could be a ticking time bomb.

Source: Institute for Security Studies

Renamo ambushes on main road for second consecutive day

On Friday 12 February, Renamo gunmen staged three ambushes on roads in the central province of Sofala, injuring three people.

This was the second consecutive day of Renamo ambushes following a threat issued on Monday 8 February, by Renamo’s head of mobilisation in Sofala Province, Horacio Calavete, that Renamo would set up armed road blocks and “control points” along the EN1. He said the decision was taken personally by Renamo leader, Afonso Dhlakama, who is currently living in a
Renamo base in Satunjira, Gorongosa (Sofala Province).

According to Commander of the Sofala provincial police, Alfredo Mussa, two of the attacks took place along the stretch of the main north-south highway (EN1) between the Save River and the small Sofala town of Muxungué. The third attack occurred in the Nhamapaza region of Maringué district.

In the first attack on the Save-Muxungué road, at approximately 08:00hrs, the gunmen opened fire on a truck and a light vehicle. They caused severe damage to the vehicles and injured two people, one of them seriously. Both were taken to the Muxungué Rural Hospital.

The other injury occurred during the Nhamapaza attack. A vehicle carrying four people came under fire, and one of them was seriously injured in the leg.

The Sofala police command called a press conference on Friday, stressing that traffic is continuing to flow along Sofala roads, which are being patrolled by units of the defence and security forces.

In Maputo, Interior Minister Jaime Monteiro assured reporters that “strategic operations” are under way to neutralise the Renamo gunmen. He was speaking immediately after signing an agreement with his Angolan counterpart, Ângelo de Barros Veiga Tavares, on facilitating entry visas.

Minister Monteiro took the opportunity to urge members of the armed forces and the police “to give their best to restore security and recover threatened authority”.

Operations were under way “to pursue and neutralise these gangs”, he said. He gave no details, but claimed “there are positive signs”.

He stressed that citizens should continue to use the roads normally. “We want to calm people and assure them that we will not permit the slightest interruption in traffic along our roads”, Minister Monteiro said. “Right now vehicles are circulating normally”.

Motorists interviewed by STV admitted that Thursday’s and Friday’s ambushes had scared them, but said their work ensured that they would continue using the road. Bus drivers were worried that the Renamo attacks would mean that fewer people will use long distance buses, therefore affecting the revenue of transport companies.

Source: Agencia de Informacao de Moçambique/Mozambique News Reports & Clippings

Armed Forces conduct major military movements in Central Mozambique

According to the anti-government publication, Canal De Moçambique, government and Renamo troops clashed in the early hours of Friday 12 February, in a region close to Sabe, Morrumbala district (Zambézia Province), when Renamo attacked a unit of government forces approaching their position.

According to unconfirmed reports, the clashes lasted into the morning, leaving at least five dead. The report also alleges that Renamo managed to seize an unspecified amount of weaponry during the attack.
On Friday, government troops reportedly returned to the village where they were attacked and proceeded to burn down huts, accusing the local population of harbouring and collaborating with Renamo combatants.

An anonymous Renamo source in Zambézia confirmed the attack on government troops approaching their position and the retaliatory burning of huts.

Contacted by telephone by *Canal De Moçambique*, the provincial PRM commander in Zambézia, João Manguelle, would neither confirm nor deny the incidents, saying he had no knowledge of them and that the situation was calm.

On Sunday 14 February, the situation was described as calm but with the population still in hiding.

Military clashes in Mozambique’s central region are intensifying, with the government allegedly sending more heavy weaponry, war tanks and long range weapons, sparking speculation about another assault on Frelimo’s Mount Gorongosa positions.

On Monday 15 February, *Canal De Moçambique* reported that Muxungué is the scene of major military movements by government forces, and that several units of the FADM reportedly left Maputo on the evening of Thursday 11 February, bound for the central provinces of Sofala, Manica, Tete and Zambézia.

**Source: Canal De Moçambique**

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**Renamo men murder Frelimo official in Sofala**

On the morning of Monday 15 February, gunmen (allegedly from Renamo) murdered an official of the ruling Frelimo Party in Nhamatanda district (Sofala Province).

The victim, 66-year-old Manecas da Silva, was a Frelimo circle secretary (the circle is the rung in the party organisation intermediate between a branch and a zone), and also a judge in the Chidassicua Community Court.

The Nhamatanda district administrator, Boavida Manuel, told reporters that da Silva was murdered at his home shortly after midnight by a group of six Renamo gunmen. His wife, 47-year-old Dorca Benjamin, was seriously injured after being shot in the left thigh, and is currently receiving medical care at the Beira Central Hospital.

Also on Monday morning, a Renamo group reportedly opened fire on vehicles on the main north-south highway near the small Sofala town of Muxungué, in Chibabava district. The district administrator, Luis Nhanzozo, told reporters that the shots were fired at approximately 8:00hrs, but caused no casualties and no damage. Traffic continued to flow normally along the road after the incident.

A week ago the Renamo head of mobilisation in Sofala, Horacio Calavete, claiming to be acting on the instructions of Renamo leader Afonso Dhlakama, threatened to block key roads in the centre of the country. On Thursday and Friday Renamo launched several ambushes, mainly against the north-
Two dead in Renamo attack in Gorongosa

During the early hours of Wednesday 17 February, armed Renamo men ambushed a FADM unit near the Rio Púnguè (EN1) in Gorongosa (Sofala Province).

According to unconfirmed information, one Renamo gunman and one FADM soldier were killed in the ensuing clash.

Source: Folha de Maputo

Police escorts return to Mozambique highway following attacks

Mozambique’s police force is running an armed escort service for traffic travelling the north-south EN1 highway from the Save River northwards to Muxungué, after a number of armed attacks over recent days which the government says were perpetrated by armed Renamo guerrillas.

Escorts will run from 6:00hrs in the morning to 18:00hrs. Lusa quoted the police spokesperson for Sofala Province, Sididi Paulo, as saying that – as during the 2013-14 crisis – the escorts would consist of one military car in front of the convoy, one in the middle, and one at the rear.

The escorts will not cover areas further north in Sofala where more attacks took place on Wednesday 17 February. According to state radio station Rádio Moçambique, there were four attacks on the EN1 on Wednesday, including incidents near Caia, and in the district of Maringue.

Also on Wednesday, an apparent shoot-out between government and Renamo forces left at least two dead near Gorongosa. In the attack, a vehicle of the United Nations’ Food and Agriculture Organisation (FAO) was shot at.

Mediafax claims to have seen an internal FAO memo relating to the attack, in which the organisation informs its staff that it is putting a ban on all non-essential travel within Sofala, Manica, Tete and Zambézia provinces.

Despite the current situation, Paulo assured the media that the situation is under control as no new attacks had been reported since Wednesday.

Paulo did not specify as to when the military escorts might be called off, saying that they will be implemented until the Police of the Republic of Mozambique (PRM) have the necessary assurance that it is safe for road users to travel in the area without them.

In the meantime, as of the morning of Friday 19 February, Renamo had declined to comment on the reinstated military convoy. Additionally, the opposition party refused to comment on whether it is responsible for the recent attacks. However, Renamo spokesperson, António Muchanga, did tell reporters that it is the FADM’s duty to protect all Mozambicans, regardless of who the perpetrators might be.

Source: Zitamar News/Mediafax/@Verdade/Lusa/Rádio Moçambique
Foreign embassies in Mozambique recommend heightened security awareness

According to the anti-government publication, Canal de Moçambique, following an upsurge in militant activity between Renamo and the FADM, diplomatic missions in Maputo have issued warnings to their fellow countrymen to observe stricter security measures and avoid any unnecessary travel to the affected areas.

On its webpage, the British Embassy warns that: “there are increased tensions between government forces and opposition militias, particularly in the central provinces of Sofala, Tete and Manica, following a series of localised armed clashes”.

The embassy warns British nationals residing in Mozambique to “avoid large crowds” and “make sure to always have with them the relevant documents”, urging them to pay attention to local media when travelling in areas considered at risk.

The web site warns that: “there are reports of individual armed attacks on vehicles in the Save-Muxungué section of National Road N1”, and warns people to “be aware of the growing tensions and the possibility of police security and checkpoints set up by opposition militias”.

The Dutch Embassy has also issued warnings, saying that: “tensions between the ruling party and Renamo are increasing”.

The Embassy advises against travel in and around Inharrime, Vilanculos and Muxungué in the south and centre of Inhambane Province, Inchope in Sofala and Manica and in the area around Gorongosa in Sofala Province.

In response to Wednesday’s clash between Renamo guerrillas and the FADM in Gorongosa village (Sofala Province), the US Embassy in Maputo advised its staff to limit road travel on the EN1 between Save River and Caia (Sofala), as well as travel on the EN6 between Beira (Sofala) and Chimoio (Manica Province).

Other embassies and diplomatic missions in Maputo have since issued similar warnings.

Source: Canal De Moçambique/Control Risks/VOA Português

U.S. Embassy Maputo travel advisory

The U.S. Embassy Maputo advises U.S. citizens living or traveling in Mozambique that there have been reports in the past week of unattributed shooting incidents involving government, international organization, and civilian vehicles in Sofala and Manica provinces. The incidents occurred on the EN1 in southern Sofala province near Muxungue on February 11 and further north on the EN1 between Vila de Gorongosa and Caia on February 17. The shootings caused at least one fatality and an unknown number of injuries. There are additional unconfirmed reports of shooting incidents involving civilian vehicles between Muxungue and the Save River. There are reports that the government is now requiring a military escort for any vehicles traveling between the Save River and Muxungue. The embassy is also monitoring periodic reports since December 2015 from areas of eastern
Tete province bordering Malawi of intermittent but serial clashes between Government of Mozambique (GRM) forces and armed elements of leading opposition party Renamo. Similar confrontations have allegedly occurred in rural parts of Sofala province.

The embassy has decided to implement travel restrictions for its own personnel limiting travel by road in Sofala or Manica on the EN1 between the Save River (in the south) and the city of Caia (in the north); as well as travel on the EN6 between Beira and Chimoio. All U.S. citizens traveling in Mozambique are advised to carefully consider any unnecessary travel along these routes. Travel by road vehicle in other areas of Manica and Sofala provinces even off the two major highways is also discouraged.

US citizens are advised to monitor news reports, remain apprised of such events and determine if travel in these areas is necessary. The U.S. Embassy will continue to monitor and report on developments.

We strongly recommend that U.S. citizens traveling to or residing in Mozambique enroll in the Department of State’s Smart Traveler Enrollment Program (STEP) at travel.state.gov. STEP enrollment gives you the latest security updates, and makes it easier for the U.S. embassy or nearest U.S. consulate to contact you in an emergency. If you don’t have Internet access, enroll directly with the nearest U.S. embassy or consulate.

Regularly monitor the State Department’s website, where you can find current Travel Warnings, Travel Alerts, and the Worldwide Caution.

Read the Country Specific Information for Mozambique. For additional information, refer to the Traveler’s Checklist on the State Department’s website.

Contact the U.S. embassy for up-to-date information on travel restrictions. You can also call 1-888-407-4747 toll-free in the United States and Canada or 1-202-501-4444 from other countries. These numbers are available from 8:00 a.m. to 8:00 p.m. Eastern Time, Monday through Friday (except U.S. federal holidays). Follow us on Twitter and Facebook to have travel information at your fingertips.

The U.S. Embassy in Maputo is located at 193, Avenida Kenneth Kaunda, and is open from 7:30 a.m. to 5:30 p.m. M-Th, and from 7:30 a.m. to 11:30 a.m. Friday, Tel: 21-49-2797. If you are a U.S. citizen in need of urgent assistance outside of business hours, call the embassy’s emergency after-hours number: 84-306-6480.

Source: http://maputo.usembassy.gov

EU calls for immediate end to attacks on Mozambique’s roads attributed to Renamo

The EU has called for an immediate end to attacks on Mozambique’s roads attributed to tensions between Renamo and the FADM.

The EU is concerned about the “general deterioration” of the political and security situation in Mozambique and wants an immediate end to the attacks attributed to Renamo in the centre of the country, a European Community diplomatic source said on Wednesday 17 February.
On the eve of a visit to Mozambique by the EU High Commissioner for Foreign Affairs, the European bloc says that the recent attacks on the country’s principal highway endanger safety and law and order and wants the perpetrators to “stop immediately”.

In addition to the attacks, the EU expressed concern over the clashes between the FADM and opposition gunmen that are preventing students from going to school in Tete and Zambézia and causing the flight of thousands of people to neighbouring Malawi.

Calling on all parties to refrain from violence and to rebuild mutual trust as a prelude to dialogue, the EU diplomatic source regrets that the investigations into the attack on the Secretary-General of Renamo, Manuel Bissopo, and the September 2015 attacks involving the entourage of opposition leader, Afonso Dhlakama (in Manica Province), have not yet born fruit.

Similarly, the EU calls for an investigation into the reported abductions and murders of Renamo and Frelimo members, and demands an end to threats and intimidation that “aggravate the political environment in Mozambique”.

The EU discussed the attack on Bissopo in Brussels on 22 January and called for an investigation as to who is responsible for the “trend of violence” in the country. The United States, in a statement from its embassy in Maputo, has likewise expressed “deep concern” about the attack on Bissopo and condemned “the killing and persecution” in Mozambique.

Mozambique has been experiencing political instability for several months, with the leader of Renamo threatening to take power in six northern and central provinces of the country, where his movement claims victory in the 2014 general elections.

Source: Lusa


In the recent weeks tensions are reported to have sharply increased in the provinces of Tete, Zambézia and Sofala.

In Tete Province, which borders Malawi, the conflict has escalated. Hundreds of people have fled to Kapise village in Malawi where they have little means to survive. According to UNHCR 3,185 people were registered in Kapise on 31 January 2016, two thirds of them minors. On 14 February 2016, the numbers had climbed to 5,656 people (still with more than two-thirds being women, children under five, or the elderly). Numbers are on the rise with new arrivals every day and the pace of arrivals have starkly increased in recent days, reaching several hundred a day. The people arriving in Kapise have not yet been officially recognised as refugees.

The living conditions in the camp are well below minimum humanitarian standards. The areas of concern are:

- Overcrowding;
- Lack of proper shelter that causes a potential fire hazard;
- High risk of malaria;
• Water crisis;
• Sanitation crisis;
• Limited access through one road that could quickly become cut in case of heavy rains; and
• Proximity to the border (300 meters away).

What MSF is doing

MSF has been intervening in the camp since December 2015 with:

• Clinic and health care services;
• Distribution of non-food item (NFI); and
• Drilling two boreholes and improving water distribution.

Calling on the international community:

Doctors Without borders (MSF) is calling for the international community to recognise the fact that the only way to meet the minimal emergency level of services, as internationally agreed, is to move the camp to an acceptable location where the obligation to host the displaced people can be met.

On the matter, MSF Field Co-ordinator, Whitney Ward, spoke on the harsh living conditions faced within the camps, saying she had never seen such levels of overcrowding.

“We’re talking about hundreds of little shelters crammed on top of each other, where many children run around, people cook on stoves. As the rainy season failed till recently, the camp was usually very dry and it was a serious fire hazard”, said Ward.

The threat of malaria within the camp has also been a serious cause for concern, with overcrowding and lack of sanitation making the risks ever more serious.

“Half of the consultations in [the] MSF clinic are linked to malaria cases: in the past week alone we’ve treated 388 malaria patients. People’s vulnerabilities are immense, but we’ve been quite lucky so far that no contagious disease has affected the camp”.

With the looming fear of a cholera outbreak, MSF has taken action in drilling two boreholes, with additional drilling in the pipeline.

“The only regular water stream has dried out and people, usually women, now have to wait 2.5 hours on average to fill their jerrycans with water. Each person has on average eight litres of water a day, barely enough to drink and cook, and well below the minimum 15 to 20 litres recommended as a humanitarian minimum in emergency settings”, Ward stated.

Additional locations are currently being sought out to house the refugees to allow for minimum living standards and easier access to humanitarian aid.

MSF has since sent an urgent call to the government of Malawi, as well as the international community, to recognise that the camp needs to be moved to meet minimal emergency levels of services, as internationally agreed.

No government intervention, nor that of the United Nations High Commission for
Refugees (UNHCR), had taken effect thus far.

Source: MSF.org/News 24

UNHCR warns Mozambique over pressure on refugees to return

The UNHCR wants Malawi to open a new camp to house Mozambican refugees further from the Mozambique border, “amid signs of pressure to return” from Mozambique’s government.

The UNHCR said that the Mozambican government has visited the refugees at the village of Kapise at least three times since the start of this year. The most recent visit was paid by Foreign Minister Oldemiro Balói, who accused the local UNHCR representative of trying to persuade the refugees to stay.

The refugees have consistently told reporters that they are in Malawi to escape attacks by government forces – and that they cannot trust promises from the government to guarantee their safety in Mozambique.

Nevertheless, the government continues to make clear that its priority is to bring the refugees home. Deputy Foreign Minister Nyeleti Mondlane said the government is “creating all the conditions for them to be repatriated”.

In a statement published on Thursday 18 February, the UNHCR said that Mozambique and Malawi should respect the refugees’ right to asylum. There are now more than 6,000 Mozambican refugees in Malawi, most of whom are at the Kapise camp which the UNHCR describes as “crowded”.

Malawi has kept the refugees at Kapise “in the hope that fighting will cease soon and they can return to Mozambique”, the UNHCR said. Now, however, the UNHCR has appealed to the Malawian government to identify a new site further away from the border.

Source: Zitamar News

UNHCR stresses right to asylum of Mozambicans crossing into Malawi


As the number of Mozambicans fleeing to Malawi continues to grow, UNHCR is calling on all parties to respect their right to seek asylum amid signs of pressure to return. More than 6,000 have arrived in Malawi since mid-December, citing clashes between armed elements of the opposition RENAMO and government forces.

Nearly all of the new arrivals are staying in a settlement in Kapise village, Mwanza district, some 100 kilometres south of Malawi’s capital, Lilongwe, with others scattered throughout the neighbouring district of Chikwawa.

Mozambican government officials have visited Kapise at least three times since mid-January to ask people why they fled, discuss the possibility of returning to their places of origin and monitor the humanitarian situation of their fellow citizens. The Mozambican government has offered to provide socio-economic assistance should they return.

UNHCR has expressed concern to both governments that the right to seek asylum and the principle of voluntary repatriation, as enshrined in the UN and Organization for African Union (OAU)
conventions on refugees, should not be compromised. Both governments were reminded of their international obligations toward refugees and asylum seekers and the principles of voluntary return as regards this caseload. UNHCR calls upon all parties to respect the humanitarian nature of the influx of Mozambicans into Malawi.

UNHCR and its partners are helping the Malawi government to provide protection and humanitarian assistance to these Mozambicans. After boosting its registration capacity, UNHCR has registered all of the new arrivals in Kapise, with the figure currently standing at 6,013, mostly women and children.

The World Food Programme has distributed food rations sufficient for two months to all of the families in Kapise. They have also been given plastic sheeting, sleeping mats, mosquito nets, blankets, kitchen sets, tarpaulins and hygiene items.

UNICEF has been funding the construction of showers and latrines in an area where malaria and cholera are a concern. Large numbers of the Mozambicans have been visiting the health clinic in Kapise run by Médecins Sans Frontières, which is running awareness campaigns on malaria prevention and the proper use of mosquito nets. Of six boreholes that MSF drilled since last month, two are providing a sufficient water supply.

The Malawian government has decided that the new arrivals should remain in Kapise in the hope that fighting will cease soon and they can return to Mozambique. Additional land has been allocated by the village chiefs and district authorities to accommodate new arrivals.

But the village is crowded and UNHCR is working on plans to decongest the settlement, with more land required to accommodate the growing number of new arrivals. We have appealed to the government to identify a new site further away from the border and with adequate land to enable the decongestion of Kapise.

Malawi already hosts some 25,000 refugees and asylum seekers, mostly from the Great Lakes region and the Horn of Africa, in Dzaleka camp located some 35 kms from Lilongwe. This camp is stretched to capacity and with food rations being reduced to 50 per cent since October last year, resources to assist refugees are limited.

For further information, please contact:

In Pretoria, Tina Ghelli on mobile +27 82 7704189

In Malawi, Monique Ekoko on mobile +265 88 567 2221

www.unhcr.org

Source: RefugeesMedia
CRIME

MAP 1: KIDNAPPING INCIDENTS IN CENTRAL MAPUTO 2014 – 2016

GRAPH 2: REPORTED KIDNAPPINGS PER YEAR
Note: This graph excludes kidnappings in which the time of the kidnapping was not reported.

Note: This graph excludes kidnappings in which either the gender or age of the victim was not reported.

*Please note: the data present in the graphs and maps is not 100% accurate owing to the high number of unreported cases and irregularities in the documentation of these events. This graph illustrates the successful kidnapping incidents ONLY and not attempted/aborted/intercepted kidnapping.
Three individuals detained for trafficking albino remains

During the course of the week 5 to 12 February, three individuals were arrested in Eráti district (Nampula Province) after they were found to be in possession of human remains.

According to the PRM, the three men illegally exhumed the body of an albino from a grave in Alua.

Following a tip-off from the community, the police intercepted the men as they were preparing to travel to Tanzania where they planned to sell the remains.

A fourth suspect successfully evaded arrest and is still on the run from police.

Source: @Verdade

PRM arrest two suspected kidnappers in Niassa

The PRM of Niassa Province recently detained two individuals accused of having kidnapped an albino child in Cuamba district.

According to the PRM, the abduction occurred in the town of Queraz where three assailants broke into the victim’s home and threatened the residents with knives.

Source: @Verdade

PRM fatally wounds alleged assailant in Nacala-Porto

During the course of the week 5 to 12 February, a young unidentified male was shot and killed in the city of Nacala when PRM officers opened fire on a criminal gang.

According to the spokesperson of the provincial command of the PRM in Nampula, it was not the intention of the PRM to kill the young man, the police simply opened fire in order to prevent the gang from escaping.

Despite the PRM’s efforts, the criminal gang did indeed manage to evade arrest, leaving behind machetes, axes, knives, sticks and spears. The weapons were immediately seized by the police.

It is not yet known as to whether the deceased was an innocent bystander or if he was linked to the gang.

Source: @Verdade

Two bodies discovered in the city of Nampula

The bodies of two adult citizens were discovered during the course of the week 5 to 12 February on the outskirts of the Natikiri neighbourhood, in the city of Nampula.

Initial evidence suggests that the two victims were likely murdered, however, it is not yet clear if the two cases are linked.

The first body, discovered on Tuesday 9 February, has not yet been identified due to the advanced state of decomposition. The body was discovered by the locals, who had taken it upon themselves to investigate the strong odour lingering in the area, which was emanating from the corpse.

The second body was discovered by the locals on the morning of Thursday 11 February, a kilometre from the site where the first body was discovered.
An eyewitness told reporters that there were signs of a struggle in the second incident.

According to the PRM, both victims were killed with melee weapons, possibly a machete.

The locals complain of the level of violent crime in the area, claiming that last year one body was found almost every month in the area.

Source: @Verdade

**PRM officer arrested for involvement in criminal activity**

On Wednesday 10 February, a PRM officer, identified only as Grace, was arrested by his colleagues in Chimoio (Manica Province) for his involvement in criminal activity.

According to reports, the detained officer was found to be involved with a criminal network which engaged in armed residential and business robberies.

Grace stands accused of providing police issue weapons to the criminal gang and instructing them on how to successfully rob various homes and businesses.

The Manica provincial police spokesperson, Elcìdia Filipe, revealed that the detainee had been under investigation for some time in the context of purifying the ranks of the PRM.

Grace is currently facing criminal charges and internal disciplinary procedures.

The PRM are working to neutralise the remaining members of the criminal gang.

Source: @Verdade

“Something wrong” in detention of Renamo official

The PRM have admitted that “something went wrong” in the detention last Friday of Manuel Fortunato, a senior member of Renamo, in the central city of Beira (Sofala Province).

Fortunato says that policemen broke into his house on Friday 12 February, and dragged him off to a cell, without even bothering to identify themselves. He told reporters that the following day he was interrogated about the attempt on the life of Renamo Secretary-General, Manuel Bissopo, on 20 January.

The police wanted to know the whereabouts of two people who had been in the car with Bissopo and his bodyguard at the time of the attack. Fortunato did not know where they were, and at about 14:00hrs on Saturday he was released. There was no explanation about why he had to be seized at home, and spend the night in a cell, simply to answer a few questions.

What makes this incident particularly serious is that Fortunato is a member of the elected Sofala Provincial Assembly, and the Chairperson of that Assembly’s Defence and Security Commission. Assembly members enjoy limited immunity: if the police wish to detain an Assembly member, they must first seek authorisation from the Assembly.
Asked about Fortunato’s detention on Tuesday 16 February, the spokesperson for the General Command of the police, Inácio Dina, admitted that the case was highly irregular.

Dina said that: “We are concerned to find out the truth. It is not characteristic of the police to detain an individual in that way. There was no question about calling his right to freedom into doubt”.

“I must say there was something wrong about the detention”, admitted Dina.

Source: Agencia de Informacao de Moçambique

Illegal migrants detained in Chimoio

On Saturday 13 February, the PRM in the central province of Manica detained 34 Ethiopian citizens who had entered the country illegally.

The Ethiopians, all men, were intercepted by the police in the provincial capital, Chimoio, at approximately 2:30hrs. They were all crammed into a van, in what the police described as “deplorable conditions”, heading towards the Inchope crossroads, where the road from Chimoio to Beira intercepts the main north-south highway.

The police believe they entered the country via Tete Province, crossing illegally from either Malawi or Zambia. The Ethiopians are believed to have been heading south, and their final destination was presumably South Africa.

Speaking to reporters, the Manica provincial police spokesperson, Elcidia Filipe, said that they were intercepted during a routine police patrol. The sheer amount of people crammed into a small vehicle aroused suspicions, and the police soon confirmed that they were illegal migrants.

The Ethiopians will now be questioned about their intended destination and the details of their journey, and they will subsequently be repatriated. Filipe said the authorities are working to ensure that the Ethiopians leave the country as soon as possible.

Source: Agencia de Informacao de Moçambique

MDM demands justice for murdered taxi driver

The MDM has called for justice in the case of a taxi driver who was shot dead by a drunken policeman in the central city of Beira (Sofala Province) on 7 February.

At the opening of the first sitting this year of the National Assembly, the head of the MDM parliamentary group, Lutero Simango, said that the murdered man, Cristovao Inoque, who drove a three-wheeled taxi, known as a “txopela”, was an honest worker, respected by his colleagues, “who dreamed of the happiness of his recently born daughter”.

“This dream was snatched from him in an instant by an agent of the State”, said Simango – just as another Mozambican taxi-driver, Mido Macie, had been murdered by South African police in 2013.

In the Macie case, the Mozambican government has been in the vanguard in
demanding justice and compensation for the family.

Simango hoped the government would be consistent and ensure justice for a man shot by the Mozambican police, therefore holding state agents “responsible for their individual behaviour”.

There is some hope that this may happen. The Sofala provincial police command reacted swiftly to the killing, and announced that the policeman who fired the fatal shot is being charged with first degree murder.

Simango attacked “political intolerance and arrogance, the failure to accept that other people think differently, and the failure to recognise political diversity at all levels of our country’s administration”.

Such matters became dangerous, he added, when district administrators and other local officials “take it upon themselves to prevent legal political parties from exercising their political activities freely; when they intimidate and harass public servants, particularly teachers, who publicly express sympathy with the opposition”.

He claimed there had even been occasions when opposition supporters were denied access to drinking water, and were told “go and get water at your party”.

“A nation cannot be built on political party barriers”, said Simango, and so the MDM remained convinced that a law on the separation of public institutions from political parties was essential. (The MDM brought such a bill to the Assembly last year, but it was rejected). Simango called on the Assembly “to debate the culture of violence installed in our country and find ways to end it”.

“We should also debate how to salvage peace, a peace associated to real and effective national reconciliation”, he added. “In this open and frank debate, we should talk about inclusion and the sharing of resources, and the participation of the national business class in the development of Mozambique”.

Source: Agencia de Informacao de Moçambique

Police negligence leads to suicide

On Tuesday 16 February, 28-year-old António Biriate was found dead in his cell at the Matola-Santos police station (Maputo Province).

According to reports, Biriate was arrested on Monday evening on charges of theft. The cause of death is not yet definitively known, however, according to the preliminary investigation, it is believed that Biriate committed suicide, asphyxiating himself with his belt.

The PRM have accused the officers in charge of negligence as detainees are not permitted to enter the cells in possession of dangerous items such as belts.

Source: O País/Folha de Maputo

Community Police members beat suspect to death

A group of agents of the Community Police of the neighbourhood Eduardo Mondlane, Vandúzi district (Manica Province) allegedly physically assaulted
two kidnap suspects, one of whom died from his injuries.

The victims, identified as 28-year-old Roberto Mafala and 26-year-old Avelino dos Santos, were suspected of their involvement in an attempted abduction of a minor during the early hours of Monday 15 February.

The two men were sleeping in their home when the agents of the Community Police, accompanied by angry community members, forced their way into the house by breaking down the front door, and began physically assaulting the two men.

The Community Police members informed the two men that they had received information which pointed to the two individuals as the prime suspects in the attempted abduction.

During the attack Mafala sustained serious injuries, causing him to bleed out and die. Dos Santos has denied any involvement in the attempted abduction, claiming that both he and his friend were falsely accused.

According to some residents, the head of the local Community Police, João Saize, ordered the assault against the two men. However, he has since categorically denied the claims. Saize claims that he was informed of the men’s involvement in an attempted kidnaping and therefore ordered the suspects to be handed over to the police.

The PRM have warned that if Saize is implicated in the death of Mafala, he will be punished to the full extent of the law.

Source: @Verdade/Folha de Maputo

12-year old raped by two young men inside a car

According to reports, a 12-year-old girl was recently raped in a car by two young men in Maputo’s Polana Canico neighbourhood.

One of the accused, Rufino Matusse, says he only kissed the victim, while the other insists he was out of the city at the time of the incident.

The police have urge the public to support them in putting a stop to sexual crimes, adding that incident details sometimes suggest their perpetrators have obvious mental disorders.

Source: Folha de Maputo

Two IGT inspectors arrested for extortion

Two employees of the Maputo General Labour Inspectorate (IGT) and three PRM officers were recently arrested and charged with extortion.

According to reports, the detainees approached a Chinese businessman and accused him of violating the country’s Labour Law, for which he would face a fine of MT200,000. However, the detainees informed the businessman that they would accept a payment of MT70,000 to void the fine.

The perpetrators were immediately reported to the authorities and arrested.

This is the second time in less than a month that IGT inspectors have been arrested and charged with extortion. In Nampula Province, two inspectors were recently arrested by the Criminal Investigation Police (PIC) after they
were caught attempting to extort money from a private education facility.

Source: A Bola

**Tax official arrested over forged certificate**

The PRM have arrested a tax official in the central city of Chimoio (Manica Province) for attempting to use a fake university degree to apply for a salary increase.

The official, Ausse Bacar, had worked at the Manica Provincial Delegation of the Mozambique Tax Authority (AT) for 12 years. He wanted the salary increase that automatically accompanies a degree, but he had never completed any higher education courses.

Nonetheless, he presented his employers with a certificate supposedly showing that he had obtained a licentiate degree in Economics and Management from the Manica Higher Polytechnic Institute. But the certificate was a fake, and on Tuesday 16 February, Bacar was arrested.

Speaking to reporters in the Chimoio police station shortly after his arrest, Bacar said that one night, when he went drinking with his friends, he said he needed a certificate from a higher education institution in order to ensure a wage increase.

One of his friends, Domingos Calisto, a teacher at the Chimoio Agricultural Institute, volunteered to help.

Last August, Calisto provided a fake certificate and originally charged Bacar MT120,000 (approximately US$2,550). After several days of negotiation, Bacar agreed to pay MT60,000, but only after the AT Manica Delegation had accepted the certificate.

“I enrolled several times for high education courses, but I failed a lot”, Bacar said. “So I thought I would buy a certificate”.

He submitted the certificate to the human resource sector of the AT Manica delegation – but its authenticity was checked, and when it was found to be a fake, Bacar and Calisto were both arrested.

Calisto claimed he did not know where the fake certificate had come from. “I didn’t issue it. I was just a middleman”, he said. “My role was just to contact the parties and then deliver the certificate when it was ready. I don’t know who issued it, and whose names are on the document”.

The man he had contacted to obtain the document (whom Calisto did not name) had conveniently gone missing.

The Manica police say this is the second case this year involving public officials trying to use forged education documents.

Source: Agencia de Informacao de Moçambique
WILDLIFE AND ENVIRONMENTAL PROTECTION

Why southern Africa’s peace parks are sliding into war parks

Many books have been written on peace and war. But proposals to promote peace among nations through nature conservation in the war-torn borderlands of India and Pakistan, North and South Korea and other regions have only recently become prominent.

These proposals have also gained momentum in post-apartheid southern Africa. It took place in the form of cross-border conservation areas popularly known as peace parks.

Peace parks are intended to conserve biodiversity, enable community development and promote a peaceful co-existence of nations. In southern Africa, they are backed by powerful people and companies, major conservation organisations and current and former presidents, like the late Nelson Mandela.

A recent paper accounted for why and how the current campaign against rampant rhino poaching has run counter to the ideals of peace parks. The paper argued that the concept and marketing of peace parks have failed to deal with, and given a proper place to, the region’s violent history.

This history relates to South Africa’s counterinsurgency military tactics that included mass killings and torture inside the country as well as in the region. The apartheid government, headquartered in Pretoria, also destroyed key infrastructure to enforce the region’s dependence on South Africa.

But the omission of this history has had far-reaching and tragically ironic consequences. Violent tactics, some of them with deep roots into the region’s traumatic past, are being used to defend peace parks and rhinos. This violence contradicts the very ideas of peace and harmony that peace parks were supposed to embody.

The history of the region shows that during the Cold War and also under apartheid, there was a great deal of politically inspired violence. South Africa was at the forefront of this violence but the atrocities it committed in neighbouring countries have never been addressed. There has been no politically inspired healing process in the region and it has never been suggested.

South Africa had an inward-looking Truth and Reconciliation Commission that sought to reconcile victims of apartheid-era violence and the perpetrators. A region-wide commission of inquiry was necessary to uncover apartheid-era atrocities in the region and to lay the ground for reparation. Peace parks stepped into this vacuum with a proposition for peace that had no explicit political and socio-economic redress.

Why parks are becoming militarised:

In practice, peace parks have been sliding into war parks. We can see this clearly in the Kruger National Park. It is the hotbed of the current rhino poaching crisis.

The Kruger is also at the core of the Great Limpopo Transfrontier peace park between Mozambique, South Africa and Zimbabwe. The Great Limpopo has long
been the flagship peace park in the southern African region. But the rhino poaching crisis poses a major threat to this flagship project and hence to the concept of peace parks more generally.

The Kruger has rapidly militarised under retired South African Defence Force major-general Johan Jooste, who leads anti-poaching operations in the park. An arms race between the army and the poachers has ensued and resulted in a brutal conflict. It is estimated that some 500 Mozambicans were killed in the Kruger between 2010 and 2015.

In 2014 alone, 1,215 rhinos were killed in South Africa. The number of carcasses of poached rhinos in Kruger rose from 10 in 2007 to 827 in 2014.

This militarisation, however, does not stand alone. Anti-poaching operations in the Kruger are viewed as part of a suite of violent tactics used by a range of actors.

Government agencies, conservation organisations, wealthy individuals, the general public and many others are involved in a broad range of material, social and discursive violent tactics. These are not only focused on saving the rhino but also as part of a broader campaign to save peace parks.

These peace parks have long been promoted as a magic bullet to all kinds of problems related to development, conservation, the economy and many others. One NGO even refers to them as the global solution. Advocates for peace parks, backed by powerful elites, present them as a dream of a modern, wild and capitalist Africa.

An explosive situation:

The rhino-poaching crisis presents a major rupture in the dream of peace parks. This rupture seems to have hit many actors hard. It has paradoxically led many of them to start calling for or supporting a violent crackdown on the rhino poaching.

Combine this crackdown with a region that still retains stark memories from the recent past, unacknowledged disposessions and atrocities and the result is a highly explosive mix.

One particular worry is how communities living adjacent to the Kruger are affected by anti-poaching operations. Violence in the Great Limpopo has major implications for these communities. There is a belief that poverty drives these communities to work with poachers in order to earn a living. There is also an acknowledgement that local communities are an important ally in the fight against poaching.

As a result, members of communities around the Kruger and nearby private game reserves have been incorporated into anti-poaching efforts. The recruitment of members of the communities as informants may, however, bring mistrust and tensions rather than peace to their areas. And all the while, the war on rhino poaching is also depriving communities of hard-earned access to natural resources.

We have a staunch contradiction where the tactics to save rhinos and peace parks are emphasising war rather than peace. This is especially and tragically ironic for the local communities who have been victims of conservation and
political violence in the past. Their brittle development opportunities are now further diminished by the war to save rhinos and peace parks.

Source: The Sunday Times

The Australian Rhino Project: one man’s remarkable battle against savagery

The murder of a British pilot, Roger Gower, shot down by elephant poachers near the Serengeti National Park in Tanzania on 28 January, highlighted the scale of the threat posed by armed crews of poachers. Tanzania’s elephant population has drastically dropped from 109,000 to 40,000 in the past seven years.

The threat to the African rhinoceros is even more dire. Between 2007 and 2013, the poaching of rhinos in southern Africa grew by 7,000%, from 13 animals killed in 2007 to 1,004 in 2013. These numbers are understated, because not all carcasses are discovered.

We are used to seeing population growth and economic growth described as progress, but progress is on a monstrous and pointless collision course with nature in Africa. The massacre of rhinos and elephants is reaching an industrial scale, apart from the enduring problem of encroachment by human activity.

In South Africa alone, more than 4,000 rhino have been poached since 2010. At this rate, the southern white rhino population faces extinction in the wild in about 10 years.

Organised gangs, allegedly operating from neighbouring Mozambique are killing rhinos at a rate of three a day.

A record 1,200 rhinos were killed in 2014, and a similar number were killed last year. Given that it takes three years for a female rhino to produce a calf, the kill rate has reached the tipping point of being greater than the birth rate.

It is all because of human greed, because rhino horns are made of keratin, the same material that makes fingernails and do not have the magical medicinal qualities claimed for them. Yet the retail value of a kilogram of rhino horn in China or Vietnam is tens of thousands of US Dollars.

Anyone who has been on safari in Africa knows that it is one of the greatest experiences of life, so can Australians do anything about the problem? One person decided Australia, as a nation, could do something because it is the ideal place to provide a strategic safety net for the rhino population.

His name is Ray Dearlove. He decided he wanted to rescue endangered rhinos from southern Africa, ship them to Australia, and set up a breeding population in the country as a biological insurance policy in the event the rhino population crashed.

“The mission was to fly 80 African rhinos to Australia, over a period of four years, to establish an insurance population and ensure the survival of the species”, Dearlove said. He is 67, and retired from work to spend the past three years on what became the Australian Rhino Project.
When Dearlove first went to see government bureaucrats in Canberra in 2013, he was told that the success of his project was unlikely, given the biosecurity challenge, and the logistical, financial, health and administrative problems. They said it would take years to even get approval to proceed.

Three years later, Dearlove has gained the support of the Australian and South African governments. The project has been given tax-deductible status. He has raised funds from a band of generous private donors. He has sourced his first shipment of six young white rhinos from private game parks in South Africa. He has received permission to quarantine the rhinos at the Taronga Western Plains Safari Park in Dubbo. He has gained the support of Monarto Zoo in South Australia, which has space and expertise for rhinos, to create a home for his rhinos.

He now expects to fly the first shipment of rhinos to Australia this year, travelling by air because a sea journey would be too long and stressful. It will cost approximately US$100,000 per rhino to ship. He hopes it can be done by April.

This is a remarkable journey. It is a journey by a man who immigrated to Australia from South Africa 30 years ago and is now seeking to help both countries. The rhinos shipped to Australia would remain the property of the South African government. There are now two governments invested in the Australian Rhino Project, and willing to provide the biosecurity screening on either side of the 11,000 kilometre journey.

In December, 2014, Barnaby Joyce, the Australian Minister for Agriculture, now Deputy Prime Minister and leader of the National Party, wrote to Dearlove to express his support. His department wrote to their counterparts in South Africa with a detailed set of questions about the biosecurity of the project.

The Australian Minister for the Environment, Greg Hunt, has also lent his support. Last year, he wrote to Dearlove, saying that: “The department has been well briefed as to the aims, objectives and plans of the project and we are, in principle, fully supportive of these strategies”.

The most renowned conservationist in Africa, Dame Joan Goodall, has also given her support to the project.

Donations to the Australian Rhino Project are tax deductible, which is crucial given the cost of moving animals that weigh at least 1,500 kilograms each. A mature male white rhino weighs 2,400 kilograms, the bulk of 30 people.

This top-down vindication has shifted the actual shipping of rhinos from a quixotic dream to a project that should become reality this year. With all the biosecurity measures ready to be put in place, an idealistic one-man campaign turned into a two-man project, then added volunteers, then private benefactors, and finally two governments working co-operatively to turn a hope into an international conservation mission.

The Australian Rhino Project website is [http://theaustralianrhinoproject.org](http://theaustralianrhinoproject.org)

Source: *The Sydney Morning Herald*
Prime Minister visits drought stricken areas

On Thursday 11 February, Prime Minister Carlos Agostinho do Rosário declared that there must be an urgent response to the drought in Maputo Province, in order to relieve the suffering of the population, particularly those currently affected by food and water shortages.

Visiting Moamba, one of the worst hit districts, Prime Minister Rosário said that: “the province does not have sufficient resources”, and as such, there needs to be co-ordinated work with local state bodies in order to reduce the impact of the drought.

Prime Minister Rosário said that the government has instructed the National Disaster Management Institute (INGC) to intervene. Additionally, he announced that the government is immediately making MT25 million (approximately US$526,000) available for the opening of multiuse boreholes, and a further MT17 million “to seek solutions for food assistance”.

Not all was lost – Prime Minister Rosário noted there are some pockets in the province that have retained humidity, and where some grain and vegetables can still be produced. It was also possible to buy food from other parts of the country where surplus exists. “These are the situations and we have to live with them while we seek medium and long term solutions”, said the Prime Minister.

The government’s estimates are that 166,000 people are in need of food aid, largely as a result of the drought in the centre and south of the country.

This figure may well need to be revised upwards. According to the report given by the Maputo provincial government to Prime Minister Rosário, over 102,000 people are at risk of food insecurity in this province alone. The provincial government said that 31,750 people are in need of urgent food aid.

Prime Minister Rosário has since travelled on to Gaza Province where he will discuss responses to the drought with local officials.

Source: Agencia de Informacao de Moçambique/Noticias
Prime Minister rules out international appeal

Prime Minister Carlos Agostinho do Rosário has ruled out launching an international emergency appeal in response to the severe drought affecting much of southern and central Mozambique.

At the end of a four-day visit to drought-stricken parts of Maputo and Gaza provinces, Prime Minister Rosário said that Mozambique has not yet exhausted its internal capacity to deal with the crisis. He believes that the appropriate approach is to exploit to the maximum the existing resources, complemented by assistance from co-operation partners who have been working with the government in assisting the vulnerable strata of the population.

Prime Minister Rosário said that: “the situation is worrying because there are pockets of hunger.

People are going hungry because it has not rained, but we are also encouraged because there are efforts on the ground to deal with the situation”.

“We have not yet reached the situation of saying that we must urgently launch an international appeal”, he added. “Further the people are confident that, if we work together, we can minimise the situation”.

Prime Minister Rosário promised aid from the central government. At this stage, the government will provide MT40 million (approximately US$851,000) for drought relief in the south of the country. The money comes from the contingency plan for natural disasters drawn up last year.

But in the medium and long term, the Prime Minister said, “we have to concentrate on structuring projects such as the Mapai Dam”.

He announced that the tender for the environmental study for this new dam, to control the flow of the Limpopo River, has been launched.

Prime Minister Rosário said that the existing Massingir dam, on the Elephants River, the major tributary of the Limpopo, is being repaired so that it can play its role in irrigation and electricity generation. The discharges from Massingir were increased to 27 cubic metres of water a second as of 2 February, in an attempt to save the Limpopo Valley rice harvest.

Prime Minister Rosário announced that the Disaster Management Consultative Council (CCGC) met in Maputo on Monday 15 February, to discuss speeding up assistance to people suffering from drought in the south and from flooding in the far north.

Source: Agencia de Informacao de Moçambique

Increased discharges from Massingir dam to save harvest

The authorities at Massingir dam (in Gaza Province) have decided to increase its discharges in an attempt to save the rice harvest in the Limpopo Valley.

The dam is located on the Elephants River, which is the main tributary of the Limpopo. In theory, the dam reservoir should guarantee water for the large irrigation schemes on the Limpopo in the districts of Chokwe and Xai-Xai. But
ever since its construction in the colonial era, the dam has been plagued with structural problems.

Nonetheless, when Prime Minister Carlos Agostinho do Rosário visited Massingir on Friday 12 February, the director of the dam rehabilitation project, Luis Paulo, told him that emergency discharges, of 27 cubic metres a second, begun on 2 February, and sought to meet the water requirements of crops in the Limpopo Valley in order to save this year’s harvest.

Paulo said that the discharges will continue while work on repairing the dam’s bottom outlet is underway.

The bottom outlet was severely damaged in May 2008 due to bungled work by the French firm Coyne et Bellier, and BKS Consulting Engineers of South Africa. During the accident, pipes in the bottom outlet ruptured. Now a further attempt is being made to repair the outlet.

There are two pipes in the bottom outlet, one of which is now being used to discharge water into the river. According to the managing director of the Southern Regional Water Board (ARA-Sul), Helio Banze, this will increase the time required to repair the bottom outlet.

The dam management says there is no other way to make the water stored in the reservoir available. Because of the drought the water simply does not reach the surface spillways. Staff are watching the situation closely, to ensure that the current discharges do not further compromise the bottom outlet.

United Nations agencies describe the current El Niño as one of the strongest in the past half century. A release issued by the World Food Programme (WFP), the FAO, the Famine Early Warning Systems Network (FEWSNET) and the European Commission’s Joint Research Centre (JRC) notes that “across large swathes of Zimbabwe, Malawi, Zambia, South Africa, Mozambique, Botswana and Madagascar, the current rainfall season has so far been the driest in the last 35 years”.

“Much of the southern African sub-region has consequently experienced significant delays in planting and very poor conditions for early crop development and pasture re-growth”, the release added. “In many areas, planting has not been possible due to 30 to 50 day delays in the onset of seasonal rains resulting in widespread crop failure.

“Although there has been some relief since mid-January in certain areas, the window of opportunity for the successful planting of crops under rain-fed conditions is nearly closed”.

Even if there is now normal rainfall for what remains of the rainy season, the forecast remains pessimistic. “Crop water balance models indicate poor performance of maize over a widespread area”, the release warns.

But it is most unlikely that there will be a sudden return to normal rainfall. Instead the seasonal forecasts are for “a continuation of below-average rainfall and above-average temperatures across most of the region for the remainder of the growing season”.

The release’s grim conclusion is that “the combination of a poor 2014-15
season, an extremely dry early season (October to December) and forecasts for continuing hot and drier-than-average conditions through mid-2016, suggest a scenario of extensive, regional-scale crop failure”.

“This has increased the region’s vulnerability due to the depletion of regional cereal stocks and higher-than-average food prices, and has substantially increased food insecurity”, the agencies add.

“Even before the current crisis began, the number of food-insecure people in the region (not including South Africa), already stood at 14 million, according to the SADC”. The FEWSNET estimate of early February is that at least 2.5 million people are now in a critical situation “and require urgent humanitarian assistance to protect livelihoods and household food consumption”.

The release warns that: “over the coming year, humanitarian partners should prepare themselves for food insecurity levels and food insecure population numbers in southern Africa to be at their highest levels since the 2002-03 food crisis”.

Source: Agencia de Informacao de Moçambique

“Priority is saving lives” – Minister Pacheco

The top priority at a time of natural disasters is to save human lives, declared the Minister of Agriculture, José Pacheco, in the western city of Tete on Saturday 13 February.

Minister Pacheco was monitoring the drought situation in the southern districts of Tete Province, which is now affecting approximately 120,000 people. He visited Cahora Bassa and Marara districts, where peasant farmers told him that their food reserves are exhausted and there is nothing in their fields to harvest. They feared that, under these conditions, many people in the province may starve to death.

Minister Pacheco chaired extraordinary sessions of the Cahora Bassa and Marara district governments at which he declared that all measures must be set in motion to avoid deaths from hunger.

“Drought is the enemy of everything and everyone”, he said. “With drought, there is no agriculture. Drought affects people’s health because they have no food. Drought limits access to water. So we have to take concrete measures to save human lives, by promoting, for example, agricultural and livestock fairs where people can find the goods they lack in their houses”.

Minister Pacheco praised the efforts of the district governments to organise agricultural fairs, where households affected by drought can obtain the goods they need to overcome their food deficit.

“We should explain to the public that we are facing a drought due to lack of rainfall, but we can acquire the goods in the fairs that are being organised, so that we do not die of hunger”, he said. “We must always be in contact with our population so that they do not feel abandoned, when it seems that we are not doing anything for them”.

Minister Pacheco was informed that traders from Guro district in the
neighbouring province of Manica are bringing maize to sell in Marara.

“They bring large amounts of maize. They sell each tin of maize for MT380” (approximately US$8), the Marara district administrator, Titos Site, told the minister. “The price is regarded as normal, particularly if we compare it with places where the same tin is sold for MT450. Because of the great demand, the maize is all sold. We think it’s a good initiative for our population, who have exhausted their food reserves”.

The Cahora Bassa administrator, Ana Maria Beressone, reported that: “hunger is spreading, because the food reserves are running out. But we are organising the fairs. We are also encouraging cattle farmers to sell some of their livestock, so that they can buy food”.

Source: Agencia de Informacao de Moçambique

Immediate measures required to assist drought victims

On Monday 15 February, the government’s Disaster Management Coordinating Council (CCGC) decided to take immediate measures to ensure supplies of food and water for 530,000 people in drought affected areas in the south and centre of the country.

The meeting, chaired by Prime Minister Carlos Agostinho do Rosário, follows visits by members of the government to both the drought stricken provinces and areas in the north of the country where torrential rains have caused flooding.

Speaking to reporters after the meeting, the Minister of State Administration, Carmelita Namashalua, said that, while she did not wish to distract attention away from the floods in the north, currently the most worrying situation is the drought affecting the southern provinces of Maputo, Gaza and Inhambane, and parts of Sofala and Tete in the centre of the country.

The most critical issue is the shortage of food and of drinking water in drought affected areas. The CCGC had decided to tackle these shortages as quickly as possible. Tanker trucks carrying water will be sent to the worst hit zones, and where possible more boreholes will be drilled. The government had initially allocated MT560 million (approximately US$12 million) for its contingency plan for the 2015-16 rainy season, and the relief agency, the National Disasters Management Institute (INGC) has already channelled MT200 million to deal with urgent needs.

Because of the drought, the disaster management bodies face a deficit of MT63 million, said Minister Namashalua.

“The contingency budget is not sufficient to deal with the situation”, the minister said, “and we would like to recall that hunger kills silently. We are very concerned and we will do everything possible to alleviate the suffering of our fellow citizens”.

But she said that the government thought that, by carefully assessing the requirements in each area, and with the support of internal partners, it would be possible to overcome the budget deficit.

Source: Agencia de Informacao de Moçambique
Below-average cereal harvest anticipated in Mozambique

Since the start of the 2015-16 cropping season (October/June) rainfall in Mozambique has generally been below average in southern and central provinces, while more favourable rains were recorded in northern areas benefiting crop development, according to a 10 February GIEWS Country Brief from the FAO.

Although the increased precipitation during December 2015 and January 2016 partly alleviated seasonal dryness in the south and centre, large portions of the country still only received less than 50% of the average rainfall between October 2015 and January 2016, with the El Niño episode continuing to adversely impact the monsoon season. As a result, vegetation conditions are generally below average, particularly in southern Gaza Province, implying an increased likelihood of reduced cereal yields for the 2016 crop.

The report aid weather forecasts point to a continuation of similar rainfall patterns for the remainder of the season, with a higher chance of reduced rains in the centre and south, while near-normal rainfall is expected in northern provinces. Overall, the 2016 cereal output is anticipated to remain at a below-average level for a second consecutive year, with particularly poor harvests anticipated in southern areas.

The current unfavourable production outlook follows an already reduced 2015 cereal harvest, which resulted in a small increase to the maize import requirement for the almost concluded 2015-16 marketing year (April/March). In consideration of an expected second successive below-average maize harvest in 2016, import requirements in the 2016-17 marketing year are forecast to remain at similarly higher levels.

According to the report, prices of maize generally increased seasonally in the last quarter of 2015 and, as of early December, were up to double their year-earlier values. The elevated levels in 2015 largely reflect the tighter supply situation following the below-average 2015 harvest. The relative stability of the metical against the South African Rand, however, has helped to somewhat limit imported inflation, particularly given the record high maize prices in South Africa.

The impact of the current El Niño associated dry conditions is expected to result in a deterioration of food security conditions in 2016-17, due to reduced harvests and limited availability of seasonal farm labour opportunities, particularly in southern provinces. The higher maize prices are also negatively impacting on food access.

Source: World-Grain

“Drought may affect 49 million in southern Africa” – WFP

As many as 49 million people in southern Africa could be affected by a drought that has been worsened by the most severe and longest El Niño weather pattern in 35 years, the United Nations World Food Programme (WFP) said on Monday 15 February.

The WFP, which has already said 14 million people face hunger in the region, said the El Niño conditions had caused the lowest recorded rainfall between October and December since 1981.
The forecast for January to March indicated a high probability of below-normal rainfall in southern Africa, which would result in one of the worst droughts on record, it added.

“It is estimated that 40 million rural people and nine million poor urban people who live in drought-affected areas could be exposed”, the WFP said in its latest report.

The drought has hit much of the region, including the maize belt in South Africa, the continent’s most advanced economy and the top producer of the staple grain.

In Lesotho, Swaziland, Zambia and Zimbabwe, planting delayed by two months or more has severely impacted maize yields.

Malawi is experiencing its first maize deficit in a decade, pushing the price 73% higher than the December 2015 average. In Mozambique, prices were 50% higher than last year.

The WFP said food production in Zimbabwe had fallen by half compared to last year and maize was 53% more expensive. During the course of the week 5 to 12 February, Zimbabwe said that it needed nearly US$1.6 billion in aid to help pay for grain and other food after the drought.

El Niño events typically bring drier conditions to southern Africa and wetter ones to East Africa. The dry, hot conditions are expected to persist until the start of the southern hemisphere autumn in April or May.

Source: Reuters

“IT IS NECESSARY TO ADOPT PRECAUTIONARY MEASURES AGAINST ZIKA” – GOVERNMENT

Despite the fact that no cases of Zika have been reported in Mozambique, Cabinet spokesperson and Deputy Minister of Culture and Tourism, Ana Comoana, maintains that it is necessary to adopt precautionary measures against the virus.

“The government urges all Mozambicans to adopt preventive measures similar to those of malaria prevention, as this virus is caused by a mosquito that causes dengue” said the deputy minister.

Source: Folha de Maputo

SADC UNI-Visa TO BOOST REGIONAL TOURISM – MOZAMBIQUE TO ENTER AT FOURTH STAGE.

The 2015 Africa Tourism Monitor has revealed that visa simplification schemes have the potential to further boost tourism revenue and job creation by between 5% and 25%, and thus far supporting visa facilitation initiatives, including e-visa and regional visa cooperation, have already led to immense economic benefits for countries that have adopted this approach.

This revelation comes at a time when SADC states are preparing to expand the Kavango Zambezi (KAZA) visa, a common tourist visa developed by Zambia and Zimbabwe, which has been identified as the first step towards a SADC uni-visa. The Tourism Monitor published by the African Development Bank further indicates that the continental tourism sector is growing. The report attributes this growth to
various initiatives aimed at boosting the industry which include the simplification of visa systems and regional co-operation mechanisms through the KAZA visa and East African Community (EAC) uni-visa.

According to the report the African tourism sector grew by 4% in 2014, making it the second fastest-growing tourist destination (Southeast Asia grew by 6%). In 2014, a total of 65.3 million international tourists visited the continent, which is a significant leap from the 17.4 million that visited the continent in 1990. Among the top five African countries for tourist arrivals were two SADC states: South Africa in third place and Zimbabwe in fifth place, while Botswana topped *Lonely Planet’s* list of best places to visit in 2016, beating out countries such as The United States of America and Japan for first place.

The report links the growth of the tourism sector to visa facilitation initiatives such as the EAC single visa, which was launched in February 2014, engaging Kenya, Uganda, and Rwanda. The same year saw an increase in Uganda and Rwanda’s tourism receipts by 12% and 8% respectively. Another uni-visa success story is the KAZA Visa which grew out of the 1998 SADC Protocol on the Development of Tourism.

The visa was launched in November 2014, and ran through May 2015 as a pilot project under a World Bank grant of US$900,000 and positive reports on economic indicators related to the project are anticipated to follow.

Article 5.1 c of the SADC Protocol on the Development of Tourism states that: “Member States shall endeavour to make entry and travel of visitors as smooth as possible and shall remove practises likely to place obstacles to the development of tourism both regional and international by having a tourism visa which will facilitate movement of international tourists in the region in order to increase the market share and revenue of the region in world tourism on the basis of arrangements to be negotiated and agreed upon by member states”.

The KAZA Visa for tourists between Zambia and Zimbabwe has been touted as the first stage towards this envisioned SADC uni-visa. The second phase of the project, will see the visa’s extension to the other three KAZA states (Namibia, Botswana and Angola) while the next stage will include pilot SADC states (Mozambique, South Africa and Swaziland). The fourth and final phase will see the visa’s expansion into the remaining SADC states.

Speaking at the re-launch of Somalisa Camp, in Hwange National Park this year, Zimbabwean Minister of Tourism, Dr Walter Mzembi, indicated that the visa will now be extended to the second phase with the hope that final phase will be completed by the end of 2018.

Despite these intentions, many analysts have argued that there has been a lack of progress in the introduction of the uni-visa as the idea was first mooted in 1998 with an initial operational date set for 2002. A case study into the lack of progress by the South African Institute of International Affairs (SAIIA) highlighted that among the key issues of concern that have led to this delay are safety and security concerns, as well as a lack of bureaucratic co-operation in
the region. The study further elaborated that the South African government, in particular, is concerned about security issues as a result of an influx of illegal immigrants.

South Africa recently underwent an extreme overhaul of its visa application processes, which has led to tighter security requirements such as biometric data for all visa applications and unabridged birth certificates for children in a bid to limit the movement of terrorists and child traffickers.

In addition to security concerns SAIIA researchers argue that a regional uni-visa will require extensive co-operation among neighbouring countries at various bureaucratic levels, including revenue authorities, embassies and border control, and within regional policing efforts, and thus far, bureaucratic co-operation in SADC has been weak. The report concludes that: “though the benefits of tourism are clear, civil servants stationed at embassies and within the home affairs departments that manage and implement visas have had little or no exposure to the benefits of tourism and their primary concern is safety and security”.

Despite these challenges South African Home Affairs spokesperson, Mayihlome Tshwete, insists that the idea of a regional uni-visa is still “very much alive and negotiations between SADC states were continuing”. Speaking in response to the SAIIA report he highlighted that one of the main issues still to be sorted out, is how to share the revenue derived from visas, which is an important source of income for some countries. He further added that there is a fear that most tourists would choose Johannesburg as their point of entry.

With the benefits of regional visa facilitation mechanisms clearly articulated by the 2015 Africa Tourism Monitor it remains to seen whether such negotiations will be successfully concluded, and whether the 1998 vision of a SADC uni-visa will finally be realised.

Source: Southern African News

Bahrain introduces e-Visas for Mozambicans

Bahrain has introduced electronic visas for Mozambicans wishing to visit the Gulf State. Since October 2014, nationals from selected countries have been able to apply for visas online ahead of their visit. In this latest phase of the scheme, Mozambicans and nationals from 10 other countries now have access to e-Visas. The other countries added to the scheme are Egypt, Morocco, Kenya, Ghana, Ivory Coast, Cameroon, Gabon, Senegal, Mauritius and Seychelles.

According to an official from the Bahrain Ministry of the Interior, Shaikh Ahmed bin Isa Al Khalifa, “the addition of these important African economies will help to support the business and tourism sectors in the Kingdom and hopefully those of the wider GCC (Gulf Cooperation Council) region”.

Source: Agencia de Informacao de Moçambique