

# ANGOLA

## Into the 21st Century

Saharan Africa's biggest oil producer is defining its own new role in the region and the world, economically and diplomatically. The aim is to leverage oil revenues to build new infrastructure and advance health and education, studying but never simply copying what other countries have done. Entrepreneurs with international experience are helping key sectors leapfrog to the latest technology.



## Introduction

# A new role model for Africa

**Angola is rushing into the 21st century with an almost palpable feeling of optimism, at least among the better-off in this West African nation of 13 million. In many ways, it still seems the classic Third World dichotomy: high-end SUVs park outside trendy restaurants while barefoot kids play in open sewage. But after centuries of colonial exploitation and decades of war, many Angolans believe they are at last on track to break the cycle and follow their own path forward.**

"We are betting on development — we will always be Africans, but we are different from the rest," said Julião Mateus Paulo, a veteran guerrilla freedom fighter who is now secretary-general of the ruling Popular Movement for the Liberation of Angola (MPLA), in power for a third of a century (see time line). Paulo said he thinks Angola is unfairly judged by some abroad who recall the MPLA's revolutionary past: "We used to be Marxist-Leninist, but today we are social democrats."

After the fall of the Berlin Wall, he said, Angola had to find a new political direction. "We opted for a market economy, and that means capitalism, which of course can be cutthroat or moderate. But we will never forget the social component, because education and health are vital for our population."

The bottom line, Paulo said, is that Angola is open to foreign capital: "The more capital that comes to Angola the better, because we have a problem with unemployment and we can only attack that through investment with domestic and foreign capital."

The new approach seems to be working. Angola is awash with housing and infrastructure projects (see page 5), and the International Monetary Fund (IMF) predicts 8.5 percent economic growth this year.

According to the United Nations Confe-

rence on Trade and Development, Angola received no less than US\$15.5 billion of foreign direct investment (FDI) in 2008 — about half of all the FDI going to less developed countries. Most came from the United States, France and the Netherlands and went primarily to expanding the petroleum sector. Bucking last year's global downward trend, non-oil FDI was up by 50 percent in 2009 to US\$1.8 billion, the Angolan Investment Promotion Agency reported.

Angola nevertheless struggles with poverty, inequality, weak institutions, a fragile young democracy, poor education, corruption, bureaucracy, unemployment and bad infrastructure, curses common to Africa's poorest countries. So why the optimism? First, because the government recognizes there are many problems. It might believe they are sometimes unfairly magnified in the international press, particularly for a country just eight years out of colonialism, an independence fight and a civil war, but on most fronts it accepts there is work to do.

Take corruption. Paulo agreed there's a problem, but downplayed it: "Corruption happens in any country in the world," he said, because "people don't always have the conscience that they should serve their country." He noted that President José Eduardo dos Santos often speaks of "zero tolerance."

The U.S. State Department, in an Investment Climate Statement on Angola published in early 2009, took a much harder line, suggesting that corruption ranges high, wide and deep, but nevertheless conceded that "the government has made significant strides towards greater transparency." It noted that Angola, prodded by the IMF, is now inviting major international accounting firms to audit the nation's largest public companies.

The State Department report also recognized "an overall effort by the Government of the Republic of Angola to create a more in-



vestor-friendly environment," together with progress in "establishing clearer written regulations" and improvement in key financial sector indicators. Also, it noted the country's protection of basic intellectual property rights and the low risk of political violence. Given the problems that plague some other African nations, it might well have mentioned the absence of religious extremism. Thanks to its long Portuguese heritage, Angola is today a predominantly Christian nation, although indigenous beliefs retain a wide following.

## Beyond tribalism

Angola's veteran freedom fighters turned pro-market national leaders now see themselves as trailblazers for a new Africa. "We feel a share of responsibility for the continent, for the region, because we have independent brother countries that lack a strategic vision about things, that are still wasting time with tribalism and racism," said former Defense Minister Kundi Paihama, who now handles Veterans' Affairs. "We are concerned with education, health and the social area, but they (the other countries) do not see that as a priority."

Some international commentators have suggested that the Angolan development model, while producing impressive statistics for





GDP and investment, may be relying excessively on “trickle-down development”—a polite way of saying that so far it appears to be benefitting mainly the better-off. But national leaders argue that their country needs to be completely rebuilt, starting with the highways, ports and railroads. This will facilitate investment and modernization in agriculture, which currently employs roughly six out of seven Angolans, thus boosting rural incomes while helping feed the population.

So widespread was the destruction during the civil war that the fertile country, formerly a food exporter, today imports many basics. “Now we have to fight to stop being economically and socially dependent; we must produce. We will still import other things, but within two years we will ban the importation of everything that we can produce here,” Paihama said. “To do that, we must build schools and train people. We must embrace the values of technology, democratization, social inclusion, integration and popular participation at every stage of the process.” Angola’s determination to carve out a new role in the world can also be seen in its foreign policy.

Closely intertwined, the government and the ruling MPLA party appear to have put behind them any animosity toward their old

Portuguese colonial masters, the West in general or the United States in particular for actively having supported and armed the losing side in the civil war.

“We used to have serious problems with America, but we have been redefining our relations, and today the opinion is completely different,” said Paihama, a confessed admirer of former U.S. President Bill Clinton. “Gradually the Americans have come to understand us. And I cannot lie: There has been a surge since Obama took office; today the atmosphere is very good.”

One striking feature of the new Angola is the massive Chinese presence in civil construction and other areas of the economy, backed by multi-billion dollar loans from Beijing. But Paihama rejects suggestions of a takeover. “We need to cooperate with everybody,” he said. “Our Chinese friends are helping, but they’re here to work and draw wages. When their contracts are up, they’ll go home. Nobody from China will give orders here.”

Chinese ambassador Zhang Bolun said his country was happy to help Angola, now China’s second-largest oil supplier. The countries have exchanged military attachés, and China may supply weapons and training in areas such as rebuilding Angola’s navy. ■



## Angola time line

**Early history:** Bushmen, hunters

**A.D. sixth century:** Bantu migrate into Congo region; bring knowledge of metalworking, ceramics and agriculture.

**1482:** Portuguese traders arrive on Congo coast; first slaves acquired.

**1575:** Portuguese explorer Paulo Dias de Novais founds Luanda as “São Paulo de Loanda.”

**1836:** Slavery officially abolished, with an estimated 3.6 million people shipped from or through Angola.

**1950s:** Independence demands grow: MPLA is created in 1956; National Front for the Liberation of Angola in 1961; and National Union for the Total Independence of Angola (UNITA) in 1966.

**1961:** Pro-independence guerrilla war starts.

**1975:** Independence from Portugal; civil war starts within Cold War context; Agostinho Neto (MPLA) elected president.

**1979:** Agostinho Neto dies of cancer; José Eduardo dos Santos (MPLA) elected president and re-elected in 1992.

**2002:** UNITA leader Jonas Savimbi killed in combat; civil war ends.

**2003:** United States recognizes Angola.

**2004:** Oil production reaches 1 million barrels per day.

**2006:** Ceasefire in break-away oil-rich Cabinda province recognized by United States, EU, Russia, African Union; Cabinda remains part of Angola; China offers Angola billions of dollars in loans.

**2008:** MPLA wins 81 percent of vote in first parliamentary elections since 1992; UNITA takes 10 percent. Foreign observers question fairness of voting.

**2009:** IMF approves landmark US\$1.3 billion loan.

Debate

# THE ANGOLAN MODEL

Angolans are determined to plot their own course — no cut-and-paste, cookie-cutter solutions. But they pay attention to what other oil-rich countries have done.

## NORWAY



### Pro

Excellent example of using oil wealth responsibly and preventing overheating of the economy.

### Con

Angola needs to invest right now, to rebuild infrastructure, create jobs and improve education.

*Comparison: one third of the land area; a quarter of the population; seven times as rich; produces slightly more oil; reserves are half the size.*

It might seem strange to compare Angola with Norway, one of the richest countries in the world, where public services are a global benchmark. But Norway has set an example in maximizing the value of its oil and gas. It created a sovereign wealth fund that feeds into a national pension fund, designed to protect current and future generations and cushion the country against the effects of an aging population. At the end of 2009, the pension fund stood at 2.8 trillion kroner (some US\$440 billion), more than one year's total Norwegian GDP or roughly 1 percent of the value of all the world's listed companies.

## UNITED ARAB EMIRATES



### Pro

Another example of using oil wealth to promote development, leveraging a strategic location.

### Con

Angola lacks the United Arab Emirates' (UAE) central position between East and West, and the critical mass of wealth.

*Comparison: less than one tenth of the land area; less than half the population; six times as rich; produces slightly more oil; reserves are seven times as big.*

The UAE has been plowing much of its oil wealth into property and infrastructure development, seeking to become a global hub for tourism, air travel, shopping, light manufacture, transshipment and financial services. Completed or planned investments include the world's largest airport, shopping center and artificial island, not to mention the world's tallest building. A huge sovereign wealth fund set up in 1976, the Abu Dhabi Investment Authority, is the main driver. The strategy is to diversify the economies for a post-oil existence. Property investments took a hit during the crisis.

## NIGERIA



### Pro

Improved management seems to be paying off: China will build an US\$8 billion refinery.

### Con

Angola must avoid the conflicts that curb production in the Niger Delta: spreading wealth helps.

*Comparison: three quarters of the land area; almost 10 times the population; about one-third as rich, produces about the same amount of oil; reserves are almost three times as big.*

Proportionally, oil has a similar weight in the economies of Nigeria and Angola: 40 percent of GDP and 80 percent of government revenue in Nigeria; around half and two thirds, respectively, in Angola. Nigeria has been raking in oil wealth for half a century, but it's diluted among a much bigger population. The country has built a lot of infrastructure and grown rapidly at times, but also suffered from corruption, mismanagement and environmental damage. Some non-oil industry has been developed, including vehicles and textiles. Much more could be done, particularly in agribusiness.

## VENEZUELA



### Pro

Attempts to use oil revenues to finance social programs; the question is how best to do it.

### Con

A lesson for Angola that the interests of nations and state oil companies are not always identical.

*Comparison: three quarters of the land area; roughly double the population; twice as rich, produces slightly more oil; reserves are almost 14 times greater.*

Another country that depends heavily on oil, which generates some 80 percent of its export earnings and more than half of government revenues. Decades of oil dollars brought some development and economic growth but failed to promote sufficient prosperity among the poor, thus paving the way for a populist government. Critics said the state oil company, PDVSA, had become inefficient and costly, consuming an excessive proportion of oil revenues in its own operations. In more recent years, PDVSA has failed to expand production; output in 2009 was 30 percent below its 1998 peak of roughly 3.5 million barrels per day.

**Note:** All comparisons approximate; wealth comparison is GDP per capita in purchasing power parity; petroleum comparisons from BP Statistical Review of World Energy 2010.

# Building the Angolan model



The Luanda Bay Project is a showcase development to revitalize the capital's beachfront: a popular meeting place, leisure area and home to the capital's fast-growing financial district. It includes housing, highways, and business and commercial space with a multi-lane expressway and landscaped gardens. Dredging has removed polluted sediment from the bay, which was greatly degraded during the civil war, and has reclaimed large areas of land for development. The 15-year project started in 2007 and includes an estimated US\$2 billion in private development plus US\$135 million of public works.

**The new Angola demands better physical, human and business infrastructure; more efficient local suppliers; and development of sectors where the country has a natural advantage. It's starting to happen.**

Gaze around Luanda today and you will see 21st century Angola being born, brick by brick, girder by girder. Myriad new apartment blocks and offices represent the most prosperous side of the booming capital city, whose population has more or less doubled to something like 5 million in perhaps 15 years — the imprecision being a natural consequence of the pervasive lack of firm statistics. However, there's much more to the new Angolan economy than just the tower cranes piercing the skyline or even the oil wealth that now generates around half of GDP.

The property boom is in part a consequence of oil revenues and the billions of dollars of foreign investment flowing into an economy that grew at above-Chinese rates for several years before the recent international crisis, and has pulled out of a momentary 2009 dip on afterburner. The boom also reflects the rapid expansion of local and international companies in numerous non-oil sectors.

Angola is unlikely to attract major traditional manufacturing industries, such as automakers, any time soon. The domestic mar-

ket is too small, the country is located in a largely low-income region and South Africa, the only substantial market nearby, already has a midsize vehicle industry that is integrated into global production systems.

What's more, Angola lacks much of the basic human capital and industrial infrastructure needed to support world-class industries. But all small and developing economies must identify strategies and niches. For Angola, this means moving ahead on three major fronts: improving the physical, human and business infrastructure; developing efficient local suppliers wherever possible; and promoting development in sectors where the country has a natural advantage.

## Ports and people

"Today the logistics platform is very important anywhere in the world; the more rapidly goods move, the lower the cost," said Leonel da Rocha Pinto, managing director of Multiparques, a leading logistics company.

Port costs and delays are a common complaint among business leaders in Angola, and

private investment is part of the solution. Since it was created five years ago, Multiparques has plowed some US\$50 million into container handling equipment, trucks and a 60-hectare dry port with facilities for refrigerated containers and the country's only cargo scanner. "I was recently in Hong Kong to see their system for automatically registering the entry and exit of containers, feeding that directly into the tax information system," said da Rocha Pinto, nicely illustrating both the opportunities and challenges facing Angola. It's a country where a vast amount needs to be done, but it can also leapfrog straight to the latest technology.

Cheap labor doesn't mean all companies should be labor-intensive. "Working with out-of-date systems costs much more and creates lots of problems; the more technology in a process, the better for the companies," da Rocha Pinto said.

Some years ago, Portuguese immigrant Sergio Cubo set up Semec, a customs clearance company. Now he helps importers and exporters unravel the red tape of the import/export bureaucracy. Clients are mainly Portuguese, Chinese and Angolan companies bringing in drinks, foodstuffs, construction materials and equipment. "Angola survives on imports; without them business would simply stop," he said.

## Building Angola



### Augusto da Silva Tomás

Transport Minister

#### In the driver's seat

Creating the new Angola involves many tough jobs, but few are more difficult than rebuilding the country's transportation system, wrecked in the years of war. Transport Minister Augusto da Silva Tomás lists just a few of the challenges — and the opportunities they create:

**Ports:** Lobito is being developed as an international port to serve West Africa. There is a project in the works to clear channels and berths currently blocked by ships sunk during the war — there were 80 wrecks in Luanda alone — and also plans for a deepwater terminal.

**Rail:** A major repair and upgrading program is under way with Chinese help (see main story). Investments will restore the link to Zambia, offering a lucrative export route for that country's minerals. The strategy is to separate rail infrastructure from rail services.

**Air travel:** TAAG Angola Airlines, the national carrier, has invested heavily to upgrade its all-Boeing fleet and is once again cleared to fly into Europe. Private Angolan and foreign companies will be invited to bid for airport management contracts.

**Metro:** Studies are under way for a mass transit system in Luanda, essential to ease the capital's traffic congestion.

**Finance:** An important consideration — Angola has credit lines from China, Brazil, Portugal and Spain. But it must spend the money on goods and services from the respective countries.

Cubo reckons to get containers out of the port in five or six days, but in cases of urgency he can manage it in 24 hours. “Of course there’s a cost, but that’s inevitable,” he said. “In Europe there are situations that you simply can’t resolve, but here everything can be resolved, albeit at a cost.”

Both da Rocha Pinto and Cubo see human resources as key to successful operations. “Angola needs to pour resources into education,” said da Rocha Pinto. “We can make any kind of investment we choose, but if we don’t invest in people to operate the machines then that’s a real problem, because we’ll continue to depend on expatriate labor, and you can’t build a country that way.” Workforce training, he said, was his “principal, permanent challenge.”

Cubo stressed training but also employment conditions: “A well-paid worker with all his needs met is half the battle.” Companies building the new highways, bridges and dams should also pay close attention to staff qualification, said Nuno Guimarães, head of Angolan operations for Conduril. In Angola for two decades, the Portuguese-based construction company currently has around 2,000 employees. Less than 10 percent of them are foreign. “That’s below average for our sector,” said Guimarães. Some Angolans grumble that Chinese construction companies in particular import cheap labor and deprive local people of jobs.

Guimarães attributes his high percentage of local staff to ongoing training in skills, safety and quality. Conduril Academy, his latest project, will offer theoretical and practical training for the construction sector. A future step will be a similar school, open to the general public. Employee training is also critical in high-tech services.

Carlos Brito, executive director of mobile phone operator Movicel, said he was happy with his level of staff skills but stressed the need for training courses, in particular to increase the number of professional level positions held by local staff. For his part Miguel Veiga Martins, managing director of rival mobile phone operator Unitel, stressed the role that high-tech companies can and should play in helping develop local competence. “Partnerships with Angola’s leading universities are good for us because we have access to the graduates, but they also help drive up general educational levels.”

#### Looking long term

In many ways, businesses are building the new Angola almost from scratch. Take insurance. “The market is just starting; it’s almost embryonic,” said Rui Campos, CEO of the four-year-old insurance company Global Seguros. “It’s difficult to change people’s mentality; the ‘now’ culture is giving way to a more midterm view, and with that comes the habit of insuring against risks. But it doesn’t happen overnight.”

Having opted for a flexible, fast-response, IT-based structure, Campos sees staff training as fundamental. “Competent insurance professionals are not available in Angola, so we invest a significant part of our budget in training our own.”

Developing modern financial infrastructure also includes occupational pensions. Part of the challenge is fostering a more long-term view among people who for many decades have struggled just for daily existence, but Luís Alexandre, CEO of Cofre, the national police pension fund, urges flexibility.

The answer in Angola today is to combine what is the quintessential long-term business



### Angola, old and new

- 01 The National Bank of Angola: founded in 1864 by Portugal
- 02 Downtown Luanda: no stopping the growth
- 03 Port of Luanda: expansion under way
- 04 Hydropower: self-sufficient in clean energy
- 05 Rail: nationwide upgrading after years of neglect

### Social challenges



**A country with a vast legacy of social challenges: Equitable development is the answer.**

- Population: 13.1 million
  - Population growth rate: 2.06%
  - Median age: 18
  - Life expectancy at birth: 48.5 (f), 44.6 (m)
  - Malnutrition in children <5 years old: 27%
  - Infant mortality/1,000 live births: 158
  - HIV/AIDS in population ages 15-49: 2.1%
  - Adult basic literacy: 67.4%
  - Internet users: 3.1%
  - Land-mine victims: 80,000 (max. est.)
  - Area with land mines (km<sup>2</sup>): 242-1,239 (est.)
  - Average income (annual, PPP): US\$1,890
    - Population <US\$1.25/day: 54%
    - Population <US\$2/day: 70%
  - Income share (households):
    - Poorest 10%: 0.6%
    - Richest 10%: 44.7%
- (Various sources; most recent available from 2000)

with help for day-to-day needs like doctors' bills and small loans. Some products are offered in partnership with a local bank. Alexandre suggests that if Angola's financial institutions get it right in the new emerging consumer market, they can help change society: "Suppose a policeman thinks that the only way he can make ends meet or have his own home is by living off bribes. Well, if we can show him that with his salary he can obtain microcredit — perhaps for his wife to open a snack bar — and so maybe change his life, we will soon have fewer cases of bribery."

### Local suppliers, natural advantages

Angola imports way too much. It's partly a consequence of chronic underdevelopment and partly a legacy of war. Now the government is anxious to boost local output wherever possible. Greater local food production is an obvious target, both for reducing imports and boosting rural incomes. So is expanded local refinery capacity — Angola currently exports crude oil and imports most of its gasoline. Another promising area is building materials, which are obviously in big demand.

One key project here is the planned US\$294 million cement factory announced

for Lobito, a major port with a fine natural harbor on Angola's southern coast. Lobito is at the end of the 1,290-kilometer Benguela Railway, which runs east to the border of the Democratic Republic of the Congo, then down to Zambia.

Both the port and the railway were badly damaged during the civil war, but they are now being brought back to life. China closed an US\$89 million deal for locomotives, passenger coaches and freight wagons, and will train Angolan rail technicians.

Repair of Benguela and other railroads is essential to getting the economy moving again. Angola currently has two main hard-currency earners, petroleum and diamonds, but until the war it had substantial iron ore exports. There are also deposits of manganese, gold, copper and many other minerals. Various agricultural raw materials could also be exported.

There is also significant potential for fishing, particularly in the plankton-rich Benguela Current that sweeps up the west coast of Africa. Angola, Namibia and South Africa are working together to manage and preserve these fishing grounds, trying to protect them from over-fishing and to adapt them to climate change in an integrated way. ■

Rua Robert Shields, 17 - 2º  
Ap 8 Luanda - Angola  
Tel.: +244 222 99 75 91 +244 222 33 91 10  
E-mail: [semec@semec.com](mailto:semec@semec.com)

**semec**  
SOCIEDADE DE TRANSPORTES, LDA

**AVAILABLE TO OUR CUSTOMERS  
FROM ORIGIN TO DESTINATION**

## Angola CEOs

# → CEOs OF THE FUTURE

What is the key to success in one of the world's most exciting emerging markets? Discover the secrets of some of Angola's leading businessmen.

The U.S. State Department kicked off its 2009 Investment Climate Statement on Angola as follows: "Angola offers both high returns and great risks to investors and exporters." Then it detailed some of the challenges and opportunities discussed in this report. But what does it take to achieve those high returns and minimize the risks? The starting point is local knowledge.

"Unfortunately in Angola we don't have a lot of information and Internet yet, so you have to come here and get your hands dirty, put up with the traffic and understand how things work," said Teddy de Almeida, president of the South Africa-Angola Chamber of Commerce. The next thing, which is particularly relevant to foreign business people or Angolans who have trained and worked outside of their country, is to meld local knowledge with international skills and business practices. "Some foreign companies want to bring in their own habits, work systems and forms of organization, but these are not always compatible with what exists here," said Félix Cipriano Barco of Estilo Rouge, a family-owned furnishings and textiles business that moved from Portugal to Angola a few years ago. "We have to adapt our needs to the possibilities of the country, and not vice-versa."

One of the greatest challenges for any modern executive is coming to terms with the slowness of decision-making in Angola. Labyrinth red tape and a bureaucratic mind-set are a regrettably common legacy of Portuguese colonization, as anyone who has worked in Brazil will know. The old Portuguese adage of public officials "creating difficulties to sell solutions" is far from extinct, although Angola is modernizing and bringing in laws and systems to reduce such practices. Particularly aggravating can be the delays. "We Angolans tend to understand this, but communicating it to a foreign investor is more challenging," de Almeida said. "Visas, for example — sometimes people have to wait 14 days or more, so if you are a foreign investor, you have to develop the fruit of patience."

### INTERNATIONAL EXPERIENCE

Angola is hungry for the latest business practices and know-how. Many top business executives have studied abroad — Portugal is a popular option — and followed that up with a period of international work experience. Also, companies in Angola often import key skills.

### USE THE BEST TECHNOLOGY

Angola wants to join the 21st century, not the 20th. That means using the latest available technology rather than falling back on traditional, labor-intensive options. Modern companies may currently seem like high-tech islands in a generally underdeveloped economy, but that's changing. Time is on their side, and in Angola the clock is running very fast.

### HARD WORK PAYS OFF

Entrepreneurs and corporate executives tend to work hard everywhere, and Angola is no exception. "I put in 16 hours a day for many months when I started up my company," said Sergio Cubo of Semec, while Wang Yuzhi, deputy general manager of the Sinohydro construction company, said that "investment in Angola takes a lot of hard work. ... The Angolan government wants fast construction and lower costs."

### THINK SOCIAL

Modern businesses in Angola are resource centers in a needy society. They can make a difference. Many business leaders see this as an inherent responsibility, not charity. Sponsoring education and technical training helps build a more affluent society and cements links with local communities. It also enhances a company's standing with the government.

### CRISIS IS OPPORTUNITY

Some companies packed up and left Angola when the recent international crisis hit. Most are probably regretting it now, as the economy bounces back. Ask any successful businessman about the problems, and he can offer a long list. But then ask about his returns. The IMF doesn't think the crisis has finished off Angola: In late 2009, it approved a US\$1.3 billion standby loan, and this year said that "reforms are beginning to bear fruit."



**CARLOS BRITO MOVICEL**

"Businessmen who have the necessary vision will find fertile ground here to expand their activities. ... Angola offers great possibilities."

Carlos Brito, executive director of Movitel, Angola's second-largest mobile phone operator, is immensely optimistic about the future for telecommunications in the country and in many other emerging markets.

"Going back 10 years, the people using mobile telephony services around the world were drawn 75 percent from the so-called developed countries and 25 percent from the so-called emerging markets," Brito said. "Now the proportion has inverted, and estimates are that in another 10 years the emerging nations will represent 85 percent of the global market. Angola will certainly continue to see rapid growth in telecommunications." Movitel started life as a subsidiary of Angola Telecom, the country's state-owned fixed line and Internet operator, and was 80 percent privatized in 2009. Now it operates nationwide with more than 3 million subscribers. A telecommunications engineering graduate with additional qualifications in business management, the Portuguese-born Brito worked in his home country, Brazil, Mozambique and around Asia before taking the reins at Movitel. Doing business in Angola was not fundamentally different, he said. "I'm very confident about Angola's continued progress, and I think that businessmen who have the necessary vision will find fertile ground here to expand their activities," Brito said. "Angola offers great possibilities for investors from the United States and all around the world; it faces explosive growth."

**LEONEL DA ROCHA PINTO MULTIPARQUES**

"The people we work with are products of the war .... They are social outcasts, so we seek to show the nation that disabled people are not useless"

Leonel da Rocha Pinto is not just the managing director of Multiparques, a leading logistics operators. He's also dedicated many years to promoting paralympic sports. This year he became president of the African Sports Confederation of the Disabled.

Da Rocha Pinto's story is remarkable. His family was split apart to become rural refugees during the civil war, and as a teenager he polished boots for South African troops in exchange for food. Later he rose to canteen dishwasher, scraping leftovers from the plates to help feed his mother and two younger brothers. From there he helped organize refugee children. Finally arriving in Luanda in 1985, da Rocha Pinto discovered his father had been killed by a land mine. A job with a state maritime transportation company led to his joining NDS, a Dutch shipping line that was starting up in Angola. Five years ago, he founded Multiparques. But he always finds time for paralympics, mainly helping amputee victims of the civil war and in particular the land mines that still plague the country; the International Campaign to Ban Land Mines estimates the total number of Angolan land-mine casualties to be approximately 80,000, and 2008 data shows there is an average of one new victim per week. "Most of the people we work with are products of the war," da Rocha Pinto said. "They are social outcasts, so we seek to show the nation that disabled people are not useless. They can do anything; they can make others happy."




**CHOOSE THE MOBILE NETWORK WITH THE MOST FANS IN ANGOLA.**

**NETWORK SELECTION:**  
PHONE SETTINGS - MANUAL NETWORK SELECTION - UNITEL

**UNITEL ROAMING SOLUTIONS:**  
The biggest operator in Angola.  
The only one with GSM technology.

For customer care, just dial 11912 (free number) or 00244 823 119 112 (toll-free information at [www.unitel.ao](http://www.unitel.ao))

**Official sponsor**  
of "Estados Unidos 2014"

**UNITEL**  
O próximo está próximo.

## CEO VERDICT



**SERGIO CUBO**  
SEMEC

**"This is a place where you can do great and profitable business ... everyone should be betting on this country."**

Work hard and enjoy every minute — that's the recipe for success offered by Sergio Cubo, founder-manager of Semec. He worked in the import/export industry in his native Portugal before opting for the better prospects he saw in Angola. Initially Cubo worked with existing companies, gaining local experience. Then, in January 2009, he set up Semec to focus on customs clearance, transportation and logistics.

"What I like best about working in Angola is that there's always so much to do; the place is bustling and I like to work 60 minutes in each hour," he said. "It's a constant battle, in all areas. Every day there are complicated cases to resolve, but that's one of the things that I enjoy — solving problems."

Cubo has watched Angola since before independence. Now he calls it a country of the future. "I have often said that I won't leave here as long as I live. This is a place where you can do great and profitable business, and even though it can be difficult to come here, everyone should be betting on this country."

projecting the future

# Growing with Angola

**PAN**  
Projectos Aldeia Nova

**PREFAB**  
CONCRETE PREFABRICATED

**PRO GAMA**  
PROFESSIONAL GAMA

Rua Frederich Engles,  
92, 10 Andar, Apt. G  
Luanda  
Tel: (+244) 222 336 190

[www.aldeianova-ao.com](http://www.aldeianova-ao.com)

**"Our idea is to focus on the areas and sectors that we specialize in, rather than worrying if a company is from Portugal or China."**



**RUI CAMPOS**  
GLOBAL SEGUROS

Global Seguros is fairly small by world standards for insurance companies, but it has grown fast since it was founded in 2005. Now CEO Rui Campos is seeking to leverage his domestic strategy into expansion of international relationships.

In 2009, the company billed total premiums of US\$20.4 million derived mainly from automobiles (39 percent), workplace accidents (25 percent), construction (15 percent), corporate multi risk (12 percent) and airplanes (5 percent). This generated reinsurance of US\$8.8 million that was split between Munich Mauritius Re, Mapfre Re (Spain), Africa Re (South Africa) and SCOR (France).

"These companies are also a source for the know-how that we need, because we are still beginners in this activity," said Campos, an Angolan who studied in Portugal and France. Mapfre, in particular, helps with staff training.

In addition to local Angolan individuals and companies, Global Seguros counts corporate customers from Portugal, Brazil and France. However, Campos plans a sectorial rather than geographic strategy for widening his international links: "Our idea is to focus on the areas and sectors that we specialize in, rather than worrying if a company is from Portugal or China."

Global Seguros currently ranks third or fourth in the Angolan market in terms of policy volume, Campos said. Looking to the long term, he wants to make the company a benchmark in the local insurance sector for the way it handles risk, and for achieving a good balance between offering a great working environment and providing shareholders with a satisfactory return.

## MIGUEL VEIGA MARTINS UNITEL



**"We're a reference in Angola. ... We are looking to bring in more people with international experience."**

Miguel Veiga Martins is one of a growing number of highly qualified globe-trotting executives who are helping Angola to bypass the old technologies and move straight into the 21st century with a nationwide mobile phone system. An electronic engineering and telecommunications graduate from Portugal's prestigious Higher Technical Institute, with postgraduate training in network engineering and ISDN technology, Martins is now managing director of Unitel, Angola's largest mobile operator.

With almost 6 million subscribers in around 120 municipalities nationwide, Unitel claims 90 percent of the nation's wireless telephony coverage and 65 percent of its mobile telephony market.

Helping Martins conquer this fast-growing market has been his previous experience with Vodafone in Portugal and England, and before that with Cisco Systems as technical support director for Southern Europe. "We're a reference in Angola, not just for our size but for our client relations," said Martins, who points to SMS and value-added Internet-based services for businesses as potential growth areas. Now Unitel is seeking to add other international links and activities to its existing partnership with Portugal Telecom: "We want to bring in more people with international experience."



# YOUR LOGISTICS PARTNER IN ANGOLA



*MultiParques, Lda, is an Angolan firm specialized in the management of logistic terminals and storage facilities that has been posting solid growth. This development is the result of its unique market profile, which values above all innovation and customer satisfaction, together with a policy of sustained development that has imposed the need for extensive investments. Today, MultiParques presents extraordinary conditions in the Angolan context, in the field of storage infrastructures technology, management capability and human resources; it is now a company hailed for the quality of its services. These are fundamental aspects that make MultiParques an indispensable agent in the overall improvement of Angola's logistic system, and single it out as a model company in Angola and in the African continent.*

*When one adds to this framework the rising concern with the stimulation of the country's inland, all the conditions needed for a large scale contribution to the evolution of Angola's economy on a globalized scale are gathered. These are the reasons telling us that we are ready to become your logistics partner, establishing a cooperation that is destined for success.*



# ALWAYS WITH YOU

**MOVICEL** wants to be your mobile services operator. In the market for over 7 years and with more than 3 million users, Movitel has an excellent coverage of the main cities of Angola. We offer the best advantages and benefits of mobile communications in the country.

See how our great variety of services, price plans and products can adapt to your needs. We are 100% focused in our customers. Movitel helps you to be in the center of everything.

ANGOLA  
AFRICA



[www.movitel.co.ao](http://www.movitel.co.ao)

**movitel**  
toda a vida.



## FÉLIX CIPRIANO BARCO ESTILO ROUGE

"We want to show that a company born in Angola can demonstrate professionalism and quality anywhere in the world."

Five years ago, Felix Cipriano Barco talked his mother into moving their family-owned furnishings business, Estilo Rouge, from Portugal to Angola, and his friends called him crazy: "They said there was no point in giving up everything in Portugal and coming to an African country, in particular because Angola had been at peace for such a short time."

Barco, a civil engineer, first visited Angola in 2002. "Something clicked," he recalled. "I started studying the country and thought about opening up a subsidiary." With three decades in the textiles industry in Portugal, the Barco family decided Angola was a good place to make curtains and furnishing fabrics. Real local competition was pretty scarce. As the country's potential became clearer, they brought in a local partner with good knowledge of the market and took a bold decision: "Instead of keeping the head office in Portugal with a subsidiary in Angola, we did exactly the opposite."

Today, they're planning a subsidiary to make prefabricated houses and considering going international. Mozambique or South Africa are likely first steps, within a couple of years, but that would be just the start. "We want to show that a company born in Angola can demonstrate professionalism and quality anywhere in the world," Barco said. "Some years from now, we want to be represented on all five continents."



## NUNO GUIMARÃES CONDURIL

Portugal and Angola are bound together by more than five centuries of shared history, much of it sorely blighted by slavery, colonialism and a bitter struggle for independence. But today, that shared inheritance is helping to empower bright young professionals like Nuno Guimarães. He grew up in Angola with dual citizenship, studied civil engineering at Minho University in Braga, Portugal, and now heads Angolan operations for Conduril, a Portuguese-origin construction company. "Angola is today our largest market for billing and business volume," he said.

Common Portuguese-Angolan heritage breeds new generation of professionals and entrepreneurs.



LUÍS ALEXANDRE  
COFRE (CPPPN)

"We want partners who add value, who bring development. ... Too many investors just look for an easy profit."

Today a police pension fund; tomorrow a major financial institution with international connections. That's the dream — and strategy — of Luís Alexandre, who was elected president of Cofre, the National Police Welfare Fund, in 2007. He's built up his membership to 92,000 and now seeks links with one or more international institutions. "We want partners who add value, who bring development for the country," he said. "Too many investors just look for an easy profit; we want know-how, innovation, a serious approach and, of course, money to invest."



# Innovating and creating together

ENGINES  
DECORATION AND TEXTILE  
REPRESENTATIONS  
INVESTMENTS  
CONSTRUCTION

## We have solutions for you



www.estilorouge.com | geral@estilorouge.com

(+244) 222 055 336  
Angola | Luanda

## Petroleum

# Big projects to boost oil wealth and exports

**Oil drives Angola. It generates around half of the country's GDP and more than over 96 percent of its export earnings, contributing roughly two thirds of government revenue, according to IMF estimates. But while oil is so important, it has little multiplier impact – virtually all the oil is exported crude, and it has not yet spawned significant growth of support industries in the supply chain.**



Q&A



**José Maria Botelho  
de Vasconcelos**

**Petroleum Minister**

### **How can Angola's oil wealth help promote development?**

Oil money is paying to rebuild our infrastructure – highways, bridges, new housing projects, power stations and so on. If we can boost revenues, Angola could make a major leap; we could become self-sufficient in food and improve the level of education and the standard of living of our citizens.

### **The government is also interested in biofuels ...**

We have a project to produce ethanol from sugarcane, but we are also looking at producing biodiesel. We have a lot of good land in Angola, but also some not-so-good land. That's where we're looking at jatropha to make biodiesel.

**ANGOLA'S** challenge is to increase local added value and make sure that oil revenues are spent wisely to develop the rest of the economy, for example by financing new infrastructure. Two major projects are under discussion, the first being a refinery at Lobitos, on the coast south of Luanda. An existing refinery supplies roughly one third of the country's 120,000 BOPD fuel requirement; the balance is imported.

With a projected capacity of 200,000 BOPD, Lobitos would eliminate imports and leave a surplus for export. U.S. engineering giant KBR was hired in 2008 to design the estimated US\$6.4 billion project. Similarly, an international team was hired in 2005 to design a 5 million metric tons-per-year natural gas storage and liquefaction plant near Soyo, in northern Angola, fed mainly from offshore fields. Currently the country flares off most of its gas, losing valuable export dollars in the process. The United States is the target customer for gas exports.

Both projects have been under discussion for several years. Now, Petroleum Minister José Maria Botelho de Vasconcelos is confident they will move ahead. "At this moment, the conditions have been created so that it can be built. ... I think we will start to



see work this year," he said. Angola is an increasingly important oil producer, with an average 2.01 million BOPD in 2008, according to the U.S. Energy Information Administration (EIA). Production fell to 1.82 million BOPD in 2009, but Nigerian output fell even further and Angola became the largest sub-Saharan producer. The United States and China are lead customers, taking 31 percent and 29 percent, respectively, of total oil exports in the first half of 2009, the EIA said. All foreign oil companies must partner with the state-run Sonangol. International oil companies operating in Angola include BP, Chevron, Total, ExxonMobil, Eni, Sinopec and CNOOC. ■



SUCURSAL - ANGOLA Luanda  
Rua 7 - 8, (ao longo do rio) 501  
Cidade Postal 2164 - Luanda  
Tel. +244 222 310 713/211 561  
Fax. +244 222 310 713  
E-mail: exp@conduril.pt  
www.conduril.pt

Mexico Porto Amboim Barra do Dande Benguela Luau Uige Waco-Kungo Cubal N'Zeto

Malange Dondo



**IN ANGOLA FOR ANGOLA**

## Agriculture

# A new Angolan model

**The civil war was a tragedy for Angolan farming. Before the war, the country fed itself and had valuable exports. Today, though most Angolans still work on the land, food is imported. Everyone from the government down understands that kick-starting Angola's agricultural sector is crucial to the nation's future. The question is how.**



One major government-sponsored project is called Aldeia Nova (New Village). The goal is to settle thousands of small farmers into new communities with core services, for example schools and small factories, to process their produce.

In the 1950s and '60s, Portugal set up some 30 agricultural colonies around the country that were to be inhabited by Portuguese settlers. With independence and the civil war, these communities were abandoned and became largely overgrown. Now the aim is to clean them up and see what infrastructure can be used.

This year, one project called Quiminha received roughly US\$200 million in international financing to settle 310 families on 6-hectare plots, each with a 100-square-meter house with running water and sewage, plus 64 private farms of 50 hectares each. Candidates for

Aldeia Nova projects are chosen in an annual selective process.

Former soldiers — whichever side they fought on — receive a minimum 30 percent share of places. Some projects aim for larger-scale production, for example with sugarcane. “We want to involve private investment,” said economist José Cerqueira, director of Aldeia Nova. The idea is to leave perhaps 50 percent of the area available for private investors to plant, with technical support from Aldeia Nova — which in turn is receiving know-how from Brazil's Campinas Agronomy Institute and the Technical University in Lisbon. Sugarcane can be the feedstock for biofuels and bioelectricity production, with private companies providing the processing infrastructure. “Aldeia Nova projects won't resolve all the questions of rural development, but they can make an important contribution,” Cerqueira said. ■

## Q&A



**José Cerqueira**  
Aldeia Nova

### Is this a mixture of capitalism and socialism?

Well, I'm a Keynesian liberal, and the socialist aspects of the project are not so major. This isn't kibbutz spirit; the villages have a logistics center with various small factories, and we want to maintain social cohesion by having families sell produce there, but they're not obliged to.

### Do these projects take Angola back to its agricultural roots?

Some people — including many foreign NGOs — seem to have an ideological interest in keeping African agriculture traditional. Well, traditional African agriculture might have had many interesting cultural aspects, but it was a disaster. The proof of this is that it kept Africans poor for thousands of years. It meant burning; no property rights — everything that impedes modernization.

### How should Angola develop?

We should dedicate maybe two thirds of our territory to nature reserves ... and try to promote growth of small rural towns surrounded by fertile land, like in the United States and Europe. Oil won't last more than 20 or 30 years.



USA Office  
1050 Connecticut Avenue,  
NW, 10th floor, Suite 1000 Washington,  
DC 20036 - USA  
Tel +1 202 772 1090  
info@peninsula-press.com

Spain Office  
Paseo de la Castellana,  
95, 15 Planta 28046 Madrid - Spain  
Tel +34 91 418 50 32  
Fax +34 91 418 50 55  
www.peninsula-press.com

Editor-in-Chief Stella Klauhs  
Production Director Rafael Muñoz  
Project Director Carla de Campos,  
Neil Breslin Jr.  
Research Director Adrián Viñuales

Writer Brian Nicholson  
Creative Director Marta Conceição  
Photography Sammy, Leandro  
Santana, Emanuele Giusto,  
iStockphoto, SXC, Peninsula Press

## A country transforms. We invest.

HAVING PLACED ITSELF AS A LEADING GROUP IN ANGOLA, GROUP C GUARANTEES INNOVATIVE SOLUTIONS FOR YOUR INVESTMENTS IN ANGOLA

Av. Comandante Vândalo Prédio  
N. 192 - 10º Andar - Luanda, Angola  
Tel.: +244 222 440 360  
Fax: +244 222 911 847  
E-mail: stela.sando@hotmail.com

# With us you are safer

Building your insurance portfolio with **Global** means you have, by your side, a full-time specialist offering all the information and assistance you need. To help you choose for yourself, your family and your company, the best options among the many protection solutions that **Global** makes available to you.

Come talk to us. **To feel safer, our team is always on call.**

Rua Kwamme Nkrumah, 31 • 4º Andar Malanga • Luanda • Angola

Tel (+244) 222 397 059 • 222 393 686 • 222 397 822

Fax (+244) 222 391 158 • 222 396 765 • 222 393 871

[www.globalseguros.ao](http://www.globalseguros.ao)

**GLOBAL**  
S E G U R O S