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# Intertwined Paths: Portugal and Rising Angola

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## **ABSTRACT**

Since independence, Portuguese–Angolan relations have been constrained by their historical past and by Angola’s own internal vicissitudes. However, the end of Angola’s civil war in 2002, and the stability and national reconciliation process that followed, marked the start of a visible mutual effort in advancing the bilateral relationship. Although some past issues have been left unresolved, regular political contact between both countries’ authorities has supported an increased rapprochement and created new opportunities for bilateral engagement. Wide co-operation avenues, an overall co-ordination in terms of foreign policy and extensive economic and trade ties have embedded the present strategic partnership in both countries’ foreign priorities. In turn, this has also strengthened Portugal’s position in withstanding competition from other international suitors in Angola.

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**ABBREVIATIONS AND ACRONYMS**

AICEP	Portuguese Agency for Investment and Foreign Trade
BCP	Banco Comercial Português (Portuguese Commercial Bank)
BPI	Banco Português de Investimento (Portuguese Investment Bank)
CPLP	Community of Portuguese-speaking Countries
EPA	Economic Partnership Agreement
FDI	foreign direct investment
ICP	Indicative Cooperation Programme
IPRIS	Portuguese Institute of International Relations and Security
MPLA	People's Movement for the Liberation of Angola
PALOP	Portuguese-speaking African Countries
PS	Socialist Party
PT	Portugal Telecom
UNHRC	UN Human Rights Council
UNITA	National Union for the Total Independence of Angola

## INTRODUCTION

Angola and Portugal have long had a love-hate relationship. Significant traumas from the past, untapped bilateral potential and an ever-evolving international context have contributed to the present unorthodox pursuit of common goals, wealth and development. The paper analyses the current state of bilateral relations, and tries to assess Portugal's standing in Angola's foreign priorities and calculations. It takes the increasingly regular political contact between the respective governments into account, as well as past issues that still cloud the relationship. The paper provides examples of co-operation in different sectors, followed by a comprehensive overview of the current extensive economic ties between the two countries. It reviews foreign policy co-ordination, especially in the light of growing influence of other international suitors and concludes by discussing the significance of the intertwined paths of Angola and Portugal.

### PORTUGAL'S INTERESTS IN ANGOLA SINCE INDEPENDENCE

In the past Portugal's foreign policy seldom deviated from its core paradigm of European integration, transatlantic relations with the US and historical-cultural ties with the Portuguese-speaking countries scattered across the world.<sup>1</sup> However, since 2005 the country has tried to recalibrate this approach. It has shown renewed interest in Africa as a source of opportunities to broaden Portuguese political and economic presence abroad. Portuguese Foreign Minister, Luís Amado, went as far as to express hope that the next decade would be devoted to a special relationship with Africa.<sup>2</sup> Understandably, the end of the Angolan civil war in 2002 and the growing boom of international commodity prices – which made the courting of energy producers a necessity on a daily basis – helped to sustain this re-energised focus. As expected, African Portuguese-speaking countries have been at the forefront of this renewed Portuguese interest towards Africa. Among these preferential destinations, Angola has stood out from the start as *primus inter pares*.

Bilateral relations between the two countries have frequently stumbled on political-ideological leftovers from their shared past. Portugal's colonial rule and the subsequent independence struggle left Angola with serious scars. These have proven difficult to erase and forget, even after more than 35 years since parting ways. However, the mishandling of the transition period to independence and the successive internal conflict between the People's Movement for the Liberation of Angola (MPLA) and the National Union for the Total Independence of Angola (UNITA) would dictate the terms and inevitably constrain Angola's relationship with its former colonial power. The response and condemnation of this conflict by Portugal's two main political parties – the Socialist Party (PS) and the Social Democratic Party – prevented any development of bilateral rapprochement that occasionally surfaced throughout the years.<sup>3</sup> As with the international community, Portugal's political parties frequently disagreed on how to develop a relationship with Angola without alienating the other warring side. An evolving rapport with either the MPLA or UNITA – often dependent on the course of the war – was therefore common practice in the early years of Portugal's foreign policy with Angola.

High-profile Portuguese mediation efforts, such as the 1991 Bicesse Accords, failed to find any meaningful and permanent way out of this conflict. This contributed to a general

perception that any serious Portuguese commitment towards the development of fruitful relations was contingent on Angola resolving its conflict. Angolan local parties would need to reach a consensual solution to end the civil war and place Angola on a peaceful and stable path.

The opportunity for change arose after the death of UNITA's leader, Jonas Savimbi, in 2002 and the subsequent national truce. A widespread and massive reconstruction process soon followed, aimed at investing in and developing a war-torn nation. Angola quickly began to attract the attention of the international community for its double-digit growth rates, vast natural wealth and its growing business opportunities. Indeed, 'rising Angola' was how *The Economist* branded the burgeoning African country in early 2010.<sup>4</sup> Not wanting to be left behind, Portugal skillfully positioned itself in a bid to reap the fruits of the inescapable historical bond between the two countries, and the possibilities that this allowed.

## CONTENTIOUS ISSUES VERSUS POLITICAL ENGAGEMENT

The last few years have witnessed revitalised political contact between Angola and Portugal. However, since 2002 past issues from the early years of Angola's independence have stubbornly hindered any real progress.

The so-called 'visa issue' has been at the forefront of each political agenda. Bureaucratic constraints and the time required to obtain a visa to travel between the countries have been raised at each visit by a Portuguese authority to Luanda, and vice versa.<sup>5</sup> This deadlock was not due to a lack of official political will. Rather it was caused by institutional stiffness and the inability of both state structures to provide a definite solution to the problem.<sup>6</sup> The subject has remained politically relevant with the growing numbers of Portuguese and Angolan nationals moving between the two countries. In 2009 Portuguese customs estimates ranked Angolans as the fifth-largest group in Portugal's foreign population. Angolans represented 6% of the total, with 26 557 resident citizens. This was a slight decrease from the 27 619 resident citizens in 2008.<sup>7</sup> Portuguese emigration to Angola has also faced an impressive boom. According to the Portuguese Emigration Observatory, Portuguese nationals, or people of Portuguese descent, increased from 21 000 in 2003 to 91 900 in 2010.<sup>8</sup> Consequently, it is unsurprising that the respective authorities take the visa issue seriously. Delays in visa processing obstruct migration flows and, more importantly, the pursuit of bilateral trade and transnational business.

The status of Angolan property claims made by Portuguese citizens is another issue that is yet to be resolved. A number of Portuguese citizens saw their assets nationalised in the wake of Angola's independence. Official quantification of the monetary values in question was never properly undertaken. However, several civil society movements continued to push for Portuguese authorities to address the matter, even though little could be done during Angola's civil war. In 2005 Portugal finally established a joint task force with officials from its own foreign affairs ministry, finance ministry and social security ministry. The task force aimed to answer 'the problems and injustice that affect a significant number of Portuguese who were forced to return to Portugal during and because of the decolonisation process.'<sup>9</sup> However, as with past attempts, the change of government in Portugal and subsequent start of PS Prime Minister José Sócrates' tenure

halted any significant process. Despite its importance, the issue has been absent from bilateral political discourse in recent years.

The same cannot be said of Angola's debt to Portugal, which grew exponentially after the post-independence period. In light of its own internal contingencies, Angola was forced to interrupt its payments in 1992. Two years later, the countries reached a debt settlement agreement. The agreement foresaw a realistic course of action to honour Angola's obligations through a mix package of oil exports, credit lines and rescheduling of all major deadlines.<sup>10</sup> Still, results ended up far from expected and the value of Angola's total debt to Portugal subsequently remained the highest of all African Portuguese-speaking countries.

In November 2002, under the government of former Portuguese Prime Minister José Manuel Durão Barroso, a joint commission was formed to evaluate the total debt and propose a new resolution to the growing values. Following Prime Minister Durão Barroso's widely touted visit to Luanda a year later, Portuguese Prime Minister Pedro Santana Lopes reaped the fruits of this labour in August 2004, when he unveiled a new payment schedule. The schedule was structured around an immediate reimbursement by Angola for 27% of the total debt owed (around \$258 million). The remaining \$698 million was spread over consecutive tranches to be delivered in the next 25 years beginning in 2009, and with a 1% interest rate. Angola has followed this procedure without fault. This is indicated by the Bank of Portugal's figures for 2009, which already point to \$28 million less than what Angola owes Portugal.<sup>11</sup>

Nevertheless, it is important to note that resolution of the outstanding debt was only achieved after 2002. This indicates thriving political will to mend ties with Angola, which in turn helps to understand the series of consecutive official visits between respective officials.<sup>12</sup> The four-day visit by Prime Minister Durão Barroso to Luanda in October 2003 is widely considered a landmark in bilateral relations for helping to kick-start long-stalled institutional dynamics and to generate trust between both parties.<sup>13</sup> Similarly, the three visits paid by Prime Minister Sócrates to Angola, in 2006, 2008 and 2010 are clear signs of official interest and an intention to expand economic presence. Prime Minister Sócrates stated during his first stay in Luanda that 'there is no trust in the economy without equal trust in the political institutions'. Accordingly, both countries praised the end of the civil war and subsequent widespread stability.<sup>14</sup>

The visit by Angolan President José Eduardo dos Santos – hardly a fan of foreign travel himself – to Portugal in March 2009 was interpreted as a sign of Angola's reciprocal interest in developing ties with Portugal. President dos Santos primarily sought to promote more equitable and balanced economic and trade flows. However, the climax of this mutual bilateral engagement was reached when Portuguese President Aníbal Cavaco Silva visited Angola in July 2010, under the pretext of the VIII Heads of State and Government Summit of the Community of Portuguese-speaking Countries (CPLP).<sup>15</sup> The occasion allowed for an apparent resolution to another debt. This was the estimated EUR 1.5 billion owed by Angola to Portuguese companies doing business in Angola, particularly large and small civil construction companies participating in the post-2002 national reconstruction process. Portugal insisted on a swift resolution. Not wishing to cause any damage to their economic ties, Angolan authorities proposed a credible payment plan, which ensued soon after.<sup>16</sup>

President Cavaco Silva's visit also sought to elevate Portuguese–Angolan relations to the next stage. This includes formalising a strategic partnership with a regular and formal

framework mechanism of high-level consultations, which is expected to happen in the near future.<sup>17</sup> In hindsight, the time required to achieve this point of political convergence might be extended, given the 2002 starting point. However, a reminder of how strained relations were in the past helps to explain both countries' caution in moving forward.

### SECTORAL OPPORTUNITIES: FROM EDUCATION TO TECHNICAL–MILITARY CO-OPERATION

The official visits would be meaningless without political capital relayed into visible co-operation. Given Angola's structural shortcomings, it was understandable for Portugal to step in and increase the value of development aid to its former colony. Built around Indicative Cooperation Programmes (ICPs), Portuguese aid climbed from EUR 13.262 million in 2001 to EUR 15.325 million in 2002 and to EUR 17.249 million in 2003. Portugal then implemented a multi-year framework for 2004–2006, with a total budget of EUR 42 million.<sup>18</sup> Assistance in the health and education sectors, institutional strengthening, human resources training, social reintegration and employment promotion were the main target areas. However, progress was somewhat disappointing due to 'political circumstances' associated with Angola's fragile internal peace and 'the acknowledged scattering of activities and resources, as well as by the deficient articulation of means'.<sup>19</sup> Since then international aid trends have evolved and the latest ICP for the 2007–2010 timeframe allocated EUR 65 million around two axes – good governance, participation and democracy; and sustainable development and the fight against poverty – together with a possible bilateral co-operation cluster aimed at promoting 'the sustained development of a specific location through an integrated and decentralised intervention that creates synergies among the various agents and intervention areas'.<sup>20</sup>

Two areas of co-operation are worth mentioning. The first is education, where Prime Minister Sócrates announced during his 2008 visit to Luanda that Portugal would send 200 of its own teachers to Angola's furthest regions.<sup>21</sup> The programme only began a year later and faced serious logistical difficulties. However, it exemplified the commitment to an area that 'contributes to the construction of more open, more democratic and more just and equal societies and is one of the most powerful instruments in reducing poverty and inequality'.<sup>22</sup> The assistance of the initiative in consolidating and diffusing Portuguese language throughout Angola should not go unnoticed, especially when similar efforts by other countries – such as Brazil – are also on the rise. In addition, there has been co-operation in higher education where over 3 500 Angolan students attended courses in Portuguese universities in 2008/09.<sup>23</sup>

The second area is technical–military co-operation. As with remaining Lusophone peers,<sup>24</sup> Portugal has long held tight links with Angola in this domain. Since its establishment under a 1996 comprehensive Defense Cooperation Agreement, technical–military co-operation has been one of the few areas unaffected by bilateral political negligence over the years. Portugal has focused on the provision of training to all military ranks<sup>25</sup> and the provision of logistical and administrative support. It has aimed to equip the Angolan Armed Forces with a high level of professionalism, to enable them to be 'subordinated to the political power and fully inserted within the framework of democratic regimes'.<sup>26</sup> However, to adapt to new times, both countries are currently in the process



of exploring new avenues, including defense economy opportunities, while continuing to invest heavily in training Angolan military personnel, both locally and in Portugal.<sup>27</sup>

### ECONOMIC TIES: A TWO-WAY ROAD

Unsurprisingly, sectoral co-operation is nowadays easily overshadowed by the sheer weight of economic and trade ties in the wider context of Portuguese–Angolan relations. Both economies have grown considerably closer in recent years, with several mutual investments already on the ground helping to sustain local development.

Trade balance in particular demonstrates impressive progress. In 2002 Angola was Portugal's ninth export market – a mere 2% of the country's total international trade and little more than EUR 500 million. Less than a decade later, in 2009, Angola was the fourth-largest consumer of Portuguese goods. It accounted for nearly EUR 2.2 billion in bilateral exchange and became Portugal's biggest commercial partner outside the EU – surpassed only by France, Germany and Spain – and adding up to 80% of all trade with the Portuguese-speaking African Countries (PALOP). Machinery, food supplies and common metals have consecutively dominated these flows, forming over half of total exported products. However, 2010 witnessed a slight decline in these numbers, mostly due to the effects of the Portuguese debt crisis. Angola expressed a negative variation of 14.8% and consequently fell to the fifth overall slot.<sup>28</sup>

Foreign direct investment (FDI) has also followed this pattern. As illustrated by Annexure 4, Angola was Portugal's 11<sup>th</sup> destination for FDI in 2002, with EUR 50 million. Six years later, in 2008, these numbers peaked to an all-time high of EUR 775 million. This decreased to EUR 693 million in 2009 and to EUR 226 million in 2010, again due to the Portuguese debt crisis.<sup>29</sup>

Angola's banking sector has been the preferential target of these investments. As of 2010, every major Portuguese bank – including Caixa Geral de Depósitos; Santander Totta; Banco Português de Investimento (BPI); Banco Espírito Santo; and Banco Comercial Português (BCP) – has held a minority or joint-venture operation in Angola through a number of similar institutions. These include Banco Caixa Geral Totta; Banco de Fomento Angola; Banco Espírito Santo Angola; and Millenium Angola. Every major Portuguese civil construction company – from Mota-Engil to Teixeira Duarte, Soares da Costa, Somague and Edifer – is also present in Angola. The companies aim to benefit from the massive infrastructure construction bids. Cement-maker SECIL and telecommunication companies, Portugal Telecom (PT), ZON Multimedia and Visabeira, have actively invested in local projects. They aim to establish themselves in an increasingly competitive Southern African market. The Portuguese oil company, Galp Energia, has close ties with its Angolan counterpart, Sonangol. Their relationship is based on the joint exploration of several oil blocks off the coast of Angola or on the combined ownership of Cape Verde's Enacol. This relationship reflects the growing convergence of interests in this domain.

There has also been an official push to redirect these investments to different provinces other than Luanda. Angola wishes to sustain the diversification of its economy and fight the desertification of the country's interior. It also wishes to take advantage of overlooked business opportunities by other international actors present in Angola. Targeted regions include the Huíla Province; the Benguela Province, which has a significant need for

infrastructure; and the highly strategic Lobito seaport. Portugal has paid attention to Angola's wishes. President Cavaco Silva highlighted these efforts in his latest visit to Angola, either by publicly promoting greater local business contacts or by politically backing the establishment of a new Portuguese Agency for Investment and Foreign Trade (AICEP) branch in Benguela.<sup>30</sup>

As the Portuguese Ambassador to Angola, Francisco Ribeiro Telles, recognised, 'the business relationship between Portugal and Angola is a two-way road.'<sup>31</sup> The latest figures have surely proven him right. Angola represented 0.16% or no more than EUR 70 million of total Portuguese imports in 2002. It hit an all-time low at 128<sup>th</sup> position in Portugal's importing markets in 2004. In 2008 Angola bounced back, selling over EUR 400 million in goods and ranking 21<sup>st</sup>. By 2010 Angola had become Portugal's 15<sup>th</sup> main importer, with trade surpassing EUR 560 million. As expected, oil comprised 99.2% of this total, a visible trend throughout the last decade.<sup>32</sup>

Furthermore, Angolan investments in Portugal – although still modest within the general picture – have risen from an insignificant EUR 1.6 million in 2002 to a more respectable EUR 116 million in 2009, as Annexure 4 demonstrates.<sup>33</sup> This reflects the sudden interest from Angolan companies in Portuguese business opportunities, with 2007 generally considered to be the starting point. Although a number of Angolan private investors – including General Helder Vieira Dias 'Kopelipa', a close ally of President dos Santos – have conducted business in Portugal through Banco BIG, a small Angolan bank, for some time now, the sector has clearly attracted much attention since 2007. Around that time, Sonangol began to acquire a significant stake in Portugal's biggest private bank, BCP, presently totaling 12.44%. Isabel dos Santos, President dos Santos's daughter and Angola's leading businesswoman, co-funded the opening of Banco Internacional de Crédito in 2008. In 2009 she bought a 9.8% stake in another bank, BPI, and purchased 10% of the multimedia company, ZON. Still, the most significant investment is undoubtedly Sonangol and Isabel dos Santos's joint ownership of 45% of Amorim Energia. Amorim Energia in turn controls 33.34% of Galp Energia – although if media reports are to be trusted, not for much longer.<sup>34</sup> By the end of 2010 Angolan investment comprised 3.8% of Portugal's stock market, amounting to a significant EUR 2.18 billion.<sup>35</sup>

Officially encouraged and promoted growth in bilateral trade<sup>36</sup> has paved the way for a larger exchange of intertwined capital flows between Angola and Portugal. This has favoured the development of wide transnational enterprises. As bilateral exchanges have risen, so too have business opportunities for both Portugal and Angola's economic elites. However, Angolan law has stipulated that local operations by Portuguese banks, PT, ZON Multimedia and Mota-Engil in Angola open their operations to some form of Angolan participation. This has in most cases represented either Sonangol's or Isabel dos Santos's respective take, which could be considered an odd factor in this equation. Nevertheless, both these interlocutors have come increasingly to lead the Angolan capital surge. This has been, for the most part, welcomed by Portuguese companies, as they seek to diversify their own shareholder structures while opening the door to business opportunities in Angola. The involvement of Sonangol and Isabel dos Santos is therefore seen as a convenient and mutually beneficial arrangement, despite the occasional doubts over the full transparency of their investments.

## FOREIGN POLICY: A SHOWCASE OF CO-ORDINATION AND CONSULTATION

Economic ties are presently the main driving force behind Angolan–Portuguese relations. However, foreign policy matters should not be discarded so easily. Three specific multilateral dimensions of shared participation and interests are in need of further analysis. These are the Lusophone world, the UN and the EU.

The historical and cultural ties that both Portugal and Angola share are translated into the preferential arena for all Portuguese-speaking countries, the CPLP. Within its framework, the indisputable influence of heavyweights like Brazil, Angola and Portugal has frequently acted as the central catalyst for greater progress and development of the organisation's own institutional reach. Nevertheless, as Angola assumed the biannual presidency in July 2010, stakes understandably increased. For CPLP executive secretary, Domingos Simões Pereira, the organisation represents 'the ideal stage for Angola to affirm itself as a regional power.' Its growing demographic and economic power 'should now be translated into a leadership strategy' that will not only benefit Lusophone co-operation, but will also tackle some of the obstacles in its way.<sup>37</sup>

Portugal's alignment in the pursuit of these objectives is for the most part mutual. This is demonstrated by the active promotion of the Portuguese language in international forums. However, Angola's regional considerations have also been increasingly on display. During the CPLP 2010 Summit, Portuguese Foreign Minister Luís Amado expressed his opposition to a Lusophone military intervention in Guinea-Bissau, owing to the country's daunting unrest. However, President dos Santos was adamant that no options should be excluded in the process of supporting Guinea-Bissau, including a military one.<sup>38</sup> This public pledge of support was mostly seen as a way to tie, yet again, the Lusophone community to the fate of Guinea-Bissau. It was also seen as an opportunity for Angola to reaffirm its African credentials, as it seeks to present itself as a credible actor with the foreign influence to match its resources and natural wealth. Similar public divergences can also be found in both countries' stances on the Ivory Coast crisis, which erupted in late 2010. Still, any difference of opinion that Angola and Portugal might have on these issues is quickly surpassed by their shared recognition of a wider existing framework of understanding.

It is also common for both countries to mutually support each other at the UN, especially when broad support for any occasional election for the myriad of institutions is required. The best example is with regard to non-permanent membership of the UN Security Council. Working through a pre-established CPLP consensus, Angola fully supported Portugal's bid for the 2011–2012 biennium, much like Portugal had done for Angola in 2003–2004. This pattern of useful endorsements was also evident when Angola successfully ran for the Economic and Social Council in 2005, for the UN Peacebuilding Commission in 2006, and more recently in 2010 for a second three-year term in the UN Human Rights Council (UNHRC). Portugal is surely already counting on Angola's support in advancing its own candidacy for the UNHRC for 2014–2017. It is thus possible to observe a discrete, albeit public, arrangement for consistent bilateral collaboration in achieving their respective objectives in terms of international representation, which highlights 'the importance of active allies.'<sup>39</sup>

As for EU–Africa relations, Portugal's membership of the EU is undoubtedly a serious factor to be reckoned with. For years now, Portugal has skilfully built an image of

particular sensitivity to African concerns amid its European peers and, more importantly, has not hesitated in acting upon it.<sup>40</sup> However, Angola's situation in this respect should be viewed from two different angles. The first concerns Angola's current engagement in a deadlock negotiation with the EU over accession to the Interim Economic Partnership Agreement (EPA) for the Southern African Development Community EPA Group. Ostensibly, Angola is unconcerned about the lack of progress, since as a least-developed country, it continues to receive EU trade preferences under the Everything But Arms initiative.<sup>41</sup> In this case, Portugal can only sympathise with Angolan claims regarding the EPA negotiations because full responsibility for the conduction of main negotiations lies with the EU's Trade Commissioner. The second angle involves advancing political dialogue between Europe and Angola. Portuguese diplomatic backstage work in this regard has proven invaluable. The EU's wish to establish a Joint Way Forward mechanism with Angola represents a massive Portuguese lobbying effort in assuming the role of preferred European interlocutor with its former colony.<sup>42</sup> Angola has welcomed this Portuguese bridge-building ability within the EU, as it implies the recognition of its growing preponderance in the African geostrategic scenario. Another example of Portuguese support is seen in the Angolan air carrier TAAG, which was blacklisted by the EU in 2007 and therefore officially prohibited from flying to Europe. Just two years later and after several Portuguese technical assurances and recommendations, a resolution was found and the company regained its flight permits. This confirmed Portugal's willingness to act upon its official discourse of bilateral support towards Angola.<sup>43</sup>

Beyond the multilateral realm, the US, Brazil and China are also worth mentioning. In his first State of the Nation speech on October 2010, President dos Santos included Portugal alongside China, Brazil and the US as Angola's present strategic partners. They are thus all understood within the context of an 'urgent need for national reconstruction but also within a wider perspective of the national development project and of Angola's projection in the international plane.'<sup>44</sup> The economic dominance, international gravitas and political weight of these countries is not comparable. Still, the president's formal recognition alone signifies the status currently attributed to Portugal in Angola's foreign priorities, especially when the country is trying to put together a multi-vector foreign policy that carefully encompasses and nurtures all these actors.<sup>45</sup>

## CONCLUSION

Portugal and Angola have treaded a bumpy road over the years. Overcoming the legacy of painful memories is no easy task in itself, and this shadow is expected to linger and surge whenever relations between the two countries hit a snag. For the most part, these memories are inevitably ingrained in their respective national psyches. However, currently bilateral relations and more practical matters have taken precedence. The visa issue topped every agenda in the first years of Portuguese–Angolan rapprochement after 2002. This has been replaced by Angola's debt to Portuguese private companies. The issue continues to hold the potential to seriously taint the relationship and block further political endeavours to enhance it. The respective authorities have gone out of their way to provide an apparent solution for this impasse. However, factors such as the frequent variation of international oil prices may complicate Angola's regular payment capabilities.

In this sense, the increased risk of investing in the so-called Angolan El Dorado<sup>46</sup> should not be underestimated.

International competition for leverage in Angola also raises doubts about the country's own geopolitical calculations. With oil overwhelmingly topping the US, Brazil, Portugal and China's shopping list, questions understandably arise about Portugal's ability to remain politically and economically meaningful to Angola's future development and growth. Portugal's status pales in significance to the economic and international clout of the US. The penetration of Chinese companies into lucrative local public works bids represents an unavoidable challenge to Portuguese entrepreneurs.<sup>47</sup> Moreover, Portugal's constant leaning on a political discourse that stresses 'cultural affinities' can equally be disputed by Brazil's growing presence in Angola, using the identical cards that Portugal once played in the past.

Despite this, Portugal unquestionably retains a hold over Angolan elites. This is not easily understood by outside observers who are often puzzled about the extent of the former colonial power's real influence in the country. Still, such a preferential relationship between Angola and Portugal is real and sustained by a number of factors. These include their joint legacy from the past – which surpasses Brazil's own linkages – the vast immigrant communities and citizens who flow between both countries, and the mutual recognition that they can represent a gateway for each other's interests in the surrounding regions and continents, thus complementing their own foreign policy agendas.

Increased high-level political contacts between Angola and Portugal are enhanced by extensive and specialised aid efforts, and are heightened by a fast-paced economic and trade relationship. Furthermore, historical-cultural ties are proudly and widely highlighted. These ties enable Angola to join a selective and inclusive international framework, and to sustain Portuguese support for the foreign agenda of its former colony. In this context, it is undeniable that Portugal continues to rank highly among Angola's external priorities. It is therefore only likely that these ties will be further enhanced as Angola's trajectory continues to rise within the surrounding continent.

## ANNEXURE 1

### List of official visits between Portuguese and Angolan dignitaries, 2002 onwards

April 2002	Portuguese Foreign Minister António Martins da Cruz in Luanda
June 2003	Angolan Foreign Minister João Miranda in Lisbon
October 2003	Portuguese Prime Minister José Manuel Durão Barroso in Luanda
January 2005	Portuguese Foreign Minister António Monteiro in Luanda
December 2005	Portuguese Foreign Minister Diogo Freitas do Amaral in Luanda
April 2006	Portuguese Prime Minister José Sócrates in Luanda
March 2007	Angolan Foreign Minister João Miranda in Lisbon
February 2008	Portuguese Foreign Minister Luís Amado in Luanda
July 2008	Portuguese Prime Minister José Sócrates in Luanda
March 2009	Angolan President José Eduardo dos Santos in Lisbon

April 2009	Foreign Minister Luís Amado in Luanda
July 2009	Foreign Minister Assunção dos Anjos in Lisbon
July 2010	Portuguese President Aníbal Cavaco Silva, Prime Minister José Sócrates and Foreign Minister Luís Amado in Luanda

## ANNEXURE 2

**Major agreements between Portugal and Angola**

1978	General Cooperation Agreement
1979	Special Cooperation Agreement for Maritime Transportation; Cultural Agreement, Trade Agreement
1982	Economic Cooperation Agreement
1995	Legal and Judicial Cooperation Agreement
1996	Technical–military Cooperation Agreement
2003	Convention on Social Security
2006	Scientific and Technological Cooperation Agreement; Cooperation Agreement in Tourism
2008	Mutual Investment Promotion and Protection Agreement; Mutual Recognition of Drivers' Licences Agreement

Source: Portuguese Documentation and Comparative Law Office.

## ANNEXURE 3

**Trade balance percentages, 2002–2010**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Portuguese exports to Angola</b>	2.00	2.23	2.17	2.58	3.40	4.40	5.81	7.06	5.20
<b>Portuguese imports from Angola</b>	0.16	0.01	0.00	0.05	0.09	0.62	0.64	0.29	0.99

Source: AICEP.

ANNEXURE 4

Investment flows in EUR millions, 2002–2010

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Portuguese investments in Angola</b>	50.341	40.075	103.090	263.647	273.720	451.124	775.127	693.765	226.728
<b>Angolan investments in Portugal</b>	1.630	8.017	4.163	6.255	17.602	15.184	49.820	116.030	42.224

Source: AICEP.

ENDNOTES

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- 2 Lusa, ‘Luis Amado prepara nova abordagem da diplomacia portuguesa em África’, 6 Fevereiro 2010, <http://www.ionline.pt/conteudo/45546-luis-amado-prepara-nova-abordagem-da-diplomacia-portuguesa-em-africa>.
- 3 Political empathy between these two Portuguese parties and both Angola’s MPLA and UNITA was also influenced by the large number of Angolan leaders sent to study and train in Portugal, and the subsequent connections they formed with their peers. Angola’s former ambassador to Portugal and former foreign minister, Assunção dos Anjos, is such an example.
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- 7 Portugal, Serviço de Estrangeiros e Fronteiras (SEF), *Relatório de Imigração, Fronteiras e Asilo – 2009*. Oeiras: SEF, 2010, p. 28. However, it is important to note that these numbers do not include illegal entries to the country and should therefore be viewed with caution.
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- 9 Portugal, *Despacho conjunto* 107/2005, *Diário da República*, II Série, 24, 3 February 2005.
- 10 Ferreira M, ‘Relações entre Portugal e África de língua portuguesa: comércio, investimento e dívida (1973–1994)’, *Análise Social*, 129, 1994, pp. 1071–121.

- 11 Portugal, Banco de Portugal, *Evolução das Economias dos PALOP e de Timor-Leste 2009/2010*. Lisbon: Banco de Portugal, 2010, p. 150. However, it should be mentioned that in 2009 Angola's total debt mounted to \$1.36 billion. This is an increase of \$96 million from 2008, since it also includes the state's medium and long-term guaranties to third-party loans in dealing with Angola, which have consistently risen to support bilateral trade.
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- 15 See Seabra P & P Gorjão, 'Portugal and Angola: Ties that Bind?', IPRIS (Portuguese Institute of International Relations and Security) Policy Brief, 4. Lisbon: IPRIS, July 2010.
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- 22 Portugal, IPAD, 2008, *op. cit.*, p. 81.
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