

**AFRICA SERIES**

**ANGOLA 2014 / II.**

CONSTRUCTION, INDUSTRY AND I.T.  
SERVICES ARE THE DRIVING FORCES  
OF THE NEW ANGOLAN ECONOMY

# CONSTRUCTION

## JOINT-VENTURES ARE LEADING THE WAY IN A GROWING MARKET FULL OF NEW OPPORTUNITIES

These are boom times for the construction industry in Angola. With billions of dollars flowing into government coffers from the country's vast oil and gas reserves, Angola has embarked on a mammoth spending-spree to transform the country into an African showcase.

It's ambitious goals are threefold: repair the devastation wrought during the decades of fighting for Angolan independence and the following civil war; provide the growing population with the infrastructure needed to make the country a truly modern and prosperous state; and provide training and job skills for the next generation which will be instrumental in carrying Angola into the future.

In a recent report on the country, the World Bank described the outlook for the Angolan economy as "positive" with economic growth for this year forecast at 7.5 percent, up from 7.3 percent in 2013.

The World Bank went on to say that its projections were based on "sustained increases in oil production, relatively stable international prices and continued growth in the non-oil sectors, particularly construction."

Another leading international financial institution, the African Development Bank, has noted that the construction industry accounted for almost 9% of Angola's GDP in 2012, with the share doubling over the past decade.

And according to an African Infrastructure Country Diagnostic report: "Angola has shown an exceptionally strong commitment to financing the reconstruction and expansion of its infrastructure."

While new or refurbished highways, roads, bridges, railways, seaports, airports and conduits for water, power and communications are high priority projects for the government, officials are also pouring vast amounts of money into housing for citizens from all economic levels.

Currently, the government is in the midst of a \$50 billion plan to build one million affordable housing units with some of the homes to be financed directly by the state, while others are being funded by private developers with the government purchasing the homes at a fixed price.

Country knowledge has been vital to the success of many ventures, such as Construções ARC SA, a hybrid company formed by leading Portuguese firm Alves Ribeiro and Angolan firm Cluster and which went into business in 2006.

### Combined knowledge

"Having a local partner who knows the country, the market, the peculiarities of each region, the people, climate and typography is beyond crucial," says Rogério Moitas, the co-general manager of Construções ARC.

"It certainly has worked for us and smoothed the way for the creation of our company and I would advise anyone thinking about coming to Angola to seek out a partnership or association with a local operator."

Rogério Moitas' fellow co-manager, Luís Mendonça, explains the skills each partner brought to the new company.

"What we did was harness Alves Ribeiro's more than 70 years of technical ability with Cluster's Angolan knowledge. There is nothing better than combining and aggregating all of this to better meet the challenges of helping develop this country," he says.

The business of Construções ARC is almost evenly divided between public and private works and has a particular expertise in building roads thanks to the decades of experience of the Portuguese parent company in highway engineering.



LUÍS MENDONÇA & ROGÉRIO MOITAS  
MANAGERS OF CONSTRUÇÕES ARC, SA

"HAVING A LOCAL PARTNER WHO KNOWS ANGOLA WELL HAS BEEN BEYOND CRUCIAL"

"We started our first roads in 2008 and have already completed nearly 300 kilometres. At the moment, we are building another 200 kilometres of roads in several provinces," Moitas says.

And while the company is prospering, he notes that the civil construction sector has not been as robust in 2014 as in past years as the government began to curtail the number of ambitious, big-ticket projects.

"Our best year recently was 2012, in 2013 for the first time our turnover didn't grow and we expect 2014 to finish in a similar fashion," he says.

"This is the result of the government attempting to contain costs by not launching as many new projects as in previous years and taking greater care in those which are launched."

According to Construções ARC's managers, there are three main areas of growth for civil construction in Angola: roads, energy and water.

"Angola is a big country and linking it all together through road transport is logical and therefore inevitable," Moitas argues.

"Then there is the energy sector which has to develop if the country is to do the same and that means dams will be needed to produce the energy. And water storage leads to distribution so everyone has access to clean drinking water and irrigation."

"Volente nihil difficile."

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Looking ahead, the executives say the company's shareholders are sticking to the plan to make Construções ARC one of the top construction firms in Angola in terms of quality within the next few years.

"We want to become a construction company of reference not just in Angola but also in other African countries," Mendonça says. "Primarily in southern Africa and those countries which have needs that we can meet because of our extensive experience in Angola."

**Fully independent**

Angolan and foreign construction firms, large and small, are profiting from all these opportunities and one major player, Portugal's giant Grupo Edifer, has established three subsidiaries in Angola where executives say growth is guaranteed.

"So much has been done here as far as rebuilding the country is concerned and there is no comparison between the Angola of today and the Angola of 15 years ago," noted Edifer Angola CEO Fernando Almeida. "But there is still plenty to do."

He cautions, however, that the Angolan market can be very demanding and competitive for construction companies and that the difficulties these days are very different from those of two decades ago.

"Working here is a constant challenge," he explains. "But I like challenges."

Founded almost 65 years ago and headquartered in the city of Amadora, near Lisbon, Edifer had been one of Portugal's leading building firms for decades and is responsible for many of that country's signature construction projects, as well as in Angola where the now fully independent Edifer Angola, along with its main construction business, also operates an aluminium company and a geo-technical engineering firm.

Last year, Edifer Angola had a turnover of \$200 million. Two of the company's signature projects in the country's capital are the \$470 million Comandante Gika hotel, office residence and commercial complex, and the



Photo: Comandante Gika

Empório Luanda Plaza which boasts a five-star hotel, apartments and shops.

Both landmarks were conceived and completed before the local building industry was hit by the recent world-wide economic downturn.

"There were some problems back in late 2008 and early 2009 when public investment dropped a lot and that, of course, affected private investment with a big reduction in construction work.

"Of course, this sector goes through cycles just like most but the crisis of several years ago did make the market a lot more competitive and we are still suffering from low margins," he says.

Edifer Angola's success, Almeida continues, is partly the result of its partnerships with the other contractors and suppliers with which the company cooperates. "And, in this business and in this business environment, one has to be as agile as a gymnast."

Almeida complains that one factor restricting investment in Angola is the high cost of money and that the banking sector still has a long way to go in regards to helping businesses.

"We notice, for example, that for some of

our customers it is not easy to structure the financing for a project be it real estate, industrial or whatever. There is not yet that natural link amongst entrepreneurs, investors and the commercial banks."

According to the CEO, for the immediate future his group will continue to focus on projects in Luanda where he argues the most construction work is still concentrated and where there are the most opportunities.

"There is no real dynamic investment going on in the provinces at the moment despite the budgets the local governments have for this sector as most of the main work there, rebuilding the roads and other transport infrastructure, has been completed.

"But with the growing population, the increase in vehicle traffic and spreading wealth, we can see that the new roads are already becoming inadequate and obsolete so we are looking forward to another round of investment at some point in the future," he says.

With the population constantly increasing Almeida maintains there will always be a real need for companies like his and those in other sectors so Angola will continue to be an attractive country for investment, whatever the business.



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"I would hope that if all goes well, we should see an increase of around 35 percent over our current revenue within three to four years," he predicts,

"Angola is not an easy place to do business and the initial investment is huge but it is a place worth betting on. It is a country for marathon runners and if one joins the race for the long haul and is successful, one will be rewarded in the end."

### Fulfilled promises

Another Portuguese-based company that has moved into Angola is Jamo Internacional which is also involved in construction in November of 2011, and has sister companies in other sectors such as import and export and automobile parts.

"With more than forty years of professional experience, our group was looking for new horizons. In 2009, for the historical heritage, cultural and commercial links between Portugal and Angola, and the sharing the Portuguese language, our group turned to Angola," recalls CEO Philippe Oliveira.

"Also, Angola has implemented a set of measures to simplify procedures and to promote the role of foreign investors in the development of the country."

"Angola was a country undergoing reconstruction and restructuring with immense

needs in every area so we came here to do a study of the market, the conditions and the laws and logistics one needs to address in order to start up a company," Oliveira explains.

The CEO recounts the difficulties starting up such as seeking out the right niche market in which to operate, finding skilled employees, meeting the demands of customers and providing them with quality work and goods.

"We're now satisfying those demands as quality has become much more important to our clients. Angolans don't just buy anything these days and so there is more quality on offer," he explains.

Jamo International's books tell the story. In 2013, the company billed \$700,000 and this year is on course to bill around \$2 million. "So that is roughly triple our figure from last year and one key to our success is making sure we keep our stocks up so you can provide what customers want. This also proves that we are achieving one of our goals: Jamo International is becoming a reference in its area of operation."

The company's construction division is largely involved in installing wooden decks, flooring and doors and decorative stone for new homes and commercial premises.

"I believe there is plenty of room for everyone in the Angolan market. Angola is still a country in the process of rebuilding



**PHILIPPE OLIVEIRA**

GENERAL DIRECTOR OF JAMO INTERNACIONAL

**"ANGOLA IS A PROMISING PLACE TO DO BUSINESS FOR ANYONE WHO WORKS HARD"**

and restructuring, with abundant resources and a constant growth. It's not like it was five years ago. Increasingly, we work in synergy with national companies.

"And now there is more and more business in the provinces. Our group has a long term vision of the Angolan market, and we will create new businesses in the near future. Angola is a promising place to do business for anyone who want to work hard."



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IGIP – Gestão e Serviços, Lda  
Rua Comandante Kassange, 86  
Benguela  
República de Angola

Tel.: +244 272 23 46 67

**Huambo:**  
IGIP – Gestão e Serviços, Lda  
Rua Dr. Lacerda, 75/76, Cidade Alta  
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**INTERVIEW WITH  
J. MANUEL AUGUSTO GANGA JR  
GENERAL DIRECTOR of CATOCA**



**How was 2013 for Catoca?**

**J.M.A.G.-** 2013, as well as the few years before, have been average years, despite the difficult national and international economic conditions. We mined about 6.5 million carats last year, equivalent to about six hundred million dollars. Most of the diamonds produced by us are sold abroad, and the economic crisis caused the price of diamonds to fluctuate downwards.

**How were your costs behaving lately in the light of these conditions?**

**J.M.A.G.-** Over the last few years we have experienced price increases in various inputs and raw materials, such as iron, so we have experienced cost increases in every one of the last years, be it in machinery, equipment, tools, and so on.

**“IT IS NOW TIME TO START INVESTING IN THE ANGOLAN MINING SECTOR”**

Last year we had for instance a bottleneck in the supply of tyres, and prices increased substantially, so in general our costs have been growing.

**How is Catoca managing with the general lack of workers in Angola?**

**J.M.A.G.-** We firstly work on the internal front through professional training, trying to help our workers become more proficient. We also have a grants program for higher education, both in Angola and abroad, by which young Angolans are given the chance to attend university. We hire as well foreign personnel, out of the nearly two thousand workers that we employ, nearly 10% of them are workers coming from places such as Russia, Portugal, Brazil, South Africa, etc.

**What would you say are Catoca’s main challenges for 2014 and beyond?**

**J.M.A.G.-** We can say that as of today Catoca is moving ahead at cruising speed. The mine has been in operation for sixteen years, and for the immediate future we expect to keep producing diamonds at the current rate. Our main challenge is hence the exploration program that should allow our reserves to increase. So we are developing an important

geological prospection program with seven concession areas currently being explored. We are also working on an internationalisation program, as we are preparing to move into Zimbabwe.

Internally we still have some issues, particularly related to energy. The current supply of electricity coming from the hydroelectric power station at the Chicapa river in Lunda Sul can only attend to 60% of our needs, so the rest is supplied via diesel generators, which is not only expensive but also requires a sophisticated logistical chain of fuel, spare parts and maintenance. So together with the authorities we are working with the goal of participating in the construction of a second hydroelectric power station that could help us have our energy demands fully covered.

**Is the mining sector in Angola ready for a large influx of foreign investment?**

**J.M.A.G.-** The main message that I would like to convey to the reader of this report is that Angola, from a mining and geological point of view, is mostly a virgin territory. Most of the mineral resources that we know for sure that Angola has buried in its ground are yet to be discovered. So the time is now! It is time now to start investing in the Angolan mining sector and those investors who come first will be able to secure a major slice of the future exploits.

**INTERVIEW WITH ARTUR JORGE ALBERTO GONÇALVES  
CEO of Sociedade Mineira do Cuango Ltda.**

**How is Sociedade Mineira do Cuango placed within the Angolan mining industry?**

**A.J.A.G.-** Sociedade Mineira do Cuango is the second largest world producer of diamonds from alluvial deposits, and wholly, including the diamond deposits being extracted from the river Cuango in Lunda Sul, we are currently the second largest Angolan diamond producer. We have about seven hundred employees, and for 2014 we are expecting to have a turnover in the area of the 85 million dollars.

**The diamonds extraction from the river Cuango have been behaving as expected?**

**J.A.G.-** We have working not only in the riverbed, but also in the terraces in Calonda along the river. The deposits have mostly produced as we expected them to, and most of them have proven to be economically viable. With more or less toiling, we can be confident that Sociedade Mineira

do Cuango will continue to produce from viable blocks in the next four to five years.

**What is the main challenges facing the Angolan diamond mining industry?**

**A.J.A.G.-** First and foremost human resources, it has been indeed the greatest challenge faced by the mining sector. It is important to understand that this industry needs experienced technicians, trained mostly in engineering. There is a large deficit in the market, not only in Angola but abroad, so it is difficult to get these professionals.

**What is the company doing about it?**

**A.J.A.G.-** We invest in the long term in our human resources, and we have been doing that for some time. At a local level we have been giving some study grants specially in the engineering fields, so our national strategy consists in identifying potential students, offering them assistance



Photo: Catoca

and five years later hiring them with idea that in another five or six years they can become experienced engineers that we can rely on.

**Is the Angolan mining sector ready to attract the interest of international firms?**

**A.J.A.G.-** Angola is already, in my opinion, a powerhouse in the African mining arena. I think that the government is taking the right steps to attract foreign direct investment to the mining sector. Probably some fine-tuning might be needed until foreign investors start materialising their intentions, but I believe that time is going to arrive very soon.

## INTERVIEW WITH RUI JOSÉ VEIGA PINTO CEO of CLÍNICA SAGRADA ESPERANÇA

### What is the role of CSE in Angola healthcare?

**R.J.V.P.-** *Clínica Sagrada Esperança, contrary to the common belief, is not a private clinic, but a state-owned one managed privately, so we live off from what our customers pay. It is 23 years old, and although it started with little more than a beach house, it has grown consistently ever since. We began with only seventeen beds and now we have two hundred, from only fifty workers to over two thousand, and we are one of the three biggest clinics with presence in Luanda and some provinces.*

### What hurdles were overcome in that time?

**R.J.V.P.-** *Angola boasts only 3.5 thousand doctor for twenty million people, after independence there were less than a hundred, and until recently Angola was training only a hundred new doctors a year. Happily we have six institutions now training new doctors, yet now the problem is at the nurse level, where there are not as many schools and that is currently our main problem. At Clínica Sa-*

*grada Esperança we are committed to training, and we have created an inner school for doctors, nurses and other personnel.*

### Are there investment opportunities in health?

**R.J.V.P.-** *In order for Angola to keep on growing it first needs to resolve its health and education shortcomings. In many parts of the country healthcare only exists at a primary level, yet we are seeing an expansion of new clinics mushrooming in every corner of the country. The main goal should be to have those clinics continue their expansion, for even if companies want to provide healthcare to their employees, often they cannot find the institutions and professionals to do it. So I am convinced that the health sector will continue to grow in Angola well into the future.*

### Where do you see CSE evolving?

**R.J.V.P.-** *Clínica Sagrada Esperança has a vision, which is no other than being the leader in*



**“WE ARE COMMITTED TO TRAINING SO AT CSE WE HAVE CREATED AN INNER SCHOOL”**

*the quality and safety of the services provided to our customers. Because of that we are immersed in obtaining the international certifications for our services. Last year we earned the first certification, incidentally in the training area, and in the next three or four years we will continue to pursue this path. At the moment we are in the process of certifying our Intensive Care Unit, our Radiology Unit as well as others. Also we want to improve the safety procedures and the quality of services rendered to our customers. Those are the main challenges for us.*

## INTERVIEW WITH NUNO BELMAR DA COSTA CEO of NBC Medical

### What have been your goals in Angola?

**N.B.C.-** *I have been involved in Angola for thirty years, and for all this time Angola had always been a personal goal of mine. Most of this time I was involved in trading, only ten years ago we started thinking of having our own imports and distribution company locally.*

*So NBC Medical was born properly six years ago, in the middle of the Portuguese crisis. Why Angola? Angola is a market that boasts growth rates well over average, and for which using the geostrategic position of Portugal makes all the sense. Portugal can play a very important role as a bridge for European and American companies interested in entering the African markets, as it*

*can take advantage of its language and cultural ties with the countries that knows well. So Angola was a logical choice once the European market became exhausted.*

### So NBC Medical is an African Venture

**N.B.C.-** *Yes, we also work with other African markets, and as I know Africa well I can proudly say that Farmalog, our logistics arm, has some of the highest quality storage facilities in all of southern Africa.*

### Is the platform open to other companies?

**N.B.C.-** *Indeed, and large multinational companies already in Angola have sourced us to give them logistics support. We represent companies such as Bayer, Astra-Zeneca, Sanofi and Bial, and all these pharmaceutical companies have chosen us as a partner precisely because we can offer our logistics platform, which has been highly praised by the Angolan health authorities.*



**“WE SERVE BAYER, SANOFI, ASTRA-ZENECA AND BIAL BECAUSE OF OUR LOGISTICS”**

### What kind of investment did it entitle?

**N.B.C.-** *Altogether the investment of NBC Medical in Angola, including Farmalog's logistics platform, has reached about three million dollars of direct investment.*

*Yet we are also working in a new exciting project, SE Farma, which stands for Sagrada Esperança Farma. It is a concept that comprises a chain of pharmacies with our own brand, we are planning to open the first five of them as of June this year with the goal of having a total of fifteen pharmacies in the country by the end of 2015.*

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Rua Mayor Kanhangulo nº 502  
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**INTERVIEW WITH MIGUEL JOÃO B. MAIALA  
CEO of ECOMAIALA GROUP**



**How and when was your company Eco-  
maiala founded?**

**M.J.B.M.-** Our group was created in 1990, it started by distributing fish to local markets in the state of Kwanza Sul. Currently we are based in Luanda, we have fifty five trucks, twelve of those fully dedicated to fuel transport for Sonangol Distribuidora in Moxico. We also do dry cargo, reaching areas such as Malange, Cuando Cubango, Cunene, Benguela and even Congo and other regions.

**Yet you are entering other sectors such as the construction sector, right?**

**M.J.B.M.** Yes, currently we are active in construction, we are building in partnership three office towers in Talatona, Luanda, under the name of Office Center Talatona. We own 70% of the project, worth in total ninety-three million dollars. The works started last February and we expect to have them finished by 2016.

**Are the best opportunities now in the Luanda office market?**

**M.J.B.M.** Right, offices are very sought after, as there is a great lack of office space in the whole of Luanda. Also, here where we are, in Morro Bento, we are erecting the Maura Building and the M. Junior Building. Right after we finish them we are planning to start construction of a six-storey office building with 250 parking spaces, as this is an area where there is a great demand to be satisfied.

**What about your industrial plans? Are they also on track?**

**M.J.B.M.** We like to diversify our activities, so are in the process of setting up a vegetable oil factory worth nearly five million dollars. This facility should be operational in four or five months, currently 85% of all the necessary industrial equipment is already on-site at the Viana Industrial Pole.

**“WE ARE ENTERING INTO THE VEGETABLE OIL INDUSTRY WITH A 5 MILLION \$ FACTORY”**

**Where do you see Ecomaiala Group in five years' time?**

**M.J.B.M.** We will be a very strong and competent group working in the Angolan market, in transportation, construction as well an industry. That is our dream. Only with the three towers that we are building we are becoming a group to be reckoned with, if you take into account the vegetable oil factory and the other projects. So we will accompany the expected growth of the Angolan economy and then tackle some new challenges.

**INTERVIEW JOSÉ LUIS DA C. PEDRO  
CEO of TRADING CONSTROI**

**What are the main figures of the group?**

**J.L.C.P.-** TRADING CONSTROI has around three hundred employees, and we are billing up to 60 million dollars in our six stores, all of them here in Luanda, some of them in the centre and some in the surrounding areas. This very year we will open another one on the way to Viana. I believe that the Luanda market is growing rapidly, so the market is far from being saturated, and Luanda is still our priority. In the mean time we have acquired some land in Benguela where we plan to build a store to be opened early next year.

**So is the construction sector in good shape?**

**J.L.C.P.-** I believe it is one of the more dynamic sectors in the Angolan economy, other than the oil sector. Not only that, the sector is evolving quickly, and the level of demand of the companies grows every year. The same goes for the competition level among the companies involved in distribution of construction materials, which is also growing fast.

**What major hurdles are you facing?**

**J.L.C.P.-** First it is difficult for the workers to commute to the stores, so we have had to purchase buses to take our employees to their work. In Luanda transport is big problem. Power is another hurdle; it is unreliable, although it has improved as of late. In any case we need to have two generators working at all times, as oscillations in the voltage can wreck havoc to computers and other electrical equipment. All this means extra cost that would not here with a reliable power supply.

**Yet is it still profitable to operate in Angola?**

**J.L.C.P.-** Yes, it is still reasonably profitable. To assure that, this year we are making a very big effort in the training of all our personnel, by bringing a specialist in training from Leroy Merlin in Portugal. Also we have recently hired an expert from Maxmat to work in the purchasing department. So training is one of our main needs, I think there should be some efficient schools to train people in the commerce sector. As a matter of fact one of the ideas we are contemplating is setting up a training school to tackle exactly that need.

**Do you plan to stay committed to the distribution business?**

**J.L.C.P.-** We will continue to bet on the distribution of construction materials. As I said, we are looking at the provinces and watching carefully their development. Another area we are looking into is the food distribution sector, as we are planning



**“WE ARE MAKING A VERY BIG EFFORT IN THE TRAINING OF OUR ALL OUR PERSONNEL”**

to add some food stores next to the construction materials stores that we already run.

**How do you see the long term future?**

**J.L.C.P.-** The way the country is growing - and we want to accompany that growth - so I believe that there is a lot of work to be done. We need to work in a more automated manner, as a modern distribution chain of several stores. We would like to have a store in every province in the country, especially in those that are developing the fastest, but our growth must be balanced and sustainable.

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**INTERVIEW WITH ANTÓNIO JOSÉ BRANQUINHO MAIA**  
**CEO of EQUADOR & TRANSMAGO**

**How and when was Equador founded?**

**A.J.B.M.-** Equador as a company was founded in 1989. Our initial goal was to build a hotel, but we never got the authorisation for that, it was a very restricted sector at the time. So we started in the car leasing business.

**Was Equador the first in the business?**

**A.J.B.M.-** Exactly, we were the pioneers in the development of car leasing. Today, we are leaders in the field of fleet management, and we are also very active in road heavy transport, through a company called Transmago.

**How does road transport compare today to the time when you started?**

**A.J.B.M.-** It is very different, we see that a great effort has been put into improving the country's roads. Of course if we compare our roads

with those in Europe, just being on tarmac is for us a great improvement, and we still have very steep maintenance costs for our fleet of trucks.

Freight prices have been dropping, as we have been able to improve on the use of our lorries, as you can have more trips and become more efficient with better roads.

Yet our goal is in the future to make the trip back from the interior to the coast with cargo, as most of our trucks come back empty. This is called a return freight, which is not happening yet, but our expectation is that in the near future it will start happening.

Right now the whole group must have around 1.400 employees in its transport business, 1.200 of them are on the light transport business and about 200 of them are on the heavy transport business. That accounts for a turnover of around 30 to 40 million dollars.



**"RETURN FREIGHT ISN'T JUST HAPPENING YET, BUT WE DO BELIEVE IT WILL START SOON"**

**What other business are involved into other than transport and fleet management?**

**A.J.A.G.-** We are finally involved in the hotel business. We are running the Continental Hotel, that we won in a public tender and now we are building another hotel near the Luanda airport. In the future we want to use our experience and resources to keep on investing in other business sectors, as there is a great need for that in Angola and Africa.

**INTERVIEW WITH OSVALDO COUTINHO DUARTE**  
**CEO of ATLÂNTIC SERVICE & ORGANIZAÇÕES J.C.D.**

**Tell me about the companies that you lead**

**O.C.D.-** I founded two companies, Atlântic Service as a customs & logistics operator, and a construction and public works company called Organizações JCD. Both are active yet they operate independently as their areas of activity are different. Organizações JCD has 62 workers, and last year billed fifteen million dollars. Atlântic Service has 30 people and a turnover of about eight million.

**What business are you involved into?**

**O.C.D.-** We are working on some tertiary roads and the foundations of some buildings, some housing lots, and some infrastructure works for energy and water supply. Atlântic Service is very much de-

icated to the maritime traffic and delivery to our clients door-to-door.

**Which of your lines is growing the fastest?**

**O.C.D.-** Both companies are growing quickly, but perhaps Atlântic Service has been growing and establishing itself in the market a bit faster, thanks to the good work that we have been doing.

**Angola still welcomes foreign investment?**

**O.C.D.-** I believe that Angola has a great potential, and with the political and economic measures that have been taken, it is becoming almost the promised land in Africa, and a reference to the first world, which should pay a special attention to this market. However, there are issues that need improvement, like the working visas issue, which sometime slow investments, even for companies with approved projects.

**Is a local partner a still a necessity to start a business in Angola?**



**"ANGOLA IS BECOMING ALMOST A PROMISED LAND IN AFRICA"**

**O.C.D.-** I believe that it is very interesting, for all those companies interested in investing in Angola, to tie up with a local player that understand the local market conditions, and there is a whole world of investment opportunities.

**What lessons have you learned in Angola?**

**O.C.D.-** The one thing that I have learned is that one must take one's hat off to the Angolan people, for the way in which they love their country. This is a people that, for good or for ill, do love their country. It is a people that knows how to make a dramatic change from a difficult situation, of conflict and war, into a good situation, of peace and development. Angolans are proud of themselves, proud of their country and proud of everything they have achieved.

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## INTERVIEW WITH HUSSEIN MOUSSA

### General Manager of O-INDEX

Where the construction industry goes, the distribution companies follow. As Angola undergoes a second construction boom, with new towers mushrooming in the Luanda skyline, savvy entrepreneurs are finding that quality, organisation and transparency are the major keys to success, as the general manager and founder of the O-INDEX store in Luanda explains from his recent experiences

#### O-Index works from 2010, why was it founded a year right after the crisis?

**H.M.-** Simply because the whole of Angola is at work, thanks to the local and international companies that are helping in the reconstruction of infrastructures and other works. We intend to be part of that business and grow as a distributor and wholesaler of construction materials.

#### Are you active only in the distribution of constructions materials?

**H.M.-** We are present in construction material, electric materials, anything related to construction. We are also present in construction itself, and we are active in several projects, such as the Pérola Verde, a housing project, where we have already delivered several housing units.

#### How difficult was to set up a company from scratch?

**H.M.-** My experience is that it was much easier for me than it is now for the newcomers. I have been in Angola since 1999, that is 15 years of experience in most sectors, industry, distribution and construction. Those years were not easy, as the infrastructure was mostly destroyed. It is very different now, thanks to the Government's effort to develop the country, and we as entrepreneurs must be part of it and contribute with our personal effort.

#### How did O-INDEX develop in these first few years?

**H.M.-** We founded the company in 2010 and started our activities in 2011, with a small store, while we finished building the current premises, which belong to us. In 2012 we moved here. We are looking at achieving a turno-

**"WE ARE INTERESTED IN FURTHER INTERNATIONAL PARTNERSHIPS IN ORDER TO GAIN MORE EXPERIENCE AND TAP BUSINESS OPPORTUNITIES"**



ver 25% higher in 2014, and we are looking at doubling or tripling our current activity in this sector for 2017.

#### How important have been international partnerships for O-INDEX?

**H.M.-** Most of our international contacts are in Europe. We are committed to high quality products, and that was part of our success. We prepared extensively for that, because few companies here are dedicated to the part of the market that is looking for high quality construction and electrical material. We sell mostly European equipment, and some Japanese equipment that we import directly. Particularly we import lots of material from France. We are interested in further partnerships with international companies, in order to gain more experience and tap new business opportunities.

#### The new recently approved customs duties are affecting the construction sector?

**H.M.-** I believe the changes are fair. In construction materials I believe that more than 90% of products have not been affected. There has been an increase for some lines of products already being made here, such as PVC and PPR plastics and others. In my opinion it was a correct decision from the government in order to promote local production and help the Angolan industry. I think it should have happened before, and not only it is helping the Angolan industry but it has created many new jobs.

#### What's the key to success in the Angolan market?



Photo: Baía de Luanda

**H.M.-** The key to success is organisation and transparency. In any work, with an organised team of professional working in a transparent manner, success can be achieved.

#### Where do you see O-INDEX in the next few years?

**H.M.-** If we met in five years then I would like to tell you that we have achieved our dream of a larger and more relevant company, which I am convinced is an achievable goal.

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## IT SERVICES

### LIBERALISATION MAKES ANGOLA'S IT AND TECH SERVICES A MODEL FOR ALL SOUTHERN AFRICA

Over the past 15 years, Angola has become a leader in the African information technology industry as its market for all things innovative expands thanks to generous spending by the government, an increasingly well-educated and well-paid population and a broadening private sector that must keep up with the latest in IT and communications.

In 2001, the government made the wise decision to liberalise the IT and telecoms sectors, a move which has transformed the country into one of the largest high-tech markets in the southern African region and where more and more Angolans, even in the back of beyond, are connecting with the Internet and going online.

But the country is not advancing technologically only on earth. At some point within the next two years, the country's first telecoms satellite, AngoSat, will be launched as a joint, \$320 million project with the help of Russian partners.

The space shot will mark the 20th anniversary Angola's first Internet connection. State officials today proudly proclaim that web penetration is now available to more than 20 percent of the population and just under half of all Angolans have access to mobile telephony.

And while IT is helping fuel Angola's growth in business and education, it is also used to ensure the country's democratic aspirations.

Two years ago, the National Electoral Commission used the Internet and mobile



devices to scan voter registration cards as citizens tapped into the web to report on voting irregularities.

In another example of the government's great efforts to connect the entire country, it is planning a network of what it calls "mediatecas" or youth media centres which will each feature 100 desktop and laptop personal computers, as well as libraries, study rooms, audiovisual and film halls and sport facilities.

#### Security Expert

Angola's Infortel group is involved in three high-tech sectors which are drivers of the economy: telecommunications, security systems and electronic products, and is a trusted partner of giant German conglomerate Siemens.

"Infortel as we now know it was founded 20 years ago as a local partner for Siemens and we developed and grew quickly due to our reputation for quality service and meeting deadlines," recalls CEO Eugênio Mil-Homens.

"At that time around 80 percent of our customers were Portuguese companies operating here, primarily in construction and utilities, and we started in the same markets which dominate the group's business today, namely electrical components, security and telecoms."

Currently, Infortel's electronic security business is the group's best performing di-

vision with sales of closed circuit television components and systems especially strong.

The division has worked on many of Luanda's most prestigious buildings and the chief executive says it is the company of reference in that sector in Angola.

Infortel's next big step is a \$6 million investment in a production plant to manufacture electronic components such as electrical panels, street lighting equipment and other items.

"We have a European partner for the technology which was seeking opportunities in Angola because they realised that their domestic market had pretty much dried up due to the economic crisis.

"And I truly believe that our domestic production will be able to compete with imports and we're now working with our partner to iron out a few obstacles regarding quality certification," he says.

Mil-Homens cautions foreign investors about the high cost of doing business in Angola but admits that things are getting better, not only regarding expenses but also bureaucracy.

"Energy costs, for example, are coming down. In 2012 we spent five times as much on electricity than last year while installation costs have also fallen significantly. And it is much easier now for small and medium-sized companies to establish themselves as you can start a business in Angola in seven days," he says.

  
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## Complete Solution

A young company which is riding the IT wave in Angola is Ikon which began four years ago to help businesses implement computerised management systems and then branched into other services as demand increased.

"There was this great need from our clients for basic things like the Internet, internal networks and others but this is normal in this business and we were happy to provide those services," explains managing partner Mauro Martins.

"Clients ask us for a complete solution as they don't want to have to go around asking separate IT companies for separate services. Our clients come from just about every business sector and company size, both foreign and Angolan."

"And when the multinationals arrive in Angola they want an entire IT package and we can provide that for them," he says.

Angola's government is also a big client as officials move to computerise the state's entire management system.

"But the problem here is that sometimes the state doesn't pay up immediately," according to Martins. "If I supply a company working for the government with a service or a product and the state does not pay them, then I don't get paid."

Ikon works closely with Primavera, SAP and Stylus/NCR and other IT multinationals to provide a full spectrum of software business management solutions, computer accessories, desktop computers and laptops, printers, scanners, and IT consumables such as ink cartridges, toners and paper.

"Of course, we have partnerships with other foreign suppliers as we import a lot of equipment, mostly computers and we work with European companies as their Angolan representative for specialised software for things like hospitals."

Martins argues that Angola's information technology sector can only grow but he lists two main obstacles to that process:

human resources and costs.

"There are now a lot of young Angolans attending university here but they are not being trained in the specific areas we need. Also, IT costs here can be very high from the computers themselves to the exorbitantly expensive Internet and that prevents many small companies from using the web," he says.

"Still, I believe we're in a good market and I would predict that we'll have doubled our business over the next four to five years with the government extensively using the software and services we supply. That's the goal!"

## Cultural Advantage

Active in Angola, Portugal, Mozambique, Brazil and Cape Verde, the Portuguese-based software management and consultancy Sendys has 30 years in the sector and now more than 10,000 clients.

"We believe we are one of the largest consultancies in Angola and our strategy is to go directly to the customer or facilitate a customer's business with one of our international partners," explains managing partner and company president Fernando Amaral.

One of Sendys' principal services is Enterprise Resource Planning (ERP) implementation, which allows companies to integrate and have simplified access to all its various departments and systems so as to ensure the sharing and constant update of information.

Sendys also offers clients SaaS, its cloud computing service which allows small and medium-sized businesses to match up with the technology of larger companies, plus project management, full customer support, consulting and training in its integrated management solutions.

"I've been working in Angola for more than a decade and it has been very interesting to see how the market has changed and how the level of management has evolved," the Sendy's president says.

"Clients these days are much more sophisticated concerning their needs and I



FERNANDO AMARAL

MANAGING PARTNER OF SENDYS

"CLIENTS THESE DAYS ARE MUCH MORE SOPHISTICATED CONCERNING THEIR NEEDS"

think we are very good at meeting those needs," the Sendys president says. "And we are doing well with our turnover last year at \$6.4 million with 40 percent of that coming from outside Portugal."

Among the markets in which his company operates, Amaral says the Brazil is perhaps the most difficult, mostly due to the complexity of operating in such a large, and diverse, business climate.

"Taxes are the biggest headache because each city, region and the country has its own tax rates so we have to look at Brazil not as a country but as a continent. In fact, Europe is more uniform in this regard than Brazil," he says.

"But operating in Angola and Mozambique is easy because of our cultural proximity. There was a European study which concluded that the Portuguese mentality was closer to the African mentality than the European norm and that is a virtue when doing business in our African markets."

Concerning Sendys' home market, Amaral sees the light at the end of the tunnel.

"Just two years ago there were so many companies in all industries and business sectors going bankrupt but that appears to have largely ceased. The bleeding has stopped and things are slowly improving.

"Portuguese companies have learned from the crisis and one of those lessons was to go global and we're seeing things turn around thanks in part to strategies like expanding into countries such as Angola."



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## Top References

Grupo Ideias Dinâmicas is one-of-a-kind group; a Porto-based group of companies founded in 2008 and which now operates seven divisions in different business sectors in four countries: Portugal, Angola, Mozambique and Brazil.

"In the beginning, Angola represented 25 percent of our turnover and Portugal 75 percent, which now the situation is completely reversed with Angola accounting for 70 percent of the group's total turnover of \$30 million," explains chairman of the board Jorge Salgueiro.

Grupo Ideias Dinâmicas operating firms are: IT services provider ITGest; software development companies Kentra and Pryog Technologies; construction and building refurbisher D'Casa; marketing and communications company Think Tank; and financial and management shared services Ideias Dinâmicas and investment fund Invest Seguro.

"In line with our business strategy ITGest was recognised by the Minister of Telecommunications and Information Technology as the company with the best Enterprise Solutions in Angola in 2013 and we were very flattered by that honour.

In Angola we are positioned as the reference company for the public water sector, providing SAP solutions in Luanda, Benguela and Lobito. We also work with the energy and water ministry's GAMEK," Salgueiro adds.

ITGest was the first SAP Education Partner for the Portuguese speaking language countries in Africa and is also certified by INEFOP (Angolan Training Certification Institute).

"This IT company also focuses on the healthcare, laboratory and education sectors, providing innovative software and IT infrastructure for hospitals, clinics, laboratories



**JORGE SALGUEIRO**  
CHAIRMAN OF THE BOARD  
GRUPO IDEIAS DINAMICAS



and universities", the chairman says.

One of the group's operating areas active in the country is the marketing and communications firm Think Tank, which has worked for Angola Telecom, the Port of Luanda, ENANA, EDEL, Unicargas, and other important government and private entities.

Yet another important company of the group is D'Casa, active in the construction and renovation of private residences, stores and offices, as well as large construction works. With a large Portuguese market know-how and a extensive portfolio in Portugal, D'Casa has its own facilities in Angola, where it is providing services to numerous projects in all construction areas, for clients such as Timberland, Bata, Epal, and DHL among others.

"Our success is due to our strategy of running each project exactly as it was planned, budgeted and identified so that we achieve the precise goal. Our clients appreciate and recognise it, which leads us to untapping further opportunities," Salgueiro says.

**"GRUPO IDEIAS DINAMICAS IS BASED ON A SOLID KNOW-HOW OF THE AFRICAN CULTURES"**

Thanks to the group's sterling reputation in Angola, it was recently asked by the government of Mozambique to develop projects for the water management of that country's capital, Maputo.

And with Grupo Ideias Dinâmicas success comes its social responsibilities, one of which is giving something back to its host country.

Within its operating areas working in Angola, the group makes an effort to train its local staff, including offering six-month internships in Portugal to Angolan employees, so they return fully trained and qualified. "In this way," he says, "we are creating excellent job opportunities for the Angolan people, providing them with an European training."

In 2011, we started with 23 Angolans who were sent abroad for training and this year we want to send 80 people. We are in the process of massive employment growth focused on Angolan staff."

After finally founding ICA - International Consulting and Accounting in 2013, "a company focused on consultancy services in finance and accounting, quality standards and human capital management", and looking towards the future, the chairman says there are no plans for further diversification as the group looks to focus on its current businesses.

"At this time we want to consolidate what we are doing as we have diversified our business in a strategic way from the beginning. In Angola, we replicated our Portuguese model where we started with consulting, technology, and then moved into marketing and communications, and finally construction" he says.

"And I hope that over the next three or four years we will position ourselves as the benchmark in all our fields of endeavour in Angola. We may not end up as the biggest, but we want to be recognised as the best business partner," Salgueiro affirms.



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# CERAMICS INDUSTRY

## PORTUGUESE EXPERTISE AND TRADITION MAKE ITS MARK ON THE TILES AND BRICKS INDUSTRY

A visitor to Portugal is immediately struck by the beauty of the traditional tile work adorning the facades, and the interiors, of many buildings, whether homes, commercial establishments or churches. And underfoot, elaborately decorated paving stones are also common in the biggest cities and the smallest villages.

Portuguese ceramics have been known for their design, colour and quality for centuries and today Portuguese companies in the sector are wholeheartedly embracing globalisation to export much of their production around the world.

And it is not just decorative tiles which are being sold abroad but also ceramic tableware and ornamental items, roofing tiles, wall tiles, floor tiles, insulators, refractories and other technical products, all emblazoned with that mark of quality: "Made in Portugal."

Many consider the manufacture of ceramics as an age-old process which has changed little over time but nothing could be further from the truth. Like most industries these days, ceramics manufacturers apply the latest high-tech production methods and one organisation in Portugal is helping companies stay abreast of developments in their industry.

### Established Reputation

"We're a non-profit outfit and have been instrumental in assisting the Portuguese ceramics industry since 1987," explains Paulo Ventura, the CEO of the Centro Tecnológico da



PAULO VENTURA

MANAGING DIRECTOR OF CTCV

"PORTUGUESE CERAMIC INDUSTRY HAS WON A WELL ESTABLISHED REPUTATION"

Cerâmica e do Vidro (CTCV), located in the city of Coimbra.

"CTCV empowers the industry in terms of innovation and technology with the idea that the sector can develop better if we all work together than if we work individually," he adds.

Experts at the centre advise on the latest processes in the manufacture of tiles, bricks, flooring, crockery or tableware and glass and provides training in innovative methods. It also sponsors and participates in developing and optimising initiatives in materials, energy and sustainability related to the sector.

"The Portuguese ceramics industry has been around a very long time and so has won a well-established reputation for quality like our leather footwear and textile manufacturing," the CEO says.

"This reputation, coupled with our efforts at state-of-the-art innovation, give us an advantage in global competition."

Portugal's more than 300 registered ceramics manufacturers enjoy a combined annual turnover of around \$1.3 billion, accounts for more than 15,000 jobs and exports to 150 different global markets, according to government statistics.

France alone purchases some 25 percent of Portuguese ceramic exports, followed by Spain with 17 percent, Germany with 8 percent and Angola with 7 percent. The United Kingdom and the United States account for 6 percent each of the total.

"Last year, tile exports grew by 12 percent



MARCELO SOUSA

CEO OF MATCERAMICA

"NEW PROJECTS PROVE THAT PORTUGUESE CERAMICS ARE THE FINEST IN THE WORLD"

in value and sales abroad of sanitary ware were also up," Ventura says.

"As the Portuguese economy soured and domestic demand dropped, more companies began ramping up their export efforts and the ceramics sector joined in."

"Of course, the European market is and will remain very important to us but new, non-European markets are growing considerably. We'll be in the forefront of exports to these customers as our technology and quality keep pace with our competitors out there," he predicts.

### Global Image

A company doing just that with surprising results is Matceramica, headquartered near Fátima in central Portugal and which produces both elegant and utilitarian ceramic tableware in a variety of materials and styles.

"Over many years we concentrated our sales in Europe but we expanded to non-traditional markets in places like India, Lebanon, Morocco, Israel, Brazil, Mexico and even China," says CEO Marcelo Sousa.

"Our sales have really been growing in the Chinese market which now accounts for 3 percent of the total. China is the factory to the world and almost all manufactured goods in Europe come from there but we're doing our part to reverse that situation," he says.

Now celebrating its fourteenth anniversary, Matceramica faced some tough times five years ago when the downturn in business forced the company to sack 300 employees.



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“THE STATE TURNED ON THE TAPS AT THE END OF 2013, SO PUBLIC AND PRIVATE PROJECTS ARE AGAIN MOVING AHEAD”

“That was the darkest time,” the CEO recalls. “But things picked up in 2010 and have gradually gotten better each year. I think 2014 will be really good and we’ve managed to hire back 200 of the people we let go. Hopefully, we’ll have them all back at work this year.”

Currently employing 500 staff, the company posted 12,5 million euros in sales last year. 2014 is already proving to be a very positive year, Sousa says.

Sousa sees the sector improving because of the economic rebound worldwide and also thanks to a complaint filed with the European Union against alleged dumping in Europe of ceramic products by the Chinese.

“The European Commission launched a probe into this charge, sent investigators to China for nine months and once it was proven, import tariffs on Chinese-made tableware were imposed.

“We’re in favour of market liberalisation provided it is fair and that the rules are balanced, but it is clear that was not the case as we lost orders and international customers, not just in Europe. Brazil, Mexico, Argentina and Indonesia all in turn reacted against the Chinese dumping and our markets are coming back,” he says.

Portugal is one of the largest ceramics producer in the European Union, but the Portuguese are miles ahead of the Chinese competition due to the quality, design and smart marketing, Sousa claims.

“Our companies here in this country listened to the customers and when they wanted a particular type of ceramic, we produced it. We went after niche markets with new designs and we’ve become very competitive.

“Matceramica itself was chosen to take part in an exhibition on Portuguese design at the Museum of Modern Art in New York City and we’re selling to major retailers like Bloomingdale’s in the United States, Laura Ashley in the UK, Galeries Lafayette in France and others,” he says.

The CEO sees exciting times ahead for the company as it prepares to launch two projects currently undergoing development.

“They are requiring a vast amount of investment, with one involving a new product and the other a process which will be truly innovative on a global level. Both these will be real breakthroughs and another example of how Portuguese ceramics are the finest in the world.”

### Regional Ambitions

The Portuguese ceramic sector is also active abroad as partners in production, especially in the former colony of Angola and one of the leading companies in that country supplying the booming construction industry is Cerâmica Industrial e Comercial, or CIC.

“CIC is composed of 75 percent Portuguese capital and 25 percent Angolan capital,” explains CEO Filipe Nunes. “Our main activity is the production of bricks which is vital in a nation like Angola that is undergoing so much building to repair the ravages of the civil war and also to provide citizens with housing, hospitals, etc.”

After many months of bureaucratic hassles, false starts, financing problems, land disputes and other headaches, CIC began turning out bricks a year ago from its automated, state-of-the-art plant in Viana, near Luanda.

“Getting anything done ends up being very complicated in Angola but since starting up we are increasing production every month. Last October our sales reached 850,000 bricks but the figures for November and December were down. However, this is normal here as foreign companies slow down for Christmas when their staffs return home for the holidays.”

“Since the beginning of this year our sales are rising again and our daily output is about half of our current production capacity of 100,000 bricks a day,” he says.

Angola’s construction sector operates in fits and starts depending on the ups and downs of the local and global economies and the behaviour of the country’s two main sources of largesse, the government itself and state-owned oil and gas company Sonangol.

“When the Angolan government and the

State-owned oil and gas company Sonangol don’t release the money to pay private construction companies, the country resents, the whole economy slows and you notice it at once.

“But the state turned on the taps again at the end of last year so things are going well again and projects, both public and private, are moving ahead,” the CEO explains.

One of CIC’s major private clients is Brazilian conglomerate Odebrecht whose construction division is building employee housing for French oil giant Total in Angola.

“We won the contract because we’ve worked with Odebrecht before and they appreciate our quality, conditions of delivery and our customer support. That company slowed down a bit in 2013 but this year they have returned to the sector very strongly,” Nunes says.

The executive sees CIC consolidating its presence in Angola over the short term with eventually expanding geographically and diversifying into tile manufacturing.

“Our long-term goal is exporting to the surrounding markets like Mozambique and countries around the Gulf of Guinea. In five years time I’d also like to see us producing tiles domestically which at the moment are almost all imported from Portugal.”

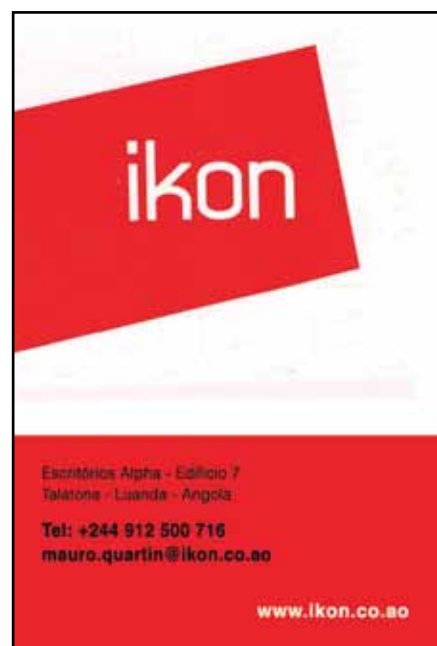




Photo: CIC

ANTONIO JOSÉ  
F. RIBEIRO

CEO OF  
SOCIATAL, LDA

“PORTUGUESE PRESENCE WILL CONTINUE TO GROW BECAUSE OF THE SHARED HISTORY, CULTURE AND LANGUAGE”

### Diversified Potential

Another construction materials company located in Viana and that has already diversified is the Imofil Group which along with bricks is involved in the manufacture of pre-stressed and pre-fabricated products, exotic hardwoods, paints and varnishes, and its original endeavour, building.

“We got our start back in 1997 when I was in Huambo and took on small construction jobs for Roman Catholic religious orders active in that war-torn part of the country,” recalls director Filipe Feliciano.

“There was still heavy fighting going on but at great risk to our lives we persevered, did many more projects like vocational school and hospitals for the religious orders and worked there until 2005.”

While involved in these projects, Feliciano noticed there were no reliable, nor affordable, bricks available in Angola.

“Companies were lining up to buy low-quality bricks at \$1.50 apiece and by chance I happened to meet someone who told me of an old, colonial-era brick factory which we renovated and put to work,” he says.

Despite Imofil’s success in many business areas, Feliciano complains of obstacles to doing business in Angola, especially the high production costs due to problems obtaining reliable sources of energy.

But he is still bullish on Angola’s future and is launching two new projects to his already wide portfolio of companies: importing Shell brand lubricants and gas production. “The last one is still in the early stages but I have other projects in mind, projects with a future and which make sense in this country.

“I’m always open to technological partnerships for these projects which have also have to be long term and sustainable,” he adds.

“Angola has also infinite potential and not just in the traditional sectors but in sectors like agriculture as the country is blessed with perfect weather for growing things and we have plenty of water.

“I’d like to get started in agribusiness like food processing but I just haven’t figured out exactly where to begin.”

### Shared Interests

One of the newest players in the brick manufacturing sector is Sociatal, another Viana-based company which was founded four years ago and is already planning to move to round-the-clock production to meet growing demand, says managing partner António José F. Ribeiro.

“Right now we have around 70 employees and we are working two shifts. But by the end of the year we’ll have three shifts going to produce between 50,000 and 60,000 bricks a day.”

Sociatal opened just as many other brick

manufacturers went into business. However he says there is room for all even after brick prices halved over the past several years as more and more companies joined the market.

Like other manufacturers across the industrial spectrum, Ribeiro gripes about high energy and water costs and says that sometimes the plant has to rely on its own generators to supply energy.

“Another problem is finding qualified personnel as this type of business barely existed in Angola until recently and we have had to bring in Portuguese expatriates to join our senior management team.”

Logically, the Portuguese have little difficulty adjusting to living and working in their former colony and the managing partner sees Portugal has having a definite advantage over China which is also pouring investment and workers into Angola and other African countries.

“I believe the Portuguese presence will continue to grow here because of the shared history, culture and language and we’ll always be one step ahead in Angola.

“It is a tough market. People assume it is easy to make money here but that’s not so. However, Angola is, along with the rest of Africa, a great place to create and develop. And companies can do well here as long as they are ready and able to work hard.”

## INTERVIEW WITH VICENTE LEITÃO

CEO of Grupo IGIP

Although the Angolan provinces have lagged behind Luanda in economic and social development in the last ten years, Grupo IGIP's CEO strongly believes that the tide may be about to turn around

### How and when was the Grupo IGIP founded?

**V.L.-** Grupo IGIP was founded in Huambo in 1988, it just turned 25 last year. It was first involved in consulting and then extended to most other economic sectors. It has 4,100 employees and a turnover of nearly 38 million dollars.

### In which sectors is the group currently involved?

**V.L.-** Our main interest is in developing projects with a positive spillover for Angola. That means mostly in the agricultural sector, where we believe there are excellent conditions to move forward. The environment is also positive in the fishing sector, and our total catch is exceeding 20 thousand tons, and we are also involved in the process and canning of part of that. So we are focusing on the agro-industry as well as the construction of social housing for the low and medium class population in Benguela and other places. We are focusing on both fronts, as much as our internal resources allow.

### How are you dealing with the lack of workers?

**V.L.-** We have a strong commitment to the area of vocational training. We have two partnerships in that area, one aimed at the construction sector and the other related to tourism and the hospitality business.

### With local companies?

**V.L.-** Actually with the Angolan state. It is clear that there is a great lack of experienced professionals especially in middle management. As you probably know, the independence process in Angola occurred in such a way that most of

the industrial sector was basically dismantled after the independence, so basically in the eighties and nineties the Angolan inputs were not being transformed, and most of the middle management that used to work in those companies basically was lost, all that experience was forgotten. So now we are faced with a tremendous deficit in management skills, so we look for the indispensable positions abroad, while we try to accelerate as much as possible the training of the local managers.

### Can you give some more information on these two initiatives?

**V.L.-** We are currently in the process of negotiating the set up of two vocational training centres, aimed at improving the education in the construction sector the first one, and the other in the tourism and hotel management business. We are already running the professional school of Bongo, near the port of Luanda. Later on we want to move into Lubango, Malange, Kwanza Sul and Benguela.

Beyond that, we are also investing in Portugal and Brazil. In Brazil we are investing in the health sector, we are already running a hospital in Rio de Janeiro, so we are gaining a valuable experience that we hope to implement locally in Angola later on. In Portugal we are investing in the IT & telecoms sectors, so we have there a great number of managers with excellent qualifications and experience, some of which we are trying to lure into coming to Angola to work for some of our projects. Currently we own five companies in Portugal in those sectors, so the idea is that we buy a Portuguese company when we feel that their skills can be of use not only there but also in Angola in the same sectors.

### Has the time of investing in the provinces already arrived?



"AT GRUPO IGIP, CREATING JOBS FOR THE YOUNG AND THE UNEMPLOYED IS KEY"



**V.L.-** At the time that the war was finally over, the government had to choose whether to give priority to the development of Luanda or the provinces. Luanda was chosen as the priority at that time, and that for me was not necessarily the best choice. The population movement that this decision would eventually produce into Luanda was not taken into account, and this delayed the economic and social development of the provinces. I believe that since the elections of 2008/2009 this focus is slowly shifting, but there is a substantial ground that must be covered in terms of developing the social and economic structures of the provinces.

### Where to you envision Angola and Grupo IGIP in the next five years?

**V.L.-** Regarding Angola, I hope that the unemployment will be reduced substantially by then. That for me is something of paramount importance, not only for the economic development of the country, but also for the security situation of Angola, and in order to let the companies work in a healthy environment. So creating jobs for the young and the unemployed is a key factor that I certainly hope that Grupo IGIP will contribute to as much as we can.

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# INDUSTRIAL INVESTMENT

NEW EXCITING GREENFIELD INDUSTRIAL PROJECTS ARE BLOSSOMING IN LUANDA

Angola is experiencing unprecedented consumer demand as the oil-fuelled economy puts this country of 19 million people on a path of solid economic growth which is expected to reach 7.8 percent this year.

As the oil and gas earnings filters down to the general population and incomes rise, the consumer goods sector is booming and national and foreign companies are scrambling to get a piece of the action.

In a recent World Bank report, Angola was listed amongst a handful of sub-Saharan African countries which the institution said had a rapidly growing middle class whose expansion is being driven by increased investment in the consumer sector such as retail.

The report went on to say that consumer spending in Angola and the other countries accounted for 60 percent of GDP in the region and was an important determinant of overall growth.

"Consumer demand has grown quite rapidly in recent years, supported by solid real incomes growth," the report said. "Over the past decade, real per capita incomes rose by an average of 2.3 percent annually."

In a separate report by an international consultancy, consumer spending was expected to "pick up considerably in energy rich Angola over the next few years" with per capita income growth fuelling demand for consumer goods which is already above the sub-Saharan average with a sharp rise forecast up to 2014.

And in a survey of Angolan consumers, a US-based consultancy which tracks food and grocery purchases found that those products accounted for almost half of monthly household spending.

## Growing Markets

Beverages and dairy products were amongst the most popular foods listed by the survey's respondents. Looking to profit from this fact is Drinco - Indústria de Bebidas, Lda., an Angolan drinks company which has successfully partnered with well-known multinationals to bring their products to the local market.

Based in Viana, near Luanda, Drinco began operations ten years ago after Angolan CEO José Walter Pontes returned to his homeland to stay following years of working in the beverage sector abroad.

"I helped start up two major breweries in Angola, then went to Brazil to work in the same sector and I worked in Nigeria on two beverage plants," he recalls. "In 2004, after the war, we felt that the country was stable, in need of new industries and began to think about a beverage factory."

After first launching a line of bottled water, Drinco decided to make a major commitment to the drinks sector and has partnered with the prestigious beverage multinational Capri-Sun to manufacture, package and distribute the German company's wildly popular brand of fruit juices.

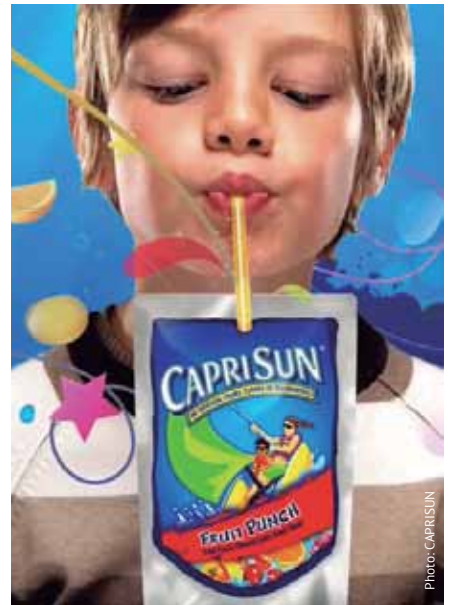
"This is a product that is a world leader in beverages for kids and as about 60 percent of the population here is between the ages of 1 and 25 then we knew we could focus on the young consumer and have good results," the CEO says.

"We initially started with selling 5,000 cases per month and now monthly sales average 40,000 boxes."

Last year, Drinco posted a turnover of around \$7 million and Pontes expects that to double in 2014. Further growth is expected as the national non-alcohol beverages market is forecast to total \$3.4 billion in 2015.

"So we're expanding with two bottling lines with water and we're also entering the soft drinks market with our own brand of soda starting with one based on coconut. Other flavours will be added later," Pontes explains.

While clearly enjoying success in the sector,



the CEO makes clear that it has never been easy, especially in relying on the country's still undeveloped infrastructure and financial system.

"Our main challenges have been the power supply and water. A country cannot industrialise if you have no energy so that is the main problem. We got around it by using generators with 80 percent from thermal energy and the rest from the national grid.

"That's one problem. The other is access to credit. Interest rates in Angolan banks today are very high so that makes access to credit complicated. Although the government has encouraged small and medium-sized industries, there are difficulties in project financing," he says.

Drinco communications director Juliana Pontes adds that a further difficulty is having to train local workers. "We have around 180 employees and the big problem is training as because of the war most Angolans missed out on education and it is hard to instill a sense of responsibility," she says.

"However, things are improving. For so long there was no desire to think about the future amongst Angolans because of the war and all its troubles. But now you see a generation which is ambitious, eager to improve their lives, train for a job and buy a home."

The CEO says the next step in Drinco's future is food, a natural for the company.

"We already have the distribution network so we can deliver another kind of product and we're looking at things like biscuits or yoghurt. We see that Angolans are earning more and spending more and that can only increase with the income from the petroleum sector and the corresponding growth in the middle class."

With this rise in the middle class and with Angola's still nascent domestic manufacturing industry behind in providing locally-made goods, importers and trading firms are of growing importance.

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**PAULO RODRIGUES**

CEO OF DUCARP

**“FOREIGN INVESTORS HAVE TO UNDERSTAND THAT THEY WILL NOT MAKE MONEY AT DAY ONE”**

**Late Returns**

Industrial supply is also the business of Ducarp Ferragens Angola which provides the building trade with all manner of metal locks, door handles and knobs, hinges, furniture fittings, safes and strong boxes, signs, manhole covers and other items such as brick and cement barbeques.

“We are growing slowly, but that is our plan,” explains CEO Paulo Rodrigues. “We try to manage our company very carefully because of the market’s ups and downs and we also have a very small staff.”

“I don’t want Ducarp to grow haphazardly even if the market suddenly takes off. We have a limited, 100 percent imported product range in which our employees are experts and our customers know this and appreciate it.”

This all makes the company stable, cost effective and profitable, he says, and it would be a long time before Ducarp could consider setting up its own foundry to produce locally.

“This big step has been proposed but building a foundry would be very costly. Angola has a lot of iron so the supply of raw materials would not be a problem. But then you have to consider environmental issues which are very important,” he points out.

Currently, Ducarp is doing well thanks to government spending on public works projects

for which the company supplies manhole covers and its metal products but Rodrigues says that starting a company in Angola can be difficult.

“Our worst headache has been the bureaucracy. It has gotten easier to do things like process papers for operating licenses and establishing an Angolan-registered company but the red tape remains a hassle.

“We had our warehouse full of containers of product but we weren’t able to sell. This is what makes it hard for companies which open here and want to get to work right away.”

Rodrigues says he would be happy with slow but steady growth for the company and fully expects that to happen as Angola is and will continue to be what he describes as “a very interesting market.”

“Angola is a country of opportunities and it is worth investing here. But investors have to understand that they will not make money from day one. The days when you bought a product and then turned around to sell it at ten or fifteen times the original price are over. “Now it takes time to recoup your investment,” he warns.

**Vast Country**

A major investment is in the plans for another import-export company, Serra & Coelho, which for seven years has been importing and distributing electrical supplies in Angola.

“We will be building a factory for manufacturing residential electrical distribution panels by plastic injection and the initial investment will be around \$3 million,” explains the company’s owner José Serra.

“Our plan is to manufacture quality goods keeping in line with our excellent reputation. And although this project is 100% ours, we will have the technical support from a well-regarded Portuguese company.”

Since opening in 2007, the company has now expanded into three divisions and along with its headquarters in Luanda, has branches in the cities of Lobito and Uíge. With a total of 90 employees, the group posts an annual turnover of some \$16 million.

Along with electrical panels for industry,



**JOSÉ SERRA**

OWNER OF SERRA & COELHO, LDA

**“THERE IS A VAST INTERIOR OF THE COUNTRY WHICH IS NOW BEING DEVELOPED”**

offices and homes, Serra & Coelho handle all types of electrical wire and cable; video, home security and alarm system equipment; circuit breakers and fuses; lamps and lighting fixtures and related products.

All the equipment which Serra & Coelho handles is manufactured by leading multinationals such as Hager, Schneider, Philips, Osram, General Cable and Legrand, quality brands for which there is much demand.

And business has been good as public and private investment pours into the construction sector building residences, offices, factories and other structures.

“Angola is a country where the electrical infrastructure is very basic and a lot needs to be done. There was a bad patch around 2009 and 2010 but three years ago business began to pick up and we’ve had significant sales so far this year,” he says.

“I see good years ahead for us. Luanda is starting to reach a saturation point for companies like ours but there is the vast interior of the country, which is now being developed. Angola is progressing but there is so much more to do.”

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# FOOD INDUSTRY

## THE RICE INDUSTRY IS SET TO RETURN TO ANGOLA THANKS TO A PORTUGUESE PROJECT

As one of the staples of the national diet, rice is an important source of nutrition for most Angolans but as most of it is imported, the grain can be costly as well as a drain on the country's foreign reserves.

In a bid to reduce reliance on these imports, the government and private businesses are working to establish a local industry to grow, package and distribute rice. All indications are that it will be a success.

And the effort is just part of a larger national campaign to rejuvenate Angola's agribusiness sector.

In the pre-independence era, the then-Portuguese colony was one of southern Africa's leading producers, and exporters, of a wide range of cash crops such as coffee, cotton, rubber, corn, peanuts, sisal, potatoes, beans, cassava and many more.

Its tropical regions were, and still are, ideal for raising fruit and other crops, and the dry savannahs of the south perfect for cattle ranching operations both large and small.

Angola is a natural. Its varied climate, more than abundant water supplies and legions of underemployed rural residents provide just the right elements to return the country to its former role as a major agricultural producer.

But there are obstacles. Decades of armed conflict during the struggle for independence and the civil war left roads, bridges and other

transport infrastructure in ruins, while the warring factions sowed millions of landmines in farmland around Angola.

Angolan authorities are taking up these challenges with massive spending on repairing or building new infrastructure and mine clearing.

And to slash imports of basic food items, the government has imposed higher tariffs on foreign supplies in a bid to hopefully encourage more local production.

All these moves are in lock step with the opinions of international food experts who argue that for Africa to truly advance economically and socially, it must learn to feed itself.

Which is the aim of the Mulambi project launched by several companies, both Angolan and foreign, with rice production centred in the provinces of Luanda and Bié, which has long been major agricultural region thanks to its abundant rainfall and fertile soil.

Initiated last year, following approval by the government's National Agency for Private Investment, or ANIP, the ambitious project is expected to create many sorely-needed jobs.

In the beginning, the rice will be distributed and sold in Angola with plans calling for eventual export to other countries.

### Solid Partner

An Angolan partner in this enterprise is Telesgest, a company which is involved not only in agriculture, but also in real estate and industry.

"Being an structural activity in any society, agriculture is extremely important for us," says José Alexandre, the CEO of Telesgest and associated company Agrozootec. "Basic necessity goods are paramount to feed a constantly growing population.

"Africa roughly represents 35 per cent of the Earth's fertile land and 90 per cent of that productive soil is underused," he explains.

Angola, Alexandre argues, is ripe for increasing its agricultural output as the country currently imports most of its food and so growth in the sector is assured.

"The country will be able to sustain itself through food production in the future. But this



aim is not only embodied by agriculture, as the richness and diversity of other resources such as those arising from the fishing activity, represent the same potential.

"It is therefore important to ensure all conditions of stability for the operation of these economic activities," Alexandre says.

Along with the challenges facing the agricultural sector mentioned above, the CEO cites others and stresses that achieving the country's full potential will be a slow process.

"One doesn't build a house starting with the roof so we need to start at the base with a solid foundation. First, we create the structure for production and try to encourage others to also produce as this country needs many farms.

"Second, investment flows in and then agribusiness arises. It's all one step at a time."

Several Portuguese companies are also involved in the Mulambi rice project and Alexandre says further partnerships with foreign concerns are welcome.

"We are always open to working with others; British, Spanish, Portuguese or Brazilian, for example. But potential partners must be committed, not just to the partnership but to the country. That is the main goal.

"Any partner must be serious and have the will and the means to grow and expand the business. Angola is certainly the ideal country to grow a business and we are available to analyse any partnership offers."

As expected, many Portuguese enterprises have invested in Angola as a natural business move as the economy at home contracted and the former colony's new petrodollars created very attractive opportunities.

"There is also the shared language and cultu-

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re between the Angolans and ourselves, and I feel that investment here is very safe," Alexandre says.

The CEO notes that the Angolan banks are accommodating to foreign investors and eager to help those companies help Angola.

"Banks here support the entrepreneur and the whole financial industry has an interest in seeing Angola develop and grow.

"And as banks open new branches around the country and lend to businesses, sectors like agriculture and agribusiness will prosper, creating new employment opportunities and boosting society across the board," he says.

And if all goes according to plan, Alexandre sees Telesgest as a solid partner in the rising fortunes of Angola and even further afield.

"In five years I would like to see our company and our related businesses with operations in other African countries and places like Brazil," he says.

The Mulambi project is a good start as it provides an opportunity for Telesgest to work with well-established Portuguese companies which already have a presence outside their home country in the rice industry.

### Rice Experts

Two of these firms are Valente Marques and Novarroz, and Antonio Marques, the president of the former, says his company already had operations in Angola.

"We have been working there for many years with our sales director travelling back and forth to Angola. But two years ago we thought about having a real physical presence there and so joined up with Novarroz which was thinking the same thing," Marques explains.

Their aim was to find a dedicated and serious local partner which helped the Portuguese companies to navigate the long process of having the project approved by the government, making the actual investment and ship-



ANTÓNIO MARQUES

CEO OF VALENTE MARQUES



MÁRIO COELHO

CHAIRMAN OF NOVARROZ

"THE FIRST PHASE OF OUR INVESTMENT IS PACKAGING BECAUSE OF THE LOW DOMESTIC PRODUCTION"

"IT IS A STRATEGIC GETAWAY TO OTHER VERY ATTRACTIVE COUNTRIES IN THE REGION LIKE ZAMBIA & MOZAMBIQUE"

ping in the necessary machinery.

"It has taken a while but it all now seems to be ready to go ahead," he says.

"Our objective over the medium and long term is to stake out a strong position in Angola. The first phase of our investment is packaging because there is no domestic production justifying a manufacturing unit.

"In the medium term, one of two years at most, local production will begin and from then we will set up the plant," the president explains.

Plans call for production to be centered in Luanda where consumption is highest. As incomes improve in other parts of the country and consumption increases, the group will further develop its business in those regions.

Initial investment in the first phase of the project is around \$2.8 million and Marques firmly believes that the investment will pay off for his company and its Mulambi partners.

"We hope that within four years the project is a success and we have full confidence in that. We are also thinking of other countries and once Mulambi is consolidated it is likely that we can move on to countries like Mozambique," he predicts.

Mario Coelho, the president of Novarroz, echoes his partner's bullishness on Angola.

"It's a growing market and it will continue to grow and improve. Right now there are some constraints for us because we do not yet have our manufacturing plant running.

"But once that is operational, our market will grow even more as we boost volume to

meet the increasing demand," he remarks.

Coelho points out that Angola is a natural market for Portuguese companies and that countries like Angola, with political stability and increasing incomes, are logical investment destinations.

"It makes sense to be in this market. Plus, it is a strategic gateway to other very attractive countries in the region such as Zambia and Mozambique."

Founded in 1979 and with its headquarters near the northern Portuguese port city of Aveiro, Novarroz has long been an international player in the rice sector.

Along with the variety of rice commonly used in Portugal, the company also markets varieties from Italy, Spain, Thailand, Japan and India, as well as wild rice, instant rice and rice for pudding.

According to the president, while the Portuguese food sector has been impacted negatively due to the economic problems affecting his country, rice has suffered less because it is a dietary staple.

"Still, it is smart for Portuguese companies like Novarroz to look outside our borders as we are a small country and a small market. And one of the most interesting places for us as Portuguese is, of course, Angola."

"So we have advantages like a common language and culture but we still have to do our homework and be competitive as there are already many companies in Angola offering the same product."

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**A TEAM SERVING THE WORLD**

**INTERVIEW WITH ADELINO GALVÃO BRANCO**  
**CEO of GB CONSULTORES REUNIDOS**



**What does GB Consultores do and when was it founded?**

**A.G.B.-** The company was founded in 2006, so we are a very young company. We are active in consulting to both private and public institutions, in the areas of taxation, financial consultancy as well as engineering. In 2014 we will be billing nearly 20 million dollars. All of our partners are Angolan and we pride ourselves on being a fully Angolan Company.

**How do you see the behaviour of the Angolan economy in the coming years?**

**A.G.B.-** At a macro level, the Angolan market is worth about twenty billion dollars. The National Bank of Angola sold nineteen billion dollars of hard currency, for imports. Now, we have been exporting 1.6 or 1.7 million barrels a day, and the goal of achieving two million is perfectly feasible. We expect hence growth to continue and we believe that nasty surprises such as the situation of 2008/9 should not happen again.

In this environment, and according to the government's strategic plan, the growth in the country should revolve around the development of seven main clusters until 2017. One of them is the food industry, agricultural and husbandry development. Another fundamental one is the

logistics cluster, ports, railway and roads, and all indicates that this vision is favouring the creation of logistic platforms in the country.

I will give you an example, Angola is currently importing over five hundred million dollars in beef only for internal its consumption. Yet in the south of the country, in provinces such as Huíla, Namibe and Cunene, we have currently about three million oxen.

But this beef cluster can only be valorised if some logistics projects are implemented in order to bring all this potential meat to the consuming market, and that is where the opportunity lies.

Last but not least I wish to underline the importance of the energy cluster, as we have great unmet needs for energy all around the country. As some of the projects for developing large energy plants take a very long time to develop, we are trying to fill the gap through some faster and smaller projects.

**How can GB Consultores take advantage of this opportunities?**

**A.G.B.-** We at GB Consultores are very active in consulting with provincial governments, giving technical assistance and advising on the strategic planning of public entities.

The country needs to diversify its sources of income and poles of development, and with our

**"WE ARE VERY WELL PLACED TO ASSIST FOREIGN DIRECT INVESTORS IN THEIR QUEST"**

nine offices in the country, and our high level of institutional contacts, we are very well placed to assist foreign direct investors in their quest. What is good for investors, is good for the government and ultimately good for the country.

**Where do you see GB Consultores in five years' time?**

**A.G.B.-** From a financial point of view we have perfectly defined goals, our strategic vision is that in the next few years we will be one the ten largest consultancy companies in Angola. We will be increasing our turnover to the tune of twenty to twenty-five million dollars, that is our objective. We also want to diversify our customer base and reorient the company more towards the private market as we are currently very dependant on the public sector.



We are Angolan company, active in the national market in the areas of engineering and management consulting. We inspire our clients through the expertise and recognized experience of our professionals and the deep knowledge of the business environment in which they work.

**GB Consultores Reunidos, Lda**  
 Travessa da Liga Nacional Africana, 3/4  
 Luanda - Angola

**T: +244 222 448 934 / 222 449 263**  
**F: +244 222 449 335 / 222 447 659**  
**E: gb.consultoresreunidos@gmail.com**



## INTERVIEW WITH ALI A. SAFA CEO of OLYMPIC GRUPO

From its early beginning during the Angolan civil conflict in the late nineties, OLYMPIC GRUPO has banked on customer satisfaction and vertical integration to become a partner of reference for the building industry. As Angola grows and new opportunities appear, its young CEO explains that success in Angola depends mainly on understanding the Angolan unique history as well as finding a meaningful way to take part in that success story



### **The Olympic Group was founded by your late father, Anis M. Safa. What is it composed of?**

**A.A.S.-** The Group was created to deliver the services that the country needed during its development phase. It was formally incorporated in 1997, after my father met with his Excellency President José Eduardo dos Santos.

Prior to that, my father was largely involved in Nigeria, having founded and managed a rich variety of successful businesses in over 40 years, ranging from steel, construction and engineering for oil companies, real estate developments, farming and fisheries, cosmetics and foam mattresses to name a few.

In Angola, our core business is steel. We own a sizeable factory in the sought-after industrial area of Luanda. We specialise in the transformation of raw materials such as HRC, CRC, GI and PPGI into finished products to suit each customers' needs, ranging from tubes, pipes and roofing sheets for construction.

When I first came into this country, I quickly realised that steel accounts for approximately 25% of the total cost of a construction project, coupled with the knowledge that the profit margins of steel are lower than in other sectors of the same project, we decided to diversify our operations within the construction field. Our aim is to keep our customers happy and with us by producing bespoke aluminium kitchens, doors and windows, to delivering finished products such as furniture, electro-domestics, and generators to name a few. We have our own attractive showroom located in the booming part of Talatona in Luanda, where all the luxurious villas and condominiums are being built in masses.

### **Are you feeling that the economic recovery in construction is affecting your business?**

**A.A.S.-** Understandably, the growing presence of newcomer companies in the country has forced many long-established companies out of business. It is indeed difficult to compete with those newcomer companies without entering into a price war battle to extinction.

The key to growth here is diversification, but above all good customer care and a good track record in delivering quality services. Our customers depend on us to deliver an excellent service at every opportunity we get.

We strive to understand the wants and needs of the Angolans in order to win their hearts by personalising the service we provide. In doing so, we attain the satisfaction of our loyal customers.

### **"THIS COUNTRY IS CLEARLY A RISING POLITICAL AND ECONOMIC POWERHOUSE"**

Fortunately for us, in the construction industry, all projects require prior financing, and financing is now readily available within Angola.

We aim to deliver a wide range of materials needed throughout a construction project. We are basically a one-stop shop for engineers and project managers alike but also cater for individual customers wishing to buy stand-alone items. As a result, we are overcoming the economic recovery phase in the construction industry.

One of the things in particular that we are proud of is 90% of our employees are Angolans. This demonstrates our commitment to the country's education and growth. We are amongst the first to have successfully taught hundreds of Angolans how to operate state of the art machinery to produce finished products in Angola and for the Angolans.

We pursue an active role of corporate responsibility in the country. I feel it is very important to return back our gratitude to the Angolan people for all the successful years spent in their country. Recently, when neighbouring provinces were swamped by floods, Olympic Grupo was the first to donate steel and roofing sheets to the Governors of that region to build new homes.

Our long good presence in Angola has provided us with international recognition; of particular note, in 2013 we received a Gold Quality Award on Business Initiative Directions in Geneva.

### **Do you believe that Angola will keep its political stability?**

**A.A.S.-** I believe that the facts speak for themselves. During the upheaval that ensued the Arab Spring, Angola held its general elections to reaffirm the current political party, as well as awarding the incumbent President his right of office by a substantial majority of votes. Human Rights Watch reported the elections to have taken place peacefully during the campaign and on polling day. The election was widely viewed as an indicator of the country's progress, after only just a decade of peace.

Angola may be a developing country, but it has a strong legal system and the law is upheld here, which I find very encouraging.

### **Is Angola an attractive destination for foreign investment?**

**A.A.S.-** Today Angola has become one of Africa's fastest growing economies over the years. This is largely due to the success story of the country after bouncing back from a 27-year of destructive and violent civil war, ending only in 2002, which pretty much crippled Angola's infrastructure and decimated much of its ability to produce its own food. It is no wonder that Luanda has been declared the most expensive city in the world for expatriates to live in over the last few years.

On the upside, Luanda is the capital of the second largest oil producer in Africa; the country is clearly a rising political and economic powerhouse.

Angolan authorities have been very keen to favour the flow of foreign investment coming into the country by means of giving preferential treatment to investors. So I'd say that the incentives are clear. The future is bright and exciting for Angola.

### **Is partnering up with other companies in for your future plans for Angola?**

**A.A.S.-** I keep receiving interesting offers from investors wishing to enter the Angolan market but as of yet, I felt none were aligned with our future direction for a successful marriage with Olympic Grupo.

I am open to consider offers from serious contenders, particularly from large corporations with good track records, sharing the same vision as I do, and are willing to invest for a prosperous future in Angola. I can offer all the necessary infrastructure, know how and experience in the country, which is a must.

I have to say that it is an art to communicate in Angola. Not anyone can succeed in the latter. Angolans are notorious for their strengths in the way they handle themselves, one must not forget that they come from decades of war. For instance, women are particularly strong and we have a number of lady managers in the company that have proven to be very efficient.

### **What's your long term goal for the group in Angola?**

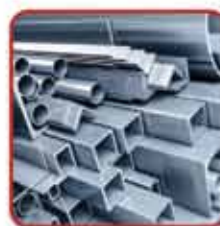
**A.A.S.-** Angola is still in its developing phase, but I am optimistic that the economy will grow at a faster rate in the foreseeable future.

There is no limit to what one can achieve in Angola. I am personally excited at the prospects of taking a more active role in the formal market on large projects as well as in the oil and gas industry. We may even consider expanding to neighbouring regions in the near future.

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Rua 21 de Janeiro s/n, Bairro Morro Bento, Luanda | ANGOLA



+244 924 11 11 00

info@Olympic-Grupo.com

www.Olympic-Grupo.com

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