

## PUBLICATION OF ANGOLA'S PRIVATISATION PROGRAMME 2019- 2022

An important part of the economic reforms contemplated by the Angolan government involves the privatisation of state-owned enterprises and the sale of stakes that the Angolan state directly or indirectly holds in enterprises. On 5 August of this year the eagerly awaited privatisation programme ("PROPRIV") was made public through the publication of Presidential Decree 250/19 of 5 August (the "Decree"). The Decree is based on the Privatisation Framework Act of 14 May 2019 (Law 10/19). PROPRIV includes assets in Angola as well as assets that are located abroad (but excluding the major investments of the Angolan state in Portugal).

### Selection

The selection of the companies and stakes that are part of PROPRIV was done on the basis of the following criteria:

- Nature of the assets
- Number of years with audited financial statements that do not include a reservation
- Size (turnover; importance to GDP)
- Attractiveness (financial results and cash flow)
- Nature and size of activities

Using these criteria a division was made between groups of companies and stakes as follows:

- Companies of national importance (32 companies)
- Companies and assets in which Sonangol participates (50 companies/units)
- Other companies and assets (62 companies/units)
- Industrial units located in Special Economic Zones (51 units)



PROPRIV includes a list of the companies and stakes, divided on the basis of the above categories, that are intended to be privatised during 2019-2022. It also sets out in respect of each company the year in which the privatisation process is intended to commence as well as the privatisation method.

## **Privatisation methods**

It is recognised that given the variations between the companies different privatisation methods are to be used. These methods include a sale of shares, a sale of assets and an assignment of rights.

PROPRIV provides that the privatisation shall be effected using one of the following processes:

- initial public offering (stock exchange listing)
- public auction through the stock exchange
- general public tender
- restricted public tender with pre-qualification.

It also describes the steps to be taken in respect of each procedure. The public tender procedures are subject to the Public Contracting Act of 14 September 2016 (Law 9/16).

## **Success factors**

It is recognised that the success of PROPRIV depends on a number of factors including:

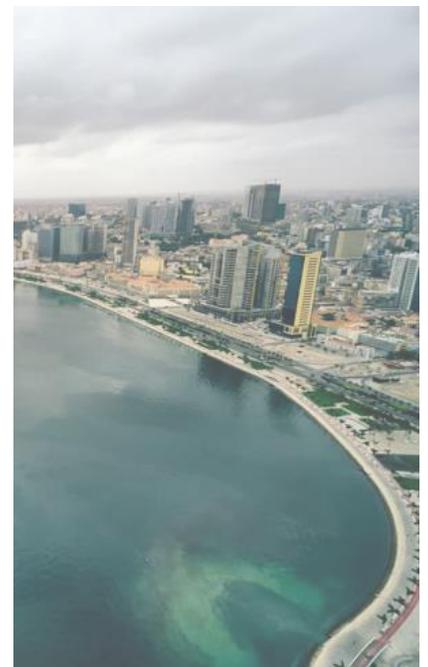
- political and social support
- quality of economic and competition regulation
- liquidity of the capital markets
- preparedness of supporting industries
- evolution of the macro-economic environment

## **Organisational structure**

PROPRIV proposes a simple, light and specialised organisational structure. It describes the role of each involved stakeholder. A national commission for the implementation of the programme has been established in order to ensure a smooth coordination between the various ministries and other authorities that are involved in the privatisations. A communication strategy will be developed for a national and international audience and roadshows are contemplated too. PROPRIV is financed through the general budget as well as by allocating to it 15% of the amounts resulting from the execution of the programme.

## **Companies of national importance**

Below is a list of the companies of national importance that are intended to be privatised. It describes the percentage held by the Angolan state, the method and process of privatisation as well as the year in which the privatisation is intended to commence.



Name	Sector	% held*	Method**	Process***	Start year
<b>BCI, SARL</b>	Financial	100% (D)	SD	IPO	2020
<b>ENSA SEGUROS, S.A.</b>	Financial	100% (D)	SD	IPO	2019
<b>BODIVA, S.A.</b>	Financial	100% (D)	SD	IPO	2021
<b>BAI, S.A.</b>	Financial	8.5% (I)	SD	PT	2020
<b>BCGA, S.A.</b>	Financial	25% (I)	SD	SA	2020
<b>Banco Económico, S.A.</b>	Financial	39.4% (I)	SD	SA	2021
<b>SDZEE, S.A.</b>	Economic	100% (D)	SD	SA	2020
<b>ALDEIA NOVA, S.A.</b>	Agriculture	59% (I)	SD	SA	2020
<b>BIOCOM</b>	Industrial	20% (I)	SD	PT	2020
<b>TEXTANG II</b>	Industrial	100% (D)	AD	PT	2020
<b>SATEC</b>	Industrial	100% (D)	AD	PT	2020
<b>África Têxtil</b>	Industrial	100% (D)	AD	PT	2020
<b>NOVA CIMANGOLA</b>	Industrial	28.13% (D)	SD	PT	2020
<b>Sécil do Lobito</b>	Industrial	49% (D)	SD	PT	2020
<b>CUCA</b>	Industrial	1% (I)	SD	PT	2019
<b>EKA</b>	Industrial	4% (I)	SD	PT	2019
<b>NGOLA</b>	Industrial	1% (I)	SD	PT	2019
<b>Mota Engil Angola, S.A.</b>	Construction	20% (I)	SD	PT	2020
<b>MS Telecom, S.A.</b>	Telecom/IT	100% (I)	SD	SA	2020

Name	Sector	% held*	Method**	Process***	Start year
Net One, S.A.	Telecom/IT	51% (I)	SD	PT	2020
UNITEL, S.A.	Telecom/IT	25% (I)	SD	PT	2020
SONANGOL E.P.	Mineral resources	100% (D)	SD	IPO	2022
Sonangapl, LDA.	Mineral resources	51% (I)	SD	IPO	2021
ENDIAMA	Mineral resources	100% (D)	SD	IPO	2022
SONAIR****	Transport	100% (I)	SD	SA	2021
TAAG	Transport	100% (I)	SD	SA	2021
SGA (ENANA)	Transport	100% (D)	SD	PT	2019
ANGOLA TELECOM	Telecom/IT	100% (D)	SD	SA	2021
TV Cabo Angola, Lda	Telecom/IT	49.27% (I)	SD	IPO	2020
Angola Cables, S.A.	Telecom/IT	50% (I)	SD	SA	2021
MULTITEL, Lda	Telecom/IT	50% (I)	SD	SA	2020
ENCTA	Telecom/IT	100% (I)	SD	PT	2022

\* D = Direct I = Indirect

\*\* AD = Asset disposal SD = Share disposal

\*\*\* IPO = Initial public offering PT = Public tender SA= Stock exchange auction

\*\*\*\* Fixed wing division only

## CONTACTS



**Pieter van Welzen**  
Partner

**T** + 31 20 7119 154  
**E** pieter.vanwelzen  
@cliffordchance.com



**André de Sousa Vieira**  
Senior associate

**T** +44 20 7006 1210  
**E** andre.desousavieira  
@cliffordchance.com

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Clifford Chance, Droogbak 1A, 1013 GE  
Amsterdam, PO Box 251, 1000 AG  
Amsterdam

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