

War hinders full-scale trade with Maputo: Kangai

FULL-SCALE trade between Zimbabwe and Mozambique has not been realised due to a number of constraints which include inadequate payment arrangements between the two countries and the banditry in Mozambique, the Minister of Industry and Commerce, Cde Kumbirai Kangai, said yesterday.

Speaking at the opening session of the Zimbabwe-Mozambique investment and trade seminar in Harare, Cde Kangai said the economic relations between the two countries should match the excellent political relations that existed.

Contact

The seminar was a follow-up to a similar one held in Maputo in 1990 at which Cde Kangai led a delegation of Zimbabwean businessmen resulting in some contact

and business relations being established. However, no progress had been made in some cases.

"This was due to the war situation (in Mozambique), communication problems, lack of expressed interest by businessmen on both sides and the inadequate payment arrangements between the two countries and reluctance to break traditional links," he said.

He challenged participants to examine the problems and to come up with ideas that would assist in the promotion of joint ventures and increase the volume of trade between the two countries.

"As I have said before, the potential is there and it is up to the business community to exploit this potential. Our political relations are excellent and our economic relations should match our political relations."

In order to facilitate contacts and create conditions that would boost the efforts of the business community, Cde Kangai said, the two governments had signed a Reciprocal Investment Promotion and Protection Agreement in 1990. This was a legal framework for cross-border investment as well as security for investment.

Arrangements

In addition, special trading arrangements in the form of a \$50 million line of credit and a \$1 million annual trade plan were implemented by the two governments to promote trade exchange.

The seminar, which has drawn local businessmen and over 40 business representatives from Mozambique being led by that country's Minister of Trade and Commerce, Cde Daniel Gabriel Tembe, ends tomorrow. — Ziana.

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