

# Mozambique pegs her currency to US dollar

From Marcelino Komba

Maputo, Sunday.

MOZAMBIQUE has decided to peg her currency to the United States Dollar, instead of the Portuguese Escudo which was devalued at the end of last month.

She has also lifted the ban on foreign exchange dealings which she imposed following the devaluation in Portugal, the Governor of the Bank of Mozambique, Ndugu Alberto Cassimo, has announced here.

The decision was "an act of the sovereignty of the state of Mozambique and one of the aspects for the affirmation of our economic independence".

Ndugu Cassimo said that the devaluation of the Mozambican Escudo would have negative effects, especially at this time when the economic and social directives of the Third Frelimo Congress called for the reactivation of the economy.

Prices of imports would go up

and be reflected in the increased cost of living for Mozambicans.

The value of the Escudo will be measured taking the value it had in relation to the Dollar as at February 26 this year.

Meanwhile, Mozambique yesterday signed two agreements with Cuba and the Soviet Union through which she will receive assistance from the two countries in the development of her fishing industry.