

Portugal Approves New Loan

The Portuguese parliament approved a new loan to Mozambique of US\$24 million on 21 June. It also authorised the Portuguese government to extend the time limit for the use of a loan of a thousand million escudos (about US\$6 million) granted in 1982, and to reschedule Mozambique's debt to Portugal.

This last measure had been assured at the beginning of last year, during the visit to Portugal of Mozambican Prime Minister Mario Machungo. The conditions negotiated then were the rescheduling of 75 per cent of the debt for 20 years, with a ten-year grace period, and a four per cent interest rate.

Speaking in the debate in the Portuguese parliament, Assistant Secretary of State for Finance Faria de Oliveira said that "the commitment of Portugal to cooperation with Mozambique, and the financial difficulties of this African country fully justify these initiatives".

Mozambique file July 1989

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