

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 Briefing on “Agricultural Opportunities in Angola” to the Agrifika Agriculture Africa Project Access Group 16 October 2008 – Roger Ballard-Tremeer

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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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

ANALYSIS-Angola property market seen immune to global crisis

Sun 19 Oct 2008, 9:05 GMT

By Henrique Almeida

LUANDA, Oct 19 (Reuters) - Angola's sizzling property market has sailed through the global financial crisis and is expected to continue to thrive in coming years, executives and analysts say. Property values, particularly in the capital Luanda, skyrocketed amid an oil-fuelled economic boom that followed the end of a 27-year civil war in 2002, making the city one of the most expensive in the world to live. Basic one-bedroom flats rent at \$7,000 a month, and it is not uncommon for expatriates to pay \$20,000 a month for something more luxurious. Demand for office space has also been frothy, tripling in the last three years, according to Colliers International, an Australian real estate firm. A shortage of modern buildings coupled with growing demand for housing from foreign workers promises to keep real estate one of the hottest and most profitable sectors of the African nation's economy after oil. "Everyone wants to be here. I predict growth in real estate prices during the next three years," Jose Camargo, head of the Angolan real estate unit of Brazilian construction company Odebrecht, told Reuters in an interview. Angola, which rivals Nigeria as sub-Saharan Africa's biggest oil producer, has embarked on a massive reconstruction programme since emerging from the war, buoyed by rising oil production, a jump in world oil prices and billions in foreign investment. Angola's government said last week steep falls in world oil prices would not derail its plans to spend billions to fight poverty and spur economic growth. Benchmark U.S. crude was on Friday trading at around \$72 -- roughly half a July peak. Angola's focus has mostly been on rebuilding ports, railways and other key infrastructure for the oil-centred economy, but the government has also earmarked funds for the construction of office and apartment buildings as well as hotels. Dozens of construction cranes dot Luanda's skyline. The Bay of Luanda is currently being revamped with a \$2 billion facelift that will spawn new hotels and apartment buildings and other businesses along its historic but neglected shoreline. The construction craze is likely to dent but not solve the shortage of apartments and office space, and prices are expected to remain at the lofty end of the spectrum. "There is a huge gap between supply and demand and that is the main factor pushing prices," said Nelson Rego, the head of Angolan real estate consultancy firm Proprime.

MOVING AGAINST THE CYCLE

Unlike real estate markets in the United States, Britain and elsewhere, which have slumped due to the credit crunch, Angola's market has been buoyed by heavy inflows of foreign investment and strong economic growth. The economy grew by around 20 percent last year and is expected to expand by a further 15 percent this year. Investors see the country as a stable emerging market with a government that has embraced pro-business policies, and the ruling MPLA's landslide victory in a parliamentary election last month ensured that the direction would not change radically. "Angola is one of many places that are moving against the current economic cycle," said Helder Bataglia, the chairman of Portuguese conglomerate Escom, Angola's biggest non-oil investor. The government, however, is under pressure to do

more to spread the benefits of economic growth to Angola's 16.5 million people, many of whom live in run-down shantytowns that lack electricity, running water and sewage facilities. Residents in Luanda, home to one third of the population, often have no option than to squat in derelict buildings in the city centre. Renovating these prized areas could ease the housing shortage and perhaps keep a lid on prices. An opportunity to do so could emerge in coming years as President Jose Eduardo dos Santos's government embarks on a plan to build 1 million homes for the poor at a cost of \$50 billion. Yet some Luandans say they will resist an offer to move. "Why should I?" says Ricardo, 17, who lives on the 18th floor of the Lagoa building, one of the most famous of Luanda's run-down housing blocks. "Where else can I wake up and have this beautiful view of the bay of Luanda? It's all I have." (Editing by Paul Simao and Charles Dick) <http://africa.reuters.com/country/AO/news/usnLJ717782.html>

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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