



Royal Netherlands Embassy Luanda, Angola

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Economy, Commerce and Investments

The economic perspectives for Angola in 2009 are deeply uncertain

Angola could enter recession in the second quarter of the year as falling oil prices and oil production cuts weigh on the economy, a World Bank economist said.

He said that if oil prices and output did not recover soon, Angola, dependent on oil for 90% of its income, would experience negative growth for the whole of 2009.

"The economic perspectives for Angola in 2009 are deeply uncertain," Ricardo Gazel, who is based in Angola, told Reuters. "Angola's economy could enter into a recession in the second quarter of 2009."

The term recession generally describes the reduction of the country's gross domestic product for at least two consecutive quarters.

Gazel also said he was considering revising downwards his 8 percent growth estimate for Angola's economy in 2009, down from a government estimate of 15,6 percent in 2008.

Angola, which rivals Nigeria as sub-Saharan Africa's biggest oil producer, has cut oil production to less than 1,6-million per day, compared to an average of 1,9-million bpd in 2008, to comply with OPEC cuts aimed at boosting oil prices that have dropped over \$100 since July.

Analysts said the cuts could dictate an end to double-digit growth in one of Africa's biggest oil producers, whose GDP growth has averaged 15 percent a year since the end of a civil war in 2002.

Leading Angolan economist Alves da Rocha told Reuters, he expected the economy to grow less than 6,3 percent in 2009.

The government, which in December forecast the economy in 2009 to grow 11,8 percent, has said it could revise these estimates in the face of the global economic slowdown.

Source: Reuters

China hails Angola as largest African trade partner



Oil-rich Angola has become China's largest trade partner in Africa, with bilateral trade hitting an all time high of \$25.3 billion last year, said Xinhua news agency.

China will send agricultural specialists to the southern African country to help revive the farm sector, which was badly damaged during a bloody

Source: Reuters

civil war, Commerce Minister Chen Deming said during a visit.

Angola is the biggest source of China's oil imports, and Beijing has offered the country at least \$5 billion in oil-backed loans after the economy was destroyed by a 27-year civil war which ended in 2002.

Chen said the Chinese government has exempted 67.38 million yuan in debts owed by Angola to help rehabilitate the economy.

Angola is one of the world's fastest-growing economies, from a very low base, thanks to its oil exports and the construction of housing and infrastructure in the few years of peace. Tens of thousands of Chinese work in Angola in everything from private brick-building factories to state-backed road and bridge projects.

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 will be organised by NABC for the EVD, an agency of the Dutch Ministry of Economic Affairs.

Business' curiosity has been triggered by the high growth rate that the country has shown in recent years. Now that 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 organisations and institutes.

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.

Participation is open for all Dutch companies. For more information, please refer to our website: www.nabc.nl. Registration is exclusively possible through the website of EVD: www.evd.nl.

Source: NABC

Agriculture in Angola: policies and opportunities

Agriculture in Angola is of fundamental importance for the economic and social life of the country. Moreover, due to decades of war it has enormous potential. As such, the Angolan government is increasingly stimulating and promoting growth of this sector. In its government programme for 2009 to 2012, the MPLA has outlined its policy and objectives with regard to the agricultural sector as follows.

Agriculture, livestock and forestry

The MPLA aims to attain (basic) food self-sufficiency and to generate surpluses for agro-industry and export, as well as a significant increase of direct and indirect employment.

For the next four years, the MPLA pledges to achieve the following objectives:

- Increase areas for cultivation with about 4 million hectares, in order to produce more than 15 million tonnes of cereals;
- Reach self-sufficiency in the area of legumes (beans, groundnuts and soybeans) with a production of about 1.8 million tonnes and creating surpluses of an estimated 800 thousand tonnes;
- Reach self-sufficiency in the area of root and tuber crops (cassava, potatoes, sweet potatoes) with a production of about 4.5 million tonnes per year;
- Cover about 70% of the domestic needs for poultry and 50% of beef, mutton and goat meat;
- Decrease the import of milk with about 20% and expand the consumption of internal production, for a larger amount of people;
- Cover about 60% of the domestic need for sugar;
- Produce about 400 thousand cubic meters of wood. The current needs are about 200-250 thousand cubic meters per year.

Fisheries and aquiculture

The MPLA emphasizes the importance of a responsible and sustainable approach of fisheries and aquiculture.

The next four years, this sector needs to meet the following objectives:

- Develop production based on the principle of rational governance of resources, within the limits of biological sustainability;
- Improve the provision to the people with an increase of catch and cultivation, by means of better participation by the Angolans and the national fisheries fleet, particularly the traditional, in the production of the sector. This requires the promotion of policies to support national businesses to invest not only in development of the sector itself, but also in infrastructures that contribute to the productivity of the sector;
- Strengthen the system of licensing, research, monitoring, control and fiscalization of the activities in this sector;
- Creation and maintenance of conservation, distribution and commercialisation networks of dry and fresh fish inland;
- Stimulation and support of the fishing industry in general and salt industry in particular.

In more particular terms, the MPLA government pledges to reach levels of production in this sector that completely meet internal demand and still generate surpluses for export. The government also pledges to produce an annual average of about 700 thousand tonnes of salt (the current average production is about 75 thousand tonnes). In the next four years, more than 24 thousand jobs will be created in this sector.

This year, the Netherlands Embassy in Angola will seek to produce a sector study on agriculture in Angola. We will keep you informed on the subject through this newsletter.

Source: MPLA Government Programme 2009-2012

USD 150 million injected into coffee sector

Angola is gearing up to boost its coffee industry following the government's decision to inject about \$150 million into that sector. The southern African country has since said it would train coffee producers and provide them with all the necessary tools in order to produce more coffee.

The former Portuguese colony, which is one of the top oil producers in Africa, wants to reclaim its top spot in the production of coffee hence coming up with such huge investment.

"We will train coffee producers, provide them with vehicles, modern roasting and grinding machines and other tools to help revive Angola's once prosperous coffee sector," Head of Angola's Coffee Institute Joao Neto said.

The country exports less than five percent of its 1970s record of 200,000 tonnes of coffee per year, a Reuters business report said. However with the new development the country expects the output to increase to 50,000 tonnes a year by 2013.

Angola was once the top coffee producer in the world before it plunged into years of civil war. Other African countries which produce coffee include Zambia, Malawi, Tanzania, Uganda, Burundi, Rwanda, Madagascar, Ivory Coast, Cameroon, Ethiopia and Congo.

Source: AfricaNews

Angola's capital Luanda world's most expensive

Angola's capital Luanda is the world's most expensive place for foreigners followed by Tokyo, a public relations director for London-based human resources consultant ECA International said this month.

Josephine Woolley based her comments on a recent ECA survey which compares a basket of 125 consumer goods and services commonly purchased by expatriates in more than 270 locations. She said long delays at Luanda's port and damaged infrastructure caused by an almost three-decade long war continued to inflate the price of goods and services typically used by foreigners in the oil-and-mineral rich nation.

"Luanda is still suffering from the aftermath of 27 years of war. It remains dangerous, is difficult to move around safely, and it is hard to source goods of a reasonable standard there because of a damaged infrastructure," she told Reuters. "These factors, along with inflation, have driven up cost of living, making it increasingly expensive for expatriates."

The end of the war in 2002 led to an investment boom by China and some Western nations which has helped turn Angola into one of the world's fastest growing economies. The boom also helped push prices to record highs. Despite a recent sharp drop in world food prices, a litre of imported milk can cost \$3 while the rent of a small two-bedroom apartment can easily fetch \$7,000 a month in a city that was built for 500,000 but is home to over five million people.

Analysts expect the cost of living in Luanda to remain high. The economy is forecast to grow 11.8 percent in 2009 and inflation to remain above 10 percent, government estimates show. "Prices of goods for expatriates should remain high due to strong demand," said Ricardo Gazel, a senior economist at the World Bank in Angola, noting the bottleneck at Luanda's port.

Angola, which rivals Nigeria as sub-Saharan Africa's biggest oil producer, was a major food exporter before a civil war devastated its agricultural sector as well as its roads, bridges and communications. Woolley said the Japanese capital had risen up the ranks in terms of prices in the past year. "A strong yen has made Tokyo the second-most expensive city in the world, up from 13th position a year ago," she said.

Zimbabwe's capital Harare used to be considered the world's most expensive city by ECA but the human resources company stopped including Zimbabwe in the ranking because of spiralling inflation there, said Woolley.

Source: Reuters

Invitation for bids-mobile voluntary counselling & testing vehicles

The Republic of Angola has received a grant from the International Development Association towards the cost of the HAMSET Project and it intends to apply part of the proceeds of this grant to payments under the contract for the Supply & Delivery of eleven (11) Mobile Voluntary Counselling & Testing Vehicles.

It is to be noted that the delivery period shall be of 150 days. Therefore bidding will be conducted through the international competitive bidding procedure specified in the World Bank's guidelines.

Interested eligible bidders may obtain further information from the HAMSET Financial Management and Procurement Unit through email: hamsetprocurement@snet.co.ao or Phone: +244 222 331 944 and FAX: +244 222 394 863.

Source: Jornal de Angola

Lonrho Plc to farm in Angola

PAN African investment conglomerate, Lonrho Plc announced this month that it had signed an agreement with the Angolan government to develop 25000ha of agricultural land, which is expected to add millions of rands to the group's coffers.

The agreement, done through the subsidiary, Lonrho Agriculture, will see the company embarking on several agricultural projects, including rice plantations, for both domestic and export markets.

Lonrho group chief executive, Geoffrey White, said the deal was part of the group's strategy to become a significant producer and processor of agricultural products for African, European and Middle Eastern markets. "The agreement is like a lease where the government gives us land and we pay a negotiated percentage based on production (when the plantations and processing plants are fully operational)," said White. He said Lonrho Agriculture was also undertaking feasibility studies in Malawi and Mali aimed at striking similar deals with those governments.

The company's agri-processing and packaging plant near OR Tambo International airport, had to be expanded recently to meet demand. Its revenue in the 12 months to December last year increased by 25percent compared to the previous year. Lonrho Agriculture supplies major retailers in South Africa and Europe, including Marks & Spencer and Tesco.

White said the company's recently added salad processing line at the Johannesburg facility was expected to add 20-million (R200- million) to revenue this year. He said the company was developing another cold storage facility at Lilongwe, Malawi, which would service the fast growing Middle East market, while further agri-processing facilities were being negotiated in Harare (Zimbabwe), the Niger delta in Mali and Luanda in Angola. Mozambique is also targeted for a fish processing facility.

Source: The Times SA

Industry records USD 350 million growth

The Angolan industrial sector has reached a growth estimated at USD 350 million, against USD 200 million of 2007, as a result of State and private investments. This was announced in Luanda by the Industry Minister, Mr. Joaquim David.

Speaking to the press at the end of the ceremony of compliments of the season, the Minister said there is a growth in the Angola industry sector well above its indexes of the last few years, despite a more reduced investment by the State as compared with that of the private sector, whose investment was estimated at a bit over USD 300 million.

Joaquim David considered the year 2008 as positive as, he said, it has reached figures never attained before, as a result of the success of the election that brought about more tranquillity, trust and an environment for new investments late last year and early 2009.

"Although there has been a rise in the price of fuels, more precisely of oil, a new aspect at world level, 2008 was an interesting year, for the combination of the positive factors that somehow brought their benefits to the country," added the minister. As to the oil price, the minister stressed that the year trend was favourable, although the consequences of the economic crisis are still to expect in 2009, plus the reaction of the capacity of the western world to purchase the goods exported by Angola.

According to the minister, the western world capacity in purchasing the oil and diamonds has significantly

dropped, which will reflect on the country's revenues, in terms of foreign exchange and its effect will only be noted after the developments in the markets less affected by the crisis.

The reactions of the India, Japan and China markets might promote the demand for this Angolan energy, although the growth of the economy of China is somehow dependent on that of America, due to their connections, he said.

As to the transforming industry, the official added, the Angolan State, within the framework of its programme, invested more in the recovery of infrastructures, permitting the improvement of the capacity of the banking sector and of the legal system as guarantees of the growth of private investments.

Source: Angop

Trade stood out as one of the most active sectors in 2008

With the licensing of 4,180 large and small public and private shops and service markets, including "Nosso Super" network of supermarkets, municipal markets and Logistics and Distribution Centres (Clod), trade in 2008 stood out as one of the most active sectors of the Angolan economy, alongside the oil industry, civil construction and agriculture.

Highlights were the expansion of Presild - Programme of Restructuring of the System of Logistics and Supply of Basic Goods to the Population - with the implementation across the country, of the network of supermarkets "Nosso Super", the construction of municipal markets and the expanding of rural trade.

Opened along the year 2008, such infrastructures played a role in the sector through the large number of large commercial outlets, the creation of jobs countrywide and the value of domestic production which "Nosso Super" granted to the local goods.

In 2008, the public business sector built 17 stores under the "Nosso Super" network, totalling 27, including 10 built in 2007. Those outlets have directly and indirectly provided seven million jobs, throughout the national territory. In 2008, "Nosso Super" yielded 139 million dollars and catered for some 11 million consumers, with an average ticket of Usd 15 of purchase per day. According to data released by Presild, at least 28 percent of goods and agro-industrial livestock marketed in "Nosso Super" outlets are locally made.

Therefore, producers, mainly farmers, received a boost in their work, by having the flowing of their production out into the major centres of consumption. This has also increased the production through the employment of more workforce. It also contributed to the commerce, construction of new lines of communication and rehabilitation of others that facilitated the transportation of people and goods from more remote regions to the cities, the main centres of consumption.

On the other hand, it is very important to note that trade has also flourished in the informal market. In parallel to the formal, informal trade, though not advisable to the economy, has provided and continues to provide conditions for the survival of many families and people of different ages, children, youth and adults.

But there is also acknowledgement that informal trade involves negative effects, such as tax relaxation, production of waste and disorder in the streets, lack of security and safety of customers, among others.

For 2009, the trade programme provides for, among others, continued development of a set of infrastructures and a network of distribution of goods, opening of new markets and supermarkets under construction and two distribution centres, and consolidation of rural trade.

Source: Angop

European airlines seek Angola TAAG link

Several European airlines have expressed interest in forging partnerships with Angolan carrier TAAG, which hopes to resume flying to the EU after being barred for safety issues, said the transport Minister.

"European airlines like Lufthansa, (Portugal's) TAP, Brussels Air, British, Air France are not only coming to Angola with fully booked flights but also want to increase the number of flights to Angola and enter into partnerships with TAAG," Transport Minister Augusto Tomas told Reuters in an interview.

He did not provide details about how a partnership would work but Angola has become one of the world's fastest growing economies as it rebuilds after a civil war that ended in 2002. "We are still studying the matter. TAAG is not an ugly lady, if it was an ugly lady nobody would want to marry her," he said.

Tomas said that TAAG, barred from flying to the European Union since 2007, hoped to resume those flights this year.

The state carrier was banned from EU airspace the same year one of its planes crashed, killing six people on board. The government recently fired TAAG's board and created a commission to investigate and improve safety.

The restructuring plan mostly involves training the workers to comply with international safety standards.

"These efforts... will enable us to eliminate internal and external problems and guarantee that in seven or eight months we will have enough conditions (to fly to the EU)," Tomas said. "But, as you know, this doesn't depend entirely on us."

The oil-rich nation's airline has been making losses as a result of the EU ban. It posted a \$70 million loss in 2008 and makes losses of \$5 million a month. The airline launched its first direct flight to China in December.

Source: Reuters

Oil, Mining and Energy

OPEC could quickly deepen output cuts

OPEC could quickly agree to deepen its output cuts to stabilise the sagging crude oil market, the group's new president, Angolan Oil Minister Botelho de Vasconcelos, said this week.

In a statement, the newly appointed head of the Organization of the Petroleum Exporting Countries said he was confident the group's recent deals to slash output would be enough to counter flagging world demand for crude, but added OPEC would not hesitate to deepen them if needed.

"I am currently confident these cuts will remove the current excess in oil stocks and rebalance oil market fundamentals. However, OPEC will not hesitate to meet and agree to a further round of cuts if it believes this is necessary so as to achieve stability in the oil markets," he said.

OPEC has agreed to cut some 4,2-million bpd of crude output in three separate deals since September as a global economic slowdown hits consumer and business fuel demand, including the most recent agreement in December to cut a record 2,2-million bpd starting January 1.

OPEC secretary general Abdullah al-Badri said last week the group could cut oil output even further at its meeting in March if the market remains oversupplied.

Vasconcelos' statement was issued shortly after US crude oil futures fell more than \$4 a barrel to just above \$33 a barrel, extending a rout that has clipped more than \$110 off prices since last July.

OPEC expects world oil demand to shrink this year by 180 000 barrels per day as the weakening economy hits consumption, the group said in its monthly report released earlier in the day Thursday.

The forecast marked a 30 000 bpd downward revision from its world demand outlook released in December and brings the group's outlook slightly closer into line with the US government's projection of an 810 000 bpd drop.

"The considerable uncertainty about the course of the recovery implies the potential for further deterioration in world oil demand growth this year," said the report.

Source: Reuters

Angola oil exports, including Palanca, will rise 1.8% in March 2009



Angola, OPEC's newest member and holder of the group's rotating presidency, will increase daily crude shipments, including the Palanca grade, by 1.8 percent in March.

BP Plc, Total SA, Chevron Corp., Exxon Mobil Corp. and other companies are scheduled to load an average of 1.64 million barrels a day in March, compared with February's 1.61 million barrels a day, according to loading programs released today.

Fifty-three cargoes totaling 50.8 million barrels will load, according to the schedule. That includes Palanca shipments, for which the schedule was previously unavailable.

Two Palanca cargoes totaling 1.97 million barrels, or an average of 63,548 barrels a day, will be shipped, according to the loading schedule obtained today. That is the same number of cargoes in February which is a shorter month.

Angola's March loading program includes four cargoes which were delayed from February to reduce production in line with OPEC production quotas. A shipment of Hungo crude due to load between February 28 and March 1 is not included in the total.

The March loading schedules also include five cargoes of Plutonio crude. BP, the operator of Angola's Greater Plutonio fields shut down production on January 11 because of "operational issues."

The company declared force majeure on exports as a result of the shutdown, according to three people familiar with operations. That's a legal clause that allows producers to miss contracted deliveries because of circumstances beyond their control. Production is still shut, BP spokesman David Nicholas said in a telephone interview.

Source: Bloomberg

Chinese may outbid OVL for 30% stake in an oil block in Angola

Chinese state-run oil majors CNOOC and Sinopec are learnt to have emerged frontrunners for the acquisition of 30% stake in an oil block in Angola from the US-based Marathon Oil. ONGC Videsh (OVL), the overseas arm of Oil & Natural Gas Corp, is also a contender for the stake. The successful bidder will have to pay about \$1.8 billion for the stake.

The move comes days after OVL announced acquisition of UK-based Imperial Energy for \$2.1 billion, outbidding the Chinese firms.

A senior ONGC official confirmed the company's interest in the oil block. "We have bid for Angola block number 32 to acquire 30% equity from Marathon Oil. We are yet to know the formal results of the bid," he said.

Industry sources said there is strong possibility of a Chinese company sealing the deal. ONGC has many times in the past lost out to the aggressive Chinese firms when it comes to acquisition of equity in overseas oil blocks. ONGC's acquisition of Imperial was an exception, they added.

Recently, Sinopec acquired Canadian firm Tanganyika Oil for \$1.8 billion, outbidding OVL. Tanganyika has two oil fields in Syria with proven reserves of 184 million barrels till end-2007.

The sources also said that the valuation of the Angolan block was not justified in the wake of a massive fall in crude oil prices in recent times. Oil prices have declined to \$40 a barrel from the peak of \$147 in July 2008.

On Angola's block 32, Marathon Oil has announced 11 successful exploration wells. These are Gindungo, Canela, Gengibre, Mostarda, Salsa, Manjericao, Caril, Louro, Cominhos, Colorau and Alho. Marathon has a 30% working interest in this block.

Total of France, which holds a 30% stake, is the operator of the block. The remaining stake is held by Sonangol (20%), Esso Exploration and Production Angola (15%) and Petrogal (5%).

Source: Angop

InterMoor Completes Tombua Landana mooring operations offshore Angola

InterMoor has anchored a mobile offshore drilling unit (MODU) and preset anchors for a tender assist drilling (TAD) vessel for Cabinda Gulf Oil Company Ltd. (CABGOC) offshore Angola, announced InterMoor President Tom Fulton.

InterMoor provided design, engineering, procurement and installation services for the permanent preset moorings at the Tombua Landana location and the Tombua South drill center. The company also handled the fabrication of a 60-foot suction follower and various installation aids that were required for the installation of suction-embedded plate anchors (SEPLA) at the Tombua Landana location.

Eight mooring anchors were installed at both of the locations. At the Tombua Landana location, installation of the eight SEPLA anchors at a water depth of 1,250 feet began Oct. 28 and was completed by Nov. 5. On average, it took just more than a day per anchor to complete the installation. This project marks the first time SEPLA anchors and a polyester preset (to be installed in mid-2009) were used offshore Angola for CABGOC, a Chevron subsidiary.

"Successful installation of the SEPLA anchors is an important milestone for InterMoor on a project that has included several challenges, including vessel availability, investigation of various installation methods, fabrication requirements and limited installation windows," said Michael O'Driscoll, a project manager for InterMoor.

Polyester lines specifically designed and fabricated for the Tombua Landana site will be attached to the preset SEPLAs and anchor chain using subsea mooring connectors in mid-2009. The preset system will then be used to hook-up and moor the TAD vessel.

Source: InterMoor Inc.

Angola produced over 695 million barrels of crude oil in 2008

Crude oil production in Angola, last year, was set at 695,707 million barrels, Angop learnt from the minister of Oil, Botelho de Vasconcelos, while speaking at the new-year greetings ceremony that gathered officials of oil companies working in the country.

The government official stressed, for the above-mentioned period, the beginning of production at "Mondo" and "Saxi/Batuque" fields at Bloc 15, and Banzala B, at Bloc 0, adding that the "production of 2008 was heavily affected due to the full halt of Bloc 18 exploration facilities, during two months, which caused a loss of 210,000 barrels per day".

Concerning the research, he said that there were drilled at least 27 wells being 12 of research and 15 of assessment. From this number, only five have quantities of tradable oil.

Relating to the project of construction of new refinery in Lobito (Benguela), the official highlighted the signing of engineering contract between Sonangol and KBR company and the start of ground levelling and works at the jetties.

He affirmed that the signing of these contracts will boost the project and will enable to foresee the execution of work in a timeframe that he considered just, in the ambit of an updated chronogram.

Botelho de Vasconcelos stressed that in the environment area, the Ministry of Oil is still playing its role, guaranteeing environmental protection, through the draft of proper legislations and the procedures in line with the international practices accepted in the oil industry.

He also revealed the recent approval, by the Cabinet Council, of the National Plan of Contingency against oil spills on sea.

Source: Angop

Angolan government release new worker recruitment regime for the oil industry

According to a new regime on recruitment, integration and staff training development in the oil industry henceforth, the oil companies are obliged, to have Angolan citizens employed at all levels and posts.

The referred diploma was already officialised recently by the Angolan government, through a publication in the State Gazette, in its edition nº193, I Series, of 14 October 2008. According to the publication, if there are not enough and available Angolan citizens with qualification and required experience in the national market, the hiring of foreign staff can only be done through an authorisation of the Ministry of Petroleum, the requirement of the interested society, which can be conceded in group or case by case.

Regarding the foreign staff who is already employed, the referred companies should send to the Ministry of Petroleum a list with the respective names, Job, post, wage and any other social bonus, by justifying their recruitment, a proof of their qualification and description of the work post.

The decree determines that the Angolan and foreign staff who have the same category and functions should earn the same salary and social benefits, as well as working conditions, by forbidding any kind of discrimination.

The oil companies should sign with the Ministry of Petroleum a contract-programme, in which the obligations should be established, regarding the development of their human resources.

Source: Angop

Banking and Insurance Sectors

From BIC's, BAI's boldness to Finibanco and Standard Bank emergence

The launching of a BIC bank branch in Portugal in May 2008, and of a BAI bank branch in Cape Verde last November, two financial institutions with predominantly Angolan capital, and the entrance of Finibanco and Standard Bank in the Angolan financial market, represent important achievements for the affirmation and development of the country's financial sector within and outside its borders, in the year that just ended.

Ten years after having dared enter the European market, with the launching of BAI-Europe, with headquarters in Lisbon, based on a prudent and strategic vision, the bank took another step towards its internationalisation, by opening the "BAI Cape Verde", on 21 November 2008, aiming at providing to Cape Verdeans diverse financial and banking services.

In the view of BAI's managers, the expansion of the bank's services to Cape Verde represents an internationalisation process that makes the bank become more and more an outstanding reference, as a solid financial group and with a great profitability potential for shareholders and its customers worldwide.

Another bank which succeeded in terms of services internationalisation is the International Credit Bank (BIC), three years after starting its activities (May 2005) in the Angolan market and it has conquered a place among the four biggest banks within the 18 contenders.

From its three years of existence, BIC has performed a rare feat that is to expand its services to Portugal through the launching of “BIC Portugal”.

After Lisbon, during the current year, BIC intends to open a branch in Oporto, Aveiro and in other Portuguese regions. BIC Portugal was formally created on 11 January 2008, with a shareholders structure similar to that of BIC Angola, in which the Portuguese businessman Américo Amorim has 25 per cent of the shares.

In Angola since May, 2005, BIC has beaten many competitors which were already in the market for a long time, by reaching in 2008 almost 400,000 customers, with deposits estimated at 3,8 billion US dollars, 100 branches and 1,200 workers.

The year 2008 was not only a year for the expansion of banking activities overseas. Two new names emerged in the Angolan market, Finibanco and Standard Bank. The first one has already started to operate, whereas the second one still awaits the authorization from the authorities responsible for the supervision of the banking system.

The entrance of Finibanco, a financial institution of Portuguese capital, in the Angolan financial system, and with the intention of South Africa's Standard Bank to operate in the Angolan market, demonstrate the existence of progresses within the banking activity in this country.

Source: Angop

Logistics and Infrastructure

New 4x weekly service CDG - Pointe-Noire with connections to Angola



Air France-KLM Cargo this month announced to have increased their flights from Paris - Charles-de Gaulle to Pointe-Noire, Congo to 4 times a week. With the combination of a full freighter service and 3 wide body passenger aircrafts they now offer a high frequency connection to Pointe-Noire (PNR).

According to Rutger-Jan Pegels, the Dutch Director Oil & Gas Industry, with these new services a unique logistics service has been created for the Angolan based Oil & Gas offshore industry.

From Pointe-Noire, Congo, feeder services by truck to Cabinda (CAB), Angola can be organized, as well as a boat service from Pointe-Noire to the seaports of Soyo (SZA) and Luanda (LAD), Angola.

With this extension of their network, Air France-KLM Cargo now offers a more frequent connection to, from and beyond the CDG hub to all major oil & gas destinations.

Source: Airfrance

“Loanda Hotel” inaugurated

Since this month, Luanda boasts another hotel. Loanda Hotel was inaugurated by the vice-minister of Hotels and Tourism, Paulino Baptista. With this hotel, Luanda now has more beds on offer with almost ten hotels, even though this still doesn't meet demand.

During the inauguration ceremony, the vice-minister underlined the role of tourism, its activities, importance and the dynamics of its potential for growth. This segment of the economy satisfies in a rapid and sustainable way the challenges Angola faces when it comes to generating income revenues to stabilize the country's economy. According to the vice-president, strengthening this sector by building more hotel units is necessary. “Hotel construction can be considered the industry of the future, because of its determination, strategic vision and investments”, said the vice-minister.

In this view, to achieve these objectives, it is fundamental that policies are created that aim at the promotion and facilitation of investments, which includes the Angolan banking system.

Classified as a two star hotel, the enterprise counts 40 rooms, of which five suites, 20 single rooms, a multiple-purpose room and a restaurant. The price of a single room will amount to \$290, while a suite is priced at \$500.

Financed by Banco BIC, the enterprise costed about \$4 million. According to the associate of Loanda Hotel, Filomeno Fialho, there are more projects on the cards, though he admitted that finding funding is often difficult for the national business community.

Source: Jornal de Angola

Luanda port expects revamp to fight delays

The port of Luanda, one of the world's most congested, is undergoing a \$105 million facelift that authorities say will help fight delays that have pushed prices of goods sharply higher.

Silvio Vinhas, head of the state-run Port of Luanda, said the aim was to increase the number of working hours for cargo operators and improve roads around the port for trucks to transport containers in and out of the area faster. Fines for companies that don't remove containers from this small port on time will also be increased as plans to build a port twice as big in the bay of Dande, to the north of the capital, remain underway.

"The modernisation plan is being carried out and should produce positive results," Vinhas told Reuters. "But we don't expect to end all the delays as traffic remains intense." More than 35 cargo ships can be seen anchored outside the bay of Luanda on any given day. Some wait for weeks before docking at a port and another 10 days to unload their containers.

The port, on the northern tip of the bay of Luanda, is the main entry point for most goods to the oil and mineral rich nation, which is rebuilding after a 27-year civil war that destroyed most of its industries and infrastructure. Analysts say the delays at the port are one of the main causes of high prices in a country where a litre of milk can cost up to \$3. The capital is considered to be the world's most expensive city for foreigners.

But Vinhas said the bottlenecks also showed Angola's economy, which has been growing in double digits since the end of the civil war in 2002, remained strong. Angola rivals Nigeria as sub-Saharan Africa's biggest oil producer. "It shows demand is strong and the economy is robust," he said, adding that traffic numbers should continue to rise.

The port is expected to process 6.6 million tonnes of cargo in 2009, a 10 percent increase from last year, according to port officials. The congestion has also been caused by an estimated 20,000 containers that have not been removed by importing companies on time, the state-owned Jornal de Angola recently reported.

Vinhas said he planned to increase the \$3 per day fine for companies who fail to remove these containers on time but he did not provide details. "All this we hope will help fight delays at the port," he said.

Source: Reuters

30 Local Airports under rehabilitation

Thirty large, medium and small size airports are being repaired in Angola by the National Company of Airports Exploration and Air Navigation (Enana). Said, the ENANA CEO, Mr. Jorge Correia de Melo, during a press conference.

He said on the occasion that for the repair of the airports, the State set aside in 2007 about Usd 400 million being used under the Public Investment Programme.

The official said the amount is being used both in the construction and rehabilitation of infrastructures and equipping with technical means that include air navigation aid systems.

According to him, the country's air security has improved a lot with the conclusion of the long distance communication system project, while another parallel VHF communication system with a satellite connection is underway.

"A contract for the purchase of one more radar for the Luanda terminal has been authorised and signed and we are more and more improving all this system in accordance with the International Civil Aviation Organisation (ICAO) recommendations," said Enana manager.

He mentioned some of the airports being repaired as those of Dundo, Uige, Damba, Quimbele, Sumbe, Benguela, Malanje, Namibe, Lucapa, Nzeto, Cahama, Capanda and others.

The source said Angola has more than one thousand airstrips throughout the country, with the local authorities claiming for their repair.

Enana is engaged in improving the conditions of the countries' airports, with stress to the security of the institutions, under a central Government programme that includes their construction, repair and equipping with the means that meet the international standards.

Source: Angop

China reiterates support to Angolan government reconstruction programme

China will continue supporting ongoing Angola's reconstruction and development projects, despite the world financial crisis also affecting that Asian nation. Said the Chinese Commerce Minister, Mr. Chen Deminz, who visited Angola for two days mission.

The Chinese Minister was speaking to the press at the end of an audience granted to him by Angolan Finance minister, Severim de Morais. He said on the occasion his country will assist Angola with projects helping diversify the country's exports, with a view to the development of its economy.

Regardless of the world financial crisis, he said, China will increment cooperation with Angola, by reinforcing cooperation in the sectors of agriculture, education and health, including the fields of light industry and telecommunications.

The Chinese minister pledged as well that his country will encourage its businesses into investing in Angola and supporting initiatives of Angolan counterparts who show interest to do business in the Chinese territory.

In his turn, Severim de Morais said the memorandum of understanding subscribed in November 2003 by the then Finance minister, José Pedro de Morais, led to the establishment of a strong cooperation between the two countries. The Finance minister recalled that the memorandum was implemented with the signing of three deals of loan from the Eximbank of China.

The first such accord was estimated at Usd 2.5 billion, whereas the second was of Usd 500 million, and the third covered another two billion, totalling 4.5 billion. As the minister added, the said financial accords funded 125

contracts that permitted the reconstruction of infrastructures destroyed during the war, with the resulting relaunch of the Angolan economy.

Meanwhile, the Angolan Finance Minister and his Chinese Commerce colleague are co-presidents of the joint working team, within the framework of the China Credit Line to Angola.

The meeting served for the two parties to assess the state of cooperation between the two nations.

In addition to meeting with the Finance Minister, the visiting Chinese official was received in audience by his Angolan counterpart, Idalina Valente.

Source: Angop

Angola pours millions into African Nations Cup



Oil-rich Angola is pouring millions of dollars into new stadiums, hotels and airports to get ready for the 2010 African Nations Cup (CAN2010), which officials say will kick off on schedule in less than 12 months.

The decision to award Nations Cup - known as CAN - to Angola surprised some who did not believe the former Portuguese colony could get itself ready in time, having only ended a 27-year civil war in 2002.

But according to the organising committee, stadium construction is running to schedule and preparations are well underway.

"In relation to the construction of stadiums, the schedule will be met," CAN's marketing director Manuel Mariano told journalists after a meeting with top government officials last week.

Four new stadiums in Benguela, Lubango, Cabinda and the capital Luanda, where the final will be held, are being built by Chinese construction companies.

While no figures have been released about the costs of organising the three-week tournament or building the stadiums, the national airport company says it's spending more than 270 million dollars refitting and rebuilding airports in Luanda, Benguela and Lubango.

A major priority for organisers after the stadiums is making sure there is enough accommodation. Currently hotel rooms in Angola are few and far

between, costing as much as 300 dollars a night and booked up months in advance.

According to the organising committee, 30 hotels are being built, 16 of them in Luanda, and ordinary Angolans will rent rooms to visitors.

Another key concern is the potential cost to visitors because Luanda, according to London-based human resources consultant ECA International, is the most expensive city in the world with a litre of milk costing three dollars and a pizza and beer as much as 50 dollars.

The committee has also pledged to make sure the notoriously difficult visa application process would be looked at to prevent delays for spectators coming to Angola.

But, perhaps used to the daily challenges of bad roads, high prices and lack of services, most Angolans are confident the competition will be a success.

Silvio Capuepue, an Angolan sports journalist, believes the Nations Cup is a catalyst for development.

"Hosting the 2010 Nations Cup is without a doubt speeding up the reconstruction of the country after the war, especially in the host cities," he said.

"Angolans are happy and are conscious of the magnitude of the event. People are starting to see an impact in their normal lives, those that had no jobs for such a long time are now having jobs and are being able to bring money home.

"And in terms of the football, hosting the tournament motivates and grooms the growing talents that are coming up in the country."

He said he was confident the stadiums would be ready on time and that the organisation would run smoothly.

"We have hosted three African basketball tournaments and two handball tournaments so I believe we have the experience. In 2007 people did not think we would be ready in time for Afrobasket, but we were. With the same strength, the same capacity and the same willing, we will make sure we are ready."

Angola's national team - known as Palancas Negras after the country's extremely rare sable antelope - have had a tough time on the pitch and failed to qualify for the 2010 FIFA World Cup in South Africa.

A coaching reshuffle saw Mabi de Almeida take over from Luis Oliveira Goncalves and he has pledged to do his best for the home crowd during the 2010 tournament.

Angola's Prime Minister Paulo Kassoma said last week that hosting the tournament would boost the country's self esteem and appealed to Angolans to support their national team.

"It's our responsibility to win the 2010 Nations Cup and prove we are Angolan. We want to show the capacity of Angolans to organise high-level competitions."

The tournament is played every two years and was won by Egypt for a record sixth time in Ghana last year.

This will be the first Nations Cup hosted by a Portuguese-speaking country.

Source: AFP

Cabinda Harbour receives large ships for the first time ever

Cabinda port received a large vessel with more than 132 metres of length and 15 metres wide, says a note from the local managing board of Cabinda port.

The note also refers that the mooring of that ship, which is from Brazil, shows the efforts of the managing board of the port in the reclassification of the wharf, by enlarging the area of placing container loads, as well as in the safety of ships anchoring and dredging of the port's sea area.

The ship has the capacity to transport containers of 20 to 40 feet tall, with loads of 8 tons and a half, and this shows the safety of the Cabinda wharf, which gradually gains the category of a Port.

The act of the arrival of the ship at the wharf of Cabinda was witnessed by the deputy governor of the province for technical matters, António Manuel Gime, the director of the port, Osvaldo Lobo de Nascimento, and the harbour pilot Santos Domingos.

The Cabinda Wharf was built in 1956 and it has a metallic structure which endures until now, although it has been repaired several times.

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 75,316 to the US Dollar (USD)
- KZ 96,277 to the Euro (EUR)
- KZ 7,261 to S. African Rand (ZAR)
- KZ 102,317 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:

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

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