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Royal Netherlands Embassy Luanda, Angola

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Foreword

Since the last edition of Time is now published in late November, significant developments in the oil sector in Angola have taken place.

Angola announced on the 30th of November it was planning to apply for OPEC - membership, after having been an observer for many years. Two weeks later, Angola's application was approved by the member states of OPEC. It is expected that in March 2007 the country will receive full membership status.

Total and Sonangol EP have announced that the Dalia project has come on stream. This has boosted the crude production in Angola with 250.000 barrels a day to a total production of 1.69 million barrels a day.

The Embassy of the Kingdom of the Netherlands has completed a market research of the business prospects for Dutch companies in the oil sector in Angola. The research focus includes the current market structure, legislation and key developments in the future. This issue will therefore include a brief general review of the sector and business prospects.

*Jan Gijs Schouten
H.M. Ambassador*

Special: The Oil and Gas Industry in Angola

The following article is based on the market report of the oil sector in Angola. Dutch companies of the oil and gas industry who are interested in finding out more about the sector, prospects and developments can contact the embassy at: lua-ea@minbuza.nl

A country in development

In 2002 the civil war in Angola ended. The 27 years of armed conflict resulted in an underdeveloped and damaged infrastructure, an underdeveloped economy and oil sector that has yet to reach its fullest potential. The country is thus in a reconstruction phase. Its vast natural resources, such as oil and diamonds, are thereby not only the source of funds but also the focal point of a fast expanding resource industry. Since 2002, the economy has shown an annual GDP growth of over 10 percent with the forecasted growth for 2006 at 14.8 percent and for 2007 at 30.2 percent.

A fast expanding Oil and Gas Industry

Angola is one of the few relatively unexplored oil areas in the world; proven oil reserves have quadrupled over the past 7 years to 8.8 billion barrels in 2006. The IEA estimates this could eventually rise to 30 to 40 billion barrels. These reserves are mainly located offshore. The Angolan government and International Oil Companies (IOCs) are set to increase production output from the current 1.69 million barrels a day (b/d) to 2 million b/d by the beginning of 2008. The production plateau could rise to 2.5 or 2.75 million b/d by 2010. Angola thereby might surpass Nigeria as the largest oil producer in Sub-Saharan Africa. China is the largest crude importer closely followed by the US. Over 80% of the total production is exported to these two countries.



the Kizomba A FPSO and TLP

In 2008, over 70% of the production will derive from deepwater fields. The IOCs have invested in multi-billion dollar cutting edge 'world class' production facilities only found elsewhere in Brazil and the Gulf of Mexico. An example is Exxon's Kizomba A project which was the first to use a close-moored TLP and FPSO in deepwater and has a production rate of 250,000 b/d.

The last auction round in 2006 for exploration licences in Angola has produced world record bids of up to USD 1.1 billion for the relinquished parts of deepwater blocks. The next round in 2007 includes ultra deepwater blocks and is expected to draw interest of large IOCs.

Market players and potential clients

At present Chevron, ExxonMobil and Total are the only IOCs in Angola that operate producing oil fields and control over 90% of Angola's production. British Petroleum and Total have large production development plans and therefore will expand activities in Angola significantly in the coming years. The bid round in 2006 led to the entrance of Petrobras, ENI and Maersk Oil as operators of deepwater blocks in Angola. Smaller operators Vaalco and Tullow Oil also have secured an operating stake. There are a number of non-operating IOCs such as Statoil or SINOPEC -a daughter company of CNOOC- that receive large shares of the crude production through stakes in the oilfields. Many of the respected names in the oil-service sector have subsidiaries in Angola and offer the assistance IOCs are looking for. Almost all potential clients in the oil sector are therefore international.

Sonangol is the state owned oil company in Angola which operates a few oilfields. It also has stakes in almost every block in Angola and therefore will see a sharp increase in crude stock it controls. The company has many subsidiaries in the supporting sector in activities ranging from manufacturing products to telecommunications and insurance. Most subsidiaries are Joint Ventures with international service companies.

Government regulators of the sector are the Ministry of Petroleum and Sonangol. The fact that Sonangol has some monitoring tasks and has to approve all major contracts in the sector is problematic: it poses the threat of a conflict between commercial interests of the company and the interests of the state.

Government

The oil sector holds major importance for the government as it accounts for 80% of government revenues and 60% for the GDP. It furthermore forms the backdrop for the development of the country and its political currency in the region and worldwide. The Angolan government has held in general a pragmatic attitude in having an open-door policy that is focussed on attracting foreign investors and companies to expand the oil industry.

The government has managed to improve transparency in the sector with for instance the new petroleum law in 2004 or the publication in the last auction round of the signature bonuses offered and paid. Some critics however, would like to see further improvement in the management of oil revenues and the regulation of the sector.

In March 2007 Angola will become a member of OPEC. This fits in with the trend that Angola is translating its importance in the global oil market into political credit. It is at the moment unclear how high the production quota for Angola will be, but there are indications that these will be high. The government is currently proactive in trying to attract foreign owned national oil companies such as SINOPEC, Gazprom and ONGC Videsh. The importance of Angola is also growing regionally; it is going to host the headquarters of GGC, the association of West African oil producers, and organise the second deepwater Petroleum conference in Africa in 2007.

Local content

The *Angolanizacao do Petroleo* - also known as Angolisation - is a policy that is aimed at promoting the use of the Angolan workforce and products in the oil sector. Companies have to support the professional education of Angolans and Angolan citizens must be included at every level of staff providing they possess the required expertise. Angolan goods have to be bought if the quality is similar and the price is at most 10% more than the foreign product. Furthermore, certain sectors are reserved for Angolan companies or require Joint Ventures to be formed. The policy so far has not had an obligatory character.



Taxes

The Petroleum Law of 2004 regulates tax breaks, market competition, investment security and other incentives and measures to stimulate foreign presence. Service companies in the oil sector are not qualified for most tax incentives (such as exemption) that are applicable to other sectors in Angola with a few exceptions such as projects relating to infrastructure. A recent introduced law obliges IOCs to withhold the industrial tax from payments made to all contractors and their subcontractors in Angola.

The Business Prospects

Production is set to expand rapidly in Angola. This provides the following prospects for companies that supply services or goods:

- The IOCs will make relatively large investments in exploration and new offshore facilities such as FPSOs, drilling, sub sea technology or pipes. Investments in the sub sea sector alone may total over USD 10.3 billion over 2006 – 2010, making it the 3rd largest investment target for deepwater development in the world after Brazil and the Gulf of Mexico.
- Exploration activity – 3D seismic surveys and drilling – of the new licensed blocks.
- An increase in demand of the wide range of services and products the offshore facilities require such as transport, repair or chemicals.
- An increase in demand of a foreign experienced workforce as well as a training of the local work force.
- An upcoming gas production and processing industry in which the first multibillion investments have been made.
- The establishment and supporting infrastructure of the oil industry can furthermore facilitate the rise of relating industries such as harbours or the downstream sector.
- Another developing opportunity could be the establishment of the infrastructure for a domestic fuel market in Angola.

The Challenges

Although there are significant prospects in Angola, companies have to take into account that the business environment raises challenges.

- Bureaucratic procedures are renowned for being time consuming in Angola: in the doing business index published by the World Bank the country ranked at place 156.
- The market is hard to penetrate, possibly in part because of the emphasis on building personal relations.
- The absence of functioning trade promoting and assisting institutions.
- The requirement of Angolisation and/or local content which can give a competitive disadvantage.
- Corruption is combated in Angola by the government but it is nonetheless an issue companies might face and have to deal with.
- The relatively high costs of visiting Angola on a business trip or to set up an office.
- The language, as many people do not speak English, and the differences in (business) culture.

The Future

The large investments made by IOCs can be seen as a sign of confidence in the future stability in Angola. Indeed, civil strife such as in Nigeria or a political hostile environment as in Venezuela seems to be highly unlikely in the foreseeable future. Analysts do not expect that Angola's OPEC membership will have a major impact in the near term on the IOCs, although effects in the long term remain unclear. Nevertheless, the price of crude on the global market can have a significant impact on the country: a price drop will not only result in smaller investments but will badly hit the economy and government revenues. Development of the local infrastructure, deepwater technology and worldwide deepwater drill rig availability will be other factors influencing the pace of growth.

In conclusion, Angola as the major developing market in the oil and gas industry in Africa is certainly worthwhile to take a closer look at.

Economy, Commerce and Investments

Angola Admitted As OPEC Member

Abuja, 12/14 - Angola was admitted Thursday as a full right member of the Organisation of Petroleum Exporting Countries (OPEC), during the organisation's 143rd extraordinary conference taking place in Abuja, Nigeria.

The country is represented at the meeting by a delegation headed by the Oil minister, Desidério Costa, and includes senior officials of the sector.

Speaking recently on the country's adhesion to the oil organisation, Desidério Costa said this permits that Angola, as producing country, is not left isolated from the world.

He also said that the price policies do not depend on the country's being or not being part of the organisation. "There is a policy established by the organisation and the other countries, both affiliated and non-affiliated, just have to respect it," he said.

With a current production of 1.4 million barrels a day, Angola is the second major oil producer in Africa south of Sahara, after Nigeria, with representatives of the sector expecting to reach two million a day in 2007, thanks to the exploration of new wells.

The maritime zone, along the Angolan coast is divided into 74 exploration blocks in shallow, deep and ultra deep waters. Of these, only about 30 are currently in operation.

The country's oil reserves are estimated at 12,5 billion barrels.

In 2005, Angolan oil sector responded for 90 percent of the exports and half the country's Gross Domestic Product and is responsible for 80 percent of the fiscal revenues.

The chairman of the state-owned oil company Sonangol, Manuel Vicente, said that there will not be any changes in the structure of the company or of the sector in general.

The other OPEC members are Algeria, Saudi Arabia, United Arab Emirates, Iraq, Iran, Libya, Indonesia, Nigeria, Venezuela, Kuwait and Qatar.

Source: AngolaPress and Jornal de Angola

Parliament Approves State Budget and Programme

Luanda, 12/14 - The National Assembly (Angolan Parliament) Wednesday approved with 115 votes in favour, 35 against and seven abstentions the draft State General Budget (OGE) for 2007 to be in force from next January.

In the same session, the Parliament also approved the Government General Programme (PGG) with 114 votes in favour, 35 against and seven abstentions, to be executed in 2007-2008 period.

OGE for 2007 comprises revenues estimated at 2.5 trillion Kwanzas and expenses fixed in the same amount for every action necessary for the achievement of the general and specific goals defined in the Government General Programme for next year.

The macroeconomic framework defined in the approved budget establishes as indicators, among others, a stabilization of inflation level at 10 percent and a growth rate of oil sector in 33.6 percent and non-oil sectors in 27.9 percent.

The oil incomes represent 78.8 percent of the total revenue, while the amortization of the external debt will absorb an amount estimated at USD 4.462,5 million.

In the functional distribution of the expenses, the State Budget for 2007 attributes to the social sector about 28.1 percent of the total expenditures.

The PGG for 2007-2008 defines as general objectives the consolidation of peace and national reconciliation, building of basis for the construction of a national self-sustained and integrated economy, harmonious development of the territory and human resources.

The programme foresees the reduction of inflation rate from 10.0 percent in 2007 to 8.0 percent in 2008 and an accelerated growth in the levels of crude oil production that will be decisive for positive levels expected from the nominal gross domestic product (GDP), estimated at more than USD 40 billion.

Source: AngolaPress

New Power Station Operational in Luanda

Luanda, 12/17 - Angola's capital city will record an improved supply of electricity as from Monday, with the launch of ten of the 60 megawatts of power produced from the New Diesel Station and the Thermal Central of Cazenga.

This was transmitted Saturday in Luanda to Angolan minister of Energy and Water, Botelho de Vasconcelos, by technicians involved in the installation and repair of the said stations, during a visit.

The representative of the British firm "Agrekko", that is installing the diesel station, Thomas Gowans, assured that power supply in Luanda will get reinforced with 10 megawatts on Monday, plus 20 on December 20.

In his turn, Swiss Bernard Kuz, with Cazenga thermal central, responsible for the production of another 30 megawatts, said all will be done to settle the problems until December 10.

At the end of the visit, minister Botelho de Vasconcelos told press that the information he received from the technicians transmit some comfort, having recognised that this will not bring supply restrictions to an end, but will contribute to improve the supply of electricity.

Meanwhile, the National Electricity Company (ENE) managing board chairman, Eduardo Nelumba, stressed that the deficit in the production of power and shortage of equipment for distribution of electricity are responsible for the failures.

Luanda needs 270 megawatts for a continued supply of electricity, against its current 190.

Source: AngolaPress

Money Constraints Affect Coffee Programme

Luanda, 17/12 - Only 320 tons of coffee beans were bought this year by Angolan firm "PROCAFÉ", against the 2,000 tons planned under the Commercialisation Programme for the same period, due to financial constraints.

This was announced Monday in Luanda to Angop by POCAFE director general, Romualdo

Traça Dias dos Santos, who added his company was expecting to obtain Akz 81,8 million (One Usd is Akz 80,00) this year from its financial partners for the purchase of 2,000 tons of coffee beans.

But, the source added, the firm`s partners (commercial banks and the Angola Coffee Development Fund) supplied only Akz 14 million for the purchase of coffee and foodstuffs. Of that amount eight million were used in the purchase of the said 320 tons of coffee beans, equivalent to 160 tons of powder coffee.

The coffee was purchased from growers in Angola`s northern provinces of Bengo, Uíge, Kwanza-Norte and Kwanza-Sul (centre), where PROCAFÉ carries out its trade programme.

Source: AngolaPress

Over 750 new shop establishments licensed in 2006

Over the past year, the Angolan National Directorate of Internal Trade (DNCI) has licensed 755 new shops to open doors. It thereby collected 41 million Kwanzas in revenue. According to the data of DNCI, of the 755 registered shops 60 are large sized establishments. The data furthermore indicates that the provinces which licensed most shops are Luanda, Benguela, Huíla, Huambo, Kwanza Sul and Uíje.

Source: Jornal de Angola

Contraband And Expired Products in Angola

Luanda, 12/22 - Contraband, counterfeit and expired goods continue to be regular practices in the Angolan market, concluded Thursday the National Committee for Food Code (Codex Angola), after a meeting of its Administration Council, held in Luanda.

According to Codex, it is worrying that goods with doubtful quality continue to be sold in the country.

For the institution, the situation is a result from poor information and application of protection and security norms, by the competent sectors.

Participants to the meeting concluded also that another cause is the lack of proper labelling of the products, since a lot of them do not bring the specifications in the Portuguese language.

The meeting aimed at balancing activities developed by the institution during 2006. The control of quality and food security in the country was also analysed in the meeting.

Source: Jornal de Angola

Huambo: Investment In Agrarian Stations Needed

Huambo, 12/22 - The governor of Angola`s central Huambo province, António Paulo Kassoma, Wednesday here recognised the need for investments in Agrarian Development Stations (EDAs) with a view to improved technical service to peasants and farmers in the region.

Addressing the yearend compliments ceremony, Paulo Kassoma, reaffirmed that the agro-farming sector is of relevant importance to the development of the region.

"For this reason, we need to equip EDAs with technical means, transports and provide them with

human resources for them to improve the follow-up of the farmers, cattle breeders and peasants," he said.

The governor informed that the agricultural sector this year benefited from Akz 51,9 million that served for the production of crops, cattle breeding and continental fishery.

Paulo Kassoma appealed to the farmers, peasants and cattle breeders to use the funds wisely, within the framework of the agricultural campaigns programme.

He also said that 100,000 cattle belonging to 109 families were vaccinated in the last campaign.

According to the governor, 2007 will be decisive to the launch of the milk basin and installation of the genetic improvement centre in near completion.

Source: Jornal de Angola

Oil and Mining

Dalia Oil Field comes on-stream

Luanda, 12/15 - The State-owned National Society of Fuels (Sonangol-EP) and Total E&P Angola announced on Thursday, through a press release, the beginning of production at Dalia field in deep water of Bloc 17, discovered in 1997.

"According to the operator Total, the recoverable reserves in the field are estimated to be 1 billion barrels of oil equivalent," said Statoil, one of the stakeholders in the oil field.

Dalia is expected to reach plateau production of 240,000 barrels per day of oil during the first half of 2007, Statoil said.

Located nearly 135 kilometres from the coast in a depth that varies from 200 to 1,500 metres, Dalia contains about one billion of barrels of recoverable reserves. It is the biggest development in deepwater exploration this year and it is among the world's largest projects of its kind.

The field includes 71 wells (37 of production, 31 of water injection and three of gas injection), connected to nine collectors. The submarine installation comprises 40 kilometres of isolated conduits for the flow of the production, linked to eight pipes.

Total has a 40% interest in the block, the other partners are ExxonMobil with 20%, BP with 16.67%, Statoil 13.33% and Norsk Hydro with 10%. Angolan state oil company Sonangol is the concessionaire.

Sources: AngolaPress and Upstream Magazine

Roxar measures up for Kizomba C deal

Norwegian oil service outfit Roxar has signed a multi-million-dollar contract with Vetco Gray to supply subset multiphase meters to the Kizomba C development off Angola.

The Kizomba C project lies in Block 15 and is operated by ExxonMobil. The 19 Roxar subset multiphase meters are to be installed in the Mondo and Saxi/Batuque fields and follow the successful installation of Roxar meters by ExxonMobil in the Kizomba B development, which went into production in 2005.

Roxar had announced the signing of a letter of intent in June for the installation in the Mondo field, but this deal has now been extended to the Saxi/Batuque fields as well.

Sources: *Upstream Magazine*

Technip wins \$70m Gimboa contract

French contractor Technip has been awarded a \$70 million contract from Sonangol for the Gimboa field off Angola.

Under the contract, Technip will carry out the engineering, procurement, construction, testing, installation and pre-commissioning of production and water injection flowlines, a gas lift flexible pipe, a service umbilical, flexible risers and well jumpers.

The company will also install other subset equipment provided by Sonangol.

Technip will carry out the contract with the assistance of its operations and engineering centre in Luanda for the execution of the engineering, and will make the umbilical and logistic support at its Angoflex umbilical plant in Luanda.

The flexible lines will be manufactured by Flexi France in Le Trait, France. Offshore operations will be performed by one of Technip's dynamically positioned vessels during the first half of 2008.

Sources: *Upstream Magazine*

Qatar to provide Angola with "know how" for LNG-usage

Angola will import "know how" of Qatar, with view to boost the development of the natural gas project, according to the president of the Council of Administration of Sonangol, Manuel Vicente.

The manager of Sonangol, that spoke this month in Luanda with a delegation headed by the minister of the Industry and Energy of Qatar, Abdulla Hamad Al - Attiyam, announced that specialists of the Asian country will participate in the technical consultation of the project. Manuel Vicente expects the specialist to arrive before next year, when a delegation of Angola will visit Doha (the capital of Qatar). The parties furthermore agreed on cooperation in exploration activities, to start with in the domain of gas.

Angola is currently developing a LNG-project in Soyo, where a plant is to be built. The total investment is valued at USD 3 billion.

The minister of the Energy of Qatar stressed his willingness to transfer experience to Angola, in the context of the entrance of Angola's entrance in OPEC.

The delegation, that visited the country until today, was composed by eleven employees of the cabinet of Abdulla Al-Attiyam and officials of Qatar Petroleum. The delegation met behind closed doors with the minister of Petróleos, Desidério Costa.

Source: *Journal de Angola*

Banking and Insurance Sectors

Government Okays VTB Africa Bank

Luanda, 12/18 - The Cabinet Council resolution that authorizes the constitution of VTB Africa S.A. Bank was published in the State Gazette number 135, of November 08, made available to Angop on Sunday.

The government's organ regarded the opportunity and convenience for the creation of one more bank, as it will contribute to increase and boost the national banking system, thus creating space for the expansion and greater access to services sought by the citizens, reads the Gazette.

It also explains that the constitution of branches of banking institutions, that have their headquarters and effective administration in foreign country or non-resident, depends on the green-light from the Council of Ministers, in accordance with favourable analysis of the National Reserve Bank (BNA).

Source: AngolaPress

BPC, Banco de Fomento and BFA Open New Branches

Luanda, 12/13 – Over the past month three banks have opened more than 5 new branches nationwide.

Angola's Credit and Savings Bank (BPC) is expected to inaugurate, from Thursday to Sunday, five new branches in the country's southern region, bringing the number to 68 across the country. According to a BPC note that reached Angop Wednesday, the branches to be inaugurated include those of Matala and Lubango, both in southern province of Huila, and Kassanje, Welwitschia and Bibala localities in southwestern Namibe province. Altogether, BPC has 63 branches and 31 reception posts

Banco de Fomento bank Wednesday inaugurated, in Luanda, a branch, in Boa Esperanca industrial zone, Cacuaco locality, after opening Tuesday another one, "4 de Fevereiro", both in Luanda. The two recently inaugurated branches employ eight and 11 workers, respectively.

Meanwhile, BFA is involved in a process of expansion throughout the country, raising to 61 branches the number of its branches countrywide. The institution is also seeking to open nine more by yearend with a view to reaching a total of 70.

Source: AngolaPress

BFA Credits Reach Usd One Billion

Luanda, 12/19 - "Banco de Fomento Angola" (BFA) has granted credits estimated at about one billion US Dollars this year.

The information was released Monday in Luanda by BFA executive commission chairman, Emídio Pinheiro, while addressing the bank's second investment centre and Luanda's 32nd branch, the country's 62nd.

He stated that as part of the plan of expansion for 2006, BFA set as a goal a total of 70 branches (starting from 43), seven business centres (from three) and creation of three investment centres. Alike the set of agencies under the said plan, he said, a new concept of expansion has been introduced, with a modern and innovating image, with new services that might assist its customers with doing business.

Under the plan of expansion of the bank for 2006, BFA executive commission chairperson said 14 agencies have been completed in Luanda, six in the provinces, three business centres and two investment centres.

Another seven agencies will be put into operation in Luanda, plus one in Huambo and another in Lubango (Huila), in addition to a business centre and an investment centre, both in Luanda, he said.

The global investment under the plan of expansion for 2006 is estimated at more than Usd 40 million, having the bank recruited a total of 800 youths over the last two years. Since February this year, 175 training programmes were conducted by the bank with the participation of 1,328, totalling 42,000 hours of training. BFA operates with around 1,200 workers serving over 300,000 customers.

Source: AngolaPress

Inauguration of the Development Bank of Angola

Luanda, 12/14 - The inauguration of the Angola Development Bank (BDA), with the main task of funding economic and social projects, represents the start of a new and significant era in Government's efforts in pursuing the challenges of the country's progress according to the Angolan Finance minister, José de Pedro Morais.

The minister, who was addressing the ceremony of inauguration of BDA, said this Government initiative will strengthen the mechanisms of the national financial system, towards the relaunch of the country's economic activity and overcome a great part of the weaknesses caused by the war.

With BDA, said José de Pedro Morais, the country has just won an instrument that will permit the funding of productive investments at reasonable rates that will lead to the promotion of more jobs, productive integration of the populations in the national economic process.

With the removal the fiscal, monetary and exchange constraints that were causing inflation and failure with public debt payment obligations, BDA has come to make the government to interact as a punctual partner in the international relations and as a saver in its relations with the national financial system.

Pedro de Morais also stressed that the emergence of the financial institution sets a new era in the relationship among the State's institutions, the banks and the business sector.

"Thus, the Government's fiscal responsibility and the banks and businesses' social responsibility create partners to guarantee a horizon of prosperity and welfare for everyone," said the minister.

The minister further stated that with the creation of BDA, the rise in the country's external reserves and the control of the public debt, conditions are in place for the resources of short and medium term of the bank not to be absorbed by the treasury bonds of the Central Bank.

The resources thus become free to fund agriculture, industry and commerce in short term operations in which commercial banks are normally involved.

This and other actions, he said, enabled the bank credit to the economy to rise from an estimated Usd 1.8 billion, in 2005, to 3.2 billion, this year.

According to him, BDA has come to cover a void that existed in the country's financial system, as it will secure long term credits to the productive sector.

BDA is a financial institution of development intended to provide the small, medium and large enterprises with infrastructures, goods and equipment required for their productive activity.

The Bank is a privileged instrument to fund the development of the national economy, especially investments of the private sector linked to the productive sector.

The institution is intended to finance the development of Angola in the light of the National Development Plan and of the National Strategy of Long Term Development.

In a first phase, the bank will provide financial assistance to the chains of production of maize, cotton and construction materials.

It will also provide jobs, income, competitiveness and fund programmes, works and services of the Economic and Social Development Programmes, marshal resources to finance plans, evaluate, plan and monitor the implementation of investment projects.

BDA will also facilitate the participation of the private sector and communitarian organisations in the development of programmes, provide technical assistance, especially in the training of personnel, marshal funds to lessen environmental impact on development plans and provide advisory services.

The Bank's target public comprises Angolan businesses and producers that hold the biggest share in their respective firms, including singular and collective people, both organised or not in cooperatives

and consortiums involved in productive and service activity in the country.

The main source of revenues for the BDA is the National Fund of Development. This fund will transfer annually 5% of the tax revenues from the petroleum sector and 2% of tax revenues from the diamond sector. BDA will still operate with the remaining resources of the old Fund of Desenvolvimento Económico and Social (FDES).

Source: AngolaPress

Logistics and Infrastructure

Luanda Railways To Transport 20,000 Passengers Daily



Luanda railways

Photo: AngolaPress

Luanda, 12/21 - An average 20,000 passengers might be transported everyday on the Luanda Railways (CFL) after completion of rehabilitation works by 2007, according to a study conducted by the company.

The information was released recently by the project director, Paulo Manuel Kwanza, who said the amount of passengers might be higher, in view of the huge population growth trend in Luanda's nearby district of Viana, that falls under CFL.

From Luanda's downtown Bungo station, CFL crosses several districts of the capital, including Sambizanga, Rangel, Cazenga and Viana.

The CFL rehabilitation works, estimated at Usd 90 million, focus on the repair of the railroad, construction of new subways and flyovers, stations and substations, training of personnel, recovery of the Musseques repair station, installation of communication systems and other operations.

However, CFL full course stretches out to the northern Malanje province. The repair of Bungo/Baia (Luanda) and Baia/Malanje stretches are thus going simultaneously, under the CFL and National Reconstruction Office (GRN), respectively.

Studies conducted indicate that about 12 to 13 locomotives will be made available after the full completion of the rehabilitation works, taking into account the inter-provincial traffic.

The trains that in the past used to travel at a speed of 40 to 50 kilometres per hour, will now reach 80 kilometres, with the trip between Musseques and Viana stations covering about 40 minutes.

The repair of CFL started in October 2003, but due to various hindrances, such as the unlawful construction along its perimeter, huge heaps of wastes and others, have delayed the 23-kilometre Musseques/Viana stretch project.

CFL full recovery project started in 2003, and is estimated at USD 90 million and includes the repair of Bungo, Musseques and Viana stations.

The amount will also cover the construction of six sub-stations, in Luanda's port. The construction of Luanda railroads started in 1886 and had all along been a key element in connecting the country's capital city and northern Malanje province.

Source: AngolaPress

Luanda Has Traffic And Parking Plan

Luanda, 12/22 - The central zone of Luanda city will start the second phase of the traffic and parking lots plan.

Through a dispatch, the Governor of Luanda, Job Castelo Capapinha, "has set up a working group for the execution of tasks relating to the second phase of the plan on cars circulation and parking in the central zone of the capital city of the country".

The working group is co-ordinated by Provincial Director of Public Works and Urbanisation and Environment, assisted by the General Director of "ENCIB" (special undertakings firm) and provincial directors of Transports, Post-office and Telecommunications, Supervision Services and Social Communication.

Also in the working group are the Director of Planning Services and Urban Management, Police Traffic Commander and the Technical Aide to the Governor.

In the dispatch, Job Capapinha refers that this project is planned to regulate and co-ordinate the traffic and parking system, being updated, for the city of Luanda.

This Plan was elaborated by EIE-MICROCENTRE consortium, at the request of the Provincial Government of Luanda.

Source: Angopress

Namibe Port Handles 400,000 Tons Of Goods

Namibe, 12/22 - The Commercial Port of Namibe, in southwestern Angola, handled 400,000 tons of merchandise in 2006, thus meeting the target, said Wednesday here the institution's director, Bento da Paixão.

Addressing the ceremony of season compliments, Bento Paixao said most of the goods were handled in 9,677 containers.

"The rise in traffic of containers, added to the new demands on the part of the customs, has caused a congestion of the port, putting at risk the possibility of more containers to be received," he said.

Bento da Paixão added that improvements to the Mocamedes railway and roads will permit a major flow of goods from the Namibe port.

According to the director, the rehabilitation of the Namibe Port was attained thanked to priorities set by the central government, within the framework of the reconstruction of the country's infrastructures.

He also mentioned a few local initiatives aimed at maintenance and storing capacity of the port. This included the drafting and approval of projects of total rehabilitation of the quay.

Statistics of the company indicate that 17 long distance ships, including tankers, call the Namibe port. In 2005 a total of 259 ships called the port, against the 261 of the previous year.

The source indicates that 303,789 tons of cargo entered the country in 2005, against 360,000 of the previous year. Outgoing cargo reached 118,182 tons last year, against 79,562 of 2004.

Built in 1961, Namibe Port has 680 metres of continued quay for long distance ships, and operates with 685 workers.

Source: AngolaPress

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: 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

Exchange Rates

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

- KZ 80,17525 to the US Dollar (USD)
- KZ 101,95887 to the Euro (EUR)
- KZ 10,74303 to the S. African Rand (ZAR)
- KZ 152,23676 to the British Pound (GBP)

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

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For more information, please visit our website:

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