


Royal Netherlands Embassy Luanda, Angola
Table of contents
Economy, Commerce and Investment

- *Angola says economy will not fall into recession*
- *Angola inflation quickens on food costs*
- *Dutch Trade Mission to Angola from March 29th to April 4th*
- *The World crisis requires national economy diversification*
- *Ericsson picked for consulting & network expansion by Unitel*
- *Unitel launches Converse voice services for growing user base*
- *Ashok Leyland bags \$43 million Angola orders for 1,000 buses*
- *Agriculture in Angola: opportunities*
- *Angola can be favourite tourist destination in Africa in ten years*
- *ANIP chief reiterates openness to foreign investment*
- *Delta Airlines fly direct to Angola*

Oil, Mining and Energy

- *Angola plans energy projects*
- *Total keeps Angola investment despite low oil price*
- *Angola to reduce 2009 oil output*
- *Angola crude in high demand*
- *Oil Minister says Lobito oil refinery's strategic*
- *São Tome says close to signing oil deal with Angola*
- *Angola may buy its own diamond to combat crisis*
- *Catoca Company maintains diamond production*

Banking and Insurance

- *Central Bank says no plans to devalue Angolan currency*
- *National bank with plenty reserves*
- *Sonangol says could increase Millennium BCP stake*
- *BPC bank opens a new branch in Camabatela*

Logistics and Infrastructure

- *Angola speeds on with showpiece venue*
- *Angola gets over 400 new fishing boats*
- *Rains delay repair of Menongue-Caiundo road*
- *Provincial governor inaugurates hotel in Uíge*
- *Uniprev to build residential condominium in Lubango*

Economy, Commerce and Investments
Angola says economy will not fall into recession

Oil and diamond rich Angola will not enter into a recession in 2009 and the economy will grow more than 3 percent despite a sharp drop in commodity prices, said the country's economy Minister.

Manuel Nunes said the government should soon revise the country's 11.8 percent growth forecast for 2009 but he declined to give details. The World Bank predicted last month the country could enter into a recession in the second quarter of the year.

"This crisis will impact Angola," he said at a conference in Luanda. Asked by reporters after the meeting how much he expected the economy to grow this year, Nunes replied: "above three percent."

The southwestern African nation's economy had been growing in double-digits since the end of a civil war in 2002, buoyed by record oil prices and foreign investment aimed at rebuilding everything from roads to sanitation systems destroyed by the 27-year conflict.

But the spreading global recession has weighed on demand for Angola's two main exports (oil and diamonds) prompting the government to urge investors to continue to invest billions of dollars to rebuild and diversify the war-torn nation's economy.

"At this moment of crisis, those who want to invest in our economy (...) to create jobs, wealth and contribute to the well-being of Angolans will merit all our attention and care," according to Aguinaldo Jaime, the head of Angola's investment agency ANIP cited by weekly newspaper Expansão. "We will do everything in our power to make sure that the decision to invest in our country will not lead to frustration."

Oil prices have fallen over \$100 per barrel since July and demand for diamonds is expected to fall by 60 percent this year, according to analysts. Oil accounts for 90 percent of Angola's revenues.

"This crisis has revealed once again that our economy's dependency on oil and diamonds is not convenient and that

we need to diversify our economy," Angolan President dos Santos said after meeting with his advisors. "The drop in the price of oil and diamonds will soon reduce our fiscal revenues and the state will have less money to spend."

Dos Santos added that his government would soon carry out a campaign to explain the impact of the global economic crisis on the lives of ordinary Angolans -- an estimated two-thirds already live on less than \$2 a day.

His ruling MPLA party won a landslide victory in the country's first post-war parliamentary elections in September, on the back of promises to build one million homes for the poor in five years and increase spending on health and education.

Angola is expected to hold presidential elections in 2009 in which dos Santos, who has been in power for 30 years and is one of Africa's longest-serving leaders, is widely expected to run.

But before the election, his government will need to explain to ordinary Angolans how it will cut spending from its \$42 billion budget for 2009 without defaulting on pledges to improve the lives of the majority of the population.

Source: Reuters

Angola inflation quickens on food costs

Angola's inflation quickened to 13.28 percent year on year in January from 13.18 percent in December, largely due to an increase in food prices, said the National Statistics Institute (INE). Month-on-month inflation stood at 0.94 percent in January compared to 1.78 percent in December.

"The price of hotels, coffee shops and restaurants registered the biggest increase in prices," INE said in a statement, noting the increase was caused by rising food prices.

Analysts say Angola's inflation will likely brake in 2009, as lower economic growth weighs on prices of goods and services, but should remain above the government target of 10 percent this year.

The government expects Angola's economy to expand by 11.8 percent this year, down from around 15 percent in 2008, as the global economic downturn pushes oil prices down. Angola is recovering from a 27-year civil war that ended in 2002. The southwestern African nation imports almost all of its food, whose prices have increased in recent years due to bottlenecks at the country's main port in Luanda.

Luanda is the world's most expensive city for foreigners, according to a report by human resources firm ECA published in December.

Source: Reuters

Dutch Trade Mission to Angola from March 29th to April 4th 2009

The Netherlands African Business Council (NABC) is taking the initiative to organise a second trade mission to Angola for Dutch companies. The first mission to Angola was successfully realised in November 2007. This mission will take place from March 29th to April 4th of 2009, and is being organised by NABC for the EVD, an agency of the Dutch Ministry of Economic Affairs. For the first time the Trade Mission will be accompanied by the Dutch Minister of Economics, Maria van der Hoeven, as an opportunity to strengthen cooperation ties between the two countries.

Business' curiosity has been triggered by the high growth rate that the country has shown in recent years. Now that the economic expansion in many European countries and the US is slowing down, this is an excellent time to look for new opportunities in countries with high potential, such as the resource rich Angola. Export revenues have fuelled the economy in the last years, while the government has invested a lot in diversification of the economy.

Developments in Angola offer specific opportunities for companies in infrastructure, construction and energy. During the mission there will be a focus on these sectors, which will be supported by the IRO, the Dutch branch organization for suppliers in the oil and gas industry. Moreover, the mission is fully supported by the Netherlands Embassy in Angola and other Angolan companies and government institutions.

The emphasis in the programme will be on matchmaking. NABC will compose a customized programme for each participant. Furthermore, there will be a number of seminars, networking events and company visits. If necessary and possible, another city will be visited besides Luanda.

For more information, please refer to the website of the Netherlands African Business Council: www.nabc.nl.

Source: NABC

Control of world crisis requires national economy diversification

The Angolan government has outlined a set of strategies to handle the effects of the world economic and financial crisis in the country, which requires investments in agriculture, industry, geology and mining, as well as creation of growth points around the country. The programme concerning industry is intended to establish growth points countrywide.

Speaking at the end of the session of the Cabinet Council, the Industry Minister, Joaquim David, said that its Ministry will embark into industrial ventures in all the provinces. Hence, construction materials and equipment factory to support the agriculture sector will be put in place so as to increase production and reduce imports.

With regards to the geology and mining sector, the official announced that the Government intends to diversify the sources of revenues, through boosting mining activity, involving the exploration of other minerals and thus put an end to the diamonds monopoly.

According to the Minister of Geology and Mining, Makenda Ambroise, the programme encompasses all activities of the sector, both diamond and non-diamond.

He explained that the Government has designed several social projects, with emphasis on the reconstruction of the country, construction of infrastructures, including houses, which requires raw materials provided by the mining industry.

On the other hand, the Minister approved the national programme on Urbanisation and Housing, whose challenge includes the reduction of the shortage of houses, currently recording a deficit of 1.7 million houses.

According to the Minister of Urbanisation and Housing, Diakumpuna Sita José, the Government has designed a national housing system, with priority to the construction of houses for low income people.

In 2008, the head of State announced the construction of one million houses until 2012, with the participation of the public and private sector and cooperatives.

Source: Angop

Ericsson selected for consulting and network expansion by Unitel in Angola

Ericsson and Angola's Unitel have signed a contract for network performance consulting and continued expansion of Unitel's GSM/WCDMA network over the coming three years. The contract includes a comprehensive network performance partnership agreement, to strengthen Unitel's network quality. Under the agreement, Ericsson consultants will perform network improvement and optimization services for the core, radio and transmission networks.

For the continued expansion of Unitel's network, Ericsson will deliver services including network design, network deployment, systems integration and network support. Ericsson service professionals from Angola and Portugal will be involved in the project.

Amílcar Safeca, CEO of Unitel, says: "We have been working together with Ericsson since our launch. Ericsson has proven it has the competence, product portfolio and services capability needed to secure the highest quality communications for our customers". Part of the network was however supplied by Alcatel-Lucent in a US\$53 million contract signed in May 2006.

The Mobile World notes that Unitel ended last September with a shade under 4 million customers - giving them a market share of 63%. The country penetration rate stands at just under 50%.

Jan Embro, President of Ericsson in sub-Saharan Africa, says: "This contract reflects Ericsson's strong position in Angola. We are proud that Unitel has selected Ericsson's consulting expertise for the network performance improvement and continued network expansion, which will strengthen Unitel's continued growth and ensure a High-quality end-user experience for Unitel's customers. "

Each year Ericsson delivers more than 1300 consulting and systems integration projects in multi-vendor and multi-technology environments to operators worldwide. Ericsson's strategy, technology, operational, competence consulting and systems integration expertise covers multimedia services and service networks, telecom management, IP core networks, IP multimedia subsystem (IMS) and satellite communications.

Source: ERICSSON

UNITEL launches Comverse voice services for growing user base

Comverse announced that Angola's largest mobile operator, Unitel SA, has launched Comverse Voice HUB, a single platform for all voice applications that introduces innovative services and new revenue opportunities.

"The rapid expansion of our customer base requires new capabilities and services," said CEO Amílcar Safeca of Unitel SA, which has more than 4.5 million subscribers. "Partnering with a results-oriented market leader like Comverse enables us to offer our users the best and most advanced services."

The Comverse Voice HUB makes the most of voice traffic with a single-platform approach that views each call in totality, with revenue opportunities at three key points: the *pre-call*, *call*, and *post-call* periods.

For instance, Unitel SA users now will receive Visual Voicemail, which enhances the traditional voicemail experience. All voicemail messages are displayed in an in-box, whose email-like interface provides such key information as date, time, length of message, caller number and identity, when available. Users can scan the messages, click to hear new and previously heard messages in any order, and then reply, forward, or save messages.

Users also will receive text notification – known as Who Called – every time they miss a call while their phone is unreachable (turned off, out of service range) and can return those calls with a single click. In addition, callers trying to contact unreachable parties now will receive text notification – known as Notify Me – as soon as the party becomes available and can click to connect. This eliminates the need for repeat dialing. Who Called and Notify Me are key elements in Comverse's Call Completion offering.

"Comverse Voice HUB is a single platform supporting multiple services, designed to increase revenues and reduce costs," said Urban Gillstrom, President, Global Sales at Comverse, the world's leading supplier of software and systems enabling value-added messaging and content services, converged billing and active customer management, and IP communications.

The Voice HUB's unified platform architecture benefits operators with lower expenses from reuse of major components and from centralized operation, maintenance and provisioning.

Comverse is demonstrating its Voice HUB at the Mobile World Congress February 16-19, 2009 in Barcelona, Hall 8 Booth # B83.

Unitel SA is the leading mobile operator in Angola with more than 4.5 Million subscribers (December 2008). The company launched its GSM services in April 2001 and now covers all 18 provinces of the country and over

100 municipalities. Last year, the company started introducing innovative new services based on 3G Network, high speed data services HSDPA.

Source: Business Wire

Ashok Leyland bags \$43 million Angola orders for 1,000 buses

Hinduja Group flagship Ashok Leyland has bagged orders for 1,000 buses from the Ministry of Transport of Angola, worth \$43.5 million. Ashok Leyland said the buses are specially designed to suit local requirements and were designed to meet the needs of the rural population who travel to the cities with agricultural produce and return with provisions. The buses have a goods compartment added to the seating area with 30 seats. It is built on a strengthened chassis to withstand the extra weight of goods and has a 4x4 configuration to combat trying under-tyre conditions. ALL has already delivered 300 such buses within stiff deadlines starting August 2008, along with 200 Falcon buses, the release said. The second order came in January 2009, for 500 Eagle Mini buses - 50 air-conditioned and 450 non air-conditioned. Deliveries against this order have to be completed by 31 March 2009.

"These orders are definitive steps in our global plans of creating a significant presence in the second hemisphere markets and come close on the heels of the orders for defence vehicles from Honduras and Thailand," said R. Seshasayee, managing director of Ashok Leyland. "Along with our ongoing operations in South Africa and Kenya, entry into the Angolan market further strengthens our presence in the high potential sub-Saharan African region," he added.

Ashok Leyland is working closely with transport authorities and agencies to develop a range of vehicles tailor-made to meet the unique requirements of Angola, after peace returned to war-torn country and trade embargos were lifted, the release said.

He said the company's entry into the Angolan market would strengthen its presence in the sub-Saharan African region, along with its ongoing operations in South Africa and Kenya.

Source: Domain-b.com

Agriculture in Angola: opportunities

After having been neglected for decades due to the war, agriculture is now rising to the top of Angola's priority list. This month, President José Eduardo dos Santos publicly urged for the diversification of the economy in order to decrease the country's dependency on oil and diamonds.

The agricultural sector presents vast potential for the development of Angola's economy and is increasingly being recognized as such. The Ministry of Agriculture recently announced that \$35 million dollars will be made available to strengthen agricultural production, while the area of arable land will be increased from 6.7 to 7.7 million hectares to reach the government's objectives for the period until 2013. Furthermore, a credit line of \$350 million dollars has been approved to finance small and medium scale farmers, as well as associations and agro-livestock cooperatives.

Provinces in which agricultural production is already on the rise are Kwanza Sul and Malanje, where the so-called Aldeia Nova ('New Village') Project is being developed by the Ministry of Public Works in partnership with Israeli firm LR Group. The aim of the project is to promote and enlarge the national market and improve production and cultivation methods, thereby guaranteeing greater productivity and output of the farmers.

Starting in 2003 in Waku Kungo, Kwanza Sul province, this agro-industrial project entails the construction of villages inhabited by families of demobilised soldiers and citizens. In Waku Kongo, the project covers an area of 17.000 hectares where a broad range of vegetables and fruit is being cultivated. Eight villages have already been built and are operating as part of the project. Seven more villages are under construction. Each village has its own specialization, being either milk or egg production, and/or breeding poultry, pigs or bovine.

In 2007, the Aldeia Nova Project produced 4.700.430 eggs, 423 thousand litres of milk as well as 943.930 kg of meat, an increase of 40 percent compared to previous years.

In 2008, Kwanza Sul registered a production of 23 million eggs, 700 thousand litres of milk and 230 thousand poultry, which is set to increase in the coming year taking the growth of the project and government's objectives into account.

The newest expansion of the Aldeia Nova Project in Kwanza Sul is the launch of a sugar cane plantation plan called 'Procana' which will cover 44 thousand hectares of land. Starting with the plantation of 25 thousand hectares, production is expected to reach about 120 tonnes per hectare.

Agricultural production under the Aldeia Nova Project in Waku Kungo functions as a pilot-project which can serve as an example for planned expansion to other provinces. From this year onwards, \$400 million dollars will be invested in promotion and modernization of agriculture in the provinces of Bengo, Malanje, Benguela, Bié, Cabinda, Huambo, Lunda-Norte, Moxico, Zaire and Uíje. Therefore, existing demand for agricultural tools, fertilizers, improved seeds, improved production of livestock and of cattle breeding for animal traction will only increase in the future, offering ample space for foreign investors and companies to meet this demand.

Sylvia Croese
Netherlands Embassy Luanda

Sources: Jornal de Angola & Aldeia Nova Project

Angola can be favourite tourist destination in Africa in coming ten years

Angola has many possibilities to become, in the coming ten years, a favourite tourist destination in Africa due to the increasing investments being made in the reconstruction of its local infrastructures, said the director of the Institute for the Promotion of Tourism, Amaro Francisco, in Madrid.

According to Amaro Francisco, who coordinated the stand of Angola at the International Tourism Trade Fair of Madrid (FITUR), the rise of new hotels, the recovery of ways of communication, highways and bridges, as well as health services, will contribute to Angola being, within ten years, a favourite destination for many citizens from Europe, America and other continents.

“As soon as Angola recovers its infrastructures, and centres of tourist attraction are created in the provinces, the country will have the conditions to take on its real position in the African tourist circle, turning itself into a favourite destination”, said the representative of Infotur in an interview to Angop, after having made declarations to the foreign press who were present at the stand to obtain information about Angola.

He said that people are looking for new destinations that offer natural beauty, culture, security, and above all, well-being. These are qualifications that Angola will be able to meet and surpass within a couple of years.

He referred that the existing conditions in the country already are acceptable, but that there is still work to be done, which will require continuous effort by investors, making use of the business opportunities offered to national as well as foreign businesses by the Angolan government.

Angola participated in the Tourism Trade Fair with a stand of 32 square metres, and presented FITUR with a variety of articles like postcards, tourist guides, paintings, investment projects, books, tokens of the Republic, amongst others.

The International Tourism Trade Fair of Madrid opened last month, presenting the latest news in the world of tourism, like models of hotels, interior design, tourist destinations, and services of airline companies.

Source: Angop

ANIP chief reiterates openness to foreign investment

The Co-ordinator of the Restructuring Commission of the National Agency of Private Investment (ANIP), Aguinaldo Jaime, said Angola is open to foreign investment in industry, public works and tourism sector. Speaking at the Forum of the Gulf and African countries, that is taking place on the scope of the meeting of experts of the Southern Africa Development Community (SADC), Aguinaldo Jaime, said that Angola's political and macroeconomic stability are essential factors to attract investments.

According to him, the reforms that have been carried out over the recent years, mainly the approval of the laws of private investment, complemented with reciprocal protection accords, offer good conditions to external investment. He also said that due to the political stability, reinforced with the 2008 legislative elections, the Angolan Government has been implementing a series of measures to fight poverty and improve people's living conditions.

Source: Angop

Delta Airlines fly direct to Angola

Delta Air Lines ([DAL.N](#)) will launch direct commercial flights between the United States and Angola from June or September, U.S. Ambassador to Angola Mr. Dan Mozena was quoted as telling local news agency Angop. These would be the first direct commercial flights from the U.S. to oil-rich Angola, and would serve U.S. oil workers who currently use a 15-hour charter flight known as the Houston Express that lands in Luanda three times a week. However, Mr. Mozena did not provide further details on the flights.

A Delta Air Lines spokesperson was not immediately available to comment.

Source: Reuters

Oil, Mining and Energy

Angola plans energy projects

Low oil prices will not affect producer. Angola's resolve to carry out multi-billion dollar investments at home and raise stakes in Portuguese firms, the head of state-owned firm Sonangol said. "We are used to price volatility in the oil market and remain committed to our long-term investments," Manuel Vicente told reporters.

Sonangol plans to build a new \$8 billion oil refinery in Lobito and another plant in Soyo to help satisfy growing demand for gasoline in an economy that has been growing in double digits since the end of a civil war in 2002. Its only existing 65,000 barrels per day (bpd) refinery in Luanda is also being revamped to increase production to 100,00 barrels per day.

Vicente said Sonangol was also committed to building Angola's first liquefied natural gas plant at a cost of \$4 billion. Oil producers are struggling to deal with a drop of over \$100 per barrel for oil since July. OPEC-member Angola has joined in the group's output cuts aimed at putting an end to falling prices.

Vicente said Angola should produce 1.656 million barrels of oil per day in 2009, down from a high of two million barrels last year. Angola, which rivals Nigeria as sub-Saharan Africa's biggest oil producer and is also the acting president of OPEC, had seen its 2008 revenues rise 53 percent from the previous year to \$26.6 billion. Sonangol's net profit rose 30 percent to \$2.9 billion last year.

The state-run company's war-chest of \$4 to \$5 billion to invest at home and abroad this year means it can increase its 10 percent stake in Portugal's largest listed bank, Millennium bcp.

"If necessary, we will increase (our stake). It is in times of crisis that one can grow," Vicente said. Millennium bcp has announced that Sonangol bought 29.9 percent of its subsidiary in Angola.

Last week, Millennium bcp closed up 1.17 percent at 0.60 euros. Vicente said Sonangol was planning to set up an office in Lisbon to also carry out new investments in the real-estate sector in Portugal.

Harder times will however delay plans for Sonangol to enter the stock market and a busy political calendar in 2009 should put off plans to hold a round of bidding for new oil block concessions in Angola, Vicente said.

"The financial crisis requires that we re-think these plans," said Vicente. "We have recently witnessed giants fall like sheets of paper.

Analysts said the Luanda stock market was unlikely to open in 2009 because of Sonangol's decision not to float its shares in the market. Sonangol is Angola's biggest company.

Vicente signalled that bidding for offshore oil blocks, which was suspended before parliamentary elections in 2008, should remain on hold until presidential elections in the second half of the year.

"In an industry like ours, a government that is ending its mandate cannot hand out new concessions. It isn't cordial to do so," he said.

Chevron, Exxon Mobil Corp. and Total have all said they were interested in expanding their exploration and production activities in Angola, each already pump over 500,000 barrels of oil per day from Angola's offshore reserves.

Sources: Reuters

Total keeps Angola investment despite low oil price

French oil firm Total said it will go ahead with a \$9 billion investment to raise production in Angola, despite a \$100 fall in oil prices since July due to the global economic slowdown.

Total planned to stick to its major investments in Angola, expecting crude prices to recover, the company's top official in Angola said.

"We are living through a crisis that has pushed oil prices to very low levels. Therefore, we are being extremely strict with all our investments," Olivier Langavant, its director general in Angola, told Reuters in an interview. "But the big projects (in Angola) like the Pazflor, which is a \$9 billion investment, will be maintained."

Pazflor, Total's third production hub in Angola's offshore Block 17, is expected to begin pumping oil in 2011 from water depths of up to 1,200 metres, according to the company website (www.total.com). It is the firm's biggest investment in Angola.

Total is the third biggest oil producer in Angola after Exxon Mobil Corp. and Chevron, pumping, on average, over 500,000 barrels per day. The three companies have poured billions of dollars into Angola, which rivals Nigeria as sub-Saharan Africa's biggest oil producer.

Since the end of a civil war in 2002, Angola's economy has been growing in double digits on the back of record oil prices and foreign investment aimed at rebuilding the infrastructure.

Analysts now fear Angola's decision to cut oil output to less than 1.6 million barrels per day, from an average 1.9 million in 2008 -- to comply with OPEC cuts -- could put the breaks on growth in a nation dependent on oil for 90 percent of its income.

However, Langavant said Total expected oil prices to rise from around \$40 at present, bolstered by OPEC's production cuts and an increase in demand once the global economy recovers. "It is Total's expectation that in the medium-to-long-term the price of oil should rise," he said. "Total normally mentions that a reasonable price per barrel would be around \$80."

The Organisation of the Petroleum Exporting Countries (OPEC) agreed in December to slash output by a record 4.2 million barrels per day in a bid to prop up prices. Analysts expected the group to cut more at a March 15 meeting in Vienna.

Total said it was carrying out the necessary cuts to comply with Angola's new OPEC production quota that is just under 1.6 million barrels per day, according to Angola's oil ministry.

"We have been told to cut production and we are complying with the cuts," said Langavant. He did not provide details as to how much Total had reduced production in Angola. "Our normal production is above 500,000 bpd and our output today is in line with Angola's requests." Angola's oil minister, Jose Botelho de Vasconcelos, who is also OPEC's president for this year, has said that the 12-member group would like oil prices to reach \$75 per barrel in 2009.

Source: Reuters

Angola to reduce 2009 oil output to 1.656 mln bpd

Angola is set to produce 1.656 million barrels of oil per day this year, down from last year's high of 2 million bpd, Sonangol boss Manuel Vicente said. Angola, which rivals Nigeria as sub-Saharan Africa's biggest oil producer, said 2008 revenues rose 53% from the previous year to \$26.6 billion. State-run Sonangol's net profit also increased 30% to \$2.9 billion.

"For 2009 we expect to produce 1.656 million bpd," Vicente told Reuters. "In 2008 we managed to produce 2 million bpd ... In 2009 we expect to produce 1.656 million bpd," he added. Vicente said Angola would decrease output by a total of 244,000 bpd this year to comply with recent cuts by OPEC. He added that the financial crisis will delay plans for Sonangol to enter the stock market. Sonangol has announced it is interested in entering the stock market in South Africa, New York and a future stock market in Angola.

"The financial crisis requires that we re-think these plans," said Vicente. "We have recently witnessed giants fall like sheets of paper."

Source: Upstreamonline

Angolan crude in high demand

Strong demand for Angolan medium, heavy crude oil grades looks set to continue in April as OPEC output cuts limited supply, traders said. Differentials looked to be at steady or firmer levels to March. Traders assessed Hungo at close to dated Brent minus \$2 and Dalia at around dated minus \$3.50.

"It seems that the two available Hungo cargoes have been sold to the market already so it looks like differentials will be stronger in April for medium grades."

Angola is set to export around 1.62 million barrels per day (bpd) of crude oil in April, steady from March but down over 200,000 bpd from January levels due to the Organization of the Petroleum Exporting Countries' (OPEC) output curbs.

Traders assessed the price of Qua Iboe QUA-BFO at around dated Brent plus \$3.15, with fellow Nigerian benchmark Bonny Light Bon-BFO around 5-10 cents higher due to shorter supply. However, traders thought differentials could weaken in the future.

"Although plus \$3.15 seemed like a fair price for Qua Iboe now, there is so much crude on the water that it could go down as fast it came up," a trader said.

The Nigerian April loading programmes were not due out until the middle of next week so traders were struggling to judge differential levels for Nigerian grades. Indian Oil Corp, India's largest state-owned refiner, has its third tender for April loading crude running this week.

Source: Reuters

Oil Minister says Lobito oil refinery's strategic

The Angolan Oil Minister, Botelho de Vasconcelos, said in Lobito, Benguela Province, that the construction of Lobito oil refinery will cost \$8 billion. The refinery is intended as strategic for re-launching the country's economy in the coming years. Addressing a meeting in which the management of the project presented details of that economic unit, Botelho Vasconcelos stressed that this will stop the current imports of oil by-products.

According to the minister, the refinery will enable the financial resources used by the government in the purchase of oil by-products, to be invested in other socio-economic sectors of the country.

"The country now imports over 70 percent of fuel and other crude oil by-products and with the refinery in operation, this process will come to an end," revealed the Minister.

Another advantage of the project, according to Botelho de Vasconcelos, is that it will employ hundreds of Angolans, thus creating better living conditions for the people. The refinery will employ, in its implementing phase, some eight thousand young people.

According to the data released by the managing board of the project, the refinery will transform, in a first phase, 150,000 barrels of crude oil per day, out of the 200,000 that will be processed by the industry until the consolidation phase.

The minister also said that the project of the refinery was designed taking into account the domestic market and that of the southern region, which will consume about 90 percent of the production and the export of other 10% to countries outside the region. The works, which started last January, will last about 40 months.

Source: Angop

São Tome says close to signing oil deal with Angola

São Tome and Príncipe is close to signing a deal with Angolan state-owned oil company Sonangol to help start pumping oil from the tiny African island nation's coast, said a senior government Minister.

São Tome Prime Minister Joaquim Rafael Branco said after meeting with Angolan President Jose Eduardo dos Santos in Luanda, the partnership with Sonangol could also be open to other oil companies. He did not provide further details.

São Tome and Príncipe, mostly known for its key export crop -- cocoa -- recently discovered enormous oil reserves off its coast in the Gulf of Guinea. The country's government has since been looking for a partner to tap into these reserves. "The oil exists," Branco told journalists after the meeting. "It is a blessing of God and it will soon be explored." Sonangol oversees all of the oil exploration activities in Angola, which rivals Nigeria as sub-Saharan Africa's biggest oil producer.

Portugal's Galp Energia (GALP.LS) has also been reported to be in talks with Sao Tome and Principe's government on a possible partnership.

Source: Reuters

Angola may buy its own diamonds to combat crisis

The world's fifth diamond producer, is considering buying diamonds from firms operating in the country to help them overcome a sharp drop in market prices, a spokesman for state-run diamond Company Endiama said.

Demand for rough diamonds has plunged in recent months and is expected to drop by some 60 percent this year as the global recession hits demand for luxury goods in vital markets such as the United States and Europe,

analysts have said.

"The purchase of diamonds by the state is a measure that is being considered to help companies in the sector weather this crisis," Sebastiao Panzo said in an interview with Reuters.

Source: Reuters

Catoca Company maintains diamond production

Angola's Catoca Mining Society, in Lunda Sul province, is maintaining its diamond production levels, expecting to explore 50,000 cubic metres of ore per day. This was said by the head of the Department of Metallurgy, Mr. Flávio Fernandes. According to the official, the company has all along worked 24 hours a day, adding that a stoppage, as reported by certain foreign media, would cause huge damages to the Angolan State and its partners. He said a crisis commission has been appointed with cost reduction, while there will be no lay-offs.

According to 2007 report, Catoca Mining Society processed 9.7 million tons of ore, having recovered 6.5 million carat, a figure that will be overcome under the growth strategy of the company set up in 1995. The source said as well that the company will maintain its social responsibility action, under which professional training, scholarships and other kind of assistance to local communities have been provided.

Source: Angop

Banking and Insurance Sectors

Central bank says no plans to devalue Angolan currency

Angola has no plans to devalue its currency, the head of the country's central bank was quoted as saying, despite a rush to buy dollars amid fears a global economic crisis may cause the kwanza to plunge.

Demand for dollars was more than five times higher than usual, according to the central bank, amid rumours the country was preparing to devalue the kwanza on the back of falling oil and diamond prices "Angola's two main exports".

But Amadeu Mauricio, governor of the Banco Nacional de Angola (BNA), said in the state-owned Jornal de Angola newspaper that such rumours were unfounded. He said the move would only increase the price of goods and services, undermining government efforts to tame inflation in an economy that is mostly dependent on imports after almost three decades of civil war. "The recent measures taken by the government in reaction to the impact of the global financial crisis on the Angolan economy means that these rumours are unfounded."

The kwanza is currently unofficially pegged at around 75 to the U.S. dollar. A source close to the central bank, though, said there could be a slight devaluation of the kwanza but added that the country's foreign reserves, which at below \$20 billion, would help Angola keep its currency stable and meet financing needs in the coming years.

Some signs of financial distress have appeared in recent weeks. Demand for dollars rose to \$335 million, up from a daily average of \$50 to \$60 million. The source said the central bank governor was to meet with the heads of major commercial banks in Angola but that the meeting was "normal".

The rush to buy dollars came a day after President Jose Eduardo dos Santos called on his government to diversify the economy away from oil and diamonds, with prices having fallen in recent months.

Source: Reuters

National bank with plenty reserves

The deputy governor of Angola's Reserve Bank (BNA), Rui Minguês, said in Luanda there is domestic capacity and enough financial reserves for the country to deal with ongoing world economic and financial crisis. The official was speaking at the conference on "Effect of the world economic and financial crisis on the national economies".

On the occasion, he advised the economic operators, families and the State itself to reduce expenditures and get ready for sacrifices in the struggle to overcome the crisis. According to him, there is need for a stricter efficiency on the part of the public institutions to reduce the pressure from some organs and increase productive efficacy and profit levels.

On the other hand, Rui Minguês said the Government has pledged to maintain the macro-economic stability, on a 10 percent inflation rate and the exchange rate this year. He said the Government is also committed to maintaining the public deficit levels within reasonable limits. The official also spoke of the need to speed up local production of food and replace imports, in order to reduce dependence on imported agricultural goods.

Source: Angop

Sonangol says could increase Millennium BCP stake

Angolan state-owned oil company Sonangol said it was a long-term investor in Millennium bcp and could increase its 10 percent stake in Portugal's largest listed bank. "We have not made this investment with a speculative perspective. We do not plan to leave. The investment in Millennium bcp is for the very long-run," chief executive Manuel Vicente said. "The goal is to have crossed shareholdings. Much like the Portuguese have investments in Angola it is necessary for Angola to have investment initiatives in Portugal." Asked if Sonangol could increase its stake in Millennium bcp, Vicente replied: "If necessary, we will. It is in times of crisis that one can grow".

Vicente also said Sonangol was planning to invest in Portuguese real estate and planned to set up an office in Portugal to oversee investments there. Sonangol board member Francisco de Lemos told Reuters on Wednesday the company had \$4-\$5 billion to invest in Angola and abroad this year. Sonangol owns 45 percent of holding company Amorim Energia, which controls 33.3 percent of Portuguese oil company Galp Energia

Source: Reuters

BPC bank new branch in Camabatela to boost region's development

The governor of Kwanza-Norte Province, said that the inauguration of a branch of the Savings and Credit Bank (BPC) in Camabatela will stimulate economic development of the region. Speaking to the Press after the inaugural act, he said this move will facilitate banking operations for businesspeople who want to invest in cattle-breeding, as well as for payment of salaries to public employees and stimulate savings practices.

The building works cost 800,000 US dollars and is part of the institution's strategy meant to extend branches countrywide, provide services such as credit, as revealed by the bank's CEO, Paixão Júnior. In the northern Kwanza Norte Province, other three branches are located in the districts of Cazengo, Golungo Alto and Kambambe.

Source: Angop

Logistics and Infrastructure

Angola speeds on with showpiece venue

In a year in which Angola's two main exports (oil and diamonds) have plunged, a scene on the outskirts of the capital city of Luanda defies the notion of scaling back in bad times.

Over the last few months, a massive 50,000-seater soccer stadium has risen in Camama where thousands of people live in shanty towns without running water or electricity. About 900 workers, mostly Chinese, are engaged on its construction. When complete, it will be the showpiece venue for next year's African Nations Cup final. Thousands of fans are expected to come to Angola to see the tournament, known as CAN, when the continent's 16 top teams do battle. The January 10-31 event will also be broadcast live to millions of TV screens across the world.

A CAN director has put the cost of staging the competition at one billion dollars -- \$600 million (421 million pounds) alone is the price tag on new stadiums in Cabinda, Huila, Benguela and in Camama which will host other matches as well as the final. Millions more will be used to revamp old airports, roads and build hotels across the nation to accommodate the increased number of tourists expected. "We're working at breakneck speed to have this ready before the end of the year," said Manuel Mariano, CAN marketing director.

Such investment might seem foolish in the face of a global recession. Just last month the government cancelled the World Diamond Summit, branded as one of the most important gatherings of diamond producing nations, in an indication that the industry was losing its lustre. Yet nothing seems to get in the way of soccer -- a sport the Angolans inherited from former colonial rulers Portugal -- even though Angola's national team has failed to qualify for the 2010 World Cup finals in South Africa.

"There are 326 days left for the CAN to begin," a reporter for the country's national public radio announced at the start of the newscast.

Outside, children play barefoot on dirt pitches next to countdown billboards featuring the competition's mascot -- a caricature of Angola's rare giant black sable antelope, playing soccer. The hype is understandable. It will be the first international soccer competition to be staged by Angola in several decades. Analysts say the country's hosting of the tournament could also help keep the engine of its economy from stopping now that global demand for oil and diamonds is down.

"Football is a passion for Angolans," said Alex Vines, the head of Africa Research for London-based think-tank Chatham House. "The investment in the tournament is huge, I agree, but it also means more jobs and it can definitely help the economy grow."

The event has also helped attract much-needed foreign investment in new infrastructure and other sectors of the economy as Angola recovers from the almost three decades-long civil war that ended in 2002.

"I feel that investors are looking at the Angolan market with even greater interest than before," said Aguinaldo Jaime, the head of the country's investment agency ANIP. "For Angola, I believe this crisis is more of an opportunity than it is a threat."

At the construction site in Camama, about 30 kms from the centre of Luanda, hundreds of Angolans and Chinese from the Shanghai Urban Construction Group work around the clock. The stadium rim is expected to bend like the horns of the black sable antelope -- the country's national symbol. The soccer team is known as the "Black Antelopes."

The Cup, played every two years, was won by Egypt for a record sixth time in Ghana in 2008. This will be the first time a Portuguese-speaking country has hosted the event. "I'm happy to have a job here, especially when there is talk that the economy is slowing down," said one worker at the stadium in Camama. Asked if he thought the half-built edifice would be finished in time for the tournament, he replied: "I'm sure it will, the Chinese are building this thing."

Source: Reuters

Angola gets over 400 new fishing boats

Angola has 440 small and large-sized boats, distributed in the major fishing provinces of Zaire, Bengo, Cabinda, Luanda, Kwanza Sul, Benguela and Namibe, informed the Director of the Artisan Fishing and Aquaculture Development Institute (IPA), Mr. Caholo Duarte. In a joint interview to the press, with the director of the Fund for Assistance to the Fisheries Industry and Agriculture (FADEPA), Verónica Naquela, IPA's director stated that out of the 440 vessels, 190 are from Spain and 250 from China.

Referring to the Spanish vessels, 160 are 7.40 metres long, 20 (13.80 m), and 10 (12 m), while those from China, 100 measure 9.60m and 150 (7.40m), with Japanese electronic equipment (GPS, VHF system, radio), and as well as Norwegian-made fishing support equipment.

According to Caholo Duarte, the programme dubbed "Renewal of the Fleet" is a project aimed at replacing out of date boats, which are made of wood, with safer ones made of steel. The intention is to replace, by 2010, about 3,000 boats out of the 6,000 existing in maritime artisan fishing sector.

The source also revealed that the 9.60-metre boats were delivered to the cooperatives at an amount of USD 100,000 each, which is refundable over a period of 10 years, the 7.40-metre vessels are estimated at USD 80,000, while the others measuring 7.40 metres cost 87,000 Euros.

On her turn, the director of FEDEPA, Verónica Naquela, said there are 26 semi-industrial, 08 industrial boats, which were distributed in the provinces of Luanda (6 semi-industrial and 7 industrial), Namibe (11 semi-industrial and 1 industrial), Kwanza Sul (3 semi-industrial) and Benguela (6 semi- industrial).

The fleet renewal programme is an initiative of the Angolan government and will be implemented during a period of 10 years, and shall include an average supply of 600 vessels per year. The programme is funded by the People's Republic of China in an amount of USD 250 million, Poland USD 27.5 million and Spain 81 million Euros.

Source: Angop

Rains delay repair of Menongue-Caiundo road

The heavy rains hitting the south-eastern Kuando Kubango province are slowing down the rehabilitation of the 148 kilometres of the Menongue/Caiundo road, whose works started in January 2008. According to a source from the construction company (Zagope), which is carrying out the road works, the ground levelling for asphaltting the road would only start in May this year, due to the rains.

The construction of the infrastructure is estimated at USD 95 million and it is an initiative of the Angolan Roads Institute (INEA). It includes ground levelling, construction of ditches and road traffic signs. According to the initial sketch of the road, it will have two lanes and its rehabilitation fall under the government strategic plan that aims at the rebuilding of the roads of the country.

Speaking to the press, the administrator of Caiundo district, Elísio Macaia, said he was concerned with the situation, as the rehabilitation of the referred road would contribute to the reduction of the transports fares and improvement of the population's lives. The official said that the locality has a potential for its self-sufficiency, but needs roads in good conditions. The Menongue/Caiundo road is a strategic point for the economic growth of the south-eastern Kuando Kubango province as it borders the Republic of Namibia.

In the meantime the rehabilitation of the Moçamedes Railways (CFM) has entered its final stage with the fitting of new sleepers and rails from Jamba district (Huíla province), to Kuvango district, (Kuando Kubango province).

The information had been provided by CFM's Director General, Júlio Bango Joaquim, who was presenting his assessment of the work done on the railroad since 2006. In addition to the fitting of the rails and sleepers, the official said, the bridges on the route have been rehabilitated.

Source: Angop

Provincial governor inaugurates hotel in Uíge

A new two-star hotel dubbed "Salala", was inaugurated in the northern Uíge province, by the local governor, Mawete João Baptista. Hotel Salala comprises 22 properly equipped rooms (with televisions and air-conditioning systems), restaurant, café, swimming pool and a car park.

At the occasion, the governor affirmed that the hotel will cover the existing gap in the sector and, urged entities with financial means to follow the same example. The official invited the local entrepreneurial sector and that of other regions of the country to invest in Uíge, especially in the hotel area in order to attract a larger number of tourists.

According to Mawete João Baptista, boosting tourism in Uíge province demands the participation of the business sector. Meanwhile, the owner of Hotel Salala, José Soares da Cruz said that the undertaking resulted from an action programmed after five years of work.

Source: Angop

Uniprev to build residential condominium in Lubango

The real estate Company Uniprev will start as from this year in Huíla province the building of a condominium of 8000 houses for low, medium and high income people. Speaking to the press, the company director for the southern region, Rosário Neto, said that the project will start to be implemented in this semester, with the construction of buildings of three and four floors, in an area already reserved at "quilómetro 16" in Lubango District.

The manager said that the project dubbed "Onjuyo Yeto ", which is to be concluded in 2011, would start this month with the arrival of three technicians in Lubango who will carry out topographic studies and parcelling works. According to him the construction of the residential condominium, whose monetary amount was not mentioned, will count on funds of banks and partners of Uniprev.

According to the official, the residences will be of low and high income and they will contribute to the Angolan government's programme in providing economic houses, which will be built in the Nambambe and Mutundo zones. He explained that "Onjuyo Yeto" project was launched in 2005, but due to financial difficulties it was not possible to implement it at that time.

Source: Angop

Information Royal Netherlands Embassy in Luanda

The Department for Consular Affairs is opened for the public from 09:00 to 12:00 from Monday to Friday.

Consular Affairs provide the following services:

- Visa applications
- Legalization of documents
- Passport applications
- Consular declarations
- Residence visa's (MVV)
- Other consular related issues

To contact the consular department by phone:

From Monday to Thursday from 8:00 to 16:30

Friday from 08:00 to 13:30

Tel.: (+244) 222 310686/222 311239/222 311269 or 222 311511

Fax: (+244) 222 310966

E-mail: lua@minbuza.nl

www.angola.nlembassy.org

Useful Websites

Official Republic of Angola website:

www.angola.org

Royal Netherlands Embassy in Angola:

www.angola.nlembassy.org

AngolaPress

www.angolapress-angop.ao

Dutch Webpage with Practical Links:

www.angola.startpagina.nl

ANIP Agencia Nacional de Investimento Privado

www.investinangola.com

www.evd.nl/angola

Exchange Rates

Below the estimated exchange rate for the Angolan Currency Kwanza (KZ), according to the National Reserve Bank (BNA):

- KZ 75,524 to the US Dollar (USD)
 - KZ 96,165 to the Euro (EUR)
 - KZ 7,587 to S. African Rand (ZAR)
 - KZ 107,365 to the British Pound (GBP)
-

For comments, suggestions and remarks on this Newsletter, or any other business, please contact the Commercial Team at the Netherlands Embassy in Luanda:

- Mr. Hans Akerboom (Counsellor/Economic Affairs)
hans.akerboom@minbuza.nl
- Mr. Mário I. Lironel (Assistant Economic and Commercial Department)
mario.lironel@minbuza.nl
- Ms. Sylvia Croese (Translator/Political & Economic Affairs)
sylvia.croese@minbuza.nl

Tel: (00 244) 222 310866 or (00 244) 222 311239

Fax: (00 244) 222 310966

E-mail: lua-ea@minbuza.nl

For more information, please visit our website:

<http://angola.nlembassy.org/>

If you are not interested in obtaining this newsletter every month, please advice through the email lua-ea@minbuza.nl and we will remove you from the distribution list.
Thank you.

Disclaimer

The content of this newsletter does not reflect the views of the Royal Netherlands Embassy. It is merely a resume of news articles, from both national and international newspapers and news agencies, which we deem of importance to you the addressee.