Steve Cameron reports from Luanda on the Angolan road to port privatisation.

Angolan privatisation

Off dock container storage Cabinda

It's the weekend in Angola and we are sitting in one of the top nightclubs in Luanda. It is full of well off Angolans and Europeans enjoying the very professional live music. The singer and overall master of ceremonies signals different musicians from the audience for guest spots and is clearly enjoying himself orchestrating the event and buying drinks for us and other guests. He looks like a man used to orchestrating more than just music. This is not surprising. As well as owning the nightclub he also owns considerable property in Angola and as a member of parliament he is a powerful man. He is also the owner of a transport network which incorporates a container terminal that falls under the scheduled port privatisation and licence review.

My visit to Angola is to establish if the recovery of their 1,200 containers is a practical and commercial option for a consortium of container owners faced with a local bankruptcy. The containers are scattered across the ports of Cabinda in the north, Luanda, Namibe and Lobito in the south. The recovery question proves to be an interesting barometer of the operational issues facing these ports.

The 30-year civil war has taken its toll on the country but now it's over there are signs of improvements and new hope for the future. The oil industry is strategically increasing its investments in West Africa. This is reflected by the two weekly charter flights to Houston that are continually full. General security in Angola has improved and Angolans from overseas are returning as they believe there are better prospects at home than abroad now.

Local port managers have observed a significant increase in container traffic. A carrier survey we did three years ago put the country's annual throughput below 100,000 TEUs. Updated figures from Drewry Shipping now estimate it at 185,000 TEUs. In terms of container moves this places Angola in the top ten of African countries and on par with Ghana and Senegal.

EXPANSION RESTRICTED

Between 80-90% of containerised cargo moves through the port of Luanda where terminal space is at a premium. The three main terminals: Unicargas, Intertransit and Sgep, are sandwiched between the general cargo berth on one side and the offshore oil support base on the other. Expansion is also restricted by the town which borders the third side. The three terminals have suffered varying degrees of congestion and, with the exception of Unicagas, where Nile Dutch have single-user status and operate a very well maintained terminal, seem to have little control on container stacking or box location.

This became apparent with our first of many fruitless visits to retrieve the missing boxes. The terminal could not advise how many of my clients' containers they had or where they were. But strangely they were still able to calculate the storage bill which would have to be paid to gain release.

The plans for privatisation involve the three terminals being merged into one area for container operations and another for combined general cargo and ro-ro operations. One licence only will be awarded for each of these two activities. Round one of the privatisation process had already been completed with seven companies through to the final round for the general cargo licence and eight for the container terminal.

The new container terminal is believed to consist of an investment of $75 million in two phases taking place in 2005 and 2009. The minimum levels of handling equipment require two gantry cranes and one mobile harbour crane.

The general cargo bidders include Nile Dutch, Oray Angola whilst the container terminal list included Sgep, Intertransit, a P&O led consortium and a Maersk Sealand led consortium. Much to the surprise of local observers the seasoned West African expert Bollore, owners of shipping lines, terminals and logistics providers, coupled with AMI, had been publicly excluded on a technicality.

Three months later, Nile Dutch now appear the most likely beneficiary of the general cargo licence - certainly their local operation is impressive by any standard.

What's happening in the Bollore/AMI camp after their initial exclusion is not clear. On the surface all seems quiet in Angola whilst everyone waits for the final announcement, scheduled for the fourth quarter of this year. Given our friend the nightclub singer's ability to orchestrate new arrangements, perhaps he will come up with an interesting new partnership to challenge the other bidders. It's certainly difficult to imagine transport operations in Angola without him.

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