

... Discussions between Mozambican officials and SA businessmen have led to proposals for a series of 'barter deals' which will bypass payment of money. Far more than trade is intended. That the political implications are profound is only too clear: speaking to leaders of the government in Maputo the phrases 'co-operation' and 'mutual trust' constantly crop up ...

The immediate priority for Mozambique is food for its people – starvation is a real threat for hundreds of thousands – and animal feed for livestock. In return, Mozambique would like to pay with products such as bananas, prawns, timber or tea – but over, say, five years. Even more, it wants SA firms to join in producing the prawns, bananas and timber in 'joint ventures'. ... On the SA side, a banker who has made several visits to Mozambique, Mr Barry Munro of the Hill Samuel Group, says: 'My feeling is that we will have to employ innovative financing methods in that Mozambique's main resource at the moment is its future exports ... One illustration he cites is that Mozambique has accepted as a matter of policy an arrangement whereby several SA companies can operate as a consortium. If one or more of them does building or repair work in Maputo harbour, payment can be made by giving other consortium members who use the port for imports or exports a reduction in harbour dues. It is against this background that officials in Maputo put together a list of their priorities in trade dealings with SA.

- First is full SA utilisation of Maputo harbour and the rail system. The phrase 'geo-economics' is constantly quoted to point to Maputo being the natural harbour for much of the Transvaal.

- Purchase of Cahora Bassa power and at higher rates – which has already been achieved in a special government-to-government agreement.

- Labour: They want SA's mines to take many more than the current number of about 45,000 Mozambican men, 60% of whose earnings are remitted directly to Maputo. That accounts for ... R90-m or so of foreign currency. The desire is not only for greater numbers but also for rates of exchange which will favour Mozambique as was done for Portugal in colonial times.

- Agricultural co-operation is wanted. It is pointed out that Mozambique's climate is different from SA and water is available at least in some areas. The country could produce year-round crops in some regions, for export to SA. 'Joint ventures' in agri-business are on offer, whereby South Africans could administer large farms.

- Investment in industry so that Mozambique can produce manufactured goods is wide open to proposals.

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