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## **Economy, Commerce and Investments**

### **France to sign Angola deals on fence-mending trip**

France and Angola signed commercial deals on the scope of President Nicolas Sarkozy's visit to Angola, aimed at soothing long-simmering tensions between the two nations.

One of the biggest deals involved French electronics group Thales which has signed a contract worth some 140 million euros to supply a secure telecommunications network for the Angolan government.

Bank Soci t  General has opened \$300 million of credit lines to finance trade between the two countries, while Total, which operates offshore oil fields in Angola, was expected to finance a school-building programme.

Total's Chief Executive Christophe de Margerie accompanied Sarkozy on the trip.

A fourth deal involved Castel, which was expected to invest between 200-300 millions euros in breweries in Angola, the officials said, declining to be named ahead of the official unveiling of the projects.

Apart from commercial accords, Sarkozy's visit was mainly aimed at normalising Franco-Angolan relations, soured in recent years by the so-called "Angolagate" scandal that involved arms sales to the war-torn African country in the 1990s.

Arms traders Pierre Falcone, a Frenchman, and Israeli national Arkady Gaydamak, are accused of paying a network of political contacts -- including a son of late President Fran ois Mitterrand -- to favour their activities in the African country.

Sarkozy and the Angolan President Eduardo Dos Santos sought to "turn the page" on this scandal, a presidential source said.

The last French President to visit Angola was Jacques Chirac, in June 1998. Sarkozy has made a number of visits to sub-Saharan countries since taking office last May, including a trip to South Africa in February 2008.

Source: Reuters

### **Angola forecasts 16.5 percent growth in 2008**

Angola expects its economy to grow by 16.5 percent in 2008 driven by exports of oil, said the country's Deputy Finance Minister, Job Graça.

"We are projecting a growth rate of 16.5 percent in 2008, due to oil exports which are currently in demand," Angola's Deputy Finance Minister Job Graça told Reuters on the sidelines of the African Development Bank meeting in Mozambique.

With record oil prices, Angola's growth is mostly the result of its growing oil sector.

The country recorded GDP growth of 24.4 percent in 2007, above the government's own forecast of 19.8 percent and the IMF's forecast of 23.8 percent.

Maquarie First South Securities said in a recent research report on Angola that GDP growth in 2008 is expected to outpace the government's prediction and come in at around 30 percent.

The revenue from oil is helping Angola to rebuild its infrastructure after a 27-year civil war that ended in 2002.

Angola became Africa's largest oil producer last month, according to OPEC, pumping 1.873 million barrels per day in April, 55,000 bpd more than Nigeria where unrest had sharply cut output.

Source: Reuters

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### **Capital market necessary for economic consolidation**

The Angolan Deputy Prime Minister, Aguinaldo Jaime, said in Luanda that the capital market is an important instrument for the consolidation of the country's economic development and growth.

Aguinaldo Jaime, who was delivering a lecture, at a dinner-conference, on the theme "Capital Market", underlined the fact that this financial system enables the financing of multiple sectors, the approximation between savers and investors, as well as the attraction of saving for medium and long term loans.

"Many economies, mainly in Africa, do not yet have structured capital market. Angola wants to be different. We also want to have a bond market", said the government official to an audience that was mainly made up of jurists, economists, entrepreneurs, law and economics students.

A lot has already been done, he added, but there are still many tasks to carry out to make the capital market operational.

Aguinaldo Jaime also referred to the development of the national currency, which is now becoming a store of value and the preferential unit of exchange of goods and services.

"Due to the financial instability there were times in which the national currency (Kwanza) did not play that role. In 2001 we had an inflation rate of 116 percent, ( ) in 2007 we reached the lowest ever with 11.7%", he reminded.

After that, he explained, there was a 0.19 per cent valorisation of the national currency in the formal market in relation to the US dollar.

According to him, this stable behaviour of the currency, which results from the government's economic policy, enabled the Kwanza to play its role as a store of value, thus giving a boost to the Angolan economy.

The dinner-conference held in Luanda's Tropical Cinema also served to present the book "Pensar Direito, volume II" (Thinking Law), by the Angolan jurist Lazarino Poulson, and the Angolan Law Magazine (RAD), released by "Casa das Ideias" publishers, who also promoted this event.

Source: Angop

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### **BCP confirms sale of 49.9 percent of Angolan ops to Sonangol**

Banco Comercial Portugues (BCP), SA said it has sold 49.9 percent of its Angolan operations to state-owned oil group Sonangol and Banco Privado Atlantico (BPA), confirming earlier press reports.

In a statement, BCP said the sale of the Banco Millennium Angola (BMA) stake will be through a capital hike to be subscribed in cash. The bank said that the deal should be concluded by the end of the first half of 2008, without providing financial details.

Earlier, Diario Economico reported that BCP's CEO Carlos Santos Ferreira was in Angola to sign the agreement drafted by his predecessor Paulo Teixeira Pinto to sell the BMA stake. BCP said that the strategic partnership agreement signed with Sonangol and BPA also allows for a qualified stake holding by Sonangol in BCP's share capital, and a proposal to BCP shareholders for Sonangol to appoint a member of BCP's supervisory board.

BCP added that the agreement includes "consultation mechanisms and principles" to monitor the evolution of Sonangol's stake in BCP's share capital. Diario Economico also reported that Sonangol holds 9.96 percent of BCP after its recent stake hikes.

Under the agreement, BMA's board will comprise nine people, of which five will be in the executive committee. BCP will appoint the head of the executive committee and two members of that committee.

Meanwhile, Banco Millennium Angola will also get a 10 percent stake in BPA's share capital and will appoint one of its board members.

Source: LISBON (Thomson Financial)

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### **Angola and Japan strengthen trade relations**

The Japanese Minister of the Economy, Commerce and Industry, Akira Amari, expressed his country's interest in strengthening the co-operation and trade relations with Angola.

According to a note from the Angolan Embassy in Japan, received by ANGOP on 23/05/08, Akira Amari expressed that intention at a meeting he held with the Angolan Ambassador to that Asian country, Albino Malungo.

The Japanese official said the meeting was opportune, since it happened in a time that there is an interest to increment the trade relations, in various domains, taking advantage of the peace climate Angola is living.

Besides the traditional areas in which there is already co-operation, there are other fields of interest for Japanese businessmen, such as the industry.

Akira Amari commended the efforts of the Angolan government in recovering the economy, adding that the country is on the right path, moving towards development, so Japan is paying a special attention to Angola, a country that has the fastest growing economy in Africa.

On his turn, Albino Malungo said that Japan is a strategic country to Angola, having into account its technological and scientific potential.

The diplomat added that Angola intends to co-operate with Japan, in several sectors, and is willing to have that country's contribution for the recovery of Angola's infrastructures.

Source: Angop

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### **Official advocates cooperation for diversified economy**

The Angolan Minister of Industry, Joaquim David, defended in Yokohama that the cooperation with Japan should promote the diversification of Angola's economy and bring about more jobs. Joaquim David, who is part of a delegation headed by Premier Fernando da Piedade Dias dos Santos that is participating in the fourth Tokyo International Conference on African Development (TICAD IV), defended this point of view when speaking briefly to the press.

According to him, besides the technological opportunities in the oil field, Angola has to think of a cooperation that takes into account the fact that Japan is a power in making equipment used in sectors like the textiles, navigation, chemical industry, medicine, computing, among others. He explained that the programmes of the Japanese government for Africa aim at development and assistance, but it is in Angola's interest to move over to an agenda of growth that can generate more employment and follow up the valorisation of the national manpower.

"Japan is the world's second biggest economy and is very strong technologically, so Angola looks at these elements as partnership opportunities with mutual advantages and solution that can help to bring diversified development to our economy", he underlined. He emphasised the need to continue promoting the non-oil industry, which in the past two years has grown more than the oil sector, without undermining the fact that Angola's production is about to reach the mark of two million barrels per day.

He advocated a better use of the opportunities in the domains of oil refinement, petrochemistry, gas treatment and other aspects in which Japan is technologically and economically strong.

The Angolan team to the TICAD meeting in Yokohama also included the Minister of Planning, Ana Dias Lourenço, the deputy minister of Foreign Affairs for Cooperation, Irene Neto, and other state officials.

The conference aims at mobilising efforts and know-how from the international community to accelerate the growth and sustainability of the African continent.

Topics such as "Economic Growth", "Meeting the Millennium Development Goals", "Consolidation of peace and democracy" and "environmental matters and climate changes" are part of the meeting's agenda.

Source: Angop

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### **Oil tiger Angola plans investments in Europe**

Oil-rich Angola, which survived a quarter century of civil war to transform itself into an African El Dorado for keen investors, has begun investing profits in Europe, starting with the former colonial power Portugal. Angola has been steadily reconstructing since civil strife finally ended in 2002, and is now fast becoming a world player in oil production as sub-Saharan Africa's second largest oil producer after Nigeria. Since 2004 its annual growth rate has passed 15% and it holds more than \$ 11bn (7bn euros) in foreign currency reserves.

The southwest African country was last year producing 1.8mn barrels a day. "As the financial situation grows more comfortable it's only normal that Angola should turn to the Portuguese market to invest some of its financial surplus," said José Tavares Moreira, a consultant with BAI Europa bank in Lisbon whose main shareholder is Angola's state-owned oil giant Sonangol.

With an area of 1,246,700sq km Angola is nearly twice the size of the US state of Texas, or five times the area of Britain. Its economy has undergone a transformation from the chaos of a quarter century of war to being the second fastest growing economy in Africa and one of the fastest in the world. Normalisation of relations between Angola and Portugal date from 2003 with the signature of an accord allowing the former colony to adjust its debt. Reciprocity has now become the watchword of bilateral relations. Portugal is a favoured market for the opening up of the Angolan economy, said Basilio Horta, president of Portugal's Investment and Foreign Trade Agency (AICEP).

This month, a new bank, BIC Portugal, opened its doors in Lisbon with mainly Angolan private capital and the declared aim of serving as “gateway to Angolan investment in Europe.” Angola has been building up investment in Portugal for some years mainly via Sonangol, starting with 733,000 euros in 1999 and climbing to 17.6mn in 2006, according to AICEP.

BAI Europa’s consultant José Tavares Moreira does not yet see all this as large-scale capital movement, but stresses that the new Angolan investment upsurge in Portugal is above all the result of Sonangol’s stake in Portugal’s main private bank BCP. At the start of this year, Millennium BCP launched a capital increase of 1.3bn euros, enabling Sonangol to increase its stake in the bank from 5-to-7%, according to press reports. The Angolan company also has a 45% stake in Amorim Energia, which in turn controls 33.3% of the Portuguese oil Company Galp Energia.

The Portuguese press frequently refers to an expected Sonangol interest in Energias de Portugal (EDP) and Portugal Telecom (PT), two flagship companies on the Lisbon stock market. But Sonangol chief executive Manuel Vicente has ruled this out for the immediate future.

On the other hand, the Angolan energy giant could be in line to buy up Portuguese assets invested in Angola’s financial system. Angola has been in negotiations with two Portuguese banks BPI and BCP to get them to sell 49.9% of BFA (Banco de Fomento) and Millennium Angola respectively to local investors. Meanwhile Portuguese exports to Angola, Portugal’s sixth largest foreign market, expanded strongly last year by 39% to 1.4bn euros. And in 2006 direct Portuguese investment in the former colony was 330mn euros

Source: Gulf Times Qatar

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### **Angola wishes to learn from Vietnam’s experiences**

Angola wants to learn from Vietnam’s experiences in the socio-economic development, especially poverty reduction, sci-tech application and rice production, stated Angolan Minister of Science and Technology, João Baptista Ngandajina. The Angolan guest met with Deputy Prime Minister and Foreign Minister Pham Gia Khiem on April 29. He was in Hanoi to attend the 4th session of the Vietnam-Angola Inter-governmental Committee.

The guest expressed his belief that the visit will help expand bilateral ties in the spirit of a joint statement signed between the two countries’ leaders during Party General Secretary Nong Duc Manh’s visit to Angola early this month. For his part, Deputy PM Khiem said Vietnam and Angola share a large potential for cooperation, especially in education, healthcare, agriculture, oil and gas.

He said he believed that signed agreements on economic and sci-tech cooperation, trade and visa exemption and protocol on oil and gas cooperation, once effective, will help raise the traditional relationship between the two countries to a new height.

Source: VNA

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### **TAAG’s opening flight to Dubai hampered by a technical stopover in Addis-Ababa**

The opening flight of Angolan air carrier (TAAG) from Luanda to Dubai, economic capital of the United Arab Emirates, was hampered after a technical stopover in Addis Ababa, Ethiopia.

According to a communiqué, made available to Angop, TAAG flight with 122 passengers onboard was forced to stopover in Addis Ababa, for not having a permission from Yemen authorities to fly over that Asian nation’s air space. Thanks to diligences made by Angolan diplomatic authorities in Addis Ababa and Dubai, the constraints were overcome and the plane landed in Dubai on the following day.

On the opening flight to Dubai, the Angolan company used a Boeing 777 allowed to fly over thirteen consecutive hours and capable of transporting 420 passengers onboard.

Source: Angop

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### **Codex-Angola and FAO's Codex Alimentarius sign agreement**

Angola's National Food Code Committee, Codex-Angola, recently signed an agreement with FAO's Codex Alimentarius Commission to strengthen the institution controlling the quality of food in Angola. Under this Technical Cooperation Project, Codex-Angola will receive technical assistance in improving food safety and contribute to raising awareness of the importance of Codex-Angola among experts, consumers, universities and government.

Based on Codex Alimentarius's recommendations, the project will address Angolan standards and regulations in food safety, the system for inspection and certification of food imports and exports, and best practices under the Hazard Analysis and Critical Control Point (HACCP) system.

Source: ANIP

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### **ANIP launches electronic magazine**

The 2007-2008 issue of *In Angola Magazine* is now available in an electronic format. The magazine offers its readers timely information about Angola's targeted sectors and development zones, investment potential and growth, a simplified investment process, and more. To view your copy of *In Angola Magazine*, please visit the ANIP website at [www.investinangola.com](http://www.investinangola.com)

Source: ANIP

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### **Request for expressions of interest on sanitation and institutional support project**

The Government of Angola has received a credit from the African Development Fund to finance part of the Sumbe Water Supply, Sanitation and Institutional Support Project under the National Directorate of Water (of the Ministry of Energy and Water Affairs) from 2008 – 2011, and intends to apply part of the proceeds to procure consultancy services for the Development of Comprehensive National Rural Water Supply and Sanitation Program (NRWSSP).

The consulting firm will provide expert inputs into specific technical studies that will lead to the definition and preparation of the National Rural Water Supply and Sanitation Strategy and Investment Program, including all the operational issues (procurement and financial management guidelines, manuals and tools, etc.), which will assist GOA to implement the NRWSSP throughout the country in order to meet national and MDG targets.

The National Directorate of Water now invites consulting firms to indicate their interest in providing the services. Interested firms must provide a statement of capability and experience indicating that they are qualified to perform the services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc).

A short list of five to seven firms will be compiled in accordance with the procedures set out in the African Development Bank's Rules of procedure for the use of Consultants. Written expressions of interest must be marked 'Consultancy Services: Development of Comprehensive National Rural Water Supply and Sanitation Program; Expression of Interest for the Sumbe Water Supply, Sanitation and Institutional Support Project' and delivered to the address below by 14:00 hours Angolan time on 01 August 2008.

The Director of the National Directorate of Water, Ministry of Energy and Water Contact Person: Mr Armindo Mário Gomes da Silva Prédio do J Pimenta, Rua Moisés Cardoso Kami Nr 25, 2 andar, Luanda – Angola  
Tel/Fax: 244-222-339335  
E-mail: [dasdna@nexus.ao](mailto:dasdna@nexus.ao)

All Clarifications and queries should be directed to: The Head – Water Supply and Sanitation Department  
DNA, Phone 244-222-339335 or 244-222- 331726  
[www.afdb.org/pls/portal/url/ITEM/4DA4A495F660EA32E040C00A0C3D448D](http://www.afdb.org/pls/portal/url/ITEM/4DA4A495F660EA32E040C00A0C3D448D)

African Development Bank

Financing

Institution:

Contact: The Head – Water Supply and Sanitation Department  
DNA, Phone 244-222-339335 or 244-222-331726

Agency: The National Director National Directorate of Water Ministry of Energy and Water Contact  
Person: Mr. Armindo Mário Gomes da Silva Prédio do J. Pimenta, Rua Moisés Cardoso Kami  
Nr. 25, 2 andar, Luanda – Angola Tel/Fax: 244-222-339335 E-mail: dasdna@nexus.ao

Closing date: 1-8-2008

Source: EVD

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### **Nocebo beer factory to receive private investment**

The Council of Ministers recently approved a private investment project for a new beer Company, Nova Companhia de Cervejas do Huambo (NOCEBO), owned by Mbakassi & Filhos Lda and BIH Brasseries Internationales Holding Limited. The project is valued at USD 42 million and includes the rehabilitation, modernization and expansion of the old Coca beer factory in Huambo.

Source: ANIP

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### **Angolese economie draait op volle toeren (in Dutch)**

Van 18 tot en met 23 november 2007 bracht een delegatie van Nederlandse bedrijven een bezoek aan Angola. De missie stond onder leiding van Kees van Heijst, voorzitter van de Netherlands-African Business Council (NABC) in samenwerking met het Ministerie van Economische Zaken en de EVD. Atradius DSB werd vertegenwoordigd door Sophie van Assen, Underwriter en Regional Specialist Africa and Asia. Hieronder vindt u onze visie op Angola en een verslag van de missie.

Angola heeft de afgelopen vijf jaar een onstuimige ontwikkeling doorgemaakt. In 2002 werd dankzij een vredesakkoord een einde gemaakt aan de gewapende strijd tussen twee voormalige onafhankelijkheidsbewegingen, de MPLA en UNITA. De burgeroorlog die tussen deze twee partijen gedurende 27 jaar woedde, kostte zeker een half miljoen levens en verwoestte de Angolese infrastructuur volledig. Als gevolg van deze oorlog bouwde Angola in de jaren tachtig betalingsachterstanden op jegens buitenlandse crediteuren.

De vrede die in 2002 werd gesloten is echter duurzaam gebleken. De MPLA en UNITA zijn omgevormd tot politieke partijen. De stabielere politieke situatie komt ook de olieproductie ten goede. De productie verdubbelde bijna van 900.000 vaten per dag in 2002 tot 1,7 miljoen vaten per dag in 2007. Ook de diamantproductie kwam de laatste jaren op stoom. Als gevolg hiervan groeit de Angolese economie hard. Eind vorig jaar werd in de Club van Parijs een regeling getroffen voor Angola's achterstalligheden.

Het reële Bruto Binnenlands Product (BBP) groeide in 2007 met maar liefst 16% en voor dit jaar wordt zelfs een nog hogere groei voorspeld. Met deze cijfers is Angola een van de snelst groeiende economieën ter wereld. De snelle groei van de economie heeft geleid tot een forse verbetering van de solvabiliteit en de liquiditeit. De totale buitenlandse schuld is inmiddels teruggebracht van 85 % van het BBP tot 19% van het BBP.

De deviezenvoorraden bedragen intussen meer dan \$ 12 miljard, equivalent aan bijna 12 maanden importdekking. De overheidsbegroting laat forse overschotten zien, evenals de lopende rekening. Naast deze zeer gunstige indicatoren is er toch ook een aantal bedreigingen. De economische groei wordt door een zeer groot deel gedreven door de olie-industrie of door sectoren die afhankelijk zijn van deze sector. De Angolese export bestaat vrijwel uitsluitend uit olie en diamant. De oliehausse heeft ertoe geleid dat het BBP per hoofd is gestegen tot \$ 2800 (veel meer dan het gemiddelde in Sub-Sahara Afrika), maar de welvaart is nog erg ongelijk verdeeld. Angola's beleid en instituties en ook het investeringsklimaat zijn zwak, als gevolg van corruptie, nepotisme en onkunde. Ingrijpende structurele hervormingen zijn daarom noodzakelijk.

Angola heeft echter een nogal moeizame relatie met het IMF en de Wereldbank, waardoor deze instellingen nauwelijks invloed hebben op het beleid. Daarnaast geeft de enorme inkomstenstroom uit olie thans weinig

stimulans tot het doorvoeren van hervormingen. Tegelijkertijd komt er juist wel druk vanuit de Angolese samenleving om meer sociale uitgaven te doen. Of Angola er op eigen houtje in zal slagen om hervormingen door te voeren en om verstandig om te gaan met de olie-inkomsten blijft onzeker. De Angolese oliereserves hebben een omvang van 8 miljard vaten.

In het huidige productietempo betekent dit dat er nog ca. 12 jaar kan worden geproduceerd. Het is dus van groot belang dat de economie gediversifieerd wordt. In eerste instantie lijkt de agrarische sector het meest geschikt om te ontwikkelen. In de koloniale tijd was Angola een grote voedsel- en koffieproducent. De aanleg van infrastructuur en het onschadelijk maken van landmijnen uit de burgeroorlog is daarvoor een vereiste. Angola is dan ook hard bezig om wegen en spoorwegen te herstellen, vaak worden de werkzaamheden hierbij uitgevoerd door Chinese bedrijven. Helaas hebben deze projecten maar weinig uitstraling naar de rest van de Angolese economie. Naast de landbouw dient ook het midden- en kleinbedrijf te worden ontwikkeld en er zouden buitenlandse investeringen moeten worden aangetrokken voor sectoren die niet verbonden zijn met olie of diamant.

#### *Kansen voor Nederlandse bedrijven*

De vooruitzichten voor Angola voor de korte termijn zijn uitstekend, maar voor de ontwikkelingen op middellange termijn is het overheidsbeleid van de komende jaren doorslaggevend. In vrijwel alle sectoren zijn er mogelijkheden voor Nederlandse bedrijven, zowel op het gebied van handel als lokale investeringen. Nederlandse bedrijven die al actief zijn in Angola geven aan dat met enig doorzettingsvermogen er in Angola goede kansen zijn. Het imago van Nederland in Angola is uitstekend en men wil graag met Nederlandse partijen samenwerken. Ondanks de goede perspectieven is het aantal Nederlandse bedrijven in Angola op dit moment nog beperkt. Redenen daarvoor zijn wellicht het imago van het land (jarenlang burgeroorlog), de Portugese taal, het gebrek aan infrastructuur en de hoge kosten. Tijdens de missie is duidelijk geworden dat Angola desondanks interessant is. Deze missie was de eerste Nederlandse delegatie in Angola sinds september 2004. In totaal participeerden 15 bedrijven, waarbij de missie zich in het bijzonder richtte op het Nederlandse bedrijfsleven in de sectoren infrastructuur, olie- en gaseconomie en landbouw. Het doel was om met potentiële zakenrelaties in contact te komen. De missie begon in Luanda, de hoofdstad van Angola met 5 miljoen inwoners en het economische hart van het land.

Het programma startte met een welkom van de Nederlandse ambassadeur in Angola, Jan Gijs Schouten, waarna een praktische en nuttige toelichting werd gegeven over Angola tijdens de briefing 'Doing Business in Angola'. Vervolgens werd de eerste dag gewijd aan 'matchmaking' met Angolese banken en bedrijven en aan een receptie waar kennis kon worden gemaakt met de Nederlandse gemeenschap in Angola. De volgende dag stond in het teken van workshops. De Agência Nacional para o Investimento Privado (ANIP) gaf een zeer nuttige toelichting op de mogelijkheden, voordelen en vereisten op het gebied van investeren in Angola. Ook de Wereldbank gaf bij de Nederlandse ambassade een workshop over de huidige economische situatie in Angola.

Vervolgens is een bezoek gebracht aan het Ministerie van Publieke Werken, waar de missieleden in de gelegenheid werden gesteld om naar de toekomstige infrastructurele plannen van de regering te vragen. Woensdag stond in het teken van de reis naar Lobito, de tweede havenstad van Angola, gelegen in het zuiden. Na een hartelijke ontvangst door het plaatselijke bestuur werd in de haven een rondleiding georganiseerd waarbij een toelichting werd gegeven op de huidige transportproblematiek in Angola.

De toevoer van goederen via de haven in Luanda ondervindt problemen door de 'ophoping' van schepen voor de haven. De schepen kunnen hun containers niet kwijt en worden vervolgens via de haven van Lobito geleid. Voor de toekomst zijn dan ook grote uitbreidingen gepland om deze problematiek op te kunnen lossen. Daarnaast hebben wij ook de mogelijkheid gehad om te spreken met een havenbedrijf van Lobito, Oceanica de Navegacao. De dag daarna is een bezoek gebracht aan de haven in Luanda waar Maersk, het bekende internationale vervoersbedrijf, een uitgebreide toelichting heeft gegeven. Zoals bekend zijn de Chinezen en de Brazilianen momenteel erg actief in Angola, maar hier liggen meer mogelijkheden, ook voor het Nederlandse bedrijfsleven. Deze dag gaf tevens de mogelijkheid tot het opvolgen van individuele contacten.

Voor Atradius was het met name van belang om zoveel mogelijk informatie in te winnen over de politieke en economische situatie in Angola. Hierbij zijn de ambassade en de Wereldbank uiterst behulpzaam geweest. Ook het contact met de bankensector in Angola is als positief ervaren. De missie werd zeer succesvol afgesloten met een diner in de residentie van de ambassadeur. Wanneer wordt gedacht aan zakendoen in Angola ligt de nadruk op de oliesector. Maar er zijn ook andere mogelijkheden in Angola. Atradius biedt sinds kort dekking op Angola en het huidige middellange landenbeleid is als volgt:

- Signaleringsplafond € 400 miljoen
- Onvoorwaardelijke zekerheidseis: garantie van een monetaire autoriteit of centrale overheid, garantie van Sonangol of Endiama

Wilt u meer informatie over deze missie of heeft u vragen over Angola dan kunt u contact opnemen met Sophie van Assen, Underwriter Africa and Asia op telnr. 020-5532225 of per email: [sophie.van.assen@atradius.com](mailto:sophie.van.assen@atradius.com) of Marijn Kastelein, Economist op telnr. 020-5532403 of per email: [marijn.kastelein@atradius.com](mailto:marijn.kastelein@atradius.com)

Source: Creditnotes 2/2008, Atradius Dutch State Business

## Oil, Mining and Energy

### Angola leapfrogs Nigeria as Africa's largest oil producer



*A bird's eye view of Angola block 15*

Angola overtook Nigeria as Africa's largest oil producer in April. The switch is a result of continued insecurity in the Niger Delta, where militant groups are waging a long-running violent campaign to press for greater local control over oil revenues.

In April, Angola reached a production rate of 1.92 million barrels per day (bpd), slightly below its potential of 1.93 million bpd, according to the Organization of Petroleum Exporting Countries (OPEC). Nigeria produced 1.88 million bpd in April, three-quarters of what OPEC estimates to be Nigeria's production capacity of 2.5 million bpd,

Angola, one of OPEC's newest members, has gradually increased its production with new offshore oilfields, while Nigeria has been plagued by persistent supply disruption.

A strike by **ExxonMobil** workers in Nigeria took about 800,000 bpd out of production for several days. But the decline in its output mostly reflects the effect over the past two years of increased

militant activity in the Niger Delta, which has taken out a fifth of the productive capacity of what has been Africa's top producer annually since 1978.

Nigeria may retake the top position this month as much of its shut-in production has been restored with Exxon Mobil settling its strike and **Royal Dutch Shell** repairing two of its Bonny Light field facilities damaged by militant attacks.

There is a question about the long-term commitment of foreign oil companies to the delta unless the unrest is reined in. There is scant sign of new exploration in the region and no new reserves have been discovered there recently.

That is a faint echo of what happened in Angola during its civil war in the 1980s when oil companies pulled back from exploration as a prelude to shutting down production as fighting became more intense.

What little exploration there is now in Nigeria is in deep waters offshore, where **Chevron**, ExxonMobil and **Total** all have fields due to come on stream over the next 18 months.

Oil producers in Nigeria also face regulatory, legal and financial challenges. The government, which like Russia's and Venezuela's wants a bigger slice of the profits from \$100-plus a barrel oil, is attempting to overhaul the industry and turn the state oil company Napcon into a clone of Brazil's **Petrobras** or Norway's **StatoilHydro**.

While the government is unlikely to abandon its foreign-investor-friendly approach to energy regulation, the large international oil companies will find their high profit margins under scrutiny, while their ability to pump oil in the delta remains repeatedly interrupted by those taking matters directly into their own hands.

Source: Bloomberg

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### **Nigeria Govt uncomfortable with Angola's Lead in Oil Sector**

President Umaru Musa Yar'Adua has expressed displeasure with the recent leapfrogging of Nigeria by Angola which assumed Nigeria's position as number one oil producing nation in Africa, a position Nigeria has maintained since 1978. A senior official in the presidency told recently that the presidency is highly disturbed by the development, saying that "it is unfortunate that Angola a new entrant into the Organisation of Petroleum Exporting Countries (OPEC) has overtaken the country in crude oil production as a result of avoidable circumstances".

Angola overtook Nigeria as Africa's largest oil producing nation in April, according to a Platts survey. The swift change in position has been attributed to the continued unrest and insecurity in the Niger Delta region that houses the oil wealth of the nation. The region has over the years witnessed untold militant attacks over neglect and underdevelopment of the area, while successive governments have made efforts at tackling the problem, situation continues to take new dimensions.

According to OPEC statistics in April, Angola reached a production rate of 1.92 million barrels per day (bpd), slightly below its potential of 1.93 million bpd, according to the OPEC. Nigeria produced 1.88 million bpd in April, three-quarters of what OPEC estimates to Nigeria's production capacity of 2.5 million bpd, Angola, one of OPEC's newest members, has gradually increased its production with new offshore oilfields, while Nigeria has been plagued by persistent supply disruptions.

Angola's new position has been for long anticipated by analysts in the oil sector and they sited the unrest in the Niger Delta region and the recent long strike action by oil workers at Exxon Mobil under the auspices of PENGASSAN as potential factors.

Source: AllAfrica.com

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### **Eni and Sonangol companies announce oil discovery in Angola**

Italian oil and Gas Corporation Eni and Angola's Sonangol have announced an oil discovery in the deepwater's of Block 15/06, located some 350 kilometres north of Luanda, in the Angolan offshore. The exploration well (called Sangos 1) which led to the discovery has been drilled at a water depth of 1,349 meters and to a total depth of 3,343 meters. Eni is an operator of Block 15/06.

During production tests, the well produced quality oil in greater quantities than expected. Field dimensions and results are better than estimated. Further wells will be drilled in the surrounding areas in order to develop synergies in the western part of the block.

Source: Datamonitor

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### **Total aims to be number one in Angolan oil industry**

French oil major Total hopes to become the biggest group in Angola in two to three years with the production of 700,000 barrels per day, its chief executive said. "Angola is one of our main priorities in the Gulf of Guinea. We have very big projects on the way, we are probably still second and we will be the first in two to three years," Christophe de Margerie told reporters. "In operated production, I would like us to have 700,000 barrels a day ... today we are at about 290,000 barrels of operation," he said.

He was speaking on the sidelines of an official visit to Angola by French President Nicolas Sarkozy and a delegation of business people. Angola produced 1.873 million barrels per day in April, according to the latest report from the Organisation of Petroleum Exporting Countries.

Source: AFP

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### **Saipem Company wins two offshore contracts worth \$600 million in Angola and Egypt**

Italian oil services company Saipem SpA, said it has won two new offshore contracts in Angola and Egypt worth a combined \$600 million.

The Angola contract, awarded by Total E&P Angola, is for setting up a new injection platform for the offshore Block 17 Gas Export Project, located at 230 kilometres northwest of Luanda, with marine activities to be carried out by the Saipem 3000 vessel in the second half of 2009, it said.

The Egypt contract, awarded by Burullus Gas Company, is for the development of the offshore Sequoia field, located between the Rosetta and West Delta concessions at 130 kilometres northeast of Alexandria, with works expected to be completed in the second half of 2009, it said.

Source: Thomson Financial

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### **Government formalises diamond prospecting research deal**

Angolan Government has formalised the establishment of an association among Endiama, British Canzar Resources, Luboia and Nova Angospencer, for the secondary diamond prospecting, research and recognition in the areas of Luachisse, Bié province's district of Chitembo.

The shares for the parties of the association are as follows: 30 percent for State-owned Endiama, 42 for Canzar Resources (British), 13 for Luboia and 15 for Nova Angospencer (both local). According to the source that quotes a deal, should the venture reach the exploration stage, the parties will set up a commercial society that will be assigned the exclusive right to explore the secondary diamond deposits.

Under the deal, Endiama is tasked with providing the association with the geological and mineral data seen as necessary for all concerned operations. Canzar is bound to make all its investments for prospecting, research and recognition, on own risks and without interest. Luboia and Nova Angospencer are obliged to promote the appropriate environment for a good relationship with the public authorities, as well as stability and security in the area covered by the contract.

Source: Angop

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### **Government formalises contract between ENDIAMA and partners**



Angolan Government has formalised the establishment of a partnership association between the country's diamond company (Endiama) and International Gold Exploration (IGE), Compesa Angola, Triade-Jlt, Comercio Geral, Sheffield-Indústria Petrolífera e Diamantífera and Syntechron Construções.

The partnership association agreement is intended for research and prospecting of diamonds in the area of Luxinge, district of Cambúlo, in Angola's northeastern Lunda Norte province. The shares among the partners will be distributed as follows: 18 percent for Endiama, 42 for IGE, Compesa Angola (10), and 10 percent for Triade, Sheffield and Syntechron each.

According to the source, should the project reach the exploration stage, the parties will establish a commercial society with exclusive right for exploration of the secondary deposits. Under the deal, Endiama is tasked with providing the association with the geological and mineral data seen as necessary for all concerned operations.

IGE is bound to making all its investments for prospecting, research and recognition, on own risks and without interest, whereas Compesa Angola, Triade and Sheffield are assigned to promote the appropriate environment for a good relationship with the public authorities, as well as stability and security in the area covered by the contract.

Source: Angop

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## **Banking and Insurance Sectors**

### **Angola payment system establishment**

Sistema de Pagamentos de Angola (SPA) is a system by which employers (payers) may deposit paychecks directly into their employees (beneficiaries) bank accounts.

The beneficiary's bank has a maximum of 30 minutes to credit payment received into the beneficiary's account.

Advantages of the Angolan Real Time Payment System (SPTR) for the employer (payer):

- Guaranteed receipt of payment by beneficiary
- Guaranteed definitive settlement, since settled payments are irrevocable
- Irrefutable proof of receipt of payment by the beneficiary
- Nationwide system coverage;
- Customers can send payments of any amount through SPTR, and all payments equal to or greater than AKZ 5,000,000 shall be processed through SPTR. This makes it mandatory to indicate the Bank Identification Number (IBAN) in order to process payment.

Advantages of the SPTR for the Bank Customers (beneficiaries):

- Paper documents are eliminated
- Time and cost savings (endorsing checks, depositing checks or money)
- Avoiding risks related to loss or theft of checks or money
- Avoiding risks of returned checks, because of inadequate funds, fraud, or mistakes with signature
- Facilitates the balancing of payments (no need to control deposits in checks or concomitant availability of funds)
- Enhanced economic liquidity overall, since a payment may on one same day generate countless other payments

#### ***SPTR Fee Schedule:***

Payment In Line (Waiting)

Normal – USD .93

Rush – USD .93

#### ***Real Time Payment:***

Normal – USD 1.86

Rush – USD 1.86

For bank customers, SPTR is available from 8:30 am to 3:30 pm.

The Angolan Payment System Law governs the management, operation, control, and oversight of the payment system to fulfil the public interest.

***Monetary and Exchange System:***

*General Principles*

There are three basic items of legislation covering the monetary, foreign exchange, banking and financial systems. These are Laws 1/02 of 3 January on the Statutes of the Bank of Angola, Law 13/05 of 30 September on financial Institutions, Law 5/97 of 27 June on exchange, and Law 5/05 of 29 July on the payment system.

The Bank of Angola stands in a salient position, as the institution at the heart of the system. It “guides and monitors monetary, financial and foreign exchange policies and oversees financial institutions.”

From this stems its role as the central and reserve bank. Its main objectives are to ensure and maintain the value of the country’s currency, though it also:

- Acts as the single state banker;
- Advises the state on monetary, financial and foreign exchange issues;
- Collaborates on the definition and implementation of exchange rate policy and monitors the currency market;
- Manages the country’s assets in foreign currency and any other financial products within its remit;
- Acts as intermediary in the state’s international monetary relations;
- Watches over the stability of the country’s financial system, acting in this instance as lender of last resort. (Articles 3 and 16)

*In the Monetary Field (Law 6/97)*

The National Bank of Angola, as a guarantor of the value of the currency, lays down monetary policy. It has, among other things, the exclusive right to issue bank notes and coins which are legal tender and are freely available. This availability is limited for notes and fixed in law for coins (Article 6).

*In the Foreign Exchange Field (Law 5/97)*

The law also stipulates that the national bank “is the foreign exchange authority for the Republic of Angola, and can delegate its powers to other entities for specific operations” (Article 3).

The national bank can therefore delegate powers for foreign exchange business, no further authorization being necessary from the bank or any other body.

Foreign exchange operations are defined as:

- Acquisition or disposal of gold in coins, ingots or any other unwrought form;
- Acquisition or disposal of foreign currency;
- Opening and using accounts in foreign currency, for residents or non-residents;
- Opening and using accounts in domestic currency, for non-residents;
- Settlement of any transaction involving goods, invisibles or capital (Article 5).

The foreign exchange business is defined as carrying out exchange operations on a regular basis, on one’s own behalf or on behalf of a third party (Article 10).

Source: ANIP

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### **Ruling party official praises banking sector's performance**

The governing MPLA party's first-secretary for Luanda Province, Bento Joaquim Sebastião Francisco Bento, has praised the work done by the banking sector, saying it is among the sectors that have grown the most in Angola over the past few years.

The official was speaking during the closing ceremony of the workshop "Great challenges of development in Angola", promoted by the speciality committee of MPLA's bank clerks, in the light of the second anniversary of that party organ, celebrated Monday.

Bento Bento noted that most of the officials holding top positions in the country-based banks are a product of National Independence, because they were born after its proclamation, on 11 November 1975 and, consequently, product of MPLA.

On the other hand, Bento Bento expressed his satisfaction at the good representation of women in banking institutions, judging from the high number of young women that attended the meeting.

The event also aimed at reviewing the success achieved at the third national conference of the MPLA, held on 9-10 May, in which it was outlined the electoral strategy of the party and the government's programme for the coming four years.

Source: Angop

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### **BIC records profits of USD 80 million**

In 2007, Banco BIC's profits increased 146%, reaching USD 80 million. Equity also rose 125% to USD 152.6 million. During the same period, deposits climbed 85% to USD 2.114 billion, while loans granted increased 115% to USD 1.373 billion.

Source: ANIP

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## **Logistics and Infrastructures**

### **Power plant rehabilitation projects require USD 8.4 billion**

The construction of new power plants across Angola, between 2009 and 2016, will require an investment of USD 8.4 billion. The rehabilitation will provide electricity to the country and contribute to the industrialization of Angola. The project will make use of the hydroelectric potential of the Kwanza, Catumbela, and Cunene Rivers. The Ministry also plans to build 60 to 200 MW thermoelectric plants, transmission lines, and substations. It will build high, medium, and low-voltage regional and local distribution networks in the regions of Luanda, Benguela, Huíla, Huambo, Kwanza-Sul, Cabinda, Malanje, and Uíje.

The Kwanza River Project: The project will require an investment of USD 7.3 billion to be used on the Cambambe dam (130 MW), and the Nhangue (450 MW), Laúca, and Caculo Cabaça plants. The project is expected to be finished by 2015.

The Catumbela River Project: The project will require investments of approximately USD 340 million and will include the use of the Lomaum Dams for hydroelectric power. The rehabilitation will bring the capacity to 65 Megawatts with a completion date of 2013.

The Cunene River Project: The project will require an investment of USD 750 million to standardize the volume of the Jamba-ya-mina, Jamba-ya-o ma, and the Baynes Bi-national Projects. Construction on the project will begin in 2010 and run until 2016.

Source: ANIP

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### **Angola to invest USD 351.8 million to rehabilitate roads**

Angola will receive financing in the amount of USD 351.8 million from Spain's Deutsche Bank as part of an agreement signed between the Angolan Ministry of Finance and Deutsche Bank. The investment will be used to finance road and infrastructure rehabilitation projects in the provinces of Luanda, Kuando-Kubango, Moxico, and Kwanza-Norte.

Source: ANIP

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### **Government invests USD 200 million in construction equipment**

The Council of Ministers recently approved a finance agreement signed by Angolan officials and Credit Suisse, to invest USD 200 million in equipment to build construction material factories. Once built, the factories will support the national rehabilitation effort.

Source: ANIP

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### **Government approves construction of four-star Hotel in Cabinda province**

An investment project for the construction and management of a four-star hotel in the city of Cabinda has been approved by the Council of Ministers. The project is valued at approximately USD 26 million.

The hotel, Sana Cabinda Park Hotel, will create 170 direct jobs, and is owned by the Angolan company, Sociedade de Investimentos Hoteleiros de Cabinda Lda (SICAB).

Source: ANIP

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### **Government invests USD 100 million in hotel construction in Huíla province**

Approximately USD 100 million will be invested in the construction of 3- and 4-star hotels in Huíla Province. The hotels are being built in preparation for the African Cup of Nations, CAN-2010, to be held in Angola.

The investment will fund the hotels of Lubango, Serra da Chela, and Gundo One , where work has already begun. In addition, two similar hotels belonging to Seguradora Angola Agora e Amanhã (AAA) will be built. These hotels will make an additional 500 rooms and 900 beds available in Huíla, which is a substantial increase over the current capacity. Existing hotels in the region are also working to increase lodging and upgrade services.

Source: ANIP

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### **Government to spend USD 4 million on water supply project in Huíla province**

Approximately USD 4.1 million will be spent in 2008 on water supply projects; in the Southern Huíla Province, as a part of the first stage of the Agua Para Todos programme. In addition to Huíla, the investment will also be allocated to Lubango City, as well as Humpata, Chibia, Caconda, Caluquembe and Cacula districts for the improvement of water systems and wells.

Source: ANIP

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### **Government approves USD 1.9 million on water supply project in K. Sul province**

The Council of Ministers approved a loan agreement between the Ministry of Finance and the African Development Fund to invest USD 19 million in the rehabilitation of water supply, basic sanitation, and institutional support projects in Kwanza-Sul Province.

The African Development Fund will also provide approximately USD 9 million to the Financial Management Support Project (PAGEF).

Source: ANIP

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### **Business group to rehabilitate Cuca beer factory in Huambo province**

A group of Angolan companies plan to invest USD 42.6 million in the rehabilitation of the Cuca Beer Factory, located in Huambo Province. Preliminary work is already underway and includes fencing off and preparing of a space for the storage of construction materials.

Source: ANIP

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### **Russian Company to repair the Luachimo Dam in L.Norte province**

The Russian Diamond Mining firm, Al Rosa, is scheduled to rehabilitate the Luachimo Hydroelectric Dam in 2008, located in eastern Lunda Norte Province. The rehabilitation will include the construction of a new concrete structure and the installation of updated technology. Feasibility studies have been conducted to ensure viability of the project, which will comprise of two phases. The first phase will last one year, while the second one will last two years. After the rehabilitation is concluded, the hydroelectric complex will increase production to more than three times its current capacity.

Source: ANIP

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## **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](mailto:lua@minbuza.nl)

[www.angola.nlembassy.org](http://www.angola.nlembassy.org)

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## **Useful Websites**

Official Republic of Angola website:

[www.angola.org](http://www.angola.org)

Royal Netherlands Embassy in Angola:

[www.angola.nlembassy.org](http://www.angola.nlembassy.org)

AngolaPress

[www.angolapress-angop.ao](http://www.angolapress-angop.ao)

Dutch Webpage with Practical Links:

[www.angola.startpagina.nl](http://www.angola.startpagina.nl)

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ANIP Agencia Nacional de Investimento Privado  
[www.investinangola.com](http://www.investinangola.com)

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## Exchange Rates

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

- KZ 74,832 to the US Dollar (USD)
  - KZ 116,469 to the Euro (EUR)
  - KZ 9,876 to S. African Rand (ZAR)
  - KZ 147,607 to the British Pound (GBP)
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**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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Thank you.

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