

ABEN week 44/2008

See the Reuter's Angola 2009 budget report pasted below.
Request the URL for the budget documents and request Portuguese language versions of the economic development policy papers for 2009 (short term) and for 2009 to 2012 (long term).

See the iPad Angolan Infrastructure Conference alert pasted below for an opportunity to get to know the infrastructure supply opportunities better.

During the last week:

Sonangol appointed KBR to do FEED work for the Lobito oil refinery project.

Angola cut its crude production in line with its obligations to OPEC.

Angola mobilised its armed forces in response to the unrest in Eastern DRC.

<http://africa.reuters.com/business/news/usnJOE49E0QJ.html>

Angola sticks to budget plans despite weaker oil price

Wed 15 Oct 2008, 12:37 GMT

By Henrique Almeida

LUANDA (Reuters) - Angola's government on Wednesday said a drop in world oil prices would not derail its plans to spend billions to fight poverty and spur economic growth in the booming oil-rich African nation.

The ruling MPLA, which won a landslide in a parliamentary election last month, has pledged to spend \$50 billion on housing for the poor and billions more on reconstruction of ports, railways and infrastructure damaged during a 27-year civil war.

The government's coffers have been flush with cash in recent years due largely to the rising price of oil.

But concerns about the fiscal health of petroleum producers has been stoked in recent months as oil fell from just over \$144 to under \$80 a barrel on fears that a widening credit crunch could spark a global recession.

Angola rivals Nigeria as sub-Saharan Africa's largest oil producer and is the newest member of the Organisation of Petroleum Exporting Countries (OPEC).

"The drop in the price of oil triggered by the crisis could in fact impact our economy," Angolan Finance Minister Eduardo de Morais told journalists at the opening of Angola's parliament.

"But our 2009 budget relies on a benchmark oil price of \$65 per barrel, which means we are still within a safe range of current market prices," de Morais added. Parliament will vote on the budget on October 31.

Oil has been the backbone of a six-year economic boom in Angola. The country's vast offshore reserves have lured billions in foreign investment from Western firms and state-run companies from China and others in the developing world.

The benefits, however, have not yet trickled down to the bulk of Angola's 16.5 million people, many of whom continue to live in shantytowns without electricity, running water and sewage facilities.

Unemployment hovers around 40 percent and the child mortality rate is among the worst in Africa.

There is pressure on President Jose Eduardo dos Santos and his government to fulfil a longstanding pledge to improve the lives of Angolans, most of whom earn less than \$2 a day.

Dos Santos, a reformed Marxist who has ruled the former Portuguese colony since 1979, vowed earlier this month to make the battle against hunger and poverty a top priority.

The government has unveiled an ambitious social spending programme, highlighted by a promise to provide 1 million homes for the poor during the next four years. But its ability to deliver rests on the health of the oil sector.

Angola's oil production has more than doubled since the end of the war in 2002 to about two million barrels per day and was expected to remain at about that level until about 2015.

But the new oil minister announced on Wednesday output had slumped to about 1.6 or 1.7 million bpd due to problems at a massive deepwater field off the coast of Cabinda province, which produces about half of the nation's oil

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Potentially one of Africa's richest sub-Saharan countries, Angola offers great opportunities for investment in various sectors. The **Infrastructure Partnerships for African Development (iPAD) Angola** conference provides a high-level networking platform that investigates opportunities in key infrastructure verticals including power, oil and gas, public works and transport, telecoms/ICT, finance and mining.

The iPAD Angola conference provides a forum for government and business to meet and explore opportunities for developing and investing in the infrastructure of Angola. The event will also incorporate a vendor display area.

The private sector will be essential in driving growth in Africa. To facilitate growth, governments will need to promote an enabling environment for private sector involvement. Issues such as legal and regulatory frameworks, government loans, and public-private partnerships will form an integral part of the iPAD Angola conference programme.

iPAD Angola features dual translation in Portuguese and English.

Dates and venue:

**24 – 26 March 2009
Hotel Tropico
Luanda
ANGOLA**

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- **Get to know** how the restructuring of the government after the September parliamentary elections affects business opportunities in the country

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Panorama of the Bay of Luanda from the Fortaleza

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