



Business As Usual After Polling Day

Peaceful, organized and quiet on a Sunday afternoon. That was election day in the otherwise bustling and chaotic seaside capital of Luanda.

“I’m so proud of my country right now. Angola has shown it can organize itself, if it wants to,” says IT engineer Jose Tomas.

The August parliamentary elections were Angola’s second since the end of the civil war (1975-2002) and the third since independence. UNITA (The National Union for the Total Independence of Angola) almost doubled its 10% take from the 2008 elections, while new coalition CASA-CE won 6% of the votes. The MPLA is down 10% from its 82% landslide victory in 2008. Voter turnout at 60% was low. The African Union (AU) deemed the elections free, fair, just, transparent and credible. European observers were also positive.

“The margin of the MPLA victory, the AU observer mission’s judgment and the continued presence of Dos Santos as president spell continuity. The MPLA still has an absolute majority in Parliament. The increase in opposition MPs will have little impact on law-making and is unlikely to affect international business interests,” says Markus Weimer from independent think tank Chatham House

South African managing director of telecom company MCS Angola, Ryan Ellerker, thinks the peaceful elections and MPLA’s victory will have “a definite positive effect” on Angola’s business climate. He has already seen

projects previously on hold being restarted.

“That shows confidence in the market, in the country and its political stability,” he says.

Managing director of insurance broker AIBA Rupert Weterings, who grew up in Zimbabwe, echoed Ellerker’s view.

“The positive political climate combined with the fact that Angola is one of Africa’s most resource-rich countries makes one realize that Angola is open for business.”

In the run-up to the elections, Angola’s largest opposition party UNITA held nationwide street protests twice against perceived fraud, lack of transparency, unequal funding and lack of media space. Other opposition parties have voiced similar grievances.

But Unita’s protests took the shape of cheerful campaign gatherings and a healthy wake-up rather than a threat to the status quo. Opposition parties may contest the election results within the framework of the law, but Weimer does not expect a different outcome.

The street protests of Angola’s budding revolutionary youth movement and disgruntled war veterans, which unlike the political opposition protests were forcefully repressed, dwindled as the elections drew near. Many of the veterans—who demanded long overdue social subsidies—were paid last-minute. The youths, who have suffered physical violence and threats, generally chose to voice their discontent in the larger and safer framework of opposition party’s manifestations.

In other words, time does not seem ripe for change.

According to Weimer, the government’s goal for the next five years will be to empower the Angolan private sector—particularly the small- to medium-sized businesses—agriculture and to increase formalization of informal businesses.

“After 10 years of national reconstruction, the top government priorities are now job creation and the reduction of poverty and inequality, which are crucial for medium to long-term stability,” he says.

The key to achieving these aims, according to Weimer, is the “colossal task” of diversifying the Angolan economy. “Colossal” because a staggering 97% of Angola’s exports are currently petroleum products, while the oil sector only employs around 1% of the population. In order to achieve all this, mass education is crucial, Weimer warns.

One essential factor must not be forgotten: President Dos Santos turned 70 three days before the elections and is widely expected to retire within the next few years. Vice-president Manuel Vicente, the former CEO of Sonangol, is equally widely expected to follow in his footsteps. But for that, Weimer said, “Vicente will have to develop his own support base and popularity.”

“The transition process may well take a few years still, but a smooth presidential succession is essential for continued stability.”

For now and the near future, international business people can rest assured. **P**