

Another devaluation

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Unlike Tanzania and other African countries, Mozambique has come to accept tumbling devaluations of its currency. On October 17, the value of the metical was reduced by 6.9 per cent. It was the fifth devaluation in less than two years. One dollar is now worth 580 meticals as opposed to 40 meticals in January 1987. Since that date, the government has been enforcing an *International Monetary Fund (IMF)* and *World Bank*-inspired adjustment programme aimed at relaunching the Mozambican economy. On October 14, the government announced a general increase in salaries ranging from 15 per cent to 50 per cent to compensate for the loss in buying power. The minimum monthly salary in Mozambique now goes up to 16,000 meticals (27 dollars) in industry and to 12,000 meticals (20.6 dollars) in agriculture.