

MOZAMBIQUE—RHODESIA

Cost of Sanctions

Mozambique's decision to apply full sanctions against Rhodesia could cost the country as much as \$165m. this year, or three times the initial \$57m. estimate of the Mozambique Government in March (p. 3835C). According to a **United Nations** report just published, the direct cost of sanctions to Mozambique this year is estimated at between \$139m. and \$165m. and between \$108m. and \$134m. for the following 12 months. Thereafter the costs are likely to be in the range of \$120m. a year.

The report, compiled by a six-man special UN mission which visited Mozambique in April, is expected to be adopted by the UN's economic and social council. However, it is yet far from certain whether the much higher costs involved will be fully met by international aid.

So far, Mozambique has had pledges amounting to about \$60m. These include some \$30m. from the **UK** mainly in long-term loans; a \$12.5m. grant announced by **US** Secretary of State Dr. Kissinger during his recent African tour; \$13m. from **Sweden**; \$6m. from the **Arab League**; \$1.5m. from **Nigeria**; \$5.5m. from the **Netherlands** and more than \$1m. each from **Finland** and **Denmark**. The **Jamaican** Government has said it will donate 50,000 Jamaican dollars a year to Mozambique and the **Australian** Government has promised food aid.

The UN report makes clear the huge range of Mozambique's needs. In terms of material assistance, for example, the report estimates that 400,000 tonnes of petrol or crude oil, 120,000 tonnes of wheat, 90,000 tonnes of maize and 40,000 tonnes of rice as well as very substantial quantities of medicines, transport and agricultural equipment and spare parts are urgently required.

Payments Deficit

Overall, the report estimates that even with the advantage of some \$100m. in foreign exchange income from Mozambique miners in **South Africa**, the balance of payments deficit this year will be \$175m.-\$200m. The largest direct foreign exchange sanctions cost will come from the closure of Mozambique's rail and ports facilities to **Rhodesian** goods—some \$60m.-\$80m. followed by the loss of \$22m.-\$25m. on remittances by Mozambique workers in **Rhodesia**.

But there will also be substantial and hitherto largely unexamined indirect costs. For example, Mozambique's telecommunication system between Maputo and the rest of the country is dependent on a tropospheric station right on the **Rhodesian** border; an alternative system, the report says, will have to be provided. In general, it says at least 10,000 people are expected to lose their jobs as a result of sanctions.

(FT 12/5, UNBT, DNS, NA)

Rhodesians Released

Twelve **Rhodesians** detained in **Mozambique** since President Machel imposed his border blockade in March were released and flown home on April 13th after first being committed by the **Frelimo** Government to the custody of the **British** Ambassador in Maputo, Mr. J. H. Lewen. Four senior **Rhodesian** officials had been released the previous week after being held under house arrest for more than a month. (DTel 14/4)