

Transparent management of oil revenues

Luanda, 16/05 - Speaking in Luanda, Aguiñaldo Jaime, assistant Minister in the office of the Prime Minister, reaffirmed the government's commitment to transparency and said that its management of oil revenues had received international praise.

'The Angolan experience of managing oil revenues has been acclaimed as one of the best that World Bank specialists have seen,' he said. Shortcomings had, however, been noted, he continued, but these were 'minor shortcomings of procedure, which did not prevent the taxation system used in the oil sector from being considered one of the most effective internationally'.

The Minister was addressing the opening of a seminar on the management of oil revenues organised by the Ministry of Finance and the World Bank.

'This seminar is not taking place in isolation, but complements a series of other measures taken by the government in the past few years to ensure transparency and good governance,' he said.

The measures taken included the drafting of a unified general state budget that included all revenue and expenditure, as well as regular auditing of the central bank accounts, the state oil company, Sonangol, and oil companies operating in the country, strengthening the institutional capacity of macro-economic management bodies and improving the system of statistics.

In his address to the closing session of the seminar, Deputy Minister of Finance Eduardo Leopoldo Severim de Morais said that the economic growth rate in 2005 had been 20.6 percent, the highest since independence thirty years ago.

Unemployment, Severim de Morais said, had fallen to 29.2 percent, and prospects for a more accentuated fall this year were promising, owing to the growth of the labour intensive construction sector, making it possible to generate many direct and indirect jobs.

The results, he said, also benefited the population with the lowest purchasing power. There was a sharp fall in the monthly variation of the retail price index to less than one percent in the first four months of 2006.

Other positive effects were the stability of the exchange rate, the restoration of confidence in the national currency, the control of the budget deficit and the increased transparency of public accounts everywhere in the country.

The Deputy Minister went on to say that the planned public investment programme for 2005-2006 included 663 projects, 52 percent of which had

already been completed or were in progress. They were mainly in the areas of education, health, public works, electric power and water.

He said the government had been seeking to advance rapidly in a race against time, but was faced with enormous needs inherited from the war. The challenges of national reconstruction were gigantic, the Deputy Minister said.