

Newsletter n°193 | Dec. 6, 2014

Editor: Paul Fauvet | AIM&CTA Copyrights

AIM: Rua da Rádio Moçambique - Maputo - www.aim.org.mz | CTA: Av. Patrice Lumumba, 927 - Maputo - www.cta.org.mz

Email: ctanewsletter@cta.org.mz | Tel: + 258 21 49 19 14/64 | Fax: + 258 21 49 30 94

ECONOMY

OIL COMPANIES WANT LICENSING ROUND EXTENDED

International oil companies are requesting the Mozambican government to extend the tender launched in October for 15 hydrocarbon blocks, according to Arsenio Mabote, the chairperson of the National Petroleum Institute (INP).

The licensing round was launched in Maputo and London on 23 October. The fifteen blocks on offer cover an area of 76,800 square kilometres. They are located off the northern coast including the Rovuma Basin, the Zambezi Delta and the area near Angoche, in Nampula province, and onshore around Pande/Temane and Palmeira, in the southern provinces of Inhambane and Maputo.

The bidding will close on 20 January and INP will analyse the offers after a period of clarification. But some of the companies interested in bidding now say they need more time.

Cited in Friday's issue of the independent weekly "Savana", Mabote, who was speaking to reporters during an international Gas Summit in Maputo, admitted "in general, companies are used to having six months to prepare their bids. But this time there was a decision by the government that the bids should be submitted by 20 January".

"We are, in fact, receiving many signs from various investors who want to draw up better technical bids in order to win a position in the various blocks offered", he added.

Asked why the government had allotted only three months to the tender, Mabote said "this was a decision so that the government might have, as urgently as possible, an idea of who the future investors in these exploration areas will be".

As for reports that the first production of liquefied natural gas (LNG) from the Rovuma Basin might be delayed for a couple of years, until 2021, Mabote insisted that the government still wants to see the gas flowing by 2018/2019, "although we recognise that negotiating large scale contracts and the fall in the world oil price could have an impact on the entire logistics chain for the LNG project".

As for falling gas and oil prices, Mabote shrugged this off as a cyclical phenomenon, and he was confident that prices will bounce back.

"We all know that oil prices are cyclical", he said. "Today prices have dropped by about 30 per cent, but within three or four years they could rise again, maybe by 30 or 40 per cent. This is not a time to sit back and fold our arms, it is time to continue working and put our projects into practice". [Read more...](#)

LINE OF CREDIT FOR SMALL ENTERPRISES

The governor of the Bank of Mozambique, Ernesto Gove, on Friday signed contracts for four commercial banks to benefit from a line of credit intended to promote micro, small and medium enterprises (MSMEs).

The line of credit is worth 18 million euros (22.1 million US dollars), and has been made available by the German government through the German development bank, KFW. Gove said it derives from an agreement between the Mozambican government and KFW, signed in October 2012.

The commercial banks who will lend the money to the MSMEs are the country's two largest banks, the Millennium-BIM (International Bank of Mozambique), and the BCI (Commercial and Investment Bank), and two of the newer, smaller banks, MozaBanco and the Banco Oportunidade (Opportunity Bank).

Gove said that he hoped the signatory banks "will use all their professional experience so that the objectives of this project may be achieved, guaranteeing that more finance is channeled to micro, small and medium enterprises at competitive and more accessible interest rates".

Since KFW is not charging a high level of interest, Gove expected the money to be passed on to small companies at a preferential rate of interest. [Read more...](#)

LAM BEGINS SCHEDULED FLIGHTS TO NACALA

Mozambique Airlines (LAM) has announced that is preparing to launch a new route between the country's capital Maputo and the northern port city of Nacala.

According to a press release from the airline, the direct flights will begin on Monday when a LAM Embraer 145, with a capacity for fifty passengers, will take off at 6.50 from Maputo and arrive in Nacala at 8.35.

This will mark the first commercial flight into the new Nacala International Airport.

The return flight is due to take off at 9.05, arriving in time to give customers the option to transfer onto the LAM flight for Johannesburg.

The new airport has been under construction since September 2011. It will have 16 check-in desks, two departure lounges (for domestic and international flights) and the ability to handle half a million passengers per year. It will also have a cargo terminal with the capacity to handle 4,600 tonnes of cargo per year.

LAM will operate three flights a week between Maputo and Nacala. In May, LAM revealed that it is considering using its new Boeing 737s (which are due to arrive in May next year) to fly from Nacala to Dubai in the United Arab Emirates and to Mumbai in India. [Read more...](#)

SAA INCREASES FLIGHTS TO MAPUTO

South African Airways (SAA) on Tuesday announced that it has added more flights into the Mozambican capital, Maputo. From the beginning of December the airline has increased the number of flights between Johannesburg and Maputo from 17 to 21 per week.

In addition, it has added one flight per week to the routes between Johannesburg and Harare, Mauritius and Kinshasa.

According to the company's acting chief executive, Nico Bezuidenhout, "the strengthening of these routes comes in the wake of positive load factors and increased traffic between the countries".

Other airlines are also upping their flights to Mozambique. Last month Malawi Airlines opened routes between the Malawian capital Lilongwe and the Mozambican cities of Beira, Tete and Nampula.

At the end of October it was announced that Air France/KLM is negotiating with the Mozambican government on the resumption of direct flights between Paris and Maputo. There have been no direct flights between these capital cities for around two decades. [Read more...](#)

GUEBUZA IN ITALY TO STRENGTHEN COOPERATION

Mozambique and Italy on Wednesday reaffirmed their desire to strengthen bonds of cooperation for the well-being of their peoples.

This determination was stated in Rome during meetings between Mozambican President Armando Guebuza, and his Italian counterpart, Giorgio Napolitano, and Prime Minister Matteo Renzi. Guebuza has been on a working visit to Italy since Tuesday.

There were no statements to the press after either of the meetings, but Guebuza told a meeting of Mozambicans resident in Italy later in the day “it was restated that the relations of friendship and cooperation are good, but it was also noted that we have to continue working to strengthen them”.

He told the gathering that the Mozambican economy is continuing to grow at more than seven per cent a year. This growth is reflected in all sectors of activity and in all corners of the country. “Mozambique is not paralysed”, he declared. One example he cited was that the number of higher education institutions in the country has grown from one in the colonial period to 40 today,

At a reception with Italian business people, Guebuza encouraged them to continue investing in Mozambique. “Once again we wish to reiterate our invitation to Italian companies to continue banking on Mozambique to develop their businesses”, he said, calling for “mutually advantageous partnerships”.

“In fact, Mozambique and Italy are linked by a long and historic friendship”, he said. He recalled the solidarity shown with the liberation struggle by the Reggio Emilia region during the war for Mozambican independence, and more recently the role of the Sant’Egidio Community in hosting the 1990-1992 peace talks in Rome between the Mozambican government and the rebel movement Renamo.

Guebuza told the guests that this will be his last visit to Italy as head of state, and he took the opportunity to thank their contribution towards forging closer ties between the Mozambican and Italian peoples.

“I came to Italy to reaffirm our commitment to the relations of friendship and cooperation between our countries and peoples, to express our appreciation for the consistent support which the Italian government and people have offered us over the years, and naturally to encourage business cooperation between our countries”, he said.

He recalled that in July Mateo Renzi had chosen Mozambique for his first visit to Africa as Italian Prime Minister. Guebuza regarded this as “unequivocal proof” of the excellent relations between the two countries.

Guebuza said his visit is taking place “at a time when peace and stability are being consolidated, and when there is remarkable economic growth, the fruit of an encouraging business environment and of the selfless work of Mozambicans in the country and in the diaspora, as well as the contribution of Mozambican and foreign businesses”. [Read more...](#)

HOW TO SUBSCRIBE?

The full AIM news service is available to subscribers at: www.aim.org.mz

For details of how you can subscribe, contact:

Penoca Xirinda (technical dept) or Orlando Biosse (commercial dept) on 21 31 32 25, or send an e-mail to the following addresses:

aim@aim.org.mz / pfauvet@live.com