

## Relly has high level talks <sup>p5</sup> in Mozambique SAR 29/4/88

ANGLO AMERICAN CHAIRMAN Gavin Relly and government leaders in Maputo have discussed the possible involvement of the conglomerate in developing Mozambique's natural resources.

Relly met President Joaquim Chissano, Prime Minister Mario Machungo and other officials during a seven-hour visit. He indicated his company might be interested in forestry, agriculture and natural gas products, but refused to give details.

The security situation was also discussed.

The talks came after plans had been formulated between Mozambique, Portugal and SA over the rehabilitation of the Cahora Bassa hydro electric project in north west Mozambique, and the supply of its power to SA.

There have also been recent reports of reserves of heavy minerals in the sands of Mozambique's northern coast being more than double the original estimate.

A London-based mining journal said a survey by mineral deposits of Australia on behalf of the Dublin-based Kenmare Resources Company had suggested this estimate.

Kenmare and a 50% partner, the Yugoslav Geological Survey, are said to be looking at the feasibility of a large bridge with the capacity to process 2 000 tons of sand per hour, producing a gross revenue of more than Australian \$40-million per year over a projected life of 15 to 20 years.

Current reserves are now estimated at 123.6-m tons at a grade of 4% heavy minerals.

The Amoco Company in the US renewed its exploration licence last December for two years, which covers an offshore zone of 5 000 square kilometres in the Zambezi delta. British Petroleum, too, is planning to start drilling in its Xai-Xai offshore block in May.

Relly's visit also coincides with a new peace initiative between SA and Mozambique, begun by President Joaquim Chissano, who sent a special emissary to propose to President Botha that the Joint Security Commission set up during the Nkomati Accord discussions in 1984, be reactivated between the two countries.

Botha sent a favourable message back to Chissano which is believed to contain a proposal that the two heads of state meet.

## Comment

The emissary was General Jacinto Veloso, a minister in the office of Chissano, who has often been involved in discussions with South Africans in Mozambique and in the Cape Verde islands.

Both sides accuse each other of aiding the enemies of the other--the Mozambicans of aiding the ANC and the South Africans of aiding the rebel Renamo movement.

However, the situation has changed in regard to Renamo with one of its senior men taking advantage of Chissano's amnesty offer, the murder of another senior leader, Evo Fernandes in Lisbon, the one man SA trusted in the Renamo movement and who was believed to be on the point of also accepting the amnesty.

The recent agreement on the rehabilitation of the Cahora Bassa hydro-electric scheme, which was sabotaged by Renamo, requires a different attitude by SA to the rebels.