

# Maputo hopes to build business by returning nationalised SA assets

SOME amazing things are happening in Southern Africa.

Who could have guessed that the Mozambican government would be on the verge of agreeing to return nationalised assets to South Africans?

That is exactly what is happening. The famous but run-down Polana Hotel in Maputo is probably the best-known among the assets which will be returned in terms of an agreement being finalised. The Polana is to be returned to its original owners, the Hoffman family.

Stan Hoffman, managing director of the Karos Hotels group in South Africa, was in Maputo this week to discuss details.

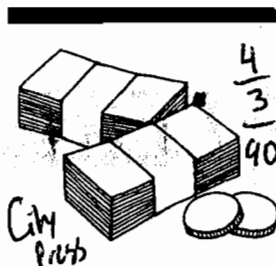
It is understood that, apart from the Polana, some 200 properties –

ranging from city skyscrapers to holiday homes and cattle farms – valued at millions of rands, form part of the negotiations between the South African Department of Foreign Affairs and the Mozambican government.

Many of these properties are dilapidated and as part of the deal South Africa will make export credit available to Maputo to import building materials from South Africa to renovate these properties.

It will cost about R25 million to restore the Polana Hotel to international standards.

All properties to be returned to former owners were nationalised by the Machel government in 1976 as part of its programme to create a socialist state. The present government's policy is far



## MONEY TALK

more relaxed and the emphasis has shifted strongly towards incentives to draw foreign investment.

The prime target for these incentives is South Africa, Maputo freely admits.

However, it is acknowledged in Maputo that it would be very difficult to draw South African capital unless the old issue of nationalised assets could

be resolved.

Maputo has cleverly linked the return of these assets to new investment.

What it basically boils down to is that the Maputo government will return nationalised properties to the former owners, provided South Africa agrees to help the owners with renovations and repairs.

Among other things, the Maputo government hopes this initiative will help the country's labour-intensive building and construction industry to get back on its feet.

The positive response from local businessmen to the Mozambican government's overtures are apparent from the enthusiastic manner in which Frelimo spokesmen were questioned during a recent seminar in Maputo.