

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 – held on 6 August 2008 – with Deputy Prime Minister Dr Jaime Aguinaldo

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

IIR’s SA-Angola Forum 2008 – held on 19/20/21 August 2008 – lead speaker Dr Gabriel Kiala; Chair / Workshop leader Roger Ballard-Tremeer

September Panel discussion on “Tackling the Worsening Port Congestion Crisis by Road” – details to be advised

Corin Mitchell on “Accessing the Africa Enterprise Challenge Fund for your Agricultural projects” – details to be advised

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.

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

Angola prepares for vote Friday

... "This moment represents an unprecedented step towards ... improving the lawful and democratic state," dos Santos, president almost since independence from Portugal in 1975, told his countrymen as he opened the campaign period earlier this year. "Since the first general elections held in 1992, we have been advancing in the direction of political normalcy, sometimes slower and some other times faster"
<http://www.iht.com/articles/ap/2008/09/04/africa/AF-Angola-Elections.php>

Standard Bank on “Africa Markets Watch – Angola”

... One day to go before Angola holds historic elections for the first time in 16 years. The legislative elections that will be held on Friday 5 September will act as a precursor to the presidential election to be held in 2009 and will be a significant indicator of just how much Angola's democracy has evolved. A successful legislative election will ensure that a presidential poll is held next year, and also the country's first municipal elections. This process is, for many, synonymous with renewed hopes and consolidation of democracy, and normalisation of political life. In many Sub-Saharan African countries politics tends to dominate economic policy, in the sense that economic activities and actors are constrained by political repression and lack of economic and political freedoms of various degrees. Economic freedom indicators are all under the control of government and can be remedied by appropriate action...
<http://ws9.standardbank.co.za/sbrp/LatestResearch.do>

Angola prepares for Landmark Vote

... Angolan political parties were set to wrap up an intensive election campaign on Wednesday with mass rallies as Africa's biggest oil producer prepared for its first peacetime election on Friday. The oil- and diamond-rich country where millions live poverty despite sky-rocketing economic growth sees the vote as a crucial test for its democracy six years after a peace deal that ended a bloody 27-year civil war. "These elections mean to me freedom that democracy can bring after 30 years of civil conflict. The people have, at this moment, the possibility to choose who in fact should govern," said Domingos Costa, a religious leader from the Samba district of Luanda. This will be the first attempt since aborted 1992 elections to hold a poll, and concerns have been raised that the run-up to the vote has been one-sided, with the Movement for the Liberation of Angola (MPLA) of President Jose Eduardo dos Santos dominating the campaign. The left-wing MPLA was originally a Marxist-Leninist group but is now nominally social democratic. Their main rivals in the vote are the former rebels of the pro-western National Union for the Total Independence of Angola (Unita). In Angola's capital, Luanda, the austere image of Dos Santos bears down from massive banners and posters while the streets are awash with the black, red and yellow of the ruling party. MPLA members, dressed in the party colours, speed around on motorbikes chanting slogans and revving their engines as they urge citizens to vote in their party's favour. The long, uphill road in central Luanda leading to the Unita offices is decked out with MPLA paraphernalia, with a lone Unita flag bearing its rooster symbol. Some observers have said that the credibility of the vote could be undermined by the dominance of the MPLA. "The perceived homogeneity between the state and the MPLA, giving the incumbent regime an unfair advantage over other political parties, is one such issue" that could undermine credibility, according to a pre-election report by independent think tank London-based Chatham House. Former rebel movement Unita has created little momentum since signing the 2002 peace agreement given the MPLA's control of the country's huge oil and diamond reserves. About eight million voters have registered for the election in a 12-

month campaign across the country's 18 provinces, and many Angolans look forward to the opportunity to cast their ballots. "This election means change, the opportunity to choose a better party," 27-year-old university student Maria Serafina said. Friday's poll marks Angola's first vote since an aborted election in 1992 sparked renewed violence when late Unita leader Jonas Savimbi refused to accept results that gave the MPLA 49,5% to Unita's 40%, and pulled out of a run-off vote. Few here expect a return to the bloody civil war, which ended with Savimbi's death in 2002. However, the opposition has complained of "a climate of threats, intimidation and violence" in the run-up to the vote, saying four of its supporters had been killed. "There has been a lot of intolerance in some provinces. There are areas that have been like government's fiefdoms where other parties could not access," Unita general secretary Abilio Kamalata Numa said. Unita has been focusing its campaign on criticising the MPLA for the slow pace of reconstruction and massive poverty that remains. Dos Santos and his government are accused by some of pilfering money from oil-revenues to fund flashy lifestyles while failing to distribute the wealth to the poor. Angola's riches have sent investors flocking to the nation, resulting in growth rates averaging about 20% a year since 2005. But the country was ranked as the 32nd most corrupt state by a 2007 Transparency International report. -- Sapa-AFP...

<http://www.mg.co.za/article/2008-09-03-angola-prepares-for-landmark-peace-time-vote>

Indian driller bags Angolan contract

... Indian driller Aban Offshore's joint venture offshoot Venture Drilling has signed an 18-month deal with Maersk Oil Angola at an operating day rate of \$495,000. The contract will start in July next year and is a direct continuation from the existing contract. The deal is set to net around \$271 million worth of revenue, Aban said in a statement to the Indian Stock Exchange. Aban Offshore holds a 50% interest in Venture Drilling...

<http://www.upstreamonline.com/incoming/article162245.ece>

Scientific American on Satellite's-eye view of Africa despoiled – Catoca on slides 7 and 8

http://www.sciam.com/slideshow.cfm?id=satellites-eye-view-of-africa&thumbs=horizontal&photo_id=79830777-FA98-16C5-BF3F08979536FD6D

Light Engineering Study in Angola 2006

...A brief analysis of Angola's trade in light engineering products shows a very familiar pattern – that the oil industry (and to a lesser degree, other extractive industries) drive the sector. Thus imports of tube, pipe, fittings, other fabricated metal structures and items such as pumps, feature very prominently in the import basket. Because these tend to be large value imports, they obscure the fact that there is a healthy market in the country for workshop tools, agricultural tools, food and beverage machinery and a variety of electronic goods as well...

<http://www.lightengineering2006.com/Downloads/SECTOR%20STUDY%20ANGOLA%20FINAL.pdf>

INSAT on Angola

... In this issue of INSAT we look at Angola, a country that has come a long way since the end of a devastating civil war in 2003. Double-figure growth and fast-tracked reconstruction - fuelled largely by high international oil prices and generous credit lines from the Chinese and other partners - raises hopes that Angola may, at a minimum, recover its pre-war agricultural and productive capacity and become a key participant in sub-regional trade. However, the country is facing challenges in distributing the benefits of its resource wealth equitably and creating more jobs by diversifying its economy. On pages 8-9 we provide an overview of Angola in the form of a selection of narrative and statistical data...

<http://www.satradehub.org/index.php?id=2279>

<http://204.3.167.236/assets/files/INSAT%2013%20-%20Web.pdf>

CFR on Angola's political and economic development

... In April 2008, Angola quietly surpassed Nigeria to become Africa's top oil producer. The country's gross domestic product is projected to grow nearly 16 percent this year, placing Angola among the fastest growing economies in the world. Business is booming in Luanda, the capital, where Bentleys and luxury

SUVs speed down the streets and a hotel room—if you can find one—will run three hundred dollars a night. Yet most Angolans live in poverty, and development indicators for the country have improved little since the end of its decades-long civil war in 2002, raising questions about how well the oil-rich country will translate its windfall into sustainable long-term economic growth. The Angolan government has made efforts to strengthen political institutions and to develop an economic diversification strategy, but experts say it is hobbled by an entrenched patronage system, a dearth of skilled workers, and the distortionary effects of an economy dominated by oil...

<http://www.cfr.org/publication/16820/>

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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