

---

# Angola Monitor

Issue 1:2018

---

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

This issue covers:

**Political News:** Dos Santos family under fire in Angola's big business. Lourenço dismisses military and intelligence chiefs. Cabinet meeting held in Cabinda, where separatist struggle continues. Future of Angolan Portuguese relations dependent on lawsuit.

**Economic News:** Angola to replace Kwanza to Dollar currency peg with exchange rate band. Lourenço appoints new governor of central bank. Economist Intelligence Unit releases Angola economic forecast for 2018-2022. Angolan's given grace period to repatriate capital. Lourenço announces no economic recovery without austerity.

**Human Rights News:** Angola elected to UN Human Rights Council. Angolan journalist alleges extra-judicial killings continue.

**Aid and Development News:** 280,000 living with HIV/AIDS in Angola. Solar power for Congolese refugees in Lóvuá Settlement. UK match funding for land mine clearance – Angola amongst recipients. Calls for in-depth investigation into alarming increase in microcephaly. Milestone for disarmament in Angola.

This issue is also available in Portuguese.

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

---

## Political news

### **Dos Santos family under fire in Angola's big business: A new path for Angola?**

Since taking presidency in September 2017 President João Lourenço has made several high-level dismissals at a number of state-owned businesses. The most high profile of these saw the removal of his predecessor's daughter, Isabel dos Santos, from her position as head of state owned oil company Sonangol in November. Ms dos Santos had been at the helm of the state owned oil company since June 2016, after being appointed to the role by presidential decree by her father. The dismissal came as a surprise to many, seemingly including Dos Santos herself as she stated to UK newspaper the Financial Times that she intended to see out her five year term as President of the board at Sonangol less than a month earlier. She has been replaced by Carlos Saturnino, former Secretary of State for Oil. Dos Santos is regularly cited as the richest woman in Africa, but is generally unpopular in Angola, seen to have gained wealth via her father's nepotism. Critics of the Dos Santos family's extensive sphere of influence have praised the move as a bold indication that Mr Lourenço plans to carve out his own path as President. Her removal was not the only dismissal to effect the former president's circle of familial influence.

Lourenço also closed down government communications department GRECIMA, which held lucrative contracts with an enterprise co-owned by Welwitschia dos Santos, another of the former president's daughters. The business interests of Jose Filomeno dos Santos have similarly come under fire, as the new administration suspended a contract with food testing laboratory Bromangol, a business associated with the eldest dos Santos son. At present Jose Filomeno dos Santos remains head of Angola's

sovereign wealth fund, although Mr Lourenço has suggested this may be subject to change pending the results of an external enquiry into the fund's performance and governance.

Given that President Lourenço was seemingly chosen and anointed by his predecessor some critics posited the Dos Santos dynasty would remain untouched by the new President. Consequently the unexpected redistribution of power has been welcomed by many Angolans, and is seen to represent a commitment to campaign promises to tackle corruption and cronyism. However, others are sceptical about the reshuffling of power positions, suggesting this is simply the prelude to the establishment of new patronage networks. Only time will tell to what extent Lourenço's actions signal commitment to development or an exercise to consolidate power.

### **Lourenço dismisses military and intelligence chiefs**

It is not only in the business sector that Lourenço has sought to consolidate his power. In early December Lourenço also dismissed the Head of Intelligence, António José Maria and Commander-General of the National Police, Ambrósio de Lemos along with a series of other high-ranking police officials. Both the former head of intelligence and the police chief were seen as close allies of former president Jose Eduardo Dos Santos. The dismissals occurred in spite of legal measures put in place by the former President. These measures included a law that prohibited his successor from making changes to the hierarchy of the military or intelligence services for 8 years following his departure from office. However, it would seem the law, passed in July 2017 has been disregarded by the new head of state.

### **Cabinet meeting held in Cabinda, where separatist struggle continues**

President Lourenço has recently visited Cabinda province, where he held the first cabinet meeting of his presidency to take place outside of Luanda. The northern exclave shares no borders with Angola, and has long been disputed territory. It is the site of ongoing conflict between government forces and separatist group Frente de Libertacao do Enclave de Cabinda (FLEC) who have been fighting for independence intermittently since the 1970s. A peace accord was signed in 2006, however there has been a resurgence in violence since 2016. Cabinda holds great strategic importance to Angola as two thirds of the nation's oil is located off the coast of the region. During the meeting, which occurred in late November, Lourenço stated the Angolan government would take a continued military approach to the unrest and also pledged to improve access to the region which is separated from Angola by the Democratic Republic of Congo.

### **Future of Angolan Portuguese relations dependent on lawsuit**

In the first public press conference of his presidency, Mr Lourenço announced that the reinstatement of normal relations between Portugal and Angola will depend on the handling of the trial of Angola's former vice-president Manuel Vincente. Vincente, who is also the former head of state oil company Sonangol, was indicted to Portugal on suspicion of paying multiple bribes in attempt to thwart corruption investigations he was facing. His trial is due to commence on the 22<sup>nd</sup> January 2018. In the first press conference of his presidency Mr Lourenço announced that he considered the Portuguese judiciary's behaviour regarding the trial of the former vice president to be offensive. The President stated he considers Portugal's refusal to transfer the lawsuit to Angola as a sign of the low regard with which Portugal holds Angolan institutions. The head of state has stressed he is not requesting the acquittal of Vincente, only that he be put on trial in Angola. The president also noted the request was in line with the judiciary agreement in the framework of the Community of Portuguese Speaking Countries (CPLP).

## Economic news

### **Angola to replace Kwanza to Dollar currency peg with exchange rate band**

In early January 2018 Angola's central bank announced plans to ditch the pegging of the Kwanza with the US dollar. At the close of 2017 the formal exchange rate of Kwanza to US Dollar was pegged at 166:1, however the parallel market rate was nearly triple this at 495:1. The central bank cited worsening shortages of foreign currency reserves and the imbalance between supply and demand amongst the reasons for the change in policy. Foreign currency reserves have rapidly depleted in recent years, hit hard by the crash in oil prices in 2014 which provided a key source of foreign currency. Reserves are thought to have halved since 2013 to approximately \$14 billion. The currency peg is to be replaced by a trading band which will maintain the value of the Kwanza within a set range. The parameters of the trading band were yet to be announced at the time of printing.

### **Lourenço appoints new governor of central bank**

President João Lourenço has replaced central bank governor Valter Filipe Duarte da Silva with banking executive Jose Massano. Massano is a respected figure in Angola's financial sphere, reportedly known for his charismatic leadership. The banking executive has previous experience in the role, having served as chief of the national bank between 2010 and 2015. During this period he was praised for bringing down inflation and helping to stabilise the country's volatile currency. Some commentators have cited the re-shuffle as an attempt to tackle the illicit transfer of funds abroad.

### **Economist Intelligence Unit releases Angola economic forecast for 2018-2022**

The Economist Intelligence Unit have announced predictions for the coming year in their December 2017 Country report. The report forecasts growth at 2.4% for 2018, compared to 2.7% for the previous year. Calls are made for a 'fundamental rebalancing' away from oil dependence however there is some scepticism as to the commitment of the new government to full-scale transformation which would require greater transparency and harsh reforms. Investment is expected to be constrained in light of the challenges of putting these difficult measures into action. It is predicted that, given the failure to significantly diversify the economy, real GDP will remain largely dependent on oil. As a result a minimum oil price of \$85 per barrel is required in order to produce a balanced budget. Although spending pressures will ease slightly compared with 2017 and fiscal deficit is predicted at 6.1%, a slight decrease from 7% of the previous year. Deficits are expected to be financed via domestic borrowing and external debt, with the nation anticipated to seek loans from China for infrastructure investment, additional lines of credit from Western financial institutions and concessional loans from the African Development Bank.

### **Angolan's given grace period to repatriate capital**

President Lourenço has announced legislation will shortly be introduced to repatriate capital illegally held overseas by Angolan citizens. In a statement made in late 2017 the president announced there would be a 'grace period' to allow citizens to repatriate their funds without questioning or prosecution. Following this period Lourenço stated the money held abroad would be considered the property of Angola and action would be taken to repatriate funds via the authorities of countries where capital is held. The introduction of legislation marks a bold attempt by the President to tackle endemic corruption associated with the transfer of funds abroad. Despite being classified as a middle-income country by the World Bank Angola has huge inequality between citizens, largely attributed to endemic corruption and mismanagement of the nation's wealth which was predominantly accumulated during the oil boom years. Further information regarding the length of the grace period and the logistics of enforcing the Law on Repatriation of Capital is expected to follow shortly.

### **Lourenço announces no economic recovery without austerity**

In a press conference given at the anniversary of 100 days of office President Lourenço has ruled out imminent salary increases for civil servants. Mr Lourenço announced that in order for the nation to

achieve economic recovery austerity measures would be necessary and there will be no imminent increase in the national salary.

---

## Human rights news

### **Angola elected to UN Human Rights Council**

Angola will hold a place on the UN Human Rights Council for the period of 2018-2020. This is the third time Angola has been a member of the UN Human Rights Council, having served two consecutive terms from 2007 to 2013. In total 15 new member states were elected to the council which is made up of 47 members in total. Angola was one of four nations to be elected from Africa alongside the Democratic Republic of Congo, Senegal and Nigeria, who were re-elected for an additional term.

### **Angolan journalist alleges extra-judicial killings continue**

Rafael Marques de Morais, Angolan journalist and human rights activist gave the annual Hormuud Lecture of the African Studies Association in the United State in November. In the lecture he alleged extra-judicial killings continue in Angola. The lecture published as an article on online news site Maka Angola alleges that in the past year the Angolan Criminal Investigation Service has carried out more than 100 extra-judicial killings in the capital of Luanda. Rafael Marques notes that the study of human rights abuses in Angola is both dangerous and does not fit with 'trendy' topics of study such as oil or the rise of urbanism but calls on academics to pursue it nonetheless.

---

## Aid and development news

### **280,000 living with HIV/AIDS**

According to health minister Sílvia Lutucuta there are 280,000 people living with HIV/AIDS in Angola. Speaking on World Aids Day the minister put current HIV prevalence at 2 percent and emphasized the focus on diagnosis amongst those most vulnerable to infection as a key strategy in resource limited times. Lutucuta cited gaps in prevention and the reduced financial support from donors as amongst the key challenges in the battle to tackle HIV/AIDS in the country. In an unrelated statement given a few days prior to World Aids Day Antonio Coelho of Angola's Aids Service Organisations Network stated the AIDS situation in Angola is 'worrying and dramatic' in some regions. Coelho cited the high concentration of people in Luanda and the influx of foreigners in Lunda Norte, Lunda Sul, Cuando Cubango and Cunene as factors in the spread of the virus.

### **Solar power for Congolese refugees in Lóvuá settlement**

The United Nations Population Fund is working with the Japan International Cooperation Agency to provide solar-powered units to Congolese refugees in the Lóvuá refugee settlement in the Lunda Norte province of Angola. Lóvuá is one of several settlements designed to provide a longer-term home for vulnerable refugees fleeing the conflict in the Kasai region of neighbouring Democratic Republic of Congo. Nearly 35,000 refugees have fled to Angola since the outbreak of violence in 2017. Of these 35,000 since August last year, 4132 persons have been relocated to the Lóvuá settlement, arriving from the nearby Cacanda Reception Centre. As part of the project to provide solar power to the camp, 50 solar-powered units, donated by Panasonic, will be distributed to community centres, medical facilities and other communal areas in Lóvuá. In addition to the larger units, solar-powered torches are also being included in the 'dignity kits' distributed to women and girls on arrival to the camp. These kits also include soap, underwear and sanitary towels for the new arrivals. 75% of the refugees fleeing the conflict are women and children.

### **UK match funding for land mine clearance – Angola amongst recipients**

In late December 2017 the UK government announced Britain will extend its demining work to a further six countries, amongst them Angola. The UK government has agreed to match pound for pound donations to the Mines Advisory Group's 'Walk Without Fear' appeal broadcast on BBC Radio 4 in late 2017. The appeal raised over £200,000 which will be doubled by UK aid to over £400,000. The match funding follows a commitment of £100 million towards land mine clearance over the next three years made earlier in 2017. As a middle income country Angola does not receive bilateral aid from the UK government and it was initially thought the country may not receive any funding from the allocation. However according to a press release published on the 29<sup>th</sup> December 2017 by DIFID whilst £48m of this aid has been allocated, Angola is amongst one of 9 countries who will receive some of the remaining £52million towards demining programmes in 2018-2020. This still represents a significant shortfall from the current total of £170m the Mines Advisory Group state is required to clear Angola's minefields by 2025.

2017 marked the 20 year anniversary of HRH Princess Diana of Wales' visit to Angola which dramatically raised public awareness of the need for landmine clearance in Angola and other countries. Last year Prince Harry reiterated his late mother's commitment to the cause urging donor and mine-affected states to renew their commitment to the Ottawa Treaty goals of all countries achieving land mine free status by 2025.

### **Calls for in-depth investigation into alarming increase in microcephaly**

According to a bulletin issued by the World Health Organisation Africa there is a slow but alarming increase in the incidence of microcephaly in Angola. Microcephaly is a rare condition in which an infant's head is much smaller than average because the brain has not developed properly or has stopped growing. It is often associated with the Zika virus. As of late 2017, a total of 42 cases of microcephaly were reported in Angola dating back to the spring of the same year. At present the magnitude and cause of the microcephaly is largely unknown, although 93% of known cases have occurred in the Luanda Province. Although the condition is suggestive of Zika syndrome, all those who have been tested for the virus have had negative results. Two separate cases of the Zika virus were confirmed in January 2017 but there has been no evidence to suggest ongoing transmission. The WHO has called for in-depth investigation to explore the extent and cause of the condition. In response to the prospective threat the Ministry of Health is updating the nation's Zika contingency plan and strengthening surveillance for the infection.

### **Milestone for disarmament in Angola**

The close of 2017 marked a milestone in the campaign for disarmament in Angola as UK-based non-governmental organisation The Halo Trust report a total of 125,000 weapons have now been destroyed, many of these small arms. At the end of the nation's civil war it was estimated that one third of the population was armed. Angola's National Disarmament Campaign was formed in response to the high levels of arms possession. . The campaign is supported by The Halo Trust with funding from the United States Department of State Bureau of Political Military Affairs and the Office of Weapons Removal and Abatement.

---

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