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# Angola Monitor

Issue 2/14

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The Angola Monitor covers the politics, economics, development, democracy and human rights of Angola. It is published quarterly by Action for Southern Africa (ACTSA).

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**Economic News:** New customs tariff for imported goods, Angola credit rating downgraded, bidding round announced for onshore oil, De Beers plans new diamond concession, and IMF call for greater financial transparency

**Human Rights News:** Amnesty International criticise lack of progress on human rights, Angola hosts African Commission on Human and People's Rights and radio journalist convicted for defamation

**Aid and Development News:** Food security situation in Benguela and Kwanza Sul could worsen, African Development Bank to provide electricity loan and new Namibia border crossing planned.

This issue is also available in Portuguese.

We welcome readers' responses to the Angola Monitor. Please send your comments to [info@actsa.org](mailto:info@actsa.org). For more news and information on Angola and southern Africa visit the ACTSA website [www.actsa.org](http://www.actsa.org).

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## Political news

### First census for 44 years begins

The Angolan government is conducting the first national population and housing census for 44 years from 16-31 May. The last full census took place in 1970, five years before independence. Current statistics for the country are limited, with estimates of the total population varying between 16-21m. The government has been reliant on figures from a 2008-09 government survey of 12,000 families across the country, supported by UNICEF and the World Bank, and a pilot census, which was carried out in a number of provinces in May 2013.

The census is estimated to cost US\$ 200m and will involve the National Statistics Institute (INE), 11 ministries and will be supported by the UN population fund, international experts and consultants. The full results are unlikely to be available for at least 18 months.

### President accuses MPLA of inefficiency

President dos Santos criticised party officials at the MPLA's central Committee on 16 February, accusing them of failing to mobilise supporters and of being inefficient. He said that the MPLA had lost its dynamism and called for the party improve its efficiency at a branch level and engage better with society. The President said that failings by the party had led to "lies and defamation" to be spread by critics.

Mário António de Sequeira e Carvalho was appointed as information secretary, a new position intended to better promote the party. The meeting was to prepare for the MPLA's next congress, which is due to take place this year. There is no indication of when the Congress might take place, or whether it will discuss leadership of the party.

### Visit by Congolese President

President of the Republic of Congo Denis Sassou Nguesso made a state visit to Angola on 24 March. Both presidents emphasised their countries good relations following a border dispute in October 2013.

The border dispute occurred after Angolan soldiers allegedly entered Congo and took approximately 40 military hostages. The soldiers were understood to be pursuing members of Cabinda's FLEC, a separatist group fighting for the independence of Cabinda. The dispute was declared resolved in March by Angola and Congo's foreign ministers. Their announcement followed three days of government meetings and the establishment of joint commission on borders. Relations between Angola and Congo have been strong since independence.

### **Opposition call for local elections**

Further delays to Angola's long anticipated local elections seem likely after the vice minister for institutional and electoral affairs Adão de Almeida said that clear and robust systems would need to be put in place first, and that government was following a gradual approach. Elisabete Azevedo-Harman, an analyst at Chatham House speculated that local elections were unlikely to take place before the next national elections in 2017.

The government originally planned to hold local elections far earlier. Territorial administration minister Baltazar Bornito de Sousa said in November 2011 "Straight after the general election, and taking into account the calendar for the census, we will find a period, probably in 2013 or 2014, to start holding municipal elections."

Opposition parties have responded by seeking to speed up the process. UNITA leader Isaias Samakuva said that his party is prioritising the matter and on 19 March proposed that the assembly adopt an "organic law on the organisation and functioning of local power". Whilst the proposal received opposition backing, it was rejected by the ruling MPLA.

Officials have argued that the polls can only take place after the census, despite national elections taking place without this data. Local municipalities are currently run by appointed officials.

### **MPLA and UNITA tension**

President dos Santos met with UNITA leader Isaias Samakuva and a delegation from his party on 15 April at the presidential palace. It is understood to be their first private meeting since 2011. Although the parties have not disclosed what was discussed in the hour long meeting, it is widely assumed that it was intended to ease the growing tensions between them.

The meeting took place after the UNITA leader gave a speech accusing the government of being indifferent to rising instability. He said that three UNITA members in Kwanza Sul had been killed "with complicity" of Angola's leaders and criticised the detention of 50 UNITA members in Cunene who are accused of attempting to hold a demonstration without permission. UNITA also announced that it would boycott the 4 April celebrations to mark the end of the civil war saying there was nothing to celebrate.

Opposition parties have for a few months been far more outspoken and appear to be working together to challenge the MPLA. This has clearly annoyed the government who accused UNITA of trying to disrupt stability and restart the war. In recent months the normally fractured opposition have had a walk out, made joint statements and questioned the budget.

### **Franco-Angolan relations warm**

The French government held a grand reception at the Elysee Palace at the end of April in honour of President dos Santos, to promote its investment in Angola and improve relations between the two countries. France is keen to expand its US\$10bn investments in Angola and increase trade. President dos Santos was joined by his foreign affairs, finance, trade and intelligence ministers for the state visit which included a special trade conference. It follows a business delegation to Angola last November led by France's foreign minister Laurent Fabius.

Relations have improved since 2011 when the Paris appeal court overturned the 2009 convictions of two French former interior ministers and two business people linked to President dos Santos in the Angolagate arms scandal. Prior to their original conviction France held a seven year investigation into

bribery and money laundering claims linked to arms sales worth US\$790m, involving French and Angolan officials, in the 1990s.

Western states seem keen to engage with Angola partly for economic reasons and partly for political ones, including its regional role. President dos Santos is currently president of the International Conference on the Great Lakes Region (ICGLR). At the end of March he hosted a mini summit of regional leaders to discuss the hostilities in eastern DRC. The US government is seeking to improve links with Angola and Britain is understood to be considering inviting President dos Santos to Britain for a state visit.

### **US and Angola pledge to boost trade**

US and Angolan officials met in Washington in early April to reactivate the Trade and Investment Framework Agreement (TIFA) signed between the two countries in 2010. Angola has traditionally been one of the US's key trade partners in sub-Saharan Africa, but oil exports have reduced in the last five years, from US\$18bn in 2008 to US\$8.7bn in 2013, as the US increase their reliance on shale gas. US investment in Angola also reduced to US\$1.2bn in 2013, a decrease of 77 per cent in 12 months.

Angola's relationship with the US has always been fragile. The US government defended South African military intervention in the country under apartheid, and until 1993 backed UNITA against the MPLA in Angola's civil war. In recent years diplomatic tensions have centered on business dealings between the two countries. The proposed Dodd Frank legislation, requiring US extractive companies to disclose their payments and revenue in other countries, and the investigation into US oil company Cobalt's dealings with Angolan officials are current sticking points.

US secretary of state John Kerry visited Angola on 4 May as part of a tour including DRC, South Sudan and Ethiopia. He met with President dos Santos to discuss regional peace and stability, but there was also a strong emphasis on trade. During his visit John Kerry met with representatives of US companies in Angola including General Electric, Chevron, ConocoPhillips and ExxonMobil, he also announced that the US Commerce Department will be opening a commercial service office in Angola. Whilst the Secretary of State mentioned peace and stability in the region in the press conference at the end of his visit, he did not refer to human rights in Angola. Prior to his visit Human Rights Watch said he "should urge the government to respect the rights to freedom of assembly and speech and cease harassment, arbitrary arrests, and detention of protesters and journalists. The Angolan government should open credible investigations into serious abuses by the security forces".

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## **Economic news**

### **New customs tariff for imported goods**

The government has introduced a new customs tariff on 1 March with up to 50 per cent duty in a bid to boost domestic production, reduce reliance on imported goods and increase customs revenue. Critics say it will drive up the price of domestic as well as imported goods and will hit the poorest hardest. The new tariff will substantially increase the cost of a number of imported goods including, bottled water, soft drinks, alcohol, agricultural produce and livestock. Some staples, such as flour, beans, rice, palm oil, sugar, powdered milk and soap will be exempt.

Portuguese bank BPI's Department for Economic and Financial Studies expect the new tariff to have a direct effect on the final price of imported goods and that retailers will increase prices in response to higher production costs, to protect their profit margins.

Angola's Customs Service believe the duty will stimulate production and encourage those who export to Angola to establish businesses in the country. Garcia Afonso, head of trade and commerce said "We can

think about the possibility of a rise in prices of the products for which duties were increased, but generalised inflation, which affects the essential goods which are exempt, we cannot see.”

The government have high hopes for the scheme, expecting it improve the capacity of national producers, gradually transform subsistence farming to commercial production, resulting in more jobs, and stimulate exports by 2017.

### **Angola credit rating downgraded**

International credit rating agency Fitch has downgraded Angola's long term issuer default ratings outlook from positive to stable (BB rating). The agency has concerns over the country's oil sector growth projections, continued delays to the liquefied natural gas programme, and lower than expected oil output.

Angola's economy is highly dependent on the hydrocarbons sector, making it volatile to fluctuations. State oil company Sonangol saw a reduction in production and profits in 2013 and predictions that the country will produce 2m barrels a day by 2015 seem increasingly unlikely.

A reduction in a borrowers rating means they are deemed to be a higher risk, so Angola is likely to have to pay a higher rate of interest on any future loans.

### **Bidding round announced for onshore oil**

State oil company Sonangol has announced that bidding for ten oil blocks in the Kwanza and Lower Congo Basins will take place on 30 May, with extraction from the blocks likely to start in 2015. There is expected to be a high level of demand for the blocks, particularly from smaller oil producers, as they are on shore, so require less capital and technology for exploration and extraction than offshore. Most of Angola's oil industry is based offshore in extremely deep water, and due to the costs involved, is dominated by major oil companies such as BP, Total, Exxon Mobil and Chevron.

Each oil block will be divided between an operator and a number of equity partners allocated by Sonangol. The transparency of the finances in these partnerships can sometimes be controversial. US oil company Cobalt International is currently being investigated over its links to high ranking government officials, through its local equity partner.

New legislation in the US and Europe providing greater transparency in the extractives industry may discourage some companies from bidding for the blocks, whilst there may be an increased interest from companies based in Asia, which have a growing interest in Angola's oil sector.

### **De Beers plans new diamond concession**

Gold mining giant De Beers has announced plans to establish a new concession in Lunda Sul by the end of 2014. Philippe Mellier, the company's chief executive said that they were focused on a new and highly prospective area. De Beers previously explored for diamonds in Angola 2005-2012, but gave up when it decided it was not economically viable. Since then the price of diamonds has increased, partly due to demand from Asia. The Angolan government has been actively promoting investment in the diamond industry. It has introduced a new mining code and is undertaking a country wide mineral mapping exercise, but human rights violations associated with the industry continue to be a concern.

### **IMF call for greater financial transparency**

The IMF completed its post programme monitoring assessment for Angola in March, describing the results as “satisfactory”. The report noted that the country has experienced steady growth averaging 6.1 per cent 2008-2012 and inflation has decreased to 7.48 per cent. It welcomed the new oil sector foreign exchange law which has helped to drive a “gradual dedolarisation of bank deposits and credit”.

The report however criticised the omission of infrastructure expenditure for new cities by Sonangol from the budget and warned that the new sovereign wealth fund could become a drain on reserves. It highlighted the need for more transparency for both bodies. Fuel subsidies were again criticised by the report, which suggested they should be replaced by targeted transfers to the most vulnerable.

The report also noted that Angola has possibly returned to a fiscal deficit for the first time since 2009, partly due to a decline in oil revenue.

The government's response to the IMF said that it generally agreed with its analysis, but didn't mention the IMF's request to cut the fuel subsidy or increase the transparency of Sonangol or the sovereign wealth fund.

## Human rights news

### **Amnesty International criticise lack of progress on human rights**

Angola is due to undergo its second United Nations Universal Periodic Review (UPR) of its human rights record in October-November 2014. All UN Member states periodically have this review. At the beginning of March Amnesty International (International Secretariat) published its submission for the review, criticising the lack of progress since Angola last went underwent a review in 2010 and failure to implement many of the recommendations it agreed to. It highlights Angola's continued failure to investigate and end arbitrary arrests, detentions and torture, violations of human rights by security forces and forced evictions, suppression of freedom of association and expression, and denial of freedom of the press.

It did however welcome that Angola has agreed to ratify a number of human rights treaties including the Second Optional Protocol to the International Covenant on Civil and Political Rights aiming at the abolition of the death penalty, the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (Convention against Torture) and its optional protocol, the Convention on the Elimination of All Forms of Racial Discrimination, and the Optional Protocol to International Covenant on Economic, Social and Cultural Rights.

During the last UPR process Angola did agree to consider ratifying the Convention for the Protection of All Persons from Enforced Disappearance and the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families. It has still not signed these treaties, however, causing particular concern to Amnesty International following a number of forced expulsions of foreign nationals and the kidnapping and killing of two protest organisers in 2012.

Amnesty International also criticised the constitution for not meeting international standards on the right to health and lack of protection for non-Angolan nationals against expulsion. Whilst some rights are enshrined in the constitution and agreed through signing international treaties, they are not reflected in the law, including provisions on torture and ill treatment and on access to and eviction from housing. The most recent example of a forced eviction was in January 2014 when 22 families were evicted from Bairro A Resistencia, in Cabinda Province.

The submission also highlighted numerous examples of human rights violations, saying that, "Police and security forces continue to violate human rights with the same apparent impunity that marked the last review period". It particularly focuses on forced evictions and the worsening denial of freedom of association, assembly, and expression and of the press, despite government agreements to tackle these problems. Amnesty International say there have been many examples of arbitrary arrest, detention, torture and ill-treatment of anti-government protestors in the last couple of years, as well as street vendors, and in recent months a number of cases of police brutality against prisoners has come to light. It says it has received reports of at least 19 individuals killed at the hands of the police between 2010 and December 2013 in circumstances that appear to be unlawful.

Amnesty International have made a number of recommendations to the government of Angola including incorporating international human rights standards it has signed into national law, prompt, impartial and thorough investigations to be carried out into allegations of human rights abuses by the security forces,



with the perpetrators brought to justice and compensation for the victims, for a moratorium and review of forced evictions. The update also calls for international standards for freedom of association and assembly to be applied to protect peaceful protestors, including protecting them from third parties, and freedom of the press to be protected and defamatory legislation to be repealed.

Angola supported 158 recommendations and rejected eight, in the last UPR process in 2010.

### **Angola hosts African Commission on Human and People's Rights**

The African Commission on Human and People's Rights (ACHPR) held its 55th ordinary session in Luanda from 28 April to 12 May.

The NGO forum prior to the Commission discussed the human rights situation in Angola, particularly forced evictions (The NGO Forum has previously called for the government to investigate this problem). NGOs also used the convention to highlight human rights abuses in the country. Ahead of the meeting Human Rights Watch urged the body to "condemn persistent human rights abuses in Angola, including the government's failure to address restrictions on the media and peaceful assembly, unlawful killings, sexual violence and torture by security forces, and mass evictions".

In the session discussions on Angola the Open Society Initiative for Southern Africa (OSISA) said "Despite the constitutionally entrenched right to freedom of assembly and expression, the Angolan government does not allow opposing voices any space in the media nor does it tolerate any form of protest" It also highlighted the growing inequality between rich and poor and called on the government to "refrain from using violence to prevent peaceful protests, to prosecute those responsible for brutal attacks on innocent demonstrators, to halt the illegal destruction of people's homes and to ensure that Angolans can exercise the civil and political rights enshrined in the constitution."

Although the session did discuss Angola, the final communique makes little reference to human rights in the country, except noting a speaker representing Dr Aisha Abdullahi, commissioner for political affairs of the African Union Commission, who commended the commitment of the government to the promotion and protection of human rights in Angola and in Africa, and their commitment was clearly demonstrated by its hosting of the session. Rui Manguera, Angola's minister of justice and human rights said the session provided an opportunity to highlight the implementation of fundamental rights in Angola.

### **Radio journalist convicted for defamation**

Radio Despertar journalist Queirós Anastácio Chiluvia was convicted on charges of defamation, offending the police and working illegally as a journalist on 7 February and given a six month suspended sentence. The journalist had recorded the cries coming from detainees at Cacuaco police station in Luanda, before entering the police station to seek an explanation. After the police ignored his questions the journalist broadcast the recording on Radio Despertar.

The cries came from detainees at the police station who were calling for help for a fellow inmate who was ill with tuberculosis. After the broadcast the detainee was transferred to hospital, but died a few hours later.

Queirós Anastácio Chiluvia was subsequently arrested and held for five days without charge. On 7 February he was brought before a judge and charged, he was then released after paying US\$2,000 bail.

Opposition party UNITA, which supports Radio Despertar, has criticised the conviction and has threatened to organise a demonstration. Reporters Without Borders is calling for the conviction to be overturned. Cléa Kahn-Sriber, head of the Reporters Without Borders Africa desk said "his conviction on these exaggerated charges by a low-level court suggest that the Angola authorities pay little heed to freedom of information".

Angola is ranked 130th out of 179 countries in the 2013 Reporters Without Borders press freedom index.

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## Aid and development news

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### **Food security situation in Benguela and Kwanza Sul could worsen**

Famine Early Warning Systems Network warned in April that due to the late start of the seasonal rains in Benguela and Kwanza-Sul Provinces, food crop production is significantly lower this season and acute food insecurity is expected to continue through to September.

The region has been affected by two consecutive droughts and abnormal rainfall patterns for the last four years, and lower river levels and the drying out of many streams has made irrigation extremely difficult. Some poorer families have migrated to the cities as they are no longer able to farm their land. The current maize crop is expected to be reduced significantly by the drought whereas cassava will be less affected as it is more drought resistant.

Government food assistance is being provided to households in Cunene and Namibe provinces, but due to logistical challenges with the distribution system and because many pastoralist farmers are away from their homesteads (as they are travelling further to graze their animals), it is not yet improving the food security situation in many target areas.

### **African Development Bank to provide electricity loan**

The African Development Bank (AFDB) has agreed to provide Angola with a US\$1bn loan to help develop its electricity network and improve the country's financial management.

Angola's power network is extremely poor and prone to regular outages. Many businesses and households who can afford it rely on expensive diesel generators. The government aims to invest US\$23bn in the power network by 2017, increasing electricity output fivefold and improving the distribution network which was devastated by the civil war.

The improvements should help Angola diversify its economy by making it easier for businesses to operate.

Alex Rugamba, director of the AFDB's Energy, Environment and Climate Change Department said "The government has already shown strong ownership and commitment to the power sector and the public financial management reform process... The bank is happy to help the government to implement the ongoing reforms with needed financing and technical expertise, in collaboration with other partners." However there is continued criticism from many on the lack of financial transparency in Angola.

### **New Namibia border crossing planned**

A new border crossing linking Kuando Kubango province with Rundu in Namibia is planned to increase border capacity, but no timescale has yet been given for the project. The 300m floating bridge will add to the existing six border crossings between the two countries.

There are also plans to extend Angola's railway network into the DRC, Zambia and Namibia. The expansion of the network will provide opportunities to transport minerals to the recently upgraded port at Lobito and to other African nations.

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***The articles in the Angola Monitor do not necessarily represent any agreed position of ACTSA itself.***