

BRICS stimulate Angola's economic awakening



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From a sleeping giant disabled by the ghosts of war, socio-political intolerance, neo-colonialism and human exploitation, Angola has risen to become one of Africa's emerging economic heavyweights and is now at a crossroads of history. Research shows that BRICS - Brazil, (the main culprit), China, India, and lately South Africa and to a minor extent Russia - feature strongly in the list of countries that are driving Angola's rise to the riches.

Emerging markets, led by BRICS, are growing in stature and these countries' potent macro-economic path cannot be underestimated, according to Simon Freemantle, a senior analyst for African political economic unit at Standard Bank research.

He was speaking yesterday, Tuesday 23 August 2011, at the SA-Angola Investment Forum held at the Crowne Plaza Hotel in Rosebank, Johannesburg and hosted by the Institute for International Research (IIR).

In constant mutation

China's manufactured goods, Russia's energy and minerals, Brazil's agriculture immense potential and India's textiles and services empire, coupled with their growing middle class and urbanisation trends, show that everything is in constant mutation, Freemantle said.

Angola's economic ascent has been stellar and BRICS have paid attention, he said, revealing that China has now become Angola's top trade ally, with crude oil featuring prominently in this intense relationship.

Figures from Standard Bank research and the International Trade Centre show that China leads the way with 29.5% of Angola's total trade, closely followed by EU with 27.7%, US 20%, South Africa 4.2%, Brazil 3.3%, India 2.7%, Canada 2.5%, South Korea 2.4% and the rest of the world with 5%.

Angola has been the centre of attention of BRICS more than any other African country, Freemantle said.

The relationship with China

African exports to China have gone from a mere US\$2-billion in 2001 to US\$70-billion in 2010, mostly made up of crude oil, iron ore and other minerals, recent statistics show.

However, China's 'macabre' involvement in Africa has engendered a lot of controversy as the omnipresence of Chinese

low-level personnel swamping Africa's construction and informal business sites raises questions about the moral standing of this relationship.

Freemantle said China has been deeply involved in the reconstruction phase of Angola in the last seven to eight years, providing much-needed relief to the country, which has seen most of its infrastructure wiped out after 27 years of armed conflict.

In return, China has been exporting a lot of manufactured goods to Angola, even though critics describe Chinese goods as 'cheap and third-quality stuff'.

Brazil-Africa trade

While the Brazil-Africa trade has been erratic and imbalanced, according to Freemantle, the South American giant has been providing a lot of expertise in the field of agriculture to the continent to unlock its almost untapped agriculture's vast potential.

Freemantle said 60% of the world's crop land is located in sub-Saharan Africa.

It is believed that Brazil's cultural and linguistic linkages have very much facilitated its engagement with Angola. There are more than 100 Brazilian firms doing business in Angola and over 30 000 Brazilian business expats in Angola, according to Freemantle.

"There is at least one Brazilian manager, CEO or senior supervisor in over 200 foreign companies operating in Angola," he said.

While India has been slow in strengthening diplomatic ties with Africa, the sub-continent's trade with Angola has been swelling in the past ten years since the end of the war in 2002.

New Delhi, he said, has been gaining ground in securing a share of the country's oil prize.

Freemantle, whose presentation focused mostly on Brazil, India and China, said Angola is in dire need of infrastructure, which he said should constitute a sea of opportunities for countries looking for new grounds to expand their horizons.

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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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