



India in Angola Economic Newsletter

September—October 2021



TOGETHER IN PARTNERSHIP
TOGETHER IN BUSINESS

From the Ambassador's Desk



Dear readers,

I am happy to present the seventh edition of our economic newsletter on Angola 'Together in Partnership - Together in Business'. As our readers are aware with this newsletter, we attempt to introduce business and investment opportunities in Angola to Indian businesses, traders and entrepreneurs. In this edition, we have provided an information on the province of Cabinda, which is exclave (a portion of territory of one state completely surrounded by territory of another state). Cabinda is separated from the rest of Angola by a narrow strip of territory belonging to the Democratic Republic of the Congo. Adjacent to the coast of Cabinda are some of the world's largest oil field that make huge contributions to the Angolan economy. Angolan economy is dominated by the production of hydrocarbon. It is second largest crude oil producing country in the continent of Africa after Nigeria. In the second quarter of the year Angola has registered a positive trade balance due to rise in oil price. Angola which is eager to diversify its economy looks to India as a credible partner for its development. India which has achieved phenomenal technological and industrial advancement can partner with Angola in pursuit of its objective of diversification of economy, which would be a win-win situation for both countries. Indian Mission in Angola is steady fast in its efforts in bringing businesses of both sides together through its networking events and meetings. 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

Embassy of India, Luanda [Angola]

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ECONOMIC NEWS, DEVELOPMENT AND LAWS & REGULATIONS IN ANGOLA

On 27th October, Angolan President approved the **National Strategy for Climate Change**, an instrument that aims to ensure the adaptation of Angola to the phenomenon and contribute to the global effort to combat its causes. The strategy aims to contribute to the fight against poverty, increasing the degree of employability, diversify the country's economy and to achieve the relevant sustainable development goals.

VAT reduces from fourteen percent to seven percent on essential consumer goods:

The government reduced the Value Added Tax (VAT) rate from fourteen to seven percent on a set of essential consumer goods such as meat "fresh and frozen", swine, cattle, goats, sheep, frozen and dried fish, chicken thigh, condensed and powdered milk, margarine, egg and bean sweet potatoes and reindeer, cassava and yam, onion and garlic, rice, corn in grain, wheat in grain, millet in grain and soy, sugar, salt, corn flour, cornmeal, flour of wheat, meat sausages, bread, cooking oil, mineral and table water and soap.

The Parliament approved the General State Budget Law (OGE) during the tenth meeting of the Council of Ministers, with a global value of 18.7 billion kwanzas in terms of revenue and expenditure both. The Government also forecasts an increase in Gross Domestic Product (GDP) growth in 2022 by around 2.4%, compared to a moderate expansion of 0.2% estimated for 2021, with the oil sector, including gas, growing 1.3 percent and the non-oil sector growing 3.1 percent.

World Bank predicts a 0.4 percent growth in 2021: The World Bank (WB) forecasts that the Angolan economy will register, this year, the first economic growth since 2016, with an expansion of 0.4 percent despite difficulties in debt and oil production. Angola is expected to grow 0.4 percent in 2021 and 3.1 percent in 2022, after five consecutive years of recession.

Fitch keeps Angola rating as CCC: The financial rating agency Fitch decided to keep Angola's ratings as CCC, anticipating an economic growth of 0.1% this year, which is expected to reach 2.9% in 2023, while **Moody's upgraded the rating from Caa1 to B3** by maintaining the stable outlook of the country's rating, meaning greater investment attractiveness and external indebtedness. Standard & Poor's maintained Angola's sovereign risk rating at CCC+ with a stable outlook.

Angolan Government raised US\$ 1.43 billion (806 billion Akz) from disinvestment in 41 companies, under the Privatization Program (PROPRIV), started in 2019. Of the 41 assets already sold, there are six reference companies, 17 industrial units located in the Luanda-Bengo Special Economic Zone (ZEE), 12 belonging to Sonangol, and six belonging to the category of other assets.

Foreign Investments in Angola: Angola receives investments worth US\$ 4,252 billion from 48 countries during August 2018 to July 2021, with a total of 396 projects having been registered by the Private Investment and Export Promotion Agency (AIPEX). In the current year upto August, Angolan Commercial banks disbursed 266.50 billion AOA for 80 projects approved in various sectors of activity.

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The Angolan Forex reserves rose by eleven percent in August, 2021, with Gross International Reserves totalling to US\$16.73 billion, almost 11 percent more than the US\$15.08 billion in July, 2021 guaranteeing the import of goods and services for over 12 months. The Net International Reserves also rose from US\$ 8.24 billion to 9.90 billion during the same period, which represents an increase of just over 20 percent, and more than 12 months of consecutive imports, above the convergence average of the Southern African Development Community - SADC, which is six to eight months.

Angola registers a positive trade balance in second quarter : The balance of trade registered a positive balance of 3.30 billion kwanzas (US\$ 5.28 million) in favor of Angola in the second quarter, as a result of the behavior of the price of oil, the country's main export product. There was a growth in the total value of Angolan exports of 146 percent compared to the same period in 2020, while imports had an increase of 48.5 percent with the main export destinations were China (64.1 percent), India (6.9), Singapore (3.6), the United Arab Emirates (3.5) and Thailand (3.1), with the majority of imports coming from China (15.8 percent), Portugal (12.2), India (6.7), Italy (5.8) and Togo (5.7).

Angola produced 32.9 million oil in August 2021 at an average of 1.06 barrels per day (bpd), below the expected production of 1 241 935 bpd. The production of 278.458 million barrels in the first eight months of the year, being sold at an average price for the period of US\$62.25 per barrel, generated revenues totalling 3.662 billion kwanzas with seven drilling units being operational in Angola. The gross revenues of the national oil industry are estimated, by the end of this year, at US \$ 27 billion. An equivalent production of US\$ 32.98 million barrels of oil was done in September, 2021.

Angolan diamond production stood at 1.09 million carat in August 2021, ten percent less than the 1.19 million carat produced in July 2021, whereas the volume of transactions dropped to \$156 million down from July's \$ 219 million or a drop of about of 28 percent. Angolan diamond production remained stable between 2017 and 2019 and suffered a significant reduction in 2020, due to the effects of restrictions imposed to contain the spread of the Covid-19 pandemic.

PROVINCE IN ANGOLA

Cabinda Province



Governor of Cabinda,

Mr. Marcos Alexandre Nhunga,

Cabinda became a city on 28 May 1956.

Cabinda is one of the 18 provinces of Angola, located in the northern region of the country, being the northernmost and also the only exclave of Angola. The capital is the municipality of Cabinda.

According to the 2018 population projections conducted by the National Institute of Statistics, it has a population of 699,053 inhabitants and a land area of 1 823 km².

It is bordered to the north by the municipality of Cacongo, to the east and south by the Democratic Republic of Congo, and to the west by the Atlantic Ocean. The town is located at coordinates 5° 33' south and 12° 12' east, at an altitude of 24 metres.

Climate

The municipality has a geographical environment characterised by savannah and tropical dry forests.

Infrastructures

The Fútila Industrial Park (PIF) is being implemented in the province. It is planned to install chemical manufacturing units, agro-industrial plants, support materials for the oil industry and civil construction.

In the industrial sector, there are many agro-industrial plants for processing food, meat and milk, as well as for the production of derivatives. Another important industrial category is logging, concentrated in the north of Cabinda province.

PROVINCE IN ANGOLA

Cabinda Province



Mining and Petroleum industry

The most relevant industrial activity in the province is oil extraction and treatment. In 2010 crude oil extracted in Cabinda accounted for about 70% of all oil exported by Angola.

Industrial mining is mainly phosphate extraction, recorded in the mines of Cacáta, Mongo Tando, Chibute, Ueca, Chivovo and Cambota. The hub of operations is in the town Lucula Zense

Transport

Maria Mambo Café Airport, also known as Cabinda Airport, is an airport located in Cabinda

The Cabinda Port is a set of Angolan port terminals located , in the province of Cabinda. It is located in the Bay of Cabinda which is connected to the Atlantic Ocean.

Agriculture -Farming

Province agriculture is mainly subsistence basis, it focus mainly on coffee, cocoa, groundnuts, bananas, cassava, potatoes, beans and maize.

Other important activities are cattle herding (for milk and beef), chicken (meat and eggs) and sea fishing; the remain is for subsistence and also for the sale of surpluses to DRC and the rest of Angola.

For trade queries in Angola, kindly feel free to write to com.luanda@mea.gov.in. For tenders in Angola, please visit our link <https://www.indembangola.gov.in/extra?id=BeXWd>

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.

AMBASSADOR'S ECONOMIC ENGAGEMENTS

H.E MRS PRATIBHA PARKAR,
AMBASSADOR MET WITH H.E PEDRO
JOSE FILIPE, SECRETARY OF STATE
FOR WORK AND SOCIAL SECURITY,
REPUBLIC OF ANGOLA ON 09.09.21
AND DISCUSSED BILATERAL
COOPERATION IN THE AREAS OF
PUBLIC ADMINISTRATION, CAPACITY
BUILDING, SKILL DEVELOPMENT AND
TRAINING OF THE CIVIL SERVANTS.



H.E. AMBASSADOR MET MR. MANUEL
MARQUES DE ALMEIDA PIMENTEL, MUNICI-
PAL ADMINISTRATOR OF VIANA MUNICI-
PAL ADMINISTRATION ON 08.09.21 AND
DISCUSSED A GAMUT OF ISSUES INCLUD-
ING TRADE AND ECONOMIC, EDUCATION,
SOCIAL AND CULTURAL COOPERATION
ALONGWITH #AZADIKAAMRITMAHOTSAV
CELEBRATIONS IN THE MUNICIPALITY OF
VIANA

AMBASSADOR'S ECONOMIC ENGAGEMENTS



Ambassador met the representative of KEC International, an Indian company exploring business and investment in Angola



H.E. Mrs. Pratibha Parkar, Ambassador met Professor Pedro Magalhães, Dean of Agostinho Neto University in Angola and discussed possibilities of cooperation in education including capacity building, student exchange and yoga promotion



Ambassador met the representative of Kalpataru Power Transmission Ltd, an Indian company with global presence in power transmission and infrastructure sector, which is exploring business and investment in Angola.

ITEC DAY CELEBRATED IN ANGOLA WITH THE PRESENCE OF H.E. MR. PEDRO JOSE FILIPE, SECRETARY OF STATE FOR PUBLIC ADMINISTRATION, WORK AND SOCIAL SECURITY, GOVT. OF ANGOLA, HEAD OF DIVISIONS/OFFICERS OF THE GOVERNMENT OF ANGOLA AND ITEC ALUMNI IN ANGOLA ON 15.09.21. THE ITEC ALUMNI SHARED THEIR INDIAN EXPERIENCE. THE ATTRACTIVENESS AND USEFULNESS OF ITEC PROGRAMME WAS MUCH APPRECIATED BY THE ATTENDEES.



ON THE OCCASION OF 152ND BIRTH ANNIVERSARY OF #MAHATMAGANDHI DURING #AZADIKAAAMRITMAHTOSAV CELEBRATIONS IN LUANDA, EMBASSY OF INDIA ORGANIZED A BEACH CLEANING DRIVE ON 2ND OCTOBER 2021, SATURDAY, 9:00 -10:30 HRS AT PRAIA DA AREIA BRANCA, AT INGOMBOTA, LUANDA IN PARTNERSHIP WITH THE LUANDA PROVINCE ADMINISTRATION, ECO ANGOLA AND LOCAL PARTNERS. H.E. MS. ANA PAULA DE CARVALHO, GOVERNOR OF LUANDA PROVINCE ATTENDED THE EVENT AS THE GUEST OF HONOUR. ON THE OCCASION, H.E PRATIBHA PARKAR, AMBASADOR OFFERED FLORAL TRIBUTE TO MAHATMA GANDHI AND HIGHLIGHTED THE GANDHIAN PHILOSOPHY OF CLEANLINESS AND SANITATION AND ITS IMPORTANCE IN OUR DAILY LIVES. AROUND 200 VOLUNTEERS FROM INDIAN COMMUNITY, LOCAL PARTNERS AND LOCAL ADMINISTRATION PARTICIPATED IN THE CLEANING DRIVE. THE SKETCH OF MAHATMA GANDHI WAS PRESENTED TO THE HON'BLE GOVERNOR AND OTHER DIGNITARIES.



GRANT OF SCHOLARSHIPS TO ANGOLAN STUDENTS



On 11.10.21, as part of [#AzadiKaAmritMahotsav](#) celebrations, enhanced scholarships granted by ICCR to Angolan students this year under the Africa Scholarship Scheme. HE Amb Pratibha Parkar handed over scholarships to a batch of 11 more students who are going to India for attaining their higher education at Gujarat Technological University, Dibrugarh University and Fergusson College.



As part of [#AzadiKaAmritMahotsav](#) celebrations- Angolan students continue to embark upon their learning journey under the fully-funded ICCR Scholarship Programme of the Government of India. More batches of students leave for attaining their higher education at Gujarat University, Savitribai Phule Pune University and Cochin University of Science and Technology in India.

GRANT OF SCHOLARSHIPS TO ANGOLAN STUDENTS



Ambassador awards Scholarship under the ICCR Africa Scholarship Scheme 2021-22 to Angolan student who is going to join the Kurukshetra University in India for attaining his further Higher Education.

Ambassador met Mr Francisco de Castro, an ICCR Scholarship Alumni who completed his Master's in Artificial Intelligence from Andhra University during 2019-2021. He thanked the Government of India for the life- changing opportunity and shared his experiences from India.



OTHER IMPORTANT HIGHLIGHTS



On 26.09.21, Embassy of India under the #AmritMahotsav initiatives collaborated with Ismaili Civic Angola, Administration of Talatona & other partners in tree plantation drive on Global Ismaili CIVIC Day. H.E. Ambassador Mrs. Pratibha Parkar appreciated the initiative on Environmental and Sustainable development towards ensuring green environment in this era of pandemic and spoke on how small steps make big changes.



Ambassador visited the Catholic University of Angola and exchanged ideas on exploring education cooperation on 06.09.21.