

The Mozambican Council of Ministers (Cabinet) says that during the first half of 1988 the Mozambican economy continued to show "the tendency of growth" that had been witnessed in 1987. In a press release after a meeting on 16 and 17 August, the Council of Ministers said that it had analysed how far the targets in the 1988 Central State Plan had so far been met. The economy as a whole had grown, it said, and the highest growth rate had been in agriculture. The statement gave no figures. Last year the growth rate was 4%.

During their meeting, the Ministers also looked at the questions of re-organising state companies and giving them greater autonomy. They also analysed the development of wages and prices. The Economic Recovery Programme under implementation since January 1987, with the support of the World Bank and the International Monetary Fund (IMF), envisages that companies should have greater management autonomy. There have been sharp increases in the cost of living following four devaluations of the national currency, the metical, and the removal of most food subsidies. Wages too have risen, but not by so much. The statement also said that the Council of Ministers "noted that security is still significant in determining the behaviour of the economy".

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