



**TRADE POLICY REVIEW**

REPORT BY

ANGOLA

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Angola is attached.

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## 1 INTRODUCTION

1.1. The Republic of Angola has been asserting itself as a democratic state governed by the rule of law. Since peace was achieved in 2002, it has experienced four (4) processes of free, transparent and fair elections.

1.2. As a sovereign state, Angola deposited its instrument of accession to the World Trade Organization (WTO) based in Geneva (Swiss Confederation) in 1996, thereby recognizing its legal link to the Marrakesh Agreement of 15 April 1994 establishing the WTO. As a full member, Angola has participated in all WTO activities, including the trade negotiations under the current cycle called the "Doha Round", in compliance with the commitments made at the time of ratification.

1.3. Since joining the World Trade Organization in 1996, Angola has held two Trade Policy Reviews Mechanism the first in 2006, and the second in 2015.

1.4. Since its last Review in 2015, the Republic of Angola has made numerous legislative and policy changes to promote economic activity, with the aim of promoting exports and replacing imports. In this context, the Export Diversification and Import Substitution Programme (PRODESI) deserves special mention. It was approved by Presidential Decree No. 169/18 of 20 July.

1.5. It is also worth mentioning that from the point of view of private sector financing, the Credit Support Programme ("PAC") has been launched, with a view to achieve the objectives set out in the National Development Plan (NDP) 2018/2022.

## 2 ELEMENTS OF ANGOLA'S ECONOMIC CONTEXT

2.1. For a better overview of Angola's economic context, we highlight elements such as macroeconomic policy, structural reforms, the construction and rehabilitation of economic and social infrastructure, the external sector of the economy, policies to promote economic activity and attract investment.

2.2. Between 2013 and 2017, Angola's macroeconomic context was characterized by a challenging macroeconomic environment, influenced by weak economic growth, fiscal and balance of payments deficits, prominent levels of inflation as well as the continued devaluation of the exchange rate. Therefore, between 2013 and 2017, the national GDP grew by an average of 1.5%, in other words, 5.6 percentage points lower than forecasted in the NDP 2013-17, with the non-oil and oil sectors recording average rates of 2.9% and 1.2%, respectively, against the 9.6% and 1.8% anticipated in the Plan, with recessions of 2.6% and 2.5% in 2016 and 2017, respectively.

2.3. The Macroeconomic Reference Framework for the 2013-17 period set out the objectives of preserving macroeconomic stability and guaranteeing the conditions for economic growth, with the sustainability of the public and external accounts as determining factors, based on the established assumptions.

2.4. The macroeconomic scenario that observed was determined by the deviation of the value of some determining variables from the assumptions made, as well as the strong dependence of the national economy on the oil sector.

2.5. The profile of oil production during the abovementioned period (2013-17), was one of moderate growth, registering an average daily production of 1.706 million barrels, contradicting the expected assumptions of 1.947 million barrels. This performance, or lack thereof, was due to: (i) operational problems that forced production to be halted beyond what had been scheduled; (ii) a natural decline in production as oil fields matured and (iii) new fields not coming on stream because of reduced investment in research.

2.6. On the other hand, the average export price of domestic crude oil was USD 68.8 per barrel, which is around 23.3% below the average assumed between 2013 and 2017, which was USD 92.10 per barrel.

2.7. To turn the economic situation around, economic programs capable of raising the level of economic growth in a sustainable way were implemented between 2018 and 2022, with the aim of reducing the national economy's exposure to the oil sector.

2.8. In fact, between 2018 and 2022, the national economy observed the cycle of economic growth from 2021 onwards, a period which marked the reversal of the economic growth trajectory, after five consecutive years of recession, which also saw the stabilization of the external and monetary public accounts, guaranteeing a moderate pace of price growth in the economy.

2.9. For this period, the overall GDP has made a significant recovery, from a contraction of 2% in 2018 to a growth of 3.05% in 2022, due to the recovery of the oil sector, including gas, which went from a situation of contraction (9.40%) in 2018 to a recovery of 0.55% in 2022, as well as the remarkable growth of the non-oil sector, which went from -0.10% in 2017 to 3.94% in 2022.

2.10. The fiscal accounts recorded a reversal of the deficit situation in the primary and overall balances, from 2.9% and 6.3% of Gross Domestic Product in 2017, to surpluses of 6.7% and 2.7% in 2022, respectively; The reduction of the public debt stock, measured as a percentage of GDP, to 65% in 2022, compared to 134% in 2020;

2.11. International Reserves ("RI") stood at USD 14.66 billion in 2022, representing a negative variation of 10.45% compared to 2018 (USD 16.17 billion), equivalent to around 6.35 months of imports of goods and services.

2.12. The national currency against the US dollar on the Primary Market depreciated by 99.20% to AOA/USD 503.7, compared to AOA/USD 252.86 in 2018, a scenario resulting from the liberation of the foreign exchange market from a fixed to a flexible regime.

2.13. Angola recorded inflation of 16.158% in October, a decrease of -0.1 percentage points compared to the same period of 2022, according to the National Consumer Price Index (IPCN). National inflation for the period in question (2022) stood at around 13.85%.

## **2.1 Macroeconomic policy**

2.14. The government launched the Macroeconomic Stabilization Program ('PEM') at the beginning of January 2018, envisaging budget consolidation, greater exchange rate flexibility, a reduction in the public debt/GDP ratio to 60% in the medium term, an improvement in the debt profile through a liability management operation, the settlement of domestic arrears and the effective implementation of anti-money laundering legislation, as well as an increase in national production in order to reduce import levels and the diversification of exports, and results have been achieved in line with the objectives.

2.15. The launch of the 2018-2022 National Development Plan with a programmatic approach comprising the following programs linked to the economic sector: (i) Program to Improve Public Finance Management; (ii) Program to Support Production, Substitute Imports and Diversify Exports; (iii) Program to Encourage Agricultural Production; (iv) Program to Encourage Livestock Production; (v) Program to Encourage Manufacturing Industry Production; (vi) Program to Develop and Consolidate the Oil and Gas Sector; (v) Program to Promote Employability; (vi) Program to Reconvert the Informal Economy.

### **2.1.1 Tax policy**

2.16. Tax policy is based on a structure in which the tax system has various internal taxes levied on income and assets. Indirect taxes at the level of customs activity are the import duty par excellence.

2.17. Throughout the period under review, the tax base for the most varied taxes was updated.

2.18. With regard to international trade, the Customs Tariff stands out Approved by Presidential Legislative Decree No. 10/19 of 29 November.

2.19. The Customs Tariff of Import and Export Duties is the diploma that structures the conformity of the Nomenclature of the Harmonized Commodity Description and Coding System governed by the World Customs Organization and is currently being updated for the implementation of the 2022 version.

2.20. The law also systematizes the rates of import duties, which are levied on all goods imported and brought into national territory for consumption. In addition to the duties, VAT on imports and excise duties, where applicable, are payable.

2.21. On the other hand, Presidential Legislative Decree No. 10/19 of 29 November incorporated into national legislation rules recommended in the field of trade facilitation, such as prior and incomplete customs clearance and the possibility for taxpayers to obtain advance information via prior tariff classification.

2.22. As part of the risk management of goods traded in international trade, Angola has implemented a program to extend tax safeguards with electronic devices, from electronic seals, as part of the Container Control Program, to the Fiscal Measurement System ("SMF"), which allows data to be collected, processed and reported in real time, making it possible to control oil and gas shipments.

2.23. The National High Security Tax Stamp Program (PROSEFA), responsible for implementing the obligation to affix high security tax stamps to beverages, alcoholic liquids, tobacco and their manufactured substitutes, with the aim of combating smuggling and counterfeiting, protecting the revenue owed to the State, guaranteeing the reliability of products introduced into national territory and, in this way, protecting public health, intellectual property rights and improving the business environment.

2.24. Angola implemented the Authorized Economic Operator (AEO) in 2018 under Presidential Decree No. 293/18, which approved the program, initially for importers and exporters. In 2022, under Order No. 2945/22 of 5 July the program was extended to Customs Brokers and Freight Forwarders.

2.25. The AEO program currently has 52 participants who are implementing the Framework of Standards for Protecting and Facilitating Trade, through the Company – Customs pillar.

### **2.1.2 Monetary, exchange and financial policy**

2.26. The evolution of the National Bank of Angola's monetary policy marked by reforms since 2018, with the implementation of a new operational framework characterized by a monetary target regime, enshrining the Monetary Base in national currency as the operational variable and M2 in national currency as the intermediate variable. This regime has led to greater use of monetary policy instruments, especially open market operations.

2.27. The reforms in the conduct of monetary policy reached their peak with i) the one-off amendment to the Constitution, which gave the BNA the status of an independent Central Bank, a relevant requirement for price stability and which culminated in the approval of Law No. 24/21, 18 October – the National Bank of Angola Law. This law brought significant changes to the BNA's actions within the scope of the inflation control mission and determined its formal independence, with it being responsible for performing its duties without interference from any external persons or entities. On the other hand, this law clarified that the BNA's main mission is to guarantee price stability to ensure the preservation of the value of the national currency, establishing as a secondary mission that of ensuring the stability of the financial system.

2.28. With a view to successfully fulfilling its main mission of conducting monetary policy, the BNA has developed a strategy aimed at reducing the inflation rate to one digit in the medium term, adopting a restrictive and prudent policy in order to manage economic agents' expectations more efficiently.

2.29. After the inflation rate at the end of 2016 reached around 42%, as a result of the devaluation of the national currency against the US dollar, an adverse shock to the terms of trade, monetization of the fiscal deficit, adjustments to administered prices and a reduction in food imports, in 2018,

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with the reforms implemented, there was a trend towards a slowdown in inflation, which reached around 16.90% at the end of 2019. This process of slowing inflation interrupted in 2020 due to the negative effects of the pandemic, which increased the prices of goods and services in the economy.

2.30. In 2022, the inflation rate fell to 13.86%, after two years of strong acceleration in the economy's general price level. The process of disinflation in the economy resulted from the combined effect of i) a tight and prudent monetary policy; ii) the appreciation of the national currency against foreign currencies; and iii) the regular supply of widely consumed goods in the economy.

2.31. In the exchange rate field, after adopting the fixed exchange rate regime in 2016 to deal with the external shock, which generated various distortions in the exchange market, the BNA began exchange rate reforms in 2018, which followed the following phases: i) implementation of the managed exchange rate regime within a band of plus or minus 2%; ii) total flexibilization of the exchange rate, which is now determined by market forces, through the law of demand and supply.

2.32. In addition, the procedures for current invisible transactions were made less bureaucratic, the limits applicable to the various payment instruments for importing goods were made more flexible, and the capital account was partially opened, making the foreign exchange market even more efficient; iii) The FXGO application on the Bloomberg platform came into operation to carry out foreign exchange transactions, putting an end to the BNA's monopoly as the sole provider of foreign currency resources to the market, giving space to other agents, namely the Ministry of Finance, oil and diamond companies and other sectors.

2.33. It should be noted that the new exchange rate regime made it possible to reduce the gap in the real effective exchange rate, which resulted in the elimination of the artificial overvaluation of the national currency in relation to all the currencies of Angola's economic partners. On the other hand, there was also an increasingly efficient allocation of scarce foreign currency resources, reflected in the behaviour of the reference exchange rate and, concomitantly, in the reduction of the differential between the exchange rates of the formal and informal markets.

2.34. In terms of the evolution of the exchange rate, it should be noted that from 2018 to 2020, the average exchange rate depreciated by around 55.75%, from USD/AOA 258.67 to USD/AOA 584.49. However, in 2021 there was a more moderate depreciation of 5.51%, and finally, in 2022, there was an appreciation of the national currency, with the average exchange rate standing at USD/AOA 460.06 in 2022.

2.35. Financial policy (macroprudential) is aimed at the financial strength and stability of the financial system. In this regard, in the banking sector, the National Bank of Angola's actions in the last few years of the 2017-22, five-year period were marked by reforms in terms of regulation and supervisory processes, essentially aimed at increasing confidence in the financial sector and ensuring convergence of the prudential regime with internationally recognized standards, such as Basel, FATF, IOSCO, to guarantee the stability of the Angolan financial system.

2.36. Thus, the new BNA law revised and approved, with a view to granting the Central Bank independence and autonomy. Likewise, Law No. 14/21, 19 May – Law on the General Regime of Financial Institutions – was approved and published, establishing various innovations in order to strengthen supervisory powers, risk-based supervision, the principle of proportionality in the actions of regulators, as well as the definition of the BNA as a macro-prudential and bank resolution authority.

2.37. In addition, the payment system law has been updated to incorporate current innovations and advances in mobile payment systems and fintechs, and in money laundering and terrorist financing, in line with the FATF's 40 recommendations, with an emphasis on the concept of PEP, risk assessment and beneficial ownership.

2.38. These reforms culminated in the publication of a set of complementary regulations in line with Basel II and III, in particular Notice No. 8/21 of 6 July, on regulatory capital requirements and Instruction No. 14/21 of 27 September, on the liquidity ratio, among others. The methodology for supervising, monitoring and monitoring banks' risks was updated, with the introduction of the *Supervisory Review and Evaluation Process* (SREP), which will enable the BNA to exercise supervision that guarantees effective monitoring of the business model, governance and risk

management and capital and liquidity positions of the supervised institutions, safeguarding their solvency and long-term financial resilience.

2.39. In addition, given the previous amounts of share capital in the banking sector, there was a need to reinforce the minimum share capital, with the main objective of ensuring adequate levels of solvency and liquidity, thus promoting the strengthening of the soundness of the Angolan Financial System ("SFA"). Within the framework of the provisions established by Law No. 14/21 of 19 May - Law on the General Regime of Financial Institutions, the National Bank of Angola published Notice No. 12/2022 of 4 May, on the adequacy of the Minimum Share Capital and Regulatory Own Funds of Non-Banking Financial Institutions.

2.40. At the end of 2022, the banking sector had a volume of assets corresponding to AOA 18.43 trillion, represented by 23 financial banking institutions distributed throughout the country through 1,478 branches and 366 banking agents, whose operation was ensured by 14,850 employees. Around 18 million bank accounts have been opened with these institutions. It should be note that, of all the banking institutions, six banks hold 68% of the market share of total assets.

### **2.1.3 Income and pricing policy**

2.41. There are currently a number of goods and services in the country whose prices are set by the state, and most of which require a large financial effort from the Treasury through price subsidies whenever the actual cost is higher than the set price.

2.42. In view of the need to make price regulation policy more efficient and effective, as well as to optimize spending on price subsidies, the initiative was taken to promote a Reform of Price Regulation in Angola, led by IGAPE:

- a. The decentralization of price regulation will involve identifying the sectoral entities subject to this transfer of powers, which is centralized in MINFIN, as well as ensuring a smooth transition with very few adverse effects on the current price structure.
- b. The liberalization of goods and services, or of specific markets, preceded by a thorough analysis not only of the price structure and/or the market, but also the drafting of feasible proposals capable of ensuring alignment with the general policy.

2.43. Within this framework, the following transfer and liberalization actions stand out:

- a. Transfer of Price Regulation Competence:
  - i. Water Supply and Wastewater Sanitation Services through the Regulatory Institute for Water and Electricity Services (Public Electricity Sector) Presidential Decree No. 178/20 of 25 June, was approved and published, amending Presidential Decree No. 4/11 of 6 January, approving the Tariff Regulations, as well as Presidential Decree No. 255/20 of 7 October, approving the Tariff Regulations for the respective services and products;
  - ii. Crude Oil and Natural Gas Derivatives through the Petroleum Derivatives Regulatory Institute, which approved Presidential Decree No. 283/20 of 27 October, establishing the Model for Defining the Prices of Products Derived from Crude Oil and Natural Gas, and Joint Executive Decree No. 331/20 of 16 December, defining the rules and procedures for making this model operational.
- b. Price liberalization:
  - i. Approval of Executive Decree No. 256/20 of 30 October, amending the list of goods and services belonging to the fixed and monitored price regimes.



- ii. Approval of the Legal Basis for Price Regulation in the oil sector:
  - a. The new Model for Defining the Prices of Products Derived from Crude Oil and Natural Gas was published, approved by Presidential Decree No. 283/20 of 27 October, and the Regulation on the Procedures for the Operationalization of the model, approved by Joint Executive Decree No. 331/20 of 16 December. The new pricing legislation for the oil sector allows for a clearer reading of the costs incurred in determining the prices of derivatives, guaranteeing the calculation, on monthly basis, of international reference prices and national market prices, which have contributed to the calculation of price subsidies.
- iii. Approval of Presidential Decree No. 122/19 of 24 May, approving the adjustment to electricity sales tariffs.
- iv. Joint Executive Decree No. 230/18 of 12 June, approves the revision of the Drinking Water Tariff Plan.
- v. Presidential Decree No. 255/20 of 7 October, approves the Tariff Regulations for Water Supply and Wastewater Sanitation Services.
- vi. Presidential Decree No. 178/20 of 25 June, which amends and republishes the Electricity Tariff Regulations.
- vii. Presidential Decrees 131, 132 and 133/23 of 1 June and Joint Executive Decrees 80 and 81/23 of 1 June, approving measures to mitigate the impact of the partial removal of the gasoline price subsidy, the gasoline price subsidy for agriculture, artisanal fishing and taxi and motorcycle taxi drivers and the creation of the National Employment Fund.
- viii. Joint Executive Decrees No. 61/23 and 62/23 of 8 May approving the regulations on the use of the SNBI (National Integrated Ticketing System) for transport operators and the regulations on the social pass and transport tickets for use in the SNBI, applied to the public passenger transport tariff system.
- ix. Joint Executive Decree No. 187/23 of 1 September, approving the rules and procedures for setting and changing the value of fees and emoluments for education and teaching services provided by Private and Public-Private Education Institutions.

#### **2.1.4 COVID-19 impact mitigation**

2.44. The declaration of the Coronavirus 2019 (COVID-19) pandemic as a global emergency by the World Health Organization (WHO) on 11 March 2020, due to its rapid transmission and its impact on the health of populations, led countries to begin taking general confinement measures that directly involved the closure or conditioned exercise of many sectors of economic activity, causing many companies to close during the period of confinement, putting thousands of workers in a very delicate situation.

2.45. In this context, in view of companies' fixed costs, the negative effects of the uncertainty created by the health crisis itself on consumption and investment intentions in the short and medium term in families and companies, as well as the reduction in company productivity due to restrictions on citizens' mobility, In response to the need to adopt measures that would ensure immediate relief from the negative economic and financial effects of the pandemic on companies and families, on 9 April 2020, the Angolan Executive approved the Immediate Measures to Relieve the Negative Economic and Financial Effects of the COVID-19 Pandemic, through Presidential Decree No. 98/20 of 9 April 2020.

## **2.2 Structural reforms**

### **2.2.1 Improvement of the business environment**

2.46. In 2019, the Roadmap for State Reform approved by Presidential Decree No. 105/19 of 29 March. This important instrument of political measure, the Roadmap for State Reform, is based on fundamental axes that guide administrative simplification, and it is important to highlight the following:

- a. Reform of the Administration;
- b. Reform of Justice and the Law; and,
- c. Reform of the Business, Competition and Market Environment.

2.47. In the area of Administrative Reform, the aim is to bring the weight of the administrative bodies into line with the country's financial limits. To this end, a series of laws have approved aimed at adjusting existing services, avoiding duplication of attributions, merging Ministerial Departments and reforming the system of creation and public institutes.

2.48. With regard to the Reform of the Law, it is worth highlighting the amendment to the constitution in 2010, by Law No. 18/21 of 16 August, the approval of the State Civil Liability Regime with the approval of Law No. 30/22, which materialized Article 75 of the Constitution of the Republic, and the approval of the Law on Expropriation for Public Utility, by Law No. 1/21 of 7 January, which must always be preceded by fair and prompt compensation.

2.49. With regard to improving the business environment, competition and the market, following the approval of the roadmap for reforming the State, there followed numerous pieces of legislation containing measures to simplify administration and reduce bureaucracy in procedures with an impact on the exercise of economic activity, most notably Presidential Decree No. 161/21 of 21 May and Presidential Decree No. 182/22 of 22 July.

2.50. It is also worth mentioning the recent approval of Presidential Decree No. 189/23 of 29 September, which exempts citizens from 98 countries from tourist visas for entry into Angola, of which 14 are African, 11 Asian, 35 European, 8 American, 14 Oceanian and 16 Caribbean and Pacific Islands from tourist visas.

2.51. From a formal point of view, competition came to be regulated by Law No. 5/18 of 10 May, and was regulated by Presidential Decree No. 240/18 of 12 October, containing a system for disciplining competition and punishing its violation, and an entity was created with specific powers in this area of competition monitoring, called the Competition Regulatory Authority by Presidential Decree No. 313/18 of 21 January.

2.52. Angola respects private property and is a market economy state. The food supply for families is provided by the private sector, with the state playing the role of regulator.

2.53. Despite the efforts to reconvert the informal economy, it is still the main source of livelihood for families and supplies.

### **2.2.2 Financial services**

2.54. In 2021, the new Law on the General Regime of Financial Institutions, Law No. 14/21 of 19 May, approved, repealing Law No. 12/15 of 17 June, the Basic Law of the Financial System.

2.55. The Law on the General Regime of Financial Institutions introduces significant changes to the legal regime in force at the time, specifically in terms of institutions and supervision, intervention measures, infringements and sanctions.

2.56. The law applies to financial institutions and institutions auxiliary to the financial system that have their head office, permanent establishment or any other form of representation in national territory, as well as to all financial transactions and financial contracts involving entities resident in

national territory that are not financial institutions, defining the guiding principles of the financial system's activity and regulating the process of establishing and carrying out the activity of financial institutions.

2.57. The law also regulates the exercise of supervisory activity, the process of corrective intervention and resolution, infractions and their sanctioning, dissolution and liquidation regimes, as well as defining the Auxiliary Institutions of the Financial System, including, where applicable, their authorization and registration with the competent supervisory body and also regulates that Financial Institutions that are corporate in nature and belong to the Public Business Sector are subject to the supervisory procedures of the Court of Auditors, subject to the respective exceptions, and that the activity in Angolan territory of Financial Institutions headquartered abroad must comply with Angolan law.

2.58. Finally, the new law abolishes the National Financial Stability Council (CNEF) and creates the Council of Financial System Supervisors (CSSF).

### **2.2.3 Public business sector**

2.59. The current Public Business Sector comprises a universe of 94 companies, of which 65 are public companies, 22 are publicly owned and 7 have minority public shareholdings. However, despite recent improvements, the SEP has had a negative impact on public accounts, considering the large financial support from the state.

2.60. To meet this challenge, the Roadmap for the Reform of the Public Business Sector (SEP) was approved by Presidential Decree No. 13/22 of 18 January, which defined the desired strategic vision, envisioning a change in the current paradigm by 2025, which demands a restructuring and resizing of the SEP to allow a greater focus on structuring and strategic projects, also having repercussions on strengthening the efficiency of companies in the sector, aligned with the current liberal and competitive economic model.

2.61. The strategic vision defined is based on four fundamental axes, namely the Redimensioning of the State's presence in the SEP, Management Efficiency, Monitoring and Mitigation of Fiscal Risk and Financial Reporting and Transparency, which will achieve the following objectives:

- a. Resize the SEP, minimizing the presence of the State;
- b. Segregating the role of the state as shareholder, supervisor and regulator;
- c. Increasing management efficiency to reduce the burden on the state and maximize the value of returns for the state and the economy as a whole;
- d. Improve the mechanisms for monitoring and mitigating the fiscal risks underlying the SEP, contributing to the quality of public finances;
- e. Increasing levels of transparency and quality in financial reporting, with a view to timely and open communication;
- f. Prioritize, and where possible accelerate, reform in the water, energy, transport and telecommunications sectors;
- g. Improve the country's business environment.

2.62. Although the roadmap for the reform approved in January 2022, its implementation began systematically in 2019, when the Privatization Programme (PROPRIV) 2019-2022 was approved by Presidential Decree No. 250/19 of 5 August, as part of the 1st axis of the SEP reform, with a view to reducing the state's presence in the economy, through the sale of assets and public companies, and boosting the private sector, which would own and operate these assets.

2.63. In this sense, since 2019 to date, 98 assets and companies have been privatized, representing around AOA 1,021.72 billion of contracted value.

2.64. Considering the positive results of the initiative, PROPRIV's implementation period was extended until 2026, by Presidential Decree No. 78/23 of 28 March, including 73 assets and public companies to be privatized, of which 21 are national reference companies, 15 are Sonangol subsidiaries and assets, 17 are industrial units in the Special Economic Zone and 20 are other companies and assets to be privatized.

2.65. The liquidation processes were streamlined, resulting in the liquidation of five companies (Empromac, Frescangol, Entex, Hidromina, Roremina) in 2022 and two companies (África Têtil and Tecnogiron) in the first half of 2023.

2.66. In parallel with the resizing of the SEP, following the approval of the Roadmap for the Reform of the SEP, actions were taken to implement the new SEP design, and the following steps taken to make it a reality:

- a. Definition of the criteria for the characterization of SEP companies, in public companies and commercial companies with public capital, and a preliminary list drawn up based on the criteria defined;
- b. Approval of the transformation of the legal nature of TCUL and UNICARGAS from State Economic Unit (U.E.E.) or Public Company (E.P.) to Public Limited Companies (S.A.s), under the terms of Presidential Decrees 125/23 and 126/23 of 30 May, as well as the technical proposals for the organic statutes of Secil Marítima, ENCIB, Edipesca-Namibe, Edipesca-Luanda and BDA;
- c. Implementation of the initiative for regular dialogue with companies, which involved visits to 20 companies, from November 2022 to July of the current year, with the aim of promoting close monitoring and reinforcing the need to comply with the obligations arising from the Law on the thrifty and transparent management of public assets;
- d. The development of the Public Business Sector Portal is underway, with the aim of automating the process of rendering company accounts;
- e. A new paradigm for quarterly reporting proposed, based on a set of sectoral reference indicators for assessing operational and financial performance, which was presented and discussed with the companies at the methodological seminar held in the first quarter of 2023, and is currently being validated with the companies.

2.67. Overall, there is a prospect of a reduction in the number of public companies, considering the current universe of 94 companies, based on the privatization and restructuring of companies with a focus on profitability and the provision of essential goods and services for the population, for the group of companies that will remain in the state sphere.

### **2.3 Construction and rehabilitation of economic and social infrastructures**

2.68. The growth of the national economy necessarily involves the construction and rehabilitation of economic (transport and logistics, energy, water, sanitation and telecommunications, etc.) and social (urban centers, schools, hospitals, etc.) infrastructures, with the aim of strengthening national integration, valuing the potential of each region.

2.69. In this context, the implementation of programs aimed at rehabilitating and building physical infrastructure continues with the aim of recovering and boosting the national economy, with special attention to the non-oil sector.

#### **2.3.1 Agriculture**

2.70. The Ministry of Agriculture and Forestry is the auxiliary ministerial department of the Head of the Executive Branch responsible for proposing, formulating, implementing, evaluating, controlling and supervising the policies of the Executive Branch in the fields of Agriculture, Forestry, Food Security and Food, and is responsible for drawing up the strategy for diversifying production and exporting agricultural, livestock and forestry products, with a view to sustainable development.

2.71. Angolan agriculture dominated by Family Agricultural Holdings (EAF), which occupy 92% of cultivated areas, and Corporate Agricultural Holdings (EAE), which account for only 8% of cultivated areas. Family farming accounts for more than 80% of production and of the 92% of land cultivated by EAF, there is limited access to mechanized production factors, namely mechanization, infrastructure and technology, which makes productivity very low.

Years	Agricultural Products (Tonnes)				
	Cereals	Roots/Tubers	Legumes/Oilseeds	Fruits	Vegetables
2015/2016	49,166	10,554,585	619,301	5,068,705	--
2016/2017	2,507,637	10,835,419	571,272	5,152,940	1,929,091
2017/2018	2,885,228	10,876,856	571,002	5,211,596	1,900,006
2018/2019	2,902,643	11,135,827	574,954	5,314,860	1,938,791
2019/2020	3,071,085	11,823,262	606,698	5,578,778	2,010,420
2020/2021	3,065,750	12,141,266	600,729	5,768,877	1,895,088
2021/2022	3,187,951	12,922,711	621,755	6,079,785	1,975,867

2.72. Thus, to support agricultural activity and increase production levels and access to resources, work has been carried out to improve and rehabilitate the infrastructures supporting the Agroindustry at national level, with emphasis on rehabilitating the small and large-scale irrigation system in approximately 126 (one hundred and twenty-six) existing irrigation schemes.

2.73. This rehabilitation was based on the results of the agricultural land assessment of approximately 18 million hectares, according to the classification and assessment of soils with a high potential suitability for irrigation in around 7.9 million hectares (PLANIRRIGA, 2012).

2.74. Still about infrastructure, the following have been built:

- a. Cereal Conservation Silos Unit, with capacity to store and conserve up to 12,000 tonnes of cereals, in the Matala irrigated perimeter;
- b. Silo units, located in the cities of Catete and Ganda – with a capacity to store 8,000 tonnes of corn;
- c. Silos have been set up in the towns of Caconda, Caala and Quizenga, with a capacity of up to 4,000 tonnes for storing corn, while a silo with a capacity of 4,000 tonnes has been installed in the town of Sanza Pombo for storing rice;
- d. Poultry Ration Factory, as part of the poultry enterprises in Cacanda (L-North), Waco Kungo (C. South), Negage, Nzeto, Luena, Lucala and Fazenda Pungo Andongo; and
- e. Grain milling units in the towns of Pedras Negras, Pungo Andongo, Longa, Sanza Pombo, Camaiangala, Camacupa, Quizenga and Cubal.
- f. Milling units for cereal processing;
- g. Warehouses for storing and preserving cereals;
- h. Completion of the 156 km Cáfu irrigation canal
- i. The Ndué and Caulevar dams, in Cunene province, are under construction to provide water for the population, irrigation and livestock watering;
- j. Irrigation perimeters and agro-industrial centers.

2.75. In the livestock sector, meat production in the country for 2022 was 319,962 tonnes, dominated by goat meat. Meat production distributed as follows: 159,157 tonnes of goat meat, 100,462 tonnes of beef, 48,421 tonnes of poultry meat, 11,337 tonnes of pork and 585 tonnes of sheep meat. Egg production stood at 2,693,560,926 units, with Luanda province contributing around 51.0% of total production. As for milk, production reached 6,279,283 liters, with the

provinces of Huila and Kwanza Sul accounting for 69.8% of production, as indicated by the results of the 2021/2022 campaign.

2.76. In the forestry sector, the total volume of timber licensed was 11,025 cubic meters in planted forest and 127,307 cubic meters in native forest, producing 100,960 cubic meters of roundwood. As for non-timber forest products, 1,717 kilograms of wax and 48,610 kilograms of honey produced.

### **2.3.2 Fisheries**

2.77. During the period in question, the fisheries sector saw the construction of infrastructure through the building of support centers for artisanal maritime fishing, the building of port infrastructure to support industrial and semi-industrial fishing and the construction of aquaculture production centers.

2.78. A total of 19 maritime artisanal fishing support centers were built along the seven coastal provinces of Cabinda, Zaire, Bengo, Luanda, Kwanza Sul, Benguela and Namibe. In addition, port infrastructures to support industrial and semi-industrial fishing were built during the period in question, in particular the fishing port of Boa Vista – Luanda and the fishing port of Tombua – Namibe.

2.79. It is also worth highlighting the construction of aquaculture production centers in Massangano, the Ngolome project in the municipality of Dondo in Kwanza Norte province and the Missombo project in K. Kubango province.

### **2.3.3 Energy & waters**

2.80. During the period in question, important progress made in this sector in terms of infrastructure, with a view to increasing electricity generation and transportation capacity.

2.81. Regarding production, the construction of infrastructures was completed, including the Laúca hydroelectric dam, the Soyo combined cycle thermal power station, the rehabilitation and expansion of the Cambambe, Luachimo and Lomaum dams, making for an increase in installed capacity of around 3,550 MW (Three thousand five hundred and fifty Megawatts) in 2017.

2.82. On the other hand, studies are being carried out with a view to introducing wind and photovoltaic energy production into the energy matrix.

2.83. In terms of electrification and the increase in installed capacity throughout the country, the Laúca Power Station came into operation, changing the previous paradigm of electricity shortages and frequent blackouts.

### **2.3.4 Transports**

2.84. In the field of transport, the Angolan government has created an integrated network in the country, consistent with the objectives of developing not only nationally but also regionally, in order to facilitate the process of economic development in the country.

2.85. Between 2015 and 2022, infrastructure was built in the various subsectors that make up the transport sector, namely:

- a. Airport projects
  - i. Rehabilitation of 18 Airports in Provincial Capitals;
  - ii. Rehabilitation of the runway at AIL 4 de Fevereiro;
  - iii. Rehabilitation of Catumbela Airport;
  - iv. Construction of Luau Airport.

- b. Maritime Port Projects
  - i. Construction of a breakwater for the new Cabinda Quay Bridge;
  - ii. Construction of the Cabinda Cabotage Terminal;
  - iii. Construction of the Soyo Cabotage Terminal;
  - iv. Rehabilitation of the Mussulo Bay Lighthouses;
  - v. Acquisition of three Small Speedboats;
  - vi. Construction and supply of one ferry for passengers and light vehicles;
  - vii. Construction of the Rivungo/Shangobo River Canal.
- c. Road Projects
  - i. Purchase of 1,000 minibuses;
  - ii. Purchase of 1,500 buses for school transport.
- d. Railway projects
  - i. Construction of the 2<sup>nd</sup> Line of the Luanda Railroad (CFL) in the Bungo/Baia Section;
  - ii. Rehabilitation of the Luanda Railroad (CFL);
  - iii. Construction of the Baia New Luanda International Airport Railway Branch (NAIL);
  - iv. Rehabilitation of the Moçâmedes Railway (CFM);
  - v. Modernization of 8 GE-U20C Locomotives;
  - vi. Supply of 100 GE C30-Aci locomotives;
  - vii. Construction of Baia Station – CFL;
  - viii. Construction of Kapalanga Station – CFL;
  - ix. Construction of Viana Station – CFL;
  - x. Construction of Musseques Station – CFL;
  - xi. Construction of Bungo Station – CFL;
  - xii. Acquisition of Railway DMUs for CFL, Luanda;
  - xiii. Purchase of Workshop Equipment for CFA/MINTRANS;
  - xiv. Construction and Equipping of the DMU's Workshop at the CFL (Cazenga);
  - xv. Construction of the Professional Training Centers of the Angolan Railways/MINTRANS.

### 2.3.5 ICT and media

2.86. During the period in question, the ICT (Telecommunications, Information Technology and Social Communication) sector made great strides, with the following standing out:

- a. Expansion of the national fiber optic network with more than 30 (thirty) thousand km installed, as a result of public and private investment;
- b. Construction of more than 2,340 microwave sites, which interconnect the provincial capitals, thus benefiting the population of the national territory, including regions considered remote (small municipalities and communes) where their inhabitants live in complete isolation;
- c. Completion of the first submarine cable system in the world to connect Africa and South America, called SACS – South Atlantic Cable System. This ultra-modern, high-capacity submarine cable system connects Fortaleza (Brazil) and Luanda (Angola) with the lowest latency between the two continents, operating smoothly;
- d. Completion of the MONET submarine cable linking the United States and Brazil, which has been fully operational since April 2018, providing high-capacity and high-speed telecommunications services.
- e. The installation of 458 VSAT stations in all provinces, as well as investments in telecommunications infrastructure, applied to the implementation of the fiber optic backbone, SAT3, WACS (international cables) and ADONES (national cable);
- f. As part of the National Space Program estimated in USD 320 million, the Angolan satellite, ANGOSAT-2, was built and launched into orbit in October 2022. An HTS (High Transmission Rate) satellite designed to provide telecommunications services, especially the Internet, it was designed and built to cover the entire African continent and a significant part of Southern Europe in the C-Band and covers almost all of Southern Africa in the Ku-Band;
- g. Also in line with the National Space Program, in terms of space industry and technology, making use of optical satellite resources, radar and drones, three earth observation systems were created, namely Tech-Ecology, Tech-Agro, Tech-Gest and Tech-Mines, which help agricultural productivity, deforestation monitoring, construction works monitoring, oil spill monitoring and detection, ship detection and information for the mining sector.

2.87. As part of the digital inclusion of citizens, the Angolan Executive has set up the Massification and Digital Inclusion Program, where the results are satisfactory, namely ReMA, ANGOLA ONLINE, NGOLA DIGITAL and DIGITALAO.

2.88. The DIGITAL.AO Project is an incubator that focuses on providing IT infrastructure solutions for corporate businesses and startups, as well as solutions for providing individual pages, mail services and guaranteeing the operational quality needed to provide quality hosted services.

2.89. On the other hand, the number of mobile telephone subscribers and Internet subscriptions are indicators that have been growing rapidly in recent years:

- a. The increase in the number of cellular mobile telephony users, from thirteen (13) million in 2017 to around twenty-three million nine hundred (23.9) in 2022;
- b. The increase in Internet subscribers from 4.4 (four million four hundred) in 2017 to 10 (ten) million in 2022.



2.90. The table below shows the evolution of the indicators.

	2017	2018	2019	2020	2021	2022
Mobile users	13,323,952	13,288,421	14,830,154	14,645,050	15,327,864	23,967,173
Fixed line users	161,070	171,858	124,726	119,164	120,001	93,968
Mobile Internet	4,354,043	5,820,154	6,740,418	6,637,340	7,325,997	9,349,591
Fixed Internet	96,919	32,735	109,662	121,314	263,522	739,461
Pre-paid mobile users	13,208,472	13,157,898	14,689,788	14,498,429	15,168,685	23,797,094
Mobile users with mobile plans	115,480	130,523	140,366	146,621	159,179	170,079

Source: INACOM data. Viewed at: <https://observatoriotic.gov.ao/dashboard>.

2.91. The regulatory framework for Telecommunications and Information Technology in Angola has evolved, with the consolidation of market liberalization and the promotion of competition, and is embodied in the following main pieces of legislation:

- a. Law No. 7/17 of 16 February, Law on the Protection of Computer Networks and Systems;
- b. Presidential Decree No. 108/16 of 25 May, approving the General Regulation on Electronic Communications (RGCE);
- c. Presidential Decree No. 122/16 of 9 June, approving the Strategic Plan on the Licensing Regime for Electronic Communications Operators;
- d. Presidential Decree No. 85/17 of 10 May. Approves the Space Strategy of the Republic of Angola 2016-25;
- e. Presidential Order No. 129/19 of 22 July, approving the Strategy for Digital Transformation in Angola, through the White Paper on Information and Communication Technologies 2019-22 (LBTIC);
- f. Presidential Decree No. 243/20 of 29 September, approving the National Roaming Regulation;
- g. Presidential Decree No. 42/22 of 10 February amending Presidential Decree No. 166/14 of 10 July (Electronic Communications Infrastructure Sharing Regulation);

2.92. Taking into account the dynamics of the national market, the Executive decided to award four Global Unified Titles (TGU), for the provision of all electronic communications services, to the following entities:

- a. ANGOLA TELECOM, EP;
- b. MOVICEL;
- c. UNITEL;
- d. AFRICELL.

2.93. Likewise, three operators (UNITEL, MOVICEL and AFRICELL) were granted frequency licences to support 5G technology in the domestic market.

2.94. In terms of fixed service, the market has the following operators: Angola Telecom, MS Telcom, ITA, INFRASAT, Startel, TV CABO, with the following indicators in 2022: TV Cabo (44.8%), MS Telcom (36%), Angola Telcom (17.2%) and Startel (1.9%).

2.95. In the Internet access market, several operators are currently competing with different types of service, namely fixed network, satellite, fiber optics, mobile Internet and other mobile devices, with the following operators: Angola Telecom, INFRASAT, Movicel, ZAP, Unitel, TV Cabo, MS Telcom,

Angola Cables, Mundo Startel, Africell Angola, Internet Technologies Angola (ITA), Net One and Multitel.

### **2.3.6 Urban planning, construction and social infrastructure**

2.96. Over the last five years, the government has sought to plan, develop, execute and carry out a series of projects to ensure the relaunch of the development of the national economy.

2.97. The Integrated Plan for Intervention in Municipalities (PIIM) was adopted, which has so far designed around 2,000 projects, compared to the initial 800. By April 2022, more than 350 projects had already been completed throughout the country, and there are financial guarantees to complete the rest, especially schools, hospitals and urban centers.

2.98. The Executive is committed to investing in infrastructure without compromising the sustainability of public finances and the future of generations. The Angolan government is continually negotiating with various partners to open up new lines of financing for projects with a strong impact on families' lives.

2.99. The Integrated Plan for Intervention in Municipalities (PIIM) aims to materialize Public Investment (PIP), Development Support Expenditure ("DAD") and Basic Activities (Act) actions, with priority given to social actions, to inhibit the rural exodus and promote more inclusive economic, social and regional growth in the country. This Plan aims to increase the autonomy of Angola's 164 municipalities as part of the policy of deconcentration and decentralization of administrative powers, thus improving the quality of life throughout the country.

2.100. The works included in the Integrated Plan for Intervention in Municipalities ("PIIM") fully funded by the government, and the amount is derived from the disbursement of money from the Sovereign Fund. However, other initiatives, included in the Public Investment Program (PIP), make use of other lines of funding, which is why they admit the entry and presence of external entities in their execution.

2.101. In recent years, more than 39,000 housing units built in eight of the country's provinces, particularly in the social housing sector. Twelve centralities have also been built, 1,470 kilometers of roads have been rehabilitated and 800 plots of land and more than 1,700 plots for targeted self-construction have been built.

## **2.4 External sector of the economy**

2.102. The external sector of the Angolan economy is of major importance given the challenges of diversifying national production and the dependence on the extractive sector, particularly minerals and oil.

2.103. Consequently, balancing external accounts and the budget is a challenge, given the volatility of the international market, which presupposes taking advantage of the country's existing potential to promote economic development.

### **2.4.1 Net balance of payments**

2.104. The shock to the terms of trade that began in mid-2014 led to a swing in the current account, from a surplus in 2013 to a deficit in 2015, reflecting the reduction in exports only partially offset by the reduction in imports. A second terms of trade shock in 2019-20, triggered by the COVID-19 pandemic, caused a further deterioration in the current account, although this time it remained in surplus, as a more flexible exchange rate led to a sharper contraction in imports. With the recovery in oil prices, the current account balance strengthened, to almost 11.72% of GDP in 2021 and 10.14% of GDP in 2022.

2.105. In 2022, the Current Account remained in surplus to the tune of USD 11,763.1 million (11.4% of GDP), which represents an annual increase of 40.0%, driven by the substantial improvement in the surplus balance of the goods account, despite the increase in deficits in the services, primary and secondary income accounts.

2.106. The most recent statistics from the National Bank of Angola show that in the second quarter of 2023, the current account balance stood at USD 102.0 million (0.4% of GDP), although this was down on the previous and same period. Contributing to this development was the quarterly drop in the goods account balance, due to the reduction in export revenues and the improvement in the deficit balances of the services and current transfers accounts, despite the deterioration in the primary income balance.

2.107. International reserves stood at USD 14.66 billion in December 2022, corresponding to 6.2 months of imports of goods and services. In the second quarter of this year, international reserves stood at USD 13.68 billion, corresponding to 7.4 months of imports of goods and services.

#### **2.4.1.1 External debt**

2.108. The stock of total external debt in 2022 stood at USD 58,755.8 million, compared to USD 64,747.2 million the previous year, representing an annual reduction of USD 5,991.4 million, while the stock of public external debt increased slightly to USD 52,065.7 million in 2022, compared to USD 51,261.3 million in 2021.

2.109. The level of external debt stock in 2022 was the lowest in the last four years. For 2023, in the second quarter of 2023, the total external debt stock stood at USD 56 460.8 million compared to USD 57 503.6 million in the first quarter, representing a reduction of USD 1 042.8 million.

### **2.5 Promoting economic activity and attracting investment**

#### **2.5.1 Instruments to boost economic activity**

2.110. The promotion of economic activity and the attraction of investment necessarily involves, in addition to market stability, the granting of benefits and full permission for operators to conduct economic activity without restrictions, except in cases justified by the overriding public interest.

2.111. This is the result of the new Law on the Delimitation of Sectors of Economic Activity in October 2021 (Law No. 25/21), repealing Law No. 5/02 of 16 April, on the Delimitation of Sectors of Economic Activity and other legislation that contradicts the provisions of this Law.

2.112. The purpose of this law is to define the legal regimes for access to the exercise of economic activity in Angola and it applies to public, private and cooperative entities wishing to develop economic activities in the country.

2.113. Also highlighting the approval of the new Public-Private Partnerships (PPP) Law in May 2019 (Law No. 11/19) regulated by Presidential Decree No. 316/19.

2.114. The promotion of economic activity and consequently investment with a view to ensuring and achieving the country's self-sufficiency with a focus on diversifying the economy is a priority for the Executive.

2.115. As there is therefore a need to promote economic activity, various instruments to promote economic activity were approved between 2015 and 2022.

2.116. Regarding internal or external investment, we believe that this is crucial for the development of any country, and Angola has made significant strides in attracting and attracting investment.

2.117. In this context, we highlight below the essentials of the instruments for promoting economic activity and attracting investment.

2.118. During the period in question, in order to achieve self-sufficiency and food security, the Angolan state approved numerous instruments to promote national production.

2.119. Special attention should be paid to PRODESI – PRODESI is the acronym for the Production Support, Export Diversification and Import Substitution Program. It approved by Presidential Decree No. 169/18 of 20 July. It is an Executive program to accelerate the diversification of national production and wealth generation, in a set of productions with greater potential for generating export

value and replacing imports, namely in the following sectors: Food and Agro-industry, Mineral Resources, Oil and Natural Gas, Forestry, Textiles, Clothing and Footwear, Construction and Public Works, Information Technology and Telecommunications, Health, Education, Training and Scientific Research, Tourism and Leisure.

2.120. PRODESI has five pillars, namely: access to the internal market, access to the external market, increased production and productivity, access to credit and training and qualification. In all the pillars there are operational instruments and in the case of financing, two main financial instruments have been approved, namely: the Credit Support Project (initially approved by Presidential Decree No. 159/19 and subsequently by Presidential Decree No. 94/22) and BNA Notice No. 10/20.

2.121. In order to facilitate the granting of credit to the real sector of the economy, the BNA published Notices No. 4/2019 of 3 April and No. 7/19 of 7 October, choosing 17 products with the potential to contribute more quickly to covering domestic consumption needs. The Notice applies to the granting of credit by Banking Financial Institutions, to produce essential goods that have shortfalls in the supply of domestic production, raw materials and investment necessary for their production, including the acquisition of technology, machinery and equipment.

2.122. Both the restructured PAC and BNA Notice no. 10/20 aim to facilitate access for companies to private investments in the production and marketing of 54 products defined in Presidential Decree No. 23/19 of 14 January.

2.123. Together, these two instruments have financed more than 2,200 projects total of AOA 1.130 billion in various sectors of activity since 2019.

2.124. More recently, in view of international dynamics and with a view to achieving self-sufficiency and food security, the government approved three (3) major plans in the field of grain cultivation, fisheries and livestock, namely PLANAGARÃO PLANAPESCAS PLANAPECUÁRIA, approved by Presidential Decrees No. 200/22 of 23 July, Presidential Decree (PD) No. 276/22 of 5 December and Presidential Decree No. 13/23 of 6 January, respectively.

## 2.5.2 Raising investment

2.125. Private investment projects benefit from tax incentives and other facilitations provided for in Law No. 10/18 of 26 June, as amended and republished by Law No. 10/21 of 22 April.

2.126. The Code of Tax Benefits approved by Law No. 8/22 of 14 April, establishes the procedure for granting benefits to any investment, considering the priority sectors of activity, the development zone, the value of the investment and the jobs to be created, best represented in the table below.

### Tax benefits under the prior declaration scheme

Type of Tax	Period	Reduction
Acquisition of real estate for investment ("Property")	n.a.	50%
Industrial		
• General→ 25%		
• Agriculture→ 10%	2 years	20%
• Provisional→ 2%		
Capital investment tax	2 years	25%
Stamp→ 1%	2 years	50%

n.a. Not applicable.

### Tax benefits under the special regime

Tax	Zone A	Zone B	Zone C	Zone D
Acquisition of real estate for investment (Property) (2%)	50% for a period of 2 years	75%	85%	92.5%

Tax	Zone A	Zone B	Zone C	Zone D
Industrial Tax (General, Agriculture, Provisional) (25%;10%,2%)	20% for a period of 2 years	60% for a period of 4 years	80% for a period of 8 years	90% for a period of 8 years
Capital investment (10%)	25% for a period of 2 years	60% for a period of 4 years	80% for a period of 8 years	90% for a period of 8 years
Holding real estate for investment (property) (0.5% < AOA 5 million)	n.a.	50% for a period of 4 years	75% for a period of 8 years	87.5% for a period of 8 years

n.a. Not applicable.

2.127. This investment regime also includes the right to be exempt from paying fees for services requested by any non-business public entity for a period not exceeding 5 (five) years.

2.128. Tax benefits under the Contractual Regime:

- a. Reduced rates of Industrial Tax (final and provisional), Urban Property Tax, Capital Investment Tax and Stamp Duty, for a period of up to 15 years;
- b. Tax credit of up to 50% of the investment value, for a period of up to 10 years;
- c. An increase in depreciation and amortization rates of up to 80%, for a maximum period of 10 years, for projects located in development zones B, C and D;
- d. Deferral of tax payment time;
- e. Consider as a cost 80% of the value of the investment expenses aimed at creating the infrastructure necessary to conduct the project, which by their nature must be provided by the state.

### 3 COMMERCIAL POLICY

3.1. Commercial activity in Angola is based on imports, although non-oil exports have seen a still timid increase as a result of the policy of promoting domestic production.

3.2. The commercial policy outlines the guiding principles, short, medium-and long-term objectives for the development of commercial activity in Angola, actively involving private initiative, taking into account the laws governing the market, public-private partnerships and the regulated and facilitating role of the state.

3.3. The appropriate combination of all these elements in the field of trade should contribute to achieving three (3) goals for socio-economic growth and development, namely:

- a. Macroeconomic stabilization;
- b. Growth and employment;
- c. Recovery of domestic production.

3.4. These three vectors contribute directly to the stability of the distribution of consumption, helping to increase domestic production and the supply of goods and services, the regularization of prices and food security.

#### 3.1 Agriculture and livestock farming

3.5. The policies and strategies designed by the Angolan executive, in which agriculture has been a real challenge and has become the main priority for economic diversification and food security.

3.6. The executive considers agriculture to be one of the sectors that can quickly produce positive results in terms of reducing imports and increasing the supply of goods, especially food.

3.7. In order to materialize policies and strategies in the agricultural sector, the executive has outlined strategies and defined the goals described in the National Development Plan PND (2018-2022), in its second axis, it has defined the "Agricultural Production Promotion Policy", established in the "Export Diversification and Import Substitution Program – PRODESI", of which it considers MINAGRIF, a key player in the success of priority crop rows (food and industrial), which aims to facilitate business and increase internal competitiveness in the production of food and industrial products.

3.8. In this program, the priorities of products to be produced in the agriculture and livestock sectors have been defined among the 54 products including other sectors such as fisheries.

### **3.2 Fishing & marine resources**

3.9. The Fishing sector plays an important role in diversifying the economy and supports the policy of eliminating external dependence, making it possible to create a surplus given the exploitable potential of existing resources, as well as contributing to food security and poverty reduction.

3.10. With a coastline that stretches for 1650 km, Angola is rich in marine fish resources, benefiting from an area of approximately 500,000 km<sup>2</sup>, which is home to one of the richest fish stocks in Africa.

3.11. The main export market for fishery products is the European Union, while imports come from South Africa; Argentina; Brazil; China, the People's Republic of; Korea, Republic of; Ecuador, United States; India; Morocco; Namibia; Norway; Portugal; Thailand; Uruguay and Viet Nam.

3.12. Law No. 6-A/04 of 8 October, as amended by Law No. 16/05 of 27 December, on Aquatic Biological Resources, stipulates the planning of the fisheries sector, defining regulatory measures that guarantee the conservation and sustainable use of aquatic biological resources in Angolan territorial waters. It is therefore up to the country to annually establish the limits of the total allowable catch and the fishing catch quotas for each species or zone.

3.13. The modalities regarding the export and import of fishery products are established in Presidential Decree No. 8/23 of 4 January, on Management Measures for Marine Fisheries, Continental Fisheries, Aquaculture and Salt.

3.14. In view of the important role played by this sector, the following policy programs and measures have been adopted:

- a. Improving the sustainability of the exploitation of fisheries resources;
- b. improving the operability and maintenance and repair capacity of the fishing fleet;
- c. Support for artisanal fishing;
- d. Improving the processing, distribution and marketing of fisheries and ionized salt;
- e. Developing aquaculture; and
- f. Strengthening the scientific technical training system in the fisheries and marine resources sector.

3.15. The 2018-22 NDP forecast an average real growth rate over the 2018-22 period of 4.7%, with greater relevance for the last year of the cycle, when that rate would stand at 8.3%. It projected an average production of 303,000 tonnes from industrial and semi-industrial fishing, 232,400 tonnes from artisanal fishing and 3,580 tonnes from aquaculture.

3.16. In terms of national fishing, from 2018 to 31 December 2021 the sector reached a total catch of 1,770,643 tonnes, with the highest production observed in 2021 at 596,060 tonnes.

### 3.3 Mineral resources, oil and gas

3.17. As a result of the organic and functional restructuring of the State's Central Administration Bodies, Presidential Legislative Decree no. 3/17 of 13 October created the Ministry of Mineral Resources and Petroleum, which resulted from the merger of the former Ministries of Geology and Mines and Oil.

3.18. Following the reforms carried out in 2020 at the level of Ministerial Departments, Presidential Legislative Decree No. 5/20 of 15 April created the Ministry of Mineral Resources, Oil and Gas, abbreviated to "MIREMPET".

3.19. During the last legislature, significant reforms were carried out in the Sector, which resulted in the emergence of new public entities, namely:

- a. The National Agency for Oil, Gas and Biofuels (ANPG), created by Presidential Decree No. 49/19 of 6 February, a National Concessionaire, whose purpose is to regulate, promote and supervise the execution of oil activities in the *upstream*;
- b. The National Agency for Mineral Resources (ANRM), created by Presidential Decree No. 161/20 of 5 June, which, in addition to carrying out the functions of National Concessionaire, is responsible for regulating and supervising the Angolan mining sector, and in carrying out its functions, must also negotiate and manage mining contracts, as well as monitor their execution;
- c. The institutionalization of the Petroleum Derivatives Regulatory Institute (IRDP), created by Presidential Decree No. 133/18 of 18 May, whose purpose is to regulate and supervise the *midstream* and *downstream* segments.

3.20. With the establishment of the aforementioned bodies, SONANGOL E.P. is undergoing a restructuring program so that it can devote itself exclusively to its corporate purpose, which comprises the entire oil and gas value chain, including prospecting, research, production, refining, transportation, storage, distribution and marketing of derivative products.

3.21. A ENDIAMA E.P., a strategic company in the public domain, which, under the new Governance Model for the Mining Sector, will no longer act as Concessionaire, concentrating its action on the activities of its corporate object, namely the activity of diamond mining operator. The company's restructuring will culminate in the dispersal of part of its capital on the Stock Exchange.

3.22. The Geological Institute of Angola (IGEO), a body of the state's indirect administration, responsible for collecting, storing, managing, promoting and making available geological information owned by the state. SODIAM – E.P., maintains its role as a public diamond marketing body, as well as, among other activities, the operation of the future diamond exchange.

3.23. The Diamond Exchange, an entity set up by SODIAM E.P. and ENDIAMA E.P., responsible for ensuring diamond transactions in Angola, under the supervision of SODIAM, increasing transparency and credibility in the marketing of diamonds. The National Kimberly Process Commission, an administrative body, which should continue to carry out the functions of legal certification of diamonds.

#### 3.3.1 Oil and gas

3.24. The oil & gas sector is mainly regulated by Law No. 10/04 of 12 November, on Petroleum Activities and Law No. 13/04 of 24 December, on the Taxation of Petroleum Activities, revised by Law No. 5/19 and Law No. 6/19 of 18 April, respectively, and other current legislation.

3.25. The Oil & Gas Sector's operational, commercial and financial performance proved to be quite challenging. The sector was marked by a sharp decline in crude oil production since 2016, as a result of the significant slowdown in exploration activities and bidding for new blocks in the last decade, the failure to develop marginal fields discovered during previous years of exploration and the low level of investment.

3.26. The evolution of crude oil exports was in line with the situation observed in oil production, which was fundamentally affected by the sharp decline in production due to the factors mentioned above.

### **3.3.2 Mineral resources**

3.27. The Mineral Resources Sector is governed by Law No. 31/11 of 23 September, which approves the Mining Code, Presidential Decree No. 175/18 of 27 July, on the New Diamond Marketing Policy, Presidential Decree No. 35/19 of 31 January – Technical Regulations for the Marketing of Rough Diamonds, Presidential Decree No. 85/19 of 21 March – Regulations for the Semi-Industrial Exploitation of Diamonds and the other legal diplomas in force.

3.28. The prospecting and exploration of mineral resources in Angola has been a priority and key action in the strategy to revitalize the Angolan economy, as it is a source of contribution to the Gross Domestic Product and of reducing the country's dependence on oil revenue.

3.29. The National Geology Plan (PLANAGEO) has revealed the country's enormous untapped potential for prospecting and researching various minerals. In addition to diamonds, which occupy a prominent place, other minerals, such as gold, ornamental rocks, iron, manganese, rare earth elements, copper, zinc, phosphates, platinum group minerals, among others, constitute a strategic asset yet to be prospected and explored in Angola's extensive territory.

### **3.4 Industry**

3.30. Industry in Angola is seen as a priority sector in the National Development Plan, with particular emphasis on the Business Environment, Competitiveness and Productivity Policy and the Production Promotion, Import Substitution and Export Diversification Policy, both of which contribute to our country's Economic, Sustainable and Inclusive Development.

3.31. The state is keeping up the challenge of industrializing the national economy and has Poles, rural Industrial Parks, located in eighteen (18) provinces and four (4) provinces respectively, and Free Trade Zones, with a view to encouraging the installation of industries throughout the national territory.

3.32. In line with the ongoing state reform process, a new Industrial Activity Licensing Regulation was approved by Presidential Decree No. 180/23 of 30 August, with a more flexible regime for access to industrial activity.

3.33. The trade and services sector are also marked by the reform process, with the approval in 2023 of a more simplified licensing regime by Presidential Decree No. 172/23 of 23 August.

3.34. In order to ensure the successful operation of the industry sector and optimize the development plans for this important sector in the Angolan economy, we would highlight the existence of two major institutions under the supervision of the Ministry of Industry and Trade, namely the National Institute for Quality Infrastructures and the Angolan Institute for Industrial Property.

3.35. With regard to Quality, it is worth noting that the main quality issues until 2021 were supported by the Angolan Institute for Quality Standardization – IANORQ, with responsibilities for Standardization, Metrology, Conformity Assessment (Certification) and Training, and by the Angolan Institute for Accreditation – IAAC, with responsibilities for Accreditation, Technical Regulation, as well as Registration, Registration and Training of bodies in the field of Quality.

3.36. As part of the state reform process and in accordance with Presidential Legislative Decree No. 2/20 of 19 February, which establishes the new rules for the creation, organization, operation, evaluation and extinction of Public Institutes, the Angolan Institute for Quality Standardization - IANORQ and the Angolan Institute for Accreditation – IAAC were merged, giving rise to the National Institute for Quality Infrastructures - INIQ, with the respective organic statute approved by Presidential Decree No. 95/21 of 20 April.



**Activities carried out in 2015/2023**

No.	Activities/Area	Quantities	Notes
1	Standardization	475	Creation of 17 technical commissions and 7 Sector Standardization Bodies (2017-22)
2	Methodology	26,419	Reliability of measuring instruments used in commercial transactions throughout the country (2017-23)
3	Technical regulation proposals	10	Eight (8) proposals submitted, two (2) published
4	Certification	1	Carried out by a counterpart
5	Accreditation	7	Carried out by a counterpart
6	Registration and Record	78	..
7	Training	7	One hundred and thirty nine (139) Graduates
8	Electrical Cable Certificates	7,586	..

.. Not available.

3.37. Industrial property is concerned with invention patents, utility models, industrial models and designs, trademarks, rewards, the name and insignia of an establishment, indications of origin, as well as the repression of unfair competition.

3.38. By means of Resolution No. 9/84 of 20 July, Angola became part of the member states of the World Intellectual Property Organization, and in 2005, by virtue of Resolution No. 22/05 of 19 August, it ratified the Paris Union Convention on Industrial Property and the Patent Cooperation Treaty.

3.39. It should be noted that in Angola, industrial property is regulated by Law No. 3/92 of 28 February, and in order to manage these matters, the Angolan Institute of Industrial Property (Instituto Angolano da Propriedade Industrial – IAPI) was created, the body responsible for executing the Executive's policy in the field of the Protection, Promotion, Study and Development of Industrial Property, whose activity is overseen by the Ministry of Industry and Commerce by Decree No. 30/96 of 25 October, and its Organizational Statute approved by Presidential Decree No. 175/21 of 14 July has been updated. Since its creation, the institute has carried out its activities by recognizing trademarks and registering patents and other rights associated with industrial property, as shown in the table below.

**Statistical data on industrial property modalities**

Distinctive trade signs received in the last five years						
	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Total General
Brands	4,117	4,333	3,920	4,224	5,180	21,774
Insignia	164	142	90	58	78	532
Names	122	137	95	105	116	575
Total Partial	4,403	4,612	4,105	4,387	5,374	22,881

Distinctive trade signs granted in the last five years						
	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Total General
Brands	2,339	3,264	2,567	2,697	5,091	15,958
Insignia	119	29	35	14	44	241
Names	122	33	33	8	39	235
Total Partial	2,580	3,326	2,635	2,719	5,174	16,434

Industrial innovations and creations received in the last five years						
	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Total General
Patentes	121	117	82	87	80	487
Utility Model	3	8	12	8	6	37
Industrial Model	4	37	36	21	24	122
Industrial Design	15	75	29	27	22	168
Total Partial	143	237	159	143	132	814

Industrial innovations and creations granted in the last five years						
	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Total General
Patentes	8	22	33	49	43	155
Industrial Design	1	0	0	0	3	4
Total Partial	9	22	33	49	46	159

### 3.5 Culture & tourism

3.40. The Ministry of Culture and Tourism, abbreviated to MINCULTUR, is the Ministerial Department with the Mission of Formulating, Conducting, Supervising, Evaluating and Executing the Policy of the Executive in the Field of Culture and Tourism, and Conducting the Strategies, Programs and Projects of Culture and Tourism Development.

3.41. The Executive is maintaining the challenge of creating tourism support infrastructures in areas with great tourism potential, defined as priorities within the framework of the National Development plans. In this regard, Namibe and the Cabo Ledo Tourism Development Hubs in Luanda, the Okavango Cuando Cubango Basin and Calandula in Malange, are the areas defined for the structured development of tourism in Angola by attracting qualified private investment.

3.42. In line with the ongoing state reform process, some licensing and permit-issuing powers have been transferred from the central body to the state's local administration bodies, with the central body reserving only the issuing of permits for class 3, 4, 5 star and luxury star services. This measure is aimed at giving them greater autonomy in managing local growth and development in tourism.

3.43. In order to effectively promote tourism, the sector prepared the three-year Tourism Promotion Plan, abbreviated to PLANATUR 2024-2027.

3.44. The existing legal instruments regulating the sector's activity have been updated and the following laws are currently in force:

- a. Law No. 9/15 of 15 June, the Tourism Law;
- b. Legal Regime for the establishment, exploitation, and operation of Tourist Projects, approved by Presidential Decree No. 36/16 of 15 February;
- c. Legal Framework for the Activity of Travel and Tourism Agencies, approved by Presidential Decree No. 232/15 of 30 December;
- d. Regulations on the Issuance and Use of Operating Permits for Restaurants and Similar Establishments, approved by Presidential Decree No. 63/23 of 17 February; and,
- e. Presidential Decree no. 93/21 of 16 April, approving the Legal Framework for Areas of Interest and Touristic Potential.

3.45. Regarding the promotion of culture, matters relating to the protection of copyright, despite having Law No. 4/90 of 10 March as their milestone, began to be effectively implemented from the second half of 2019, when the complementary legislation to the current Law No. 15/14 of 31 July – Law on Copyright and Related Rights – came into force, which repealed that law, making it more operational.

3.46. The complementary legislation to Law No. 15/14 of 31 July, was based on the development of the principles contained therein, establishing rules such as those relating to the organization and exercise of the activities of the Entities for the Collective Management of Copyright (hereinafter EGC), (Presidential Decree No. 114/16 of 30 May); the Registration of acts relating to copyright and related rights (Presidential Decree No. 125/17 of 12 June); the collection of copyright (Instruction No. 1/18 of 28 August); and the collection of royalties (Instruction No. 1/18 of 28 August). No. 1/18 of 28 August); the supervision of copyright and related rights (Presidential Decree No. 239/19 of 29 July); as well as measures to strengthen the institutional capacity of the administrative management body of the national copyright and related rights system (Presidential Decree No. 184/19 of 28 May). Presidential Decree no. 184/19 of 28 May, revoked by Presidential Decree No. 164/23 of 3 August); and measures to combat piracy and counterfeiting of intellectual works of an artistic, literary and scientific nature (Presidential Decree No. 240/19 of 29 July).

3.47. On the basis of the current legal regime, the functioning of SNDAC is characterized by the existence of the following bodies:

- a. The National Copyright and Related Rights Service (hereinafter SENADIAC) is the administrative management body of the National Copyright and Related Rights System (SNDAC), under the supervision of the current Ministry of Culture and Tourism, whose mission can be summed up in three fundamental areas: control, supervision and drawing up proposals for policy measures on the subject.
- b. The control function takes the form of registering intellectual works and the activities of economic agents who handle intellectual works in the course of their work, whether through public exhibition, transformation, production or reproduction and distribution.
- c. SENADIAC succeeded the now defunct National Directorate for Copyright and Related Rights (DNDAC), which was a central executive service. It has the legal nature of a public institute, forming part of the State's indirect administration, with legal personality, administrative, financial and patrimonial autonomy.
- d. As a result, SENADIAC has been given the capacity to generate its own income from the services it provides, by charging fees for the acts requested of it.
- e. It is structured to be set up at municipal level, with a flexible staffing structure that allows it to provide staff on entry and contract.
- f. SENADIAC, as part of its implementation and installation in the municipalities, already has nuclei set up and operating within the bodies that take care of culture in the seventh (17) provincial capitals.
- g. The current challenges are in the areas of: (i) Human Resources – staffing; (ii) Administrative – setting up and installing local services; (iii) Technology – computerizing services to facilitate internal activities, with users and society in general and, especially, with partner bodies, and within these with the administration of justice.
- h. SENADIAC's main partners, in terms of protection, are the General Tax Administration ("AGT"); the Criminal Investigation Service (SIC) and the Court, and in the Luanda District there is a specialized office – the Commerce, Intellectual Property and Industrial Property Office.
- i. In terms of administrative management, SENADIAC's main partners are the Angolan Institute of Industrial Property (IAPI) and the EGCs.
- j. The EGCs – three are currently recognized and operating: the Angolan Copyright Society ("SADIA") – licensed in September 2019; the National Union of Artists and Composers, Society of Authors ("UNAC-SA"), licensed in December 2020, and the Single Association of Copyright and Related Rights ("AUDAC"), licensed in May 2023.
- k. The first two are based on natural persons – Authors; while the third, founded by and made up of the first two, is based on legal persons.
- l. In principle, EGCs are civil associations or cooperatives of authors set up to carry out the function of collecting and distributing copyright.
- m. The current operation of these EGCs is characterized by AUDAC collecting copyright from users, and SADIA and UNAC-SA distributing it to Authors who are members and represented by them.
- n. This means that, under current legislation, there can be several EGCs. However, only one EGC – AUDAC – is recognized to perform the function of collecting royalties.

3.48. In the scope of international cooperation, the processes aimed at ratifying the basic Conventions on copyright (Berne and Rome), as well as some Treaties, such as the WIPO Copyright Treaty, the Marrakesh Treaty and the Beijing Treaty, have been triggered.

### 3.6 Poverty reduction

3.49. In this field, the Integrated Program for Local Development and Combating Poverty ("PIDLCP"), approved by Presidential Decree No. 140/18 of 6 June was created with the aim of contributing to poverty reduction, promoting human development and the well-being of Angolans, with economic and social inclusion at the local level.

3.50. Methodological monitoring and technical supervision of the program, at central level, is ensured by a Monitoring and Supervision Unit (UAS), coordinated by the Ministry of Social Action, Family and Promotion of Women (MASFAMU) and includes the Ministry of Finance (MINFIN) among the various ministries.).

3.51. At local level, the management of the program's implementation is the responsibility of the Municipal Administrations and is monitored and supervised by a working group led by the Provincial Governor.

3.52. The PIDLCP covers 164 municipalities and is implemented through 11 areas, namely: (i) Agriculture, Livestock, Fisheries, Hydraulics and Engineering; (ii) Social Promotion – Training and Empowerment of Women; (iii) Primary Health Care; (iv) Citizenship; (v) Culture, Sport and Tourism Promotion; (vi) Celebration of National Days and Patriotic Values; (vii) Administrative Expenses; (viii) Rural Infrastructure; (ix) Social Equipment; (x) Water and Sanitation; and (xi) School Meals.

3.53. With the aim of improving its supervision and monitoring for effective and efficient implementation, a computer platform called the Computerized System for Managing the Actions of the Program to Combat Poverty (" *Sistema Informático de Gestão das Acções do Programa de Combate à Pobreza* " - SIGAPCP) was launched, which has made it possible to improve the mechanisms for monitoring and reporting on the actions carried out.

3.54. The Social Protection Strengthening Program, called "Kwenda", aims to help establish an effective National Social Protection System, in the short and medium term, by implementing measures to mitigate poverty by increasing the purchasing and financial capacity of families.

3.55. In addition to monetary social transfers, KWENDA also has the components of Productive Inclusion, Municipalization of Social Action through the creation of Integrated Social Action Centres (CASI) and the Strengthening of the Single Social Registry.

### 3.7 Trade and development cooperation agreements

3.56. Within the scope of regional and international economic relations, the Republic of Angola continues to promote the establishment of partnerships with various countries, seeking reciprocal advantages within the principles governing the Charter of the United Nations and the Charter of the African Union, highlighting the following guidelines:

- a. Supporting competitive integration into the global economy, diversifying bilateral relations in order to expand trade agreements and scientific and technological cooperation with emerging countries;
- b. Establish closer trade relations and Cultural and Technological Cooperation with Portuguese-speaking countries within the Community of Portuguese-Speaking Countries (CPLP);
- c. Establish a commercial partnership within the framework of South-South Cooperation, around the Gulf of Guinea.
- d. Within the Southern African Development Community (SADC), implement the medium-term Economic and Social Policy priorities, as set out in the Regional Indicative Strategic Development Plan (RISDP) 2020-30, towards deepening SADC Regional Economic Integration, as well as the SADC Industrialization Strategy and Roadmap (2015 63), and the Protocol on SADC Industry that was approved in 2019.

- e. At Great Lakes level, achieve Regional Integration by harmonizing Economic Cooperation instruments and adopting macroeconomic convergence strategies, as well as implementing regional policies to collaborate in strengthening economic growth through economic integration.
- f. Promote regional integration within the framework of the establishment of the Continental Free Trade Area ( AfCFTA) by taking political initiatives to guarantee security and political stability on the continent.
- g. Increasing participation in the world Energy market.

### **3.7.1 Bilateral trade cooperation agreements**

3.57. As part of its Trade Cooperation Policy, Angola has signed Bilateral Agreements with various African, Asian, European and American countries in the field of trade and industry.

3.58. Given their geographical proximity, the agreements signed with African countries, and particularly with neighbouring countries, are particularly prominent.

### **3.7.2 Regional trade agreements**

3.59. In the regional context, the Republic of Angola continues to increase its level of political and economic influence in the region, seeking to benefit from the existing potential, ensuring compliance with the agreements, protocols and targets signed by the Regional Organizations to which it belongs, actively contributing to Economic Integration.

3.60. In this regard, Angola's commitment to preparing for the implementation of the SADC Protocol on Trade stands out, guaranteeing its participation in the Free Trade Area of this Southern African community.

3.61. As a result, it intends to move towards integration in the Tripartite Free Trade Area (COMESA - EAC - SADC), taking into account the existing market potential.

3.62. Angola is also committed to implementing the Agreement creating the African Continental Free Trade Area, with a view to consolidating the process of economic integration in Africa.

### **3.7.3 International agreements**

3.63. According to the Constitution of the Republic of Angola (CRA), the President of the Republic is responsible for signing and ratifying treaties, conventions, agreements and other international instruments, as the case may be, once they have been approved.

3.64. The Law on International Treaties (Law No. 4/11 of 14 January) establishes that the President of the Republic is responsible for promulgating international treaties after they have been approved by the National Assembly. In order for an international instrument to take effect, it must be published in the National Gazette.

3.65. Article 13 of the Constitution enshrines the integration of the rules of international conventions ratified by Angola as rules of domestic law. Thus, the rules of all the Covenants ratified by Angola are considered to be domestic law.

3.66. In compliance with these assumptions, the country enters into international agreements because of their relevance and importance to the interests of the nation in terms of the development and normal functioning of its institutions.

### **3.7.4 Trade agreements for development and cooperation**

3.67. As with bilateral agreements with trading partners, Angola has been signing bilateral agreements with a view to development and cooperation in various areas linked to trade and industry, which it hopes will essentially improve and boost trade and deepen cooperation.

3.68. Within the scope of Multilateral Cooperation, Angola signed an agreement in 2016-20 called the Framework Programme for the Inclusive and Sustainable Industrial Development of the Republic of Angola with the United Nations Industrial Development Organization ("UNIDO"). The aim of this program is to support the implementation of programs and projects for industrial development and the promotion of economic growth, as well as strengthening the country's trade capacities. The program focuses on five pillars, namely:

- a. Strengthening commercial capacities;
- b. Development of agro-industry and agribusiness;
- c. Competitiveness, support for the development of the private sector and Industrial Parks;
- d. Institutional strengthening and support for governance;
- e. Development of renewable energy, environmental protection and resource management.

3.69. Within the framework of the United Nations Conference on Trade and Development (UNCTAD), Angola is currently benefiting from the EU-UNCTAD Joint Program for Angola: Train for Trade II, launched in 2018, whose aim is essentially to help diversify the economy and support the country strategically with technical assistance and capacity-building.

3.70. It is also important to highlight the Community of Portuguese Speaking Countries (CPLP), where there are programs aimed at trade cooperation between members of the community, as well as the Accreditation Services (SADCAS), at SADC level.

### **3.7.5 Preferential trade agreements**

3.71. To date, Angola has not signed any Preferential Trade Agreements.

3.72. As a Least Developed Country (LDC) and member of the Organization of African, Caribbean and Pacific States (OACP), Angola benefits from unilateral preferential schemes such as the European Union's Everything But Arms, China's Zero Tariff and others such as the UNCTAD Generalized System of Preferences and the American Growth and Opportunity Act for Africa (AGOA).

3.73. Nevertheless, it is important to highlight the three (3) preferential trade agreements in which Angola is engaged in accession/implementation, as mentioned above, namely:

- a. SADC Protocol on Trade;
- b. COMESA-EAC-SADC Tripartite Free Trade Area Agreement;
- c. Agreement establishing the African Continental Free Trade Area.

## **4 ANGOLA AND THE MULTILATERAL TRADING SYSTEM**

4.1. Angola has been a member of the WTO since 23 November 1996, and agrees to the Most Favoured Nation (MFN) treatment for all trading partners, reiterating its commitment to the Multilateral Trading System and to the liberalization of trade, which it considers beneficial for growth, development and the well-being of populations. However, it stresses that it is urgent and imperative that these benefits be shared equally among all countries in the world.

4.2. We believe that the WTO can play an important role, not only in the reputation of the trade liberalization process, in order to make it more orderly, diversified and flexible, but also in the implementation of a framework based on world trade rules.

4.3. It was with this in mind that Angola joined the WTO, having actively supported the launch of the multilateral trade negotiations cycle during the 4th WTO Ministerial Conference, which took place in Doha (Qatar) in November 2001.

4.4. The results achieved at the 12<sup>th</sup> Ministerial Conference, held in December 2022 in Geneva, Switzerland, which contained a series of successful decisions on fisheries subsidies, the WTO's response to emergencies, including a waiver of certain requirements relating to the compulsory licensing of COVID-19 vaccines, food safety and agriculture, and WTO reform, as well as other decisions in favour of the LDCs, do not yet reflect the degree of ambition mirrored in Doha, with a view to making these negotiations a true Development Cycle.

4.5. Angola appeals to all members to show greater commitment and to engage more, showing greater flexibility wherever possible, so that the next Ministerial Conference can produce a final result that is satisfactory for all.

#### **4.1 Implementation**

4.6. Despite autonomous liberalization and efforts to integrate into world trade, Angola is lagging far behind in the degree of implementation of the Uruguay Cycle Agreements.

4.7. In this regard, Angola reiterates the need for longer transition periods to adapt its national legislation to the WTO Agreements, as well as the continuity of appropriate technical assistance activities and the strengthening of its institutional capacity and financial and technological resources.

4.8. To assist the Executive in implementing the WTO agreements, the NTFC, a multi-sectoral body for trade negotiations, was created.

#### **4.2 Special and differentiated treatment (TED)**

4.9. Special and Differentiated Treatment, a decisive part of the development that marked the Doha Round, was created as a comprehensive mechanism to grant Special Preferential Treatment to Developing Countries and Least Developed Countries, in order to integrate them into the Multilateral Trading System.

4.10. As an LDC, Angola considers the preservation of this treatment in favour of countries in need to be fundamental and reiterates its effective compliance with the WTO provisions on this matter.

#### **4.3 Agriculture**

4.11. This sector is of paramount importance for Angola's economic development. Bearing in mind the dependence of the economies of developing countries, both as exporters of basic products and importers of food products, which is the case of Angola, we advocate making the commitments made in favour of developing countries and the LDCs effective, in order to facilitate quota-free and duty-free market access for products from the LDCs, and greater flexibility and moderation in the application of sanitary and phytosanitary measures, and others relating to technical barriers to trade.

#### **4.4 Market access for non-agricultural products (NAMA)**

4.12. Angola gives great importance to the negotiations underway in the context of the Doha Round. Given the need to create conditions conducive to its industrialization and economic diversification. Furthermore, following the second Trade Policy Review in 2015, Angola has made efforts to ensure that diversification in the industrial sector is a reality in terms of its exports of certain industrial and agricultural products, so that they have access to other markets not only in terms of quantity, but also in terms of product quality.

4.13. The main products exported include cement, beer, glass packaging for various purposes, juices and soft drinks, with the main destinations being countries such as Congo Brazzaville, Democratic Republic of Congo, Cameroon, Namibia and Portugal.

4.14. In this regard, Angola stresses the importance of continuing to grant Developed and Least Developed Countries special and differentiated treatment appropriate to the reality of the category of countries mentioned above, in order to help them access markets.

## 4.5 Services

4.15. The services sector is an important area of economic activity for development. It tends to grow and contribute positively to economic development.

4.16. Although Angola has not presented its offer regarding the negotiations on trade in services, it should be noted that the country has gradually liberalized this sector, namely financial services, construction services, consultancy, architecture, education services, telecommunications, transport and health services.

4.17. The insurance market has seen feasible growth and development, where growth accelerated after the liberalization of the market in 2002 as well as the independence policies that have been liberalized by the National Bank of Angola (BNA), where in the past there were 17 insurers operating in the market and today Angola has 28 Insurance Companies.

4.18. Currently the largest insurance company is ENSA, which has a 34% market share, with Saham in second place with 15.49%. Fidelidade Angola, 69% owned by the Portuguese Fidelidade, is the third largest insurer in the market, followed by Nossa, a company owned by Banco BAI, and lastly Global, a company launched and owned by Angolan investors.

4.19. From a legal point of view, the Angolan Insurance Regulation and Supervision Agency (ARSEG) is a specialized entity created by Presidential Decree no. 141/13 of 27 September 2013, to ensure the regulation, supervision, inspection and control of the insurance, reinsurance and insurance mediation sectors.

4.20. After the second Trade Policy Review, held in 2015, the financial system saw an increase in the number of active banking establishments from 23 to 25, with 1,845 branches covering almost the entire national territory. In view of the upward trend in the financial sector, Law No. 12/15 of 17 June, the Basic Law on Financial Institutions, was drafted to support the development of the financial sector and regulate new products, which was repealed in 2021 by Law No. 14/21 of 19 May, the Law on the General Regime of Financial Institutions.

4.21. With regard to the development of the financial system, combating money laundering and terrorist financing are priorities. Angola has therefore become a full member of the Group to Combat Money Laundering in Eastern and Southern Africa (GABAOA) and the financial intelligence unit, and has begun the process of joining the Egmont Group (a network of financial intelligence units that is working to strengthen cooperation between these institutions).

4.22. Since then, Angola has adopted measures to improve its financial system, through legislation and regulations, as well as the implementation of supervisory mechanisms for this sector.

4.23. Angola's legislation and regulatory systems relating to the fight against money laundering and terrorist financing are in line with the principles and recommendations of the *GAFI*, the Basel Committee on Banking Supervision and the principles of the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs, Drugs and Psychotropic Substances, the United Nations Convention against Transnational Organized Crime (Palermo Convention), the United Nations Convention against Corruption and the International Convention for the Suppression of the Financing of Terrorism.

4.24. With regard to microcredit and its impact on poverty reduction, from 2006 to 2014 the National Bank of Angola approved five microcredit institutions comprising a total of 23 branches spread across several provinces. The applicable legislation at the time was Presidential Decree No. 28/11 of 2 February 2011, which was recently repealed, i.e. in March 2023, with the approval of the Regulation of Microcredit Companies and Microcredit Operators, by Presidential Decree No. 89/23 of 31 March, and the Regulation of Credit Cooperative Companies, by Presidential Decree No. 91/23 of 5 April, thus regulating the recent Law No. 14/21 of 19 May.

4.25. Within the scope of the Supervisory and Regulatory Body, Notices No. 04 and 06/2023 were published on 28 June and 3 June, respectively, the objects of which are the authorization to set up Microcredit Companies and Credit Cooperatives, and the Operating Rules for Microcredit Companies.



4.26. The Angolan healthcare system, for its part, is moving towards free and universal healthcare throughout the country. Article 77 of the Constitution of the Republic of Angola elevates access to health for all citizens to the category of a universal right.

4.27. The National Health Policy provides for the coexistence of the National Health Service, of which the state is the main provider at national level, and a private subsystem that complements public action and contributes to improving the country's health situation. Private health services are governed by the Framework Law of the National Health Service (Law 21-B/92).

4.28. In Angola, the practice of private medicine is governed by Decree No. 48/92 of 11 September, which approves the Regulation of Private Health Institutions and by Decree No. 68/97 of 19 September, which approves the Statute of the Angolan Medical Association.

4.29. Foreign citizens may practice medicine in Angola provided that they are previously registered with the Angolan Medical Association, in accordance with the respective rules, and must also comply with the Regulation of the Law on the Legal Regime of Foreign Citizens in the Republic of Angola, approved by Presidential Decree no. 163/20 of 8 June, and Presidential Decree No. 43/17 of 6 March, which regulates the Exercise of Professional Activity by Non-Resident Foreign Workers.

4.30. In summary, among other requirements, the foreign citizen must be domiciled in Angola, present documents proving their level of training (recognized by the competent Angolan authorities), be a member of the competent professional association, be loyal to their profession and respect the Code of Ethics.

4.31. Private investment in the health sector, particularly in healthcare, must comply with the requirements of the Private Investment Law in force, Law No. 10/18 of 26 June, amended and republished by Law No. 10/21 of 22 April.

4.32. Education is a fundamental right, which is the subject of a specific provision in the Constitution of the Republic of Angola (Article 79 of the CRA).

4.33. Law No. 32/20 of 12 August, which amends and republishes the Base Law of the Education and Teaching System, approved by Law No. 17/16 of 7 October, guarantees free and compulsory primary education. However, in accordance with the priorities of the National Development Plan, the government is gradually creating the necessary conditions to make the first cycle of secondary education (up to the 9<sup>th</sup> grade) effective, compulsory and free. Achieving this objective is part of the policies carried out by the competent ministry in the medium and long-term to achieve the objectives set for each subsystem of the education sector during the periods between 2008 and 2012, and 2013 and 2017.

#### **4.6 TRIPS Agreement on trade-related aspects of intellectual property rights and public health**

4.34. Industrial Property in Angola is regulated by Law No. 3/92 of 28 February, and the Angolan Institute of Industrial Property (IAPI) was created to manage these matters by Presidential Decree No. 30/96 of 25 October, the body responsible for implementing the Executive's policy in the field of Protection, Promotion, Study and Development of Industrial Property, whose activity is overseen by the Ministry of Industry and Commerce.

4.35. Industrial property is concerned with invention patents, utility models, industrial models and designs, trademarks, rewards, the name and insignia of an establishment, indications of origin, as well as the repression of unfair competition.

4.36. Aspects related to Copyright and Related Rights are regulated by Law No. 15/14 of 31 July 2014, which regulates the protection of copyright and related rights in the arts, literature, science or other forms of knowledge and creations, with an emphasis on creative artists, performing artists or artists, producers, broadcasting organizations and others, as well as organizations for the collective management of works of a literary, artistic and scientific nature is currently the Law that protects the aforementioned issues.

## 4.7 Trade facilitation

4.37. Angola ratified the WTO Trade Facilitation Agreement by means of Resolution No. 30/18 of 7 November. The process of trade facilitation in Angola institutionalized with the entry into force of Presidential Decree No. 176/18 of 27 July, which approves the Regulations of the National Committee for Trade Facilitation, henceforth NTFC, the body responsible for implementing the facilitation measures provided for in the agreement.

4.38. The NTFC has an executive secretariat, provided for in Article 11 (Executive Secretariat), which establishes its competencies in the execution of all Administrative, Financial and Patrimonial tasks related to the NTFC.

4.39. The Regulations of the NTFC stipulate that the Presidency shall comprise the following entities:

- a. Chair – Minister of Industry and Trade
- b. Vice-President – Secretary of State for the Economy;
- c. Executive Secretary – Chairman of the Board of the General Tax Administration.

4.40. A number of actions have been taken to materialize the AFC, in particular the process of operationalizing the Single Window for Foreign Trade (JUICE)/Article 10.4 of the AFC, the approval of the Authorized Economic Operator regime/Article 7.7 of the AFC – the Authorized Economic Operator Program (OEA), approved by Presidential Decree No. 293/18 of 3 December 2018, with the aim of implementing trade facilitation mechanisms and strengthening the security of the import and export logistics chain, as well as promoting trust in the interaction between state bodies and the various economic operators.

4.41. It is also worth highlighting the creation of the Coordinated Border Management Committee (CGCF)/Article 8.1 of the AFC – The CGCF, created under Presidential Decree No. 234/20 of 16 September, as a multi-sectoral body to boost cross-border trade.

## 4.8 Commercial rules and measures

4.42. The international trade cycle in Angola is characterized by a series of measures that affect both imports and exports.

4.43. During the period from 2019 to October 2023, Presidential Decree No. 23/19 of 14 January, which approves the Regulation of the Commercial Supply Chain for Basic Basket Goods and Other Priority Goods of National Origin, was in force. It was created in the context of the implementation of PRODESI, as part of the acceleration of import substitution and aims to guarantee a favourable environment for national production and defines rules and incentives for increasing the supply of goods of national origin.

4.44. Presidential Decree No. 23/19, the result of several appeals by Angola's international trade partners at the WTO, was revoked by Presidential Decree no. 213/23 of 30 October, which approves the Incentive for National Production, containing a regime more in line with the international trade system.

4.45. In the field of technical standards and regulations, the National Institute for Quality Infrastructures (INIQ) also acts as a point of inquiry for Technical Barriers to Trade at national level, with the International Organization for Standardization (ISO) and the WTO.

### 4.8.1 Sanitary and phytosanitary measures

4.46. In accordance with multilateral trade rules, Angola has taken some measures to protect public health, thus requiring imported and domestically produced goods to undergo laboratory analysis.

4.47. Presidential Decree No. 179/2018 of 2 August, establishes the rules applicable to the laboratory analysis of imported and domestically produced goods, whether intended for export or

domestic consumption, with a view to safeguarding the public interest underlying the protection of public health, the environment and national industry.

4.48. By virtue of the entry into force of Presidential Decree No. 177/21 of 16 July, the National Institute for Quality Control, INACOQ, was created. Within the framework of the execution of Phytosanitary and Sanitary measures, INACOQ operates in two Segments, namely:

- a. Conformity assessment and certification segment, which consists of carrying out quality audits to assess the implementation levels of the ISO 22000:2018 Norm;
- b. Laboratory Monitoring of Quality Standards, which consists of developing Laboratory Monitoring Programs for the sanitary, phytosanitary and organoleptic quality standards of final products destined for the domestic and international markets.

4.49. Sanitary and phytosanitary measures are applied within the framework of the WTO Agreement on Sanitary and Phytosanitary Measures (SPS) or (MSF), which aims to protect public, animal, plant and environmental health from the risks arising from the entry, establishment or spread of parasites, diseases and pathogenic organisms; additives, contaminants, toxins, pathogenic organisms present in food products, beverages or animal feed; diseases linked by animals, plants or their products.

4.50. MINAGRIF, as the body responsible for implementing sanitary and phytosanitary measures, draws up lists of pests and diseases of economic and quarantine importance and establishes phytosanitary restrictions for the country.

4.51. These activities are carried out within the framework of the application of the Plant Health Law, Law No. 5/21 of February and the International Plant Protection Convention (IPPC), combined with the Agreement on Sanitary and Phytosanitary Measures applied at the regional level of the Southern African Development Community (SADC).

4.52. Still in terms of plant health legislation, there are other instruments in place, such as:

- a. Legislative Diploma No. 3.0001 of 1999, which regulates plant health in Angola; and,
- b. Legislative Decree No. 35.74, which regulates the production, import, internal trade and use of pesticides.

4.53. The Veterinary Services Institute, under the Ministry of Agriculture and Forestry – MINAGRIF, is responsible for enforcing hygiene and animal health standards in primary and secondary production processes and ensuring public health, thus complying with Law No. 04/04 of August, the Animal Health Law.

4.54. Responsibility for controlling and enforcing sanitary and phytosanitary measures is assigned to the services under the supervision of the Ministries of Health, Agriculture and Forestry and Industry and Trade.

#### **4.9 Technical assistance**

4.55. Angola appreciates the technical assistance it has received from the WTO since its creation in 1995. Several officials from the Industry and Trade sector have benefited from regional trade policy courses in Geneva, as well as national and regional workshops.

4.56. Another area from which Angola has benefited is the Internship Program in the Netherlands and, more recently, online courses have also been beneficial. These courses have contributed to a greater awareness and understanding of WTO agreements and therefore to the empowerment of officials.

4.57. For this reason, it is important and necessary that developed countries continue to provide support so that less advanced countries can obtain trade-related technical assistance to improve institutional capacity in the negotiation and implementation of trade policy, as well as in the interpretation of WTO agreements.

4.58. Angola needs technical assistance in various areas, particularly in the implementation of Agreements:

- a. Drafting anti-dumping legislation and defining compensatory or safeguard measures;
- b. Drafting legislation on electronic commerce;
- c. Implementation of the Customs Evaluation Agreement;
- d. Implementing the TRIPS Agreement and bringing it into line with national legislation;
- e. Formulation and implementation of trade promotion actions;
- f. Information and training for technical staff and economic operators: Códex Angola members, social institutions, producers, traders and consumers;
- g. Equipping laboratories related to the application of sanitary and phytosanitary measures;
- h. Setting up a quality control system (laws on labelling, SPS, etc.).

4.59. As part of the technical assistance provided by the EIF, Angola had the opportunity to implement a category 1 project, linked to building the capacity of national staff in matters related to trade, which enabled six face-to-face seminars to be held at the Ministry of Industry and Trade's premises in the Angolan capital, namely: Corrective measures, SADC and AfCFTA regional agreements, notifications, trade facilitation under the WTO agreement.

4.60. With regard to technical assistance from UNCTAD, there is a joint European Union and United Nations Conference on Trade and Development program, called Train for Trade II, starting in 2021, which has developed a range of courses linked to trade and development in our country, in the most diverse areas of trade, targeting the public and private sectors.

## 5 CONCLUSION

5.1. In general, significant progress has been made since the last Trade Policy Review in 2015, with emphasis on actions to foster economic activity, including export promotion, with a view to achieving the objectives set out in the National Development Plan.

5.2. It was observed that commercial activity in Angola remained based on imports, although non-oil exports increased as a result of the policy to promote domestic production.

5.3. Within the framework of trade policy, various measures were taken to align with the policy of promoting domestic production, with a view to contributing to socio-economic growth and development.

5.4. With a view to maximizing opportunities in the global market, promoting trade and aiming for greater participation in international trade with a high level of competitiveness, Angola's trade policy has a liberal component through adherence to Free Trade Agreements. The ambition of this component is to promote regional economic integration and stimulate trade with partners.

5.5. In this regard, the negotiations for the conclusion of the accession process to the SADC Protocol on Trade and the preparation for the implementation of the African Continental Free Trade Area, both in their final stages, stand out.

5.6. With regard to measures affecting trade, particularly those linked to imports and exports, the country has been improving the legislative package for the sector with a view to achieving the policy objectives of promoting domestic production, without the need for bans or establishing of import quotas, while seeking to ensure compliance with the WTO Agreements. In this regard, with a high sense of responsibility in the face of constant internal and external trade concerns, Presidential Decree 23/19 of 14 January was revoked.

5.7. In a spirit of collaboration and unconditional support for the multilateral trade system, Angola maintains its firm position in defense of Special and Differential Treatment, which, among other measures, can help the least favoured countries to enter the global market and participate in international trade.

5.8. It is hoped that the ratio in relation to the level of notifications submitted by Angola in the most diverse areas of the WTO will increase in the coming years, as a result of greater participation in the training and technical capacity-building activities provided by the WTO Secretariat.

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