

## AFRICA RISK CONSULTING

### Angola Monthly Briefing December 2022

---

#### Angola Summary 15 December 2022

*The International Criminal Police Organization (Interpol) issues a red notice for the arrest of Isabel dos Santos, daughter of former president José Eduardo dos Santos (1979-2017), on 19 November, based on charges filed against her by the Procurador-Geral de Angola (PGR) (attorney general of Angola). The Angolan warrant requests that dos Santos be arrested on charges of committing the crimes of embezzlement, fraud, illegal participation in business, criminal association and trafficking of influence, and money laundering, and be extradited to Angola. The third edition of Angola Oil & Gas takes place between 29 November and 1 December, laying out the agenda for future developments in the country's oil and gas industry and renewable energy, as part of the progressive reorganization of the sector. Oil production is expected to increase considerably from 2025. The World Bank publishes its first Country Climate and Development Report (CCDR) for Angola on 7 December. The CCDR notes that climate impacts in the next 40 years are predicted to take a heavy toll on Angola, and without adaptation measures, Angola's gross domestic product (GDP) could be reduced by up to 6% by 2050.*

---

#### Angola issues arrest warrant for Isobel dos Santos

The **International Criminal Police Organization (Interpol)** issued a red notice for the arrest of **Isabel dos Santos**, daughter of former president José Eduardo dos Santos (1979-2017), on 19 November based on charges filed against her by the **Procurador-Geral de Angola (PGR)** (attorney general of Angola).<sup>1</sup> A red notice is a request to law enforcement agencies worldwide to locate and provisionally arrest a person pending extradition, surrender, or similar legal action.<sup>2</sup>

The Angolan warrant asks that dos Santos be arrested with a view of extradition as she is a fugitive wanted in Angola on charges of committing the crimes of embezzlement, qualified fraud, illegal participation in business, criminal association and trafficking of influence, and money laundering. These charges are said to carry a penalty of 12 years imprisonment.

The PGR confirmed that the arrest warrant had been issued after all attempts to contact dos Santos through her home address in **Luanda** (Angola), businesses and lawyers failed.<sup>3</sup> The PGR says that dos Santos has failed to appear to answer the charges against her, and her current whereabouts remain unknown.<sup>4</sup>

Dos Santos is believed to principally live in **Dubai (United Arab Emirates)** but is also known to have maintained residences in **London (United Kingdom)** and **Lisbon (Portugal)**.<sup>5</sup> The UK and the UAE have no direct extradition treaties with Angola but allow for applications for extradition to the relevant court.<sup>6</sup> Furthermore, these countries apply their laws, not Angola's, in deciding whether to arrest a person.<sup>7</sup>

Dos Santos has denied all the charges against her and said she is prepared to face corruption charges related to the source of her personal wealth and is not trying to evade justice:

---

<sup>1</sup> Reuters 19 Nov 2022

<sup>2</sup> Interpol.int accessed 12 Dec 2022

<sup>3</sup> Angop 29 Nov 2022

<sup>4</sup> Verangola 11 Nov 2022

<sup>5</sup> Deutsche Welle 25 Nov 2022

<sup>6</sup> United Kingdom Home Office Extradition Agreements accessed 30 Nov 2022

<sup>7</sup> Interpol.int accessed 12 Dec 2022

*"I'm not hiding. I'm on social media every day. My whereabouts and place of residence are known"<sup>8</sup>*

Dos Santos further noted that she has cooperated with Portuguese investigations, however, **Ana Gomes**, a Portuguese politician and former member of the **European Parliament**, says no action has been taken by Portuguese judicial authorities concerning dos Santos' alleged financial crimes there.<sup>9</sup>

Dos Santos continues to claim that the allegations against her are part of a plot against her family and are political in nature – dos Santos maintains that a lot of false information was spread in the wake of the **Luanda Leaks**, the **International Consortium of Journalists** database of leaked documents exposing her business dealings and that the attorney general and government are behind the allegations.<sup>10</sup> Extradition is not normally granted for a political offence, so if dos Santos can convince a court there is an overriding political element to the Angolan government's case, she is unlikely to be extradited.<sup>11</sup>

### Angola's Oil and Gas Conference sets out development agenda

The third edition of **Angola Oil & Gas** took place between 29 November and 1 December, laying out the agenda for future developments in the country's oil and gas industry, highlighting the progressive reorganization of the oil and gas sector and renewable energy plans.<sup>12</sup> The conference was organised by the mineral resources petroleum and gas ministry, **Agência Nacional de Petróleo, Gás e Biocombustíveis (ANPG)** (national agency for gas, petroleum and biocombustible fuel) and the **South Africa-based African Energy Chamber**.

**Haitham Al Ghais**, secretary-general of the **Organization of Petroleum Exporting Countries (OPEC)** told the conference that oil-producing countries should prepare for an increase in output between now and 2025 due to global population growth.<sup>13</sup>

Angola, which currently produces less than its OPEC quota, is fast-tracking the development of recent oil discoveries and intensifying exploration.<sup>14</sup> **Azule Energy**, the joint venture between UK-headquartered **BP** and Italian-headquartered **ENI**, expects production of 250,000 barrels of oil per day alongside increased investments in refinery projects over the next five years. Azule Energy also plans to accelerate liquefied natural gas (LNG) and renewables development.<sup>15</sup> **French** energy giant **TotalEnergies** is investing \$850m to further develop the CLOV complex located in Block 17.<sup>16</sup>

Three other developments in Angola's energy industry also indicate future plans. Angola has a state-led agenda to expand refining, storage and distribution capacity and become a leading exporter of petroleum products. The development of three new refineries in **Cabinda** (Cabinda province) **Soyo** (Zaire province) and **Lobito** (Lobito province) with the expansion of the Luanda refinery will give Angola the capacity to export to neighbouring countries, including the **Republic of the Congo**, **Zambia**, **Cameroon**, and the **Democratic Republic of the Congo**.<sup>17</sup>

Angola also approved a new legal framework in October for the promotion of local content – the framework aims to retain more value in-country by requiring all contracts to contain a local content clause, and training programmes and encourage the acquisition of national goods and services.<sup>18</sup>

<sup>8</sup> Deutsche Welle, 25 Nov 2022

<sup>9</sup> Deutsche Welle, 25 Nov 2022

<sup>10</sup> Deutsche Welle, 25 Nov 2022

<sup>11</sup> New Journal of European Criminal Law, 27 April 2021

<sup>12</sup> Angola Oil and Gas 2022, 29 Nov – 1 Dec 2022

<sup>13</sup> Jornal de Angola, 30 Nov 2022

<sup>14</sup> Angola Oil and Gas 2022, 29 Nov – 1 Dec 2022

<sup>15</sup> Angola Oil and Gas 2022, 29 Nov – 1 Dec 2022

<sup>16</sup> Offshore Energy, 13 Jun 2022

<sup>17</sup> Angola Oil and Gas 2022, 29 Nov – 1 Dec 2022

<sup>18</sup> Angola Oil and Gas, 2022 29 Nov – 1 Dec 2022

The government has equally set a target for renewable energy of 70% of Angola's energy matrix by 2025 while focusing on increasing hydrocarbon production in the short-medium term. This will be achieved through utilising untapped solar and wind resources, and further developing the hydropower that already accounts for nearly two-thirds of domestic power generation.<sup>19</sup>

Angola attended the **United Nations Climate Change Conference (COP27)** earlier in November, where the focus was placed on reducing dependence on fossil fuels to slow climate change, but Angola's presentations at the oil conference demonstrate that it will continue to develop both forms of energy and attempt to increase its oil and gas revenues while hydrocarbons remain profitable.<sup>20</sup>

### **World Bank calls on Angola to use oil revenues to build climate resilience**

The **World Bank** published its first **Country Climate and Development Report (CCDR)** for Angola on 7 December noting that climate impacts in the next 40 years are predicted to take a heavy toll on Angola, and without adaptive measures, Angola's gross domestic product (GDP) could be reduced by up to 6% by 2050. The report further notes that economic diversification, away from oil, and development are linked to building climate resilience.<sup>21</sup>

The World Bank found that climate change is already a reality in Angola with temperatures increasing by 1.4°C since the mid-last century and are expected to keep rising. Southern Angola has been the hardest hit and experienced a severe and protracted drought over the past decade, with conditions described as the worst in 40 years. An estimated 3.81 million people in the six southern provinces were reported to have insufficient food in 2021, and over 1.2 million people continue to face water scarcity because of the drought. Most of the country is projected to be 1.5–2.5°C warmer between 2040 and 2060.<sup>22</sup> **Albert Zeufack**, the World Bank country director for Angola affirmed:

*"Angola's significant potential for clean electricity generation and agriculture hinges on building climate resilience. Investing now in adaptation measures will be key."* <sup>23</sup>

The World Bank warns that careful management of Angola's remaining oil wealth is called for and that fiscal revenues from the oil sector will remain a key source of financing for climate-resilient investments for the next decade. Angola needs to maximize the benefits from its oil wealth by boosting the sector's competitiveness by reducing emissions upstream and enhancing competition downstream but then managing and deploying revenue to achieve the highest impact in realizing Angola's resilient development vision.<sup>24</sup>

The report identifies five pathways to achieving a diversified and climate-resilient economy with opportunities for all Angolans:

- Managing water resources to produce clean electricity, abundant food, and livable cities;
- Ensuring a green and climate-resilient power supply that includes hydropower, solar, and wind;
- Leveraging vast arable land resources to become a hub for climate-smart agriculture and food production;
- Building green and resilient cities that can catalyse growth and job creation;
- Boosting human capital and fostering a culture of climate-preparedness to power climate-resilient development across sectors.<sup>25</sup>

<sup>19</sup> ENP Newswire, 30 Nov 2022

<sup>20</sup> unfccc.int/event/cop-27, accessed 14 Dec 2022

<sup>21</sup> World Bank CCDR Angola, 7 Dec 2022

<sup>22</sup> World Bank CCDR Angola, 7 Dec 2022

World Bank CCDR Angola, 7 Dec 2022

<sup>24</sup> World Bank CCDR Angola, 7 Dec 2022

<sup>25</sup> World Bank CCDR Angola 7 Dec 2022

The **United Nations Development Programme (UNDP)** chaired a renewable energy and hydrogen roundtable during Angola Oil & Gas to explore Angola's efforts towards fast-tracking its energy transition and the renewable sector's potential to create new sources of employment, public-private partnerships, and progressive industries. <sup>26</sup> Mineral resources, oil and gas minister **Diamantino Azevedo** said during the roundtable that the national oil industry is key to leading the migration process or clean and green energy. <sup>27</sup> Greening Angola's cities and boosting human capital are likely to prove more considerably difficult to achieve than a clean energy transition which is already partly underway.

### Planner

2019-2023 **(Angola) Programa de Privatizações (PROPRIV)** (privatisation programme) to manage government divestment of 138 companies;

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

2023 **Luanda (Angola) Angolan Diamond Exchange** to open on a preliminary basis;

Mar 2023 **(Netherlands) Isabel dos Santos** and **Angolan** banker, **Mario Leite da Silva**, to appear before a **Dutch** court to answer civil charges relating to Dutch company **Esperaza Holdings BV**;

Q1 2023 **Namibe (Angola) Caraculo** photovoltaic (solar) power plant in **Namibe** province comes online;

2023 **Luanda (Angola) Angola and the European Union (EU)** to open negotiations for a trade agreement;

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

Dec 2023 **Luanda (Angola) Aeroporto Internacional Dr Antonio Agostino Neto** expected to open;

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

2023-2024 **Luanda (Angola) Angola** to create two new provinces and a further 417 municipalities by 2024;

December 2024 **Cabinda (Angola) Completion** of the deep-water port, **Porto do Caio**, in **Cabinda** province is expected;

### Chronology

12 Dec 2022 **Luanda (Angola) Angola 24 Hours. European Development Fund** is training and funding **Angola's** national anti-corruption services in partnership with the **United Nations** and other international institutions including hiring experts for two new services - the **Serviço Nacional de Combate à Corrupção** (national service to combat corruption) and the **Serviço Nacional de Recuperação Activos** (national asset recovery service);

12 Dec 2022 **Luanda (Angola) Mercado. Banco Nacional de Angola** (central bank) indicates external public debt, including arrears, grew by 1.04% to \$51.9 billion in the third quarter of 2022;

10 Dec 2022 **Luanda (Angola) Angola Press Agency. President Joao Lourenço** chairs the **10th Summit of Heads of State and Government of the Organisation of African, Caribbean and Pacific States (OACPS)** before assuming the rotating presidency;

<sup>26</sup> ENP Newswire 30 Nov 2022

<sup>27</sup> ANGOP 30 Nov 2022

9 Dec 2022 **Luanda (Angola)** *Mena Project*. **African Development Bank** rolls out the 'Remote Appraisal, Supervision, Monitoring and Evaluation project in **Angola** aimed at improving the preparation of projects, reporting on progress and evaluating impact for the bank, its clients and development partners;

9 Dec 2022 **Luanda (Angola)** *Angola Telegraph*. **Orcamento Geral de Estadon 2023** (general state budget) estimates revenues and expenses at 20.1 billion kwanzas (\$40m) based on a reference price of \$75 per barrel of oil and average oil production of 1.18 million barrels and has been referred to parliament for approval;

6 Dec 2022 **Luanda (Angola)** *Jornal de Angola*. **Global Fund**, an international partnership funding major public health issues, donates \$82m to **Angola** to combat HIV/AIDS, malaria and tuberculosis, as part of the strengthening of the national health system;

5 Dec 2022 **Luanda (Angola)** *Lusa*. State oil company **SONANGOL** announces it will issue \$150m in bonds;

5 Dec 2022 **Luanda (Angola)** *Agriculture Monitor Worldwide*. **International Finance Corporation** announces a partnership with agricultural association, **Associação Agro-Pecuária de Angola** to train agribusiness enterprises and rural cooperatives training in poultry, livestock, and fruit production;

3 Dec 2022 **Luanda (Angola)** *Jornal de Angola*. Joint mission of the **International Monetary Fund (IMF)** is carrying out a monitoring visit to Angola within the framework of Article IV of the IMF's constitutive agreement, hosting working meetings with relevant ministries, central bank, multilateral development partners and the private sector;

3 Dec 2022 **Luanda (Angola)** *Angola Press Agency*. Fisheries and marine resources ministry starts a reforestation campaign in mangrove planting for conservation of coastal and marine ecosystems at **Barra do Cuanza Luanda**;

1 Dec 2022 **Luanda (Angola)** *Angola Press Agency*. **Angola's Serviço de Prisao** announces four new prisons will open this year to reduce the notorious overcrowding in Angola's prisons and start to deliver more satisfactory levels of human dignity for the prison population;

1 Dec 2022 **Luanda (Angola)** *Angola Oil and Gas*. **Agência Nacional de Petróleo, Gás e Biocombustíveis (ANPG)** (national agency for gas, petroleum and biocombustible fuel) and **Sierra Leone's Petroleum Directorate** sign a historic cooperation agreement establishing a shared commitment to promote and intensify collaboration across the oil and gas sector, bilateral trade and investment;

1 Dec 2022 **Luanda (Angola)** *Angola Oil and Gas*. Mineral resources, petroleum and gas ministry signs a Memorandum of Understanding (MoU) with its **Namibian** counterparty to enhance bilateral cooperation in the petroleum and natural gas sector, including the development of joint projects;

30 Nov 2022 **Luanda (Angola)** *Jornal de Angola*. **José de Lima de Massano**, governor of **Banco Nacional de Angola** (central bank) is reappointed for a further 6-year period;

30 Nov 2022 **Luanda (Angola)** *Angola Press Agency*. State oil company, **Sonangol**, commissions construction of a second **Suezmax** oil tanker with South Korean shipbuilder **Hyundai Samho Heavy Industries** for delivery in September 2023;

28 Nov 2022 **Luanda (Angola)** *Business Monitor Online*. **United States**-headquartered **Fitch Solutions** says its outlook for Angola remains largely negative over 2023 despite inflation moderating as the decline in oil prices will result in both a depreciation of the kwanza and a general slowdown in Angola's GDP growth, with limited consumer spending power into the medium term (2023-2026);

26 Nov 2022 **Luanda (Angola)** *The New Times*. **Banco Nacional de Angola** (central bank) reports that the **United States, France, Italy, China** and the **United Kingdom** were the main sources of foreign direct investment in the oil sector during 2022;

23 Nov 2022 **Luanda (Angola)** *Angola Press Agency*. President **João Lourenço** hosts a summit on the security crisis in eastern **Democratic Republic of Congo (DRC)** attended by several heads of state in the region;

23 Nov 2022 **Luanda (Angola)** *Jornal de Angola*. Average oil production falls to 1,051 million barrels per day in October, a decline of 0.5% from September;

23 Nov 2022 **Luanda (Angola)** *Jornal de Angola*. **United Nations Food and Agriculture Organization** will invest \$40m over the next five years to increase food and nutrition security, in agri-business value chains and the climate resilience of small producers;

19 Nov 2022 **Luanda (Angola)** *Jornal de Angola*. The **Banco de Comércio e Indústria** (bank of commerce and industry) signs an agreement with the **International Financial Corporation (IFC)**, for technical assistance in the development of an operation strategy for the next five years, following BCI's privatisation;

17 Nov 2022 **Luanda (Angola)** *Jornal de Angola*. **International Monetary Fund (IMF)** urges continuing fiscal prudence in Angola, saying that although the ratio of Angolan debt to Gross Domestic Product (GDP) has reduced, the country's level of indebtedness is still high and consumes large resources;

16 Nov 2022 **Luanda (Angola)** *Jornal de Angola*. **Sociedade Empresa Nacional de Comercialização de Diamantes de Angola (SODIAM)** (national diamond marketing company of Angola) auctions 1,819.79 carats of 'special' diamonds – over 10.6 carats - from **Lulo, Catoca** and **Luele** mines for \$28.7m.

### 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.

**ARC's** core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

[www.africariskconsulting.com](http://www.africariskconsulting.com)

### About ARC Briefing:

**ARC Briefing** is ARC's essential business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

**ARC Briefing** is an information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

[www.africariskconsulting.com](http://www.africariskconsulting.com)

### Getting in touch

Please contact us by email [info@africariskconsulting.com](mailto:info@africariskconsulting.com) or call + 44 (0) 20 7078 4080

Follow us on Twitter: [@ARCBriefing](https://twitter.com/ARCBriefing)