

# NEWS

WIN WIN SOLUTIONS 4 AFRICA  
CONSULTING (Pty) Ltd



# OF THE WEEK

21 August 2017 – 25 August 2017



**MOZAMBIQUE**

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## **Mining & Energy**

### **TCT-Indústrias Florestais invests in limestone quarry in Mozambique**

#### **Macauhub**

Forestry Company TCT-Indústrias Florestais planned to invest US\$3 million in the exploration of limestone deposits in central Mozambique, manager James Whaite told Mozambican daily newspaper *Diário de Moçambique*.

Whaite added that the exploration of these deposits was focused on the sale of limestone to agricultural producers, “thereby increasing production and productivity in the sector”.

The investment is planned for the district of Cheringoma, in the central province of Sofala, and Whaite noted the existence of a railway line and a road near the exploration site as important factors for the profitability of the enterprise.

TCT-Indústrias Florestais is controlled by Premier African Minerals Ltd, which in November 2016 acquired a controlling interest of 52% for US\$2.1 million in two 26% stakes purchased from Transport Commodity Trading Mozambique Ltd (TCTM) and GAPI Sociedade de Investimentos.

The company has an operating licence for a limestone deposit in an area of 27 square kilometres and a forest concession on 24,812 hectares located in the centre of Mozambique, for a sawmill and a factory for production of furniture and semi-finished products for export.

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## **Regional Trade Affairs**

### **Harnessing natural gas resources to top SA-Mozambique Commission**

#### **SABC**

The South African government’s proposal to lead regional efforts to harness natural gas resources to boost industrialisation will top the agenda during the South Africa-Mozambique Bi-national Commission which gets underway at the Mozambican capital Maputo this morning.

President Jacob Zuma and his host Filipe Jacinto Nyusi will co-chair the high level ministerial meeting, which will review the state of bilateral trade and investment between the two neighbouring countries.

On Sunday during the SADC leaders’ summit in Pretoria, President Zuma proposed the establishment of a regional body to develop a strategy to facilitate the exploitation of the vast natural gas resources in the region.

In a speech, President Zuma said the discovery of natural gas resources in a number of southern African states including Mozambique presented investment opportunities which will bolster regional industrialisation drive.

President Zuma says the proposed committee will be charged with ensuring the inclusion and promotion of natural gas into the regional energy mix.

“Africans must benefit from African resources. We are proposing the establishment of the inter-state national gas committee to share learning experience for the development of gas economy. The inclusion of gas into the energy mix will facilitate in universal access to energy as well as industrial development in SADC,” says Zuma.

The country has estimated recoverable natural gas reserves of between 15 trillion and 30 trillion cubic feet. Energy experts have argued that new offshore natural gas finds along the Mozambique coast are expected to be a game changer for the country and the southern African region.

The country has estimated recoverable natural gas reserves of between 15 trillion and 30 trillion cubic feet, enough to meet one year's gas consumption by the United States. The recent launch of an 865 kilometre gas pipeline which runs from Temane in Mozambique to Secunda in South Africa has been hailed as one of the major cross-border public-private partnership investment initiative on the continent.

South Africa's Energy Minister Mamoloko Kubayi says the exploitation of vast natural gas reserves will be beneficial for the SADC region.

"It's very crucial because for industries to run they need power not only in South Africa but for the region. More and more industries when they are built they will need energy. We have been major role player as South Africa on the energy side."

Both President Zuma and his Mozambican counterpart Nyusi are also expected to discuss progress made in the curbing of cross-border poaching of endangered species such as rhinos including joint cooperation in mega-projects infrastructure development.

### **Additional information Win Win Solutions 4 Africa**

Talks are underway between the governments of South Africa and Mozambique on building a new pipeline to bring gas to South Africa from the huge gas fields in the Rovuma Basin offshore northern Mozambique, South Africa's new energy minister Mmamoloko Kubayi said May 19 2017.

"Work with the Mozambicans has started. Technical teams have been engaging. There are concerns about regulations. We will make sure we comply but also ensure it is in the public interest," she noted.

Eni, Anadarko and their co-ventures want to monetise their vast Rovuma basin offshore gas resources as LNG in the 2020s, once a current global LNG glut has eased. They have been wary about tying the resource into local markets until full-scale LNG projects are up, running, and earning their keep.

Eni has discovered more than 85 trillion ft<sup>3</sup> and Anadarko more than 75 trillion ft<sup>3</sup> of gas resources in the Rovuma offshore northern Mozambique, and have agreed on a joint site where they could build onshore LNG trains. Separately, a proposed floating LNG project by Eni is pending a final investment decision.

South Africa's Sasol has enough pipeline capacity to export from its onshore southern Mozambique production. Kubayi would not say what overlap, if any, there might be between a new pipe and Sasol's existing one. Meanwhile onshore exploration in northern Mozambique has been modest.

In early 2016 a proposal for a Chinese-sponsored 2,600km pipe costing \$6bn from Mozambique's far north to South Africa's industrial heartlands made little progress, with one partner SacOil dropping out soon after; the proposal to date has garnered no support to date from international oil companies.

Kubayi told MPs that "gas is an integral part our energy mix, notwithstanding that in the short to medium term, we do not have access to the indigenous gas promised by the shale gas exploitation program" in the Karoo basin.

She said the country's gas programme is premised on LNG being imported from the world market within five years at Richards Bay in Kwazulu-Natal. But beyond that, gas piped from northern Mozambique held out the "possibility of being a more attractive option than LNG." In the longer term, so ten to 15 years from now, shale gas [could be] sourced from the Karoo, she added.

In another development, Kubayi announced a shake-up in the chain of command between her department and ailing state energy company PetroSA, but expressed frustration that she is currently preventing her from talking direct action to deal effectively with the loss-making entity.

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## **Infrastructure Development**

### **Mozambique gears up to promote Nacala Special Economic Zone, islands of Crussi and Jamali**

#### **Notícias**

The government is preparing to hire companies to produce promotional material and image databases on the Nacala and Crussi and Jamali Island Special Economic Zones.

This is a phase in the implementation of the Ministry of Economy and Finance's Integrated Hubs Project (PPIC), the aim of which is to improve access to infrastructure and skills for companies and small producers in the Zambezi Valley and the Nacala Corridor, as well as strengthening the capacity of public and private sector institutions.

According to the Ministry of Economy and Finance, the improved performance of enterprises and small producers is measured as an increase in salaried employment, especially in the Nacala Special Economic Zone.

Crussi and Jamali islands, although outside the geographical area of the Nacala zone, will play an important role in the development of the area, as the success and development of the region depends in part on opening air routes to Nacala, which in turn depends on the existence of quality tourist destinations like the two islands, which are being promoted by the National Institute of Tourism.

Companies selected by the Ministry of Economy and Finance will develop promotional videos and create a bank of images to be used in national and international exhibitions with the aim of attracting private investment. The Crussi and Jamal Special Economic Zone is located at the administrative post of Matibane, in the district of Mossuril, about thirty kilometres from Nacala-Porto.

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## **Transport Ministry of Mozambique determined to increase revenue**

### **AIM**

The Mozambican Ministry of Transport and Communications plans to adopt a series of measures this year to increase its revenue, declared the Minister, Carlos Mesquita, on Wednesday.

Speaking at the opening of a meeting of his Ministry's Coordinating Council, in the resort of Bilene, in the southern province of Gaza, Mesquita stressed the role of transport and communications in generating revenue for the country and in increasing its Gross Domestic Product.

Key examples were the recently inaugurated Nacala-a-Velha coal terminal, on the northern coast, and the dredging of the access channel to the port of Maputo, allowing ships of over 80,000 tonnes to dock. It was facilities such as these that would encourage the country's growth, said Mesquita.

"With this installed capacity, Mozambique is now positioned in a competitive manner in the regional market for the handling of large quantities of merchandise", he added. He was convinced that these improvements would be very significant in generating revenue for the state budget.

Mesquita urged all the professionals of the various institutions supervised by his Ministry to work with greater dedication and dynamism, and to undertake actions that promote the culture of lasting peace, tranquillity and public security, while rejecting any attempts at political destabilisation.

“In the coming period, the transport and communications sector should be proud that it has contributed to a substantial improvement in our economy and to poverty reduction, and the promotion of social inclusion in development”, he said.

Future key investment, Mesquita continued, included rehabilitating the Manhica railway bridge, about 80 kilometres north of Maputo, increasing the capacity of urban and inter-city public passenger transport, rehabilitating river and maritime docking facilities, and ensuring greater security in Mozambican ports. He put no figure on how much these various initiatives would cost.

In civil aviation, the runway at the airport in Chimoio, capital of the central province of Manica, must be rehabilitated. Mesquita also wanted to see aerodromes built or rehabilitated in Xai-Xai, Inhambane, Bilene, Ponta do Ouro and Lumbo. The latter three could all be significant for tourism.

Mesquita also announced that his Ministry will shortly propose to the government the establishment of a Metropolitan Agency, covering Maputo, the neighbouring city of Matola and the Boane municipality in order to coordinate transport routes, and facilitate urban mobility.

“The agency will be a small organisation that will coordinate public passenger transport”, said the Minister. “This is the responsibility of the municipalities and each municipality has a territory. To move from one territory to another requires agreements, and the agency will organise these agreements”.

#### **Additional information Win Win Solutions 4 Africa**



**Adriano Afonso Maleiane**

Minister of Economy & Finance

**Date of Birth:** 06/09/1949

**Place of Birth:**

**Address:** Maputo, Mozambique Praça da

Marinha

Popular, Maputo

**Tel:** 258-21-315000/4, 82300516

**Fax:** 258-21- 306261, 420137

Minister Adriano Maleiane was previously the Chief Executive Officer of Malefinanceiro a business consulting company. He has worked in the Banking Sector for more than 33 years, and has also served as the Chairman of Banco Nacional de Investiment (BNI). Maleiane holds a Bachelor of Science, and a Master of Science, and a Diploma in Accounting.

Adriano Afonso Maleiane was born on November 6, 1949 Maputo suburb in Matola. He studied economics at the Eduardo Mondlane University, and read for his Master's in Finance, graduating from the University of London.

He began his career in 1973 in the Casa de Moçambique Bancária. In 1974 he joined the Commercial bank of Angola. With the complete nationalization of the banking sector in the wake of the independence of Mozambique, he moved to the new single Bank of Mozambique (Banco de Moçambique). There he took on various tasks, having previously been in the department of import/export transactions, the department of the banking industry and was also temporarily Vice-Governor of the Bank.

In 1984 he became head of the department of Agricultural Economics at the Department of Agriculture. In 1986, Maleiane went back to the Bank of Mozambique. He led the reform process of the bank in 1991 as part of the orientation towards a market economy, spun off and completely restructured the commercial bank and took over the tasks of a classic central bank. From 1991 he also took over the duties as Governor of the Central Bank. Maleiane led, among other things, the negotiation for debt restructuring with the creditors of the London and Paris Club, and in the end, much of the Mozambican debt was adopted. He finished his work as governor of the Bank in 2006. At the end of his tenure at the Bank of Mozambique, Maleiane worked for various private financial and insurance companies, to include MaleFinanceiro and MaleSeguros. Most recently, he was head of BNI.

After the election of Filipe Nyusi as president of Mozambique, Maleiane was appointed on 19 January 2015, as Minister of the newly merged Ministry of Economy and Finance.

In 1998, Maleiane received the French Order of Merit (l'ordre national du Mérite) with the rank of Knight (Chevalier), as well as the Order of Merit of the President of the Republic of Mozambique. In 2005 Maleiane received the Eduardo Mondlane second class medal and the diploma of honour of the Mozambican state.

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## **Japan Mozambique Relations**

### **The market opportunities Japan seeks in Africa through TICAD**

#### **O Pais**

Ministers, deputy ministers, diplomats, representatives of multilateral institutions and entrepreneurs are among the personalities from Africa and the world that packed the hall that hosted the opening ceremony of the ministerial meeting of the sixth Tokyo International Conference for the Development of Africa (TICAD), Directed by the President of the Republic, Filipe Nyusi.

In his address, the Head of State highlighted key factors on the Economy saying;

- the meeting takes place at a time when the global economy and the African economy are experiencing periods of deceleration, which is an opportunity to invest in infrastructures and human capital
- the country also registered a slowdown in gross domestic product (GDP - the value of all goods and services produced in the economy) of 6.6 to 3.8% from 2015 to 2016 While inflation increased from 3.6 to 19.6% in the same period
- Filipe Nyusi also mentioned the climate of peace and stability that has been achieved because of the dialogue that has put an end to the political-military tension that has been witnessed in the last two years

#### **Importance of TICAD**

Filipe Nyusi highlighted the fact that TICAD, from a simple advocacy forum for Africa, it has now become;

- a partnership instrument between African countries and Japan, which includes, inter alia, the promotion of peace and stability
- the development of infrastructures to enable interconnection
- the development of agriculture, to ensure food and nutritional security, as well as to feed our industries and increase exports
- industrialization, which adds value to the natural resources that our countries have, the development of human capital, to increase efficiency and productivity
- the transfer of technology and knowledge

The President stressed that TICAD is in alignment with the African development agenda in 2063, with the Infrastructure Development Program and structures for Africa Expanded Program for Agricultural Development in Africa Program Accelerated Industrial Development of Africa, among others.

### **Africa must diversify the economy**

Diversifying the economy is an imperative that has already been presented in forums for debate on the economies of Africa. Filipe Nyusi introduced it at the opening of the meeting, but added cooperation as an important ingredient for this purpose.

For the President of the Republic, "Africa cannot continue to mortgage its growth and economic development to limited sources of income that depend exclusively on natural resources that it has in its primary form", because they are exhaustible resources and because they are sensitive to the dynamics arising Dynamics of the global economy. The Head of State therefore advocates that the most effective way of harnessing natural resources is to promote more integrated cooperation and added value to the productive structure through diversification of the economy. Under TICAD, the private sector can play an important role in the process of implementing investment projects that ensure technological development, including the transfer of knowledge.

In his speech, the President of the Republic also emphasized Africa's commitment to peacekeeping through dialogue.

### **TICAD is the vehicle of Japanese diplomacy for Africa**

TICAD has always been committed to Japanese diplomacy for Africa and is essentially focused on encouraging Africa's resilient growth by combining efforts with international partners. To maximize returns, we ensure transparency and consistency of our activities, to ensure that we fully meet our commitments.

I consider our responsibility as indispensable to the steps that we have been taking. The opportunity that Africa embraces is clear, but the question is: how can we work together to realize the aspirations of the African continent reflected in the 2063 agenda? "

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## **International Relations**

### **Belgium supports health sector with 1.7 billion meticaais**

#### **O Pais**

Belgium has 1.7 billion to support Mozambique over the next five years. The sum was announced today at the end of a meeting between the Head of State, Philip Nyusi, and the minister-president of the Flanders region of Belgium.

The talks between Nyusi and the Belgian leader took place behind closed doors. But in the end, the minister-president of the Flanders region made a communication to the journalists, where he revealed that he is in Mozambique at the invitation of the Head of State and that the cooperation between the region of Flanders and the Mozambican state dates back to 2002.

Geert Bourgeois has announced an amount of € 25 million for Mozambique, which represents just over 1.7 billion meticaais, a figure which is intended to support, in particular, the health sector. Prior to the meeting with Philip Nyusi, the Belgian leader signed an agreement with the Ministry of Health, where he pledged to continue supporting Mozambique. In addition to the meeting with the minister-president of the region of

Flanders, Filipe Nyusi today received the Minister of Foreign Affairs of Japan, and the talks also took place behind closed doors.

### Additional information Win Win Solutions 4 Africa



**Oldemiro Júlio Marques Balói**  
Minister of Foreign Affairs & Cooperation  
**Date of Birth:** 9/04/1955  
**Place of Birth:** Maputo  
Mozambique  
**Address:** Av. 10 de Novembro, 640,  
Maputo  
**Tel:** 258-21-327000/5  
**Fax:** 258-21-327020/1

Minister Oldemiro Júlio Marques Balói was born in the city of Maputo (then Lourenço Marques). He completed secondary school at Liceu António Enes in 1975, and became a mathematics teacher in Namaacha. He received his degree in Economics from UEM in 1984 and a Master's from the University of London in 1994. He has served in the government of Mozambique as Minister of Foreign Affairs since 2008. Balói served as Deputy Minister of Cooperation in the early 1990s, and then served as Minister of Industry, Trade and Tourism from 1994 to 1999.

He was subsequently active in the Millennium-BIM (International Bank of Mozambique), serving as a member of its Board of Directors and its Executive Board. On March 10, 2008 he was appointed as Minister of Foreign Affairs, replacing Alcinda Abreu.

He is married with two children. He is a member of the Presbyterian Church, and speaks Portuguese and English.

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## Political Affairs

### Dhlakama has 21 days to show interest in being registered

#### O Pais

Renamo's leader, Afonso Dhlakama, has three weeks to express interest in registering under the IV General Population and Housing Census, which ran from 1 to 15 August. Dhlakama was not counted during the days of the census because it was in an apparently unknown location somewhere on the Gorongosa mountain range in Sofala.

It should be noted that at the end of the census process, according to the AIM, the National Institute of Statistics (INE) ensured that if Renamo expressed interest and created conditions (particularly security), an INE brigade could move, To the place where Dhlakama is located, to ensure that it also appears in the official statistics of the population.

It is within this scope that INE says that there is still time and openness to register the Renamo leader. In the meantime, warns the INE, the registration deadlines are getting more and more tight, considering that the registration of Dhlakama or any other person who has submitted a reasonable justification cannot be done after the start of the coverage survey, an activity that Begins on 16 September, therefore in three weeks' time, lasting 15 days, as happened with the registration process.

According to INE, Renamo has this indication, so hopefully, in the coming days, there will be a concrete reaction on this issue. "He is aware that this process is taking place. He is a national citizen and lives in this

territory. We hope that he will be incorporated into the process, but we have not received any communication from his party yet, "said INE spokesman Cyril Tembe, quoted by AIM as saying," when the There will be nothing left to do. We will have to close the collection process definitively. "

At the end of the regular registration, the INE had registered 26 822 464 inhabitants, against a forecast of 27 128 530. In relation to the figures found, INE drew attention to the need to understand that the 26.8 billion inhabitants do not correspond to data Definitive.

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## **Mining & Energy**

### **Mining contractor activity progressing at Moz gold project**

#### **Mining Weekly**

Mining contractor activity at Aim-listed Xtract Resources' Manica concession area, in Mozambique, is progressing "favourably", with initial mining of the alluvial gold deposits expected to start at the end of this month, the company reports.

Xtract's Mozambique subsidiary, Explorator, concluded mining contractor agreements for the project with mining contractors Omnia Mining and Moz Gold in June and with Sino Minerals Investment Company in July for the exploitation of the alluvial deposits.

Omnia and Moz Gold have the exclusive right to mine the unconsolidated deposits on the western half of the permitted area of the mining concession, while Sino has the right to mine the deposits on the eastern half of the concession, Mining Weekly reported earlier this month.

The agreements will endure for a period of ten years or until the alluvials have been depleted before the ten-year period, with the option to extend for a further period of five years, if the alluvials have not been depleted.

The agreements include performance targets, with Omnia required to have in place a fully operational plant with a mining capacity of 100 t/h. The minimum target mining capacity is expected to increase to 400 t/h from November.

A minimum capacity of 220 000 t/m is to be achieved by November and an eventual yearly production target of 2.64-million tonnes of alluvial materials is expected.

Sino will, from October 15, be required to have a fully operational plant with a mining capacity of 200 t/h, expanding to 400 t/h by January 15, 2018. Explorator will receive some 8% of all gold revenues, with gold tax paid by the contractor.

Xtract reports that all Omnia's earthmoving equipment on site has already been serviced and customised. Two-thirds of the company's plant equipment is on site and has been installed.

Almost one-third of the first of two Omnia settling dams has been completed, while subsoil is currently being removed for key installations and infrastructure.

Meanwhile, mine planning and logistics layouts with Sino are to be agreed by the end of this month and a second 200 t/h plant is to be ordered from China.

"Omnia [is] showing a robust approach towards its production objectives. The plant delivered to site is expected to be able to process considerably more tonnes than the contract allows for," Manica chairperson Colin Bird noted in an update to shareholders earlier this month.

He pointed out that shareholders should be aware that, while plant capacity is important, statistics of overburden stripping and reclamation are extremely important for successful results. Omnia production plans have been well formulated to address this issue.

Bird added that, the following week, Sino Minerals and the company would work towards developing a mine plan, which would address the logistics issues previously noted.

Having finalised its monitoring arrangements, the company will adopt systems with a balance between manpower and technology to ensure minimum capital and operating cost, with good security coverage.

## **News Headlines this week:**

Thursday, 24 August 2017

### **Economy**

Nacala Special Economic Zone: Government prepares promotional material

### **Conferences**

Globalisation, technology, inequalities and social inclusion as a challenge and solution for the future  
African Foreign Affairs Ministers meet in Maputo to discuss the continent's challenges

### **Border Control**

Mozambique: Government introduces new Border Policy

### **Infrastructure**

Mozambican dam levels increase

### **Business**

Former Mabor Moçambique tyre factory sold to printing company

### **Agriculture**

Agricultural extensionists will assist 700 000 producers in 2017

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Wednesday, 23 August 2017

### **Business News**

Gas-Fired Power Station Plans to Triple Production

### **Political Affairs**

President of the Mozambican CNE urges political parties to commit themselves to transparent elections

### **Social Development**

President Nyusi works at Ministry of Gender, Children and Social Welfare

### **Business News**

Maputo hosts Tokyo International Conference on African Development

### **Oil & Gas**

Sasol reports success in drilling for oil and gas wells in the country

### **State Owned Enterprises**

LAM sales up 61% in the first half

### **Business News**

Qeshm Cement Company to start exports to Mozambique

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**Tuesday, 22 August 2017**

**State Owned Enterprises**

Companies owned by the State cannot be a "burden"

**Public Sector**

Mozambique's Central Public Ethics Commission says regulator violated law on bank sale

**Business News**

Mcel and TDM merger reduces from 17 to three members of the Board of Directors

**Agriculture**

Mozambique Harvests Its First Genetically Modified Maize

**Social Welfare**

Vandalized electricity transformer in Chimoio

Four out of 10 adult Mozambicans are hypertensive

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**Monday, 21 August**

**Diplomatic Affairs**

Prime Minister discusses strengthening cooperation between Mozambique and Japan

**Infrastructure Development**

Final parts of Maputo-Catembe Bridge loaded on ship in China

**Regional Affairs**

SADC bids farewell to Dos Santos and Ian Khama

**Government Communication**

Prime Minister launches new government publication

**Economy**

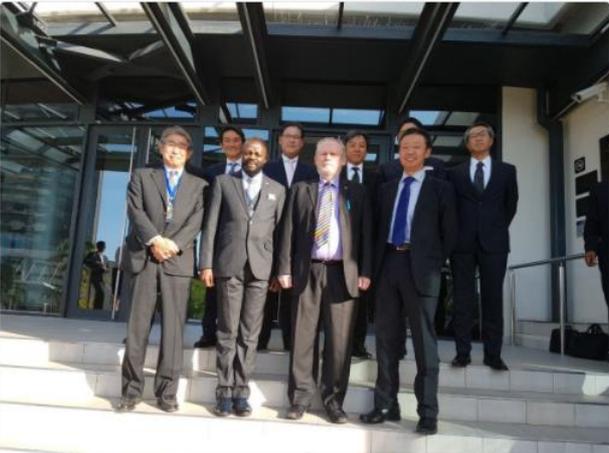
Government advances with sovereign fund for development projects

**State Owned Enterprises**

Electricity of Mozambique: The pay rise – A Verdade

### Twitter Feeds

**GCIS Media Liaison** @GCISMedia · 1h  
Minister Rob Davies, SA Ambassador to Japan: Thulani Dlomo, Japanese investors after a business meeting in Maputo **Mozambique**



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**GCIS Media Liaison** @GCISMedia · 1h  
Minister Davies and his counterpart from **Mozambique** Ernesto Max Tonela at TICAD business forum



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**sidwell medupe** @SMedupe · 5m  
Minister Rob Davies addressed the TICAD Business Breakfast "Dialogue with the Private Sector from Japan and Africa" in Maputo, **Mozambique**.



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**Todd Niall** @toddniall · 14h  
17 former AKL commuter diesel units off to new life in **Mozambique**. Price undisclosed.



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