



**Koninkrijk
der Nederlanden**

Time is Now!

Royal Netherlands Embassy Luanda, Angola

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Foreword

Since the last edition of Time is now, published in the beginning of January many new developments took place. Not only here in Angola but also in The Netherlands, where the new Balkenende IV Cabinet was sworn in. Therefore we decided to add a special News item concerning the changes in Dutch politics.

Also in Angola loads of new developments took place. By the time you are reading this Newsletter Angola will be the latest member of the OPEC.

The government of Angola is currently doing their best to improve business conditions such as the improvement of infrastructure, especially roads and railways. Hopefully after completion of the current projects it will be easier to start doing business even in the more rural areas of Angola.

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Special: New Dutch Cabinet sworn in.

Prime Minister Jan Peter Balkenende unveiled his fourth cabinet on Tuesday evening, 84 days after the general election. The Christian Democrat (CDA), PvdA (Labour) and orthodox ChristenUnie (CU) coalition marks a shift back to the centre after four years of tough financial policy. The new cabinet has pledged to boost spending on education, the environment and urban renewal and wants to sign a covenant with employers and unions to create 100,000 new jobs.

Among the ministerial appointments, PvdA leader Wouter Bos takes over from Gerrit Zalm as finance minister while Christian Democrat stalwart Maxime Verhagen gets the foreign affairs job. Many of the names had already been leaked, but there were still some surprise appointments. Education Minister Maria van der Hoeven has been moved to the heavyweight post of Economic Affairs.

Her replacement by Ronald Plasterk, an outspoken columnist and atheist, surprised many commentators, given the involvement of the creationist ChristenUnie in the cabinet. All but three ministers come from outside Balkenende's last cabinet, 11 are women and two have an ethnic minority background.



Jan Peter Balkenende
Prime Minister



Maxime Verhagen
Foreign Affairs



Bert Koenders
Development cooperation



Frans Timmermans
European Affairs

Economy, Commerce and Investments

Angola Chairs UN Conference on Trade and Development

Angola was elected in Geneva to preside over the session of the UN Conference on Trade and Development (UNCTAD), Foreign Direct Investment (FDI) and natural resources.

The opening of the meeting highlighted the importance of the analysis of the relation between the international investment and the extraction of resources, with supply and demand of natural resources on top of the agenda of international politics.

To many African countries, a significant part of the FDI is related to the exploration of oil, gas and other resources. The session analyzed the present trends of multinationals in the domain of gas, oil and mining sector, and the recent developments including the expansion of firms abroad.

It also analyzed the factors that influence the FDI such as the maximization of development, the environmental and social challenges and the implications of the FDI coming from southern countries in extractive industries. Over a hundred representatives of governmental, non-governmental and international organizations and academicians are attending the meeting.

Source: ANIP

Luanda, the Second most Expensive City in Africa

The Angolan capital was considered by a study of an African organisation dealing with research and human resources, ECA International, the second most expensive city of Africa.

The study released recently in South Africa, shows a board of cities where you spend more to have access to a group of 125 consumer goods and necessary services to a citizen that travels around the world.

Harare, the capital of Zimbabwe was the most expensive one. This country is felling the effects of the economic crisis of the last years. The inflation in Zimbabwe is of 1.700 percent.

The life costs in Harare, and Luanda beat some European and Asian capitals famous by their high costs of products, like Oslo, Copenhagen, Tokyo, Hong Kong, Seoul and Singapore.



The organisation also indicates Kinshasa, capital of the Democratic Republic of Congo as the fifth most expensive city of Africa.

Source: Angonoticias

Customs Department Collects USD 1.5 Billion In 2006

The National Customs Department (DNA) collected for the State's coffers in 2006, about USD 1.5 billion achieving a record growth rate of 44, 3 percent, comparing to the previous year (2005).

According to a source of DNA, the revenues surpassed the expectations of the Customs Department, defined in their Plan of Activities of 2006, by obtaining 1.553.000, 000 dollars, whilst in 2005 the total profit was of USD 1.062 billion.

In the last six years, the revenues registered a growth rate of 611 %, - period for the implementation of the institution's reform. In the year 2000, before the reforms, the profit was only of USD 215.4 million.

As to the source, the success resulted from the technological progress inserted in the customs processing at Luanda's International Airport and at the Port, as well as from the changes of procedures implemented at DNA's posts countrywide and the intensification of the combat to fiscal evasion.

Oil and Mining

OPEC Salute Angola's decision

The Organisation of Petroleum Exporting Countries (OPEC) greets the decision of the Angolan government to join them, and is waiting for the official adherence request.

“Angola assists for years, the OPEC meetings as observer and now took the eniativity to adhere, which is definitely a good decision”, said Omar Farouk Ibrahim, public relations director of OPEC.

The official request, probably will only be presented in the first quarter of 2007, after all the procedures required by law.

OPEC has at the moment 11 members, Algeria, United Arab Emirates, Iraq, Iran, Indonesia, Nigeria, Venezuela, Kuwait and Qatar.

With the eventual Angola adhesion, and accordingly with the organisation's rules, will be attributed a production share to the country, that can change with the worldwide demand and also with the production capacities.

Source: Angonoticias

Catoca Mining Company Posts Revenue of USD 400 Million

Sociedade Mineira de Catoca (SMC), which operates the fourth largest diamond mine in the world in the Angolan province of Lunda Sul, expects revenue of USD 400 million this year (USD 30 million more than initially expected).

The company will produce and sell 5.5 million carats of diamonds, or half a million more than the initial projection. With this revenue, the net profit will be of over USD 100 million.

In 2005, SMC posted revenue of USD 221.5 million from selling diamonds due to an increased capacity for extracting and treating ore from 1,600 to 4.26 million tons per year.

Catoca is owned by the Angolan diamond company Endiama, with a 32.8 percent, Alrosa (32.8 percent), Odebrecht (16.4 percent) and Daumonty with 18 percent and employs 2,854 workers.

Currently Catoca is the biggest diamond producer in Angola and accounts for 65 percent of the country's yearly production, followed by SDM with 13 percent, Chitotolo with 7 percent and Mufuto with 5 percent.

Source: ANIP.

Angola's Oil Production to Reach Highest Level in 2011



Angola will attain in 2011 its highest oil production level (two million and 600.000 barrels/year), with discoveries of new fields in deep and ultra deep waters, according to a prediction of a World Bank report on the country's economy.

At the moment the country produces one million and 600.000 barrels. Oils reservoirs at superficial waters, mainly in the northern Cabinda province, which represent over 50 percent of the current production, have reached their final stages, with the deep and ultra-deep waters being the possible future of the sector.

It indicates that the increase in production may occur if discoveries in the Blocks 31 and 32, of ultra-deep waters start production soon.

In 2020, according to a bar graph, a low production very similar to that of the year 2000 is expected. Six main areas have been identified in the report that needs a plan of analysis, viewing the execution of a development strategy with a wide foundation, amongst which conclusion of the transition to a market economy.

Multinational Chevron To Build New Headquarters In Luanda

Luanda, 02/07 - The multinational Chevron, Cabinda Gulf Oil Company (Cabgoc) announced on Tuesday in Luanda the construction of a new headquarters in the Angolan capital, as a result of the investments made in the country in the fields of exploration, prospecting and production of oil and natural gas.

The company affirms that it has lately observed a substantial increase of its operations in Angola, pointed out as a positive result the recruiting of new national employees and thereby the need for an extra space.

The launching of the first stone for the construction of the building happened this month and was attended by prominent entities of the Oil Ministry, of National Fuel Society of Angola (Sonangol) and of associates of Block 0.

The headquarters will be built in the Chicala zone, in Ingombota district (Luanda).

Source: Angolapress

Norwegian Statoil and Norsk Hidro Prepare Merger

The Norwegian oil firms Statoil and Norsk Hidro will merger in June this year, said the country's minister for International Development, Erick Solheim.

The official, who was in Luanda, released the information to the press after a meeting with his local counterpart, Desidério Costa, with whom he discussed matters concerning the strengthening and expansion of cooperation in the oil field between the two countries.

The purpose of the merger, according to the source, is to create a stronger firm in the world market, capable of competing with the world's 50 strongest companies.

Angola is Statoil's main market in terms of investments.

Source: AngolaPress

Oil and gas company Galp makes 2 oil discoveries

Portugal's largest oil and gas Company, Galp Energia, made two new oil discoveries in deep waters off the Angolan coast. The new wells, called Manjericao-1 and Caril-1, are about 2,000 meters (6,500 feet) and 1,700 meters (5,500 feet) deep, respectively. The Caril-1 is expected to produce up to 6,300 barrels a day, The company said.

There were no details on how much oil the other find could produce.

The sites are located at a concession called Block 32, which is being explored by Galp, Angolan State-owned oil firm Sonangol, French Total and American Marathon Oil and Exxon.

Galp said further tests were ongoing to evaluate the potential for other wells in the concession.

Angola, Africa's second-largest oil producer after Nigeria, is expected to produce over 2 million Barrels a day in 2007 and increase production by 90 percent from 2005 levels by 2010, according International Monetary Fund estimates.

Source: AngolaPress

George Soros tells China to Join Oil and Mine Watchdog

China is a major obstacle to tracing revenues and expenditures from oil, mining and other resources in Africa to stem corruption, investor and philanthropist George Soros said this month.

In the past a country like Angola was turned down by the International Money Fund because it did not meet transparency requirements, Soros told a U.N. panel on development.
"Now it can get any amount of financing from China."

Soros urged China to join the Extractive Industry and Transparency Initiative, known as EITI, which has some 20 member nations, 13 of them in Africa. It allows watchdog groups and governments to check on revenues paid and where they are spent in such countries as Nigeria, a member of the group.

"The main obstacle to further progress is the increasing presence of China (in Africa), which has not subscribed to EITI," Soros said.

China's deputy U.N. ambassador, Zhang Yishan, said Beijing did not impose conditions to promote democracy or human rights as many Western countries did. But Soros said he was not referring to political conditions but "setting standards and obeying those standards."

China, which organized a series of meetings earlier this month with African leaders, agreed on 16 trade and investment deals worth some \$1.9 billion, which analysts attribute in part to Beijing's need for natural resources. Beijing also offered an aid package of \$3 billion in preferential loans and \$2 billion in credits and over the next three years.

Source: Reuters

Banking and Insurance Sectors

BFA Bank Opens Sixth Agency in Benguela

Angolan Foment Bank (BFA) recently inaugurated its sixth agency in the southern Benguela province, and the 58th nationwide, in the light of the expansion of its activity.

The new agency, the second in Benguela city (chief town), after three in Lobito city and one in Catumbela, will be a new change for clients based in that well populated region.

BFA has intensified the expansion of its network of agencies countrywide, foreseeing to open 12 more agencies by the year's end.

Source: ANIP

BFA Bank Opens Second Agency In Huambo

Angola's Foment Bank (BFA) opened this month its second branch in Huambo city, in the ambit of its expansion programme to all provinces of the country.

The branch is located close to the head offices of the Provincial Government. The first BFA agency, located in the lower part of the city, exists for more than five years.

According to programme, the opening ceremony was attended by the Governor of the central Huambo province, António Paulo Kassoma, representatives of banking institutions, among other entities.

Logistics and Infrastructures

Government Concludes Over 1,000 Kilometres of Roads This Year

A total of 1,267 kilometres of roads is to be rehabilitated during this year, greatly improving the circulation of people and goods countrywide.

From March to June, 667 kilometres of roads is to be inaugurated in the ambit of the Road Infrastructures Rehabilitation Programme. The remaining 600 kilometres will be handed over to the population between next July and December.

The Road Institute of Angola (INEA) considered that various roads are in condition of being inaugurated during the first half of 2007.

For the second half of the current year INEA foresees to inaugurate the following road works: Cacuso/Malanje, in Malanje province with a 67 kilometres extension; Ondjiva/Humbe, in Cunene province with 107 kilometres; Sumbe/Gabela, in Kwanza Sul province with 78 kilometres; and Alto Hama/Huambo, in Huambo province with 70 kilometres.

The Benguela/Lubango road (Matala/Lubango pathway) with 42 kilometres is also to be rebuilt.

Concerning roads and bridges in the year 2006, INEA concluded asphaltting over 300 kilometres of roads. These works include the following roads: Kifangondo/Funda/Catete (20 kilometres), Viana/Maria Teresa (74 kilometres), Huambo/Caála (15 kilometres), Bitchequete/Massabi (23 kilometres) and the Matala/Matala pathway (98 kilometres).

The following eight bridges were also concluded in 2006: the bridge over Dande River, at Barra do Dande region (Bengo province); above Keve River, in Waco Kungo district (Kwanza Sul province); over Lucala River, in Lucala district (Kwanza Norte province); and above Calombutão River, in Benguela province.

Source: AngolaPress

ENANA Invests USD 400 Million In Airports Rehabilitation

About Usd 400 million will be invested by the Angola National Company of Exploration of Airports and Air Navigation (ENANA), in the 2007/2008 period, for the rehabilitation and recovery of airports and airfields in the country.

This was revealed this month in Luanda by the company's managing board chairman, Jorge dos Santos Correia, at the opening of the first broad meeting of ENANA's airports and airfields directors.

According to the officials, in the next three years, ambitious infrastructure programmes will be developed.

"We will put airports in good operational state," said Jorge Correia, which considered as critical the current condition of the airports in the country, mainly those in the national airlines (TAAG).

"The company this year has the responsibility to recover restructure and place airports in good operational state" said ENANA administrator.

"We have the responsibility and mission to make it work, especially in this phase in which our national company purchased new aircrafts," said Luanda airport administrator, Celso Rosa.

According to Celso Rosa, there is need for the airports to be made operational so that the company reaches all districts with airports, especially those under ENANA control.

Usd 120 Million For Huambo/Benguela Road

At least Usd 128 million will be used in the rehabilitation of Angola's central highlands Huambo/Benguela road, as part of the programme on increased and improved supply of basic goods and services to the population.

This was announced Monday in central Huambo province by the director general of the National Institute of Roads (INEA), Joaquim Sebastiao.

The undertaking will be carried out in two phases by the CCL and Odebrecht consortium (Ca la/Ganda stretch) and builder Conduril (Ganda/Catengue), over an extension of 238 kilometres and nine metres of width, meant for improved car circulation and easier connection between districts.

Meanwhile, the 124, 4 kilometres assigned to CCL and Odebrecht is estimated at Usd 72.6 million, while Conduril's is 56 million for 113, 6 kilometres. The two stages of the works will take 24 months.

Addressing the consignment ceremony, Joaquim Sebastiao highlighted the importance of the road to the socio-economic development of such localities as Ganda, Cubal and Caimbambo.

According to him, his institution intends to rehabilitate all the roads from the country's 18 provinces, seeking to connect the north to south and east to west.

In their turn, the governors of Huambo and Benguela, Paulo Kassoma and Dumilde Rangel, respectively, considered the rehabilitation of the road as necessary to revitalise agro-farming production in the region and boost the recovery of infrastructures in the highlands region.

Government Official Happy With Pace Of China-funded Projects

Angolan Finance deputy minister, Severim de Morais, considered as satisfactory the pace of the projects being implemented under China's credit line.

Severim de Morais who paid a few hours working visit to the province of Malanje, said the works of construction and rehabilitation of sanitary and education infrastructures are going within planned timings.

"We have no reasons to think that the works will not be surrendered within established timing, that is why we have also brought the director general of Eximbank (creditor bank) of China, so that together we analyse the implementation of the projects and application of the funds," he said.

On the other hand, Severim de Morais said he received from the province's government information about other actions awaiting implementation within the framework of the credit line.

The deputy minister gave instructions concerning the improvement of the Malanje/Quéssua road, where the former medium agrarian institute (IMAM) will be rehabilitated.

He spoke of the need for rehabilitation of the road that links to Quéssua sector because IMAM has a profile of quality.

China government's credit line in the region is covering the construction of Malanje district hospital, two primary and one secondary schools, the rehabilitation of the future regional hospital and IMAM, all visited by the deputy minister.

The credit is also covering works of restoration of sanitary infrastructures, schools, roads and houses for nurses, teachers and government officials in the districts of Kangandala, Caculama, Kalandula, Cacuso and others.

USD 14 Million Invested In Bailundo Infrastructures

More than Usd 14 million are being invested by Angola's central Huambo province government in the construction and rehabilitation of social and economic infra-structures in Bailundo district, some 80 kilometres of provincial capital city.

In an interview to Angop, the provincial governor, Paulo Kassoma, revealed that about five million dollars are being used in the rehabilitation and remodelling of potable water supply systems in the region.

According to the government official, a school complex is also being built with 14 classrooms, capable of accommodating 980 students, to be complete by June this year.

Paulo Kassoma explained that the same amount will be used in the rehabilitation of the Chilume Mission Hospital, where Bailundo district hospital services will soon be transferred to.

Sawilala/Bailundo road will be rehabilitated to facilitate free circulation of people and goods, he announced.

He added that in Huambo, the local government is carrying out several actions in the 11 districts so that in two to three years time the population starts feeling the positive effects of peace attained in the country.

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

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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

Exchange Rates

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

- KZ 81,970 to the US Dollar (USD)
 - KZ 107,565 to the Euro (EUR)
 - KZ 11,484 to the S. African Rand (ZAR)
 - KZ 159,895 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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www.angola.nlembassy.org

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