U.S. Commercial Service
United States of America Department of Commerce

U.S. Country Commercial Guides

Angola

2020

U.S. Department of Commerce | International Trade Administration

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Doing Business in Angola

Market Overview

Angola is a lower middle-income country located in southern Africa with a USD 94.6 billion Gross Domestic Product (GDP), a 31.9 million population and a per capita income of USD 3,103.5 according to World Bank data for 2019. Historically it has ranked as the third largest economy in sub-Saharan Africa until 2019 when it dropped to the fifth largest economy. This was due largely to a continuous decline in oil production. Angola is the United States' third largest export market in the region.

Angola is a major oil producing country and OPEC member with output of around 1.3 million barrels of oil per day, making it the second largest producer in Sub-Saharan Africa. The country holds significant proven gas reserves as well as extensive mineral resources. Since 2016, Angola has experienced negative economic growth attributed largely to the significant drop in oil prices and a substantial reduction in oil production. Resulting national budget cuts, currency devaluations and high inflation levels have slowed import levels and hindered economic growth. For 2020, the economy is forecasted to contract by 1.4 percent with an inflation rate of 21 percent according to the IMF.

Angola achieved its independence from Portugal in 1975, then immediately entered into a civil war that ended only in 2002. Under the 2010 constitution, the country held its second Presidential election on August 23, 2017 electing Joao Lourenço from the MPLA party as the President of Angola. The election represented a stable democratic transition. Angola is designated as one of the United States' three strategic partners in sub-Saharan Africa, together with Nigeria and South Africa.

Angola depends largely on the off-shore petroleum industry for 37 percent of its GDP, 75 percent of government revenues and 90 percent of exports. Major international oil production companies active in Angola include: Chevron, ExxonMobil, BP, and Total. Angolan exports to the U.S. consist primarily of petroleum, with modest shipments of diamonds and wood. Given the country's stated focus on diversifying its economy and building domestic production capacity, medium-term potential for U.S. companies exists in agriculture, industry, mineral exploration and key infrastructure such as energy, water and transportation.

Total Angolan imports in 2019 are estimated at USD 8.7 billion, a 36 percent decrease from 2018[1]. U.S. exports to Angola increased slightly by 2 percent between 2018 and 2019 to USD 535 million. Angola remains the United States' third largest export market in sub-Saharan Africa. Aircraft and parts, chemical products, energy generation equipment, machinery, meat, and oil and gas equipment were the main categories of U.S. exports to Angola in 2019. Leading countries supplying Angola's imports in 2019 were China (24 percent), Portugal (16 percent), Belgium (6.4 percent), United States (6.2 percent), and South Africa (5.3 percent).

Angola exported USD 36 billion to world markets in 2019, a decrease in value of 16.5 percent over 2018[2], largely due to a drop in oil prices. Exports consisted primarily of petroleum with modest shipments of diamonds and wood. The U.S. imported USD 955 million in Angolan products in 2019, down 65 percent with over 90 percent petroleum products followed by 7 percent diamonds, minerals, and ore.

Leading reasons to consider the Angolan market for U.S. export expansion include:

[1] Global Trade Atlas, UN Comtrade Database
[2] Global Trade Atlas

- Large market size, with a population of 31.9 million and an economy of USD 94.64 billion. Despite the current economic downturn, Angola is the fifth largest economy in sub-Saharan Africa, so it is a logical next market for U.S. companies active in other countries in the region.
- Angola imports most products due to its very low capacity to produce locally. While an effort is underway to build domestic production capacities, it will require many years and depend on international suppliers of key inputs for infrastructure, manufacturing and agricultural development, thus driving demand for imports.
- Strong interest in the United States. Angolan private companies are eager to engage directly with U.S. companies and gain exposure to U.S. equipment, technologies and solutions related to priority economic sectors.
- Angola lacks secular conflict and has long had a strong central government, though the current economic crisis has triggered an upswing in economically motivated crime.
- The U.S. Commercial Service Angola, at the U.S. Embassy in Angola is available to assist U.S. companies understand the business environment and find local partners and sales opportunities.

Market Challenges

Foreign Exchange: The leading business challenge in Angola remains the scarcity of foreign exchange, and the resulting inability of foreign companies to repatriate profits and Angolan companies to pay foreign suppliers. The lack of foreign exchange is significantly impeding imports of products to this heavily import dependent market. International and domestic companies operating in Angola face significant delays securing foreign exchange approval for remittances to cover key operational expenses, including imported goods and expatriate salaries. Profit and dividend remittances are even more problematic for most companies. Based on U.S. companies' experiences in Angola over the past several years, the U.S. Embassy encourages U.S. exporters to structure exports to Angola on cash-in-advance terms. In June 2018, the Angolan Central Bank (BNA) announced that letters of credit would be the preferred financial instrument for import and export transactions and that letters of credit be mandatory for all international trade transactions above 100,000 euros. While letters of credit provide assurances of payment in foreign currency, importers have expressed frustration with the higher costs and the three to four month lead time required. Many international companies report cancelling export credit terms to their Angolan clients due to outstanding payments on accounts resulting from foreign exchange delays. However, it is noteworthy that over the last year the BNA has implemented new policies to decentralize the foreign exchange regime to render the process more efficient and increase access to foreign currency.

Business Environment: Despite its large market size and potential business opportunities, Angola is deemed one of the most difficult business environments in the world. To be successful, significant time commitment and capital are required, and a strong, experienced local partner is highly advisable. The World Bank Doing Business Index Report 2020 ranks Angola 177 out of 190 countries in terms of ease of doing business. The report assessed a range of business areas, with Angola ranking lowest in the areas of access to credit, enforcing contracts, registering property, resolving insolvency and trade across borders. The private entity Transparency International also ranks Angola low on its Corruption Perception Index (CPI), at 146 of 180 countries in its 2019 assessment (note: Angola moved up 19 positions in the CPI rankings from 2018 to 2019) .

Moderately High Cost Location: Luanda is a moderately high cost location for expatriates and company operations. The local currency devaluation has improved affordability of restaurants and services. Business class hotel rates have also decreased significantly and are now in line with those of most major international cities (USD 200-350 per night). Similiarly, the cost of quality interpreters has become much more affordable at USD 150-300 per day. Western standard housing and office space are moderatelyexpensive, but prices have decreased due to the decline in demand as a result of expatriate staff downsizing in Angola by a number of international oil companies and their service providers. Angolan executive salaries are comparable to U.S. levels. Though salaries are required to be paid in local currency, many international companies tie compensation rates to an international currency as an offset to local currency devaluation.

Portuguese Language: Angolan government officials and most business executives, outside of the oil industry, require some Portuguese-English interpretation support for meetings. Product labeling, marketing materials and most technical level training must also be in Portuguese. U.S. companies can take advantage of written marketing/technical material and training expertise from operations in other Portuguese language countries, such as Portugal or Brazil, to assist their Angola market entry efforts. Many Angolans are familiar with Spanish due to the historic presence of Cubans in the country and are very open to using this as a bridge language with U.S. companies. However, distributors from other Portuguese or Spanish-speaking countries would not be effective as representatives for the Angolan market because local market expertise and in-country product servicing/training support is essential to business success in Angola.

Nascent Distribution Channels: Angola's business infrastructure and capacity is just 18 years post-civil war, which means only a limited number of local companies are well positioned to become distributors or representatives for international companies. Many international products are sold through resale channels rather that formal representatives or distributors of international manufacturers. There is a solid and growing entrepreneurial business class in Angola, but the current economic downturn is severely stressing Angolan companies and limiting their access to business credit. The U.S. Commercial Service in Angola offers services to assist U.S. companies to identify qualified Angolan business partners and to promote U.S. products and services in the market.

Market Opportunities

While Angola's economic downturn poses severe challenges to businesses that target short-term market opportunities, U.S. companies planning for medium-term expansion in Africa should consider positioning themselves in Angola with local business partners and with appropriate government ministries. Angola's market size and stated priorities for infrastructure, industrial and agricultural development require international expertise and hold potential for U.S. companies.

Best prospects for U.S. exports to Angola include the following industries. Details on these opportunities are presented in the designated section of this report.

- Offshore Oil and Gas Technologies
- Electrical Power Equipment
- Agricultural Equipment and Supplies
- Agricultural Products
- Transportation (Aviation and Rail)
- Marine Technologies (Fisheries and Ports)

Market Entry Strategy

Angola offers medium to long-term business opportunities for U.S. companies in top prospect sectors, especially for those with established experience doing business in Africa. Given its challenging business environment and the consistent attention needed to develop a market presence, companies should consider the necessary time and financial commitments required to succeed in Angola. Long-established presence by Portuguese companies in Angola provides opportunities for collaboration but also poses stiff competition for new market entrants. A financially solid Angolan business partner knowledgeable in local business procedures, and well connected to the target industry with established clients is essential to business success. Larger international companies often establish independent operations subject to Angolan regulations for investing in the country (see details in the "Investment Climate" section of this report – Limits of Foreign Control). The current investment law passed on April 19, 2018 eliminates the requirement for an Angolan citizen to participate in any foreign private investment in Angola. Further, the law provides incentives to companies investing in Angola, and it maintains minimal foreign direct investment (FDI) screening processes. In all cases, companies should perform thorough due diligence on potential business partners and structure contractual arrangements conformant to U.S. and Angolan law.

The U.S. Commercial Service in Angola offers services to assist U.S. companies in understanding market opportunities, qualifying potential business partners, and conducting necessary due diligence. Referrals to Angolan business service providers such as law firms are also available.

Leading Sectors for US Exports & Investments

Oil and Gas Technologies

Overview

Angola is the second largest oil producing country in sub-Saharan Africa and an OPEC member with output of approximately 1.3 million barrels of oil per day (bpd) and an estimated 17,904.5 million cubic feet of natural gas production. Due to a significant drop in oil prices and limited foreign currencies in the Angolan market, very limited investment in either new or mature exploration and production fields has occurred since 2014 . The limited investment in turn has led to a drop in the current daily lifts of 1.3 million barrels of oil per day (bpd), far below capacity. However, announcements of investments and discoveries over the last year were expected to boost production starting in 2020. However, given the Covid-19 pandemic and Angola's commitment to follow OPEC's oil production cuts to help stabilize global oil prices, the country's production is expected to decrease further. Nonetheless, the country holds 9 billion barrels of proven oil resources and 11 trillion cubic feet of proven natural gas reserves, which represent great potential for further economic development and significant business opportunities. Further, the country has begun to implement reforms, which has led to announcements of new investment and expects to increase production in the medium to long-term.

The oil industry in Angola is dominated by the upstream sector – exploration and production of offshore crude oil and natural gas. Almost 75 percent of the oil production comes from off-shore fields. Angola produces light sweet crude oil containing low volumes of sulfur, suited for processing light refined petroleum products. The oil rich continental shelf off the Angolan coast is divided into 50 blocks but the number of blocks is expected to double with the auctioning of new blocks from 2019 to 2025.

Although the country is a leading oil producer in the region, it currently imports 80 percent of its demand for refined petroleum products, including gasoline, diesel, aviation fuel, Jet B for gas turbines, oil fuel, asphalt and lubricants. Only 20 percent of refined products is sourced locally. The refining of crude oil and distribution of refined oil remains well below domestic demand. To reduce the country's dependence on imported refined petroleum, the Government of Angola has plans for the construction of three national refineries and the expansion of an existing plant.

The increasingly competitive global market and lower oil price environment particularly challenge Angola's high production costs which average USD 40 per barrel. Industry players emphasize the need for a more competitive business environment with reduced production costs and increased efficiencies. Industry analysts (Wood Mackenzie) project that without needed new investment in mature fields that are dominant in Angola, production is estimated to decline significantly in 2020. Increased pressure to reduce production costs coupled with ongoing restrictions on foreign exchange access have led to significant downsizing of petroleum service companies, contractors, and operators, with some businesses closing operations.

Since 2012, petroleum companies operating in Angola have been required to process payments through local banks and in local currency (kwanza). "Consortium contracts" between international and Angolan-based service providers and "tripartite agreements" through commercial banks are mechanisms that can provide oil operators with some flexibility in foreign exchange payment but require the National Concessionaire, Angolan Petroleum, Gas and Biofuels Agency (ANPG) and Central Bank approvals. In December 2019, the Central Bank (BNA) liberalized the foreign exchange regime issuing Circular 13/19 of December authorizing the international oil companies (IOC) to sell dollars to Angolan commercial banks.

In 2018 the Government of Angola introduced legal reforms, began restructuring the state oil company Sonangol and created the National Concessionaire, ANPG in response to stalled investments in 2014 as oil prices dropped significantly and foreign currencies remained limited. These reforms were the result of a Presidential Task Force in 2017 and which led to the enactment of two new laws and three amended presidential decrees.

Following is a summary of these reforms:

Concessions Award and Management Process: Presidential Decree No. 86/18 of April 2, 2018 simplifies the control mechanism for petroleum industry operations related to public tenders and procurement. The tender process to award concessions and licenses will be public and will no longer require "pre-qualification" from bidders. The process for approval of contracts with third parties to carry out petroleum operations is simplified:

- Operators may award contracts for up to USD 1 Million without public tender or approval by National Concessionaire ANPG (previous threshold was USD 250,000);
- Contracts between USD 1 Million and USD 5 Million are subject to public tender but do not need approval by National Concessionaire;
- Contracts exceeding USD 5 Million are subject to both public tender and National Concessionaire approval (previous threshold was USD 750,000);
- Direct award (without public tender) is always permitted in the following cases: in case of an operational emergency, and in case the supply/service can only be sourced from one specific supplier;
- Bids must be submitted in the Portuguese language. If presented in a foreign language, a Portuguese translation must be provided;
- Bids must be opened in the premises of the National Concessionaire;
- The National Concessionaire must expressly decide on the award recommendation made by the operator (for contracts > USD 5 M). The operator recommendation is deemed tacitly accepted if no express response is forthcoming;
- Several time periods were extended or reduced (including for bid evaluation and National Concessionaire approval)

Source: (VIEIRA DE ALMEIDA Law Firm, 2018)

Fiscal Incentive regulation for marginal field development: Presidential Decree No. 6/18 passed on May 18, 2018 established a new fiscal regime for marginal field development- less than 300 million barrels of reserves - or fields not economically viable because of lack of infrastructure. It cuts petroleum tax to 10 percent from 20 percent, while reducing petroleum income tax on marginal fields to 25 percent from 50 percent.

Field abandonment process: Presidential Decree No. 91/18 passed on April 10, 2018, provides a pathway for dismantling abandoned wells and decommissioning of oil and gas facilities, in accordance with Quality Health Safety and Environment (QHSE) industry best practices. This Presidential Decree addresses mature well abandonment that requires oil field operators to furnish an approved abandonment plan to the Ministry of Mineral Resources and Petroleum to review. It also provides a framework for safeguarding funds for final dismantling operations at the end of an oil well's economic life.

Natural Gas Law: Presidential Decree No. 7/18 of May 18, 2018 is the first law enacted to regulate natural gas exploration, production, monetization and commercialization. More attractive tax rates are one of the benefits this new gas law will provide. Gas production tax is 5 percent (compared to 10 percent for oil). Gas income tax is 25 percent (same as for oil) for associated gas and 15 percent for non-associated gas when proven reserves are lower than 2 trillion cubic feet. Associated gas fields operators can reinject gas to maximize oil recovery or transfer the surplus to Angola LNG plant if they do not sell it in domestic or international markets.

Marginal Projects: Many oil and gas activities in development areas were suspended when deemed not economically viable. The Government's intent is to encourage the reactivation of these activities within development areas. Legislation will enhance the oil and gas business environment, providing new guidance on oil and gas operations and processes that include streamlining of work programs. The Government also plans to implement contract and fiscal incentives that will promote operational efficiency in mature and marginal fields.

Legal Business Framework:

The government regulatory and oversight body responsible for regulating the oil and gas sector in Angola is the Ministry of Mineral Resources and Petroleum. According to Presidential Decree N. 49/19 of February 6, 2019, the national grantor of concessions is the National Agency for Petroleum, Gas and Biofuels (ANPG), which is the holder of the concession rights and has authority to conduct, execute and ensure oil and gas operations in Angola. Upstream operations can only be exercised under a license awarded by ANPG. International oil exploration companies in Angola are required to operate through partnership with ANPG, and such association may take the form of a corporation, consortium, production sharing agreements, or risk services agreements. The most common type of arrangement international companies enter into with the national grantor of concessions is a production sharing agreement. Several sanctions and penalties may apply for a breach of the contractual agreements.

Below is a description of some of the principle laws and presidential decrees governing the oil and gas sector.

- Petroleum Activity Law No. 10/04 of November 12, 2004 is the main legal instrument covering the rules to access and conduct petroleum activities in Angola.

- Presidential Decree 5/18 of May 18, 2018 establishes the legal regime for additional exploration activities in the development areas of petroleum concessions, revoking the previous Presidential Decree 211/15.

- Presidential Decree 91/18, of April 10, 2018 establishes the rules and procedures for the abandonment of wells and the decommissioning of oil and gas facilities.

- Petroleum Customs Law No. 11/04 of November 12, 2004 is the legal instrument covering the customs regime and incentives specifically applicable to the sector.

- Petroleum Taxation Law No. 13/04 of December 24, 2004 provides the taxation framework applicable to petroleum activities (taxes, rates, deductions).

- Angolan Oil and Gas Foreign Exchange Law for the Oil Industry No. 2/2012 of January 13, 2012 determines a specific foreign exchange regime applicable to the payment of goods, services and capital operations related to the petroleum sector.

- Ministry of Petroleum Order No. 127/03 of November 25, 2003 on Local Content Regulations covers the rules applicable to the supply and provision of petroleum related goods and services

- Presidential Decree 190/12 of August 24, 2012 establishes a waste management policy that requires oil companies to ensure environmental protection in their operations by meeting zero operational discharge levels.

- Decree 38/09 of August 14, 2009 establishes the rules and procedures to be followed in oil operations (including upstream oil prospecting, research, evaluation, development and production activities), in accordance with the principles of safety, hygiene and health, based on Angolan laws, as well as the commonly accepted practices within the oil industry.

Upstream Procurement and Tenders

Major procurements are generally secured through a public tendering regime or direct negotiation, with technical and financial reviews by ANPG. The licensing bid round for blocks are governed by Presidential Decree No. 52/19 of February 18, 2019. The ANPG has more than 50 new blocks of oil and gas in offshore and onshore basins to auction during the period spanning 2020-2025.

Market players:

Upstream Activities

Major international oil exploration and production companies active in Angola include Total, with 41 percent market share, Chevron with 26 percent market share, Exxon Mobil with 19 percent market share, and BP with 13 percent market share. Other international players include ENI and Equinor. Sonangol also operates through its subsidiary Sonangol E&P.

Ultra-deep-water projects are being pursued by Total in Block 32 (USD 16 billion Kaombo project expected to peak at 230,000 bpd), and BP's "Pluton, Saturn, Venus and Mars" (PSVM) project in Block 31 (USD14 billion). U.S. company MODEC supplied an accommodation vessel to support the hook-up operations on BP's PSVM project. Other offshore projects include the start-up of ENI's new production wells in the Vandumbu and in the Mpungi fields in Block 15/06, totaling an overall output increase of 170,000 bpd.
Onshore activities are very limited. SOMOIL, a privately-owned company, was planning to produce around 5,000 bpd in Soyo, in northern Angola, but operations have been delayed. Onshore blocks in the Kwanza basin were offered in late 2015, but final awards were cancelled, and the blocks should be re-bid in the near term.

U.S. contractors active in the Angolan upstream market include Halliburton, Baker Hughes a GE Company, FMC Technologies, Oceaneering, Weatherford, and Schlumberger, just to name a few. Other countries supplying technology and providing services and investing in Angola include the UK, Norway, France, Italy, Korea and China. Korean exports to Angola concentrate on vessels and offshore platforms while Chinese exports focus on low cost equipment and commodity inputs such as pipes.

Midstream and downstream activities

The LNG plant in Soyo, in the north of Angola, is structured as a consortium with Sonangol owning 22.8 percent, Chevron owning 36.4 percent, and Total, BP and ENI each with 13.6 percent. U.S. companies Bechtel and ConocoPhillips provided engineering and construction services respectively for the Soyo LNG facility. The plant started production in 2013 with 5.2 million tons per year capacity and an investment of over USD 10 billion. Operations were temporarily shut down due to technical difficulties in 2015 and 2016, but then restarted in early 2017. Export shipments go to Brazil, China, South Korea and France. The U.S. was a target market, but it has not materialized due to increased U.S. domestic production.

To date, the downstream sector – refinery of crude oil and distribution of products derived from crude oil – remains well below domestic demand. The single oil refinery in Luanda with installed capacity of 65,000 barrels per day (bpd) is being operated by Italian oil company ENI, under a joint venture agreement with state-owned company Sonangol. The joint-venture was formed to modernize and increase installed capacity and current output levels of 65,000 barrels per day (bpd). ENI promoted an international public tender and awarded a contract to Italian company KT - Kinetics Technology to construct another refinery unit for gasoline, to quadruple gasoline output within two years, producing 1,200 tons by the end of 2021, compared to a current production of 300 tons. This USD 200 million project is expected to reduce the market deficit by 20 percent by 2021.

A topping facility in Cabinda is managed by Chevron and has 16,000 barrels per day (bpd) of capacity production. In June 2019, a contract for the expansion of the Cabinda refinery was awarded to United Shine consortium, a joint venture between United Shine (90%) and Sonangol (10%) and was expected to increase output levels to 60,000 barrels per day (bpd) by 2021. The contract was subsequently rescinded and awarded to Gemcorp a London based asset management company. Construction is expected to begin in the fourth quarter of 2020. This high conversion refinery will be designed to process jet A1, gasoline, diesel and fuel oil.

In 2019 the Angolan Ministry of Petroleum issued a public tender for the construction of a refinery with a capacity of 100,000 bpd in the province of Soyo. Nine companies including Angolan, British, Chinese, and U.S. firms were short listed for the project. The award decision was originally scheduled for March 2020 but was postponed and a final decision is expected in the fourth quarter of 2020.

In August 2016, Sonangol put on hold a second national refinery project that had been in development in the Angolan city of Lobito. U.S. company Kellog Brown Root was awarded the engineering contract. In November 2017, Sonangol announced that the Angolan state-owned company was in the process of identifying and qualifying potential partners for the construction of a national petroleum refinery in Angola, including the Lobito refinery. Several proposals include the continuity of the USD 8 billion Lobito petroleum refinery in Benguela province with a production capacity of 200,000 bpd of light and high-quality petroleum products.

Sonangol is giving up its monopoly of the distribution of refined hydrocarbons, to allow entry of new players like TOTAL, and expand the network of gas stations throughout the country. TOTAL's CEO announced that TOTAL will invest USD 100 million to construct 50 fuel stations across Angola.

Sonangol is the sole company which owns a blending unit in Angola to produce motor oil lubricants and greases. Apart from its own brand *NGOL Lubrificantes*, Sonangol is blending automotive lubricant oils for Toyota Motors *TGMO* in addition to *Wodex* and *Lubmarine*. Other competitors in the lubricant market include Galp, Puma, Castrol, Total and Caltex.

	2017	2018	2019	2020 estimated
Total Local Production	0	0	0	0
Total Exports	0	0	0	0
Total Imports	802.1	577.7	589.82	77.66
Imports from the US	729.2	525.2	536.2	70.6
Total Market Size	802.1	577.7	589.82	77.66
Exchange Rates	166	245	365	520

(total market size = (total local production + imports) - exports)
Units: USD millions
Source: https://www.census.gov/foreign-trade/balance/c7620.html

Leading Sub-Sectors:

US exports to Angola concentrate in the oil and gas sector, dominated by petroleum industry parts and equipment. Much of these equipment falls into Harmonized Tariff Schedule (HTS) Category 84 – Nuclear Reactors, Boilers, Machinery and Mechanical Appliances.

U.S. Domestic Exports to Angola (USD million) - Selected Categories related to the Petroleum Industry

HTS	Description	2017	2018	2019	2018 - 2019 Change (%)
84	Nuclear Reactors, Boilers, Machinery and Mechanical Appliances	143	168.4	204.1	21%
843143	Parts for Boring or Sinking Machinery	24	34.7	60.6	75%
842129	Filtering or Purifying Machinery	2.8	3.1	7.8	152%
848180	Taps, cocks, valves and similar appliances for pipes, vats etc	7.9	8.6	10.1	17%
848140	Safety or Relief Valves	3.9	9.7	4.4	-55%
848190	Parts for Taps, cocks, valves and similar appliances for pipes, vats etc	5.4	7.5	10.6	41%
841182	Gas Turbines	24.4	28.3	30.2	7%
73	Articles of Iron or Steel	11.7	8.9	17.4	96%
90	Optical, Measuring, Precision, etc Instruments/Apparatus	11.3	8.8	14.3	63%
902620	Instruments/Apparatus for Measuring/Checking Pressure of Liquids or Gas	1.1	0.6	1.8	200%
903010	Instruments for Measuring or Detecting Ionizing Radiation	14.8	0.2	0.4	100%

Source: US export data - https://dataweb.usitc.gov/scripts/cy_m3_run.asp

Oil and gas equipment

- High quality, cost-saving and operations' optimization technology solutions (e.g. to lower costs in mature fields)
- Exploration and production equipment and services (e.g. deep and ultra-deep technologies, namely drill ships, floating vessels)
- Environmental protection and monitoring technologies (e.g. sea pollution remediation products)
- Lubricant oils and grease

Oil and gas services

- Seismic data reporting and releasing
- Operations risk insurance

Opportunities:

The Government of Angola seeks to engage more U.S. firms to compete for multi-billion U.S. dollar projects including exploration and development of oil and gas fields, transportation and storage of petroleum products, refinery construction and associated infrastructure.

Gas: Upstream, Midstream and Downstream

Upstream:

The natural gas industry requires significant investment to capture its full economic potential. The 2018 gas law will provide an enabling framework to maximize the value of Angolan gas, given Angola's considerable proven natural gas reserves. Most of the country's natural gas production is associated with oil. When not flared or reinjected into wells, the natural gas feeds the Angola LNG plant located in Soyo.

Midstream: Processing, Transportation and Storage

The LNG plant is a storage and gas processing facility, which is projected to receive 1 billion cubic feet per day of natural gas. However, it is reportedly producing well below its capacity of 5.2 million tons per year due to lower levels of gas sourcing from offshore oil fields through pipelines built under the Congo River. The plant will require continued supply of natural gas to maximize and monetize its full installation capacity. According to estimates from industry experts, the plant can supply approximately 5.2 million tons of LNG per year for over 20 years. The plant has a capacity of 360,000 cubic meters (cm) of full containment for LNG, LPG, and condensate storage.

The project is expected to facilitate continued offshore oil development while reducing gas flaring and greenhouse gas emissions in Angola, as well as supplying the domestic market with up to 125 million standard cubic feet per day, and service the regional and international markets. The Ministry of Energy and Water announced Angolan government targets for natural gas to supply 21 percent of Angola's energy needs by 2025.

Oil: Upstream and Downstream

Upstream

There is a large potential of untapped oil reserves in the Congo basin and in the Kwanza basin, mostly at deep and ultra-deep waters. The ANPG, which oversees auctions and licenses, announced the auctioning of more than 50 new blocks of oil and gas in offshore and onshore basins during the period spanning 2019-2025.

The first round of bids occurred in September 2019 and included 10 blocks: 9 from the Namibe basin and 1 from the Benguela basin. The blocks (11, 12, 13, 27, 28, 29, 41, 42 and 43) located in the Namibe basin hold post and pre-salt potentials, while block 10 in the Benguela basin is in shallow waters. Alongside these blocks exploration data comprised of high definition magnetic data, 2D and 3D seismic data will also be auctioned.

As the result the 2019 licensing round, ANPG awarded Blocks 27, 28, and 29 in the Namibe basin out of the 10 blocks. . Sonagol was awarded the license to operate Block 27 with a 35% stake. The remaining 65% is open to interested parties. ENI was awarded an exploration and production contract for Block 28, located in the Namibe deep water basin. ENI will operate the block with a 60% stakewhile Sonangol P&P will be a partner with a 20% stake. The remaining 20% is open to interested parties. The operations of Block 29 was awarded to Total, which holds a 46% interest. Equinor, Sonangol P&P and BP, each hold a 24.5%, 20%, and 9.5%. stake respectively.

In 2020, the ANPG plans to auction 9 onshore blocks, followed by a licensing round of 8 blocks in offshore shelf and deep water in 2021. In 2023, the agency will grant licenses in onshore and in interior basins to 12 blocks: Etosha, Okavango and Kassange. Finally, in 2025 more than 11 blocks will be auctioned in pre-salt fields.

Downstream

The Government of Angola has stated that increasing its refinery capacity is a top priority for the economy as refinery of crude oil and distribution of hydrocarbon remain well below domestic demand. Angola currently imports 80 percent of its demand for refined petroleum and 20 percent is produced locally. To reduce the country's dependence on imported refined petroleum the Government of Angola announced plans for the construction and expansion of national refinery plants.

In June 2019, the Italian company KT - Kinetics Technology was awarded a contract to construct another refinery unit for gasoline at the Luanda refinery. This expansion will quadruple gasoline output within two years, producing 1,200 tons by the end of 2021, compared to a current production of 300 tons.

Similarly, a contract for the expansion of the Cabinda refinery was awarded to United Shine consortium, a joint venture between United Shine (90%) and Sonangol (10%) and is expected to increase output levels to 60,000 barrels per day (bpd) by 2021. The contract was signed in June 2019, and subsequently cancelled. A contract was then signed with London-based investment firm Gemcorp Capital to finance and implement the project.

In addition, the construction of a previously conceived USD 6-8 billion Lobito petroleum refinery in Benguela province with 200,000 bpd capacity. In 2019 the Angolan Ministry of Petroleum issued a public tender for the construction of a refinery with a capacity of 100,000 bpd in the province of Soyo. Nine companies including Angolan, British, Chinese, and U.S. firms, were short listed for the project. The award decision is expected in the fourth quarter of 2020.

These additional refining capacities are estimated to raise total production capacity to 435 million bpd by 2025 and reduce imports of refined petroleum by USD 2.7 billion per year, thus generating substantial savings while diversifying the economy. Consequently, it is anticipated that these industry development projects will provide new opportunities for U.S. exports of services and technologies.

Marketing and distribution of petroleum derivatives accounts for very little in the Angolan oil and gas industry. However, TOTAL's USD 100 million investment to construct 50 service stations across Angola, will create additional business opportunities for U.S. companies.

Angola's single blending unit is owned and operated by Sonangol and supplies the market with mineral and synthetic lubricant oils and greases well below market demand. Base oils and additives are imported from overseas suppliers, which continues to represent export opportunities for U.S. companies.

Web Resources

African law and Business / ALC Advogados
https://www.africanlawbusiness.com/publications/oil-and-gas-regulation/oil-and-gas-regulation-2018/angola/q-and-a

FTL Advogados
https://gettingthedealthrough.com/area/24/jurisdiction/151/oil-regulation-angola

VdA Legal Partners
https://www.vda.pt/xms/files/v1/Newsletters/2018/Flash_VdA_Legal_Partners_-_Angola_-_New_Rules_for_oil_industry_Public_Tenders_and_Procurement_of_Supplies-Services.pdf

U.S. Census Bureau
https://www.census.gov/foreign-trade/balance/c7620.html

Center for Scientific Research and Studies (CEIC)
http://www.ceic-ucan.org/

Angolan National Petroleum and Gas Agency (ANPG)
https://anpg.co.ao/

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Energy

Overview

Increasing electric power availability to diversify the economy and meet the increasing energy demand of a growing population is among the Angolan government's highest stated priorities. In order to achieve a targeted 9.9 GW of installed generation capacity and a 60 percent electrification rate by 2025, the government has instituted an ambitious infrastructure plan.

Angola's current installed capacity is estimated at 5.6 GW but only 4.5 GW is available. The country's current energy mix consists of 68 percent hydropower, 31.3 percent other fossil fuels and 0.7 Hybrid (solar/fossil fuel). However, the Ministry of Energy and Water (MINEA) expects to reach 6.3 GW of generation capacity once the Soyo combined cycle gas plant (750 MW), and the Laúca hydroelectric project (2.1 GW) come fully online. A number of hydro and solar projects are also being developed and expected to come online over the next two to five years. For these and future projects, external financing and private project development will be key, especially given current government budget restraints and the economic downturn.

Current electrification rates are estimated at 42 percent in most cities and less than 10 percent in rural areas. As a result, both businesses and residents rely heavily on diesel generators for power. The government's announcement to reduce government subsidies and the resulting higher fuel and electricity prices over the coming years are expected to create demand for alternative energy solutions.

Angola holds great potential for renewable energy production. Mapping studies completed by the Ministry of Energy and Water in June 2014 identified potential for 16.3 GW solar power, 3.9 GW wind power, and 18 GW in hydropower throughout the country. To address rural demand, the government is pursuing the development of small-scale off-grid projects, using both fossil fuels and renewable technologies (small hydro, solar, wind, and biomass). Angola's transmission infrastructure is made up of three separate major grid systems (northern, central, and southern), in addition to isolated grids in the east. The northern grid runs 400kv and 220 kv lines, and covers Luanda, Uige, Bengo, Zaire, Malange, Kwanza Norte, and Kwanza Sul provinces. The central network includes 400 kv lines from Benguela,to Bie and Huambo. The southern grid serves Huila and Namibe and uses 220kv lines. Plans exist to link the grids through a north-central-south backbone and expand the grid from 3,354 km to 16,350 km by 2025. However, the three main power production plants - Lauca, Capanda and Cambambe - are interconnected, and are also connected to one or two of the transmission lines; thus, creating some interconnectivity and redundancy of the three grids.

Angola is currently a non-operating member of the Southern African Power Pool, but plans exist to connect to the pool through Namibia (Baynes Dam). An MOU was signed between Namibia and Angola for the joint construction of the Baynes Dam hydroelectric plant with an installed capacity of 600 MW. The power production would be shared 300 MW for each country. An additional connection in the north of Angola with the Democratic Republic of Congo is also being considered. The two countries' grids would connect via the Inga Dam.

A November 2014 Presidential Decree established the unbundling of the power sector, which created three public utilities operating under the Ministry of Energy and Water. These public utilities include: PRODEL, (*Empresa Pública de Produção de Electricidade*) the national production company, RNT (*Empresa Rede Nacional de Transporte de Electricidade*) the national transmission company, and ENDE, (*Empresa Nacional de Distribuição de Electricidade*) the national distribution company. In addition, the purview of GAMEK (*Gabinete de Aproveitamento do Médio Kwanza*), the utility company responsible for implementing and managing the hydro projects in the Kwanza river, was expanded to include oversight of the development and construction of most major power projects in the country**.**

The electric sector restructuring also sought to establish greater autonomy and strengthen the role of the regulator IRSE (*Instituto Regulador do Sector Eléctrico*) in providing oversight of sector activities. IRSE continues to build technical and financial capacity. In June 2019 electricity subsidies were cut by 85 percent leading to retail rate hikes of 77 percent. These rate increases should improve government utility financial viability and create a more sustainable business model for the electricity sector, which will also make the sector more attractive to potential independent power producers. By 2025, the government is expected to make progress toward achieving cost-reflective tariffs, thus lessening the sector's reliance on subsidies, improving the financial position of the utilities, and encouraging outside investment into the sector.

Low Voltage	Price (KWh)	% increased
Industry	12,82 Kz/KWh	81%
Domestic Clients	6,41 Kz/KWh	113%
Domestic Clients (Low Income)	2,46 Kz/KWh	No change

Medium Voltage (< 30KV)	Price (KWh)	% increased
Industry	9,61 Kz/KWh	87.2%
Commerce and Services	11,54 Kz/KWh	96.2%

High Voltage (> 30Kv)	Price (KWh)	% increased
Large Industry	7,31 Kz/KWh	55.5%

The General Electricity Law, approved in December 2015, codified the sector restructuring and established a legal framework for independent power generation. International development partners are providing technical support to the Angolan government to build capacity and establish a regulatory framework in compliance with the legislation. Other support activities include the structuring of power purchase agreements with independent power producers (IPPs), and the design of a feed-in-tariff scheme for renewables. The planned steps toward reform and restructuring are critical to attracting private investment as IPPs are essentially non-existent in Angola.

Power transmission infrastructure in Angola will have to be enhanced to support new production capacity. Many of the current and future generation projects will require the development of new transmission infrastructure. Commercial and technical losses are significant during distribution. A considerable number of those consuming electricity are not yet metered, and establishing the required infrastructure is a high priority of the government distribution utility END

E.

Current and future major power projects:

Project	Estimated Installed Capacity	Estimated Completion Date and Contractor
Laúca Hydroelectric Dam and transmission lines (supplies Luanda, Huambo, Huíla, Malange, and Kwanza Norte)	2070 MW	2021 – currently operating at 75%; the last generator is still under construction. Contractor: Odebrecht
Soyo Combined Cycle (Phase 1) and high voltage power lines	750 MW	TBD Contractor: China Machinery Engineering Corporation (CMEC)
Solar Power Plants	380 MW	TBD Contractor: Sun Africa
Caculo Cabaça Hydroelectric	2171 MW	2022 USD 4.5 billion financed by a Chinese government loan and USD 1 billion by Germany for electromechanical equipment Contractor: China Gezhouba Group Corporation (CGGC) / Niara Holding

For more information on projects in the 2025 Government Energy Plan please contact CS Angola**.**

U.S.-based power product and solutions companies active in Angola include GE, Cummins, Caterpillar, and WestingHouse Turbines, among others. In addition, European companies (Germany, Portugal) supply equipment to the energy sector. Portuguese, Brazilian, and Chinese construction companies generally lead in project construction.

Electric power-related equipment ranks among the top U.S. export categories to Angola. In 2019, the export of gas turbines, except turbojets and turbopropellers, of a power exceeding 5,000 KW (HTS 841182) was valued at USD 30.2 million; parts for gas turbines (HTS 841199) reached USD 4.9 million.

Power Africa: Power Africa is a market-driven, U.S. Government-led public-private partnership with the goal of doubling access to electricity in sub-Saharan Africa. It also serves as a one-stop shop for private sector entities seeking tools and resources to facilitate doing business in Africa's power sector. In 2016, the Electrify Africa Act unanimously passed both houses of the U.S. Congress and was signed into law. The law launched Power Africa and established two goals that have been subsequently updated: to add 30,000 MW of generation capacity, and to expand electricity access to 60 million people in sub-Saharan Africa by 2030. In bringing together more than 150 of the world's top companies, development institutions, and financial entities, Power Africa employs a transaction-centered approach to address directly the key constraints to project development and investment in the power sector. Power Africa interventions aim to de-risk investments and accelerate financial close -- from facilitating project bankability with financing and risk mitigation, to providing technical and transaction support, to engaging with host-government counterparts. To learn more about the full Power Africa toolbox at Power Africa toolbox offered by Power Africa at Power Africa.

Support to Angola: In Angola, Power Africa, through its Southern African Energy Program (SAEP), has provided technical assistance to support the Ministry of Energy and Water in its efforts to improve the regulatory and enabling environment and to structure projects, especially those with potential for private sector participation. As part of its technical support, SAEP has identified five key constraints on investment: 1. inefficient energy regulation, planning and procurement; 2. low commercial viability of public energy companies; 3. limitations on regional harmonization and cross-border trade in electricity; 4. lack of clean and renewable energy technologies and practices and low energy efficiency; and 5. weak institutional and human resource capacity for energy sector management.

In a major development in 2020, Power Africa began assisting the Government of Angola (GRA) to implement a USD 530 million power sector finance program from the African Development Bank (AfDB). The AfDB program, Power Africa's first major project in Angola, will connect Angola's three regional power grids into a national power grid for the first time through a 343-kilometer transmission line and bring low-cost hydropower from the northern Kwanza River basin to southern provinces. The program will also assist the Angolan government (GRA) to install 1.2 million prepaid meters with the goal of increasing Angolans' access to electricity from its current estimated 42 percent in most cities and less than 10 percent in rural areas to 50 percent by 2022.

With Power Africa's guidance, in late June 2020 the GRA released the first of multiple project tenders for the transmission line and associated citizen resettlement plan. The tenders, the first of many to be released by the GRA and AfDB through 2024, could present new opportunities for U.S. companies to provide power sector goods and services in Angola, particularly in power transmission and distribution, while expanding Angolans' access to electricity.

Energy equipment and technologies		2017	2018	2019	2020 (year to date)
Total Local Production		N/A	N/A	N/A	N/A
Total Exports		N/A	N/A	N/A	N/A
Total Imports (based on HS codes 841182, 841199, 850300 and 853720)		430.9	349.7	358.8	N/A
Imports from the US (based on HS codes 841182, 841199, 850300 and 8537)		42	38.16	39.1	12.5
Total Market Size		430.9	349.7	358.8	N/A
Exchange Rates		166	245	365	520

(total market size = (total local production + imports) - exports)
Units: USD millions
Source: United States International Trade Commission and Global Trade Atlas.

Leading Sub-Sectors

Generation

- Equipment for use in small scale hydroelectric power projects

- Diesel and gas turbine generators
- Renewable energy solutions: Solar; Biomass; Wind; small hydro
- Utility scale central dispatch center for energy load management

Transmission

- Substations
- Electric Transmission Lines
- Technologies to support high voltage transmission

Distribution

- Pre-paid Meters
- Low voltage distribution lines
- Technologies to support distribution to end consumers such as supervisory control and data acquisition (SCADA)

Services

- Engineering Procurement and Construction (EPC) services specific to electric power generation.
- Maintenance, repair and operation services

Opportunities

External financing is key to the continuation of priority government energy projects and imports of essential equipment into Angola especially during the current government budget tightening and economic downturn. The Angolan government budget dedicated to the electricity production, transmission and distribution sectors decreased to USD 527.3 million in 2020 (4.63 percent of the total national budget expenses) from USD 892 million in 2019.

Generation

Construction of the major government hydropower projects, Cambambe expansion (700 MW) and Lauca (2070 MW) have been largely completed. Power generation from the Cambambe and Lauca plants began in 2017 and 2018 respectively. The Brazilian firm Odebrecht is the lead contractor using German supplied turbines and finance. Another major hydropower project, Caculo Cabaça, supported by Chinese financing, is scheduled for completion in 2022. Beyond these major hydro projects, the Ministry of Energy and Water identified 100 locations suitable for the production of 600 MW from mini hydro in its 2025 Angola Energy Strategy. In particular, strong potential exists in Angola for mini hydro (<10 MW) to take advantage of Angola's vast river network. One example is the expansion of the mini hydro plant of Matala, in Huíla province, from 27 MW to 40.8 MW.

In addition, the Soyo I combined cycle plant (750 MW), which was financed by the Chinese government and built by China Machinery Engineering Corporation will soon be ready for commissioning. GE supplied the turbines for the plant. Plans are underway for a second Soyo combined cycle plant (500 MW). The Angolan government hopes that the Natural Gas Commercialization Law, which was passed in May 2018, will attract private investment for natural gas production to supply the future expanded Soyo plant. Increased natural gas availability and infrastructure construction should encourage a shift towards energy production equipment for natural gas.

Although the government committed to the production of 200 MW of renewable energies in the Angola 2025 Plan, the National Development Plan 2018-2022, raised the renewable production goal to 500 MW. As a result, the government approved three solar projects, one of which is expected to become one of the largest in the region. This includes a 380 MW solar project developed by a U.S. company and expected to be completed over the next four years. The Italian company ENI signed a concession agreement with the government for the construction of a 50 MW solar plant in Namibe province, in southwestern Angola. The solar power plant will be constructed by Solenova, a joint venture between ENI and Angolan state-owned oil producer Sonangol. The Angolan government also approved a memorandum of understanding (MOU), between the Ministry of Energy and Water and a consortium, which includes Total Eren and Angola Environment Technology, Limited. As part of the MOU, the consortium will conduct a feasibility study for the development of a 30 – 100 MW photovoltaic plant to be built in Lubango, Huíla Province.

In addition, the 2025 plan includes a goal of reaching 500 MW of energy production through biomass from forestry, agriculture, livestock and solid waste sources. Outside of the major Biocom sugar production project that would contribute 100 MW toward the government's 2025 target, there has been little progress in other areas of biomass project development. Renewables, excluding large hydro, are expected to represent about 8 percent of total installed capacity by 2025.

The execution of bankable Power Purchase Agreements (PPAs or "off-take agreements"), with experienced private sector developers, will be a key step toward advancing the Angolan government's power generation goals, particularly in renewable energy. Additionally, government support and other credit enhancements to mitigate political, off-taker, foreign currency, and other risks will be essential for the successful implementation of projects led by the private sector.

Electric power-related equipment ranks among the top U.S. export categories to Angola and this trend is likely to continue as Angola strives to reach its power production targets. The Angolan government considers maintenance as essential to continued operations of thermal power production capacity, with the result that there is a high demand for related equipment and services. Assuming government prioritization of appropriate budget and financing resources for maintenance, procurement of such equipment and services may also be an opportunity for U.S. companies.

Transmission

Transmission infrastructure is key to delivering increased new power production capacity to population centers. The U.S. government is actively supporting technical assistance designed to advance transmission project development in Angola. A 2015 feasibility study financed by the U.S. Trade and Development Agency on electrical distribution modernization focused on the interconnection of Angola's Luanda South grid with Namibia in preparation for future hydroelectric resources from the future Baynes dam project under development on the Cunene River. In addition, the U.S. Department of State provided the Angolan Government with a technical and economic feasibility study to support the national transmission company RNT to advance the development of a high-voltage transmission backbone that will interconnect the three major transmission networks in Angola. The interconnected transmission backbone will likely consist of 400kV transmission lines and will connect the northern, central, and southern transmission networks. The study was completed in 2017 by the U.S. company, Black and Veatch.

Currently, Angola has no major import or export capability for electricity. The planned interconnection with Namibia via the Baynes hydro power plant (600 MW) would link Angola to the Southern African Power Pool. Discussions continue with the Democratic Republic of Congo (DRC) on the expansion of the Inga hydroelectric dam that would provide a connection to the Central Africa Power Pool.

Opportunities for U.S. transmission-related equipment and solutions focus on the significant requirements for transmission infrastructure to support the rapidly expanding power generation capacity throughout the country, as well as upgrades of some older lines and substations devastated by the civil war. The Angolan government is also seeking financing for energy dispatch centers to monitor production, transmission, and distribution by controlling inflows and outflows of electricity throughout the system.

The African Development Bank (AFDB) approved a USD 500 million line of credit for energy infrastructure in Angola. This includes the construction of a 400 km transmission line and a new 400/220/60 kV- 2 x 450 MVA substation in Lubango, Huila Province, upgrades to an existing substation in Huambo and the installation of a SCADA control system. The tenders for these projects closed on August 10th, 2020.

Distribution

The national distribution company ENDE faces high technical and commercial loss rates estimated as high as 35 percent. The high rate of loss is due to illegal connections, non-payment and non-enforcement of payment requirements, and the fact that approximately 80 percent of electricity customers are un-metered. Low tariffs and a heavy debt burden from predecessor companies also pose a challenge. To improve ENDE's operations and revenues, in 2015 the company installed 1,500 smart electric meters in a pilot with equipment from U.S. companies Itron and Landis & Gyre. ENDE has plans to implement a broader smart meter program with 1.5 million units in key urban locations and increase its enforcement to eliminate illegal connections. ENDE initially considered ZTE (China) and Energitec (India) to supply the meters with modest local assembly planned, but the project is currently on hold. ENDE continues to seek additional international suppliers.

Web Resources

Ministry of Energy and Water (MINEA) - http://www.minea.gv.ao/
Regulatory Institute of Electricity Sector (IRSE)
Medio Kwanza Exploitation Office - (GAMEK)
Electricity Sector Transformation Program (PTSE)
Power Africa
United States International Trade Commission
Global Trade Atlas

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Agricultural Products

Overview

Agriculture accounted for 11 percent of Angola's USD 94.64 billion GDP in 2019 (World Bank) and it provides employment, both formal and informal, for more than 30 percent of the Angolan population. Prior to the 1975-2002 civil war, Angola was a major exporter of coffee, sisal, sugar cane, banana and cotton, and it was self-sufficient in all basic food crops except wheat. The civil war disrupted agricultural production and displaced millions of people. Angola currently imports more than half of its food. Angola is the United States' fifth largest market for poultry products in the world, and the third largest market in Africa for all agricultural exports.

Angola has the natural resources to become one of the leading agricultural countries in Africa, as its diverse and fertile ecology is suited for a variety of crops and livestock. However, the country currently only cultivates approximately 10 percent of its 35 million hectares of arable land. An estimated 90 percent of farms in Angola are small to medium in size and are used mainly for communal and subsistence farming. The agricultural commodities produced include cassava, bananas, potatoes, corn, sweet potatoes, citrus, and pineapples.

Chicken remains the major U.S. agriculture export to Angola, and the sale of these products decreased significantly in 2019 due to the Angolan national currency devaluation and a decrease in the purchasing power of the population. Food imports are deemed a high priority for the Angolan government and have thus received priority when it comes to foreign exchange allocations by the Central Bank.

Leading Sub-Sectors

- Retail Sector (consumer-oriented food products)
- Poultry
- Wheat Grain

Opportunities

Retail Sector (consumer-oriented food products)

In Angola, food is sold both through modern retail and informal channels. Local industry sources estimate that approximately 70 percent of agricultural produce is channeled through retail sales. Informal retail includes both small grocers as well as open air markets (locally called "Cantinas"). Since the civil war ended in 2002, the importance of the informal market has declined, especially in urban centers such as Luanda, where formal retail is developing rapidly. The government is trying to formalize retail by establishing specific areas for open markets. In Luanda, municipal authorities are forcefully shutting down street vendors with laws that impose fines for both vendors and buyers. Public health concerns are the main reason cited for the closures of informal open markets, as goods are often sold in poor condition, food is kept on the ground, without refrigeration and exposed to the sun, and expired goods are sometimes offered for sale.

As many other things in the country, shopping itself is not without challenges. Only a small percentage of Angola's population owns a car, thus most people are dependent on overcrowded public mini-buses to reach hypermarkets and supermarkets. Consequently, the majority of the population prefers to shop close to home in open air markets or small grocers, which are perceived as offering fresher, less expensive food than formal supermarkets. Even with convenient supermarkets opening in the past few years in the outer areas of Luanda, many Angolans feel more comfortable in informal markets. For this reason, local formal retailers have come up with various strategies to attract the informal market customer. Nosso Super, for example, opened its shops at locations near traditional marketplaces. Hypermarket Kero, in turn, tries to create a comfortable environment for lower and middle-income customers by playing loud Angolan music, and the main cash and carry supermarkets have created a benefits card to reward client purchases.

Changes in consumer profile and demographics, increasing urbanization, improvements in infrastructure, and an increase in the number of international brands available in the Angolan market are driving rapid developments in the retailing landscape. Consumers across income levels are becoming more sophisticated and demanding in terms of variety and quality. In the past, Angolans were satisfied with small grocers selling dry goods, but now retailers are expected to offer frozen goods as well. Historically, Portuguese, Lebanese and Indians have been the dominant players in the Angolan grocery retail market. However, due to the economic downturn since 2014 and the scarcity of foreign exchange, some of these third country traders left Angola. The South African supermarket chain Shoprite expanded in Angola and new players have entered the formal retail space, to include the hypermarket Candando. Some supermarkets target wealthier Angolans and expatriates, such as Casa dos Frescos and Intermarket, which offer the greatest choice of fresh produce and higher quality standards.

Leading Supermarket Retailers in Angola

Brand & Company	**Outlets**
Nosso Super (Nova Rede de Supermercados de Angola)	28
Shoprite and Usave (South African Shoprite)	17
Maxi Cash & Carry (Teixeira Duarte)	14
Kero Hypermarket (Zahara Group)	12
Casa dos Frescos (Casa dos Frescos Group)	9
Mega Cash & Carry (Refriango Group)	1
Jumbo	1
Mazarati (Group Dimassaba)	1
Fresmart (Newaco group)	8
Deskontão	1
AngoMart (Noble group)	11
Alimenta Angola	4
MEL	2
MARTAL	2
Mercadão Cash & Carry (SODOSA group)	2
InterMarket	4
TAKI (NDAD group)	2
Candando (Contidis)	6

Poultry and Wheat grain	2017	2018	2019	2020 estimated
Total Local Production	25	25	25	25
Total Exports	0	0	0	0
Total Imports	430	418	360	N/A
Imports from the US	155	183	151	N/A
Total Market Size	455	443	385	N/A
Exchange Rates	166	245	365	520

(total market size = (total local production + imports) - exports)
Units: $ millions
Source: TDM LLC; Angola Ministry of Agriculture and Forestry and National Bank of Angola

Poultry

Chicken meat is the most widely consumed and most affordable protein in Angola. Angola produces 25,000 tons of chicken meat per year, only 10 percent of total market demand of approximately 260,000 tons per year in 2019. Producers include subsistence farmers, smallholder producers supported by government and non-governmental projects, and commercial operations.

From 2018 to 2019 imports to Angola decreased by 21.5 percent measured in metric tons. In 2019, Angola was the fifth largest market for U.S. poultry and poultry product shipments by volume and by value was the sixth in the world. U.S. poultry exports to Angola decreased by almost 18 percent in dollar value from 2018 to 2019 due to the Angolan national currency devaluation, and hence a decrease in the population's purchasing power. Angola still remains a strong market opportunity for U.S. frozen chicken leg quarters.

Wheat Grain

In the 1960's and 1970's, Angola produced about 25,000 tons of wheat grain per year, mainly in the southern Huambo province. The civil war halted wheat production and destroyed flour milling capacity.

Faced with lost oil revenues since the end of 2014, the Angola government encouraged the development of wheat milling to replace relatively costly flour imports as part of its overall economic diversification plan. Angola currently imports about 265,000 tons of wheat flour per year mainly from Turkey and the European Union, at a value of USD 95 million in 2019. By replacing flour imports with wheat imports, Angola can reduce its dependence on foreign exchange as well as boost value-added local production. Wheat milling plants already operating in Angola include the Grandes Moagens de Angola (GMA) project that has the capacity to produce 1,200 tons of wheat flour per day and is located at the Luanda Port for easier access to imported wheat. The owners of the GMA mill in Luanda started building an identical wheat mill in the port of Lobito, on Angola's southern coast. Kikolo wheat mill on the outskirts of Luanda, is operating with a capacity to produce 1000 tons of wheat flour per day. An increased capacity in wheat milling will increase demand for wheat, thus creating opportunities for U.S. wheat exporters.

Web Resources

Ministry of Agriculture
Ministry of Commerce
Ministry of Health

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Animal and Plant Health Inspection Service (APHIS)

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Agricultural Equipment and Services

Overview

Subsistence agriculture provides the main livelihood for most of Angola's population, but more than half of the country's food is still imported. Angola holds tremendous agriculture potential with fertile soils, abundant water, and a favorable climate. The Ministry of Agriculture estimates that Angola has almost 58 million hectares available for agricultural development, including 35 million hectares of arable land. Of the arable land, approximately 15 percent is currently cultivated, and 20 percent is suitable for irrigation. After almost 27 years of civil war, aggressive international landmine clearing efforts have opened up extensive areas of land for agricultural development; the United States has invested more than $134 million in landmine clearance programs in Angola since 2000. Livestock also holds strong potential in Angola, with a vast natural habitat for grazing and water resources throughout the country.

During the Portuguese colonial era, which ended in 1975, Angola was a major producer and exporter of cotton, coffee, corn, banana, tobacco, sugar cane, and sisal. Currently, Angola's main agricultural crops include cassava, corn, beans, potatoes, sweet potatoes, soy, bananas, coffee, rice, vegetables and fruits. Domestic agricultural production capacity does not meet local demand. The most fertile regions are in the highlands and valleys. The rainy season is from October to May, which is considered the prime season for vegetable cultivation. Tomatoes are grown during the dry season (June to September). Greenhouses and irrigation, which expand the growing seasons are not widely used in Angola.

Poultry production has increased slightly over the last 3 years but was affected by a an insufficient supply of feed and chemicals as well as long periods of drought in some Angolan provinces. Most chicken products in the market are currently imported to meet demand. Angola's livestock farming is located primarily in the southern part of the country and is based on natural pasture grazing. Beef is the second largest agricultural product after cassava. Other livestock, such as goats, pigs and chicken are raised mainly by small-scale farmers as subsistence food sources. Since 2018, the Government of Angola has been conducting a pilot livestock census (RAPP 2018- 2019) with technical support from the Food and Agriculture Organization of the United Nations (UNFAO) and with World bank funding. The project was expected to be concluded in late 2019 or early 2020. The completion of the program has been delayed in part due to the Presidential Declaration of State of Emergency related to the COVID-19 pandemic. According to the the Cooperative of Cattle Producers of Southern Angola (CGSA), an industry association based in Lubango, Huila Province, Angola has a cattle population of approximately 3.5 million heads.

A featured element of the Angolan Government's National Development Plan for 2018-2022 is agricultural development to diversify the economy and to build domestic food production capacity that will decrease the country's dependence on imported food. To support this development, the Angolan government issued the Presidential Decree

PAPE (Action Plan for Employment Promotion). The program is funded by the Angolan government's annual budget and oil fund and designed to increase local production and create jobs.

The Angolan government has established a number of publically announced target areas for agricultural production development including:

- A comprehensive program to stimulate beef production and offset some of the 100,000 tons of beef imported annually into Angola. Areas of focus include improving veterinary health, increasing herd production, strengthening slaughterhouse regulations, and building infrastructure capacity through government projects and credit to private entities.

- A plan to increase corn production capacity to meet domestic demand (human and animal feed) by 2020 through a range of public and private initiatives. Current demand is for 5000 tons of corn, but local production in 2019 was only 2000 tons with a forecast of 2300 tons for 2020. Corn imports primarily come from Brazil, South Africa, and Turkey.

- Wheat milling plants already operating in Angola include the Grandes Moagens de Angola (GMA) project that has the capacity to produce 1,200 tons of wheat flour per day. The owners of the GMA mill in Luanda started building an identical wheat mill in the port of Lobito, on Angola's southern coast. Kikolo wheat mill, on the outskirts of Luanda, is operating with a capacity to produce 1000 tons of wheat flour per day. This increased capacity in wheat milling offers opportunities for U.S. exporters of milling equipment and services.

Angola's agricultural industry consists of both private and public companies. Private sector agriculture is expanding with several large agro-industry growers, mostly involving Portuguese, Brazilian, and Israeli investors either independently or through joint ventures with the Angolan government. Chinese participation in Angola's agriculture is growing, prompted by Chinese government financing of a 500 hectare rice production project in the southern province of Cuando Cubango, with a goal of expanding to 1000 hectares.

The economic downturn in Angola since 2015 has negatively impacted the Angolan government budget, including the government's stated support of economic diversification efforts, such as agricultural production. From 2013 to 2018 the national government budget allocation to agriculture was cut by over one-half. However, the percentage of the budget committed to agriculture increased from 0.4 percent in 2018 to 0.84 percent in 2019. This limited budget commitment falls far short of the Maputo Declaration, an agreement where all African countries agree to allocate at least 10 percent of their annual buget to revitalize the agricultural sector. Among other areas, the lack of foreign exchange for imports has directly impacted Angolan government programs to provide subsistence farmers with seeds, fertilizers, and other agricultural inputs.

The National Development Program and the 2020 national budget provide for specific agricultural programs, including: Development Programs (USD 434 million) and Animal Production Program (USD 7.5 million).

The lack of commercial credit in the market and severe shortfalls in foreign exchange have also made it extremely difficult for companies to import needed agricultural equipment and inputs, creating significant obstacles to private sector agriculture development. Strong pent-up demand exists for these important imports as companies try to establish and expand their agricultural production capacity.

Angolan government credit programs for industry and agriculture exist, but are underfunded and underutilized. For example, "Angola Invest," a government–guaranteed and subsidized line of credit program, provides up to USD 5 million through local banks for companies with 75 percent minimum of Angolan financial capital. However, to date, very few loans have been approved through the program, and commercial banks have complained about the lack of quality projects. While the government's development bank (*Banco de Desenvolvimento Angolano*) focuses on larger (over USD 5 million) long-term loans to private companies investing in productive sectors such as agriculture, limited government budget allocations have restricted the program. Furthermore, clear land title for purposes of loan collateral is reportedly a challenge for some companies and individuals in accessing financing for agricultural activities.

To support the Angola Invest program, the Angolan government created the Credit Support Project (*PAC-Programa de Apoio ao Crédito*).

The Credit Support Project is part of the Production Support, Export Diversification and Import Substitution Program (PRODESI) and provides funding for investment projects that contribute directly or indirectly to the domestic production of 54 products. The majority of these products include agricultural goods such as sugar, rice, beef, wheat flour, beans, cassava flour, maize flour, milk, spaghetti, soybean oil, palm oil, common salt, eggs, chicken meat, meat, pork meat, corn grain, cassava, sweet potatoes, reindeer potato, tomato, onions, garlic, carrot, pepper, cabbage, lettuce, banana, mango, pineapple, tilapia (cacusso), horse mackerel from Cunene; sardinella aurita (lambula), sardinella maderensis (reed), sunflower edible oil, peanut oil, honey, beer, juices, soft drinks and table water.

By late 2019, 89 projects were received of which, 13 were approved. Angolan banks, which participated in the program included *Banco Internacional e Comercial* (BIC), *Banco Millennium Atlântico* (BMA), *Banco Comercial do Huambo* (BCH), *Banco Fomento Angola* (BFA) and *Banco Negócio Internacional* (BNI), Standard Bank Angola (SBA), *Banco Angolano de Investimento* (BAI), *Banco Comercial e Industrial* (BCI), *Banco de Desenvolvimento de Angola* (BDA) and *Fundo de Garantia de Crédito* (FGC). For more details on PRODESI/PAC, please access https://prodesi.ao/financiamento/pac

In addition, the Angolan government has engaged with multilateral development banks to provide loans to the private sector to develop productive industries including agriculture, livestock, fisheries and agro-processing.

During periods of more generous budgets, the Angolan government directly supported the establishment of numerous large agricultural projects and companies. Some of these include:

- Gesterra S.A. (Arable Land Management) – is an Angolan government company with 18 projects in 8 provinces throughout the country and investments of USD 800 million for cultivation of thousands of hectares of crops including rice, maize, soy, and beans, as well as livestock, poultry and swine. The projects, developed in partnership with private entities, are designed to reach profitability within eight to nine years. Through a presidential decree Gesterra took over four agriculture projects from the sovereign wealth fund in Cuando Cubango, Moxico, Uige and Zaire provinces to produce and process soy and corn.

- SODECAP (Capanda Agro-industrial Development Park) - An Angolan state-owned company responsible for the development of the Capanda Agro-industrial region covering 411,000 hectares in Malange province. SODECAP has invested in the operations of Pedras Negras farm (cereals), Biocom farm (corn, sugar cane, and ethanol), and Pungo Andongo Farm (corn) as well as in smaller projects involving 186 villages (agricultural produce, sugar cane, wood, livestock, and eggs).

- SODEMAT S.A. (Matala Regional Development Company) - An Angolan state-owned company in Huila province is developing almost 7,000 hectares of land by providing around 500 small scale farmers with up to 25 hectares each, technical support, inputs and equipment (tractors and irrigation), all financed by the government development bank.

- Aldeia Nova, an Israeli Vital Capital Fund public-private partnership with the Angolan government, consists of large scale agro-communal centers that support communities of farmers with technical support and equipment for the production, processing and distribution of products ranging from poultry and cattle to fruit, and vegetables.

- Quiminha Project (PIDARQ) – PIDARQ is an Angolan government Integrated Agricultural and Rural Development investment project, valued at $200 million, and developed by the Israeli company Tahal Group. The 5,000 hectare project involves intensive irrigation and will include 300 family farmers with small plots as well as industrial scale private farms. The project plans for an eventual production of 52,000 tons of agricultural produce per year.

Ongoing multilateral development bank projects include:

- Currently under development with the Angolan Government is a major World Bank "Commercial Agriculture Development Project", which was estimated at USD 230 million in 2018. The project is expected to continue until May 2024. The proposed project development objectives are to promote commercial agriculture development and specifically to increase production and employment within selected value chains in targeted areas in Angola. The project is divided into 3 components: agribusiness Development (USD 190 million); support to develop an enabling environment for commercial agriculture (USD 25 million); and project management, coordination and public-private dialogue (USD 15 million). Texas A&M University's Borlaug Institute conducted an agricultural assessment in early 2016 to assess and provide recommendations for advancing Angola's capacities in the areas of poultry, livestock, coffee, grain crops, and value chain development to support this project.
- World Bank "Smallholder Agricultural Development and Commercialization" Project. A second project loan was signed in July 2016 for USD 70 million to help increase smallholder agriculture productivity, production, and marketing for selected crops in the project areas.
- The African Development Bank (AfDB) agricultural-related work in Angola is focused on developing small farmer projects and linkages to agricultural value chains and commercialization. Active AfDB agricultural projects include: 1) a study of private sector agriculture capacity in Cabinda province; 2) technical support to advance infrastructure projects along the "Lobito corridor" in order to connect the markets of the Democratic Republic of the Congo, Zambia, and Angola; and 3) agricultural development in southern Angola related to the impact of climate change on this naturally dry area.

Bilateral donors and business interests have focused attention on Angolan agriculture. For example a USD 73 million Spanish line of credit was announced in early 2017 to support Spanish investment in Angola, including agriculture projects. Similarly, in 2018, France announced a USD 545 million loan for the water, energy, and agricultural sectors.

As part of the the Angolan government's privatization program, ProPriv 2019-2022, under Presidencial Decree 250/19, approximately 25 agriculture companies have been listed for privatization. These publicly owned companies include production and processing of tomatoes, etc. For a complete list of these companies please visit https://www.bodiva.ao/?acao=ccd952d9a88fb5854e92b5c1223e3abc

Ag equipment, inputs and vet supplies	2017	2018	2019	2020 Estimated
Total Local Production	0	0	0	0
Total Exports	0	0	0	0
Total Imports	37	38	50	55
Imports from the US	1.5	1.6	8.3	8.7
Total Market Size	37	38	50	55
Exchange Rates	166	245	365	520

(total market size = (total local production + imports) - exports)
Units: $ millions
Source: Source: PND, Global Trade Atlas and OANDA

Leading Sub-Sectors

Equipment for seeding, planting and harvesting grains and horticulture crops:

- Livestock production equipment and technologies
- Cold chain solutions (refrigeration/warehousing)
- Food processing equipment
- Seed varieties
- Fertilizers/compost
- Irrigation systems (pumps, pipes, etc.)
- Veterinary supplies
- Training and management services and technology

Opportunities

Main agricultural equipment suppliers to Angola are Portuguese, Brazilian and Indian. A number of U.S. agricultural equipment and technology companies are active in Angola through distribution partners, including John Deere, Caterpillar, Massey Ferguson, Case, and New Holland. Additional U.S. equipment in Angola is purchased and imported directly by the end user or informal resellers, who are often from South Africa.

Notwithstanding the difficult foreign exchange limitations, the high priority focus on agricultural development and increasing attention from the World Bank on this sector suggests that Angola is a market to watch for U.S. agricultural equipment and supply companies in the medium-term.

Specific sub-sector areas with the strongest potential include:

Livestock – The Angolan government has established goals for increasing livestock production. Current livestock activity is concentrated in southern Angola and is primarily based on small family farms with some existing larger producers. Producers have told the U.S. Commercial Service they are interested in technologies for cattle raising, animal feed, veterinary services, and other solutions related to production and improving quality.

Grain and horticulture – The Angolan government's targets for meeting domestic corn supply through local production by 2020 will require substantial investments. A number of private projects also focus on soy production. Several large-scale government sponsored projects, such as the Quiminha Project, also focus on increasing horticulture production. Angolan companies are in need of equipment and input solutions, to include: seeds, fertilizers, pesticides, irrigation equipment and other types of production and processing equipment, such as silos and dryers.

Cold Chain - Strong potential also exists for U.S. exports related to cold chain infrastructure as Angola continues efforts to build its domestic food production and distribution capacity. The Angolan government initiated PRESILD (Program for Restructuring of the Logistics and Distribution System of Products Essential to the Population) to support domestic agricultural production and distribution with a plan for infrastructure nationwide, but implementation has been slow due to budget limitations. Ministry of Commerce regulations established in 2015 require companies to separate import from retail activities and to register their cold storage facilities.

Food Processing - With increased production capacity, opportunities should expand for U.S. exports related to food processing equipment. Several flour and grain milling projects are underway. There is a high level of agriculture production lost due to the lack of access to markets and improper food handling. Most processed foods are imported, including basic canned vegetables, which may offer opportunities for local value-added manufacturing concurrent with the expansion of agricultural production.

With the increased focus on agricultural production in Angola, many landowners are interested in establishing production, but lack the requisite experience and background in agriculture. Therefore, demand exists for international consultants and turn-key solutions from international suppliers. Angolan companies already active in the agriculture sector often express concern about the lack of spare parts and services available in Angola for agricultural equipment maintenance. While some agricultural equipment distribution exists in Angola, many farmers purchase agricultural equipment through neighboring countries or buy used equipment without receiving after-sales support. Companies that can provide quality post-sales value-added services and support are likely to be very competitive in Angola.

Web Resources

Angola Ministry of Agriculture www.minagri.gov.ao
National Development Program www.governo.gov.ao
United Nations Food and Agriculture Organization (UNFAO) www.fao.org
World Bank (WB) www.worldbank.org
International Monetary Fund (IMF) www.imf.org

Transportation (Aviation and Rail)

Overview

Angola's air and rail transportation capacity expansion are high priorities in the Angolan government's development plans. The Chinese government has provided financing primarily for air and rail infrastructure, while U.S. companies are leading in the supply of aircraft and locomotives. Given the economic situation, 2019 saw a decrease in exports of transportation equipment to Angola. Nevertheless, the development of the transportation sector remains one of the Angolan government's top objectives.

Leading U.S. exports to Angola in this category:

HTS CODE	Description	(US$) 2017	(US$) 2018	(US$) 2019	(US$) 2020 (Year to date)
88	Civilian aircraft, engines, and parts	61.6 million	21 million	13 million	3.97 million
86	Railway or Tramway Locomotives, Rolling Stock, Track Fixtures and Fittings, and Parts Thereof; Mechanical Etc. Traffic Signal Equipment of all Kinds	216 million	0.9 million	0.35 million	0.38 million
87	Vehicles, Other Than Railway or Tramway Rolling Stock, and Parts and Accessories Thereof	13 million	8.3 million	6 million	3.27 million
89	Ships, Boats and Floating Structures	0.4 million	0.9 million	1.8 million	0.2 million

Aviation

A new international airport has been under construction 40 km southeast of Luanda for the past 15 years. Construction is approximately 60 percent complete. The airport was expected to begin operating by 2020 but the Government of Angola announced that the project would be put on hold to review the design and engineering and determine if any corrective measures would need to be implemented. After further review the Ministry of Transportation (MINTRANS) determined that the cost of the corrective actions would remain at approximately USD 1.4 billion. The Government, however, still plans to commission the New Luanda Airport in 2022. The project was being led by a consortium of Chinese companies, China International Fund (Infrastructure), China National Aero Technology International Engineering Corporation (Equipment), and China Hyway Group Limited (Rail Access) in conjunction with the Brazilian company Odebrecht. But in February 2019, the Government of Angola announced that it had canceled the contract with the China International Fund (CIF) due to nonperformance. CIF was then replaced by Aviation Industry Corporation of China.

Envisioned as a major transportation hub for the region, the airport is designed to accommodate 13 million passengers annually with 12 aircraft docks. The 4,200- and 3,800-meter runways, VIP passenger terminal, and air traffic control tower are reportedly already completed. Plans are underway to widen the access road and establish a new rail link to the new airport from Luanda. The 2020 Angolan state budget allocated approximately USD 211 million for construction of the new airport.

The current international airport *4 de Fevereiro*, serving both international and domestic fights, is limited to 5 gates and 2 runways of 3,700 and 2,600 meters. On March 11, 2019, a presidential decree was issued authorizing modernization and expansion of the existing airport. Approximately, USD 300 million were expected to be allocated for the entire expansion project in the 2020 Angolan state budget. But the final 2020 state budget only provides funds for the renovation of the runways. On November 9th the Minister of Transportation signed a memorandum of understanding with the UAE to develop various projects, including the renovation and modernization of the *4 de Fevereiro* International Airport. The renovation should take between 18 to 24 months and is scheduled to start in 2020.

Secondary airports in Catumbela (Benguela) and Lubango offer regular domestic and regional international flights. Of the total of 30 airports located throughout the country, 17 have been renovated recently, though only 12 of these receive regular commercial flights from the national air carrier *Transportes Aéreos de Angola* (TAAG).

The Ministry of Transportation's National Institute of Civil Aviation (INAVIC) establishes and enforces the regulations and standards for aviation operations and security. INAVIC follows the International Civil Aviation Organization (ICAO) security standards and is working towards positioning Angola as a regional aviation hub. INAVIC is preparing for an ICAO audit, originally scheduled for 2020, which has been delayed due to the current travel restrictions. INAVIC has also been working with a U.S. consultancy firm to improve its systems and processes with the objective of obtaining Federal Aviation Administration (FAA) Category I status. Achieving this objective is integral to the Angolan governments strategic plan to establish direct flights between Angolan and the U.S.

In July 2019 The National Company of Airport Development and Air Navigation (ENANA) which managed the country's civilian airports was restructured into two companies: the National Society of Airport Management (SGA), which is responsible for the management and operation of the national airports, and the National Air Navigation Company (ENNA), which is responsible for air traffic control and safety of air navigation. Board members for both companies were approved in November 2019.

TAAG operates under the jurisdiction of the Ministry of Transportation, and services 12 domestic, 11 regional, and 6 inter-continental destinations. TAAG has codeshare agreements with Mozambique Air Lines, Lufthansa, Emirates, Royal Air Maroc, Air Namibia, Brussels Airlines, Air France, and South African Airways**.** TAAG's fleet includes 13 Boeing aircraft (five 737-700, three 777-200, and five 777-300. Two of the 777-300s were delivered in 2016, which closed out its order with Boeing. In June 2019, TAGG announced an order for six Dash 8 – 400s from the company Bombardier (Bombardier recently sold its Dash 8 program to De Havilland Canada Ltd). On June 26, 2020, TAAG received the first airplane of this order. In July 2020, the Angolan government announced that TAAG Structure will be 50% of the State's representative shares attributed to the State Asset and Participation Management Institute (IGAPE) and 40% to the National Air Navigation Company (ENNA) and remaining 10% will be non-State shares held by a Social Fund for Employees and Workers in the Transport Sector,

In 2019, SonAir, owned by the government oil company Sonangol, began the process of closing its commercial aviation sector and will dissolve all its assets and dedicate itself only to servicing the petroleum industry through its helicopter fleet and flights to Cabinda. This process is part of Sonangol' s restructuring process that is scheduled to end by 2021. The airline canceled all regular commercial flights from Luanda to the Angolan cities of Cabinda, Catumbela, Lubango, Malange and Soyo in November 30th. Its fleet still includes Dakota DCIII, Beechcraft (200, 350 and 1900 D), Twin-Otter, and Fokker (50 and 27). Sonangol also owned two Boeing 737-700s that will be transferred to TAAG. SonAir's helicopter service, which consists of Super Puma EC 225 and Sikorsky S-76C helicopters, was halted in April 2016 due to international air safety concerns related to the Super Pumas and limited local maintenance service capacity.

Small private air transport companies also operate in Angola, to include Mavewa, Helimalongo (four Dash 8), Heliang (one Beech 1900D), Gira Globo (two AntonovAn-32, one IlyushinIl-76MD and four Ilyushin Il-76TD), Fly540, Diexim (three Embraer 120 Brasilia and two Embraer

135/145) , Angola Air Services (one Embraer 135/145), Air26 (six Embraer 120 Brasilia), Air Nave, Air Jet (two Embraer 120 Brasilia, four Beechcraft 200, and two Jetstream), Air Guicango and Aerojet.

Aircraft and Aviation Equipment	2017	2018	2019	2020 (Year to date)
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A	N/A
Total Imports	176.3	35.5	44.2	N/A
Imports from the US	61.6	21	13.03	4
Total Market Size	176.3	35.5	44.2	N/A
Exchange Rates	166	245	365	520

Units: USD millions
Source: United States International Trade Commission and Global Trade Atlas

Leading Sub-Sectors

Aviation

- Air navigation equipment and support
- Primary and secondary radar systems
- Surveillance systems
- Safety Management Systems
- Ground maintenance and handling equipment
- Aircraft refurbishing parts and services

Opportunities

Aviation

Given the age of some aircraft in TAAG's fleet, opportunities may exist to remodel or refurbish aircraft. TAAG heavy maintenance is handled in-house with TAAG technicians and components supplied by Boeing. More complex maintenance and overhaul takes place in South Africa, Ethiopia, and Morocco. GE engine maintenance is handled at the GE service hub in the United Kingdom.

The new Luanda international airport under construction will represent a major expansion over the current airport. While the airport civil construction is underway with Chinese and Brazilian companies, opportunities reportedly exist in the areas of air navigation equipment and support, primary and secondary radar systems, surveillance systems, and safety. The current international airport in Luanda is not TSA certified, while the new airport is expected to have the necessary security infrastructure and processes in place to qualify for this status. The 2020 Angolan national budget allocated USD 222.8 million for the air transportation sector, which should support new constructions and upgrades. Renovation and expansion of the *4 de Fevereiro* Airport is expected to last from 18 to 24 months and double the passenger capacity from 1.5 million to 3 million. Ground handling company Ghassist plans to procure a range of new baggage and passenger handling equipment to meet the needs of the new airport. The company advises that much of their equipment is U.S.-made; therefore, it is anticipated that U.S. companies would be well positioned for these new opportunities. Similar opportunities exist for ground handling upgrades during the *4 Fevereiro* Airport renovations.

Rail

The Angolan government operates three separate railroad lines – Luanda, Benguela, and Moçamedes - each with its own Administrator reporting to the Ministry of Transportation. The Angola National Institute of Railroad (INFCA) establishes the regulations and standards for railroad operations and holds enforcement authority. The Luanda line runs 425 km northeast from Luanda to Malange. The Benguela line, known as the "Lobito Corridor", runs 1,344 Km from the Lobito port east to Luau on the Democratic Republic of Congo border where a dry port and logistics center are planned. The Benguela rail renovation completed in 2014 was financed by the Chinese Government with construction by the China Railway Construction Company. These lines are designed to connect Democratic Republic of Congo and Zambia to provide them with closer ocean port access. The African Development Bank is funding a feasibility study to refurbish the rail line connecting Zambia and Angola and link to the Benguela line. The southern Moçamedes line is 857 km long and connects Namibe to Menongue. The government-owned railroad companies are responsible for the railroad operations and maintenance, including the purchase of spare parts. In 2010, Presidential Decree 195/10, instituted reforms in the railroad sector, allowing for the private concession of railroad operation and maintenance activities. However, to date there have been no private companies providing these services.

In 2015, GE Transportation signed a contract to provide 100 GE C30ACi locomotives to Angola with deliveries that began with 15 locomotives in December 2016, and 64 locomotives in 2017. The remaining 21 locomotives are scheduled for delivery in October and November 2020. The GE locomotives are concentrated in the Benguela and Moçamedes lines for cargo use and support mining development in Angola. The Luanda rail will be undergoing some alterations to be able to support the weight of these locomotives and commercial cargo including fuel throughout its route. According to INFCA, the Government of Angola requires U.S. standard engines in their locomotives to streamline maintenance. Fifteen previously delivered Chinese locomotives in Angola have Caterpillar engines.

In February 2020, the government of Angola and Germany signed a memorandum of understanding for the construction of a surface metro in the city of Luanda. The project is budgeted at USD 3 billion and should start construction in 2020. Angola will own 30% of the project. It is expected that the light rail system will have 149 kilometers of track and will be built by Siemens Mobility.

In addition, Angola received seven suburban trains out of a total of 10 diesel multiple units (DMU) purchased from Singapore. These trains have a capacity of 700 passengers. Luanda Railways received four trains, Benguela Railway received three and Moçamedes Railway will receive three. It is believed that the purchase of these trains is being financed by China.

Locomotives, Rail Technologies and Equipment	2017	2018	2019	2020 (Year to date)
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A	N/A
Total Imports	240.3	12.2	18.5	N/A
Imports from the US	216	0.9	0.35	0.38
Total Market Size	240.3	12.2	18.5	N/A
Exchange Rates	166	245	365	520

Units: USD millions
Source: United States International Trade Commission and Global Trade Atlas

Leading Sub-Sectors

Rail

- Signaling and control equipment
- Railroad maintenance Equipment
- Passenger carriages
- Freight and Tank carriages
- Maintenance and repair parts (wheels, axles, bearings)
- Maintenance centers and training
- locomotives for shunting

Opportunities

Rail

The 2020 Angolan national budget allocated USD 46.7 million for the rail sector, which is expected to support the development of the rail sector and economic growth. To expand the railroad cargo network, the Ministry of Transportation will require passenger, freight, tank carriages, and related operations and maintenance support. The railroad infrastructure completed by the Chinese Railway Construction Company will require maintenance of the 2,600 km of tracks and accompanying railroad automation controls and signalization.

In recent years, Angolan Ministry of Transportation officials have visited railroad industry representatives in France, Spain and the United States and are eager to build Angolan railroad capacity with private sector participation. Future Angolan government plans include linking the three railroad lines through the construction of three additional lines, totaling over 10,000 km, but financing has not yet been identified for this project. A project to connect the Benguela and Moçamedes lines was announced in March 2017 through an agreement with two Russian companies (75% investment by Rail Standard Service and 25% by Fortland Consulting Company).

In December 2015, the Government of Angola launched the Metropolitan Master Plan of Luanda "Luanda 2030," which entails plans for modernizing the city's infrastructure to accommodate a population of 13 million projected by that time. The plan was approved by the current Government on February 28, 2018. One of the main pillars of the 2030 Luanda masterplan is the transportation sector, with the planned installation of an above ground urban rail system that would include a connection to the new international airport that is under construction.

Web Resources

Ministry of Transportation
National Institute of Railroad (INFCA)
National Company of Airports Exploration and Air Navigation (ENANA)
National Institute of Civil Aviation
TAAG Airlines
Sonair
Internnational Trade Comission

Marine Technologies (Fisheries and Sea Ports)

Overview

Angola, located in southwestern Africa with a 1600 km Atlantic Ocean coastline, holds solid medium to long-term potential for maritime transportation and fisheries development as prioritized by the government's 2018-2022 national development plan.

Fisheries:

Angola was a leading fish exporter during the colonial era until the mid-1970's but lost its fisheries capacity and expertise when the country obtained its independence and entered into a protracted civil war that ended in 2002. Today, the Angolan government, local private sector and international entities are heavily focused on fisheries development to advance the country's economic diversification, generate employment opportunities and expand food production capacity both for national consumption and export.

Fisheries represented less than 3.2 percent of Angola's GDP in 2018 with production of approximately 532,014 tons, according to the latest available data from the Ministry of Fisheries. Based on the Angolan 2018-2022 National Plan for Development, the government of Angola forecasts sectoral growth between 4.7 percent and 8.3 percent until 2022. The Angolan government is prioritizing development of the fisheries sector, both coastal and aquaculture value-added production in Angola, with support from the AfDB and the United Nations.

In 2019, the production volume for the fisheries sector was slightly more than 400,000 tons including industrial, semi-industrial, artisanal, continental and aquaculture activities. Most all semi-industrial and industrial fishing is based at four main ports: Namibe, Benguela, Porto Amboim, and Luanda, with some of this activity extending to the Zaire and Cabinda provinces in the north. Companies from Poland, Portugal, Spain, Russia, South Korea, Taiwan and Italy are active in the fisheries business in Angola.

To support the advancement of fishing activities, Poland funded a USD 22 million construction of a fisheries training and technical support academy in the southern province of Namibe in 2008. In 2010, Poland provided another USD 90 million credit line to Angola for the second phase of the Namibe Fishing Academy designed to train up to 2000 students. The next phase of this project, which includes a laboratory-factory, library, cafeteria, small shipyard, two school-ships and 120 bedrooms for students, is expected to be completed over the next five years.

There is a large artisanal fishing fleet in Angola with around 100,000 people earning their living in the fishery sector, including 50,000 artisanal fishermen organized in groups that fish in teams and share equipment, such as 9000 engine powered boats. The coasts of Benguela and Luanda provinces have the greatest concentration of artisanal fishing. As part of the National Development Plan to improve production quality and living standards in artisanal fishing communities the Angolan government is providing microcredit and regional support centers with facilities for boat and gear maintenance, fish processing, and docks.

The Ministry of Fisheries works to address illegal fishing through operation of 15 patrol vessels procured from China and France, as well as two vessels funded by the Dutch government with installed vessel tracking technology. Angola collaborates with Namibia and South Africa to protect and survey the fishing grounds through a Southern African Development Community (SADC) regional program. In addition to the Ministry of Fishery efforts, an inter-agency Angolan government committee led by the Ministry of Defense operates a National Communication Service Center responsible for managing the safety and security of the activities in the national waters. The Center's primary responsibilities are protection of the oil production platforms and combatting illegal fishing and piracy.

In 2013, the AfDB extended a five-year, USD 40 million loan to Angola for the Artisanal Fisheries Support Project. The project aims to increase incomes of small-scale fishermen and traders through improved fishery infrastructure, to reduce post-harvest losses, and to improve the quantity and quality of fish capture and sales. The project targets coastal communities in four provinces in Angola (Cabinda, Benguela, Kwanza Sul and Bengo) focuses on populations over

10,000 with a concentration on women, who constitute 80 percent of small-scale fish processors and traders. The project end dated is now scheduled for December 2021.

Aquaculture production in Angola is currently modest, with a focus on tilapia and catfish, but government efforts are underway to expand production, supported by a USD 11.1 million loan from the UN International Fund for Agricultural Development (IFAD). Angolan authorities sought to produce more than 715,000 tons of fish per year through small-scale communal ponds and a limited number of medium to large-scale commercial aquaculture operations by 2019, but was unable to meet this goal due to a lack of investments in the sector. Alternatively, the government National Development Program foresees strategic projects to increase country production.

Seaports

Angola has four operational seaports as follows:

- Port of Luanda, Angola's main port, has a capacity of 11,166 twenty-foot equivalent units (TEUs) and handles more than 70 percent of the country's imports. The port of Luanda is located adjacent to the Luanda Railway (CFL) and includes five specialized terminals: Multiterminais (break-bulk terminal), Unicargas (multipurpose terminal), Sogester (container terminal), Sonils (Oil & gas terminal), and Soportos (multipurpose terminal). Note: In early 2020, Angolan government launched an open public tender for the concession of the Multipurpose Terminal of the Port of Luanda-E.P. (https://www.portoluanda.co.ao/ConcursoPublico_Multiuso.php). For more information on the participating companies and the winner of this public tender, please consult the following site https://www.portoluanda.co.ao/Documentos/Despacho_Vencedor.pdf.

- Lobito port benefitted from Chinese-funded construction, renovation, and installation of heavy equipment. As the second largest port in the country, Lobito port is strategically interconnected to the Benguela railway network (CFB) to facilitate mineral transportation from the neighboring countries of the Democratic Republic of Congo (DRC) and Zambia. The inaugural load using the Benguela railway network was done in March 2018 with 1000 tons of manganese from Katanga province in DRC to the Lobito Port in Benguela province, Angola. In the future, the rail is expected to extend into the neighboring country of Zambia for mineral transportation.

- Cabinda port is situated in the discontiguous province of Cabinda in the furthest northwest part of the country and it provides services primarily to the oil and gas industries that dominate business in the province.

- Namibe port is close to the southern border with Namibia and mainly focuses on fishing activities in the region. Its development has benefited from Japanese government assistance, and the port remains a focal point of Japan's developmental interests in Angola.

Two green-field ports were initiated several years ago to increase cargo capacity and competitiveness. The Caio port continues under development in Cabinda with plans to provide regional services. However, the Dande project near Luanda stalled due to the country's economic downturn and resulting drastic declines in cargo traffic.

- Caio Port (*Porto de Caio*) is a public-private partnership project for the complete development of a new port, with a 30-year concession from the Ministry of Transportation that started in 2012. This deep-water natural port located in Cabinda province, adjacent to the Democratic Republic of Congo and the Republic of Congo, is positioning itself to facilitate regional and international commerce. Land reclamation and dredging is underway. The first phase of the project is scheduled to include a commercial quay wall, rig facility quay, ship repair facility, and breakwater and access channel. This first phase is expected to an initial capacity of 500,000 twenty-foot equivalent units (TEU). The project secured partial financing from the Chinese export bank and the Angolan Sovereign Wealth Fund. However, in May 2018, the project was put on hold via presidential decree, pending an investigation into alleged illegal transactions to obtain the contract for the port concession.

- Port Dande (*Porto de Dande)* - In 2011, the Angolan government approved the construction of the deep-water Port of Barra do Dande in Bengo Province, 50 km north of Luanda, to shift cargo from the Luanda Port, which at that time was reaching full capacity. With basic engineering preparations completed, the project is on hold due to a lack of government funding and a significant slowdown in cargo flows resulting from the country's economic challenges.

Marine Technologies and Equipment	2017	2018	2019	2020 estimated
Total Local Production	0	0	0	0
Total Exports	0	0	0	0
Total Imports	45	32	30	27
Imports from the US	0	0.50	0.50	0.50
Total Market Size	45	32	30	27
Exchange Rates	166	245	365	520

(total market size = (total local production + imports) - exports)
Units: USD millions
Source: www.gtis.com; www.minpesmar.gov.ao

Leading Sub-Sectors

Fisheries

- Vessels and equipment suited for small scale fisherman (less than 14' vessels)
- Vessel tracking and rescue solutions
- Aquaculture production technologies, feed and equipment
- Fish Processing and storage (cold chain) equipment
- Technical support and training

Seaports

- Improving port productivity
- Maritime and coastal security technologies
- Vessel tracking technologies for new control center at Port of Luanda
- Engineering and design services for greenfield ports
- Technical support and training

Opportunities

Fisheries

Given the difficult financial situation in Angola, the greatest potential for U.S. company participation in the country's fishery sector development is through the existing USD 40 million AfDB loan for Artisanal Fisheries Support Project and UN aquaculture development funding. The Angolan government also received a modest USD 10.7 million budget allocation for dedicated program funding to develop fisheries and hunting in 2020.

The Angolan Ministry of Fisheries is in the process of establishing several technical training and support centers for the artisanal fishery industry as well as regional processing and cold storage facilities. In addition, several private sector aquaculture farms are under development. Commercial sales opportunities exist for U.S. equipment and technology providers in the areas of aquaculture cultivation, small scale fishing equipment, fish processing, cold chain equipment, and logistics services.

Seaports

As Angola's economy improves and cargo volumes increase, the potential exists for U.S. companies in some of the technology based areas of port operations, such as those related to security, enhancing productivity, and vessel tracking. Past Angolan national budgets have provided multi-million dollar funding for seaport infrastructure rehabilitation and construction. It is expected that more funding will be earmarked for seaports in future budgets.

An increased focus on maritime security opens opportunities for U.S. companies with solutions related to coastal patrolling, search and rescue, and related communications and monitoring technologies. The Ministry of Defense in Angola leads in the area of maritme security, with involvement by a number of Ministries, including Transportation (Ports) and Fisheries.

A 2016 Angolan government decree formally authorized a new National Search and Rescue Center to be established under the Maritime and Port Institute (IMPA) with inter-ministerial involvement. Internal studies are underway to ascertain existing infrastructure and to determine needed communication systems, equipment, and training for the Center to be fully functional. However, due to current government budgetary constraints, funding has not been allocated for the development of the search and rescue center.

Web Resources

Ministry of Fisheries and Sea http://www.minpesmar.gov.ao
IMF www.imf.org
FAO www.fao.org
AfDb www.afdb.org

Customs, Regulations & Standards

Angolan Customs regulations can be found on the Ministry of Finance – Customs Agency's website (www.agtminfin.gov.ao)

Angolan import duty rates were adjusted in August 2018 by Presidential Decree Nº 03/18 May 2018 and updated by Presidential Legislative Decree Nº 10/19 November 29, which approves the Customs Tariff on Import and Export Rights.

Trade Barriers

The U.S. Trade Representative's Annual "National Trade Estimate Report on Foreign Trade Barriers for 2019" highlights many of the issues covered in this Country Commercial Guide.

Import Quotas: Angolan Presidential Decree 34/15 and implementing decree 22/15 of January 2015 established import quotas on 14 food and beverage products where domestic production is deemed to meet 60 percent of market demand. While the law remains on the books, its implementation has been deferred indefinitely due to stiff pressure from importers, the international diplomatic community, and in an effort to conform to international trade commitments. The decree also required importers of a range of food and building materials products to register through a new process that includes presentation of company details, projected import volume, and a demonstration of warehousing/refrigeration capacity. Further, regulations prohibit importers from participating in distribution and retail activities.

On January 14, 2019, Presidential Decree No. 23/19 entered effect giving priority to goods produced in Angola by requiring that importers demonstrate that they either cannot find a product domestically or already have a contract to purchase products domestically. The decree aims to decrease reliance on imports by increasing local production in 54 product categories.

Testing Requirements: Imports of foods and pharmaceutical products are subject to quality testing during customs clearance. Once imported into Angola, these products are subject to additional oversight by the Ministries of Industry and Trade, Agriculture, and Health.

Import Tariffs

Import taxes and fees for products entering Angola are calculated on CIF (cost, insurance and freight) value of the product and include:

- Import duty can vary from: 2 to 50 percent
- General Customs fee: 2 percent
- Brokerage Fee: 0.5 to 2 percent average
- Port Fees: USD 90 for 20' container and USD 153 for 40' container
- Terminal Handling Port Fees up to the equivalent of USD 278 per 20' container and USD 473 per 40' container
- Stamp Duty: 1 percent

Angola's Customs Tariff Regime was updated in August 2018 and subsequently modified. Import duties are currently on average 10.9 percent with a range from 2 to 50 percent.

A World Trade Organization (WTO) analysis of Angola's 2019 custom tariffs shows that import duties on agriculture and non-agricultural products were on average 19.3 percent and 8.7 percent respectively. Import duties on manufactured goods now average 9.4 percent and mining products average 11.6 percent. Highest import duties reflect the sectors where Angola is focusing on domestic production development namely: coffee (23.3 percent), beverages (52.9 percent), fruits and vegetables (35.5 percent), fish and fish products (25 percent), sugar (10.2 percent) cereals (11.7 percent), and wood (18.7 percent). For more information please visit the World Trade Organization (WTO) site at https://www.wto.org/english/res_e/statis_e/daily_update_e/tariff_profiles/AO_E.pdf

To determine the cost-build up for import duties and related taxes in Angola for specific products, and for markets worldwide, please visit the Angolan Customs Info's website at https://agt.minfin.gov.ao/PortalAGT/#!/legislacao/aduaneira/pauta-aduaneira

Import duty exemptions or reductions may be available for raw materials used in industrial production. Investors may also benefit from import duty and other tax deductions as part of their investment contract with the Angolan Government.

Sales to the Angolan government are exempted from import duties. Therefore, most sales into the oil and gas industry are exempted because most of these operations are owned in part by the government oil company Sonangol.

Value Added Tax (VAT):

Angola eliminated the Consumption Tax and replaced it with a Value Added Tax (VAT). This VAT was implemented on October 1st, 2019 and has a tax rate of 14 percent. VAT will be applied during the first 18 months to large taxpayers (companies). But any company that is not in the "large company" category may opt for immediate application of the VAT upon request. Demurrage Fees: There is no charge for demurrage costs for the first 15 days, or terminal storage fees for the first 5 days after delivery to port. After this time, rates are $40/day for demurrage and $61/day for terminal storage for a 40' container.

Import Requirements & Documentation

The process of importing goods into Angola is time consuming and highly bureaucratic. The World Bank Ease of Doing Business 2020 ranks Angola 177 out of 190 countries assessed and among the countries with the most time-consuming import procedures worldwide in the category of "Trading Across Borders". Import procedures in Angola require an estimated USD 460 and 96 hours for import document compliance. In comparison regionally, sub-Saharan Africa averages USD 287.2 and 96.1 hours for import document compliance.

U.S. exporters should inquire about customs broker capacities and importing experience when selecting a distributor. Angolan import regulations are subject to periodic changes requiring U.S. exporters to maintain close contact with their importer/distributor to avoid customs entry delays.

Importers must be registered with the Ministry of Industry and Trade for the category of product they are importing. Only registered companies can apply for an import license which is required for imports of sensitive products such as food, medical devices, pharmaceuticals, and agricultural inputs. To minimize customs problems and delays, U.S. companies should ensure that their prospective Angolan distributor holds import registration status for the appropriate product category and has experience importing and representing international products. A competent importer company will have either in-house customs broker capacity or work with a licensed customs broker. Only customs brokers approved by the Angolan government can process customs documentation for imports. Custom broker rates are regulated and cannot exceed 2 percent CIF value of the product.

Documentation required for importation into Angola includes:

- Bill of lading
- Certificate of origin
- Commercial invoice
- Customs import declaration (*Documento Único*)
- Declaration of Customs Value (ADV)
- Loading certificate (also known as ARC / Waiver / CNCA certificate)
- Ministry of Industry and Trace (MINCO) Import License
- Packing list
- Terminal handling receipts
- SOLAS certificate

Angolan Loading Certificate: Shipments bound for Angolan ports require a Loading Certificate (*Certificado de Embarque*) issued by the National Council of Angolan Shippers (CNCA) authorized agent in the country of origin. In the United States the CNCA agent is OIC Services Inc. in Houston, Texas at tel: (832) 912-6820 and email: info@oicservices.com. The application form for the Loading Certificate is available at CNCA's website, link: https://www.cnc-angola.gv.ao/en/shipping-certificates/

For more information visit the website of the Angolan Private Investment and Export Promotion Agencyhttp://www.aipex.gov.ao/PortalAIPEX/#!/.

In June 2018, the Angolan Central Bank announced that letters of credit would be the preferred financial instrument for import and export transactions and proposed that letters of credit be mandatory for all international trade transactions above 100,000 euros. U.S. exporters are encouraged to ship to Angola on pre-paid terms due to the extended delays of several months being experienced by Angolan importers in securing foreign exchange for imports. Guidance on financing U.S. exports to Angola is addressed in the "Trade and Project Financing" section of this report.

Pre-shipment inspection

According to Presidential Decree No. 63/13 of June 11, 2013 pre-shipment inspections are no longer mandatory. Traders may hire pre-shipment inspection services from private inspection agencies if they wish to benefit from fast track "green channel" access upon cargo arrival at Angolan Customs, or if pre-shipment inspection is required by their letter of credit agreement.

Laboratory Testing

Imports of foods and pharmaceutical products are subject to testing during customs clearance. Angolan Presidential Decree No. 140/16 of July 7, 2016 sets forth regulations for the laboratory analysis of imported products and for national produced products to better control the quality of products for human consumption. Private and public laboratories manage this inspection process at the port of entry. The regulation specifies fees for laboratory testing by type of product as well as methodologies and type of tests to be administered. Once in the Angolan market, these products face additional oversight during retail distribution by the Ministries of Commerce, Agriculture, and Health.

Labeling/Marking Requirements

The Angolan Government requires labeling in Portuguese on all products imported and sold in the country. Labels must include list of ingredients, expiration dates, quantity, production batch, name and address of manufacturer or seller, and country of origin. Imports are only permitted if a minimum six-month shelf life is remaining for the product.

Unlabeled products or those with language labeling not in Portuguese are subject to confiscation, though products with labeling in only English, Spanish, or Chinese can be found in both formal and informal retail sales locations.

The Angolan government is increasing its focus on enforcing sanitary standards especially for food products and medications, including through the expansion of testing laboratories, and increased scrutiny of labeling and expiration dates on products.

Due to the Portuguese language labeling requirement and historical colonial ties, a significant portion of consumer goods imported into Angola are sourced from Portugal, and to a lesser extent from Brazil. U.S. companies can leverage their Portuguese or Brazilian Portuguese language marketing material and product information (labeling and user guides) for positioning in the Angolan market. Please note that Angolan Portuguese is similar to continental Portuguese, though Brazilian Portuguese is widely accepted.

While it can be cost efficient in the short-term to use other Portuguese language country-based distributors for sales into Angola, U.S. companies can be most competitive in Angola by establishing distribution and representation directly with an Angolan company. A well-selected Angola distributor should be able to assist in meeting Portuguese language labeling requirements together with other in-country services and sales support.

U.S. Export Controls

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the Export Administration Regulations; and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "red flags", or warning signs, , and compiled "Know Your Customer" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check a list of upcoming seminars and webinars or reference BIS provided online training.

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the BIS website or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the BIS website and on the e-CFR (Electronic Code of Federal Regulations) and is updated as needed.

The Consolidated Screening List (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

Temporary Entry

The temporary entry of goods or equipment into Angola is permitted for up to 12 months and can be renewed for up to 12 additional months. Temporary imports must be accompanied by all normal customs documents and are subject to a deposit to Angolan Customs of 50 percent of the duties and taxes on the declared value were it to have been imported normally. Regulations state that Angolan Customs refunds this deposit within three months after the temporarily imported goods are exported from Angola.

Temporary imports for display at a trade show should also be accompanied by a letter from the show organizer verifying participation in the event. Depending on the product, a pre-shipment inspection may be required. The customs deposit may be waived for official trade shows when accompanied by a formal letter from the Ministry of Foreign Relations.

Angola does not accept Carnet for the temporary import of goods.

Prohibited & Restricted Imports

Items prohibited from import into Angola include:

- Animals and Plants - The Angolan Government prohibits the import of animals and animal by-products from areas affected by epizootic diseases and plants coming from areas affected by epiphytic disease.
- "Morality"-related products – Certain distilled beverages, pornography, roulette and other gambling machines, and other goods specified by law. Despite this law, several casinos operate in Luanda.
- Vehicles – Passenger vehicles more than 6 years from the manufacturing date are not permitted to be imported into Angola. Vehicles for industrial use such as trucks and those for transportation of more than 10 persons are only prohibited if older than 10 years from the manufacturing date.
- Biotechnology Products - Angola prohibits the import of viable transgenic grain or seed. The Ministry of Agriculture and Fisheries controls all agricultural imports and requires importers to present documentation certifying that their goods do not include biotechnology products. Transgenic food aid is permitted but must be milled. Biotechnology imports for scientific research are subject to regulations and controls established by the Ministry of Agriculture and Fisheries.
- Imitations of national franchise formulas.
- home-made or handmade medicines.
- Food products that do not meet the conditions established by current legislation or that are in a poor state of conservation.
- Used batteries and accumulators.
- Retreaded or used tires.
- Counterfeit Goods

Goods requiring import licenses for specific Ministries include:

- Pharmaceutical products for human use, saccharine and saccharine-derived products (Ministry of Health)
- Radios, transmitters, receivers, and other devices (Ministry of Telecommunications, Information Technology and Social Communications)
- Weapons, ammunitions, fireworks, and explosives (Ministry of Interior)

- Plants, roots, bulbs, microbial cultures, buds, fruits, seeds, and crates and other packages containing these products (Ministry of Agriculture and Fisheries)
- Fiscal or postal stamps (Ministry of Telecommunications, Information Technology and Social Communications)
- Poisonous and toxic substances and pharmaceuticals including animal vaccines (Ministries of Agriculture and Fisheries, Industry and Trade, and Health)
- Samples or other goods imported for promotion and not commercial sale (Customs).

Customs Regulations

Angolan Customs regulations can be found at the Ministry of Finance – Customs Agency's website (www.agtminfin.gov.ao).

Angolan import duty rates were adjusted in August 2018 through Presidential Decree Nº 03/18 of May 2018 and updated by Presidential Legislative Decree Nº 10/19 November 29, which approves the Customs Tariff on Import and Export Rights. The adjusted Angolan Customs Tariff Regime of 2019 aims to provide the country with a modern customs system capable of meeting the challenges of its development through national production, attracting investment, and promoting the employment of the national labor force.

Standards for Trade

Overview

Angola is not a full member of the International Standards Organization (ISO), but has been a corresponding member since 2002. The Angolan Institute for Standardization and Quality (IANORQ) within the Ministry of Industry coordinates the country's development and implementation of technical standards.

Standards

IANORQ is responsible for developing a national quality system to promote productivity, competitiveness and domestic production capacity. While Angola does not yet have a fully developed national standards regime, the country has a four-year National Normalization Plan (2016-2020). A new four-year plan is expected by the end of 2020. The plan focuses on sectors, which contribute to the country's GDP or areas, which the government considers strategic for economic development.

Voluntary technical standards are developed by the 17 technical committees that are part of IANORQ. Standards established in Angola fall under the auspices of the technically relevant Ministry. To date INANORQ has published 150 technical standards and has set a goal to publish 428 more standards by 2020 in its strategic plan. Angola has adopted or referenced and is considering technical standards from Brazil, Chile, Colombia, Ecuador, Mozambique, Peru, Portugal, Spain, and U.S.

The Angolan government through IANORQ has partnered with a number of international and foreign technical standards organizations to build the country's technical standards regime. In July 2015, ASTM International signed a memorandum of understanding with IANORQ to contribute to the development of standards in Angola. IANORQ also has cooperation arrangements with ABNT of Brazil, PTB of Germany and INTI of Argentina. It is a corresponding member of ISO and is affiliated with International Electrotechnical Commission (IEC) and the International Organization for Legal Metrology (OIML).

Testing, Inspection and Certification

Conformity Assessment

The conformity assessment system is managed by two separate public entities, which fall under the supervision of the Ministry of Industry and Trade. The Angolan Institute of Standardization and Quality (IANORQ) is responsible for certification and the Angolan Institute of Accreditation (IAAC) is responsible for accreditation.

Angola is also an affiliate country of the International Electro-technical Commission that publishes consensus-based International Standards and manages conformity assessment systems for electric and electronic products, systems and services.

Product Certification

The certification system is managed by IANORQ, which is responsible for coordinating national standardization activities and overseeing legal metrology in Angola.

Given the strong presence in Angola of products distributed through Portugal, ISO and CE markings are commonly found on products sold in Angola. While these standards are not required to be met in Angola, they give consumers a sense of confidence in product quality.

Angola is a member country of WHO/FAO Codex Alimentarius International Food Standards and uses these standards to enforce food safety.

Accreditation

Currently, accreditation is not mandatory in Angola. However, in 2015 the Angolan government through the Ministry of Industry established the Angolan Institute of Accreditation (IAAC) which will be the entity responsible for accreditation in the future. At this time accreditation can be done by foreign entities. The IAAC currently serves as a point of contact for Southern African Development Community Accreditation Services (SADCAS).

SADCAS is a multi-economy accreditation body established in the terms of Article 15 B of the Technical Barriers to Trade (TBT) Annex to the SADC Protocol on Trade with the primary purpose of ensuring that conformity assessment service providers (calibration/testing/medical laboratories, certification and inspection bodies) operating in those SADC Member States, which do not have national accreditation bodies are subject to oversight by an authoritative body.

Publication of Technical Regulation.

Final government regulations are published in the Angolan Daily Gazette (*Diário da República*). There is no established mechanism whereby U.S. entities or other international entities can comment on proposed regulations before these are finalized.

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify the WTO proposed technical regulations and conformity assessment procedures that could affect trade. "Notify U.S." (www.nist.gov/notifyus) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country(ies) and industry sector(s) of interest and can also request full texts of regulations. "Notify U.S." and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

Contact Information

Angolan Institute of Standardization and Quality (IANORQ)
Ministry of Industry and Trade
Rua Cerqueira Lukoki 25, C.P. 594
Luanda, Angola
Phone: +244 (222) 337 294
Fax: +244 (222) 392 400

Angolan Institute of Accreditation (IAAC)
Ministry of Industry and Trade
Rua Cerqueira Lukoki 25, C.P. 594

Luanda, Angola
Phone: +244 926 756 374
Email: geral@iaac.co.ao
Website: https://desenvolvidopelaangoweb.com/iaac/

Trade Agreements

Angola joined the World Trade Organization in 1996 and in September 2015 completed its second 5-year review of this membership.

Angola benefits from Africa Growth Opportunity Act (AGOA), the U.S. preferential trade agreement that provides duty-free status for qualifying goods exported from Angola to the United States. Given Angola's dominance in extractive industries, exports benefiting from this U.S. government program are predominately oil, with some diamonds and wood exports. The Angolan Government is working to diversify its economy and recently established an export promotion agency, AIPEX to encourage exports, including to the United States, that could take advantage of AGOA.

At a regional level, Angola is a member of the Southern African Development Community (SADC), but it is not party to the Southern African Customs Union (SACU) that involves 5 of the 15 SADC member countries with the objective of reducing trade barriers among countries in the region. Angola has taken steps to examine potential participation in the future.

On March 21, 2018 Angola signed the African Continental Free Trade Area (AfCFTA). The treaty went into effect on May 30, 2019. To date, 30 countries have ratified the treaty. Angola officially approved ratification of the treaty on April 28, 2020 but deposit of the instruments of ratification is still pending. Angola has also discussed pursuing customs agreements with its neighboring countries of Namibia, Zambia, and the Democratic Republic of Congo.

Licensing Requirements for Professional Services

Licensing requirements for professional services in Angola are overseen by the respective professional organization. The specific professional organization must approve the candidate, a process that starts with the review of the professional diploma(s) by Angolan public universities such as Agostinho Neto University (Decree No. 90/09, December 15th, 2009). For foreign citizens to qualify for licensing they must be legal residents in Angola and present their certificate of residence, employment contract, and a formal consular registration from their home country Embassy in Angola.

The professional oversight entities responsible for licensing in Angola by area are as follows:

Medicine: *Ordem dos Medicos de Angola*

Law: *Ordem dos Advogados de Angola*

Engineering: *Ordem dos Engenheiros de Angola*

Accounting: *Ordem dos Contabilistas e Peritos Contabilistas*

Web Resources

Angolan Private Investment and Export Promotion Agency - http://www.aipex.gov.ao/PortalAIPEX/#!/

The International Trade Administration (ITA) - https://www.trade.gov/

The General Tax Administration - www.agtminfin.gov.ao

Angolan Institute of Accreditation - https://desenvolvidopelaangoweb.com/iaac/

Bureau of Industry and Security (BIS) - www.bis.doc.gov

Selling U.S. Products & Services

Distribution & Sales Channels

Angola's business environment is still maturing at just 18 years post-civil war. As a result, distribution channels for most products and services are limited to a handful of key players. Luanda, the capital city, holds one-quarter of the population, and is followed by a limited number of secondary cities: Benguela/Lobito, Huambo, and Lubango, with Soyo and Cabinda as oil industry-focused cities. With this market concentration, it is very reasonable to appoint only one distributor or representative to cover the entire country. While a number of legally established distributors and representatives of international products exist in Angola, many products, and especially consumer goods, are sold through resellers. These resellers purchase products internationally and sell through retail points of sale often using the logo of the international company to attract business.

A southern Africa regional distribution approach to Angola is challenging since it is a Portuguese language country surrounded by English and French speaking markets. The exception is Mozambique, which with Angola shares in common Portuguese colonial history and language. A significant amount of business in Angola still flows through distributors in Portugal due to the language and historical ties, but increasingly those Portuguese companies most successful in Angola have established a local presence. South Africa is a major regional commercial hub for Southern Africa, including Angola. However, other than for products manufactured in South Africa, these distribution patterns are starting to change in response to increasing competition in Angola. The Angolan market is demanding better pricing and delivery time directly from international manufacturers, as well as improved after-sales service, spare parts, and maintenance that can be better offered by a local distributor.

While it can initially be cost efficient for U.S. companies to use other Portuguese language countries such as Portugal to lower market entry costs into Angola, U.S. companies can be most competitive in Angola by establishing distribution and representation directly with an Angolan company that can provide in-country services and support.

Distribution infrastructure within Angola continues to be challenged by poor road quality, time consuming customs entry processes that the World Bank ranks among the slowest worldwide, and limited though expanding warehousing and cold chain capacities. Railroad expansions currently underway aim to provide intermodal transportation throughout the country.

In the petroleum industry, there is increased enforcement of long-standing regulations by Angolan government pushes for "Angolization" of the supply chain and increased local value to be provided by Angolan companies. Angolan regulations require most international companies to provide products and services to the petroleum industry, and to work with Angolan distributors who can provide in-country value-added services. Exemptions exist for complex services, but the regulation does not explicitly indicate which activities are covered by this exemption. The section in this report on "Leading Sectors for U.S. Exports - Oil and Gas Equipment" provides further details about this regulation.

Using an Agent to Sell U.S. Products and Services

An agent or distributor is important for success when establishing new business activities in Angola. A limited number of companies dominate domestic distribution. These firms are willing to partner with foreign companies exporting to Angola, but they may also represent competing products. A limited number of U.S. companies operate subsidiary or affiliate companies in Angola concentrating in the information technology, automotive, petroleum, heavy equipment, and services sectors. U.S. companies should conduct careful due diligence on potential business partners and select well-established companies already experienced with representing international products.

Given the current economic climate in Angola of limited access to credit and long and arduous delays in securing foreign exchange, some Angolan distributors and agents are reluctant to enter into new business agreements due to the investments associated with business expansion. Many Angolan distributors with existing international product lines are facing limited inventory since international payments have been typically delayed several months or more.

In many cases, both Angolan importers and international suppliers are opting for cash in advance payment terms with some arranging for non-traditional payment structuring through third countries.

The U.S. Commercial Service in Angola provides business services to assist U.S. companies in the identification and due diligence of qualified business partners, distributors and representatives. For details on these services and to find your closest U.S. Commercial Service office in the United States to start this process visit Export.gov's website (https://www.trade.gov/export-solutions).

Establishing an Office

Working with a well vetted local distributor or representative can ease entrance into the complex Angolan market. Establishing a formal presence through a direct representative office or a direct investment is complex. The World Bank Ease of Doing Business Ranking (2020) places Angola as one of the most difficult countries for conducting business with a ranking of 177 among 190 countries assessed. In the "Starting a Business" category Angola ranks 146 among the countries analyzed, moving down 11 places from the previous year, but still remaining in the bottom 30th percentile. The average time required to start a business in Angola is 36 days, compared to 21.5 days on average for the sub-Saharan Africa region, but a great improvement from the 66 days required just four years ago. The bulk of this time relates to securing a commercial operations permit from the Ministry of Commerce, which takes 30 days on average. More information can be found on the World Bank Doing Business website.

Angolan law restricts ownership to the Angolan government with respect to activities related to defense, internal public order and state security, Central Bank and national currency related matters, seaports, and airports. Majority Angolan government ownership is required for mineral exploration activities.

Legal options for establishing a direct presence in Angola include:

Representative Office: A representative office oversees the interests of the foreign firm it represents, following up on and providing assistance to that firm's business operations in Angola. A representative office has no independent legal authority to do business in its own name and is limited to a maximum of 6 employees.

Branch Office: Branch offices are the most common form of representation for foreign firms in Angola, because they enable foreign investors to do business in Angola on the same terms and under the same conditions as firms legally established in Angola. A branch office lacks an independent legal identity, although it is considered a legal person and can go to court or be the target of legal action under certain circumstances.

Incorporation under Angolan Law: Under the jurisdiction of Law *Nº 1/04*, *Diário da República Nº 13*, foreign investors in Angola may choose from among five types of corporate or business entities established by law: Corporations, Limited partnerships, Limited co-partnerships, General partnerships, Limited co-partnerships by shares. In most cases, international investors can incorporate as a sole ownership, but some areas such as minerals extraction operations and services require Angolan government and/or private partners.

The Angolan Government determines eligible incentives including repatriation, tax deductions, and exemption from certain taxes and duties for investors on a case-by-case review of the investment proposal for those investing in the special economic zones defined in the current private investment law. No minimum capital is required to qualify for these incentives. Interested investors may apply for these incentives through the Angolan Trade and Investment Agency, AIPEX.

Foreign companies are restricted from operating directly in petroleum, diamond and financial sectors. Angolan owned companies subcontract out business in these industries to international companies. In the petroleum sector, international companies must enter into an association with the National Concessionaire, the National Petroleum, Gas and Biofuel Agency, (ANPG). For petroleum service and equipment provider companies, basic activities are restricted to Angolan companies, as per 2003 Executive Order 127/03 ("Exclusivity Regime"). For more complex work, a partnership (either incorporated or unincorporated) with an Angolan company is required for international companies to be able to provide goods and services ("Semi-Competition Regime"). Only in the case of the most complex work are international companies able to provide services directly to the petroleum industry in

Angola ("Competition Regime"). Regardless of the complexity of the work, local companies majority owned by Angolans always have a right of first refusal provided their prices are less than or equal to 10 percent of that of foreign competitors. Additional details on operating in the petroleum industry in Angola are outlined in the section: "Leading Sectors for U.S. Exports – Oil and Gas Equipment".

Franchising

Strong consumer demand exists in Angola for international franchises, particularly for well-known brands. Shopping centers are expanding in Angola with currently ten complexes open in Luanda. One of these shopping centers, Xyami, has expanded into the secondary cities of Benguela and Lubango. International franchises operating in Angola include: Yum Brands' Kentucky Fried Chicken (KFC) and Pizza Hut through their Portuguese license holder, Brazilian companies O Boticario (cosmetics), Wimpy (UK), Sport Zone and Salsa (Portugal), Aldo (Canada), Tendam Group (Spain) with its four brands Cortefiel, Pedro Del Hierro, Springfield and Women'Secret.

Franchises, as with other businesses operating in Angola, face a challenging business environment especially with difficulties in accessing foreign exchange for royalty payments and imported products. There are no legal restrictions on establishing a franchise business model in Angola.

Direct Marketing

Direct marketing is not common in Angola, though some Angolan retailers of home goods, such as furniture and electronics, use door-to-door marketing in some of the newer neighborhoods in Luanda to promote their products. Several Angola-specific online stores also exist including Baobabay.com, and Kitandeira.com.

Joint Ventures/Licensing

Joint ventures are encouraged under the current private investment law for the following industries: 1) electricity and water, 2) tourism and hospitality, 3) transportation and logistics, 4) telecommunications and information technology, 5) construction, and 6) media. However, the local partner requirement is no longer compulsory. Foreign investors often find that a local Angolan partner who contributes financially and substantively to the company helps in doing business; however, only a small pool of Angolan companies meets these criteria. A number of foreign investors operate successfully in Angola without a local partner.

The "Investment Climate" section of this report provides details regarding the regulations and procedures related to direct investment in Angola.

Express Delivery

International express delivery services in Angola are provided by DHL, FedEX and UPS. DHL Express operates directly in Angola, while FedEx is represented by Portuguese company Grupo Rangel and UPS is represented by Parcel Express, an OREY Group affiliate. The state owned company Correios de Angola, which is part of the Ministry of Telecommunication and Information Technology, provides express delivery services with an extensive presence in major cities throughout Angola. Some smaller players also service the express delivery market.

All import shipments through express delivery services are subject to normal customs regulations with import duties calculated based on cargo values and quantities. Personal exemption from import duties are applied only for goods costing less than $900. In the case of business documents, the customs invoice can state the item with zero customs value.

Due Diligence

Careful selection of a local business partner in Angola will facilitate business success. The U.S. Commercial Service in Angola offers services for U.S. companies to identify top potential distributors and representatives. The U.S. Commercial Service also offers an International Company Profile (ICP) service to support due diligence research on potential business partners. An ICP report includes detailed background on a specific target company, including business structure and ownership, financials, and business activities.

For U.S. companies pursuing a joint venture or other complex business partnership with an Angolan company, the use of an Angolan law firm should be considered to provide thorough due diligence assessments before entering into any purchase or other contractual agreement or a joint venture.

eCommerce

While internet access levels in Angola are fairly high compared to other sub-Saharan countries, electronic commerce in Angola is limited as the country remains a predominantly cash-based economy with an unreliable mail delivery system.

Current Market Trends

Potential exists for eCommerce in Angola considering the strong base of internet users in Angola. Internet Live Stats for 2019 reports 7.1 million internet users, representing about 22.3 percent of the population (IWS). Most use mobile phones rather than home computers to access the internet; mobile broadband access is available to just 16 percent of the population (2018 ITU).

The major limitation in eCommerce in Angola is the lack of use of credit cards or other internationally accepted payment mechanisms. More than 50 percent of adult Angolans have banking accounts, but access to international credit cards is extremely restricted. For domestic purchases, debit cards have become more common.

Domestic eCommerce (B2C)

Domestic eCommerce (B2C) is not wide spread in Angola, but it is slowly growing with the creation of several domestic e-Commerce websites. BayQi, Otchitanda, Roque online and O Soba are some of the most popular and widely used eCommerce sites in Angola. Payments are made through domestic debit cards (Multicaixa), bank transfer and digital wallet and delivery is through local courier service since the mail delivery system is unreliable. Online taxi services include three main companies Kubinga, T'leva and Azimbora. There are also two food delivery services apps Tupuca and Kumoxi, which serve the restaurant and consumer markets.

Given the Covid-19 pandemic and the emergency response measures, online purchasing of food, beverages, clothing, shoes, electronics and other accessories via social media has increased in the major Angolan cities.

Cross-Border eCommerce

Cross-border eCommerce is restricted to middle and upper income Angolans with access to international credit cards and international travel. Such purchases are made most often through major international online stores such as Amazon, Ebay (USA and Europe) and Alibaba (China). Deliveries are made through international couriers.

Some Angolans use international commercial consolidator services such as U.S. company MyUSA.com for multiple eCommerce purchases then save on transportation delivery costs.

Middle and upper income Angolans travel regularly to Portugal and South Africa where many have homes and extended family. It is common for them to make eCommerce purchases for delivery to family and friends in Portugal, and then after visiting Portugal bring the items back to Angola in their luggage.

B2B eCommerce

A limited number of Angolan businesses use European or U.S. based B2B websites such as ebay.com and Amazon.com with products shipped to them in Angola by express courier.

eCommerce Services

International transportation delivery services including Fedex, UPS, and DHL exist in Angola. For domestic deliveries, couriers are commonly used due to the unreliability of the domestic mail system.

eCommerce Intellectual Property Rights

Angolan intellectual property rights law does not specifically address eCommerce.

Popular eCommerce Sites

An Angola-specific online store selling Chinese products is Baobabay.com. The local version of international company OLX was a popular on-line direct sales platform in Angola but closed recently.

Some Angolan consumers use European or U.S.-based B2B websites such as ebay.com and Amazon.com with products shipped to them in Angola by express courier.

Online Payment

Approximately 50 percent of the adult population participates in the formal banking systems. Debit cards (Multicaixa) have become increasingly common for domestic purchases.

International credit cards are scarce and extremely restricted by commercial banks due to the lack of foreign exchange availability to cover these payment commitments. For those with access, Visa and Mastercard are most commonly issued in Angola. Some consumers are beginning to use Paypal.

The Union Pay International card was officially launched in 2018. In Angola, UnionPay cards can be used in Point of Sales (POS) terminals with the UnionPay or the Banco Angolano de Investimentos (BAI) logos, while use at a limited number of ATMs machines for cash withdrawals is available.

Mobile eCommerce

The majority of the Angolan population with internet access (approximately 22.3 percent) use a cellphone as their method of access. However, only 16 percent of the population have access to mobile broadband. Those using a laptop or a desktop to make online purchases normally use their cellphone or tablet as well.

Digital Marketing

Many companies promote themselves exclusively on Facebook as an affordable and accessible on-line presence versus establishing and managing their own website.

Additional popular social media platforms in Angola with advertising opportunities are the news website Club K, Angonoticias and Instagram.

Major Buying Holidays

Black Friday is the most popular eCommerce buying holiday in Angola since Angolan consumers recognize the savings available from international eCommerce sites on this day.

Social Media

Social media is widely used in Angola given the relatively high number of internet users in the country around 7.1 million and estimated over 22.3 percent of the population where the internet penetration stood at 28% in January 2020. An estimated 2.2 million companies and individuals use Facebook for business promotion and personal communication and many companies promote themselves exclusively on Facebook as an affordable and accessible on-line presence versus establishing and managing their own website.

Selling Factors & Techniques

Angola is a Portuguese-speaking country. Outside of the petroleum sector, English is not widely spoken, even among top government officials or business leaders. Ability to do business in Portuguese is essential to succeed in the non-petroleum sectors. The Government requires labeling in Portuguese for all imported goods, especially in the healthcare sector for medicines, cosmetics, hair care products, skin care and processed food.

The best way to do business in Angola is to find a local distributor or representative to handle business development throughout the country. The selected distributor or representative should be financially solid, have the capacity to stock inventory and aftermarket parts, and to provide technical support for the specific products. The distributor or agent should also be able to handle the complex import process, and demonstrate strong existing end user client ties, especially if the target client is the Angolan government. U.S. companies wanting to establish strong Angola market presence also need to provide ongoing management oversight and training for the distributor/representative.

Trade Promotion & Advertising

Government-owned media include two television stations, a radio station, and Angola's only daily newspaper, Journal de Angola. Private media include one television station, several radio stations, and several privately owned press weeklies. All of these media channels provide advertising opportunities.

Press coverage can be another useful strategy for building market visibility in Angola. However, it is important that media relations are carefully managed so that messaging is accurately presented.

For consumer-oriented products, billboard advertising is also common as is sponsorship of popular events.

In addition, social media is widely used and a cost-effective means to advertise in Angola. Please refer to section on e-commerce for more information.

In technical and professional areas, conferences, symposium by industry area, and a limited number of trade shows provide opportunities for promotion and technical presentations that can help build market visibility and develop relationships with key buyers. With Covid-19 travel and physical meeting restrictions, virtual video conferences, webinars and other online communications tools have become a more acceptable form to interact with Angolan government officials and private sector executives.

Consistent marketing and business development efforts are key to business success in Angola. Given the relatively small size of the business and government market, building and maintaining a good reputation for the company and/or product is key due to substantial reliance on client referrals. A well selected distributor or representative can be key to this effort.

The main trade show in Angola, FILDA – the International Fair of Luanda - is held annually in July. This multi-industry show is a good platform to build market visibility, especially once an international company is established in the Angola market. Normally, the FILDA show organizer hosts other smaller trade events in a range of sectors throughout the year. Angola's trade show schedule can be found on FILDA's website: https://filda.co.ao/ .

Pricing

Over the past several years high inflation has resulted in significantly higher market prices. Even domestically produced and grown product prices continue to rise due to the high costs of production and imported inputs. However, the Angolan Central Bank has implemented monetary policy to reduce inflation. The result has been a steady decline in inflation from from 23 percent in 2017 to an estimated 21 percent in 2020. Details on import taxes and duties are addressed in the section of this report on trade regulations and customs.

Despite high inflation, among those who can afford to be selective, there is a continuing and growing appreciation in Angola for quality products. Consumers are increasingly recognizing that inexpensive products from China and other African markets in the Angolan market both legally and illegally generally offer a lower quality than western brands.

Angola was an extremely expensive market. For expatriates and business travelers it was ranked among the most expensive locations in the world. However, over the last two years prices have dropped substantially due to a prolonged economic downturn and significant currency devaluations. As a result some locally priced product and service categories calculated in international currency more in line with western markets.

Sales Service/Customer Support

Angolan consumers are increasingly demanding better sales service and customer support, on par with what they experience in travel to Europe, South Africa, and Dubai, and respond very positively to comparable levels of business services when offered in Angola.

Companies that can provide strong customer service with post-sales value-added services, spare parts, and technical support will be competitively positioned in the Angola market. U.S. companies should consider committing the time and resources to build capacity through their appointed distributors to provide this type of quality service and support.

A significant obstacle to superior customer service are the challenges with regard to obtaining spare parts and inputs due to the scarcity of foreign exchange that limits the purchasing capacity of international company's clients and partners.

Local Professional Services

Listings of Angola-based law firms, accounting firms, customs brokers, and freight companies experienced in working with international companies are available from the U.S. Commercial Service in Angola.

Commercial Banks

No U.S. banks operate in Angola. Commercial banks in Angola are predominately Angolan, Portuguese, and South African. The leading Angolan based banks with international business are listed below. Several bank representative offices also exist in Angola. For a complete listing of authorized Angolan financial institutions please see the National Bank of Angola's list of authorized financial institutions.

Banco Angolano de Investimentos, S.A. - BAI

Banco BIC, S.A. - BIC

Banco Caixa Geral Totta de Angola, S.A. - BCGTA

Banco Comercial Angolano, S.A. - BCA

Banco de Comércio e Indústria, S.A. - BCI

Banco de Fomento Angola, S.A. - BFA

Banco de Negócios Internacional, S.A. - BNI

Banco de Poupança e Crédito, S.A. - BPC

Banco Keve, S.A. - KEVE

Banco Millennium Angola, S.A. - BMA

Banco Privado Atlântico, S.A. - BPA

Banco Sol, S.A. - BSOL

Standard Bank de Angola, S.A. - SBA

Standard Chartered Bank de Angola, S.A. - SCBA

Law Firms Based in Angola

Alexandre Pegado - Escritório de Advogados
Phone: +244 (222) 391 930; 222-397 347
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Email: apegadolawfirm@gmail.com; apegado@netangola.com or
alexandre_pegado@hotmail.com

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Teodoro Bastos de Almeida – Advogado
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Accounting and Advisory Firms

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Baker Tilly International
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Crowe Horwath - Angola
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Fax: +244 (222) 333 806
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Deloitte – Angola
Rua. Kwame Nkrumah 10, 3º, 4º e 6º andar, Luanda
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KPMG - Angola
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Torres Oceano,
Torre A, 21ºA
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PKF - Angola
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Freight Companies Serving Angola

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Fax: +244 (222) 323 070
Email: hugh.okerwin@gac.com
Grimaldi Group Angola
Phone:+244222310500
Email: gal@grimaldi.co.ao

MSC – Angola
Phone: +244 (222) 339 305
Email: info@mscao.mscgva.ch

Nile Dutch
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Fax: + 244 (227) 326 963
Email: info.ao@niledutch.com

Panalpina
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Fax: +244 (222) 310 034
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Rangel
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SDV-AMI Angola Lda – Bollore Group
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Limitations on Selling U.S. Products and Services

Private ownership is prohibited in Angola in the areas of defense, internal public order, and state security; banking activities relating to the operations of the Central Bank and the Ministry of Finance; administration of ports and airports; and other areas where the law gives the Angolan government exclusive responsibility for its operations. Investment in the petroleum, diamond, and financial sectors are governed by sector-specific legislation.

For investments in the following sectors, a minimum of 35 percent local participation/partnerships is no longer required: 1) electricity and water, 2) tourism and hospitality, 3) transportation and logistics, 4) telecommunications and information technology, 5) construction, and 6) media.

Imports into Angola of the following goods are prohibited:

-- animals and animal by-products from areas affected by epizootic diseases.
-- plants coming from areas affected by epiphytic disease.
-- some distilled beverages, counterfeit goods, pornography, roulette and other gambling machines.
-- passenger vehicles over 6-years from the manufacturing date.
-- industrial vehicles if more than 10-years from the manufacturing date.
-- transgenic grain or seed.

Import licenses are required for certain products including some foods, medicines, live animal and plants, as well as some communications and national security related items. On January 14, 2019, Presidential Decree No. 23/19 entered into effect giving priority to 54 categories of goods produced in Angola by requiring that importers demonstrate that they either cannot find a product domestically or have already purchased domestically. The issuing of an import license for the 54 product categories is subject to these two requirements.

Principal Business Associations

American Chamber of Commerce in Angola (AmCham Angola) is a bilateral business chamber dedicated to promoting business between the United States and Angola and based in Luanda.

Angolan Industry Association (AIA) is the leading business association in Angola with nation-wide membership including both industry and agricultural sectors.

Angolan Community of Exporting and Internationalized Companies (CEEIA), established in 2013, is the association of Angolan companies with international activities and dedicated to promoting more exports and international partnerships among Angolan companies.

US-Angola Chamber of Commerce (USACC) is a bilateral business chamber promoting business between the United States and Angola with offices in both Washington, D.C. and Luanda.

Angolan Government Agencies related to business

On March 13, 2018 the government replaced the Angolan Investment and Export Promotion Agency (APIEX) with a new agency, the Private Investment and Export Promotion Agency (AIPEX) http://www.aipex.gov.ao/PortalAIPEX/#!/. The new agency, which is under the Ministry of Economy, will now serve as a one-stop shop to promote investments and exports and the international competitiveness of Angolan companies. Its U.S. office is located at the Angolan Embassy in Washington, D.C.

Angolan Embassy in the United States – Trade Office is the Angolan government's representation in the United States promoting Angolan business.

Protecting Intellectual Property

Please see the Investment Climate section of this report for details on protecting intellectual property in Angola.

In any foreign market companies should consider several general principles for effective management of their intellectual property. For background on these principles please see our articles on Protecting Intellectual Property and Corruption.

For additional information, visit Stopfakes.gov website or contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at Stevan.Mitchell@trade.gov.

The U.S. Patent and Trademark Office contact for Angola and sub-Saharan Africa is:

JoEllen Urban
Senior Trade Advisor
Office of Policy and International Affairs
U.S. Patent and Trademark Office
Tel: 571-272-8498
Email: JoEllen.urban@USPTO.GOV

Web Resources

Relevant web resources for the "Selling U.S. Products and Services" section are incorporated under the relevant headings throughout this section

Trade Financing

Methods of Payment

The leading business challenge in Angola since mid-2015 has been the lack of foreign exchange in the market due to the steep decline in petroleum revenues and the resulting drop in international reserves entering the Angolan economy. The lack of availability of foreign exchange has significantly impeded imports of products to this heavily import dependent market. International and domestic companies operating in Angola face significant delays securing foreign exchange approval for remittances to cover key operational expenses, including imported goods and expatriate salaries. Profit and dividend remittances can be even more problematic for many companies. The Angolan government publicly announced prioritizing foreign exchange for essential goods and services including food, health, and petroleum industry. Many international companies report that that policy has made a significant difference in access to foreign exchange. Further, on January 10, 2018, the Central Bank of Angola (BNA) switched from direct foreign exchange allocations to auctions of foreign currency to commercial banks in efforts to normalize the commercial banking system and allowed the kwanza, the Angolan currency to fluctuate within an undisclosed but controlled band. The foreign exchange auctions were almost exclusively in Euros from 2016 to 2018, partly driven by loss of corresponding banking privileges with U.S. banks. However, sales of dollars resumed in February 2018, and over the last year the BNA has implemented new policies to decentralize the foreign exchange regime to render the process more efficient and increase access to foreign currency. This has included allowing commercial banks and exchange houses to set their own exchange rates as well as authorizing the international oil companies operating in Angola to sell foreign currency to Angolan commercial banks.

Foreign exchange available in the Angolan commercial market during 2019 was USD 809 million per month on average, down from USD 1.1 billion equivalent per month in 2018. For the first six months of 2020 the monthly average foreign exchange made available was USD 447 million or a total of USD 2.7 billion. As a point of reference, during 2013 and 2014, foreign exchange monthly allocations averaged USD 1.6 billion.

Most international companies have reported cancelling export credit terms to their Angolan clients due to outstanding payments on accounts resulting from foreign exchange delays. Based on these reports and U.S. companies' experiences in Angola, the U.S. Embassy encourages U.S. exporters to structure exports to Angola on cash-in-advance terms. On June 20, 2018 the Angolan Central Bank announced that letters of credit would be the preferred financial instrument for import and export transactions and proposed that letters of credit be mandatory for all international trade transactions above 100,000 euros. Nonetheless, according to some reports, letters of credit have not yet returned to widespread use.

The most common and secure method of payment in Angola is an electronic funds transfer between banks. However, U.S. dollar transaction clearing services ceased in November 2016. Most foreign exchange transfers are currently processed in Euros.

Since 2016, many Angolans with international credit cards used for travel and overseas purchases had their value limits lowered or cards cancelled by commercial banks due to the lack of foreign exchange availability in the market **to cover these payment commitments.**

Banking Systems

Of the 26 commercial banks registered to operate in Angola, five of these - *Banco Angolano de Investimentos* (BAI), *Banco Economico, Banco de Fomento Angola* (BFA), *Banco BIC Angola* (BIC) and *Banco de Poupança e Crédito S.A.R.L.* (BPC) - control over 80 percent of total banking assets, deposits, and loans. No U.S. banks operate in Angola. Commercial banks in Angola are predominately Angolan, Portuguese, and South African. Most traditionally concentrate on short-term commission-related activities, such as foreign exchange operations and trade financing. All major banks offer ATM services. Internationally issued credit cards acceptance is limited to Visa and Mastercard, and only accepted by business hotels and a limited number of service providers.

For a complete listing of authorized Angolan financial institutions please visit the National Bank of Angola's website

Foreign Exchange Controls

Since July 2013, all companies operating in Angola have been required to operate in local currency (kwanza) and use local banks to make all payments, including payments to suppliers and contractors located outside of Angola. The law aims to strengthen demand for the kwanza, thereby building up the capacity of Angola's financial sector.

For travel into and out of Angola, the government has tightened regulations on currency movement. Since April 15, 2016 Angolan citizens are permitted to carry up to USD 10,000 into or out of the country with Angolan residents subject to a USD 5,000 limitation. The limit on transit of local currency is 50,000 kwanzas (approximately USD 96). Officials at the Luanda airport regularly search departing passengers for currency and will confiscate amounts over these limits.

The 2018 investment law grants foreign investors "the right and guarantee to transfer abroad" dividends or distributed profits, the proceeds of the liquidation of their investments, capital gains, the proceeds of indemnities and royalties, or other income from remuneration of indirect investments related to technology transfer after proof of implementation of the project and payment of all taxes due. Under the 2018 investment law tax on dividends starts at 15 percent and can rise to as high as 50 percent depending on the value and how early repatriation occurs. For details on remittances for foreign investors in Angola, please review the Investment Climate Statement within this report.

US Banks & Local Correspondent Banks

There are no U.S. banks operating in Angola, nor do any U.S. banks have direct correspondent relationships with Angolan-based banks. U.S. dollar transaction clearing services have not been available in Angola since November 2016 when Deutsche Bank, the last bank to offer this service, left the market. International transactions are handled in euros or other convertible currencies through European and South African correspondent banks. A number of Angolan banks have ownership ties with Portuguese banks including BFA (Banco de Fomento Angolano), Banco BIC, Caixa Angola, and Millennium–Atlantico Bank. Standard Chartered (UK) has restricted its correspondent banking services to a limited client base including the Central Bank, Sonangol, and some of the international oil companies operating in Angola.

Selling to the Public Sector

Angolan Government Law on Public Contracting Law amended in June 2016 under Law No. 9/16, allows for two main methods of awarding contracts: direct contracts and tenders. There are three categories of public tenders: by invitation, restricted, and open. The contracting authority selects the type of award according to contract amount and activity (acquisition of goods and services or civil works). Details on each of these contracting methods as specified in Law No 9/16 are described below.

Due to local currency devaluations, the Angolan public tender law was amended by Presidential Decree Nº 282/18, November 2018 to adjust the values public officials are authorized to approve.

Authorizing values are as follows:

- No limit: The president of the Republic of Angola
- 2 500 000 000.00 Kwanzas: Cabinet Minister
- 2 000 000 000.00 Kwanzas: Ministers/Governors:
- 1 000 000 000.00 Kwanzas: Public Companies, Institutes, Funds and Local/regional Governments

Direct contracting is permitted (per Article 143 – 149) if the total contract is equal to or more than 182 million kwanzas (around USD 350,000). Tender values are authorized by specified senior government officials as follows: President of the Republic (with no value limit), the Vice-President (up to 364 million kwanzas or around USD 700,000), Cabinet Ministers (up to 182 million kwanzas or around USD 350,000), Ministers, Provincial Governors, public institutes, public companies, autonomous funds, and managers of budgeting units of the central government and local/regional administration (up to 72 million kwanzas or around USD 138,461).

Tenders by invitation are required for contracts up to 182 million kwanzas (approximately USD 350,000). To be considered, an Angolan company must be registered in the centralized Angolan Government Databank (per Article XIII of the law). A minimum of three entities must be invited to participate in tender (per Articles 138 – 142).

Restricted tenders and open tenders are required when the estimated value of the contract is equal to or exceeds 182 million kwanzas (approximately USD 350,000). Bidders must be pre-qualified to be able to participate in restricted tenders (per Articles 117 – 135 of the law)

In the case of open tenders (per Articles 69 – 116) the tender announcement must be published in the "*Diário da República*" (Daily Gazette) and the "*Jornal de Angola*" (government national daily newspaper). Cabinet Ministers can authorize open tenders for up to 2.5 billion kwanzas (around USD 4,807,692,307). For open tenders above that value, the responsible Ministry must work through the Presidency's Procurement Office.

The Public Contracting Law (per Article 53 and Annex V), determines that foreign companies are only allowed to compete directly on tenders with values greater than 182 million kwanzas (around USD 350,000) for goods and services, and greater than 500 million kwanzas (around USD 961,538) for public works. The current benchmark values are higher than the previous public procurement law in which foreign companies were allowed to bid directly only on tenders valued at or above 73 million kwanzas (around USD 140,384). Below these values, foreign companies can only participate in government procurements as a supplier or subcontractor to an Angolan company fulfilling a government contract. (Note: exchange rate used in this section is 520 Kwanzas to USD 1 based on average rate at the time of publishing this report)

Implementing regulations associated with Public Contracting Law No. 9/16 of 2016 are as follows:

- Presidential Decree nº 196/16 dated 23 September which approves the Regulation on the price of selling of bidding documents;
- Presidential Decree nº 198/16 dated 23 September which approves the Regulation on registration and certification of State suppliers;
- Presidential Decree nº 199/16 dated 23 September which approves the Regulation on procedure for and execution of framework contracts;
- Presidential Decree nº 201/16 dated 27 September which approves the standard contract forms for works, goods and services.

Reform and modernization of Angola's Public Procurement law was a condition of the African Development Bank (AfDB) loan to support electric power sector reform in Angola. The 2016 Public Procurement Law aims at modernizing and simplifying the public contract procedures; however, the African Development Bank (AfDB) has identified areas of this law that require strengthening to improve transparency. Angola is not party to the WTO Procurement Agreement.

Foreign companies can compete for Angolan Government business, but to qualify must have a legal presence in Angola or have a legally designated Angolan representative.

Government institutions cannot pay vendors unless the relevant expenditure was authorized in the national budget; therefore, companies should conduct careful due diligence to ensure that an expenditure has been budgeted before pursuing. Due to Angola's growing international debt, and the requirement for companies to transact business through the local banking system, the Angolan government has pushed for contracts to be exclusively in local currency. International companies need to consider this factor very carefully in structuring their business to participate in government contracts with local agents or partners especially given the ongoing difficulty in remitting foreign exchange out of the country.

Oil production companies operate in joint ventures with the national oil company, Sonangol, and are required to announce formally their procurement tenders through the national daily newspaper Journal de Angola and list these business opportunities on their corporate website.

Currently, most projects depend heavily on external financing. In the case of a bilateral export credit agency, financing procurements would adhere to the specific country's sourcing requirements. Procurements using financing from regional and International organizations, such as the World Bank or AfDB, are subject to the international tender rules of those organizations.

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "Project Financing" Section in "Trade and Project Financing" for more information.

U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult Advocacy for Foreign Government Contracts for additional information.

Project Financing

Given the constraints on government revenues and spending, project financing for government projects increasingly depends on external sources, such as international commercial or export credit agencies, all of which typically require a sovereign government guarantee. Domestic credit for private sector projects is extremely limited. Several governments supported local currency credit lines managed through commercial banks for priority sectors exist, though Angolan companies complain of long review processes and difficulty securing such financing. Angolan commercial banks are generally not willing to provide guarantees for foreign currency loans due to the foreign exchange risk. Angolan government sovereign guarantees that were available in the past for high profile projects have become scarce or non-existent, a trend that seems to correlate with the Angolan government's increased debt load. That said, in April 2019, the U.S. Export-Import Bank signed a Memorandum of Understanding with the Angolan Ministry of Finance to support U.S. exports to Angola.

U.S. Development Finance Corporation (DFC) was established in 2019 through the passage of the BUILD, or Better Utilization of Investments Leading to Development, Act which strengthened and modernized American development finance. The BUILD Act combined the capabilities of the Overseas Private Investment Corporation (OPIC) and the Development Credit Authority which had previously been housed in the U.S. Agency for International Development (USAID). The DFC offers equity financing, debt financing up to USD billion for tenors as long as 25 years, political risk insurance coverage up to USD 1 billion and technical development such as feasibility studies and technical assistance in emerging markets. The last project to be implemented by OPIC was a USD 9.8 million loan to support the Luanda Medical Center to provide treatment and outpatient services. OPIC's portfolio in Angola prior to the creation of the DFC was over USD 20 million.

The U.S. Trade and Development Agency (USTDA) promotes economic growth in emerging economies by facilitating the participation of U.S. businesses in the planning and execution of priority development projects in host countries. In Angola, USTDA has provided feasibility study grants to support project development in the transportation, electricity, and port industries as well as Reverse Trade Missions to the United States focused on housing and agribusiness sectors.

Multilateral Development Banks

The AfDB and World Bank provide project financing liquidity in several key areas of business and economic development in Angola that present solid opportunities for U.S. companies to participate in internationally competed tenders with secure international financing.

The AfDB has a portfolio of eight loans valued at a total of USD 122.4 billion for projects in the following sectors: agriculture, rural development, and environment (49 percent); social, including health and education (27 percent); water and sanitation (16 percent); and multi-sector (8 percent). The AfDB has also focuses on economic and social programs related to gender, education, private sector development, microfinance. The AfDB is increasingly focusing on large-scale infrastructure projects. Specific projects generating interest from U.S. companies include those in the electrical, fisheries, and railway infrastructure areas.

The World Bank Group portfolio in Angola includes major efforts in the water and agriculture sectors as outlined in detail under the "Best Prospect" sections of this report. The World Bank Water Sector Institutional Development Project (2008-2016), with a total project cost of USD 130 million was extended until 2024 with an additional World Bank loan of USD 545 million. It concentrates primarily (75 percent) on water projects in urban and peri-urban areas with the balance of the project related to wastewater/sanitation. The World Bank portfolio in Angola also includes programs in financial management, health, and education.

In agriculture, a second World Bank "Smallholder Agricultural Development and Commercialization" Project loan was signed in July 2016 for USD 70 million to help increase smallholder agriculture productivity, production, and marketing for selected crops in the project areas.

Currently under development with the Angolan Government is a major World Bank "Commercial Agriculture Development Project", which was estimated at USD 230 million in 2018. The proposed project development objective is to promote commercial agriculture development, increasing production and employment within selected value chains in targeted areas in Angola. The project target completion date is May 2024.

Angola is a member of the World Bank Group's Multilateral Investment Guarantee Agency (MIGA), which provides insurance to foreign investors against such risks as expropriation, non-convertibility, and war or civil disturbance. MIGA also provides investment dispute resolution on a case-by-case basis.

U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (African Development Bank, World Bank)

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the African Development Bank and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices to the African Development Bank (http://www.export.gov/afdb) and the World Bank (*http://export.gov/worldbank*).

Financing Web Resources

Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team.

U.S. Government Resources

Export-Import Bank of the United States
Country Limitation Schedule
DFC
United States Trade and Development Agency

SBA's Office of International Trade
USDA Commodity Credit Corporation
U.S. Agency for International Development

Commercial Liaison Office to the African Development Bank http://www.export.gov/afdb
Commercial Liaison Office to the World Bank http://export.gov/worldbank
International Development Banks
The World Bank
The Africa Development Bank

Angolan Banks

Angolan Central Bank

Angolan Commercial Banks

Business Travel

Business Customs

U.S. companies serious about the Angolan market need to dedicate time and attention to develop direct contacts with local distributors and clients. Building technical and after-sales service capacity in Angola is also important to business success. Angola holds strong historic ties to Portugal, but rather than sales through this channel, the most effective business contacts and success are direct establishment of Angolan-based distributors or partners. U.S. companies with Portuguese or Brazilian sales can effectively leverage these marketing and staff resources as they expand into Angola. Angolan buyers report that sales through South African distributors can increase costs, cause delivery delays, and often result in poor after-sales service. Western business practices including the use of business cards are the norm. Many Angolan company and government representatives use email addresses through third countries and international service providers due to the unreliable email service through Angolan providers.

Several business class hotels exist in Angola and are mostly concentrated in Luanda. Internet service is available in major business hotels but is generally slower than in the United States. There are some internet cafes in Luanda and in most provincial capitals.

Business appointments, especially with government officials, are often not confirmed until hours before the appointment time, making advance planning challenging. Companies should be prepared to be flexible. Business travelers who intend to spend extended time in Angola are highly encouraged to obtain a local mobile telephone for use while in Angola.

Travel Advisory

The Government of Angola cancelled all international flights effective March 20, 2020, and Angola remains closed to commercial flights. At the time of the writing of this publication the Angolan government was allowing humanitarian charter flights, primarily between Luanda and Europe. In addition, anyone arriving in Angola is subject to a mandatory 14-day self-quarantine. Arriving passengers must present proof of a negative COVID-19 test; passengers may take the test up to 72 hours prior to entering the country and may be given credit for those days toward the mandatory 14-day quarantine.
For details on Angola travel safety and health please review the requirements at U.S. Department of State – Travel Information (US Department of State – Travel Information).

For Angola specific information about Covid-19 please visit: https://ao.usembassy.gov/covid-19-information/

Acquiring an Angolan visa can be a lengthy process. Business travelers should begin arrangements well in advance of planned travel dates. U.S. citizens are required to obtain visas before arriving to Angola, and visa approvals may take several weeks, although an on-line visa application process (see below) has been implemented. The Angolan Government can require that the applicant apply for a visa in their country of citizenship, unless residency can be established in a third country. For business travelers, an invitation letter is required with the visa application from the business visitor's primary in-country business contact. For clients of the U.S Commercial Service utilizing contracted services such as a Gold Key, the U.S. Embassy Angola can issue an invitation letter upon request.

Over the last two years, the Government of Angola implemented an online visa application process, which reduces the time to obtain a visa. On May 23, 2019 the Angolan Government announced the Border Visa, which officially entered into effect on July 22, 2019. This new visa process allows for foreigners to apply on-line, receive approval and obtain a visa at the Angolan border point of entry under some circumstances. For more details, please visit the Government of Angola Immigration Services' website.

According to U.S.-Angolan Government reciprocal arrangements, a 2-year multi-entry visa should be issued to U.S. citizens.

For the most current details on visa application requirements, U.S. travelers should consult the Angola Embassy in Washington, D.C. or the closest consulate in Houston, Texas, or New York, New York.

Angola requires proof of a valid Yellow Fever vaccine before allowing entry into the country, so travelers should have their yellow International Immunization Card ready to present upon arrival.

U.S. companies with Angolan business contacts who plan on travel to the United States should direct them to the U.S. Embassy Angola website for visa application details.

Currency

Credit card use (Visa and Mastercard only) is limited to the major hotels with few service providers or retailers accepting credit cards. Most banks offer ATM machines, though not all accept international credit cards. In general, Angola is primarily a cash economy and companies operating in Angola are required to charge only in local currency, the kwanza. Currency exchange services are available at the airport (when the airport reopens), currency exchange houses, and major hotels. While major hotels can procure cars, drivers and translators for business customers, few hotels will include the charges for such services in the hotel bill; therefore, customers may need to arrange direct payment in local currency.

Telecommunications/Electronics

Telecommunications: Angola's telecommunications infrastructure continues to improve. International cellular and voice over internet services are common in Luanda and other major cities. According to Internet World Stats (IWS) Angola had an estimated 7.09 million internet users in 2019 representing approximately 22.3 percent of the population (31.7 million, 2019) compared to a sub-Saharan Africa regional average of 72% and with a penetration forecast to reach 73% in 2023. Most use mobile phones rather than home computers to access the internet; mobile broadband access is available to just 16 percent of the population (2018 ITU).

Angola Cable, a multinational telecommunications consortium is composed of majority shareholder Angola Telecom, Unitel, MSTelecom, Movicel and Startel. The consortium built the South Atlantic Cable System (SACS), a submarine cable linkage between Luanda and Forteleza, Brazil, in mid-2019. The SACS was designed to reduce the data transmission latency between Africa and the U.S. by connecting to the Monet Cable System, (Brazil to the U.S.). Angola Cable is also part of West Africa Cable System (WACS) consortium, a submarine communications cable running along the west coast of Africa, and up to Europe.

Angola's two main cellular phone operators, Unitel and Movicel, provide service to all provincial capitals and most towns. Visiting business representatives can purchase a mobile phone number easily and affordably for coordination of in-country business meetings as required. On July 7, 2020 Africell Global Holding Ltd was awarded a telecommunications operator license for the provision of public electronic communications services in Angola.

Electric: Electrical outlets in Angola supply electricity at 220-240 volts AC. Outlets accommodate European standard electrical socket types: The "Type C" Europlug, "Type E" and "Type F" Schuko Transportation.

Transportation

Taxis are available in Luanda, but for safety reasons only pre-arranged bookings with established taxi companies are recommended. Most business travelers hire a car and driver. Luanda is a congested city with heavy traffic, especially during the morning and late afternoon rush hours. Public transportation, including informal street taxis, is not considered safe. Several licensed transportation companies operate 24/7 and have some English language capacity. The current rate for a car with driver is equivalent to approximately USD 150 per day payable in kwanza. Credit card payments are not accepted by taxi companies; currency exchange services are available at the airport and major hotels.

The general condition of roads and related infrastructure is poor, even within the city limits of Luanda. Gasoline is available in most urban areas. Rental cars are available for hire in Luanda and some major provincial cities. Driving outside of metropolitan areas can be dangerous due to poor road conditions, especially at night. As in the United States, Angolan rental car agencies have price schedules that vary depending upon length of rental and class of car. Most prices include insurance. An international driver's license is not required, but is recommended. Hiring a local driver is highly recommended, as driving through unmarked streets, confusing routes, and dangerous traffic can be a daunting task for a visiting traveler.

The U.S. Commercial Service Angola can schedule a vehicle and driver for U.S. companies to support contracted Gold Key and other contracted service meetings and programs.

Air Transportation

Due to Covid-19, the Angolan Government cancelled all international flights effective March 20, 2020, but has allowed for periodic humanitarian and repatriation flights from and to Angola.

Prior to March 20, 2020 shutdown due to the Covid-19 response, most air traffic to Angola would arrive at the 4 de Fevereiro International Airport in Luanda. International carriers serving the Angola market include: Air France, TAAG Angola Airlines, Emirates, Ethiopian Airlines, Kenya Airways, Lufthansa Airlines, South African Airways, Brussels Airlines, LAM-Linhas Areas de Mocambique, TAP Portugal, KLM-Royal Dutch Airlines**,** Egypt Air, and Royal Air Maroc. Domestic flights TAAG and SonAir are also available to Luanda and other regional airports in the country.

Language

Portuguese is the official language of Angola. Few Angolans speak English at a level appropriate for business transactions, particularly in the government. Therefore, an interpreter is usually necessary. The daily rate for qualified interpreters ranges from USD 500-700 equivalent in local currency.

The U.S. Commercial Service Angola can schedule an interpreter for U.S. companies to support contracted Gold Key and other contracted service meetings and programs.

Health

Medical facilities and services are available in Angola. While still limited, the quality of healthcare is improving with the expansion of private medical clinics and hospitals including: Girassol, Sagrada Esperança, Multiperfil, and the Luanda Medical Center.

Payment for services is generally required before delivery of services. Medical providers will accept U.S. dollars or local currency. Few facilities accept credit cards. Adequate care for medical emergencies is limited to Luanda, where there are some good private clinics that usually have 24-hour service provided by a physician with specialists on call.

A list of physicians is available at the US Embassy Angola website.

Few doctors speak English, but due to the heavy concentration of Cuban doctors in Angola, Spanish is common. Routine surgeries such as appendectomies can be performed. Local pharmacies provide a limited supply of prescriptions and over-the-counter medication, but travelers should carry an adequate supply of properly labeled medications routinely require when living in or visiting Angola.

Travelers to Angola should consult the CDC guidance webpage for travel

Angola requires proof of a valid Yellow Fever vaccine before allowing entry into the country, so travelers should have their yellow International Immunization Card ready to present upon arrival. Anti-malaria medications are also strongly recommended.

Local Time, Business Hours and Holidays

Throughout the year, Standard Time in Angola is one hours ahead of Greenwich Mean Time. Generally, business hours are weekdays from 8:00 a.m. to 1:00 p.m. and 2:00 p.m. to 5:00 p.m. Most offices observe a five-day week, but many stores are open on Saturdays and Sundays. All banks are open weekdays from 8:00 a.m. to 3:00 p.m., and some banks operate on Saturdays from 8:00 a.m. to 12:00 a.m.

Below are listed Public Holidays for the January 2019 – July 2020 period. Many companies and government offices observe a "bridge" holiday on Monday or Friday when the official holiday falls on a Tuesday or Thursday.

2020 calender Year

January 01	New Year's Day
February 04	Start of Liberation War
February 25	Carnival
March 08	International Women's Day
March 23	Battle of Cuito Cuanavale Day
April 04	Peace and Reconciliation Day Angola
April 10	Good Friday
May 01	Labor Day
September 17	Nation's Founder and National Heroes Day
November 02	All Souls Day
November 11	Independence Day
December 25	Christmas Day

2021 calender Year

January 01	New Year's Day
February 04	Start of Liberation War

February 16	Carnival
March 08	International Women's Day
March 23	Battle of Cuito Cuanavale Day
April 02	Good Friday
April 04	Peace and Reconciliation Day Angola
May 01	Labor Day
September 17	Nation's Founder and National Heroes Day
November 02	All Souls Day
November 11	Independence Day
December 25	Christmas Day

Temporary Entry of Materials or Personal Belongings

For transit in and out of Angola, the government has tightened regulations on currency movement. Effective April 15, 2016, Angolan citizens and residents are permitted to carry up USD 10,000 into or out of the country with nonresidents subject to a USD 5,000 limitation. The 50,000 kwanzas (local currency) limitation is applicable to all travelers. Officials at the Luanda airport regularly search departing passengers for currency and will confiscate amounts over these limits.

The temporary entry of goods or equipment into Angola is permitted for up to 12 months and can be renewed for up to 12 additional months. Temporary imports must be accompanied by all normal customs documents and are subject to a deposit to Angolan Customs of 100 percent of the duties and taxes on the declared value were it to have been imported normally. Regulations state that Angolan Customs refunds this deposit within three months after the temporarily imported goods are exported from Angola.

Temporary imports for display at a trade show should also be accompanied by a letter from the show organizer verifying participation in the event. Depending on the product, a pre-shipment inspection may be required**.** The customs deposit may be waived for official trade shows when accompanied by a formal letter from the Ministry of Foreign Relations.

Angola does not accept Carnet for the temporary import of goods.

Travel Related Web Resources

US Department of State – Travel Information

U.S. Embassy Angola - Consular Services for American Citizens

Angolan Government Migration and Foreigners Service (SME)

Angola Embassy in the United States

Angolan Consulate in Houston

Angolan Consulate in New York

Ministry of Health Angola

Investment Climate Statement

Executive Summary

The U.S. Department of State's Investment Climate Statements, prepared annually by U.S. embassies and diplomatic missions abroad, provide country-specific information and assessments of the investment climate in foreign markets. Topics include: market barriers, business risk, legal and regulatory system, dispute resolution, corruption, political violence, labor issues, and intellectual property rights. To access the ICS for 2020, visit the U.S. Department of Department of State's **Investment Climate Statement** website.

Political Environment

For background on Angola's political environment, please visit the U.S. Department of State Website.