



India in Angola Economic Newsletter

March — April 2022



TOGETHER IN PARTNERSHIP
TOGETHER IN BUSINESS

From the Ambassador's Desk



Dear readers,

I am happy to present the tenth edition of our Economic Newsletter on India-Angola 'Together in Partnership - Together in Business'. In recent months, Angola has seen some positive signs on the economic front. Kwanza, the Angolan currency has appreciated by 23 percent against US\$ in last 4 months. It is also expecting reduction in public debt from 86.3 percent to 59.7 percent. The oil revenue has increased by 29.84 percent in the first quarter of 2022. Angola is also expecting substantial increase in revenue from gold production. On bilateral front, Health Minister of India Dr. Mansukh Mandaviya met Angola's Health Minister Ms. Silvia Lutucuta at the GAVI Meeting in France and both Ministers held discussions about strengthening cooperation in the health sector. My meeting with the Agriculture Minister Mr. Antonio Francisco de Assis was also substantial as we discussed various possibilities for cooperation in Agriculture and Food Processing sector. In a ceremony held on 8 April, both Angola and India formally exchanged three bilateral Agreements on Diplomatic Visa waiver, Cooperation between Diplomatic Training Academies and Cooperation in the Health sector respectively. To further deepen India-Angola Economic relations and as a follow up to the IT event that we had organised in February, 2022, I met the Secretary of State for Telecom & IT and discussed way forward for further bilateral cooperation in the sector. While providing information on the current economic scenario in Angola, we have also covered the province of Kwanza Norte province in this edition. Readers are requested to share this newsletter with their colleagues and acquaintances. Each newsletter will also be posted on our website (www.indembangola.gov.in), Facebook page (@indiainangola2019), Twitter (@IndiainAngola) and Instagram (@india_in_angola).

With regards,

(Pratibha Parkar)

Ambassador of India to Angola

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Economic Laws and Regulations in Angola

NOTICE 6/22 OF THE NATIONAL BANK OF ANGOLA GATHERS STATE ENTITIES

Minors are no longer authorized to carry out the cross-border transport of currency in cash, even if accompanied by their parents, according to the Regime established by Notice No. April, in Luanda.

By GCI in26/04/2022.

Main Changes in Currency Transport

The central bank of the Republic of Angola established new rules applicable to the entry and exit of currency, in cash, from the national territory, for natural persons resident foreign exchange and non-resident foreign exchange.

Upon entering the country, individuals, foreign exchange residents and non-residents, of legal age, may carry a total of less than USD 10,000 or equivalent in another currency, without having to fill in the Customs Declaration of Values form. The carriage of amounts equal to or greater than that amount or equivalent in another currency, obliges the passenger to declare this value.

When traveling abroad, foreign exchange residents, of legal age, may take with them a total amount of up to USD 10,000 or the same in another currency.

Minors who are foreign exchange residents, traveling unaccompanied may carry up to USD 1,000 or equivalent in another currency.

Non-resident foreign exchange passengers, of legal age, according to the Notice, may take foreign currency in an amount equal to the currency with which they entered Angola, but in the case of transporting currency equal to or greater than the proportional to USD 10,000, the passenger is subject to proof of entry of this amount into the country.

The individuals who are foreign exchange residents and non-residents who are over 18 years of age, as provided for in the New Notice no. Angola, passing the limit in national currency indexed to the US dollar.

Upon entry, it is mandatory for residents and non-residents to declare foreign exchange amounts that exceed USD 10,000.00 or the equivalent in another foreign currency.

As a rule, minors are no longer allowed to carry currency in cash, even if accompanied by their parents. However, exceptionally, a limit of up to USD 1,000.00 or the corresponding amount in another currency is allowed for unaccompanied minors

Economic Laws and Regulations in Angola

Main Changes in Regulation

In terms of sanctions, the acts that violate the new rules, which came into effect on March 3rd of this year, are liable to criminal liability, with imprisonment or a fine, under the terms of the criminal law, as provided in articles 464 and 465, both of the Angolan Penal Code.

The Public Prosecutor's Office, within the scope of its powers, promotes the criminal procedure and exercises the criminal action and orders the investigation, the instruction and the exercise of the criminal action in criminal proceedings. This means that all offenses occurring must be referred to the Public Prosecutor's Office, which will order the opening of the competent criminal proceedings, which, in turn, may culminate in common, abbreviated or summary proceedings.

The border authorities are responsible for withholding national or foreign currency, or bearer bonds, whenever a traveler is suspected of fraud or other criminal offenses, resulting in other more serious measures, such as imprisonment.

Competencies of AGT

Within the scope of the attributions set forth in the Organic Statute of AGT, approved by Presidential Decree No. 324/14, of December 15, the General Tax Administration has, among others, the competence to control international traffic of goods and means of transport, as well as to carry out activities to ensure effective inspection and supervision, with a view to the fiscal, economic and protection of society purposes defined by the Executive.

Therefore, it is one of the law enforcement agencies, with high responsibility in the application of the aforementioned Notice, judging by the positioning in the border jurisdiction, as well as the responsibility to make available the Customs Value Declaration Form of all passengers and travelers entering and leaving the country, under the terms of Executive Decree No. 209/19, of August 9, ensure the operability and uniform applicability of the provisions of Law No. 38/20, of November 11, which Approves the New Criminal Code, and Law No. 5/20, of January 27.

It also has the duty to control the entry, transit and export of cash, foresee and detect the practice of exchange violations, in light of the legislation in force (Article 19 of the Customs Code).

Economic Laws and Regulations in Angola

International recommendations

The measures to control the entry and exit of currency in Angola are not isolated, but aligned with the framework of international best practices (recommendation No. 32 of the FATF/GAFI, 2012), in the prevention and fight against "money laundering", terrorism financing and proliferation of weapons of mass destruction.

Countries are therefore recommended to adapt their legal and procedural framework, aiming to have measures in place to detect physical movements (cross-border entry and exit) of cash and bearer securities, including the implementation of a reporting and/or communication system; ensuring that local authorities have the legal power to block or detain cash or bearer securities suspected of being related to the financing of terrorism, money laundering or other financial crimes, or of being falsely declared or reported; and the establishment of an effective, proportionate and dissuasive sanctions regime applicable to persons who violate the limits and make false declarations or communications.

Transit of Goods

Regime applicable to the transport of goods under customs control from a customs office of entry or departure to another of exit or destination.

Goods in customs transit are subject to a customs declaration of transit, and goods in national transit are exempt from any taxation and those in international transit are subject to payment of the value in kwanzas equivalent to the tax correction unit - UCF 50, as of general customs fees.

For the processing of the customs declaration of transit, the provision of a guarantee is also required to ensure the payment of duties and other customs charges in the event of non-compliance with tax obligations, the mechanism in question may be a pecuniary value, a document issued by banking institutions and or insurance, or through a term of responsibility duly recognized by the Notary Registry.

The authorization for the transit of goods is subject to validation by the customs office of departure, as well as the identification of the means of transport and the respective driver.

The unloading and loading of goods in transit outside the designated places and without the prior authorization of the AGT and/or the nearest public authority is prohibited, except in cases of force majeure duly proven.

Economic News and Developments in Angola



Angola's accession to the EITI scheduled for the end of March

Angola will submit its application to join the International Committee of the Extractive Industries Transparency Initiative (EITI), between the 28th and 31st of March.

The decision was taken on 02.03.22, at the working meeting to finalize the process of Angola's candidacy for the EITI, guided by the minister and president of the National Coordination Committee (CNC) of the EITI, Diamantino Azevedo, having reaffirmed that it was on his own initiative. of Head of State, João Lourenço, to join the Initiative.

According to the Minister of Mineral Resources, Oil and Gas, the Angolan Government intends to demonstrate, to the national and international community, its commitment to the global standard of clear and transparent management of the mining and oil sectors, as well as to share, with regularity and systematization, information along the extractive industries value chain, from the point of extraction to how revenues pass through government and how they benefit the public.

Lack of knowledge hinders agricultural production in Angola

The lack of scientific and technical knowledge by the national farmers, with highlight to family agriculture, constitutes one of the main factors that hinder the progress of agricultural activity in the country. This statement comes from the Minister of Agriculture and



Fisheries, António Franciasco de Assis, while talking this on 18.03.22, during the second edition of the CaféCIPRA space. “Despite the lack of instruments and agricultural inputs, we have an accentuated deficit related to technical knowledge, mainly within the operators that engage in family agriculture (...), explained the Minister. The minister stresses that the absence of industrial units for the manufacture of fertilizers, pesticides and agricultural equipment – such as hoes, machetes, axes and watering cans - are other factors that hamstring the practice of agriculture by families in Angola.

Economic News and Developments in Angola



Multipurpose Terminal moves 200,000 containers/year

The Multipurpose Terminal at the Port of Luanda handles a total of 200,000 containers of miscellaneous goods monthly. The number represents between 35 and 40 percent of the operated load.

According to the general director of DP World Luanda, Francisco Pinzón, in addition to cargo handling, the company also developed transshipment and internal cabotage services. "I want to remind you that, in the same period, we served about 700 trucks/day", he said. During the conversation with media, he said that, in the first year of the concession, an amount of US\$190 million was invested and 95 percent of this amount was used to pay the concession right. The other five percent is being invested in the acquisition of new equipment.

Tourists visited the Angola pavilion

The information was disclosed on 28.03.22 by the pavilion's director, Kahina Ferreira, to the Media who guaranteed that, since February, the Angolan pavilion has received a daily average of 5,000 visitors.

Expo 2020, the first to have more than 190 participating countries with their own pavilions, is being held under three sub-themes: Sustainability, Opportunity and Mobility.

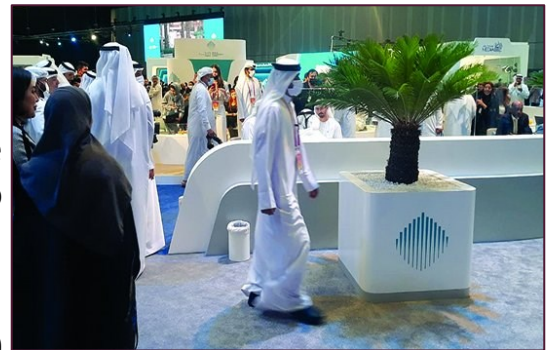
Kahina Ferreira said that the Expo provided the country with "significant opportunities for networking and partnering with different governments and companies worldwide".

The director also highlighted Angola's affirmation and positioning in the global market, especially in Africa, as a growing and developing country.

The partnerships they built, he said, will provide job opportunities in Angola and a better market environment, not only in the business sector, but also in the arts sector.

The Angola pavilion will remain a legacy of the Expo functioning as a "hub" in Dubai for all Angolans.

The Angola Pavilion is ranked among the top seven in Africa, along with that of Djibouti, South Africa, Algeria, Botswana, Ethiopia and Senegal.2020.



Economic News and Developments in Angola



New Kz 200 metallic coin already in circulation

The eighth family of metallic coins, with a face value of 200 kwanzas, officially entered circulation on 04.04.22, out of a total of 25 million "pieces" available in the country's 18 provinces.

According to the recent presentation by the National Bank of Angola (BNA), the new "Commemorative Coin", already in the possession of commercial banks, marks the 20th anniversary of Peace and National Reconciliation in Angola, celebrated on 04.04.22. This denomination, issued under Law n.º 1/22, of 24 January, complements the group of coins of 50 cents, Kz 1, Kz 5, Kz 10, Kz 20, Kz 50 and Kz 100, making a total, now, of eight metallic coins from the Kwanza family.

Angolan economy very different from 20 years ago

"Angola stands out as the country that is experiencing its best economic moment in recent years", according to EMFI analysts.



"The local currency, the Kwanza, recorded the best performance against the dollar, since the beginning of the year, mainly because of the high price of oil, the improvement in Angola's rating by several financial rating agencies and the foreseeable slowdown in the rise of interest rates by the central bank", reason the EMFI analysts.

They note that, even so, "all good news depends on the price of oil, whose recent fall was Angola's worst nightmare not so long ago".

The situation of improvement in economic indicators in recent months marks a world of difference with the economic situation of 20 years ago, when, on 4 April 2002, in Luena, the peace accords between the Government and UNITA were signed, putting end 27 years of civil war in Angola.

Economic News and Developments in Angola

Malanje has a fuel transport rail terminal

The province of Malanje on 04.04.22 has got a fuel rail terminal, with a storage capacity of 600,000 liters and its pumping system duly rehabilitated. The structure was inaugurated by the deputy provincial governor of Malanje for the Political, Economic and Social Sector, Domingos Eduardo, on the occasion of the festivities of the Day of Peace and National Reconciliation on 04.04.22. Speaking at the inauguration of the structure installed at the railway station in Malanje, the chairman of the Board of Directors of CFL, Júlio Bango Joaquim, explained that the project's main objective is the process of transporting fuel by rail.



Municipal fair with a turnover of 35 million kwanzas

Thirty-five million kwanzas is the turnover achieved in the second edition of the Rural Producer Fair of Malanje (FEMEPROM), which ended on 03.04.22, in the city of Malanje, informed the chairman of the Board of Directors of C-Calas Angola, the company promoter of the event, Carlos dos Santos.

In addition to the collection of revenue, the activity allowed the creation of 30 direct and 100 indirect jobs, in the four days it worked, as well as the creation of business partnerships. Without many details, he stressed that the volume of business satisfied the organization and the exhibitors. The municipal administrator of Malanje, João de Assunção, highlighted the interconnection between the producer and the final consumer and the facilities that today allow for the commercialization of production surpluses and the promotion of culture and tourism. "The Fair had many visitors, some of whom promised to participate regularly in FEMEPROM and establish business partnerships", he said, arguing that, for this reason, the Municipal Administration established cooperation with many producers, with whom it must sign contracts of various nature.

The Fair was attended by 120 public and private companies in the agricultural, livestock, cultural and information and communication technology areas from the provinces of Malanje, Uíge, Zaire, Luanda and Bengo.

Economic News and Developments in Angola



Africell services now available to the public

The fourth telecommunications operator in Angola, Africell, officially opened its mobile telephony service on 07.04.22 in Luanda, after having received, more than a year ago, a global license for the purpose.

Africell has been consistently building infrastructure in Angola since obtaining the exploration license in February 2021, including the opening of a data center in Luanda in October.

Partnerships with international and local technology providers such as Nokia, Oracle and Angola Cables have helped to create a high-quality 5G-ready network, enabling the provision of fast, reliable and affordable telecommunications products and services.

Angola needs master plan for family agriculture

Angola needs to have a "Specific Sectoral Master Plan" to rule the family agriculture subsector and consequently boost national agro-industry, the Angolan business community realized and conveyed it.



Speaking on the conclusions of the 4th edition of the Agro-Industry Conference, promoted by the magazine Economia & Mercado, the coordinator of the Entrepreneurial Technical Group (GTE), Carlos Cunha, said the lack of scientific knowledge by many farmers unable to increase agricultural production in Angola.

Among several causes of the low agricultural production in the country, the businessman also considered imperative the installation of fertilizer factories in Angola, less red tape to obtain land in record time.

As for financing, the entrepreneurs defend the need to create specific packages of access to credit for family agriculture.

Economic News and Developments in Angola



Government proposes sale of stores in installments

The Government of Bié proposed to the central structures the sale in installments of the 140 commercial stores existing in the centralities of Cuito and Ândulo, as a way of putting an end to the vandalization actions to which they are exposed.

The prices of the stores, in the amount of four million kwanzas, must be paid in full and in a single installment and are not within the reach of youth and many merchants who wish to exploit such infrastructures.

The Government of Bié points out that in the current economic situation there are few family grants with conditions to assume the proposed values. The deputy governor for the Infrastructure Sector, José Fernando Tchatuvela, confirmed to Media that a proposal had been submitted to the Executive, so that the situation could be remedied.

The impact of the war is very negative and serious for the African continent

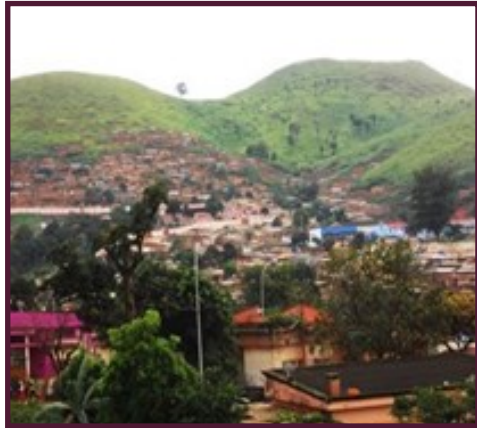
The adviser to the African Department of the International Monetary Fund (IMF), Alex Segura, said that the impact of the war in Ukraine is "very negative and very serious in Africa", due to existing vulnerabilities.



With media interaction, Alex Segura said that "the impact on Africa of the war in Ukraine is very negative, it is very serious, because low-income countries already had more limited mechanisms to fight against the Covid-19 pandemic and had a major shock, with mechanisms much less developed than advanced countries to manage the pandemic". Now, the adviser to the African Department continued, "they have reached a situation of great vulnerability and the IMF's main concern is the increase in fuel and food prices". Ukraine and Russia are two of the main cereal producers, namely wheat, which is the mainstay of food in several African countries, specifically in the North of the continent.

Province in Angola

Kwanza Norte Province



Kwanza Norte is one of the 18 provinces of Angola, located in the north-central region of the country. Its capital is in the city of Ndalatando, in the municipality of Cazengo.

According to population projections for 2018, drawn up by the National Institute of Statistics, it has a population of 495,810 inhabitants and a land area of 24 110 km², making it the second least populous province of Angola, ahead only of Bengo.

It is made up of 10 municipalities, namely : Ambaca, Banga, Bolongongo, Cambambe, Cazengo, Golungo Alto, Gonguembo, Lucala, Quiculungo and Samba Caju.

Geography

It is bounded to the north by the province of Uige, to the west by the province of Luanda, to the east by the province of Malanje and to the south by the province of Kwanza Sul.

Kwanza Norte is mainly washed by the Kwanza River, which is the largest river in Angola, and the Lucala River.

Climate

According to the Köppen-Geiger climate classification, the predominant climate is tropical savanna (Aw/As), with an average temperature of 24 to 28°C.

Demography

The majority ethnic group of the province is the Ambundi, and the most widely spoken language is Portuguese, followed by the Quimbundo language.

Province in Angola

Kwanza Norte Province

Natural Heritage

One of the province's main nature reserves is the Golungo Alto Forest Reserve, which covers an area of 558 km². It is home to various species such as pacaca, hippopotamus, antelopes, roe deer, hares, grouse and partridges. There are also elephants, lions, jaguars, wolves, hyenas, jackals and mabecos.

The largest preservation area is the Guelengue and Dongo Forest Reserve, which covers an area of 1,200 km² and is bordered by the Chicusse, Chissanda, Cusso, Cussava and Cunene rivers. The predominant vegetation type is miombo and savannah.

The Caculama Forest Reserve has an area of 800 km² and is bordered to the north and west by the Zenza river and to the east and south by the Calucala river.

Economy

Essentially agricultural, Kwanza Norte, like the rest of the country, suffered the effects of the wars, which made it a food and industrial deficit, reducing some of its crops to subsistence level.

Since 2002, the agricultural fields of pineapple, cassava and coffee, which were the traditional mainstays of Kwanza Norte, are being rehabilitated, in addition to the resumption of exploration of pink marble, manganese, iron, gold, timber and mineral water.



Province in Angola

Kwanza Norte Province

Cattle breeding and extractivism

Agriculture is the most important economic activity of the province, and its main productions of temporary farming are maize, pineapple, peanut, cotton, peas, beans, cassava and massambala.

Permanent crops include palm, coffee, banana, citrus fruits and papaya, as well as avocados and guavas. In livestock, poultry and fish production is characterized by the breeding of cattle, goats and pigs, for meat and milk, as well as chickens for eggs and meat, in addition to artisanal fishing, an important activity in the lakes of the southern strip of the province, close to the rivers Kwanza and Lucala. Local agriculture is subdivided into 3 zones: the first is called plateau, formed by the municipalities of Ambaca, Samba Cajú and Lucala, in which the production of cereal and coffee crops takes place, and is also suitable for livestock; The second zone is mountainous, in the municipalities of Bolongongo, Quiculungo, Banga, Cazengo, Golungo Alto and Gonguembo, dedicated to the cultivation of coffee, palm trees and fruit trees, subsistence crops are grown and; the third zone, located in an area of convergence between the rivers Kwanza and Lucala, in the municipality of Cambambe, which is dedicated to fruit farming, palm trees and vegetables.

Industry and Mining

The province's industrial park is located in the municipalities of Cambambe (Dondo) and Cazengo (Ndalatando), and is strong mainly in the textile sector, with the processing of sisal, and beverages. In the city of Dondo, in the Cambambe municipality, is located the EKA factory, one of the most appreciated beers in the country. Footwear, leather, tobacco and food products. In the agro-industry, its production is based on the exploitation and processing of wood for furniture production and civil construction, with numerous carpentries, sawmills, furniture factories and joinery shops. The other important agro-industrial activities are the processing of meat and bovine milk. The most relevant ones are gold, diamonds, iron, manganese, marble, nickel, zinc and lime. There is also the extraction of quartz, manganese, copper, sand and mineral water. Also in Cambambe is located one of the energy plants that give substantial resources to the province, being the Central Hydroelectric of Cambambe. The small handicraft production explores mainly materials such as wood, clay and stick.

Province in Angola

Kwanza Norte Province

Commerce and services

The trade sector is located mainly in the provincial capital Ndalatando, which concentrates wholesale and retail centers that supply all the municipalities of Kwanza Norte.

In the services sector, the most relevant activity is tourism, especially ecological tourism. This is due to the fact that the province has many attractions and natural heritage, such as the waterfalls of Mazalala and Quiamafulo beach, along the Kwanza river, as well as the falls of the Muembeje river and the springs of Santa Isabel and Sobranceiro.

Transport

The province is served by several national roads. The main ones in the west-east direction, which give access to the province of Luanda (west) and the province of Malanje (east), are the highways EN (National Road) -230, EN-321 and EN-322, and in the north-south direction, which give access to the province of Uíge (north) and the province of Kwanza Sul, are the highways EN-120 and EN-320.

Comandante Ngueto Airport is 7 km from the town of Ndalatando and receives small and medium sized aircraft.

The Luanda Railway is one of the province's main logistical trunks for exporting goods produced. The port of Luanda is its main outlet.

Cultural manifestations

Some of the main cultural manifestations of the province are in the gastronomy which its most popular dish is the "funge de bombó" or corn, with a more exotic accompaniment (sauce). It may be accompanied by stewed game meat (kifula), boiled or roasted palm nuts and the muteta.

Leisure spots

The province is mainly known for the Golungo Alto and Caculama forest reserves, in which there are various types of local vegetation and flowers. The Muebemje River Falls and the Santa Isabel and Sobranceiro springs (which are located 2km from Ndalatando) are other highly appreciated recreational sites.

Province in Angola

Kwanza Norte Province



The Governor of the Province of Kwanza Norte is
ADRIANO MENDES DE CARVALHO



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Disclaimer- This is the compilation of information by the Embassy. Any error/ omissions may kindly be brought to the notice of Embassy through email- amboff.luanda@mea.gov.in and sscom.luanda@mea.gov.in.

Other Economic Engagements



Embassy of India in Luanda celebrated festival of Holi in collaboration with Uttar Pradesh Tourism under the theme of “Explore Uttar Pradesh”. During the celebration, various aspects of vibrant tourism in Uttar Pradesh have also been portrayed. The event was attended by high dignitaries from business community, local government and members from diplomatic corps.



On 07.04.22, Ambassador Pratibha Parkar met Secretary of State for Telecom & IT, HE Mario Augusto Da Silva Oliveira, and discussed bilateral cooperation with emphasis on the promotion of Trade and Technology between India and Angola.



Other Economic Engagements



Dr. Mansukh Mandaviya, Health Minister of India met Health Minister of Angola, HE Ms Silvia Lutucuta at the GAVI Board meeting in Evian France. Both ministers discussed various issues of bilateral importance in the Health sector. They also shared insights on the successful implementation of the Janaushadhi scheme & manufacturing strength of India's Pharmaceutical industry.

The bilateral relations between India and Angola gained further momentum with the Formal signing of the three Agreements on Visa Issuance for Diplomatic, Official and Service Passport holders, Memorandum of Understanding between the Ministry of Health of the Republic of India and Angola and the Ministry of Health and Wellness Being of the Family Government of India and the Memorandum of Understanding between "Venancio de Moura" Diplomatic Academy, Ministry of Foreign Affairs and Institute of Foreign Services "Sushma Swaraj", Ministry of Foreign Affairs from the Republic of India. H.E Mrs Pratibha Parkar, Ambassador participated in the ceremony on 08.04.2022.



On 12.04.2022, H.E. Ambassador Pratibha Parkar met the Secretary of State for Commerce H.E. Mr Amadeu Leita Nunes and discussed bilateral cooperation in Trade and Investment and enhancement of B2B cooperation.



Other Economic Engagements



On 12.04.22, H.E. Ambassador Pratibha Parkar met H.E. Minister Antonio Francisco De Assis and discussed enhancement of bilateral ties in the Agriculture and Food processing sector including increased B2B cooperation. The two sides underscored the need for further intensification of the bilateral relationship in the sector and highlighted the immense potential that exists for increased cooperation.



On 19.04.2022, H.E. Ambassador Pratibha Parkar had fruitful discussions with MiREX team lead by H.E. Ambassador Clemente Camenha, Director, Division of Asia Oceania. Both sides discussed a gamut of issues towards strengthening India-Angola bilateral relations, especially in the field of commerce.