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Executive Director's Column



**BY:
PAUL J. HARE**

The US-Angola Chamber of Commerce began 2004 with an unexpected turn of events.

Dan McGarry submitted a letter of resignation in February after completing eight years of service with the Chamber. His enthusiasm and love of Angola, knowledge about the country and its business environment, and dedication to our members were exemplary. In recognition of his invaluable services to the Chamber, the Board of Directors hosted a reception in his honor upon his departure and subse-

quently, named him to the Honorary Advisory Council.

The transition could have been extraordinarily difficult but, fortunately, Maria da Cruz, who had served previously as a summer intern and had been working for the Chamber, was ready to step in. Maria quickly made her mark on our activities and procedures. She revamped the Chamber's website, contracted a study of the Chamber's operations, and reorganized the invoicing process. During this year alone, she went to Angola three times and has been interviewed on several occasions by Angolan television and media about the activities of the Chamber. She has also been instrumental in recruiting more members into our ranks.

Our highly successful Working Group on Angola meetings, which are held in association with the Corporate Council on Africa, continued to attract interest from members. Seven meetings were organ-

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Chairman's Corner



**BY:
FILIPPO NARDIN**

2004 has been a year of accomplishments for Angola and its people, but the road ahead still presents dramatic challenges.

The gains that the country has made in recent years have been consolidated. The economy is booming, thanks to peace and high oil prices. GDP is expected to have grown by 13% during this past year. Investors are spreading mobile-phone coverage to the provinces. Hydroelectric plants, commercial farms, breweries, domestic airlines and diamond mines are also opening. Inflation is down from quadruple fig-

ures in the mid-1990s to low double digits. Food is more affordable for the poor. Life is certainly improving in Luanda, if one measures quality from new office buildings, low-cost housing, street lighting, as well as fast-food restaurant chains.

However, as is often the case in Angola's history, quantifying the country's progress is diffi-

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cult. An enormous number of Internally Displaced People (IDP) – estimated at over 4 million - still presents challenges to relief and assistance operations. The World Food Program (WFP) has said that providing food assistance in peacetime Angola is five times more costly than in warring Sudan. The slums and conditions of life for many Angolans are abysmal; roads and bridges are still in poor condition, and the task of demining Angolan soil will take years. The WFP still feeds more than 1 million Angolans, but this past summer had to cut rations because of reduced donor funding.

The bottom line is: while we will likely see macroeconomic stabilization take hold, much still needs to be done to ensure that a just and equitable socio-economic development takes place in the years ahead. The most important task is to fully exploit the enormous opportunities that exist for development, leveraging Angola's major resources: its people (especially young people, as 70% of Angolans are under 24), its mineral wealth including oil and diamonds, and its agricultural potential.

The relationship with the International Monetary Fund (IMF) will play a crucial role in any effort by the Government of Angola to promote reforms and socio-economic progress. Much has been said during the year about the evident strengthening of dialogue. Relations have obviously greatly improved, especially after the IMF cleared up many of the doubts on the accounting procedures related to the oil revenues, and there are now real chances of a Staff Monitoring Program being agreed to in 2005. While the IMF itself may not di-

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rectly provide many of the resources that Angola needs, the relationship between the two is greatly amplified by the scrutiny and importance attached to it by the donor community, the private sector, and the non-governmental organizations. The implementation of a Staff Monitoring Program may well be the single most important reason for a successful donor's conference and generating greater interest by international investors.

While the country has always offered a friendly environment to petroleum-related activities, the Government of Angola has continued its efforts (begun in 2003 with the new investment law) to attract other types of private enterprise and foreign investment. The work of the National Investment Agency (ANIP) has become relevant, both in making opportunities known and in fighting bureaucracy while facilitating the process of incorporating a business and investing in it. The Guiche Unico office on the Marginal in downtown Luanda serves now as the one-stop-shop where investors – Angolan and foreign alike – can gather information and submit all of their paperwork. A notable aspect of the activity of the Government is the increasing importance that is given to Angolan companies and investors. The 2003 investment law already cast

Angolan investors in the role of fundamental partners in the country's strategy for growth, in essence giving Angolan groups which are, for the near future, expected to have less capital and technical resources available than the typical foreign investor - equal treatment. There are today, in many different commercial fields, Angolan groups that have been successful and would be ideal partners for foreign investors. Since we count many of these groups as members of the US Angola Chamber of Commerce, we believe that we are in the ideal position to inform, recommend, and assist in the process of selecting a venture and a local partner for any company wishing to expand its activities in Angola.

In terms of elections, it can be summed up in this way: Angola has at last achieved peace and stability, but it now needs to build and strengthen its democratic institutions. Only once, in 1992, was there a proper nationwide election. It is crucial for the country that preparations for the elections, expected in September 2006, move forward. This will undoubtedly be a challenge, but one that will consolidate the reform efforts that the Government of Angola has undertaken since it first embraced free market policies and established a multi-party

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Inaugural Gala Dinner

On the evening of December 3, the US-Angola Chamber of Commerce hosted its first Gala Dinner at Casa 70 in Luanda. The idea of organizing a Gala Dinner originated from a presentation made at the Chamber's Annual Meeting in June by Cherri Bellamy and Pam Bailey of Effective Systems International (ESI). In their analysis of the Chamber's operations, they pointed out, among other things, that the Chamber needed to strengthen its presence in Angola, which would necessarily require additional sources of revenues. They suggested one possible way to achieve this goal was to host an annual event for its members. A consensus emerged during the ensuing discussion that the best way to do this would be to organize an event in Angola that could attract a broader audience.

The Chairman and the Executive Director subsequently decided that the event should be held at the end of 2004. Maria da Cruz contacted Wlady Cunha, who had interned with the Chamber during the summer and had returned to Luanda to run Casa 70 on behalf of his father, to determine the availability of the nightclub. Casa 70 proved to be an ideal venue for the Gala Dinner because of its large seating capacity and stage for entertainment.

The response from the members of the Chamber to the idea of the Gala Dinner exceeded expectations. Thirteen members helped to sponsor the event. Six companies – Banco Africano De Investimentos, BP, ChevronTexaco, Esso, MITC, and Tecnoarro

sponsored at the gold level. Seven companies – Barlows, Grupo Arosfram, Halliburton, Lazare Kaplan International, Miranda Law Firm, PricewaterhouseCoopers, Sistec, and Tecnoserve – sponsored at the silver level. Particularly significant were the number of Angolan-based companies that supported the Gala Dinner. Each sponsor received a plaque of appreciation from the Chairman, Filippo Nardin, during the course of the evening.

Equally impressive were the number of invited guests who attended the Gala Dinner. Among them were the Minister of Finance, Minister of Industry, Minister of Commerce, Vice Minister of Petroleum, Angolan Ambassador to the United States, Archbishop of Luanda, President of the Angolan Chamber of Commerce and Industry, American Ambassador, Commander of US Air Forces in Europe, and USAID Mission Director.

In addition to the sponsors noted above, the following companies participated in the Gala Dinner: Banco do Comercio e Industria, Banco Espirito Santos de Angola, BIVAC, Catholic University of Angola, Coca-Cola, FRIPOP, GlobalSantaFe, Horizon Offshore, Intech, Odebrecht, Ord-safe, POLANGOL, Prometeus, S&N Pump, Schlumberger, TPA, Transa-Cuango, ValleySoft, and GTA/World Travel Agency. Other companies also attended as guests at the various tables in the

room. Over 230 persons filled the hall to capacity.

A Gala Dinner is supposed to be festive and entertaining and this one certainly was. The staff at Casa 70 did a superb job of decorating the room and providing ample quantities of food and drink. Following the dinner, Semba Muxima, an Angolan dance troupe, and Helvio, a young and upcoming Angolan singer accompanied by Banda Maravilha, entertained the guests. The more adventurous also took advantage of the occasion to take to the dance floor.

The US-Angolan Chamber of Commerce would like to thank the invited guests, sponsors, and participating companies for helping to make this Inaugural Gala Dinner such a success. The Chamber would also like to thank Fernando Paiva and his team at ChevronTexaco for providing administrative and logistical support to the event. Special thanks and a huge debt of gratitude goes to Liliana de Sousa, who spent many hours of her personal time contacting members and invited guests and ensuring that all arrangements were properly attended to. The Gala Dinner simply could not have happened without her support.

The Gala Dinner will materially help achieve our goal of establishing a stronger presence in Luanda. More information on how this will be accomplished will be forthcoming.



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Miranda Law Firm is another member of the Chamber to take advantage of the advertising opportunities on our new website. Above is the Miranda banner which is prominently displayed at www.us-angola.org. In addition, Miranda also provides the Chamber with Angolan legal news updates. Contact mdacruz@us-angola.org for information on how you can purchase advertising space.



NEW MEMBERS

Corporate Members

A & A Consultants, Inc.

Al M. Ahmed, P.E.
810 River Avenue, Suite 220; Pittsburg, PA 15212
Tel: (412) 323-2200
Fax: (412) 323-2202
Email: ahmed@aaconsultinc.com

A & A Consultants, Inc. is a full service engineering firm who is currently taking the lead in projects in Angola such as the design and building of the Donde Bridge, the study of the roads from Luanda to Soyo, and housing projects in various areas of Angola.

M-I SWACO

Richard E. Chandler, Jr.
5950 North Course Drive; Houston, TX 77072
Tel: (713) 739-0222
Fax: (832) 295-2500
Email: rchandler@miswaco.com

M-I SWACO has operated in Angola for more than 25 years, providing drilling and completion fluids, engineering expertise and waste management equipment and services to the petroleum exploration and development industry. While our primary business in Angola is providing drilling fluids and associated engineering services, M-I SWACO also offers to the Angolan market equipment and engineers for solids control, filtration, drilling waste management, production vessel and boat tank cleaning and Speedwell displacement and clean up tools. Our Production Vessel and Boat Tank cleaning operations in Cabinda are growing rapidly. We have recently re-bid a six-year old contract with CABGOC and won an additional two years with two one-year options. Our workforce, 70% of which are Angolan nationals, has a high level of experience diversification and job responsibilities. We currently have operations in Luanda, Soyo and Cabinda.

Pegasus Energy

Frances Cook
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Pegasus Energy is a privately owned energy company focused on Africa and the Middle East in the area of trading distribution and retailing of crude oil, petroleum products and related services. Pegasus has committed to an encompassing corporate social responsibility and investment strategy to bridge the division that exists between businesses and communities and between development and conservation.

Transa-Cuango

Carlos Alberto Paquette e Antónia S. Miguel

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NEW MEMBERS



NEW MEMBERS

(Continued from page 4)-Corporate Members

14210 Autumn Crest Rd. Boyds, MD 20841
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General Commercial, Import-Export and Agriculture.

ValleySoft


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Non-Profit/Individual

Chavvas Wine & Liquors Inc.

Chavva Raja Reddy
3992 W 12th Ave; Hialeah, Fl 33012
Tel: (305) 828-8221
Fax: (305) 887-6722
Email: chavvaswine@bellsouth.net

Chavvas Wine and Liquors, Inc. is a company interested in setting up medium-scale company for the manufacturing, processing, blending, packaging, and trading of alcoholic and non-alcoholic beverages in Angola. They are looking to sell the finished products in Angola and also look to export to neighboring African countries. 

Want to Join the Chamber... Fill out the "Join the Chamber" form on the main page of our website, www.us-angola.org or write us at membership@us-angola.org.

Who are our members?... For a complete listing of the members of the Chamber of Commerce log on www.us-angola.org/memdir.htm

NEW MEMBERS



The Center for Economic Studies and Scientific Research at the Catholic University of Angola presents the Annual Economic Report

In a ceremony held in November 2004 at the Catholic University in Luanda, the Center for Economic Studies and Scientific Research (CEIC, from the Portuguese “Centro de Estudos e Investigação Científica”) presented its second Annual Economic Report for the year 2003. The report seeks to provide periodic assessments of economic and social developments in Angola. The first report for the year 2002 was released in October 2003 and is available online in English at <http://www.ceic-ucan.com/RelatorioCeic2002.pdf>.

CEIC is an independent research center of the Catholic University of Angola. It is funded in part by a public/private partnership between USAID, Chevron-Texaco, ExxonMobil and the Boston based Angola Educational Assistance Fund (an initiative of Citizens Energy). The Catholic University, GTZ, Friedrich-Ebert

Stiftung, and Norad provide additional funding.

In addition to the publication of the annual report, CEIC coordinates an ambitious and currently expanding research program addressing Angola’s particular circumstances. The program includes collaborations on special projects and studies with other



local and international organizations both from the academic and the private sectors. The Center’s activities also include the publication of a quarterly review of socioeconomic developments (Barometro Economico) and the research working paper series (Revista Academica).

For more information, please visit CEIC’s web site at <http://www.ceic-ucan.com>, or contact Dra. Noelma D’Abreu, Director of the Center for Economic Studies and Scientific Research, at noelmaa@ucan.edu, TEL +244-2-398765, FAX +244-2-398759, or Filippo Nardin, President of the Angola Educational Assistance Fund, at filippo@aeaf.org, TEL +1-617-951-0467, FAX +1-617-812-1055. ■

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14th & 15th Meetings of the Working Group

The Deputy Prime Minister, Aguinaldo Jaime, addressed the Working Group on October 4. Jaime reviewed the state of play of the ongoing discussions between the Government of Angola and the IMF. He said that the talks were moving ahead positively and that another IMF mission to Angola was expected in the near future. (The Deputy Managing Director of the IMF visited Angola in November.) Jaime noted the steps that the government had taken to promote transparency, reduce the level of inflation, and stabilize the foreign exchange rate. With respect to the high oil prices, the Minister said Angola had accumulated \$275 million in windfall profits during the first semester of 2004. He hoped an agreement would be reached with the IMF in early 2005.

Senior Director for Africa at the National Security Council, Dr. Cindy Courville, met with the

Working Group on December 14. Courville listed the priority areas for US engagement with Angola during President Bush’s second term of office. Preparing the conditions for holding free and fair elections topped the political agenda. While the Angolan Government bore major responsibility in this area, the United States and the international community could play a helpful role. She also noted the urgent need to combat HIV/AIDS, malaria and tuberculosis, which required a comprehensive approach by the Government, donors, and NGOs. On security matters, she thought Angola’s military could play an important role in peacekeeping operations on the continent. Courville concluded that while the Administration considered Angola to be a country in transition, it was also without question a power in the region and on the continent.





(Continued from page 1)-Executive Director's Column

ized during the year. They included presentations by Deputy Prime Minister Aguinaldo Jaime on two occasions, Minister of Finance Pedro de Morais, Minister of Public Works Higino Carneiro (accompanied by the Minister of Transportation, Governor of the Central Bank, and Angolan Ambassador to the UN), and Senior Director for African Affairs at the National Security Council Dr. Cindy Courville, as well as two sessions devoted to the African Growth and Opportunity Act (AGOA) and HIV/AIDS respectively. The Chamber would like to thank BP and ChevronTexaco for making their facilities available for these meetings. (A report on the 14th and 15th meetings of the Working Group is contained in this newsletter.) In addition to the working group format, the Chamber hosted a breakfast briefing in honor of the new US Ambassador to Angola, Cynthia Eford, just prior to her departure in August. ExxonMobil sponsored this event.

The Chamber hosted a lunch for its members in Luanda in July, which was attended by the Chairman and Executive Director and was sponsored by ChevronTexaco and ExxonMobil. The Chairman provided an overview of the Chamber's past activities and future plans, and Jim Blackwell and Terry McPhail, managing directors of ChevronTexaco and ExxonMobil respectively, spoke about their companies' involvement in Angola. The new Deputy Chief of Mission of the American Embassy, James Knight, was also introduced at the lunch.

Elsewhere in this report is a description of the Inaugural Gala Dinner that the Chamber

organized in Luanda on December 3 and represented the high point of our activities in Angola in 2004.

The Chamber continued to work closely with the Angolan Embassy in Washington, DC; in particular, Ambassador Josafina Pitra Diakite has been a strong supporter of our activities. This relationship has facilitated the Chamber's involvement in obtaining visas for our members and performing other services, such as the authentication of documents. A substantial increase in visa applications has been registered during the past year reflecting the improved business environment in Angola.

The foundation of the

Chamber is our membership. I am pleased to report that 14 new companies joined the Chamber in 2004. Total membership stood at 84. Our goal is to reach 100 members. If member companies have suggestions regarding potential members, please contact Maria or myself and we will follow-up.

Finally, on behalf of Maria and myself, I want to thank all of our members, old and new, the Board of Directors, and our outstanding Chairman, for the support given to the Chamber during the past year. It is deeply appreciated and we look forward to an even more successful year in 2005.



(Continued from page 2)-Chairman's Corner
political system in the early 1990s.

Regarding the struggle against HIV/AIDS, there are some positive signs. For example, a study released on December 1 by the United Nations Children's Fund (UNICEF) estimates a current overall adult HIV rate of about 5%. A previous survey, in 2002, had found that 5.5% of Angolan adults had HIV. In contrast with even the most optimistic assumptions, Angola's epidemic may be less severe than expected, if this information is accurate. Nevertheless, this is not a reason to relax. Angola should continue to take aggressive actions and strengthen its "national plan" to fight HIV/AIDS. The epidemic may yet devastate Angola, but Angolans have the opportunity to avert the catastrophe that their neighboring nations missed. Incidentally, the results of the UNICEF survey certainly validate the US Angola Chamber of Com-

merce's support of the HIV/AIDS awareness and prevention program run by Population Services International and funded in part by our members, principally BP, ChevronTexaco and ExxonMobil.

Overall, the US-Angola Chamber of Commerce expects 2005 to be a year of renewed opportunities for American and international groups willing to invest in Angola's future. While much needs to be done to promote economic reform and diversify Angola's economy, to repair the country's devastated infrastructure, to provide basic services to its people, and to hold free and fair elections, the signs are encouraging. The US Angola Chamber of Commerce looks forward to being a partner with the Angolan people and government in meeting these challenges.

Filippo Nardin is the President of the Angola Educational Assistance Fund and the Director of International Programs of Citizens Energy. He currently serves as the Chairman of the US Angola Chamber of Commerce.



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