

ANGOLA

Unlocking its potential

Angola is working hard to diversify its economy and attract foreign direct investment as it reduces its dependence on the oil and gas industry

When João Lourenço became the third President of Angola in 2017, he outlined his plans to open the nation's economy to the world and reduce its dependence on the volatile oil and gas industry. He also stressed the importance of ensuring that the infrastructure development that helped to turn around the fortunes of the capital city, Luanda, reached the rest of the country.

Now in his second term as President, many of these objectives have been achieved and Angola is set to solidify its spot as one of sub-Saharan Africa's five largest economies. This comes after the economy grew by 2.6% in 2022 thanks to higher oil prices and a rapidly growing non-oil sector.

One industry set to play an important role in diversifying the economy in the years ahead is the mineral resource sector as Angola is already a significant producer of rough diamonds and has reserves of more than 50 critical minerals.

The country also hopes to take advantage of the Lobito Corridor, a rail network that extends for almost 1,300km across Angola and then continues 400km into the Democratic Republic of the Congo (DRC). The hope is that this rail line could be used to export minerals from DRC via the Port of Lobito across the Atlantic.

Another industry that is seen as ripe for development is agribusiness as Angola has an abundance of arable land and a diversity of climatic conditions that make it suitable to produce a wide variety of agricultural products.

At one time a major producer and exporter of agricultural products, there is a renewed focus on developing the industry once more, with the Ministry of Finance revealing earlier this year that annual financing for agribusiness via the National Development Bank would increase annually to \$500 million. Some \$400 million of that is focused on increasing the production of crops including corn, soybeans, wheat and rice.

With bold plans now in place to lessen the economy's dependence on oil, Angola now hopes to attract further foreign direct investment and welcome more multinational companies to set up operations in the southern African nation.

This subject was addressed by President Lourenço when he attended the 78th Session of the UN General Assembly. He stated: "In recent decades, Africa has witnessed transformations that have galvanized changes with an impact on future generations. Many African



Angola's capital of Luanda has undergone an impressive transformation in recent years.

countries have resolved conflicts, invested what they could in socioeconomic development and promoted the education of their citizens, making them more informed and willing to contribute to the economic and social development of their countries.

"Democratic transitions have become more regular and the institutions that are essential for consolidating democracy have become more active and therefore more capable of sustaining and solidifying the democratic achievements of our nations. This is a record that should be praised and we are convinced that everything must be done to prevent a return to the models that prevailed before the advent of democracy in Africa.

"Africa's international partners should believe in and bet on our market because they will surely see a satisfactory return on their investments in the different sectors of our economies

JOÃO LOURENÇO
PRESIDENT OF ANGOLA

"Africa's international partners should believe in and bet on our market because they will surely see a satisfactory return on their investments."

in which they decide to invest."

Angola has been receiving a high level of interest as an investment destination from investors from across the globe, with the World Bank even selecting the country as one of the participants of its new flagship Business Ready project, which evaluates the business and investment climate of a specific nation.

One industry that is already attracting interest is the energy sector as Angola strives to meet its target of generating 77% of its installed power supply from clean sources by 2025. To help achieve this, US firm SunAfrica completed seven utility-scale projects, including one installation that is the largest utility-scale solar installation in Sub-Saharan Africa.

Further highlighting Angola's commitment to renewable energy, the Export-Import Bank of the United States approved a direct loan of more than \$900 million to the Ministry of Energy and Water to support the construction of two photovoltaic solar energy power plants in the African nation.

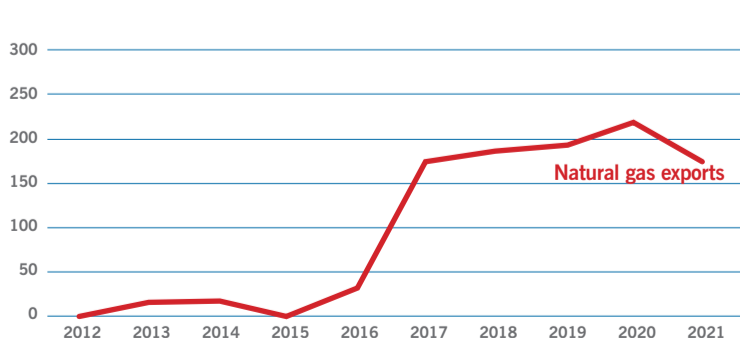
The project will not only generate 500 megawatts of renewable power and help Angola meet its climate commitments, but will also support the export of US solar panel mounting systems, connectors, switches and sensors.

IMPORTANT FACTS AND FIGURES

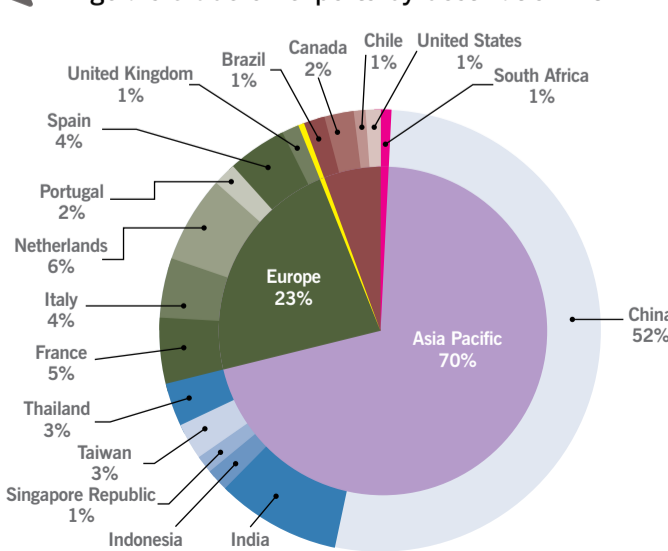
A vast country located in southwestern Africa, Angola boasts a coastline that stretches more than 1,600km and a varied terrain that encompasses tropical beaches, waterfalls, picturesque mountains and a Sub-Saharan desert. It is the world's 24th largest country and Portuguese remains the official language of the country.



Angola's total annual natural gas exports, 2012-2021
Billion cubic feet



Angola's crude oil exports by destination 2022



Population of **33 million**



Total GDP **\$74 billion** (2022)



GDP growth rate 2023 **2.1 %** (expected)



Inflation **10.8 percent** by March 2023



Top African **oil producer**



U.S. goods exports to Angola in 2022 were **\$653 million**, up **46.7 percent** (\$208 million) from 2021



U.S. goods imports from Angola totaled **\$1.6 billion** in 2022, up **53.1 percent** (\$554 million) from 2021



U.S. foreign direct investment (FDI) in Angola (stock) was **\$255 million** in 2022

Strengthening ties with the US crucial for economic growth

A relationship built on three decades of collaboration and understanding, Angola is increasingly seeing more US companies willing to invest in the Southern African nation

Since the moment diplomatic relations with the US were established in 1993, Angola has enjoyed a fruitful and positive relationship with the North American nation. In fact, Angola is now the third-largest trading partner of the US in sub-Saharan Africa, thanks in part to a trade and investment framework agreement that was signed by the two nations.

This relationship was further strengthened in 2020 when former US Secretary of State, Mike Pompeo, travelled to Angola to meet with government officials, civil society representatives, and the business community to promote increased trade and investment, as well as highlight support for political and economic reforms.

There has also been a significant increase in the number of US companies willing to invest in Angola. ExxonMobil, Halliburton and Tide-Water are all represented in the country, while in 2019 a Chevron-led consortium announced plans to invest more than \$2 billion to explore new offshore natural gas fields and increase gas production in existing fields.

This was thanks largely to the Angolan government's economic reforms and efforts to attract investment. In addition to US oil and gas companies, food service firms and franchises have also made major investments in Angola, supporting the development of local supply chains.

With so many US companies looking to establish a foothold in the country, it was no surprise when the American Chamber of Commerce (AmCham) in Angola was founded in 2017. The non-profit membership organization is committed to further developing commerce between the US and the Southern African nation and is affiliated with the US Chamber of Commerce, which is the largest business organization in the world.

AmCham Angola has been ably assisted by the government, with the President of Angola, João Lourenço, impressing his US counterpart with his commitment to delivering economic and political reforms, as well as demonstrating

a commitment to fighting all forms of corruption.

"With President Lourenço, we can see that he wants change and reform that will help to make Angola a very attractive country for investment," explains Pedro Godinho, President of AmCham Angola.

"We feel that he is keen to build a strong relationship with the US by building a strategic partnership and we are already playing a role in this vision.

"We are already a strategic partner when it comes to political issues but we are now building a commercial and economic partnership that will not only help Angola but the entire continent of Africa."

The US has also played a significant role in creating a new generation of business-minded leaders in Angola that will help to drive the country forward in the years ahead. There are numerous US exchange programs in place and more than 300 Angolan alumni have graduated from the Young African Leaders Initiative's (YALI) Mandela Washington Fellowship and Regional Leadership Centers, while the digital YALI Network now boasts more than 10,000 Angolan members.

"Academic relationships are one of the four pillars that are helping us to bridge the gap between the US and Angola. We are also working on strengthening commercial, economic and cultural relationships, while at the same time identifying key areas where US companies could play a major role in Angola."

The importance of the energy sector

At the start of this year, the US-Africa Leaders' Summit returned after an eight-year hiatus and saw US President Joe Biden announce plans to invest at least \$55 billion in Africa over the next three years. This commitment proved that the US administration is taking Africa's emergence as an influential global player extremely seriously.

One area in which Angola hopes to lead the way within the continent is through the use of renewable energy and Godinho believes that



President João Lourenço greets US Secretary of Defence.

the US may well look to invest in this sector as part of a larger plan to provide power throughout the whole of Africa.

"We questioned how Angola could be attractive in the eyes of the US administration and US companies. And one area that we kept coming back to was that Angola could become an energy hub for the entire region," he reveals.

"We have committed to producing 70% of energy from renewables and hydropower by 2030 while the full capacity of energy production will be 70,000 megawatts. We estimate that by 2030 we will only require a capacity of 25,000 megawatts, meaning that we will be able to provide clean power to other African nations.

PEDRO GODINHO
PRESIDENT, AMERICAN CHAMBER
OF COMMERCE ANGOLA

"We are now building a commercial and economic partnership that will not only help Angola but the entire continent of Africa."

"The US wants to help provide power and clean energy across Africa and Angola could become a leading provider in the years ahead. This has led to us working with the Angolan government and with the US to see which companies and institutions could support our ambitions."

One US firm that is already established in Angola is SunAfrica, which is developing solar mini-grids, home power kits and solar-to-power telecommunications. This came after the US government, supported by the US Department of Commerce and the Export-Import Bank of the United States (EXIM), facilitated a partnership between SunAfrica and the Angolan government for the mobilization of \$2 billion to create a host of solar power projects.

The relationship between EXIM and Angola was further strengthened earlier this year when

the President of EXIM, Reta Jo Lewis, met with high-level representatives from both the private and public sectors. This included President Lourenço, António Belsa da Costa, Secretary of State for Energy and Vera Esperança dos Santos Daves de Sousa, Minister of Finance.

This important trip came shortly after EXIM announced a \$900 million financing package to fund the development of a 500 megawatt solar project being developed by SunAfrica in Angola. In addition to attracting companies from within the energy sector, AmCham Angola hopes to find investment to support areas such as infrastructure, the digital economy, health, wellbeing and agriculture. This has led to talks with US manufacturing company John Deere and numerous other high-profile North American companies.

"We are working with the government to attract investment from these sorts of companies and improve the overall business environment in the country," adds Godinho.

"We also hope to tackle the issue of a lack of correspondent banks and hopefully will be talking soon to JP Morgan and the Bank of America very soon."

Thanks to the work being done by AmCham Angola and the government, the African nation has significantly enhanced its investment climate as it improves in the areas of anti-corruption, democracy, governance and human rights. This saw Angola move up 20 places in the 2022 Transparency International Corruption Perceptions Index.

This has proved to be particularly important, as in 2022, Angola experienced a year-on-year increase in foreign direct investment inflows of \$3.8 billion, according to Angola's Private Investment and Export Promotion Agency. It was also revealed that registered investment from the US increased by \$1.2 billion in the same period.

With US investments in Angola rising and President Biden continuing to prioritize Africa, the relationship between the two nations appears set to go from strength to strength in the years ahead.

National development plan to act as a catalyst for change

Angola aims to diversify its economy so that it is less reliant on the oil and gas sector, with agribusiness set to play an important role

For decades Angola's economic fortunes have been tied to global oil demand, but over the course of the last five years the country has increased the stability of the financial sector through a more flexible exchange rate regime, sound monetary policy, central bank autonomy and a diversification of the economy.

This has led to growth accelerating from 1.2% in 2021 to 3% in 2022 as a continued transformation takes place, with a high level of political commitment helping Angola move from an oil-funded economy model into a more sustainable and inclusive private-sector-led model.

VERA ESPERANÇA DOS SANTOS
DAVES DE SOUSA
MINISTER OF FINANCE

"We are committed to creating the proper conditions for the private sector to come and help us build a dynamic economy."

"We are committed to creating the proper conditions for the private sector to come and help us build a dynamic economy, to create jobs and to see more sources of income," explains Angola's Minister of Finance, Vera Esperança dos Santos Daves de Sousa.

"We want to generate a strong infrastructure in terms of access to electricity and water, while also constructing numerous new roads, bridges and railways.

"We also want to modernize our high school institutions by building more libraries and labs and making them more professional and sophisticated. We want to create more technical courses so that we can address people's needs whether it be plumbers, carpenters or mechanics. And of course, we want to encourage entrepreneurs which starts through education."

In order to bolster this infrastructure, the government has been working on a National Development Plan that will act as a catalyst for change over the next five years. One of the main focuses of this agenda is attracting more foreign

direct investment, particularly within the agribusiness sector.

"We believe agribusiness is the principal engine for the economy's national diversification. When we talk about agribusiness, we include agriculture, livestock, fishing and regional commerce," reveals Mário João, Angola's Minister of Economy & Planning.

"This commerce comprises the removal of the rural domain to the urban domain, and we also include the transformation of all these products. These are important topics that can be achieved through investment in Angola, particularly from the US.

"We believe that Agribusiness can also be a source of energy as in the production of sugar cane the burning of sugar can be turned into energy. So we can use agribusiness for producing renewable energy.

"After agribusiness, we would like to see investment in industry, transforming raw materials, like the derivatives of petroleum and mining exploration. Some mining explorations are essential for agribusiness, for example, the extraction of limestone helps us to correct the soil for agriculture to improve productivity.

"We cannot leave aside economic digitalization. We know that disruptive technologies came to stay, these being known as the fourth industrial revolution. Today, with disruptive technologies, we can have a start-up that can become a millionaire enterprise within twelve months. The fourth industrial revolution will make more youth create their own companies and have an impact on the market."

With foreign investment critical to helping Angola realize its ambitions of diversifying its economy, the Agency for Private Investment and Export Promotion of Angola (AIPEX) has a major role to play. Dedicated to attracting private investment and registering investment proposals, it also promotes the development of strategic sectors to support socio-economic growth.

"With the help of AIPEX we have been able to promote international events where Angola can tell its story," adds João. "For example, we organized an Expo in Angola that showcased our market and we invited foreign investors."

"We made it clear that investors are free to invest in every domain thanks to the changes



The government has been working on a National Development Plan.



Vera Esperança dos Santos Daves de Sousa
Minister of Finance



Mário João
Minister of Economy & Planning

made in 2021 to private investment law."

These easing of regulations have significantly improved the business environment, which has been a major focus for de Sousa and the Ministry of Finance.

"We developed a program called SIMPLIFICA, which was introduced to remove some steps of the process to get access to permits and authorizations," she explains.

"We want to continue to improve our business environment and make our fiscal system as friendly as possible. We have made income tax more progressive, ensuring that we reduced the charge at the base and increased it at more high-income and we are working hard on the

procurement process with the electronic tenders now being implemented."

"In the banking system, we are seeing the central bank being more aligned to the international standards. This is important, as we want to capitalize on our Angola Development Bank and make it strong enough to give financing to local investors.

"There is also a growing focus on attracting some interest from multilateral and bilateral financial institutions, to come with private investors that want to invest in Angola.

"That's our vision for the upcoming five years, and we expect, year by year, to go and pursue that vision."

Reforms crucial to modernizing banking sector

Banco de Negócios Internacional has been quick to embrace technology and has invested heavily in its digital infrastructure

Over the course of the last decade, the government in Angola has carried out a wave of reforms to improve its monetary policies and modernize the banking sector. This has included aligning its governance and risk management practices with international standards.

In addition, we have witnessed the retail banking sector expand in recent years with physical branches and ATM access being more prevalent in both urban and rural areas. This has helped to increase the banked sector of the population, while a more diverse range of electronic payment options are now available. Not only has this provided new opportunities for businesses to access more advanced financial services, but it has helped the banks themselves to modernize.

"We have witnessed the continuous professionalization of the banking sector," outlines Mário Abílio Palhares, Chairman and CEO of Banco de Negócios Internacional (BNI). "Acknowledging our significant dependence on external factors is crucial, underscoring the necessity of adjusting our management models to align with prevailing international practices."

"This adaptation is closely linked to the com-

mendable catalytic and coordinating role played by the National Bank of Angola. This role encompasses monetary and exchange rate policies, which have led to a more flexible exchange rate system and support for the real economy. An example of this is the implementation of Notice 10, allowing commercial banks to provide financing for specific sectors of the economy by releasing deposits held with the Central Bank as mandatory reserves, which were previously non-utilized."

BNI has also been actively strengthening and investing in its digital infrastructure, forging partnerships with a number of domestic technology startups as it bids to further streamline electronic payments within the country.

"The banking sector has undergone a significant transformation and has been compelled to align with technological advancements and embrace digitalization to cater to evolving customer demands," says Palhares. "The digitization wave has become a ubiquitous reality, with customers rarely needing to physically visit a branch. Consequently, it's imperative for us to continually update our operational models to remain on par with the broader banking industry's offerings."

Another major player within the banking



Mário Abílio Palhares
Chairman and CEO, Banco de Negócios
Internacional



Bruno Grilo
CEO, Banco Keve Angola

industry that has placed an emphasis on innovation is Banco Keve. One of the first private banks in Angola, it has played a crucial role in the country's push to diversify its economy by supporting the fast-growing agribusiness sector.

"We have already started financing some agribusiness projects as we see this as a fundamental and strategic sector that is vital for the future of the country," states Bruno Grilo, CEO of Banco Keve Angola. "We have seen that from the support we give to the agriculture sector and the country's strategic food reserve, many local producers were already able to deliver agricultural commodities in considerable quantities. I believe

that Angola can be self-sufficient for certain agricultural products in one or two years."

The bank is also investing in mining and has opened a dedicated department to look after this sector.

"We are investing particularly in the gold sector as large reserves have been identified and we want to make it easier for international companies to work with us. To make this happen we've made changes to our bylaws," adds Grilo. "We are always looking to be more involved in supporting investment. Furthermore, we want to become much more of a corporate bank, which was one of our initial visions."

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Empowering the oil and gas sector

While the government wants to lessen its dependence on the industry, it is still set to play a huge role for many years to come

Angola's economy has long been heavily dependent on the oil and gas industry, with the country consistently one of Africa's top-four oil-producing nations. Its first commercial onshore deposits were proven in 1955 which was followed in 1968 by its first offshore discovery.

Eight years later, following its independence from Portugal, Angola established Sonangol U.E.E. to manage the exploitation of the nation's hydrocarbon resources. Today, the country holds nine billion barrels of proven oil resources and 11 trillion cubic feet of proven natural gas reserves. This showcases the huge potential there is for economic development through a host of business opportunities.

Crude oil exports alone accounted for \$39.94 billion in 2022 and production has been on the rise, with Angola now aiming to stabilize its output to approximately 1.3 million barrels per day in the next three years.

This will ensure that the oil and gas sector remains an important industry in the years ahead, a factor that the government has been keen to stress since coming into power. In fact, from the moment João Lourenço was elected as the third President of Angola, he has introduced numerous changes that will empower the oil and gas industry for decades to come.

One of his biggest amendments came in 2019 when he created a new oil and gas regulator, the National Agency for Oil, Gas and Biofuels which is the body in charge of regulating, supervising and promoting oil and gas operations. Further reforms included the enactment of decrees to simplify investment within the industry and the approval of new rules for public tenders.

"The oil and gas industry is in a really good place," states Melissa Bond, Managing Director, ExxonMobil Angola. "There's been a noticeable change over the last five years with some reforms that have been put in place by President Lourenço and the Ministry of Petroleum.

"We have seen changes related to fiscals for marginal fields to incentivize investment, as well as enhance and continue exploration. There are some very positive signals looking at marginal terms, additional exploration and gas development.

"For example, thanks to the reforms and strong collaboration with ANPG and the Ministry, we were able to negotiate the extension of the development areas for Block 15.

"The redevelopment program came as a re-

sult and we're now drilling 18 wells in Block 15 where we hadn't drilled a well in over five years. It's a very positive sign for the industry in Angola."

ExxonMobil is one of the many success stories of international companies arriving in Angola and enjoying a sustained period of growth. The company entered the industry in the African nation in 1994 and had 17 oil discoveries in less than 10 years before starting production in 2003.

"We celebrated 20 years of production in 2023 which was very exciting for our entire team in Angola. In addition to being an operator of Block 15 and a partner in Block 17 and Block 32, we're also the operator of three blocks in the Nambibe Basin," reveals Bond.

"It's true exploration. No one in the entire industry has drilled a single well in that location. It's absolutely a new frontier. We're actively progressing plans to drill there in the coming years."

Opportunities for growth

While the oil and gas industry can be a volatile market, the sector has bounced back after a turbulent few years and in the second quarter of 2023 expanded by 7.6%. And there is renewed hope that it will continue to post positive growth in the years ahead as the likes of ExxonMobil, TotalEnergies and Sonangol continue to work together.

"There's tremendous opportunity here given the reforms that the government has put in place related to encouraging exploration and development within existing blocks, looking at gas development and marginal fields," says Bond. "Companies need to take advantage of that.

"Partnerships form the foundation for many of the deepwater explorations in Angola since it's very high risk and expensive at the beginning. Our partners at Block 15 are BPE, E & I, Equinor and Sonangol. Total Energies is the operator at Block 17 and BP, ExxonMobil, Equinor and Sonangol are the partners. There's all this different intermixing of various IOCs and NOCS together to share the load of the cost and the risk. We work very collaboratively together."

With some of the world's leading energy companies working in Angola, it is no surprise that the country now has an abundance of local talent. They have played a crucial role in enhancing the skills and career growth of local



Infrastructure projects are driving change and improving people's quality of life.

personnel within the oil and gas industry. Not only do they offer knowledge-sharing, but they provide opportunities for local workers.

"We're very proud of the fact that we've been training and developing Angolans since we entered the country," explains Bond. "Angolans make up 92% of our employee base and are running our business. People that have been trained and developed here are not only working in Angola, they're now providing their expertise globally.

MELISSA BOND
MANAGING DIRECTOR
EXXONMOBIL ANGOLA

"We're very proud of the fact that we've been training and developing Angolans. Angolans make up 92% of our employee base and are running our business."

"As an example, our Guyana operation is home to Angolans that are now working on future phases for Guyana and taking deepwater learnings from Angola and applying them globally across ExxonMobil. It makes me very proud to see our Angolans getting those opportunities and making a difference even outside the country."

This highly skilled workforce could end up playing a vital role in Angola's future as the country aims to reduce its negative impact on the environment and push towards renewable energy resources.

This transition has been considered for some time by the government who in 2019 decided to change the mandate of Sonangol. Having previously managed the country's substantial petroleum and natural gas supply, the introduction of the National Agency for Oil, Gas and Biofuels allowed the company to instead focus on research, production and related petrochemical activities.

It was also charged with exploring other sectors such as renewables and hydrogen, with the long-term goal being to transform Sonangol from an oil and gas firm into a fully-fledged energy company.

This is in addition to the steps being taken by the likes of ExxonMobil who have also been exploring ways in which they can take a more responsible approach both in terms of giving back to the community and reducing its environmental impact.

"We also take our corporate responsibility seriously and we focus on areas such as education, healthcare and malaria prevention. We've spent more than \$100 million in Angola in those areas since our inception. Statistically, you can see the reduction in the malaria rate since ExxonMobil started investing in malaria prevention in Africa. It's very compelling what has been done," adds Bond.

"We're also very responsible from an environmental perspective. We've reduced our flaring in Angola by over 90% since 2016 and reduced our greenhouse gases by 74%. That's not because the government is telling us to do that. It's because we know it's the right thing to do. I look forward to continuing development in an environmentally conscious way while continuing to help provide needed energy for the world.

search and development within the energy sector?

That is our core business and an area that we still have a lot of space to grow. We try to help a lot of smaller start-ups with a focus on local companies. Research is an area that is within our plans, especially for 2025 and beyond as our focus now is on establishing the company to be more financially and operationally robust. However, start-ups are welcome. For example, we treat our renewables and downstream business almost as a start-up. So R&D in that area is somewhere we need to grow and it is in our plans for the near future.

Could you tell us a bit about the production of green energy in Angola?

Energy transition is here to stay. Oil and gas companies that are already in that sphere are well-positioned to help drive and take the lead in making that transition from fossil fuels to cleaner energies. However, in that journey we cannot forget the importance of energy poverty as there are more than one billion people that need electricity and some of them are located in Angola itself. So, I believe that the journey needs to be made in a way that addresses energy poverty as well.

At ETU Energias, we look at gas as a transition fuel of increasing importance. For example, our energy was initially generated from diesel generators; we converted all our diesel generators to natural gas while reducing flare in the process. We are also moving into solar panels in all our operations. So that process has already started internally because we want to show that we believe it, and we are doing it in-house.

EDSON DOS SANTOS
CHAIRMAN, ETU ENERGIAS

"We want to move forward and not just focus on fossil fuels, but move to renewables, with a particular focus on solar energy."

Angola is in a unique position to become an energy hub in Africa. Hydroelectric power and solar in particular will continue to have a growing role in the energy matrix in Angola. When you think of solar, biofuels and natural gas, Angola has all the ingredients to become the energy hub that Africa needs.

We also have to recognize the role of the government as every time we have asked for help in this sphere it has been granted. So, I just encourage them to continue to support companies such as ours in this journey. Our vision is to produce energy for the development of Angola. That's our purpose and that is what we will strive to achieve.

Are there some foreign companies that are bringing know-how or are interested in penetrating the Angolan market?

There are a lot and they are welcomed with open arms. Angola offers multiple opportunities in different sectors including energy, agriculture and fisheries to name a few. However, I see a lot of benefits in partnering up with Angolan companies. And ETU Energias is an ideal partner.

Moreover, the government is encouraging us to continue to seek support from joint ventures and partnerships.

How is ETU Energias working with its partners in order to integrate more sustainable practices into the country regarding the energy sector?

One of our goals is to be the ideal partner. So, we believe in partnerships and we have historical partners that have been with us for a long time, such as Sonangol with whom we continue to have a strong relationship. Recently we have expanded into new partners and new markets both local as well as international.

What we have learned from these interactions and the higher quality of the work continues to fuel our growth. However, we also support local companies and we have given long-term contracts and even paid businesses upfront in order to make sure they get the company going.

We are very selective, but we continue to look for good companies to partner up with that can help us grow, improve our processes, and in the end, be a better company.

And reciprocally, I'm sure that international companies are looking at ETU Energias and what is happening in its exponential evolution as well.

Yes, and our goal hasn't changed. We want to become a public company. We continue to do a lot of work to launch our IPO. The vision is to do that in 2025. We want to increase our value so that when we go and become public, the right processes and the right tools are in place to guarantee success.

What opportunities do you see for private and foreign direct investment?

Angola has tremendous potential and it is still developing so there are significant opportunities, not just in the energy sector, but mining, agriculture, fisheries and others. In addition, the government continues to welcome new companies and new entrants into the market.

Focusing on the energy sector, there is a lot of space for new companies to come into Angola. There are exploration, development and production opportunities. New laws, such as the gas law, marginal fields and exploration in existing development areas have clearly helped resurrect the oil and gas industry. But we can also see that Angola is moving from pure oil and gas to becoming more of an energy industry.

The potential is there and natural gas is going to play a big role in the next ten years on the energy matrix. We are relatively small, but we are agile and ambitious, so we believe that ETU Energias is an ideal partner.

Connectivity key to Angola's plans

The government is committed to improving the digital infrastructure as it aims to position the country as a telecommunications hub

In recent times Angola has pushed ahead with plans to become a communications hub for the southern and central regions of Africa by investing heavily in the ICT sector. This has included the construction of data centers, satellites and fiber optic cables to connect the country to the rest of the continent and the world.

This digital transformation has enjoyed rapid acceleration in recent years thanks in part to the impact of the COVID-19 pandemic when people across the country had to rely on on-line platforms. Remote working became necessary for many, while the government worked quickly to ensure that numerous public services could be accessed virtually.

Playing a major role in the evolution of this sector is Mário Augusto da Silva Oliveira who serves as Angola's Minister of Telecommunications, Information Technologies and Social Communication. A member of the government since 2017, his current focus is on expanding the country's national space program and ensuring the successful completion of a huge fiber-optic project.

"Our space program is a multifaceted initiative encompassing communication satellites, earth observation satellites, and the potential development of meteorological satellites," reveals Oliveira. "We are also working in collaboration with our academy to foster expertise in the construction of small satellites. We've already made notable strides in this direction, with young engineers actively engaged in courses and practical experiences.

MÁRIO AUGUSTO DA SILVA OLIVEIRA
MINISTER OF TELECOMMUNICATIONS,
INFORMATION TECHNOLOGIES AND SOCIAL
COMMUNICATION

"Another crucial endeavor is the terrestrial fiber-optic project, a pivotal extension of our broadband network."

"Another crucial endeavor is the terrestrial fiber-optic project, a pivotal extension of our broadband network. We currently have 25-30,000km of terrestrial fiber-optic connection in place but we aim to significantly expand this network to cover more regions of the country. This is vital for providing essential services to operators, businesses, and various sectors of our economy, including healthcare and industry.

"In a broader African context, we are actively engaged in the establishment of a unique continental fiber-optic network that fosters connectivity with our neighboring countries. This has already yielded connections with the Democratic Republic of the Congo and Namibia, with further plans to connect with Zambia."

In addition to these ambitious and crucial projects, the government is focused on fostering growth within the telecommunications industry by attracting international companies with specific expertise to set up operations in Angola.

"We are keen to invite manufacturers of essential components such as antennas, cables, radios, and other elements across the telecommunications ecosystem to establish their presence in our country," explains Oliveira.

"The Angolan market is vibrant and we are wholeheartedly committed to supporting any venture in this direction. Furthermore, we are enthusiastic about the prospect of expanding this industry beyond the capital, Luanda, to other regions of our country."

There is also a renewed emphasis on training the next generation of talent within the country in a bid to ensure that the telecommunications industry continues to develop at a rapid rate in the years and decades ahead.

"It's essential to emphasize the importance of our commitment to training," adds Oliveira. "Training holds a central role in our projects because we firmly believe that nurturing our youth's expertise is the key to achieving technological independence. We aspire to cultivate a skilled Angolan workforce capable of profi-



Mário Augusto da Silva Oliveira
Minister of Telecommunications, Information
Technologies and Social Communication

Developing a comprehensive infrastructure

One of the major challenges that the government faces is addressing the major connectivity discrepancy between urban and rural areas. Luanda is Angola's largest and best-connected city but a lack of infrastructure has traditionally crippled connectivity in some of the more remote regions.

This continues to be addressed not only by the government but also by the major players within the telecommunications industry, such as the Paratus Group, which is committed to creating a robust infrastructure throughout Angola and the rest of Africa.

"Our focus, our vision as a group, is to build a digitally transformed Africa through a telecommunications infrastructure with excellent services. We think that it is in Africa that we can build infrastructure with international standards," states Francisco Pinto Leite, General Manager of the Paratus Group.

"We started in Luanda and have spread our national network to the provinces by investing in fiber-optic networks and promoting connectivity by satellite. Our strategy now is to further develop a national network that touches Angola's borders. We have already covered 1,000km from Lobito to Luena with a fiber-optic line and we now want to look at the eastern part of the country.

"We also intend to interconnect from Santa Clara in the south all the way to Namibia. By improving this infrastructure we can offer our entire range of services which in the future may evolve to include digital money."

FRANCISCO PINTO LEITE
GENERAL MANAGER, PARATUS GROUP

"Our vision as a group is to build a digitally transformed Africa through a telecommunications infrastructure with excellent services."

Similarly, Angola Telecom is focusing on providing greater network coverage throughout the country as it aims to bring connectivity to even the most remote communities.

"Thanks to a recent investment we have been working on a national broadband network that will increase the country's capacity, providing more communities with access to broadband services," says Adilson Miguel dos Santos, Chairman of Angola Telecom.

"We are still operating largely in 4G, but it is also our goal to eventually evolve where there is a demand for 5G. However, 5G works at higher frequencies, it ends up having less coverage, and our main goal for now is for more people to have connectivity. Coverage is our main mission.

"We have put 5G in places that are already well structured, and that need more capacity, like Luanda. But what Angola needs at the



Creating a robust telecommunications industry is crucial.



Adilson Miguel dos Santos
Chairman, Angola Telecom



Francisco Pinto Leite
General Manager, Paratus Group

moment is greater network coverage, and that's why we work with lower frequencies from a wireless network point of view."

The government has also played an instrumental role in improving connectivity throughout the country by collaborating with wireless communications services providers. This is particularly important as Angola aims to position itself as a telecommunications hub within Africa.

"Our strategic vision involves collaboration with mobile operators to advance mobile telephone services," states Oliveira. "This expansion encompasses traditional operators and

welcomes the emergence of mobile virtual network operators, providing a versatile and technological approach to extending mobile coverage throughout our nation. These initiatives collectively represent our commitment to technological progress and connectivity expansion.

"Our vision is to position Angola as a telecommunications hub within the continent and to achieve this, we are committed to substantial investments in cutting-edge technologies, including fiber-optic networks, submarine cables and high-tech infrastructure. These investments will be instrumental in propelling our telecommunications sector to new heights."

FRANCISCO PINTO LEITE
GENERAL MANAGER, PARATUS GROUP

"Our vision as a group is to build a digitally transformed Africa through a telecommunications infrastructure with excellent services."

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An ever-evolving transport sector

The government in Angola is investing heavily in infrastructure as it aims to improve connectivity by land, air and sea

One of the first acts of João Lourenço, when he became President of Angola, was to conduct a series of structural reforms that overhauled the transport sector and created a series of robust regulatory, supervisory and inspection bodies. These were then granted greater financial autonomy and authority, aligning them with the specific challenges faced by the country.

A 20-year investment program was also unveiled, running until 2028, for seaport, railway, road and airport infrastructure. This was focused on improving the movement of people and goods, increasing private sector financing and improving Angola's connectivity to the rest of Africa.

The National Civil Aviation Authority was the first administrative entity to undergo a transformation and now operates as a fully autonomous entity with its own governance and remuneration system. It plays a crucial role in overseeing the development of the aviation sector, which is an area of importance for the government.

"The aviation sector stands out as the area where we have made significant strides, although continuous monitoring and implementation remain essential," reveals Ricardo Viegas de Abreu, Angola's Minister of Transport. "We are nearing the completion of infrastructure work for the new Luanda International Airport, a pivotal hub for the region with a capacity to accommodate 15 million passengers."



Ricardo Viegas de Abreu
Minister of Transport

now a plan in place to ensure the sustainability and economic viability of the company.

"The pandemic had an adverse impact on the global airline industry and many airlines ceased operations due to financial constraints. Several countries were unable to sustain their airlines without the necessary resources," states de Abreu. "We recognized the significance of having a national airline so we developed a restructuring plan that has allowed us to successfully reduce losses and bring revenue levels close to those of 2019."

"This indicates that we are on the right track. Now we are focusing on restructuring the airline's fleet and expanding routes by introducing additional aircraft, which will be instrumental in TAAAG's growth and development. This plan envisions a fleet of approximately fifty aircraft by 2026, allowing the airline to establish significant regional and intercontinental connections. We also aim to expand into new markets, particularly targeting the US."

"By strategically growing our fleet and route offerings, we aspire to strengthen TAAAG's position as a key player in the global aviation industry and contribute to the economic development of Angola."

Improving connectivity by land and sea

As part of the government's move to create new regulatory bodies, the National Agency for Land Transport was introduced to supervise and inspect rail and road transportation. Playing a pivotal role in ensuring the proper function of land transport throughout the country, it is heavily involved in numerous new projects across Angola.

One of the most important is the construction



Transport links are steadily improving.



Luis Lago de Carvalho
Executive Board Member, Octomar

tion of a new rail service, the Lobito corridor, that aims to connect mines in the Democratic Republic of Congo to the Port of Lobito in Angola which will facilitate access to international markets. The railway infrastructure will span 1,300 kilometers and will allow for the seamless transportation of goods.

"The railway holds immense significance for the economic development of Angola, neighboring countries and global trade. This significance is due to its potential to facilitate the transportation of goods through a rail line to the port, reducing logistical costs," explains de Abreu.

"It also has the potential to stimulate various indirect effects in the national economy, such as the development of agricultural areas, industrial growth and product processing. To further bolster these indirect effects, we are actively seeking partnerships and investments, including cooperation with the European Union and engagement with the US."

"Furthermore, it presents an opportunity for Angola to address its consumption needs, be it food, equipment, or technology. Angola can leverage the corridor to provide diverse solutions that cater to these demands and foster economic growth in the region."

The Angola Regulation and Certification Agency for Cargo and Logistics (ARCCLA) is also responsible for promoting activities and initiatives around the Lobito corridor, as well as exploring other development corridors that could aid the national economy.

Created as a result of the merger between the National Shippers Council and the Lobito Corridor Office, ARCCLA has played a crucial role in Angola adopting modern technology within the logistics sector.

"One of our seven values is innovation and we live up to this by investing in initiatives to promote innovation and support technological development in various sectors of transport and national logistics," explains Catarina Fontes Pereira, Chairman of the ARCCLA.

"These efforts include partnerships with governments, organizations and companies to drive digital transformation and deliver advanced technologies. In the context of logistics infrastructure, we are developing several technologies that can be applied to improve efficiency, safety and operational management."

"We highlight among them a satellite-based solution, which provides precision resources on storage infrastructures and real-time data analysis, allowing a more complete and intelligent view of logistics operations."

"We are also developing a digital platform called JUL which will offer a host of solutions



Catarino Fontes Pereira
Chairman, Angola Regulation and Certification Agency for Cargo and Logistics

that we hope will increase connectivity, competitiveness and promote innovation in the sector of national logistics."

Another area within the transportation sector that has embraced technology is the maritime industry, which comes under the National Maritime Agency. While the agency itself regulates, supervises and inspects the port sector and ensures its autonomy and independence, one of the companies that has enjoyed success within the sector is Octomar—an independent Angolan diving services company that was established in 1997.

Octomar's core services include supporting floating processing units and storage, vessel services, inspection, repair and maintenance, and supporting the exploration, production and installation of oilfields.

"The DNA of the company revolves around diving and 25 years later it remains one of our main activities," says Luis Lago de Carvalho, Executive Board Member of Octomar. "However, we also now work with remotely operated vehicles to support offshore operations and have all types of support vessels."

LUIS LAGO DE CARVALHO
EXECUTIVE BOARD MEMBER, OCTOMAR
"We are always looking to grow more around technology so we are very focused on growing in the area of remotely operated vehicles."

"In terms of diving, we are involved in almost all floating production storage and off-loading installations that are in Angola and we carry out inspections and maintenance on those installations. We have also carried out ship rescue work."

In order to carry out these services to the highest possible standard, Octomar has always embraced the latest technology, something that is of particular importance in an industry that demands the highest possible standards.

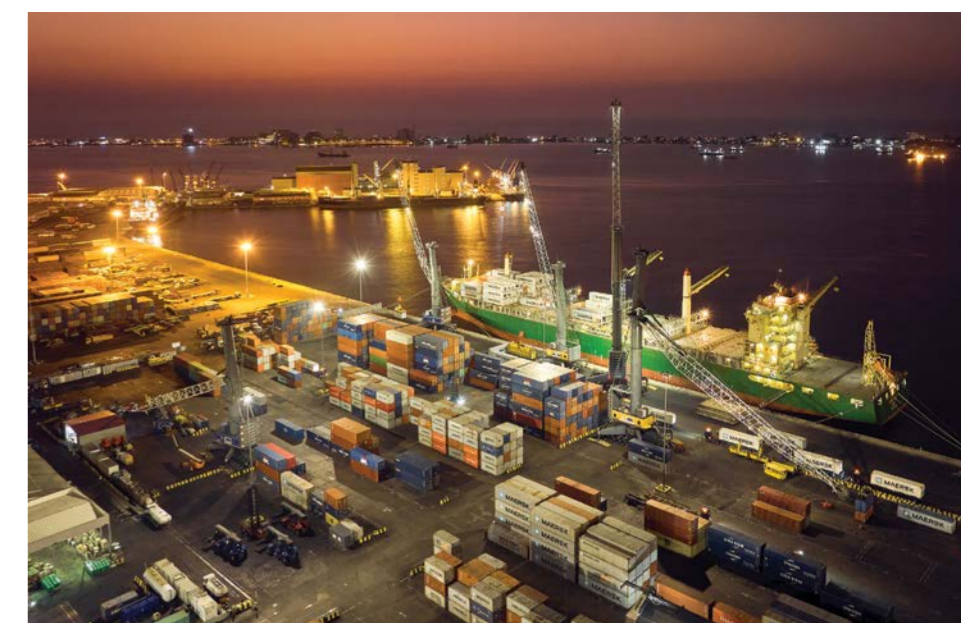
"We are always looking to grow more around technology so we are very focused on growing in the area of remotely operated vehicles. We are also considering investing in topside maintenance to support our subsea offering. We want to offer a complete service," adds Carvalho. "We are also looking at drone inspections but our immediate focus is to strengthen our position with our diving and remotely operated vehicles services."

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The Port of Lobito is undergoing a serious transformation.



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Angola aims to modernize its ports and improve its trade infrastructure to unlock more economic benefits



Paco Pinzón
CEO, DP World, Angola



Alberto Bengue
Chairman of the Board, Port of Luanda



Celso Rodrigues de Lemos Rosas
President of the Board of Directors, Port of Lobito

Thanks to an expansive 1,600km coastline along the Atlantic Ocean, Angola's ports have long played a significant role in driving the economy. Serving as pivotal hubs for maritime trade, the long-term potential for the further development of the country's port infrastructure has been a key priority for the government since it came to power in 2017.

Currently there are five operational ports in Luanda, Cabinda, Lobito, Soyo and Namibe, while plans are underway to introduce a sixth in Barra do Dande. Located 50km north of Luanda, the first phase of development is underway and is set to be completed by 2027. By the time the entire project is finished, there could be as many as 21,000 jobs created by the port and free zone.

This further highlights the importance of ports in relation to the economy, especially as Angola looks to lessen its dependence on the oil and gas industry. However, it will be several years before the Barra do Dande Port is completed and until then it is the Port of Luanda which will continue to play a crucial role.

Handling more than 80% of the country's imports, Luanda has four terminals that welcome containers that transport dry and liquid products in bulk. It can also cater to cruise ships, while the floating dock carries out ship repairs for vessels with a maximum size of 6,000 DWT.

Used as a harbour since 1576 when Portuguese explorer Paulo Dias de Novais founded Luanda, the modern-day port employs more than 3,000 people and is continually seeking ways in which it can improve operations and become even more efficient.

"Our commitment to modernity remains unwavering as we continually learn from and align ourselves with the practices of highly capable ports worldwide. Notably, since last year, we have established a collaboration with the esteemed Port of Antwerp, the second-largest port in Europe," reveals Alberto Bengue, Chairman of the Board at the Port of Luanda.

"This partnership encompasses the exchange of technical expertise, training programs and environmental initiatives. Through this collaboration, we aim to further enhance the efficiency and effectiveness of our port, while charting a course for future growth."

"In pursuit of our vision, we devised a comprehensive master plan for the Port of Luanda two years ago. This plan serves as our blueprint for future development, emphasizing technological advancements and modernization. As part of this plan, we are preparing to construct a dedicated cruise terminal to accommodate the increasing demand for cruise ships."

In addition to the cruise terminal, there are also plans for the establishment of a naval shipyard, as Bengue explains: "We are conducting feasibility studies for a shipyard that will cater to the maintenance and repair needs of large vessels, addressing a current regional gap in shipyard capabilities."

"To further expand our operations, we aim to

reclaim an additional 30 meters of land in the sea area, thereby increasing the depth to approximately 18 meters. This crucial enhancement will enable us to accommodate larger ships, contributing to our accessibility and competitiveness in the maritime industry."

The importance of collaboration

The Port of Luanda has also focused heavily on providing comprehensive training to its staff and has collaborated with renowned ports such as Leixões and Sines in Portugal to facilitate an exchange of ideas. This commitment to training was further enhanced when DP World signed a contract to manage and operate the multipurpose terminal in Luanda.

"DP World has made significant investments under the concession contract's investment plan. One notable aspect emphasized in the contract is the focus on training. DP World places a high priority on providing comprehensive training programs, recognizing their importance for operational excellence," adds Bengue.

"Moreover, DP World has been proactive in equipping the terminal with modern and efficient equipment. They have also implemented new technologies and methodologies that have proven to be satisfactory, enhancing the overall operations and productivity of the terminal."

ALBERTO BENGUE
CHAIRMAN OF THE BOARD
PORT OF LUANDA
"Our commitment to modernity remains unwavering as we learn from and align ourselves with the practices of highly capable ports worldwide."

One of the leading global port operators, DP World entered the Angolan market in 2021 and has a 20-year contract to operate at the Port of Luanda. Initially focused on enhancing terminal productivity, plans are now underway to modernize the terminal.

"We've been operating here for only two years so our primary focus has been on productivity, leveraging digital solutions and improving both the conditions and infrastructure of the terminal," explains Paco Pinzón, CEO of DP World, Angola. "The terminal requires significant investment in civil works and we have recently finalized all the studies and the design for the initial stage of our civil works investment."

"This undertaking will modernize the terminal and provide proper facilities for authorities,

including an advanced container scanning area to enhance security. Additionally, these improvements will benefit our colleagues by providing better facilities. "We also have plans to construct a brand new, fully paved parking area specifically for trucks. We will establish a dedicated building for the authorities, equipped with a scanner to scan containers or any other cargo that requires customs inspection. We are investing in employee facilities, including a three-story administrative building. This not only improves the working conditions, but also enhances the quality of the service we provide to our customers."

By improving the productivity, Pinzón is confident that the terminal can become a major trade hub and provide a significant boost to the economy. He adds: "We are always seeking opportunities to assist governments in achieving their ambitions for economic growth and we firmly believe that modern and efficient ports are vital to achieving economic growth."

"This is precisely what we aim to accomplish with this terminal. As a team, one of our primary objectives is to develop this terminal, given its strategic location on the Southern Coast of West Africa, into a major trade hub."

"We are currently taking the initial steps to achieve this goal. Angola, besides its economic potential, has the opportunity to become a major player in the regional market, particularly considering its connections with the Democratic Republic of Congo and Zambia."

Improving connectivity

Another port within Angola which has transformed in recent years thanks to increased investment is the Port of Lobito. With a history that dates back 120 years, it has recently taken on extra significance as the government looks to take advantage of the Lobito corridor, a railway that runs 1,300km deep into the continent to the mineral-rich regions of the Democratic Republic of Congo and Zambia.

"We expanded and modernized the terminal by installing new equipment and machines, and we want to keep optimizing our infrastructure in the years ahead," states Celso Rodrigues de Lemos Rosas, President of the Board of Directors at the Port of Lobito.

"The objective of the Lobito corridor project is to facilitate the cargo operation along a safe route from the main mining regions in the Democratic Republic of Congo and Zambia."

"This will allow us to transport minerals to Europe and the US via the port quickly and at a low cost. This will also bring greater results to our national economy."

With an aim to utilize the Lobito corridor and transport more goods and minerals via the Port of Lobito, there has been a need to implement new

technologies to ensure that the port can respond efficiently and effectively to a possible increase in workload. This has led to a digitalization process that continues to this day.

"Since last year we have been carrying out a modernization project that includes a new Maritime Single Window system which is being tested in Porto. It is currently being developed and we believe that soon we will have a system that adds significant value," details Rosas.

"We want to create an interface with a whole series of projects that are developed in terms of commerce, finance, tax agency, and other operators that intervene in this maritime chain."

PACO PINZÓN
CEO, DP WORLD, ANGOLA
"We firmly believe that modern and efficient ports are vital to achieving economic growth and this is what we aim to accomplish with this terminal."

"We have been using a Single Port Window since last year which has helped us to ensure that operations are carried out quickly because the system is interconnected at the level of tax agency and captancies. This has helped to streamline the process and has reduced the costs in handling customs procedures."

"Now we are committed to maintaining and improving the Internet services, Intranet and improving the technological infrastructure where we are installing a new data center. This transition from analog to the digital era is extremely important. We are investing heavily in the use of technology and are confident that it will work."

Another strategic objective for the Port of Lobito is to further develop some of its seven terminals. This includes a support terminal that will specifically cater to the Lobito refinery and the cabotage terminal which welcomes passengers from within the country.

"The cabotage terminal is undergoing a major development as part of our port development plan," reveals Rosas. "The implementation of this passenger terminal is vital as we believe we have everything to promote southern cabotage."

"When we talk about cabotage from the north of the country it is structured and well-organized but we need to start thinking about those in the south as the provinces are becoming more and more developed. We need to start planning for the future which is why we are strongly promoting our cabotage activity and the development of our passenger terminal."

Delivering an optimized national logistics network

The Angolan Cargo and Logistics Regulatory Agency is facilitating the development of strategically located logistics platforms that integrate air, sea, rail and road transportation, enabling faster and more efficient access to goods within, to and from Angola.

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