



Doing Business in Equatorial Guinea: 2013

Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Equatorial Guinea

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Market Overview

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- Equatorial Guinea is the third largest oil producer in sub-Saharan Africa, and the economy of Equatorial Guinea is dominated by the hydrocarbons sector, which accounts for roughly 75% of GDP with the extraction of crude oil, natural gas, and condensate. U.S. companies are the largest investors in the sector, which also includes French and Equatoguinean companies.
- Oil money has fueled a housing and infrastructure construction boom. Chinese, Egyptian, French, Brazilian, and Turkish companies earn most government construction contracts.
- The Government of the Republic of Equatorial Guinea (GREG) has recently pressured international companies to hire more Equatoguinean workers, particularly in management positions.
- The Government of the Republic of Equatorial Guinea is actively soliciting foreign investment, particularly from U.S. firms. The GREG is particularly interested in investment in agriculture and other industries that will help it diversify from the hydrocarbons sector, on which the economy currently relies. The country still presents a challenging environment for investors.
- Equatorial Guinea works for regional integration through the Economic Community of Central African States (ECCAS) at the national and regional levels, but major efforts are still needed to implement the goals of the organization. EG is also a member of the Organization for the Harmonization of Business Law in Africa (OHADA), which provides a legal and regulatory framework. However, implementation of those laws is inconsistent and unreliable.

Market Challenges

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- Foreign investors are not allowed to be full owners of local companies, but can be minority partners with the government. Coordinating with the government can be an onerous and opaque process.
- There are no consistent mechanisms for investment dispute resolution. Generally disputes are handled in direct communication with the relevant government

Ministry. The government is frequently very slow to respond. Decisions often have to be made at the Ministerial or Presidential level.

- Equatorial Guinea (EG) generally has favorable investment laws on paper. Disputes can be taken to judicial courts for resolution, but outcomes and enforcement are inconsistent.
- Recent investment disputes have centered on non-payment of investors or contractors by the government, or state-owned enterprises.
- Equatorial Guinea ranks 163rd globally in Transparency International's Corruption Index. Corruption is a very real concern in EG, and U.S. investors must exercise caution to stay within the guidelines of the Foreign Corrupt Practices Act (FCPA).

Market Opportunities

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- The hydrocarbons sector has been the biggest source of FDI in the country, with roughly \$12 billion in investment by U.S.-companies. However, oil exploration has slowed down.
- The GREG has expressed interest in further developing the mining sector. Prior assessments have included gold, zinc, diamonds, columbite-tantalite, and other base metals as undeveloped natural resources.
- Forestry is the second major export industry in EG, though the market is fairly saturated by foreign firms.
- Construction of infrastructure, commercial buildings, and housing continue to be booming industries dominated by foreign firms in EG.
- The GREG is investing in the development of telecommunications infrastructure, particularly in the expansion of mobile networks. There are opportunities for foreign firms to enter the market due to the lack of local technical experience.
- EG has fertile soil but a very underdeveloped agricultural sector. The GREG has invited investment into the agricultural sector.

Market Entry Strategy

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- Any company considering entering the EG market should conduct extensive research and then contact either the EG Embassy in Washington, DC or the Consulate General in Houston, TX. After that, a personal visit to EG is necessary before deciding to invest.
- Particularly if hoping to obtain a government contract, meeting with the Horizon 2020 national development agency in Malabo may be useful.

- An Equatoguinean partner is vital in navigating the lengthy and often unclear process of registering a company and obtaining appropriate permits. Business is mostly conducted in person and occasionally over the phone (email use is rare), so it is also very difficult to operate remotely. Having a permanent local representative is highly advised, and even required in some industries.
- Personal relationships are very important to all forms of business in EG, and such relationships can take several meetings to develop.
- The legal system is sufficiently different from the U.S. system that retaining a local attorney is advisable. A list of attorneys is available on the Embassy's American Citizens Services webpage: <http://malabo.usembassy.gov/service/list-of-lawyers.html>

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/7221.htm>

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Using an Agent or Distributor

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Using a local agent is recommended, given language and cultural barriers. Finding a suitable agent can be a challenge however, due to strong competition from large oil companies for the limited number of qualified local staff. Business partnerships are largely based on personal relationships; there is not a well-structured process of finding an agent/partner.

The specific type of representation that a U.S. firm establishes in Equatorial Guinea must be tailored to fit the individual requirements of the product and its potential market. U.S. firms may employ the services of an agent, appoint a distributor or dealer, and/or establish a direct sales branch or subsidiary. Preferably, the agent or the distributor should be a local business/firm, fluent in Spanish and knowledgeable of EG's business practices. If the product requires some servicing, the U.S. exporter should make available a reasonable inventory of spare parts to his agent or distributor. U.S. companies also should provide brochures and marketing literature in Spanish.

Establishing an Office

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There is no single process for establishing a local office. Generally, establishing a local company requires registering with the Ministry of Justice, Ministry of Housing and Budgets, Ministry of Economy, Treasury, and Office of the President. However, the process can vary and a local attorney/agent is often necessary to navigate the process. There is an office of Economic and Business Information within the Ministry of Economy that may be able to help businesses obtain information. Often the Ministry relevant to your industry will also need to be involved.

Franchising

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There are no known U.S. franchises in Equatorial Guinea. There are no known legal regulations with regard to franchises.

Direct Marketing

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There are no prohibitions on direct marketing. Direct mail is unlikely to be an effective strategy in EG as home mail delivery does not exist; mail service to post offices is slow and sometimes unreliable. Telemarketing would be an expensive and somewhat frustrating strategy to use in EG as fixed line phone service is limited. Fixed line service that does exist is often unreliable and plagued by line noise. E-mail marketing is limited because home Internet access is nascent, and email use is rare. Internet cafés are expanding throughout the country but these businesses face a limited choice of internet service providers (ISPs) with high rates. The GREG maintains the only public television channel and commercial advertisements are not common. Digital cable is not widespread in EG, and is brought in by international providers. Marketing via cell phones is a possibility. Cell phones are more common and more reliable in EG than fixed lines. Direct response marketing, such as infomercials with solicitations for credit card purchases of products, would be unlikely to work in EG as few Equatoguineans have credit cards. There are very few outlets in EG that accept credit cards. EG is almost entirely a cash-based economy.

Joint Ventures/Licensing

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Regulations can vary by industry and are often developed on a case-by-case basis. Consult a local attorney.

Selling to the Government

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Businesses generally must be registered to do business in Equatorial Guinea to sell to the government. Most deals are negotiated on a case-by-case basis with the relevant ministry, so businesses should verify requirements with the ministry.

Distribution and Sales Channels

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There are a few medium-sized privately owned logistics firms that handle importation of goods.

The major distribution and selling points in EG include the capital Malabo on Bioko Island and the city of Bata in the continental portion of the country. Goods are sold in both established retail buildings and informal street markets. Quality commercial real estate is limited, and often requires renovation.

Nearly all products are imported by sea or by air. There are multiple maritime ports that can handle cargo ships and a modest amount of sea cargo each week. The airport in Malabo is small, but there are international flights daily. The mainland portion of the country is served primarily by imports by sea or air, but could also receive transport by

ground from neighboring Gabon or Cameroon. Transport between the two parts of the country is available by a single daily ship or by multiple daily flights.

Selling Factors/Techniques

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All sales promotion material and technical documentation should be in Spanish, and possibly also in French. In rural areas, advertisements in the local languages, such as Fang or Bubi may also be helpful.

Electronic Commerce

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Credit cards are very rare, as are shipping options. Consequently, e-Commerce is not widely used. This may change in the coming years, however.

Trade Promotion and Advertising

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Most advertising is done by radio, read by announcers along with the news. There is no daily newspaper in EG, though there is a newspaper that is published periodically that contains advertisements. Billboards are also a common form of advertisement.

Pricing

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The principle of freedom of the selling price of goods and products imported or locally-made is applicable in EG.

Sales Service/Customer Support

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Consumers in EG are generally not accustomed to U.S.-style guarantees. Many of their buying habits are based on a relationship of trust and experience with a particular vendor.

After-sales support and service are not universal, but do exist among certain service providers such as satellite TV companies and distributors of heavy machinery.

Protecting Your Intellectual Property

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Equatorial Guinea is a member of the West African Intellectual Property Organization (Organización Africana de la Propiedad Intelectual, OAPI), which establishes the legal framework for protecting intellectual property and approves requests for registration. In practice, however, government-enforcement of intellectual property laws is likely to be inconsistent and unreliable due to a lack of capacity and emphasis.

Protecting Your Intellectual Property in Equatorial Guinea:

Several general principles are important for effective management of intellectual property ("IP") rights in Equatorial Guinea. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Equatorial Guinea than in the U.S. Third, rights must be registered and enforced in Equatorial Guinea, under

local laws. Your U.S. trademark and patent registrations will not protect you in Equatorial Guinea. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Equatorial Guinea market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Equatorial Guinea. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a lawsuit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Equatorial Guinea require constant attention. Work with legal counsel familiar with Equatoguinean laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)

- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world: <http://www.uspto.gov/ip/global/attache/index.jsp>

Due Diligence

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Many Equatoguinean firms do not keep accounting records that would be acceptable under international accounting standards. However, there are some international accounting firms in Malabo that may be able to assist with an audit. Adequate due diligence would demand a visit to the country to verify the auditors' reputation and reliability.

Corruption is a concern in Equatorial Guinea, and U.S. companies should exercise caution to ensure compliance with the Foreign Corrupt Practices Act.

Local Professional Services

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The Embassy website contains a list of local attorneys. The list is provided solely as a resource, not as an endorsement of any of the firms listed:

<http://malabo.usembassy.gov/service/list-of-lawyers.html>

Companies can also consult a local business directory. The directory is not exhaustive, but provides some companies operating in EG. Again, this list is provided solely as a resource, the Embassy cannot attest to any of the information contained:

<http://www.guineaamano.com/sectores/>

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U.S. Embassy website, Business Tab: <http://malabo.usembassy.gov/business.html>

Ministry of Foreign Affairs of Equatorial Guinea: <http://www.mae-ge.org/>

Ministry of Mines of Equatorial Guinea: <http://www.equatorialoil.com/>

EG's Gepetrol: <http://www.equatorialoil.com/gepetrol.html>

EG's Sonagas: <http://www.equatorialoil.com/sonagas.html>

Ministry of Information Press Page: <http://www.guineaecuatorialpress.com/>

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Agricultural Sectors

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Hydrocarbons

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Unit: USD thousands

| | 2011 | 2012 | 2013 (estimated) | 2014 (estimated) |
|------------------------|--------|------|---------------------|---------------------|
| Total Market Size | | N/A | | |
| Total Local Production | | N/A | | |
| Total Exports | 14.1 M | N/A | | |
| Total Imports | | N/A | | |
| Imports from the U.S. | | N/A | | |
| Exchange Rate: 1 USD | 500 | 500 | 500 | 500 |

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production:

Total Exports: IMF

Total Imports:

Imports from U.S.:

The hydrocarbons industry is well developed in EG, and many major American oil companies are invested here. Most offshore blocks have already been claimed. However, the government is still awarding unclaimed offshore blocks to interested companies.

Sub-Sector Best Prospects

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Natural gas has been less-explored.

Opportunities

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<http://www.equatorialoil.com/>

Telecommunication Infrastructure

Overview

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Unit: USD thousands

| | 2011 | 2012 | 2013 (estimated) | 2014 (estimated) |
|------------------------|------|------|---------------------|---------------------|
| Total Market Size | N/A | N/A | N/A | N/A |
| Total Local Production | N/A | N/A | N/A | N/A |
| Total Exports | N/A | N/A | N/A | N/A |
| Total Imports | N/A | N/A | N/A | N/A |
| Imports from the U.S. | N/A | N/A | N/A | N/A |
| Exchange Rate: 1 USD | 500 | 500 | 500 | 500 |

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production:

Total Exports:

Total Imports:

Imports from U.S.:

As part of EG's economic development, an emphasis has been placed on infrastructure, including telecommunication technology. There are already a few international companies competing in this market, including GETESA, which is a joint partnership of the EG government and France Telecom. Broadband internet technology is still in the nascent phases of development, which may provide opportunities for American firms.

Sub-Sector Best Prospects

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Broadband internet infrastructure.

Opportunities

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Public infrastructure projects are rarely publicly solicited. Contracts are awarded based on personal relationships, including past business cooperation. However, the EG Embassy in the United States may be able to advise U.S. firms about existing projects open for bidding.

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Cacao

Overview

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Unit: USD thousands

| | 2011 | 2012 | 2013 (estimated) | 2014 (estimated) |
|------------------------|------|------|---------------------|---------------------|
| Total Market Size | N/A | N/A | N/A | N/A |
| Total Local Production | N/A | N/A | N/A | N/A |
| Total Exports | N/A | N/A | N/A | N/A |
| Total Imports | N/A | N/A | N/A | N/A |
| Imports from the U.S. | N/A | N/A | N/A | N/A |
| Exchange Rate: 1 USD | 500 | 500 | 500 | 500 |

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production:

Total Exports:

Total Imports:

Imports from U.S.:

Before the discovery of oil, cacao was the primary export crop of EG. Much of the infrastructure for cacao production is gone, but the soil that once produced some of the world's best cacao remains. Other agricultural products may also be viable. However, much of the country is dense jungle, so open space for large fields is not readily available.

Sub-Sector Best Prospects

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Opportunities

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Businesses would have to re-establish cacao production almost from scratch.

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Import Tariffs

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Tariffs vary by product and industry, and are generally not published. Enforcement is inconsistent.

Trade Barriers

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There are not barriers specific to U.S. companies. However, some barriers to trade include a low local capacity, a lack of transparency to the process, and weak enforcement of laws and regulations. However, customs officials receive a percentage of the proceeds from customs fines and are often very rigorous.

Import Requirements and Documentation

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Varies by industry and product. Not easily available.

U.S. Export Controls

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There are no specific export controls for Equatorial Guinea. U.S. exporters must abide by U.S. regulations that apply to all exporters. Visit <http://export.gov/> for more information.

Temporary Entry

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This information is not readily available and likely varies by product.

Labeling and Marking Requirements

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Requirements vary by product and are not published.

Prohibited and Restricted Imports

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There is not a published list of prohibited items, so companies should inquire with a local attorney/agent about a specific product. Note that firearms are illegal for most citizens to own, and likely face import restrictions.

Customs Regulations and Contact Information

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Contact the Embassy of Equatorial Guinea in Washington or the Consulate of Equatorial Guinea in Houston.

Standards

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EG does not have a central standards or regulatory agency. Certain products are regulated by the relevant ministry. For example, certain pharmaceuticals are regulated by the Ministry of Health. Enforcement is inconsistent.

Standards Organizations

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EG is a member of the Central African Economic and Monetary Community (CEMAC), which has its own set of general standards.

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Equatorial Guinea is an observer at the WTO.

Conformity Assessment

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N/A

Product Certification

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Varies by product. Enforcement is inconsistent.

Accreditation

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Varies by product. Businesses should contact the relevant ministry to determine accreditation requirements.

Publication of Technical Regulations

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Regulations are not released in any publication. Interested parties can go to the national law library to request copies of laws.

Labeling and Marking

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No known requirements.

Contacts

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Ministry of Economy, Commerce, and Business Promotion
Malabo, Equatorial Guinea

Request contact information at:

<http://www.guineaecuatorialpress.com/contacto.php>

Trade Agreements

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Equatorial Guinea has signed Bilateral Investment Agreements with France, South Africa, and Spain.

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Openness to Foreign Investment

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The Government of the Republic of Equatorial Guinea is actively soliciting foreign investment, particularly from U.S. firms. The GREG is particularly interested in investment in agriculture and other industries that will help it diversify from the hydrocarbons sector, on which the economy currently relies. Most investment contracts are negotiated individually with the relevant ministry of the government. The government has recently proposed a national content law that would require a certain percentage of the workforce to be Equatoguinean. That law is still in the draft stage. In some sectors, investments must be part of public-private partnerships with a government entity.

The judicial system is nominally independent, but in reality is heavily influenced by the executive branch. The government does not consistently or reliably enforce judicial decisions.

Equatorial Guinea does not have a single agency that serves as a hub for foreign investors. Investors must work with the relevant ministry to negotiate a contract. Larger deals may rise to the Presidential level. U.S. investors may reach out to the Equatoguinean Embassy in the United States for guidance and connection to the appropriate ministry.

Clearing imported goods and supplies can be a slow and onerous process due to bureaucratic requirements.

Conversion and Transfer Policies

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Local currency is not widely available outside of the Central African Franc zone, but can be relatively easily obtained in country. Equatorial Guinea is an almost entirely cash economy, though credit cards are slowly growing in usage.

Expropriation and Compensation

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The government does not have a record of nationalization or expropriation.

Dispute Settlement

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There are no consistent mechanisms for investment dispute resolution. Generally disputes are handled in direct communication with the relevant government Ministry. The government is frequently very slow to respond. Decisions often have to be made at the Ministerial or Presidential level.

Equatorial Guinea (EG) has favorable investment laws on paper. Disputes can be taken to judicial courts for resolution, but outcomes and enforcement are inconsistent. Recent investment disputes have centered on non-payment of investors or contractors by the government, or state-owned enterprises. There are few established mechanisms to compel the government to pay investors, and the Embassy has limited capacity to intervene.

Equatorial Guinea is not a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention - also known as the Washington Convention) or the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.

Performance Requirements and Incentives

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U.S. citizens do not require visas to enter Equatorial Guinea. However, it can be very difficult to obtain a visa for citizens of most other countries. Residency permits and work permits are often good for just six months or one year, and are difficult to renew. Work permits are also difficult to obtain.

Right to Private Ownership and Establishment

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Foreign investors are not allowed to be full owners of local companies, but can be minority partners with the government.

Protection of Property Rights

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Foreign investors are not permitted to own land or property, but can lease it from the government or others.

Transparency of Regulatory System

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Labor laws are published and are publicly available. Regulations are not consistently applied. Foreign companies are expected to follow every detail of the labor law or face penalties. Enforcement of the labor law on national companies is far less strict.

Bureaucratic procedures are neither streamlined nor transparent, and can be extremely slow for those without the proper connections.

Proposed laws and regulations are not published in draft form for public comment, but are sometimes informally shared with representatives of specific industries for comment.

Efficient Capital Markets and Portfolio Investment

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The small but growing banking sector can provide some financing to businesses. Capital markets are virtually non-existent.

Competition from State Owned Enterprises

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There are currently a few state-owned enterprises in the oil and telecommunications sectors.

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Many U.S. firms operating in Equatorial Guinea have excellent corporate social responsibility (CSR) programs. The government has expressed appreciation for these efforts and recognized the positive role of U.S. firms. There are not any CSR requirements to operate in Equatorial Guinea, and most firms from other countries do not have substantial CSR programs.

There are no independent NGOs operating in the country that promote or monitor CSR.

Political Violence

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There have not been recent instances of political violence.

Corruption

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Equatorial Guinea has strict laws against corruption, but they are not enforced. Corruption is very common in EG.

No international nongovernmental "watchdog" organization is operating in the country.

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including

foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. Equatorial Guinea is not a party to any anti-corruption treaty, agreement or organization.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA.

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational

business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery.

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>)

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see www.coe.int/greco.)

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and transnationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. Equatorial Guinea is not a signatory to any Free Trade agreements with the United States.

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Public sector corruption, including bribery of public officials, remains a major challenge for U.S. firms operating in Equatorial Guinea. Weak rule of law, insufficient institutional capacity and lack of political hinder efforts to fight corruption.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a "Lay-Person's Guide to the FCPA" is available at the U.S. Department of Justice's Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/department/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.

- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

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Equatorial Guinea has signed Bilateral Investment Agreements with France, South Africa, and Spain.

OPIC and Other Investment Insurance Programs

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There are no OPIC programs in Equatorial Guinea.

Labor

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Local labor is available. The local supply of skilled labor is limited.

Compared to the United States, labor laws in EG are generally very favorable toward the employee.

Local government enforcement of labor laws is very strict with foreign companies. For other companies, it is mostly focused on preventing employment of undocumented immigrants.

Foreign-Trade Zones/Free Ports

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None

Foreign Direct Investment Statistics

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The World Bank estimated the net inflow of Foreign Direct Investment into Equatorial Guinea in 2011 to be US\$737.1 million.

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Chapter 7: Trade and Project Financing

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How Do I Get Paid (Methods of Payment)

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Payment can be made by cash in advance, wire transfer, or letter of credit. U.S. companies have had issues receiving timely payment before, and are advised to request an irrevocable confirmed letter of credit drawn on one of the major banks.

How Does the Banking System Operate

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There are international banks in Malabo and Bata that can offer most basic services. Currently banks have limited capacity and cannot offer many services available in the United States. However, the banking sector is growing and receiving international technical assistance, so the services available may change.

Foreign-Exchange Controls

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The Central African Franc generally cannot be exchanged in the U.S. or Europe. However, local banks will exchange Central African Francs for U.S. Dollars or Euros without restriction. Banks can also use a transfer agent to transfer funds to the U.S. With government contracts, funds are often paid directly to U.S. accounts.

U.S. Banks and Local Correspondent Banks

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No U.S. banks operate in Equatorial Guinea.

Project Financing

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Major projects are generally funded by the GREG through contracts to companies. There is very limited project financing by international or multilateral institutions.

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

African Development Bank: <http://www.afdb.org/en/>

Bank of Central African States, BEAC: <https://www.beac.int/>

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Chapter 8: Business Travel

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Business Customs

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A standard business suit is common attire for meetings. Equatoguinean society is very mindful of protocol, and government officials are addressed formally. Business cards are commonly used. Having a local phone number is the best way to stay in contact. Email is not widely used.

Personal relationships are very important, so taking time for visits and meals together is recommended.

Travel Advisory

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http://travel.state.gov/travel/cis_pa_tw/cis/cis_1110.html

Visa Requirements

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Visas are not required for U.S. citizens. Long-term visitors may be required to obtain work and/or residency permits.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>

Embassy Malabo Non-Immigrant Visa Website:
http://malabo.usembassy.gov/non-immigrant_visas.html

Telecommunications

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In Equatorial Guinea, international calls to most countries can be dialed directly. The country code for EG is 240. Internet service is available and generally reliable, although

it is still relatively expensive and speeds are modest. Cellular phones are very popular and they operate on the GSM standard.

Transportation

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Daily international flights are available from the U.S., through Madrid, Paris, or Frankfurt. There are several daily flights between Malabo and Bata from Equatoguinean airlines. The road network in EG is increasingly well developed. There is no significant public transportation and renting a vehicle is difficult. Rental vehicle choices are limited and can be expensive. Taxis are readily available in the larger cities and are generally inexpensive. Unless you pay a significantly higher price, drivers will pick up additional people until the vehicle is full. Passengers are delivered to their destinations at the convenience of the driver, not the passenger.

Language

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Spanish is nearly universally spoken, and French is widely spoken amongst the well-educated. English is not common, but is spoken by some high-ranking government officials and businesspeople. There are multiple local languages, the most common of which are Fang and Bubi.

Health

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Medical facilities are very limited. Pharmacies in Malabo and Bata stock basic medicines including antibiotics, but cannot be counted on to supply advanced medications. Outside of these cities, many medicines are unavailable. You are advised to carry a supply of properly-labeled prescription drugs and other medications that you require for your entire stay; an adequate supply of prescription or over-the-counter drugs in local stores or pharmacies is generally not available. The sanitation levels in hospitals are very low, except for the new La Paz Hospitals in Bata and Malabo, which meet the medical standards of a modern hospital in a developed country. Doctors and hospitals often require immediate payment for health services, and patients are sometimes expected to supply their own bandages, linen, and toiletries.

Malaria is a serious and sometimes fatal disease. The national government, along with international oil companies in the country, has taken aggressive steps to control the mosquito population and limit the impact of malaria on the population centers in Malabo and Bata. Plasmodium falciparum malaria, the type that predominates in Equatorial Guinea, is resistant to the anti-malarial drug chloroquine. Travelers to the country are at high risk for contracting malaria; the Centers for Disease Control and Prevention (CDC) advise that you take one of the following anti-malarial drugs: mefloquine, doxycycline, or atovaquone/proguanil (Malarone™). If you become ill with a fever or flu-like illness while traveling in a malaria-risk area, and up to one year after returning home, you should seek prompt medical attention and tell your physician your travel history and what anti-malarials you have been taking. Visit the [CDC's Travelers' Health page](#) for additional information on malaria, including protective measures.

There are periodic outbreaks of [cholera](#) in Equatorial Guinea. [Yellow fever](#) can cause serious medical problems, but the vaccine, required for entry, is very effective in preventing the disease. [Tuberculosis](#) is an increasingly serious health concern in Equatorial Guinea. For further information, please [consult the CDC's information on TB](#).

Many insect-borne illnesses are present. Insect precautions are encouraged at all times. Avoid non-chlorinated freshwater contact on the mainland to lessen the risk of [Schistosomiasis](#).

Information on vaccinations and other health precautions, such as safe food and water precautions and insect bite protection, may be obtained from the Centers for Disease Control and Prevention's (CDC) hotline for international travelers at 1-877-FYI-TRIP (1-877-394-8747) or via the [CDC](#). For information about outbreaks of infectious diseases abroad, consult the infectious diseases section of the [World Health Organization \(WHO\)](#). The WHO also contains additional health information for travelers, including [detailed country-specific health information](#).

MEDICAL INSURANCE: You can't assume your insurance will go with you when you travel. It's very important to find out BEFORE you leave whether or not your medical insurance will cover you overseas. You need to ask your insurance company two questions:

- Does my policy apply when I'm out of the United States?
- Will it cover emergencies like a trip to a foreign hospital or a medical evacuation?

In many places, doctors and hospitals still expect payment in cash at the time of service. Your regular U.S. health insurance may not cover doctor and hospital visits in other countries. If your policy doesn't go with you when you travel, it's a very good idea to take out another one for your trip. For more information, please see our [medical insurance overseas page](#).

Local Time, Business Hours, and Holidays

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Equatorial Guinea is in the West Africa Standard Time zone, which is 1 hour ahead of Greenwich Mean Time (GMT+1). EG does not observe daylight savings time.

Business hours vary by sector. A standard workweek can be from 40-48 hours, and typically includes Monday-Friday and possibly Saturday. Restaurants are open during the evening, but most other stores close by about 7pm.

A list of local holidays observed by the Embassy can be found at: <http://malabo.usembassy.gov/holidays.html> (look for the "EG" notation in the far right column). Occasionally other holidays are announced by the government the day before.

Temporary Entry of Materials and Personal Belongings

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Information not readily available.

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Chapter 9: Contacts, Market Research and Trade Events

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Contacts

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Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

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