

Portugal to help in Zambesi hydro plan

By Diana Smith in Lisbon

THE MOZAMBIQUE Government has asked Portugal to play a key role in the construction of a 2000m second stage of the Cahora Bassa hydro-electric scheme on the Zambesi, in spite of the fact that the financial headaches of the trouble-plagued first stage have yet to be resolved.

Senior Mozambique and Portuguese Government officials met in Lisbon for three days last week in an effort to resolve the future of the scheme, which is burdened by \$615m in outstanding debt and, at the same time, has been hit by repeated sabotage.

Some 97 per cent of the output of the 2,075MW power station, located in the northern Mozambique province of Tete, is sold to South Africa because of a contract agreed when Portugal was still the colonial power in Mozambique. However, in 1981 only half the potential output of the plant could be exported because of sabotage to the 900-mile power line by guerrillas belonging to a movement calling itself the Mozambique Resistance.

The problem for Portugal is that it remains responsible for the outstanding foreign loans incurred, but it is losing money on the project, both because of the interruption in sales, and the low price being paid by the South African Electricity Supply Commission.

Following this week's talks between Mr Walter Marques, the Portuguese Finance Secretary, and Sr Abdul Magid Osman, Mozambique's Energy Secretary, officials of the Cahora Bassa company are likely to make a new trip to Pretoria in an effort to re-negotiate Escom's payments.