

Chissano hopeful on end to war

Mozambican President Joaquim Chissano said in Algiers this week that Pretoria's legalisation of the African National Congress could help end the war in his country.

Chissano, ending a four-day visit to Algeria on Wednesday, said one of the main reasons South Africa supported the rebels of the Mozambique National Resistance was to counter ANC activity.

Algeria has meanwhile agreed in principle to reschedule Mozambique's debt estimated at more than \$100m (not including interest). The two countries have agreed to study

the possibilities of investment and the formation of joint companies. Potential Algerian investors will shortly visit Mozambique.

Of the \$2m Algeria has pledged to the Non-Aligned Movement's Africa Fund, \$1m has been given to Mozambique for defence.

Libya has also agreed with Mozambique to reschedule its debt estimated at \$100m. At the same time Mozambique has asked Libya for a fresh loan of \$17m for the purchase of 90,000 tonnes of fuel. A Libyan mission is to visit Mozambique to discuss a three-year programme of cooperation in education, information, culture and science, according to the news agency *AIM* this week.

Around 65% of Mozambique's public spending comes from foreign aid, according to Prime Minister Mario Machungo. The 1990 state budget is for 775m contos, while the total internal revenue is only 280m contos, he said according to reports from Maputo on February 4.