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President Filipe Jacinto Nyusi (2015-present) appoints a new smaller, technocratic cabinet with links to the previous Armando Emilio Guebuza (2005-2015) cabinet. Nyusi and main opposition Resistência Nacional Moçambicana (Renamo) leader Afonso Dhlakama meet to resolve differences. Dhlakama calls for autonomy of Renamo controlled provinces. Coal of India (CIL) and Tata Steel announce plans to reduce their investments in Mozambique's coal sector. Kidnap for ransom continues to threaten Mozambique's business community with three kidnappings in Maputo in January and February.

Nyusi appoints smaller more technocratic government

President **Filipe Jacinto Nyusi** (2015-present) appointed a new government on 19 January. There is a strong element of continuity, which indicates that Nyusi does not plan to make any significant policy changes. Half of the new cabinet members are from the previous **Armando Emilio Guebuza** (2005-2015) government.¹ Nyusi reduced the size of the cabinet from 28 to 22 ministers in line with promises made in his inauguration speech,² but “many still believe it is too big to be in line with his austerity measures”³. Many political analysts believed Nyusi would appoint a more inclusive government with opposition figures in cabinet or senior bureaucratic positions, but “this did not happen”.⁴ However,

*“Nyusi was able to form a highly technical cabinet, made up of people without any political ties or not strong ones. Some of these include the former **Central Bank of Mozambique** governor **Adriano Maleiane** as finance and economy minister; **Pedro Couto** as mineral resources and energy minister; and former private banker and businessperson with links to the Guebuza family, **Celso Coreia**, as lands and environment minister – the three make up the most significant ministries. The final notable technocratic appointment is former **Beira** port manager **Carlos Mesquita** as transport and communications minister.”⁵*

A full list of Nyusi's new ministers and deputy ministers is as follows:⁶

- Prime minister: **Carlos Agostinho do Rosario**;
- Economy and finance: **Adriano Afonso Maleiane**. Deputy minister: **Amelia Tomas Taime Nakhare**;
- Foreign affairs: **Oldemiro Julio Baloi**. Deputy minister **Nyeleti Brooke Mondlane**;
- Chief of staff in the president's office: **Adelaide Anchia Amurane**;
- Interior: **Jaime Basilio Monteiro**. Deputy minister **Jose dos Santos Coimbra**;
- Defence: **Atanasio Salvador Ntumuke**. Deputy minister **Patricio Jose**.
- Agriculture: **Jose Condugua Pacheco**;
- State administration and public service. **Carmelita Rita Namashalua**. Deputy minister **Roque Silva Samuel**;

¹ Source, political analyst, Maputo

² Source, political analyst, Maputo

³ Source, political analyst, Maputo

⁴ Source, political analyst, Maputo

⁵ Source, political analyst, Maputo

⁶ Unless otherwise noted - Source, political analyst, Maputo

- Labour, employment and social security: **Vitoria Dias Diogo**. Deputy minister **Oswaldo Armindo Fakir Petersburgo**;
- Sea, inland waters and fisheries: **Agostinho Salvador Mondlane**;
- Mineral resources and energy: **Pedro Conceicao Couto**;
- Justice, constitutional and religious affairs: **Abdurremane Lino de Almeida**. Deputy minister **Joaquim Verissimo**;
- Culture and tourism: **Silva Armando Dunduru**. Deputy minister **Ana Comoana**;
- Education and human development: **Luis Antonio Ferrao**. Deputy minister **Armindo Saul Ateleia Ngunga**.
- Industry and trade: **Ernesto Max Elias Tonela**. Deputy minister **Omar Mitha**;
- Transport and communications: **Carlos Alberto Fortes Mesquita**. Deputy minister **Manuela Joaquim Rebelo**;
- Land, environment and rural development: **Celso Ismael Correia**. Deputy minister **Ana Ismael Senda Coani**;
- Veterans' affairs: **Eusebio Lambo Gumbiwa**. Deputy minister **Maria de Fatima Mwanza Pelembe**;
- Science, technology and higher education: **Jorge Penicela Nhambiu**. Deputy minister **Leda Florinda Hugo**;
- Public works, housing and water resources: **Carlos Bonete Martinho**. Deputy minister **Joao Osvaldo Moises Machatine**;
- Youth and Sport: **Alberto Hawa Januario Nkutumula**. Deputy minister **Ana Flavia Joao de Azinheira**;
- Gender, children and social welfare: **Cidalia Chauque Oliveira**. Deputy minister **Lucas Mangrasso** ;
- Health: **Nazira Karimo Vali Abdula**. Deputy minister **Mouzinho Saide**.

Nyusi appointed several presidential advisers including former justice minister **Benvinda Levi** (legal matters). Levi replaces **Neuza de Matos** who served for 15 years under both Guebuza and former president **Joaquim Alberto Chissano** (1986-2005).⁷ Nyusi also appointed **Salimo Vala**, **Antonio da Costa Gaspar** and **Catarina Dimande** as advisers in the president's office. Vala is an agricultural economist and former permanent secretary in the planning and development ministry. Gaspar is an academic and Dimande is a **Frente de Libertação de Moçambique (Frelimo)** central committee member and former television presenter who was responsible for media relations in Nyusi's presidential campaign.⁸

Nyusi and Dhlakama meet to try to end political crisis

Nyusi and **Resistência Nacional Moçambicana (Renamo)** leader **Afonso Dhlakama** met twice in February in an effort to end the political crisis resulting from the 15 October 2014 elections. On 17 February the **European Union (EU)** election observer mission concluded that the October elections failed to meet standards required under domestic and international conventions⁹. Dhlakama and Renamo contested the results on the grounds that the elections were fraudulent (see 2014 ARC Madagascar Briefings).

*"So as Renamo does not recognise the results, it [initially] did not take its seats in the parliament and first demanded a caretaker government, then it abandoned the caretaker government and said it wanted 'republics' of the centre and north, then the autonomous regions of the centre and north and now it seems that it will shift to autonomous provinces."*¹⁰

⁷ AIM, 28 Jan 2015.

⁸ www.allafrica.com

⁹ Lusa, 17 Feb 2015.

¹⁰ Source, political analyst, Maputo

'Republic of the centre and north' is a clear reference to the regions where Renamo and Dhlakama gained larger number of votes (see 2014 ARC Madagascar Briefings).¹¹ Nyusi has not accepted Renamo's autonomy proposals, but has said publicly that he invited Dhlakama to submit Renamo's proposal on autonomous provinces to parliament.¹²

"Many praised the meetings between Nyusi and Dhlakama saying they were a sign that the two leaders have a will to end the crisis and drive the country peacefully. The immediate impact of their agreement is that the 89 Renamo MPs took up their seats in parliament and the 294 provincial deputies also took their seats in the provincial assemblies. In their meetings, Nyusi and Dhlakama agreed that Renamo would submit a proposal to parliament for the autonomous region it demands. Dhlakama accepted that, but made a strong threat saying that his party's proposal should be 'taken seriously'..."¹³

Renamo has ended its parliamentary boycott and will submit its proposal on autonomy to parliament in March. However, Renamo's demand has raised debate over whether it is constitutional or not. Many believe the proposal may lead to an amendment of the constitution, but others disagree. A prominent constitutional specialist working in Mozambique said 'autonomous provinces' are possible under the constitution and, if approved, they would strengthen democracy and decentralise power to local communities. However, senior Frelimo figures have avoided approaching the debate, describing autonomy as unconstitutional.¹⁴ One important result of the Nyusi and Dhlakama meeting

"... is that it will force Dhlakama's and Renamo's lawyers to be much more precise in their proposal, and indicate if they expect to change the constitution or think it can be done just by the parliament producing a special law."¹⁵

Mozambique's coal industry remains in crisis

The fall in international commodity prices remains a significant problem for Mozambique's coal sector. Lower international coal prices have led two major **India**-based mining companies to scale back their investments in Mozambique.¹⁶ Recently, an anonymous source from Indian government owned **Coal India Ltd (CIL)** told **Agencia de Informaçao de Mozambique (AIM)** that the company wants to abandon coal production in Mozambique because the deposits in its acquired blocks are of poor quality.¹⁷ Another Indian company, **Tata Steel Ltd**, has decided not to make further investments in its **Benga** coal asset in Mozambique and is looking to sell its 35% stake in the mine. Benga is part of the assets that **Rio Tinto** sold in Mozambique last year when it exited its coals projects in Mozambique, "... the Indian group says it made a huge loss out of such operation..."¹⁸ The announcements from CIL and Tata Steel are a significant setback for Mozambique's coal sector, which only started exporting coal in 2011.

*"Mining companies and analysts put the blame on the logistics and coal prices as the main reasons behind this failure; however, some mining companies also put the blame on the quality of the coal ... the problem of Benga mine has nothing to do with the quality of the coal ... when Rio Tinto bought the **Riversdale** project it decided that it was only going to produce coal up to 300 metres deep. The source says that there is huge amount of good quality coal beyond that, but many coal companies rather prefer investing beyond 300 metres."¹⁹*

¹¹ Source, political analyst, Maputo

¹² AIM, 19 Feb 2015.

¹³ Source, political analyst, Maputo

¹⁴ Source, political analyst, Maputo

¹⁵ Source, foreign resident political analyst, Maputo

¹⁶ Source, political analyst, Maputo

¹⁷ www.allafrica.com

¹⁸ Source political analyst, Maputo

¹⁹ Source, mining sector consultant, Maputo

Kidnappings continue into 2015

The government continues to try to address kidnap for ransom concerns that have elevated **Maputo's** risk and "spooked"²⁰ some foreign investors. Security forces seem unable to curtail the kidnappings for ransom that have occurred on a regular basis since 2011. The government has come under public criticism for its failure to curb kidnappings.²¹ The most recent kidnappings occurred on 4 February when armed men kidnapped two **Portuguese** citizens in a wealthy Maputo suburb.²² The kidnappers released a female captive after they received a ransom, but the male captive is still missing after he was abducted in broad daylight on a busy street in Maputo.²³ The first kidnapping of 2015 occurred on 27 January, when heavily armed kidnappers abducted **Munir Sadrahim**, a shopkeeper of **Asian** origin in broad daylight outside his shop in central Maputo.²⁴

A wave of kidnapping and ransom operations occurred in Mozambique in 2013. Until mid-2013 kidnap victims were mostly wealthy members of the **Asian** community living in Maputo.²⁵ Mozambicans initially dismissed the kidnappings because the targets were from the wealthy members of **Hindu, Pakistani** and **Ismaeli** communities, "which were widely perceived as affluent, clannish and prone to opaque financial dealings".²⁶ Later in 2013 and 2014, criminal gangs started to target not only expatriates, but also wealthy local businessmen and their families. Mozambican authorities registered 44 kidnapping cases in 2013.

*"Unofficial sources say the actual number is easily double that, as many families were too afraid to involve the police."*²⁷

Kidnappings continued into and throughout 2014, despite Maputo courts sentencing 17 people accused of kidnapping to prison terms of between two and 24 years.²⁸

*"Several of those convicted were policemen or had links to the security forces. Those jailed were foot-soldiers. There has been little progress in netting the ringleaders."*²⁹

Implications

Nyusi's new cabinet is small and more technocratic than the previous Guebuza cabinet. However, there is a strong element of continuity, which indicates that Nyusi does not plan to make any significant policy changes but will stick to the path Guebuza has set out in his previous two terms.

Renamo's call for autonomy is more a negotiating tactic to extract concessions from the new Nyusi government than a realistic call for independence or greater autonomy for Renamo's main base of political support in central and northern Mozambique. The government is unlikely to offer significant autonomy concessions to Renamo.

Low international coal prices will have a negative impact on Mozambique's extractive sector. Coal investors will look to sell or reduce their exposure to the sector. More importantly, the decline in the coal sector will have a direct impact on related infrastructure investment, which is needed to make Mozambique's coal less costly to export and more competitive on the international market.

²⁰ Source, western diplomat, Mozambique

²¹ AFP, 5 Feb 2015.

²² Multiple sources: AFP, 5 Feb 2015; AFP, 6 Feb 2015.

²³ Multiple sources: AFP, 5 Feb 2015; AFP, 6 Feb 2015.

²⁴ AIM, 28 Jan 2015.

²⁵ Business Day, 13 Apr 2014.

²⁶ Business Day, 13 Apr 2014.

²⁷ Business Day, 13 Apr 2014.

²⁸ AIM, 16 Apr 2014.

²⁹ Business Day, 13 Apr 2014.

Kidnap for ransom remains a concern particularly in Maputo. Foreign investors and visitors alike are advised to take extra security precautions when travelling in Maputo. Due to the threat companies should review and update relevant vulnerability scenarios and security protocols.