

AFRICA RISK CONSULTING

Angola Monthly Briefing June 2022

Angola Summary 24 June 2022

President João Lourenço (2017-present) announces that Angola's fifth national elections will take place on 24 August. Angolans will elect 220 parliamentary deputies, and the leader of the winning party will be the next president. The Comissão Nacional Eleitoral (CNE) (national electoral commission) reports it registered 14.4 million voters between September 2021 and April 2022. Spain-based company Minsait Consultoria will carry out most of the logistics of the election. Main opposition União Nacional para a Independência Total de Angola (UNITA) has reportedly hired two Israeli companies to back its election campaign. Senegal's President Macky Sall (2012-present), current chair of the African Union (AU), has asked President Lourenço, as chair of the International Conference for the Great Lakes Region (ICGLR), to head peace talks between the Democratic Republic of the Congo (DRC) and Rwanda, following allegations at the end of May by DRC president Felix Tshisekedi (2019-present) that Rwanda was backing a new offensive by March 23 Movement (M23) militias in the eastern DRC. Separately from AU efforts, the East African Community has agreed to send a regional force to stabilise the DRC-Rwanda border. The Bolsa de Dívida e Valores de Angola (BODIVA) (debt and stock exchange) opened on 9 June and launched its first sale, of state-owned shares, trading 10% of Banco BAI's shares at 40.1 billion kwanzas (\$94 m). The shares were held through state oil company Sonangol EP and state diamond mining company Endiama UEE. Imminent quotation of two other important operators in the banking system is expected, with a further 40 companies being traded this year.

Political parties prepare for 24 August national elections

President **João Lourenço** (2017-present) announced on 3 June that **Angola's** fifth national elections will take place on 24 August.¹ Angolans will elect 220 parliamentary deputies, and the next president will be leader of the winning party.

The voting register has been finalised and delivered to the **Comissão Nacional Eleitoral (CNE)** (national electoral commission), the body responsible for organising and carrying out Angola's elections. The CNE is appointed by the **Assembleia Nacional** (national assembly) and contains three members of opposition parties. Angolan nationals aged 18 on 23 August 2017 (the date of the last general elections) or older are entitled to vote. The CNE registered 14.4 million voters between September 2021 and April 2022. For the first time, the Angolan diaspora has been registered to vote, with 22,560 Angolan nationals in 12 countries registering.²

Spanish company **Minsait Consultoria**, an **Indra Group** company appointed by the CNE in May, will carry out most of the logistics of the elections. Minsait says it was selected to develop a comprehensive set of technology solutions and logistical operations for the successful conduct of the general election, including the provisional count and final tally of the election.³ Minsait also worked on Angola's 2008, 2012 and 2017 elections.

The largest opposition party, **União Nacional para a Independência Total de Angola (UNITA)** challenged the appointment of Minsait, filing a "precautionary measure" with the **Tribunal Constitucional** (constitutional court) on 16 May, claiming that the company "is not credible" and

¹ Publico. 3 Jun 2021

² Jornal de Angola, 14 Jun 2022

³ Minsait press release 19 May 2022

alleging that the company "*participated in electoral fraud in previous elections*",⁴ although the party has provided no public evidence of fraud.

UNITA is reported to have appointed **Israeli** election advisers following visits to Israel by UNITA leader **Adalberto da Costa Junior** in January and May this year. In February, UNITA reportedly hired Israeli political consultant **Adi Timor**, a specialist in digital election campaigns with considerable experience in **African** elections.⁵ Timor worked in **Malawi** as a political adviser to President **Lazarus Chakwera** (2020-present), who was elected in June 2020 after Malawi's constitutional court annulled the May 2019 election due to vote tampering. Timor also worked on the 2016 election campaign of **Ghana's** President **Nana Akufo-Addo** (2017-present).⁶ Da Costa Junior travelled to Israel again in May and has reportedly also hired a cyber intelligence company named **RGW Solutions**⁷ that operates "*security analytics software that empowers governments and enterprises with actionable intelligence*". RGW has little public presence beyond a web site that gives no information about the company's location or directors.⁸ UNITA has neither confirmed nor denied hiring Israeli election and cyber intelligence specialists.

All the parties are in the process of registering their candidates for the elections and distribution of election manifestos and campaigning is underway. It will be a hard-fought campaign over the eight weeks until the elections.

AU asks Lourenço to broker summit between Rwanda and DRC

Senegal's President **Macky Sall** (2012-present), who currently chairs the **African Union (AU)**, has asked President João Lourenço, as chairperson of the **International Conference for the Great Lakes Region (ICGLR)**, to head peace talks between the **Democratic Republic of the Congo (DRC)** and **Rwanda**. DRC president **Felix Tshisekedi** (2019-present) alleged at the end of May that Rwanda was backing a new offensive by **March 23 Movement (M23)** militias in the eastern DRC, citing the rebels' heavy firepower as evidence of external support.⁹ Separately from AU efforts, the **East African Community (EAC)** has agreed to send a regional force to stabilise the DRC-Rwanda border.¹⁰ The DRC government declared that it would welcome an EAC peacekeeping mission, but only under the condition of Rwanda's exclusion from the operation¹¹.

M23 remerged at the end of 2021 and launched a new offensive in March, attacking villages according to the village chiefs, who fled to **Goma (North Kivu, DRC)** to report the attacks.¹² By the beginning of June, **United States (US)**-based NGO **Human Rights Watch** reported that M23 was marching on Goma. Rwanda rejects the accusation that it is backing M23 but has charged DRC with supporting the **Forces Démocratiques de Liberation du Rwanda (FDLR)**,¹³ a Rwandan rebel group in eastern DRC and one of the largest foreign armed groups operating there.¹⁴

Escalation at the Rwanda-DRC border came after a joint military operation between the DRC and **Uganda**. Rwanda's foreign minister, **Vincent Biruta**, on 31 May raised the possibility of armed conflicts by warning that his country would retaliate if the DRC attacks Rwandan territory.¹⁵ Tensions are increasing between the two countries; in early June cross border attacks were reported by the **US State Department**.¹⁶

⁴ Club-K Net, 16 May 2022

⁵ Club K Net, 9 Feb 2022

⁶ Jerusalem Post, 8 Apr 2021

⁷ Club-K Net, 19 May 2022

⁸ RGW Solutions.com

⁹ East African, 31 May 2022

¹⁰ Jornal de Angola, 23 Jun 2022

¹¹ East African, 19 Jun 2022

¹² HumAngle, 31 Mar 2022

¹³ Jornal de Angola, 23 Jun 2022

¹⁴ UN.org/sanctions

¹⁵ ECOFIN, 2 Jun 2022

¹⁶ Al Jazeera. 11 Jun 2022

The **United Nations (UN)** secretary-general's special envoy for the Great Lakes Region arrived in **Luanda** on 22 June to liaise with the Angolan authorities over the political climate between the DRC and Rwanda.¹⁷ **Stephane Dujarric**, spokesman for UN secretary-general **Antonio Guterres**, noted in a statement the deteriorating security situation in eastern DRC, including an “*increase of attacks against civilians*”, and strongly condemned the use of proxy forces.¹⁸

Angola will organise a summit to bring together Rwanda's President **Paul Kagame** (2000-present) and the DRC's President Felix Tshisekedi, in an attempt to broker a reduction of military tensions. Initial separate meetings have already taken place between Lourenço and Tshisekedi and Lourenço and Kagame.¹⁹

The Luanda peace summit seems to have been pre-empted by an **East African** summit meeting on 22 June, organised by **Kenya's** President **Uhuru Kenyatta** (2013-present), who is currently president of the EAC.²⁰ Kenyatta proposed sending a regional East African force to the eastern DRC after an East African summit meeting attended by Tshisekedi, Kagame, Uganda's President **Yoweri Museveni** (1986-present), **Burundi's** President **Evariste Ndayishimiye** (2020-present), **South Sudan's** President **Salva Kiir** (2011-present), as well as **Tanzanian** ambassador **Stephen Simbachawene**. The summit demanded the immediate application of a ceasefire and the immediate cessation of hostilities:

*"The Heads of State said that the regional force should, in cooperation with the Army and the administrative forces of the DRC, seek to stabilize and ensure peace in the DRC."*²¹

The East African states appear to be acting separately from the AU, which is looking for an ICGLR peace summit brokered by Luanda and supported by the UN, which still maintains the **United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO)**, with a **Force Intervention Brigade**, mandated until 20 December 2022.²² How these forces will mesh together, if they do, and when the Luanda Summit will take place, remains unknown.

Angola's stock exchange opens with sale of Banco Angolana Investimento shares

The **Bolsa de Dívida e Valores de Angola (BODIVA)** (debt and stock exchange) opened on 9 June and launched its first sale, of state-owned shares, trading 10% of **Banco BAI's** shares at 40.1 billion kwanzas (\$94 m).²³ The shares were held through state oil company **Sonangol EP** and state diamond mining company **Endiama UEE**.²⁴ Minister of state for economic coordination **Manuel Nunes Júnior** noted that the sale of state holdings on the stock exchange fulfils the objectives for which the **Programa de Privatizações (PROPRIV)** (privatisation programme) was conceived.²⁵ Nunes added that imminent quotation of two other important operators in the banking system was expected. PROPRIV is the programme to identify and manage government divestment of stakes in 138 non-core companies in major economic sectors, including oil and gas, minerals and banking, and to allow the part-privatisation of major state-owned companies that will not be fully privatised, as well as promoting foreign investment.²⁶

The value obtained from the sales of 88 assets under PROPRIV thus far was given as 919.84 billion kwanzas (\$2 billion), although the state's receipts are 534.97 billion kwanzas (\$1.3 billion), according

¹⁷ Jornal de Angola, 23 Jun 2022

¹⁸ Al Jazeera, 11 Jun 2022

¹⁹ ECOFIN, 2 Jun 2022

²⁰ Jornal de Angola, 22 Jun 2022

²¹ Jornal de Angola, 22 Jun 2022

²² UN Security Council, 20 Dec 2021

²³ Jornal de Angola, 9 Jun 2022

²⁴ Jornal de Angola, 9 Jun 2022

²⁵ Jornal de Angola, 10 Jun 2022

²⁶ Jornal de Angola, 16 Jun 2022

to figures released by **Instituto de Gestão Patrimonial e Participação do Estado (IGAPE)** (institute of asset management and state participation) chair **Patrício Vilar**.²⁷

The sale of BAI shares marks the beginning of privatisation through BODIVA and the end of the PROPRIV programme, with shareholdings in **Banco Caixa Geral Angola** being the next to be launched. Vilar noted:

*"The process for the award [of state participation] at Banco Caixa Geral Angola is advanced and almost in the final stage."*²⁸

The 44 assets planned for sale by the end of 2022 include state shares in the joint venture gas stations network **Sonangalp**, owned by Sonangol and **GALP**; BODIVA; **TV Cabo**, as well as assets in Luanda's **Zona Econômica Especial** (special economic zone).²⁹ Following this, shares in cement plant **Secil Lobito** and in industrial units of the **China International Fund**, and Sonangol's shares in construction company **Mota Engil** will be sold on BODIVA. **Banco Atlantico** and privately owned Angolan oil company **SOMOIL** have also expressed interest in floating their shares on the stock market.

Restructuring the major strategic state assets of SONANGOL, TAAG and ENDIAMA for part privatisation will be a much slower process, expected to take about two years. This is because of the more parlous state of the companies' accounts and the need to carry out full audits and identify assets and problematic areas. Auditors for Angola's major public companies usually find the accounts incomplete. Vilar said:

*"The completion of the process takes time: in the case of BAI, it took two years."*³⁰

²⁷ Jornal de Angola, 16 Jun 2022

²⁸ Jornal de Angola, 16 Jun 2022

²⁹ Jornal de Angola, 16 Jun 2022

³⁰ Jornal de Angola, 16 Jun 2022

Planner

Jun/Jul 2022 **Lobito (Angola)** Winner of public tender for 30-year contract for management and maintenance of the **Lobito Corridor** railroad infrastructure will be announced; two consortia are under consideration: **Trafigura, Mota Engil** and **Vecturis** consortium, and the **Chinese CSC** consortium of **CITIC, Sinotrans** and **CR20**;

28 Jun 2022 **Luanda (Angola)** Trial of "*Major Lussati case*" starts at **Talatona Convention Centre** in Luanda, involving military personnel and civil servants linked to the then **Casa Militar** (security office) of the President of the Republic, with 49 defendants on charges including embezzlement, criminal association and money laundering, and over 200 witnesses, and expected to end in August;

2019-2022 **(Angola) Programa de Privatizações (PROPRIV)** (privatisation programme) to manage government divestment of 138 companies ending in 2022;

Jul/Aug 2022 **Siberia (Russia) Russian-Angola** joint venture **Angosat-2** satellite is in the final stages of testing in Siberia and will be launched from **Baikonur, Kazakhstan**;

12-16 Jul 2022 **Luanda (Angola)** The 37th **Luanda International Fair (FILDA-2022)** takes place in Luanda's **Special Economic Zone (EEZ)**;

24 Aug 2022 **(Angola)** National elections;

Dec 2022 **Luanda (Angola)** Angola becomes chair of the **Organisation of African, Caribbean and Pacific States (OACPS)** during the Summit of Heads of State and Government from 6-9 Dec;

2022 **(Angola)** Angola is president of the **African Petroleum Producers Organization (APPO)**, after being elected in 2021;

2022 **(Angola)** First local and municipal elections are in the planning stages but implementation is delayed by **Covid-19** and an election date will be set;

2022 **Talatona, Luanda (Angola) Huawei Technology Park** to be completed;

2022 **Luanda (Angola) Jose Filomeno dos Santos** and other defendants appeal sentences in the "*case of \$500 million*", to be heard in the **Supreme Court**;

2022 **London (United Kingdom)** Hearing of **UNITEL SA v Unitel International Holdings (UIH)** takes place at **London Court of Arbitration**, to resolve issues of UIH's alleged debt of \$400m to **UNITEL**;

2022 **Luanda (Angola) Angolan Diamond Exchange** to open on a preliminary basis;

29 Nov-1 Dec 2022 **Luanda (Angola) Angola Oil & Gas 2022 Conference** and exhibition;

10-13 Dec 2022 **(Angola)** Angola to host 10th **African, Caribbean and Pacific Group** summit;

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

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

Jul 2023 **Luanda (Angola)** Angola's sole purpose-built gold refinery expected to open in **Viana, Luanda**;

Dec 2023 **Luanda (Angola)** The new international airport, now named **Aeroporto Internacional Dr Antonio Agostino Neto**, is expected to open;

2023 **(Angola) Luaxe mine (Lunda Sul)** expected to produce 5.7 million carats of diamonds;

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

20 Jun 2022 **Luanda (Angola)** *Jornal de Angola*. **Financial Action Task Force** regional grouping, the **East and Southern African Capital Prevention and Laundering Group (ESAAMLG)** arrives in Luanda to evaluate the Angolan financial system, with 15 experts from **Europe**, the **United States** and **Africa** from 27 June to 15 July;

19 Jun 2022 **Luanda (Angola)** *Jornal de Angola*. Attorney general's office announces that **Israeli** diamond dealer **Lev Leviev**'s 18% of shares in the **Catoca** diamond mine in **Lunda Sul** have been blocked and administration passed to the **Instituto de Gestão Patrimonial e Participação do Estado** (institute of asset management and state participation), while investigations continue into Leviev's relationship with **China Sonangol**;

17 Jun 2022 **Luanda (Angola)** *Jornal de Angola*. Angola joins the **Extractive Industries Transparency Initiative (EITI)**, an organisation that promotes responsible management of oil, gas and mineral resources;

17 Jun 2022 **Luanda (Angola)** *Deutsche Welle*. Angolan state energy company **Sonangol** and two **German** companies, **Gauff Engineering** and **Conjuncta**, sign a memorandum of understanding to construct a plant to produce around 280,000 tons of green ammonia for export to Germany starting in 2024;

17 Jun 2022 **Luanda (Angola)** *Jornal de Angola* Finance minister **Vera Daves** says she has noted a reduction of corruption in public procurement; 37.4% of Angola's public procurement contracts are for public works;

17 Jun 2022 **Luanda (Angola)** *Jornal de Angola*. The attorney general's office denies it has been notified by **Portuguese** authorities that the **Tribunal das Contas** (court of auditors) made bank transfers of €2.5m (\$2.63m) from accounts allegedly held in **Banco Yetu**, to private accounts domiciled in Portugal;

16 Jun 2022 **Lisbon (Portugal)** *Angop*. **Angolan** and Portuguese defence ministers sign a framework programme for naval defence cooperation, including advanced training and surveillance and rescue, as well as joint policy on piracy in the **Gulf of Guinea**;

16 Jun 2022 **Luanda (Angola)** *Jornal de Angola*. Angola rose 14 places in this year's edition of the **Australian Institute of Economy and Peace (IEP) Global Peace Index 2022**, at 78/163 this year;

16 Jun 2022 **Luanda (Angola)** *Jornal de Angola*. President **João Lourenço** consults **United Nations** secretary-general **António Guterres** about increasing military tensions between the **DRC** and **Rwanda** and proposes a further urgent **Luanda Summit** to mediate between the heads of state of the DRC and Rwanda;

16 Jun 2022 **Luanda (Angola)** *Jornal de Angola*. **Centro de investigação Económica da Universidade Lusíada** (centre for economic investigation) report says Angola's Gross Domestic Product (GDP) reached \$70.5 billion in 2021, with exports rising to \$28 billion, but domestic production at \$42.5 billion is still lower than the \$65 billion recorded in 2017;

15 Jun 2022 **Luanda (Angola)** *Jornal de Angola*. Angola becomes the largest oil producer in **sub-Saharan Africa** in May, according to data from the **Organization of Petroleum Exporting Countries (OPEC)**, by pumping 1.1 million barrels per day (bpd) even though Angola's production fell from 1.183 million bpd in April to 1.162;

13 Jun 2022 **Luanda (Angola)** *Jornal de Angola*. Angolan state-owned airline **TAAG** CEO **Eduardo Fairen Soria** says privatisation of TAAG must take place before January 2025, when Angola will become part of the "open skies agreement", the **African Single Air Transport Market (SAATM)**, and notes that large companies have made expressions of interest;

10 Jun 2022 **Luanda (Angola)** *Jornal de Angola*. The **National Petroleum, Gas and Biofuels Agency (ANPG)** and **France** headquartered **TotalEnergies SE** announce the final investment decision of \$850m for the **CLOV Phase 3** development, with the potential to add 30,000 barrels of oil per day to the production of **Block 17**;

9 Jun 2022 **Luanda (Angola)** *Jornal de Angola*. Angola and **Zambia** announce relaunch of the **Angola-Zambia Oil Pipeline (AZOP)** construction project, with state-owned oil company **Sonangol** and Zambian company **Basali Ba Liseli Resources Limited (BBRL)** to carry out the work;

9 Jun 2022 **Luanda (Angola)** *Jornal de Angola*. **Banco Nacional de Angola** governor **José de Lima Massano** says current monetary policy is to ensure that inflation falls to single figures by 2024, with 18% inflation by end 2022, and notes the kwanza has appreciated 30% against the dollar due to high oil prices;

9 Jun 2022 **Luanda (Angola)** *Jornal de Angola*. The **National Petroleum, Gas and Biofuels Agency (ANPG)** predicts turnover of around \$66 billion in the oil sector during the next five years, including already agreed extensions of the production licences in **Blocks 15, 17, 18** and in **Block 0**;

8 Jun 2022 **Luanda (Angola)** *Jornal de Angola*. **Banco Nacional de Angola** governor **José de Lima Massano** says there will be no injection of public capital into failing **Banco Economico** and the bank will be restructured by the end of 2022;

5 Jun 2022 **Luanda (Angola)** *Jornal de Angola*. State-owned diamond trading company **Sociedade de Comercialização de Diamantes (Sodiam)** profits amounted to 18,604 million kwanzas (\$43m) in 2021; however, external auditor **Deloitte** issues reservations saying recovery of \$79.49m investment and about \$92.51m from **Victoria Holdings** is unlikely, implying the availability of \$23.3m of Sodiam's assets held in internationally sanctioned bank **VTB Angola** is moot;

4 Jun 2022 **Luanda (Angola)** *Jornal de Angola*. Angola's oil production quota rose from 1,450 to 1.502 million barrels per day (bpd) in July, after **OPEC** agreed on a further increase in oil output, although Angola is not capable of producing this much at present;

30 May 2022 **Abidjan (Côte d'Ivoire)** *African Media Agency*. **African Media Agency** announces its partnership with **South Africa**-headquartered company **Energy Capital & Power**, to raise visibility for the **Angola Oil & Gas 2022** conference and exhibition;

26 May 2022 **Washington DC (United States)** *USA State Department*. **United States (US)** secretary of state **Antony J. Blinken** meets **Angola's** foreign minister, **Téte António**, as part of continuing US/Angola diplomatic discussions on countering corruption and bolstering investment.

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