

Angola Business Environment News

News over the last week:

- International rights watchdog Human Rights Watch (HRW) has urged reform of Angola's electoral body ahead of a presidential election scheduled for 2009. According to a new HRW report entitled, "Democracy or Monopoly? Angola's Reluctant Return to Elections," the ruling Popular Movement for the Liberation of Angola (MPLA) party had failed to address the irregularities that marred Angola's parliamentary elections in 2008, the first in 16 years. HRW has accused the MPLA of abusing state resources, endorsing repressive media laws and moving to postpone the scheduled [presidential] vote beyond 2009. (IRIN)
- End February 2009 the US State Department commented that "The [Angolan] government's human rights record remained poor, and there were numerous, serious problems. Human rights abuses included: the abridgement of citizens' right to elect officials at all levels; unlawful killings by police, military, and private security forces; security force torture, beatings, and rape; harsh prison conditions; arbitrary arrest and detention; official corruption and impunity; judicial inefficiency and lack of independence; lengthy pretrial detention; lack of due process; restrictions on freedom of speech, press, assembly, and association; forced evictions without compensation; and discrimination, violence, and abuse perpetrated against women and children.
- The draft of the IoDSA's King 111 Code on corporate governance for South Africa was released on 25 February 2009. This draft should be read in the context of the South African Companies Bill that will be enacted in 2010 and South Africa's extraterritorial laws such as the Corruption Act of 2004 and the Income Tax Act that is now in the process of being rewritten. This set of documents has potentially far reaching implications for companies that are doing or intend to do business with Angola.
- The cholera outbreak is still ongoing. In week 7, a total of 40 cases without death were reported. As of February 15th, 335 cases and 2 deaths were notified. Four provinces are affected. WHO is supporting the MoH for the response.
- Current reports indicate good rains conducive to good crop development in most provinces this season, with above normal rains received in Bie, Moxico and Cuando Cubango provinces while normal rains have been reported in Huambo, Huila and Benguela provinces. The good rains have also favoured the growth of pasture for livestock. Localised flooding has been reported in some parts of south-eastern regions of the country, but little damage to crops or houses has been reported. The food security situation has been relatively good as the country has managed to cover much of its cereal deficit assessed at 698,000 tonnes for 2008/09 marketing year. However, food prices have been high, which has negatively affected the food security situation of poor households especially in urban areas. Non-cereal food crops have covered part of the cereal deficit.
- IPS Terraviva reports that in mid-February 2009 Jean-Charles Marchiani, a former member of the French secret services, was released from the Paris prison of La Santé where he had been serving time since May 2008. Last year, a tribunal in Paris found Marchiani guilty of influence peddling and other corruption charges involving African countries. Marchiani, who was also a close collaborator of former French minister of the interior Charles Pasqua, was sentenced in 2008 to three years in prison. He has been freed early thanks to a special amnesty granted by French president Nicolas Sarkozy. But Marchiani could soon again find himself behind bars in La Santé. He is facing other charges of corruption for his participation in so-called Angolagate, a labyrinth of shadowy, illegal weapon trade deals with Angola that took place between 1993 and 1998. Marchiani is but one of numerous French political and business personalities facing accusations of influence peddling and corruption involved in the transfer of weapons to Angola, worth 970 million dollars.
- Mining Weekly reported on 20 February 2009 that ASX-listed diamond-miner Lonrho Mining has reported further "highly encouraging" results from a follow-up microprobe analysis of sampling results of the first six targets at the Lulo diamond concession, in north-eastern Angola.

- Angola intends reducing its oil production to about 1600000 barrels per day for 2009 in support of OPEC's efforts to influence the oil price.

Solutions-related events 2009 update:

*Mitigating your human capital risk in a weak institutional, weak organisational and weak integrity environment – date to be advised

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

Wednesday 28 January 2009

Full day briefing of prospective Johannesburg Chamber of Commerce and Industry participants in 2009 Angola trade mission – Roger Ballard-Tremeer

Tuesday 24 February 2009

Briefing on Angola to clients of South African International Business Linkages

Thursday 26 February 2009

Briefing on Angola to members of the South African Electro-technical Export Council

Tuesday 3 March 2009

Repeat of full day briefing on Angola to JCCI members.

Tuesday 24 / 25 / 26 March

iPAD Infrastructure Conference in Luanda – see details at <http://www.spintelligent-events.com/ipad-angola2009/en/index.php>

Interim SA-Angola Chamber Manager: Sr Malaquias Baptista

South Africa – Angola Chamber of Commerce

41 Keyes Avenue, Rosebank 2196, Johannesburg

Telephone: +27 11 252 4635

Fax: +27 (0) 86 537 0592

Email: info@sa-acc.co.za

Website: www.sa-acc.co.za

Access 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 and other translated reports – always refer to the original Portuguese language version for decision-making purposes.

Interpreting and translating – mitigate your legal risk – for compliance purposes only use interpreters and translators that are “sworn” and “accredited”:

Leila Neves +27 72 122 5869

Ricardo Branco +27 82 851 6413

Marinela Carmo +27 83 657 0206

João M. Cabrita +268 623 5751

Ana van Eck +27837008927

Ad hoc interpreting services:

Ms Induina Cambacolo +27764253257

Sr Malaquias Baptista +27725513440

Angola-specific management coaching:
Bronwyn Allan +27837083475

Incorporation and ANIP support:
Sandra Macieira +244917484683
José Rodrigues +244929336318

Angola – some “do-it-yourself” news, profiles, blogs and image searches:

<http://af.reuters.com/news/country?type=angolaNews>
<http://www.newstin.com/us/luanda>
<http://www.npr.org>
<http://www.macauhub.com.mo/en/countries.php?ID=222>
<http://www.skyscrapercity.com>
<http://www.portalangop.co.ao>
<http://www.angolafieldgroup.com>
<http://archive.wn.com/2008/11/25/1400/angolaenergy/>
<http://www.noruega.ao>
http://article.wn.com/view/2008/11/19/World_Bank_to_loan_Angola_1b/
<http://actsa.msg2u.net/cgi-bin/v.pl?p=2%2E35%2E15%2E19%2E12%2E2008%40a%3A219%2Ec%3A2%2Ee%3A59%2Er%3A4029%2E1%3A0%2Eac%3AVI%2Es%3A168>
<http://www.ipsnews.net>
<https://www.osac.gov/Regions/country.cfm?country=145>
<http://www.panoramio.com/>
http://news.bbc.co.uk/2/hi/africa/country_profiles/1063073.stm
http://www.afrora.com/site/news/index.php?loc=en_US&ctr=ao
http://www.cfr.org/about/newsletters/editorial_detail.html?id=1271
<http://www.jornaldeangola.com/>

Angola-related blogs:
<http://blogsquefalamdeangola.blogspot.com/>

Governance:

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 deployed 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

South Africa – Angola Chamber of Commerce – nearly six years of members doing better business and mitigating their compliance risk 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/>