



**Koninkrijk  
der Nederlanden**

# Time is Now!

Royal Netherlands Embassy Luanda, Angola

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## **Economy, Commerce and Investments**

### **President Dos Santos unveils Sonangol's headquarters**

The Angolan Head of State, José Eduardo dos Santos, inaugurated last Thursday the new headquarters of the state-owned company- National Oil Society (Sonangol EP), located in Luanda.

The construction of the building that is settled in the introduction of new management systems of energy, prevention of fire and illumination, was inspired in the structures used in the platforms of oil industry.

According to the official of the company, the 22 floor and 95.5 metres high building occupies a surface of 48,000 square metres and will host about 2,000 employees in an open space system.

After the cut of the ribbon the country's President was led to the multifunctional amphitheatre with the capacity to host 300 people, where he watched a video that portrayed the security conditions installed in all floors of the building and other technical details.

On the occasion the chairman of Sonangol's Managing Board, Manuel Vicente, thanked the presence of the Statesman at the ceremony, and other entities who participated in the construction of the building.

The manager reminded that during the 32 years of Sonangol's existence, only now it has its own headquarters.

After that Mr. dos Santos and guests went through some premises of the building among them working offices, two gymnasiums, a restaurant and a documentation room under fire proof.

The new Sonangol headquarters include also three floors for car parking and one heliport with over 20 metres of diameter, a result of the confluence of the architecture and engineering from Angola, South Africa, England, South Korea and Portugal.

Source: ANGOP

Royal Netherlands Embassy Luanda, Angola

## Angolan oil output tops Nigeria

For the first time ever, Angolan oil output exceeded that of Nigeria, knocking the West African country out of the continent's top spot for production, according to OPEC.

Angola's production levels for the month of April reached 1.87 million barrels per day, the Organization of Petroleum Exporting Countries reported this week, while Nigeria's shrunk to 1.81 million bpd. That's down from a high of 2.5 million bpd just three years ago.

Meanwhile, Angola's production rose by more than 800,000 bpd during the same period due to several new offshore projects coming online in the oil-rich waters off the coast of Cabinda province.

Nigeria's steady decline in oil production has been blamed on militant groups like the Movement for the Emancipation of the Niger Delta. The delta is home to the vast majority of Nigeria's oil production; however, its residents remain mired in abject poverty.

The country that once dominated oil production in Africa has pumped more than \$300 billion worth of crude over the last three decades from the southern delta states, according to estimates.

Nigeria's high unemployment in the delta, environmental degradation due to oil and gas extraction, and a lack of basic resources such as fresh water and electricity have angered the region's youth, who have taken up arms, many times supplied by political leaders, and formed militant groups and local gangs.

Though Angola's emergence as a regional oil contender is undeniable, some experts warned against just yet anointing it Africa's new petroleum titan.

"Angola is certainly a big upcoming producer," African oil expert John Ghazvinian, author of "Untapped: The Scramble for Africa's Oil," told United Press International.

"Although monthly (production) figures can fluctuate," he added, noting that the return to even partial capacity of a few facilities in the delta would return Nigeria to the top spot among petroleum producers in Africa.

"Angola and Nigeria are clearly the two titans of the sub-Saharan oil world," Ghazvinian said.

The oil author did note that while oil production in the delta and at off-shore platforms has been interrupted numerous times since the emergence of MEND three years ago, not to mention decades prior by the armed group's predecessors, Angola's petroleum sector has remained relatively free from violent disruptions.

That's not to say Angola hasn't had its own share of difficulties with armed groups vying for its country's oil wealth.

Cabinda province, home to more than half of Angola's oil, has been the scene of violence blamed on the separatist group known as the Liberation of the Cabinda Enclave, or FLEC.

Many Cabindan separatists and members of FLEC who fled the province have returned and remain discontented with the Angolan government for not using enough of the country's oil revenue towards development.

Despite last year's peace deal between the government and those Cabindans seeking a separate state, chronic discontent persists among secessionists, prompting the Angolan government to keep up to 30,000 troops in the tiny province.

In March, three Angolan soldiers were killed in attacks blamed on FLEC. The military has since clamped down in the region in hopes of thwarting future attacks.

"Luanda (Angola's capital) will act to ensure that FLEC does not present an obstacle to the government's goals of becoming a major oil producing state and using its wealth to become the geopolitical hegemon in south-central Africa," reads a recent report by Stratfor Strategic Forecasting.

Source: UPI Energy

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### **Promising investment opportunities in the province of Namibe**

While the investment opportunities in Namibe are limited to a few industries as compared to other provinces, the quality of those it possesses is very high. Namibe accounts for 65% of all Angolan fishing activity — the investment opportunities in this area are promising. Not only is the current fishing sector far from saturated, but there are also many opportunities to explore in fishing derivatives including refrigeration, canning and drying of the sea goods.

Investment opportunities also lie in the agriculture and livestock industries. With agriculture secondary to livestock there is much land available for farming, with a multitude of crops that grow well in the soil. The main crops include potatoes, sweet potatoes, mandioca, and fruit products. Besides the growing of crops, there are many related processing opportunities to be explored.

Namibe possesses approximately 480 kilometers (298 miles) of Atlantic coastline, and has a population of 225,000 inhabitants. The province spans 57,901 square kilometers (22,355.70 square miles) in the southwest region of Angola. Education for inhabitants has increased greatly with primary schools now throughout the entire country, and second and third level education offered at the capitals of each municipality. Living conditions are continually improving with nearly 1400 kilometers (870 miles) of primary and secondary roads, over 900 kilometers (559 miles) of railways, an international airport along with many small aerodromes, and two strong sources of power.

Enhancing infrastructure is a priority. To improve travel throughout the province the government is renovating kilometres of secondary roads, and has begun work on sections of the railway. Renovations of the drainage system used by the railways, and the modernization of the train control system are underway. Parallel with these core initiatives the government is repairing power lines, renovating tubular wells, and obtaining new fishing equipment to build a strong foundation for economic growth.

#### *Investment Incentives for the Province*

- Customs Duties: Investment operations are exempt from payment of duties & taxes for a period of 6 years.
- Industrial Tax: Profits yield from investments are exempt from payment of industrial tax for a period of 12 years.
- Capital Gains: Companies that promote capital investments are exempt from the payment of capital gains tax for a period of 15 years.

#### *Investment Industries*

- Fishing / Fishing Derivatives
- Agriculture / Agriculture Derivatives
- Livestock

#### *Key Namibe Facts*

- Population: 225,000
- Accounts for 65% of all Angolan fishing activity
- Roads: Nearly 1400 kilometers (870 miles) primary and secondary roads
- Airports: 1 international, and 20 small aerodromes
- Location: South of Benguela Province, West of Huila Province, East of the Atlantic Ocean, and north of River Cunene and the Republic of Namibia
- Atlantic Coastline: 480 KM (298 miles)

Source: ANIP

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### Angola plans to boost cereals production



Angola's Foreign Affairs Minister João Miranda

Rome, 06/06 - Angola wants to increase cereals production between the 2009-2013 period, in about 4 million hectares of land, to produce over 15 million tonnes, announced in Rome the Foreign Affairs minister, João Miranda.

The diplomat, who attended the meeting in representation of President José Eduardo dos Santos, said so while addressing a speech on the first day of the conference on World Food Security, which took place on 3-05 May.

He said that between 2009 and 2013 roots and small tuber production may have an 11 per cent growth, and that vegetables might grow to a rate of 40 per cent.

João Miranda also said that since the achievement of peace in 2002, agricultural production has been increasing significantly, due to the government's measures, mainly the resettlement of displaced people and their integration in agricultural projects.

"Investments have been growing in the sectors of agriculture, fishing and food industry, as well as economic and legislative reforms, aiming at macroeconomics stability", he explained.

The Angolan government has been working hard on the rehabilitation of infrastructures, such as bridges, roads, railways, as well as the irrigation systems, organisation of trade and transports to stimulate private investment all over the country.

Joao Miranda also said that on the scope of rural development the Angolan government has been working for the improvement of people's living standards in communities, through the extension of services in the sectors of health, education, drinkable water, electricity supply and sanitation.

Commenting on bio-fuels, the head of the Angolan delegation said that 500.000 hectares of land out of the country's 35 million hectares can be used for this production, without any harm to land allotted for crops production.

Asked about the significant food price rise that has been recorded worldwide, the minister said it should be an opportunity, mainly for developing countries, to improve their investments in the agricultural sector.

Meanwhile, at the opening ceremony, the United Nations secretary-general, Ban Ki-Moon, appealed for the need to double the world food production until 2030, as a way of overcoming the current crises reflected in low production and high prices.

The conference was promoted by the UN Food and Agriculture Organisation (FAO) and had as main goal to find out ways of improving food security and quality.

Source: ANGOP

### Angola is one of the biggest recipients of private investments in Africa

Angola is one of Sub-Saharan Africa's countries that are receiving the greatest amount of foreign investment, according to a study published recently by the IMF. Mozambique is also mentioned as one of the examples of economical stability in the sub-region that has contributed in order to attract private capital.

The document published by the IMF indicates that in 2007, the entry of private capitals in the sub-Saharan Africa reached 50 billion USD. According to the study, Angola received 5, 2 % to the total amount of those investments, only after Nigeria, with 29, 4%, South Africa with 18, 2% and Equatorial Guinea with 9, 1%. The “abundant global liquidity” is partly responsible for the increase of private capitals in Africa, says the document, stressing nevertheless that “the investors are also attracted by the solid macro-economical performance of Sub-Saharan Africa, by more stable political situations and by bigger profits than expected due to the increase of prices of raw-materials”.

The document stresses also that the entry of investments in the stock market of “a small group of countries with more developed financial markets”, referring that “many African countries are similar to countries in eastern Asia in the 1980’s”.

A group of eight countries, among which are Mozambique, is now in a better financial and economical situation than the countries that belonged to the Association of countries of the South-east Asia in 1980, states the document.

For the authors of this document, the acceleration of the entry of private capitals in the Sub-Saharan Africa “creates opportunities for the region, especially having in mind that the entry of support has not suffered any change during the last years”.

“Private capital gives the countries an alternative source to finance infra-structures and other investments, stimulating growth and helping the countries to make progress in direction to the development objectives”, says the document.

However, the text alerts to the fact that “the significant entries of private capital may increase the macro-economic volatility and create vulnerability in the financial sector”.

The IMF document states also that the entry of private capital shall soon “replace the official support as the most important external financing source for Sub-Saharan Africa”.

“This is a healthy development but it stresses even more the importance of a solid macro-economic management, of transparent policies of capital administration and of reforms of the financial sector to ensure that the countries use the entry of that capital avoiding the macro-economic instability and sudden setbacks”, defends the report. “In long term the benefits of the entry of capitals depends on better domestic institutions and stronger and deeper financial markets”, it concludes.

Source: Angop

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### **Angola unlikely to change course after election**

Angola's ruling party, buoyed by an oil boom and billions in Chinese investment, is expected to sail through parliamentary elections and keep tight control over one of the world's fastest growing economies.

President José Eduardo dos Santos, who has governed the south-western African nation since 1979, recently announced that Angolans would go to the polls on Sept. 5 in the first national elections in 16 years.

Dos Santos' Popular Movement for the Liberation of Angola (MPLA) party faces a fragmented and poorly funded opposition as it seeks to extend its rule, unbroken since independence from Portugal in 1975.

It also enjoys a stranglehold over the media and access to the government's stuffed coffers to run its campaign.

"The MPLA holds all the power in Angola, and I don't see how the upcoming elections can change much," said Justino Pinto de Andrade, a political analyst at Catholic University in Angola's capital, Luanda.

MPLA candidates and officials will stress the government's stewardship of the economy when they fan out across the country to campaign among an estimated 8 million registered voters.

Angola's economy has been growing in double digits since the end of a 27-year civil war in 2002 -- GDP jumped by more than 24 percent in 2007 and some analysts expect it to grow by 30 percent this year as oil hovers at around \$140 a barrel.

Oil production has soared to 2 million barrels per day from about half that amount in 2005, putting it within striking distance of supplanting Nigeria as sub-Saharan Africa's largest petroleum producer.

The boom paved the way for Angola to join OPEC in 2007 and has enabled the government to begin rebuilding ports, railways and other infrastructure that was destroyed or fell into disrepair during the war.

Luanda has been turned into a giant construction site, its skyline dotted with construction cranes marking the locations of new shopping centres, skyscrapers and luxury hotels. Its port is clogged with ships from around the world.

"The thing about this country is that the reconstruction has just begun, and there is still a lot of work to be done," said Emidio Pinheiro, head of the leading private bank BFA.

Chinese firms have extended an estimated \$9 billion in credit and oil-backed loans to Angola.

Ballooning oil wealth and large Chinese loans that come with few strings in comparison to those offered by the West have stoked fears the MPLA government will do little to fight corruption or improve human rights.

Billions in oil revenue have simply disappeared and remain unaccounted for, according to human rights groups.

The widespread belief only a minority of Angola's 15 million people have benefited from the booming economy represents a potential Achilles' heel for the government.

More than two-thirds earn less than \$2 a day, according to independent research, and unemployment is estimated at 40 percent. Infant mortality rates are among the world's worst, with about one quarter of children dying before the age of five.

"People would express their discontent if only we lived in a country where the opposition parties had the power to act as an alternative power," said Filomeno Vieira Lopes, an economist and President of the tiny Democracy Front party.

"There is no real separation of powers in the state, and in practical terms we live in a one-party state," he said.

A presidential election is scheduled for 2009. Dos Santos' government has shown a prickly unwillingness to bend to dissent, clashing repeatedly with the World Bank and the International Monetary Fund over their demands of Angola to improve fiscal transparency and embrace democracy in return for loans. It has ignored human rights groups who accuse police and the MPLA of intimidating opponents, including members of the National Union for the Total Independence of Angola (UNITA), which fought against the government and is now the main opposition party.

UNITA pulled out of the 1992 presidential election after its leader Jonas Savimbi refused to accept first ballot results, leading to a resumption of the war. More than 1 million people died in the conflict, which ended with Savimbi's death in 2002.

Few observers see a resumption of fighting, but concerns remain that the elections could be marred by low-level violence.

Source: Reuters

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### **World Airways extends MD-11 passenger service contract with Sonair**

World Airways, a subsidiary of Global Aero Logistics, has signed an agreement extending MD-11 passenger service for the eighth year with Sonair Servicio Aereo, a subsidiary of Sonangol, the national petroleum company of Angola.

World Airways operates three non-stop, round-trip flights per week between Houston, Texas, and Luanda, Angola, through a collaborative effort between Sonair and the US Africa Energy Association (USAEA).

This service, known as the Houston Express, is operated by World Airways on their behalf and provides the only available premium, exclusive non-stop travel option for USAEA members.

The Houston Express utilizes a specially configured MD-11 aircraft with 12 first-class, 78 business and 23 super-economy seats.

Source: Datamonitor

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### **Spain grants USD 600 million to Angola**

About USD 600 million dollars is the amount of credit granted to Angola by Spain, under the reinforcement of the co-operation ties between the two countries, announced the Spanish ambassador to Angola, Javier Vallaura.

The diplomat announced this fact during an interview at a ceremony where the Angolan economist Augusto Archer de Sousa Manguera was distinguished with the “Encomienda de Mérito Civil” (honorary civil merit) by the Spanish Kingdom, for his contribution to the strengthening of bilateral ties between Angola and Spain.

According to the Spanish ambassador, the credit was opened after Angola paid up its debt to Spain, whose amount was not mentioned.

The diplomat stressed that the ties between the two countries “have been privileged and consolidated throughout the time”, stating that for the future the priority in the bilateral co-operation will be for the areas of health, education and agriculture.

He said that there is also a huge increase in economic activity stimulated by the opening of credit-lines, thus resulting in an incentive for Spanish companies to come to Angola not only to sell and buy, but to invest as well”.

The ambassador manifested his commitment to continuing to work for Spanish businesspeople to invest in Angola, since reciprocal protection of investments is guaranteed, through agreements that have been signed since last November.

Source: ANGOP

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### **Government considers minerals fair good for investments attraction**



**Agriculture and Rural Development minister, Afonso Pedro Canga**

The minister of Agriculture and Rural Development, Afonso Pedro Canga, in Luanda considered the International Fair of Minerals in Angola (FIMA) an important environment to attract investments and make strategic partnerships that can contribute, at medium term, to the country’s mining sector.

According to the Minister, who was delivering a speech at the inaugural ceremony of the referred event, in representation of Premier Fernando Dias dos Santos, the minerals industry has played a meaningful role in the sustenance of the Angolan economy, since this sector has been recording an increase in the number of national and foreign firms operating in it, as well as in the ongoing training being provided to cadres in this area.

“Nowadays we see a higher number of Angolan cadres in top places in the mining sector, as well as an increment in the number of firms, in various branches of activity, in this industrial field, that is why FIMA is considered an important economic space to attract investments, interchange ideas and establish partnerships” said the government official, adding that Angola has strong possibilities to be a leading entity in this activity.

He went on explaining that FIMA is an event that stands out in the country’s current context, for it is taking place in an important moment for Angola, in which peace is a reality and there is a favourable climate for national and foreign private investment.

He pointed out that this environment is safeguarded in light of important legal diplomas like the Basic Law on Private Investment, Fiscal and Customs Taxes Incentives Law, and the Foreigners Status Law.

The official reassured that the fair represents an opportunity to stimulate investments for the development of various public and private projects in this strategic field of activity, as well as serves to show the capacity of the different agents operating in this field of the country's industry.

“The presence of a significant number of firms with international reference operating in our minerals industry gives this edition (of the fair) a dimension and credibility that make us all proud”, emphasised the minister.

In this FIMA event about 130 firms will be displaying their potential, until 22<sup>nd</sup> of June. One of the attractions of this fair is the jewellery industry which is showing several items made of diamonds.

The event also includes the holding of lectures linked to minerals exploration in Angola, in anticipation of the first World Summit on Diamonds, to take place in Luanda, the Angolan capital city, in the year 2009.

Source: ANGOP

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### **FLSmidth Company wins contract for Greenfield cement plant in Angola**

FLSmidth has won a contract worth approximately DKK 745m (100m euro) to supply machinery and equipment for a new 4,200 tonnes per day production line to ETA Star International LLC, Dubai. ETA Star International will be constructing the plant for its customer, FCKS, a state-owned company in Angola.

The new Greenfield plant will be situated in Chindonga close to Sumbe Town in the Kwanza Sul province, 300 kilometres south of Angola's capital Luanda. The project is a continuation of the collaboration FLSmidth currently has with this customer on a project in the United Arab Emirates.

FLSmidth is to supply all machinery for the plant including three crushers, a raw material store, an ATOX raw mill, a three-support kiln with ILC five-string preheater and SF Cross Bar cooler, two UMS cement mills and a complete packaging plant with four lines provided by FLSmidth's subsidiary Ventomatic.

The contract also includes a state-of-the-art QCX/Robolab quality control system and an ECS process control system supplied by FLSmidth Automation as well as a complete electrical equipment package and FLSmidth Airtech fabric filters.

"The project is a sign of the African cement market's great potential and we are glad to be back in Angola, which was an important market for FLSmidth in the 1960s," Group CEO Jorgen Huno Rasmussen comments.

The order will contribute beneficially to FLSmidth's earnings until the equipment has been shipped in mid 2011.

Source: FLSmidth.com

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## **Oil, Mining and Energy**

### **Chevron invests \$ 3 billion on block 14**

The North-American oil company Chevron will invest three billion dollars in the development of the project Tômbua Landana, on block 14 of the Angolan “off-shore”.

The Angolan project is part of a global investment of 20 billion dollars, on the course of the coming five years, to meet the increase in the global demand of oil and gas, stimulating the production in Africa, especially in Angola and Nigeria, as stated the co-President of the oil company.

Peter Robertson mentioned that Tômbua Landana shall produce about 15 thousand bpd of oil, at a starting stage.

The investment forecast for the coming five years is 30% higher than the one made by Chevron between 2003 and 2008, he added.

In Nigeria 5 billion dollars will be applied in a diesel refinery in the Delta Niger until 2012.

The Angolan oil production was the biggest of the African continent in April, surpassing Nigeria, affected by the attacks to oil installations, according to information provided by OPEC.

OPEC indicates that in April Angola produced on average 1,873 million barrels, 55 thousand more than Nigeria. Angola may replace Nigeria in the leadership of oil production in case it overpasses the production amount of two million bpd forecasted for next year.

The 2 million bpd production in Angola will be achieved on the second semester of this year, surpassing the current production estimated at 1,7 million bpd.

The senior responsible, who is also the administrator of KPMG Africa, said that the main reason for this change has to do with the fact that Nigeria lost about 25% of its production as a result

of the crisis in the Delta Niger, whereas the production in Angola is rapidly increasing, as a result of a sustained investment of more than five years to stimulate oil production.

Paulo de Sousa, during an intervention in the KPMG Conference of oil and gas of the Guinea golf, which recently took place in Abuja, said that, based on the communications presented in the conference, the crisis on Delta Niger is having a tremendous negative impact on Nigeria, in the economical and political levels. Both Angola and Nigeria currently produce approximately the same volume of oil, estimated at 2 million bpd.

Angola is since the beginning of this year subjected to an OPEC quota of 1,9 million bpd.

Chevron registered a profit growth of 10% in the first quarter, promoted by record prices of oil, which helped to make up for the reduced revenues with the production of petrol.

The company's net profits in the quarter rose to 5,17 billion dollars, or 2,48 dollars per stock, in comparison to 4,72 billion dollars, or 2,18 dollars per stock, a year before.

The oil prices in the United States achieved a record average of 98 dollars per barrel during last quarter, almost 70% above the corresponding amount in 2007.

Source: J. de Angola

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### **Angolan President inaugurates Sonils USD 65 Million Quay**

The Angolan Head of State, José Eduardo dos Santos inaugurated the quay and the oil unloading terminal belonging to Sonangol Integrated Logistic Service (SONILS) company.

The quay, estimated at USD 65 million, comprises 750 metres long, 12.5 metres of Load-draught with mooring capacity till 42,000 "dwt". The 100-tonne of posts facility also with 30 mooring posts has offered jobs to 140 Angolans and 311 Chinese citizens, since 2006.

The unloading oil terminal will facilitate the supplying of fuel imported by the country, in order to avoid rupture of stocks and reduce oil unloading time. With this investment, the quay zone of SONILS counts on 1,252 metre-long and a total area of 1 million metre squares.

According to SONILS's director, Carlos Fernandes Fonseca, the inauguration will enable the two maritime structures to assist «the new developments being recorded in oil activity and leading to the country's growth».

Source: Angop

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### **Angola overtakes Nigeria as top African oil nation**

Angola has knocked Nigeria off its decades-long perch as Africa's largest oil producer as militant attacks and strikes take their toll on an industry that accounts for nearly half the country's economic output.

According to Opec, Angola produced 1.87 million barrels per day in April, as opposed to 1.81 million barrels per day in Nigeria – the first time Angola has outdone its prolific neighbour.

Analysts estimate that between 800,000 and 1 million barrels per day of capacity is shut-in in Nigeria, equivalent to nearly a third of its total production capacity. The idle oil platforms and pipelines represent billions of daily losses for the Nigerian government. Since Nigeria reached a recent production peak of 2.5 million barrels per day in 2005, militants have crippled the industry by destroying pipelines, pirating oil and attacking foreign workers. The resulting cuts have helped to push the oil price to its recent record highs.

"This is very much the result of the shut-ins and unrest in the Delta. They have suffered very badly, but they ought to be able to restore output to [2005 levels] if the oil fields in the Delta operate normally and they can repair the pipelines that have been damaged," Julian Lee at the Centre for Global Energy Studies said. "But there is no real sign that that is going to happen any time soon."

Royal Dutch Shell, the largest foreign operator in the country, still has 156,000 barrels shut-in due to militant activity.

The Nigerian government further soured sentiment last month by requesting \$1.9bn (£970m) in back taxes from Shell and Exxonmobil on contracts that were struck in the 1990s, when the oil price was a fraction of what it is today.

Angola, meanwhile, has increased average production from about 1 million barrels per day in 2005 to 1.87 million today. The country has less onerous rules governing bidding for exploration blocks and the building of projects. Several major discoveries, most of which are in deep water far offshore – and thus less susceptible to attack – have come onstream in recent years. The French giant Total is the largest player in the country, though BP, ExxonMobil and ChevronTexaco have also ploughed billions into the country in recent years.

Source: The Independent

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### **Government assigns participation in the refinery to SONANGOL**

SONANGOL holds all state rights in FINA PETROLEOS DE ANGOLA (Sociedade Anónima de Responsabilidade Limitada). The government announced that it has assigned its shareholding participation of 300 thousand shares in the Luanda refinery to the national concessionaire. With the acquisition by SONANGOL of TOTAL's participation in the refinery of Luanda, the state and the national concessionaire hold 96% of shares of FINA PETRÓLEOS DE ANGOLA.

SONANGOL's CEO, Manuel Vicente, has justified the assignment request for the fact that the national concessionaire is 100% state- owned. Before, the state and SONANGOL shared the refinery's biggest shareholding capital with separate Boards of Administration. With the uniformization, according to Manuel Vicente, the national concessionaire will keep the total amount of the refinery's shares. There will, therefore, be a single Board of Administration.

In the meantime the government has also established the construction in Porto Amboim of an industrial unit of metal mechanic transformation to produce and assemble equipment for the oil and gas industry on and off shore.

The construction of the referred industry is budgeted at USD 208 million dollars and will create directly about 800 working posts. The factory will also focus on the output of naval repairing and maintenance services. The government has also approved the investment project of the referred industry, named "PAENAL"- PORTO AMBOIM ESTALEIROS NAVAIS"- under the contractual regime.

Source: J. de Angola

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### Angola oil exports, excluding Palanca, will rise 1.6% in august

Angola's daily crude shipments, excluding the Palanca grade, will rise 1.6 percent in August as the country overtakes Nigeria as Africa's biggest oil producer.

BP Plc, Total SA, Chevron Corp., Exxon Mobil Corp. and other companies will load an average of 1.89 million barrels a day in August, 1.6 percent higher than July's scheduled 1.86 million barrels a day, according to loading programs. That excludes Palanca shipments, where the schedule isn't available.

Excluding Palanca exports, 61 cargoes totaling about 58.6 million barrels will load in August, compared with 60 cargoes totalling 57.6 million barrels in July. Palanca shipments typically consist of two to three cargoes of 985,000 barrels.

Angola, which became a member of the Organization of Petroleum Exporting Countries last year, was given a daily production target of 1.9 million barrels at the group's meeting in Abu Dhabi last year. Angolan oil output increased 18 percent last year to 1.61 million barrels a day, according to the International Energy Agency.

Angola produced 1.91 million barrels of oil in May, according to Bloomberg estimates. Nigeria, where militant attacks on pipelines and platforms have closed fields, pumped 1.9 million barrels, the data show.

Angolan oil accounted for about 5 percent of total U.S. crude imports in 2007, or 496,000 barrels a day, according to the Energy Information Administration.

Source: Bloomberg

### Government Authorises ENDIAMA to create joint-venture

Photo Angop



Government authorises public company ENDIAMA to set up joint venture for diamonds ore prospecting

The state-owned National Diamonds Company (ENDIAMA) has been authorised by the government to create a joint venture for the prospecting and search of diamonds ores, on the scope of the Angolan Executive's guidelines allowing more private national and foreign investment into the minerals extraction industry.

Besides ENDIAMA, the joint venture is to include the firms International Gold Exploration Limited, Compesa Angola, TRIADE-J.L.T. - Comércio Geral Ltd, SHEFFIELD oil and diamonds industry and Syntechron constructions.

According to the decree that contains this information, which was published on the State Gazette number 64 last April 09, this decision comes after ENDIAMA concluded that it needs to

be involved in projects that contribute to a major production and valorisation of the country's diamonds, aimed at the socio-economic development of Angola.

The International Gold Exploration firm has the capacity to mobilise financial resources for the programmes of prospecting and search of ores.

The Compesa Angola company, the TRIADE-J.L.T. - Comércio Geral Limitada, the SHEFFIELD oil and diamonds industry, and the Syntechron Constructions have also been picked as capable partners for this undertaking.

Source: Thomson Financial

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### Endiama gets more diamonds prospecting rights

Foto Angop



Government grants to Endiama one more area to prospect and explore diamonds

The Angolan government has formalised the granting of diamonds prospecting, research and recognisance rights, in the region of Luxinge, in the north-eastern Lunda Norte Province, to the State-owned Endiama Company, a work that is to be carried out in an area of 160 square kilometres.

According to the document, the joint-venture contract between Endiama and the firms International Gold Exploration (IGE), Compesa Angola, Triade JLT, Sheffield - Indústria Petrolífera, Diamantífera and Syntechron Construções has been made official.

Endiama has an 18 per cent participation in this joint-venture, 42% for IGE, whereas Compesa Angola, Triade, Sheffield and

Syntechron have 10% each.

Endiama is obliged to give to the other partners geo-mineral data that are considered to be useful for the execution of the operations.

Source: Angop

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### ENDIAMA gets over USD 500 million

The National Diamonds Company of Angola (ENDIAMA E.P) obtained, from January to May 2008, USD 525 million, corresponding to the trade of 3.350,000 carats of diamonds.

Speaking to ANGOP on the sidelines of an informal meeting that ENDIAMA recently granted to national journalists, its commercial director, Hélder da Silva Milagre, said that from the 3.350,000 carats sold, about 2.980,000 were produced from the formal sector and 69,000 carats from the artisan sector.

He explained that from the total value collected (USD 525 million), about 411 million were from formal production sources and the remainder, approximately 114 million, from the informal market.

A source from ANGOP said that with these amounts, ENDIAMA continues in the fifth place of the world ranking of diamond producers, concerning the collection of monetary values, and that the country jumped from the fifth to the fourth position in the world standings.

It added that according to the current production, Angola will surpass, in 2008, ten million carats, achieving an average profit above USD 1.4 billion for the State, compared to the 9.7 million carats and USD 1.3 billion dollars produced last year.

Source: Angop

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## Banking and Insurance Sectors

### Finibanco bank Angola opens a branch in Luanda

Finibanco Angola, a Portuguese and Angolan bank, recently began activities in Angola with the opening of its headquarters in Luanda. The bank, which has capital of USD 10 million, is 60-percent owned by Finibanco and 40 percent by individual local investors.

As part of its policy to expand into Angola, the bank's board of directors plans to open three branches by the end of the year, one in Cacuaco, one in Viana and one in Luanda. By 2011, the bank plans to have a network of 30 branches across the country.

Finibanco Angola, a banking institution now operating in Luanda, will open in the coming years of 2009 and 2010 agencies in the regions of Huambo, Soyo, Lobito, Lubango, Benguela, Namibe and Cabinda, under its policy of progressive and balanced expansion, informed its Angolan shareholder, José Leitão.

At the opening ceremony of the bank's first agency, chaired over by Finance Minister, José Pedro de Morais, to mark the starting of activities, José Leitão said that the opening of branches in the interior regions of the country will grant, to the project, a vast important and specialised nationwide coverage.

According to the businessman, Finibanco will be a business bank, a financial institution that will grant a different quality of work to be implemented nationwide. He said that with the opening of the bank, they expect it to contribute to the economic and social development of the country. He thanked the Angolan government for trusting the entrepreneurs of this project.

Finibanco Angola is a banking institution established by Angolan and Portuguese capitals, and it started its activities with a social capital of USD 10 million. Finibanco Portugal owns 60 percent of shares, whilst Angolan shareholders have 40 percent, individually.

Source: ANGOP

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### BDA bank's funded projects to reach USD 300 million

Angola's Development Bank (BDA) intends to reach, by the end of the current year, USD 300 million in financing projects across the country, said recently the institution's Board of Directors chairman, Paixão Franco.

The official was speaking in the state-owned RNA radio programme "Manhã Informativa" (Informative Morning), having explained that in accordance with the projects submitted, those with confirmed feasibility, in some regions of the country, the BDA will easily duplicate its activities and reach that amount by December.

The BDA goal for this year is very much encouraging, as it will tackle zones where the banking and private sectors have difficulties to invest in, both in the structuring and standardised projects, stressed the director.

On the other hand, the chairman advised entrepreneurs to seek its services in order to standardise the financial models or capacity building of their companies and also for them to be better prepared to search for international partnerships in countries with experience in economic boost.

Source: Angop

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## Logistics and Infrastructures

### Eximbank funds construction of technology institute

South Korea's Eximbank will fund the construction of a higher institute of information technology applied in industries in Angola, a project which is estimated at USD 50 million.

ANGOP learnt from a communiqué from the Angolan Embassy in that Asian country that the financing of this project is a result of a work meeting that the Angolan Industry minister, Joaquim David, held with managers of Eximbank of South Korea, in Seoul.

The institute, to be built in the Viana Industrial Growthpoint, in Luanda, is due to be concluded in 2009, although the date for the start of works has not yet been set.

Besides the meeting with the board of Eximbank, during his stay in Seoul, Minister Joaquim David, accompanied by the Angolan Ambassador to Japan and to South Korea, Albino Malungo, met with his Korean counterpart of Technology and Economy, Youn Ho Lee, with whom he discussed issues concerning the development of the bilateral cooperation.

The Angolan official also talked with the deputy chairperson of the Korean International Trade Association (KITA), Ryu Chang Moo, an entity that revealed the interest of his associates to work in Angola, due to the great investment opportunities in the African country.

Minister Joaquim David also visited the "Daewoo" International Company during his two-day visit to South Korea, the 12th biggest country in the world in terms of economy and the third in Asia.

The official was accompanied by the Prime Minister's economic advisor, António Gomes Furtado, and by the director general of the Angolan Industrial Development Institute (IDIA), Kiala Gabriel.

Source: Angop

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### Construction works in Porto Seco consume USD 70 million

The construction works of Porto Seco in Viana Municipality, will consume more than USD 70 million, in a period of less than 5 years, according to the general director of Multi-parques, Leonel da Rocha Pinto.

The responsible added that the referred investment is necessary to solve the overload of containers that is a constant situation in Luanda Port. At this moment there are already in Port Seco 9 thousand containers. Daily the enclosure delivers to its respective owners between 200 and 250 containers.

The manager of Porto Seguro reassured that the space that his company explores is 60 hectares but only 20 are prepared to receive containers. Leonel Pinto revealed also that Porto Seguro will benefit from the construction of a railway access in order to help place the containers in the enclosure, as well as its evacuation.

The Minister of Transport, Augusto Tomás, has appointed the decongesting of the Commercial Port of Luanda and the improvement in the management of the several organs that intervene in the process, as the main priorities of his Ministry. Augusto Tomás has appealed to the terminals managers for the need to invest so as to provide a quality service to the citizens, importers and clients.

The investments, he reinforced, will contribute to increase the productivity of terminals and subsequently change the current operational constraints of Luanda Port. Augusto Tomás wants there to be synergy between the customs and the managers of the different units that serve the port chain, in as to work out the best way for investments to be made in the several terminals. In this sense the Minister has alerted for the fact that all intervenients in the Port chain must comply with their responsibilities.

Source: J. de Angola

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### **Government invests USD 35 million in social infrastructure**

On the scope of the Administrative Decentralization Program, the government has invested approximately USD 35 million for the construction and rehabilitation of social infrastructure in the northern Kwanza Norte Province.

The investment will include the:

- Rehabilitation of four primary schools in the outskirts of Camabatela and in Luinga Commune
- Restoration and supply of equipment to the district administration building
- Construction of the water supply system at Cacuso including five fountains, a public toilet and a laundry facility
- Rehabilitation of electricity in Camabatela
- Rehabilitation of medical health centers in various district localities
- Construction of a Polytechnic Medium Institute
- Building of two primary schools
- Rehabilitation of a health centre at Luinga Commune
- Restoration of a power station in Kwanza Norte

Source: ANIP

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### **BDA Bank approves projects for construction materials industry**

Angolan bank, Banco de Desenvolvimento de Angola (BDA), recently approved five projects in the construction materials industry, estimated at over USD 17.5 million. The projects will be implemented in the provinces of Bengo and Luanda by private companies.

Two ceramics factories will be built in Luanda Province, one in the municipality of Cacuaco and another in Viana. These factories will produce bricks, roof tiles and other ceramic accessories and together could provide over 140 new jobs.

A plastics factory and a concrete factory will be built in Viana municipality. The plastics factory will produce water and fuel tanks of different sizes, PVC piping and various polyethylene molds, and the concrete factory will manufacture paving slabs, pre-fabricated walls for fencing and curbstones.

An aggregate unit will be set up in the municipality of Dande, in Bengo Province, which expects to produce between 100 and 120 tons of gravel per hour, to supply construction and public works companies.

Source: ANIP

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### **Angolan government to invest over USD 400 million in airports rehabilitation**

Angola National Air Navigation Company (ENANA)'s administrator, Celso Rosas, said in Lisbon that the Angolan government will invest more than USD 400 million in the rehabilitation of airports in the country until 2010.

Talking during an International Conference on Air Transport and Airports, Air Navigation and Globalisation of Economies, which took place on 26-28 May, in Lisbon (Portugal), Celso Rosas guaranteed that with the investment being made in the country's airports, they are able to overcome the current challenges.

He stressed that the rehabilitation project of Huambo, Benguela, Cabinda, Lubango, Luena, Kuito, Saurimo and Dundo airports, will bring about a different reality to the country, having into account the African Nations

Football Championship (CAN/2010), as well as other future challenges.

The official said that there will also be investment in equipment of support to air navigation, since airports need to be fully equipped with every technical, human and environmental condition for their integral operation.

Source: ANGOP

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### **Government to build over 7,000 flats in the Camama area**

A project to build 7,200 apartments in the Camama area, in Luanda's Kilamba Kiaxi district, was recently launched by the provincial governor Francisca do Espirito Santo, ANGOP learnt.

According to the director of projects of EFES construction firm, Roberta Reis, the flats are part of a series of 134 buildings, comprising four, six and 10 floors, respectively.

The first 100 residences shall be concluded by mid 2009, as the project will be implemented in a period of two years.

The project dubbed "Camama Residential District" was planned as the new satellite city for a population estimated at 150,000 inhabitants.

The urbanisation comprises social and leisure areas, such as health and commercial centres, schools, sports fields, technical networks, public lighting, car parks, among others.

On her turn, Luanda's governor, Francisca do Espirito Santo, said that her staff will work with the promoters of the project in order to define strategies to carry out similar works, therefore creating accommodation conditions to meet the demands of inhabitants.

Ministers of Public Works, Higino Carneiro, of Education, Burity da Silva, the Deputy Minister of Youth and Sports, Gonçalves Muandumba, among other entities, attended the ceremony.

Source: ANGOP

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### **Brazilian building Company Odebrecht vows to comply with deadlines**

The deputy chairperson of Brazilian building company Odebrecht, for Angola and Latin America, Luís António Mameri, confirmed in Luanda, the engagement of his Company in compliance with deadlines for the implementation of 16 projects in course, estimated at USD 200 million.

Luís Mameri was speaking at the end of an audience with the Angolan Prime Minister, Fernando da Piedade Dias dos Santos, where he gave information on the degree of implementation of projects in progress in the Southern African country.

Odebrecht official, who said that his company has been complying with the deadlines, underlining that the repairing of Benguela/Catende road and Luanda/Viana highways are in the final stage, he added that within 20 days the Corimba road in Samba would be open to normal traffic, and that the works would reach Futungo de Belas.

He reminded that Odebrecht is involved in water supply projects in the provinces of Luanda and Benguela, rehabilitation of roads, such as Luanda/Kifangondo, Samba, Luanda/Viana, electrical power supply line, real estate and infrastructures in Benguela, Kwanza Sul and Cunene.

Source: Angop

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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)

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 74,821 to the US Dollar (USD)
  - KZ 114,656 to the Euro (EUR)
  - KZ 9,177 to S. African Rand (ZAR)
  - KZ 145,333 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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