

NEWS

WIN WIN SOLUTIONS 4 AFRICA
CONSULTING (Pty) Ltd



OF THE WEEK

30 January 2017 – 03 February 2017



MOZAMBIQUE

03 February 2017

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Friday, 03 February 2017

Correction for article sent on 02 February 2017 titled, "Government to launch tender to assess impacts of merger "TDM and MCell"

We would like to apologise for an error in yesterday's news article where Zito Dalsuco, was named and profiled as CEO of the Telecommunication Company of Mozambique, (TDM) Group. We hereby retract that information.

The correct CEO of the TDM Group is Mamudo Ibramhimo:



- **Mozambique, Telecommunications CEO**
October 2015 – Present (1 year 5 months) Maputo
CEO
- **Teledata Lda, CEO**
April 2014 – Present (2 years 11 months) Mozambique
- **Mozambique Celular SA, CEO**
April 2011 – December 2013 (2 years 9 months) Mozambique
- **Mozambique Telecommunications SA, CFO**
August 2008 – March 2011 (2 years 8 months) Mozambique

Heroes' Day in Mozambique

Mozambique celebrates Heroes' Day yearly every 3rd day of February. It was instituted to commemorate the lives of fallen soldiers who fought bravely for the country's independence in 1975, and specifically to the assassinated leader of Mozambican independence movement political party, Eduardo Mondlane.

History of Heroes' Day

When Mozambique was still under Portuguese rule, a guerrilla group called Front for the Liberation of Mozambique (FRELIMO), a political party formed in 1962 under the leadership of Eduardo Mondlane, initiated a campaign to fight for the country's independence. This war, later called the Portuguese Colonial War, lasted from 1961–1974.

Initially, the Portuguese concentrated their control on urban centres while the FRELIMO guerrillas took control of rural and tribal areas in the northern and western part of Mozambique. To receive local support for the liberation of Mozambique, FRELIMO began conducting social and economic improvement in the lives of the people on the controlled territory in the northern portion of the country. In one unfortunate event, Mondlane was assassinated in his office in Dar es Salaam, Tanzania, by the Portuguese secret police. Through the resistance and persistence to achieve independence of the ensuing FRELIMO leadership, the country achieved its independence from Portugal on June 25, 1975.

Heroes' Day traditions, customs and activities

The official day of Heroes' Day is Dia dos Heróis Moçambicanos. Heroes' Day is a public holiday celebrated with parades and speeches from various political groups aiming to support an equal or Marxist way of life for all Mozambique citizens.

Heroes' Day reminds all Mozambique citizens to pay homage to the sacrifices given by FRELIMO leader, Eduardo Mondlane, in bringing independence to the country's more-than-four-century colonial rule from Portugal; Samora Machel, the first president of Mozambique; and other organisations that aimed for the liberation of the country for foreign rule.

Public Debt

IMF accepts restructuring of Mozambique's debt

Further Africa

The International Monetary Fund (IMF) approved the Mozambique government's policy to pay bilateral and multilateral loans and to fail to pay commercial debt related to US\$2 billion in previously 'hidden debt', the Africa Monitor newsletter reported.

The report, citing an announcement released recently in Washington, said that the IMF might resume funding to Mozambique under a new programme, to be completed by mid-2017, despite arrears to private creditors, which would not be possible if the defaulted debt were to countries or international organisations.

Conditions set by the IMF

1. The acceptance by the Government of Mozambique of a "structural adjustment plan", which will include austerity measures, privatisations, reducing the weight of the state and tax reform, to be outlined in a Policy Support Instrument (PSI), encompasses the following:
 - Completion of the audit of undisclosed loans by US company Kroll, and
 - Clear progress in negotiations with private creditors that are holders of bonds issued by public companies with a State guarantee.
 - Negotiations with private creditors with regard to so-called hidden debts, two of which are considered "unconstitutional" because they exceeded the amounts that exempt them from parliamentary approval (ProIndicus and MAM), remain at a standstill.
2. Lenders and investors will be available to speed up negotiations to ensure the return of investment and have already coordinated with the IMF for this risk to be covered in the credit that will be granted, but the government of Mozambique wants a substantial reduction of the debt, from US\$2 billion to less than US\$1 billion.
3. There are a variety of loans in question – US\$726 million in Eurobonds for tuna company Ematum, and US\$622 million and US\$535 million in loans contracted by public companies ProIndicus and Mozambique Asset Management, respectively, which were later declared illegal by the Administrative Court of Mozambique.

Additional information from Win Win Solutions 4 Africa:

Bilateral loans are funds provided to a borrower by one lender. The opposite of syndicated loans, bilateral loans are a less complicated type of participatory loan. However, because bilateral loans are agreements between one lender and one borrower, the lender risk is much higher than with syndicated loans.

Multilateral debt is the debt owed by developing countries to the World Bank and International Monetary Fund (IMF), known as the Bretton Woods Institutions (BWIs). In the last decade these institutions have become the major creditors of the developing world.

Infrastructure

Government works to start maritime cabotage in the next six months

Government portal of Mozambique

The Government guarantees that it will continue to create conditions for the start of maritime cabotage this semester, in order to reduce asymmetries from the point of view of competitiveness and to bring benefits in terms of the prices of goods arriving to the populations. The guarantee was given today by the Minister of Transport and Communications, Carlos Mesquita, at a press conference held in the context of the meeting of the balance of activities of the sector for 2016, held in Maputo.

"Conditions are still being set. We will have, within 10 days, meetings with three companies that have already submitted their proposals, and are discussing with Transmarítima for the development of maritime cabotage," he stressed.

Cabotage is the navigation between seaports of the same country, without losing sight of the coast, as opposed to long-haul navigation between ports of different nations.

"The start of cabotage will also help to rehabilitate some secondary and tertiary ports, which will have direct implications for local development in terms of agricultural production and even add value to that production in the perspective of cargo handling and palletising. This creates added value for the sites themselves and then the shipment," he said.

Mosque also made an analysis of the port sector, in general, saying that it continued to register flow of goods from the country and the region.

However, he said that some corridors registered a reduction in cargo volume, due to the country's macroeconomic situation, as in the world, with the reduction of prices of 'commodities on the world market, for example.

"But we are clear on concrete steps that we have to take and that is why we continue with several investment programs in the ports," he said.

Mesquita mentioned that some of these investments included the work of dredging the access channel to Maputo Port, which would also coincide with the rehabilitation of one or two piers. This includes the investments to be made in the acquisition of additional equipment for the handling of goods in Porto.

"This is also true in the Port of Beira and Nacala. The Port of Nacala will start phase I and III of the rehabilitation project and the acquisition of modern equipment for operations, taking into consideration the rehabilitation of infrastructure that will happen," he added.

The balance-sheet meeting of the sector's activities is extended to the managers of the institutes, public companies of the sector and the senior staff of the ministry. The objective is to review the degree of accomplishment of the activities during the year 2016, as well as to outline the attributions and work programs included in the Quinquennial Programme of the Government 2015/19 and the Economic and Social Plan (PES) of this year.

Additional information from Win Win Solution 4 Africa:

Maritime cabotage is defined as navigation between two ports (a port of loading and port of unloading) located in the same country, regardless of the country of registration of boats. Widely used during the colonial era, cabotage has weakened in recent years, although it has many advantages.

About Port of Beira

The port of Beira in Moçambique is situated at the mouth of the Pungue River. The town of Beira is relatively modern, having been founded at the same time as Johannesburg (late 19th century), after having been identified as a potential port by the Portuguese explorer Paive de Andrade. Access to the port is obtained via the dredged Mancuti Channel (17 n.miles from the Mancuti lighthouse). Ships waiting for berthing instructions are required to anchor east of the outer channel. The port is tidal with a MH spring range of 6.2 - 7.4m. Vessels awaiting berth must anchor at the bar. The approach to the Pungue River is obstructed by numerous banks and shoals, which are constantly changing. From the north end of Channel Rambler, the entrance channel is marked by light buoys west of Cbadelo light (metal mast, 4m in height), exhibits nine cables north northwest of Ponta Gea on the edge of a bank fronting the shore between Ponta Gea and Ponta Chiveve.

The port is open 24 hours a day although night navigation is restricted to vessels up to 7m draught and LOA of 140m. Pilotage and tug assistance are compulsory at all times, with pilots joining ships near P Buoy.

Berth 6 is for refrigerated cargo including citrus exports, vegetables and other fresh products. The coal terminal is on berth 8, and the oil terminal is at berths 11 and the new berth number 12 further upstream, where tankers of up to 60,000DWT and a 12m draught are catered for.

Beira has a small dry dock for vessels up to 110m LOA. The port has good ship chandling and stevedoring services. A ferry service operates to other small harbours along the coast including Buzi, Sofala, Chiloane, Machanga, Nova Mambone. Bunkering is available.

Foreign Affairs

Cuban vice-president Salvador Valdés Mesa arrives in Mozambique

Club of Mozambique

Vice President of the Cuban Council of State Salvador Valdés Mesa arrived in Mozambique this afternoon from South Africa on a tour that also included Ethiopia.

The two-day official visit to Maputo corresponded to the historic relations of friendship and cooperation that unite the peoples of Cuba and Africa, diplomatic sources said here.

Jorge Penicela Nhambiú, Minister of Science and Technology, Higher Education and Professional Technician, welcomed Valdés Mesa at Maputo International Airport, better known as Mavalane. Carvalho Muaira, member of the Political Bureau of the governing Frelimo Party; Berta Cossa, director of Europe and America in the Ministry of Foreign Affairs and Cooperation, and the Cuban ambassador in Mozambique, Raúl García, also attended the welcoming.

The first activity of the member of the Political Bureau of the Communist Party of Cuba would be this Thursday, when he was to hold a courtesy call with President Filipe Nyusi, diplomatic sources informed Prensa Latina.

Then the Cuban leader would on to a working meeting with the prime minister Carlos Agosthino Do Rosário. The General Director of Bilateral Affairs of the Ministry of Foreign Affairs of Cuba, Gerardo Peñalver; the director of Sub-Saharan Africa of the organisation itself, Angel Villa, and Brigadier General Arnaldo Tamayo Méndez, Hero of the Republic of Cuba, accompany Valdes Mesa.

Cuba and Mozambique established diplomatic relations on August 28, 1975. Currently, more than 450 collaborators from the largest of the Antilles provide their services here in sectors such as health, education, sports, culture and others.

Economy

Mozambique foreign direct investment drops 1% to US\$3 billion

Lusa

Foreign direct investment (FDI) in Mozambique fell to US\$3 billion last year, down 11 percent from the previous year, according to the United Nations Conference on Trade and Development (UNCTAD).

According to an UNCTAD Global Investment Trends report released yesterday in Geneva, “foreign direct investment inflows to Africa have declined 5 percent to US\$51 billion”, in part because of low commodity prices since the middle of 2014. Flows to Angola have dropped more than half after having risen in 2015. Mozambique has seen FDI fall 11 percent, but the level has still been significant, around US\$3 billion,” UNCTAD analysts write.

In June of last year, however, UNCTAD said that Angola had received US\$8.7 billion in FDI in 2015, an increase of 35 per cent over the previous year.

This figure, however, does not represent an increase in investment in projects, but mainly capital injections to the Angolan subsidiaries of multinational companies. “This jump was due, in large measure, to loans granted by foreign headquarters to their Angolan subsidiaries,” the document reads.

The figures for the African continent as a whole show a downward revision of an October estimate predicting that 2016 flows would increase by 6 percent to between US\$55 billion and US\$60 billion.

Mining & Energy

ENI invites Mozambican companies to provide goods and services for Rovuma LNG projects

O Pais

Italian oil company ENI is increasingly determined to invest in the Rovuma Basin in Cabo Delgado. Its board of directors announced the approval of its US\$10 billion investment plan in November last year, and yesterday in Maputo the same company announced a series of tenders open to national and international companies, calling on Mozambican companies to get ready to provide services and supplies of equipment.

ENI had a strong presence at the second conference on oil and gas promoted by the Confederation of Economic Associations on Tuesday, and made three presentations on the various activities underway in the projects announced.

There are two major projects in the pipeline. The first – and the most advanced – is for the construction of a floating natural gas liquefaction plant; the second is another liquefaction plant located on the Afungi peninsula on the mainland. The company's project coordinator, Jocelyne Machevo, said that "during the design phase of the natural gas liquefaction plant project, ENI East Africa aims to boost local content by maximising the procurement of different activities or services to be provided, without compromising the health, environmental, safety and quality requirements of the projects".

Nelsa Mualeite, who coordinates the qualification of suppliers at ENI, presented a series of contracts, some still open and others already signed, for the provision of services in areas from construction technicians to catering and travel agents. "Any Mozambican company can work with ENI, provided that it meets all the requirements, depending on the tender we launch. Usually, what we want to know is how it is organised in terms of economic-financial structure," he said.

But the question of local content is not a matter of consensus; there is even a deal of mistrust, which businesspeople expressed at the event on Tuesday. They have a negative image of the Sasol natural gas exploration projects in Pande and Temane, which did not generate a value chain in Mozambique, let alone the empowerment of national companies.

"We competed [for these tenders] and we did not win. Then, foreign companies, South Africans, came in and used Mozambican companies that were [considered] not qualified to provide the services," one businessman said. The CTA industrial sector business wing coordinated by Rogério Samo Gudo understands that Mozambican companies have the capacity to compete on an equal footing with foreign companies. "When we talk about the industry and when we talk about investments, especially in infrastructures, the first base-industry are the metal-mechanics, where we have new companies with cutting-edge technology," he said.

In 2016, ENI was awarded a concession contract for hydrocarbon research and production in area 4 of the Rovuma Basin, about 200 km northeast of the city of Pemba and 50 km east of the district of Palma. ENI has a 70 percent stake in this block, with other shares owned by Mozambique Hydrocarbons, Portugal's Galp Energia and to Korea's Kogas.

CTA deputy chairman Agostinho Vuma believes that after the crisis that resulted in the national economy slipping last year from its usual 7 percent to 3.5 percent growth, this year has begun in an atmosphere of hope, thanks to investments announced and the cessation of military hostilities. "The volumes cited – we are talking about 100 trillion cubic meters in the Rovuma Basin in Palma – places Mozambique among the world's top producers. We cannot talk about volumes like these, involving investments of about US\$25 billion, without ensuring the participation of Mozambicans," he said. Extractive industries accounted for 4 percent of gross domestic product in the third quarter of 2016, according to data from the National Institute of Statistics.

Weather Alert

Heavy rains are forecast for the centre zone

O Pais

The National Meteorological Institute (INAM) predicts heavy rains in the next 15 days for all central provinces, which could affect the population living in the lower part of the Zambezi Valley.

In view of the risk of floods, high winds and lightning, INAM recommends that people withdraw from risk areas. The rains slowed down a bit throughout the country during the current week. But the situation may change over the next two weeks, in the provinces of Sofala, Manica, Zambézia, Tete and Niassa where heavy rains and lightning are expected.

The concern is heightened given the existence of rivers such as the Buzi and Pungue, with flows above the alert level, which may leave families living in the low region homeless. However, the north and south of the country, where the rains will slow down, the temperature could reach 33 degrees.

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Thursday, 02 February 2017

Social Development

Prime Minister wants to be able to guarantee the development of Mozambique

Business News

Government to launch tender to assess impacts of merger "TDM and MCell"

Infrastructure

AfDB approves \$69.6M risk in infrastructure for Mozambique, Malawi & Ghana

Africa perspective on infrastructure

CFM plans to conquer ore transport market in the Witbank corridor

Public Debt

Proindicus and MAM loans were hidden from audit body

Governance

Corruption cost the Mozambican economy US\$5 billion between 2002 and 2014

New Security Services governing body takes office

Transport facts on Mozambique

Wednesday, 01 February 2017

Tete News

Fire at Tete's Shoprite

Financial Governance

Filipe Nyusi urges commercial banks to be more prudent in their management

Infrastructure

Government wants to change the territorial order of the Zambezi Valley

Labour

Formalised cooperation in the field of vocational education

Disaster Management

Mozambique hosts regional disaster risk management centre

Fuel Shortages

Government again guarantees there is no shortage of fuel

Diplomacy

Minister Klemens in the UK to explore opportunities for oil and gas sector cooperation

Key messages in January 2017

Tuesday, 31 January 2017

Political

Lagos Lídimo named Director General of State Security

Food Security

European Union grant of US\$10.8 million for World Food Programme work in Mozambique

Mining & Energy

ICVL to restart operations at Mozambique mine as coking coal prices rise

Agriculture

Timber looting continues in Mozambique

Social Development

Chiveve Channel inaugurated: sanitation on the border will never be the same

Infrastructure

Uneven access a challenge to financial inclusion targets

Monday, 30 January 2017

Ports and Railways of Mozambique

Iron-Port sector pressed to improve

Finance and Banking

PR inaugurates new BCI headquarters building

Public Debt

Mozambique's President wants to resume ties with lenders

Food Security

Government undecided over wheat flour subsidy in Mozambique

Country Relations

Norway pledges to continue supporting Mozambican energy sector

Country Relations

Mozambique government and partners invest more than US\$170 million in road reconstruction

Twitter Feeds

 **Finn Tarp UNU-WIDER** @FinnsAngle · 11m
Women in #Mozambique are highly concentrated in agriculture especially non-traded food crops & are largely unskilled buff.ly/2kVd4W8



 **africanewsfeed** @africanewsfeed · 19m
[Mozambique] Government awards three contracts for gas development projects shar.es/1OLbtG via @AfricaBizz





Finanzas del Carbono @CarbonoFinanzas · 1h
IFADnews: IFAD President knwanze meeting with the Prime Minister of Mozambique, His Excellency Carlos Agostinho do...



Finanzas del Carbono @CarbonoFinanzas · 1h
IFADnews: RT knwanze: Inaugurating IFADnews Country Office in Maputo #Mozambique with Deputy Minister of Foreign A...

