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26 September 1987

TALKING POINTS FOR THE DDCI

ANGOLA

The Angolan government is engaged in a major seasonal offensive aimed at UNITA-held territory in southeastern Angola. The Army was making some progress toward its main objective at Mavinga until checked last week with the help of direct South African military intervention. Luanda probably is seeking a battlefield victory to complement political and economic initiatives intended to isolate UNITA from its outside support and shore up Angola's faltering economy.

[Redacted]

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Military Situation

Luanda's two-front offensive against UNITA strongholds in the southeast--which began in early July--appears to have been stalled by recent South African intervention and increased insurgent resistance.

[Redacted]

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On the Cuito Cuanavale Front

[Redacted]

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[Redacted]

South Africa has recently conducted airstrikes against forward Angolan units advancing toward Mavinga and

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[Redacted]

that insurgent attacks have checked the advance, exacting substantial casualties and material loss.

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[Redacted]

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[Redacted]

South African infantry and

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artillery in the Mavinga area, and about 50 combat

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[Redacted]

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[Redacted]

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aircraft remain at bases across the border in Namibia.

[Redacted]

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On the Lucusse Front, government forces remain in positions captured in early August, according to insurgent reporting

[Redacted]

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-- UNITA attacks appear to have disrupted government resupply efforts.

[Redacted]

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[Redacted]

strategy has been to allow for the

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maximum extension of government supply lines and for Angolan units to enter more open terrain.

[Redacted]

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-- UNITA forces had counted on guerrilla tactics to slow the government advance, but now appear to have undertaken larger scale, joint operations with South Africa in order to prevent Mavinga from falling.

[Redacted]

[Redacted]

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Luanda undoubtedly anticipated South African intervention when planning this year's offensive and will probably resupply and reinforce before attempting further advances.

-- Pretoria's decision to risk irreplaceable air assets in attacks against Angolan forces indicates that its is probably willing to commit whatever forces are necessary to defend UNITA's stronghold.

[Redacted]

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-- To cover its next push, Angola probably will require air cover by Cuban-flown aircraft, risking an escalation of the conflict.

[Redacted]

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Deteriorating Economy

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Angolan officials are increasingly concerned that deteriorating living conditions hurt the government's ability to win popular support and could even provoke domestic unrest.

[Redacted]

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-- A foreign exchange shortfall has induced Luanda to cut food imports, causing severe shortages of basic goods.

[Redacted]

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The economic crunch, caused by reduced oil revenues and the high costs of fighting the UNITA insurgency, have induced Angolan to seek increased aid and investment from the West, despite heavy reliance on Soviet and Cuban military support.

[Redacted]

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-- Oil earnings--the mainstay of the economy--continue to lag behind record 1985 levels because of reduced world oil prices.

[Redacted]

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-- Attacks by UNITA on coffee and diamond producers and transportation links have cut other export earnings.

[Redacted]

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As a way out, Luanda has outlined an economic reform program and has intensified efforts to win increased aid and investment from Western countries.

[Redacted]

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-- It has acquired easier repayment terms and new credits--including more than \$900 million for oil exploration--from Western institutions. It plans to apply for IMF membership and has shaped its economic reform program in accord with IMF criteria.

[Redacted]

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[Redacted]

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[Redacted]

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-- President dos Santos is in the middle of a two-week swing through France, Belgium, Italy, and Portugal seeking additional financial assistance. [Redacted]

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The Soviet Union has sheltered the military security of the government from the economic decline. [Redacted]

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-- Military deliveries of about \$1 billion last year are continuing at high levels this year. [Redacted]

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-- Luanda has also received a three-year repayment moratorium on its \$3.3 billion debt to the USSR. [Redacted]

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Despite the belt-tightening and foreign assistance, continued foreign exchange shortfalls, UNITA attacks, and management deficiencies rule out chances for an economic rebound anytime soon. [Redacted]

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Negotiations on Cuban Troop Withdrawal

Luanda views participation in US-brokered negotiations linking a Cuban troop withdrawal to UN-sanctioned independence for Namibia as a way of isolating UNITA from outside support. Progress in the long-running negotiations has been slow because Luanda feared departure of its Cuban backup would threaten the security of its regime. [Redacted]

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-- Luanda's recent offer of flexibility was intended to get the negotiations back on track. Angola proposed to withdraw 20,000 troops in the southern part of the country in two years instead of three. The government also called for Cuban inclusion in the negotiations-- probably Havana's price for going along. [Redacted]

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[Redacted]

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[Redacted]

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-- Luanda has said, however, that this is not a final offer and that it is willing to consider further concessions, including withdrawal of the approximately 15,000 Cuban military personnel in the northern part of the country.

[Redacted]

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Political Control

After several years of adroit political manipulation, President dos Santos appears to be firmly in charge of the government and party. Political rivals and proponents of more extreme positions have been exiled or demoted to less sensitive positions.

[Redacted]

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-- Dos Santos instituted an overhaul of the party leadership in 1985 and recently has been replacing ministerial-level government officials with more competent loyalists.

[Redacted]

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-- The President has also taken charge of the economic reform campaign and is closely associated with Luanda's military strategy and decision to reenergize the negotiations with the US.

[Redacted]

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[Redacted]

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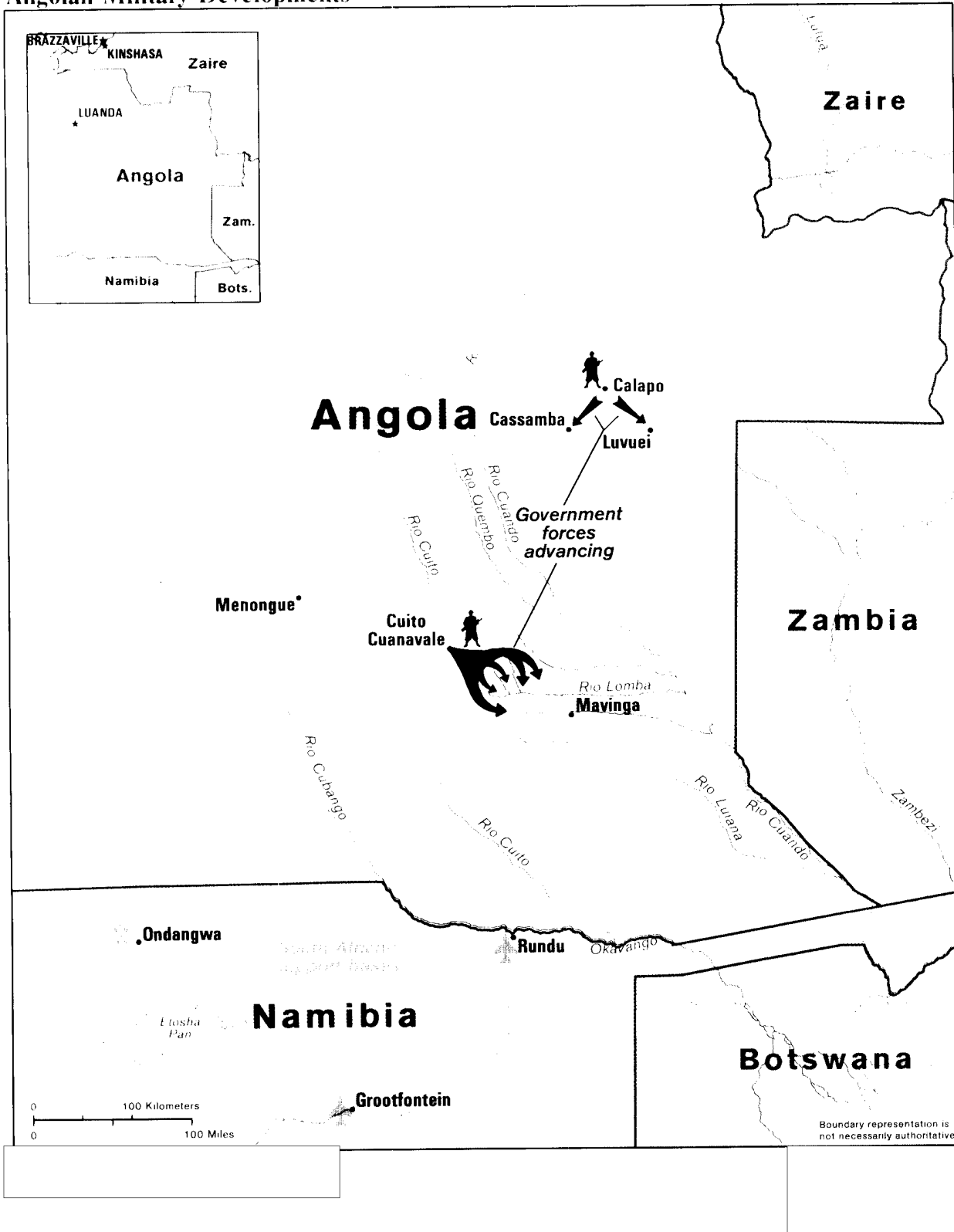
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Angolan Military Developments



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Angolan Developments
Volume 1, Number 37

Reporting Period: 9 - 16 September 1987

Summary

[redacted] that a decisive battle for Mavinga will be waged by the end of the month. Positions of government units remain relatively unchanged since last week, however, probably as they await resupply. [redacted]

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Military Activity

Cuito Cuanavale Front: UNITA officials believe that a decisive engagement will be fought before the end of the month that will either turn back the government advance or result in the loss of Mavinga [redacted]. Although UNITA's overall strategy of attacking extended government logistic lines with guerrilla units will continue, UNITA is preparing for a large-scale conventional engagement. [redacted]

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[redacted] government units along the Cuito Cuanavale Front have advanced to the point where further movement will have to be over open terrain. UNITA has been waiting for Angolan armored and mechanized elements to depart areas of thick brush so they could engage them from longer range with artillery and antiarmor weapons. [redacted]

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South Africa bolstered UNITA's artillery assets in the area by transporting eight "Valkiri" multiple rocket launchers and 1,600 rounds of ammunition to UNITA forces at Mavinga on 29 August, according to a fairly reliable source. The weapons--to be crewed by South African personnel--were immediately deployed to insurgent defensive positions along the Lomba River. [redacted]

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Government combat groups have generally maintained their positions since last week, apparently awaiting resupply, [redacted]

Although the Cuito Cuanavale bridge does not yet appear to have been repaired [redacted]

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[redacted] a column of over 100 vehicles has been ferried across the river and is now approximately 30 miles east of Cuito Cuanavale. The convoy will probably resupply forward Angolan combat groups in preparation for further advances towards Mavinga. [redacted]

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On 4 September, a UNITA Stinger missile downed an Angolan MiG-23 near Mavinga, according to UNITA officials. The aircraft was one of six aircraft involved in a bombing run on the logistical base at Mavinga. [redacted]

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Lucusse Front: [redacted] that the situation on the the Lucusse Front has stabilized and that they do not anticipate further advances beyond current government positions at Cassamba and Luvuei for the time being. [redacted]

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[redacted] insurgent forces have launched frequent and effective attacks against government command posts and supply columns in the area, probably accounting for the stalled advance on this front. [redacted] that as the rainy season begins, the rivers between Calapo and government positions will become too swollen to be crossed by tactical bridging equipment, and that these units probably will have to retreat back across the Lungue-Bungo River to avoid being cut off. [redacted]

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Northern Provinces: Pretoria is continuing its logistics support to UNITA in the north. In early August, a South African C-130 transported 15 tons of materiel and 30 insurgent troops from Jamba to Kinshasa for infiltration to Cabinda and other northern Angolan provinces [redacted]

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[redacted] that on 27 August, the South African Defense Force successfully air-dropped supplies to insurgent forces in Lunda Sul Province. [redacted]

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[redacted] two South African C-160 transports each dropped ten tons of supplies, consisting of small arms ammunition, explosives, and antipersonnel mines. All of the supplies were recovered safely by UNITA on the ground. [redacted]

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South Africa and Namibia: South African forces are being strengthened in northern Namibia and along the southeastern border area in case they are needed to support UNITA. [redacted]

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[redacted] South African units will intervene only on the authority of President Botha who will make his determination based on developments as they unfold. No decision to enter the conflict had been made as of late August because UNITA's military position appeared sound and did not require conventional SADF assistance. [redacted]

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South African air strength in Namibia remains high. [redacted]

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[redacted] 16 fighter and 17 ground attack aircraft at airfields near the Angolan border, and 9 fighters, three Canberra reconnaissance-bombers, and four Buccaneer strike aircraft deployed to Grootfontein. [redacted]

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Highlights

Offensive Strains Logistic System: A Western air cargo company chartered by the Angolan government is flying aviation fuel to Menonque to supplement Soviet transports [redacted]

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[redacted] the company flew similar missions until the end of 1986 when the Soviets took over full responsibility, but resumed operations in mid-June. The company is flying two L-100 and one DC-8 transport and the crews--many of whom are US citizens--are flying extra runs due to

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[redacted] pilot shortage. [redacted] that the Soviets could not provide sufficient fuel on their own because the Soviets can only haul 12,000 liters of fuel in their AN-12s while the L-100 can carry 20,000 liters. [redacted] Soviet air transport activity has also increased, and almost 60-percent of the 150 Soviet-flown AN-12 and IL-76 cargo flights in Angola during the second half of August were flown to Menongue and Cuito Cuanavale. Moreover, Soviet advisers in early August took charge of unloading operations at Cuito Cuanavale after expressing dissatisfaction with the Angolan force's lack organization.

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Comment: Despite a major effort to build up the stocks in Menongue and Cuito Cuanavale over the last two years, the demands of a five-brigade offensive apparently are straining the existing logistics system. The decision to hire a Western air charter company indicates that the major road convoys and Soviet air transports are unable at the same time to meet daily requirements in the southeast and routine needs elsewhere in the country.

[redacted] indicates that many units not directly involved in the offensive are short of food and fuel, indicating that the southeast has the priority.

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Other Developments

South African Navy conducting sea trials on prototypes of a remote-radio-controlled torpedo for special operations use, [redacted]. .designed to be transported by three-man commando teams, launched from shore, in close proximity to harbor. . .if testing is successful weapon will be used against ships in Angolan harbors. [redacted]

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Average prices for Angola's 51 percent share of oil exported from Cabinda increased to \$17.18 a barrel during the second quarter of 1987. . .up nearly one-third from prices six months earlier, [redacted]. total production from all Angolan fields increased to 311,000 b/d in August compared with an average of 280,000 b/d in 1986. . .will increase oil exports from \$1.3 billion in 1986 to roughly \$1.8 billion in 1987 if upward trend continues. [redacted]

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Brazilian middleman arranging purchase by Angola of 10 used C-130 transports in the US [redacted]. . falsified certificates to show Portugal and Ecuador as end users. . .Luanda has been seeking C-130s for years and prepared to pay up to \$100 million to bolster its airlift capacity. [redacted]

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[redacted] Angolan AAA gunners shot down civilian helicopter and Angolan military helicopter flying near Cabinda oil terminal in June. . .this month shot at, but missed, aircraft carrying US Congressional delegation to Cabinda [redacted]. .Luanda [redacted]

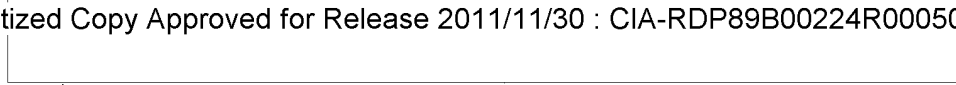
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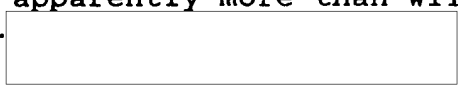
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extremely sensitive about security in oil producing center and nervous gunners apparently more than willing shoot first and ask questions later.



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Angolan Developments 9-16 September 1987

