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**European  
Common Market**

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**ANGOLA-MOZAMBIQUE**

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**Closer Links with EEC**

Angola and Mozambique have taken the plunge in seeking closer links with the European Community.

They have asked to take part in negotiations for next 1985-90 Lome Convention, which links the EEC with 63 African, Caribbean and Pacific (ACP) states.

Although tempted by the expected benefits, Angola and Mozambique had earlier stayed aloof from the aid and trade pact for political reasons. Accession to Lome allows countries development aid, better access to the Community market, and partial compensation for loss of revenue export.

**Uncertainty Ended**

*West Africa* reports that the decision by Angola and Mozambique to join next year's talks for a new Lome Convention is being described as a "major diplomatic breakthrough" by European Commission officials. By indicating that they will be sending representatives to the Lome talks which open in Brussels next September, Angola and Mozambique, the only two

independent black African states still outside the Lome framework, have put an end to almost five years of uncertainty and diplomatic isolation.

The two countries' decision to join the Lome negotiations is seen as evidence that both Angola and Mozambique, who at present have observer status in the Comecon organisation, are now ready to boost economic and political links with the West in general and the European Community in particular.

The two countries have also become eligible for almost \$17m in immediate European aid for rural development projects. The money was blocked for over a year by the **West German** Government which stressed that the funds would be released once Angola and

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Mozambique signalled their interest in joining the Lome Convention. In response to requests from Angola and Mozambique that they be allowed to sign bilateral pacts with the EEC, the Commission replied that "Lome was the only framework for co-operation available for African states".

The advantages of Lome membership were described to both governments by the EEC Commissioner for Development, M. Edgard Pisani, who visited Angola and Mozambique in February this year. Once inside Lome, both countries are expected to receive a massive transfer of EEC funds, which could be as high as \$150m for Mozambique and almost \$80m for Angola. The Convention's system for the stabilisation of export earnings (Stabex) is expected to become applicable for Angola's exports of coffee, cotton and groundnuts and Mozambique's exports of cashew nuts, cotton and sisal. Mineral development in both countries could receive aid from the Convention's system for the exploitation and exploration of minerals, also known as "sysmin". (TT 1/10, WA 18/10)

about \$35.3m for export earning losses for coffee sold in 1981. **Ghana**, which receives \$32.7m for shortfalls in earnings from cocoa, is next in line, followed by **Senegal** (\$26m for groundnut exports), **Kenya** (\$21m for coffee exports) and **Somalia** (\$10m for bananas).

(WA 4/10)

### Payments from Stabex

The 26 African, Caribbean and Pacific (ACP) countries which suffered export earning losses for such major commodities as cocoa, coffee and groundnuts in 1981 have finally received almost \$183m in European Community assistance under the Lome Convention's special system for the stabilisation of export earnings, better known as Stabex.

The transfers, decided after almost six months of fiery debate, are the result of "a lengthy and elaborate compromise", said EEC Development Commissioner, Edgard Pisani, at the special ceremony held in Brussels, in September to mark the signing of the Stabex financing decisions. The compromise was possible only because the 61 ACP countries agreed to receive less than half of the money owed to them by the Stabex fund.

Original ACP claims for EEC assistance under the compensatory financing scheme totalled an unprecedented \$453m, at least four times the amount available for Stabex aid last year. Although the EEC was able to find an additional \$71m (\$31m of which was made available by ACP States who were asked to pay back special loans made by the European Investment Bank, and \$40m from the European Development Fund), the money still falls far short of the ACP claims.

Most ACP countries who do not fall into the least developed category will receive only 41.9% of the money they originally asked for. The least developed states will receive 46.5% of their requests. ACP countries whose Stabex claims are less than \$1m will receive the entire amount, without any reductions.

Once again, and despite the forced reductions, the largest transfers are being made to the **Ivory Coast**, which will receive