

MOZAMBIQUE

SA exports up ^{FM} 4/4/80.

SA exports to Mozambique have taken a decided turn for the better in the last three years and currently account for more than 40% of that country's imports, according to the SA Foreign Trade Organisation.

"Too many SA businessmen are afraid to try trading with Mozambique because of mistaken impressions about hostility towards us or the lack of law and order there," says Safto marketing executive Sally Gallagher. "They couldn't be more wrong. Mozambique wants to do business with SA, and the prospects are good."

Gallagher says Mozambique, despite its limited resources, is managing its foreign exchange transactions in a disciplined manner and has never reneged on a payment.

SA exports to Mozambique fell rapidly after the withdrawal of the Portuguese in 1975. In 1974, SA sales of R55m represented 19% of the total. By 1976 this had fallen to R35m (15%), but in the first half of 1977 it was up again to R22m (19%). Safto estimates that SA's share is now over 40%, which would put a value of around R50m a year on the trade.

Mozambique's big imports are food, and SA has supplied maize, meat and processed foodstuffs. However, domestic food production (badly hit by natural disasters in the last couple of years) is rising, while the Zimbabwe solution and the beginnings of refugee repatriation (there were 120 000 Zimbabwean refugees in Mozambique last year) will reduce demand.

So it might be wiser for SA exporters to look at other fields, particularly machinery, capital goods and building materials needed for development. Much of the existing equipment in Mozambique originally came from SA, and the logic of continuing to get spares and replacements from this country is accepted, Gallagher believes.

What else do they need? "Everything," says Gallagher. "But growth prospects depend on the availability of foreign exchange." Port congestion is no longer the bugbear it once was to trade, she adds. "Traffic is increasing, and the ports are becoming more efficient."

Mozambique exports to SA are much smaller than its imports. Worth R4m in the first half of 1977, they accounted for 6.3% of that country's total exports.

briefed. Their preliminary proposals are for a 10-storey building, with a glass-fronted atrium core. Cost estimates are in the region of R10m to build.

No final decisions have been taken on the design, and no commencement date set by Goldfields, which already has offices adjacent to the site. The building will apparently cater for projected Goldfields needs, and will not replace present facilities.

With prime office space in the city fast being taken up (see *Property*), and building costs still spiralling, Goldfields would do well to build soon and make excess space available on short lease to companies wanting to be close to the financial heart. Quality office space in the area is at a premium. Although rentals haven't yet reached the R10/m², which is said to make financing of new developments realistic, prices for prime space are already moving towards R7/m², and even at that price no substantial amounts of space remain.