

CABINDA



Making the difference

Isolated no longer, Angola's northernmost province is also shedding its one-dimensional image as just an oil enclave. And with the hatchet now buried between the government and former separatists, Cabinda is harvesting the rewards of peace—investing in its population while staking a claim as the emerging economic hub for an entire region.

Introduction

A COAST OF MANY RICHES

Cabinda’s coastline owes its appeal to more than offshore oil. The enclave also boasts a strategically situated port, which the provincial government is developing into a major logistical hub to handle cargo for the Kinshasa-Brazzaville metropolitan region, with its population of 15 million. An enormous bridge project now under way will link Cabinda—separated from the rest of the country by a narrow 25-mile strip of the Democratic Republic of the Congo—to Angola by 2012. In the meantime, the province is working to diversify its economic base and improve living conditions, through urban renewal efforts like the regeneration of the A Vitória é Certa neighborhood.

With 265,000 inhabitants, the Cabinda enclave accounts for about 70 percent of Angola’s oil exports. But its geographic isolation from the rest of the country has carried economic and social costs. Now, the US\$2.55 billion bridge project—the most ambitious one ever envisaged for Cabinda—will make easier and cheaper the flow of people and goods that currently takes place by air or sea. The China Road and Bridge Corporation will build the 12-mile-long crossing over the Congo River. Complemented by a road link to the Angolan province of Zaire that will cross the Muanda region of neighboring Democratic Republic of the Congo, the venture will end once and for all Cabinda’s isolation.

Cabinda is focusing on other key development issues as well. The provincial government’s strategy includes diversifying the enclave’s economic base so that it is no longer over-reliant on oil. The government believes that developing the port sector, in conjunction with industries like timber and the tourism and hospitality sector, is the clearest way to achieve that goal.

In January 2010, Angola will welcome the African Championship of Nations—the premier continental soccer tournament and a prelude to the World Cup in South Africa later that year—and Cabinda will be one of the host cities. The province is getting ready for its star turn, and for the influx of international visitors. Three new hotels under construction (Sana Cabinda, Cristo Rei, and Três AAA) will almost double lodging capacity. When the games are over, the hotels will help meet the expected growth in tourism: Cabinda offers vacationers water sports, deep-sea fishing, and beautiful beaches such as Futila, Malembo, Cabasango, and Mandarin—all of which are blessed with average annual temperatures of 77°- 86°F.

With its strategic Atlantic Ocean location, Cabinda intends to develop a world-class deep-water port, serving not just Angola but the province’s neighbors, the Republic of the Congo and the Democratic Republic of the Congo. The new port hub will emulate the Dubai model, and as the provincial governor José Aníbal Lopes

Rocha has promised, the major operators will be private companies. (See the interview with Gov. Rocha on the following pages.)

Cabindan authorities are already upgrading existing port facilities to integrate all key services and shorten ship turn-around time. A one-stop model will give vessels access to banks, customs and immigration services, inspection officers, and health care and veterinary services. “It will be hassle-free for clients. They won’t have to leave the port to sort out any problems,” explains Artur Carvalho, operations manager for the Port of Cabinda. Adds Margarida Arsénio, head of the port’s inspection department: “In time we’ll be able to berth bigger ships, and that will open up doors to increasing our volume of business, both domestically and internationally.” Another prominent resource for the province is its forests, especially Mayombe. The Cabindan authorities have made forest resource development a priority for strengthening the region’s economic fabric. Cabinda already exports timber,



but the government’s development strategy now includes creating a competitive processing industry and attracting foreign investors with the know-how to install production facilities in the country. The province’s soil is also fertile for cultivating palm oil, coconuts, and coffee.

Still, the outside world views Cabinda largely as an oil enclave, and to be successful, onshore development must be part of the overarching reconstruction and social transformation now under way in Angola. In the A Vitória é Certa neighborhood of Cabinda,

an urban renewal project is taking place that exemplifies the government’s approach and ambitions. The plan to regenerate this degraded neighborhood verges on avant-garde: it respects the local architectural vernacular, and no existing structures will be demolished. The plan embodies both the opinions of the local population, gathered via interviews and observation, and insights from the neighborhood’s different authorities.

A Brazilian company experienced in modernizing slums will undertake the project. It aims to transform, over the course of two

years, a poor and disorganized neighborhood into a place that provides for the educational, health care, cultural, and social needs of A Vitória é Certa’s population.

While the offshore rigs of the world’s major oil companies continue to consolidate Cabinda’s status as a world-class oil producer, with over 30 years of estimated reserves, concrete advances are taking place onshore as well. They portray a province in the throes of economic development—one whose efforts are focused on improving the quality of life of all its inhabitants. ■

Interview

Peninsula Press talks with Aníbal Rocha, Governor of Cabinda

“CABINDA IS MORE THAN JUST OIL”



More than just an oil-extraction zone, Cabinda is pushing to transform itself into an infrastructure hub for the surrounding region, and to attract investment in forestry and the tourism industry. But Cabinda’s governor, José Aníbal Lopes Rocha, takes most pride in his province’s social development progress.

President José Eduardo dos Santos has ushered in a new era in Angola. What has that meant for Cabinda?

It’s essential to remember that this country was ravaged by war and its economy was paralyzed for years. With the advent of peace, the president and government set out three key goals as part of the national reconstruction program. First, to repair our damaged infrastructure; second, to heal the trauma of war through national reconcili-

ation; and third, to win the fight against poverty. And so far, this program is proving quite successful. Just as the president hoped, the country has become a huge construction site.

So what kind of progress are you seeing in Cabinda?

For example, let’s look at the water sector. When we started the reconstruction program in 2002, our province consumed about 31,000 gallons of water per hour. It was hard to live in the city of Cabinda, because there wasn’t enough water for everyone. Now, thanks to the investments we’ve made, we distribute 259,000 gallons of water per hour, and it reaches the city outskirts. As for electricity, in 2002, we had only 4 megawatts (MW) of installed capacity. That wasn’t enough to provide lighting to everyone. Now we are generating some

62 MW. All these developments are helping to improve the province’s economic and social situation.

Looking at health care, we have restored health centers on the outskirts. Now we are working on major renovations to Cabinda’s Central Hospital, which will become a teaching center. And we are building a new regional hospital to serve the population in the northern part of the province. We also already have health services and doctors deployed in all the communes and municipal districts. Youth is a pillar of development for any country.

What measures are you taking to improve access to education?

We have several special programs in place to boost education. We provide lunches for more than 90,000 children daily. And at the start of every school year, we give every child overalls or school uniforms that are made by local companies, as well as a school materials kit. Every child in Cabinda goes to school.

We also have Agostinho Neto University, which offers courses in educational sciences, as well as faculties of law and economics. It will also offer courses in pedagogy and psychology in the Buço Zau municipal district. Last year, we opened a medical faculty. Apart from public higher education, we have three private universities: the Superior Institute of Applied Psychology (ISPA), Lusíada, and the Open University. All have scholarship students enrolled who are funded by the provincial government. We also have students on scholarships studying in the capital, Luanda, and abroad—in countries like the United States, Cuba, Brazil, Portugal, France,



Russia, South Africa, Namibia, and the Democratic Republic of the Congo. We have invested approximately \$3 million in scholarships to train local technicians abroad who are now starting to return home. In fact, most of the services we operate are now managed by professionals trained thanks to Cabinda’s provincial government.

Bringing all these initiatives together, we have begun to build a campus where we plan to concentrate all the universities and to open an engineering school that will offer computer science and petroleum-related studies, two key areas for the future.

And what about Cabinda’s physical infrastructure?

We have rebuilt our road networks, and the province now has paved highways from north to south. We have repaired all our airport infrastructure as well. Cabinda has an airport with the latest generation of equipment; it’s a model for the rest of the country—and possibly for the rest of Africa. We receive 300 flights weekly, and we plan on being ready to welcome international flights in 2010. Our seaports have been revamped as well, and work is slated to begin on building a deep-water port in Cabinda.

What is the strategic goal of all these projects?

In the medium term, we envision Cabinda becoming the logistical hub for the region. Our province will be able to serve four major com-

mercial centers located about 186-248 miles away: Luanda, Kinshasa, Brazzaville, and eventually Gabon. We believe that a deepwater port and logistical hub in Cabinda will achieve strategic importance, not just for Angola but for the whole surrounding region.

Already, Cabinda is, after Luanda, the province that contributes the most to the nation’s budget—and that’s without counting oil revenues. That’s a source of great satisfaction for us and why we can safely say that Cabinda isn’t just about oil.

What are the other natural resources in which you see potential?

Cabinda has the Mayombe forest, and its resources are immense. We have reorganized the forestry sector and set out careful regulation and inspection policies, and the revenues are quite good. We’ve also made heavy investments in telecoms. Cabinda is connected now to the rest of the world, and not just by the Internet. We are getting an underwater cable that will link us to the major European capitals. And we have cell-phone network coverage in all the province’s municipal districts.

Do you think foreign investors are finding all the infrastructure they need to support their investments in Cabinda?

Yes. We have been laying the groundwork to welcome investors. And we have what I would call untapped areas that need invest-

ment—for instance, in agriculture and livestock. Cabinda has minerals, gold, and timber, and our project to turn Cabinda into the regional logistical hub will result in opportunities for investors. That’s because even though the state is sponsoring the project, the major operators will be private companies. We are aware of the Dubai model, and that is more or less what we want to do in Cabinda.

We also have great ecotourism potential. Along with the Mayombe forest, we have other attractions like the coastal area, with its magnificent beaches, where very interesting projects can be developed. We are offering investment incentives to keep costs low, such as exemptions on certain property taxes and fees linked to the supply of services like water and energy.

In addition we are working on the Futila industrial development center, which is a logistical platform close to the huge Malongo oil-field facilities. There are opportunities to develop support services there.

These are all attractive indicators that should encourage investors to choose Cabinda. In fact, now is the time to do so. We already have some investments coming into the hospitality industry, where we have real needs. I would add that oil exploration is now happening onshore as well, not just offshore. That’s another resource to build on. ■

Spotlight

SPOTLIGHT
ON CABINDA

The novel *Mayombe*, by the popular Angolan author Pepetela, is a compelling entry into the universe that is Cabinda—a gateway to the rich history of a province that many know mainly for its oil, and a measure of that history’s salience today.

In the magical space of the forest, Pepetela vividly describes the struggles of the Popular Movement for the Liberation of Angola and its guerrilla fight against Portuguese colonial rule.

Cabinda is an enclave geographically separated from the rest of Angola. Covering 7,283 square kilometers, with a population of 265,000, it makes up one of Angola’s 18 provinces. The provincial capital, also called Cabinda, includes the municipal districts of Cacongo, Buco-Zau, and Belize.

Cabinda was once part of the ancient kingdom of Kongo. The Berlin Conference of 1884-85, at which the colonial powers divided up the African continent, awarded Cabinda to the Portuguese. At the same time, Belgium took control of what is now the Democratic Republic of the Congo (ex-Zaire), and France became the administrator of today’s Republic of the Congo.

After Angola gained independence in 1975, the Front for the Liberation of the Cabinda Enclave (FLEC) claimed the right of independence for the territory. In 2007, FLEC abandoned this demand, ending its armed campaign by signing a peace and reconciliation agreement with the Angolan government. The current governor of Cabinda, José Aníbal Lopes Rocha, has been in office since 2002, having previously governed the province of Luanda.



01

CENTER OF THE REGION



02



03

Health Care

Cabinda’s central hospital is being renovated, and a new hospital is under construction in the north of the province. According to 2007 data, Cabinda has a network of 134 health-care units, including hospitals, clinics, and local health centers, and employs 2,381 national workers and 41 expatriates. In 2007, the central hospital recorded 18,557 admitted patients and 96,478 consultations, for a daily average of about 264 patients. The highest number of hospital patients received obstetric and pediatric care. The provincial authorities have paid special attention to health care; as a result, they emphasize, the province now has health services and doctors in every community and municipal district.

CABINDA

REGION OF OPPORTUNITIES



04



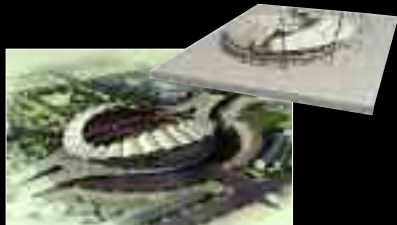
Education

The province offers its population access to education at every level. Alongside the public system, three Portuguese universities, ISPA, Lusíada, and the Open University, are now established in the territory. Cabinda’s governor is proud that every child in the enclave has access to public education. In 2007, the province had 264 public schools and 20 private educational institutions, with a total of 4,173 teachers. In addition to covering the costs of school materials and providing meals for the youngest children, the provincial government offers scholarships for students to attend higher-education institutions abroad—helping to develop a skilled labor force of local professionals.



Infrastructure

Cabinda’s telecommunications network operates efficiently, while the roads, energy sector, and sanitation services are undergoing major improvements. The provincial government has also upgraded the airport: regional flights have increased significantly, and the first international flights are due to begin in 2010. Major investments in the port sector will increase capacity and reduce ships’ turnaround time. The overarching focus of the government’s policy on public infrastructure expansion is to create a logistical hub to serve the region surrounding Cabinda.



- 01 From the mysteries of the tropical Mayombe forest to the black sand of its world-class beaches, Cabinda is well-placed to boost tourism in the province on a grand scale.
- 02 Aerial view of Cabinda
- 03 With 65 percent of Cabinda’s population under the age of 25, education and health care are key policy priorities for the local administration.
- 04 Cabinda’s geographic isolation from the rest of Angola makes the port all the more crucial to the province’s economy.

Resources

OIL RESERVES FOR YEARS TO COME

Cabinda: In the oil world, the name alone connotes black gold. The province possesses two-thirds of Angola's oil reserves, and production has been continually on the rise. In 2008, Angola produced 2 million barrels of crude oil per day, overtaking Nigeria as Africa's leading producer, and up from 1.64 million barrels per day in 2007. This year will see tempered production as Angola, now a member of the Organization of Petroleum Exporting Countries (OPEC), adheres to the group's output agreements. Growing, though, is Angola's political influence: the nation currently holds OPEC's presidency.



In the next few years, specialists believe that Angola will consolidate its position as a top producer—by some estimates, one of the world's 10 largest oil producers—by 2011, with output well in excess of 3 million barrels per day. Angola's reserves are estimated at 13.5 billion barrels, which could last more than 30 years. Another asset: gasoline manufacturers prize Angolan and other African crude oil, as it contains less sulfur than do Middle Eastern grades.

Cabinda began oil production in 1968, with a modest output of 30,000 barrels per day. By late 2009, the province will account for 620,000 barrels per day as the Chevron-operated Tombwa-Lândana field comes online. The U.S. oil company has ambitious plans for Cabinda, where it plans to invest \$10 billion by 2010. Part of that sum will fund completion of a liquefied natural gas

terminal, begun in 2008, which will have a production capacity of 5.2 million tons per year.

Cabinda is diversifying oil exploration and production, which until now has been limited to offshore drilling. A consortium led by Australia's Roc Oil is drilling the Massambala 1 well in the Cabinda South Block, an onshore zone. This project will open a new front likely to boost the province's resources. Roc Oil has a 60 percent stake in the consortium, with two partners—Sonangol and Force—each holding 20 percent. Meanwhile, the Cabinda Gulf Oil Company consortium, comprising Sonangol, Eni, Total, Galp, and Chevron, is continuing with new offshore development. Chevron operates in Blocks Zero and 14, holding stakes of 39.2 and 31 percent, respectively. Highly regarded for its techni-

cal expertise, Angola's national oil company, Sonangol, is also the sole concessionaire for oil and gas exploration and production in the country. It negotiates with these international giants and takes a share in operating consortia.

Recognition of Angola's prominence as an oil producer came this year, with the country's petroleum minister, José Maria Botelho de Vasconcelos, appointed to serve as OPEC's president. His selection also confirms Angola's growing political importance, especially as a counterpoint to Nigeria, the other major African producer, which is currently experiencing instability. Despite taking on the OPEC presidency at a difficult time, with the price of crude oil dropping, de Vasconcelos has managed to establish consensus on key measures such as production cuts. ■



USA Office
1050 Connecticut Avenue,
NW, 10th floor, Suite 1000 Washington,
DC 20036 - USA
www.peninsula-press.com

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

Editor-in-Chief Stella Klauhs
Project Director José Powell
Research Director Emanuele Giusto
Writer Rui Paulo Silva

Design Nuno Teixeira,
Marta Conceição
Photography Emanuele Giusto,
SXC, Peninsula Press