

CABINDA: Untapped Potential

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Its prolific offshore oil-fields may be Cabinda's current claim to fame, but for the enterprising investor there are equally rewarding opportunities onshore.

"N'Kaka Binda!" shouted a child as the first Europeans hauled their boat up onto Cabinda's Malembo beach, mistakenly believing it was his grandfather (*binda* in the local Imbinda language) returning from a fishing trip. The explorers thought he was telling them where they had landed and that is how Angola's northern enclave got its name.

That's the legend, but Cabinda more probably took its name from Mafu Kabinda, a prosperous trader who represented the interests of the Kongo kingdom many centuries ago in the area north of the mouth of the River Congo.

Cabinda is squeezed between the Republic of Congo to the north and the Democratic Republic of Congo along its southern border. Its offshore oilfields – Block 0 and Block 14 – provide Angola with around a quarter of its output of 2 million barrels of oil per day, challenging Nigeria as the leading oil producer in Sub-Saharan Africa.

But this region is also rich in onshore resources of gold, diamonds, phosphates, manganese and potassium, and its rainforests hold a varied store of precious tropical hardwoods. Cabinda's ben-

eficial equatorial climate and fertile soils also play their part to deliver a host of agriproducts such as palm oil, cocoa, coffee, rubber, bananas and pineapples – and, more recently, horticultural cash crops which are marketed locally and regionally.

Covering an area of 7,823 sq.km and with a population of nearly 265,000, the potential of the province has already caught the attention of Brazil, South Korea and China.

Since the 15th century, when the Portuguese explorer Diogo Cão arrived to claim the territory for the King of Portugal, João II, and established a deep trust with the Kongo ruler, international trade has defined the region.

When the European scramble for Africa started in the 19th century, Britain signed a treaty with Portugal to thwart the ambitions of Belgium and France. But at the Berlin Conference in 1884, Portugal was left out in the cold with Cabinda as its only territory north of the Congo.

In 1887, the first Portuguese governor, João de Brissac das Neves Ferreira, was installed and until 1956 Cabinda remained a colony separate from Angola. This is the main plank for Cabinda's claim to independence from the Republic of Angola. In 2006, Cabinda separatist forces agreed to end their struggle.

Following Angola's independence from Portugal in 1975, Cabinda experienced few of the

traumas of the civil war that befell the rest of the country, apart from the lack of investment. However, until its own ceasefire in 2006, the enclave continued to feel the heavy presence of the national government forces.

In the past few years there has been considerable effort to improve matters, including a US \$100 million investment in the Port of Cabinda, as well as a proposal



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José Anibal Lopes Rocha, Governor of Cabinda

to build a new port at an estimated cost of \$290 million. Figures released by the Angola Customs and Excise department show the port collected revenues of \$87.5 million in the seven months of January to July this year.

Cabinda Airport too is showing a healthy return on its recent \$6 million upgrading. Operating more than 100 movements a day, it now has the second-longest runway in Angola after Luanda, enabling it to handle large wide-body aircraft.

In addition, many major roads are being improved and an imaginative plan to link the province with Luanda via the Congo Railway is also under consideration.

On the financial front, all nine

major Angolan banks have branches in Cabinda City and country locations, and are currently offering \$19.5 million in credit (up 32 per cent on 2007). Peace and stability are already beginning to attract outside investment – a move that Cabinda's government is keen to foster.

"We can clearly see a number of new projects in the pipeline such as timber, agriculture, and even

beverages, as well as other industrial start-ups," says Cabinda's governor José Anibal Lopes Rocha. These include mineral exploration and extraction, and manufacturing to produce products such as palm oil for home and export.

"There are huge opportunities here in Cabinda for all sorts of local companies to set up shop and do very well," says Alex Casimiro, director of Cimerca, which offers support services to the oil and gas industry, as well as enterprise development opportunities to local businesses.

But just as the Cabinda economy is set to continue growing, so is its temperate climate matched by the sunny disposition of its people.

Sitting at his oceanside bread stall, the smell of freshly-baked rolls tempting passers-by, Luis says he could not imagine living anywhere else. "This is my home and I love it," he says. "Living by the sea makes me feel relaxed, and all the greenery around us is really calming too."

Indeed, this is a beautiful region, with a great potential for tourism. Cabinda's most impressive natural resource is the 296,000 hectare Maiombe rainforest, home to a remarkable variety of plant and animal species. It is famous for its butterflies, many unique to the area. Prized by collectors, specimens can be found in natural history museums throughout the world.

The trees grow right down to the sea, their enormous boughs bending into the water, waves lapping the greenery as gorillas and chimpanzees whoop from the high branches. Local children swing out from the forest on huge liana vines, leaping off into the waves.

For centuries, and particularly in recent years, Cabinda has had a consistent record of welcoming outsiders – sending a message of confidence to investors and global players who are already beginning to dip their toes into the water.

It is a region that can offer a vibrant environment for economic partnerships, with many resources and opportunities still waiting to be explored. *

By Peter Moeller

A wealth of opportunities

Entrepreneurs exploring the investment potential of Cabinda conventionally think oil – but a closer look reveals other riches that could bring mutual benefits

Sub-Saharan Africa has long been exploited for its natural resources. Locked in its ancient geological structures are rare and precious treasures, while forests and fertile soil offer a variety of commodities that traders have carried off to world markets.

Cabinda, with its equatorial climate and barely explored hinterland, has a cornucopia of riches and is keen to form partnerships with investors how have the expertise to develop and market its wares.

The possibilities of joint ventures are very much on the agenda with Angola's national government, which has put in place legislation to ease the path. Referring to one area, provincial governor José Aníbal Lopes Rocha says: "Cabinda is very rich in phosphates from which we wish to produce ammonium and super-phosphates. Gold and diamonds are other resources

we are developing."

Recent surveys indicate that phosphate reserves are cached in nine known deposits in relatively low-lying terrain. Cabinda already produces 90 per cent of Angola's gold, mostly extracted from alluvial sites in the Maiombe district. Both of these represent opportunities for the international operator, and the government is keen to find companies ready to undertake exploration programmes.

The mining of manganese, potassium, quartz and low-grade uranium, all of which have been little developed, represent a green-field opportunity. In general, the province is also open to diamond mining. This is strictly regulated by the national corporation Endiama which is seeking to diminish the informal sector by incorporating the artisan diggers into formal structures.

But Cabinda's most impressive



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natural resources are above ground, among which is the majestic Maiombe rainforest which covers some 296,000 hectares – an area greater than some countries elsewhere on the African continent.

The forest has an enormous potential as a supplier of tropical hardwoods including sandal, ebony, rosewood and rare varieties of mahogany. Cabinda currently accounts for around 30 per cent of Angola's wood exports. The Cabinda government wants to establish relationships with

responsible entities to harvest this valuable product and to join Korean and Chinese companies already engaged in logging. The timber company Faber New has recently invested \$1 million in a forestry and lumber project in Cabinda.

The fertile soil and plentiful rainfall of the province also presents the potential for resource-investment to exploit cash crops such as coffee, cacao, palm oil and rubber.

Tourism is probably Angola's least developed revenue earner, mainly due to the degradation of

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Amaro Tati

infrastructure and lack of investment. It is another opportunity of which the administration is keenly aware.

"We want to realise our tourism potential, particularly ecotourism," says governor Aníbal Rocha. "We have already started construction of an eco-lodge in the Maiombe Forest where we will be able to show our rich fauna and flora. We have also planned an 18-hole golf resort and intend to build a marina for cruiseships and smaller vessels to visit Cabinda."

"If Cabinda is to diversify its economy and become less dependent on oil, it will need significant investment," says former governor Amaro Tati. "We have timber resources, minerals and other construction materials. We also have fertile land. Cabinda has so much untapped wealth." *

Building the future

Infrastructure has the dual role of making development possible and daily life supportable. For Cabinda, both issues are currently being addressed with vigour and investment



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"For 2008, Cabinda was allocated more than \$272.4 million," he says. "From this budget we have made available \$219 million for public projects – in total, 112 projects for the year."

These range from the provision of health centres and water treatment and other public utilities to the construction of social housing and a multi-sport stadium. "We have many other projects too," says Espírito Santo. "We are rehabilitating a palm plantation, a palm-oil processing plant and a soap factory."

But the big money is going into facilities that will boost the prosperity of the whole country, such as the upgrading of Cabinda Airport and the country's projected new deepwater port.

Surprisingly for a province whose offshore oilfields are the biggest contributor to the Angolan economy, its maritime facilities had, until recently, been neglected and the only significant facility, Port Cabinda, unprepared for the forecast 50 to 70 per cent growth in throughput by 2010.

In 2005, Goodworks International and Lockwood Green Engineers presented a report funded in part by the US Trade Development Agency which concluded that the most economic option would be to build a new deepwater port at a cost of \$290 million, projecting that it would ultimately deliver revenues of \$120 million a year.

Meanwhile, as an interim solution, the Port of Cabinda started its own rehabilitation aimed at refurbishing and modernising the existing infrastructure to increase capacity. It is due for completion by the end of this year and, thanks to a national public investment programme for Cabinda grant of \$100 million, will be able to handle ships of up to 1,000 tonnes.

"Now we have this funding, the new terminal will contribute to the integration of Cabinda with the rest of the country," says governor José Aníbal Lopes Rocha. Besides handling regular imports and

exports, there will be a free zone which will serve to stimulate local industry, promote investment and create jobs. In addition, the new port is expected to boost trade with neighbouring countries, raising its regional importance.

Other transport infrastructure – principally roads that connect the port with its hinterland and are vital to exploiting its rich variety of agro and mineral resources – is also receiving attention and there is talk of a rail connection to Luanda.

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Bonifácio do Espírito Santo

Among the biggest projects are the Rua das Forças Armadas, the Cabassango/Zengo Lucula and the Buo Zan to Belize roads. But a project that will directly benefit the people is the new Alzira Fonseca Hospital, the first phase of which has already been completed. The second phase will be able to offer cardiovascular, diabetes and ophthalmology treatments.

"This will be a first in Angola," says gov-

ernor Rocha. "We are equipping the hospital with the latest technology provided by the American company GE."

On a wider level, medium and low-voltage electricity is being provided throughout the city of Cabinda at a cost of \$7 million in a project that is also due to be completed before the New Year.

"A project that gives us particular delight is the Programa Água para Todos [water for everyone]," says Espírito Santo. "This is going to provide potable water for many peo-

ple by increasing access to water from subterranean sources. We are currently in the development stage with local companies."

Whatever the problems of the past, there is a determination that this province will slowly transform itself and the lives of its population, with infrastructure investment provided by central and regional government, and the help of international and foreign entities with interests in the region. *

Useful websites

Further information on the subjects covered in this feature may be found at www.

gpcabinda.com	Regional Government of Cabinda
acdivoca.org	Cabinda Agribusiness Development Alliance (Cada)
angola.org.uk	Embassy of the Republic of Angola, London
ukinangola.fco.gov.uk	British Embassy, Luanda
angolamine.com	Ministry of Geology and Mines, Luanda, Angola
investinangola.com	Agência Nacional para o Investimento Privado (ANIP)
api.org	Angola Partnership Initiative (API)
endiama.co.ao	Endiama (national diamond company), Luanda
seamic.org	Southern and Eastern African Mineral Centre (SEAMIC)
chevron.com	Cabinda Gulf Oil Company (Chevron)
sonangol.co.ao	Sonangol EP (national oil company), Luanda
usaid.gov	USAID, Angola
undp.org	United Nations Development Programme (UNDP)

A growth market

Despite its beneficial climate and fertile soil, many Cabindans only scratch a living from the land. Now, thanks to a helping hand, they could reap better rewards.

These days, few regions in Africa have the outstanding opportunities of Angola to exploit their agricultural advantages to produce crops both for domestic consumption and export.

This vast country, which spans climatic conditions from savannah to rainforest, is blessed with fertile soils and a reliable supply of water. In the northern part of the country and Cabinda, the rains are regular and plentiful.

Pre-independence, Angola was the world's fourth-biggest coffee producer and Cabinda was a competitive exporter of sugarcane, bananas, palm oil, sisal and cotton. It was self-sufficient in all crops but wheat. With the 30-year civil war, this situation was dramatically reversed and the region became a food importer.

Oil may be Angola's principal source of national wealth, but agriculture offers many avenues for inward investment that can bring better food, jobs and a reliable income for those in the industry, from the growers to marketing and distribution.

At present, most of the population live on a poor subsistence diet, so the potential to transform the food industry into a successful commercial operation is huge. It is one of the government priorities to revive and strengthen the sector, says provincial



governor José Anibal Lopes Rocha.

"We are currently developing our first phase which aims to promote the growth and production of fruit, vegetables and livestock," he says. "Initially this will serve our own needs, but eventually we want to target national and regional markets."

In fact, thanks to the presence of the huge Molongo oil base, Cabinda was an early leader in expanding its agricultural resources commercially. In 2003, the Cabinda Agribusiness Development Alliance (Cada) allied with the Cabinda Gulf Oil Company (Cabgoc) to develop farmer-owned agribusiness associations to increase the marketing and the distribution of cash crops – principally to supply fresh produce for workers on the base.

The advantages were cheaper and better quality fruit and vegetables for the recipients, and a steady income for the producers and those in the supply chain. A further development was to supply local shops, restaurants and hotels.

Success quickly bred success, with skills training, improved growing methods and facilities such as greenhouses, coldstores, fertilisers and better quality seeds to build the industry.

"The Cada project has brought new

On the industrial level, the province is also focusing its attention on the possibilities of soya production and biofuels as a means of generating profits from agri-resources. The region has excellent conditions for the cultivation of sugar cane, which has already caught the attention of world producers such as Brazil. Palm oil production – a traditional Cabindan activity – is another potential opportunity.

"The establishment of palm-oil plantations to feed local processing plants is one

of several projects in the pipeline," says Bonifácio do Espírito Santo, director of the Office of Studies, Planning and Statistics. "Among other things it will supply the feedstock for a local soap industry."

There is no doubt that Cabinda's agriculture is a highly fertile sector for growth and,

moreover, one in which the government is very keen to welcome investors. *

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José Anibal Lopes Rocha

knowledge and a regular, monthly income," says Simão Congo, a 58-year-old soba (traditional chief) living near Cabinda City. "I would like to see the markets expanded so that more of our associated farmers can improve their production levels while increasing their income."

His comment is echoed by widow Palmira Lando who made over \$9,200 in 16 months from fresh produce sales. "I truck fresh produce to the Congo border market in Massabi. Cada has opened markets for us, and we have lots more produce for sale."

In 2007, 40 smallholders participated in a four-day regional agricultural fair at which the Cada producers carried the day with the premier gold award for their displays of high-value crops.

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UNLIMITED OPPORTUNITIES

One of Central Africa's least-known jewels, Cabinda is the perfect getaway for the world traveler seeking spectacular natural beauty, attractive hotels and a warm welcome.

The province is equally rich in natural resources. Agriculture flourishes in its temperate climate and fertile soil; the dense, lush forest of the Maiombe is one of the largest primal rainforests in Africa, and a valuable source of exotic woods; and with fifty miles of coastline, Cabinda also boasts a thriving fishing industry.

Potential developers will find myriad investment opportunities in this diverse economy. The dynamic Provincial Government is making Cabinda an even more attractive prospect, with fiscal incentives for investors, an economic revival plan to transform the region's infrastructure, and ambitious plans for a new port. The Government remains firmly committed to unity with Angola.

Come and let us build together Cabinda's future!



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