

Lula's African Tour Opens Doors to Brazilian Businessmen

Contributed by Vítor Abdala
Thursday, 09 February 2006

Brazilian President Luiz Inácio Lula da Silva ends his visit to Algeria today with meetings with government authorities, an exchange of decorations with the President and the signing of four agreements in trade, maritime shipping, agriculture and animal and plant sanitation.

The president and his committee also discussed the Algerian embargo on Brazilian beef following reports of cases of foot and mouth disease in Mato Grosso do Sul last year. They will also open an exposition of photographs on Arabs in South America.

After a lunch this afternoon in his honor offered by the government of Algeria, Lula will travel to Cotonou, in Benin, the next stop on his five-day trip to Africa. Lula returns to Brazil on Sunday, February 12.

Businessmen

A small group of Brazilian businessmen are travelling with Lula. During their visit to Algeria, most of them looked for opportunities. But some, such as the construction firms Odebrecht and Andrade Gutierrez are already doing business there.

According to Flávio Machado, director of Institutional Relations at Andrade Gutierrez, the firm recently won a bid to build a dam in northeast Algeria.

Machado says the dam project is a gateway to other business in the local market. "There is no doubt that the contract we already have, and now the presidential visit, will open doors for Brazilian companies," he declared.

Meanwhile, Gustavo Assad, of Odebrecht, says Algeria is a good investment destination.

"This visit makes it easy to make contacts and gain entrance to the African market," he says, adding that Odebrecht has been in Angola for 20 years and is now eager to expand to the rest of the continent.

Oil Deal

Brazilian oil company Petrobras, and its Algerian counterpart, Sonatrach, may engage on a partnership this year. While visiting Algeria, Brazilian Minister of Mines and Energy, Silas Rondeau, revealed existing negotiations to bring the two companies together into a consortium. The consortium could participate on the oil basin exploration auction scheduled for the end of 2006, in Brazil.

According to Rondeau, Petrobras and Sonatrach partnership would also be valid in Algeria, that is, the Brazilian company could also, with the consortium, compete for oil basin exploration in Algeria.

An Algerian delegation will go to Brazil in March with the objective of expanding negotiations with Petrobras. Minister Silas Rondeau integrates the Brazilian presidential delegation that is visiting Africa this week.

ABr