



Table of contents

Economy, Commerce and Investment

- EU and African observers say Angola elections were fair
- Individual Business Meeting "Angola", in the Netherlands
- Business Round Table Angola 27th October, Leiden
- Sonangol's strong hands
- Angola and China strengthen mutual cooperation
- Artisan fishermen association plans to purchase trawlers
- Government invests USD 450 million in fishing vessels
- LACTIANGOL to supply "Waku Milk" to Luanda supermarket
- Angolan and Brazilian Entrepreneurs meet
- Government formalises enterprises' promotion fund

Oil, Mining and Energy

- Angola to assume OPEC rotational presidency in January 2009
- Angola becomes Africa's largest oil producer
- Angola: November oil exports down at 1.74 million
- Asia crude-HPCL buys 1 million barrel of Angolan Girassol crude
- Angolan government and ADPA sign diamond headquarters' agreement

Banking and Insurance

- Foreign exchange reserve reaches 16.5 billion, says Sept BPI report
- Millennium Bank sells 49.9 percent of Angola Unit
- UNITEL confirms signing of MoU with BPI Bank
- Banco Sol grants USD 45 million in credit

Logistics and Infrastructure

- USD 5 billion invested in infrastructure in Zaire province
- Luanda Bay waterfront project on schedule
- More "Nosso Super" outlets planned for inauguration
- Tchipipa mineral water factory to start in November 2008
- Over USD 25 million spent on Sawilala-Bailundo road
- Sonangol to build fuel stations along Angola and Namibia border
- President inaugurates socio-economic infrastructure

Economy, Commerce and Investments

EU and African observers say Angola elections were fair



European and African election observers gave a generally clean bill of health to general elections in Angola - the first in 16 years - in which President Eduardo dos Santos' ruling party won by an overwhelming margin.

European Commission President, José Manuel Barroso, said the elections, which the European Union's 108-member observer team described in a preliminary report as "tranquil and peaceful," showed Angola was consolidating its democracy. "After such a devastating war as the one Angola suffered, these elections are a step towards the consolidation of a multiparty democracy, a fundamental element for peace, stability, and socioeconomic development," the head of the European Union's executive arm said in a statement.

"I would like to congratulate the Angolan people for their participation and for the enthusiasm they showed with democracy, especially since for many Angolans this was the first opportunity to express their will through the ballot box," Barroso said. "I am certain that a climate of peace and freedom will contribute to strengthening the ties of friendship and cooperation that exist between the European Union and Angola," he added. Noting "only minor cases of electoral malpractice", the EU observers said that anomalies in the voting were due to a "lack of understanding" of voting procedures "rather than from any deliberate attempt to manipulate the polls."

The report made no mention to the charges of intimidation and rigging in the oil-rich Cabinda enclave, made by Richard Howitt, Labour's foreign affairs spokesman in the European Parliament. Howitt told South African radio he had noted a heavy presence of soldiers at one polling station, which he said had appeared designed to pressure voters into choosing dos Santos' MPLA (Popular Movement for the Liberation of Angola.) Howitt also said he had seen people being bused-in from the neighbouring Republic of Congo to vote in the

16:45–17:45 Group 1: opportunities in the oil & gas and infrastructure sector (facilitator Bob van der Bijl NABC)

Group 2: opportunities in the agribusiness sector (facilitator Leonard van Biljouw of Biliau Business Development BV)

17:45 – 18:15 Cocktail offered by Heerema Marine Contractors.

To receive more information or to confirm your participation, please contact niels.diepstraten@nabc.nl

Source: NABC

Sonangol's strong hands

As most big producers deploy sovereign wealth funds to invest their oil revenue windfalls, Angola, Africa's up-and-coming OPEC member, is taking a unique tack: its government, led by President Eduardo dos Santos, is using national oil company Sonangol to reinvest its oil wealth, primarily through direct investments in companies and friendly countries.

Sonangol is negotiating to acquire a 49% stake in Banco de Fomento Angola (BFA), subsidiary of Portugal's fifth-largest bank, Banco BPI. It has also registered an interest in Portugal's TAP, if and when the former colonial power's national airline is privatized, and is looking at buying into the bauxite industry of fellow lusophone country Guinea-Bissau.

Sonangol has long been the most outward looking of West Africa's national oil companies, having set up Sonangol-Congo in Congo (Kinshasa) in 1998, and launched distribution operations in Cape Verde, St. Tomé and more recently in Portugal. It now hopes to take its oil activities farther afield to Iraq, where it made a short list of potential investors in a new licensing round. Sonangol has also made diverse investments in shipping, air transport, banking, insurance and telecommunications -- all servicing Angola's oil sector.

The latest push reflects a recognition that Angola's economy, set to grow by more than 18% this year, offers major opportunities for banks -- which have mushroomed to 18 in Angola. It wants more of that action, which until now has been dominated by Portuguese institutions. Sonangol already has a 17.5% stake in Banco Africano de Investimentos (BAI) and late last year acquired 50% of Banco Millennium Angola, a subsidiary of Portugal's Millennium BCP.

Critics say Sonangol should be more focused like Brazil's Petrobras and stop punching above its weight in areas beyond its expertise. That should be left to other institutions, they say, if necessary with help from foreign experts - similar to the Kuwait Investment Office of the 1980s.

On paper, Angola appears to have a sovereign wealth fund: the Reserve Fund for Oil, created in 2004 as a cushion for future fiscal deficits. In practice, Sonangol is likely to remain in the driving seat for now, partly because it is seen as the repository for most of Angola's financial excellence, partly because it is the presidency's main foreign policy tool.

During Angola's long civil war of 1976-2000, Sonangol emerged as Angola's only competent state institution, as most others imploded through attrition and mismanagement, says Ricardo Soares de Oliveira, Angola expert at the UK's Oxford University. Sonangol kept the economy alive with capital infusions and used oil revenues as collateral for weapons purchases, which enabled the now-ruling MPLA to prosecute its war against the US- and Chinese-backed UNITA. Sonangol kept US Chevron as an investor in the oil industry, despite the MPLA's reliance on Soviet and Cuban support in 1976-92. Sonangol's status, in turn, allowed it to attract Angola's best talent -- and it still regards itself as a cut above the central bank and finance ministry, which are getting stronger but still lack control over Sonangol's financial flows, analysts say.

These days, Angolan policy aims to diversify its oil industry; by bringing in new investors, the country hopes to strengthen its hand with established players. Sonangol enlisted Norwegians in the late 1990s to offset the influence of Chevron and Exxon Mobil, and then the Chinese to balance the Westerners. It is now flirting with

Indian companies to counter China's significant presence, while maintaining relations with companies from Russia, Brazil and Israel in diamonds, agriculture and other sectors.

Just as important, Sonangol seeks to anchor the flows and maximize its influence by investing in companies active in Angola, as well as their host countries, says Alex Vines, Africa expert at London think tank Chatham House. Sonangol has a 45% stake in private Amorim Energia, which owns 33.34% of Portuguese Galp. In the US, it has a 20% stake in the Mississippi receiving terminal that will take gas from the Angola LNG venture. Sonangol is exploring opportunities in China and elsewhere through China Sonangol International Holding, a joint venture with China's Beiya group, and is discussing joint ventures with Indian groups, sources say.

Closer to home, the end of the civil war has encouraged Luanda to change from a defensive power, marked by military intervention in Congo (Kinshasa) and Congo (Brazzaville) to support enemies of Unita, to a more assertive and subtle operator, which uses oil wealth and low-profile military support to build a regional leadership role.

The government has encouraged the state oil company to increase its stake in Sonangol-Congo to 75% and to discuss buying 20% of Cote d'Ivoire's SIR refinery. Upstream, the firm has equity in Gabon's oil sector through China Sonangol. In Equatorial Guinea, Sonangol supports state GEPetrol on oil policy, while Luanda provides security advice to the government.

Source: Energy Intelligence

Angola and China strengthen mutual cooperation

Officials from the Angolan government and the China Development Bank (CDB) discussed operational aspects concerning the implementation of a cooperation agreement signed last August.

After the meeting, Assistant Minister of Angolan Prime Minister, Aguinaldo Jaime, told reporters that the one-hour-long meeting with the CDB officials focused on practical mechanisms for the implementation of the bilateral agreement, including construction projects of apartment buildings, agriculture, transport and telecommunications.

The Angolan official said the housing project includes the construction of apartment buildings in Camama and the rehabilitation of residential areas in Cazenga, both in the suburbs of Angola's capital- Luanda. The two sides also discussed issues including the creation of a joint team to select projects and Chinese construction firms and fix the time for holding next bilateral meeting.

The Angolan-Chinese bilateral agreement being implemented countrywide in Angola aims to accelerate growth of Angolan economy while transferring technologies and knowledge to Angolan firms. According to the Angolan official, China Development Bank's role in rebuilding the Angolan economy with the funding of socioeconomic projects shows China's desire to assist the country's reconstruction process.

Source: Chinaview

Artisan fishermen association plans to purchase trawlers

The chairman of the Lello Artisan Fishermen Association, Abissai Ningau, mentioned in Luanda the intention to purchase trawlers in order to catch larger volumes of fish. Speaking to the press, Abissai Ningau said that rather than using small vessels, Luanda fishermen association members should also use trawlers in order to improve their catch of such species of fish as horse-mackerel and sardine.

He highlighted the two species because, according to him, they are the most demanded by consumers. He also mentioned fuel as another constraint facing the Luanda Association and called on the concerned ministry to develop solutions to the problem. Abissai Ningau said on the other hand that the farming and fishery fair that is held every month should rotationally take place in the various districts of the capital.

However, he expressed satisfaction at the Government's effort to re-launch fisheries in the country. He added that the Government is paying very special attention to the fishermen Associations which, he added, should continue.

Source: Angop

Government invests USD 450 million in fishing vessels

To stimulate fishing in Angola, the government has invested USD 450 million in fishing vessels from China, Poland, Portugal, and Spain. However, financing for the provinces of Namibe, Benguela, Kwanza-Sul, Luanda, Bengo and Zaire has been provided through Banco Africano de Desenvolvimento (BAD). The investment is being used for the rehabilitation and construction of infrastructures, including fishing ports, fish shops, and warehouses. The Ministry of Fishing announced that the country plans to build an Institute for fishing research, a regional inspection centre and an educational institute for fishing in the Namibe province.

Source: Angop

LACTIANGOL to supply “Waku Milk” to Luanda supermarket

Supermarkets of Luanda Province will be supplied with recently created “Waku Milk” of the Angolan dairy company LACTIANGOL, as from September, said the CEO, José César Macedo, in Luanda. Speaking to the press, with regards to the new product release, the official said that everything is being done in order to have the first quantity available as from the second-half of September, so that the product can be available in the supermarkets.

According to LACTIANGOL’s CEO, the first 100,000 litres of the Waku Milk, to be produced would serve to test the market in terms of consumption, and then the flow of production would be set according to the needs of the customers. The Waku Milk is a product that is made through Angolan raw material of high quality, having been tested and accepted by experts and customers.

The production centre of this Angolan milk is located in Waku Kungo locality, in the coastal Kwanza Sul Province, where the company has been carrying out the pilot experience.

Source: Angop

Angolan and Brazilian entrepreneurs meet

A meeting between delegations comprising representatives of various trade and industrial sectors of Angola and Brazil met in Luanda, in a promotion of the Brazilian Exports and Investments Promotion Agency (APEX-Brasil). A press release noted that the event was a joint organisation with commercial associations of the States of São Paulo, Minas Gerais, Paraná and other business groups of the Brazilian market.

One of the main goals of the meeting was the marketing of exports of the Brazilian manufacturing sector of foodstuff, beverage businesses, construction of residences, fashion (personal hygiene and cosmetics), machinery and equipment, as well as the searching for partnerships, foreseeing interchange between entrepreneurs of both countries.

The event was also attended by the exporting firms and consortia, as well as by the current representation of the association of Brazilian businessmen residing in Angola with the aim of assessing market potential, models of partnership for importation and distribution of Brazilian products in Angola.

Angola's trade representation in Sao Paulo provided information to about 200 businessmen on the operational methods, laws on private investments plus fiscal and customs encouragements that enable the tender of projects of foreign investments and of implementing businesses in the Angolan market.

Angola has, since January 2008, a trade representation in São Paulo city, in Brazil led by the counselling Minister, Mateus Barros José.

Source: Angop

Government formalises enterprises' promotion fund

The Angolan government, through the State Gazette, has formalised the creation of the Enterprises Promotion Fund (FFE), a move inserted in the framework of the country's socio-economic fabric development.

According to the decree number 39/08 issued by the State Gazette in June this year, the FFE is an instrument that will serve to execute the government's economic and social policy, in the context of national reconstruction.

Therefore, the fund will support the creation of new productive units that may have a positive impact on the national production and help to decrease the dependency on importations. FFE will also support the strategy of internationalising the country's medium and big public enterprises, among other tasks.

According to the document, the Finance Ministry is tasked with drafting the guidelines for an appropriate management of the FFE.

Source: Angop

Oil, Mining and Energy

Angola to assume OPEC rotational presidency in January 2009

The Republic of Angola will chair the Organisation of the Petroleum Exporting Countries (OPEC), as from January 2009, following nomination of the Angola Oil Minister, Mr. Desidério Costa, as the President.

The appointment happened during the organisation's ministerial meeting, at its headquarters in Vienna, Austria.

Ecuador's Minister of Mining and Energy, Galo Chiriboga, will be the Vice- President of the organisation.

In an interview to the press, Desidério Costa said that "this is an announcement that helps to politically and economically plan our country and this is what we intend: to place Angola in its right place".

The Minister highlighted the fact that the news arrived at a very special moment for Angola, after the holding of the legislative elections, on September 05.

Angola became a full member of OPEC during the institution's 43rd Extraordinary Conference, which took place in Abuja, Nigeria.

Five percent of USA's oil imports (496,000 barrels per day) come from Angola and, in the first quarter of 2008 Angola was the main oil supplier to China, overcoming Saudi Arabia, due to 55-percent increase of its exportations to the Asian country.

Source: Angop

Angola becomes Africa's largest oil producer

Angola overtook Nigeria this year as Africa's largest, and the world's eighth largest, oil producer—a combination of Angola's surge in growth and Nigeria's decline in production following rebel attacks on its oilfields.

Angola is now producing over 1.9 million barrels per day (bpd) of high-quality crude oil from onshore and near-shore fields, up from 900,000 bpd in 2002 and from 500,000 bpd in 1993. Nigeria's output has declined by a quarter from 2.5 million barrels bpd in 2006 as its production has been hit by rebel attacks, primarily the Movement for the Emancipation of the Niger Delta (MEND).

Nigeria's decline in production worries the West, and the British government recently agreed to provide training and logistical support to the Nigerian military to combat rebel attacks and to protect its own interests—primarily British Petroleum's (BP) activities in the country.

Angola too faces the threat of disruption to its onshore oil production from the rebel group Front for the Liberation of the Enclave of Cabinda, though they are currently less well organised than MEND. Nevertheless, the threat has led Angola to redirect investment towards offshore deposits, where the ocean acts as a buffer against violent attacks.

The oil sector produces more than half of Angola's GDP and 95 percent of its exports, and the government is seeking to expand this by developing the country's ultra-deep offshore oilfields, at a depth of 1,500 to 3,000 meters. They hope that this will add an estimated 500,000 bpd to the current output level. Energy consultant Wood Mackenzie currently predicts an unconstrained peak for Angolan oil production of between 2.2 million and 2.3 million bpd within five years.

In a bidding round two years ago Angola received \$3 billion for the rights to three drilling licences from consortia led by Eni, Total and Petrobas. A further round is under way offering up 10 new blocks. Exxon began pumping from new block 15 in July this year and Chevron will start producing 125,000 bpd from block 14 in 2009.

Angola is also hopeful of beginning to export liquefied natural gas by 2012, with national petroleum company Sonangol; Chevron, Total, Eni and BP having invested \$4 billion to produce 5 million tonnes a year.

Angola's surge in growth has produced a desire within the ruling class for it to become a regional power on a par with Nigeria and South Africa. President José Eduardo dos Santos' decision to join OPEC appears primarily as a sign of Angola's return to the world stage following the end of its civil war six years ago.

Angola has also developed ties with fellow Lusophone countries both within Africa and outside. It has invested some of its oil wealth in Guinea-Bissau and Mozambique, and has strong ties with both Brazil and Portugal. The largest private investors in Angola (outside of oil) are Portuguese and exports from Portugal to Angola rose in 2007 by 39 percent, to €1.4 billion.

The United States has a strategic interest in Angola and its armed forces now cooperate closely with Angola's, despite the US having previously backed rebels against the formerly pro-Stalinist government.

Angola has begun to assume a military role in Africa, in keeping with Western interests, and is active in both Congo-Brazzaville and Congo-Kinshasa, its neighbours to the north. In the former it is helping to train units of the army, and in the latter it has offered to deploy troops along the frontier with Rwanda to help stabilise the Kivu provinces.

French President Nicolas Sarkozy has also promised a "strategic alliance" between France and Angola following his visit in May, the first such high-level visit in 10 years. Sarkozy was accompanied by representatives of French transnationals, including oil company Total and defence electronics company Thales. Total plans to double its oil production of 300,000 bpd within six years and to begin production at three ultra-deep fields between 2009 and 2011.

With growing instability in the Middle East following the US-led "war on terror," Africa has become increasingly important for global oil and natural gas supplies. Africa holds only around 9 percent of the World's proven oil reserves (compared to almost 62 percent from the Middle East), though industry analysts believe it could hold significant undiscovered reserves.

The US and China in particular have sought to exploit the continent's resources taking 33 percent and 9 percent respectively of the continent's total exports in 2006. China now receives about one third of its oil imports from Africa, with 85 percent coming from just five countries: Angola, Equatorial Guinea, Nigeria, the Republic of Congo and Sudan. Angola exported approximately 465,000 bpd to China in the first half of 2007.

Beijing secured a major stake in Angola's future oil production in 2004 after promising a \$2 billion package of loans and aid including funding for roads, railways, bridges, schools, hospitals and a fibre-optic network. In addition to oil, China's manufacturing sector has also created enormous demand for timber, aluminium, copper, nickel, iron ore and diamonds.

Trade between China and Africa rose six-fold between 2002 and 2007, from around \$9 billion to \$73 billion, and it is now Africa's second-highest trading partner behind the United States.

Foreign direct investment (FDI) into Africa almost doubled between 2002 and 2007 to \$36 billion as global companies sought to exploit high commodity prices.

In sub-Saharan Africa some 75 percent of FDI went to just five countries—South Africa, Nigeria, Angola, Sudan and Equatorial Guinea—while the bottom 24 countries received only 5 percent. Almost all this investment went towards the extraction and removal of the continent's natural resources, with the overwhelming majority being channelled into petroleum extraction. In Nigeria, for example, 79 percent of FDI (about \$4 billion) goes to petroleum projects.

FDI in infrastructure includes road and rail networks, but investors are only concerned with getting goods to market, e.g., connecting the mines to the ports, and there has been no attempt to build national, never mind transnational, transport links.

By far the most profitable sector for investors is in offshore oil and natural gas production. In Angola, for example, the vast majority of total FDI inflows go to offshore drilling.

International banks, commodity interests and construction companies are queuing up to exploit Africa's mineral wealth, and Angola is a prime target.

Europe's banks are opening lines of credit with Angola worth €1 billion, following Brazil that opened credit lines of \$1.3 billion in 2006. Sonangol, whose turnover in 2007 was \$17 billion—almost a third of Angola's GDP—acts as a sovereign wealth fund to strengthen Angola's international credit rating.

Angola is proposing to reopen and expand the vast iron ore deposits of Cassinga and Cassala Kitungo, and several large multinational firms, including Australian giant BHP Billiton, have shown an interest. Meanwhile the state diamond firm, Endiama, hopes to produce more than 10 million carats of diamonds this year for the first time.

A boom in construction will give new ports for Luanda, Lobito, Cabinda and Porto Amboim as the current port system cannot cope and there are regularly 30 or so vessels moored offshore for weeks waiting to dock. Luanda will also get a new airport.

Despite the capital needing 400,000 more new houses for its working population, almost all of the construction has been geared towards foreign visitors and the new middle class. Five new hotels have opened this year, and ten more are under construction along with marinas, golf courses and luxury flats. Luanda has reportedly taken over from Tokyo as the world's most expensive city for visitors.

The government dominates the economy since oil revenues go overwhelmingly to the state. The political and military elite have ensured that they maintain an important foothold in industries such as the diamond sector, by enacting laws that require local partnerships.

On paper, Angola is now a middle-income country, though 70 percent of the population live below the poverty line with life expectancy just 41.7 years. Only 2.7 percent of new investment is for agriculture and the disparity between those who have benefited from the boom, and the majority living on the land that have not, is shown in a comparison of incomes. The average income in Luanda last year was \$3,476, whereas inland at Bié it was just \$201.

Source: World Socialist Website Site

November oil exports down at 1.74 mln bpd

Angola is set to export about 1.74 million barrels per day (bpd) of crude oil in November, down from 1.98 million in October, traders said. Traders said there might be some maintenance issues affecting the production of Cabinda, relatively sweet Angolan medium crude.

Exports of Cabinda were expected to be around 158,000 bpd in November down from 245,000 in October. Angola's Girassol and Dalia crudes were both expected to fall to around 190,000 bpd from 245,000 in October. In Nigerian markets, traders said maintenance was expected for light, sweet crude Qua Iboe, although figures for November cargoes were not available.

Source: Reuters

Asia Crude-HPCL buys 1 mln barrels of Angola Girassol crude

India's state-run refiner, Hindustan Petroleum Corp (HPCL), has bought one million barrels of Angolan Girassol crude for November loading in its monthly tender for sweet crude, traders said.

HPCL bought the cargo of heavy sweet crude from French major Total at a discount of around \$2.00 a barrel to dated Brent, a rare purchase for the refiner, traders added. HPCL, India's third-largest state-owned refiner, has a capacity to process 260,000 barrels of crude oil per day.

Source: Reuters

Government and ADPA sign headquarters' agreement

The Angolan government and the African Diamond Producers Association (ADPA) signed an agreement that allows the organisation to set up headquarters in the country in its capacity of international institution. The agreement foresees to grant ADPA the authority to establish its head offices in Angola and is part of the Vienna Convention, which states that by establishing itself in a sovereign and lawful State, international organisation should formalise the signing ceremony in order to be recognised.

The agreement was signed by the secretary general of the Foreign Affairs Ministry, Manuel Gomes, in representation of the Angolan government, and by ADPA's executive secretary, Edgar de Carvalho.

After the ceremony, Manuel Gomes told the press that accommodation conditions have been created for the executive secretariat of the African Diamond Producers Association to work in the country. On his turn, ADPA's official referred that the agreement bestows another status to the association and greater mobility to the personnel of member States who will come to work in the executive secretariat in Angola. "It will also enable a broader intervention of the organisation at international forums, as well as analyse policies and strategies on diamonds with member governments", he stated.

According to Edgar Diogo Carvalho, ADPA will work so that diamonds may contribute in an effective manner to the economic growth of African countries. The idea of creating ADPA was presented by the Angolan Head of State, José Eduardo dos Santos, early 2006, on the occasion of the inauguration in Angola of the first diamond polishing factory that is operating since 2007.

Founded in November 2006, in the Angolan capital, Luanda, ADPA comprises 18 countries, namely Angola, the DRC, Namibia, Ghana, South Africa, Nigeria, Zimbabwe, Guinea Conakry, Algeria, Congo Brazzaville, Central African Republic, Côte d'Ivoire, Mali, Sierra Leone, Gabon, Mauritania, Togo and Tanzania.

Source: Angop

Banking and Insurance Sectors

Foreign exchange reserve reaches 16.5 billion, September 2008 BPI bank report says

Variations in Exchange Rate

Recently, the exchange rate has remained steady at about 75 Kwanzas to 1 USD. This is a result of BNA's exchange policy, aimed at stabilizing nominal aggregates to anchor sustainable economic growth. Stabilization of the Kwanza also comes as a result of BNA's intervention in the exchange market, aided by a heavy growth of international reserves.

Foreign exchange reserves rose to 16.5 billion in May, representing a 50% increase since the beginning of 2008. This increase was caused in part by the performance of oil exports and higher taxes on the oil industry.

The BNA policy is expected to remain unchanged. Although this strategy presents problems for efforts to hold down inflation "since the dollar's steady decline in relation to the euro this year has pushed up costs on imports priced in Euros and thus inflated import prices" the current Euro/Dollar trend may ease this problem.

Growth in Credit and Deposits

Credit provided to the private sector has maintained a steady growth rate of over 70% this year (73% in July), reflecting an energetic economic activity, and the effectiveness of the macroeconomic stabilization process that has gained firm footing in the business environment.

Credit Distribution (by industry)

- Private 46%
- Bulk and Wholesale Commerce 17% (10% growth)

The agriculture, lodging and restaurant industries also experienced noteworthy rises in credit with 41% and 45%, respectively.

Deposits continue to increase steadily with a growth rate of 79.3% in 2008 and private deposits up over 100%. Growth in means of payment in domestic currency outpaced growth in means of payment in foreign currency, reflecting stronger confidence in the Kwanza as well as a high rate differential, with investment rates (in dollars) falling since January 2008, while holding steady in Kwanzas.

Credit by Economic Sector (preliminary data)

In USD Million

	Dec. 31, 2007	June 30, 2008	% Weight	% Change	
				Monthly	Start of Year
Agriculture, animal breeding, hunting, and forestry	68.92	97.29	1%	-12%	41%
Fishing	29.54	28.18	0%	6%	-5%
Extractive industry	290.42	193.61	2%	-17%	-33%
Manufacturing industry	336.78	438.34	5%	5%	30%
Production & distribution of power, gas, and water	40.13	24.33	0%	48%	-39%
Construction	555.42	564.33	7%	5%	2%
Bulk and wholesale commerce	1,326.78	1,486.07	17%	7%	12%
Lodgings and restaurant trade	80.02	116.00	1%	2%	45%
Transportation, storage, & communications	383.65	409.85	5%	-2%	7%
Finance, insurance, & pension funds	0	59.98	1%	0%	0%
Real estate, rental, & services to companies	775.32	650.80	8%	-1%	-16%
Public administration & mandatory social security	180.91	125.41	1%	-42%	-31%
Education, health, & social initiatives	89.14	103.71	1%	13%	16%
Other collective, social, and personal services	0	0	0%	0%	0%
Private	2,520.94	4,311.56	50%	11%	71%
TOTAL	6,677.96	8,609.48	100%	6%	29%

Source: Angola Reserve Bank (BNA)

Source: Angop

Millennium Bank sells 49.9 percent of Angolan unit to Sonangol

Portuguese bank Millennium BCP said it has agreed to sell 49.9 percent of its subsidiary in Angola to the African country's state oil company Sonangol and private-sector bank BPA.

Millennium chief executive, Carlos Santos Ferreira, told Reuters the deal would involve a capital increase in the subsidiary, Banco Millennium Angola, worth \$100 million. "The fact that this sale is done via a capital increase means that this capital stays in Angola and Millennium Angola will have funds that will allow its serious expansion in Angola," he said. "We want to work towards turning Millennium Angola into one of the largest banks in that country in three to five years," he added.

The bank said the sale would reinforce its own funds by \$100 million. Sonangol will take a 29.9 percent stake in the Banco Millennium Angola and BPA will hold 20 percent. Millennium's subsidiary will also buy a 10 percent stake in BPA.

Millennium, Portugal's largest listed bank, has been working on the deal since the end of last year. Sonangol is Millennium's largest single shareholder, holding a stake of 9.99 percent in the Portuguese bank.

Source: Reuters

UNITEL confirms signing of MoU with BPI Bank

The mobile telephoning company UNITEL confirmed that it has signed with the Portuguese Investment Bank (BPI) a memorandum of understanding with view to establish a strategic partnership in the Foment Bank of Angola (BFA).

According to a press release UNITEL will start participating in the Foment Bank and will have a 49,9% share of BFA's social capital, through the investment of USD 475 million. This initiative of UNITEL is an important step for the economic development of Angola and enables the optimisation of the supply of service of excellence to BFA.

The communiqué also refers that the programme will also boost the 3,7 million clients of the firms in terms of products and common services.

The referred agreement, which is already subject to approval by the due supervision authorities, namely the National Reserve Bank (BNA), foresees that the formalisation of the contracts happen until the end of October and that the transaction should be concluded by the end of the current year.

Source: Angop

Banco Sol grants USD 45 million in credit

As part of a governmental programme to offer micro credits, Banco Sol has granted USD 45 million in credits to farmers and teachers. The project has benefited 25,200 teachers, nurses, and other healthcare professionals in rural Angola, and 40,000 farmers organized in cooperatives. Under the programme, Banco Sol is responsible for the provinces of Luanda, Bié, Malanje, Zaire, Bengo Huambo, Benguela, and Huíla.

Source: ANIP

Logistics and Infrastructures

USD 5 billion invested in infrastructures in Zaire province

The foundation stone for the construction of several infrastructures in northern Zaire province, estimated at USD 5 billion, was laid in Soyo. This took place during a ceremony chaired by the Deputy Minister of Public Works, Joanes André.

At the ceremony witnessed by provincial government members, traditional authorities and businesspeople, the Deputy Minister attended the start of the construction of the Luanda-Soyo highway. The works, expected to be accomplished in 36 months are being carried out by the companies “Sinohydro” and “CMC di Ravenna”.

The highway will comprise six lanes (three for each direction), including aid and emergency services, railway and other segments of a modern standard roadway. Eight bridges will be built on the Nzeto/Soyo stretch in 24 months providing 1,000 jobs. This will include a 450-metre wide bridge with six lanes that will be ready in 33 months.

According to the Minister, a technical training centre will be built at Kimpanji locality in eight months, employing 62 people. The centre will be prepared to train 360 people in each of the two daily shifts in civil construction and public works. Three buildings with four floors and 48 apartments will be constructed in Soyo. The undertaking will take 13 months.

According to the Deputy Minister, the project of construction of integrated infrastructures is a Government’s effort to address the people’s immediate needs.

Source: Angop

Luanda Bay waterfront project on schedule



The construction of the main social infrastructures of urban reclassification and rearrangement project of Luanda's Marginal Avenue, estimated at USD 2,13 billion, will start next December. According to the co-ordinator of the project, Catarina Sierra, the international tender for the building of the residences, offices, trade centres, hotels, and tourism and leisure sites has been concluded. At the moment, according to her, the environmental

cleaning of the bay, in an area of 18,000 square metres, are in its final phase.

Approved in September 2007 by the Cabinet Council, the Luanda Bay Project foresees the construction of public and private works along the marginal zone of "4 de Fevereiro" Avenue, with strict measures to reduce the environmental impact.

Since the start of the works (November 07), the "Bay Project" already concluded three phases, namely the opening of the channel and the creation of the embankment to expand the "17 de Setembro" square, recovering and cleaning of pumping stations and the waste collection system of the Marginal Avenue, as well as the drainage works and the site's embankment.

The part concerning the construction of public works, out of the State's responsibility, is estimated at USD 113.6 million, which is the amount of the funds to be supported by the investor.

The supervision of the project is under the responsibility of the National Private Investment Agency (ANIP), National Reserve Bank (BNA), Ministries of Public Works and Urbanisation and Environment and the Provincial Government of Luanda.

Source: Angop

More "Nosso Super" outlets planned for inauguration

The national Director of Commerce, Gomes Cardoso, announced recently in Cacuaco, that another six outlets of the "Nosso Super" supermarket network will be inaugurated in the capital beforehand December 2008. Gomes Cardoso disclosed the press after the inauguration of the 23rd "Nosso Super" outlet, under the Programme of Restructuring of the System of Logistics and Distribution of Basic Commodities (PRESILD), by Luanda Provincial Governor, Francisca do Espírito Santo.

The national Director of Commerce said that Luanda will have a total of 12 supermarkets of the network, as another six outlets will be added to those existing until December this year. He said that the Benfica's "Nosso Super", in Samba municipality, will be inaugurated in the first fortnight of October, followed by Rangel's later the same month. The official said as well that the just inaugurated 23rd supermarket is equipped with an ATM system.

Meanwhile, speaking to journalists after the inauguration, Luanda's Provincial Governor, Francisca do Espírito Santo, said the shops under Presild offer great public health advantages. She also mentioned as advantages the easy inflow of goods from Luanda's surrounding farming zones, basic sanitation and the creation of jobs. Built in four months time, the supermarket has 43 employees of the 72 planned. It has more than 4,000 items on sale, 25 to 30 percent of which locally manufactured.

A total of 4,500 new jobs have been created since the start of the "Nosso Super" network throughout the country. Presild was launched in 2006 by the Angolan Government with a view to organising and modernising the commercial activity in the country, thus expanding the network of supply of basic commodities to the population. The whole project comprises the construction of 31 outlets throughout the country.

Source: Angop

Tchipipa mineral water factory to start functioning in November 2008

Starting next November Huambo province will have a spring water bottling factory dubbed "Tchipipa's Water".

The factory belongs to the businessman Gildo Coelho da Cruz and is expected to fill 14,000 bottles a day, in an investment estimated at USD 5 million. The factory is being built in an area of 1,500 square metres, at a farm in the outskirts of Tchipipa commune, about 23 kilometres to the north of Huambo city.

According to the owner of the industrial unit, the project started in October 2007. Gildo Coelho da Cruz stressed that the factory will have water abstraction reservoirs with a capacity of 145,000 cubic metres and a prevention laboratory. Therefore about 200 new direct and indirect jobs will be created, resulting from the emerging of this industrial plant.

Source: Angop

Over USD 25 million spent on Sawilala-Bailundo road

At least USD 25,6 million have been invested by the government to construct the Sawilala-Bailundo road, a new brand road of nearly 38 kilometres. Speaking to the press, the supervisor of the works on the Sawilala-Bailundo road, Cesário Muhai, stated that the activities include the road pavement, a draining system and vertical and horizontal signalling. The source said that two bridges will be built over the Queve and Culele rivers on the same road.

Source: Angop

Sonangol to build fuel stations along Angola and Namibia border

The State-owned oil company (SONANGOL) plans to build in 2009 two fuel stations along the border between Angola and Namibia, so as to improve fuel supply to the region.

The southern regional director of SONANGOL, Alexandre da Natividade, said that the project, whose works are set to kick-off, next year will be implemented on the bordering locality of Calueque and the border mark-25, in order to reduce fuel shortage. The official, who did not mention the amount to be spent on the project, said that the construction of those infrastructures is a strategy of the oil department, taking into account the geographic situation, as the province is considered as an entering door for the southern Africa region countries.

The projects also comprise the construction of a fuel station to refill the vehicles, at Xangongo locality, Ombadja district, and the creation of one more distributor of butane gas.

Source: Angop

President inaugurates socio-economic infrastructure

Angolan Head of State, José Eduardo dos Santos, inaugurated the kitchen gas factory and the water extraction and treatment station as well as the Kifangondo-Uíge road, during a few hours visit in Uíge province. The gas plant, whose first phase works ended in February 2007, has a capacity to fill 3,000 gas bottles per day and store up to 300 cubic metres of gas.

Eight workers, including a supervisor, grouped in two shifts, secure the functioning of the plant valued Usd 14 million. The president also inaugurated the Rio Dange-Uíge-Negage road, with an extension of approximately 165 kilometres.

The rehabilitation of the road is aimed to facilitate people and goods movement within the country and to better meet the needs of the populations of the region.

Source: Angop

Information Royal Netherlands Embassy in Luanda

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

Consular Affairs provide the following services:

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

To contact the consular department by phone:

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

Friday from 08:00 to 13:30

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

Fax: (+244) 222 310966

E-mail: lua@minbuza.nl

www.angola.nlembassy.org

Useful Websites

Official Republic of Angola website:

www.angola.org

Royal Netherlands Embassy in Angola:

www.angola.nlembassy.org

AngolaPress

www.angolapress-angop.ao

Dutch Webpage with Practical Links:

www.angola.startpagina.nl

ANIP Agencia Nacional de Investimento Privado

www.investinangola.com

Exchange Rates

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

- KZ 74,839 to the US Dollar (USD)
 - KZ 107,738 to the Euro (EUR)
 - KZ 9,077 to S. African Rand (ZAR)
 - KZ 135,189 to the British Pound (GBP)
-

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

- Mr. Hans Akerboom (Counsellor/Economic Affairs)
hans.akerboom@minbuza.nl
- Mr. Mário I. Lironel (Assistant Economic and Commercial Department)
mario.lironel@minbuza.nl
- Carla Rodrigues (Translator /Political and Economic Affairs)
carla.rodrigues@minbuza.nl

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

Fax: (00 244) 222 310966

E-mail: lua-ea@minbuza.nl

For more information, please visit our website:

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

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

Disclaimer

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