

SOUTHERN AFRICA



ANGOLA/BOTSWANA/LESOTHO/
MALAWI/MOZAMBIQUE/SWAZILAND/
ZAMBIA/ZIMBABWE

ANGOLA

\$ 900m Kapanda dam agreement signed

An agreement for the construction of one of the largest hydroelectric and irrigation schemes in Africa, the 520-MW Kapanda dam on the Kwanza river, was signed in Luanda on 21 November by Angola, Brazil and the Soviet Union (AED 19:10:84; 28:9:84).

Negotiation of the agreement is reported to have taken three-and-a-half years. Total costs are put at about \$900 million, with some \$700 million of the work going to Brazil, according to Brazilian Mines & Energy Minister Cesar Cals. Brazil will be paid in Angolan oil, he said, adding that, "at the same time it's opening a new window for the export of goods and services."

In December 1983 Brazil's state oil company *Petrobras Internacional* (*Braspetro*) agreed to purchase \$650 million worth of oil from its Angolan counterpart *Sociedade Nacional de Combustiveis de Angola* (*Sonangol*), in a deal which prepared the way for the successful conclusion of the contract, observers say. Angolan Energy & Petroleum Minister Pedro Castro van Dunem was due in Brazil on 23 November to finalise the details of the oil sales.

The remainder of the financing will include \$100 million in suppliers' credits from other countries, Cals said, and \$100 million from Angola.

Brazil's *Construtora Norberto Odebrecht*, a private-sector construction company based in Bahia in the northeast, will be responsible for building the 120-metre-high, 1,300-metre-long dam, as well as infrastructure works, the support base in Luanda, 70 kilometres of road and on-site housing for an estimated 5,000

workers. About half the workers are expected to be Brazilian, Cals said.

The company's contract is reported to be worth \$600 million, making it Brazil's largest in Africa.

Furnas, part of state electricity holding company *Eletrobras* will co-ordinate construction work. The Soviet Union's *Tekhnopromeksport* will provide electromechanical equipment, including the turbine generators.

Brazil's exports of goods and services under the contract will total \$400 million, Cals said. Of this, \$280 million will be financed by Cacex, the foreign trade department of state-controlled commercial bank *Banco do Brasil*.

The project is viewed as a reflection of government determination to expand the economy despite security problems. The dam, some 250 miles southeast of Luanda, will provide irrigation water from a 170-square-kilometre lake, while the power station will supply cheap electricity for the mining industry and other sectors.