

# How to do business in Angola

## What companies should consider

Angola is one of the fastest growing economies in Africa. The market offers excellent business opportunities across-the-board for existing and future investors. However, the business environment surrounding the market is challenging.

Companies who intend to invest in Angola have to consider several aspects such as high costs, slow payment, lack of capacity, complex bureaucracy, ineffective communications network, language barriers and cultural norms and customs.

Identifying key stakeholders early on and establishing strong relationships with good and reliable partners will be a substantial part of any effective market entry strategy, and will enable you to develop an understanding of the market, particularly with regulations that are specific to Angola.

## **We suggest the following tips:**

- Perform due diligence using a reputable local law firm specialised in doing business in Angola
- Visit regularly and develop face-to-face relationships with local contacts
- Form a joint venture with a local company to facilitate the process of establishing in Angola
- Find a local partner who is well known
- Be prepared that market entry can take longer and cost more than in other countries
- Be resilient
- Businesses which can provide follow-up service such as maintenance/service and/or training in conjunction with their products often have an advantage in the market
- Prepare brochures etc. in Portuguese

## Market entry and start-up considerations

- The registration and licensing process is bureaucratic and time consuming

- The 2012 Private Investment Law requires a minimum investment of US\$1 million in order to benefit from incentives
- The government must approve any project involving oil and gas
- Companies must submit an Environmental Impact Study for approval prior to consideration of any project that could impact the environment
- The government and its organisations are not considered easy to deal with – adopt a patient approach
- Local content requirements demand that companies purchase most of their services from companies that are wholly or partially Angolan-owned
- The government is in the process of ‘Angolanisation’ i.e. the workforce requires companies to hire Angolan nationals, unless there are no qualified nationals available. 70/30 is the required split.

Source – UKTI 2015

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