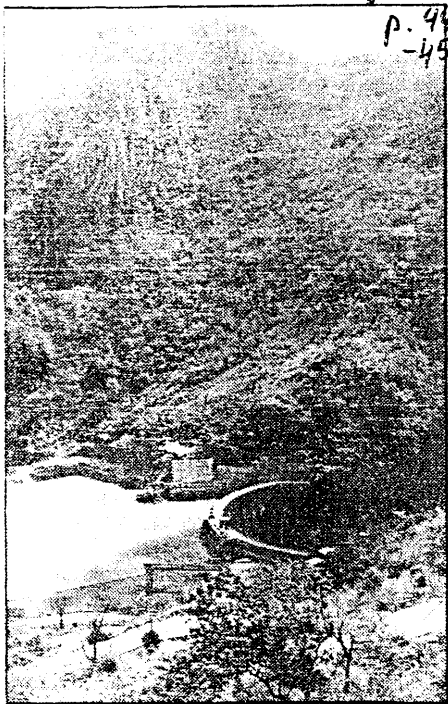


CAN CABORA BASSA BE RESCUED?

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Cabora Bassa ensures power for South Africa, but Portugal pays

DELEGATES from Maputo and Pretoria met with members of the Portuguese Government in Lisbon in the middle of February to discuss the future of the huge Cabora Bassa hydro-electric scheme which is at present non-productive, having been one of the main targets of the Mozambique Resistance Movement. The MNR has until now enjoyed the support and sympathy of the South African regime.

Portugal, solely responsible for the costs of the Cabora Bassa scheme which was built before the independence of Mozambique, has lost a lot of money through the destruction of the power lines by the MNR. It is anxious to negotiate an agreement which will alleviate the heavy burden on the faltering Portuguese economy.

In his opening address the Portuguese Secretary for the Treasury Antonio de Almeida stated that the overall loss to Portugal amounted to about \$44m, and was reaching the limits supportable by the Portuguese economy. It was "a loss disproportionate to Portugal's present interests in the project," he said.

The dam was built for the Portuguese by a consortium of French, German and South African companies before Mozambique became independent in 1975 and is still costing Portugal payments on loans contracted on the international money market at the time. The idea was that revenue from power sales to South Africa would pay off the

cost of financing, but the MNR has repeatedly blasted the line and put it out of action for long periods, meaning that South Africa made few payments.

The Portuguese proposed division of the costs between the three governments and the raising of tariffs by 200%. The present tariff for electricity normally supplied to South Africa is one of the cheapest in the world.

The head of the Mozambican delegation Minister of Industry Antonio Branco confirmed that Mozambique and South Africa have formed a joint commission to study the security and maintenance of the power lines which are down at the moment. (The MNR claims to have carried out several more successful bombings of the power line since the talks were concluded).

South Africa's abandonment of the MNR is causing havoc and dissidence among various factions in the resistance movement whose Secretary-General Evo Fernandes was until recently living in Portugal. According to the Lisbon paper *Africa Journal*, the last MNR conference which took place in West Germany, in November, was the scene of "great agitation" and the secretary for external affairs Artur Vilanculos was said to have abandoned the conference saying that it was a "disaster".

But no amount of juggling with figures over tariffs will make Cabora Bassa an economic proposition unless the security of the 800 mile powerline can be assured. *Kerin Monteiro*