

Angola Business Environment News

Alert – avoid problems with the MININT MISA immigration inspectors – ensure compliance with the new immigration law.

Solutions-related events 2008 update:

June Keith Campbell on “The Outlook for the Upcoming Elections” – held on 12 June 2008 – presentation on SA-ACC website

July Jopie Coetzee on “Advanced Investment Risk Mitigation using Vector analysis” – held on 9 July 2008 – presentation on website

Roger Ballard-Tremeer on “Trade and Investment opportunities in Angolan Agriculture” at Agribusiness Africa 2008 – 21 July 2008 – presentation on website

Themis on “Mitigating governance and compliance risk using software” – held on 22 July 2008 – presentation on website

August WISER’s Angola Seminar – 5 August 2008

Africa Investor’s Angola Business Briefing – 6 August 2008 – with Deputy Prime Minister Dr Jaime Aguiñaldo

Briefing on “Trade and investment opportunities in Angola” for visiting business delegation from Malaysia – 7 August 2008 - Roger Ballard-Tremeer

IIR’s SA-Angola Forum 2008 – 19/20/21 August 2008 – with Dr Gabriel Kiala

September Panel discussion on “Tackling the Worsening Port Congestion Crisis by Road” - to be held on 9 September 2008 – details to be circulated

Corin Mitchell on “Accessing the Africa Enterprise Challenge Fund for your Agricultural projects”

To activate a URL please copy and paste into your browser.

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Access all the ABEN content since August 2007 on the SA-ACC website, at your convenience.

The content of the ABEN responds to your needs – make your needs known by replying to this message with your input.

ABEN enables you to engage in Angolan time travel – yesterday / today / tomorrow – look through the URLs and savour the experience.

Never rely solely on the English language versions of ANGOP reports – always refer to the original Portuguese language version for decision-making purposes.

Bridging the cross cultural business diversity gap between home and Angola is a critical business success factor – engage a gap coach – contact ABEN.

Interpreting and translating – only use interpreters and translators that are “sworn” and “accredited”:

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Beware of the “sale of oil blocks” scam now being perpetrated – if you are approached by an entity purporting to offer oil blocks for sale outside the licensing round, allegedly on behalf of SONANGOL, contact ABEN immediately.

Historically, directors, and particularly non-executive directors, had little formal liability when it came to the decisions they made at their companies. Now, however, there is a much more serious fiduciary burden on directors, and they face possible fines or jail time if they fail in their duties... The negligent and / or fraudulent carrying on of business by directors and / or the company officers (including country managers) thereby causing liability to the company may result in the directors and / or the company officers being personally liable at least in terms of delict in common law – in a weak governance environment the risk of negligence escalates considerably – mitigate this cross-border risk using software and gap coaching – contact ABEN

Standard Bank Angola Mid-year gauge “Improved transport network benefits agriculture”

... Angola continues to outperform regional peers as high oil prices and increased production continue to drive high GDP growth rates. According to the Ministry of Finance, GDP growth in 2007 recorded 24.4%, above the IMF’s predictions of 23.8% and the government’s own forecasts of 19.8%. Angola’s economic growth surpassed the rest of the continent, which recorded an average growth rate of 7.6%. The oil sector grew at 21.8% up from 13.1% in 2006. The non-oil sector grew at 25.7%. The agricultural sector is gradually recovering. Considering the relative weight of transport costs on the final value of farm products and food, the reopening of roads at the end of the civil war alone provided a major benefit to the agricultural sector. Between 60% and 70% of Angolans earn their living from agriculture, which currently accounts for less than 10% of GDP. Owing to its importance in employment creation and poverty reduction, the government prioritised the agricultural sector for public investment, particularly irrigation. The investment in irrigation and infrastructure, particularly the transportation network, timely availability of inputs, the resettlement of internally displaced people and improved security in rural areas resulted in a growth rate of more than 9% in 2006/07. This recovery was aided by improved weather and an increase in cultivated area due to the continued removal of land mines from the countryside. The output should continue to grow as the government attempts to revitalise the once-dominant sector and continues to further increase land that can be cultivated. The outlook for the 2007/08 season is for growth of 12.5%. Despite efforts to encourage regional development, boost the country’s infrastructure and diversify the economy, the oil sector remains the pillar of the economy. With more oil production scheduled to come on stream from existing discoveries and the price of crude oil predicted to remain high, prospects are promising for continued economic growth...<http://ws9.standardbank.co.za/sbrp/LatestResearch.do>

Brazil - Strong economy propels to world stage [access this market – contact ABEN]

...The momentum of its economic expansion is expected to last. As the United States and parts of Europe struggle with recession and the fallout from housing crises, Brazil’s economy shows few of the vulnerabilities of other emerging powers. It has greatly diversified its industrial base, has huge potential to expand a booming agricultural sector into virgin fields and holds a tremendous pool of untapped natural resources. New oil discoveries will thrust Brazil into the ranks of the global oil powers within the next decade...

http://www.nytimes.com/2008/07/31/world/americas/31brazil.html?_r=1&th&emc=th&oref=slog
in

Angola sees continued double digit growth in 2009 – Angolan Deputy Prime Minister

... Angola, sub-Saharan Africa’s second-biggest oil producer, expects to maintain double-digit economic growth next year and may launch its own stock exchange by early 2009, its deputy prime minister said on Wednesday. "In 2009, it [gross domestic product] will continue to grow in double digits," **Aguinaldo Jaime** told a Johannesburg investment briefing aimed at showcasing business opportunities in one of the continent’s fastest growing economies. The southern African country in May forecast economic growth of 16,5% in 2008, driven by oil exports, compared to 24,4 percent in 2007. The World Bank expects the economy to expand by 20% this year with growth slowing to 10% to 11% in 2009. Jaime also said launching a Luanda stock exchange was a "task for the next government", which will be elected in long-

delayed parliamentary elections due next month. "I don't think it would be fair on my side to put a deadline. Just to forecast, maybe late 2008 or beginning of 2009," Jaime told Reuters on the sidelines of the briefing. Jaime declined to say whether President **Jose Eduardo dos Santos** would stand in a presidential vote due to be held next year, although he said that was a possibility. "What we have decided is to concentrate on the parliamentary elections and not the presidential elections next year," he said. "After that we can talk about that, including the possibility of dos Santos contesting." Asked whether he expected dos Santos's ruling MPLA party to retain its majority in parliament in next month's vote, he said he was confident of a "strong turnout", and that he was sure voters would "recognise what the MPLA has done for the country". ..
http://www.engineeringnews.co.za/article.php?a_id=140079

Endiama eyes 17 million carats by 2010

... Angola's state-owned diamond firm Endiama said on Wednesday it hopes to produce 17 million carats by 2010 and was hoping to start mining in the northeast by the same year under a joint deal with mining giant De Beers...
<http://africa.reuters.com/country/AO/news/usnBAN654467.html>

Standard Bank on "Report on key macro-economic indicators for select African economies" July 2008

...Angola's inflation rate declines to less than South Africa's inflation rate for the first time...Angola's GDP remains ultra-high...
<http://ws9.standardbank.co.za/sbrp/LatestResearch.do>

Pangea Diamond fields – operational update August 2008

... *Cassanguidi Project* The impact of an improvement in fleet availability was seen late in the quarter with production for the quarter to June 2008 at 6,948 carats. Whilst this is expected to further improve during the third quarter, the project is still reliant on receiving replacement earthmoving equipment and the equipment currently being sourced for the planned expansion programme.

Contractual arrangements are ongoing to complete the purchase of an additional 30% shareholding and 100% of all shareholder loans, in the Angolan subsidiary, Sub Sahara, at an approximate cost of USD450,000. This will give the Company a 58.5% indirect participation interest in the Cassanguidi Project. The Company is confident that these arrangements will be finalised shortly and is progressing with expansion plans on this basis. Following the previously announced decision to develop the Cassanguidi Project to commercial scale operations, a conditional agreement has been entered into with a third party in Angola to purchase all equipment and spares from an operation which has recently closed down and to move this equipment to Cassanguidi to equip the expanded project. This is seen as a major benefit to the project as it saves significantly on the time and cost required to procure and ship similar equipment to Angola from South Africa. Final negotiations are in progress to commence moving this equipment to site and the Company remains optimistic that the expanded operations can be constructed and commissioned by the end of 2008...

<http://www.pangeadiamondfields.com/invest/Operations%20Update%20and%20Resource%20Estimates.pdf>

BP Angola Umbilical Contract for Aker Solutions

... The contract is for manufacturing and delivery of 48 kilometres of steel tube umbilicals, the dynamic section of the umbilicals will be made using the Aker Solutions patented carbon fibre rod technology, which is developed specifically for deepwater and ultra-deepwater conditions...

<http://www.processingtalk.com/news/ark/ark231.html>

Business Anti-Corruption Portal

...Welcome to the Business Anti-Corruption Portal for small and medium sized companies operating in emerging markets and developing countries - use the menus left to navigate or click on the map below to access the Country Profiles...

<http://www.business-anti-corruption.com/Home.asp?pageid=4>

Angola page <http://www.business-anti-corruption.com/normal.asp?pageid=386>

West African Power Pool at WAPIC 2008

... The West African Power Pool has come on board as a supporting association of the 5th West African Power Industry Convention (WAPIC), the premier strategic conference for the region's power stakeholders. WAPIC takes place in Abuja, Nigeria from 25-27 November 2008 and is part of the Infrastructure Partnerships for African Development WEST AFRICA series of conference and exhibitions...

<http://www.esi-africa.com/node/9515>

Climate Change for Business

<http://www.climatechangecorp.com/>

Business Fighting Corruption

...This practical Guide explains Collective Action, its benefits, and how to use it. The Guide is intended primarily for use by anyone with responsibility for a major project or market, and who operates in an environment where corruption is, or may be present. Others who may benefit from this material include senior executives, company board members, government officials, civil society and others directly or indirectly affected by the adverse effects of corruption on business and society...

<http://info.worldbank.org/etools/antic/Guide.asp>

Switzerland on Governance in the name of peace, justice and prosperity

...The objective of governance is to create an environment that strengthens rule of law and human rights, gender equality, appropriate distribution of power and macro-economic stability. Governance helps to improve social and economic framework conditions in the service of sustainable development, the fight against poverty and human security. That is why Switzerland has made it one of its core thematic areas for its development cooperation work...

<http://www.sdc.admin.ch/en/Home/Themes/Governance>

Angola page ... Three decades of armed conflict led to the almost total destruction of Angola's social, industrial, communications and agricultural infrastructures, and to concentration of the population in urban and peri-urban areas as the result of rural migration. The SDC's Humanitarian Aid and SHA Department has been operating in Angola since 1995. The humanitarian aid programme was discontinued at the end of 2006. Since then, the SDC has maintained a Cooperation Office in Luanda, supporting implementation of a joint socio-humanitarian programme (SHP) based on a bilateral agreement signed between Switzerland and Angola about the return of Angolan assets previously frozen in Switzerland...
http://www.sdc.admin.ch/en/Home/Countries/Eastern_Central_Southern_Africa/Angola

South Africa – Angola Chamber of Commerce – five years of members applying this code of conduct in trade with, and investment in, Angola.

Article 1: Extortion and coercion

No one may, directly or indirectly, demand or accept a bribe.

Article 2: Bribery and "Kickbacks"

- a.) No Member may, directly or indirectly, offer or give a bribe and any demands for such a bribe must be rejected.
- b.) Members should not (i) kick back any portion of a contract payment to employees of the other contracting party, or (ii) utilize other techniques, such as subcontracts, purchase orders or consulting agreements, to channel payments to government officials, to employees of the other contracting party, their relatives or business associates.

Article 3: Agents

Members should take measures reasonably within their power to ensure:

- a) that any payment made to any agent represents no more than an appropriate remuneration for legitimate services rendered by such agent;
- b) that no part of any such payment is passed on by the agent as a bribe or otherwise in contravention of these Rules of Conduct; and
- c) that they maintain a record of the names and terms of employment of all agents who are retained by them in connection with transactions with public bodies or State enterprises. This record should be available for inspection by auditors and, upon specific request, by appropriate, duly authorized governmental authorities under conditions of confidentiality.

Article 4: Financial Recording and Auditing

- a) All financial transactions must be properly and fairly recorded in appropriate books of account available for inspection by boards of directors, if applicable, or a corresponding body, as well as auditors.
- b) There must be no "off the books" or secret accounts, nor may any documents be issued which do not properly and fairly record the transactions to which they relate.
- c) Members should take all necessary measures to establish independent systems of auditing in order to bring to light any transactions which contravene the present Rules of Conduct. Appropriate corrective action must then be taken.

Article 5: Responsibilities of Members

The board of directors or other body with ultimate responsibility for the member should:

- a) take reasonable steps, including the establishment and maintenance of proper systems of control aimed at preventing any payments being made by or on behalf of the member which contravene these Rules of Conduct;
- b) periodically review compliance with these Rules of Conduct and establish procedures for obtaining appropriate reports for the purposes of such review; and
- c) take appropriate action against any director or employee contravening these Rules of Conduct.

Article 6: Political Contributions

Contributions to political parties or committees or to individual politicians may only be made in accordance with the applicable law, and all requirements for public disclosure of such contributions shall be fully complied with. All such contributions must be reported to senior corporate management.

Article 7: Company Codes

These Rules of Conduct being of a general nature, members should, where appropriate, draw up their own codes consistent with the ICC Rules and apply them to the particular circumstances in which their business is carried out. Such codes may usefully include examples and should enjoin employees or agents who find themselves subjected to any form of extortion or bribery immediately to report the same to senior corporate management. Members should develop clear policies, guidelines, and training programmes for implementing and enforcing the provisions of their codes.

With acknowledgement to the ICC <http://www.iccwbo.org/>

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Panorama of the Bay of Luanda from the Fortaleza

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