

Port of Luanda helps fuel Angola’s recovery

Chairman Francisco Venâncio: China’s importance in trade

Since the April 2002 peace deal that brought an end to more than 25 years of civil war, Angola has undergone a remarkable transformation to become one of the world’s fastest growing economies.

Before slowing down in 2009, the South-West African nation achieved 11.1 percent average annual growth in GDP since 2001, an average that outpaced even China.

The balance of trade was tipped heavily in Angola’s favor. Exports, of which crude oil comprises the lion’s share, grew strongly in 2010, while imports were only one third of the total exported.

Volumes are now rising sharply in both directions. Exports expanded strongly last year, while imports, originating mostly from Africa’s leading trade partner China rose only at half the pace of exports.

Export earnings are the fuel for the government budget for 2011, a third of which has been set aside for social projects, and they also help pay for imports, whose importance is vital if Angola is to achieve its ambitious goals for national reconstruction.

Years of conflict decimated Angola’s production and industrial capacity to the extent that the nation still relies heavily on construction materials, machinery, vehicles and even foodstuffs from abroad.

As a result the nation’s ports are braced for a massive increase in traffic — as much as 5 million tons in additional goods between 2011 and 2015 requiring reception, handling, logistics and storage, according to Deputy Minister of Transport José João Kuvingua.

The point of entry for over 80 percent of all imports to Angola, the Port of Luanda will naturally be handling much of the increase.

“If you take into account the cost of maritime transportation and the

investment in ports required to purchase equipment and merchandise, you can appreciate the economic and financial importance of the port company in Luanda,” explained Francisco Venâncio, the port company’s chairman.

“I believe we will continue to be the port of reference for investment over the next few years.”

Well positioned

Blessed with many manmade and natural advantages, Luanda is not only well placed to serve Angola’s needs, but also its neighboring countries.

Located in a large, well-protected bay with a deep entrance canal, its facilities include an extensive cargo area, additional multi-purpose space and a container terminal.

The port was certified as compliant with International Ship and Port Facility Security System in 2004 and has remained certified since.

In July 2010 Venâncio unveiled a wide-ranging plan for expansion and development by private sector partners on 20-year concessions, leading to total investments of over \$350 million.

A mile of new quayside and two new terminals, including one for the hydrocarbons sector, have been constructed in the last five years.

The strategic plan for the next five years aims to build on the recent successes.

“Our quays need to be adapted with new naval construction technologies,” Venâncio pointed out.

“Investment in rehabilitation has not been limited to one area — we have invested in our entire infrastructure, and because we have to handle almost 50 percent of containerized freight and general cargo, we have also invested in more flexible and efficient equipment,” Venâncio added.



Offloading times have already decreased significantly at the port.



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FRANCISCO VENÂNCIO
CHAIRMAN OF THE PORT OF LUANDA

Improvements have already been made. In December, the chairman announced that the average time to offload and process goods through customs at the port had been slashed from the stupefying figure of 80 days in the past to only 28 days in 2010. This has brought significant savings for shipping companies, importers, and eventually, consumers.

As operations become more streamlined and seamless, the port’s chairman is convinced the congestion that plagued Luanda’s port in previous years is most definitely a thing of the past.

“We have to constantly reinforce the port’s mission,” Venâncio said, “which is to be competitive, efficient and productive, while reducing the transportation costs of imported goods as much as possible.”

It is an important message that has been well received by Angola’s Chinese trading partners.

Venâncio argues that times have changed and that this can be seen across the board.

“There is a completely different reality in 2011 than there was 10 years ago,” he added. “Today we are focusing on public-private partnerships as the companies that were awarded concessions are privately owned. We now have to focus on training to manage their activities



PHOTOS PROVIDED TO CHINA DAILY

The Port of Luanda is the country’s largest and is now undergoing a massive facelift.

CRUCIAL SHIPPING HUB

Editor’s note: Port of Luanda’s Chairman **Francisco Venâncio** talks in more detail about recent achievements at the port:

What is the importance of the Port of Luanda in Angola’s socio-economic development?

By receiving 85 percent of all imports, the Port of Luanda is the main point of entry for imported goods in Angola.

The country has a program for national reconstruction, and for the rehabilitation of its physical and social infrastructure.

These aspects are fundamental towards improving the quality of life after so many years of deprivation from essential goods, and I believe that we will remain the port of reference for the country’s acquisitions for many years to come.

The country needs to import, although there is also an effort to reduce imports by virtue of an economic diversification policy.

What will the current \$350 million revitalization entail and what opportunities will it offer?

If you think about the fact that the port has been in operation for 60 years then you can understand that much of the infrastructure now needs to be updated to fall into line with the type of traffic and goods that we now receive and plan to be able to handle in the future.

As the country’s port of reference it is vital that we spend the money to adapt to new technologies and be prepared for the future. This investment will allow us the opportunity to improve and continue being competitive, efficient, and ultimately lower the cost of imported goods.

Angola is currently one of China’s most important commercial partners in Africa and since the end of the civil war China has been investing very strongly here. With this relationship set to intensify, how

can the Port of Luanda take advantage of Chinese investment?

China is indeed Angola’s main economic partner, as well as a leading ally for our national reconstruction through the concession of credit lines and through companies that are involved in the reconstruction of our infrastructure. This obviously translates to the acquisition of many goods and materials for construction from China.

It is very interesting to observe, for instance, that the three main railways of Angola are being rehabilitated by Chinese companies. These investments are significant for the national economy, because they will allow for a significant reduction of the cost of transport of goods within the country.

We believe that the partnership between Angola and China will last for many years, and the local population can already see the benefits.

and the administration of the port authority?”

The next challenge is development of Barra do Dande port just north of the capital in neighboring Bengo province.

The 2,400-acre site is currently being made safe for development by the National De-mining Institute, which has already secured 400 acres.

The new port looks set to create

strong synergies with the capital’s facility positioning Angola as a major maritime transportation hub for South-West Africa.

The concept of becoming a regional hub is fast gaining relevance and importance as China increases its trade with the region, and particularly with Angola.

“China has become Angola’s most important trading and economic partner and has also become very

involved in the development of our infrastructure,” Venâncio said.

“We hope this will be a long-term relationship as the benefits can be seen across the country.”

With the investment in and the development of the Port of Luanda on track, Chinese companies will equally see the benefits as goods will be cheaper to import to Angola and they will get to their destinations much more efficiently.

Namibe’s rising tide of renovation for growing business

Angola may be China’s main trading partner in Africa and a place where China has invested heavily, but other countries are also looking at the South-West African nation as a potentially important regional transport hub.

Two years ago the government of Japan financed a viability study on the expansion of the Port of Namibe. A Japanese firm is now carrying out rehabilitation work.

Originally built in 1957, Namibe is the third most important port in Angola after Luanda and Lobito. It currently has over 870 meters of docks divided into three zones and a workforce of more than 700.

Previously called Moçâmedes, Namibe is well positioned in a rich fishing zone. The Japanese viability study recognized its potential for development and growth.

As conditions are similar to the successful port of Walvis Bay in neighboring Namibia and with the Moçâmedes railway scheduled for completion soon, the Japanese are very keen on the feasibility of their first large investment in Angola.

Pedro Kahamba, the port’s administrator, said the investment is paying off. “In partnership with the Japanese we have now concluded the first phase of rehabilitation,” he said. “Two hundred and forty meters of dock regeneration is now finished with better lighting and better loading and off-loading equipment.”



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PEDRO KAHAMBA
ADMINISTRATOR OF THE PORT OF NAMIBE

That leaves 635 meters of regeneration to be concluded. Work on another 240 meters is planned to begin in August next year, with a final phase to complete all 875 meters of renovation. Bidding and contracting for the second phase will be completed by May 2012.

The improvements are easy to see. The quay is now much easier to navigate and all of the port’s stakeholders are unanimous in their positive feedback. The access road has also been rebuilt through funding by the Japanese government.

At recent celebrations for the port’s 54-year anniversary, Kahamba noted that “the port handled 2 percent more cargo in the first quarter of this year compared to last year and our revenues have grown 10 percent”.

On average 20 large ships including oil tankers are now mooring at the port each month and goods processing totals 200,000 tons a year.



The first phase of the port’s rehabilitation program is complete.

When asked previously about what kind of goods would pass through the port, Kahamba said “we can handle any imports the country needs”. With ongoing investment and renovation, an increase in busi-

ness is proving his point.

The port is also contributing to the country’s trade balance by exporting high revenue products such as granite, marble, fishmeal and fish oil that pass through on route to major

global economies such as China.

Kahamba also pointed out that even though the Japanese have become involved in the port, Chinese expertise and technical prowess would also be welcome.

