# Eastern Transvaal turns back to Maputo

EASA (Zim), 89 02 03

Oranges, coal and heavy metal have replaced Mozambique's legendary prawns as the merchandise enticing hordes of Transvaalers to the city of Maputo.

Maputo's ability to handle increased volumes of heavy freight, such as ferro-alloys and coal, as well as perishable products, like citrus, have caused Eastern Transvaal industrialists and farmers to renew their interest in the port as an export outlet. This economic incentive appears to have been central to the recent economic and trade agreements signed between the two countries.

The South African Foreign Trade Organisation (Safto) says in a recent edition of its newsletter, *Port of Maputo*, that the harbour is set to become "the next ferro-alloys port of southern Africa".

Last year Samancor sent 2,000 tons of metal from its Eastern Transvaal plant as an experimental run through Maputo and is considering sending regular cargoes out of South Africa via this route, says Safto. "For ferro-alloys exporters from South Africa, Maputo is the logical answer as it is closer to their main mining sites than the harbours they are currently using, namely Durban and Richards Bay," the newsletter says.

"The main producers of ferro-alloys - **JCI, Samancor, Middelburg Steel and Alloys and Transalloys** - are watching Maputo carefully to see whether the security situation can be maintained and whether the loading of the shipments will be delay and problem-free."

Myrne Vos, Safto's assistant manager for Africa, told the *Weekly Mail* that large volumes of coal and citrus were also being channelled through Maputo for export. This traffic was extensive enough to turn Mozambique into one of South Africa's top five trading partners in Africa in the near future (excluding Botswana, Lesotho and Swaziland), she said. South Africa does not publish a detailed breakdown of its exports to neighbouring countries. But statistics provided by Safto indicate a large increase in the use of Maputo by South African producers.

In the decade between 1973 and 1983 the annual volume of local goods traffic through Maputo plummeted from 6.8m tons to a mere one million tons. Yet in August last year alone the terminals at Maputo harbour handled nearly half-a-million tons of goods.

The growing extent of this export trade is obviously one of the major factors behind the recent accords between South Africa and Mozambique. These agreements provide for the reimportation of electricity from Cahora Bassa; a R6m loan for the upgrading of Maputo harbour; the suspension of a decision to repatriate Mozambican migrants; and South African aid for the construction of a new road to promote commercial traffic between Komatipoort and Maputo.

Last year the US General Accounting Office issued a report indicating US sanctions had lost South Africa R850m in exports to that country. At the same time the trade to West Germany dropped by a remarkable R146-m. Exports to and through states in Africa are obviously an important way to offset these economic setbacks. According to Eddie Cross, managing director of the Beira Corridor Group, trade between South Africa and its northern neighbours increased by about US$300m (about R600m) in 1988 - more than four times the amount lost to West Germany.

Maputo's export potential is one reason why Safto has arranged a tour by a large group of industrialists to Maputo for next month.

But it's not only trade that is flowing in increasing volumes along the routes that South African tourists once used to reach the beaches and prawns in Mozambique. Indications are that a number of South African manufacturers are beginning to show an interest in investing in their neighbour to the east.

**Premier International**, a division of the **Premier Holdings Group**, is the company almost heavily involved in production inside Mozambique. According to Premier's Katerina Yiannakis the company runs poultry farms on the outskirts of Maputo jointly with the Mozambican government. The enterprise, known as **Avicola-Sunrich**, has become so successful that the Mozambican government has decided to allocate some of its scarce foreign currency reserves to expand the project.

The Premier division has the sole agency to import Mozambican cashew nuts, beginning to reappear on the shelves of local shops under South African brand names. And Premier is involved in an extensive scheme to deliver food and goods for Mozambican migrants to their homes in Maputo and the towns of Zai Zai, Maxixe and Chokwe further to the north.

South Africa's diplomatic breakthroughs in Mozambique have also had lucrative spin-offs for South African companies. **Technical Management Services (TMS)**, for example, has the contract to manage and upgrade the harbour at Maputo and will benefit from the R6m pledged by South Africa for this purpose. **Murray and Roberts** also earned themselves R18m from the contract they secured for South Africa's new trade mission complex that was opened in Maputo by Foreign Minister Pik Botha late last year.

These developments, together with South Africa's need to boost exports through Africa, indicate that commercial ties could help thaw the cold war that has existed between South Africa and Mozambique in recent years.

-Reprinted from the *Weekly Mail*, 13 January 1989.