

GOVERNMENT NEWS

Parliament Approves Water Commission Accord

The National Assembly has recently approved the agreement for the conception of the Zambeze Water Course Commission (ZAMCOM), including Angola, Botswana, Malawi, Mozambique, Namibia, Tanzania, Zambia and Zimbabwe.

The committee will benefit from the advantages of regional cooperation in the use and development of common water resources, among other regional returns.

The accord highlights the desire to expand and strengthen the regional relations, derived from the Convention on Law concerning the Use of International Water Courses for Navigation Purposes, adopted by the United Nations in 1997, and the Revised Protocol on Shared Water Courses in the Southern African Development Community (SADC) signed in August 2000.

FEATURE

Angola Tourism – Tap the Potential

An excellent, untapped investment opportunity, Angola is rapidly becoming a thriving business location not to mention a must see tourist destination. According to the Ministry of Tourism in 2004, Angola saw 194,326 tourists which is more than 87% increase over 2003. Tourists from Portugal, South America, France, Brazil, UK and the United States brought in \$96.9 Million dollars in revenue.

“I tell everybody, whoever is coming right now to invest in Angola and [enjoy] the benefits. Coming in three, four, five years, they will [be too late],” comments H.E.M. Eduardo Jonatao S Chingungi, minister of hotels and tourism.

With the goal of attracting investors the government has approved incentive legislation, regulated by ANIP for those investing in the rehabilitation of roads, bridges and telecommunications which will enhance tourism throughout the country.

Tax exemptions are available on land to build new hotels, restaurants, and other tourism related facilities.

Take for example, Angola's capital city of Luanda where there is an untapped opportunity for hotels, restaurants and other tourism/hospitality businesses. A major hub for the oil and gas industry, a rising number of business travellers as well as an increase in tourists are rapidly stimulating the need for an expanded number of accommodations.

In fact, Luanda is experiencing a shortage of hotel rooms. With an estimated 50% of the hospitality sector in need of renovations, hotels throughout the city are experiencing a consistent 96% occupancy rate. When combined with the increased business traffic the increase in tourist activity, new hotels are needed immediately as there are not nearly enough rooms available at current hotels. Looking forward - if the number of tourists continues to increase at the same rate, Angola is looking to see 1.2 million tourists in 2007 alone. This is over a 166% increase in tourists with only 4% of rooms still available for occupancy.

With more and more people coming to Angola, often times flights are booked as are restaurants. Investing in these industries is sure to be a success.

From its 1650 kilometres (1025 miles) of Atlantic coastline and beautiful untapped beaches, its tropical forests filled with rivers, waterfalls and exotic animals, and its rural villages to its city centres and natural resources, Angola is a destination that is certain to bring in more and more tourists and business travellers alike.

While Angola's commerce and its citizens will benefit from an increased number of businesses catering to tourists and business travellers, it will no doubt be the keen investor who recognizes an ideal opportunity who will truly prosper. Those interested in taking up this opportunity should contact the National Tourism Center within the Ministry of Tourism, or National Private Investment Agency (ANIP).

Tourism – Investment Opportunities

- Hotels
- Restaurants
- Transportation
- Convention Facilities

Tourism Facts

- 2004 Revenue from tourism 96.9 Million USD
- 2004 Occupancy Rate of Hotels 96%
- Sector Employees 51,400

On your next trip to Angola where in business or just for fun don't forget to check the following sites:

- **Luanda** Visit the capital of Angola

- **Ciada Alta** Observe this church built in the 1700's
- **Museum of Armed Forces** Located in St. Miguel Fort
- **Museum of Slavery** View the history of slavery first-hand
- **Humbi-Humbi Art Gallery** View rare cultural delights
- **Kissama National Park** Encounter a variety of wild animals, lodging is available (closed October through March)
- **Ilha do Massula** Relax on a white sandy beach lined with coconut trees, bars and restaurants
- **Palmeirinhas** Walk along an expansive, beautiful, deserted beach
- **Santiago Beach** Experience Angola's great fishing
- **Kalandula Waterfalls** Visit these impressive falls, especially at the end of the rainy season
- **Namibe Desert** Excellent hunting
- **Bibala Beach** A beautiful beach with "healing waters"
- **Kwanza Sul** Visit the thermal springs and caves
- **Benguela** Enjoy scuba diving and deep sea fishing
- **Maiombe Rainforest** See beautiful, exotic butterflies unique to the area
- **Safari** Take a guided safari

For more information about investing in Angola, please contact:
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INVESTMENT

ALROSA Interested in Setting up a Bank in Angola

Russia's state-controlled Vneshtorgbank, or VTB, is considering spinning off a Singapore-based unit of the U.K.-based Moscow Narodny Bank (MNB).

VTB bought stakes in five foreign banks from the Central Bank of Russia (CBR), including 88.89 percent in MNB, in late December 2005. VTB is also considering setting up banks in Vietnam and Angola, he added.

Russia's uncut diamond monopoly ALROSA, which develops Angolan deposits, and companies involved in the construction of electric power stations in Angola, are interested in setting up a bank in Angola.

VTB is expected to hold a controlling stake in bank VTB Africa, which is projected to have a charter capital of USD 10 million.

Angolan companies will hold the remaining stake in the bank.

INFRASTRUCTURE

USD 10 Million for Construction of Civic Centres

Approximately USD 10.7 million will be invested this year in the construction of six civic communitarian centres in the districts of Ukuma, Ekunha, Longonjo, Mungo, Londuimbali and Tchindjendje, Angola's central Huambo province.

The Ministry of Culture project, that is part of the local Public Investment Program (PIP), aims at providing the local populations with exhibitions of cultural values of the region and propitiating recreational and educative activity.

USD 80 Million for Roads Rehabilitation

The Angolan Government will employ approximately USD 80 million in the rehabilitation of 600-km's of road linking Huambo, Alto Hama, the bridge over the Queve River, and the cities of Huambo and Kuito (Bie).

The 600-km road, which will link the country's capital and the central region of Angola by road, are divided into three segments allocated to several civil engineering companies such as, Mota Engil, Paviterra, Monte/Monte and Infrarod.

Bié: FAS Invests Over USD 900,000 in Social Projects

The Social Aid Fund (FAS) invested USD 975,000 in social projects, in the southern Bié province, during 2005.

According to the provincial director of FAS, Filisberto Ngola, the invested amount will be used in the construction of schools and hospitals, as well as in the improvement of the region's basic drainage system.

The program benefited the districts of Kuito, Kamacupa and Andulo. Currently construction works of schools and health centres are in a conclusion stage.

For the year 2006, the program will cover other localities of the Bié province, with the aim of contributing to the improvement of the population's education and medical segments.

ECONOMY

Non-Oil Sector Contributes with 11.9% to Economic Growth

The country's non-oil economic sector expects a growth of 11.9% this year, which will contribute substantially to the increase of the Gross Domestic Product (GDP), estimated at 27.9 per cent.

In the past three years, the country's GDP has increased substantially: in 2003 the GDP was 3.4%, in 2004 it was 11.7% and in 2005 it reached 15.5%.

The recorded advances, in terms of macroeconomic management and public finances, have allowed for the strengthening of the country's external reserves.

In this new scenario, private business activities can take place in an environment of economic security, without risks of losses caused by fluctuations or volatility in the exchange rate.

The forum analyzed the supervision of the capital market, insurance companies and pension funds as investments, financial intermediation, taxation of open commercial societies, and other topics.

EDUCATION

Three Pre-University Centres for Lunda-Norte Province

Angola's Education minister, António Burity da Silva Neto, set up 3 Pre-University Centres in the districts of Cuango, Lucapa and Nzagi Cambulo.

The newly created institutions will teach from grade 9 to 11, in three shifts, and will be located in urban areas.

Each centre has 12 classrooms, for 36 students each, totalling 1,296 pupils, and will employ 50 teachers.

Information supplied courtesy of ANIP Newsletter