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# PORTUGAL AND ITS FORMER AFRICAN COLONIES: A UNIQUE OPPORTUNITY

Jade van Streepen



## Introduction

Portugal had the very first global empire and arguably the largest in the late fifteenth and sixteenth centuries, with more than 50 colonies in Africa, Asia, and North and South America (Nowell, p. 1). It was also the last country to decolonize, remaining in control of Macau until 1999 and East Timor until 2002 (Nowell, p. 36). The long reign made for unique relationships when compared with other colonial giants, because the colonies had so much time to assimilate to Portuguese culture. The way the Portuguese decolonized made these relationships even more distinctive and helps explain why little malice exists between Portugal and its former colonies.

Portuguese roots persist today in these former colonies, especially in Africa. Not only does Portugal have a long colonial history with Angola and Mozambique but also it has had a continuing positive relationship

after independence. This relationship is an asset for globalization in trade and investment that is underutilized by Portugal. As Portugal tries to recover from the global economic crisis of 2008, it needs to be strategic in how it utilizes existing strengths, such as its strong ties to former colonies, to grow its economy.

In this article, I examine the history shared between Portugal and its former colonies in Africa and their continued connection. This connection is then used to understand and identify opportunities for Portugal to surpass other countries with international interests in the developing economies of Angola and Mozambique. There are a few key areas in which Portugal can increase trade and investment with Angola and Mozambique, which I highlight in this article. I also discuss what Portugal can offer to its former African colonies in order to make stronger economic relations more feasible.

## Portugal's Colonial History

Portuguese explorers reached the east coast of Africa in 1419 and worked their way to India by 1498 (Nowell, p. 1). Through the Treaty of Tordesillas in 1494, Spain and Portugal agreed that Portugal had claim to any territory to the east of an imaginary vertical line about 1,000 miles west of the Cape Verde islands (Nowell, p. 1). This line gave Portugal the right to today's Brazil in South America, India and Macau in Asia, and much of Africa. Portugal continued to expand its overseas empire throughout the 1500s and remained among the top world powers throughout the century. The early seventeenth century, however, brought challenges and a decline in Portuguese power as the Netherlands, England, and France pursued their own territorial expansion (Nowell, p. 1). Portugal lost control in Asia and began to focus on Brazil as a priority, along with the few African colonies it still controlled (Raimundo, p. 245). Brazil eventually gained independence in 1822 (Smith, p. 24). With this, the east African colonies and a few in Asia became the only remaining pieces of the once great Portuguese empire. The end of the Portuguese monarchy in 1910 resulted in the relinquishing of power in most remaining colonies over the next 65 years, although Portugal did hold on to a few colonies until the early twenty-first century (Nowell, p. 36).

Of Portugal's African colonies, the two largest and most significant were Angola and Mozambique. Colonized by Portugal in 1483, Angola remained under Portuguese control until independence in 1975 (Nowell, p. 36). Mozambique was in Portuguese control from 1505 to 1975 (Nowell, p. 36). The lingering effects of almost 500 years of Portuguese influence in education and culture are most evident in that both Angola and Mozambique still use Portuguese as their official language.

Another reason Portugal was able to maintain good relations with Angola and Mozambique is the way it decolonized. António de Oliveira Salazar, Portugal's dictator from 1932 to 1974, wanted to hold on to the colonial empire. As a result, several colonial wars against Portugal occurred in the African colonies between 1961 and 1974 (Smith, p. 28). After Salazar died in 1970, the Portuguese

regime eventually was overthrown by a military coup in 1974 and decolonization began thereafter (Raimundo, p. 246). Unlike other European countries that had decolonized, the newly established Portuguese republic decided to peacefully remove all military personnel from the colonies and grant them independence without continued warfare.

Not only did the Portuguese republic grant independence peacefully but also it remained involved in Angola and Mozambique to help mediate the civil wars that broke out following independence (Raimundo, p. 246). Portugal also accepted more than a half million refugees trying to escape the civil wars. Its continued role in developing both nations helped Portugal rebuild diplomatic relations with its former colonies. The Portuguese and Angolan nationalist armies that were fighting against each other during the Salazar regime were able to restore trust and work together to mediate civil wars in the newly established African nation. Military cooperation has proved a continued strength in Portugal's relationship with Angola since decolonization, not only through cooperation immediately after decolonization but also through such agreements as the Defense Cooperation Agreement of 1996 and through ongoing investment in the training of Angolan military personnel (Seabra and Gorjão, p. 8).

Civil war in Mozambique ended in 1992, but Angola's civil war lasted until 2002. These long civil wars hindered growth in both Angola and Mozambique as well as economic relations with Portugal because constituents of the Portuguese public and private sectors did not want to risk doing business with the countries in such turmoil (Figueiredo). Today, Angola and Mozambique are in post-civil war emergence, giving Portugal the opportunity to act on its existing diplomatic relations to further economic ties and to reap the benefits of current economic success in its former colonies.

## Current Relations with Angola and Mozambique

Portugal's good relations with Angola and Mozambique could be leveraged to increase and diversify Portugal's trade and investments. Compared with Brazil, whose economy is ten

times that of Portugal, Angola and Mozambique are similar in scale to Portugal's 2013 GDP of \$227.3 billion and population of 10.46 million. Angola had a GDP of \$124.2 billion in 2013, with double the population of Portugal. Mozambique had a much lower 2013 GDP of \$15.6 billion, but a population similar to that of Angola (World Bank [a]).

The positive nature of Portugal's relationships with its former colonies is evident in both migration and remittances. A study of migrant remittance flows from Angola to Portugal in 2007 found that 31 percent of Portugal's total immigrant population (which makes up over 7 percent of the total population) consisted of migrants from former colonies (Tinajero, p. 36). About one-third of those came from Angola and Mozambique due to cultural proximity and the existence of social networks in Portugal. The average remittance from migrants living in Portugal to their families in Angola was \$1,780 per year (Tinajero, pp. 79–80).

Another key indication of continued linkage is dialect. This is what mainly sets Portugal apart from China and other world superpowers trying to partner with African nations. Portuguese companies have an easier time with trade and investment in its former African colonies than companies from other countries because there is no language barrier and because their cultures are similar. Cultural relations play a significant role in economic behavior because of the relational nature of economic exchanges. For example, investors are more likely to favor companies in culturally similar locations because management practices vary from one culture to the next and because investment implies some degree of involvement in the management process. Host companies' willingness to accept investments also depends on cultural similarity to the investor (Bandelj, p. 422).

Both the Community of Portuguese Language Countries (CPLP) and African Countries of Portuguese Official Language (PALOP) bring together Portuguese-speaking countries, also known as Lusophone countries, for the purpose of cooperative diplomatic action. Both established in 1996, their initial goals were to deepen the relationship between Portugal and other Lusophone countries and to preserve the Portuguese language. Through these organizations, Portugal's relationships with the other

Lusophone countries give it privilege in diplomacy and politics, thereby increasing opportunity for trade and investment. The organizations also receive funds to further development. For example, the 10th and 11th European Development Funds<sup>1</sup> allocated approximately \$60 million to PALOP for governance and employment ("EU—Angola Joint Way Forward"). The tie of a common language has already brought together such organizations as the CPLP and PALOP and could be a driving force for trade and investment organizations as well.

Despite these connections between Portugal and its former African colonies, current relations mostly focus on political matters. For example, there have been discussions about streamlining travel visa processes between the countries, Portuguese property claims left over from decolonization, and debt negotiations (Seabra and Gorjão, p. 6). A shift in focus to economic relations could benefit all parties involved. Increased communication and more frequent visits between leaders of Angola and Portugal since 2002 suggest that the aim of expanding bilateral relations is very important to both sides (Seabra and Gorjão, p. 7).

## Investment in Africa: China and Other European Union Countries

International interest in Africa is high, and Portugal is not the only country trying to benefit from the growing economies there. To learn what opportunities exist for Portugal, it is important to understand the landscape in which it competes. Portugal might try to compete with much bigger economic players for privileged access to Africa's opportunities or instead take advantage of other international interests in Angola and Mozambique by not competing in the same sectors or in the same way.

China has been playing an increasingly large investment role in Africa. With the biggest population in the world and still growing, China needs more natural resources than it can provide internally, so it is turning to Africa. Food security has been a prominent issue

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<sup>1</sup>The European Development Fund is used by the EU to further development in Africa, among other regions. Each European Development Fund lasts six years and contains about 30 percent of all EU development aid spending.

in China throughout the twenty-first century, so the Chinese are interested in the farmland Mozambique has to offer. Growing automobile usage in China has increased its demand for oil (Fennel). In 2013 China was the second largest importer of oil, just behind the United States; and China's oil imports are expected to grow to 66 percent of their total oil consumption by 2020 (U.S. Energy Information Administration, p. 11). Angola is China's second largest oil provider, with a 14 percent share in 2013, making it an important partner to China (U.S. Energy Information Administration, p. 12).

To gain privileged access to natural resources like oil and farmland, China has invested heavily in Africa. As of 2007, China's foreign direct investment (FDI) to Africa was already \$100 billion (Moyo, p. 105), coming from both the Chinese government and private companies. The Chinese government encourages private FDI to Africa by giving preferential loans or buyer credits. A majority of the investments have been infrastructure related, such as building roads, railways, pipelines, and dams. Other investments include healthcare and professional training as well as some debt relief and financial aid.

The European Union (EU) is also becoming increasingly involved in Africa. The Joint Africa-EU Strategy (JAES) was established in 2007 for African countries and EU countries to pursue common interests and strategic objectives together as equal partners. One of the main objectives is to promote peace, security, and sustainable economic development while improving the Africa-EU political partnership (Africa-EU Partnership). The JAES has already made progress on improving the Nacala Corridor, a road system connecting Southeast African countries including Mozambique. Better roads in this region will improve safety and efficiency and make exporting and importing goods easier (Africa-EU Partnership).

Another example of JAES success is the Dutch-German collaboration Energising Development, or EnDev. By investing in renewable energy sources, EnDev seeks to make sustainable energy more accessible for energy-deprived populations, with a focus on Africa. Mozambique has considerable natural gas and coal as well as some renewable sources, yet only one percent of its rural population has ac-

cess to power. Since Mozambique became one of EnDev's focal countries in 2009, 160,000 people have gained access to electric lighting (Energising Development). More consistent access to electric service enables small businesses to be reliable.

Economically powerful countries, including China and many in the EU, are investing in African infrastructure, which could benefit Portugal without it having to bear the costs. Improved infrastructure makes it easier to do business in Africa, which Portugal can take advantage of both directly and indirectly. The possibility of Portuguese companies doing business with Angolan and Mozambican companies will increase, directly strengthening trade relationships. Improved infrastructure also makes it more feasible for other countries to do business with Angola and Mozambique, fostering economic growth and thereby indirectly enhancing Angola's and Mozambique's potential to invest in Portugal.

## Trade Between Portugal and Africa

Trade relations between Portugal and its former colonies in Africa have grown since the end of the Angolan civil war in 2002, and the last decade has shown a promising increase in social ties as well. Angola is Portugal's fourth leading export partner as of 2014, receiving 6.7 percent of Portugal's total exports compared to 2 percent in 2002 (Observatory of Economic Complexity [c]; Seabra and Gorjão, p. 9). Naturally, due to their proximity, other EU countries are Portugal's major export partners. The EU also dominates Portugal's imports, with Spain, Germany, France, and Italy leading the way (Observatory of Economic Complexity [c]). Portugal is in a position, however, to shift its business relations more toward the African nations with which it has the longest historical ties of any European nation (since the fifteenth century).

However, Portugal has struggled with economic instability since the global financial crisis in 2008, with its GDP shrinking 17 percent from 2008 to 2012 (World Bank [a]). On the other hand, Angola and Mozambique have experienced robust economic growth since the early 2000s. From 2009 to 2013, real annual GDP growth averaged 11 percent for Angola and 7.3 percent for Mozambique (OECD).

These conflicting trends have shifted trade patterns, with Portugal's imports from Angola increasing by 86.4 percent in the first six months of 2013 (from €855 million to almost €1.6 billion) while exports from Portugal to Angola increased only 7.8 percent (from €1.31 billion to €1.41 billion) ("Paper Views...", p. 1).

Although there has been a shift in trade, Portugal still ranks as Angola's principal import partner, with 14.3 percent of all Angolan imports coming from Portugal. Furthermore, Angola is the main export destination for Portuguese products outside of the EU (Jover et al., p. 10). With Angola's and Mozambique's growing purchasing power, Portugal should continue to focus on products that these countries need to increase its exports and to rebalance its current trade deficit. For example, Portugal can counteract its need to import natural resources from Angola and Mozambique by producing exports made out of those same natural resources, for which its former African colonies have a demand.

Angola is one of the top ten crude oil exporters in the world, exporting about 1.7 million barrels per day (OPEC). Crude oil is Angola's chief export, although refined oil is its chief import (Observatory of Economic Complexity [a]). Refined petroleum is also Mozambique's primary import. Conversely for Portugal, crude oil is its top import and refined oil its top export. These factors make Portugal the ideal trading partner for Angola and Mozambique.

In the case of Angola, 99.2 percent of all exports from Angola to Portugal in 2010 consisted of oil (Seabra and Gorjão, p. 9). This striking figure highlights the importance of the oil industry to the Portuguese-Angolan economic relationship. Energy companies from the two countries have already established partnerships, such as that of Portugal's Galp Energia and its counterpart, Sonangol, in Angola (Seabra and Gorjão, p. 9). There is an interest in forming international partnerships in the energy sector, and Portugal should encourage more of its energy companies to extend beyond Portuguese borders.

Although oil trade is important for both the Portuguese and Angolan economies, there is room to diversify their trade into other industries. One of Portugal's major industries is auto-parts manufacturing, and both Angola

and Mozambique import vehicles and spare parts (NationMaster). Iron is one of Angola's top five exports, and aluminum is Mozambique's top export (Observatory of Economic Complexity [a], [b]), both of which are used in auto manufacturing. Again, as with oil, Angola's and Mozambique's natural resources match up perfectly with Portugal's needs.

Pulp and paper is another major Portuguese industry, making up nearly 5 percent of its total exports, but there is a shortage of wood in Portugal. It has to import more than 15 percent of the wood needed (Nery). Portucel, a major paper plant in Portugal, has begun planting trees and investing in nurseries on the abundant arable land in Mozambique in hopes of eventually building a pulp mill there and reducing the need for imported wood (Nery).

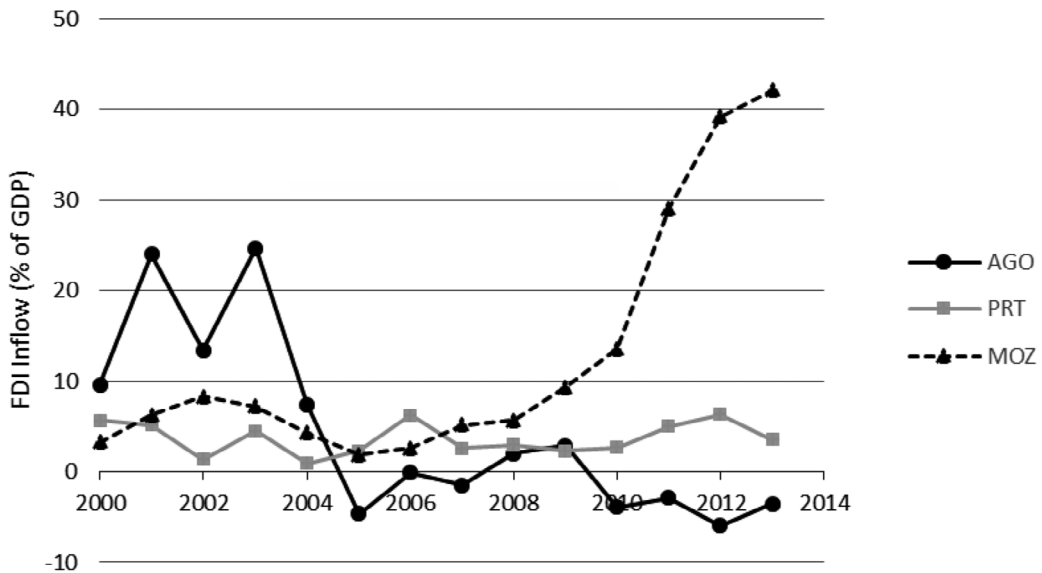
A similar strategy could be implemented with cork. Portugal is the top producer of cork products in the world (Pereira), and Mozambique has abundant farmland. Since Mozambique is a net recipient of FDI (discussed later), increasing trade opportunities there is important for Portugal to benefit from its relationship with this resource-rich country. If Portugal can target specific resources in both countries that are aligned with its own industry needs, it will not only increase economic activity but also strengthen relations between the nations.

## Mutual Investment Opportunities for Portugal and Africa

As with the shift in trade, there has also been a shift in investment following Portugal's economic crisis of 2008. Angola went from experiencing a net inflow of investment to a net outflow around 2009 (Figure 1). As Angola's economy has grown, it has been able to invest in other countries rather than to depend on FDI to support its own economy. Conversely, since 2010 Mozambique has enjoyed a huge increase in investment due to its abundance of natural and human resources, including land (see Figure 1). Portugal has also seen a slight increase in FDI inflow following its economic crisis (see Figure 1).

Prior to the economic crisis, Portugal was investing heavily in Angola, particularly in the banking and construction sectors. Foreign companies operating in Angola (38

Figure 1  
FDI Net Inflows



Source: World Bank (a).

percent of which are Portuguese) contribute about 40 percent of Angola's total GDP (Conchiglia). Once the crisis hit, FDI flows shifted; since then, Angolan state and private investors have been investing in Portuguese banks and energy firms. Sonangol, the national Angolan oil company, has been a leading investor, with large stakes in both the Portuguese banking sector (through the major Portuguese bank, Millennium BCP) and the Portuguese oil sector (through the major Portuguese energy group, Amorim Energia) (Conchiglia).

Incentives for FDI in Portuguese companies already exist, but none directly targets its former African colonies. One incentive is the Golden Visa program, which grants foreigners the right to apply for permanent residence in Portugal after meeting the requirements for investment. However, this program has been most attractive to Chinese investors. If Portugal can establish policies that directly target Angola, it can encourage more investment from Angola to help stimulate the Portuguese economy. One example of a policy Portugal could implement is tax incentives for Angolan oil companies investing in or partnering with Portuguese oil companies. Currently, Portugal uses

the EU's common external tariff system; but if it could lower trade tariffs for Angolan businesses, it would free up Angolan funds for investment.

A two-way investment flow would allow Portuguese companies to be involved in a growing marketplace and also bring investment to Portugal from successful African companies. International interest in the developing economies of Angola and Mozambique is strong, but Portugal has unique advantages that many other countries do not have. Angola's banking sector, as well as its infrastructure, needs significant development. Strong partnerships between major Portuguese and Angolan construction companies and banks are already in place, and Portugal is currently investing in banking and construction in Angola. It would be wise for Portugal to continue to focus on these two sectors since they are still developing and are projected to continue as growing sectors for many years.

### Construction

Investment in infrastructure projects is important for Angola. The country's outdated urban infrastructure has proved unable

to support a growing urban population (Jover et al., p.78). The long civil war in Angola only worsened the problem by destroying buildings and shifting focus away from development and toward resolving the conflict. Since the civil war, Angola has committed to not only reconstructing but also expanding infrastructure further. It has spent \$3.3 billion since 2005 on rail lines alone and has set aside \$1.25 billion for rehabilitating the Port of Lobito (Ruske and Kauschke, pp. 28–29).

Providing adequate basic transportation and electricity could also help boost the agriculture sector, which is currently underperforming compared to its capability (World Bank - Poverty..., p. 10). Uncertainties from fluctuating oil prices mean that Angola needs to expand its non-oil economy, and agriculture is a key sector of the non-oil economy. Increasing the efficiency and reliability of goods transportation can improve trade competitiveness by increasing consumer confidence in the safe arrival of goods and also providing faster shipping times (World Bank - Poverty..., p. 10).

The infrastructure of Mozambique is also far below international standards, especially its road transport infrastructure, with most roads unpaved and unconnected to a road network (Ruske and Kauschke, p. 59). From 2013 to the beginning of 2015, \$17 billion was invested in transportation projects in Mozambique, focused mostly on improving the shipping of natural resources (Ruske and Kauschke, p. 58). Such investments not only generate business for Portuguese construction but also can boost natural resource trade between Portugal and Mozambique. Countries larger than Portugal, especially China, are interested in natural resources and are already investing large sums in infrastructure projects in Africa. Portugal cannot compete with such countries, so it must find a different avenue for involvement in Africa.

Instead of investing, Portuguese construction companies could aid post-civil war reconstruction by exporting their services and building materials to Angola. Building materials are becoming one of Portugal's main exports, and the infrastructure investment boom in Southern Africa presents the perfect opportunity for Portugal to increase exports further. All of the big Portuguese construction companies, including the largest, Mota-Engil, have been involved in post-2002 reconstruction in Angola (Seabra and Gorjão, p. 9).

Infrastructure projects in Angola, and some in Mozambique, are going to be ongoing for a long time and a continued source of income if Portuguese companies are able to capitalize on them.

## Banking

Banking is another sector in which Angola is weak. Angola's financial sector has grown rapidly since the end of the civil war. From 2003 to 2011, the number of banks increased from 9 to 23, and total bank assets increased from \$3 billion to more than \$57 billion (World Bank - Poverty..., p. viii). Yet there is still no stock market, and access to financial services is limited (Jover et al., p. 19). Because of the lack of information that comes with such a developing financial sector, uncertainty remains in the ability of banks to provide loans to credit-worthy borrowers (World Bank - Poverty..., p. viii). Banks cannot get reliable credit information for potential borrowers because the banking infrastructure and data management are underdeveloped. Another problem is the uneven distribution of credit availability. Some markets are monopolized by a few large companies, stunting the growth of small- and medium-sized enterprises (World Bank - Poverty..., p. ix). There is a need for both public and private support for Angola's banking sector, as the regulatory framework is not strong. This is also the case for supporting institutions, such as private insurance and accounting companies and public recordkeeping (World Bank - Poverty..., p. viii).

Portugal can help Angola develop its banking sector to better support the growing economy in Angola. Portugal's involvement is not new, for each of Portugal's major banks has at some point been involved in joint-venture operations in Angola (Seabra and Gorjão, p. 9). More assistance is still needed, however, so the opportunity for Portuguese banks remains. Portuguese banks can also facilitate financial transactions and charge fees while Angola's banking sector becomes more structured. This can benefit Portugal financially but also benefit Angola because partnering with Portuguese banks will allow Angola to continue to gain access to capital markets worldwide through Portuguese economic ties.

## What Can Portugal Offer?

Although Portugal's economy has struggled



in recent years, it nevertheless has much to offer to developing countries like Mozambique and Angola. If Portugal wants to receive economic stimulus from its former colonies, it has to offer something in return. Although Portugal currently does not have the capacity to invest in its former African colonies, it can offer other things to Angola and Mozambique, including a better business environment for entrepreneurs and large corporations as well as a strong education system.

### Ease of Doing Business

Angola ranks near the bottom, 181st of 189 nations' economies, in the ease of doing business according to the World Bank 2015 Doing Business Index. Mozambique has a rank of 127 whereas Portugal's rank is 25 (World Bank [b], p. 4). These rankings, based on ten key indicators, suggest that it is much easier to do business in Portugal than in either Angola or Mozambique. Thus, there is an opportunity for companies from these two nations to have operations in Portugal and also invest in Portuguese companies. This would allow Angolan and Mozambican companies to take advantage of certain features of the Portuguese business atmosphere in which the African nations are weak.

Figures 2 and 3 show how Angola and Mozambique, respectively, rank in each of the ten indicators that determine the ease of doing business in a country. As shown in Figure 2, Angola's best category is dealing with construction permits, for which it ranked 67th of 189 countries. It is weak in most other categories, however, ranking last in resolving insolvency and in the bottom ten in enforcing contracts and getting credit. As shown in Figure 3, Mozambique is also ranked low with respect to enforcing contracts, as well as in getting electricity.

Portugal also has more advanced transportation and information and communications technology infrastructures than Angola and Mozambique. Portugal's transportation infrastructure includes a deep sea port, four international rail lines, and many high-quality airports and roadways (Figueiredo, p. 44). Portugal also has digital subscriber line (DSL) coverage in 95 percent of the country and ranks in the top ten for fastest and lowest cost broadband among EU countries (Figueiredo, p. 45). In addition to having an infrastructure conducive to doing business,

Portugal has policies in place to facilitate business partnerships, such as the Zero Licensing program, which helps small retail businesses get started by eliminating or lessening obstacles such as licenses, permits, and certifications (Figueiredo, p. 48).

The absence of a strong banking sector in Angola makes it difficult for businesses to secure loans and is one of the main reasons for Angola's low ranking in the ease of doing business. Because there are many reasons it is easier to do business in Portugal, there is opportunity for Angolan and Mozambique companies to invest in Portugal to gain access to the financial, transportation, and energy infrastructures they do not have in their own countries.

### Education

Education is another area in which Portugal has an advantage over Angola and Mozambique. There is a shortage of skilled labor in both African countries, making it difficult for local and foreign companies to operate (Jover et al., p. 19). One-third of the chief executive officers in PwC's 15th Annual Global CEO Survey reported that a shortage of educated workers had negatively affected their businesses (Broadman). The Joint Way Forward, part of the Angola-EU dialogue focused on addressing global issues of common interest, outlines the importance of improving the education and skill levels of people in Angola in order to achieve sustainable economic growth (EEAS, p. 5).

Special programs between Portugal and PALOP countries already support African students attending universities in Portugal, such as through scholarships and easier documentation for permanent residence after graduation ("European Migration Network," p. 15). Portuguese universities have also established branches in Angola and Mozambique as well as partnerships with local universities ("European Migration Network," p. 43). More than 3,500 Angolans attended Portuguese universities in 2008 and 2009 (Seabra and Gorjão, p. 8). There has also been cooperation at the primary and secondary school levels. For example, in 2008 the Portuguese Prime Minister announced that Portugal would send 200 teachers to Angola (Seabra and Gorjão, p. 8). This is all possible because young people in Angola speak Portuguese. A continued effort to educate people in

Figure 2

### Angola's Rankings on Doing Business by Category



Source: World Bank (c), p. 9.

Figure 3

### Mozambique's Rankings on Doing Business by Category



Source: World Bank (d), p. 9.

Mozambique and Angola is important to Portugal's political agenda but also greatly benefits the African nations.

### Conclusion

Despite international competition in Africa, especially in Angola, Portugal can remain economically competitive by leveraging its distinctive relationships with Angola and Mozambique. Portugal's unique shared history with Angola and Mozambique means that it is often preferred for new ventures over more economically and politically powerful countries. Throughout history, Portugal has supported the needs of its former colonies through aid and investment. Angola has recently had the

opportunity to do the same for Portugal, thereby strengthening their relationship. The new two-way nature of the relationship has created business opportunities that were not available previously. This is important because expanding and diversifying the Portuguese economy beyond the EU will be key to post-crisis recovery. Portugal is an attractive option for Angolan and Mozambican business investment largely because the people in all three countries speak the same language. This eliminates one barrier in an already complicated process. Portugal also has a healthy infrastructure for doing business. Furthermore, Portugal has much to gain from economic partnerships with Angola and Mozambique, whose needs align closely with Portugal's strengths and vice versa.

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