

AFRICA RISK CONSULTING

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Angola Summary 20 October 2023

President João Lourenço (2017- date) gives an update on assets recovered from corrupt players in Angola during his State of the Nation address to the Assembleia Nacional (national assembly) on 16 October. Agência Nacional do Petróleo, Gás e Biocombustíveis (ANPG) (national agency for petroleum gas and bio-fuels) launches the 2023 bidding round for twelve onshore oil blocks on 30 September. José Ganga Júnior, chairman of the board of directors of state-owned mining company Endiama, discloses on 29 September that financial results in the diamond sector are expected to be poor this year as there is no market for much of Angola's output

Angola locates over \$19.6 billion in looted assets

President **João Lourenço** (2017- present) gave an update on assets recovered from corrupt players in Angola during his **State of the Nation** address to the **Assembleia Nacional** (national assembly) on 16 October. Lourenço noted that part of the recovered assets has been used to build schools and other infrastructure for the **Plano Integrado de Intervenção nos Municípios (PIIM)** (municipal investment and intervention programme), which is developing self-governing municipalities in Angola.¹

Angola's asset recovery register, maintained by the **Serviço Nacional de Recuperação de Ativos** (the asset recovery department of the attorney general's office), shows that as of July \$1 billion has been transferred to the PIIM. This amount forms part of the \$2.35 billion recovered from the **Fundo Soberano de Angola** in 2019, then headed by **José Filomeno dos Santos**, son of the late president **José dos Santos** (1979-2017). Zenu was convicted of fraud concerning the fund in 2020.²

Lourenço said the process of recovering state assets remains high on the government's agenda and that real estate valued at \$1.7 billion had been recovered between January and September 2023. A further \$1 billion in real estate, shareholdings and money valued has been seized and/or confiscated in Angola and abroad this year.³

Lourenço provided details highlighting:

- 267 cases and 122 enquiries have been launched to investigate evidence of economic and financial crimes;
- 109 of these cases have been lodged with the courts of ordinary jurisdiction;
- 51 have been lodged with the supreme court;
- \$800m in shareholdings of recovered companies;
- \$133.3m has been recovered in financial resources.⁴

Angola has so far recovered \$7.6 billion as part of the process of fighting corruption and recovering assets and \$12 billion remains frozen abroad, pending court cases or other resolution. This last figure illustrates the problems Angola is having in recovering assets held abroad, with only properties in **Portugal** and **Brazil** listed on the asset register.⁵

¹ Angop, 16 Oct 2023

² Reuters, 14 Aug 2020

³ Angop, 16 Oct 2023

⁴ Angop, 16 Oct 2023

⁵ Maka Angola 19 Jul 2023

It is broadly possible to identify the previous owners of the assets. Most of the assets recovered in 2023 are from the now-closed **Angola Agora e Amanha (AAA)** insurance group CEO **Carlos Sao Vicente**. Vicente illegally privatised AAA to his benefit, through an offshore company (see *ARC Angola Brief March 2022*). This was the largest case yet heard by Angola's courts and yielded a vast range of embezzled assets, including:

- 49% of the shares in **Standard Chartered Bank Angola**, valued at \$141.7m;
- Two hotel chains of 81 hotels with a total book value of \$1.31 billion;
- An additional \$70.2m.⁶

All the previous assets listed on the register are from well-known members of dos Santos' family and inner circle; were mainly held in Angola and have been transferred to the finance ministry for disposal.⁷ The cases are also moving through the courts very slowly, with several high-profile cases still outstanding out of the 160 awaiting trial.⁸

Public tender for oil blocks, as Angola outlines plans for oil output increase.

Angola has outlined raising crude oil production levels above the current 1.1 million barrels per day as a policy objective, planning to open another 50 oil blocks by 2025. In pursuit of this, **Agência Nacional do Petróleo, Gás e Biocombustíveis (ANPG)** (national agency for petroleum gas and biofuels), the national oil concessionaire and rights holder for prospection, development and production of liquid and gaseous hydrocarbons, launched the 2023 bidding round for twelve onshore oil blocks on 30 September.

Eight oil blocks are in the onshore **Kwanza Basin** (blocks KON 1, KON 3, KON 7, KON 10, KON 13, KON 14, KON 15 and KON 19), which are located east and south of the capital, **Luanda**, stretching from **Ambriz** in (**Bengo Province**) in the north to **Porto Amboim (Kwanza Sul Province)**. All the blocks on offer have been prospected as recently as 2015.⁹ In 2025, ANPG will open tenders for blocks 22, 23, 35, 36, 37 and 38 in the Kwanza Basin.¹⁰ Four blocks are in the **Lower Congo Onshore Basin** (CON 2, CON 3, CON 7 and CON 8), close to the major oil town of **Soyo (Zaire Province)**. These were most recently prospected by **Russian** mining company **Alrosa**.¹¹

ANPG held a roadshow for this tender in Luanda on 19 June, presenting technical assessments of existing data, accessibility studies and environmental legislation, contractual frameworks, and logistic conditions for the blocks, providing potential investors with the information they need to make informed decisions on the market.¹² ANPG has also made all this information available online to potential investors.¹³ The tender is open to national or foreign entities and closes on 4 November. Operating companies will be assessed on their financial capacity and technical capacity, which has a weighting of 60%. Non-operating companies will be assessed entirely based on their financial capacity.¹⁴

ANPG has already signed contracts for the 2022 tender for Blocks KON 2/11/12 and 16, with new players in the oil world. **United Kingdom**-headquartered **Corcel PLC** has signed contracts for KON 16 and describes itself as building an upstream pan-Angolan/**Brazilian** onshore company offering investors exposure to hydrocarbons. Block 11 has a more conventional partnership between **SONANGOL** and **United States**-headquartered **Atlas Petroleum Exploration Worldwide (Apex)**.

⁶ <https://senra.pgr.ao/recuperados>, accessed 19 Oct 2023

⁷ <https://senra.pgr.ao/recuperados>, accessed 19 Oct 2023

⁸ Angop 16 Oct 2023

⁹ ANPG, Jun 2023

¹⁰ ANPG, Apr 2021

¹¹ ANPF, Jun 2023

¹² Oil Review Africa 30 Jun 2023

¹³ www.anpg.co.ao, accessed 19 Oct 2023

¹⁴ www.anpg.co.ao, accessed 19 Oct 2023

In the short and medium term, Angola expects more production from major fields. Angola currently has reserves estimated at nine billion barrels of crude oil and 5.95 billion cubic meters of gas.¹⁵ Four new projects are under development.

US oil company **Chevron**'s subsidiary **Cabinda Gulf Oil Company (Cabgoc)** expects its **Ndola Sul** project to start production in 2025 and has a production capacity of 20,000 barrels/day.¹⁶ **Italy**-headquartered **ENI**'s **Agogo Field** is expected to recover a total of 490 million barrels of crude oil and **French**-headquartered **TotalEnergies**' **Begonia** project, with a capacity to produce 30,000 barrels per day, will come onstream in late 2024.¹⁷ TotalEnergies is also developing the **Cameia-Golfinho** field which will carry out the first deepwater oil development project in the Kwanza Basin.¹⁸

Russian diamond sanctions may be impacting Angola's diamond industry

José Ganga Júnior, chairman of the board of directors of state-owned mining company **Endiama**, disclosed on 29 September that financial results in the diamond sector are expected to be poor this year as there is no market for much of Angola's output.¹⁹

Angola is the world's 6th largest diamond producer by carat output, just after **South Africa**, producing 8.77 million carats in 2022, at a value of \$1.96 billion.²⁰ Angola earned \$711.7m from the export of 4.6 million carats of diamonds in the first half of 2023, and is expecting to produce 12.41 million carats this year, but is likely to have to stockpile.²¹ Ganga Júnior, speaking in August, said Angola had more than a million carats of diamonds stockpiled, waiting for the market price to improve, adding that "*in practice, Angola has no buyers of this resource.*"²²

India, which is Angola's main market and buys more than 90% of Angola's production, has closed the purchase of diamonds until 15 December. So-called 'Indian goods', smaller or lower quality stones that are only economic to cut in India's **Surat** cutting centre, are the main output of Angola's only kimberlite mine **Catoca** which produces about 75% of Angola's diamonds – around 6 million carats a year - and is the world's 4th largest kimberlite mine.²³

While Catoca boxes are usually well-regarded in Surat, the possibility of the extension of sanctions on Russian gems by the **G7** in January next year seems to be impacting sales of Catoca diamonds – Alrosa has a 41% shareholding in Catoca.²⁴ The Indian cutters sell into the US market, which has been banned from importing diamonds cut in Russia since April 2022.²⁵ According to a well-respected US diamond analyst consulted by **Africa Risk Consulting Briefing (ARC Briefing)**, "*Russian goods are toxic in the USA*"²⁶

Alrosa began selling occasional parcels of Catoca stones after Angola changed its diamond sales system in 2017. However, the bulk of the mine's output continues to be sold by state-owned sales company **Empresa Nacional de Comercializacao de Diamantes de Angola EP (SODIAM)**, not by Alrosa.²⁷

Endiama is reportedly also trying to negotiate an exit from its joint venture with Endiama.²⁸ US sanctions concerning banking restrictions cut Alrosa off from its banking system which has reportedly

¹⁵ Angop, 16 Oct 2023

¹⁶ Offshore Technology, 11 April 2023

¹⁷ Offshore Technology, 31 July 2023

¹⁸ Angop, 16 Oct 2023

¹⁹ Angop, 29 Sep 2023

²⁰ Kimberly Process, 2022

²¹ LUSA, 31 Aug 2023

²² LUSA, 31 Aug 2023

²³ Interview with Ganga Junior, Catoca, Jul 2015

²⁴ Reuters, 19 Oct 2023

²⁵ Reuters, 19 Oct 2023

²⁶ Communication with US diamond specialist, Feb 2023

²⁷ TASS, 15 Mar 2017

²⁸ Idex Online, 18 Oct 2023

prevented Alrosa from transferring \$185m in dividends from Angola.²⁹ Alrosa has claimed that sanctions made no difference to its diamond sales in the first half of 2023.³⁰ However, the more extensive sanctions now being planned by G7 may alter that.³¹

A downturn in diamond trading since the middle of 2023 also plays its part in Angola's problems as Alrosa cannot move dollars to invest in developing the major **Luaxe** diamond mine, in geological exploration in Angola, or in Catoca.³²

Planner

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

Jun 2023 - Jun 2025 **Luanda (Angola)** Angola extended its mandate as member of the executive council of the **United Nations Human Settlements Programme (UN-HABITAT)** for a further two years;

Oct 2023 **Lobito (Angola)** Implementation of the Single Window for Trade Facilitation (JUMA), which the **International Maritime Organization (IMO)** is introducing in the **Commercial Port of Lobito**, to be completed;

Dec 2023 **Cabinda (Angola)** First phase of **Cabinda Refinery** ends, and testing begins to measure the productive efficiency of the refinery;

2023 **Luanda (Angola) Aeroporto Internacional Dr Antonio Agostino Neto** expected to be inaugurated;

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

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

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

Q1 2024 **Lucapa (Angola)** The **Lucapa** photovoltaic power plant will start producing power;

Jul 2024 **(Angola)** Government to carry out its second census with technical and logistical support from the **United Nations Population Fund (UNFPA)**;

2024 **(Angola)** Angola to begin exporting green hydrogen energy to **Germany**;

2024 **Luanda (Angola)** Completion of Angola's sole purpose-built gold refinery at **Viana** is expected;

Dec 2024 **Cabinda (Angola)** Completion of the deep-water port **Porto do Caio** is expected;

2023-2026 **(Angola) Programa de Privatizações (PROPRIV)** (privatisation programme) extended to manage government divestment of 138 companies;

Chronology

17 Oct 2023 **Luanda (Angola) Angop. Bolsa de Dívida e Valores de Angola (BODIVA)** (debt and securities exchange) launches a social grant project, to boost agribusiness and family entrepreneurship, with investments of 450m Kwanzas (\$545,000) for the initial phase. It is expected

²⁹ IDEX Online, 18 Oct 2023

³⁰ Reuters, 14 Aug 2023

³¹ Reuters, 19 Oct 2023

³² Mining Weekly, 26 Jan 2018

to reach 1,250 families in the first three years, promoting an annual income of 450,000 Kwanzas (\$55) per household;

17 Oct 2023 **Luanda (Angola)** *Angop*. National Assembly receives IT equipment from **Morocco's** parliament as part of the 147th **Assembly of the Inter-Parliamentary Union** scheduled for 23 to 27 October;

16 Oct 2023 **Luanda (Angola)** *Voice of America*. Opposition party **UNITA** walks out of an extraordinary parliamentary session called to discuss the possible impeachment of President **Joao Lourenco** on 14 October, after refusing to agree on a public parliamentary ballot on the matter. The impeachment proposal was rejected with 123 votes against and one abstention;

16 Oct 2023 **Luanda (Angola)** *Angop*. President **Joao Lourenço** calls for the immediate implementation of **United Nations Security Council** resolutions for the creation of a state of **Palestine**, and a guarantee of security for the peaceful coexistence of **Israel** and Palestine, including the avoidance of a humanitarian catastrophe in the **Gaza Strip**;

16 Oct 2023 **Luanda (Angola)** *Angop*. President **Joao Lourenço** tells National Assembly that work to change the political-administrative division of Angola is in the final phase including the subdivision of **Moxico** and **Cuando Cubango** provinces;

15 Oct 2023 **Luanda (Angola)** *Angop*. Finance minister **Vera Daves de Sousa** leads a government delegation, including economy and planning minister **Mário Caetano João**, to present Angola's macroeconomic framework to the **World Bank** and the **International Monetary Fund (IMF)** in **Morocco**, to attract investment opportunities to the real economy sector, especially for the **Lobito Corridor**;

15 Oct 2023 **Luanda (Angola)** *Angop*. **Banco Nacional de Angola (BNA)** (central bank) governor **Manuel Tiago Dias** tells the **International Monetary Fund (IMF)** that BNA is currently working to maintain its foreign exchange reserves, which currently stands at \$14 billion, given the need for macroeconomic stability;

15 Oct 2023 **Luanda (Angola)** *Angop*. Angola's ambassador to **Ethiopia** and permanent Representative to the **African Union (AU)**, **Miguel Bembe** reiterates Angola's willingness to collaborate in the organisation's reform process, to respond to different problems;

10 Oct 2023 **Luanda (Angola)** *Voice of America*. Police detain more than 130 protesters for taking part in a separatist march who believe that the 'Lunda-Tchokwe Kingdom' was never a **Portuguese** colony due to its status as a colonial diamond concession and is therefore not bound by the **Alvor Treaty**, which granted Angola independence from Portugal in 1975;

10 Oct 2023 **Luanda (Angola)** *Angop*. Government says it intends to speed up wheat production from its current 8,000 tonnes a year, to meet the real need of 600,000 tonnes a year by 2024 through the implementation of a national plan;

10 Oct 2023 **Luanda (Angola)** *BBC*. An appeal court sentences social media influencer **Ana da Silva Miguel**, also known as **Neth Nahara**, to two years in prison for "insulting" President **João Lourenço** on **TikTok**. A court initially handed Miguel a six-month sentence, however, the appeals court feels this was too lenient;

9 Oct 2023 **Luanda (Angola)** *Angop*. **Agência de Investimento Privado e Promoção das Exportações de Angola (AIPEX)** (private investment and export promotion agency) says it recorded a total of 630 projects of private investment in the last five years, worth approximately \$9.3 billion, although only about 191 projects, mostly linked to the industrial sector and worth \$1.6 billion, have been implemented;

9 Oct 2023 **Luanda (Angola)** *Reuters*. Finance minister **Vera Daves de Sousa** says Angola may slow the removal of fuel subsidies to avoid a repeat of protests in June 2023 over a near-doubling in petrol prices in which at least five people were killed, although no decision has yet been made;

7 Oct 2023 **Luanda (Angola)** *Voice of America*. **Namibian** communal farmers who seasonally cross the border into Angola in search of pastures for their livestock are asked to leave and apply for permits as Angola clamps down on illegal cattle herders in their country, saying changing weather patterns attributed to global warming are causing a decline in pastoral land;

7 Oct 2023 **Luanda (Angola)** *The Committee to Protect Journalists*. **Committee to Protect Journalists (CPJ)** calls on authorities to immediately release journalist **Carlos Alberto**, who was taken into custody on September 29 to serve a three-year prison sentence for criminal defamation, injurious denunciation, and violating press freedom. A court issued an arrest warrant because he failed to comply with a 23 June sentence in connection to his 15 May 2021 report about the allegedly illegal appropriation of land for a shopping mall by then-deputy attorney general **Luis Liz**;

4 Oct 2023 **Luanda (Angola)** *Angop*. State minister **Francisco Pereira Furtado** says more than 3,000 foreign illegal miners who worked in **Malanje, Lunda Norte** and **Lunda Sul** provinces were repatriated by June this year and 57 industrial-scale dredgers were also dismantled;

3 Oct 2023 **Luanda (Angola)** *The Committee to Protect Journalists*. **Committee to Protect Journalists (CPJ)** says authorities must drop charges of criminal defamation and insult against journalist **Daniel Frederico** and stop criminalising his reporting. He was summonsed concerning an article denouncing alleged corruption by a prosecutor, **Pedro Machado**, although Frederico says he is not the author of that report;

2 Oct 2023 **Luanda (Angola)** *Angop*. **Instituto Nacional De Estatísticas (INE)** (national statistics institute) says Gross Domestic Product (GDP) grew only 0.01% from the second quarter of 2022 to the second quarter of 2023;

26 Sep 2023 **Bern (Switzerland)** *Angop*. Angola's ambassador to **Switzerland, Filomena Delgado** says there is a need to intensify inter-parliamentary cooperation with Switzerland given Angola's fight against corruption and the diversification of the national economy;

26 Sep 2023 **Washington DC (USA)** *US Department of Defense*. **United States** secretary of defence **Lloyd J. Austin** meets with President **João Lourenço** to advance the growing US-Angola bilateral defence relationship and address regional security issues. Austin also meets with state minister **Francisco Pereira Furtado** to discuss plans to advance bilateral security priorities and establish an annual high-level defence dialogue;

20 Sep 2023 **New York (USA)** *Angop*. President **João Lourenço** denounces during his **United Nations General Assembly** the "*existence of an invisible hand interested in destabilising the African continent*";

18 Sep 2023 **Luanda (Angola)** *Angop*. Economy minister **Ivan dos Santos** says that national products, including food, need to be produced "*on a large scale*" to better supply the domestic market. Small-scale farmers produce more than 80% of national production, and agriculture, livestock and forestry represent more than 50% of employment;

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Getting in touch

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

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