

MOZAMBIQUE: European loan for local enterprises

The *European Investment Bank* (EIB) is to grant a six million Ecu loan to help finance investment projects of small and medium-sized firms (SME) in Mozambique as well as feasibility studies they want to carry out. The areas to benefit are industry, agro-industry and tourism. This money comes from a risk capital fund provided for under the Lomé III Convention and handled by the EIB as the EEC's mandate. It is to be made available to the Mozambican companies by through the Banco de Moçambique, the Central Bank.

The part of the European financial aid to be repaid in the form of conditional secondary loans is being lent by the European Investment Bank to the Central Bank of Mozambique for a twenty-year period at a rate of one percent. Loans for feasibility studies are being granted for ten years maximum and at the same interest rate.