

# ANGOLA'S NEW BEGINNING BRINGS GREAT EXPECTATIONS

*After 38 years in office, the Angolan president is making way for a new leader – but investors shouldn't be fearful about this period of political flux*



By João Bravo da Costa, senior associate

**A**lthough it is currently 'winter' in Angola – locally the drought season in this tropical country is called 'cacimbo' – the truth is that the Angolan economy is most influenced by the Western seasonal calendar because of its significant number of Western investors.

As Angola is undergoing a period of political change, it is worth thinking about what is going to happen when the Western summer is over.

Well, here is my opinion and if you are so inclined, you can be excused right away from reading the rest of this article. What comes next can be encapsulated in three simple statements: better, more opportunities and the time is now!

## What's better

Elections are set for 23 August with the president of the Republic of Angola passing on his presidential powers after 38 years in office. Although there is some nervousness in some sectors of public opinion and on the part of some investors, I completely disagree with those who fear or feel uneasy about these elections.

We could compare Angola's current period of political flux with the situation in certain South American countries, or in most of its fellow African countries, or even with its own situation in the 90s. And if we do, we rapidly reach the conclusion that this period of change will be handled peacefully and safely, based on the degree of political stability that has already been achieved.

Although elections always bring a period of political instability, they also bring a renewal of expectations and hopes. In the case of Angola, this renewal is rooted in the growth and development of the country and its business environment, and there are great expectations of achieving even greater economic momentum.

## More opportunities

There have been a number of important legislative initiatives over recent years. Among the most important is the new Private Investment Law, which made changes to the minimum investment amount. As a result, the

Angolan authorities are approving investment projects worth \$150,000 and upwards, which is a completely different scenario from the previous minimum investment amount of \$1m. This change is likely to significantly increase private investment in the country.

An example of the control exercised by the public authorities is that because of the commodities crisis that strongly affected it, the country has been forced to reorganise several important public institutions. As I see it, these reforms follow a clear timeline. They begin with a reform of procedures, move on to the question of compliance and end with the replacement of board members and, most importantly, with a clear effort on the part of the country to impose transparency principles.

These reforms and efforts to achieve transparency and efficiency, based on legislative initiatives and on changes made to public companies and public institutions, will create further opportunities. They will also foster confidence in investors to explore a completely new country that is full of opportunities in, among other sectors, natural resources, industry, agriculture and fisheries, and tourism.

## The time is now

I often remember the Baron Rothschild quote: "The time to buy is when there's blood in the streets." Angola is far from having blood in the streets, so I would adapt the metaphor to one that is definitely more appropriate and appealing in light of the country's current situation: if you want to buy a fantastic apartment with a sea view in Angola, you may not find it.

But Angola is undoubtedly a country where you can find the perfect plot of land with a sea view, and there you can design and build your own unique and tailor-made apartment. On top of that, you will still be making a good return on your investment by selling the remaining apartments in the building.