

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 Talk on “China / Angola / Insurance” – delivered on 11 September 2008 – Institute of Loss Adjustors in Southern Africa - Roger Ballard-Tremeer

October 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

November Events 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

List of 220 Deputies elected on 5 September 2008

<http://blogdangola.blogspot.com/2008/09/lista-dos-220-deputados-eleitos-em-5-de.html>

Angolan legislative elections: Analysing the MPLA’s triumph – ISS Paula Roque

... Angola’s legislative elections on 5 September 2008 saw the ruling MPLA win a landslide victory with 82% of the vote, reducing the opposition to a residual political force. UNITA managed to get a mere 10.5% of the vote, the PRS 3%, and FNLA only 1%. President Jose Eduardo dos Santos’s party is now able to change the constitution and govern without having significantly to engage in political debate with the opposition or civil society. The composition of the legislative branch will, therefore, experience a radical transformation compared with the situation after

1992, when the MPLA obtained 125 seats, UNITA 70, the PRS 6, FNLA 5 and a number of smaller parties secured one parliamentary seat each. The result of the latest elections will give the opposition an estimated total of only 40 seats out of the 223 available...

http://www.issafrica.org/dynamic/administration/file_manager/file_links/SITREP160908.PDF?link_id=3&slink_id=6578&link_type=12&slink_type=13&tmpl_id=3

Economic Freedom of the World 2008 (for the year 2006) – Angola – ranked 140 out of 141 – South Africa ranked 54 - Gap = 86 places

... The index published in *Economic Freedom of the World* measures the degree to which the policies and institutions of countries are supportive of economic freedom. The cornerstones of economic freedom are personal choice, voluntary exchange, freedom to compete, and security of privately owned property. Forty-two variables are used to construct a summary index and to measure the degree of economic freedom in five broad areas: (1) size of government; (2) legal structure and security of property rights; (3) access to sound money; (4) freedom to trade internationally; and (5) regulation of credit, labor and business...

http://www.fraserinstitute.org/commerce.web/product_files/EconomicFreedomoftheWorld2008.pdf

New customs tariffs aimed at supporting Angolan industrialization

... The new Angolan customs tariff, in place since Friday 5 September, aims to encourage industrialization and the diversification of the Angolan economy, currently highly dependent on oil exports. Set up by the Angolan Treasury, the customs tariff, called the 2007 Version, establishes tax exemption on the import of raw materials, equipment and intermediate goods for industry, as well as a reduction in tariffs on 58 categories of basic goods to reduce the price of these products for the end consumer. “By increasing tariffs on the import of certain agricultural products, such as cornmeal, cassava, soap bar (blue), vegetable oil, whole milk, beans, rice and sugar, the cost of buying these products is increased, since national production is still considered small-scale,” said Sao de Matos recently, of the Unit for Customs modernization, quoted by newspaper, *Jornal de Angola*. Speaking at a clarification session in Soyo in Zaire province for official customs agents and local investors, he emphasised the simplification of procedures brought about by the new legislation, as well as the financial benefits related to the abolition of VAT, namely on transport and individual charges. If importers [currently] pay six kinds of tax, with the introduction of the new customs

tariffs, they will pay only four. And those products which were exempt, such as equipment, raw materials and subsidiary materials, will now be subject only to a rate relating to a general customs charge,” he pointed out. He said that the new customs tariff, “did not only lower rates, it also raised others, with the aim of improving national production.”

With these alterations, with regard to imported goods, 33 categories of different products suffered increases and for 19 categories the rates remained the same. The Angolan Customs Code came into effect on 2 January 2007, and included modifications required for membership of the World Trade Organization (WTO), the World Customs Organization (WCO) and the Southern African Development Community (SADC). The new changes are welcomed by the local business community, with the Angolan Industrial Association (AIA) seeing industrial sector investment as more attractive, particularly with the reduction in the tax burden on machines and equipment. “Fewer taxes will mean greater capitalisation, which will facilitate an increase in investment leading to greater employment and the replacement of imports. Jose Severino, president of the AIA recently confirmed that this was well on the way to becoming a reality. “The raising of taxes on some categories of goods which Angola is capable of producing itself, such as agricultural, fishing and agro-industrial products, as well as drinks, is fundamental, because the country needs to protect its national industry and replace imports, to save on foreign exchange, and the subsequent allocation of these resources to key areas for economic growth and development. We hope that the current tariff will be published as soon as possible and can be put into practice by the relevant institutions, as the national production sector is in need of better conditions to compete with imported products,” he told Angop. Severino explained that, with the changes, disassembled equipment is subject to less tax than a machine purchased already assembled, which favours the creation of national factories, particularly for computers, domestic appliances or even vehicles, thus creating new job opportunities...

<http://www.macauhub.com.mo/en/news.php?ID=6036>

Sixth edition of Constrói Angola starts on 16 October

... The 6th edition of Constrói Angola – Construction, Public Works and Safety Fair, is due to take place between 16 and 19 October in Luanda and already has over two hundred companies registered to take part, Angolan news agency Angop reported. “When there are 30 days to go until the launch of the event, the organisers – Fil and Arena Direct – already have over 200 companies registered, with a high number of Angolan companies taking part,” said the statement, adding that Portugal was once again the likely leader in terms of number of companies taking part. Taking into consideration the growing number of registrations, the statement said, the organisers plan to expand the area reserved for the fair, particularly the outside area next to pavilions I and II, in order to make it possible to display heavy machinery. In 2007 at least 230 companies took part in Constrói Angola and the vast majority of these have confirmed their presence at this year’s event. Estimates point to at least 15,000 visitors to last year’s fair...

<http://www.macauhub.com.mo/en/news.php?ID=6082>

Angola – legal system and research

... For the purpose of understanding Angola's legal system it is very important to take a close look at its geography, ethno-linguistic groups, and at the impact of foreign actors and external factors in the shaping of Angola's history. Only then can one perceive the huge challenges posed by the task of state-building and enforcing the rule of law in such a vast and diverse territory. Therefore, the first two sections give a very brief overview of Angola's recent history and country profile, with links to further information. Section III and Section IV deal with Angola's legal system and research...

<http://www.nyulawglobal.org/globalex/Angola.htm>

UNCTAD World Investment Report 2008 – Angola country fact sheet – FDI overview with comparative country rankings

http://www.unctad.org/sections/dite_dir/docs/wir08_fs_ao_en.pdf

Angola – information on filing of patents, designs and trademarks

...details and costs of filing...

<http://www.hahn.co.za/patent-angola.htm>

Governing Party in Angola Wins Election in a Landslide, Official Results Show

... The tranquillity that prevailed as millions of Angolans went to the polls last week and the acceptance of the outcome by the opposition party, the National Union for the Total Independence of Angola, or Unita, set this election apart from Angola's calamitous last vote, in 1992...

<http://www.nytimes.com/2008/09/10/world/africa/10angola.html?scp=2&sq=angola&st=cse>

South Africa – Angola Chamber of Commerce – more than five years of members doing better business by 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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