

MOZAMBIQUE

Agreement on joint commission and projects with South Africa (*ME/0289 ii - Excerpts*) Mozambique and South Africa are to set up a joint commission for co-operation and development. The decision was taken during bilateral negotiations which ended yesterday in Maputo. The South African Deputy Foreign Minister, Jacobus Meiring, who conducted these negotiations, will be leading the South African delegation at the joint commission which will essentially deal with matters concerning the functioning of the Cahora Bassa [hydroelectric dam] the rehabilitation of ports and railways, support for agriculture projects and training of Mozambican technicians.

During his stay in Mozambique the South African Deputy Foreign Minister signed a co-operation agreement for the rehabilitation of Maputo port, the railway, and the road linking the Mozambican capital with South Africa. .The South African Deputy Foreign Minister said that he was convinced that Cahora Bassa would resume production next year and thought that the present agreements were proof of South Africa's seriousness towards Mozambique. He said that all this was possible due to the Songo meeting between Presidents Chissano and Botha on 11th September. (*Lisbon home service 0000 gmt 21 Oct 88*)

(*ME/W0050 ii* - The governments of Mozambique and South Africa have signed an agreement for South African loans of six million rands for rehabilitation work on the Maputo port. The agreement was signed in Maputo yesterday by Mozambique's Deputy Transport Minister Isaias Muhate and by the South African Deputy Foreign Minister Jacobus Meiring. Of this money, three million rands had already been lent by South Africa about a year ago, when an agreement was signed for the rehabilitation of coal terminals in Maputo and Matola ports and a general cargo berth in Maputo. 1988

A source in the Mozambican Transport Ministry says these installations have been partially upgraded with the South African money but that the funds ran out in May this year. Since last February, the two countries have been negotiating new South African finance to maintain these installations and to provide South African technical assistance services.

This second loan is also for three million rands. The total of six million rands is to be repaid at an interest rate of two percent as from 1994. The agreement envisages the presence of South African technicians taking part in the operational management of the installations and providing technical assistance.

This project is seen as acting as a confidence-building factor for South African exporters. (*Maputo in English for abroad 1100 gmt 21 Oct 88*)