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## ECONOMY

### MOZAMBIKAN ECONOMY ON TARGET TO MEET GOVERNMENT GOALS

Judging from its performance in the first few months of the year, the Mozambican economy is set to meet the targets laid down by the government in the Economic and Social Plan for 2015, according to Prime Minister Carlos Agostinho do Rosario.

Speaking on 22 July at a question and answer session in the Mozambican parliament, the Assembly of the Republic, Rosario said the preliminary figures indicated annual GDP growth of six per cent in the first quarter of this year “which opens good prospects for meeting the target of 7.5 per cent growth for 2015”.

By June, the average 12 monthly inflation rate was 2.4 per cent, he added, well below the target of an average inflation rate of 5.1 per cent in the government’s plans.

Despite the fall in the world market prices of several of Mozambique’s key exports, export revenue in the first quarter of the year reached 823 million US dollars.

Rosario noted that the strengthening of the dollar had led to the depreciation of several African currencies, including the Mozambican metical. But he was optimistic that a continued rise in exports and attraction of more foreign investment would lead “to the stabilization of the exchange rate in the long term”. [Read more...](#)

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### PRO-SAVANA WILL NOT EXPROPRIATE LAND

The Mozambican government on 23 July categorically denied that any Mozambicans would lose land because of the Pro-Savana agricultural development programme under way in the north of the country.

Pro-Savana is a triangular cooperation programme between Mozambique, Brazil and Japan. According to Agriculture Minister Jose Pacheco its purpose is “human development through building up the capacity of peasant farmers to increase their yield per hectare, in order to attain sustainable food and nutritional security, diversify production and increase family income”.

But in a question and answer session in the Mozambican parliament, the Assembly of the Republic, deputies of the former rebel movement Renamo insisted that Pro-Savana is a land grab, and that farmers are losing their land.

The Minister of Land, Environment and Rural Development, Celso Correia, said the government is investing in land management, and defending the rights of peasants. In particular, it was providing land titles (known as DUATs) to rural communities.

“Pro-Savana will not expropriate any land”, he said. “We have a land law, and no development programme can override the law”. [Read more...](#)

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### GOVERNMENT PROMISES BETTER WAGES FOR STATE EMPLOYEES

Mozambican Prime Minister Carlos Agostinho do Rosario on 23 July pledged that the government will continue to improve the wages of state employees, as economic conditions allow.

He was speaking in the Mozambican parliament, the Assembly of the Republic, in response to a question from the former rebel movement, Renamo, about wages policy, which claimed that some medium and high level managers earn 110 times the minimum wage.

But the only company Renamo mentioned by name as paying astronomical salaries was the port of Maputo. Management of the port has been farmed out to a private-led consortium, the Maputo Port Development Company (MPDC), and the government plays no role in setting the salaries of its managers.

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During the parliamentary debate, Renamo deputies repeatedly protested at the low wages paid to teachers and to the police. Rosario replied that this year, for the first time ever, policemen, prison guards and teachers received a wage rise of ten per cent, while the rise for other public servants was five per cent. [Read more...](#)

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## BRITALAR LOSES CONTRACT

The company JAT Constroi, owner of the central Maputo building where a scaffolding collapse cost the lives of five building workers on 13 July, has cancelled its contract with the contractor, the Portuguese company Britalar.

A JAT Constroi civil engineer, Chande Faydherbe, told reporters that the contract would be immediately terminated because it covered matters of workplace health and safety which Britalar had not respected.

Faydherbe said that JAT Constroi had spoken to Britalar on the day of the tragedy. But since then nobody was answering the Britalar phones, and the phones of some Britalar officials seemed to have been switched off.

Faydherbe revealed that, well before the scaffolding collapse, Britalar had been in violation of its contract with JAT Constroi. The building should have been completed by last September but was months behind schedule.

“We had to make successive addenda to the contract to extend the deadline for the job, at Britalar’s request”, said Faydherbe. “Even so, the contract was not complied with”. [Read more...](#)

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## NYUSI ENCOURAGES MASSIVE PULP PROJECT

Mozambican President Filipe Nyusi on 17 July urged the Portuguese paper manufacturer Portucel to continue its project in Mozambique to build a large scale pulp mill, an investment budgeted at 2.6 billion US dollars.

Cellulose pulp is the raw material used to produce paper. Since Portucel is also planting the eucalyptus trees that will be turned into pulp, the factory is not expected to be complete until late 2023.

Nyusi expressed his confidence in the project at the end of a visit to an enormous Portucel industrial complex in the southern Portuguese city of Setubal.

Portucel took the opportunity of his visit to announce its plans to inaugurate the largest tree nursery in Africa in September. It will initially produce 12 million trees a year, to be planted in Manica and Zambezia provinces. Portucel said this number could double in 2016.

“I came here to encourage the project because the industrialisation of Mozambique is part of our cycle of governance”, said Nyusi. “Through the project, in Zambezia and Manica, where the land has been made available, we intend to promote development and not simply the production of paper”.

The tree plantations, said the President, would cover 365,000 hectares and would provide work for about 7,000 Mozambicans. [Read more...](#)

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## PRIME MINISTER CALLS FOR AUDIT OF SOCIAL SECURITY INSTITUTE

Mozambican Prime Minister Carlos Agostinho do Rosario on Monday demanded an audit of the overdue accounts of the National Social Security Institute (INSS).

Making what he described as a routine working visit, Rosario said “I note that the accounts for 2013, 2014 and 2015 are delayed. This does not benefit transparency, and so I am urging the Institute to publish these accounts with all possible urgency, and to hold an internal audit”.

He also wanted the Labour Ministry (to which the INSS is subordinate) to send in inspectors “to help the Institute. We want there to be an internal audit before the Financial Inspectorate arrives. We want there to be absolute transparency in the system”. The missing accounts should be published in November or December this year.

He urged Labour Minister Vitoria Diogo to assess the performance of the INSS management. “We want the Ministry of Labour to assess the performance of the directors in the areas of finance, human resources and investments”, said Rosario. “There must be a constant assessment to know if these are the people who are going to ensure security and efficiency, or whether it ought to be done by others”. [Read more...](#)

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## COOPERATION

### FRANCE CANCELS MOZAMBIQUE'S DEBT

The French government has forgiven all of Mozambique's public debt to France, amounting to 17.5 million euros (about 19 million US dollars).

The agreement to this effect was signed in Paris on 20 July by Mozambican Foreign Minister Oldemiro Baloi and the French Minister of the Economy, Emmanuel Macron, and witnessed by Mozambican President Filipe Nyusi.

The cancellation takes the form of a debt for development swap. Ten million euros of the debt will be converted into direct support for the Mozambican state budget. (France is already one of the 16 countries and funding agencies who provide part of their aid to Mozambique in the form of budget support).

5.5 million euros will be spent on technical and professional training projects, while the rest of the cancelled debt will go towards the protection of endangered species. [Read more...](#)

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### NYUSI CLAIMS VISIT TO FRANCE WAS SUCCESSFUL

Mozambican President Filipe Nyusi told reporters on 21 July that he had achieved all the objectives he had hoped for from his three day visit to France.

Nyusi said he was sure there would now be greater cooperation between the Mozambican and French governments, and also in the field of business.

Nyusi revealed that one of the major French banks, Societe General, intends to open a branch in Maputo in the near future. He believed that this would act as a signal for other French banks and companies to invest in Mozambique.

Cooperation with France, as with many other countries, would be based on the "win-win" principle of mutual gains, said the President.

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## LAW AND ORDER

### HALF A BILLION DOLLARS LOST IN ILLEGAL TIMBER EXPORTS

In the decade between 2003 and 2013 Mozambique lost over 540 million US dollars through the illegal export of wood to China, according to a study by researchers at Maputo's Eduardo Mondlane University.

"Mozambique has been losing large sums since 2004, since the amount of illegal timber exported to China is 5.7 times greater than the amount officially declared by the National Directorate of Land and Forests", the report accuses.

Over 90 per cent of Mozambique's timber exports go to China, and most of them are undeclared. This can be deduced by comparing the official statistics from the two countries. The differences are enormous. Thus in 2013, the last year covered by the report, the Mozambican statistics show that 54,000 cubic metres of logs were exported to China. The Chinese statistics show that 346,000 cubic metres of logs were imported from Mozambique – a difference of 292,000 cubic metres.

The truly massive discrepancies date from 2007. Using the average export prices for logs, the study calculates that the total loss over the decade was 540.2 million US dollars.

The study found illegal exporters using many forms of deceit and fraud. For example, when using the type of container that can hold 18 cubic metres of wood, the exporter only declares 11 or 12 cubic metres (and much of that has been logged illegally). [Read more...](#)

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