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MPLA LTD.

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Introduction

During the MPLA's¹ Central Committee meeting in Luanda in November 2009, President José Eduardo dos Santos defined his challenges facing his party in terms of three fundamental questions: keeping watch on government, the irresponsibility of government leaders, and fighting corruption with a policy of zero tolerance.

In this investigation I deal with the transfer of state assets to the MPLA's private businesses through a company called GEFI (*Sociedade de Gestão e Participações Financeiras* / Management and Business Participation Company), and the consequences of its involvement in such money-making activities.

In order to make clear the gap between the leadership's words and its deeds, I will analyse those three main questions that Dos Santos, both President of the Republic and leader of the MPLA, put forward during his speech when he opened the party Central Committee meeting on 29 November 2009. In this speech Dos Santos spoke of the absence of scrutiny of the acts of government and the irresponsibility and bad faith of political leaders, and announced a zero tolerance policy towards corruption.

Monitoring, irresponsibility and zero tolerance

First, Dos Santos accused his party of incompetence in “monitoring the government's activities of governance, through the National Assembly and the Tribunal de Contas” – the latter being the statutory body responsible for monitoring the use of state finance. This statement is contradictory. Dos Santos has been chairman of the MPLA and head of government for 30 years. His power in government as well as in the party is total. So it is Dos Santos who bears primary responsibility for the MPLA's performance in the National Assembly.

¹ MPLA is the Portuguese acronym for the Popular Movement for the Liberation of Angola.

The new constitution, approved on 21 January 2010, limits further the National Assembly's potential to keep a check on the government's actions, because of the process that it lays down for the election of the president. Rather than being elected directly by the public, or indirectly by elected members of parliament, under the new system proposed by the MPLA the person at the top of the candidate list of the winning party in the election will simply be named president (Article 109). This model invented by the MPLA rules out both the separation of powers and the accountability of the head of government, creating instead an excessive concentration of power in the figure of the President and the leader of the party. In the event that these two roles were not filled by the same person, power would be concentrated in the hands of the chairman of the party, even if he or she were not a member of parliament. In such a case, it is the party leader who chooses who is on the party's list of candidates for the legislative elections, and which candidate is at the head of the list. The MPLA currently has an absolute majority in the National Assembly, with 191 of the 220 members.

With regard to the Tribunal de Contas, the president made a serious admission that has gone largely unnoticed by the public. In his speech of 29 November 2009 he stated that the MPLA had not been fulfilling its watchdog role through the Tribunal de Contas.² This apparently ignores the fact that the Constitution provides for the separation of powers between the legislative, executive and judicial branches of government, and hence the independence of the courts. It is not the MPLA's task to monitor the executive by means of the Tribunal de Contas. If the MPLA works through the Tribunal de Contas, this undermines its independence and the ability to perform its role. One example of this is when in 2005 Dos Santos ignored the court's finding that Isaac dos Anjos, at the time the Angolan ambassador to South Africa, had diverted

² In 2001, Dos Santos appointed the then MPLA parliamentarian, Julião António, for a three-year term as Presiding Judge of the *Tribunal de Contas*. On 28 December 2008, José Magalhães, another judge of the tribunal, wrote a letter to the newspaper *Seminário Angolense*, complaining that Julião António had been occupying his position illegally since 2004 when his mandate ended. Since then, Julião António had not been reappointed in terms of the relevant legislation, which also imposes a two-term limit on incumbency as Presiding Judge. Magalhães notes that any decisions signed by Julião António therefore have no legal force.

money from pension funds, and convicted him in 2004 for such an offence. Dos Anjos was promoted to be governor of Huila province, with greater responsibility in terms of managing state funds and state assets.

Second, in the same speech the president condemned “irresponsible people, people of bad faith” for taking advantage of the MPLA’s apathy, and “squandering resources and administrating in a way that is illegal, as well as dangerous or fraudulent”. The people he accused were members of his own administration.

This is the kind of language that the president adopts whenever he feels the need to reaffirm his authority at times of public discontent: he accuses his subordinates indiscriminately and asserts his own innocence. In 2007, during an extraordinary meeting of the central committee of the MPLA, the president condemned members of the government and administration officials over the use of public funds in their own businesses.

In 2001, the president assured citizens that democracy would allow them to participate in combating corruption and government inefficiency. In 1998, while opening the MPLA’s Fourth Congress, Dos Santos said that “corruption is a worrying problem that must be tackled by political and judicial means and by the police if we are not to lose control of it”. At an MPLA Central Committee meeting on 16 February 1996, the president spoke out against the “wild capitalism that has taken root in the country over the last three years” and made clear that this practice among the ruling elite was destroying the MPLA and its fundamental goals: “the equitable distribution of wealth and national resources, solidarity and social justice.” In an address to the nation during the 1996 economic crisis, the president called for transparency in government and measures to prevent corruption and influence peddling, at the government and state levels. Dos Santos promised that he would “put a definitive end to high-level crime, to organised theft and to the pillaging of state assets”.

Nevertheless, corruption continues to define the government’s actions, since the president and head of government has not taken serious and adequate measures to

stop the looting of state assets. Responsibility for criminal acts committed by officials must in the first instance fall upon the head of government, who is exclusively responsible for appointing and dismissing members of government and for instructing, supervising and guiding their actions.

Thirdly, during MPLA's Sixth Congress, on 7 December 2009, Dos Santos repeated his promise of a zero tolerance policy towards corruption. Nearly two months later, neither he nor his government has presented any plan or programme to fight corruption. It has remained nothing but rhetoric. Nevertheless, the idea must be interpreted as an invitation to the nation to denounce publicly acts of corruption at the heart of government and in the public administration, the looting of state assets and the unjustified enrichment of the elite. Such a process of denunciation must be a fundamental step for nation-building, and to allow citizens to start thinking differently and to seek change in the areas of the law, politics, the economy and the ethics of Angolan society. This was what was recommended by the Interdisciplinary Commission to Study the Phenomenon of Corruption in Angolan Society, co-ordinated by the late Minister of Justice, Lázaro Dias, and created by presidential decree 22/90 of 15 September 1990.

The MPLA's business interests

On 21 September 1992, a week before the first multiparty general elections in Angolan history, leading MPLA figures legally and formally established the ruling party's business conglomerate GEFI (Sociedade de Gestão e Participações Financeiras: Business Management and Participation Company.) The company's founding charter was signed by the following people, in the name of the MPLA:

- Francisco Magalhães Paiva, at that time Minister of the Interior, currently Member of Parliament and still a member of the MPLA Political Bureau;

- José Mateus Adelino Peixoto, then chief of staff of the president, currently secretary general of Support Services to the President of the Republic and member of the MPLA Central Committee.
- António de Campos Van-Dúnem, then legal advisor to the President of the Republic.
- Augusto Lopes Teixeira, at the time a member of the Political Bureau and chairman of the board of Angola-Telecom, a state-owned company.
- Carlos Alberto Ferreira Pinto, Member of Parliament and member of the MPLA Political Bureau.
- The Fundação Sagrada Esperança, the foundation which is the party's social affairs and investment arm.

GEFI's current business portfolio includes participation in 64 companies operating in the sectors that include hotels, industry, banking, fisheries, media, construction and real estate. Given the range of its business interests, this article presents merely an overview of GEFI's activities, based on the availability of official documents. Moreover, this investigation focuses, in particular, on how the government has engendered the murky transfer of state assets to GEFI, for MPLA's financial and patrimonial benefit.

Aviation

In April 2009 the Angolan authorities granted permission for the airline Fly540 Angola to begin operating in the country. According to public statements by the multinational Lonrho, which has shares in the company, Fly540 flights would initially cover six of the country's 18 provinces – Cabinda, Luanda, Zaire (Soyo airport), Benguela, Huambo and Malanje – using ATR72 aircraft.

GEFI has a majority (51%) shareholding in Fly 540 through its aviation company Planar, while Lonrho holds 49% of the shares and has a right to 60% of the profits, according to Lonrho's press release of 2 October 2007. Planar contributed through its air service licence, a 1000m² hangar at Luanda's 4 de Fevereiro International Airport which was given to it by the state, and offices.

The way in which Fly540 Angola was constituted presents a serious problem in terms of Angolan law. The current secretary of the Council of Ministers, Joaquim António Carlos dos Reis Júnior, in his capacity as manager of businesses for the MPLA and consequently of GEFI, is formally the major shareholder in Planar, with 20% of the shares. In other words, the secretary of the Council of Ministers is GEFI's figurehead in the aviation business. Four other individuals linked to the MPLA represent, in the name of GEFI, 60% of Planar's capital. The remaining 20% is in the hands of individual shareholders. Thus GEFI in effect owns 80% of Planar's capital. Its management model and the way in which it does business are based on the supposed party loyalty of its members. This creates enormous confusion when it comes to distinguishing between the state businesses, party businesses and the private businesses of MPLA and government leaders.

Nevertheless, from the legal point of view, responsibility for the company's actions lies directly with those who hold shares, and in the case of Planar, the major shareholder is the secretary of the Council of Ministers. Joaquim António Carlos dos Reis Júnior is covered by Article 10 (2) of Law 21/90, the Law on Crimes Committed by Holders of Public Office, which prohibits the holders of public office from participating in private business. Fly540 Angola, in order to operate, requires authorisation from the government, namely from the Transport Minister, Augusto Tomás. He, in turn, requires the authorisation of the secretary of the Council of Ministers in order to submit any kind of proposal for consideration by the council. The institutional relationship between Augusto Tomás and Joaquim António Carlos dos Reis Júnior creates a situation of influence peddling, according to the definition laid down in the United Nations Convention Against Corruption (Article 18, a, b), the SADC Protocol Against

Corruption (Article 3,1,f), and the African Union Convention Against Corruption (Article 4, 1, f). These articles have been incorporated into Angolan law, and contravening them is punishable under Article 321 of the Angolan Penal Code, with aggravating circumstances provided for under Article 4(1) of the Law on Crimes Committed by Holders of Public Office.

Lonrho, in turn, by associating itself with Planar, whose major shareholder, Joaquim António Carlos dos Reis Júnior, is in government and therefore able to influence its relationship with the state, creates a situation susceptible to active corruption according to the similar definitions in the United Nations Convention Against Corruption (Article 15, a), the SADC Protocol Against Corruption (Article 3, 1, b), and the African Union Convention Against Corruption (Article 4, 1, b).

Lonrho is a company listed on the Johannesburg and London Stock Exchanges.

Hotels

In Luanda, GEFI owns the Hotel Tivoli, has a 20% share in Hotel President Le Meridien (20%), and benefited from a 20% concession in the shares of Serafim L. Andrade, the company that owns the Hotel Trópico, through the Minister of Industry's Despatch no 55/00 of 10 March 2000. The other 80% is owned by the investor, the Portuguese construction company Teixeira Duarte.

Also in the capital city, the privatisation process awarded to GEFI the site of Farol Velho, a restaurant on Ilha de Luanda, which has been destroyed to make way for a new hotel project. GEFI also has 25% of the shares in Hotel Turismo, which previously housed some of UNITA's leadership and which was consequently destroyed during the fighting after the 1992 elections, while a further 25% of shares are held by Sogec, a subsidiary of GEFI. A new Hotel Turismo is planned for the site.

On 20 May 2009, the state sold two properties in Luanda to GEFI for token prices. Hotel Zimbo cost US\$527,000, and a residential, in Largo do Pelourinho, went for

US\$260,000.

The state has also granted GEFA ownership or part ownership of the biggest hotel in Cabinda, Hotel Mayombe (51%), the Hotel Central (80%) in Luanda, and Hotel Grão Tosco (100%) in Benguela.

Breweries

On 16 September 2005, Resolution 65/05 of the Council of Ministers approved the privatisation of the Cuca brewery, after the state secretly transferred 50% of its shares in the brewery to Soba, a holding company owned by the MPLA, GEFI and Brasseries Internationales Holding (BIH), part of the French Castel group. The latter, as the only foreign investor, received 13% of the shares in Cuca. The French company holds 75% of Soba's capital, and GEFI 25%.

Although it is an MPLA company, no one knows what contributions GEFI has made in its partnership with BIH, in contrast, for example, to the partnership with Lonrho in Fly540. Nevertheless, it is important to look at how the government handled the creation of the business deal. The Council of Ministers is chaired by Dos Santos, who, in approving the privatisation of Cuca, was clearly enhancing his own party's business portfolio and the business interests of the presidential inner circle – including Adelino Peixoto, secretary general of the Presidency of the Republic – and other privileged government figures.³

Being leader of the MPLA and at the same time chairing the Council of Ministers, which approves the handing over of state assets to GEFI, puts the President of the Republic in a serious situation of conflict of interests and in an embarrassing position with respect to what happens to GEFI's profits: something that remains unknown even by some members of the Political Bureau. I return to this issue in the concluding remarks.

³ For more information on who benefited from the brewery privatisations, see <http://makaangola.com/wp-content/uploads/O-traffic-de-influencias-do-grupo-gema.pdf>

Media, propaganda and telecommunications

The MPLA has been the main beneficiary of the government's project to create Angola's first four commercial FM radio stations since independence. The radio stations were set up entirely with state funds in 1992, but ownership was transferred mostly to GEFI, the MPLA's holding company. Through its subsidiary A Foto, GEFI owns 60% of Luanda Antena Comercial (LAC), while the remaining 40% is held by the journalists José Rodrigues, Luísa Fançony and Mateus Gonçalves. In Benguela, GEFI through its subsidiary Sopol owns 80% of Radio Morena, of which the remaining shares are owned by António Mendes Filipe, a private individual. In Huila province another GEFI subsidiary, Pontual S.A., has 75.50% of the shares in Rádio 2000, while its managers Horácio Reis and Carlos Andrade own the rest. In Cabinda, GEFI's subsidiary Orion owns 60% of Rádio Comercial de Cabinda, with the rest being owned by two former local directors, André Filipe Luemba (20%) e Pedro Simba (20%).

Orion itself is an interesting case regarding the boundaries between the state and the ruling party. Orion is a partnership between GEFI, with 70%, the former Minister of Social Communication (1992-2005) and current ambassador to Egypt, Hendrick Vaal Neto, who holds 11%, Minister of Planning Ana Dias Lourenço, who holds 5%, and other figures within the MPLA who own the remaining 14% of the shares. Since 1992, Orion has been the lynchpin of government and MPLA propaganda. This company provides facilities and serves as a front for the Brazilian firm M'Link, owned by Sérgio Guerra, which plans, produces and oversees the broadcasting of MPLA and government propaganda in the media.

Over the past 10 years, the Ministry of Social Communication has paid about \$24 million per year to M'Link for its services to the government and the MPLA, without distinguishing between the two. This agreement was signed by Hendrick Vaal Neto, who has also benefited directly from the profits from this work, in contravention of the Law on Crimes Committed by Holders of Public Office, which prohibits people in government from using state functions and contracts to their own benefit.

M'Link's managing director is the journalist and MPLA parliamentarian Luís Domingos, who in partnership with Francisca Pacavira holds 10% of the shares. For several years now, Luís Domingos has presented the weekly propaganda programme "*Angola em Movimento*" (Angola on the move), which is produced by M'Link on behalf of Orion and broadcast on the state television station, TPA. The Constitution (Article 82,1,c) states that the duties of a Member of Parliament are incompatible with serving as managing director of a private company. Luís Domingos has not declared this conflict of interests and continues to play both roles with the blessing of the MPLA leadership.

Pontual is a screen printing business privatised by the state: its shareholders comprise GEFI (70%), the secretary general of the MPLA, Julião Mateus Paulo "Dino Matross" (5%), the chairman of the board of GEFI and member of the MPLA Political Bureau Mário António de Sequeira e Carvalho (5%), and while the remaining 20% is shared among the company's former managers and party activists.

Other state businesses that were handed over to GEFI as majority shareholder are A Foto (73%), as well as the printing presses Gráfica Impresso (41%), in Benguela, and Edigráfica (27%).

Banking and finance

In the banking sector, GEFI is the main shareholder in Banco Sol, holding 55% of shares through its subsidiary Sansul, according to Banco Sol's latest annual report. Sansul's capital is in turn owned 99% by GEFI, while four MPLA members share a token 1%. Direct shareholders in Banco Sol, each with 5%, include first lady Ana Paula dos Santos, the vice-chairman of the National Assembly and member of the MPLA Political Bureau, João Lourenço, and the MPLA parliamentarian and former minister of finances Júlio Bessa.

Banco Comercial Angolano is controlled by ABSA / Barclays (50%) as investor, while GEFI holds a mere 1.8% of the shares. But leading figures in the regime are numbered

among the shareholders, including the MPLA secretary general Julião Mateus Paulo, the ministers of Transport and Fisheries, Augusto Tomás and Salomão Xirimimbi, the governor of Huila province, Isaac dos Anjos, and members of parliament Fernando França Van-Dúnem and Dumilde Rangel.

GEFI's interests also extend to offshore companies, namely Faierden, which it owns outright, and Invest, in which it has a 20% share. Both companies are registered in Panama, but little else is known about their finances or their business activities.

Industry

In the industrial sector, GEFI's role is curious when compared to that of MPLA leaders. The government transferred ownership of the country's main flourmills to GEFI without any tender, while the leading figures in the regime enjoy substantial shares in petroleum and diamond concessions, for their personal benefit. The milling business is nevertheless of great political, economic and social importance since it means partial control over the manufacture of bread, an important food for the whole country, and maize flour, which is the staple diet of southern Angola.

On 14 July 2008, the Minister of Industry, Joaquim David, and the then Secretary of State for Public Enterprise, Augusto Tomás, drew up Joint Executive Decree no 91/08, with reference to the total privatisation of the Cimor mill in Matala, Huila province. The beneficiaries were Seipo, a GEFI subsidiary (50%), local businessman Fernando Borges (35%) and other smaller shareholders including workers and local professionals (15%). Seipo, in turn, is owned 55% by GEFI, while MPLA parliamentarians João Marcelino Typinge and Alfredo Berner, as well as Defence Minister Kundy Paihama, have 14% of Seipo's shares between them, while other MPLA figures own the remainder.

From a legal point of view, the transfer of shares from the state to Seipo involves influence-peddling. Law 21/90 (Article 10,2) prohibits members of the government – in

this case, the Defence Minister – from participating in business in which the state is also involved.

Until May 2008, Cimor was producing 300 tons of maize flour per day. According to information that its manager, Edgar Macedo, gave to *Jornal de Angola*, the mill intended to triple its daily production to improve the supply to the south of the country.

The decree in question explained the privatisation “in terms of a strategy to develop the food industry and to refurbish and increase the productive capacities of the maize milling industry” as well as “to make the private sector participate in the development of these industries.

Ten years before, on 31 July 1998, the then Ministers of Industry and of Finance, Manuel Duque e Alcântara Monteiro, had drafted Joint Executive Decree no 39/98, for the total and direct privatisation of the Heróis de Kangamba mill in Viana, Luanda, to the benefit of GEFI (60%) and its subsidiary Sengoservice (40%). According to the ministers’ explanation, the privatisation took place “in terms of the strategy to develop the food industry and the Bread Programme” and “to make the private sector participate in those industries”. After privatisation, the mill – the biggest in Angola – was renamed Moagem Kwaba. GEFI subsequently sold 45% of its shares to a foreign investor, the US-based Seabord. Nevertheless, since 2006 Kwaba has not been in operation due to managerial and investment problems.

As part of the strategy already referred to, and as part of the institutional norms for the privatisation process, all the mills ought to have been sold on the open market, with guaranteed shares for workers and small local shareholders. Formally, the ministers of Industry and of Finance announced that privatisation would be undertaken through public tenders in the case of 60% of the shares of the Saidy Mingas and Aliança mills in Lubango, Huila province. Another example of public bidding in the same sector was the privatisation of shares in the *Empresa Industrial de Produtos Alimentares (EMPAL – Industrial Food Production Company)* in favour of

Fundo Lwini, which belongs to first lady Ana Paula dos Santos. In Joint Executive Decree no 31/00 of 21 April 2000, the then ministers of Finance and of Industry, Joaquim David and Albina Assis, declared that “there was no public participation by individual or collective entities” and, consequently transferred ownership of the firm directly to the first lady. Although this deal represents influence peddling in favour of President Dos Santos’s wife, the trick of supposedly opening the deal to public tender demonstrates how MPLA leaders comply with the law and the rules of transparency selectively and at their own convenience.

GEFI, though its subsidiary Sogepang, also received 20% of the shares in Cerangola, the second biggest grain processing factory in the country, in Benguela. Seabord was also asked to contribute its know-how to this project. The MPLA’s taste for the bread business extends also to the Sociedade dos Industriais de Panificação de Luanda (Luanda Baking Industries Partnership – Sopão), in which GEFI is the second-largest shareholder, with 20% in relation to Martal’s 35%.

Yet despite the privatisations, the state continues to intervene in the sector through mechanisms that raise further doubts. At the Conference on the Re-launching of the Food Processing Industry 2009-2012, held in May last year, the government announced an investment in \$100 million in the construction of two wheat mills, with a production capacity of 1000 tons per day. JP Morgan and local banks will lend the money for the construction of the factories, which are to be built in the provinces of Bengo and Kwanza-Sul.

At the same conference, the director of studies and planning in the Ministry of Industry, José Gonçalves, unveiled plans for the imminent rehabilitation of the Kwaba, Cerangola and Saydi Mingas mills – the latter in Huila province – at a total cost of \$33 million, to be raised from local banks.

In the projects announced at the conference, the line between public and private investment is blurred. The government has increased investment in industry and other sectors, only to give away ownership of assets, virtually for free, to businesses that

belong to government officials. This, however, is another story to be dealt with in due course.

The motor industry

A clear example of the use of state power to the benefit of the private businesses of the MPLA and the country's ruling families is the case of the Volkswagen and Skoda vehicle assembly plant in Angola. On 23 December 2004, the Council of Ministers passed Resolution 39/04, authorising Agência Nacional de Investimentos Privados (National Private Investments Agency – ANIP) to enter into an investment contract with the American Company Ancar Worldwide Investments Holding, worth \$48 million. On 26 January 2005, ANIP initialled the contract for the assembly of 160 cars per day at Pólo Industrial in Viana, Luanda.

This contract was signed after Ancar undertook to hand over 49% of the shares in its Angolan offspring to five Angolan-based companies, namely:

- Acapir Lda, a company that belongs to the President's daughter, Welwitchia dos Santos, usually known as Tchizé dos Santos.
- Mbakassi & Filhos, official representative of Volkswagen in Angola;
- GEFI, the MPLA's company;
- Suninvest, investment arm of the Fundação Eduardo dos Santos (FESA), the President's private institution;
- Tchany Perdigão Abrantes, cousin of Tchizé dos Santos.

Three days after the contract was signed, the chairman of FESA, Ismael Diogo, called a meeting at FESA's headquarters, with a representative of Ancar, Carlos Garcia, the owner of Mbakassi & Filhos, António Mosquito, and as a witness, the then administrator of FESA and chairman of Suninvest, António Maurício.

Ismael Diogo called the meeting, as stated in the minutes, “according to a mandate from His Excellency the President of the Republic, Engineer José Eduardo dos Santos, to clarify the circumstances and the reality that ACAPIR Lda. would have to participate in the “AnCAR – Automóveis de Angola” partnership, owing to the fact that one of the shareholders was the daughter of the Head of State, to obtain his favour for the approval of the investment project.

Mbakassy & Filhos felt cheated at having had 16% of the quota meant for them taken away in order to accommodate the president’s daughter, who was then named vice-chair of the board of AnCAR – Automóveis de Angola. According to the minutes, “at no time did AnCAR Worldwide Investments Holding explain the offer of 16% to ACAPIR Lda. in order to benefit from the favours of His Excellency the President of the Republic in the approval of the project.” The final decision in the Council of Ministers to approve AnCAR’s project rested with President dos Santos, as head of government.

The point worth noting about the AnCAR case is that a business row, not a dispute about the legality and transparency of the deal, took place at government level. Dos Santos was involved in a blatant act of influence peddling, in favour of his foundation, his daughter, and his party’s company GEFI, which received 12% of the shares in the project. The case was considered worthy of a second stakeholders’ meeting in order to redistribute the shares among the presidential family, the MPLA’s business interests and those of Mosquito, a businessmen who has benefited from the MPLA’s wealth distribution policies.

Nevertheless, according to information published in the German press in July 2005, the chairman of Volkswagen, Bernd Pischetsrieder, delayed the plans to install the assembly plant owing to allegations of corruption surrounding the project.

Also in the motor industry, GEFI was the direct beneficiary of the privatisation of the Mabor tyre factory, now renamed Pneucar. GEFI received 60% of the shares in the company that owns the factory, which is currently not operational.

Other businesses

In the retail business, GEFI benefited from the privatisation of the country's largest hypermarket, Jumbo, in Luanda. GEFI formed a partnership with the third-biggest French company in the sector, the Auchan group, GEFI taking 51% of the shares while the French company has since 1996 owned 30% of Jumbo's capital. Other partners, including the current secretary of the Council of Ministers, Joaquim Reis Júnior, and others linked to the regime control 19% of the shares.

In the construction sector, the biggest growth area of the last few years, GEFI gained 20% ownership of the metal structures factory set up by the Portuguese company Martifer in Viana, Luanda. Martifer is in turn a subsidiary of the Portuguese construction firm Mota-Engil, which is expanding its business interests in Angola through establishing partnerships with influential figures in the regime. This type of investment pattern is the secret of the success of most of the Portuguese and other foreign companies that are doing well in the Angolan market.

On the other hand, when it is unable to attract a foreign investor and manager, GEFI's day-to-day management capacity is notable. Its subsidiary Sengoservice, which manages Feira Popular (People's Fair), in Luanda, has turned the country's biggest amusement park into an informal market selling clothes and household goods.

The MPLA's accumulation of private property, through the privatisation of state assets, also includes the fixed and mobile assets of the old button factory that is currently out of use, and bookshops in the city of Luanda. GEFI also sold thousands of Christmas hampers to state and private institutions, through its subsidiary Dilog, managed by a foreign national by the name of Amin Herji.

GEFI has negotiated with the Ministry of Fisheries over the management of the Kapiandalo fish-processing factory in Benguela as well as receiving 60% of the

company's shares, with no public consultation, and no consideration to what benefit the deal might have for the state. Still in the fishing sector, GEFI co-owns Epata Fishing, which is licensed to fish in Namibian waters, as well as having shares in other fishing companies.

The MPLA's incursions into the private security business are also worth noting. GEFI is the sole owner of Socorro, which protects the party headquarters and other buildings as well as its leaders. Ambiente, another GEFI company, is also involved in industrial security despite current problems.

On 16 March 2006, GEFI formed a partnership with the state businesses Sonangol (petroleum), Endiama (diamonds), Porto de Luanda (harbour), Fundo de Desenvolvimento Económico e Social (social and economic development fund), Grupo Ensa (insurance) and a further 18 private entities, as founding partners in the Angolan Stock Exchange (Bolsa de Valores e Derivativos de Angola), which was constituted as a limited company and is expected to start operating soon.

Conclusions

Despite various enquiries to people close to the government about the MPLA's businesses, all that emerges is a consensus about the lack of information, even by the party's Central Committee and Political Bureau, about the amount of capital that GEFI has acquired, how it is managed, its annual profits and where the money ends up.

After the party's Fifth Congress in 2003, its chairman, José Eduardo dos Santos, put Manuel Vicente, a Central Committee member and chairman of the board and CEO of state oil company Sonangol, to audit the MPLA's business interests with a view to better management and better returns. Yet what happens to the profits remains a mystery, as does the question of financial management.

In contrast, some figures in the MPLA speak of the exemplary way in which Maboque,

another holding company created by the party, has presented its accounts and duly contributed to the MPLA's coffers. Maboque is a company that has secured its reputation in Angolan society by offering an annual journalism prize worth US\$ 100 000. João Melo, an MPLA parliamentarian and the director of the magazine *África 21*, won the prize in 2009. Still, the way in which the MPLA uses the contributions from Maboque raises other questions, which will have to be the subject of a future article on **Maka Angola**.

The transfer of state assets to GEFI must be understood in the institutional context of the dividing up of state resources among certain figures: the families of the political elite and their Angolan and foreign associates. From the research that I have been doing in the past three years, I have learnt of the workings of an office in the External Intelligence Services (SIE) which has been involved in the allocation of business privileges to political leaders, their families, associates and people co-opted. The office in question sets up companies, chooses their shareholders and suggests which state assets should be given to them, and which foreign investors should be brought on board as partners. The final decision in this regard always rests with the President of the Republic.

During an extraordinary party congress in 1980, the MPLA's biggest decision was the "subordination of the state and all economic and social activity" under the party's leadership. The subsequent liberalisation of the economy has been used to bring about a system even more perverse than the one created by the MPLA 30 years ago. Nowadays, the state, all economic and social activity in the country, not to mention the MPLA's own structures, have been brought under the absolute private control of the business interests that benefit the ruling families.

With respect to the MPLA's role as a party of the left, concerned with the situation of the most disadvantaged members of society, reaffirmed in its Sixth Congress, in December 2009, the reality is different and the ideology is irrelevant. The concept of social solidarity and equal opportunity applies only to select members of the ruling elite who have been given the task of looting the country.