

AFRICA RISK CONSULTING

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Angola Summary 16 November 2020

In a ground-breaking decision, Angola's Assembleia Nacional (national assembly) unanimously approves the suspension of sitting Movimento Popular de Libertação de Angola (MPLA) member of parliament Manuel Rabelais and agrees to lift his immunity to prosecution over embezzlement of \$56.7m. Angolan police use live bullets, teargas and dogs to disperse a peaceful anti-government protest, killing one protester, in the capital, Luanda, according to United States-based non-governmental organisation Human Rights Watch (HRW). This demonstration was one of several that have taken place since late October. Dubai (United Arab Emirates) police state that the death of Sindika Dokolo, husband of Isabel dos Santos, in a Dubai diving accident was not suspicious. Dokolo and dos Santos moved to Dubai earlier this year as investigations into their business affairs in Angola intensified. Dokolo's death is likely to further delay any legal actions in Angola against Isabel dos Santos, in cases where Dokolo was co-owner of the assets.

Parliament lifts MP's immunity to prosecution

In a ground-breaking decision, Angola's Assembleia Nacional (national assembly) has unanimously approved the suspension of sitting **Movimento Popular de Libertação de Angola (MPLA)** member of parliament **Manuel Rabelais** and agreed to lift his immunity to prosecution. This is the first time under the government of President **João Lourenço** (2017-present) that an MP's immunity has been lifted to allow criminal charges to proceed.¹ Angola's **Tribunal Supremo** (supreme court) requested the lifting of Rabelais' immunity, arising from charges made against him in September 2019. According to Angola's constitution, members of parliament may not be arrested or detained without authorisation granted by the national assembly.

Angola's **Procurador Geral (PGR)** (attorney general) filed charges against Manuel Rabelais of embezzlement, improper receipt of benefits, and money laundering, as director of the former **Gabinete de Revitalização e Execução da Comunicação Institucional e Marketing da Administração (GRECIMA)** (office of revitalisation of institutional communication and marketing administration) between 2012 and 2017.² GRECIMA was effectively a public relations and propaganda office for former president **José Eduardo dos Santos** (1979-2017) to "coordinate and implement the Government's political and strategic lines related to communication and marketing", both internally and externally.³ The PGR says that Manuel Rabelais, assisted by **Hilário Santos**, a GRECIMA administrative assistant jointly charged with Rabelais, "transformed GRECIMA into an exchange house, attracting companies and individuals to deposit kwanzas in exchange for foreign currency".⁴ The charges related to the transfer of more than 19 billion kwanzas (\$56.7m).⁵ The PGR says that:

*"[Rabelais] used his powers as director of GRECIMA, to buy foreign currency from the Banco Nacional de Angola (BNA) (central bank) that was later channelled to Banco Comércio e Indústria (BCI) (bank of commerce and industry) to effect foreign exchange purchase and foreign exchange transfer, alleging 'Angolan State commitments'."*⁶

¹ Angop, 27 Oct 2020

² Angop, 27 Oct 2020

³ Africa 21 Digital, 2 Sept 2019

⁴ Angop, 27 Oct 2020

⁵ Africa 21 Digital, 2 Sept 2019

⁶ Africa 21 Digital, 2 Sept 2019

The defendants are alleged to have transferred a total of more than \$19m from GRECIMA's accounts to 11 companies, through BCI. According to the indictment, Rabelais was the beneficial owner of three of these companies (**Radwan Limited**, **Bencland Holdings Limited** and **Zilfor Lda.**), through which he received the amounts, which he in turn transferred *"to other personal accounts and those of his relatives"*, totalling around \$3.3m. Further substantial payments were made to many other companies and bodies with no evidence they provided any services for GRECIMA.⁷

Rabelais admits to having made transfers to companies and acquiring foreign exchange, but claims he did it in the interest of the state, since he could not use the state's name in secret operations, and everything was done under the guidance and knowledge of former president dos Santos. The PGR said last September that he would request the response of José Eduardo dos Santos to determine *"whether the accused Manuel Rabelais was authorised to carry out all the banking operations attributed to him"*.⁸

Rabelais has already handed over his majority shareholding in **TV Palanca** and **Rádio Global** to the PGR, who noted that the holding company for the radio and TV stations, **Interactive Empreendimentos Multimédia LDA**, has been recovered for the state *"having been set up with public funds"*.⁹

The formal ending of Rabelais' immunity may clear the way for other immunities to be waived at the request of the supreme court. As the public relations arm of the later stages of dos Santos' presidency, Rabelais will, in his own defence, have to indicate what propaganda activities he carried out, who was bribed, and what stories GRECIMA planted in defence of dos Santos' reputation, to justify his expenditure. As has happened in two previous major trials, those of former transport minister **Agosto Tomas** and former **Fundo Soberano de Angola (FSDEA)** (sovereign wealth fund of Angola) chair **Jose Filomeno dos Santos**, the prior approval and knowledge of the previous head of state is raised as a defence. It is not likely to be successful in this case either.

Anti-government protests end in beatings, arrests and one death

Angolan police used live bullets, teargas, and dogs to disperse a peaceful anti-government protest, killing one protester, in the capital, **Luanda**, on 11 November, Angola's independence day, according to **United States**-based non-governmental organisation **Human Rights Watch (HRW)**. The demonstration was one of several that have taken place since late October, planned by opposition party **União Nacional para a Independência Total de Angola (UNITA)** and student and civil rights groups.¹⁰ The protest, called by civil society groups to demand jobs and local elections in 2021, was met with thousands of heavily armed police and plainclothes officers deployed to the streets of Luanda.¹¹ According to Human Rights Watch, the police dispersed protesters with teargas and beat them with batons. Two activists said the police had fired live bullets to disperse protesters. A police spokesman later confirmed to journalists that a man had been killed by a gunshot to his head. HRW added that police severely beat two activists who are in critical condition, and arrested a third.¹²

The protests centre on the continuing hopeless future for young people, exacerbated by longer term economic issues, **COVID-19** and the social restrictions in place. Human rights organisation **Associação Maos Livres** (clean hands association) member and lawyer **Salvador Freire** said the poor economic outlook for young Angolans is pushing them to demonstrate.¹³

⁷ Africa 21 Digital 2 Sept 2019

⁸ Africa 21 Digital, 2 Sep 2019

⁹ Jornal de Angola, 29 Jul 2020

¹⁰ Human Rights Watch (Washington, DC), 12 Nov 2020

¹¹ Human Rights Watch, 12 Nov 2020

¹² Human Rights Watch, 12 Nov 2020

¹³ Deutsche Welle, 10 Nov 2020

"The citizens are demanding the authorities solve problems regarding unemployment, education, living standards and increasing social ills."¹⁴

Low oil prices have caused Angola's economy to contract following the oil price crash, after decades of oil dependence, and there has been a long-term failure to develop other areas of the economy that could provide unemployment.¹⁵ Consequently, there is growing disillusionment among youth with President Lourenço, who is seen as failing to tackle long-term systemic poverty and lack of opportunity in Angola. In particular, the recent failure to investigate his aide and cabinet secretary, **Edeltrudes da Costa**, following allegations that he has benefitted improperly from large state contracts, is raising questions about Lourenço's seriousness in countering corruption.¹⁶

Many Angolans are said to be very dissatisfied with how the government is dealing with the coronavirus pandemic. This was exacerbated when, as part of measures to control the spread of Covid-19, the government issued a decree banning all public gatherings of more than five people, just before a planned demonstration in October, called by activists and UNITA. The authorities arrested over 100 people, including journalists, prompting condemnation by rights groups. President Lourenço expressed public regret for the arrests of the journalists but did not announce any measures against police officers implicated in the use of excessive force in arresting demonstrators.¹⁷

Senior Africa Human Rights Watch researcher **Zenaida Machado** said:

"The Angolan government should not use Covid-19 measures as an excuse for heavy-handed policing and violent repression of peaceful protests. The government should take concrete steps against those who commit abuses against peaceful demonstrators."¹⁸

The Covid-19 pandemic has increased social fragility and exacerbated very long-standing failures to develop the country. Angola as a petro-state is facing the end of fossil fuel economies, and the consequences of looting the state rather than investing the oil revenues. That real concerns for the future are met with bullets and repression does not augur well for Lourenço's presidency, even when his government is limited by circumstances in what it can do to improve poverty and lack of opportunity.

Sindika Dokolo, husband of Isabel dos Santos, dies in diving accident

Sindika Dokolo, husband of **Isabel dos Santos**, died in a diving accident in **Dubai (United Arab Emirates)** on 29 October.¹⁹ Dokolo, together with his wife, had moved to Dubai earlier this year as investigations into the couple's business affairs in Angola intensified (see *ARC Briefing Angola July 2020*).

Isabel dos Santos has longstanding business interests in Dubai. Her principal diamond sales hub, **Nemesis Diamonds**, and related businesses were based in the Dubai **Multi-Commodities Centre**. **Melbourne Investment BV**, owned by Isabel dos Santos and Sindika Dokolo, was part of a joint venture with Angolan diamond trading company **Sociedade de Comercialização de Diamantes de Angola EP (Sodiam)**, which supplied diamonds and financing to the couple's diamond ventures.²⁰ Dubai-based consulting company **Matter Business Solutions** is linked to dos Santos and to allegations of defrauding Angola's state owned oil company, **Sonangol**. Dos Santos has a home at the **Bulgari Resorts**, a high-end complex located on a private island in Dubai's **Jumeirah Bay** area.²¹

¹⁴ Deutsche Welle, 10 Nov 2020

¹⁵ Deutsche Welle, 10 Nov 2020

¹⁶ Deutsche Welle, 10 Nov 2020

¹⁷ Deutsche Welle, 10 Nov 2020

¹⁸ Human Rights Watch, 12 Nov 2020

¹⁹ Al Jazeera, 2 Nov 2020

²⁰ Africanvoice online, 24 Dec 2019

²¹ The New Arab, 20 Jan 2020

In July this year, a court case in Angola revealed that Sodiam's losses in the venture with Melbourne Investment were said to reach \$4 billion. Meanwhile, last December, Dokolo had announced he was taking Sodiam to the **London Court of International Arbitration** and seeking compensation for \$120m losses from the Angolan state for Sodiam's role in the collapse in value of **Switzerland**-based luxury jewellery brand **De Grisogono**. Dokolo had extensive roles in Isabel dos Santos' business affairs (see *ARC Briefing Angola July 2020*).

At the end of December last year, Dokolo's assets in Angola were frozen, together with Isabel dos Santos' assets, on the basis that state monies were used to fund the purchase of companies of which they were directors. Sonangol is said to have advanced 100% of the capital of €193m (\$228.45m) to form **Netherlands**-based **Esperanza Holding BV**, together with Isabel dos Santos' **Excem Energy BV**. Dokolo was a shareholder in Excem, which in turn held a share in **Portugal**-headquartered oil company **GALP Energia** (see *ARC Briefing Angola Jan 2020*).

This background led to statements from the Dubai police clarifying that Dokolo's death was not suspicious. Dubai's assistant commander-in-chief for criminal investigation affairs, Major-General **Khalil Ibrahim al-Mansouri**, said maritime units rushed to **Umm al-Hatab Island** some 7 nautical miles off the coast of Dubai after authorities received an emergency call about Dokolo, and later discovered Dokolo dead.²² Media sources report Dokolo died of a pulmonary embolism.²³ Al-Mansouri said he had been performing a free dive locally known as 'al-hiyari', a type of underwater dive that relies on breath-holding rather than the use of breathing apparatus such as scuba gear:

"Dubai police investigated the circumstances of the death and listened to statements of the deceased's friends and reviewed the results of the forensic report, all of which concluded that there was no criminal suspicion behind the death."²⁴

Dokolo's death increases the complexity of the cases against Isabel dos Santos in Angola, since many of her assets belonged, on paper at least, to Dokolo. The cases have not visibly moved forward since July this year, and are now likely to be stalled even further, with the death of one of the principals in the case and changes in ownership of Dokolo's frozen companies. The case against SODIAM will end with his death, unless Isabel dos Santos decides to continue it.

²² Al Jazeera, 2 Nov 2020

²³ Al Khaleej Today, 4 Nov 2020

²⁴ Al Jazeera, 2 Nov 2020

Planner

Q4 2020 **Congo** and **Cuanza** basins (**Angola**) Terrestrial oil blocks in the Congo and Cuanza basins will be opened to tenders;

Q4 2020 (**Angola**) The winner of the international public tender launched on 16 December 2019, for management of the **Luanda Port Multipurpose Terminal**, is expected to be announced. There are five applicants: Luanda-based **Multiparques Terminal Link**; Nigeria-based **Sifax Group**; **Dubai (UAE)**-based **DP World**; **Philippines**-based **International Container Terminal Services (ICTS)** and a **Qatar**-based consortium, **SAS/MPLFI (MSC)**;

2019-2022 (**Angola**) **Programa de Privatizações (PROPRIV)** (privatisation programme) to manage government divestment of 195 companies; 81 will be offered for tender in 2020;

2020 (**Angola**) Angola to host meeting of the **African Solidarity Trust Fund (ASTF)**, managed by the **United Nations Food and Agriculture Organization (FAO)** to mobilise resources for anti-hunger and anti-poverty projects across **Africa**;

2020-2025 (**Angola**) **World Bank** to provide funding to increase economic diversification for a five-year period;

Jan 2020-Dec 2021 (**Angola**) Angola serves on **World Food Program (WFP)** Executive Committee;

2021 (**Angola**) First local and municipal elections are in the planning stages but implementation is delayed by **Covid-19** and election date will be set for next year;

Q1 2021 **Cabinda Lifua A** oil platform scheduled for completion to support offshore **Takula-Bloc-0** field Cabinda; Lifua B and C phases will follow;

2021 (**Angola**) Six offshore oil blocks and free areas of oil blocks 31 and 32 will be offered for tenders;

2021 (**Angola**) National elections;

Dec 2021 **Talatona, Luanda (Angola)** \$60m **Huawei Technology Park** to be completed

Q4 2021 Angolan Diamond Exchange to open;

2022 (**Angola**) Angola to host 10th **African, Caribbean and Pacific Group** summit;

2022 (**Angola**) End date for **Banco Poupança e Crédito's** recovery plan;

2022 **Luanda (Angola)** Luanda's **Novo Aeroporto Internacional de Luanda (NAIL)** (new international airport) expected to open;

2025 (**Angola**) Three major refineries at **Lobito** with capacity to refine 200,000 barrels/day, **Soyo** (100,000 barrels/day) and **Cabinda** (60,000 barrels/day), are expected to give Angola crude oil refining capacity of 360,000 barrel per day this year, meeting domestic needs and ending fuel imports;

2027 (**Angola**) State-owned oil company **Sonangol's** Strategic Exploration and Production Plan 2020-2027 gives Sonangol 10% of national production by this date, producing 120,000 barrels per day.

Chronology

16 Nov 2020 **Luanda (Angola)** *Johns Hopkins COVID-19 dashboard*. Angola reports 13,451 cases of **COVID-19**, a total of 322 deaths and 6,444 recoveries; numbers of new cases reported have more than halved from 359 on 3 November, to 146 on 13 November;

12 Nov 2020 **Luanda (Angola)** *Angop*. Angola announces it is to build a railway line connecting the port of **Lobito** to **Dar es Salaam** via **Zambia**;

5 Nov 2020 **Luanda (Angola)** *Angop*. Angolan authorities repatriated 640 **Congolese** nationals following a police crackdown on illegal migrants in **Lunda Norte** province;

30 Oct 2020 **Luanda (Angola)** *Angop*. The **World Bank** and Agence Française de Développement (**French Development Agency**) make available \$230m to support **Commercial Agriculture Development Project (PDAC)** in small and medium sized enterprises in Angola.

30 Oct 2020 **Luanda (Angola)** *Committee to Protect Journalists*. The **Committee to Protect Journalists** says Angolan police should stop arresting and assaulting journalists and allow them to do their jobs freely;

27 Oct 2020 **Luanda (Angola)** *Angop*. The **United Nations Food and Agriculture Organization (FAO)** and the **European Union (EU)** announce investment of €6.6m (\$7.8m) for agricultural training schools in the provinces of **Huila**, **Namibe** and **Cunene**;

27 Oct 2020 **Luanda (Angola)** *Angop*. Secretary of state for public health **Franco Mufinda** says Angola's health system could collapse due to the increase in **Covid-19** infections, as the countywide infection rate worsened in the previous two weeks;

27 Oct 2020 **Luanda (Angola)** *Angop*. Minister of state and head of the **Casa Civil** (president's civil affairs office) says Angola is on the verge of returning to a state of emergency;

22 Oct 2020 **Luanda (Angola)** *Angop* Mineral resources and petroleum minister **Diamantino Azevedo** says that Angola's new diamond exchange will open at the end of 2021;

21 Oct 2020 **Luanda (Angola)** *Angop*. **Russia** donates 18 tonnes of biosafety material to Angola including 5,000 units of molecular biology and personal protection equipment for medical staff;

21 Oct 2020 **London (United Kingdom)** *New Zimbabwe*. The **United Nations Office on Drugs and Crime (UNODC)** says in a report "*Global Study on Firearms Trafficking*" that high volumes of firearms are being trafficked into the **Southern African Development Community (SADC)** region, with Angola being most affected by the illegal arms trade;

21 Oct 2020 **Luanda (Angola)** *Angop*. Former transport minister **Augusto Tomás**, serving a 14-year jail sentence, tests positive for **Covid-19**;

21 Oct 2020 **Luanda (Angola)** *Angop*. The **Banco Nacional de Angola (BNA)** (central bank) grants a payment service provider licence to Angolan telecomms company **Unitel Mobile Financial Services (SU) SA**;

19 Oct 2020 **Luanda (Angola)** *Angop*. Telecommunications, information technologies and mass media minister **Manuel Homem** denies the existence of censorship on **TV Zimbo** and other companies in the media sector that recently reverted to the Angolan state;

18 Oct 2020 **Luanda (Angola)** *Angop*. The **Banco de Fomento Angola (BFA)** and **American Express** sign an agreement to enable the use of the American Express cards at the BFA's automatic payment terminals;

17 Oct 2020 **Luanda (Angola)** *Angop*. The **Banco Nacional de Angola (BNA)** (central bank) adjusts the limits for exchange operations on imports of goods, setting advance payments or advances, per operation, of up to \$50,000 and up to 10% of the total amount of the operation;

17 Oct 2020 **Luanda (Angola)** *Angop*. The **Comissão Nacional Interministerial** (national

interministerial commission) reports that 13 industrial units in the **Special Economic Zone (ZEE)** have been privatised through contracts worth 24 billion kwanzas (\$36m).

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

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