

Newsletter n°178 | July 18, 2014

Editor: Paul Fauvet | AIM & CTA Copyrights

AIM, Rua da Radio Moçambique - Maputo www.aim.org.mz | **CTA**, Rua Fernando Ganhão, 120 - Maputo www.cta.org.mz

Emails: aim@aim.org.mz | ctanewsletter@cta.org.mz

ECONOMY

MOVITEL WINS INNOVATION AWARD

Mozambique's mobile phone operator Movitel has won a "Best Mobile Innovation Award" at a ceremony in London.

The company received the "Judges Award" for its social inclusion and responsibility. According to the award organisers, "Movitel's strategy in Mozambique involves deploying mobile network infrastructure in rural and remote areas. It provides free internet to 2,500 schools and has created nearly 20,000 jobs in rural areas in the course of uplifting the telecommunication status of the country and creating the field for e-commerce in Mozambique".

According to the judges, "this is a unique strategy of investing in large, greenfield networks to cover the entire country, including rural and remote areas which will lead to sustainable social development that not only benefits the community but also widens Movitel's customer base". [Read more...](#)

LAM APPOINTS NEW CHIEF EXECUTIVE OFFICER

A meeting of the shareholders of Mozambique's publicly owned airline, LAM, on 16 July dismissed Chief Executive Officer Marlene Manave and replaced her with Iacumba Ali Aiuba.

LAM has just two shareholders – the Mozambican state with an 80 per cent stake, and the workers and managers of the company who hold the remaining 20 per cent.

Before his appointment Iacumba Aiuba worked for the National Electricity Council (CNELEC) and the National Communications Institute (INCM). Just over a month ago the shareholders sacked the chairperson of LAM's board of directors, Carlos Jeque. He was replaced by Silvestre Sechene, who is a former chairperson of the public insurance company, EMOSE. [Read more...](#)

FIFTY COMPANIES FINED FOR ENVIRONMENTAL VIOLATIONS

Fifty Mozambican companies were fined and suspended in the first half of this year for violating environmental protection regulations.

According to the inspector general of the Environment Ministry (MICOA), Emilia Fumo, the fines totalled 18 million meticaís (about 580,000 US dollars).

Fumo told the newspaper “Diário de Mocambique” that common infractions include operating without the necessary licences and a failure to manage trade waste. Among those suspended is a tyre re-treading business in the city of Beira.

The inspector lamented that there are businesses that do not take steps to tackle dust that they produce. She therefore wanted increasing penalties for each infraction of regulations.

The official added that MICOA is currently involved in four major resettlement programmes to make way for economic projects. These include the construction of the Maputo ring road and the creation of facilities associated with the natural gas industry in the northern province of Cabo Delgado.

Last year MICOA took part in the resettlement of people living in coal mining areas in Tete province. [Read more...](#)

BRAZILIAN BUSINESS DELEGATION TO VISIT MOZAMBIQUE

A delegation representing 30 Brazilian businesses will visit Mozambique from 18 to 19 July to explore opportunities. The trade mission is organised by the Brazilian Trade and Investment Promotion Agency, Apex-Brasil.

During the visit, the delegates will meet with local business figures to discuss investment and trade.

The Brazilian businesses cover the sectors of food and drink, construction and housing, machines and equipment, hygiene and cosmetics.

According to the President of Apex-Brasil, Mauricio Borges, the mission is important for the two countries as both want to strengthen the bonds of cooperation.

This is the second trade mission organised by Apex to Mozambique. The first took place in 2011, when 70 business figures represented 53 Brazilian companies.

In 2013 Mozambique’s trade deficit with Brazil reached 99.14 million US dollars. Brazilian imports came to 123.85 million dollars whilst exports to Brazil only totalled 24.71 million dollars. [Read more...](#)

ONCE AGAIN, CENTRAL BANK KEEPS INTEREST RATES UNCHANGED

The Monetary Policy Committee of the Bank of Mozambique, meeting in Maputo on 11 July, decided to keep the bank’s key interest rates unchanged for at least another month.

The statement issued by the Committee said that the Standing Lending Facility (the interest rate paid by the commercial banks to the central bank for money borrowed on the Interbank Money Market) will remain at 8.25 per cent.

The Standing Deposit Facility (the rate paid by the central bank to the commercial banks on money they deposit with it) remains at 1.5 per cent, and the Compulsory Reserves Coefficient - the amount of money that

the commercial banks must deposit with the Bank of Mozambique – is also unchanged at eight per cent. The Central Bank's interest rates have remained unaltered since October 2013, when the Standing Lending Facility was cut by 50 base points, from 8.75 to 8.25 per cent. The Committee also decided that the central bank will intervene in the inter-bank markets in order to ensure that the monetary base does not exceed 50.471 billion meticaïs (about 1.65 billion US dollars) by the end of July. At the end of June, the monetary base had reached 49.756 billion meticaïs, which was 2.6 per cent higher than the target set by the central bank of 48/023 billion meticaïs. The rise over the month was 3.4 per cent, caused by an increase of 1.614 billion meticaïs in notes and coins in circulation, while bank reserves rose very slightly by 23 million meticaïs. [Read more...](#)

FISHERIES

MOZAMBIQUE AND EU DISCUSS SUSTAINABLE FISHERIES

The Mozambican government and the European Union met in the capital city Maputo between 9 and 11 July to launch negotiations on the latest protocol to the Sustainable Fisheries Partnership Agreement.

The two sides will now continue negotiations in Brussels in September, with the current agreement running out on 31 January 2015.

The present protocol allows 43 purse seiners and 32 surface longliners flying the flag of an EU member state to catch a total of 8,000 tonnes of tuna per year.

In return the EU pays the Mozambican government 980,000 euros annually, out of which 460,000 euros is earmarked for the support of the fisheries policy to promote sustainability.

According to the EU, "the negotiations were conducted in an open and frank atmosphere with progress made on identifying the areas where there was agreement and those where further work is required".

However, it is clear that the next protocol will be different to previous editions as Mozambique has embarked upon rapidly building its own tuna fishing industry.

On 14 July, five boats that will form part of Mozambique's tuna fishing fleet began their journey to Maputo from the French port of Cherbourg. They will arrive in mid-August.

This will be the first delivery out of an order for 24 fishing boats and six navy patrol boats placed by the company EMATUM with the CMN shipyard in Cherbourg. [Read more...](#)

TUNA LONGLINERS EN ROUTE TO MAPUTO

Five boats that will form part of Mozambique's tuna fishing fleet are en route to Maputo from the French port of Cherbourg.

The longliners are aboard the cargo vessel "Blue Master II" which left port on Monday morning. They are due to arrive in Maputo port in mid-August.

The boats are part of an order for 24 fishing boats and six navy patrol boats placed by the company EMATUM with the CMN shipyard in Cherbourg.

Although EMATUM is a private company, its shareholders are state bodies. The major shareholder is the Institute for the Management of State Holdings (IGEPE), with 34 per cent. The other shareholders are the state fishing company Emopesca and GIPS (Management of Investments, Holdings and Services), with 33 per cent each. GIPS was set up in December 2011, and its main shareholder is the social services of the State Intelligence and Security Service (SISE).

Currently, all but one of the boats fishing for tuna in Mozambique's waters are foreign vessels. The government has argued that the creation of a national tuna fishing fleet would bring in revenue of about 90 million dollars a year and create 1,500 jobs. [Read more...](#)

INFRASTRUCTURES

EN4 ROADWORKS FALL BEHIND SCHEDULE

Repair work on the motorway linking the Mozambican capital Maputo and the border with South Africa has fallen three months behind schedule.

The work is on "Section 17" of the EN4 between Moamba and the neighbourhood of Mahlampswene, an outlying neighbourhood of the southern city of Matola.

According to Trans African Concessions (TRAC), the company that operates the toll road, the work began in October 2013 and was due to be completed within a year. The work involves improvements to the road surface, pavements and drainage.

TRAC's chief representative in Mozambique, Fenias Mazive, told the daily newspaper "Noticias" that only 35 per cent of the work has been completed.

Mazive gave several excuses, including blaming intense rain for a thirty day delay. He also pointed to problems with the asphalt and delays in securing land for a new weighbridge. [Read more...](#)

PRESIDENT GUEBUZA INAUGURATES HOTEL COMPLEX IN BEIRA

Mozambican President Armando Guebuza on 13 July inaugurated a luxury hotel complex in Beira, capital of the central province of Sofala.

The "Golden Peacock Resort Hotel" has 190 rooms, two presidential villas, a nightclub and two restaurants. A further twenty houses are still under construction.

The thirty million US dollar project was built by the Chinese Anhui Foreign Economic Construction Group (AFECC), who will also manage the hotel.

According to the Minister of Tourism, Carvalho Muaria, the project will stimulate national tourism, particularly in the centre of the country. He stressed "Mozambique still needs this type of infrastructure, and this investment demonstrates the ability to achieve great things". [Read more...](#)

NATURAL RESOURCES

TRITON MINERALS TO ACCELERATE GRAPHITE EXPLORATION

The Australian company Triton Minerals announced on 17 July that it has raised 8.5 million Australian dollars (about 8 million US dollars) to accelerate the exploration and development of its Balama North graphite project in the northern Mozambican province of Cabo Delgado.

The funds were raised by issuing 17 million shares on the Australian stock exchange at a price of fifty cents each.

According to Triton's managing director, Brad Boyle, "the significant support we have received from existing shareholders and new institutional and sophisticated investors reaffirms the company's belief that Balama North is emerging as a world-class graphite project".

Boyle added that the funds will allow the company to "maintain an aggressive drilling programme at the Nicanda Hill prospect. Nicanda Hill contains multiple high-grade graphite zones that are being targeted and remains open in all directions". Triton also announced that it has agreed terms with its joint venture partner Grafex to buy out the remaining 40 per cent interest in their Mozambique graphite projects – Balama North, Balama South and Ancuabe.

Triton will pay Grafex 20 million US dollars in a combination of cash and shares. [Read more...](#)

MINING RAPIDLY EXPANDING IN MOZAMBIQUE

Mozambique's Minister of Mineral Resources, Esperanca Bias, on 10 July told the country's parliament, the Assembly of the Republic, that the mining sector has continued to expand rapidly.

The minister pointed out that over the last few years the country has undertaken extensive geological surveys which have led to the discovery of various deposits including basic metals, graphite and iron.

Mines have opened to exploit the huge coal reserves in the western province of Tete. According to the minister, coal exports this year are expected to reach 6.5 million tonnes. Last year 3.8 million tonnes were exported, valued at 370 million US dollars.

She pointed out that so far the government has allocated seven coal mining concessions. The coal companies intend to create the capacity to transport to the ports over 11 million tonnes of coal per year by 2015. Capacity is due to continue to expand, to 13 million tonnes in 2016 and 18 million tonnes by 2017.

Bias stressed, "the coal companies have contributed significantly to the creation of jobs and have increased the volume of business for small and medium sized Mozambican enterprises". [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