

MOZAMBIQUE News reports & clippings

278 9 February 2015

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Election study collaboration: We have detailed election data from 1999 through 2014 and are inviting scholars to use this data collaboratively. Contact j.hanlon@open.ac.uk for the link.

Dhlakama ends parliament boycott

Renamo will end its boycott of parliament and provincial assemblies, Afonso Dhlakama announced after a two-and-a-half hour meeting between Dhlakama and President Filipe Nyusi Saturday at the Indy Village hotel in Maputo.

"Both men were wreathed in smiles at the end of the meeting ... and Dhlakama told reporters repeatedly that he was 'very satisfied' with the discussions", AIM reported (7 Feb). Dhlakama said this was just the first meeting and another meeting would be held in a few days. He indirectly confirmed that the on-going Monday negotiations between Renamo and government would also continue; the 92nd session was held on 2 February..

This meeting seems to have been mainly for Dhlakama to make his case. On Dhlakama's proposals for a caretaker government or separate regional government for the north, he said "it was raised here, and I was listened to."

Nyusi did not speak to the press after the meeting, saying only "it was good to talk".

Dhlakama has always insisted that Nyusi come to him, while Nyusi has said the meeting must be in Maputo. *@Verdade* (7 Feb) points out that Dhlakama stays at Indy Village when he was in Maputo, so the protocol problem was solved by Nyusi going to Dhlakama's hotel in Maputo.

Team to study removing Frelimo from the civil service

A serious three-person team has been agreed to try to draw up a proposal to reduce the role of the Frelimo party in the civil service as well as Radio Moçambique, TVM, and neighbourhood secretaries. The new Justice Minister Abdul Remane Lino de Almeida will represent the government. Renamo has chosen academic Eduardo Namburete. And the national mediators selected Rev Anastácio Chembeze, head of the Electoral Observatory. (CanalMoz 4 Feb)

The issue is known in Portuguese as "despartidarização do Estado" - de-partying the state.

Floods split north and south

Very heavy rains in Zambézia caused floods near Mocuba on 12 January that have cut the main north-south road and left Nampula, Niassa and Cabo Delgado provinces without electricity for the past month. The Licungo River at Mocuba had the worst floods since 1971.

On the only electricity line which links the Cahora Bassa dam to northern Mozambique, 10 large metal pylons were washed away and 15 km of power line destroyed; flooding and continued rain makes their replacement difficult so the state electricity company EDM is putting in place a temporary new line using wooden poles and material dropped by helicopter. The biggest problem is a long span of wire over the Rio Licunga; 2 metal pylons are being installed on each side of the river and they hope to string the wire this week.



O País photo

A section of a major bridge on the EN1 over the Rio Licunga at Mocuba was washed out on 12 January (photo above), and the national roads administration (Administração Nacional de Estradas, ANE) says it hopes to reopen the bridge Sunday 15 February. Small boats and canoes are currently ferrying people across the river..

Another bridge has also been washed out near Nampevo, and this has been replaced by a dirt bypass which must be constantly repaired due to on-going rains. Three others smaller breaks are being repaired temporarily.

At least 150 people have died from the storms and floods in central and northern Mozambique, according to Casimiro Abreu, deputy director of the National Disasters Management Institute (INGC). Abreu warned that the death toll could rise in the coming days, since more bodies are being discovered as the flood waters recede. Abreu put the number of people affected by the floods at about 150,000. He said the worst affected province was Zambézia, with 68 confirmed dead.

Meanwhile 35,00 hectares of crops have been lost and another 30,000 ha damaged, according to provincial agriculture director Ilídio Bande. Rice areas in the districts of Maganja da Costa and Nicoadala have been most affected.

Flooding is also affecting Malawi, and Morrumbala district on the east bank of the Shire river which is the border with Malawi. Zambézia received abnormally high levels of rainfall -- 600 millimetres of rain in 10 days - although in the rest of the country rainfall was within the normal patterns for this

time of year. Western Nampula province was affected by floodwaters from rivers which rise in Zambézia.

Lack of electricity is also affecting water supplies, and may be partly responsible for a cholera outbreak in Nampula province. There have been 649 cases but only three deaths.

(*Noticias*, AIM English and Portuguese, various dates)

India plans first coal to liquids plant

International Coal Ventures Limited (ICVL), the Indian state company that bought the Rio Tinto and former Riversdale coal mine in Tete, announced on 12 January that it will invest \$1.9 billion in a 300 MW power station, a coal-to-liquids plant, and expanding the mine.

Director general of ICVL Mozambique, Nirmal Chandra Jha, said that the company had asked for expressions of interest from companies to build the power station and liquids plant. The idea is to use as much of the lower grade coal as possible locally, while exporting the more valuable coking coal. (*Indian Express*, 30 Jan)

Coal to liquids technology is not new, having been developed in Germany in 1925 and used by Sasol in South Africa since 1955. And it has been discussed informally in recent years for Tete, where there is both coal and an adequate water supply. But with falling oil prices, the question is if new technologies will bring down production costs enough.

Three kidnappings in a week

There were three kidnappings in central Maputo in one week. All were of people of Asian origin, two with Portuguese nationality.

On the evening of 4 February a gang rammed their victim's car on one of the busiest streets in the capital, Julius Nyerere Avenue, in front of the Trauma Centre, a private Hospital in Sommerschild. When she got out of her car to see what had happened, she was taken away at gunpoint by the kidnappers. Named only as Nazira, she owns an art shop in central Maputo and is the sister of the man who owns a nearby petrol station, next to the Polana Hotel.

On 2 February the owner of the "Kalinka" clothing shop on Mao Tse-Tung Avenue was kidnapped by men who opened fire and also seized a pistol from a private security guard and an AK-47 from a policeman.

And in the first kidnapping of 2015, on 28 January at 09.00, Munir Sadrahim Vali, the owner of the "Speed and Style" motor vehicle accessories shop on Karl Marx Avenue, accompanied by one of his employees as he tried to open the shop, was taken by three men armed with AK-47s.

The people detained on 28 January and 4 February were released on 5 February, according to @Verdade (6 Feb), but the third person is still held.

Poison beer kills 75

75 people died and more than 100 others were hospitalised in Chitima, Cahora Bassa district, Tete, on 9 January after drinking a home-brewed beer, "pombe", made from sorghum, maize bran and sugar. It is believed that a toxic substance was added to the drink, but laboratories in Mozambique and Portugal have been unable to identify it.

The woman who made the pombe, Olívia Olocane, was among those who died. AIM reports that she had a good local reputation for making high quality pombe,

Further samples of what was left of the drink, plus urine, faeces, stomach contents and tissues from victims have been collected for analysis to try to identify the poisoning agent. Teams are also looking at the plants that grow in the Chitima area and further south on the border with Zimbabwe, because of reports that a Malawian traditional doctor gave a substance to Olivia Olocane. He supposedly told her to put the substance underneath the drum where the drink was brewed, but she misunderstood the instructions and put it inside the drum.

On Sunday the police said they had arrested a man in Chiúta, and accused him of poisoning the beer.

Keeping inflation low by overvaluing Metical

Inflation in 2014 in Maputo was just 2.6%, the IMF reported in a 5 January statement. But it notes that "low import prices have dampened inflation."
<http://www.imf.org/external/np/sec/pr/2015/pr1501.htm>

And on 28 January, Bank of Mozambique governor Ernesto Gove said the Bank's main objective "is to preserve the value of our currency, the Metical, expressed in low and stable inflation". Gove admitted that the Metical had come under pressure on the foreign exchange markets in late 2014. The central bank responded by selling a record sum of \$1.226 billion US dollars on the Inter-Bank Exchange Market, which resulted in a greater than expected reduction in Mozambique's international reserves - down to \$2.862 billion, enough to cover 4 months of imports (excluding mega-projects). (AIM 28 Jan)

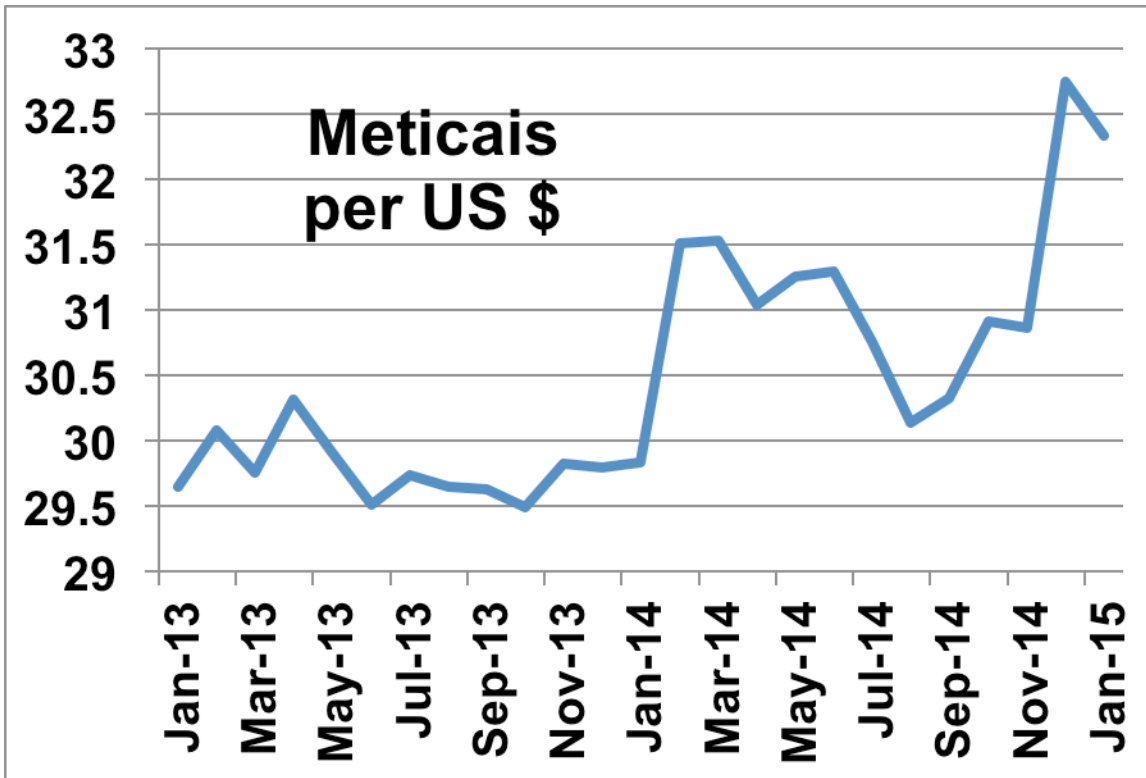
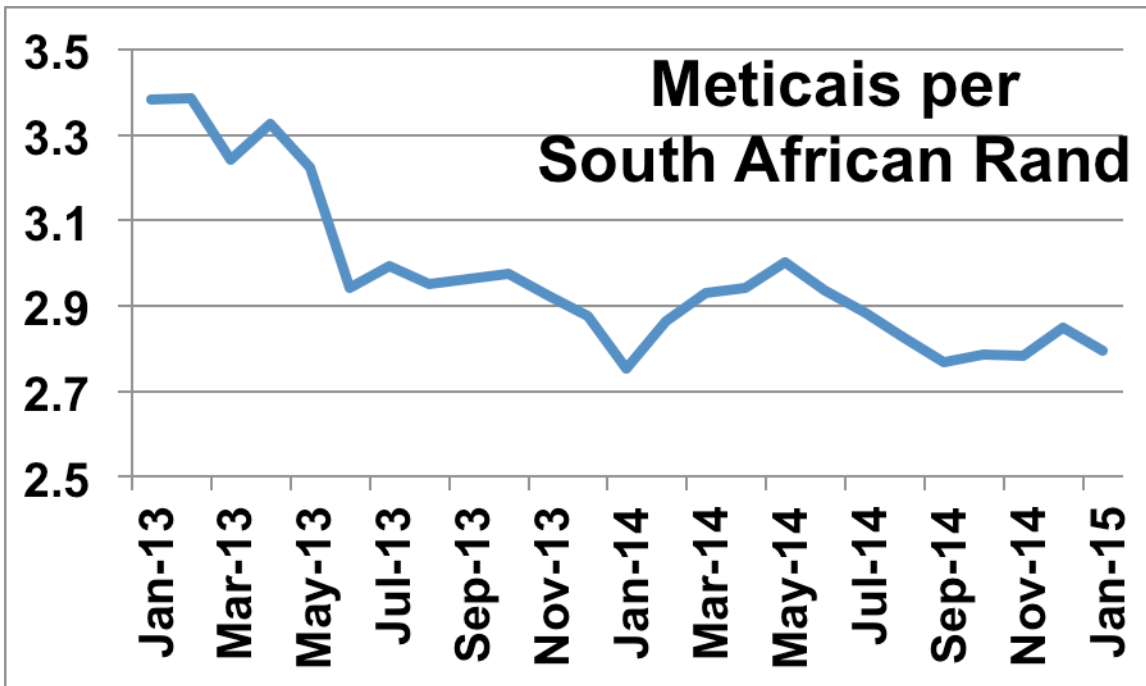
Because imports for Maputo largely come from South Africa, the unannounced goal of the Bank has been to increase the value of the Metical against the South Africa Rand. This was also done partly for the elections. At the beginning of 2013 each Rand cost 3.4 Meticais. On municipal election day 20 November 2013 each Rand cost only 3.0 Meticais and by national election day 15 October 2014 it was down to 2.8 Meticais, making goods imported from South Africa cheaper. Since then, the rate has been allowed to drift back up to 2.9.

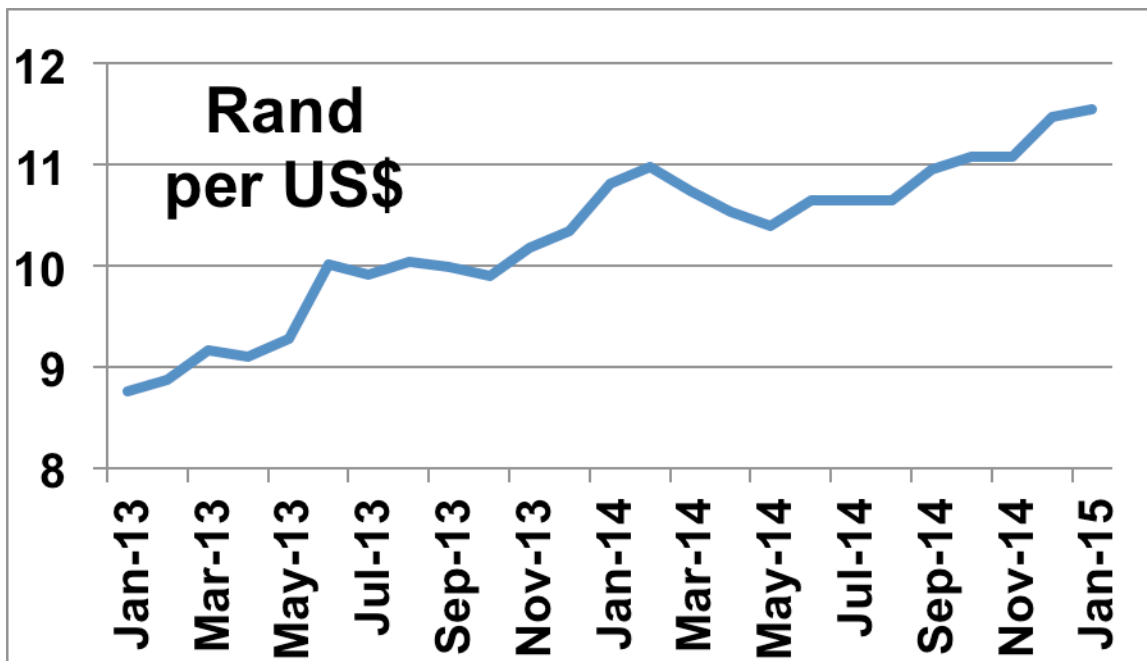
This has partly been possible because the Rand has been slowly devalued against the strengthening US dollar, from 8.6 Rand to \$1 at the beginning of 2013 to 11.5 Rand to \$1 now. This allowed the Bank to maintain a steady exchange rate of 30 Meticais to \$1 throughout 2013, 31 Mt to \$1 in the first half of 2014 until September, and then devalue to 33 Mt to \$1 now.

The three exchange rate tables for the past two years are below.

But making imports cheaper with an overvalued exchange rate deters Mozambican production of industrial and agricultural products which cannot compete with imports.

The IMF has also issued Mozambique's annual policy statement, known as the "Letter of Intent", on <http://www.imf.org/External/NP/LOI/2014/MOZ/121214.pdf>





IMF warns government does not know what it owns

The IMF's just issued Fiscal Transparency Report is quite critical. It notes that:

- "Mozambique does not maintain a complete and up-to-date inventory of public sector entities."
- "The State owns shares in at least 156 public enterprises and publicly-owned corporations, whose net asset value remains largely unknown. The State institute that oversees these entities, IGEPE, has exerted limited oversight on the financial assets and risks associated with these entities."
- "The institutional coverage of fiscal reports is still limited; in particular it does not provide complete and reliable information on the operations performed by the social security fund and numerous autonomous entities, which are likely to be significant."

<http://www.imf.org/external/pubs/ft/scr/2015/cr1532.pdf>

Other news

The Human Rights League (LDH) is in a crisis. Alice Mabota, who founded LDH 20 years ago and has remained its head, had come under increasing pressure of donors for poor management. Donors withheld funding, and for seven months LDH had been unable to pay wages to its staff. Mabota resigned under pressure in December, then withdrew her resignation. A Restructuring Commission is using the LDH offices while Mabota has a parallel team in the League's previous offices.

Three more interceptor patrol boats have been ordered from the French shipyard CMN (Constructions Mecaniques de Normandie), reports the defence industry on-line publication *Navy Recognition*, as part of the EMATUM contract. According to the journal, "these vessels are ideal for anti-piracy, anti-terrorism and anti-smuggling missions". The three new HS132 patrol boats are in addition to three in the original order. The light-weight aluminium boat is 32 metres long, has a crew of 12, and can carry surveillance radar, electro-optical sensors and a satellite link for transferring images and other data. They can reach speeds of 43 knots (80 km/hour). Three Ocean Eagle 43 trimaran patrol boats, were also in the original order, and the first one was launched in Cherbourg last month. *Navy Recognition* describes this boat as "a compact high-performance multifunction vessel that is suited to protect coastal areas and strategic offshore infrastructures". The first five of 24 fishing boats (a mixture of trawlers and longliners) was delivered late last year.

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Chickens and beer: A recipe for agricultural growth in Mozambique

by Teresa Smart and Joseph Hanlon

E-book for Kindle and iPad, for \$9.32 from US Amazon - <http://www.amazon.com/dp/B00NRZXXKE> - £5.14 from UK Amazon.

In pdf format, 6 Mb file, free on <http://bit.ly/chickens-beer>

Galinhas e cerveja: uma receita para o crescimento

by Teresa Smart & Joseph Hanlon. Copies are in Maputo bookshops or from **KAPICUA**, Rua Fernão Veloso 12, Maputo; Tel.: +258 21 413 201 or +258 21 415 451
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Outside Mozambique, we have a few copies we can send from London.
Please email j.hanlon@open.ac.uk.

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by Joseph Hanlon, Armando Barrientos, and David Hulme
Most of this book can now be **read on the web**
tinyurl.com/justgivemoney

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Joseph Hanlon

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Carlos Serra Diario de um sociologo: <http://oficinadesociologia.blogspot.com>
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