

# Government revises Public - Private Partnerships Law

The Ministry of Economy and Planning is expected to begin a review of the law on public-private partnerships in December to strengthen the mobilization of private investment under the six-month Interim Plan prepared by the Government.



In this plan, to be implemented by March 2018 to improve the economic and social situation of the country, the ministry led by Pedro Luís da Fonseca assumes the conduct of several measures, such as the revision of law on Public and Private Partnerships of January of 2011.

President João Lourenço intends to review the text in order to guarantee the “mobilization of resources from the private sector for public infrastructure works”, namely in the form of a concession. The BOT modality (Build, Operate and Transfer), a regime in which private individuals invests, constructs and operates for a long period of time, after which the works become state property, will also be subject to revision.

The current legislation states that public-private partnerships may involve concessions in full, in part or even not onerous to the State, but excludes public works contracts and public procurement contracts.

According to data announced in October by the Angolan

President, the growth rate of the real Gross Domestic Product (GDP) was 0.1% in 2016, against 6.8% in 2013, before the crisis caused by the fall in revenues with the oil export, maintaining the growth forecast of 2.1% for this year.

The country recorded a cumulative 40% drop in tax revenue between 2013 and 2016 and in the oil sector there was a 70% drop. On the other hand, total state expenditure fell by 29% in the same period, affecting mainly public investment, which fell by 55%.

However, the “fiscal consolidation carried out in recent years has contributed immensely so that the deficit did not explode”, explained recently President João Lourenço.