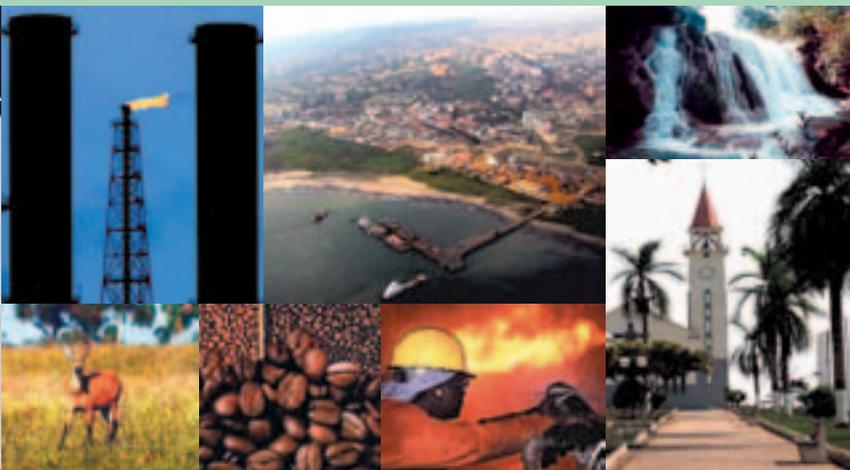


Cabinda



LOCATION:

An enclave and province of Angola, Cabinda is bounded on the south and east by the DRC, on the north by the Republic of the Congo, and on the west by the Atlantic Ocean.

POPULATION:

300,000

CAPITAL:

City of Cabinda

AREA:

7,283 km square

PRODUCTS:

Hardwoods, coffee, cacao, rubber, and palm oil products.

OIL:

Cabinda produces 700,000 barrels of crude oil per day.

Adjacent to its coast are some of the largest oilfields in the world.

Angola's economic powerhouse

As the engine of Angola's giant oil producing machine, Cabinda, the small Angolan enclave just north of the Democratic Republic of the Congo, suffers more seriously from the threat of Dutch disease than many larger oil producing regions. The province is currently pumping out more than half of Angola's current 1.7 million barrels per day, a figure that is expected to reach 2 million by early next year, and rise to 3.4 million within the next ten years. Most of that future production will come from Cabinda.

There are only 300,000 people living in Cabinda. It covers an area just over 7,000 km². Though the oil wealth that has come out of the province over the last 40 years since production began is literally unimaginable, its people have historically lived below international poverty levels. Also, since Angola's independence from Portugal in 1975, there has been a secessionist movement waged in the province by the Front for the Liberation of the Enclave of Cabinda, who governed briefly before being overthrown by the Popular Movement for the Liberation of Angola that same year.

Since the 2006 forum on peace in the province, however, and its accompanying assurances of a ceasefire from separatist forces, Cabinda has a new outlook. The Memorandum of Understanding for Peace in Cabinda signed with the central government on 1 Au-

gust, 2006 grants the province a special statute and greater autonomy. On the first anniversary of the MOU this August, Angola's Territory Administration Minister, Virgilio de Fontes Pereira, said that it had recorded no setbacks in its first year.

This is very good news, and not only for Cabinda. While the province will benefit from increased political and economic autonomy, and will have more freedom to address its own social and economic issues, Angola has secured the economic platform from which it can continue to finance the diversification of its economy. Progressive policies both from Cabindan governor Jose Anibal Lopes Rocha and on a national level have been aimed at reducing economic dependence on the extractive industries, resulting in positive growth levels across the board. Indeed, 35% GDP growth is expected for 2007, making Angola one of the fastest growing economies on the globe.

And while Angola can now continue to invest in sustainability, Cabinda is facing a new era. With her new political stability, Angola's most precious province can fully develop, and enjoy, her wealth. "The peace agreement will create a healthy environment, it will bring economic and political stability, and will allow for new interaction between Cabinda and the rest of the country outside the realm of oil," asserts Mr Pereira. ●



Anibal Lopes Rocha
Provincial Governor
of Cabinda

INCREASING OPPORTUNITIES

Oil rich enclave fuels Angola's economic diversification

To say that the province of Cabinda has significant weight in the Angolan economy is a flat understatement. It produces over 60% of the country's oil, and generates more than half of the government's total revenues and nearly all of its foreign exchange earnings. The fact that exploration and investment in Cabinda is still ongoing makes it quite clear that the province's importance in Angola's overall production is not likely to diminish in the near future. One cannot refer to Cabin-



Cabinda produces the majority of Angola's oil.

da and oil without referring to Block Zero, Chevron Texaco's greatest find. Comprised of 20 fields with a current total production of 400,000 barrels of liquids per day, Block Zero is operated by Chevron's Cabinda Gulf Oil Company on behalf of partners Sonagol (the Angolan national petroleum company), Agip and Elf. This single concession produces the majority of Angolan oil. ●

NON-OIL RELATED INDUSTRIES

Second largest revenues for the National Treasury



The government's National Reconstruction programme has been the main political policy since the end of the civil war in 2002. It is a comprehensive effort to rebuild Angola after the effects of the war and to create a wealthier society as means to ensure continued peace. Cabinda is key in Angola's continued recovery. Just last year the province contributed 20 billion kwanzas of non-oil related revenue tax to the central government, making it the second-largest contributor to the state coffers after Luanda. Added to this, of course, are Cabinda's vast oil revenues - and it will be this money that builds the roads, sanitation systems, hospitals and schools that keep Angola peaceful. ●

BUILDING THE FUTURE

Cabinda: top of the list in the public investment program

The government of Angola, under its Special Programme for Public Investment, has allocated roughly \$500 million – a previously unheard of quantity – for infrastructure improvement in Cabinda over 2007-2008. Governor Rocha says the money will be used directly to improve social conditions in the province.

"Education is one of our main priorities, and we have already made substantial steps that differentiate us from the rest of the country," remarks Mr Rocha. "In our province, you do not see children who are not enrolled in school. We do need additional schools, and in addition to high schools and a new university campus, we are also heavily investing in the modernisation of primary schools."

Another recipient sector will be health, and funds will support the upgrading of the province's current health facilities, and possibly allow for the construction of a new central hospital. A new paediatric centre is currently under construction.

Energy and water will also receive a significant percentage of the new investment, according to Mr Rocha, to continue ongoing work on a new potable water supply system and to install two gas turbines for electricity generation. Construction of a new dam is now in planning stages. Finally, roads and agriculture will be the other main beneficiaries. ●

IMPROVING INFRASTRUCTURE

Social services set regional benchmark

Between the expertise of Governor Rocha, and the involvement of multinationals operating in the area, most specifically, Chevron Texaco, Cabinda has made such progress in improving its quality of life that Angolans from other parts of the country are moving in.

"We are attracting more residents mainly because of our social programs and our improvements in education," states Mr Rocha. "We supply food to more than 90,000 students every day, and provide free books and uniforms (which we made sure were manufactured in Cabinda). This year we will start distributing shoes for children."

The government's smart choices in social policy are also stimulating Cabinda's economy. Contractors have been asked to use only local products in construction, which has increased provincial revenues, and all wood exports must be value added. As a result of the upturn in the economy, hotels, airlines and the port are all registering higher volume, which means, again, more provincial revenues, and this in turn, means more investment in social services. Major oil companies, in collaboration with NGOs, are now financing new schools and health centres. ●

DEVELOPMENT PLANS

Port of Cabinda to receive \$100 million to finance its expansion



With an eye to boosting its exports to neighbouring countries, the Province of Cabinda is building up its port facilities - and the central government is chipping in

No country with a seacoast can be excluded in the identification of sea interests. This is the motto of the Port of Cabinda, which started its expansion and development over three years ago with an initial internal restructuring. In 2005, it launched a four-year strategy to modernise existing infrastructure and develop new capacity with the aim of boosting its regional importance. This year, as part of the central government's Public Investment Programme for Cabinda, 2007-2008, the port was granted \$100 million to finance the costs of its expansion.

Work on the port, which is expected to be completed in 2008, will allow it to receive ships of greater capacity and also handle cargo for neighbouring countries. Indeed, one of the main objectives of the expansion is to attract business from regional landlocked countries. Cabinda borders the landlocked Democratic Republic of Congo, and the province is a natural regional gateway.

After the expansion, Cabinda Port will have a nine-metre-deep manoeuvring basin for ships with a loading capacity of over 1000 tons, and its access channel will be 80 metres wide, allowing for the simultaneous passage of two ships. Technological, operational and administrative capacities are also being modernised in order to carry out operations in less time and offer more competitive prices through reduced freight taxes. With the improvements in

ENHANCING CAPACITY

A more competitive port to boost interregional activities

"Cabinda has three main consumer centres in less than four hundred kilometres. To the south, we have the city of Luanda; to the east, we have the cities of Brazzaville and Kinshasa, and to the north we have "Pointe Noir", Futila and some provinces of the Democratic Republic of Congo," states Governor Rocha. "With this strategic location, our province has a key role in the regional network of goods. From here we can send goods to all the big consumer centres



This project will enhance the port's capacity to provide in-country services for global oil companies.

place, officials are estimating that that the port will register annual growth of between 50% and 70% from 2008 to 2010.

Governor Rocha says the port will grow in tandem with Cabinda's economy. Increases in production in various sectors that are now on the

No country with a seacoast can be discarded as having possible logistic interest, says Port of Cabinda authorities

rise will augment port activities proportionately. "The oil industry," he points out, "is no longer only offshore, but onshore as well. The mining sector will be strong. Several factories

are being finished at the moment, and they will have the capacity to produce construction materials not only for local consumption but also for export to other provinces and neighbouring countries. The ceramic industry is also growing, as is the wood industry. Then we also have our beer industry, which will be exported abroad. All these developments will facilitate the growth of the port." ●

around us. This, added to Cabinda's special customs system, will increase our port's production levels significantly."

With expansion plans now approved by the central government, Cabinda is set to continue with plans to convert its port into an inter-



regional hub. The lowering of taxes on goods entering the province is one of the measures that the government has taken to increase the regional flow of goods by which it also hopes to boost Cabinda's trade with neighbouring areas and increase traffic between consumer centres in the region. Cabinda is perfectly situated to serve the interior re-

gions of both the Congo and the Democratic Republic of the Congo, a completely landlocked country. ●

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DIVERSIFICATION

Cabinda steps up efforts for a sustainable economy

 A new statute gives Governor Lopes Rocha the go-ahead, and the power, to really effect change. Raising investment levels and building industry top his to-do list

With the recently agreed special statute for Cabinda, part of the Memorandum of Understanding for Peace that was signed last year with Luanda, the provincial government has been given freer reign in the incentives that it can apply to investors, according to Governor Rocha. He adds, "This statute will enable the province to have a more dynamic investment climate, and it will facilitate the implementation of special projects that used to depend on the central government."

Giving Governor Rocha a green light to develop Cabinda is a good move on behalf of the central government. The governor has, since his appointment in 2002, managed to upgrade previously almost non-existent social services in the province to such an extent that it is attracting new residents from around the country. He has successfully managed to enrol all children into school, to provide water and electricity, and to inject fresh impetus into the provincial economy by insisting on 'locally-made' and 'value-added' products.

The governor has made significant progress. Last year, Cabinda was second only to the capital of Lu-



Cabinda also produces coffee, cocoa, cassava, palm oil, timber and a wide range of minerals.

anda in the amount of provincial tax paid to the state coffers, and this did not include the province's significant oil revenues. Furthermore, Cabinda is showing signs of new life. "The occupancy of our hotels is now 80%. In 2002, the number of planes landing in the province on a weekly basis was sixteen. Today, it is 61. The Port of Cabinda has improved operational conditions remarkably. In 2002, we were receiving around 2,000 containers a year, and now we receive an average of 12,000 per annum," the governor observes.

Over the past five years, Governor Rocha has spent a great deal of effort in promoting the diversification of the economy. Now, with increased autonomy, as well as new funds arriving for infrastructure from the central government, the governor is now fully equipped to move ahead with plans for building a stable and prosperous province, and a sustainable economy.

Incentives for investors now exist in agriculture, tourism, construction, mineral extraction, wood and public works, including port expansion, new roadways and the modernisation of the airport. Part of the province's economic strategy is the positioning of Cabinda as a regional logistics hub, through its port and airport, for goods moving into the regional interior. Governor Rocha is also hoping that the opening up of these new trade routes will boost Cabinda's value added exports. ●

The occupancy rates at the hotels in the area are 80% all year round, and plans are underway to increase infrastructure

FUTILA INDUSTRIAL PARK

First phase draws 60 companies

In May of this year, Luanda approved "the strategic development of the Industrial Park of Futila" in Cabinda. The Polo Industrial de Futila will promote the development of the province's industrial sector, with its main clusters being oil-related industries, wood processing and construction materials.

In the first phase of the 2300-hectare park, the government will invest \$36.7 million in infrastructure. More than 100 hectares of land will be paved, potable water supply networks will be constructed and a natural gas grid will be built to provide electricity. Roughly 60 companies will then be based there to start up the park's operations.

"We initially created this industrial area to house all the companies related to the oil industry," says Governor Rocha, adding that a joint venture between a US and a local company was recently formed to build a hydraulic pump factory in the park. "The area is ideal, and we have received a very positive response from a number of interested companies." ●

TOURISM

An exotic adventure in paradise

Cabinda is not only home to one of the most important oil industries in the world, it is also stunningly beautiful and possesses high tourism potential – a fact that has not escaped the provincial government's attention in its push to diversify the economy.

With its breathtaking landscapes, tropical forests and idyllic beaches, Cabinda's natural beauty alone is enough to lure visitors, but it also boasts a number of other attractions. It has a large gorilla population and rare butterflies in its Maiombe Forest – a thick primal rain forest called the 'vegetable sea' by the locals. Indeed, Cabinda's rain forest, with its canopy of luxuriant green vegetation and the variety of flora and fauna to be found within, lends itself to the development of a thriving eco-tourism industry as do the province's other natural parks and reserves. The province also has rich



Cabinda is home to a number of natural parks and reserves, where visitors can see wildlife firsthand.

local culture and extensive colonial architecture.

While the Luanda government approved special tax and customs incentives for the development of business tourism in the province a few years back, Cabinda is now ready to widen its offer. Traditional tourism, adventure and safari tourism, and eco-tourism are all ripe sectors for development, and the Ministry of Tourism is working to ease current visitor restrictions, something it hopes to achieve within the next three years. ●

IN THE FIELDS

Taking advantage of agricultural resources

Cabinda is fertile and lush, and the development of agriculture in the province is the focus of a number of provincial and national initiatives currently underway. The province's crops include coffee, palm oil, potatoes, bananas and cocoa. While Cabindan farmers have lacked funding to expand production in the past, new financing has arrived to push things forward.

In addition to investment from the provincial and central governments, which are also providing credit to farmers in their efforts to promote agro-farming, Cabinda's agricultural sector is also benefiting from the support of local oil companies, such as Chevron Texaco. In partnership with USAID, Chevron has implemented a five-year agribusiness development project aimed at building local farmers' capacity in the production, collection, storage, marketing and distribution of fresh produce and fruits. ●



Marrying the preservation of its natural beauty and the riches it brings the country through its extensive oil reserves, Cabinda is planning ahead



Cabinda

A role model for sustainable development

Cabinda Province is an oil-rich, ecologically diverse region of western Africa with coastlines stretching along the Atlantic Ocean. Tropical weather, virgin forests and a plethora of flora and fauna characterise the natural bounty of Cabinda.

With the utmost respect for our culture, traditions and delicate environment, Cabinda welcomes foreign investors to explore the opportunities available, and invites tourists from across the world to come and share the unique experience that is Cabinda Province. West Africa's green province.



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