

AFRICA SERIES

ANGOLA 2014 / III.

YOUNG ANGOLAN AND OVERSEAS
ENTREPRENEURS ARE BANKING ON
THE NATION'S OIL-FUELLED GROWTH

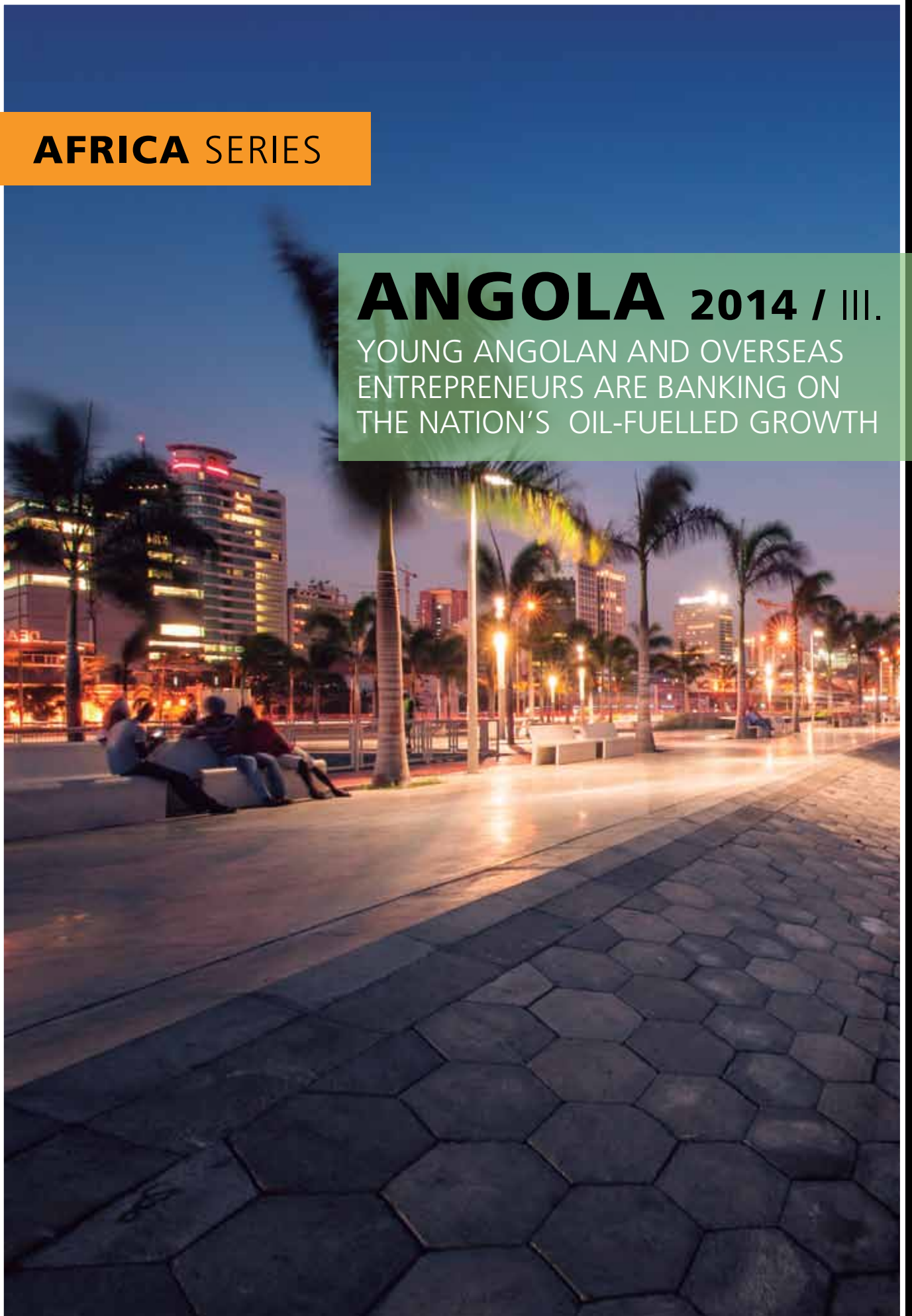


Photo: Baia de Luanda

CONSTRUCTION IN ANGOLA

A SECOND BOOM IS BRINGING SUSTAINABLE GROWTH TO ANGOLA'S CONSTRUCTION SECTOR

Angola's construction industry is once again on a roll after the global financial crisis put a crimp in building both public civil engineering projects and private construction.

But over the past several years money is flowing again into what international economists and analysts say is one of the country's healthiest sectors.

A visitor to Angola will certainly see the evidence. Construction cranes tower over the capital Luanda, and in the provinces building projects both large and small are transforming the rest of the country to the benefit of all.

The new two and four-lane highways, rural roads, bridges, airports and seaports are key to ensuring government plans to diversify the economy and open up the interior.

Indeed, the government's \$55 billion budget for 2014 calls for a third of the total to be spent on infrastructure and social projects which will help fuel a 12 percent average annual growth rate over the next four years.

At the same time, public housing estates, schools, health clinics and water, sewage and electricity infrastructure are boosting living standards in cities, towns and villages.

Many of the state engineering schemes are aimed at repairing the damage from the



country's devastating civil war, but many are also designed to bring this oil-rich African nation into the 21st century.

In either case, the boom is creating tens of thousands of jobs for a new generation of Angolans keen to join the emerging middle class.

But it is not only the government that is betting on construction as a way to build a brighter future.

Private developers are putting up housing for that new middle class, hotels for the increasing number of business travellers and tourists, office blocks, factories and industrial parks and multi-storey shopping centres which would not look out of place in Europe.

According to World Bank experts, the forecast for the Angolan economy is considered "positive" with growth in 2014 expected to be 7.5 percent, up from 7.3 percent last year.

The bank based its predictions on "sustained increases in oil production, relatively stable international prices and continued growth in non-oil sectors, particularly construction."

Local Knowledge

Both Angolan and foreign companies are keen to grab a piece of the action and one local firm, Cércea Engenharia/Construção, is finding success in the many smaller projects which are so important to a country's development.

"Back in 2007, I noticed that construction was really taking off in Angola, especially in those big projects like highways and large buildings," recalls company founder and managing director Teixeira de Sousa.

"But I also saw that there was a niche market for small projects such as homes, banks and petrol stations, which the major players in the industry were largely ignoring."

With his engineering background and experience working as a production manager for a Portuguese construction company active in Portugal and more than 30 years in the sector, de Sousa founded Cércea.

"Today we have around 140 employees, of whom 11 are Portuguese and this year we expect revenues of \$12 million," he says. "We've done projects not only in Luanda but all over the country, riding the wave of this sector's growth throughout the provinces."

Recent Cércea projects include high-end villas, university facilities and classrooms, supermarkets, bank branches, office buildings and even art galleries.

And now the company has a newly-created branch pursuing big-ticket government contracts for road building and other civil engineering projects.

"We're doing very well but there are some difficulties such as obtaining work visas for our foreign staff as well as material supply and financial hurdles," de Sousa explains.

"First of all is the lack of domestically-made products for our work and we have to import most of our materials except for the basic things like cement, sand and gravel. This makes everything more expensive.

"Then there is the problem of exporting

A blue and red graphic for CommercyFM. It features a globe icon and the text "commercyFM FACILITY MANAGEMENT". Below this, a red box contains the text "Infrastructure management, management software and infrastructure maintenance". At the bottom, it says "EXCELLENCE AS AN OBJECTIVE" and provides contact information: "RUA DA MAIANGA, 98 • BAIRRO DA MAIANGA • LUANDA", "INFO@COMMERCYFM.COM", and "WWW.COMMERCYFM.COM".

A blue graphic for Cimertex Angola. It features the logo "cimertex angola" with a stylized 'C' icon. Below the logo, it says "Contact the specialists whatever your challenges". At the bottom, it provides contact information: "Parque Industrial Viana - Luanda - Angola", "T: +244 222 100 409 / F: +244 222 100 361", and "www.cimertexangola.com".



Photo: Cércea



ENG. TEIXEIRA DE SOUSA

MANAGING DIRECTOR OF CÉRCEA ENGINEERING CONSTRUCTION

capital to buy and import those materials we need from abroad. Because we are a small company and largely unknown, we can't open credit lines with foreign banks and so have to pay in advance," he complains.

De Sousa says problems like this make it difficult to compete with the larger companies, especially the foreign firms working in Angola.

"So we have to fight harder and with our own weapons. My weapon is knowledge as I am from Angola, I know the people and also the great work we have done here."

Cércea is open to cooperating with foreign firms and the company has a three-hectare site with commercial and industrial licenses which it could share with a partner.

"We already work with a Portuguese software company and they share our facilities," De Sousa says.

"And there are certainly other Angolan

companies like ours which would welcome tie-ups with foreign enterprises that could provide a reliable and responsible partner."

Open Market

One of those companies is Trêsglobal Ltd. whose CEO, Mário Fonseca, says a foreign firm might be the right fit for his group but in some other sector besides construction.

"Anyone coming here has to realise Angola is not the quick profits destination it once was. It still has great potential but newcomers need to understand the investment can be difficult."

Bringing in expatriate staff is one of the headaches for new companies setting up in the country has one has to pay for housing, home leave expenses and other costs.

Trêsglobal's staff ranges from 100 to 140 employees, depending on the volume of work, has at any given time between 12 and 15 expats and Fonseca says it is important to train up locals so further expatriate hires are not needed.

"One hires expats only if it is absolutely necessary because it costs so much," he explains. "We believe in training our own people and therefore we don't have to pay their housing costs, for example."

Established in Angola in 2006, Trêsglobal

has its roots in Portugal where the company worked before the economic crisis there led to a collapse of the construction market.

Now, along with Angola, it is also active in Mozambique. Besides construction, the group also handles architecture, carpentry, metal work, power, water, sewage, HVAC and security and communications.

Its construction arm is involved in everything from building stores, apartment buildings and banks to refurbishing historic buildings.

"Trêsglobal's partners are now investing in other sectors such as day care centres built according to European standards regarding the nursery, kitchen, water recycling system and even the air conditioning," the CEO says.

"Our company has to be competitive in this growing and increasingly demanding market so quality is of the upmost importance and that is why we focus on quality and price."

Asked where he thinks Trêsglobal will be in ten years, Fonseca says he would like to see the number of expatriate staff reduced, further investment in the company and expanded facilities to handle the increasing work load.

"This is an open country and I see us going from strength to strength as we grow along with Angola," he says.

Smart Work

One executive who has seen Angola's fortunes rise and fall and rise again is Miguel Oliviera, the manager of heavy equipment importer and distributor Cimertex Angola which has been operating in the country for more than two decades.

"When we first opened here as a subsidiary of the parent company in Portugal, it looked like peace was finally achieved, but of course that wasn't the case," he recalls.

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“However, we liked what we saw and we had a good experience with our customers and so we decided to stay although real peace didn’t happen until 2002.”

With the end of the civil war, the construction industry boomed, a time when Oliveira says the market for heavy equipment “exploded” for the next three years with few people prepared for the surge in business.

“So we had to move fast to strengthen the business and hire new personnel which was very difficult as there were few Angolans with the right training or knowledge.

“This forced us to go to Portugal and find people who wanted to come here to work for us, especially in our after-sales service force which is a key to our success,” the manager explains.

With the world economic crisis of 2008, Angola’s business sectors again contracted, forcing the company to adapt.

“A crisis is never positive but it has the effect of making people work harder and work smarter to become more professional,” he says. “And that is what we did.”

Currently, Cimertex employs 120 people at its headquarters in Viana and several support centres in the provinces of Moxico and both states of North and South Lunda, from which it covers the entire country.

Sectors which the company supplies to include construction, mining, oil drilling, agriculture, forestry, power generation and cargo handling. Cimertex handles leading multinational brands such as Komatsu, Sandvik, Bomag, Schwing, Casagrande and Merlo.

“I think the market to bet heavily on now is agriculture as that sector is far from reaching its full potential here in Angola,” Oliveira says.

“But right now all the sectors we operate in are doing very well and we expect an increase in turnover this year to around \$80 million.”

The manager is particularly proud of Cimertex’s Angola after-sales service as heavy equipment, by definition, performs very rough and difficult tasks in some incredibly unforgiving and remote environments.

In order to ensure that customers receive superior and timely service when something goes wrong, Cimertex counts on a well-stocked, computer-monitored parts department, overnight air delivery of parts direct from manufacturers and mobile teams of mechanics.

“Our purpose is to supply heavy equipment to a wide range of industries and all that implies in terms of organisation, sales and service,” Oliveira explains.

“We have always grown horizontally as we aren’t interested in entering completely new business sectors and our aim has been to become a ‘one-stop shop’ where customers can



Photo: Base de Luanda

find everything they need.”

Angola, he says, is the perfect place for a business such as Cimertex which works with the public and private sectors in industries which are expanding.

“Also, Angola is politically stable, there is a lot of money around and it’s a fine place to do business. We are in for the long haul and our plan is to be the leaders here in our sector.”

Sky is the Limit

One of Angola’s newest companies on the construction scene is Electriangol which supplies mechanical lifts to builders putting up the many multi-storey structures now dotting not only the skyline of the capital but also cities in the interior.

“I came to Angola from Portugal in 2008 as the managing director of a mechanical lift company but following some disagreements I struck out on my own two years ago to form my own operation,” says director António Taveira.

Electriangol now has 20 employees and last year billed around \$2.5 million, with turnover for this year expected to reach \$3.5 million, the executive predicts.

Taveira credits his knowledge of Angola where he lived as a teenager and the fact that his wife is Angolan for contributing to the company’s success.

“This is important as we understand the mindset and the habits here, what people want. Also, with my experience in the company where I worked before, I am deeply familiar with the market and who the big clients are,” he says.

“And even though we are a new company which can be risky, these contacts knew they could trust us with important projects.”

The overwhelming share of Electriangol’s business is in Luanda, but Taveira says that it is steadily increasing in the provinces, particularly Huambo, Namibe and Huíla, and now counts for around 20 percent.

“In places like Lubango, capital of the state of Huíla, there are bank headquarters going up, hotels and new provincial government headquarters, as well as libraries and hospitals, so the opportunities are there,” he explains.

“Competition is greater in Luanda and many of the big companies in our sector are not investing in the provinces because of the distance, so for us it is the perfect time to move into those markets.”

Looking ahead, Taveira says for his company “the sky’s the limit”.

“We’ve had a good start and I think that if we continue like this and by providing quality in a very demanding market, we can be among the leaders in the sector”

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INTERVIEW WITH VIRENDRA CARсандÁS

GENERAL DIRECTOR of MULTIÁFRICA

Diversification is the name of the game for Multiáfrica Group, which from a promising beginning in the importing business is branching out into retail, construction and furniture - as long as the right partner for the challenge comes along, says its founder Mr Carsandás



"THE SECRET OF SUCCESS IN ANGOLA LIES IN BRINGING IN VERSATILE PEOPLE "

You direct a group of five companies led by Multiáfrica, when was it founded?

V.C.- Multiáfrica was founded seven years ago, it started as a family business. It deals with general trade, meaning Christmas baskets and other seasonal products, school supplies, as well as other opportunities throughout the country as different opportunities arise. After that we opened Luanda Gourmet, a wine store, where we sell Port and other quality wines to the public and to the HORECA segment. We just opened a firm in partnership with a Portuguese company, Laskasas Angola, four months ago.

What is the goal of the latest company, Laskasas Angola?

V.C.- We supply furniture of different types for different purposes. Beyond selling modern and ergonomic furniture, we also have the segment of preparing the whole project, from the 3D project until its full implementation, a "Key on Hand Project". We also have Multiframe, a construction company that should start operating this very year in some projects in different provinces in some already approved projects, as well

as Casas Sociais, which deals with a different segment. All in all we are doing quite all right.

How large is the group as a whole?

V.C.- We have about 50 employees all year long, but in Christmas due to the extra work we reach ninety workers, that is we hire 40 additional workers.

Why have you entered into these different lines of business?

V.C.- We believe that the time has come to diversify our portfolio of business, so we have taken advantage of different proposals made by different trusted partners. We remain open to other possible partners in the future.

After the 2008 crisis, do you feel the good economic times are back in Angola?

V.C.- Yes, Angola is now growing strongly. I have been in this country for eighteen years and I feel that now we are very satisfied with the performance not only of the country but also of our group of companies, supported by the work and support of the great human team in the group.

Where do you see the best opportunities in the Angolan market?

V.C.- We believe that there are great opportunities in the furniture business, and we are already present there. In construction, as Angola is a very large country, there are many opportunities and we plan to be involved in them as well. All possible partners - either local or foreign - that want to work in Angola are always welcome by our group, and they will be studied to see how they can make Angola better. Other than construction, we want to expand into agriculture, which we believe is also a sector with a lot of potential for development.

What kind of partners would be ideal to have deals with?



V.C.- Those partners that mostly bring know-how and that are able to teach the local worker their knowledge, so they can contribute to the ongoing effort of "angolanization" promoted by the Angolan government and supported by the different companies. With that mindset any partnership can be a success.

Do you believe the project of angolanization is proving successful?

V.C.- Yes, without any doubt. From a couple years ago up to today there's been not only a great economic progress, but also a great development in the quality and quantity of the human resources.

What is the main factor that drive the success of foreign firms in Angola?

V.C.- I believe that the secret of success in Angola lies in bringing in versatile people that are willing to teach, as this is of paramount importance, so all the know-how can be passed on and the company's growth can become sustainable. Angola surely needs sustainable sources of growth, and the capability of its human resources is the key. And indeed, the financial resources must be adequate for each project as well.



TRANSPORT & LOGISTICS

NEW INVESTMENTS IN PORTS AND ROADS ARE OPENING UP ANGOLA TO EXCITING TRADING OPPORTUNITIES

In a rapidly expanding economy like Angola's, reliable logistics and transport are vital to ensure that the expansion continues at a healthy pace, fuelled by the many goods entering the country to be efficiently distributed and those leaving the country to earn revenue.

With such heavy reliance on both imports and exports, the country's marine, road and rail transport and the infrastructure they use are economic lifelines which the government is keen to rebuild, improve and maintain.

At the same time, the country aims to serve as the gateway for the international trade of its landlocked neighbours and the ocean-borne commercial sector is one of the region's most important industries.

Fully aware of this importance, the Angolan government is in the midst of a major building and upgrading of its four principal international seaports, Luanda, Cabinda, Lobito and Namibe, to boost capacity, reduce delays and slash operating expenses.

Indeed, the government and port operators have vowed to spend \$8.8 billion on new and enlarged port facilities to increase efficiency, safety, operating time and customs procedures.



Photo: Orey

At Luanda's port alone, close to \$60 million has been spent on improvements over the past four years while a new dry port has been built at nearby Viana and another new container port is being developed in Barra do Dande, 30 miles north of the capital.

Early Arrival

One company which has been active in the country's shipping sector for many years Orey Angola whose local CEO, João Teiga, has witnessed at firsthand the amazing changes the transport and logistics industries have undergone in recent years..

"We've been here since 1991 and I arrived from our Portuguese headquarters in 2006 when Angola was in the early stages of national reconstruction," he recalls. "Back then we just focused on the marine sector but now we have expanded into logistics and distribution with our own transport fleet and warehouses."

Orey Angola acts as shipping agents for several maritime lines and has port offices and facilities in Luanda, Soyo, Lobito and Namibe. The company started with 26 employees and now has 200, just a handful of whom are expatriates.

"We're investing in the country and creating jobs, thus creating wealth in this country," the CEO explains. "We're on our way to investing close to \$20 million here, ploughing our profits back into the company and therefore into Angola."

Along with the physical changes affecting his sector that Teiga has seen during his eight years in the country such as improved transport, energy and public infrastructure, the business has been transformed by two other factors: the labour market and profit margins.

"Years ago, there was a definite lack of educated and trained personnel. But today there are many more people who have had proper professional training and who know

how to behave and operate in a business environment.

"However, now we have the problem of retaining staff, especially those with a university education and good English because they are snapped up by the oil sector which can offer wages two or three times higher," he says.

Orey Angola's other big challenge is that there are many companies operating in the shipping, transport and logistics industries, Teiga says. This puts pressure on the company's fees and that affects its profit margins.

"In order to deal with this situation, we've improved our services, trained our people very well and we offer state-of-the-art technology to our customers, equal to what they would receive in the United States or Europe."

Another advantage is the company's Portuguese roots which the CEO says makes it easier to deal with the Angolans in their shared language and their shared culture.

"Surely a Portuguese business person is

going to have a smoother time here interacting with the local business people than it would be for any other foreigner. But then there are some sectors, such as petroleum, where there are few Portuguese and these are dominated by people from other countries," he explains.

Foreign companies thinking of investing in Angola should first take a long, hard look at what they are getting into and carefully assess business conditions, bureaucracy and prospects, Teiga advises.

And it is particularly helpful to engage with a local partner, he says.

"This will not only help in easing your way into the ways business is done here but partnerships are also considered desirable by the Angolan government which is eager to create a new business class here."

"Angola has a lot of potential, especially in areas like agriculture, energy and water," the CEO says. "It's a country receiving vast amounts of investment and that will certainly continue for a long time to come."

Increased Competition

Port management, road transport and freight forwarding services are the three activities of Unicargas, the state-owned enterprise run by Chairman Ruben N'Dombasi, an Angolan who took up the post just a year ago after years of working for foreign companies and a short stint at Abamat, a state-owned enterprise.

"When I got here I found Unicargas to be very friendly and welcoming even though it is a very large operation with something like 800 employees," he says. "But there were some changes which needed to be carried out, overhauling the organizational structure, creating commercial and internal audits, updating the the strategic plan, that kind of thing."

Founded in 1988, Unicargas underwent an ambitious expansion programme five years ago and today is a major player in road transport activities.

In Luanda, the company is a multipur-



RUBEN N'DOMBASI

CHAIRMAN OF UNICARGAS



pose terminal operator in the biggest port in the country and has staff specialised in shipping, port management, port security and other areas.

"Actually, our terminal activity accounts for 90 percent of our revenue, but at this time imports are falling," the chairman explains, blaming the drop on the boost of the domestic production of basic goods due to diversification of the economy and increased exports.

"The other factor involved is that when national reconstruction was at its height, it was a time of peak imports because things like cement had to be shipped into the country," he recalls.

"But now there are cement factories here in Angola which, of course, means less reason for importing that material. The company registered more revenue three years ago than it does now and so we have to expand and diversify our activities to keep Unicargas growing and financially healthy."

This is especially important as even though it is a public enterprise, insofar Unicargas has received no funding from the government and if revenues decrease, it may seek bank financing to carry out its projects with the due green light from the Ministry of Transport.

In the road transport sector, the company fields a fleet of 380 trucks covering the entire country from depots in Luanda, Cabinda and Benguela and specialises in the movement of containers and general cargo.

"We have a number of 20, 40, 60 and 80-ton vehicles but sometimes a client needs something even bigger. For example we are working with the national power

company to move transformers which can weigh more than 100 tons," N'Dombasi explains.

"And we are also developing a partnership with a Spanish company for heavy loads and those of an unusual shape."

Unicargas' freight forwarding operations handle cargo from all of Angola's ports, as well as air freight and other companies' cargo depots around the country.

According to the chairman, his two main headaches are the Luanda's sometimes congested roads and the increasing number of competitors who cut into Unicargas' business.

"There are, for example, companies which don't offer insurance like we do and some clients want whatever is cheapest and do not care if their cargo is carried in unsafe conditions. It's a complex market."

Looking ahead, N'Dombasi foresees further expansion into Angola's vast interior with larger truck fleets and a network of new distribution centres, all of which will help his homeland fulfil its potential as a vibrant and still largely untapped market for domestic and international businesses.

"Angola is developing its economy, attracting investment and properly exploiting its huge natural resources," the chairman says. "It's important for the international community to look at Angola and understand that there are many virgin market, open for business."

Accelerated Growth

Echoing that opinion is Pedro Emerenciano, the manager of Olicargo Angola, a Portuguese-based company involved in international

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transport and customs clearing and which opened just two years ago.

"Angola is no longer the beast with seven heads, in other words a place where it is too complicated to do business. It is now a serious country, corruption has been tamed and the system works," he argues.

The Portuguese group decided to expand internationally when its domestic market began to dry up and Angola, with its historic ties to Portugal, was a natural choice.

"There were two ways to set up in Angola: One was to join up with an Angolan partner who would have a majority stake, and the other was to be a subsidiary fully owned by the group.

"We choose the latter and had to go jump through all the hoops it takes to be incorporated: bureaucratic, legal, etc., and this is where we are today," the manager says.

Olicargo Angola has two branches, one in Luanda and the other in Lobito, with the former handling sea and air trade, road transport, warehousing and logistics and customs clearance. In Lobito, the company provides air and sea trade services and road transport.

"Right now we employ around 50 people, only four of whom are expatriates and they're all in senior management, such as myself," Emerenciano says. "This year we expect revenues of around \$20 million, not bad for a company of this size operating for just two years."

Most of Olicargo Angola's clients are multinational and domestic companies operating in the country's petroleum and gas sectors, with only a few Portuguese customers. The company uses the latest transport management technology and is particularly proud of its "Track and Trace" software.

The manager lists bureaucracy and high costs as his biggest complaints about doing business in Angola, although he says it is



slowly improving and it does not take as long to get things done as before.

"The other problem is the investment cost. We're talking about a country where the average hotel room costs \$400 and renting an office like this one costs \$13,000 a month," he complains. "With these high costs, companies need a quick return on their investment."

As the new kid in town, Olicargo Angola also has to contend with the more established competition, some of which are large multinationals with more experience and deeper pockets.

But Emerenciano relishes the challenge and attributes the company's rapid success to its strategy of differentiating itself from rivals by providing a familiar business-style service at international standards.

"Our image, our employees, our excellent training programmes, and of course, our great service also have all contributed to this success and it helped that our first customers were so impressed that they spread the word," he says.

Challenges Ahead

Focusing solely on trucking, the privately owned and operated Flashtrans has gone from strength to strength in its five years of operation, thanks in part to careful consideration of the market before launching and excellent timing.

"We made a feasibility study, saw that the haulage sector was a good investment and jumped in," recalls general manager Nicolau Divengle de Sousa. "At the same time, new industries were emerging, primarily cement manufacturing, and we wanted to be a part of it."

From four employees at the start, the company now has a staff of more than 60 and expects a turnover this year of around \$4 million. Its trucks move all manner of goods, including dry cargo, containers, fresh products, fuel and oil derivatives.

Flashtrans operates a fleet of 24 trucks and also manages the fleets of companies in other sectors. It is currently in talks with one

firm about operating its 80 vehicles and the executive says this could be a very profitable business in the future, especially as new markets open up.

"This country's economy is undergoing a definite move towards industrialization and this requires hauling machinery, equipment and materials which means we are seeing fresh opportunities every day," he explains.

One of de Sousa's main concerns is vehicle maintenance, which can push up costs significantly in a country where undeveloped highway infrastructure in some rural areas is common.

"New vehicles have an active working life of around 18 months before there are major mechanical problems. Therefore we practice constant preventative maintenance and every two months, or even less, the fleet gets an oil change, new filters, etc.," he says.

"Angola is a market with many challenges, but it is also a very fertile market and with hard work you can achieve all your goals," the general manager argues. "Sure there are difficulties, but with the returns available in Angola, it's all worth it."

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INTERVIEW WITH RUI ANDRÉ, PAULO KRISTELLER TOMÉ & CARLOS SOUSA PEDRO

General Managers of Ambergol, JJ Tomé & Sousa Pedro

With a long experience in their respective markets in Portugal, these two entrepreneurs have taken up the Angolan challenge through a joint-venture named Ambergol. So far their serious approach and commitment to quality have proven to be a recipe for success, yet the opportunities are still immense as Ambergol's General Director Rui André affirms



Sousa Pedro Lda and João Jacinto Tomé SA are partners in Ambergol. Do you compete in the Portuguese market?

C.S.P.- No, we have complementary business. We've known each other for a long time, which makes it easy to have a good relationship, which came to fruition in Angola. We have had other joint investments together so partnering up for the Angolan market seemed a natural thing to do. In Sousa Pedro we deal with the mechanical side of water plants and treatment, while JJ Tomé is more active in the energy field as far as basic infrastructures are concerned. So the idea of setting up a new company in Angola aimed at both segments seemed like a good idea. Yet I want to stress that we have some Angolan Partners as well.

P.K.T.- We actually decided to go to Angola before the current crisis in Europe, it was an strategic decision that we took together in order to find new markets, as we realized at the time that our traditional markets could freeze up. So our timing was good and our work in complementary business, together with our long experience in Portugal, has made the entrance in Angola a successful venture.

Has Ambergol performed as you expected?

P.K.T.- I believe so. Our goals have been largely achieved.

C.S.P.- Ambergol today, in the fields of activity where it operates has become a company of reference in the Angolan market. It is an appreciated company that also takes up initiatives in the social and cultural spheres. So we are giving out a lot as well as we are receiving a lot.

Have you been affected by the constraint of working visas and in expatriating profits?

P.K.T.- To some extent we have, but as we

"ANGOLA'S POTENTIAL FOR GROWTH IS STILL IMMENSE, THERE'S SPACE FOR NEWCOMERS"

have a large pool of workers that we have been training in Angola, up to sixty local employees now, this has somehow facilitated that constraint. In any case, those are the rules of the country and we have to abide by them.

C.S.P.- Regarding the working visas or the transfer of funds, these are the kind of problems that one must deal with on a daily basis, but they are things that we can deal with.

Are you feeling an increased competition form other countries?

R.A.- The Chinese are already present in Angola, as well as Israeli and Spanish companies, and indeed many Portuguese companies as well. In some cases companies with problems back home have entered this market, in any case one can feel that in many European countries there's an appetite for the Angolan market that we are witnessing the entrance of new companies every day.

Can the market absorb all that interest?

R.A.- If the government's investment plan earmarked for the year 2025 is to be of any indication, there is space for a large growth in the market so there will be plenty of space for newcomers.

Are there any chances for Ambergol to grow out of Angola?

R.A.- In a recent Energy Fair that took place in Luanda, we were contacted by several electric operators from neighbouring countries, who would be interested in Ambergol coming to work with them. So yes, we might be growing to some neighbouring countries in the near future.



What would you advise for being successful in Angola?

R.A.- Angola is a very interesting country, with many needs to be covered, and with a large investment capacity as well as with a political will to get things done, particularly in the infrastructure sector. One can really feel a great desire to develop the country, and the country has the financial means to make it happen. Yet steps must taken with some care, as Angola is a country one needs to know and understand, with many specificities to its market. Companies must have a serious behaviour and accomplish all the commitments that are made with quality. That will guarantee, as Ambergol has proven, that they can be successful and win every time. The potential for growth is still immense, so no matter how many more companies decide to enter the market, I am confident that there's space for everyone.

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YOUNG ANGOLAN ENTREPRENEURS

A NEW GENERATION OF AMBITIOUS ANGOLANS ARE NOW BECOMING SUCCESSFUL IMPRESARIOS

In its ambitious bids to diversify Angola's economy, slash the country's reliance on imports, create jobs and pave the way for the next generation of entrepreneurs, the Angolan government actively encourages its nationals to start businesses, large and small.

And along with government programmes aimed at giving businesspeople a leg up, there are a wide range of schemes set up by non-governmental organisations such as the United Nations Development Programme (UNDP).

Just a sampling of UNDP's many efforts in Angola include training programmes for technicians for the inventory of greenhouse gases, business development courses for women and training on starting and managing sustainable enterprises.

"Entrepreneurship is crucial for sustainable development," Angolan Vice-President Manuel Vicente recently told a forum for young entrepreneurs, listing a number of state initiatives designed to encourage business opportunities, including easy credit schemes, state funding and training courses.

"There are many businesses that can be done both in the area of trade and industry, including manufacturing, civil construction and others," he said.

Many Angolans have already found success in a number of sectors and as the country's economy fuelled by petroleum wealth, the rising middle class and other factors expands, they are perfectly positioned to prosper along with the rest of the country.

Lighting Growth

One such business is Arifarme Medical Ltd, which in just two years has established itself as a major player in the import and supply of medicines, pharmaceuticals, medical equipment and laboratory chemicals.

"I founded it on 2012 but only started operations in January 2014, after 16 years working in the healthcare industry, studying at night, working with several multinationals such as Bayer, Dafa and B. Braun" recalls general director Dulce Lubrano.

"But there came a time that I wanted to

fly solo, to create my own company and so I grabbed that opportunity," she says.

Based in Luanda, Arifarme Medical Ltd. is now branching out into the provinces, supplying medicines and other medical products to hospitals and clinics in areas where tropical diseases like malaria are rife.

In the pharmaceutical line, the company is currently involved in such therapeutic areas as ophthalmology, stomatology and oncology, and imports and distributes different drugs, antibiotics and anti-malarial medicines among other products.

"Right now we have 15 employees and by the end of this year I expect to have 25 because of our expansion in the rest of the country and we are opening branches now in Cunene and Benguela," Lubrano says.

"We are achieving our goals, not only in reaching new customers in the provinces but also in terms of service and quality. But then as I learned in working in other companies, as the size of your operation and your staff grow, so do the hassles and headaches."

Many Angolan businesspeople, especially in the high-tech sectors such as healthcare, complain about finding qualified personnel because of the many years when the educational system was in a state of collapse from the civil war from which it hasn't fully recovered.

At Arifarme Medical Ltd., management solves this problem with intensive in-house training and instilling pride in its employees. "I tell my people that they should consider the company as their own, that they must love what they do," she explains.

"In Angola, many people justify our mistakes by blaming them on the long war the country went through, but this is nonsense. We are an intelligent people and that intelligence needs to be exploited," Lubrano argues.

"We have everything to be a successful country, if we believe we have the potential."

The company works with some of the leading multinationals in the pharmaceutical sector such as Bayer, Sanofi and Astrazeneca,



DULCE LUBRANO

GENERAL DIRECTOR OF ARIFARME MEDICAL

and the general director says she is adamant about partnering only with European companies and not those from Asia.

"My goal is to cooperate with partners who can give me quality and prices that provide our clients with the best at the best cost. Most of Angola's people are poor and they need products they can access at an affordable price.

"I do not sell drugs. I provide quality of life for our patients."

As a woman, Lubrano says she has little problem working in the capital as there are many female entrepreneurs. But outside Luanda it is more difficult for men to accept that women are smart and have a good mind for business.

"In the provinces there are those who find it difficult to accept women in business. But I tell you that the Angolan woman is a warrior and we can do anything we set our minds to."

Market Opportunity

Another young Angolan company is Commercym which provides building management and solutions, infrastructure maintenance and specialised services which counts amongst its clients such leading national companies as Sonangol, Banco Nacional de





**OSVALDO
NELSON
RASGADO**

CEO OF
COMMERCYFM

Angola and Sonair.

“Our company has its origins in the group parent, Commercy Global Solutions, which was founded in 2008. We began to identify some gaps in the market and decided to set up a company to specialise in facility management,” recalls CEO Osvaldo Nelson Rasgado.

Once the company was up and running, the management noted that there was a low barrier for competitors to enter the market so executives decided to further specialise in certain services such as the cleaning and refurbishing of fuel and water tanks.

This led to another pioneering service CommercyFM provides: the polishing and restoration of marble, especially in the old, elegant buildings dating back to the Portuguese colonial era.

“These specialised services added a lot of value for the parent company because people look at the number of buildings we service and they often wonder how we can have such a large turnover,” says CFO Omar Albuquerque.

“This added value also got a boost when we signed an exclusive partnership agreement with the American company, Honeywell, through their South African office for building solutions like CCTV, security, fire protection, etc.”

CommercyFM’s other international partners include Archibus Solutions of South Africa, Neroportoro and Supersan/Techcleaner of Brazil and Procos of Portugal.

“We’re always open to any partnership which adds expertise for our clients’ projects and provided the foreign partners display a willingness to work in and develop Angola,” Rasgado explains.

And as the country develops by leaps and bounds, the CommercyFM executives say entrepreneurship will also flourish, spurred by those government programmes which are fostering business creation and providing people with the dream of starting up their own companies.

“Angolans today have a very good idea of what needs to be done and then have begun to look at long-term businesses whereas before it was mostly trade,” the CEO says.

“We’re talking here about entrepreneurs who are getting into manufacturing, industry and even agriculture. Before, foreign compa-

nies dominated, for example, the construction sector, but now more and more local companies are active.”

Because of bureaucracy and other factors, the CFO believes becoming an entrepreneur can still be a struggle, but, he says “the opportunities are there, the government has seen the need to create and develop small and medium enterprises and it’s all happening with a greater momentum.”

Training Locals

Another case of new company just founded in the sector looking to exploit a new market opportunity, Green Touch Services, is dedicated to sanitising building interiors, enclosed spaces and duct and air conditioning systems cleaning, hence eliminating pathogenic microorganisms that can cause serious diseases such as cholera, tuberculosis, etc.

Green Touch Services CEO Hélder Leão da Silva says it the only such service in Angola and as the construction sector continues to boom, this new enterprise can only grow.

And so far, so good. Started just six months ago, the company is already attracting clients by word of mouth. “We’re not advertising our services yet because we already have enough business,” he says.

According to the CEO, one of the start-up’s biggest concerns at the moment is finding qualified employees. As for foreign partnerships, he stresses that they are the sole representatives of Hygisoft, the disinfectant from Soft Protector Oy.

“Our major difficulty will be training people to be operators and getting our technical crews qualified so we can take our projects forward,” he says. “Our way of working is to train Angolans and not rely on expats.”

“We are also working with a system of rotating management and competitive leadership to help us determine who will be our team leaders when working alone as they are now working under the supervision of Brazilian technicians.”

It is highly technical sector. In cleaning



**HÉLDER L.
DA SILVA**

EXECUTIVE
DIRECTOR OF
GREEN TOUCH
SERVICES

air conditions systems, for example, Green Touch crews spray the filters and ducts with a disinfectant material which is very effective yet totally harmless to the environment and to humans.

After this is completed, the system is cleaned out. The company also does large-scale cleaning of office upholstery and carpets for corporations and other businesses such as hotels, and recently sanitized an auditorium at Sonangol, Angola’s state-owned petroleum company.

Green Touch is expanding slowly and currently operating only in Luanda. Within five years, da Silva says he would like the company to have branched out into the market for sanitizing large public utility buildings like airports, hospitals and schools.

“Once we are truly financially stable and



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have enough qualified staff, we will be able to respond to requests for any of type of work there is," he says.

"Angola is a market worth looking in to for investors as long as they do preliminary research, acquire the necessary deep knowledge and engage a local partner. That's the recipe for success."

Guaranteed Success

An even younger Angolan company that is already taking great strides in its sector after just several month of existence is Bernoflex, the exclusive representative in the country for the German tool, automotive and building materials giant, Berner.

"We handle the entire range of Berner products – machine drilling, fasteners, carpentry tools, chemical products for industry, etc.," explains company founder and owner Paulo Cruzeiro.

"We have more than 2,000 items in our warehouses and there is a great, great demand for all our products in Angola. It's a guaranteed success," he says.

Eager to expand, Cruzeiro is building a nail and screw factory in his home region of Benguela and following the trend of many businesses to move out to the provinces and avoid Luanda all together.

"Any business that opens in the capital is going to do well because it is the biggest city in Angola. But places like Benguela have their advantages: the quality of life is better, there is good infrastructure for businesses and other factors.

"As other businesses open in these areas, they will attract more people, which means more businesses, etc.," he argues.

"For example in the Benguela town of Lobito they are building a new refinery and this will translate into the kind of business growth I am talking about," he says.

Cruzeiro says that in his opinion, the biggest problem facing Angola is the current level of business, finance and technological expertise. People of his generation only knew war so it is the young people of today who are studying, acquiring skills and learning on the job who are the hope for the country's future.

"I don't know all of Angola, but I do know 70 percent of it and this is a country of great potential. If you want to be successful here, it depends only on you."

Angolan Production

Also betting on Angola is the Mirargus Business Group which got its start importing Portuguese toys at Christmas.

That venture was wildly successful and

now the company is involved in infrastructure and engineering, import and export, the hotel supply industry, education and clothing manufacturing.

"Our next big project is dismantling, shipping and rebuilding a textile mill which went out of business in Portugal," says company director Claudio de Sá Miranda.

"We're also bringing down the production manager and other senior staff to run the factory with a total investment of around \$3 million."

Sá Miranda says plans call for producing high-quality clothing for the Angolan market such as men's shirts and uniforms for the hotel, oil and other sectors. Eventually, around 200 workers will turn out two million pieces in the first year if all goes according to plan.

"We are already training people for cutting and sewing. Our only problem is reliable power so we'll work with generators. But this will eventually be a 100 percent Angolan business producing a 100 percent Angolan product," he boasts.

In five years, Sá Miranda hopes the company will employ thousands of Angolans who will use and take pride in Mirargus' products. "This will make me proud too of what we as Angolans can do for ourselves and for our country."

INTERVIEW WITH ANTÓNIO FARMHOUSE

Executive Director of Protel Lda

As restaurants and cafés mushroom all across Angola, Protel is benefiting from being an early comer to the sector of industrial kitchens and related equipment, António Farmhouse explains

Can you describe the business of Protel Lda in Angola?

A.F.- This Company was founded about ten years ago by two partners who were involved in the hotel sector and detected a market opportunity in installing kitchens and other equipment to the hospitality sector. Today we have about eighty-five employees, a subsidiary in Benguela that services the south of Angola, and the main office here in Luanda. Our billing is twenty million dollars per year.

How has the sector developed over these ten years?

A.F.- Angola has been experiencing an exponential growth in this area, and this our market. Restaurants and small cafes are opening everyday, not only in Luanda but across the country as well. Other main cities such as Benguela, Huambo and Cabinda in the north are booming as well.

Most of your equipment is still imported?

A.F.- Unfortunately there's very little production in Angola for our sector yet. However

there's been an enormous growth in the industrial sector in Angola in the last few years, so a few things are available now, while ten years ago when there was virtually nothing. I believe the future of this country depends on its industry and things are moving quickly in that direction.

Is your success in the market linked to the fact that you install the whole equipment set ready to use?

A.F.- In our area it is important to offer technical assistance and maintenance, as the equipment we sell and install gets a lot of daily wear and tear, so it will need maintenance very soon. Our customers have come to appreciate our level of service, and indeed that has been a good part of our success in the market.

Is there space to have more partnerships with international brands?

A.F.- Yes, there's room for more, we are very open to having new agreements, and we actively seek them. For example, this October I will be attending a Fair in Barcelona for that purpose.



"THE FUTURE OF ANGOLA DEPENDS ON ITS INDUSTRY"

Where do you see Protel in five years' time?

A.F.- I'd like not only to continue growing but also to still be a solid market leader in Angola. With the crisis in Europe, more and more companies are showing an interest in the Angolan market, yet we like to grow with both feet firmly on the ground.

Do you have any advice for the latecomers to this market?

A.F.- Yes, I would advise all companies coming to Angola to go about their business in a responsible manner, and to make an effort to pass on their know-how and train the local Angolans. That is the way to be successful and grow in this market.

INTERVIEW WITH ALI DROLIYA

Executive Director of FABRIMETAL Angola

As a Transnational African Firm, Fabrimetal soon took notice of the opportunities in the Angolan steel sector and has since become the market leader. Yet the country is quite distinct from other African markets where the company operates, says Mr. Ali Droliya



How were your first steps in Angola?

A.D.- Fabrimetal was formed in Angola in 2006. It took the company a few years to set up its manufacturing facility in Viana, an industrial hub based outside of the city of Luanda. In 2010 the company was ready for commercial production and has since been servicing the Angolan market. We manufacture FM TMT rebars, thermo mechanically-treated steel reinforcement bars used in residential, commercial and civil construction projects. Our customers include construction companies – SMEs and large multi-nationals – as they embark on new construction projects across the country. Our product is made in Angola, for the people of Angola.

How did the operations develop then?

A.D.- Fabrimetal Angola is part of a larger network of steel manufacturing plants across Sub-Saharan Africa. The group operates in the DRC, Mali, Gabon, Ghana Senegal, and Rwanda, with additional projects in the pipeline. As such we have a very deep understanding of how different countries in the SSA region operate and the unique challenges that each present. As you can see from the list of companies we operate it, we have primarily worked in both Anglophone and Francophone countries in SSA. Angola is the first Portuguese speaking country for us. Naturally adjusting to the new culture, language and unique business practices was a learning curve for the management team.

As is the case in most emerging or developing economies, underdeveloped infrastructure can also be a challenge. However, the level of investment from the public sector into infrastructure and the overall pace of growth in Angola, is unparalleled in the other countries in which we do business.

Is the company still expanding?

A.D.- Our strategy in Angola includes an expansion of our current manufacturing facility.

Over the past 2-3 years we have been through several phased expansions and we see that there is potential for us to do more. As part of these expansions we have continued to increase our local workforce numbers and now employ close to 500 nationals. We continue to focus on training and provide opportunities for skill development across all levels within the organization.

As the government continues to prioritize the diversification of the economy, we plan to be a part of this growth and support other local businesses. We hope to service the Angolan market for many years to come.

Is there potential in the Provinces?

A.D.- Absolutely. In our market research we see the provinces as new growth opportunities. As infrastructure is developed in different parts of the country there will be a need for our product. We have already seen this shift.

Is Angola ripe for a new wave of industrial investment?

A.D.- Yes. From my personal experience I can tell you that I have already seen a significant increase in the level of industrial investment. Let me give you an example. Fabrimetal is based in an industrial zone outside of the main city of Luanda. While we were setting up the manufacturing facility there was very little development and activity in this industrial zone.

Fast forward 5+ years and Viana is now a different place. We have seen a substantial increase in new facilities around us and the government since then has created new industrial zones around Viana. The government appears to be focused on creating an ecosystem to develop and support local manufacturing operations (Angola has traditionally been an import economy). This is all part of the governments larger strategy of decreasing its dependence on the oil sector by diversifying the economy.

What needs to be improved to attract FDI?

A.D.- ANIP's private investment strategy has presented an interesting opportunity for many foreign investors in Angola. It has demonstrated the governments' commitment to changing its sectorial landscape. However there are still challenges unique to Angola that need to be considered. First, as many international publications have cited, Luanda city is one of the most expensive cities for expatriates in the world. Cost of doing business can be higher than what investors may be used to in other countries in the SSA region. The government's recent implementation of tariffs is one example of how a change is now in motion. As products are increasingly manufactured locally and new services available, we hope to see a change in this area. Second, foreign investors should connect with Angolan embassies in their country of origin to understand the requirements and processes to enter and work in Angola. As with many other countries, opportunities for bureaucracy are present. Investors can mitigate this risk by understanding these rules early on.

Are the new customs duties affecting you?

A.D.- The effect has been positive. Prior to this new regulation there was no importation tariff on steel rebars or construction materials. Now with the new customs regulation, the tariff is significant enough that construction companies are actively looking to procure locally. The increased tariff presents a challenge for these companies who need to manage their project costs. The new tariff has had a positive impact on all local manufacturers and more than that it has given us some reassurance that the governments priorities are aligned with our goals.



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BRAZIL MAKES ITS MARK IN ANGOLA

BRAZILIANS ARE PRESENT IN THE HEALTH, EDUCATION AND TECHNOLOGY SECTORS

Brazilian investors, large and small, are flocking to Angola and it's no surprise as the South American nation's industries seek markets abroad, especially in countries which share the Portuguese language and culture and are flush with funds from oil and gas revenues.

"Angola is the largest recipient of Brazilian investment in the African continent with dozens of companies operating in the country," one speaker told a recent African investment conference.

Over the past decade, Brazilian firms have targeted Angola and other African investment destinations with help from their governments which are keen to see their historical ties grow even closer.

Brazil's former president, Luiz Inácio Lula da Silva was a strong proponent of boosting relations with Africa, both economic and political, partly due to his policy of fostering ties between developing nations and partly because of what he argued was Brazil's "historic debt" to Africa because of the slave trade in which 3.5 million Africans were shipped to his country.

And Lula da Silva's successor, President Dilma Rousseff, is maintaining the effort, backed by major Brazilian multinationals in a

range of sectors which need new and growing outlets for their businesses as their domestic market matures.

Brazilian companies which have transformed the infrastructure at home to make the country one of Latin America's most advanced in transport facilities are a natural for Angola which is using its oil riches to create or upgrade highways, sea ports, airports, housing and other civil engineering projects.

And speaking of oil, Brazilian petroleum companies with long experience of exploring for and pumping out "black gold" and natural gas in difficult terrain as well as offshore, are working in Angola, as are mining companies eager to help extract the country's rich mineral deposits.

Other promising sectors where Brazilian firms are active include agriculture, telecommunications, health care, real estate and consumer goods such as food and cosmetics.

And the Angolan government is only too glad to help. At a recent seminar on Angolan-Brazilian business cooperation, the chairwoman of the African nation's National Private Investment Agency, Maria Luísa Abrantes, said a range of ambitious government projects were perfect for Brazilian investment partners.

Angolan authorities, she said, were giving priority to investors involved in infrastructure, agriculture, energy and water supply, fishing, tourism, education and hotels and had implemented programmes to facilitate investments.

Job creation, diversifying the Angolan economy away from its current reliance on petroleum and mining, fostering local production so as to reduce imports and strengthening the country's financial system are the government's key reasons for attracting foreign investment, Abrantes said.

Stronger Together

One Brazilian company executive who is very involved in all of this is Cleber Corrêa, the president of the Association of Brazilian Businessmen and Executives in Angola, or AEBRAN.

Founded in 2003, the association works to



Photo: Baía de Luanda



CLEBER CORRÊA

PRESIDENT OF AEBRAN

boost economic, social and cultural exchange between the two countries and now has more than 50 member companies involved in everything from construction, mining and agro-industry to automobile sales, advertising and petroleum.

AEBRAN's activities include holding forums, conferences and trade fairs to hosting visits to Angola by Brazilian business representatives.

In the cultural and social fields, it sponsors Brazilian music and art events, as well as Brazilian cuisine festivals, and organizes operations such as distributing food to Angolan charity organisations.

Corrêa is also the managing director of Proimóveis Real Estate, and says that he has witnessed the ups and downs of doing business in Angola during his ten years in the country.

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"Angola is described as having a market economy, and I say that it has what I call a 'state economy' because if the government spends, there is money around. If the state doesn't spend, then the economy dries up," he explains.

"Right now, the state has been holding back payments to ease inflation, yet there is recovery and it is a good time to do business in Angola," Correa argues.

His own group is set to grow as new legislation is to be set up regarding the real estate market and the rules for banks in financing construction through mortgage. "What we need is a law that creates a favourable investment climate so international investment funds for real estate can invest in the country" Mr Corrêa confidently affirms.

Bullish on Growth

One business group headed by a Brazilian, Aldeia Global, has seen explosive growth since its president, Raimundo Lima, arrived almost 15 years ago as a journalist and communications professor hired as a consultant to boost the sales of an Angolan sports newspaper.

"Once we got the newspaper on the right track, the owners and I expanded into related fields such as communications and education. We eventually launched companies in other sectors which we found interesting," he recalls.

Now, Aldeia Global (which means Global Village) groups a number of companies, some of which are: Okay Technology and the parent company which provide teaching, teacher education, certification and technical and management consulting services; real estate, construction, project management and demining operations firm RLZ Ventures; and media, public relations and advertising company Impar Odd.



RAIMUNDO LIMA

PRESIDENT OF GRUPO ALDEIA GLOBAL



Other companies in the group are involved in research and development for the agriculture, finance, health, tourism energy, public safety and energy sectors; audiovisual production; cultural services and entertainment; vegetable farming, cattle breeding and milk, butter and cheese production; and earthmoving equipment.

Total annual turnover for the group, the president says, is around \$20 million.

"Over the past decade, Angola has averaged around 11% annual economic growth which was more than China and even though our growth was from a very low base, it is still very impressive," Lima argues.

The president points out that Angola still has many needs and companies like his can assist the country in such goals as economic diversification, human resource training and job creation.

Concerning foreign companies setting up in Angola, the group president sees two major problems; the remittance of real profits be-

cause of the official exchange rate system and the difficulty in obtaining work permits for expat staff compared to other countries.

"Brazil, for example, has taken a series of steps to ease work permits for Angolans who can now receive employment visas good for up to two years," he notes. "But here that is very difficult. I want to bring in foreigners to train Angolans so more jobs are created and not, under any circumstances, replace Angolans."

Lima says the Angolan government is now addressing these obstacles and he is bullish on the country's potential, with plans to enter in other sectors of the economy such as oil and gas services and municipal solid waste management.

"We would also like to invest more in education, a traditional field for us, and especially distance learning, providing people the opportunity to study and work at the same time with a high level of quality."

"Angola is a politically-stable country, its people like to learn and are very welcoming and it wants to concentrate on economic diversification so there are many very interesting areas for foreign investors to explore."

Experience Counts

Another Brazilian business leader finding success in Angola is Arlete Holmes Lins, the director and co-founder of healthcare provider Climed, an Angolan company with more than 20 years of experience offering full medical and dental care, diagnostic and laboratory examinations and importing medical equipment and pharmaceuticals.

"We are recognised as a healthcare provider which works transparently, seriously, progressively and that is always current with the latest developments in medicine," the founder says.

"Climed is constantly attuned to what our customers need and these days with the participation of other players in the sector like insurers, other multinationals and evolving technology in our field, we have to keep on our toes."

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cians, Climed is one of the leading medical services providers in southern Africa. Its annual turnover is around \$6 million.

The company's list of clients reads like a Who's Who of major multinationals active in almost all sectors of the Angolan economy and includes such names as Exxon, British American Tobacco, DHL, Petrobas, Siemens and Halliburton, treating employees from workers up to senior executives.

Climed's services include customised healthcare plans, doctors specialised in two dozen areas, round-the-clock attention, medical care in remote regions, air ambulances and preventative and therapeutic treatment in stomatology, speech therapy, psychology and physiotherapy.

Holmes Lins says that the company would not rule out partnerships with other companies in the field if it meant improved service of its clients.

"We don't believe in completely outsourcing any of our activities, but partnering in one area or another in which we might need the know-how of the other company is a possibility," she explains.

As Angola's economy goes from strength to strength with more multinationals setting up shop in the country and with local incomes on the rise, the director argues that the healthcare sector will grow. But one constraint could be the lack of a skilled workforce.

"Doctors, nurses, lab technicians, and health's specialized personnel in general, require years of study, training and experience which takes a lot of time. To raise a building or construct a road it may take only two to three years, but to build up a person it takes at least 25 years. After 2002 we are experiencing an impressive growth and development of infrastructures, many new business are opening up, all demanding skilled manpower, which naturally is not yet available in sufficient numbers. - right now it is a serious concern" Holmes Lins says.

"We are fine as we have an older and more experienced team, follow the market concerning salaries and provide continuing education, but there could be staffing difficulties for new groups entering the field."

The healthcare exec advises companies in any sector which are considering coming to Angola to be persistent and patient with the country's bureaucracy and cultural differences.

"There are a lot of opportunities here but you have to understand that it will take a lot of work to get your business off the ground and be successful. Angola cannot be seen as some sort of El Dorado where things just fall from the sky," she says.

Holmes Lins also cautions that while Angola shares linguistic and cultural links



ARLETE HOLMES LINS

GENERAL DIRECTOR OF CLIMED



with Brazil and Portugal, there are still major differences which companies from those countries will have to deal with.

"There are those similarities and in things like music and food but this is only on the surface. Angolan society is still very different in things like values, concepts, the role of the family, beliefs, etc."

"In establishing a business in Angola it helps if you are bringing something to further develop the country, such as knowledge, technology transfer or job creation.

"Angolans are friendly, self-confident and very proud of their achievements and this must be praised and respected, but they are also keenly aware that they need to attain higher levels of development and they realize there is much to be done," she says.

Good Choice

Brazilian executive Luciula Abreu has worked for almost five years in the Angolan capital Luanda as manager of the Colinas do Sol Aparthotel complex which is popular with foreigners on short and long-term stays. She says her time here has been a pleasant surprise.

"I had always worked in the hospitality sector in Brazil, including a major international chain and I decided to take a chance, had an interview and was hired to run what I believed was a hotel.

"But when I got here I discovered that it was in fact a complex of condominium apartments originally built as accommodations for teachers. We then decided to turn it into an aparthotel," Abreu recalls.

With 120 one, two and three-bedroom fully-equipped air conditioned apartments, two restaurants, a gym, swimming pool, spa and other amenities, the Colinas do Sol is a landmark in Luanda's south.

"Ninety percent of our guests are corporate and by nationality most are Portuguese, followed by South Africans. We've seen growing numbers of Europeans - British, Irish and Germans - over the past year," she says.

Located in the upscale Talatona district of the capital, the complex is currently averaging around 80 percent capacity which the manager attributes to the increase in the number of hotels in the city catering to foreign business and leisure travellers.

Abreu remains optimistic on doing business in Angola but cautions that foreigners thinking of investing here need to realize it will be a different environment to what they are used to.

"Coming to Africa to do business would be like anywhere else; there are political and cultural differences which could be very difficult," she warns. "But this is a wonderful country which is opening up for investment and I am very happy about the choice I made."

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INTERVIEW WITH SERAFIM COSTA

President of Geonext - Productos Eléctricos SA

Angola is already the biggest market for Portuguese Electric Products Industry Geonext. As the ties increase and Angola keeps on growing, its founder Serafim Costa believes that the next step should be to set up an industry in Angola to meet the future demand

When did Geonext started to work with international markets?

S.C.- We started not only with Angola, we started working at the same time in several countries: Spain, France, other European countries, Africa and specially Angola. Angola is a very important market for us, we see it favourably for investments. Currently, we have partnerships in Cabinda, Luanda, Namibe, Huambo and Lobito, always trying to broaden our horizons.



Do you mean commercial or industrial investments?

S.C.- In a first phase the investments are commercial, but we are planning to set up an industrial investment together with some partners. In this way, we will try to expand and focus our business supported on the industrial part of the company.

What is the percentage that exports represents in Geonext's business?

S.C.- Exports represents between 50% and 60% of the company's turnover. These value report the direct sales and the ones that we make with national clients but whose products are destined for exports. In our lighting business, the majority of our business with national partners is designed mainly to Angolan market. At this moment Angola is responsible for 70% of our external billing with exports.

So, Angola is your main external market?

S.C.- Yes, it has been through the years, since 2004 that we are in Angola. In 2008 it represented almost 60%, in 2009 it went down to 45%, and then 43% in 2010. In 2011 it was 49% and 56% in 2013. This year I believe that it will account for more.

There is obviously an interest for Portuguese industrial products, but there

"PORTUGUESE PEOPLE IS THE ONE THAT BEST UNDERSTANDS THE ANGOLAN PEOPLE"

seem to be problems related to payment and many delays in closing business....

S.C.- Those kind of situations do exist, but not with all partners. On average about 50% of our partners have delays, but that is part of the commercial cycle. Since 2004 that we have had credit insurance in all sales that we conduct, so we have had no major problems with this issue.

Beyond Angola which African markets are on you horizon?

S.C.- Besides Angola we have businesses in Mozambique, São Tomé and Príncipe and Cape Verde. But our focus is on Angola and Mozambique.

Do you believe that manufacturing in the North of Portugal, where Geonext is based, is still competitive?

S.C.- I believe that Portugal has been competitive throughout the years and could be even more. Some businesses do not follow its normal course, as governments make things complicated rather than focusing in helping companies. I believe that now things are going in the right direction, especially in the good relationship between

Portugal and Angola. Moreover, I believe that Portuguese People is the one that best understands Angolan people and vice-versa, we have been always very close.

To what extent do you believe that Angola will keep on being important for Geonext and for Portugal's industry in general?

S.C.- I believe that Angola still has a lot to grow, it is a big country, with great potential at all levels, in raw materials, be it oil, diamonds or agriculture. Angola can be good for Portugal, for Europe, and especially for the Angolan people. My expectations are very positive, as long as the political climate remains stable; there is no reason to be afraid. In the middle term Angola has a great potential and will be a very influent country to be considered in the international scenario.

Where do you see Geonext and Angola in the next five years?

S.C.- In the next five years, we are working to maintain Geonext as a solid and co-operating company both with Angola and other countries. I would like to see a development in Angola's tourism and agriculture. I think it should be some more investment in showing everything Angola has in tourism terms. Also, I hope that agriculture will develop. Angola has great potential, the soil is very fertile, and for instance, I remember that Angola was once a great banana exporter.



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INTERVIEW WITH CARLOS RODRIGUES

CEO of JEOSAT ANGOLA

Providing affordable housing is the lifelong dream of Carlos Rodrigues, and his branch Jeosat Angola builds thousand of low-cost units for needy Angolans and exports its unique roll-forming technology all over Africa, while changing the face of the greater Luanda in the process



“PRESIDENT DOS SANTOS TOOK ACCOUNT OF THIS TECHNOLOGY AND NOW WE ARE REBUILDING CAZENGA”

C.R.- Only the municipality of Cazenga is about four billion dollars. If we include the other municipalities in Luanda, which are Samba, Viana, Rangel, Caxito (Bengo), Sambizanga, and Luanda the total amount should be much higher close to USD 212 billion in 12 years. For that we are negotiating a large international financing deal with the Angola State backing us. This is different from the way the Chinese credits work, there, all the materials and companies have to be Chinese. So we are talking with the Emirates, HSBC, VTB Capital, Goldman Sachs, and Merrill Lynch, to get a sovereign-backed credit line to finance this major work.

Where is the industrial base of Jeosat Angola located?

C.R.- We currently have in Angola the largest social housing industry, we are based in Viana Industrial Pole, in front of the dry-port, where we have the largest steel framing capacity in the country, but we are currently expanding to the so called Via Express with a larger and modern capability.

So the whole difference is your unique construction system ...

C.R.- Yes! It does not need any specialized labour, it is almost idiot-proof. I got the idea from what was being done in New Zealand, Australia, and Malaysia, where I noticed that the machinery was making the whole difference. In Malaysia the problem of the military personnel that needing housing in peacetime was resolved in this way. In Africa we are working in Mozambique, São Tomé & Príncipe, Cape Verde, Equatorial Guinée, we were invited to build 120 thousand houses and we are also working in South Africa.

In those markets do you work in partnership with local companies?

C.R.- Always in partnership, we do not pretend to do what we do not know how to. So for instance we are signing an association with other companies in Angola, in order to help us out in this major challenge in Angola. In terms of the technology we will still use our own, because that is where we are strong.

Do you favour Portuguese companies for partnerships?

C.R.- No, as long as they are strong and professionals we study all the possibilities. We are



studying possible partners in all areas, as we believe that partnership is the way to grow.

Are you confident in Angola's future?

C.R.- Yes, without any doubt. And as I follow Angola's development from the beginning, let me say that many of the forecasts made have been exceeded whether we are talking GDP, employment, and housing. As a country rich in natural resources, it has that backing to provide the assurance to foreign investors that the growth is sustainable, not to mention the fact that it is a very welcoming country. Now we are in the phase of setting up industries, training cadres, transferring know-how, I am fully confident that we have assured growth for the next 15 years.

Where do you foresee Angola in five years' time?

C.R.- I believe that Angola will have become the first reference for Africa in Africa. We are following the policy to bring all the technology and know-how to Angola, and as Angola is currently exploiting no more than 30% of its resources, whether we are talking agriculture, oil & gas, tourism or mineral resources. This should give the confidence to foreign investors about Angola's future, and prove that investing in Angola is a win-win situation. Many companies based in Europe are having their traditional markets stagnate, and so they are channelling their investments more and more to Africa. Angola must be smart enough to be able to take in all that interest and make this country a reference in Africa.

When was Jeosat Angola founded?

C.R.- Jeosat Angola was founded in 2000 here in Angola. It was first involved with Research & Development for the telecoms industry. Before I came back to Angola, I was living and studying in Portugal, but I am an Angolan national. After I graduated in Portugal, I decided to come back to Angola to bring the know-now I had learnt.

What did you study in Portugal?

C.R.- I studied Computer Science & Engineering. In those times, we started as a satellite communications service provider; we represented Iridium, Inmarsat, Thuraya etc. As the mobile GSM network was only beginning in Angola, our first customers were the petrol and diamond extracting sector as well as the armed forces. After that we developed a roll forming machine technology, which can create light steel structures, and that ended up taking the golden lion the trade fair REBUILD ANGOLA in 2004, as well as the golden medal by the United Nations Foundation (FEBP), and so we entered in our social endeavour of the low-cost housing. The famous "One-Million-House Project" launched by the President, His Excellency Eng. José Eduardo Dos Santos took account of this technology and now we are involved in the rebuilding of the municipality of Cazenga, the most populous of the municipalities of the greater Luanda.

So I understand that your roll-forming building system requires very little specialized labour of any kind, correct?

C.R.- Yes, because that is the major problem facing Angola. We were coming out of a war and we needed to build quality at low cost and quickly with untrained labour. We have also been active in searching for the financing of such major projects, which neither the Chinese companies, international nor local companies were able to provide.

How large is the whole project of rebuilding these municipalities in Luanda?