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Renamo murders two Frelimo officials in Sofala

Gunmen of the opposition party Renamo abducted three local officials of the ruling Frelimo Party on 29 October in the central province of Sofala, and murdered two of them, according to the survivor, interviewed by the television station STV.

The Renamo attack occurred shortly before midnight in the Mutua region of Dondo district, about 50 kilometres west of Beira. The three men attacked were all Frelimo circle secretaries (the circle is the level of party organization immediately above the branch).

The survivor, Bernardo Gimo, speaking from his hospital bed, said that he and his wife were sleeping at home but were woken, a few minutes before midnight, by a loud noise at the door.

“My wife and I were frightened, and we remained silent”, Gimo said. “We heard loud noises at the door again. It was a group of men demanding that we open the door. We thought they were thieves, so we kept quiet”.

Then one of the gang threatened to burn the house down unless they opened the door. When they did so, they found ten Renamo members outside, four of them with AK-47 assault rifles, and the others with machetes. Gimo saw that the raiders had captured and tied up two other Frelimo secretaries, Arao Chiguemane and Antonio Macurreia.

“They tied me up alongside them”, Gimo said. “My wife pretended she needed to go to the bathroom outside the house, but on the way she fled into the bush”.

The Renamo commander forced the three captives to blindfold themselves with their own shirts. They were then marched through the bush for about two kilometres to a branch of the Pungue River.

“The commander called two armed men and ordered them to shoot us”, said Gimo. “We were still tied up, and they ordered us to sit down. Seconds later, I heard the first shot and I saw the body of Arao Chiguemane fall to the ground dead”.

A second shot followed, and Gimo heard Macurreia cry out. Macurreia was sitting next to Gimo and he felt his body slide to the ground. Gimo too fell to the ground, and felt a sharp pain as a bullet hit his left arm.

“I rolled over and they realized I was still alive”, he said. “I heard another shot and felt another sharp pain in my back. I stayed quiet and pretended to be dead”. A few minutes later the commander ordered his men to move on,

and said “we’ll leave these bodies here, so that Frelimo finds its members”.

Gimo said that about four hours later, he succeeded in freeing himself from his bonds, and crawled away to a nearby farm to seek help. He was taken to the local health unit, where he was reunited with his wife who was unharmed. He was later transferred to Beira Central Hospital, and is now out of danger.

Reacting to the murders, the Frelimo General Secretary, Eliseu Machava, who is visiting Sofala, said this was an attempt by Renamo to intimidate his party.

“What Renamo is doing is absurd”, he said. “They are represented in the Assembly of the Republic (the Mozambican parliament), where they have the room to raise their political ideas, but they are resorting to murder to impose themselves politically”.

“Instead of killing Mozambicans, Renamo should be contributing to the well-being and development of the Mozambican nation”, said Machava.

Renamo official murdered in Beira

Unknown assailants on 30 October gunned down a senior Renamo official in the central city of Beira. The victim, Juma Ramos, was head of the Renamo group in the Sofala Provincial Assembly, and also Renamo’s head of mobilisation in Beira.

He was shot at about 20.00 at the informal stall he owned in the Beira neighbourhood of Palmeiras II. He died on the spot. According to witnesses, two armed men emerged from a car and shot Juma at point blank range.

Renamo holds a majority of seats in the Sofala Assembly. The Assembly chairperson, Carlitos Viano, also a Renamo member condemned the assassination, and blamed it on the “death squads”, which Renamo claims the government has organized to eliminate its opponents.

Members of the two other forces represented in the Assembly, Frelimo and the Mozambique Democratic Movement (MDM) also condemned the murder and expressed condolences to Juma’s family.

No breakthrough in talks

The fourth round in the current dialogue between the Mozambican government and Renamo ended on 28 October, with no tangible results, and no sign of an end to Renamo's insurrection, mainly affecting the central provinces.

A brief statement read out by the coordinator of the international mediating team, European Union representative Mario Raffaelli, said that the mediators have proposed to the government and Renamo delegations that "a package of principles on decentralization should be sent to the Assembly of the Republic (the Mozambican parliament), as well as a road map for dealing with the other points on the agenda".

Both sides, Raffaelli added, have agreed to present a formal response to this proposal when the next round of talks starts, probably on 10 November.

That is less than six weeks before the end of the current sitting of the Assembly on 20 December. It seems most improbable that the Assembly could debate and pass the constitutional amendments and new or amended legislation that will form part of the decentralization package in the time available – especially as this parliamentary sitting must also pass the government's plan and budget for 2017, and has a couple of dozen other items on its crowded agenda.

Raffaelli announced that on 27 October the Renamo delegation had handed over "the final part of the documentation on its proposals concerning the question of the Defence and Security Forces" – but he gave no hint of the content of these proposals.

Raffaelli thought it "very important" that state institutions, up to and including President Filipe Nyusi, as well as civil society organisations had condemned the assassination on 9 October of a member of the Renamo delegation to the talks, Jeremias Pondeca.

Also important, he added, was that both delegations "reiterated their willingness to continue the dialogue for peace, which is the best response to this violent act".

The mediators changed their approach during the fourth round – instead of full meetings of the Government/Renamo Joint Commission, they prioritized bilateral meetings, on one day with the Renamo side, and on the next with the government delegation. Raffaelli said the idea was "to look at the various positions in depth and thus facilitate identification of a common basis".

A further proposal from the mediators was "to link the solution of political matters and a truce". Raffaelli said that both delegations accepted this.

Raffaelli also said that on 22 October he had gone to the central district of Gorongosa, in an attempt to speak face to face with Renamo leader Afonso Dhlakama. But Dhlakama then phoned him up and told him not to come, because the appropriate security conditions supposedly did not exist. Raffaelli denied claims that he had come under attack.

Rhino horns seized at Maputo airport

The Mozambican authorities on 30 October seized eight rhino horns in a suitcase at Maputo International Airport.

The Maputo city police spokesperson, Orlando Mudumane, told reporters that the eight horns weighed 8.8 kilos. The owner of the horns was a Vietnamese citizen, and he was intending to take them to Vietnam. When he saw that the suitcase had been seized, the owner fled. Mudumane said the police are now attempting to locate him.

Since both species of African rhinos, the black and the white, are believed to be extinct in southern Mozambique, it

is likely that the eight horns were hacked from rhinos poached in South Africa.

In Vietnam Rhino horn is believed to cure ailments ranging from hangovers to cancer. The price of rhino horn is estimated at US\$60,000 per kilo – much more expensive than gold (the current gold price is US\$44,133 a kilo).

Bus fares rise in Manica

The authorities in the central province of Manica have yielded to pressure from transport operators and have agreed to an increase in fares that minibus owners can charge for journeys between districts.

The Manica Provincial Association of Transporters (ATPM) in August announced a 25 per cent fare rise – but had to withdraw this when the provincial government objected. At the time ATPM justified the proposed fare rise by citing the depreciation of the metical against the US dollar. Since all the minibuses and their spare parts are imported, the depreciation significantly increases the costs for the operators.

The Manica Provincial Directorate of Transport and Communications has dropped its opposition to the fare rise because of the recent increase in fuel prices. In October the price of petrol rose by 5.3 per cent, and the price of diesel (the fuel used by most minibuses) rose by 24.5 per cent.

The fuel subsidy offered to transporters only covers urban passenger transport. There is no subsidy for inter-district transport, and so the fuel price rises was a blow to the minibus owners.

A 25 per cent rise means the price of a return trip from the provincial capital Chimoio to the adjacent district of Gondola goes up from 40 to 50 meticaes (from 53 to 66 US cents).

Agreement signed on Zambezia solar power

The company Scatec Solar and the Norwegian Development Fund (Norfund) on 31 October in Maputo signed a contract guaranteeing the sale of solar power to the publicly owned Mozambican electricity company, EDM, for a 25-year period.

The contract was signed at a ceremony attended by the visiting Norwegian Foreign Minister Børge Brende and by the Mozambican Minister of Mineral Resources and Energy, Leticia Klemens.

The project will be the first large-scale solar energy production plant in Mozambique, and will be located in the city of Mocuba in the central province of Zambezia. With an installed capacity of 40 megawatts it is expected to supply 77,000 megawatt-hours per year to about 175,000 homes.

A shareholders agreement was also signed between KLP Norfund Investments AS (22.5 percent), Scatec Solar (52.5 percent) and EDM (25 percent), involving an estimated cost of US\$84 million.

The project will be financed with US\$64 million (76 per cent) from the International Finance Corporation of the World Bank group. The remainder will be guaranteed by the shareholders; EDM's part will be borne by the Norwegian government through a grant.

Scatec Solar also reported that the financial part of the project is nearly concluded. Construction of the solar power installation should begin in the first quarter of 2017 and be finished in December.

This is a condensed version of the AIM daily news service – for details contact pfauvet@live.com

Electricity prices rise

Mozambique's publicly-owned electricity company, EDM, on 1 November increased its prices by between 27 and 40 per cent.

The chairperson of the EDM board, Mateus Magala, said that the price rises were essential "in order to mobilize resources to ensure universal access to electricity by 2030".

Magala said that, with a general tariff equivalent to 5.3 US cents per kilowatt hour, Mozambican electricity was the cheapest in the region. In other members of SADC (Southern African Development Community), electricity cost 12.5 US cents per kilowatt-hour, which made further investment possible, and thus greater access to electricity.

He warned that further price increases are likely so that Mozambican electricity prices can converge with those of the rest of the region by 2019. Magala insisted that electricity for the poorest strata of society would continue to be subsidized.

Interviewed in the daily "O Pais", EDM spokesperson Luis Amado, pointed out that EDM is still selling its power below cost. The company, he said, pays between nine and ten US cents for each kilowatt-hour, but was then selling the power on to its clients for not much more than half this amount. Even with the current rise in the general tariff to 7.6 US cents per kilowatt-hour "we are still below the desired level".

"But we can't make substantial increases all at once", Amado said. "It has to be gradual and we are trying to reach a tariff that reflects the costs".

He added that currently EDM only covers 27 per cent of the Mozambican population. The challenge facing the company was to reach 100 per cent. "We are still a long way from that", said Amado, "and for this to happen EDM must have the capacity to invest".

EDM is facing the consequences of the electricity price freeze that was in force from 2010 to 2015. The previous government, under President Armando Guebuza, was faced with riots over price rises in September 2010, and reacted with a variety of subsidies and price freezes on essential goods and services

For five years EDM was unable to put up its prices, despite its board repeatedly warning the government that the situation was unsustainable and that tariffs must rise.

President launches agricultural campaign

The focus of the 2016/2017 agricultural campaign should be based on specialization by province and by district, urged President Filipe Nyusi on 28 October.

Speaking at the official launch of the agricultural campaign in Mopeia district, in the central province of Zambezia, President Nyusi said that maize, vegetables, poultry and eggs are determinant for food security. They are "obligatory national production", and each province should specialise in at least one of them.

"The Mozambican economy is basically agrarian", said President Nyusi. "Households are the pioneers in the macro-economic indicators. Agriculture employs more than 80 per cent of the economically active population. It contributes about 25 per cent to the gross domestic product and is responsible for about 16 per cent of the country's exports".

There are about 4.3 million farms in Mozambique, added the President. Only 600 of these are large scale agricultural businesses. About one per cent of the farms, covering an average of five hectares each, combine subsistence farming with producing a surplus for the market. But the vast majority – 99 per cent are small household farms.

To escape from this scenario, President Nyusi urged Mozambicans to participate in the transformation of subsistence agriculture into forms of agriculture than can guarantee both food security and income.

14 die in Maputo storm

The known death toll from the storm that hit Maputo city and province on 24 October stands at 14, and 160 people were injured, four of them seriously.

The director of the National Operational Emergency Centre (CENOE), Mauricio Xerinda, told a Maputo press conference that, in addition to the dead and injured, one person has been reported missing.

Xerinda said that 4,500 houses were damaged by the storm, of which 350 were completely destroyed. 80 classrooms and 12 health units were also hit. As a result of the damage to schools, many of the pupils have nowhere to study.

The major immediate challenge, said Xerinda, is to ensure that all the families affected by the storm can rebuild their houses, and return to a normal life.

The CENOE Director added that information is still being gathered on the ground on the impact of the storm, in order to reach a definitive assessment of the damage.

Prosecutors to investigate LAM bribe

Assistant Attorney-General Taibo Mocubora on 28 October pledged that prosecutors will investigate the case of an official of Mozambique Airlines (LAM), so far unnamed, who took a US\$800,000 bribe from the Brazilian aircraft manufacturer Embraer.

The bribe became public knowledge when the US Justice Department announced that Embraer had agreed to pay fines totalling over US\$200 million for bribing officials in four countries (Mozambique, India, Saudi Arabia and the Dominican Republic).

The Mozambican connection was a bribe paid via what the Justice Department describes as "a false agency agreement with an intermediary designated by a high-level official" in LAM. The purpose of the bribe was to secure LAM's agreement to purchase two aircraft from Embraer for approximately US\$65 million.

Mocubora pointed out that the Central Office for the Fight against Corruption (GCCC) has already audited LAM in connection with earlier cases.

In late September the GCCC had announced it was prosecuting the former LAM financial director, Jeremias Tchamo, for abuse of his office.

He is accused of ensuring that LAM signed 25 contracts with a building company owned by his brother, who was also a LAM employee. LAM paid this company a total of 5.3 million meticais (about US\$190,000 at the exchange rate of the time).

During its investigations, the GCCC said it also "became aware of some facts concerning the purchase, sale and hire of two Q 400 aircraft, in a case involving LAM and a foreign company". The summary analysis of this case "raised suspicions as to the use of the sum derived from the sale of the aircraft".

The Q 400 is manufactured by the Canadian company bombardier Aerospace. LAM took possession of two of these planes in 2008, the same year that the bribe was paid for the two Embraers.

President opens Quelimane central hospital

President Filipe Nyusi on 27 October inaugurated a new central hospital, in Quelimane, capital of Zambezia province.

This is the largest hospital to be built in Mozambique since independence in 1975. It is the fourth health unit to enjoy the status of “central hospital” (the others are in Maputo, Beira and Nampula).

The hospital will employ 3,000 workers. It cost US\$55 million provided by South Korea, via its Exim Bank.

At the inauguration ceremony, President Nyusi declared that the new hospital is a symbol of inclusion, and all Mozambicans have a right to be treated there, regardless of their race, ethnicity or party political affiliation.

President inaugurates water distribution centre

President Filipe Nyusi on 26 October inaugurated a water distribution centre at Intaka, in the southern city of Matola, which will supply water to about 87,500 people living in 12 Maputo and Matola neighbourhoods.

Built with the support of the French government, the distribution centre cost about 324 million meticais (US\$4.2 million at current exchange rates).

The Centre increases the coverage of the area concerned from 57 to 82 per cent, and the distribution capacity from 240,000 to 360,000 cubic metres a day.

Speaking at the inauguration, President Nyusi urged the owner of the Centre, the government’s Water Supply Assets and Investment Fund (FIPAG), to manage the system with rigour and professionalism in order to ensure a permanent and reliable supply of water to the public.

The government will continue to invest in such projects, President Nyusi said, because a supply of clean water is a certain way of promoting human capital. “Healthy people are more productive”, he added, “and children and young people will have better results from their education”.

So far this year, President Nyusi said, water supply systems have been expanded in the cities of Inhambane, Beira, Quelimane and Nacala benefitting over 30,000 people.

French ambassador Bruno Clerc said the Intaka Centre is part of a much broader project to improve the water supply for Maputo and Matola, supported through the French Development Agency (AFD).

The project had begun in 2012, and included the rehabilitation of the water treatment station on the Umbeluzi River, the rehabilitation of the Matola and Chamanculo distribution centres, the installation of new mains pipes, and 35,000 additional connections.

The system’s capacity to distribute clean water in the two cities had almost doubled, and now 1.5 million people in Maputo and Matola (73 per cent of the total population) had access to safe water.

The next stage, Clerc said, could be a viability study on extending the water supply network to Katembe municipal district on the other side of Maputo Bay from the centre of the city. Major urban expansion is expected in Katembe after the conclusion of the bridge over the Bay in 2017.

Tender for Mueda – Negomano road this year

The government intends, before the end of this year, to launch an international tender for the repair and tarring of the 100 kilometre road from Mueda to Negomano in the northern province of Cabo Delgado.

It is expected that improvements to this road will lead to a greater flow of people and goods across the Unity Bridge over the Rovuma River between Mozambique and Tanzania. This bridge has been grossly underused since it was inaugurated six years ago.

Cited by the daily “Noticias”, the Cabo Delgado director of public works, Dino Coutinho, put no figure on how much rehabilitating the road will cost. However, he said that the African Development Bank (ADB) has already guaranteed funds for the first 50 kilometres, while the government is attempting to mobilize additional funding for the remaining 50 kilometres.

The Unity Bridge was a dream of the founding presidents of the two countries, Samora Machel of Mozambique and Julius Nyerere of Tanzania. It was finally inaugurated by two later presidents, Armando Guebuza of Mozambique and Jakaya Kikwete of Tanzania, in 2010.

The bridge cost US\$35 million, provided entirely from the Mozambican and Tanzanian state budget. But use of the bridge has been disappointingly low, largely because of the poor state of the Mueda - Negomano road.

The intention to rehabilitate and tar the road has been announced on several occasions, but has always been postponed.

Central Bank announces interest rate hike

The Bank of Mozambique on 21 October announced a massive hike in its benchmark interest rates, as it struggles to bring inflation under control, and mop up excess liquidity.

A statement issued by the Bank’s Monetary Policy Committee announced that the Standing Lending Facility (the interest rate paid by the commercial banks to the central bank for money borrowed on the Interbank Money Market) will rise immediately by 600 base points, from 17.25 to 23.25 per cent.

This is not quite the highest rate the central bank has ever charged. At one point in 2002 the Standing Lending Facility reached 32.5 per cent. But it subsequently declined, reaching 7.5 per cent in November 2014, and remaining at that level for a year.

But rate rises in October, November and December 2015 and in February, April, June and July 2016 brought the rate to 17.25 per cent. The latest rise, to 23.25 per cent will certainly be imitated by the commercial banks, making the cost of borrowing prohibitively high for small businesses.

As for Mozambique’s net foreign reserves, these continued to decline, falling to US\$1.69 billion at the end of September. This is only sufficient to cover three months of import (excluding imports of the foreign investment mega-projects).

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