

## Angola Business Environment News

### News over the last week:

- **International Quality of Life Index 2009 (International Living.com)**
  - Angola score 42
  - South Africa score 61
  - Cross cultural diversity gap = 19 points
- **Draft of KING 111 Code of Governance released on 25 February 2009 (to be read in conjunction with the Companies Bill (to be enacted in 2010) – obligatory for JSE-listed companies – strongly recommended for all other business entities – applicability is extraterritorial and this means Angola as well as other jurisdictions.**
- **KBR ... today [4 March 2009] announced that its consulting subsidiary Granherne has been selected as the contractor by Chevron Overseas (Congo) Limited for the front end engineering and design (FEED) of the Lianzi development project. The Lianzi development is located in a unitized zone which includes portions of the Block 14 License (Republic of Angola) and the Haute Mer Permit (Republic of Congo).**
- **Angola has made a cut of the reference oil price for Q1 budgetary purposes from USD 55 to USD 35 to take account of weaker oil prices than originally envisaged.**
- **FAST reports [1 March 2009] that in Angola the [maize] growing season has been dry up to now and reductions in yield up to -8% are expected...In the maize growing areas of Angola the national yield is [therefore] 8% lower than the 5 years average. Comparing to last year the expected yield should result in somewhat better yields (+1%).**
- **Standard Bank reports [3 March 2009] that Economic expansion in Angola has held firm through the end of 2008, but weak world growth will have a negative impact on economic activity and growth will slowdown significantly in 2009. The sub-prime crisis is pushing the global economy into a recession with negative consequences for Angola's economy. Commodity prices have begun to drop significantly. This drop will have adverse consequences for Angola, a disproportionate amount of whose primary exports are accounted for by the oil sector. China, the second-largest importer of crude oil, is also a major foreign direct investor in Angola. Therefore, with China's economic growth expected to decelerate to 6% in 2009, Angola will see a decline in exports and a weaker inflow of foreign direct investment, particularly in infrastructure, whose continued positive growth is necessary. Outside of the oil-sector, the high cost of trade resulting from weak infrastructure will continue to hamper domestic industry.**
- **Sonangol, Sociedade Nacional de Combustíveis de Angola and BP Exploration (Angola) Limited today announced [3 March 2009] the Leda oil discovery in ultra-deepwater Block 31, offshore Angola. This is the seventeenth discovery made by BP in Block 31 and is located in the central northern portion of Block 31, some 415 kilometres north west of Luanda and about 12 kilometers to the south-west of the Marte field.**
- **Angola and Germany have signed an agreement whereby Germany will provide some USD 1.7 billion for projects in Angola.**

### 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>

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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”:

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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://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://news.bbc.co.uk/2/hi/africa/country_profiles/1063073.stm)  
[http://www.afroa.com/site/news/index.php?loc=en\\_US&ctr=ao](http://www.afroa.com/site/news/index.php?loc=en_US&ctr=ao)  
[http://www.cfr.org/about/newsletters/editorial\\_detail.html?id=1271](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/>