

## International

## ANGOLAN PRESIDENT PAYS OFFICIAL VISIT TO RUSSIA

Luanda, | April 2, 2019

Angolan President João Lourenço left Luanda Monday afternoon for Moscow for a four-day official visit to Russia at the invitation of his counterpart, Vladimir Putin.



The Angolan Head of State will fulfil an intense programme, which includes a meeting with Vladimir Putin and attend the high-level talks between the delegations of both countries. João Lourenço is also expected to deliver a message at the DUMA, the Russian Parliament.

The president's agenda also includes participating in a business forum involving Angolan and Russian entrepreneurs and a fraternisation reception at the mythical Bolshoi Theatre. In this visit, João Lourenço is to honour President Vladimir Putin with the Agostinho Neto Order.

### Angola and Russia deepen economic cooperation

Angola and Russia, long-time political and diplomatic partners, are seeking to strengthen economic cooperation, characterised by trade that falls far short of the real potential of both countries. Russia has a presence in four key sectors of the Angolan economy: diamonds, energy, telecommunications and banking.



In diamonds, Russia is present with the company Alrosa, Endiama's partner in the Catoca Mining Company in eastern Lunda Sul province, where the world's fourth largest open-pit diamond mine is located. Catoca holds more than 75 percent of the 9.4 million carats of diamonds explored in the country.

In the telecommunications sector, Russia is working with the Angolan authorities to ensure operation of Angosat-2 satellite in the next two years, after the failure of Angosat1 in December 26, 2017. The insurance of AngoSat-1 stands at USD 121 million, with Russian companies to cover any defects.

Russia also has a presence in the electricity sector. Russia took part in the supply of mechanical and hydromechanical components and of four turbines of the first hydropower built in post-independence period: Capanda dam based in northern Malanje province. Capanda has been operating since 2005, with a power of 520 MW. In addition to Capanda, the Russians also built, through Al-Rosa Venestroy, the Chicapa dam in the Lunda Sul province, with a capacity of 16 Megawatts. The infrastructure supplies power to the Mining Company of Catoca and Saurimo city.

In banking area, Russia has been operating since 2006 with Bank VTB Africa. The bank financial institution chose as the focus of its action in the Angolan market on financing of large projects in the country and in the African continent.



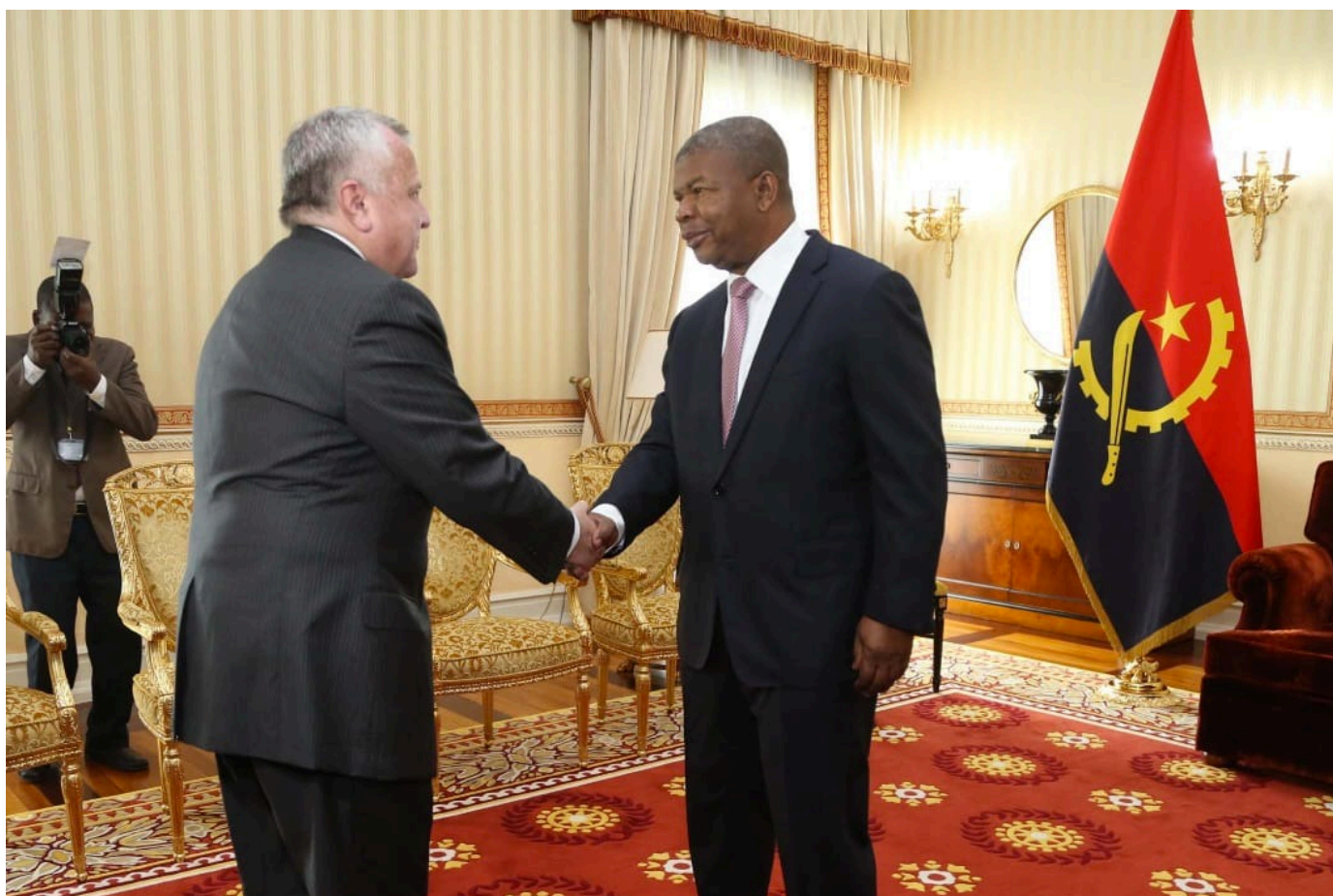


## Cooperation

## DEPUTY SECRETARY SULLIVAN'S VISIT TO ANGOLA

Luanda-Angola | March 18, 2019

Deputy Secretary of State John J. Sullivan met today in Luanda with President João Lourenço and Foreign Minister Manuel Augusto. In these meetings, the Deputy Secretary commended President Lourenço and his government for their efforts to fight corruption and to foster citizen-responsive governance and dialogue.



Deputy Secretary Sullivan and Foreign Minister Augusto co-chaired the U.S.-Angola Strategic Dialogue focused on strengthening U.S. and Angolan collaboration on global and regional issues, security and law enforcement cooperation, trade and investment, and the advancement of democracy, health, human rights, and development, particularly in the Okavango region.

The Deputy Secretary also conducted meetings with U.S. and Angolan business leaders where he highlighted U.S. goals for its partnership with Angola in the context of the U.S. Africa strategy. He also met with Angolan journalists, human rights activists, and youth leaders.

### Joint Statement Following the U.S.-Angola Strategic Dialogue

The Government of the United States of America and the Government of the Republic of Angola following the meeting of the U.S.-Angola Strategic Dialogue on March 18, 2019 released the text of the following statement.



Within the framework of deepening the strategic partnership and bilateral cooperation between the Republic of Angola and the United States of America, The Honorable John J. Sullivan, the Deputy Secretary of State of the United States of America, made an official visit to Angola from March 16 to 18, 2019, at the invitation of His Excellency Manuel Domingos Augusto, Minister of Foreign Affairs of the Republic of Angola.



During his visit, on March 18, 2019, Deputy Secretary Sullivan was formally received by His Excellency João Manuel Gonçalves Lourenço, President of the Republic of Angola. During their meeting they discussed issues related to bilateral cooperation between the two countries, in particular, and regional and international issues, in general.

The visit was also used to conduct the 4th Session of the Strategic Dialogue between the Republic of Angola and the United States of America, which was co-chaired by His Excellency Manuel Domingos Augusto, Minister of Foreign Affairs of the Republic of Angola, and The Honorable John J. Sullivan, Deputy Secretary of State of the United States of America. The governments recognize and attach particular importance to political consultations, as well as sectoral dialogues, with a view to strengthening existing strategic and cooperative relations.

During the political and strategic consultations, the two delegations reviewed the progress achieved since the previous strategic dialogue in November 2015, and since Deputy Secretary Sullivan and Foreign Minister Augusto met on the margins of the UN General Assembly in New York City in September 2018.





# ANGOLA-HUNGARY NEWSLETTER

**Newsletter of the Embassy of Angola in Hungary**  
**1124 BUDAPEST, SIRALY U. 3.**

NEWLETTER N°36 // MARCH, 2019

During the meetings on March 18, the two countries discussed the most relevant areas of collaboration and reaffirmed their commitment to promote and deepen bilateral cooperation in the following areas:



## **Economic Cooperation**

The United States reaffirmed its commitment to work closely with the Republic of Angola on combatting money laundering and countering the financing of terrorism. The U.S. Department of the Treasury and the Government of the Republic of Angola, through the Ministry of Finance, have agreed to launch a technical assistance engagement program to strengthen Angola's work in the designated areas.

These technical assistance efforts will complement other steps being taken by the Government of the Republic of Angola. The United States and Angola discussed the U.S. model of economic partnership and affirmed their desire to increase trade and investment between the two countries. Deputy Secretary Sullivan and Foreign Minister Augusto discussed measures they can take to advance this goal, including through Angola's commitment to continue to combat corruption where it exists.

## **Security and Military Cooperation**

The United States and the Republic of Angola welcomed ongoing discussions on a Memorandum of Understanding to promote enhanced bilateral cooperation in the field of law enforcement.



This would allow for greater cooperation between the two countries, and create conditions that could raise investor confidence in Angola as well. The United States and Angola also discussed continued cooperation between the two countries' militaries. Deputy Secretary Sullivan announced two million dollars in continued humanitarian demining assistance to help Angola achieve landmine impact free status by 2025, supporting the Angolan government's commitment to demining in the Okavango region.



## Global and Regional Issues

The Republic of Angola and the United States welcomed the work underway to protect the Okavango River basin and the Defending Economic Livelihoods and Threatened Animals – or DELTA Act, which was signed into law in the United States in 2018. The United States reaffirmed its commitment to working with Angola in this important area.

Minister Augusto and Deputy Secretary Sullivan also discussed their countries' mutual support for the recent historic transition of power in the Democratic Republic of the Congo. Both governments encouraged efforts toward political, economic, and human rights reforms in the Republic of Zimbabwe, and also exchanged views on Venezuela.

## Further Dialogue

Finally, Minister Augusto and Deputy Secretary Sullivan welcomed the renewed engagement between the two governments demonstrated by today's meeting. They welcomed the bilateral Human Rights dialogue to be held on March 19 in Luanda, and agreed on the importance of holding other bilateral dialogues, especially on energy, trade, and possibly health in the near future.

At the end of the political consultations, Deputy Secretary of State John J. Sullivan thanked His Excellency Manuel Domingos Augusto, Minister of Foreign Affairs of the Republic of Angola, for a productive visit and the fraternal hospitality he and his delegation received during their stay in Angola.





## Cooperation

### PETER SZIJJARTO PAID A VISIT TO ANGOLA

Luanda-Angola | March 12, 2019

#### Strengthening political and economic ties

Peter Szijjarto carried out a working visit to Angola whose main purpose was to strengthen political and economic ties between the two countries.



During his stay in Luanda, the head of the Hungarian diplomacy held a private meeting with his Angolan counterpart, Manuel Domingos Augusto, and on the same Wednesday, Minister Péter Szinjjártó met privately with several Angolan entities from the political, business, economic and ecclesiastical sector.

Mr. Szijjártó highlighted the fact that Africa's Portuguese-speaking countries are natural targets for Hungarian foreign investment strategy, amongst which Angola is the most important, because thanks to Angolan students who once studied in Hungary, there is mutual friendship between the two countries. "The basis for cooperation between the two countries is relations between people, and accordingly the Government is increasing the number of scholarship places available for Angolan students to attend Hungarian universities to 100", the Minister announced. "The scholarship programme has already proven to be especially useful in the long term with relation to cooperation between the two countries", Mr. Szijjártó emphasised.

#### Investment projects in Angola

"Several Hungarian companies are realising investment projects in Angola; economic cooperation between Hungary and Angola will be closest within the fields of agriculture, security technology and energy", Minister of Foreign Affairs



and Trade Péter Szijjártó said in a telephone statement to Hungarian news agency MTI from the Angolan capital, Luanda.

## Credit line increased to facilitate the trade



He announced the Eximbank has set up a 40-million-euro fund to provide support for the establishment of production and research & development capacities by Hungarian enterprises in Angola.

In addition, the financial institution has also opened a 135-million-euro credit line to facilitate the establishment of trade between enterprises from the two countries, the Minister explained.

Mr. Szijjártó reported on the fact that a Hungarian company has submitted a tender for the production of Angolan security documents, passports and ID cards, and is in with a good chance of receiving the order, in which case it will be establishing a plant in the African country.

Angola's oil company, the second largest oil industry company in Africa, has published a tender for the extraction of 24 oil fields, for which they are also awaiting applications by Hungarian companies. In addition, within the agrarian sector, they are also expecting Hungarian companies to play a role within the poultry and egg industries, the Minister of Foreign Affairs and Trade told the press.

In spite of this already existing cooperation, the Hungarian Government considers it necessary to sign legal instruments that allow the creation of a harmonious environment for investment by Hungarian entrepreneurs in Angola and increase confidence in economic cooperation.





## Economics

### ANGOLA IS PREPARING THE PRIVATISATION OF SEVERAL PUBLIC COMPANIES

Luanda | March 29, 2019



The process of privatization of about 50 companies that the Angolan government intends to carry out this year will be conducted with “transparency and rigor,” the Institute of Management of Assets and State Participations (IGAPE) said.

The Ministry of Finance said in a statement that the guarantee was given by IGAPE director Gilberto Luther during a forum held in Luanda to present the advantages of investing in seven industrial units in the Luanda-Bengo Special Economic Zone, a process announced at the end of February.

Luther informed the forum participants that in assessing the proposals for the seven industrial units “due attention” will be given to investors who decide to keep workers. The Special Economic Zone, created in October 2009 to stimulate the growth of the productive sector, is equipped with functional facilities that reduce operational costs, such as water and electricity supply.

The Angolan government plans to privatize about 50 companies in 2019, in phased processes, to stimulate private sector economic activity by reducing the state’s presence in the business sector, according to the president of the IGAPE Board of Directors, Valter Barros, also cited in the note.

## Economics

## GOVERNMENT LOANS WILL NO LONGER BE GUARANTEED BY OIL

Angola | March 28, 2019



Angola wants to stop using oil to back credit lines opened in its favour by other countries, particularly China, Brazil and Israel, said President João Lourenço.

The Angolan president mentioned, in particular, the case of China, given that the country has received many billions of dollars in loans from Chinese banks for the reconstruction of the country, after the end of the civil war. "The amount of oil we exported to China was equivalent to our debt to the country," said Lourenço speaking to Russian news agency TASS.

Lourenço stressed that China's loan repayment system is outdated and added that the government intends to change it. "This change will happen not only with China but also with other countries with which we have the same way of repaying loans, such as Brazil and Israel," he said. Lourenço concluded his statements to the news agency saying "we will stop the use of oil as a guarantee for the payment of credit lines."

The Chinese ambassador to Angola wrote in a text published in daily newspaper Jornal de Angola that his country had granted Angola loans totaling over US\$60 billion since the two countries established diplomatic relations on 12 January 1983. Angolan Finance Minister Archer Mangureira reported in September 2018 in Beijing that Angola owed China US\$23 billion.



## Laws

### ANGOLA'S PARLIAMENT APPROVES THE INTRODUCTION OF VALUE ADDED TAX

Luanda | February 25, 2019

The Angolan parliament on Tuesday approved by a majority the draft Law of Public-Private Partnerships, the Angolan press reported.



The proposed law provides for major government oversight of the implementation of public-private partnerships so that the benefits derived from them serve the interests of the population, Angolan state news agency Angop reported.

The ruling MPLA party said it voted in favor of the bill because it focuses on restructuring the public sector, by using the resources and capacity for financing and management of the private sector, as well as the participation of the private sector in the area of public governance. In the party's understanding, public-private partnerships, in the current economic environment, will encourage the private sector to invest in important projects that are feasible and to solve the State's current lack of financial resources.

The UNITA parliamentary group, which abstained in the vote, said that it believed that, as Angola did not have examples of successful public-private partnerships, it was difficult to assess the advantages and disadvantages of this model.



## ECONOMICS

### WORLD BANK PREPARES NEW FUNDING FOR ANGOLA

Angola | March 28, 2019

The World Bank is preparing a new USD 1, 8 billion credit portfolio for Angola for the implementation of social and economic projects in some provinces of this African country.



According to the World Bank representative in Angola, Olivier Lambert, the said projects, which are still in the identification and assessment stage, started being approved from November 27 last year and are set to last up to March 30, 2020. Speaking to the press, Olivier Lambert said the credit portfolio is to be allocated to the implementation of water supply projects in Luanda, financing of development policy for the support of the macroeconomic stabilization programme, economy diversification and social protection.

Projects for electric power supply, additional support to social projects in the framework of the ongoing reforms are also being analyzed in the ambit of the World Bank financing. The World Bank financing portfolio in Angola since 2010 is estimated at USD 1,1 billion. The loan is currently supporting projects linked to agriculture, energy, education, health and institutional support.

Besides providing financing support to Angola, the World Bank also aids the country through consulting and analyses services, technical assistance to the energy sector, business environment, support to corporate governance and financial performance of state-owned firms. The assessment of the flow of illegal financing and combat against corruption are also part of the assistance the World Bank has provided to Angola.