

FM. Eastern front opens ^{21/7/89}

Anglo American (AA) chairman Gavin Relly's statement this week that the company is "keen to help develop Mozambique" highlights a positive trend in SA's business relations with the sprawling country on the eastern seaboard.

"Opportunities exist in forestry, mineral and agricultural development and the exploitation of natural gas," notes Relly. Clearly only the security situation in the huge, underdeveloped country prevents SA investment from taking off.

Sappi is investigating the feasibility of putting 50 000 ha under timber (*Business* July 14). For some time, harbour refurbishment, agro-industrial development and road upgrading have formed part of advanced forward planning for increased investment in Mozambique.

But, while many new business links — like Karos Hotel's plan to manage the Polana Hotel in Maputo — are still in the provisional stage, substantial developments have already taken place. Among the leading actors is Premier International (PI), foreign investment arm of SA's huge Premier group.

"The day after the Nkomati Accord was signed in 1984, we moved into Mozambique. Today we operate a bonded warehouse in Maputo, are involved in feeding about 1m Mozambican dependants of nationals working in SA, run a joint-venture chicken project with the Mozambican government (Sunridge Avicola, producing about 100 t a month), and have the sole agency for importing cashew nuts into SA," says PI marketing director Katerina Yiannakis.

PI also runs the Lojas Wholesale Department, official import wholesaler for the State-owned retailer, Interfranca Stores. "We try to promote SA imports into Mozambique," she says.

"It is most encouraging to see the tangible improvements that are now taking place," adds Yiannakis.

Ed Wilson, who runs PI's Mozambican operations from Maputo, says new technolo-

gies, like a feedmill introduced at Sunridge Avicola, help to make operations profitable. "We are now in the process of registering Premier Mozambique Limitade, holding company for our Mozambican operations."

Wilson sees great scope for agricultural ventures, although security remains the major problem. But peace prospects are improving.

"We are also very active in Zaire, Malawi and Zambia and intend broadening our investment and trade operations into Africa," says Yiannakis.

An AA spokesman says the chairman of SA's largest corporation has a personal interest in developing the region. Relly visited Mozambican president Joachim Chissano in April 1988 and, as a result, various projects are being investigated:

□ Mondri is looking at a timber project of "substantial size, similar in scope to that being investigated by Sappi;"

□ A whole range of mineral deposits could be mined in the north;

□ AA is looking at refurbishing two cashew nut factories — it used to run Mocita, the "world's premier cashew nut brand," prior to independence;

□ Amfarms is looking at various food growing and processing projects, which could become feasible as soon as peace becomes a reality.

Meanwhile, trade ties are also strengthening.

"While the Maputo rail and road links are sometimes subject to security action, a lot of trade is flowing through Swaziland," says TI spokesman Theo van der Merwe.

Meanwhile, SA's Small Business Development Corporation (SBDC) recently visited Maputo to assist in establishing training centres and trading facilities for formal and informal businessmen.

"The official attitude to business development has improved considerably," says SBDC GM James Scott.