

MACAUHUB NEWS SUMMARISED FOR MOZAMBIQUE



24th March to 31st March 2020

Mozambique asks for external support to combat the impact of Covid-19

24 March 2020

The government of Mozambique has asked for US\$700 million from cooperation partners to help combat the negative impacts of the Covid-19 pandemic, said on Thursday in Maputo the Minister of Economy and Finance, Adriano Maleiane. The minister said the economic growth forecast for this year has been revised downwards to 2.2%, roughly half of the initial forecast for Gross Domestic Product growth, which pointed growth of around 4.0%. Maleiane also noted that the Health budget had also been revised upwards from US\$30 million dollars to US\$50 million this year. “Due to the new developments, the government has had to revise the budgetary allocation that was planned for this year. Public health has become a priority,” said Armindo Tiago, Minister of Health, on leaving a meeting with external partners. The resident representative of the International Monetary Fund in Maputo, Ari Aisen, said that the amount requested may come from the overall package of US\$50 billion approved by the IMF for the countries affected by Covid-19. The amount earmarked for Mozambique will depend on the country’s share in the International Monetary Fund, Aisen said.

ExxonMobil postpones final decision on investment in gas project in Mozambique

24 March 2020

The ExxonMobil group is expected to postpone approval of its natural gas project in the Rovuma basin, northern Mozambique, due to the effects of the new coronavirus and the current scenario on international markets, the Reuters news agency reported citing a variety of sources. The US group announced last week it was considering “significant” cuts in capital expenditure and operating

costs, in line with other groups and companies that have reduced expenses due to the abrupt drop in oil prices as well as in demand as a result of a contraction in economic activity. The agency recalled that the Covid-19 pandemic has led to the postponement of several projects around the world, and Qatar, the world's largest producer of natural gas, has postponed a large expansion plan in which ExxonMobil is one of the main partners. The Rovuma LNG project, which will extract natural gas from a deep-water block on the coast of Mozambique that contains more than 85 trillion cubic feet of natural gas, was due to receive the final investment decision in the first half of 2020. But the sources contacted by Reuters said ExxonMobil's partners in this project want to postpone the final investment decision, which is not even expected to be made in the second half of the year. "The pandemic is affecting investment in Mozambique, as well as Chinese and Korean financiers," said some of the sources, who recalled this project in the Area 4 requires an estimated investment of US\$30 billion. The Area 4 block's participants are Mozambique Rovuma Ventures, a partnership owned by ExxonMobil, ENI and the China National Petroleum Corporation, which together control 70% of the holding, with the remaining 30% split into equal parts between Portuguese group Galp Energia, South Korea's Kogas and Mozambican state oil company ENH. On Monday Fitch Solutions said that investments in the natural gas sector in Mozambique are "beginning to lose their shine" due to corruption and the economic slowdown, two factors which seem to contribute to an increase in the attacks by alleged militant Muslims in Cabo Delgado province. On Monday a group of armed men attacked the village of Mocimboa da Praia, north of the provincial capital Pemba, and one of the locations of the fighting was a Mozambican defence and security forces barracks, which was overtaken and a flag hoisted by the attackers. The statement to investors issued by Fitch Solutions said the increase in the number of attacks in Cabo Delgado province, of which 2019 is proof, endangers investments in natural gas exploration. The problem, it said, is that with the fall in the price of oil and the prospect of continued low prices, the projects become less profitable, which may affect the final investment decisions that have yet to be taken.

Vale group removes Brazilian workers from Mozambique

25 March 2020

Over 200 Brazilian workers of Vale Moçambique are due to leave the

country on Wednesday night on an Ethiopian Airlines flight, which will take them to Belo Horizonte International Airport, in Confins, where it is due to arrive on Thursday morning, mining group Vale said. The group said in a statement that it had decided to lease the aircraft, a Boeing 787 Dreamliner, from the Ethiopian carrier given that most scheduled flights to Mozambique have been suspended. “Vale is acting in line with health and safety protocols set by the authorities and agencies of each of the countries where it operates and is watching as the situation develops,” the statement said Vale Moçambique, a subsidiary of Brazilian group Vale, was considered to be the largest company in Mozambique in 2018, according to a 2019 study by KPMG Auditores e Consultores. This was the second consecutive year that the company that operates the Moatize coal mine, in the central province of Tete, and the Nacala Logistics Corridor, in the north, headed the list of the 100 largest companies in Mozambique.

Syrah Resources suspends work at factory in USA but keeps operating in Mozambique

25 March 2020

Syrah Resources has suspended work at its Vidalia factory, in the United States, following the “stay at home” order announced by the governor of Louisiana on 22 March, in order to reduce the spread of the new coronavirus, the company reported. The statement added that the decision to close the factory from 23 March to 13 April will lead to delays in sending natural graphite samples to potential clients. The company also announced that the graphite extraction operation in Mozambique, whose products supply the Vidalia factory, will remain unchanged, although it is currently paying closer attention to the movement of people and goods. Syrah Resources, which operates in Mozambique via its subsidiary Twigg Exploration and Mining, at the beginning of March started exploration of graphite deposits once again in the Balama district of Cabo Delgado province, after a stoppage of around six months. The decision to stop activity was due to the combined effect of the trade war between the United States and China and the outbreak of the Covid-19 epidemic on China, which is the main buyer of the product. Due to the constraints mentioned, the company’s board was forced to lay off 277 workers, including both Mozambicans and foreigners, as a cost containment measure, having seen its production decrease in 2019 from 250,000 to 150,000 tonnes.

Facim 2020, in Mozambique, postponed due to Covid-19

26 March 2020

The 2020 edition of the Maputo International Fair (Facim) has been postponed until an as yet unnamed date, the spokesman of the Council of Ministers, Filimão Suazi said in Maputo on Tuesday. The 56th edition of the Mozambique Agricultural Commercial and Industrial Fair, was due to be held from Saturday 1 August until Wednesday, 5 August, at the Ricatla facilities, in the Marracuene district of Maputo province. Suazi, who also announced the postponement of the 11th National Culture Festival, said the decision was due to the Covid-19 pandemic, in which Mozambique already has three confirmed cases of the disease.

Portuguese-speaking countries look to respond to Covid-19 pandemic

27 March 2020

The parliament of Timor-Leste on Thursday unanimously approved the declaration of a state of emergency in the country, which is expected to be in place for a month, from Saturday 28 March, a measure adopted in response to the Covid-19 pandemic. Among the “partially suspended rights” is international travel, with health controls at ports and airports. In Cabo Verde, the country’s President is due to meet on Friday with the Council of The Republic, after the prime minister called for an immediate declaration of a state of emergency to combat the Covid-19 pandemic. In a message to the country the prime minister confirmed a meeting with the Head of State and said that the President “is seriously considering the possibility of declaring a constitutional state of emergency,” in Cabo Verde. São Tomé and Príncipe has been in a state of emergency since 17 March when Prime Minister Jorge Bom Jesus announced the decision after an audience with President Evaristo Carvalho. The measure adopted include bans on entry into the country by foreign citizens, and nationals and resident that return to the country must undergo a period of home quarantine. Angola went into a state of emergency at 00:00 hours on 27 March, and the decision by President João Lourenço followed consultations with the Council of the Republic and the National Assembly, which gave the green light. Portugal has been in a state of emergency since midnight on 19 March and it is due to end at 11.59 pm on 2 April, and the President

announced on Thursday in Lisbon that another meeting will be held with politicians and specialists before any decision is made to extend the state of emergency, which he said may be renewed until 16 April. The government of Brazil did not decree a state of emergency on national level, but some states, including São Paulo and Rio de Janeiro, have done so on a local level. In Mozambique the number of confirmed cases of Covid-19 increased to seven, six of which were imported and one locally contracted. So far, the government has not announced any intention of declaring a state of emergency. In Guinea Bissau, where the country decided to close its borders despite having no way of controlling them, there are at least two confirmed cases of Covid-19.

Syrah Resources suspends graphite production in Balama, Mozambique

30 March 2020

The Syrah Resources group has temporarily suspended operations at its graphite mine in Balama, Cabo Delgado province, northern Mozambique, due to the Covid-19 pandemic, the Australian group said in a market statement. The statement noted that the government of Mozambique had imposed a set of measures to prevent the spread of the new coronavirus, which included suspending visa issuing and 14-day quarantine for anyone who arrives in the country. “The combination of these measures limits the mobility of a significant number of staff working in Balama,” it said. Operations were suspended on 28 March and the group, which operates in Mozambique via its subsidiary Twigg Exploration and Mining, gave no date for graphite exploration to begin again. The group also said that orders for product that is already in the warehouses will continue to be processed, and the subsidiary still has capacity to export graphite via the port of Nacala, “although this situation may change at any time.” The group announced previously that it had suspended work at its Vidalia factory, in the United States, following the “stay at home” order announced by the governor of Louisiana on 22 March, in order to reduce the spread of the new coronavirus.

Macauhub News Agency

Address:

Av. Infante D. Henrique, 43-53 A

The Macau Square, 8th Floor – L
Macau
Phone: (853) -28355315/6
Fax: (853) -28355466
E-Mail: macaclub@macaclub.com.mo
Distributed by [M.info](#)



Minfo mailing list
Minfo@lists.uem.mz
<http://lists.uem.mz/mailman/listinfo/minfo>