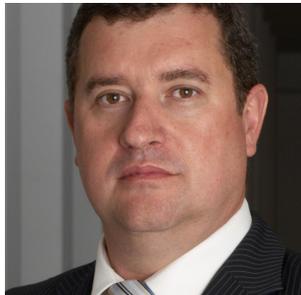


# Taking advantage of Angola's economic priorities

Companies looking to do business in Angola need to align their commercial priorities with those of the Government



António Vicente Marques



Claudia Santos Cruz

In order to capitalise on the significant business opportunities in Angola and to overcome the challenges of doing business in Africa, up-to-date local experience and intelligence on legal, commercial and political issues is vital, says António Vicente Marques, Founding Partner of Luanda-based AVM Advogados.

"We see consistent interest from companies across Europe, Asia and the US to explore the potential that Angola presents, but in order to have the best chances of success companies must ensure that their own business focus mirrors that of the country as a whole."

In many respects Angola is less than a decade old, he says. The country's bitter civil war ended in 2002 and subsequently the past decade has seen an emphasis placed not only on the physical rebuilding of the country but also the legislative and regulatory frameworks to enable it to happen.

"Relative to many other places in the world, the risks in Angola are both identifiable and manageable, and there is a now a body of legislation in place specifically intended to protect commercial international interests." The 2003 Foreign Investment Law is a case in point, he says, allowing investors and foreign businesses to "ring fence" and safeguard their local operations.

"The fundamental challenge is in building a viable commercial business, and the most successful operators have consistently been those that have not tried to impose or create demand, but which have followed the government's own economic priorities," says Vicente Marques.

He notes the long-term and continuing success of many of the US energy companies that helped first open up the country's oil and petroleum industry, as well as the success of Portuguese companies in areas like banking, finance and utilities. Investment continues, with the arrival of Chinese, Indian and Brazilian companies, but over half of Portugal's largest companies are now well-established in Angola.

He emphasises also the absolute importance of conducting business in a transparent way. "Some companies come to Angola and think that they can sidestep the local law or regulation because this is Africa, but inevitably their investments unravel. This is not always an easy place in which to operate and to build sustainable operations you have to adapt to the local practice, not work around it."

He acknowledges however that relatively simple processes can be bureaucratic and time-consuming and that there are often many unwritten rules that also have to be adhered to.

"A significant element of being able to successfully do business here is to understand as much what cannot be done as what can, and you only get to know that through experience."

Another issue often facing businesses looking to expand is a lack of adequate skilled workers, with many Angolan commentators talking of a lost generation as a result of the war. Like Vicente Marques however, since 2002 the country has seen the return of thousands of displaced citizens.

"There is a collective will to return and to rebuild Angola. But a lack of human resources is a recurring problem for the country and businesses operating here. It extends to all corners and sectors of the economy," he says.

In order to ensure his own firm has the requisite skills and capacity it has reversed the general trend for foreign, predominantly Portuguese law firms establishing associations in Luanda, by expanding to Lisbon and will soon open in Porto.

"Our challenge has been to find capable professionals familiar with both international and Angolan issues and who are as comfortable operating in Luanda as they are in Lisbon," says Claudia Santos Cruz who manages the Lisbon office. "We have though been able to build an enthusiastic and experienced team which is able to operate as the interface for the firm in Europe and elsewhere, and from where we already manage a large number of our major African deals and clients with business in Europe."

Lawyers have to understand the context in which they operate, insists Vicente Marques. AVM Advogados is also therefore now recruiting in Maputo in Mozambique as international clients look to extend their regional African operations.

"Despite the on-the-ground business challenges in Angola, by following the natural economic momentum of an expanding economy companies are capitalising on opportunities that they were either unaware of or even afraid to grasp only a few years ago," he concludes.

Para capitalizar las oportunidades de negocio en Angola y superar los retos que se van presentando en la creación o desarrollo de negocio, el conocimiento actualizado tanto de cuestiones jurídicas como económicas y políticas es vital, afirman António Vicente Marques y Claudia Santos Cruz del despacho en Luanda AVM Advogados.