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FM LUANDA 041520Z FEB 83
TO IMMEDIATE FCO
TELEGRAM NUMBER 78 OF 4 FEBRUARY
AND TO DOT

VISIT OF ANGOLAN FOREIGN MINISTER.
CALL ON MINISTER FOR TRADE.

1. STEINER HAS RECENTLY VISITED ANGOLA AND OT5 HAVE A DETAILED PICTURE OF COMMERCIAL SITUATION IN ANGOLA.
2. THE GENERAL BACKGROUND IS A DISAPPOINTING COMMERCIAL PERFORMANCE BY BRITAIN AN ADMITTEDLY DIFFICULT MARKET. THE LANDROVER ASSEMBLY OPERATION AND THE DIAMOND TRADING COMPANY'S MANAGEMENT OF ANGOLA'S DIAMOND INDUSTRY HAVE ENCOUNTERED ACUTE DIFFICULTIES. NO BRITISH COMPANY HAS SECURED A DIRECT STAKE IN ANGOLA'S EXPANDING OIL EXPLORATION AND PRODUCTION INDUSTRY. OUR MARKET SHARE HAS BEEN FALLING IN COMPARISON WITH THAT OF LEADING COMPETITORS NOTABLY FRANCE.
3. WE HAVE BEEN MAKING EFFORTS TO ARREST AND REVERSE THIS TREND AND THE VISIT OF PAULO JORGE CAN MAKE A USEFUL CONTRIBUTION TO THE PROCESS. HE SHOULD BE REMINDED OF THE SEMINAR ON ANGOLA HELD IN 1982, THE ARTICLE IN TRADE AND INDUSTRY AND THE FORTHCOMING OIL SEMINAR AND THE FORTHCOMING BAE. WE SHOULD TELL HIM OF THE IMPORTANCE WE ATTACH TO AN EARLY VISIT BY DO NASCIMENTO. I RECOMMEND THE MINISTER HAND TO JORGE A LETTER TO DELIVER TO NASCIMENTO STRESSING HOPE HE WILL VISIT SOON AND MENTIONING MIXED COMMISSION/ MINISTERIAL DOT VISIT TO ANGOLA ETC. ETC.
4. I RECOMMEND THAT WE EMPHASISE OUR EAGERNESS TO DEVELOP CLOSER COMMERCIAL COOPERATION THROUGH THE AGENCY OF THE MIXED COMMISSION AND BY DIRECT CONTACT INDUSTRY TO INDUSTRY. WE SHOULD BRIEFLY REVIEW THE AREAS OF BRITISH INDUSTRY AND TECHNOLOGY IN WHICH WE HAVE ESPECIAL STRENGTH OR WHICH ARE ESPECIALLY RELEVANT TO ANGOLA'S NEEDS INCLUDING CONSULTANCIES.
5. WE SHOULD PUT IN A PLAY FOR PROJECTS OF SPECIAL VALUE CURRENTLY UNDER CONSIDERATION SUCH AS BROWN AND ROOT FABRICATION YARD, BOOKER COFFEE PROPOSALS, TATE AND LYLE SUGAR PROJECT, HAWKER SIDDLEY GENERATING EQUIPMENT PROGRAMME, BAE 146, IAL BID FOR AIRPORT TECHNICAL ASSISTANCE AT LUANDA, THE MALANGE RAILWAY PROJECT. WE SHOULD ALSO (WITH MOD GUIDANCE) STRESS OUR WILLINGNESS TO DO MORE IN DEFENCE SALES AND ASK FOR HIS VIEWS. FOLLOW UP BETWEEN TWO MINISTRIES OF DEFENCE COULD BE SUGGESTED. SEE ALSO OUR TEL 75.
6. WE SHOULD HAMMER THE POINT THAT WE CANNOT HELP IF WE ARE NOT GIVEN THE INFORMATION AND THAT SOMETIMES IT SEEMS TO REQUIRE AN EFFORT OF INVESTIGATION TO IDENTIFY WHAT ANGOLA'S ECONOMIC AND COMMERCIAL PROPERTIES ARE IN SPECIFIC TERMS. WE HOPE THAT THE MIXED COMMISSION WILL BRING A GREAT IMPROVEMENT. WE EXPECT EQUAL TREATMENT WITH OUR COMPETITORS AND SHOULD ASK FOR AN ASSURANCE THAT WE SHALL RECEIVE THIS. WE MIGHT QUOTE THE CASE OF IAL WHERE WE WERE TOLD BY OFFICIALS THAT IAL WAS THE FAVOURED COMPANY BUT THAT A DIRECTIVE HAD BEEN ISSUED TO INTRODUCE COMPANIES OF

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OTHER NATIONALITY FOR POLITICAL REASONS.

7. JORGE COMES FROM BENGUELA. HE MAY HAVE A SPECIAL INTEREST IN MATTERS SUCH AS BENGUELA RAILWAY AND EMERGENCY ELECTRICITY SUPPLY FOR BENGUELA LOBITO AREA.

8. I PRESUME THAT SOME REPRESENTATIVES OF MORE IMPORTANT COMMERCIAL FIRMS INTERESTED IN ANGOLA WILL HAVE OPPORTUNITY TO MEET PAULO JORGE AT ONE OF SOCIAL FUNCTIONS. LORD JELlicoe OF T AND L, SIR ROBIN HOOPER OF TANKS AND REPRESENTATIVES OF SHELL, BROWN AND ROOT, JARDINE GLANVILLE HARBERT UK, IAL, BRITISH AEROSPACE, BRITOL, BP, HAWKER SIDDELEY POWER PLANT, BOOKERS, FREDERICK PARKER, ICI PHARMACEUTICALS AND THE LEADING BANKS EG LLOYDS AND MERCHANT BANKS SUCH AS MORGAN GRENFELL, HULL BLYTHE INCHCAPE AND BLACKWOOD HODGE COULD BE CONSIDERED.

9. WE MIGHT MAKE SPECIAL MENTION OF OUR FINANCIAL EXPERTISE AND OUR RECENT DISCUSSIONS WITH BANCO NACIONAL DE ANGOLA. THE BANK OF ENGLAND MIGHT ALSO BE INVITED.

KENNEDY

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