

Three-Year Programme 30/4/83

The harsh details of Mozambique's economic crisis were spelled out at Frelimo's fourth party congress in Maputo from April 26th-30th. The congress also approved a low-key three-year recovery programme.

Between 1977-81, gross national product (GNP) grew by only 11.6%, rather less than the birth rate. In 1982, GNP fell dramatically—probably by more than 4%. Industrial production fell below 1977 levels and is now less than half that of the pre-independence years.

The Frelimo central committee's report admitted that complaints about empty shops were justified. There are fewer goods on the shelves now than six years ago. Furthermore, the quality of production has been deteriorating. There is "inadequate management in most companies, with delays in or a complete absence of book keeping", says the report. Imported technology has still not been mastered, and equipment is not properly maintained.

The war is also taking its toll—more than 1,000 rural shops and 20 sawmills have been destroyed. Drought affects one-third of the country and the world recession is biting—last year the average price of Mozambique's exports fell by 11% while the average price of imports rose 3%.

Economic Directives

The congress approved economic and social directives for the next three years which aim to increase GNP by 10-12%. Priority is being given to food production. Farmers will be encouraged to raise production by offering them more consumer goods to exchange for their produce. Food purchases are

expected to rise by 40-45%, which is quite possible since there is a flourishing black market in agricultural produce.

The congress also agreed to increase support for larger private farmers. In an effort to curb the black market the government will link financial support to contracts so that the state will buy goods at fixed prices.

Modest Growth Planned

Planned growth rates for key sectors are modest (see table). In the agricultural sector, **sugar** production, which hit a record low of 120,000 tonnes last year, will only rise to 150,000 tonnes by 1985. With a commitment to keep 90,000 tonnes inside the country as a stimulus to peasant farmers, this means relatively little Mozambican sugar on the glutted world market.

In spite of an estimated 12-15% growth rate in the next two years, Mozambique's industrial production in 1985 will still be below 1981 levels. **Cement** production, for example, is to rise from 290,000 tonnes to 350,000 but it will still be well below 1978 levels.

The three-year plan is an attempt to rationalize previous economic targets. Coal production targets, for example, had been set which ignored the capacity of railways to carry loads. A year's supply of coal is consequently piled up at Moatize pitheads. Levels of coal production will now be determined by transport capacity and special attention will be given to upgrading railways.

resources. No new big projects are to be started during the next three years. Efforts will be made also to speed up completion of those already under way.

Despite the candid admissions of mistakes and continuing disagreements, Frelimo made no changes in its top leadership. The 670 congress delegates reconfirmed the 10-member politburo headed by President Machel, but added an eleventh member. He is Oscar Monteiro, previously party secretary for organization. (AED 6/5)

Sector	1977-81	1982	1983-85*
Agriculture	9	-2	30-35
Industry	14	-16	12-15
Transport	15	-7	na
Building	25	-4	na
Retail	0	-4	20-23

* projected

Similarly, state farms are to stop increasing area and concentrate instead on raising yields by using resources more intensively and effectively.

Small-Scale Projects

In both agriculture and industry, the congress decided that existing resources must be primarily channelled into small-scale projects that have an immediate impact and use local