

SA investors want piece of Angolan pie



By [lssa Sikiti da Silva](#)

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Angola is Africa's fastest-growing economy, with more than 10% growth over the past eight years slowing down to 6.2% in 2009 due to the global economic recession. Twenty-seven years of armed conflict had created a country of multiple challenges, but some SA companies currently operating there believe that the investment rewards far outweigh the difficulties.



Investing in the Angolan people

Kenny Gaynor, of Barloworld Equipment, a division of Barloworld Limited, told a packed hall at the Hilton Hotel in Johannesburg, on Thursday, 30 July 2009, that its company had applied patience and tenacity while keeping an eye on the longer term strategic goal and vision.

"We steered away from creating a South African company in Angola, and focused on recruiting local Angolan talent and developing them," Gaynor said.

"We have selected our partners, suppliers and customers carefully, and instilled Barloworld's corporate culture and values at all levels in the business. We also invested in people and facilities and understood that 'Angola is not Luanda'," Gaynor said.

Rewards and challenges

"There are massive operating costs involved, mostly rental, and challenges such as lack of credible market intelligence, acute shortage of skilled labour and inadequate infrastructure, work permit compliance and planning, issuance of visitor visas out of SA, but the rewards far outweigh these challenges because in many areas things are vastly improving."

Gaynor's advice and words of encouragement will likely inspire many potential SA investors, who visibly expressed interest in trekking north in search of business expansion in the oil-rich nation.

Barloworld went to Angola in 1995 and has heavily invested in oil and gas, construction, mining and electricity, and is now operating in more than five cities.

Roger Ballard-Tremeer, former SA ambassador to Angola and current chief executive of SA-Angola chamber of commerce, said: “Despite many things that you have been hearing about Angola, markets are becoming freer and freer, and governance and transparency are improving.”

Angola, a bigger surface area than SA, has a population of around 18 million. Its consumer inflation is about 14% year-on-year and easing. Its prime lending rate is around 13% and easing, and its foreign reserves amount to US\$12 billion.

Like all African countries, Angola has also been hit by the global economic recession. But Ballard-Tremeer told Bizcommunity.com that the crisis has had less impact there compared to other places because the recovery of oil prices (currently standing at US\$66 per barrel) seems to have wiped out that economic deluge.

Opportunity for everyone

Investment opportunities exist in oil and natural gas, retail, construction, accommodation, electricity, agriculture, textiles and many other areas.

The country is currently spending some US\$8 billion on building a liquid natural gas plant. Angola is Africa's second biggest oil producer, but the country has only one oil refinery. That is why the government is also spending some US\$6 billion to build another oil refinery in Lobito.

Ballard-Tremeer said that these two projects present opportunities for potential investors to benefit from procurements and sales and indirect sales and many more.

“There is an opportunity out there for everyone,” he urged.

The ‘Invest in Angola’ Intra-Africa meeting was hosted by Upbeat Marketing, in partnership with Bizcommunity.com, SAfm and Blue Financial Services.

For more information, go to www.upbeat.co.za.

ABOUT ISSA SIKITI DA SILVA

Issa Sikiti da Silva is a winner of the 2010 SADC Media Awards (print category). He freelances for various media outlets, local and foreign, and has travelled extensively across Africa. His work has been published both in French and English. He used to contribute to Bizcommunity.com as a senior news writer.

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