



Black gold or black hole? Oil and development in Timor Leste

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Petroleum has been a cornerstone of economic development in Timor Leste since the country finally achieved independence in 2002, accounting for approximately half of the country's budget each year. Revenues from the oil fields between Timor Leste and Australia have flowed into state coffers and been placed in a sovereign wealth fund that helps forestall misappropriation of funds and other corruption. Yet Timor Leste remains underdeveloped, ranking only 120th out of 169 countries in the latest UN Human Development Report. In early October, the Italian oil company Eni began production in the offshore Kitan oil field, aiming to achieve production of 40,000 barrels per day, and the Timorese government has recently unveiled plans aimed at further developing the petroleum sector. As Timor Leste seeks to develop economically and socially and to begin weaning it-

self off of foreign aid dependence, the role of oil must be examined critically and petroleum treated as one component in a broader economic strategy, rather than as a magic bullet.

One of the main components of the Timorese government's current Strategic Development Policy is the Tasi Mane project, an initiative to develop infrastructure for the petroleum industry along the country's southwest coast between Suai and Beaço. The Tasi Mane project calls for the construction of three main industrial nodes: Suai Supply Base cluster, the Betano Refinery and Petrochemical Industry cluster, and the Beaço LNG-Plant cluster. The refinery and petrochemical facilities at Betano will benefit Timor Leste in particular, as it will enable domestic production refined fuel, fertilizers and pesticides, and other petrochemical products that are currently imported, keeping more of Timor Leste's oil wealth in the country. The Tasi Mane project will also create local employment, yet it is unclear exactly how many jobs will be created, and skilled, technical positions will likely be occupied by foreign workers.

There also have not been sufficient studies of the environmental and social impacts of such large-scale industrial projects for the communities in which they will be built. This is becoming an unfortunate pattern for the government of Timor Leste,

as illustrated by the experience of townspeople in Hera, where a power plant is currently under construction. The plant is meant to be a key component in the government's drive for national electrification. So far, however, the government has purchased generators designed to run on heavy oil, refinery leftovers that do not burn cleanly and lead to air and water pollution; environmental impact assessments have not been completed; and communities in the immediate vicinity of the plant have not been consulted and have not been kept properly informed about the project's progress and its potential impacts, negative or positive. This lack of government responsiveness and openness is troubling, for it signals a devaluation of Timorese democracy, as well as a disregard for environmental consequences.¹

More broadly, the question remains as to whether the Timorese government will use future revenues from the Tasi Mane project to diversify the economy, or if Timor Leste will instead remain a single-commodity export economy. Infrastructural development related to the energy sec-

¹ This holds unfortunate parallels to the controversy over emissions releases at the Mozal aluminum smelter in Mozambique. See Kai Thaler, "Mega-projects, pollution, and divergent development models in Mozambique" (*IPRIS Lusophone Countries Bulletin*, No. 13, November 2010), pp. 2-3.



tor, such as the Hera power plant and the Tasi Mane project, consumes the majority of the government budget, and little money is put toward the growth of other industries that might diversify the Timorese economy. Greater diversification would help not just to lift more of the population out of poverty, it would also insulate the Timorese economy from oil price fluctuations and production shocks. The latter is of great concern, as some estimates suggest that Timor Leste may exhaust its oil reserves by mid-century, and there is always the potential for natural or mechanical disasters, like the 2009 Montara wellhead blowout and oil spill in the Timor Sea, a 74 day spill which foreshadowed but attracted far less attention than the BP Deepwater Horizon spill in the Gulf of Mexico.

As it stands, Timor Leste appears to have avoided Dutch disease, the economic condition in which one dominant natural resource industry leads to currency appreciation that forestalls development in other sectors. The Petroleum Fund has minimized this risk by isolating most of Timor Leste's oil wealth in offshore investments. Yet the petroleum sector is still hampering development of other industries by acting as a magnet for government spending, while its potential short term benefits for economic diversification and uplifting poor Timorese are diminished by restrictions on the release of money from the Petroleum Fund.

More effort should be put toward the development of improved, sustainable agriculture and fishing practices that can contribute to both economic development and food security. It is precisely these food-producing industries that face the greatest threat from petroleum-based development, as they can potentially be harmed by oils spills and acid rain produced by industrial emissions. Increased emphasis should also be given to the development of small scale manufacturing to produce goods for the domestic market that must otherwise be imported.

Judging by the experience of other petroleum-producing countries, it is difficult to resist the allure of quick cash from black gold. The petroleum sector in Timor Leste has significant momentum and capital for further development. If the Timorese government is going to spend on projects like Tasi Mane, then international donors, the second half of Timor Leste's budget equation, should ensure that their contributions toward economic development are directed toward other industries. The Timorese government, in part through its involvement with the g7+ group,² has sought to assert greater control over the distribution of foreign aid; it should work in partnership with donors to build capacity in traditional and new areas of production. In this way, Timor Leste can better provide for the impoverished majority of the population and can also begin to prepare itself for a future beyond oil.

2 See Kai Thaler, "Timor Leste and the g7+: A new approach to the security and development aid nexus" (*IPRIS Lusophone Countries Bulletin*, No. 18, April 2011), pp. 4-7.



Is Portugal rediscovering Latin America?

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On 28 and 29 October, Asunción was the place to be in Latin America. Indeed, Heads of State and Government, Foreign Ministers, and a myriad of other high officials flew in from every Latin American country, as well as from Spain, Portugal and Andorra, to attend the XXI Ibero-American Summit in the Paraguayan capital.

Such gatherings have, for years now, conspicuously been empty of any meaningful results and full of laudatory official declarations.¹ Every participating country has, nonetheless, come to recognize the potential of this forum for establishing and developing significant contacts between one another and, perhaps more importantly, for opening new doors for bilateral cooperation and economic investments across the Atlantic.

Portugal, for its part, was represented at the highest possible level, with a delegation including President Aníbal Cavaco Silva, Prime Minister Pedro Passos Coelho and Foreign Minister Paulo Portas. Not exactly groundbreaking news and especially so if we take into consideration similar past atten-

dances by previous Portuguese governments officials in other summits. But precisely because we are talking of a relatively recent government – Passos Coelho has only been in office for nearly four months –, one ought to pay

Quatro destaques Latin America may well be the first region to receive this recalibration of attention. The case for this argument begins precisely with the Portuguese official presence at the Ibero-American Summit, best understood as way of demonstrating the country's clear "interest in the deepening of relations with Latin America".

a closer look to the signals being given to this particular region, in a possible context of a slight refocus of Portugal's own diplomatic priorities. Latin America may well be the first region to receive this recalibration of attention. The case for this argument begins precisely with the Portuguese official presence at the Ibero-American Summit, best understood as way of demonstrating the country's clear "interest in the deepening of relations with Latin America".² Likewise, Portas' presence at the concurring VII Ibero-American Business Summit was a stark contrast to previous editions in which Portuguese officials did not even bother to make an appearance, as in Mar de la Plata in 2010.³

Still, even more explicit examples of Portugal's newfound interest in Latin America can be easily found. Portas' declarations when receiving Ibero-American Secretary-General Enrique Iglesias back in September, for example, could not have been more straightforward: "there is no Portuguese foreign policy without Latin America".⁴

1 This year's Summit focused on "Transformation of the State and Development" even though it made more headlines due to the significant official absences. Even if for different reasons, Brazilian President Dilma Rousseff, Argentinean President Cristina Fernández Kirchner, Venezuelan President Hugo Chávez, Cuban President Raúl Castro, Salvadorian President Mauricio Funes, Costa Rican President Laura Chinchilla, Uruguayan President José Mujica, Nicaraguan President Daniel Ortega, Colombian President Juan Manuel Santos, Dominican President Leonel Fernández and Honduran President Porfirio Lobo all ended up skipping the Summit.

2 Leonor Botelho, "Passos leva a Dilma luz verde para a privatização da EDP" (*Público*, 27 October 2011).

3 See Jorge Benítez C., "Portugal también se asoma a L. America" (*ABC Color*, 23 October 2011).

4 "Portas e Iglesias destacam "relevância" de debater papel do Estado" (*Lusa*, 14 September 2011).

The final policy consecration, however, came with Passos Coelho's own speech at the Ibero-American Summit: "Latin America is a priority for [Portuguese] foreign policy, a priority that increasingly sees more and more new objectives and new ambitions".⁵

As these words resonate through Latin American capitals, one clarification could add further significance to their consecutive outline. Indeed, for Portuguese diplomacy, 'Latin America' consists of the entire Central and South American region with the exception of Brazil, given that the former colony constantly stands out by itself in the Portuguese foreign policy agenda. To single out Latin America in the country's official discourse is therefore to attribute a specific weight to a region frequently absent in Portugal's external policy. Promising rhetoric aside, concrete reasons for such sudden rapprochement should be addressed. Unsurprisingly, bilateral trade and economic opportunities top every desired agenda. The first target of Portugal's newfound interest was, surprisingly enough, Peru. In fact, Portas made sure to attend the inauguration of Peruvian President Ollanta Humala on 28 July, in his first ever tour abroad after taking office. A meaningful political gesture to be sure but also one that had never previously occurred throughout the entire history of Portuguese-Peruvian diplomatic relations. In that sense, the underlying deference did not go unnoticed.

The main objective, though, remained one and the same: to promote greater economic relations between the two countries, as already exemplified by the considerable investments of Portuguese construction company Mota-Engil in Peru.⁶ It thus came as no surprise that both Cavaco Silva and Portas took the opportunity during the Ibero-American summit to hold another bilateral meeting with Humala, in a clear signal of political investment on this particular country.

5 Pedro Passos Coelho, "Discurso do Primeiro-Ministro no XXI Cimeira Ibero-Americana, em Assunção, Paraguai" (*Portuguese Government*, 29 October 2011).

6 "Peru é tentador para as empresas portuguesas. Porquê?" (*Agência Financeira*, 20 March 2011).

Likewise, Colombia, as "one of the most impressive economies on the American continent",⁷ also appears set to be granted increased attention. Portas himself paid a two-day visit to Bogotá on 1 November, accompanied by several Portuguese businessmen keen on investing in the country, just as news broke of an overwhelming €400 million investment by Portuguese retail company Jerónimo Martins in Colombia.⁸ For all purposes, a convenient timing that ended up bringing to the fore the potential that this bilateral relationship withholds. Moreover, Prime Minister Passos Coelho appeared to equally endorse such a reinforcement of ties, after meeting with Colombian Foreign Minister Maria Ángela Cuéllar on 14 July and with President Juan Manuel dos Santos on the sidelines of the 66th United Nations General Assembly on 22 September.

When considering these two particular countries, however, an additional factor should be taken into consideration: the signing of a Trade Agreement between Peru, Colombia and the EU in May 2010, presently only awaiting final ratification by all parties.⁹ Indeed, this agreement represents an unparalleled opportunity to "open up markets on both sides and increase the stability of this trade relationship that was worth €16 billion in bilateral trade in goods in 2010".¹⁰ It is then easily understandable why Portugal appears to be positioning itself to reap the fruits of what it is expected to be a very lucrative relationship with Peru and

7 "Paulo Portas destaca economia colombiana e manifesta vontade de receber investimento" (*Lusa*, 3 November 2011).

8 Raquel Almeida Correia, "Jerónimo Martins investe 400 milhões para entrar na Colômbia" (*Público*, 2 November 2011); "Supermercados de Portugal investirán US\$600 millones" (*El Tiempo*, 2 November 2011).

9 Interestingly enough, Colombian Trade, Industry and Tourism Minister, Sérgio Díaz-Granado Guida reportedly asked Foreign Minister Paulo Portas to intercede with his European peers to speed up the ratification process. See Rosário Lima, "Privatizações portuguesas são bom investimento, defende Paulo Portas na Colômbia" (*Antena 1*, 2 November 2011).

10 For more details on this agreement see "Trade Agreement between Colombia, Peru and the European Union – highlights" (*EU Business*, 13 April 2011).

Colombia in a near future, by quickly increasing the level of bilateral political contacts.

On a different note, it is also important to mention the case of Venezuela. Although it received a sustained emphasis by the foreign policy of the previous government while enjoying similarly increased bilateral trade – for example, Portuguese exports to Venezuela nearly expanded ten fold between 2005 and 2010, when it reached €160 million –, doubts surfaced after the change of government in Portugal that such an intense relationship would continue.¹¹ Nevertheless, economic and political developments have belied such concerns. Not only are previous contracts, signed in 2008, being reactivated and expanded¹² but the Portuguese government itself has also reignited the Bilateral Commission in charge of overseeing the execution of those earlier agreements. Energy, food supply and port infrastructures, for example, are some of main targeted areas and new estimates of bilateral trade even point to high levels of exchange, approaching €5 billion.¹³ Furthermore, Portas' three-day visit to Caracas on 30 October – accompanied by major Portuguese companies, including Efacec, EDP, Galp Energia, Grupo Lena, Teixeira Duarte, Delta, etc. – has provided the required political cover for such reenergized efforts, which also seek to build upon the considerable Portuguese community living in Venezuela.¹⁴ Thirteen new cooperation agreements, the restart of a previous oil supply deal with Venezuelan PDVSA, new opportunities for the Portuguese shipbuilding industry and the continuing export of Canaima/Magalhães lap-

tops thus provide a framework for “consolidating and advancing the special relationship between Portugal and Venezuela”.¹⁵

Other countries are also likely to be included in a new round of engagement with Latin America. Mexico, the fourth largest market for Portuguese exports outside of the EU, might just be the next in line, as the promises of reciprocal visits scheduled for 2012 between the two countries' respective leaderships appear to suggest.¹⁶

Business exploration missions, meanwhile, often provide good indicators of a forthcoming increase in bilateral economic relations; as such, Argentina and Chile¹⁷ may also soon enter the Portuguese diplomatic orbit.¹⁸

From a broader perspective, it is thus clear that the level of political focus on Latin America has considerably improved, with several overt attempts in a short amount of time aimed at elevating Portugal's profile in the region. Caution, though, should come hand in hand with such public relations gestures, as they do not always translate into practical and tangible results on the ground. Defining new 'priorities' is undeniably a privilege and a prerogative of any new government – even though Portuguese

foreign policy usually tends to generally transcend party dichotomies – but should ultimately only be publicly presented as such after much careful backstage work and a careful identification of potential vectors of cooperation. Considering that one of Portugal's current central foreign policy goals is the expansion of its exports to emerging markets to help curtail the effects of the ongoing economic crisis, particular emphasis should be given to the effective follow-up of every business

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11 See Paulo Gorjão, “Portugal and Venezuela: continuity in times of change?” (*IPRIS Viewpoints*, No. 60, June 2011).

12 Mónica Silveiras, “Portugal volta a apostar na Venezuela” (*Diário Económico*, 17 October 2011); Sérgio Soares, “Delegação da Bolivariana de Puertos visitou Portugal” (*Correio da Venezuela*, No. 429, 20-26 October 2011), p. 3.

13 “Exportações: Nova vaga comercial com a Venezuela vale até 5 mil milhões de euros – Governo” (*Lusa*, 21 October 2011).

14 After his attendance of Omalla's inauguration, Portas was supposed to have paid a short visit to Caracas but Hugo Chávez's sudden illness brought those plans to a halt. Instead, he met with his Venezuelan counterpart Nicolás Maduro, also in Montevideo, and later on in Lisbon during the latter's technical stop on October 12th in the Portuguese capital.

15 “Portugal e Venezuela, uma história de amor” (*Expresso*, 2 November 2011). See also Rosário Lira, “Porta-aviões português chegou à Venezuela” (*Jornal de Negócios*, 1 November 2011).

16 “Passos Coelho aceitou convite para visitar o México no início de 2012” (*Lusa*, 29 October 2011). See also, “Cavaco e Passos juntam-se hoje em Assunção, onde têm encontro com Presidente do México” (*Lusa*, 29 October 2011).

17 President Cavaco Silva and Foreign Minister Portas also met bilaterally with President Sebastián Piñera during the Ibero-American Summit.

18 See for example, “Venezuela: AEP prepara missão à Argentina e ao Chile depois de ronda de negócios na Venezuela e Panamá” (*Lusa*, 25 September 2011).

opportunity that might arise in Latin America for Portuguese companies. Political connections should also be guarded judiciously, as results may only emerge in the long-term, rather than quickly. Only continued and consistent interest advocated through sustained political channels can provide the foundations for the kind of deeper relationship that Portugal currently seeks for.

The most immediate challenges for Portuguese aspirations in adjusting foreign policy priorities, however, might lie in the pre-announced reorganization of the country's diplomatic structures abroad, as well as in the definition of the correct institutional model for the implementation of a realistic 'economic diplomacy'. The first hurdle inevitably implies a cost-benefit analysis of Portuguese diplomatic resources. Hence, the impact on the embassy and consular network established throughout Latin America will thus have to be properly considered in order to maintain coherence with the latest reinvigorated diplomatic efforts. In light of this, ongoing rumors that the embassy in Lima will be one of those to be closed naturally do not bode well for future bilateral prospects with Peru. As for the second predicament, putting into practice a cross-ministerial, but still largely undefined, structure that successfully advances Portuguese economic interests and business opportunities may require a rather lengthy transition which could, in turn, temporarily have counterproductive effects on the advancement of Portuguese inter-

ests. Special care should therefore be in order when trying to execute and implement untested diplomatic mechanisms towards these particular countries.

Latin America is undoubtedly a coveted region nowadays. Enviably growth rates, multiple business opportunities and general adherence to the international

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legal framework are all factors that contribute to its current high profile in the world at large. Cavaco Silva himself has stated: "Portugal cannot stop paying attention to this set of Latin American countries, which have gone to great lengths in terms of democracy, defense of human rights and that now witness significant economic growth".¹⁹ Actively engaging with Latin American countries, however, requires a steady commitment and a predisposition to adapt to evolving variables on the ground. Portugal's latest initiatives may thus herald a new phase of relationship with the continent, even though more developments will still be needed in order to properly evaluate this apparent refocusing. Until then, new opportunities for engaging with Latin America will surely continue to abound and, with that in mind, Portuguese diplomacy will most likely

continue professing its desire to ramp up its relations with this particular region and attempting to seize upon its momentum to advance both diplomatic and economic growth.

19 "Esperança na América Latina maior que na Europa" (*Lusa*, 28 October 2011).



Timeline of Events

Angola

4 October (Harare):

Isabel dos Santos, businesswoman and daughter of President José Eduardo dos Santos, reportedly met with Zimbabwean officials to discuss the acquisition of state-owned mobile-phone network NetOne.

4-6 October (Windhoek):

National Assembly Speaker Paulo Kassoma paid an official visit to Namibia, where he was received by his counterpart Theo-Ben Gurirab, and also met the country's President Hifikepune Lucas Pohamba. Kassoma defended the need for greater Parliamentary cooperation between the two countries, reflecting what he qualified as the excellent relationship between the two governments.

6 October (Luanda):

Portuguese ambassador to Angola Francisco Ribeiro Telles stated that, despite Lisbon's current financial constraints, Portugal will continue to give priority to its cooperation with Angola.

7 October (Luanda):

After months of internal quarrels in UNITA, Isaías Samakuva announced that UNITA would hold a leadership contest in December. Whatever the outcome of these elections, UNITA will hardly become a threat to ruling party MPLA in the 2012 general elections.

7 October (Luanda):

Angolan Armed Forces' Chief of Staff Gen. Geraldo Satchipengo Nunda, reaffirmed, ahead of the Armed Forces' 20th anniversary, that the institution will continue to be "an effective fortress in our state".

10 October (Lisbon):

The business group Newshold reinforced its position to 6.2% of the Portuguese media conglomerate Cofina.

10 October (Luanda):

William Tonet, an Angolan journalist and editor of the newspaper *Folha 8* was sentenced to pay US\$106.000 or face a year in prison for having published allegations of corruption by Angola's military elite. His lawyer denounced the decision as totally disproportionate.

13 October (Luanda):

On the occasion of the José Eduardo dos Santos Foundation's (FESA) 15th anniversary, its president Ismael Diogo stated that the Foundation is ready to continue supporting the Angolan government in social solidarity, scientific, cultural research, education, health, among others.

14 October (Luanda):

The Supreme Court decided to release the 17 protesters arrested during the September 3rd rally against the 32-year-old rule of President José Eduardo dos Santos.

14 October (Kinshasa):

Ambassador to DRC Emilio Guerra expressed his worry about the delays in the volunteer repatriation program for Angolan nationals still residing in DRC.

17 October (Geneva):

Brazil donated US\$580.000 to the United Nations High Commissioner for Refugees to support the resettlement and repatriation of Angolan refugees from neighboring countries.

17 October (Luanda):

President José Eduardo dos Santos received the credentials from the new ambassadors from Belgium, Egypt, and Guinea-Bissau.

18 October (Luanda):

The President delivered the State of the Nation speech in the National Assembly. José Eduardo dos Santos completely denied that Angola is a dictatorship and praised his government's efforts in fighting poverty and corruption, urged the younger generation to use democratic institutions to channel their discontent and confirmed elections in 2012.

19 October (Luanda):

UNITA leader Isaías Samakuva denied the involvement of his party in the recent anti-government protests. UNITA has been keen to deny any responsibility in the protest, despite MPLA's rush to blame the opposition.

19 October (Lusaka):

Zambian President Michael Sata apologized to Angola for the Frederick Chiluba-led government's support to the late Jonas Savimbi, UNITA's historic leader. This was said during the presentation of credential for An-

gola's new ambassador to Zambia, Balbina Dias da Silva.

20-21 October (Luanda):

Brazilian President Dilma Rousseff travelled to Luanda after visiting Maputo. This was her first official visit to Angola, where she met with José Eduardo dos Santos. The Angolan President stated that bilateral cooperation could still be strengthened, for instance in the areas of health, education, reduction of famine and poverty, and also stated that Brazil should have a permanent seat in the Security Council.

21 October (Luanda):

The UK's Special Representative for Climate Change John Ashton met Foreign Affairs Minister George Chicoti. Both agreed to sign a Memorandum on the fight against climate change in February 2012.

25 October (Luanda):

The National Assembly approved, with the MPLA voting in favor and UNITA and FNLA against, the three draft Laws on the Electoral Registration, the Organic Law on General Elections and the Electoral Observation Law, a key step to set the legislative framework that will rule the 2012 General Elections.

26 October (Luanda-Lisbon):

The new Visa Treaty between Portugal and Angola entered into force, enabling greater movement of professionals between the two countries. It remains to be seen how this agreement will be applied by both countries' bureaucracies, in particular ahead of the 2012 elections in Angola.

Brazil

2-4 October (Brussels):

President Dilma Rousseff travelled to Belgium to attend the 5th Brazil-European Union Summit alongside President of the European Council Herman Van Rompuy and President of the European Commission José Manuel Durão Barroso, with the Joint Action Plan 2012-2014, an open skies agreement and greater scien-



tific and education cooperation high on the agenda. Rousseff also took the opportunity to meet with King of Belgium Albert II and Prime Minister Yves Leterme, and inaugurated cultural exposition Europolia.

4-10 October (Brasília):

Tanzanian Prime Minister Mizendo Peter Pinda met with Vice-President Michel Termer and Foreign Minister Antônio Patriota. Cooperation in agriculture, energy, health and the fight against child labor were high on the agenda.

5-6 October (Sofia):

President Dilma Rousseff met with Bulgarian President Georgi Parvanov and Prime Minister Boyko Borissov in a visit highlighted by Rousseff's own family roots in Bulgaria. Cooperation in education, information technology, energy and transports was identified as a possible bilateral tie in the near future.

6-8 October (Ankara):

President Dilma Rousseff met with Turkish President Abdullah Gul and Prime Minister Recep Tayip Erdogan to boost bilateral ties between the two countries.

10 October (Brasília):

During a seminar marking the 10th anniversary of Brazil's acceptance of the WTO's General Coordination of Disputes (GCD), Foreign Minister Antônio Patriota announced a series of diplomatic measures to protect the country's domestic market and promote its products abroad, which are facing increasing competition due to the global economic crisis.

14 October (Brasília):

Foreign Minister Antônio Patriota met with Haitian First Lady Sophia Martelly, to review Brazilian cooperation with Haiti, especially in local food safety.

17 October (Pretoria):

Foreign Minister Antônio Patriota took part in the IBSA Foreign Ministers meeting, aimed at preparing the upcoming Heads of State Summit.

18-19 October (Paris, Cherbourg):

Defense Minister Celso Amorim met with French President Nicolas Sarkozy, Foreign Minister Alain Juppé and Defense Minister Gerard Longuet, with estimated US\$4 to US\$7 billion contract to renew Brazil's dilapidated fleet of air force jets high on the agenda. Amorim also took the opportunity to assess the progress of the submarine program contracted to French company DCNS at the Cherbourg docks.

18-19 October (Pretoria):

President Dilma Rousseff, alongside Indian Prime Minister Manmohan Singh and South African President Jacob Zuma, attended the Vth IBSA Summit. The global financial crisis, international security issues, UN reform, sustainable development, preparations for the Rio+20 Conference and the assessment of sectoral cooperation, were high on the agenda.

18-19 October (Maputo):

President Dilma Rousseff met with Mozambican President Armando Guebuza, seeking to enhance cooperation and economic ties between the two countries.

19-20 October (Luanda):

President Dilma Rousseff visited Angola where she met with her counterpart José Eduardo dos Santos, with the aim of improving the country's Strategic Partnership. Rousseff also took this opportunity to address the Angolan National Assembly.

17 October (Lisbon):

Defense Minister Celso Amorim met with his Portuguese counterpart José Pedro Aguiar-Branco to review bilateral ties. The construction of Embraer's KC-390 military transport aircraft, as well as naval building cooperation, were high on the agenda. Amorim also took the opportunity to meet with President Aníbal Cavaco Silva and Prime Minister Pedro Passos Coelho.

23 October (Brasília):

President Dilma Rousseff congratulated her Argentinean counterpart Cristina Fernández de Kirchner for her reelection, stating that it was "important for the whole of Latin America".

23-25 October (Brasília):

Ukrainian President Victor Yanukovich paid an official visit to Brazil, where he met with his counterpart Dilma Rousseff. Contacts with local businessmen and cooperation on biofuel, sports, defense, health, food supply and promotion of investments were high on the agenda.

24 October (New York):

Brazil was elected for a three-year term at the United Nations Economic and Social Council (ECOSOC), which is in charge of several economic, social and human rights matters as well as of the implementation of the Millennium Development Goals.

26 October (Brasília):

Colombian Foreign Minister María Ángela Holguín met with her Brazilian counterpart Antônio Patriota, during the II Brazil-Colom-

bia Bilateral Meeting in which agreements were signed on scientific and technological cooperation, human rights promotion, food security and sustainable development.

26 October (Brasília):

The Senate has approved the creation of a truth commission to investigate human rights abuses by the military regime that ruled the country from 1964 to 1985.

27 October (Brasília):

Albanian Vice Prime Minister and Foreign Minister Edmond Haxhinasto met with Brazilian Foreign Minister Antônio Patriota in order to review bilateral relations and sign a Memorandum on Political Consultations. Haxhinasto also took the opportunity to meet with Vice-President Michel Termer and other Brazilian high officials.

27 October (Brasília):

Portuguese Prime Minister Pedro Passos Coelho met with President Dilma Rousseff, seeking to foment greater economic ties between the two countries, present his country's ongoing privatization program and strengthen bilateral relations.

28-29 October (Asunción):

Vice-President Michel Termer represented Brazil at the XXI Ibero-American Summit, this year focused on "State Transformation and Development".

29 October (Asunción):

Vice-President Michel Termer headed the Brazilian delegation to the V UNASUL Summit, during which Paraguay was assigned with the Pro Tempore presidency of the organization.

31 October (Brasília):

Peruvian Foreign Minister Rafael Roncagliolo met with his Brazilian counterpart Antônio Patriota to review bilateral relations. Social programs, the fight against organized crime, UNASUL and technical cooperation were high on the agenda.

31 October (La Paz):

Defense Minister Celso Amorim met with his Bolivian counterpart Ruben Saavedra, with bilateral efforts to fight drug trafficking high on the agenda.



Cape Verde

6 October (Praia):

During an international seminar in Cape Verde, Foreign Minister Jorge Borges warned that, due to external factors, the country is in danger of not following a sustainable path to remain as middle-income country.

10 October (London):

The Mo Ibrahim prize committee announced that former Cape Verdean President Pedro Pires would receive a US\$5 million award for good leadership and governance in Africa, in recognition of his country's visible progress during his terms.

10 October (New York):

Cape Verde deposited its instrument of ratification of the Rome Statute of the International Criminal Court (ICC) to the United Nations, which will now enter into force for the country on January 1st 2012. Cape Verde thus becomes the first African Lusophone country to make such a move.

27 October (Brussels):

The EU congratulated Cape Verde for ratifying the Rome Statute, indicating that is a further confirmation of the country's commitment to the rule of law.

28 October (Praia):

Chinese ambassador Li Chun Hua signed an agreement with Cape Verdean Secretary of State for Foreign Affairs José Luis Rocha for a new loan of US\$4.7 million, to be used in several economic and social infrastructures throughout the different islands.

Guinea-Bissau

12 October (Bissau):

According to a new report released by the United Nations Office on Drugs and Crime (UNODC), Guinea-Bissau's security and justice sectors are painfully in need of resources to fight crime, drug and human trafficking in the country.

23 October (Bissau):

According to Infrastructure Minister José Antonio Cruz de Almeida, Guinea Bissau has signed an agreement with the People's Re-

public of China in which the latter assumes the cost of reconstructing the Presidency Palace, at a total worth of US\$7 million.

24 October (Bissau):

Luxembourg's Foreign Minister and Vice Prime Minister Jean Asselborn met with his Guinean counterpart, Mamadu Saliu Djalo Pires, with Presidency Minister Adiato Djalo Nandigna and with President Malam Bacai Sanhá. Guinea Bissau's standing in the international agenda, bilateral cooperation and support for Luxembourg's candidacy for the UN Security Council for 2013-2014, were high on the agenda.

25 October (New York):

In a recent report sent to the Security Council, UN Secretary-General Ban Ki-moon urged the prolonging of the mission of the United Nations Integrated Peace-Building Office in Guinea-Bissau (UNIOGBIS) in the country until the end of 2012, in order to carry on local stabilization efforts.

27 October (Bissau):

Yury Fedotov, Executive Director of the United Nations Office on Drugs and Crime, visited Guinea-Bissau to assess the country's efforts against drug trafficking. Fedotov took the opportunity to meet with President Malam Bacai Sanhá and Prime Minister Carlos Gomes Júnior.

Mozambique

1 October (Maputo):

At the opening ceremony of the VIth Mozambique-Malawi Joint Commission on Defense and Security, Mozambican Defense Minister Filipe Nyusi stated that both countries must continue to monitor and seek solutions for issues that could endanger the current climate of security and stability between them – a clear reference to the recurrent tensions on transports and access to the Indian Ocean ports. His Malawian counterpart Aaron Sangala recalled the obligation to respect the principles and objectives guiding SADC.

4 October (Maputo):

At the occasion of the 19th anniversary of the General Peace Agreement signed in Rome on October 4th 1992 between ever-ruling Frelimo and historic opposition and then Apartheid-backed Renamo, former President Joaquim Chissano issued a declaration stating that

peace needs to be consolidated through concrete actions, such as the fight against poverty and the construction of infrastructure.

4 October (Maputo):

Leader of opposition party Renamo Afonso Dhlakama considered the Frelimo government to be "dictatorial" because the majority of the population cannot benefit from social and economic development.

4-5 October (Maputo):

While visiting projects funded by his country's cooperation, Dutch State Secretary for Economic Affairs, Agriculture and Innovation Henk Bleker stated that the Netherlands will continue to disburse around €15 million per year to support the Mozambican budget.

6 October (Maputo):

US oil company Anadarko announced the discovery of natural gas reserves of around 10 trillion cubic feet in the Rovuma Basin, northern Mozambique, in a block also participated by Mozambique's national oil company, ENH, Japan's Mitsui, India's Videocon and Barat Petroleum, and UK's Cove Energy. According to the Notícias newspaper, five of the six wells drilled at sea have resulted in the discovery of natural gas.

17 October (Mbzuzini):

Ahead of the 25th anniversary of Samora Machel's death, South African President Jacob Zuma signaled Machel's contribution to the fight against colonialism in Africa, as well as his support in the fight against apartheid.

17 October (Maputo):

Ruling party Frelimo has handed in its proposal for the revision of the country's Constitution, a process that should be concluded by 2013. Frelimo did not alter the President's two-mandate limit, and did not propose changes to the electoral system.

18-19 October (Maputo):

Brazilian President Dilma Rousseff, accompanied by Foreign Affairs Minister Antônio Patriota, paid her first official visit to Mozambique. Rousseff and Guebuza focused on deepening business ties and also reviewed Brazil's support to Mozambique, which amounts to US\$70 million a year.

19 October (Maputo):

Mozambique mourned during the 25th anniversary of the death of the country's freedom fighter and first president Samora Machel, still regarded as the nation's founding father, alongside historic Frelimo leader Eduardo Mondlane. Several foreign dignitaries were present at the official cer-



emonies, including Zimbabwe's Robert Mugabe, South Africa's Jacob Zuma, Botswana's Seretse Khama and Brazil's Dilma Rousseff.

20 October (Lisbon):

Portuguese Oil company Galp announced a giant offshore natural gas discovery at the Rovuma Basin, Area 4, where it holds a 10% stake in a consortium led by Italy's ENI (70%), South Korea's KOAS (10%) and the Mozambican ENH (10%). This discovery reinforced Mozambique's status as a world-player in natural resources, coupling mostly coal and natural gas.

23 October (Maputo):

Mozambique's Investment Promotion Center announced that China would finance the construction of the Maputo-Catembe bridge, a crucial link between the capital and the country's southern region and, from there, to South Africa. The bridge was initially to be funded by Portugal, but due to Lisbon's financial constraints Mozambique was forced to find another supporter.

26 October (Washington):

According to the World Bank, Mozambique's economy will grow 7.25% this year and 7.5% in 2012, a growth spurred mainly by coal exports and a natural gas discoveries and related investment.

25-26 October (Maputo):

Several hundred of allegedly demobilized soldiers protested near the Prime Minister's office, demanding a pension of around US\$440 a month.

26 October (Mumbai):

Another Indian investment is set to entrench Mozambique as key player in natural resources for the next decades. This time, the country will benefit from its geographic position and serve as a conduit to iron ore extracted in neighboring Zimbabwe, thanks to Indian Essar Ports Limited's intention to build a port in Mozambique.

Portugal

3-4 October (Lisbon):

Serbian Prime Minister Mirko Cvetkovic met with his Portuguese counterpart Pedro Passos Coelho, President Aníbal Cavaco Silva and

Foreign Minister Paulo Portas, seeking to discuss Serbia's EU aspirations and the strengthening of political and economic relations.

9 October (Lisbon):

Portuguese private bank Banco Comercial Português announced that it had requested a license to open a subsidiary in China, to explore market niches in Beijing, Shanghai and Guangzhou.

10 October (Luxembourg):

Foreign Minister Paulo Portas attended the EU Foreign Ministers Meeting, with the Middle East, Ukraine and new accession candidacies to the EU high on the agenda.

12 October (London):

Foreign Minister Paulo Portas met with his British counterpart William Hague to discuss the ongoing Euro zone crisis as well as developments in Northern Africa and in the Middle East. Portas also took the opportunity to meet with the Speaker of the House of Commons, John Bercow.

12-13 October (Florence, Genoa):

President Aníbal Cavaco Silva visited the European University Institute (EUI), where he gave a lecture on European affairs, criticizing the handling of the current crisis by Chancellor Angela Merkel and President Nicolas Sarkozy.

14-15 October (Rabat):

Foreign Minister Paulo Portas began his tour through Northern African countries, by meeting with his Moroccan counterpart Taib Fassi Fihri, with Prime Minister Abbas el Fassi and with the Speaker of the Chamber of Representatives Abdelwahed Radi, among other senior officials, with the aim of improving bilateral ties between both countries.

16-17 October (Tunis):

Foreign Minister Paulo Portas met with Prime Minister Beji Caïb Essebsi and his counterpart Mohamed Moudi Kéfi, seeking to show Portugal's support for the ongoing transition to democracy in the country.

17-18 October (Algiers):

Foreign Minister Paulo Portas met with his Algerian counterpart Mourad Medelci and President Abdelaziz Bouteflika, in a bid to improve bilateral relations.

20 October (Lisbon):

Palestinian Foreign Minister Riyad al-Maliki met with his Portuguese counterpart Paulo Portas and with Prime Minister Pedro Passos Coelho in a bid to gather support for the

upcoming vote on the UN Security Council, over the international recognition of the Palestinian state. Portas reaffirmed that Portugal favors negotiations as a way to end this conflict and rejects any direct confrontation at the UN.

21 October (São Paulo):

Brazilian Centrais Elétricas Brasileiras (Electrobras) confirmed it had bid for a 21.35% stake in Energias de Portugal (EDP), which is being privatized by the Portuguese government.

22-23 October (Brussels):

Prime Minister Pedro Passos Coelho attended a meeting of the European Council and of the Euro zone leaders, seeking to provide a definitive answer for the ongoing sovereign debt crisis and its effects on Greece.

24 October (São Paulo):

Brazilian Companhia Energética de Minas Gerais (CEMIG) confirmed it had presented an offer for the acquisition of the 21.35% stockholding interest in Portuguese electric company Energias de Portugal (EDP).

26 October (Brussels):

Prime Minister Pedro Passos Coelho attended an extraordinary meeting of the European Council and of Euro zone leaders, aimed at approving a general package of reforms and measures to stop the spreading of the effects of the crisis to the remaining EU countries.

27 October (Brasília):

Prime Minister Pedro Passos Coelho met with Brazilian President Dilma Rousseff. Portugal's privatization process, the intensification of bilateral economic ties and the scheduling of a 2012 Summit were high on the agenda.

27 October (São Paulo):

President Aníbal Cavaco Silva was honored by the Portuguese Chamber of Commerce in Brazil, for his work towards improving bilateral relations. Cavaco Silva also took the opportunity to meet with São Paulo Governor Geraldo Alckmin.

28-29 October (Asunción):

President Aníbal Cavaco Silva, Prime Minister Pedro Passos Coelho and Foreign Minister Paulo Portas attended the XXI Ibero-American Summit. During the event, both Portas and



Cavaco took the opportunity to meet bilaterally with Peruvian and Chilean Presidents, Ollanta Humala and Sebastián Piñera. Later on, the three Portuguese leaders also held a bilateral meeting with Mexican President Felipe Calderón.

30 October-1 November (Caracas):

Foreign Minister Paulo Portas, accompanied by a vast business entourage, travelled to Venezuela, seeking to reenergize bilateral relations and reignite several economic agreements. Portas took the opportunity to meet with President Hugo Chávez, Parliament Speaker Fernando Soto Rojas, Foreign Minister Nicolas Maduro and Justice Minister Tarek El Aissami.

São Tomé and Príncipe

15 October (São Tomé):

The government and Nigerian company Oranto Petroleum signed an agreement for Block 3's share of oil production in the country's Economic Exclusive Zone.

26 October (São Tomé):

The government announced that it has formally attributed the management concession of São Tomé's airport and the Ana Chaves seaport to Angolan Sonangol for 30 years, at a price of US\$9 million.

29-30 October (Perth):

São Tomé and Príncipe's Foreign Minister Manuel Salvador dos Ramos attended the XXI Commonwealth Summit, where he formalized his country's request for observing status within such organization. Salvador dos Ramos also held contacts with Australian officials in order to include São Tomé and Príncipe among Australia's destinations for development aid.

29-31 October (Washington):

Prime Minister Patrice Trovoada travelled to the US in order to meet with representatives from the World Bank, IMF, Millennium Challenge Corporation, seeking to mobilize financial resources for the execution of social projects on the ground. On the other hand, Trovoada also held talks with US State Department officials regarding the current situation in the Gulf of Guinea.

Timor Leste

10 October (Díli):

Former Army Chief Taur Matan Ruak announced that he will run for president in the 2012 presidential elections.

13 October (Díli):

Former Interior Minister Rogério Lobato announced his presidential candidacy for 2012.

11-13 October (Singapore):

President José Ramos-Horta and Foreign Minister Zacarias Albano da Costa held sepa-

rate meetings with President Tony Tan and Prime Minister Lee Hsien Loong.

16 October (Juba):

Prime Minister José Alexandre 'Xanana' Gusmão visited South Sudan where he met with President Salva Kiir Mayardit, seeking to open new cooperation opportunities under the g7+ framework, which gathers some of the world's most fragile states.

19 October (Canberra):

During a Senate hearing, Chief of the Australian Defense Force (ADF) Lieutenant-General David Hurley, stated that Australia will work with the Timorese government to consider its commitment to the country after the 2012 elections. Hurley also declared that Timor Leste had reached a critical juncture as it approaches next year's presidential and parliamentary elections.

24-25 October (Díli):

Australian Defense Material Minister Jason Clare visited Australian troops stationed in Timor Leste. He also took the opportunity to meet with representatives from the Timorese government and the United Nations (UN), including Timor Leste's Secretary of State for Defense, the UN Special Representative of the Secretary General, the Chief of the Timor Leste Defense Force and the Director-General of Timor Leste's Secretariat of Defense.

26 October (Perth):

On the sidelines of the Commonwealth Business Forum, Woodside chairman Peter Coleman indicated to journalists that he had not ruled out an onshore processing plant for the stalled Sunrise LNG project in the Timor Sea.

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