

West Africa

CERA Consulting & Advisory

Enhancing the attractiveness of Angola's oil and gas sector



Issue

- Angola is a mature oil producer that must continue to attract private investment to counter the natural decline of its upstream sector. In the context of intense global competition for exploration and production capital, the government sought to materially enhance the country's above-ground attractiveness to investors.
- To support this goal, the government engaged CERA Consulting to conduct a Competitiveness Study to diagnose the causes of persistent underinvestment and to propose practical, actionable measures to improve the investment climate and attract more upstream investors.



Our Solution

- We reviewed factors that influenced Angola's country risk, the organisation and interdependence of its government bodies and its key regulatory procedures.
- We modelled Angola's fiscal terms and benchmarked the cost and profitability of its typical upstream projects against key competitors.
- We carried out a gap analysis of regulatory and contractual best practices and mechanisms for promoting and protecting investment.
- We interviewed all upstream players present in Angola and others that left the country in the past.
- We recommended general actions to improve the overall business environment and specific actions to improve the attractiveness of the upstream sector, including fiscal incentives and regulatory reforms.



Impact

- Our data-driven and integrated set of recommendations to enhance investment attractiveness was rapidly adopted by the government and has contributed to a marked turnaround in Angola's upstream sector in recent years.
- As a result, long-standing operators, new entrants, and returning investors have all committed capital to marginal and mature fields, natural gas developments, infrastructure-led exploration, and frontier deep-water drilling.

Illustrative examples of deliverables

