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ECONOMY

EXTRA 100 MEGAWATTS A YEAR NEEDED TO MEET DEMAND

Mozambique's Minister of Energy, Salvador Namburete, said on 8 May that power generating projects on the drawing board will make electricity available for the growing national demand, while providing a surplus for export.

The plans include five new hydro-electric power stations – a north bank power station at Cahora Bassa (which could generate 1,245 megawatts), Mphanda Nkuwa, on the Zambezi, 60 kilometres downstream from Cahora Bassa (1,500 megawatts in phase one and an additional 900 in phase two), Lupata (600 megawatts), Boroma (200 megawatts) and Lurio (120 megawatts). In addition at least three coal mining companies want to install power stations at the mouth of their mines to burn the coal that is not of export quality.

With the exception of the Lurio dam, all these projects are in the Zambezia Valley. They are the main justification for building a new transmission line from Tete province to Maputo, usually referred to as “the backbone” of the national electricity grid.

Speaking in Maputo at the opening of a conference on the theme “Powering Africa: Mozambique”, Namburete said that recently the demand for electricity in Mozambique has been growing by around 15 per cent a year. Keeping pace with that demand requires raising generating capacity by at least 100 megawatts a year – and this figure does not take into account extra demand for power from large scale industrial or mining projects. [Read more...](#)

MOZAMBIQUE HAS 18,000 MEGAWATTS OF HYDROPOWER POTENTIAL

Mozambique has a hydroelectric potential of 18,000 megawatts, Energy Minister Salvador Namburete told the conference.

He added that Mozambique has a further 2,430 megawatts available from other renewable resources, 23 billion tonnes of known coal reserves, and over 170 trillion cubic feet of natural gas reserves.

Namburete predicted that the energy mix in Mozambique will evolve to 55 per cent from renewable sources (including hydropower), 25 per cent from coal and 20 per cent from natural gas.

“The enormous proven reserves of coal put Mozambique among the largest producers of coal in the world”, he said. “Large scale investments are currently under way, including the construction of coal fired power stations”. Three mining companies are well advanced with plans to build power stations at the mouths of their mines in Tete province. [Read more...](#)

LOW INFLATION IN APRIL

The National Statistics Institute (INE) announced on 8 May that the rate of inflation in Mozambique in April, as measured by the consumer price indices for the three largest cities (Maputo, Nampula and Beira), was just 0.12 per cent.

This is a considerable decline on the previous month, when inflation had been 0.91 per cent. It is also less than half the inflation rate of April 2013, which was 0.25 per cent. During April, there were significant increases in the price of cassava flour (9.3 per cent), cabbage (7.5 per cent), lettuce (4.5 per cent), pineapples (30.6 per cent), and groundnuts (0.9 per cent).

There was a surprising reduction in the average price of alcoholic drinks which fell by 1.05 per cent. There were also slight falls in the prices of clothing and footwear, and of furniture. But the prices of most of the items in the basket of goods and services on which the consumer price index is calculated remained unchanged between March and April. [Read more...](#)

NIGERIAN GROUP PREPARING TO INVEST IN PEMBA LOGISTICS

The Nigerian group Orlean Invest is ready to begin operations in the northern Mozambican city of Pemba, as soon as the Environmental Impact Assessment (EIA) of the planned Pemba logistical base is ready, Tavares Martinho, the director of research of the National Hydrocarbon Company (ENH), told AIM during an exploratory visit to the Orlean complex at the Nigerian port of Onne.

In Pemba, a second port will be build alongside the existing one which is currently managed by CFM. The Pemba logistical base has been sub-leased to the newly formed company, ENHILS. This is 51 per cent owned by ENH Logistics (itself a subsidiary of ENH), and 49 per cent by Orlean Invest.

Martinho said that the Environmental Impact Assessment (EIA) is under way, and if it is completed by the end of this year, leading to the issuing of the requisite environmental licence, construction of phase one of the Pemba logistical base can begin in early 2015. The area concerned is adjacent to the existing port of Pemba. Nobody is living there, aid Martinho, and so there is no question of resettlement. There is some agricultural activity, and anyone who has planted on the area will have to be compensated for lost crops or trees.

ENH wants an integrated logistical base for the oil and gas industry, based on the model of the Orlean Invest base at Onne. ENHILS, said Martimho, would operate as a “one stop shop” for all investors in hydrocarbons in the Rovuma Basin, off the coast of Cabo Delgado. [Read more...](#)

ANADARKO INCREASES ESTIMATED GAS RESERVES

The Texas-based Anadarko Petroleum Corporation on 5 May announced that it has increased the total estimated recoverable resources in Mozambique’s Rovuma Basin Offshore Area 1 to between 50 and 70-plus trillion cubic feet of natural gas. This is an increase on the last estimate, announced in March, of between 45 and 70 trillion cubic feet.

Anadarko also released its accounts for the first quarter of 2014. These show that the company paid 520 million US dollars in capital gains tax to the Mozambican government following its sale of a ten per cent stake in Area 1 to the Indian company ONGC Videsh for 2.64 billion dollars. [Read more...](#)

MOZAMBIQUE PROMOTES SUSTAINABLE FIREWOOD PRACTICES

Mozambique has managed to create associations in all the country’s provinces to promote the sustainable use of firewood and charcoal.

The creation of these bodies came out of the government’s approval in 2013 of a strategy for the conservation and sustainable use of biomass. This included various measures to reduce the use of firewood and charcoal. The majority of people in Mozambique use these fuels for cooking, which has put a huge pressure on the existing tree stocks.

In an interview with AIM on Tuesday on the margins of the Global Bioenergy Partnership meeting in Maputo, Marcelina Mataveia from the National Directorate of New and Renewable Energy said that meeting people’s energy requirements remains a challenge in terms of deforestation. She added that the government has been promoting the use of improved ovens for charcoal production. [Read more...](#)

COOPERATION

UNITED STATES FUNDS ANTIRETROVIRAL TREATMENT

The United States government, through the Presidential Emergency Plan for AIDS Relief (PEPFAR), funded the antiretroviral treatment of 366,000 Mozambicans last year. In addition, it paid for the testing and counselling of 2.7 million citizens.

According to the US Embassy in Maputo, PEPFAR's support for treatment, care, prevention and the strengthening of the health system cost over 234 million US dollars in 2013.

The US initiative enabled 89,000 pregnant women to receive antiretroviral prophylaxis to prevent the transmission of the HIV virus from mother to child. In addition, PEPFAR funded the voluntary circumcision of 130,000 males between the ages of ten and 49.

PEPFAR also gave care and support to 876,000 Mozambicans, including 170,000 orphans and vulnerable children. Training was provided to 7,000 medical workers and support was given to 465 health facilities providing antiretroviral therapy. [Read more...](#)

BRITAIN LAUNCHES PROGRAMME TO EXPAND FINANCIAL SERVICES

Britain's Department for International Development (DfID) minister Lynne Featherstone on 7 May in Maputo launched a project to expand financial services for small and medium sized businesses, especially in rural areas.

The British government will disburse 20 million US dollars over a six year period to fund the Mozambique Access to Finance Programme (MAFiP).

According to a DfID document, "the programme design is based on solid evidence which shows that improving poor people's access to finance boosts growth and reduces income inequality and poverty".

During a visit to Maputo's Zimpeto market, Featherstone said that the project will bring innovative solutions to help develop the financial sector, working in collaboration with the local government, private sector, financial institutions and development partners. [Read more...](#)

LAW AND ORDER

JUDGE ASSASSINATED

Unidentified assailants on 8 May shot dead a Maputo judge who was working on the wave of kidnappings that has shaken Mozambican cities since late 2011.

Judge Dinis Silica, of the criminal section of the Maputo City Court, was murdered at a set of traffic lights in central Maputo

The death squad had followed him until his car drew up at the traffic lights at the intersection between Karl Marx and Marien Ngouabi avenues. The assassins sprayed Silica's car, a grey Hyundai executive, and then made their getaway. [Read more...](#)

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