Rhula Intelligent Solutions

WEEKLY MEDIA REVIEW: 19 SEPTEMBER TO 26 SEPTEMBER 2014

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Mozambique tales delivery of tuna boats after donor criticism, see page 44

Rhula Intelligent Solutions is a Private Risk Management Company providing risk management services to multinational companies, non-governmental organisations and private clients operating in Africa. The Rhula Mozambique Weekly Report is currently being distributed to over 25 embassies, 36 non-governmental organisations and 428 businesses and individuals in Mozambique. For additional information or services please contact:

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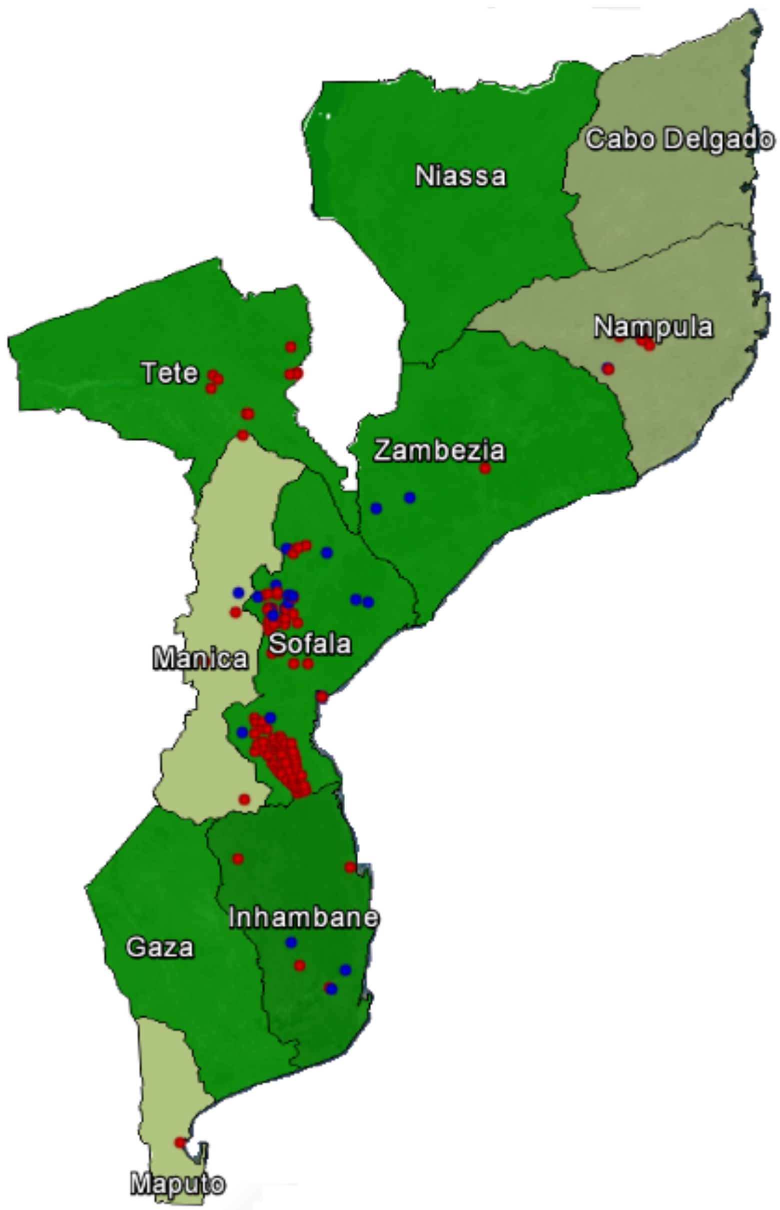
NOTICE

In order to support the campaign to save the Rhino please support the FOCUS-AFRICA Foundation by liking the FOCUS-AFRICA Foundation Facebook Page at : Focus-Africa Foundation as well the FOCUS-AFRICA Foundation Website at www.focus-africa.org

MAPS AND GRAPHS OF INCIDENTS

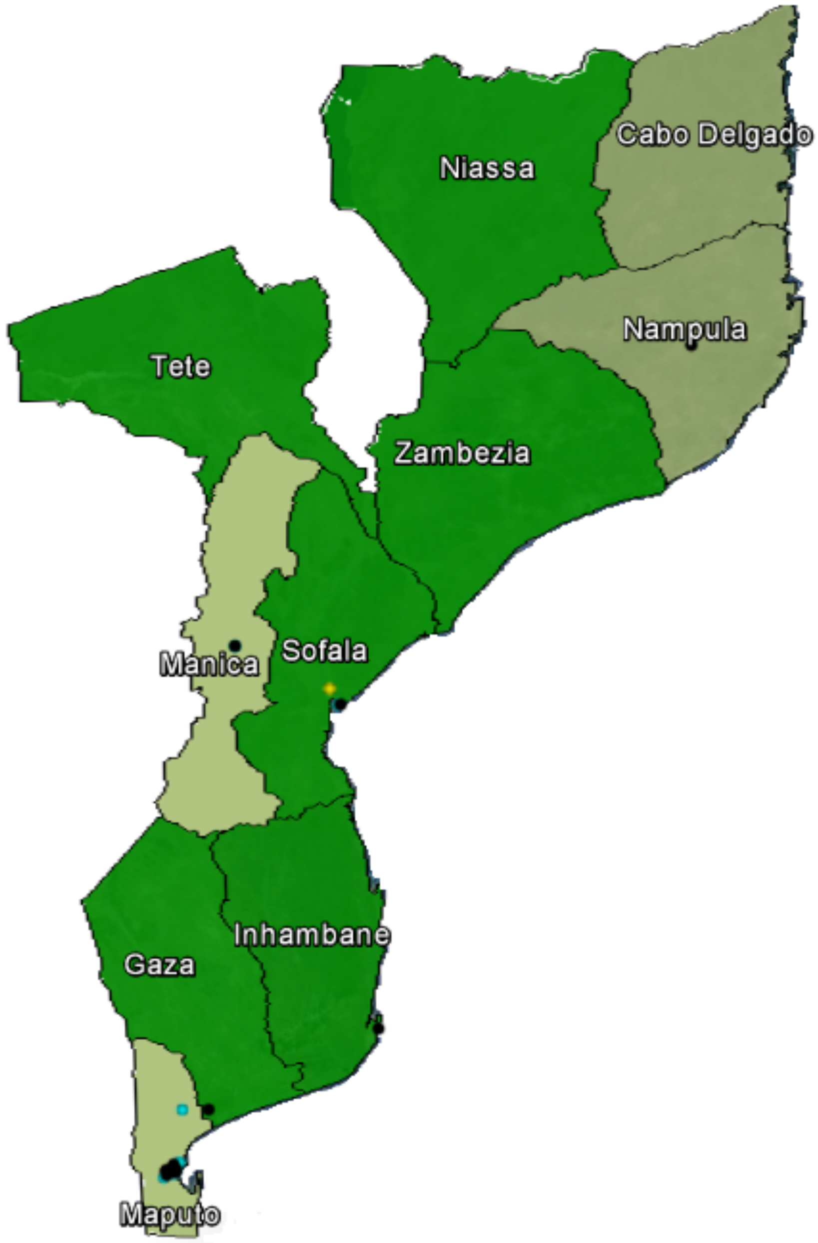
MAP 1: PLOTTING OF REPORTED RENAMO RELATED INCIDENTS:
Updated map plotting known Renamo related incidents in Mozambique from the beginning of 2013 to the present.



Key:

(red)	Attacks carried out by Renamo
(blue)	Attacks carried out by FADM against Renamo

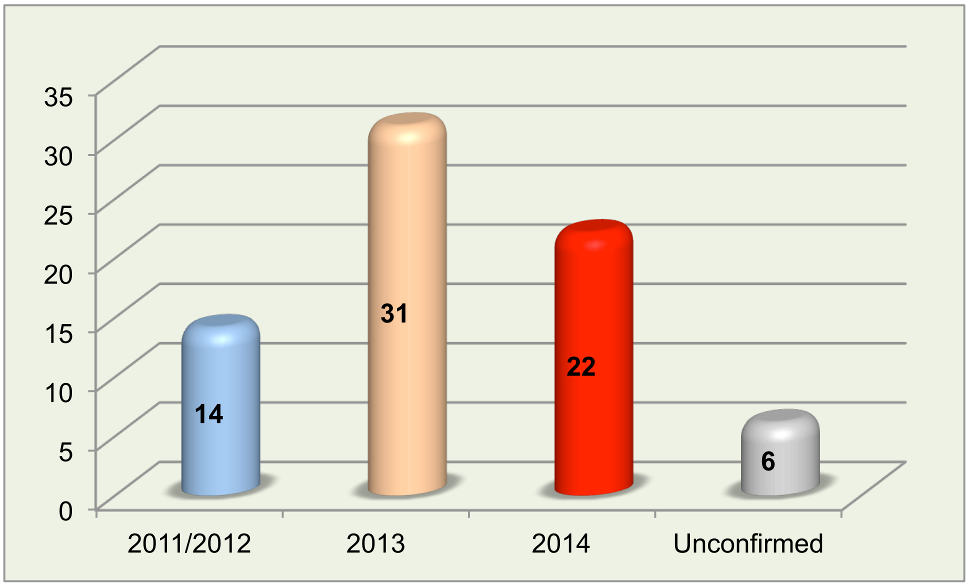
MAP 2: PLOTTING OF KNOWN KIDNAPPING INCIDENTS FROM SEPTEMBER 2013 TO SEPTEMBER 2014:



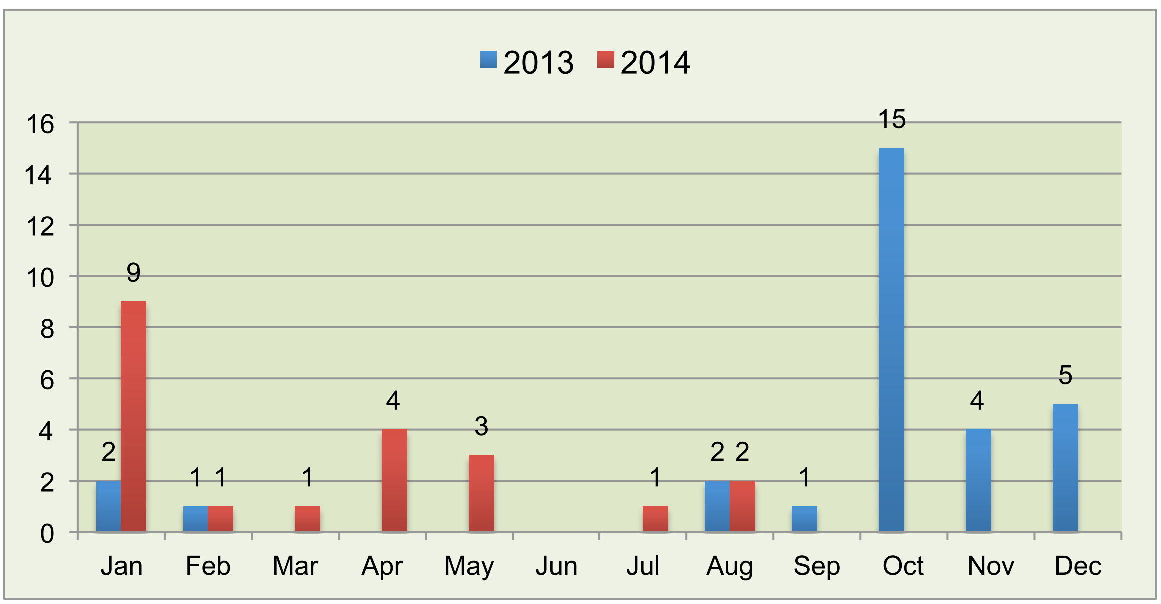
Key:

(black)	Kidnapping
(yellow)	Victim murdered
(cyan)	Simulated/Failed attempts

GRAPH 1: REPORTED KIDNAPPINGS IN MOZAMBIQUE PER YEAR:



GRAPH 2: REPORTED KIDNAPPINGS IN MOZAMBIQUE PER MONTH:



**Please note: the data present in the graphs and maps is not 100% accurate owing to the high number of unreported cases and irregularities in the documentation of these events by the relevant Mozambican parties, resulting in possible inconsistencies. This graph illustrates the successful kidnapping incidents ONLY and not attempted/aborted/intercepted kidnappings.*

CRIME

New-born baby disappears from Nampula Central Hospital

On Friday night (19 September) a new-born baby disappeared from the nursery of the Nampula Central Hospital.

Whilst the circumstances surrounding the disappearance are not yet clear, hospital staff has stated that it is possible that someone abducted the child.

South African arrested in possession of cocaine

On Friday (19 September) the Mozambican police and immigration authorities arrested a South African citizen at the Maputo International Airport, who was in possession of 4.2 kilograms of cocaine in her luggage.

The police identified the South African only as Thandeka. She had arrived in Maputo from Addis Ababa on an Ethiopian Airways flight. The police did not disclose information regarding where she had departed from originally, but the majority of those caught with cocaine at the Maputo airport have come from Brazil.

According to reports, the police believe that she is just a transporter (or “mule”) paid by a trafficking ring to carry the drug.

Thandeka is the fourth person arrested in possession of illicit drugs at the airport so far this month. Since the beginning of the year, over 50 people have been arrested for smuggling drugs into the country, some in their luggage and some in their stomachs.

The police also announced that this month 133 foreigners had been detained at the airport for attempting to enter the country with forged visas. 63 of them were arrested last week (12 to 19 September) – they were 24 Somalis, 13 Bangladeshis, 13 Pakistanis, eight Ethiopians, two Indians, two Lebanese and an Italian. The entire group was travelling on an Ethiopian Airways flight.

The police said that some of them were sent back to Addis Ababa on the same plane later in the day. The others are being held in Maputo police stations awaiting repatriation.

Mocuba resident arrested for possession of human organs

22-year-old Assane Joseph was arrested by the Police of the Republic of Mozambique (PRM) on Saturday (20 September) in the city of Mocuba, in Zambezia province, after being found in possession of human organs (namely; two lungs, two kidneys, a heart, spleen and a liver – all in a state of putrefaction).

According to Philip Gulete, the district commander of the PRM in Mocuba, the suspected murderer, drug trafficker and organ trafficker was arrested following a tip off from local residents who became suspicious of the foul odour coming from a local establishment owned by José Vasco, who is also imprisoned.

When the PRM arrived at the establishment, Joseph attempted to flee, however, he was shot in the leg and admitted to the Mocuba Rural Hospital before confessing to the PRM that the lungs, kidneys, heart, spleen and liver were to be sold for 25 000 Meticais.

The forensic team was able to establish that the organs had been removed four to seven days prior to the arrest (between 13 and 16 September) from a teenage victim (whose identity has not yet been established).

Kidnappers sentenced in Beira

On Tuesday (23 September) the Sofala Provincial Court, in the central Mozambican city of Beira, sentenced three people to between 16 and 20 years imprisonment for their part in the attempted kidnapping of the son of a local businessman a year ago.

The aborted kidnapping happened in September 2013 at the Cinderella private school in Beira, where the gang attempted to seize the son of Mohammed Akhbar (better known as “Papu”). The kidnapping was foiled when a school worker intervened to defend the boy.

The gang was then involved in a car chase with the police and three of them were arrested when their car, a Hilux Surf, overturned.

According to reports, the court sentenced Muidi Tharakral and Mohammed Richar, both of Indian nationality, to 20 years. They were regarded as the leaders of the gang. Papu’s driver, a Mozambican named Manuel Jose Baer, accused of facilitating the attempted kidnapping, was sentenced to 16 years.

The two Indians will be expelled from the country after they have served their prison term. They must also pay the child’s family compensation of two million U.S. Dollars, converted into Meticais at the exchange rate of the day of prosecution. The child himself is to receive five million Meticais (about 163 000 U.S. Dollars) in compensation for the psychological damage caused.

Two other co-defendants, Jamaludheneen Paleyadil and João Francisco, were acquitted since the court did not find that the prosecution had proved their involvement in the kidnap plot.

In a separate case, Tharakral was found guilty of burning down a shop in the Beira neighbourhood of Chaimite, and was sentenced to pay compensation of 600 000 Meticais to the owner.

Two Mozambicans accused of killing a child and removing his organs

During the first half of this week (19 to 26 September) two young Mozambicans were arrested in Mocuba, Zambezia Province.

The two detainees allegedly murdered a minor in Lower Lugela, and removed his organs (a lung, both kidneys, the heart and liver).

The PRM received multiple complaints and tip-offs from locals who had grown suspicious over the two detainees movements.

During the arrests, the alleged buyer attempted to evade the PRM, however, he was shot and wounded before being arrested.

It has been reported that cases of murder for the purpose of harvesting human organs has increased in

Mocuba, Lugela, Milange and Morrumbala. The organs are reportedly sold in Maputo, South Africa and Malawi.

SECURITY

The United States issues travel alert before Mozambique election

The United States Foreign Department issued a travel alert for US citizens living in or traveling to Mozambique as the southern African nation prepares to hold general elections next month.

The State Department warned in a statement "electoral periods typically result in localised demonstrations that can turn violent, the possible use of force by security services to handle demonstrations or incidents of public disorder, and disruption of transportation services."

"Depending on election results, unrest and the potential for violence may increase immediately following the election," the statement added.

POLITICS

Guebuza urges churches to help in securing peace

On Sunday (21 September) Mozambican President Armando Guebuza challenged the country's religious institutions to play their role in ensuring compliance with the agreements signed between the government and Renamo on a cessation of hostilities.

Guebuza was speaking in Maputo at a ceremony in his honour given by the Brazilian Pentecostal sect, the Universal Church of the Kingdom of God (IURD).

The IURD said it held the event in recognition of the achievements made by Guebuza for the welfare of Mozambican citizens. The President took the opportunity to insist that questions of development and peace are not a task solely for the government, but should involve all Mozambicans.

Religious organisations too, he said, should be concerned with overcoming all the difficulties that may arise in the maintenance of peace.

"The first of these challenges concerns the application of these agreements", Guebuza stressed. That challenge involved "the demilitarisation, demobilisation, and reintegration of the residual forces of Renamo into civilian life, and into the armed forces and the police".

The IURD and other churches, he continued, had a preponderant role to play "in disarming minds so that Renamo conforms with the legal order in the country, and so that no political party should be armed and have officers of any level both on active duty and in the ranks of the party".

"When they feel that the structuring values for the creation of well-being, peace, national unity and national reconciliation are being called into question, religious bodies should join the voices of all society through ecumenical services and events", Guebuza urged.

The President said the churches also have an important role in wiping away the tears of those who are still weeping for the loss of loved ones who fell during the recent conflict with Renamo.

Guebuza said he regarded the homage paid to him as a way of encouraging Mozambicans to persist in the collective commitment to the culture of peace, consolidation of unity and deepening of national reconciliation.

Government and Renamo approve status for international military observation

The foreign military observers invited to monitor the cessation of hostilities between the Mozambican government and the former rebel movement Renamo, and the subsequent disarming of Renamo, will officially begin their activities on 30 September.

The date was announced by the government and Renamo delegations on Monday (22 September) at the end of the 78th round of the dialogue that has been under way since April 2013.

Nine countries have been invited to send observers – Botswana (which heads the observer team), South Africa, Zimbabwe, Kenya, Cape Verde, Italy, Portugal, Britain and the United States. So far only the observers from Botswana, South Africa, Zimbabwe and Italy have arrived.

The Cape Verde observers were due to have arrived by now, but the head of the government delegation, Agriculture Minister Jose Pacheco, said that they had been held up because of problems with their connecting flight in Lisbon.

Although not all the observers have arrived, those already in Mozambique were working to ensure the logistics will be ready to integrate the rest of the mission.

Pacheco added that advances have been made towards the integration of members of Renamo's "residual forces" into the armed forces (FADM) and the police. The government and Renamo military experts were working, and were drawing up lists of Renamo members to join the army and police.

The government and Renamo delegations also reached consensus on the legal status of the military observers, which some of the countries had demanded. According to the head of the Renamo delegation, Saimone Macuiana, the Vienna Convention on diplomatic relations between states will govern the status of the mission.

The observers will be guaranteed logistical and security conditions (at the expanse of the Mozambican state).

There will be 23 foreign observers, plus 70 Mozambicans – 35 from the government and 35 from Renamo. The central command of the mission will be in Maputo, and there will be four sub-units, in the central provinces of Sofala and Tete, the southern province of Inhambane and the northern province of Nampula.

The mission has been given 135 days to complete its work – but this period may be extended.

The fate of Renamo's "residual forces" depends on the teams of government and Renamo military experts who must present a document to a plenary session of the government-Renamo dialogue concerning all the questions of integrating these Renamo fighters into the armed forces and the police.

Once these "residual forces" have been "integrated", all their military equipment will be handed over to the defence and security forces. The memorandum of understanding signed between the government and Renamo in August declares that, when these procedures are completed, "no political party should have residual armed forces".

The observers' work thus depends heavily on the document from the government and Renamo military teams. If this document exists, it has certainly not been made public, and no timetable has been announced for the disarming of Renamo.

Foreign minister speaks at climate change summit

On Tuesday (23 September) the Mozambican Foreign Minister, Oldemiro Baloi, called for joint efforts by the international community to adapt to climate change "so that the most vulnerable communities are able to cope with the impacts they are already facing".

"At the same time we must also mitigate our emissions so as to reduce future adaptation costs", Baloi warned.

Speaking at the United Nations summit on climate change, held in New York, on the eve of the annual meeting of the UN General Assembly, he urged the industrialised countries "to show leadership both in assisting developing countries build their climate resilience and on mitigation by increasing ambition in their emission reduction targets".

The future climate regime to be adopted in 2015, he added, should reflect "the historical responsibilities" of the developed countries and represent "a fair and appropriate contribution to the global effort to tackle climate change".

Baloi pointed out that "despite the insignificant contributions that Mozambique has made to global greenhouse gas emissions, the country is one of the most vulnerable in the world to the impacts of climate change, being affected by extreme climate events such as droughts, floods, tropical cyclones, storm surges, changes in temperature and precipitation patterns and other phenomena such as sea level rise, saltwater intrusion and increased forest wildfires".

"The occurrence of these events", Baloi continued, "has caused the loss of thousands of human lives and significant destruction of public and private property, as well as social infrastructure. These losses have negatively impacted the growth of the country's GDP and the achievement of the Government's national objectives for poverty reduction and wealth creation".

The government had responded by adopting, in November 2012, a National Climate Change Adaptation and Mitigation Strategy. This strategy, Baloi said, "aims at increasing resilience and reducing climate risk, both at the community and national level, while promoting low-carbon development and green economy through their integration in sector and local planning processes".

The strategy also "identifies the potential for mitigation and low-carbon development in key areas, those which provide an opportunity to promote sustainable development".

Baloi said these areas include energy "where our goal is to improve access to renewable energy, increase energy efficiency, and promote low-carbon urbanisation".

In agriculture and forestry, government action "targets low-carbon agricultural practices, reduction of deforestation and wildfires, and improved management of biodiversity and coastal ecosystems".

The mitigation and adaptation actions in the strategy "will require significant technological and financial support, but it will also require from Mozambique a tremendous effort in strengthening institutional and technical capacities to effectively address this common challenge. And this we are committed to and prepared to do", Baloi pledged.

UN Secretary-General Ban Ki-moon hosted the summit, in an attempt to persuade UN member states to reach a comprehensive new climate agreement at discussions scheduled for Paris next year.

ELECTIONS

EU to observe elections in Mozambique

Following an invitation from the Mozambican authorities, the European Union has deployed an Election Observation Mission (EOM) to Mozambique to observe the Presidential, Legislative and Provincial Elections scheduled for 15 October 2014.

Catherine Ashton, High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the Commission, appointed Judith Sargentini, Member of the European Parliament, to lead the EOM as Chief Observer. Sargentini travelled to Maputo on 22 September.

The deployment of a European Observation Mission confirms the European Union's commitment to the strengthening of an open political system in Mozambique and the consolidation of an inclusive democracy.

"The EU deployed Election Observation Missions to Mozambique in the past and has again answered positively to the invitation by the Mozambique authorities", said Sargentini. "Our mandate is to observe the elections without interfering with the electoral process and respecting local laws and regulations. I am confident that this EU EOM will provide an important contribution to enhancing the inclusiveness and transparency of the election process in Mozambique".

The EU Election Observation Mission will consist of a Core Team of six election analysts, 20 long-term observers who will be deployed to all Mozambican Provinces, as well as additional short-term observers who will arrive shortly before the Election Day.

The EOM will closely follow the electoral process and make its assessment with reference to Mozambique internal law as well as regional and international commitments.

This analysis will take into account aspects such as the legal framework, the election administration performance, the political campaign activities, the respect for fundamental freedoms, the conduct of the media, the voting process and counting. Attention will also be dedicated to the complaints and appeals phase, and to the process of announcement of the results. The EU Election Observation Mission abides by a code of conduct which ensures the mission's independence and integrity.

In addition, the EU has vowed to pay special attention to the election violence that has marred the country since the second week of the election campaigns.

Shortly after Election Day, the mission will issue a preliminary statement of its findings at a press conference in Maputo. A final report, including recommendations as contribution for future electoral processes, will be presented at a later stage.

MDM, Frelimo and Renamo all optimistic in Moamba

On Friday (19 September) the co-ordinator of the election campaign of the opposition Mozambique Democratic Movement (MDM) in Maputo province, Jose Manuel, told reporters that he is confident that the voters of Moamba district, about 60 kilometres northwest of the capital, want change.

He claimed that Moamba is now free of “instrumentalisation” by the ruling Frelimo Party - nonetheless, he complained that Frelimo supporters were hindering the MDM's work by ripping down its election posters.

The people of Moamba, he said, want clean water sources, roads and improved transport because they are tired of relying on an infrequent train service if they wish to travel outside the district.

The MDM in the district was preparing for the planned visit by the party's presidential candidate, Daviz Simango. “The population has enormous expectations to see, greet and talk with our leader”, he said.

Both the other main political forces, the ruling Frelimo Party and the former rebel movement Renamo, are convinced that their door-to-door campaigning in Moamba is bearing fruit

Carménia Canda, spokesperson of the Frelimo election office in Moamba, declared that voting for Frelimo and its presidential candidate, former Defence Minister Filipe Nyusi, means voting “for continued expansion in water supply, the electricity grid, access roads and education”.

She claimed it was only with Frelimo that continued development of Moamba, and of the country in general, could be guaranteed.

“This message is being gratefully received and has strong support from the population”, she added. “In Moamba, Frelimo doesn't feel the presence of any opposition parties”.

As for Renamo, its political delegate in Moamba, Amosse Machavane, declared his certainty that this year Renamo and its leader, Afonso Dhlakama “will emerge victorious”.

He claimed that voters understood that only with Renamo in power would Mozambique be able to undergo genuine development. Moamba lacked hospitals, doctors and secondary schools “which only Dhlakama can guarantee”, he added.

The only problem Machavane could see in Moamba was that Renamo had run out of propaganda material and was waiting for fresh supplies.

Renamo leader in Niassa Province

Renamo’s presidential candidate, Afonso Dhlakama, arrived in Lichinga on Thursday (25 September) for the Niassa leg of his election campaign.

On Thursday afternoon Dhlakama concluded his campaign in Montepuez, Cabo Delgado, where he urged voters to give Renamo an opportunity to rule the country.

Speaking at a popular rally, Dhlakama stated that since the dawn of national independence he and Renamo have fought for democracy in the country.

“We fought for democracy. Today we are able to implement democracy we have always advocated in governing the country. To do this, all of you, together with your family and friends, must vote in Dhlakama and Renamo” he appealed.

Renamo will continue to address voters in the administrative post of Inhamizua, specifically in Manga and Chingussura, where they have pledged to improve the urban public transport system if they win the upcoming elections.

Also on Thursday, the political delegate of Renamo in Vilanculos, John Tangune, congratulated the FADM and former combatants, thanking them for their services during 50th anniversary of the start of the armed struggle for national liberation.

According to Tangune, Renamo has very strong reasons behind celebrating the 50^{th} anniversary of the struggle for liberation as Dhlakama was a former fighter against colonial domination.

Universities for all districts, pledges Nyusi

Frelimo’s presidential candidate, Filipe Nyusi, has promised that, if elected, he will lead the construction of universities in all of Mozambique’s rural districts, in order to train young people so that they can become “generals in the struggle against poverty”.

Speaking on Sunday (21 September) at a campaign rally in the town of Alto Molocue, in the central province of Zambezia, Nyusi said that, in the 39 years of Mozambican independence, successive Frelimo governments had built secondary schools in all 128 districts, and some universities. He believed the conditions now existed to complete this task, by building universities in all district capitals that do not yet have higher education facilities.

“If you elect me, I will order at least one university to be built right here in Alto Molocue, so that young people living here can learn know-how and can lead the development of your district”, said Nyusi.

Nyusi believed that, if elected, he could “do more than his predecessors in the same period of time because they did not have the same number of skilled people who now exist in the country, trained at the schools and universities built over the four decades of Frelimo rule.”

He said that in Maputo former President Joaquim Chissano had told him that his task as head of state would be easier because he would have more than enough competent cadres at his disposal to help him govern.

Chissano was right, Nyusi said, since at independence only a handful of Mozambicans had university degrees, but now there are tens of thousands of Mozambicans with higher education who could give classes in the universities that he would build in all the districts.

He said the time had come for Mozambicans to handle the development of their own country rather than relying on foreign experts. “We must have more universities so that we all know how to do what we want to do”, he said.

He promised a transparent government. “I will order the publication of all our income and expenditure, so that we all know what we have produced and so that we can see whether or not we need to increase production”.

Meanwhile the campaign of Afonso Dhlakama, leader of the former rebel movement Renamo ran into trouble on Saturday (20 September), when Dhlakama’s plane was unable to land in Moma district, in the northern province of Nampula.

The pilot explained to reporters that the runway at Moma was very short and, to make matters worse, the large crowd waiting for Dhlakama had invaded the aerodrome, making landing extremely hazardous.

Dhlakama flew on to the neighbouring district of Angoche, where he told a large crowd that “I won’t lie to you. I want your votes so that I can govern you – but to govern you well and end slavery once and for all”.

Dhlakama declared “I suffer your suffering. I was born in the countryside like you, and all that you go through I go through. And so vote for me, vote for Renamo so that, once and for all, we can install a democratic state”.

Nyusi welcomes FADM’s efforts in Sofala

On Wednesday (24 September) Frelimo’s presidential candidate, Filipe Nyusi, kicked off the Sofala leg of his election campaign by welcoming the efforts and progress made by the Mozambican National Defence Force (FADM).

Whilst in the Marínguè district, Nyusi thanked the FADM for their courage in maintaining peace, the defence of their homeland and territorial integrity.

Nyusi is scheduled to campaign in Cheringoma, Mwanza and Buzi shortly.

Renamo blocks Frelimo motorcade in Nampula

On Tuesday (23 September) Renamo supporters blocked a street in the northern city of Nampula that was due to be used by a motorcade of the ruling Frelimo Party, in the campaign for the general elections scheduled for 15 October.

The Frelimo motorcade, led by Frelimo Central committee member and Labour Minister Helena Taipo, had just held a meeting with religious leaders in the neighbourhood of Muahivire, and was on its way to the Nampula suburb of Muhala, when it found its way blocked by a group taking instructions from a Renamo parliamentary deputy, Irene Joaquim Muanaco.

About a kilometre from Muhala, the Renamo supporters blocked the road dancing and singing, and throwing insults at Frelimo.

Taipo reportedly chose not to react. Without saying a word in response to the Renamo insults, the Frelimo motorcade turned round and took a different route to reach Muhala.

Irene Muanaco boasted of her group's disruption. “This is deliberate. We did this deliberately”, she told reporters. “Everyone is free to do whatever they like. They (Frelimo) do it too”.

This is not the first Renamo provocation against the ruling party. On Sunday (21 September) a Frelimo motorcade passed near the stadium where Renamo leader Afonso Dhlakama was addressing a rally. It was intercepted by Renamo supporters, who vandalised one of the vehicles and destroyed Frelimo propaganda material.

During the Frelimo campaign in Nampula, Taipo has promised that, in the event of a Frelimo victory, the government will set up more professional training centres, to endow young people with the skills required to enter the labour market, or to make a living out of self-employment.

“To achieve this goal, we have to vote for Frelimo and for its presidential candidate, Filipe Nyusi, on 15 October”, she urged.

She also claimed that one of the priorities of a Nyusi government would be to tar roads in Nampula, including those that link the city to other districts in Nampula province.

Taipo repeated Nyusi's pledge to transform Mozambican farming, through the mechanisation of agriculture. She also wanted to see new industries set up in the province that would use Nampula crops and mineral resources as their raw material.

She regarded industrialisation as a sustainable way of levering the development and well-being of all Mozambicans

Frelimo prevented from campaigning in Murotone

Frelimo has stated that they had been prevented from campaigning in Murotone, Zambezia Province.

On Thursday (25 September) the spokesman for the Frelimo Electoral Office in Zambezia, Francisco Graciano, stated that Renamo has prevented Frelimo from accessing the area. Graciano has confirmed that the matter has been logged with the Provincial Election Commission of Zambezia.

In addition, Graciano stated that Frelimo has been victimised in almost every single district as their campaign material has been destroyed by children (Frelimo stated that children are utilised by other parties to destroy campaign material as they cannot be arrested due to their age).

Frelimo accused of assaulting MDM members in Bilene

The MDM in Bilene district, in the southern province of Gaza, has accused the ruling Frelimo Party of assaulting its members and sympathisers and sabotaging its election campaign.

The campaign for the October general elections began on 31 August and since that date, according to the MDM deputy delegate in Bilene, Manuel Jamisse, his party has been “suffocated” by continual Frelimo attacks against its members.

“Yesterday a supporter came to our office and complained that he had been assaulted by Frelimo members”, Jamisse told reporters. “He was wearing an MDM T-shirt, when suddenly a group of Frelimo members approached and ripped off the shirt. They then forced him to wear a Frelimo T-shirt”.

Reports suggest that it was easy to identify the attackers because they were in cars plastered with Frelimo posters, and were wearing Frelimo T-shirts.

“These attacks are frequent”, said Jamisse. “We have informed, on several occasions, the election observers who come here, but nothing changes. It just carries on”.

He claimed that the MDM had tried to hold a rally in the district capital, Macia, but Frelimo hostility forced it to be called off.

“We were and are being sabotaged”, Jamisse said. “They don’t want to see members of other parties”.

He accused the police of complicity with Frelimo. When members of other parties are accused of electoral offences, the police immediately arrest them, Jamisse said, “but when it’s Frelimo members, they are not detained, and the police just say they have to open a case file”.

The Frelimo spokesperson in Bilene, Samuel Machaieie, denied the MDM accusations. “This isn’t true”, he said, “We don’t attack any party, and we don’t vandalise anybody’s campaign. A young man in an MDM T-shirt walks past our office every day, and we’ve never done anything to him”.

“We live together with these people”, Machaieie stressed.

On Thursday (18 September), the chairperson of the National Elections Commission (CNE), Abdul Carimo, urged all political parties and voters to halt the violent incidents that have characterised the election campaign in recent days.

Carimo reminded the parties: “by law it is forbidden to wage an election campaign by using force and incitement to violence”.

Simango wants changes in education policy

On Saturday (20 September) Daviz Simango, the leader and presidential candidate of the MDM, warned that foreigners could one day govern the country again, unless there is serious investment in education.

“Tomorrow we may be governed by foreigners because we are not investing in education”, he declared at an election rally at the T3 market, on the outskirts of the southern city of Matola.

MDM education policies, Simango said, will require extensive investments in expanding the school system, guaranteeing access, and democratising the management of education institutions.

He said the MDM advocates an integrated education policy, and recognises education as an inalienable right of all citizens, which cannot be delayed.

Simango noted that the illiteracy rate in Mozambique remains high. The latest official statistics, from 2012, give the adult illiteracy rate as 48.1%. To deal with this, Simango called for boosting investments in adult education programmes.

He added that the MDM manifesto also calls for an expansion in technical and professional education. He said it was necessary that these training centres “should be managed in co-operation with business bodies”.

Simango was forced to hold this rally in a site different from that originally planned. The MDM found that the place initially chosen, in the Infulene neighbourhood, had been occupied by the ruling Frelimo Party.

Interviewed by local television stations, Frelimo representatives insisted that they had booked the area with Matola City Council before the MDM applied to use it.

The MDM avoided any confrontation, and Simango's motorcade drove on past the Frelimo group into T3.

In Maputo city, a lengthy Frelimo motorcade, led by Political Commission member Conceita Sortane, drove through the streets, bearing the message that only with Frelimo and its presidential candidate, Filipe Nyusi, could the country meet the challenges facing it.

The priorities for governance, the Frelimo campaigners said, included the consolidation of national unity and the rule of law, and the defence of independence, sovereignty, order and public security.

The Frelimo militants also called for strengthening the capacity of the State to respond effectively to the wishes of the population, to create wealth and fight poverty, and to consolidate the culture of peace, dialogue and democracy.

Simango promises no shortage of medicines in hospitals

On Tuesday (23 September) the leader and presidential candidate of the MDM, Daviz Simango, promised that, if he is elected president, his government would ensure that the country's hospitals are properly stocked with medicines.

Speaking at an election campaign rally in Magude district, in Maputo province, Simango accused the current government of being “more concerned about buying weapons than medicines for our hospitals”.

An MDM government, he pledged, “will guarantee that there will always be adequate medicines and treatment in all the hospitals”.

In addition new hospitals would be built, which would become centres of excellence, equipped with new technologies for diagnosis, treatment and rehabilitation, and with duly qualified technical staff and managers. An MDM government, he pledged, would be committed to mass training of health professionals.

He also promised that the work done by public servants would be rewarded with an appropriate salary, and criticised the low wages currently paid to teachers and doctors as incompatible with the importance of the work they do.

“The wages of teachers and doctors should be in line with the activities which these professionals undertake, and should satisfy all of them”, Simango declared.

In the northern town of Mocimboa da Praia, in Cabo Delgado province, Afonso Dhlakama, leader of the former rebel movement Renamo declared that, if he wins the elections, he will not expel anybody from the state apparatus.

According to the head of the Renamo Youth League, Ivone Soares, Dhlakama told the Mocimboa rally that “What we shall demand is that each and every member of the public administration must do their jobs competently, effectively and efficiently”.

Dhlakama's second rally of the day, in the Cabo Delgado provincial capital, Pemba, was cancelled because he arrived in the city late from Mocimboa da Praia. Renamo supporters were kept waiting at the Pemba Municipal Stadium from the morning until 18h00 when the Renamo provincial delegate, Mustagibo Rachide, apologised for the fact that Dhlakama would no longer be speaking to them.

Violent clashes in Gaza for second consecutive day

Violent incidents continued to mar the general election campaign in the southern Mozambican province of Gaza for the second day running on Wednesday (24 September), as groups of supporters of the ruling Frelimo Party tried to prevent Daviz Simango, leader and presidential candidate of the MDM from campaigning.

In the town of Chibuto, reports suggest that a furious Frelimo group harassed Simango as he tried to walk round the main market. MDM members used clubs and similar weapons to protect themselves from Frelimo attack.

Reporters of the “Mozambique Political Process Bulletin”, published by AWEPA (European Parliamentarians for Africa) and the Mozambican NGO CIP (Centre for Public Integrity), saw the Frelimo group hurl bottles and stones at Simango’s entourage.

Although there were 10 police officers accompanying Simango, plus four local Chibuto police, the footage shot by the independent television station STV showed they were quite incapable of dealing with the situation. They were unable or unwilling to separate the Frelimo group from the MDM campaigners, and made no arrests.

As a result, the clash lasted for around an hour, and there are reports of nine people injured – five from Frelimo, three from the MDM and one policeman.

There were similar scenes at Simango's next stop, the town of Mandlakazi. Again journalists could see that it was the Frelimo crowd that attacked the MDM. Three people were injured, one of them seriously. Police fired three shots into the air to disperse the crowd.

"Now it's us. Go back to your own people because this land is ours", some Frelimo members shouted.

Some of the Frelimo group had seemingly been the victims of disinformation and did not know the difference between the MDM and the former rebel movement Renamo. Reporters found that MDM members in Gaza are labelled "armed bandits" – the term used by the government to describe Renamo during the war of destabilisation.

"They killed my entire family!" declared one Mandlakazi resident, Regina Sitoe. For her, the MDM had no right to enter Mandlakazi.

In reality, the MDM has killed nobody. The party was only set up in 2009, as a result of a split in Renamo. Although Simango was once a Renamo member, he played no role during the war.

Simango was unable to hold a rally, either in Chibuto or Mandlakazi. At the Mandlakazi market, he faced hostility from the vendors, most of them women, who did not want to hear anything he had to say. "Go away! We don't know you here", they shouted.

Simango remained calm, and continued his attempts to greet some of the vendors, before returning to his motorcade and heading to the neighbouring province of Inhambane.

His entry into Inhambane was entirely calm. There was no hostile mob waiting for him – instead he was greeted by a throng of MDM supporters and cultural groups playing on the traditional Inhambane xylophones known as timbila.

On Tuesday (23 September), Frelimo groups had tried to bar Simango's entry into Gaza at the town of Macia, resulting in ugly clashes with Simango's bodyguards. Simango then drove on to Chokwe, only to find that Frelimo supporters had barricaded the road into the town.

Eventually police intervened to clear the road, and Simango was able to address a rally. Here he called on his supporters not to respond to any provocations.

But elsewhere there was a response. In the central market in the MDM stronghold of Quelimane, in Zambezia province, campaigners from the Frelimo-affiliated Mozambican Women's Organisation (OMM) came under verbal attack from a sizeable group of MDM women, who tried to drown out their opponents' voices, shouting Simango's name repeatedly.

STV coverage of this confrontation showed scuffles inside the market between the two groups, though there were no reports of injuries.

The police blamed the Tuesday clashes on the MDM for arriving late in Gaza. According to Gaza police spokesperson Jeremias Langa, the MDM initially told the police that Simango’s motorcade would arrive in Macia at 10h00. The police waited there from 09h30 to 14h30, and since the MDM had not informed the police of any delay, the policemen in Macia were then sent elsewhere.

Simango arrived in Macia at around 16h30 and the journalists with him noted just two policemen on duty.

“When more men were mobilised to guarantee security and avoid any constraints, the clashes had already occurred, and the delegation of the MDM candidate had left for Chokwe”, said Langa.

Mozambique opposition claims harassment

On Thursday (25 September) the MDM accused government supporters of attacking their presidential candidate's convoy with sticks, stones and machetes while he was campaigning on Tuesday (23 September).

The MDM said that the ruling Frelimo party supporters attacked Daviz Simango's motorcade in the south of the country ahead of the 15 October general election.

MDM spokesperson, Sande Carmona told reporters that Tuesday's incident, part of a series of attacks on the party this week, left at least three people injured and four vehicles damaged.

"People in the motorcade were hit with stones, and beaten with sticks and machetes by Frelimo men," said Carmona.

"It happens almost all the time," Carmona claimed, describing the recent attacks as the "worst" and accusing police and prosecutors of not taking action because they were "under the control of Frelimo".

Observers say that Simango presents a challenge to both ruling Frelimo's candidate, Filipe Nyusi and the leader of the main opposition party, Renamo, Afonso Dhlakama.

"Having a third actor running is creating nervousness in both other parties," Hortencio Lopes a researcher for the Maputo-based think tank, the Centre for Mozambican and International Studies, said.

"This nervousness is creating both verbal and physical violence," he said, especially "on the part of Frelimo."

Last week the National Electoral Commission issued a strong warning to political parties to "respect the constitution and rule of law... and abandon the resource to violence," without naming specific parties.

CNE condemns Gaza violence

The Chairperson of Mozambique’s National Elections Commission (CNE), Abdul Carimo, has condemned as “disgraceful” the violent clashes in the southern province of Gaza between supporters of the ruling Frelimo Party and of the MDM.

Carimo was speaking on Wednesday (24 September) at the opening of a meeting between the CNE, political parties and the General Command of the Mozambican police. The meeting had been scheduled before the Gaza events, but the clashes certainly gave it added relevance, particularly since the police have been accused of siding with Frelimo.

Carimo mentioned only the confrontations between Frelimo and the MDM on Tuesday (23 September), in the towns of Macia and Chokwe, clearly unaware that the clashes were continuing, as Frelimo groups tried to disrupt Simango's campaign in Chibuto and Manjacaze.

"This kind of incident stains the entire electoral process", said Carimo. "These are incidents which should never have happened. This level of violence should never happen again".

The Gaza clashes "disgrace our country", he stressed. "Nobody can feel happy about what has happened".

The clashes were precisely the sort of event which the CNE had repeatedly urged political parties to avoid, he added, and they should ensure that there was never any repetition.

The election campaign should unfold "in a climate of harmony, tolerance and friendship", said Carimo. "It should not be a moment of violent disputes and conflicts which endanger the physical integrity of people and their very lives".

Recently the country had rejoiced at the declaration of a cessation of hostilities between the government and the former rebel movement Renamo, he recalled, "and so it makes no sense that, just a few weeks later, we citizens of this country are injuring and insulting one another. It's not acceptable".

Carimo urged the leaders of political parties to go public and appeal to all citizens "not to embark on this path".

The political leaderships, he said, "should make a public commitment that this will not happen again, and if possible apologise. This will encourage their members not to practice such shameful acts again".

So far there has been no such statement forthcoming from political leaders, although Simango has repeatedly urged his followers not to respond to provocations from their opponents. All political parties signed up to a code of conduct before the election campaign began, but in Gaza the code was completely ignored.

CNE spokesperson Paulo Cuinica, who was interviewed on Wednesday night, said that violence could have a serious impact on the elections. He warned the rioters that the electoral legislation gives the CNE the power to rerun the elections in any part of the country where it feels that the conditions did not favour a free and fair vote. The law, he added, did not set a limit to how many times the elections could be rerun.

The prosecution services are also taking an interest in the Gaza violence. The Attorney General's Office has asked for copies of the tapes of the independent television station STV showing the clashes.

MDM protests against violence in Gaza Province

On Wednesday (24 September) the MDM marched through the streets of Quelimane, capital of the central province of Zambezia, calling for a peaceful election campaign and protesting against the previous day's violence in the southern towns of Macia and Chokwe.

In both towns, the motorcade of MDM leader and presidential candidate Daviz Simango came under attack from supporters of the ruling Frelimo Party. In the chaos that followed in Macia, Simango's bodyguards fought back, smashing the windows of Frelimo cars and striking out with clubs at some of the Frelimo group.

The Frelimo group allegedly barred the entrance to Chokwe, and further confrontations ensued. Eventually the police intervened, and Simango was able to enter Chokwe and address a substantial crowd.

In Quelimane, the Wednesday marchers carried placards bearing slogans such as “Don't kill our President” and “Gaza is part of Mozambique”

Speaking at the end of the march, the MDM provincial delegate, Ezequiel Aramane, condemned the Gaza violence, but promised there would be no retaliation in MDM strongholds such as Quelimane. “Zambezia cannot retaliate, because Mozambique belongs to all of us”, he said.

“We call on the government and the institutions that deal with public security and tranquillity, to impose the law without any exclusions, so that brotherhood may prevail”, Amarane urged.

The MDM mayor of Quelimane, Manuel de Araujo, pointed out that, if it wanted to, the MDM could cause Frelimo the same kind of problems in Zambezia that Frelimo had caused for the MDM in Gaza. However, he argued that this was not MDM policy. Instead, he asked MDM members and sympathisers to remain vigilant in order to guarantee a campaign without violence, and equality of rights for all Mozambicans.

A press release from Simango's office blamed the Gaza violence on “Frelimo groups of vandals”, and claimed it was part of “a systematic strategy of the ruling party”.

“The attack on Daviz Simango's motorcade was brutal and was unquestionably intended to endanger the lives of the presidential candidate and his companions”, said the release. “The worst did not happen because of the prompt and rapid intervention of the MDM candidate's personal security”. Following this statement, the MDM accused Frelimo supporters of attempting to assassinate the MDM’s presidential candidate.

At the bridge over the Limpopo river, which provides access to the Gaza provincial capital, Xai-Xai, the police refused to let the motorcade cross. The MDM release described this as a violation of the freedom of movement and of Simango's right to wage his election campaign.

According to reporters who were accompanying Simango, the police were demanding that Simango's bodyguards be disarmed. The MDM refused to accept this demand, and after two hours, the police allowed Simango and his bodyguards to enter the city, still bearing their weapons.

The MDM release said that Simango remains “in perfect physical, moral and spiritual health. He is well protected and still more motivated to continue his election campaign”.

The MDM guaranteed that it will not retaliate, and will behave in line with its slogan “Mozambique for all”, persevering “in its historic mission of contributing decisively to a civic and civilized election campaign”.

MDM, Frelimo and police clash in Nampula

On Thursday (25 September) the ruling Frelimo Party clashed with supporters of the MDM when the latter attempted to stage a demonstration in the Square of Mozambican Heroes, in the northern city of Nampula.

The MDM members attempted to bring a mock coffin, adorned with an image of Frelimo’s Filipe Nyusi, into the square. When asked why they were staging such a tasteless display in such solemn surrounding as Heroes’ Square, some MDM members told reporters it was in retaliation for the Frelimo attacks against the motorcade of the MDM leader and presidential candidate, Daviz Simango, in the southern province of Gaza on Tuesday and Wednesday (23 and 24 September).

The Nampula MDM are said to have chosen the worst possible date for their demonstration. 25 September was Armed Forces Day, and marks the anniversary of the launch of the armed struggle for Mozambican independence in 1964. This year the date is even more solemn than usual, since it is the fiftieth anniversary of the start of the uprising against Portuguese colonial rule.

The MDM prank was thus viewed as defiling one of the most important dates in the Mozambican political calendar.

The Nampula ceremony began calmly with the provincial governor, Cidalia Chauque, laying a wreath at the monument, in memory of those who fell during the independence war.

But the atmosphere changed radically when the MDM group appeared bearing the mock coffin, and placards insulting Nyusi. Frelimo members in the square were outraged, and seized the mock coffin in order to destroy it.

What was supposed to be a respectful event remembering those who gave their lives for the country’s liberation, degenerated into street fighting, with the two sides throwing stones at each other.

The PRM intervened, using rubber bullets and tear gas. Even so, it took them about half an hour to bring the situation under control. Members of the two parties and policemen were injured in the brawling. In addition, a number of school children (who were on a school field trip to witness the ceremony) were injured during the event.

One MDM member approached by reporters, Aldo Monteiro, launched into a personal attack on Nyusi. He stated, “The people of Nampula don’t want to see that man leading things here”, he said. “The Frelimo candidate was in that coffin. That means he doesn’t exist for us. He can’t lead us. He was executive director of CFM here and he didn't work well. He expelled many workers, and now he comes back and asks for our votes."

The head of Frelimo's Nampula provincial election brigade, Germano Joaquim, accused the MDM of "vandalism". He considered the behaviour of the MDM group as an affront to Mozambican identity and to the values which political parties should hold dear.

The ceremony, which the MDM had disrupted, he pointed out, did not belong to Frelimo, but to the entire Mozambican nation.

"This was something programmed and organised to sow panic", he accused. "We think this is an act that should be vehemently condemned. We need to find who was responsible for what happened in this square".

Joaquim suspected that the MDM demonstration was a deliberate provocation against Frelimo, but pledged that the ruling party would not rise to the bait, but would respond in a civilised manner.

According to some, through this grossly insensitive behaviour, the MDM is in danger of throwing away any public sympathy it may have earned because of the Frelimo attacks against Simango's motorcade in Gaza.

Shortly after the incident, President Armando Guebuza condemned the violence between political parties and their members during the recent campaigns.

ECONOMY

Mozambique Exchange Rate: 24 September 2014

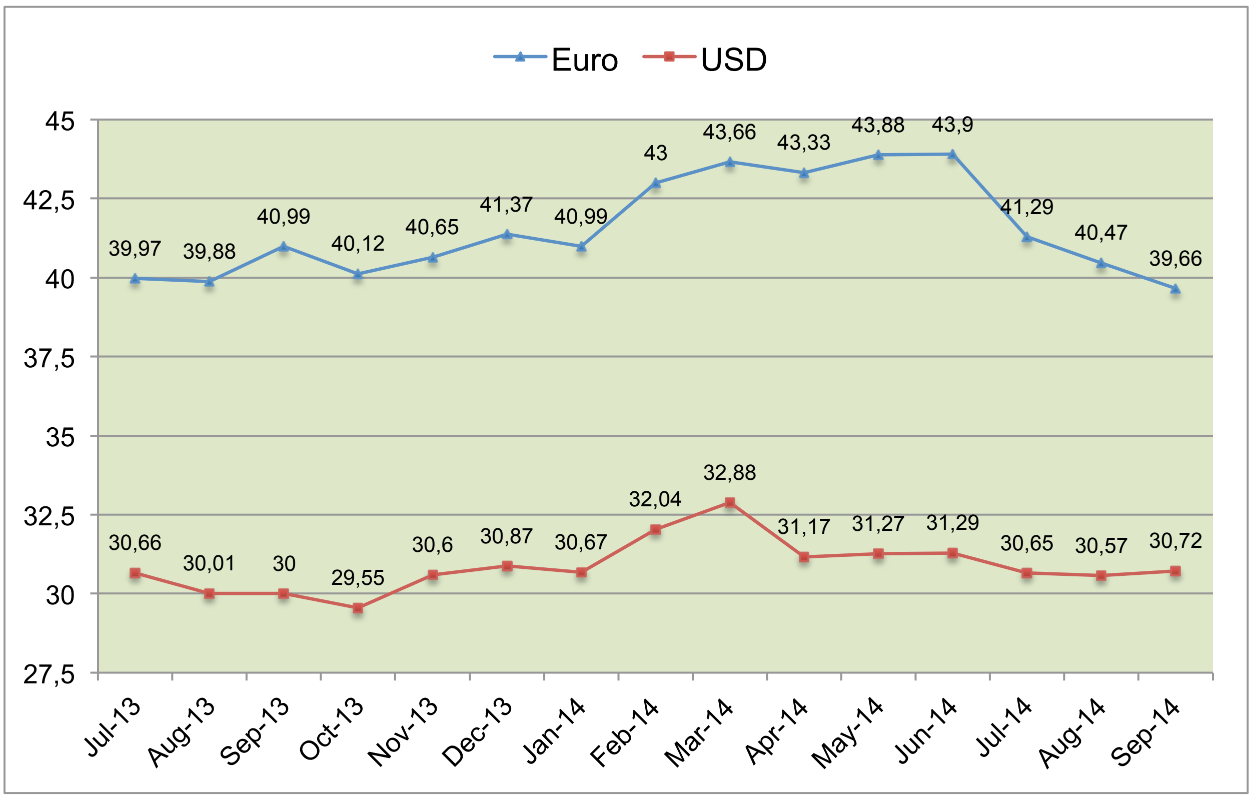
Currency	Buy	Sell
EURO	39,33	39,59
USD	30,61	30,81
ZAR	2,75	2,77

Fuel Prices

Petrol	**Diesel**
47,52MT per Litre*	36,81MT per Litre*

*	Price only valid for Maputo, Beira and Nacale.

GRAPH 3: ANNUAL MOZAMBIQUE CURRENCY EVALUATION AGAINST THE USD AND EURO



Mozambique economy grows 6.9% in second quarter

Mozambique's economy grew by 6.9% in the second quarter of 2014 compared with the same period of 2013, the National Statistics Institute (INE) said on Wednesday (24 September) in Maputo.

The best performance was recorded by the secondary sector, which grew by 10.9%, particularly manufacturing, with a growth of 12.5%.

The tertiary sector ranked second with growth of 7.4%, driven by the restaurant segment that grew by 7.9% and the primary sector came in last with growth of 6.6%, due to the mining industry.

Agriculture, livestock, hunting, forestry, fishing and related activities continued to have the highest weight in the Mozambique economy, accounting for 35.6%, followed by manufacturing with 10.3%.

The third position is occupied by the retail and repair services segment, with a weight of 9.3%, followed by transport, storage, information and communications with 7.9%, and the real estate rental and business services with 6.2%.

"Mozambique's inflation to total 3% in 2014" - EIU

Mozambique's projected average annual inflation in 2014 has been revised downwards from 3.9% to 3.0% by the Economist Intelligence Unit (EIU) which also increased the forecast budget deficit for this year by 10 basis points to 10.1%.

The 3.1% average recorded in the annual inflation rate in August, together with an international climate characterised by lower food prices and a marginal decline in the value of oil, were behind the review, the EIU said in its macroeconomic analysis of the country for September.

The budget deficit projection rose slightly from 10% to 10.1% of gross domestic product (GDP), which the EIU said was the result of a combination of decreased international donor assistance to the State and increased public spending.

In the document, the EIU kept its forecast for economic growth in Mozambique in 2014 unchanged at 7.3%, for a real value of GDP of 16.2 billion U.S. Dollars with the Industrial sector registering growth of 9%, Services of 7.2% and Agriculture of 6%.

In terms of exports, the EIU expects Mozambique to reach 4.4 billion U.S. Dollars in 2014, gradually rising to 6.8 billion U.S. Dollars in 2018, when the value of imports is expected to be around 12.8 billion U.S. Dollars due to importing equipment for exploration of natural resources.

ADB donates 29.36 million U.S. Dollars to Mozambique

The board of directors of the African Development Bank (ADB) has approved a 29.36 million U.S. Dollar budget support grant to finance the first phase of the Economic Governance and Inclusive Growth Programme (EGIGP) in Mozambique.

According to the Bank, the grant is the first of three general budget support operations for 2014, 2015 and 2016. In total, these are budgeted at 59.73 million U.S. Dollars.

The programme aims to promote inclusive and sustainable growth by improving transparency and accountability in public finance, developing the management of natural resources and enhancing the environment for the private sector.

The Bank stresses that the grant is in support of the Mozambican government's Poverty Reduction Strategy (PARP) and long-term private sector development strategies.

It states "EGIGP underscores the fact that Mozambique needs to translate the high economic growth rates experienced in the past two decades into inclusive and sustainable dividends".

The bank claims "the focus on inclusive growth is reflected in EGIGP's emphasis on demand-side governance, transparency and participatory natural resource management, and job creation in particular through micro-, small and medium enterprises".

Among the government bodies that will receive direct financial support are the Administrative Tribunal, which is the highest audit body in Mozambique, and the General Inspectorate of Finance.

The Bank also states "the indirect beneficiaries include the entire public administration through greater public sector efficiency; and the entire Mozambican population (especially women, youth, and rural communities) through the promotion of inclusive growth, improved natural resource management and a friendlier business environment".

Mozambique government moves to announce and ratify some major changes to its resource tax framework

The gap in funding to support large infrastructure requirements in Mozambique's resources industry is about to get smaller as the Mozambique government moves to announce and ratify some major changes to its resource tax framework. Two new pieces of legislation have been put before parliament in the form of a Mozambique Mining Tax Law and a Gas and Petroleum Tax Law. Both are expected to be signed into law in the last quarter of 2014 under the current cabinet. Additionally a windfall profit tax announcement coming out of Mozambique is imminent.

Although Mozambique's economy is currently monopolised by coal exports, the gas (and specifically LNG) market for Mozambique will propel Mozambique into the top 5 Gas producers in the world by 2020.

"Mozambique has probably made the biggest gas discovery in the world in the past 10 years," says Standard Bank's head of oil, gas and renewables, Simon Ashby-Rudd. "Mozambique will probably be the next Qatar."

Mozambique is rich in energy sources, with an abundance of gas, coal and hydro. The Mozambique government is moving quickly in balancing the need of multinationals investing in the country's resource sector, the international donor community and the population of Mozambique. In order to monetise the coal and gas finds, massive investment in infrastructure is needed, such as in pipelines, power capacity, railway and port facilities, with the biggest investment in key gas infrastructure estimated at approximately 40 billion U.S. Dollars split between the upstream and mid-stream sector.

The new tax laws will usher in some major changes to the hydrocarbon and minerals sectors as the Government of Mozambique takes strategic steps to ensure the infrastructure master plans are realised sooner rather than later.

Major changes in the tax regime will include new rules for tax offsetting, Capital Gains Tax changes both in the tax application and charge, new rules in the depreciation of assets, new rules for non-tax deductible activities including the exclusion of failed projects and CSR activities, new windfall profit tax, changes that will affect existing contracts and an overall reduction in available tax benefits.

The tax changes will require major changes to foreign and local firms in the hydrocarbon and mineral sector in Mozambique's tax planning and will affect 2015 planning.

Market Intelligence leaders AIE have organised a 1-day market briefing, which will take place in Johannesburg, South Africa, on 22 October 2014. The market briefing will provide much needed insight into the new Tax Framework for the resource sector, further details on participating in the market briefing can be accessed via www.africaninfex.com or call: 081 777 0028.

India's Bharat Petroleum sets aside 2 billion U.S. Dollars for Mozambique oil project

Indian oil multinational Bharat Petroleum Corp. Ltd (BPCL) says it will reserve over 2 billion U.S. Dollars for oil and gas exploration in Mozambique in the next four years.

"The investment had been planned so that assets in Mozambique and Brazil could enter the production phase at the end of the 2019 financial year," said the BPCL group chairman S. Varadarajan.

Between 2010 to 2012, over 4 200 billion cubic metres (150 trillion cubic feet) of natural gas reserves were discovered in the Rocuma Basin, off the coast the northern Cabo Delgado Province in Mozambique. Once developed, this could make Mozambique one of the largest producers of liquefied natural gas in the world. Plans are therefore in place to ensure production starts in 2018.

In 2004, South African company Sasol also started production of natural gas from the Temane gas field in the South of Mozambique and in 2011 produced about 3.8 billion cubic meters of natural gas. Sasol used the gas to power its South African chemical plants.

Rubicon Resources to acquire strategic partner

Rubicon Resources is set to purchase its Mozambique-based alliance partner, PacMoz.

An agreement has been reached to purchase an initial 60% of PacMoz, and a 2-year call option over the 40% balance.

PacMoz is well placed to participate in the developing mining, oil and gas industries in Mozambique and to identify resource project acquisition opportunities.

Notably, Richard Carcenac, former BHP Billiton mine manager of South Africa Coal and Worsley Bauxite, is to manage Rubicon's Mozambique operations.

PacMoz is a private Mozambique registered company with operations in identification and assessment of resource development projects, as well as exploration and project services and logistics and administration support.

It is in advanced discussions with a global business services company specialising in flexible deployment of professionals in field of industries.

The identity of this company cannot be disclosed at this time due to confidentiality restrictions, but will be disclosed if and when a binding agreement is executed.

PacMoz is negotiating to enter into a joint venture with this company which will provide project management, consulting, recruitment and labour-hire and whole-of-project life cycle services, primarily to the mining and oil and gas industries in Mozambique.

Execution of a binding agreement for the establishment of the Joint Venture is a condition precedent to Rubicon's investment in PacMoz.

Mozambique expects to receive foreign investments totalling around 10 billion U.S. Dollars over the next three years with the annual approval of around 300 projects.

PacMoz will also offer Rubicon access to cash flow through PacMoz's existing project services and logistics business.

As consideration for the acquisition, Rubicon will pay the vendor 50 000 U.S. Dollars cash and will issue 30 million ordinary shares and 60 million performance shares, subject to Shareholders' approval.

The performance shares will vest in accordance with the certain milestones.

RBR is presently valued at 4 million U.S. Dollars.

ENH sells 20% stake in Pemba gas terminal

Mozambique's national oil and gas company ENH plans to sell a 20% stake in the Pemba gas terminal, in the north of the country, the president of ENL Logistics, a subsidiary of ENH, said on Thursday (18 September) in Maputo.

Eduardo Naiene said the company has mandated the Banco Nacional de Investimento (BNI) to lead the sale of 20% of the Pemba Integrated Logistics Centre, from where natural gas extracted in the Rovuma basin will be exported by sea.

The Pemba Integrated Logistics Centre, also known as the Pemba Logistics Base, will enable exports of natural gas produced in the district of Palma, 460 kilometres away.

The facility, the first phase of which was launched in August, includes a 300 metre pier, facilities to produce and assemble undersea equipment, access roads and storage areas for equipment and mechanical workshops, to support the oil and gas industry in the region, with an estimated initial investment of 145 million U.S. Dollars.

Construction of the first phase of the Pemba Logistics Base is due to be completed in 2016, two years before the start of production of the gas extracted from the Rovuma basin.

The Logistics Base was handed over as a concession by the Mozambican government for 30 years to Portos de Cabo Delgado (PCD), a partnership between ENH and Mozambican port and rail manager CFM.

To implement the project PCD sub-contracted the facility to ENHILS, made up of ENH Logistics, with 51%, and Nigeria's Orlean Invest, with 49%.

However, on Wednesday (24 September) alternative suggested that BNI was seeking domestic buyers for a 10% stake in a logistics terminal for the gas industry at Pemba.

The statement continued "ENH Logistics, a unit of the state oil company set up to build the infrastructure needed to bring the gas ashore, is selling one fifth of its 50% stake in the Pemba terminal, estimated to require 150 million U.S. Dollars to construct.

"The stake will be made available only to Mozambican investors, in keeping with a government objective to keep as much ownership of the country's natural resources wealth in local hands as possible. The question of foreign ownership has been prominent in campaigns for presidential and parliamentary elections due next month.

"The process of finding a private partner for ENHIL was criticised by Mozambique's Centre for Public Integrity for being rushed and opaque. The state oil company said that running a public tender would have taken too long and delayed development of the gas field."

ENH looks for an apprentice role in Mozambique LNG marketing

ENH has stated that it wants to take a more active role in marketing gas from Mozambique's huge offshore gas fields.

"We are saying Mozambique should be involved. What we want to see is not only the operator marketing the gas. We, as ENH, should be involved in it as a partner in the process so that we learn… how to bring our gas to market," ENH Commercial Director Tavares Martinho said.

He pointed to the marketing arrangement for Papua New Guinea's new LNG export plant. LNG from the 6.9 million ton per annum (mtpa) project has been jointly marketed, with operator ExxonMobil acting as marketing representative on behalf of the PNG LNG stakeholders.

"Maybe there is not one person from PNG inside ExxonMobil. Why? What we need is somebody from ENH within Anadarko. Somebody should be there watching what Anadarko is doing, so that we are able to advise [our] government that the gas has been selling in a good way – for the operator and the country."

Martinho also sought to ease industry concerns over Mozambique's amended petroleum bill that is likely to be signed into law by President Armando Guebuza before he leaves office next month.

New provisions in the petroleum law will see ENH take a more active role in the gas industry, a move that has raised fears that operators could be side-lined to some extent.

Article 36 in particular has drawn scrutiny, as it states ENH will "assume the leadership of the marketing and commercialisation of [oil and gas] products". But Martinho played down fears, saying "I think that is not a matter for worry", and highlighting ENH's desire for more participation in the marketing process.

ENH already participates in Mozambique's upstream sector and has the option to take up to a 25% stake in oil and gas licences (although it only has a 10% stake in Offshore Area 4 and a 15% stake in Offshore Area 1). The government has also indicated it will control domestic market sales – with the state arranging sales agreements and setting the domestic gas price.

Mozambique's Gas Master Plan for the project envisages six trains with aggregate capacity of 30 mtpa by 2022 under a best-case scenario, and up to 50 mtpa from 10 trains by 2026.

South Africa-based Standard Bank released a macroeconomic study of Anadarko's planned Mozambique LNG project nearly two months ago. The report estimates six trains would swell Mozambique's economy by 39 billion U.S. Dollars by 2035 – more than double its 2013 GDP of 15.32 billion U.S. Dollars.

The report assumes a flat 12 U.S. Dollars/MMBtu free-on-board price forecast for the project's 30-year lifespan up to 2044. That assumption raised eyebrows among industry watchers, who consider it optimistically competitive, given Mozambique LNG's greenfield status and the projected cost of North American exports. "From my perspective, as I see the environment [and] the quantity of LNG in 2020, maybe this price could be a little bit less than that," Martinho said.

"A study is a study. Reality is reality. The authors… put down that the price may be, or should be, 12 U.S. Dollars/MMBtu. But you see the outlook and propensity for LNG production worldwide… every project's price will not reach that 12 U.S. Dollars," said Martinho.

Paulo Scaroni, chief executive of Italian oil major ENI, told CERAWeek delegates in Houston earlier this year that the project would break even at 9 U.S. Dollars/MMBtu, which gives the sellers – both of whom offer some element of Henry Hub-indexation in their contracts – room to be flexible on how their contracts are priced.

Asked if he was confident all six trains would be developed, Martinho said at least two onshore trains could materialise by 2020 along with a floating LNG facility, based on the project's location and the market environment.

FEED studies for Anadarko's Offshore Area 1 have already finished, with participants waiting on negotiations with the government for an FID; FEED for ENI's Area 4 may be completed by the middle of 2015, according to Martinho.

Martinho said he did not see many obstacles to development at present, but identified the massive financing requirements for monetising resources in the Rovuma Basin as the biggest challenge. "I think only project financing will be something that we can exercise," he said.

He acknowledged strenuous efforts would be required to develop the necessary institutions and regulatory frameworks to manage huge inflow of capital if a startup date of 2019 is to be met.

"It is something that we have to work on. We need to develop our banks, to manage all these efforts in terms of financing that will come." But he noted work was progressing on that front. "In terms of financial institutions, our national bank is working on that and it is very close with the project. I think it will not be a big problem."

BPCL to invest 2.1 billion U.S. Dollars in Mozambique and Brazil

Bharat Petroleum Corp. Ltd (BPCL) plans to invest Rs.13 000 crore (roughly 2.1 billion U.S. Dollars) in energy exploration and production in Mozambique and Brazil over the next four years—its biggest investment in the so-called upstream sector.

The planned investment is twice the amount the company has spent in exploration and production activity in the last 10 years and is part of the total capital expenditure of Rs.35 000 crore it has chalked out for the next four years.

The investment has been planned keeping in mind the target of commencing production from the Mozambique and Brazil assets by fiscal 2019, said S. Varadarajan, chairman and managing director of BPCL, in an interview on the side-lines of a press briefing held late Thursday (18 September) in Mumbai.

Exports of liquefied natural gas (LNG) from the Mozambique blocks, which largely hold natural gas, will start from fiscal 2019. BPCL, through its wholly owned subsidiary Bharat PetroResources Ltd (BPRL), owns oil and gas assets in Brazil, Mozambique, Indonesia and Australia. “These two assets (in Brazil and Mozambique) are where the major chunk of investments are planned in the coming few years,” said D. Rajkumar, managing director and chief executive officer of BPRL.

In Mozambique, BPCL holds a 10% stake in a gas block that is operated by US-based Anadarko Petroleum Corp. Analysts expect the assets in Mozambique to help BPCL reshape itself into an integrated oil and gas company once they become operational.

The natural gas reserves in the Mozambique block have been ascertained at 50-70 trillion cubic feet (tcf) by its operator Anadarko, which is almost 10 times the reserves of Reliance Industries Ltd’s D6 block in the Krishna-Godavari basin. BPCL’s share of reserves is at 5-7 tcf, equivalent to the size of the D6 block in India.

Rajkumar said BPRL will be investing up to Rs.10 000 crore as part of its share towards a 10 mtpa LNG terminal project at Mozambique. Off-take agreements for two-thirds output have already been signed with Asian companies, he added.

The promising exploration and production assets in Mozambique and Brazil put BPCL on a better footing compared with its peers such as Indian Oil Corp. Ltd (IOCL) and Hindustan Petroleum Corp. Ltd (HPCL), Ashish Jagnani, an analyst with UBS Investment Research, wrote in a 08 September report.

Mozambique snubs Zimbabwe

Mozambique has snubbed Zimbabwe's proposal to construct a second petroleum pipeline, a government official has revealed, saying the move has undermined plans to augment the existing pipeline which no longer has the capacity to adequately supply fuel into the country. The plan was to construct a second pipeline from Savanna, 50 kilometres north of Beira, Mozambique, to Zimbabwe.

The proposed pipeline would run parallel to the Feruka petroleum pipeline from the Beira fuel depot to Harare. The proposed pipeline was expected to carry about 500 million litres of fuel per month. Permanent secretary in the Zimbabwean Ministry of Energy and Power Development, Partson Mbiriri, disclosed that Zimbabwe could not take unilateral action on the pipeline project.

"Whereas this ministry (Energy and Power Development) has engaged our Mozambique counterparts on the second pipeline, we await a formal response from Mozambique," said Mbiriri.

"Zimbabwe may not take unilateral action on this project." Mbiriri, however, said the capacity of the existing pipeline has increased by 40% following the introduction of drag reducers and booster pumps. Drag reducers, which are also known as drag reducing agents or flow improvers, reduce frictional pressure during fluid flow in a pipeline.

Using drag reducers reduces turbulence inside a pipeline and therefore allows the oil to flow more efficiently using the same amount of energy or decreased pressure drop for the same flow rate of fluid in pipelines. Drag reducers allow for oil to be pumped through at lower pressures, saving energy and money.

The Feruka pipeline pumps 6.5 million litres of fuel per day from Mozambique to Zimbabwe but it has a maximum capacity of eight million litres per day. The 408 kilometre pipeline, built in 1966, stretches from Beira in Mozambique to Harare through the Feruka Oil Refinery outside Mutare.

The Zimbabwe government, through the National Oil Infrastructure Company, owns 21 kilometres of the Feruka pipeline, while Mozambique, through the Companhiado De Pipeline Mozambique-Zimbabwe (CPM-Z), controls the rest. The government last year introduced a 0.04 ₵ per litre levy on fuel importers using road transport to bring fuel into the country in an effort to force them to use the Beira-Feruka pipeline.

Haulage trucks, despite the lower costs of using the pipeline are still transporting about 35% of fuel. Industry players said while the pipeline was a cheaper mode of transporting fuel, the industry is so segmented that it would be difficult to co-ordinate the procurement of petroleum products in bulk in order to justify the use of the pipeline.

It costs 0.08₵ a litre to transport fuel by pipeline from Beira to Msasa in Harare while the haulage companies charge 0.09₵ a litre over the same distance. In March this year, Energy and Power Development Minister, Dzikamai Mavhaire, during a tour of Feruka Oil Refinery, said government would initiate studies on the construction of the second pipeline.

He said: "We are already pursuing bilateral procedures with Mozambique with a view of coming up with a second pipeline." Mavhaire said a number of investors had already put forward proposals for the construction of the second pipeline.

Mozambique coal industry 'reeling' from price decrease

While the South African coal mining industry remains steady, primarily owing to strong domestic demand from State-owned power utility Eskom, the Mozambique coal industry is "reeling" from decreased global coal prices, says multinational Indian mining, steel and power conglomerate Jindal Steel & Power subsidiary Jindal Africa.

"With global contraction in the demand for coking coal, steelmakers have resorted to Australian coking coal, which still has a much better quality than Mozambique coal," said Jindal Africa CEO Ashish Kumar.

He adds that, as logistics remains a significant challenge, owing to underdeveloped rail and port infrastructure in Mozambique, producers are spending significantly more on transporting and exporting coal, compared with the costs they would have incurred in South Africa or Australia. Mozambique's coal operations are, therefore, struggling in the current depressed markets.

Jindal Steel & Power is, therefore, adopting "a wait and watch approach" to the expansion of its Chirodzi coal mine, in Mozambique's Tete province.

The company aims to stabilise the existing mining operation by recovering coking coal from the filter cake with the addition of a froth flotation circuit. It also plans to explore local markets for opportunities to sell its thermal coal and is implementing several initiatives to improve operational efficiency.

"Jindal Africa is also discussing the possibility of establishing a power plant that will use the lower-grade coal being produced at Chirodzi," says Kumar.

In April, Jindal received environmental-impact-assessment approvals for the construction of a 350 MW power plant in the country.

"The coal price necessitates our focusing on being cost efficient to ensure the viability of operations, and our securing the necessary allocation of existing infrastructure to accommodate the transport of product. This involves obtaining support from Mozambique parastatals to reduce transport costs," he emphasises.

Jindal is also investing substantially in logistics solutions to help improve transport of the commodity. It commissioned the project's railway infrastructure, which includes Jindal's locomotives and wagons, a 220 KV/ 33 KV substation, as well as a 22 kilometre water pipeline, in the 2013/14 financial year.

Nevertheless, Kumar believes that an increase in the coal price is on the horizon. “That would reposition Southern Africa as a major hub of the global coal market,” he says.

Kumar told reporters that the company is also focusing on maintaining production levels at its Kiepersol colliery, near Piet Retief, in Mpumalanga. The colliery has a production capacity of 1.4 million tons a year.

In March, Jindal Mining South Africa (SA) took over the operation and maintenance of the coal wash plant, as it would not only lead to a more reliable plant operation but also drive further cost efficiencies.

Jindal Mining SA has also taken over the mining of two adits, with a contractor mining in another.

“We have also opened up a new adit, where the contractor started mining this month. “This should increase production levels to 100 000 t/m from next month,” says Kumar.

He adds that equipment has been ordered to open up a fifth adit in March 2015. This will result in the company producing enough coal to take advantage of the wash plant’s full capacity.

“We are focusing on stabilising production,” Kumar notes, emphasising that Jindal aims to do more than 50% of its mining in-house, which will go a long way towards achieving that.

Last year, in its fifth year of operation, the colliery faced several issues and, as a result, only produced about 900 000 t of coal.

“Although the steep drop in the global coal price impacted negatively on the mine’s profitability, our customer base continued to increase and more avenues for export were also established,” says Kumar.

Sales from the colliery for last year totalled about 600 000 t of washed coal, of which 45% was supplied to the domestic market, while the rest was exported.

Kumar notes that demand for anthracite, mainly from ferroalloy producers, continues to remain strong. “The export markets have shown more potential lately, as political tension in Russia and Ukraine have blocked off much of the anthracite supply from that region,” he says.

However, supply has not remained as strong as demand, as some local miners face operational issues. They are struggling to maintain consistent production levels, while new projects are also missing their timelines, largely owing to a lack of funds, concludes Kumar.

Coal investors warned that Chinese demand will peak in 2016 and may cripple the industry

Chinese demand for thermal coal could peak as soon as 2016, having a potentially crippling impact on the global coal industry.

Coal companies are already facing challenging times, as the industry looks to cheaper and cleaner alternatives. Future demand for coal may slacken, further dampening prices. All of these factors led to the Carbon Tracker Initiative concluding in a new report that "coal is a sinking ship".

The report is issued under the auspices of raising awareness to the financial risks faced by investors in the coal industry. The sector needs 112 billion U.S. Dollars of investment in coal mine expansion and development to sustain itself, CTI said, and "the high costs new mines are not economic at today's prices and are unlikely to generate returns for investors in the future".

The authors drew on research from the Institute of Economics and Financial Analysis (IEEFA), which found China's demand for coal will peak in 2016 and steadily decline thereafter. The country may become a net exporter but it's unlikely there will be any other country in a position to take up the lag in demand that would be left by China.

"China currently represents around half of the global thermal coal market and will be critical to the future levels of consumption and seaborne market structure. Alongside the IEEFA low-demand model, a number of mainstream coal analysts from investment research houses [Deutsche Bank, Bernstein, Morningstar] expect Chinese coal demand peaking by 2016 or sooner," wrote the authors.

Coal exporters are increasingly pinning their hopes on India, especially given the sheer levels of investment required in their industry and infrastructure. But CTI warns the current price of electricity cannot support continued expensive imports of coal and that India's "weak financial system cannot continue issuing non-performing loans to help grow a loss-making power and distribution sector".

The environmental upside is that Chinese carbon dioxide emissions could peak before 2020, since they have historically tracked coal consumption so closely.

"The world's coal industry is playing music chairs with demand, every time the music stops another piece of the market is being taken away," said James Leaton, research director at CTI.

At the crux of the think tank's research is the finding that demand for the seaborne coal market could fall drastically over the next 20 years, to 850 million tons per year, which would require a breakeven price of 75 U.S. Dollars per ton. Mines with costs higher than this will struggle to attract investors, or at least pay them the desired rate of return.

There are numerous large coal facilities coming online in the future that would struggle to make the figures work in such a low-demand scenario, CTI said, including the Galilee Basin in Australia and the Powder River Basin in the US.

Perhaps anticipating the shift, the likes of Rio Tinto and BHP Billiton have been shedding assets in Australia, Mozambique and South Africa, sometimes spinning them off into newcos, in an effort to manage the potential future cost.

"Any investor should already be questioning whether high-cost thermal production can turn a profit," the report reads. "This is an opportunity for active shareholders to ensure diversified miners are limiting their exposure to losses in the thermal coal business.

The report has been released to coincide with the Global Climate March campaign, which kicked off in cities around the world on Saturday (20 September).

The timing is also important in the light of the revelation from 19 September that the world's population is set to grow quickly for the rest of the century, despite the 20-year consensus that it would peak in and around 2050 at about nine billion people.

"The significance of the new work is that it provides greater certainty. Specifically, it is highly likely that, given current policies, the world population will be between 40-75% larger than today in the lifetime of many of today's children and will still be growing at that point," said Simon Ross of the Population Matters think tank.

The implications for the environment are stark: scientists were already wondering how the planet would support nine billion people; the fact that the world's population may be set to hit 11 billion by the end of the century presents a new and terrifying quandary.

Coal rail car topping system commissioned in Mozambique

Water treatment and process services company Nalco Africa, an Ecolab company, has completed the first installation of its rail car topping system at a coal mine in Mozambique's Tete province.

"The rail car topping system, which was completed and commissioned in August, comprises a spraying system at the mine's rail load out station. The system automatically sprays the coal in the rail cars with a chemical reagent – Nalco DustBind technology – before it is transported to the port," says Nalco Africa mining industry technical consultant Jan Botha.

DustBind technology is a biodegradable encapsulating aid formulated to bind fine particles on rail cars, stockpiles and other materials, creating a bound crust on a mineral surface to reduce dust created by handling or windy conditions. It is easily diluted and applied, and reduces wind and water erosion on stockpiles.

DustBind technology also resists re-emulsification once it is dry. It also has a flexible bond that resists break-up once applied and has low equipment maintenance costs.

Botha notes a growing awareness within the mining industry about the financial and environmental impact of coal dusting, and stresses that DustBind technology not only reduces the environmental impact incurred when fine coal is lost to prolonged wind exposure, but also curbs product waste and, therefore, revenue losses, as fine coal is blended with coarse coal and exported as coking or metallurgical coal, which has a high export value.

"It has become necessary for the mining industry to limit these losses," he says, stressing that wind and distance travelled may account for 0.5% of coal loss, which means that if a mining company transports 100 000 tons of coal, about 500 tons can be lost during transportation alone.

Botha adds that DustBind technology has to be able to withstand prolonged movement and wind exposure over extensive distances, as coal trains in Southern Africa travel to the Beira and Maputo ports, in Mozambique, or to the Richards Bay Coal Terminal, in South Africa. The product was, therefore, tested in wind tunnels over distances of up to 600 kilometres and over varying time frames to ensure the least amount of coal dusting and fine coal product losses.

DustBind technology revealed a greater than 90% reduction in fine coal losses, according to research data.

Gemfields trebles revenue and swings to pretax profit

On Monday (22 September) Gemfields PLC said that it trebled its revenue and swung to a pre-tax profit in its recent financial year, due to the addition of its producing ruby project in Mozambique and higher gemstone prices.

The company's revenue trebled to 160.1 million U.S. Dollars for the full year ended 30 June, from 48.4 million U.S. Dollars in the 2013 financial year, swinging it to a pre-tax profit of 36.3 million U.S. Dollars from a 20.1 million U.S. Dollar loss in the previous year. It generated 110 million U.S. Dollars from emerald and beryl sales during the year.

"In addition to record revenues from our emerald business, the year saw Gemfields hold its inaugural ruby auction of Mozambican rubies, generating sales of 33.5 million U.S. Dollars from 1.82 million carats sold," said Chief Executive Ian Harebottle.

"The consistent price increases achieved in our emerald business demonstrate our ongoing commitment to supporting the competitiveness of Zambian emeralds on the international market," he added.

In February 2014, higher quality gemstones attained an average price of 59.31 U.S. Dollars per carat, a 10% increase over the previous higher quality auction. In November 2013, its lower quality gemstones sold for an average price of 3.32 U.S. Dollars per carat, which was a 27% increase on the previous highest price per carat achieved at a lower quality auction, said Gemfields.

"While Gemfields today enjoys an unrivalled presence in the international coloured gemstone industry, the opportunity for sustained growth is significant. We have built a successful emerald business with our world class Kagem mine in Zambia and the addition of rubies from Mozambique serves to amplify our position as the leading supplier of responsibly sourced coloured gemstones," said Chairman Graham Mascall.

The company said it is looking to increase production at its Kagem mine to 25-30 million carats of emerald and beryl production after a 32.7% reduction to 20.2 million carats of emerald and beryl in the 2014 financial year, from 30 million carats in 2013. The reduction is due to high rainfall and delays, said Gemfields.

It aims to produce 8 million carats of ruby and corundum from its Montepuez ruby deposit in Mozambique, which produced 6.5 million carats of ruby and corundum in 2014, and hold a minimum of three emerald and two ruby auctions to expand its trading footprint over the next year. It also continues to evaluate a number of gemstone acquisition opportunities, it said.

"During the year Gemfields has continued to deliver on its strategy of shaping and consolidating the coloured gemstone industry, demonstrated convincingly by the addition of a significant new revenue stream from our ruby operations in Mozambique," said Mascall.

Iluka Resources offers 780 million U.S. Dollars for heavy minerals mine in Mozambique

Iluka Resources has submitted an offer of 780 million U.S. Dollars for the purchase of Moma mine from Kenmare Resources.

The Moma mine in Nampula has a life expectancy exceeding 100 years and currently produces more than 900 tons of ore extracted from heavy sands, particularly ilmenite and zircon.

"The potential transaction involving Kenmare Resources is compatible with the strategy of the Iluka Resources mineral sands exploration," said Iluka.

In August Kenmare Resources announced an operating loss of 17.9 million U.S. Dollars in the first half, after a profit of 6.9 million U.S. Dollars in the same period of 2013.

Transnet agrees to a deal with Mozambique and Swaziland

Transnet, South Africa's state-owned rail operator, agreed to a deal with Mozambique and Swaziland to boost rail co-operation and ease the delivery of coal exports through harbours to India and Brazil.

Government-owned companies from the three countries agreed to manage a joint-operating centre from Maputo, the Mozambique capital, Transnet said on Monday (22 September).

The entity will oversee the freight-rail route from Maputo through Swaziland to Richards Bay Coal Terminal, north of Durban in South Africa.

“The Maputo corridor is set to grow rapidly,” Johannesburg-based Transnet said.

“A double digit percentage cargo growth is expected at the Maputo ports over the next three years.”

While South Africa is rolling out a 312 billion Rand infrastructure-development program to improve its rail network, Mozambique is struggling with aging equipment.

The southeast African country has a 17 billion U.S. Dollar (190 billion Rand) pipeline of projects to improve ports and rail infrastructure, according to the Transport Ministry.

“It is one way of unlocking the backlog,” Thabi Leoka, an economist at Renaissance BJM Securities, said in an interview before the announcement.

“You need co-ordination between governments, which is not happening as quickly as private operators would expect.”

Transnet, Caminhos de Ferro de Mocambique, Swaziland Railway and the Maputo Port Development Corporation are the four companies included in the agreement.

With 3 billion U.S. Dollar plan, Mozambique aims to extract regional port, rail integration benefits

The Mozambican port and rail authorities plan to invest around 3 billion U.S. Dollars in the coming few years to raise yearly throughput at the Maputo port to between 40 million and 50 million tons by 2020 and to migrate additional cargo from road to rail.

Speaking at the inauguration of the tri-national Maputo Corridor Joint Operations Centre (JOC), involving the Maputo Port Development Corporation (MPDC), as well as railway operators from Mozambique, South Africa and Swaziland, MPDC CEO Osorio Sales Lucas indicated that the port investment would be directed towards further dredging and the development of three new quays.

The port was recently dredged to a depth of 11 metres and the new campaign would increase the port's depth to 14 metres, allowing it to handle larger cargo vessels.

A tender would be issued in the coming months to secure private dredging expertise, with Transnet's newest dredger, the Italeni, expected to arrive in Maputo this week to conduct maintenance dredging.

In parallel, railways utility Caminhos de Ferro de Moçambique (CFM) planned to invest around 2 billion U.S. Dollars into new infrastructure and rolling stock over the same period to increase rail's contribution to cargo flows at the port, which still receives the majority of its cargo flows from road hauliers.

CFM chairperson Dr Victor Pedro Gomes said the bulk of the proposed investment would be directed towards the purchase of new locomotives and wagons, with about 600 million U.S. Dollars to be used to upgrade and repair infrastructure.

The MPDC, which is a private concessionaire that includes South Africa's Grindrod and DP World as leading shareholders, handled 17 million tons in 2013 and volumes were expected to rise to over 19 million tons this year.

But with only about 40% of its freight delivered by rail, MPDC and CFM had developed a common development path in a bid to align the port's expansion with proposed rail investments.

The bulk of the volumes moving through the port were considered 'rail friendly', with commodities handled including magnetite, coal, chrome ore and ferrochrome, from South Africa, and iron-ore and sugar, from Swaziland.

Mozambique's Transport and Communications Minister Gabriel Muthisse also appealed for greater co-operation between rail and port operators across Southern Africa, arguing that competitiveness, rather than narrow nationalism, should guide future investment decisions.

He argued that the most competitive regional transport solutions should be promoted and pursued so as to lower the cost of transport for regional exporters and importers. Muthisse made the case, for instance, for an increase in the export of Mozambican fruit through the Port of Durban and for more South African coal to be exported through Maputo.

He also urged other countries to follow the lead of the Maputo Corridor Port JOC, which was framed as a practical and successful example of regional integration.

In operation since 2013, the JOC, which co-ordinates the operations of Transnet Freight Rail, CFM, Swaziland Railway and the MPDC, has facilitated a material improvement in rail and port turnaround times.

Train dwell times fell by 24% in Komatipoort, on the South African side of the border, while waiting times at the Maputo harbour fell 57%. Magnetite exports from South Africa increased from an average of 10 trains a week to 18 trains and the turnaround time in Maputo fell 47%, from 118 hours to 62 hours.

Transnet CEO Brian Molefe said there was potential to increase efficiencies further, saying that the JOC was playing an important role in facilitating a more seamless trade experience.

The utility was working on other cross-border operational partnerships, including one along the so-called North-South Corridor with Zimbabwe, Zambia and the Democratic Republic of Congo, with a hub in Bulawayo.

Another JOC had been established in Botswana and Molefe described the co-operative model as an example of the benefits of regional integration, adding that it could have continent-wide application.

World Bank finances fishing in Mozambique

The World Bank is providing Mozambique with 57.9 million U.S. Dollars to increase fishing production in the country over the next six years.

The World Bank funding, which involves the French Development Agency (AFD), is part of the SWIOFish programme (“South West Indian Ocean Fisheries”) underway in the southwest Indian Ocean.

The funding will be directed to increasing fisheries productivity, job creation through targeted interventions to boost small producers and drive economic growth and job creation through fishing and its associated value chain.

Other components of the programme are related to the refurbishment or modernisation of fishing ports, landing sites, fish markets, laboratories and research facilities, the Ministry of Fisheries said.

In late August Mozambique, Tanzania and Kenya signed the Maputo Declaration, an instrument establishing minimum terms and conditions for fisheries agreements in the southwest Indian Ocean, with a focus on tuna fishing.

Mozambique takes delivery of tuna boats after donor criticism

Mozambique has begun taking delivery of boats for the state-owned tuna-fishing company it set up last year, which was funded by 850 million U.S. Dollars in bonds, a transaction that raised donor concern.

Empresa Mocambicana de Atum SA, or EMATUM, was set up in August last year. Credit Suisse Group AG (CSGN) and VTB Capital Plc financed its purchase of tuna boats, then packaged the debt into bonds that they sold to investors.

“Five vessels have been delivered already,” Cristina Matavele, executive manager for Maputo-based EMATUM, said in a September e-mailed response to questions. The company plans to harvest 650 metric tons of fish during the fishing season that starts next month, she said.

The Mozambican company is paying 200 million Euros (257 million U.S. Dollars) for 24 tuna boats and six patrol vessels from Cherbourg, France-based Constructions Mécaniques de Normandie SA, known as CMN, French Foreign Trade Ministry spokeswoman Perrine Duglet said last year. The fleet also includes anti-piracy patrol boats, according to the French ministry.

EMATUM borrowed 500 million U.S. Dollars from Credit Suisse and 350 million U.S. Dollars from Russia’s VTB Capital. Moody’s Investors Service rated the loan participation notes B1, four levels below investment grade.

“The debt will be repaid in seven years starting from next year according to the loan agreement,” Matavele said.

The country’s main donors, known as the Program Aid Partners, are the World Bank, the African Development Bank, the European Union, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

Some donors threatened to delay budget aid over the deal, Anne Fruhauf, an analyst for New York-based Teneo, said last year.

“The company appears to be evolving from phantom to operational entity,” she said. “Donor relations are cool but not in crisis.”

Mozambique’s long-term credit rating was cut in February by Standard & Poor’s, partly because of the lack of transparency about the bond sale.

Angola and Mozambique facilitate granting diplomatic and ordinary visas

On Sunday (21 September) Angola and Mozambique signed two agreements in New York, one for visa waivers for holders of diplomatic passports and another to facilitate granting visas on ordinary passports.

At the end, the Angolan Foreign minister, Georges Chikoti recalled that on a recent visit to Mozambique he had arranged with his Mozambican counterpart, Oldemiro Baloi, to meet in New York to finalise and sign the agreements.

The minister also said that other agreements would be signed in the future, one relating to the use of property and the other on Mozambique’s debt to Angola.

The foreign ministers of the two countries are in New York to attend the 69th session of the United Nations General Assembly, from 22 September to 03 October.

Mozambique engages Botswana agents to boost tourism

Over the past weekend (20 to 21 September) a number of Botswana travel consultants visited Maputo in a bid to build relations with hotels and tour operators in the country.

MTA marketing manager, Jeremias Manussa, said that Mozambique would continue engaging tourism players in other countries to market the country.

“We are trying to resuscitate the country’s tourism to be ranked among the best in Africa. One way of doing it is building strong relationships with tourism players from other countries among them Botswana so that they market us to tourists,” he said.

He further said travel agents in Botswana deal with a lot of leisure and corporate tourists, adding that he wants them to market the country to potential investors.

Commercial and marketing manager at TD Hotels Diogo Gomes said they invited travel agents to show them what the country has to offer.

“We wanted to afford them an opportunity to see what exactly we offer so that when they market us, they are well accustomed with our products and also give us feedback as to where we should improve,” said Gomes.

Manussa further said that the country is currently putting in place a few measures to position itself as a tourism destination of choice on the African continent.

“The government recently approved a strategy which will only allow tourism investment in some areas. It will be put into use soon. This is part of the country’s efforts to turn the country into a tourism powerhouse within the next decade,” he said.

The Mozambique government is also drawing a strategy devoted to creating a partnership between the private sector and government, in the development of the tourism sector. Tourism contributes slightly above five percent to Mozambique’s economy.

Manussa added that the country is also improving its infrastructure in a bid to position itself as one of the tourism hubs on the African continent. “We recently completed a new state-of-the-art airport in the Nampula province as part of the country’s plans to boost the tourism industry. Good infrastructure is critical if we are to take our tourism industry to another level in the country,” he said.

Reports suggest that most roads around Maputo are being revamped following years of war and political instability. There is also a lot of construction of commercial buildings in and around Maputo and Manussa said the developments would also support tourism growth in the country.

Manussa said that the country has over 46 000 beds spread across hundreds of hotels around the country, which will support tourism growth.

“The available accommodation can support millions of tourists coming into the country. I however acknowledge that our hotels will have to revamp some of the facilities within the next years. In fact some have already started renovations," he said.

Mozambique receives approximately two million tourists annually. Manussa said the number could double in the next decade with vigorous marketing and improvement of infrastructure.

Minor Hotels continues Mozambique expansion

Minor Hotel Group has further expanded its presence in Mozambique through a significant hotel and mixed use investment in Maputo, in addition to increasing its hotel portfolio with the rebranding of existing assets in the country to its Anantara and AVANI brands.

Minor Hotel Group has invested approximately 101 million U.S. Dollars to acquire 49% of a hotel and mixed-use property project in Maputo in a joint venture with Rani Investment.

The hotel and mixed-use development consists of the existing 154-key Radisson Blu Hotel, together with a 187-key residential tower and a 21-storey office tower of approximately 20 900 square metres, both of which are under construction.

The project is well located in prime Maputo CBD, facing the renowned Maputo Bay.

The residential project is expected to be completed by the end of 2015, the majority of which will be retained as rental units.

The office project is also expected to be completed by the end of 2015 and will cater to pent-up demand for international quality office space.

As the capital city of Mozambique, Maputo is expected to reap the growth benefit of the country's robust economy, buoyed by foreign investment and emerging domestic consumption, growth in the extracting sector and recent discovery of a substantial offshore natural gas reserve.

In line with its continued growth strategy for Africa, Minor Hotel Group launched its first property, Anantara Bazaruto Island Resort & Spa in Mozambique, in November 2013, and has recently rebranded two properties which were part of a previous investment partnership with Rani Investments in April 2014.

Representing the first AVANI on the African continent, AVANI Pemba Beach Hotel & Spa provides a prime location in the heart of Pemba for business guests and also attracts leisure guests as a gateway to the Niassa National Reserve and spectacular local diving sites.

The hotel is situated in the country's far northern province of Cabo Delgado, and offers 185 guest rooms, suites, villas and apartments. Pemba Airport is accessed from Johannesburg, Maputo, Nairobi and Dar as Salaam.

Dillip Rajakarier, chief executive of Minor Hotel Group, stated: "Minor Hotel Group's continued investment with Rani demonstrates absolute confidence in our strategic partnership, as well as in Mozambique's growth prospects.

"We are delighted to launch the very first AVANI branded hotel in Africa and to grow our luxury Anantara brand, and with our added presence in Maputo, Minor Hotel Group now has investments from the north all the way to the south of Mozambique.

“Minor Hotel Group’s expertise in the hotel and real estate industry, combined with Rani’s business expertise and network in Mozambique, will help ensure the effective execution of these properties and new developments.”

Malawian Airlines to fly to Nampula and Tete

Malawian Airlines has announced that in November it will introduce scheduled services to Mozambique.

The company will fly twice a week to the northern city of Nampula, and three times a week to the western city of Tete. The flights to Tete will also stop at the Zimbabwean capital Harare.

Malawian Airlines is 51% owned by the government and 49% owned by Ethiopian Airlines, who runs the company under a management contract. There is already a daily Ethiopian Airlines flight from Addis Ababa to Maputo.

The company's fleet consists of one Boeing 737-800 and one Bombardier Dash 8.

Pylos Mozambique plans to develop 15 strip malls in coming five years

Pylos Mozambique, a subsidiary of the Belgian real estate developer Pylos, initiated its operations in Mozambique in July 2013 with offices in the Mozambican capital Maputo.

The company plans on developing 15 strip malls throughout the country in the coming 5 years. The strategy of Pylos Mozambique focuses on the development of the provinces as its first investment destination.

On Thursday (18 September) the company held the laying out of the first stone ceremony of its first strip mall in the city of Tete, in the neighbourhood of Chingodzi. The President of Tete City Council, who showed his enthusiasm for this investment, which is the first of its kind in Tete after many years of promises that never materialised, attended this ceremony.

"We believe that by constructing 15 strip malls across the country, we will bring growth to all the provinces, contributing to the economic and social development of Mozambique by creating new business and job opportunities for the Mozambicans", said Jacky d´Almeida, Operations Director of Pylos Mozambique.

The construction of the second strip mall will start later this year in the province of Nampula which will be followed, also in 2014, by a third unit in the province of Inhambane.

"Pylos has defined an investment strategy using own equity, which will give us more flexibility in decision making and more agility in the realisation of the investments. The total investment of the strip mall strategy is estimated to be more than 150 million U.S. Dollars. Our objective is aspirational and we believe in the success of this project because we believe in the success of Mozambique", states José Carlos Pinheiro, CEO of Pylos Mozambique.

d´Almeida added that "the strip malls of Pylos are targeted towards the wider Mozambican public and intend to meet the demand for formal retail structures, offering quality products at accessible prices. The stores that will open in the malls are widely known and will fulfil the market requirements.

We know that we will become the new centre of the cities where we will be present."

"The objective of Pylos is to add value and quality to the retail market in Mozambique and make our strip mall brand recognised countrywide. Our business is the development of retail centres, our mission is to really do it and not only say we will do it, and our inspiration is to become the reference for all those, who like us, believe and invest in Mozambique", Pinheiro concluded.

Memorandum Signed for Two New Hospitals

Two new hospitals, costing 23 million Euros (approximately 29.5 million U.S. Dollars) will be built in the central Mozambican province of Sofala by 2015, under a memorandum of understanding signed in Maputo on Tuesday (23 September) by the Mozambican, Dutch and French governments.

The agreement envisages the construction of a new general hospital in the provincial capital, Beira, and a rural hospital in Marromeu district, on the south bank of the Zambezi. Work on building both hospitals will begin in 2015, and should be concluded by 2017.

Health Minister Alexandre Manguele, Dutch ambassador Frederique de Man, and the director of the French Development Agency (AFD), Virginie Dago, signed the memorandum of understanding.

The Beira General Hospital, intended to take the pressure off Beira Central Hospital, will cost 12 million Euros, provided as a soft loan from the AFD. The new hospital will have capacity for 240 beds.

The Marromeu district hospital, with 140 beds, will be financed with a Dutch grant of 11 million Euros.

Speaking immediately after signing the memorandum, Manguele said the two new hospitals are crucial and will play a fundamental and strategic role in improving health services. He added that the government has guaranteed the allocation of skilled staff, including specialist doctors, nurses and laboratory and X-ray technicians.

De Man said that the new hospitals should ease the current congestion of Beira Central Hospital, and would also help train medical students.

“After the end of this phase, the embassy will always be available to support, in a continuous and innovative way, the use of hospital equipment”, she said.

Dago added she was convinced that the new health units “can have an important impact on the access of the public to health services. We are working with the Ministry of Health to define the best way of implementing hospital construction, responding to the needs of the population”.

Mozambique launches new car brand

The first Mozambican car brand "Matchedje" was officially launched on Tuesday (23 September) by Matchedge Motor, after a three-year implementation period, which was supported by the governments of Mozambique and China.

Initially 30 000 vehicles will be assembled, including motorcycles, all-terrain automobiles and buses for passenger transportation.

The company plans that over the second phase (2015-2016), production capacity will reach 100 000 units, following upgrades in painting, welding and other processes. In the third phase (2017-2020) the factory is expected to produce 500 000 vehicles of all types, including the production of various kinds of automobile accessories.

"Matchedje Motor will also offer training in mechanical, chemical, electronics and automotive industries to Mozambicans," says Carlo Nizia, Director of Sales Matchedje Motor. "This phase will bring a profound change of life for the people of Mozambique, because, once completed, it is expected that the annual production will be about 150 billion U.S. Dollars."

Nors Group enters Mozambican market

On Wednesday (24 September) the Nors Auto Group inaugurated "Auto Sueco Moçambique", a new distributor of Volvo trucks and buses. The team of 22 employees is headquartered in Maputo, which will be the centre for the company's operations. Car maintenance services will also be offered at stations in Tete, Beira and Nacala.

"The entry into Mozambique is a natural progression of the group's strategy, which focuses on strengthening its presence in Africa," says CEO of Nors Group Tomás Jervell. "Beyond a focus on Mozambique's development where we see great possibilities for Auto Sueco in the future, this new operation also seeks to extend outreach to our customers who have activity in this region of the African continent."

64 expats lose jobs in first week of September

A total of 64 employees of various foreign nationalities saw their employment contracts terminated in the first week of this month, most of whom were working for companies based in the city of Maputo. This was higher than in the weeks of other months.

Under current labour laws, the criteria for hiring foreign workers and the duration of their employment contracts remains highly regulated. The Ministry of Labour continues to reject many applications for foreign employees, claiming these skills can be sourced within Mozambique.

Articles 31 and 33 of the Labour Law stipulate that companies should integrate national workers in various areas of greater technical, administrative or management complexity, while hiring expatriates should be a last resort. But in some cases, expatriates have been hired without possessing even minimum qualifications required by Mozambican law.

The General Inspectorate of Labour (IGT) has been investigating companies suspected of illegal employment of skilled foreign workers, and has already found cases of falsified technical, academic and professional qualifications by some foreign workers in Mozambique.

Foreign investors banned from opening primary schools in Mozambique

The Mozambican Ministry of Education has decreed that, as of January next year, foreign investors will be banned from opening primary schools.

Under the new regulations, only Mozambican entities will be allowed to open and run primary schools, while foreigners will still be allowed to open institutions of secondary, technical or higher education.

The spokesperson for the Education Ministry, Eurico Banze, said "the opening of primary schools must essentially be the responsibility of Mozambicans", since this was a very sensitive phase in the socialisation of children.

Banze added that foreigners can continue to participate in the opening of schools at other levels of education, but only in association with Mozambican citizens, based on the current foreign investment regulations.

The new regulations also decentralise the authorisation for the opening of private schools.

As from the 2015 school year, the provincial authorities will be allowed to authorise the opening of private primary schools. The appointment of directors for public primary schools also passes to the local level.

Private educators will be allowed to open boarding homes for pupils studying in both public and private institutions.

There are currently 335 community owned schools in the country, and 299 in other forms of private ownership. Between them, they cater for 271 000 pupils.

WILDLIFE PRESERVATION

27 people arrested for poaching in Manica during the first half of 2014

During the first eight months of 2014 the PRM in the Macossa district, Manica Province, arrested 27 poachers and seized nine firearms and 14 poaching traps.

According to the district commander of the PRM, Jacinto Luck, 14 cases of poaching have been recorded from January to September 2014.

The detainees consist of individuals aged between 18 and 32.

The majority of poaching incidences were recorded in ‘Warren Nine’ and ‘Mafuia Safari’.

A possible zoning program could be introduced to the area in the future in a bid to decrease the number of humans in the area.

22 elephants poached in Mozambique in two weeks

On Monday (22 September) environmentalists announced that poachers had slaughtered 22 elephants in Mozambique in the first two weeks of September. The environmentalists warned that killing for ivory by organised syndicates was being carried out on an "industrialised" scale.

Citing data from the southeast African nation's largest game reserve, Niassa, an advisor to the Wildlife Conservation Society (WCS), Carlos Pareira, said "in the first two weeks of September alone we counted 22 elephants that had been killed."

He was speaking at a meeting of Mozambican officials, law enforcement agents and diplomats in the capital Maputo.

Mozambique is under pressure from international conservation groups to do more to curb rampant poaching.

Until recently poaching was not considered a crime and those arrested often got off with a fine for illegal weapons possession, frustrating conservation efforts.

A new law passed in June toughens penalties for poachers, including hefty fines and jail terms of up to 12 years for killing protected species.

The US ambassador to Maputo, Douglas Griffiths, said that the law was a "crucial step" but that Mozambique would need to "ensure it is respected by all and fully implemented."

The two-day seminar organised by the national prosecution office is aimed at educating magistrates, police commanders and prosecutors on the new legislation.

Likening the crisis to a "national disaster," the WCS, a New York-based environmental group, warned that organised crime syndicates were killing between 1 500 and 1 800 elephants a year (which corresponds to five elephants daily) mostly in northern Mozambique.

The vast Niassa reserve, in the north, is twice the size of South Africa's Kruger National Park. It is co-managed by WCS with the Mozambican authorities.

In the Niassa National Reserve alone, the State loses approximately 24 million U.S. Dollars per year due to elephant poaching.

The poachers use automatic weapons and high-calibre hunting rifles. Spikes and other traps concealed in the bush have also been used to wound animals in the coastal Querimbas reserve, causing slow and agonising deaths from gangrene.

In the northern Tete province, poachers poison drinking water sources, killing not only elephants but other animals as well.

In Limpopo Park the poaching syndicates are often headed by Tanzanians who collaborate with the local Mozambicans.

"The killing of elephants in the north of Mozambique... is reaching proportions never seen before," said Pareira.

"The killing of elephants is being industrialised," he said.

Ivory from Mozambique has been traced to markets in Hong Kong and Taiwan but trinkets and carvings are also sold in craft markets in Maputo, the meeting heard.

Although the new conservation law was approved in June, it will only go into effect at the end of the year, officials said.

PRM seize 26 pieces of ivory in Nampula city

On Tuesday (23 September) the PRM arrested two Mozambicans (whose names have not yet been disclosed) in possession of 26 pieces of ivory. The ivory had been transported in a container truck (registration number ADT 109 MP).

The two Mozambican citizens are believed to have come from Cabo Delgado province in order to sell the raw ivory to Vietnamese buyers in Nampula. It is likely that the tusks come from elephants poached in Cabo Delgado and the neighbouring province of Niassa, which contain the largest elephant herds in the country.

The two detainees confessed that they had brought the tusks from Cabo Delgado, with the intention of selling them to the two Vietnamese nationals. However, the PRM had somehow got wind of the deal, and aborted it. They turned up at the place where the ivory was to have been sold and seized it.

Nampula police spokesperson Miguel Bartolomeu confirmed the seizure but declined to go into any further detail. “We confirm the seizure of 26 elephant tusks which were in a house rented by citizens from Vietnam”, he said.

When the Vietnamese nationals realised that the police were on their trail, they made a run for it, and, as such, the police were only able to detain the two Mozambicans.

However, Bartolomeu was confident that the Vietnamese nationals would soon be joining their Mozambican accomplices behind bars. “We have clues that will lead to the capture of the fugitives”, he claimed. “We are working to detain them and we will soon be able to clarify the facts in this case”.

Elephant census underway

On Monday (22 September) the Mozambican Ministry of Agriculture began the second national census of the country’s elephant population.

The census, which will last until 15 November, is intended to determine how many elephants are in Mozambique, their geographical distribution, and their relationship with human settlements and poles of development.

The Ministry’s National Directorate of Land and Forests is charged with carrying out the census in co-ordination with the Tourism and Environment Ministries. The data from the census will help determine the intensity of elephant poaching, and will be used in efforts to conserve these animals.

The census is in line with recommendations from the Pan-African

Elephant Summit held in 2013 in Gaborone to discuss how to deal with the alarming rise in elephant poaching and trafficking in ivory.

The census will be based on aerial counts of the elephant population, using four light aircrafts and a helicopter. These aircrafts are expected to fly for approximately 425 hours during the two month survey. The census is budgeted at around 500 000 U.S. Dollars.

When the first Mozambican elephant census was held, in 2008, the elephant population was estimated at 22 000, but subsequent estimates suggest that it has fallen to around 19 000.

Mozambique's elephants are being targeted by organised criminal gangs, responding to the thriving demand for ivory in Asian countries such as China and Thailand.

A seminar on Monday, organised by the Attorney-General's Office, warned that elephant poaching was now on the scale of "a national disaster". Such losses could push the country's elephant populations towards extinction in as little as 30 years.

WWF launch drive to cut demand for rhino horn

The World Wildlife Fund (WWF) is embarking on a campaign to alter consumer behaviour to eliminate rhino horn demand in East Asian countries, especially Vietnam.

Monday (22 September) marked World Rhino Day, a worldwide event to raise awareness of rhino poaching, especially in South Africa, and the myths surrounding the use of the animal's horn. South Africa is home to 82% of Africa's surviving rhino population.

The illicit rhino horn trade has become big money, but the exact size of the trade is not known. Author of the book 'Killing for Profit' Julian Rademeyer said the current estimates of the retail cost of a kilogram of rhino horn was about 50 000 U.S. Dollars.

The WWF effort, called the "Power from our will" campaign, is aimed at Vietnamese men between 35 and 50 years old.

WWF South Africa rhino programme manager Jo Shaw said the use of rhino horn has become a status symbol among the new generation of upwardly mobile Vietnamese men.

Most of them are socially mobile and form part of the first post-war generation to have a disposable income to spend on goods such as rhino horn. These men, and often members of their families, believe that rhino horn can cure impotency, reduce body "heat", and even cure hangovers.

"We believe that the underlying market demand is about three to four times greater than it is," Dr Shaw said during a press briefing on Monday.

Poaching, especially in the Kruger National Park (which borders with Mozambique) has skyrocketed in recent years. According to the WWF only 13 rhinos were poached in 2007. This rose to 1 004 last year, and it estimates about 1 200 will be killed illegally this year.

The CEO of WWF-SA, Morne du Plessis, said demand had to be eliminated before the situation became so dire for the rhino that there was no chance of recovery.

"We will win this war," he said.

Dr Shaw said there was no evidence to suggest that flooding the market with stockpiled rhino horn would reduce demand. "Rather, the market is so large that it could easily just create more demand by selling the rhino stockpile," she said.

South Africa has an estimated stockpile of 18 tons of rhino horn, of which 16 tons are in government hands, and the remainder owned by private people and museums.

Ten ways to save the rhino

South African journalist, Sheree Bega, looks at the 10 things we need to do now to save the rhino.

- Get more boots on the ground: The International Rhino Foundation believes that to win the war against poaching, we need more experienced front line rangers, monitors and those trained professionals that form the critical front line defence against wildlife crime. They need to be well equipped with a fleet of technological innovations including drones, helicopters, infrared and GPS systems, as well as sniffer dogs, at their disposal. But even the South African National Parks (SANParks) acknowledges that this is not enough to "secure rhinos". Then there is the sagging morale of rangers themselves – exhausted by the sheer scale of the slaughter, particularly in epic poaching zones, like the Kruger National Park. "We need a well-motivated force, but our rangers are in a war they are not winning," says Jo Shaw, the manager of WWF-SA's rhino programme. It's the job of Major General Johan Jooste, who commands the anti-poaching corps in the Kruger, to encourage his team. "Our rangers are doing a sterling job. We are working hard to support them physically, materially and mentally. This is a protracted, tough war." He cautions against excessive militarisation in the Kruger. "Do you want more uniforms than Billabong T-shirts in the park? It's a place of serenity, of nature. Let's clear the park from the outside – do the demand reduction campaigns, help poor communities and collapse the crime networks. Fight poachers, and you only fight the symptoms."
- Curb Far Eastern demand: At 65 000 U.S. Dollars/kilogram, rhino horn is the most expensive commodity on the planet. In China and Vietnam, it is used as a status symbol among the new elite to ease hangovers and get high, as well as for its supposed "medicinal" properties that can cure everything from impotence to cancer. This year, Vietnam has started rolling out ambitious anti-poaching campaigns, imprinting messages on the myths of the medicinal value of rhino horn on electricity bills and airport billboards, for example. It shouldn't end there. "To date, the primary approach has been a

mass marketing but, if we want to really make a difference down the road, there needs to be more targeted efforts to change consumer behaviour," Jason Bell, the director of the International Fund for Animal Welfare's southern African division points out.

- Consumer countries need to get serious about law enforcement: Illegal consignments of rhino horn are only sporadically seized in the Far East. "We need both the Chinese and Vietnamese governments to take the stick to those involved in the illicit trade on the consumer end," says Bell. "This will send a serious message to consumers in these countries that their governments want to take action and could have a ripple-down effect on consumer behaviour in the longer term." Shaw agrees: "We are seeing occasional seizures at airports and so on, but there's no real law enforcement and action being taken against consumers and even dealers on that side."
- Destroy horn stockpiles: To prevent stockpiled horn from leaking into the illicit trade, stockpiles should be destroyed in a "transparent and audited manner", says Bell. There is evidence to suggest that speculators are stockpiling rhino horn, both in Africa as well as end-user countries. "Strong statements need to come from the Chinese and Vietnamese governments that they won't tolerate banking on extinction and any horn seized should be destroyed." In South Africa stockpiles are in the hands of private owners and the government's own stockpile is at a towering 20 tons.
- Bring criminals to justice: A new dedicated special investigation unit has been set up, led by detective services that focus only on rhino poaching. But highly sophisticated and organised criminal syndicates run the illicit trade – and until these masterminds are brought to justice, the killing fields won't stop. For the most part, it is poachers and couriers being caught in the net. "A holistic enforcement approach, which sees anti-poaching as part and parcel of a broader effort to shut down criminal networks, not just deal with poachers, is crucial," says Bell. Allison Thomson, the founder of Outraged South African Citizens Against Poaching, says her analysis of the arrests versus convictions, puts this at 16% "due to dockets going missing, poachers escaping from holding cells and just bad police work…The fact that conservation officers that were involved in the many pseudo-hunting cases have never been charged or even disciplined shows the lack of interest by our government in bringing perpetrators of these crimes to task."
- Rein in Mozambique: Improved co-operation between South Africa and Mozambique is crucial. "The crisis is such, that if the Mozambicans don't come to the party, they will be complicit in the continued decline of rhinos," says

Bell. “Our rules of engagement are just not sufficient in order to deter poaching and despite many pleas to the government to change these rules nothing has been done because of pressure from Mozambique to protect their citizens from being killed.” For her part, Thomson is frustrated. “We have a terrorist incursion into our country from Mozambique and they complained to our government that too many Mozambique citizens were being killed – asking if we valued our rhinos above that of the lives of poachers … Without commitment from Mozambique to stop these incursions what hope do we have of saving our rhinos? The list of poachers that was produced in Parliament recently has names of top officials in the police, magistrates, rangers, game park officials on it but yet they walk around untouched entering South Africa at will without any consequence.”

- Display decisive leadership: South Africa’s Environmental Affairs Minister Edna Molewa recently told the parliamentary hearings on rhino poaching that the country’s approach is “strategic, targeted and innovative”. But there is too much lip service, argues Thomson. “Firstly without the political will to really stop this, we will not win this war. Until now the politicians have given us the run-around. Look at how they reacted to the coup in Lesotho – they went in there overnight and took charge. How have they treated the terrorist incursion over our border into Kruger – they sent in a hundred or so troops to protect 350 kilometres of porous border!” In the Kruger, there is a massive breakdown in the top management “with all the infighting going on”, she alleges. “How can they possibly be doing all they can to fight poaching when they are busy watching their backs?”
- Manage our rhinos: If poaching continues at its current rate, the predictions are gloomy – rhinos could be wiped out as soon as 2020. In its latest research report, released last week (12 to 19 September), SANParks scientists state that during the last five years, the number of rhinos lost via poaching, removals and natural deaths has matched the number being born. SANParks promises that the Kruger is a “big laboratory”, where technology is being tested, and theories are being investigated – in the next 18 months, “we should be able to turn the situation around”. Shaw welcomes the emergency plan of translocating hundreds of rhinos in poaching hot spots like the Kruger to well-secured and well-managed areas to boost population growth.
- Don’t be distracted by the controversial debate over a legal rhino horn trade: The Department of Environmental Affairs has set up a panel, criticised for being run by pro-traders, to investigate the feasibility of a legal trade in rhino horn. Its work will determine whether South Africa approaches the Convention on International Trade in Endangered Species in

2016 with a proposal to legalise the international trade. "There seems to still be a lot of people being distracted by the idea there is only one solution – trade…It almost seems like there is a pro-trade lobby and an anti-trade lobby and both sides are more concerned about the other side losing than about them saving the rhino," says Shaw. What has the government done to stop demand, wonders Thomson. "Nothing. They have only participated in increasing demand by allowing the pseudo-hunting to continue and increased demand on the back of the possibility of trade being opened."

- Conservation must benefit impoverished communities: Rhino conservation programmes must benefit impoverished communities, where poachers are recruited. Too often, the importance of this is downplayed. "We need to be working together with the communities who live around protected areas and making sure they reap the benefits around wildlife," says Shaw. "I've visited villages in Mozambique and there is real hunger in these households. "I think South Africa can learn from other countries, like Namibia and Zambia, not just paying lip service but making sure communities do benefit from wildlife conservation in an equitable way."

OTHER

Nearly half of the Mozambican population does not have access to primary medical care

Mozambique currently has 1 225 health care centres, covering 60% of the population.

As such, almost 10 million Mozambicans are excluded from primary health care due to the lack of health facilities.

The spokesman for the National Meeting of Public Health stated that "We look at the key challenges identified in the strategic plan of the health sector, the development of the health system, availability of human resources in the specific area, crucial aspects that dictate the quality in service delivery in the health sector. We know that the coverage of the health network is not ideal, does not go beyond 60%, the ratio of health workers per capita is still high" (translated directly from Portuguese).

Anticipate travel disruption due to Ebola-related flight bans and health screening measures

The authorities in several countries have implemented entry restrictions to curtail the spread of Ebola from countries that have Ebola cases, while air carriers have restricted flights or modified schedules. Health screenings have also been implemented at ports of entry and departure in various countries across the region.

Specific details of restrictions such as those listed below are difficult to verify and subject to change, while the implementation of state-imposed entry conditions can vary. Similarly, flight schedules may change at short notice. Travellers departing from countries affected by an outbreak of Ebola should seek itinerary-specific guidance from the relevant authorities on screening procedures and documentation requirements. They should also reconfirm the status of flights before setting out and allow additional time during arrival and departure to pass through enhanced medical screening.

Travel Briefing

Entry restrictions:

- On 12 September Mauritius announced that it would restrict entry of nationals from Nigeria, Sierra Leone, Guinea, Liberia, Senegal and Congo (DRC) unless prior approval was obtained from the Passport and Immigration Office.
- On 17 September Cameroon reopened its borders to travellers from Senegal. An 18 August ban remains in place on travel from Nigeria, Guinea, Liberia and Sierra Leone.
- Southern African Development Community (SADC) Member States – Angola, Botswana, DRC, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe – have stated that travellers coming from Ebola-affected countries (according to the World Health Organization, WHO) would be monitored for 21 days and that travel to member countries for any gatherings would be discouraged. The SADC provided no details as to how member countries will carry out the associated screening and follow-up and it is likely that countries will have individual processes. There are also reports that some countries require health documentation for entry. Travellers are advised to contact the embassy or health ministry of their destination country to clarify their individual circumstances and prepare their trips accordingly.
- South Sudan has placed a ban on travellers coming from Guinea, Sierra Leone, Liberia or the DRC, or those who have travelled to those countries in the preceding 21 days. According to the health ministry, entry of travellers from Nigeria depends on their travel history in that country and whether they have visited Ebola-affected areas.
- On 11 September Namibia's foreign ministry announced that foreigners travelling from countries affected by Ebola would be prohibited from entering the country.

- On 01 September Gambia suspended entry of persons who have visited Guinea, Liberia, Sierra Leone or Nigeria in the 21 days prior to travel. Those travelling indirectly from any of the aforementioned countries to Gambia via another country also come under this measure.
- On 23 August Côte d'Ivoire announced that it had closed its land borders with Guinea and Liberia.
- On 22 August Gabon stated that it is restricting the issuance of entry visas to travellers from Guinea, Liberia, Sierra Leone and Nigeria on a case-by-case basis.
- On 19 August Cape Verde banned nationals from Guinea, Sierra Leone, Nigeria and Liberia from entering the country for the next three months. The authorities have also banned entry to all non-residents who have visited Ebola-affected countries, including the DRC, in the past 30 days; on 01 September, Senegal was added to this list.
- Rwanda, according to the US state department on 22 August, has banned entry to travellers who have visited Guinea, Liberia or Sierra Leone in the 22 days prior to travel.
- On 21 August Senegal closed its land border with Guinea, while the country's sea and air borders will also be closed to vessels and aircraft from Guinea, Liberia and Sierra Leone.
- On 21 August Chad closed its land border with Nigeria at Lake Chad. The country previously reportedly banned the entry of any travellers originating or transiting through Guinea, Liberia, Nigeria or Sierra Leone, with airlines serving the country reportedly rerouting flights.
- On 21 August South Africa restricted entry for all non-citizens travelling from Guinea, Liberia and Sierra Leone. The government subsequently clarified that this was not a blanket ban and could be waived for 'absolutely essential travel'.
- On 19 August Kenya suspended entry of passengers travelling from and through Guinea, Liberia and Sierra Leone, excluding health professionals supporting efforts to contain the outbreak and Kenyan citizens.

Flights and other transport

Countries that have implemented Ebola-related travel restrictions:

- Gambia has banned the entry of flights from Guinea, Liberia, Nigeria and Sierra Leone.
- Gabon has banned the entry of flights and ships from countries affected by Ebola.
- Senegal has banned flights from Guinea, Liberia and Sierra Leone.

- Cameroon has banned flights to and from Nigeria.
- Chad has suspended all flights from Nigeria.
- Côte d'Ivoire has banned all passenger flights from Guinea, Liberia and Sierra Leone.
- Nigeria has suspended flights to the country operated by Gambian national carrier Gambia Bird.

Details of airlines that have restricted flights to Ebola-affected countries:

- Air France suspended flights to Sierra Leone from 28 August.
- The Togo-based carrier Asky Airlines has suspended flights to and from Guinea, Liberia and Sierra Leone.
- Arik Air (Nigeria), Gambia Bird and Kenya Airways have suspended services to Liberia and Sierra Leone.
- British Airways has extended their suspension of flights to Liberia and Sierra Leone until 31 December.
- Ceiba Intercontinental, the national airline of Equatorial Guinea, has reportedly suspended flights to West African countries. In addition, the airline has suspended flights to Cameroon's capital Douala from 01 September.
- Emirates Airlines has suspended flights to Guinea.
- Korean Air suspended flights to and from Kenya from 20 August.
- Senegal Airlines has suspended flights to and from Conakry (Guinea) until further notice.

Other airlines have modified their routes but are still operating regular scheduled services. These include:

- Royal Air Maroc
- Brussels Airlines

Medical screening

Entry and exit health screening is now in place in numerous countries in the region and elsewhere; related measures can include the partial closure of land borders, ports and river crossings in an effort to restrict cross- border travel. Members should allow additional time to pass through medical screening and not travel if they are sick. Staff should continue to monitor local media and Ebola websites for developments.

Travel Advice Summary

- Defer non-essential travel to Guinea, Liberia and Sierra Leone.
- Travellers flying from countries affected by Ebola should enquire with the relevant embassies or health ministries about any requirements conditioning entry at their destination, and prepare accordingly.
- Reconfirm bookings on all regional routes as increased demand is likely.
- Allow additional time during arrival and departure to pass through enhanced medical screening.
- Do not travel if you are sick. Persons with fever or other Ebola-like symptoms may be

taken to designated centres or
have entry/exit denied.

News sources utilised:

- *O Pais*
- *Jornal Noticias*
- *Club of Mozambique*
- *Canal Mozambique*
- *All Africa*
- *Macauhub*
- *Business Day Live*
- *Bloomberg*
- *The Star*
- *Control Risks Group*
- *News 24*
- *Mmegi Online*

END