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TRADE POLICY REVIEW

REPORT BY THE SECRETARIAT

ANGOLA

This report, prepared for the third Trade Policy Review of Angola, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Angola on its trade policies and practices.

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Document WT/TPR/G/452 contains the policy statement submitted by Angola.

Note: This report is subject to restricted circulation and press embargo until the end of the first session of the meeting of the Trade Policy Review Body on Angola. This report was drafted in English.

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SUMMARY

1. During the period under review (2015-23), Angola, a least developed country (LDC), pursued ambitious and broad economic reforms with the goal of shifting from a state-led and oil-centred economy to a diversified one led by the private-sector. Angola's reform programme, implemented against particularly challenging economic conditions compounded by the COVID-19 pandemic, has delved deep into economic governance, policies, and regulatory frameworks, including on investment, competition policy, state-owned enterprises (SOEs), incentives, and government procurement. Trade policies have seen some positive changes too, including with respect to trade processes, following Angola's ratification of the Agreement on Trade Facilitation (TFA) in 2019, and the establishment of an inter-ministerial National Commission for Trade Negotiations.

2. Nonetheless, the potential contribution of trade and trade policy to reduce trade costs and support Angola's broader competitiveness and diversification agenda remains largely untapped. This partly reflects the emphasis on substituting domestically produced goods for imports in some sectors, one of the tools used by Angola to nurture its nascent private sector and create much-needed jobs for its young and rapidly growing population. As the authorities consider ways to expand the contribution of trade policy to sustain inclusive economic growth, it would be important to assess the costs of higher trade protection, which may come in the form of higher prices and less choice for consumers, especially those with the lowest incomes, and fewer opportunities for Angolan firms, especially small- and medium-sized ones, to join regional and global value chains.

3. The period under review saw five consecutive years of negative real GDP growth (2016-20), persistently high unemployment of around 30%, and declining per capita income, before economic growth resumed in 2021 and picked up pace in 2022 as oil prices and oil production recovered. Though services have surpassed the oil sector as the largest contributor to the economy, the oil sector remains central to the Angolan economy. In 2022, oil and gas contributed to almost 93% of Angola's merchandise exports, 58% of fiscal revenue, and close to 30% of GDP. As recognized in Angola's 2050 Strategy, reliance on a state-led economic development model centred around highly capital-intensive offshore oil production has reduced incentives for high-quality investment in non-oil sectors and has failed to generate sufficient jobs for a large part of its population. The pervasiveness of informal jobs, in turn, has been linked to Angola's high poverty rates. Climate change, which has already hit the southern part of the country hard, poses a serious challenge to raising productivity growth, especially in agriculture, as do continuing gaps in basic infrastructure and human capital.

4. As part of reforms enacted under a 2018 IMF programme, Angola adopted legislation to reduce the public debt-to-GDP ratio and the non-oil primary fiscal deficit. In addition, Angola introduced a value added tax (VAT) to broaden the tax base and mobilize additional non-oil revenue, combined with steps to reduce costly fuel subsidies while accelerating the implementation of a cash transfer programme for vulnerable households. Public debt as a share of GDP, after more than doubling during the 2015-20 crisis period, has fallen sharply, mainly helped by increases in fiscal revenue due to higher oil prices. In 2022, the public debt-to-GDP ratio stood at slightly less than 70% of GDP, roughly half of its level two years earlier.

5. Macroeconomic policy reforms have also included a constitutional amendment to increase the independence of the national central bank (BNA), along with a decision in 2018 to replace the peg between the national currency, the kwanza, and the US dollar with a flexible exchange rate regime. This led to a sharp depreciation of the kwanza in nominal terms. The transition to a more flexible exchange rate regime, which will reduce the risk of kwanza overvaluation, support external competitiveness, and facilitate Angola's trade and economic diversification efforts, has been accompanied by measures to foster greater transparency and efficiency in foreign exchange transactions. During the period under review, inflation receded from an end-of-year high of around 41% in 2016 to slightly less than 14% in 2022, against the backdrop of overall tight monetary conditions during most of that period.

6. Trade of goods and services represented almost 70% of GDP in 2022, reflecting the importance of international trade for the Angolan economy. Yet, the backward or forward participation of Angolan firms in global value chains is limited. The share of crude oil in total merchandise exports, though still large, declined during the period under review, from almost 93% in 2015 to slightly less than 80% in 2022. At the same time, exports of liquified natural gas (LNG), which were non-existent in 2015, represented close to 13% of total merchandise exports in 2022, reflecting increased demand in some trading partners for alternative energy products following the

outbreak of the war in Ukraine. After crude oil and LNG, diamonds are Angola's third most important export products, representing slightly less than 4% of total merchandise exports in 2022.

7. China continues to be the largest destination for Angola's merchandise exports, followed by the European Union and India. Apart from being the fourth-largest destination for Angola's exports of crude oil, India is also the second-largest destination for Angolan LNG after the European Union. The export share of the United Arab Emirates, the main destination by far for Angola's diamonds, has increased to slightly more than 3% of total merchandise exports, up from 2% in 2015.

8. The services trade balance recorded a deficit throughout the period under review. Travel service exports decreased sharply due to the COVID-19-induced economic crisis and have yet to recover to their pre-pandemic levels. Foreign direct investment (FDI) in Angola remains concentrated in the oil sector.

9. Several planning instruments, which resulted from broad consultations coordinated by the Ministry of the Economy and Planning, guide the overall direction of Angola's trade policy. Among them is the programme to support domestic production, export diversification, and import substitution (PRODESI). PRODESI targets a broad range of economic sectors for import substitution, starting with products from the "basic basket". The Ministry of Industry and Trade (MINDCOM), which, along with the Ministry of Finance and other government agencies, is responsible for developing and implementing trade and trade-related policies to advance PRODESI's goals, is of the view that a "balanced" application of higher import tariffs is needed for domestic firms to learn, invest, and innovate before facing foreign competition. In line with this, MINDCOM has also started work to develop a framework for the application of trade remedies.

10. Angola, which became an original WTO Member in 1996, is not a party to the plurilateral Agreements on Government Procurement and on Trade in Civil Aircraft. Angola ratified the WTO TFA in April 2019 and the authorities note that they have started the process towards ratification of the WTO Agreement on Fisheries Subsidies. Angola grants at least MFN treatment to all of its trading partners. Angola's WTO notification record is weak, even though its officials have participated in numerous WTO technical assistance activities.

11. Angola is a founding member of the African Union (AU) and a long-standing member of two of the AU's regional economic communities: the Economic Community of Central African States (ECCAS) and the Southern African Development Community (SADC). Nonetheless, Angola does not grant preferential duties under either agreement. Angola ratified the African Continental Free Trade Area (AfCFTA) in October 2020, but has not yet applied nor benefited from preferential tariffs. Angola is a beneficiary of the US African Growth and Opportunity Act (AGOA) and, as an LDC, of the GSP schemes of a number of countries.

12. During the period under review, Angola took steps to improve conditions for private investors with the goal of supporting productivity growth and economic and trade diversification. The Law on the Limitation of the Economic Activity, passed in 2021, limits the activities that are fully reserved to the State to just those carried out by the BNA. The Law also defines "relative reserve" activities (those open to private investment but subject to concession) as comprising the following: defence materials; water, sanitation, and electricity services; postal services; exploration of environment-protected areas; administration of cultural and historical sites; tourist sites; solid waste management; port and airport administration; railway transport services and domestic airways; and backbone telecommunications networks and services.

13. New investment legislation sets out a regime with guarantees for private investors, including with respect to expropriation, and seeks to make investment incentives more streamlined, transparent, and predictable. In general, investors must employ Angolan nationals, though skilled foreigners can be hired if investors provide vocational training and have a plan to substitute Angolans for foreigners. Some foreign investment restrictions in force at the time of Angola's previous Review, notably in air transport, port services, telecommunications, and insurance, have been abolished, but some others remain, including in fisheries, mining, oil, and subscription-TV services. All land belongs to the State, which may assign the right to use land under a concession or long-term lease. A new Agency for Private Investment and Export Promotion (AIPEX) is responsible for promoting private investment and assisting investors with all necessary procedures.

14. Angola has taken steps to simplify and modernize its trade processes, including by reducing the number of documents needed to register as a trader, adopting a customs automation system, introducing an authorized economic operator programme, and working towards the full implementation of a single window. Nonetheless, importers continue to face a fragmented process that requires multiple document submissions (and payment of fees) to different authorizing agencies for the same goods. In addition, seaborne freight is subject to a participation fee for the modernization of Angola's transport infrastructure. This, along with periodic registration fees and a customs service fee calculated based on import value rather than the cost of services rendered, add to trade costs, posing a disproportionate burden on micro-, small-, and medium-sized enterprises (MSMEs).

15. During the period under review, Angola eliminated tariffs for close to 43% of tariff lines. Nonetheless, its simple average applied MFN tariff increased slightly, from 10.9% at the time of the previous Review in 2015 to 11.5% in 2023. This reflects tariff increases for some sensitive goods, sometimes to high levels between 50% and 70%. The authorities consider such higher tariffs a key tool to promote domestic production and reduce imports. At the same time, the relatively high level of nominal and effective protection afforded to finished goods may weaken the incentives faced by domestic producers to improve competitiveness, impeding their participation in regional and global value chains.

16. Angola has bound all of its tariffs, but the large gap between bound and applied rates may partly undermine the positive role of tariff bindings in providing stability and predictability to Angola's trade regime. The authorities agree with the Secretariat that some applied tariffs exceed their bound rates and said that this would be corrected in the Customs Tariff for 2024.

17. Angola continues to maintain a wide range of customs duty concessions, including for private investors and the dominant oil sector, resulting in levels of effective protection for Angolan value-added activities that are many times higher than indicated by nominal tariff rates. In addition, widespread duty exemptions are costly to administer and may give rise to fraudulent activities.

18. All imports require a licence from MINDCOM, irrespective of the risk posed by the good in question or the existence of additional licensing requirements imposed by other agencies. For "widely consumed goods", a category that is yet to be defined by MINDCOM under a new Presidential Decree adopted in October 2023 but not yet in force, import licences would be issued exclusively to importers who meet domestic purchasing and other requirements. Similar provisions, along with import quotas for certain goods, were contained in another Presidential Decree adopted in 2019 but now abolished. Angola's trading partners had raised concerns about this measure in several WTO bodies.

19. Angola does not apply export taxes except on rough minerals and goods exports in the same state as they were imported. All exports are subject to licensing by MINDCOM. The State is not involved in export finance, insurance, or guarantee programmes. Nonetheless, during the period under review Angola introduced a free trade zone (FTZ) regime, whose tax benefits are partly contingent on export performance. An FTZ about 30 km north of the Luanda is under development with public and private investment.

20. During the period under review, Angola adopted overarching legislation on fiscal incentives. The new law defines the scope of tax incentives depending on the sector, location, and economic impact of the investment. In addition, the Code sets out incentives for MSMEs; agricultural, fisheries, and other cooperatives; renewable energy; and the financial sector. While this has helped to rationalize and improve the predictability and transparency of Angola's incentive regime, no official analyses exist to determine whether the contribution of these and other incentives offered by Angola justify their fiscal costs.

21. The authorities recognize the importance of a sound system of standardization, technical regulations, conformity assessment, metrology, and accreditation to underpin export competitiveness and diversification. In line with this, Angola has created a new agency, the National Institute of Quality Infrastructure (INIQ), which has taken steps to address the lack of coordination within the quality infrastructure system. Angola's accreditation system is incipient, which forces exporters to rely on accredited conformity assessment services abroad. Transparency remains a major challenge, as the catalogue of standards is not accessible nor is there a central registry of

technical regulations. The official gazette's website is often down and legislation, when available online, is often difficult to search electronically.

22. During the period under review, Angola updated parts of its legal regime on sanitary and phytosanitary (SPS) measures, including plant health. The authorities recognize that additional legislative and institutional reforms are needed to strengthen the SPS framework and bring it up to date, for example with respect to pesticides. Regulations on laboratory analysis adopted in 2018 set out a framework for testing of food and other products for human consumption based on CODEX and other international standards. In practice, all imported food is subject to laboratory testing in Angola irrespective of origin, prior testing, or level of risk.

23. The level of competition in the Angolan market is generally low, partly because of high entry barriers that result from the dominant position of SOEs in many sectors of the economy, including oil, electricity, telecommunications, and air transport. The authorities consider "healthy competition" a key ingredient of an enabling business environment, particularly for MSMEs. In line with this, Angola adopted a competition policy framework and introduced policy, legal, and institutional changes in several other areas with implications for competition.

24. SOEs have a significant presence in the Angolan economy. The combined assets of the 71 SOEs for which financial data are available represent more than half of Angolan GDP. The prevalence of low-performing SOEs in many key sectors of the economy, including electricity, telecommunications, and other infrastructure sectors, seems to affect negatively the competitiveness of the private sector and impede progress in trade and economic diversification. Against this backdrop, Angola has embarked on a far-reaching initiative to increase transparency and accountability of SOEs. In addition, Angola initiated a privatization process, which so far has resulted in the privatization of 98 SOES, with an additional 68 SOEs slated for privatization by end-2026.

25. Angola's government procurement policy seeks to ensure value for money, transparency, and probity, while supporting domestic businesses, including MSMEs, through preferential rules. During the period under review, Angola adopted a new law on government procurement and increased the use of technological solutions to improve the transparency of its public procurement system and the accountability of procuring entities. Yet, implementation challenges remain, including low compliance levels with legal requirements to publish procurement plans and tender notices, and a heavy reliance on relatively less competitive procurement methods. The participation of foreign individuals and companies in public contracts whose value is below certain thresholds is not permitted.

26. Angola's Industrial Development Plan 2025 recognizes intellectual property (IP) protection as a key enabler of investment and innovation, including in areas such as the digital economy and agriculture. Nonetheless, Angola's engagement in IP policy is limited, including at international and regional levels, in part because of resource constraints. In 2023, Angola ranked last out of 132 economies included in the WIPO Global Innovation Index.

27. Agricultural production has increased rapidly in recent years, reaching 9% of GDP in 2022, from slightly less than 6% in 2015. The authorities attribute the sector's positive performance to PRODESI, the Kwenda cash transfer programme, better access to credit for family farms, support for mechanization, and the expansion of farming areas. The potential to scale up agricultural production, including for export, is high, given Angola's abundance of land and water, and diverse climatic and soil conditions. Yet, the prevalence of small-scale subsistence farming, along with low agricultural labour productivity, poor agronomic practices, and limited access to key technologies, and poor infrastructure pose challenges. To support the agricultural sector and its key role in economic diversification, job creation, and food security, Angola maintains market price, subsidized credit, and general services support programmes. Support is also provided in the form of higher-than-average tariff protection and non-tariff barriers to trade for certain agricultural products.

28. The oil and gas sector is still the mainstay of the economy. Although Angola is one of the leading oil producers in sub-Saharan Africa, it relies mostly on imports to meet demand for refined petroleum products due to its limited refining capacity. The legal and institutional framework governing the sector has undergone significant reform since the previous Review. The National Agency for Petroleum, Gas, and Biofuels (ANPG), created in 2019, replaced the state oil company Sonangol as the State's sole "concessionaire", responsible for overseeing and regulating oil and gas

activities, including the allocation of concessions. Sonangol, for its part, was granted "preference rights" in the allocation of new oil concessions. Under a Presidential Decree adopted in 2020, procurement contracts for certain goods and services by oil companies must give preference to Angolan companies.

29. Angola is the world's fourth-largest producer of diamonds and has significant untapped mineral potential, including in minerals that are deemed critical for the clean energy transition. In principle, mining operations are open to foreign-owned companies without restrictions. The exceptions are mining right concessions related to minerals used for civil works and mineral-rich waters can only be granted to Angolan citizens or Angolan companies with at most one third foreign ownership.

30. Despite Angola's abundant energy sources, electricity supply remains a major hurdle for improving livelihoods, and for achieving economic diversification and development. Slightly less than half the population has access to electricity. Around 60% of the power supply comes from hydro, 36% from fossil fuels, and 4% from solar. The potential to expand the contribution of renewables to electricity generation, and eventually clean energy products, is large, given that Angola is estimated to be using just one fifth of its potential hydropower capacity. Since its previous Review, Angola has made significant progress towards integrating some of its regional electricity systems, which will help reduce the inefficiencies that characterize its electricity market. Moreover, Angola adopted a new legislative framework providing for competition in electricity production, distribution, and commercialization. Nonetheless, market concentration in each of these segments, which are dominated by SOEs, remains high, which poses barriers to greater participation by private actors and dampens competition.

31. Angola's telecommunications market is growing. Nonetheless, access to telephone and Internet services is below world and LDC averages. Most types of telecommunications services are open to competition and there are no statutory limits on the participation of foreign investors in telecommunications companies, except for a 30% limit on operators supplying subscription-TV services. A fourth "unified global title", which allows the holder to offer any electronic communication service, was concessioned in 2021 to a company with 100% foreign capital. During the period under review, Angola adopted a White Paper that sets out initiatives to strengthen competition, expand infrastructures and promote international connectivity, foster digital inclusiveness, and develop digital skills.

32. Banking services is one of the three sectors, along with tourism and recreational, cultural, and sporting services, in which Angola has undertaken GATS commitments. Of the 23 banks in operation, 6 are foreign-owned, and 3 owned wholly or partly by the State. Securing access to credit is critically important to achieve Angola's economic diversification goals. During the period under review, BNA issued a series of Notices instructing banks to extend credit at preferential rates for producers of certain goods, with some success. Foreign banks and other financial institutions may open subsidiaries or establish representative offices in Angola, subject to BNA authorization. Angola's insurance market is a very small part of the financial sector and remains underdeveloped. Insurance and reinsurance activities can be carried out, subject to authorization, by public limited companies (*sociedades anónimas*) with domestic or foreign capital, or by branches of foreign insurance or reinsurance companies.

33. Angola relies on foreign-flagged vessels to carry the bulk of its imports and exports, suggesting that a long-standing cargo-sharing scheme designed to promote the Angolan flag has not had the desired effect. The scheme's designated beneficiary, Secil Maritima, which is majority-owned by the State, reinitiated domestic cargo and passenger maritime services in 2022 after a long hiatus. Following legislative reform, some port operation activities are no longer reserved exclusively for Angolan nationals.

34. In 2018, TAAG Angola Airlines was transformed into a public limited company, but it continues to be wholly owned by the State. During the period under review, Angola eliminated the requirement that a private company be at least 51% owned by Angolan citizens to qualify for a concession to operate scheduled domestic air services. No such concessions have been granted, however, and TAAG remains the sole company licensed to operate scheduled domestic flights. The air transport agreements signed by Angola are relatively restrictive. The State is the owner and manager of all airports. The new Luanda airport started operations for cargo flights at the end of 2023, with passenger flights to follow in 2024. Self-handling and mutual assistance are not allowed, but there are third-party providers that are independent of the airport authorities and TAAG.

35. Angola has identified the hotel and tourism sector as a priority for the diversification of its economy. Its nascent tourism sector was hard hit by the COVID-19 pandemic. Approximately half of tourists in Angola are from Europe. A new Presidential Decree issued in 2023 exempts tourists from 98 nationalities from visa requirements for stays of up to 30 consecutive days and a maximum stay of 90 days in Angola each year. For the remaining countries, tourist visas are only granted by Angolan diplomatic and consular missions abroad.

1 ECONOMIC ENVIRONMENT

1.1 Main features of the economy

1.1. Angola is the fifth largest economy in sub-Saharan Africa by nominal GDP in US dollar terms, yet it is still categorized as a least developed country. The economy's dependence on oil production and exports makes it highly vulnerable to terms-of-trade shocks and hinders the competitiveness of the non-oil sector, posing a challenge for trade and economic diversification. Though services have surpassed the oil sector as the largest contributor to the economy, the oil sector remains central to the economy (Table 1.1). In 2022, oil and gas contributed almost 93% of merchandise exports, 58% of fiscal revenue, and close to 30% of GDP. Per capita GDP was around USD 3,180 in 2022, down from USD 4,130 at the time of Angola's previous Review in 2015.

Table 1.1 Basic economic and social indicators, 2015-22

	2015	2016	2017	2018	2019	2020	2021	2022
Nominal GDP (AOA billion)	13,950.3	16,549.6	20,262.3	25,627.7	30,330.4	31,700.8	44,535.9	52,184.4
Nominal GDP (USD billion)	116.2	101.1	122.1	101.4	83.1	54.8	70.5	113.3
Real GDP growth (%)	0.9	-2.6	-0.1	-1.3	-0.7	-5.6	1.2	3.0
Real GDP growth excluding oil extraction (%)	-3.0	-2.5	1.2	2.4	3.9	-4.7	10.5	..
GDP per capita at current prices (USD)	4,130.9	3,468.5	4,042.7	3,240.9	2,569.6	1,640.0	2,044.1	3,183.7
Population (million)	28.1	29.2	30.2	31.3	32.4	33.4	34.5	35.6
Unemployment rate[a]	20	..	..	29	30.2	32.2	32.3	30.3
National accounts at current prices (% of GDP)[b]								
Final consumption	69.2	69.9	70.1	66.8	58.5	..	..	..
Private	52.7	56.0	57.2	56.4	49.9	..	..	..
Public	16.4	13.9	12.9	10.5	8.6	..	..	..
Gross capital formation	34.2	27.2	24.1	17.9	17.7	..	..	..
Gross fixed capital formation	28.2	26.2	23.2	17.2	17.7	..	..	..
Variation in stocks	6.0	1.0	0.9	0.7	0.0	..	..	..
Export of goods and services	29.8	28.1	29.0	40.8	40.8	..	..	..
Import of goods and services	33.1	25.2	23.3	25.5	17.0	..	..	..
Share of economic activities in current GDP (%)								
Agriculture and forestry	5.8	6.3	6.5	5.7	5.4	7.1	7.5	9.0
Fishing	3.5	3.8	3.8	3.0	2.6	3.0	4.2	4.9
Mining and quarrying	23.3	22.1	22.0	31.3	32.9	30.2	34.5	31.2
Oil extraction and refining	22.7	21.4	21.5	30.5	31.9	28.4	33.1	29.9
Diamonds, metallic minerals, and other non-metallic minerals	0.6	0.7	0.6	0.8	1.0	1.8	1.4	1.4
Manufacturing	5.8	6.9	6.8	6.2	6.2	7.2	6.6	7.5
Electricity and water	0.5	0.6	0.5	0.5	0.6	0.7	0.7	0.7
Construction	13.1	14.1	14.0	10.9	10.9	8.4	6.3	6.2
Services	48.0	46.2	46.5	42.3	41.4	43.5	40.3	40.4
Wholesale and retail trade	16.0	16.8	18.4	17.3	17.4	21.1	21.4	22.6
Transport and storage	2.8	2.6	2.4	2.0	1.9	1.2	1.3	1.6
Posts and telecommunications	2.7	2.1	1.8	1.4	1.2	1.0	0.7	0.6
Financial and insurance intermediation	2.0	2.1	2.0	2.4	2.2	2.4	1.8	1.9
Public administration, defence and mandatory social security	12.5	10.9	9.3	7.8	6.9	4.7	4.0	2.3
Real estate services and rental activities	4.2	5.0	4.6	4.2	4.2	4.3	3.5	3.7
Other services	9.4	8.6	9.5	9.0	9.1	10.3	8.7	8.9
Financial intermediation services indirectly measured (FISIM)	-1.6	-2.0	-1.5	-1.8	-1.5	-1.7	-1.2	-1.2
Central government finances (% of GDP)[c]								
Total revenue, of which:	24.1	17.5	17.5	22.9	21.6	22.3	24.7	25.6
Taxes	21.8	15.7	15.8	21.1	20.0	20.8	23.2	23.4
of which: oil-related	13.6	8.3	9.9	14.5	13.0	11.4	14.9	14.8
of which: non-oil tax	8.2	7.4	5.9	6.6	7.0	9.4	8.3	8.6
Total expenditure	27.1	21.7	23.8	20.6	20.7	24.2	20.7	24.5
Current expenditure	21.9	17.8	17.3	16.0	17.0	18.6	15.1	17.9
Capital spending	1.9	2.5	3.4	4.6	5.8	7.2	5.5	4.4
Overall fiscal balance	-3.0	-4.2	-6.3	2.3	0.9	-2.0	4.0	1.0
Overall primary balance	-1.1	-1.7	-3.0	6.8	6.6	5.2	9.5	5.4
Non-oil primary fiscal balance	-14.7	-10.0	-12.9	-7.2	-6.0	-5.9	-5.1	-9.1
Public sector debt (gross)	57.2	76.3	64.1	90.5	114.0	139.6	87.9	69.9
of which: Central Government debt	44.1	66.4	60.0	84.8	105.9	130.5	82.5	65.8
Domestic	22.0	30.6	28.3	33.4	35.4	36.6	24.2	19.2
External	22.1	35.8	31.7	51.4	70.5	93.8	58.3	46.6

	2015	2016	2017	2018	2019	2020	2021	2022
Money and interest rates								
CPI (percentage change, period average)	9.4	30.7	29.8	19.6	17.1	22.3	25.8	21.7
Broad money (percentage change)	11.8	13.4	0.6	20.4	29.9	24.5	-9.3	-2.8
BNA reference rate (% per annum)	11.0	16.0	18.0	16.5	15.5	15.5	20.0	19.5
External sector								
AOA/USD (period average)	120.1	163.7	165.9	252.9	364.8	578.3	631.4	460.6
Real effective exchange rate (percentage change; - depreciation)	-1.2	-3.2	23.9	-23.3	-17.0	-23.9	8.4	69.2
Nominal effective exchange rate (percentage change; - depreciation)	-7.8	-24.4	-2.5	-34.0	-27.8	-36.6	-12.3	48.8
Current account (% of GDP)	-8.8	-3.1	-0.5	7.3	6.2	1.6	11.9	10.4
Trade of goods and services (% of GDP)	62.3	53.4	52.3	66.4	69.1	65.9	74.5	69.4
International reserves (USD billion)	24.4	24.4	18.2	16.2	17.2	14.9	15.5	14.7
in months of imports of goods and services	7.7	11.4	7.7	7.5	9.3	11.8	9.9	6.1
Total gross external debt (USD billion)	51.6	60.4	59.8	60.3	62.3	65.1	64.7	58.8
Oil								
Crude oil and condensate production in thousands of barrels per day[d]	1,779.5	1,721.6	1,632.4	1,478.9	1,373.0	1,277.9	1,130.1	1,143.6
Natural gas liquids production in thousands of barrels per day[d]	16.1	23.2	39.0	40.3	47.4	47.2	47.2	46.7
Brent crude oil nominal prices (USD/bbl)	52.4	44.0	54.4	71.1	64.0	42.3	70.4	99.8

.. Not available.

a Data refer to annual averages.
b BNA data.
c Data provided by the authorities.
d Data are from the 2023 Energy Institute Statistical Review of World Energy. Crude oil production data refer to crude oil, shale/tight oil, oil sands, lease condensate or gas condensates that require further refining (excluding liquid fuels from other sources such as biomass and synthetic derivatives of coal and natural gas). Natural gas liquids production includes ethane, LPG, and naphtha separated from the production of natural gas (excluding condensates) (definition from p. 56 of the 2023 Energy Institute Statistical Review of World Energy).

Source: Banco Nacional de Angola, Statistics. Viewed at: https://www.bna.ao/#/en; Instituto Nacional de Estatística. Viewed at: https://www.ine.gov.ao/publicacoes/todas; World Bank, DataBank. Viewed at: https://databank.worldbank.org/home; IMF data. Viewed at: https://data.imf.org/; and Energy Institute Statistical Review of World Energy. Viewed at: https://www.energyinst.org/statistical-review.

1.2. State-owned enterprises (SOEs) dominate key economic sectors. The combined assets of the 71 SOEs for which financial data are available represented 52% of GDP in 2022. The state oil company Sonangol exerts significant influence in the economy, with revenues worth almost 12% of GDP, a workforce of slightly more than 8,000 workers, and subsidiaries active in non-core areas. Several published analyses have concluded that the existence of underperforming SOEs in infrastructure and other key sectors, such as electricity, have affected private-sector competitiveness and held back economic and trade diversification.[1]

1.3. A focus of economic policy during the period under review was to promote private-sector-led growth and economic diversification. To this end, Angola introduced a privatization programme, known as PROPRIV, and a roadmap for SOE reform, along with efforts to boost credit to the private sector, phase out fuel subsidies, streamline investment incentives, stimulate competition in the domestic market, and reinforce anti-corruption measures, including by strengthening the legislative and institutional framework for public procurement (Section 3.3.6).

1.4. Some aspects of Angola's trade policy, including tariff peaks, pervasive licensing requirements, and domestic purchasing requirements as a condition to import certain goods, may run counter to

[1] See, for example, World Bank Group (2019), *Angola: Financial Performance, Corporate Governance, and Reform of State-Owned Enterprises in Angola*, p. 37. Viewed at: https://state-owned-enterprises.worldbank.org/sites/soe/files/reports/WB_SOE%20Financial%20Performance_Corporate%20Governance%20and%20Reform_Angola_2019.pdf; and World Bank Group and International Finance Corporation (2019), *Country Private Sector Diagnostic: Creating Markets in Angola – Opportunities for Development through the Private Sector*, p. 14. Viewed at: https://www.ifc.org/en/insights-reports/2019/cpsd-angola#:~:text=This%20Country%20Private%20Sector%20Diagnostic,experience%20to%20accelerate%20transformational%20investment.

the goal of private-sector-led growth and diversification (Sections 3.1.4 and 3.1.6). These and other measures that aim to promote domestic production through import substitution may raise trade costs and limit competition in protected sectors, in turn weakening incentives for innovation, and harming export competitiveness and consumer welfare through higher prices. Moreover, the misalignment of certain aspects of trade policy with the overall thrust of Angola's ambitious economic reform agenda may reduce opportunities to increase productivity in areas of potential comparative advantage. One example is agriculture, which represents around 9% of GDP and employs roughly half the labour force, mainly as subsistence farmers. It has been noted that Angola's abundance of land and water, combined with diverse climatic and soil conditions, offers the possibility to scale up agricultural production for the domestic and foreign markets.[2]

1.5. Climate change poses a serious threat to the Angolan economy.[3] The southern part of the country has already been hit hard. Approximately 3.8 million people in the six southern provinces are reported to lack access to adequate food, and over 1.2 million people are facing water shortages following a decade of severe and protracted drought. Angola's projected temperature rise of 1.5°C -2.5°C by 2040-60 has serious implications for its ability to diversify trade and the economy. According to economic modelling conducted in the context of Angola's Country Climate and Development Report by the World Bank, such a rise in average temperatures could depress agricultural productivity by as much as 7% by 2050, while overall worker productivity could decrease by 4% (without adaptation measures and relative to a scenario with no climate damage). An additional hit to the economy may come from the likely reduction in demand for Angolan oil in the medium term as global efforts towards decarbonization intensify.

1.6. Angola ranks 148th out of 191 in the United Nations Human Development Index.[4] Based on the most recent information available, some 31% of the population lived below the international poverty line of USD 2.15 per day (in 2017 purchasing power parity (PPP) terms).[5] In rural areas, more than half the population lives below the international poverty line. Poverty is expected to have worsened in Angola due to the impact of the COVID-19 pandemic. Angola's income distribution is among the world's most unequal.[6] According to the World Bank, high poverty is linked to a lack of good-quality jobs, as only 20% of jobs are in the formal sector.[7] The unemployment rate, at around 30%, has remained unchanged for years.

1.2 Recent economic developments

1.2.1 Real sector

1.7. At the time of Angola's previous Review, the economy had recorded several years of very fast economic growth fuelled by high oil prices. The 2008 global financial crisis and the collapse in oil prices that came with it caused economic activity to slow down considerably, though growth remained positive and then accelerated, pushing per capita income to its 2013 peak of USD 5,100. During the period under review, the economy registered a protracted recession brought about by the collapse in the price of oil starting in mid-2014 and compounded by the COVID-19 pandemic. In 2021, the economy registered positive real GDP growth for the first time in six years, despite a challenging external environment. Since then, Angola's economic recovery has picked up pace, with real GDP growth of 3% in 2022.

1.8. Against the backdrop of a 60% decrease in the price of Angola's oil between 2014 and 2016, Angola fell into a deep and long recession between 2016 and 2020. Real GDP decreased by 1.2% per year on average during the four-year period prior to the COVID-19 pandemic (2015-19). The economic slowdown was the result of a sharp contraction in domestic demand, particularly public

[2] WTO document WT/TPR/S/321/Rev.1, 11 December 2015.

[3] The figures in this paragraph are from World Bank Group (2022), *Angola: Country Climate and Development Report*. Viewed at: https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099150112022221069/p1769170067a8a0f708b250fd1c4a5f562f.

[4] UNDP, *Human Development Insights*. Viewed at: https://hdr.undp.org/data-center/country-insights#/ranks.

[5] World Bank Group (2023), *Poverty & Equity Brief: Angola*. Viewed at: https://databankfiles.worldbank.org/public/ddpext_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_AGO.pdf.

[6] Angola's Gini index was 51.3 in 2018, the latest year provided by the World Bank.

[7] World Bank Group, *The World Bank in Angola*. Viewed at: https://www.worldbank.org/en/country/angola/overview.

consumption (around -2% per year on average) and investment (around -5% per year on average).[8] The decrease in oil exports had a ripple effect on the non-oil sector, especially construction and services, both of which contracted more rapidly than overall economic activity between 2015 and 2019 (Table 1.1). Angola's economic performance deteriorated further in 2020 due to the direct impact of the COVID-19 pandemic, a renewed collapse in oil prices, and agreed reductions in Angola's oil output following a decision by Organization of Petroleum Exporting Countries (OPEC) (which Angola joined in 2007).[9] Real GDP declined by 5.6% that year, the deepest yearly contraction in decades, while per capita GDP fell to USD 1,640.

1.9. Economic activity began to recover in 2021 and picked up pace in 2022, supported by higher oil prices and production, which, according to the IMF, benefited from the easing of pandemic-related bottlenecks and new investment.[10] Yet, the recovery has been broad-based, with the non-oil sector growing particularly rapidly (Table 1.1). According to the IMF, the recovery has also benefited from reforms enacted under an IMF Extended Fund Facility arrangement signed in December 2018 and focused on strengthening fiscal sustainability, reducing inflation, promoting a more flexible exchange rate regime, and improving financial sector stability.[11]

1.2.2 Fiscal policy

1.10. The Ministry of Finance (MINFIN) is responsible for formulating and implementing fiscal policy in Angola. In doing so, it must promote the "rational management" of public finances and "balanced" public accounts.[12] The Law on the Sustainability of Public Finances, enacted in 2020, set the goals of reducing both the public debt-to-GDP ratio to 60% or less over the medium term and the non-oil primary fiscal deficit to 5% of GDP or less by 2025.[13] In 2022, the public debt-to-GDP ratio stood at almost 70% of GDP and the non-oil primary fiscal deficit at 9.1% of GDP (Table 1.1).

1.11. Between 2015 and 2020, Angola's fiscal balance registered deficits in most years, against the context of a sharp reduction in fiscal revenue following the oil price shock that started in mid-2014, and then the economic consequences of the COVID-19 pandemic. Since 2021, high oil prices have bolstered fiscal revenues, resulting in fiscal surpluses in both 2021 and 2022. The non-oil primary fiscal balance has registered large deficits throughout the period under review (Table 1.1).

1.12. Angola adopted a fiscal package in March 2020 to mitigate the economic damage caused by the pandemic-induced recession and social distancing measures, especially on its large informal sector.[14] On the revenue side, the fiscal package comprised exemptions of value added tax (VAT) and customs duties on certain goods; VAT tax credit for imported capital goods and raw materials for producing certain goods deemed essential; and an interest-free, deferred payment option for social security contributions. On the spending side, Angola froze purchases of non-essential goods and services; reduced the number of ministries from 28 to 21 and stopped hiring civil servants; suspended certain capital expenditures; reduced real estate investments; and introduced price controls on certain medical goods. In addition, Angola introduced a temporary prohibition on exports of goods deemed essential.

1.13. Following several years of low oil prices, recurrent fiscal deficits, and a rising public debt-to-GDP ratio, Angola undertook significant fiscal adjustment measures during the second half of the period under review. For example, in October 2019 Angola introduced a VAT to broaden the

[8] These data are from the World Bank's World Development Indicators database (Viewed at: https://databank.worldbank.org/source/world-development-indicators), as no official national accounts data was available for the period 2020-22 at the time of writing this report.
[9] IMF (2020), *Third Review under the Extended Arrangement under the Extended Fund Facility, Requests for Augmentation and Rephasing of Access, Waivers of Non-observance of Performance Criterion and Applicability of Performance Criterion, Modifications of Performance Criteria, and Completion of Financing Assurances Review*, 20 July, p. 4.
[10] IMF (2023), *Staff Report for the 2022 Article IV Consultation*, IMF Country Report No. 23/100, p. 5. Viewed at: https://www.elibrary.imf.org/view/journals/002/2023/100/002.2023.issue-100-en.xml.
[11] IMF (2023), *Staff Report for the 2022 Article IV Consultation – Supplementary Information*, 16 February 2023, p. 4.
[12] Presidential Decree No. 264/20 of 14 October 2020.
[13] Law No. 37/20 of 30 October 2020.
[14] IMF (2020), "Angola: Confronting the COVID-19 Pandemic and the Oil Price Shock", 21 September. Viewed at: https://www.imf.org/en/News/Articles/2020/09/18/na-angola-confronting-the-covid-19-pandemic-and-the-oil-price-shock.

tax base and mobilize additional non-oil revenue (Section 3.1.5). This was followed one year later by the adoption of legal limits on public debt and fiscal deficits through the Law on the Sustainability of Public Finances. Angola has also taken steps to phase out fuel subsidies while accelerating the implementation of a cash transfer programme for vulnerable households.

1.14. Public debt peaked at almost 140% of GDP at end-2020, following five years of negative economic growth (Table 1.1). Over the next two years, the public debt-to-GDP ratio declined sharply to just under 70%, slightly above Angola's medium-term target. According to the IMF, Angola will need to make further progress on fiscal reforms to preserve its hard-won debt sustainability, including in the areas of tax policy and administration, cash transfers, SOE sector reform and privatization, public financial management, and public procurement (Sections 3.3.5 and 3.3.6).[15]

1.2.3 Monetary policy and the exchange rate

1.15. The National Bank of Angola (BNA), Angola's central bank, is responsible for setting and implementing monetary policy in Angola. It is also the lender of last resort and macroprudential supervisory authority. A constitutional amendment was adopted in 2021 to strengthen the BNA's independence.[16] Angola also enacted new legislation that seeks to modernize the monetary policy framework by clarifying the BNA's mandate and strengthening its autonomy and governance.[17] Under the new Law, the BNA's primary goal is to maintain price stability so that the value of the national currency (kwanza (AOA)) can be safeguarded. To this end, the BNA seeks to match the change in monetary aggregates to the level of economic activity. In practice, the BNA uses reserve money as its monetary target. According to the authorities, the BNA is taking steps to transition from monetary aggregate-targeting to inflation-targeting.

1.16. Angola introduced monetary measures to mitigate the impact of the COVID-19 pandemic while securing financial sector stability.[18] Such measures included liquidity support for banks and a liquidity line to buy government securities from non-financial corporations; a programme to stimulate credit allowing banks to deduct the amount of credit extended from their reserve requirement obligations; a temporary moratorium on debt service payments; and a requirement for banks to provide credit to importers of goods deemed essential.

1.17. During the period under review, inflation receded from an end-of-year high of 41.1% in 2016 to 13.9% in 2022, against the backdrop of overall tight monetary conditions in 2016-18 and 2021-22 (Table 1.1). The BNA eased its monetary policy stance with cuts in its policy rate in late 2022 and early 2023, though it is targeting single-digit inflation by the end of 2024.

1.18. The most significant change in Angola's macroeconomic policy framework during the period under review was the decision to abandon its exchange rate peg to the US dollar in 2018 and start a transition towards a flexible exchange rate regime with limited intervention to counter excess exchange rate volatility. With this decision, the authorities seek to reduce the risk of overvaluation of the kwanza and help allocate available foreign exchange more efficiently. The authorities consider that a more flexible exchange rate will have beneficial effects on the effectiveness of monetary policy instruments, reserve accumulation, external competitiveness, and economic diversification.

1.19. To foster transparency and efficiency in foreign exchange transactions, the BNA requires that oil, gas, and diamond companies use Bloomberg FXGO, an electronic trade platform, to transact foreign exchange with commercial banks for transactions above USD 500,000.[19] In October 2021, the BNA added airline companies established under Angola's Law on Commercial Companies and insurance companies supervised by the Angolan Insurance Regulation and Supervision Agency (Agência Angolana de Regulação e Supervisão de Seguros (ARSEG)) to the list of entities allowed to buy and sell foreign exchange on Bloomberg FXGO.[20] Since February 2022, importers classified as "large taxpayers" by the General Tax Administration (Administração Geral Tributária (AGT)) have

[15] IMF (2023), IMF Country Report No. 23/100, p. 19.
[16] Law No. 18/21 of 16 August 2021 (Constitutional Revision Law), Article 100.
[17] Law No. 24/21 of 18 October 2021, which repealed Law No. 16/10 of 15 July 2010.
[18] IMF (2020), "Angola: Confronting the COVID-19 Pandemic and the Oil Price Shock", 21 September. Viewed at: https://www.imf.org/en/News/Articles/2020/09/18/na-angola-confronting-the-covid-19-pandemic-and-the-oil-price-shock.
[19] BNA Instruction No. 02/2020 of 30 March 2020.
[20] BNA Instruction No. 23/2021 of 29 October 2021.

also been allowed to purchase foreign exchange through Bloomberg FXGO to pay their foreign suppliers.[21] Importers who also export from Angola cannot buy foreign exchange for import purposes unless they have exhausted the foreign exchange resulting from their export transactions.[22]

1.20. Following the BNA's decision to start the transition towards a flexible exchange rate, the kwanza depreciated strongly in nominal terms, a trend that continued throughout the COVID-19 pandemic. Following stabilization in 2021 and strong appreciation during the first half of 2022 in line with higher oil prices and dollar inflows, the official exchange rate was AOA 510 to the US dollar at the end of March 2023, slightly above its pre-pandemic level. The real effective exchange rate appreciated sharply in 2022, partly reflecting high inflation.

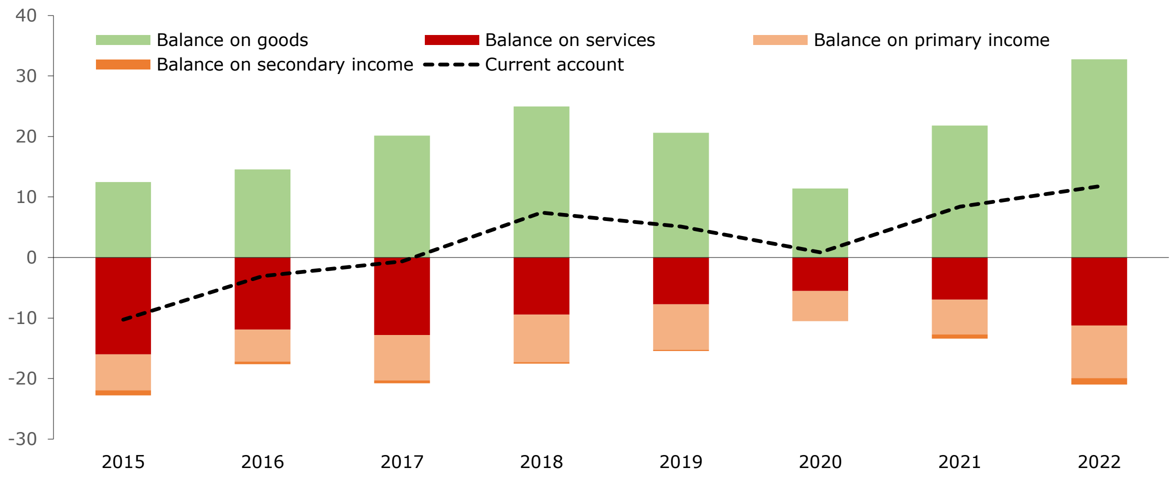
1.21. According to the IMF, Angola's *de jure* exchange rate arrangement is floating, while the *de facto* exchange rate arrangement has been reclassified from "other managed" to "floating" as of March 2020.[23] The IMF considers that Angola maintains restrictions on the making of payments and transfers for current international transactions under the transitional arrangements of Article XIV, Section 2 of the IMF Articles of Agreement. The restrictions in question are (i) limits on the availability of foreign exchange for invisible transactions (e.g. travel expenses); and (ii) limits on unrequited transfers to foreign-based individuals and institutions.

1.2.4 Balance of payments

1.22. The terms-of-trade shock that started in mid-2014 led to a large swing in the current account, from a large surplus in 2013 to a large deficit in 2015, reflecting lower exports offset only partially by lower imports. A second terms-of-trade shock in 2019-20 triggered by the COVID-19 pandemic caused a renewed deterioration of the current account, though this time it remained in surplus, as a more flexible exchange rate led to a sharper contraction of imports. With the recovery of oil prices, the current account balance has strengthened, to 11.7% of GDP in 2021 and 10.1% of GDP in 2022 (Chart 1.1).

Chart 1.1 Balance of payments – current account, 2015-22

(USD billion)



Source: BNA, *External Statistics, Annual Data*. Viewed at: https://www.bna.ao/#/en/estatisticas/estatisticas-externas/dados-anuais.

1.23. Except in 2015 and 2016, the financial account registered net outflows during the period under review, reflecting mainly repatriation of previous investments by oil companies. At end-2022, gross international reserves stood at USD 14.7 billion, equivalent to 6.17 months of imports.

[21] BNA Instruction No. 01/22 of 22 February 2022.
[22] BNA Notice No. 4/21 of 14 April 2021, Article 9.
[23] IMF (2023), *Staff Report for the 2022 Article IV Consultation – Informational Annex*, p. 3.

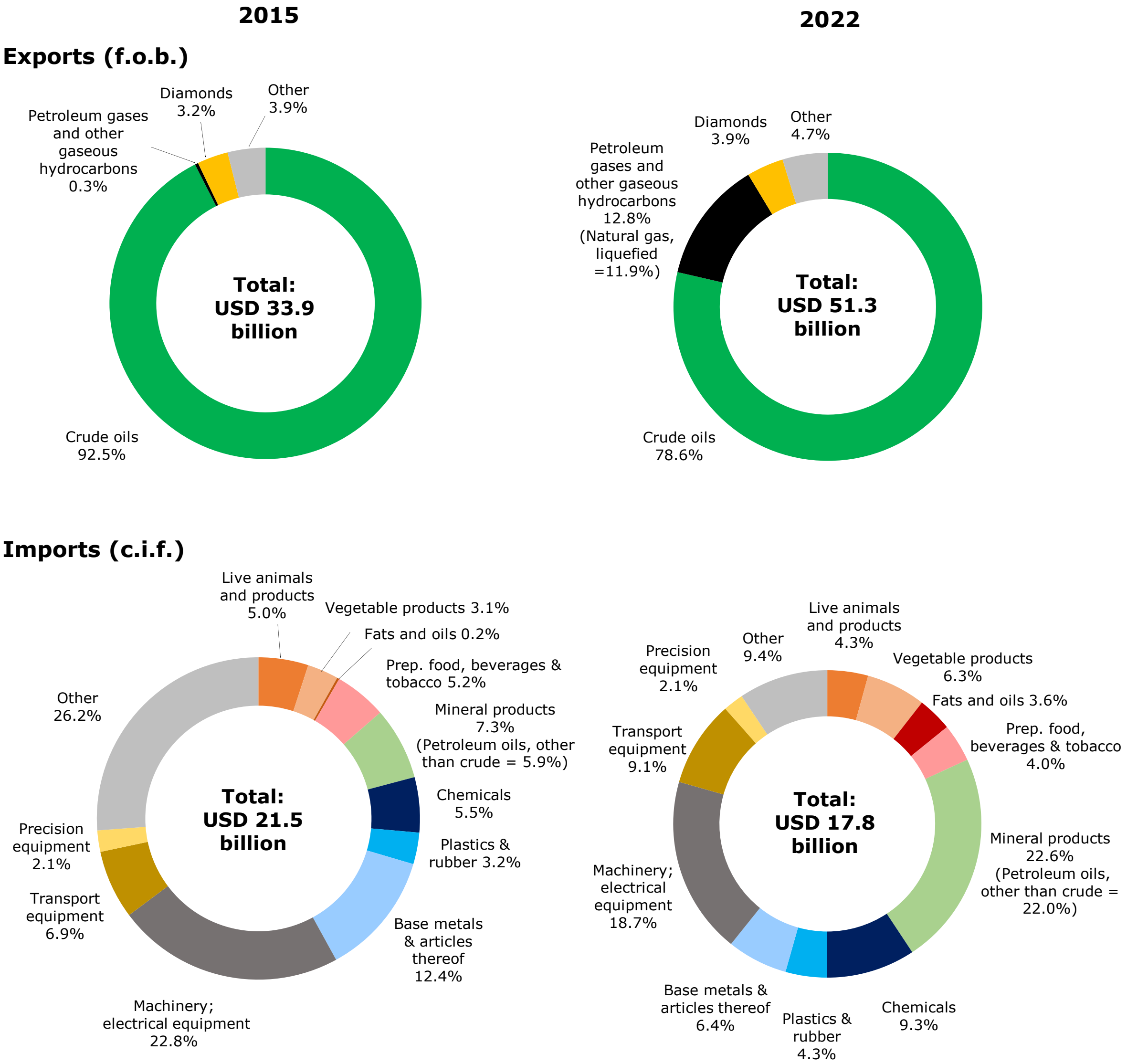
1.3 Developments in trade and investment

1.3.1 Trends and patterns in merchandise and services trade

1.24. Trade of goods and services represented almost 70% of GDP in 2022, reflecting the importance of international trade to the Angolan economy (Table 1.1). Yet, the backward or forward participation of Angolan firms in global value chains is extremely limited, as those firms export mostly crude oil for refining abroad and import mostly finished rather than intermediate goods and services.

1.25. Angola's exports totalled around USD 51.3 billion in 2022, up from almost USD 34 billion in 2015. While exports continue to be heavily dominated by crude oil, the share of crude oil in total merchandise exports declined during the period under review, from almost 93% in 2015 to slightly less than 80% in 2022 (Chart 1.2). At the same time, exports of liquified natural gas (LNG), which were non-existent in 2015, represented close to 13% of total merchandise exports in 2022. The sharp increase in the share of natural gas in Angola's exports reflects increased demand from the European Union and the United Kingdom for alternative sources of energy following the outbreak of war in Ukraine. After crude oil and LNG, diamonds are Angola's third most important export category, representing slightly less than 4% of total merchandise exports in 2022.

Chart 1.2 Product composition of merchandise trade by HS section/chapter/subheading, 2015 and 2022

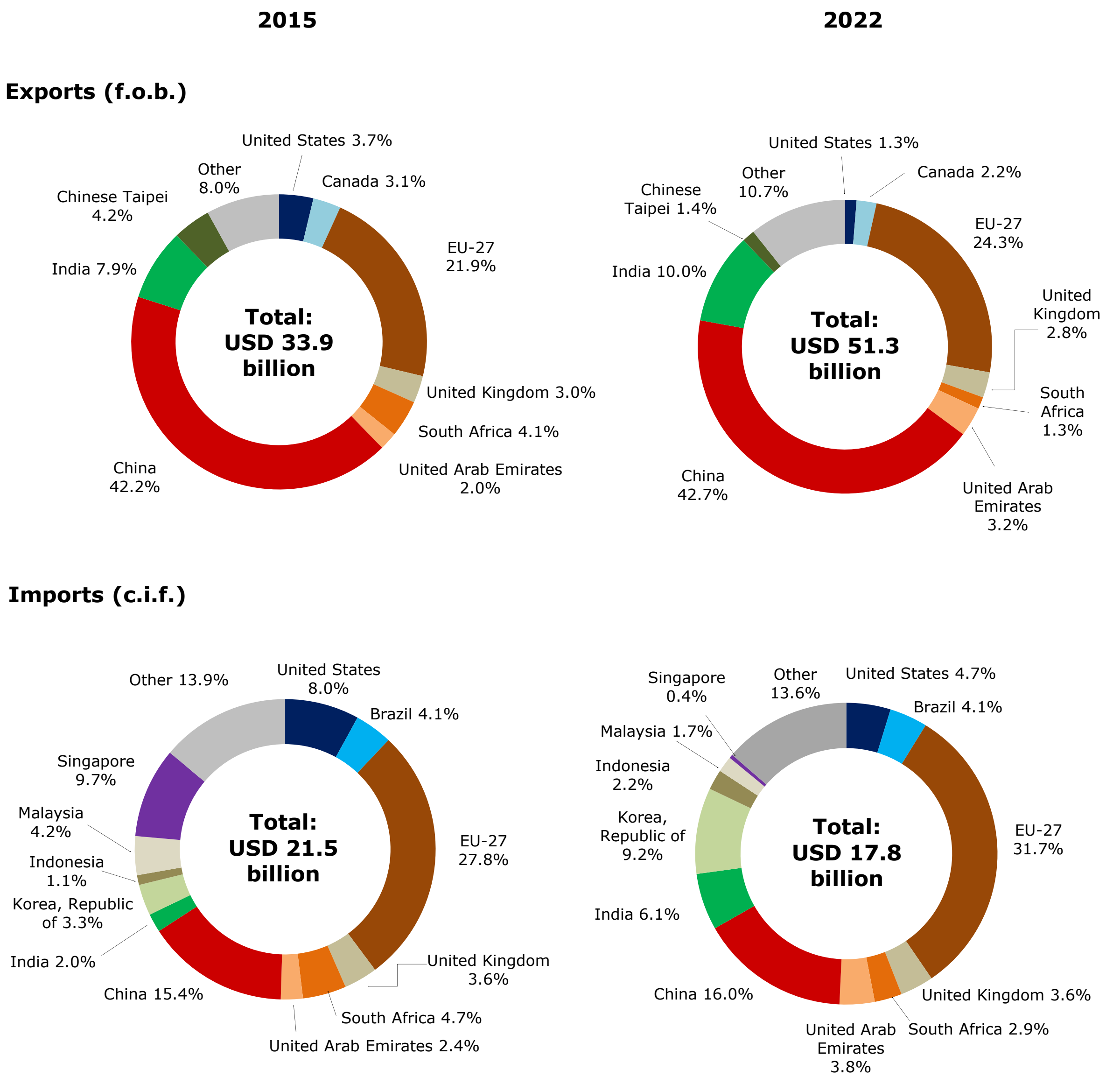


Source: WTO Secretariat calculations, based on UN Comtrade database.

1.26. Angola's imports totalled USD 17.8 billion in 2022, down from USD 21.5 billion in 2015. Although Angola is one of the largest oil producers in Africa, it relies on imports to meet its demand for fuels and other refined oil products. In 2022, 22% of Angola's total merchandise imports consisted of refined oil products, up from less than 6% in 2015 (Chart 1.2). This increase is the result of changes in prices rather than volumes. The share of most other product categories remained relatively stable during the period under review, except for iron and steel, whose share in total merchandise imports decreased to less than 5% in 2022, down from slightly more than 10% in 2015.

1.27. Regarding the geographical composition of trade, China continues to be the largest destination for Angola's merchandise exports, with a share of close to 43%, practically the same share as in 2015 (Chart 1.3). The second largest destination is the European Union, with around 24% of total merchandise exports, followed by India, with 10%. Apart from being the fourth-largest destination for Angola's exports of crude oil, India is also the second-largest destination for Angolan LNG, after the European Union. Chinese Taipei, South Africa, and the United States each have seen their shares decrease from an already low base. At the same time, the share of the United Arab Emirates, the main destination by far for Angola's diamonds, has increased to slightly more than 3% of total merchandise exports, up from 2%.

Chart 1.3 Direction of merchandise trade, 2015 and 2022



Source: WTO Secretariat calculations, based on UN Comtrade database.

1.28. On the import side, the European Union is the main source of Angola's imports, with close to 32%, followed by China with 16%, the Republic of Korea with slightly more than 9%, and India with around 6% (Chart 1.3). Except for China, these trading partners play an important role in supplying Angola with refined oil products. In 2022, for example, the European Union (mostly the Netherlands), the Republic of Korea, and India together represented 85% of Angola's total imports of refined oil products.

1.29. During the period under review, Angola's deficit in the services trade balance fluctuated between -14% and -9% of GDP. Angola's services exports decreased sharply between 2015 and 2022 (-32% per year on average). This decrease is largely the result of a collapse in travel services exports, which totalled USD 20 million in 2022, down from USD 1.2 billion in 2015 (Table 1.2). Most of the decline in travel services exports happened during the COVID-19 pandemic, though travel services exports had already started to decline several years before the pandemic.

Table 1.2 Trade in services, 2015-22

(USD million, %)

	2015	2016	2017	2018	2019	2020	2021	2022
Trade balance in services (USD million)	**-16,020.1**	**-11,905.6**	**-12,808.7**	**-9,458.4**	**-7,717.7**	**-5,535.5**	**-6,956.9**	**-11,214.7**
Total services exports (USD million)	**1,256.2**	**710.9**	**984.6**	**631.1**	**454.6**	**67.0**	**93.5**	**82.2**
	(% of total services exports)							
Transport	2.0	4.6	2.3	4.4	7.0	12.7	15.7	23.5
Travel	92.6	87.6	89.4	86.2	84.5	24.2	23.8	23.9
Other services	5.4	7.8	8.2	9.4	8.5	63.1	60.5	52.6
Total services imports (USD million)	**17,276.2**	**12,616.5**	**13,793.3**	**10,089.5**	**8,172.3**	**5,602.5**	**7,050.4**	**11,296.9**
	(% of total services imports)							
Manufacturing services on physical inputs owned by others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and repair services n.i.e.	0.1	0.7	0.6	0.9	1.3	0.4	1.0	0.8
Transport	23.5	24.6	22.5	32.9	38.2	36.5	36.3	32.1
Travel	0.8	4.7	7.1	5.5	5.7	11.0	8.9	14.7
Construction	18.0	16.5	15.2	18.7	16.1	9.1	12.6	25.3
Insurance	2.8	3.4	3.8	3.9	3.5	6.0	6.5	4.4
Financial services	0.5	1.7	1.7	3.8	2.6	3.0	2.0	1.6
Charges for the use of intellectual property n.i.e.	1.5	1.7	1.6	2.4	1.6	2.3	1.7	2.0
Telecommunications, computer, and information services	1.2	1.6	0.8	1.0	1.9	2.5	1.2	1.2
Other business services	46.0	40.1	38.6	26.6	25.5	25.2	24.3	14.5
of which: oil sector	41.6	36.5	32.3	20.1	21.8	22.3	20.7	12.9
Personal, cultural, and recreational services	1.4	1.1	1.5	1.0	1.6	1.0	1.5	1.0
Government goods and services n.i.e.	4.0	3.9	6.5	3.1	2.0	3.0	4.0	2.4

Source: BNA, *External Statistics, Annual Data*. Viewed at: https://www.bna.ao/#/en/estatisticas/estatisticas-externas/dados-anuais.

1.30. Services imports, which totalled USD 11.3 billion in 2022, have also decreased, though at a much slower pace. The structure of Angola's services imports changed markedly during the period under review, as the share of business services (mostly for the oil sector) in total services imports decreased from 46% in 2015 to slightly less than 15% in 2022 (Table 1.2). At the same time, the share of other categories in total services imports increased significantly. For example, in 2022, travel services represented almost 15% of Angola's total services imports, up from less than 1% in 2015. Other services categories that have registered important increases in their share of total services imports include transport, whose share increased from slightly less than 24% to 32%, and construction, whose share increased from 18% to slightly more than 25%.

1.3.2 Trends and patterns in FDI

1.31. Foreign direct investment (FDI) in Angola is concentrated in the oil sector. During the period under review, FDI inflows were negative every year except in 2015, reflecting repatriations of investments previously undertaken by foreign oil companies. The stock of FDI in Angola decreased by more than half during the period under review. It totalled USD 14.3 billion in 2022, down from USD 32.3 billion in 2015 (Table 1.3). By contrast, the outward stock of FDI increased by almost 45% during the period under review. It totals USD 5.3 billion in 2022, up from USD 3.6 billion in 2015.

Table 1.3 Foreign direct investment, 2015-22

(USD million)

	2015	2016	2017	2018	2019	2020	2021	2022
FDI inflows	10,028.2	-179.5	-7,397.3	-6,456.1	-4,098.5	-1,866.5	-4,355.1	-6,598.7
Oil sector	10,199.4	-121.6	-7,293.2	-7,103.9	-4,739.4	-1,979.8	-4,603.6	-6,796.3
Non-oil sector	-171.2	-57.9	-104.1	647.8	640.9	113.4	248.5	197.6
FDI inward stock	32,311.6	29,184.1	29,436.3	22,716.5	18,879.1	21,595.1	20,860.8	14,262.1
FDI outflows	-784.9	273	1,352.0	5.7	-2,349.4	90.5	-1,057.4	41.1
FDI outward stock	3,629.4	4,312.8	6,023.1	6,069.5	4,839.3	4,840.1	5,217.9	5,259.0

Source: BNA, *External Statistics, Annual Data*. Viewed at: https://www.bna.ao/#/en/estatisticas/estatisticas-externas/dados-anuais.

2 TRADE AND INVESTMENT REGIMES

2.1 General framework

2.1. During the period under review, Angola's 2010 Constitution was amended by the Constitutional Revision Law (LRC), which entered into force in August 2021.[1] The changes introduced to the Constitution covered over 40 provisions, many of which are related to economic governance issues, such as protection of private property by the State (Article 14); promotion of economic and business initiative freedom (also in Article 14); possibility of expropriation by the State of private properties, assets, and companies' ownership rights on the grounds of, *inter alia*, national security, food security, public health, economic and financial system, and the supply of public goods and services (Article 37)[2]; and independence of the central bank (National Bank of Angola, Banco Nacional de Angola (BNA)) (Article 100).

2.2. Other constitutional changes related to overall governance include responsibility of the National Assembly and the Court of Accounts to examine the General State Budget (Orçamento Geral do Estado) (Article 104); organization of elections by the independent Electoral Administration (Administração Eleitoral) (Article 107); possibility for the National Assembly to request the presence and hold hearings of Ministers and Provincial Governors upon prior request to the President of the Republic (Article 162, para. 1, item g); and the possibility of an *ex ante* constitutional examination by the Court of Accounts of bills in discussion at the Parliament (Article 181).

2.3. Under the Constitution, legislative power is exercised by an unicameral body, the National Assembly, which consists of 220 members elected by proportional representation for a five-year term (Articles 141-144). The last legislative elections were held in August 2022, and the next ones are scheduled for 2027.[3]

2.4. The LRC expressly defined that the Supreme Court is the highest ordinary court of the country (Article 180). The Constitutional Court is responsible for administering the judicial system in constitutional legal matters, by examining the constitutionality of norms and laws, as well as for serving as the appeal instance for constitutional interpretation of decisions awarded by all other courts (Article 181).

2.5. The President suggests 4 (out of 11) judges of the Constitutional Court, nominates the judges of the Supreme Court, the Court of Accounts, and appoints the Governor and Vice-Governors of the BNA.[4] Other responsibilities of the President include enacting the Constitution, the laws revising it, and all the other laws of the country.

2.6. The President has the possibility to request authorization to the National Assembly to legislate and issue legislative acts if authorized to do so by the National Assembly (Article 120), pursuant to the procedures found in Article 166, para. 2, item (e), and Article 170 of the Constitution.

2.7. Angola is administratively divided into 18 Provinces, each headed by a Governor and Vice-Governors appointed by the President to whom they must report. The Provincial Governors' main responsibilities are to ensure that local governments function properly and to implement the national laws.

2.8. For carrying out its functions, the Presidency of the Republic is directly assisted by six auxiliary bodies holding status of State Ministries, i.e. Economic Coordination, Civilian House, Social Matters, Military House, General Cabinet of the Presidency, and General Secretariat of the Presidency. The State Ministries oversee the work of the 23 Ministries as per their respective areas of competence.

[1] The Constitutional Revision Law (LRC) – First Revision/2021, Law No. 18/21 of 16 August 2021.

[2] According to the authorities, prompt and fair compensation is required in all cases of expropriation by the State, including the ones incorporated by the LRC. The conditions for compensation are a *sine qua non* basis for the expropriation to be valid.

[3] WTO document WT/TPR/S/321/Rev.1, 11 December 2015.

[4] The power to nominate and dismiss the Governor and Vice-Governor of the BNA was given by LRC, Article 119, item j.

2.2 Trade policy formulation and objectives

2.9. Trade-related matters and trade policy formulation fall within the purview of the Ministry of Industry and Trade (MINDCOM), which holds the primary responsibility on international trade via the State Secretary for Trade.

2.10. The authorities indicate that trade policy formulation in Angola relies on close cooperation between MINDCOM and other relevant ministries, including the Ministry of Foreign Relations; Ministry of Economy and Planning (MEP); Ministry of Finance (MINFIN); Ministry of Agriculture and Forestry (MINAGRIF); Ministry of Fisheries and Marine Resources (MINPERMAR); Ministry of Mineral Resources, Oil and Gas (MIREMPET); Ministry of Transport (MINTRANS); Ministry of Telecommunications, Information Technologies and Social Communication (MINTTICS); and the Ministry of Culture and Tourism (MINCULTUR).

2.11. Independent agencies and specialized bodies from Ministries also contribute to the elaboration and implementation of different trade-related policies, including the BNA, the General Tax Administration (Administração Geral Tributária (AGT)), the recently reformed Agency for Private Investment and Promotion of Exports of Angola (AIPEX), the Angolan Industrial Property Institute (IAPI), the National Institute of Quality Infrastructure (INIQ), the National Codex Committee, and others.

2.12. The Council of Ministers, a collegiate council responsible for assisting the President in the formulation of policies as well as with public administration issues, is in charge of validating new or revised trade policies via the Economic Commission. This Commission also proposes new laws and regulations, and monitors the implementation of policies on macro- and micro-economics matters.

2.13. In March 2023, Angola established the National Commission for Trade Negotiation (CNNC), which is responsible for representing Angola in bilateral, regional, and multilateral trade negotiations. The CNNC is led by the Minister of State for Economic Coordination and the Minister of Industry and Trade as the deputy head. The Secretary of State for Trade provides the technical support to the CNNC.[5] According to the authorities, industry associations and chambers of commerce participate in the CNNC through Business Technical Groups (Grupos Técnicos Empresariais (GTE)) pursuant to Article 6, paragraph 2, of Presidential Decree No. 71/23.

2.14. The CNNC is also mandated to lead the participation of Angola at the Southern African Development Community (SADC), the African Continental Free Trade Area (AfCFTA), and in preferential trade schemes.

2.15. Trade policy is formulated and implemented by means of legal instruments such as laws, Presidential Decrees, and treaties. Article 6 of the Constitution establishes the primacy of the Constitution over laws, treaties, and other acts of the State, local government, and public bodies, while Article 13 provides that international treaties and agreements, once approved or ratified, are an integral part of the Angolan legal system. The President has legislative initiative[6], as do members of Parliament and parliamentary groups.[7] Legislative bills are prepared by the relevant Ministries, and they must be approved by the Council of Ministers before they are submitted to the National Assembly. Laws are enacted by the President within 30 days of being passed by the National Assembly.[8] The President may also issue four types of legal instruments that are specific to the function based on specific scope found in Article 125, paragraphs 2, 3, 4, and 6 of the Constitution: Presidential legislative decrees, provisional Presidential legislative decrees, ordinary Presidential Decrees, and Presidential orders (despachos presidenciais).[9] Provisional Presidential legislative decrees are valid for 70 days unless the Parliament converts them into law.[10] Ministries can issue executive decrees.[11]

[5] Presidential Decree No. 71/23, 14 March 2023.
[6] Constitution, Article 120(h).
[7] Constitution, Article 167.1.
[8] Constitution, Article 124.
[9] Constitution, Article 125.
[10] Constitution, Article 126.
[11] Constitution, Article 137. For more information on the formulation process of trade policies, see WTO document WT/TPR/S/321/Rev.1, 11 December 2015.

2.16. During the review period, the overarching programme shaping Angola's trade policies was the Programme to Support Production, Export Diversification and Import Substitution (PRODESI). The Programme, which was created by Presidential Decree No. 169/18 of 20 July 2018, seeks to accelerate diversification of national production away from the oil sector, as well as to reduce expenditures of foreign exchange resulting from imports of products from the "basic food basket", diversify the sources of foreign exchange earnings, increase the competitiveness of national producers, and target value-added exports.

2.17. The Programme explicitly states its goal to serve as an import substitution mechanism. It lists the following sectors as targets for import substitution: food and agro-industry; mineral resources; oil and natural gas; forestry products; textiles, clothing, and footwear; construction and public works; information technology and telecommunications; health; education, training, and scientific research; tourism; and leisure.[12] An Interministerial Commission was set up to ensure the implementation of the Programme. Various types of incentives are foreseen in PRODESI (Section 3.3.1).[13] PRODESI also sets out the Programme for Credit Support (PAC), which is aimed at assisting projects that directly or indirectly impact the production of the specific products (Section 3.3.1).

2.18. Regarding PRODESI, the authorities note that the balanced application of higher import duties will allow domestic companies to become more resilient, invest in quality, gain experience, develop technology, and become more efficient before having to face foreign competition, thereby allowing Angola to preserve jobs and improve its economic and social stability.

2.19. The "Angola 2050" Long-term Development Strategy[14] envisages an economy "less dependent on imports and satisfying the growing consumption needs through internal production". International customs cooperation, including the sharing of customs data to prevent fraud and improve trade statistics, and a single window for customs are other key components of the Strategy. The Strategy also calls for the creation of a National Authority for Trade Remedies (Section 3.1.7) to monitor imports and undervalued customs declarations, and to protect national interests. To increase the competitiveness of domestic products, the document highlights a list of policies to be adopted, including credits, tariff protection, and non-tariff barriers.[15] The strategy also foresees the acceptance by Angola of trade agreements, including the SADC-EU Trade Agreement.

2.20. Another important instrument influencing Angola's trade policy is the five-year National Development Plan (NDP). As at June 2023, the 2023-27 NDP had not yet been adopted.[16] The previous version of the NDP, covering the period 2018-22, was revised in July 2020 to take into account the economic effects from the COVID-19 pandemic and loss of government revenue due to lower oil prices. The NDP seeks to identify actions needed to boost Angola's access to international markets. The Plan also explicitly underscores the goal of enhancing Angola's participation at the WTO and the country's commitment to abide by its WTO obligations.[17]

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[12] List in paragraph 23 of Presidential Decree No. 169/18.

[13] Government of Angola, PRODESI: Programa de Apoio à Produção. Viewed at: https://governo.gov.ao/programa/prodesi.

[14] Viewed at: https://www.mep.gov.ao/angola-2050. The Long-term Development Strategy in its turn needs to follow the National Planning System, which establishes the rules and procedures on the process of preparation, approval, eligibility and execution, monitoring, and evaluation of public investment projects. Law No. 1/11, 14 January; and Presidential Decree No. 31/10.

[15] According to the authorities, a balanced application of higher import duties, coupled by continuous efforts to improve competitiveness of the national industry through innovation, quality, and efficiency actions, is likely to encourage the protection of nascent industries.

[16] The Presidential Decree mandating it is No. 293/22.

[17] Presidential Decree No. 313/20. Angola's National Development Plan 2018-22. Viewed at: https://planipolis.iiep.unesco.org/sites/default/files/ressources/angola_pdn_2018-2022.pdf.

2.21. The NDP embraces broader development policy guidance from regional (SADC)[18], continent-wide (African Union (AU))[19], and multilateral (United Nations Sustainable Development Goals (UNSDGs)) institutions and organizations.[20]

2.22. Lastly, the NDP underlines the importance of a national quality system in line with good international practices (Section 3.3.2). The Plan also highlights the opportunities granted by preferential trade agreements (including the Unites States' African Growth and Opportunity Act (AGOA) and the European Union's "Everything but Arms") and the initiatives carried out under PRODESI.

2.3 Trade agreements and arrangements

2.3.1 World Trade Organization

2.23. Angola became an original Member of the WTO on 23 November 1996. Angola grants at least MFN treatment to all of its trading partners. As at June 2023, Angola was not a participant in the Information Technology Agreement (ITA), nor a party to any of the WTO plurilateral agreements, including the Agreement on Government Procurement (GPA) and the Agreement on Trade in Civil Aircraft. During the review period, Angola joined the WTO Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade. The authorities expect to ratify the WTO Agreement on Fisheries Subsidies by the first half of 2024.

2.24. Angola ratified the WTO Agreement on Trade Facilitation (TFA) on 9 April 2019 and notified the TFA's category commitments on 9 March 2018 (WTO document G/TFA/N/AGO/1). Subsequently, it notified the definitive implementation dates for category B and C provisions, submitted its technical assistance and support for capacity-building needs of category C provisions, and notified a shift in categories (WTO documents G/TFA/N/AGO/1/Add.1 and G/TFA/N/AGO/1/Add.1/Corr.1).

2.25. As a least developed country (LDC), Angola obtained the automatic extension of its obligation to notify eight measures, which are now due on 30 June 2026.[21]

2.26. As at June 2023, two notifications were outstanding concerning technical assistance needs under category C: (i) operation of the single window (Article 10.4.3 of the TFA); and (ii) the use of customs brokers (Article 10.6.2). Angola reported the creation of the National Committee for Trade Facilitation (CNFC) on 27 June 2018 under Presidential Decree No. 176/18. The CNFC is presided by MINDCOM, whereas the vice-presidency is held by the MEP and the secretariat undertaken by the General Tax Administration (AGT). The Committee also counts with the participation of several other government institutions and the private sector.

2.27. Angola's notification record to the WTO remains starkly low, also considering the number of WTO technical assistance activities that it has received. Only 12 notifications have been submitted since the last Review in 2015 (Table A2.1).[22] Angola has outstanding notifications in, *inter alia*, the areas of the Agreement on Agriculture (domestic support (DS:1) for 1998, 2000, 2002, 2004, 2006, 2008, 2010, 2012, 2014, 2016, 2018, 2020, and 2022); the TRIPS Agreement (new legislation, enforcement of IPRs, and the focal point); market access (Article 7.3 on import licensing procedures for 2022 and 2023; Articles 1.4(a), 8.2(b), and 5.1-5.4 on import licensing and on quantitative restrictions); the Agreement on Customs Valuation (Article 22.2, WTO document G/VAL/5, Sections A.3, A.4, B.2, and B.3); the SCM Agreement (Article XVI:1); the GATT 1994 (Article XVII:4(a) on state-owned enterprises (SOEs)); and the TBT Agreement (Article 15.2).

2.28. Angola has joined five different negotiating groups at the WTO: the African Group; the African, Caribbean and Pacific countries with preferences in the EU (known as the ACP Group); the G-90

[18] SADC Secretariat (2020), *SADC Regional Indicative Strategic Development Plan (RISDP) 2020–2030*. Viewed at: https://www.sadc.int/sites/default/files/2021-08/RISDP_2020-2030.pdf.

[19] African Union, *Agenda 2063: The Africa We Want*. Viewed at: https://au.int/en/agenda2063/overview.

[20] United Nations Sustainable Development Goals. Viewed at: https://www.un.org/sustainabledevelopment/.

[21] The corresponding articles for the measures postponed are 1.2, 2.2, 6.1, 6.2, 7.4, 10.3, 10.4, and 11.

[22] Also viewed at WTO, *Angola and the WTO*: https://www.wto.org/english/thewto_e/countries_e/angola_e.htm.

(comprising the African Group, ACP, and LDCs); the Least Developed Countries (LDCs) Group; and the W52 (consisting of the co-sponsors of WTO document TN/C/W/52, a proposal for "modalities" in negotiations on geographical indications (GIs) and the disclosure of the origin of genetic resources and traditional knowledge used in inventions).

2.29. Since the last Review in 2015, the WTO has organized five national workshops in Angola.[23] Angola has also participated in 11 regional activities and 39 global activities. During the period under review, Angola sent 19 participants to regional activities, 57 to global activities, and 641 participants attended the distance learning (e-learning) courses offered by the WTO.

2.30. The authorities have stressed a particular need for technical assistance in the areas of trade remedies (anti-dumping, countervailing, and safeguard measures), quality control systems (TBT and SPS measures), import licensing, trade in services, trade negotiations skills, and TRIPS.

2.3.2 Regional and preferential agreements

2.3.2.1 African Union

2.31. Angola is a founding member of the AU.[24] As at June 2023, Angola had ratified the following AU instruments related to trade: the African Economic Community (AEC); the AEC relating to the Pan-African Parliament; African Charter on Statistics; and, particularly, the AfCFTA.[25]

2.32. One of the main objectives set by the AU continues to be the coordination and harmonization of tariff and non-tariff measures throughout the continent. In this context, eight Regional Economic Communities (RECs) recognized by the AU play a role in facilitating regional economic integration. Angola is a member of two RECs: the Economic Community of Central African States (ECCAS), and the SADC, simultaneously holding the presidency of both organizations as of October 2023.

2.33. Notwithstanding Angola's membership in those preferential schemes, no preferential rates for imports from their members are currently being applied by Angola. According to the authorities, Angola ratified the Tripartite Free Trade Area Agreement between the East African Community (EAC), the Common Market for Eastern, and Southern Africa (COMESA), and the SADC in September 2023, but its implementation and operationalization were still pending.[26,27]

2.3.2.2 African Continental Free Trade Area (AfCFTA)

2.34. The AfCFTA was approved by the AU's Heads of State and Governments in January 2012 and entered into force on 30 May 2019. Trade transactions under the AfCFTA regime were supposed to start on 1 January 2021, but as at July 2022 no trade under AfCFTA preferences had taken place as negotiations on the rules of origin and for the schedules of concessions and commitments of some countries had not been finalized.[28] The following protocols comprise the Agreement Establishing AfCFTA: Trade in Goods; Trade in Services; Rules and Procedures on the Settlement of Disputes; Investment; Intellectual Property Rights; and Competition Policy. Protocols on Women and Youth in Trade and on Digital Trade are also being discussed.

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[23] A number of activities were affected due to the travel restriction during the COVID-19 pandemic. The topics covered in WTO National workshops during the period 2015-23 were trade in service, rules of origin, non-agriculture market access (NAMA), and sanitary and phytosanitary (SPS) measures.

[24] For more information, see WTO document WT/TPR/S/321/Rev.1, 11 December 2015.

[25] The full list of AU's instruments on trade and adoption status was viewed at: https://au.int/en/treaties/1161.

[26] COMESA, "Fresh Push to Attain Tripartite Ratification Threshold", 7 December 2022. Viewed at: https://www.comesa.int/fresh-push-to-attain-tripartite-ratification-threshold/.

[27] COMESA, *Why the COMESA-EAC-SADC Tripartite Free Trade Area is Ideal for Strengthening African Continental Integration*. Viewed at: https://www.comesa.int/wp-content/uploads/2020/09/Tripartite-FTA-is-ideal-for-strengthening-AfCFTA.pdf.

[28] As of June 2023, rules of origin disciplines for 4,746 tariff lines (out of 5,391) have been adopted, while 645 lines are still under negotiation, covering textiles, clothing, and motor vehicles. Further information at United Nations Economic Commission for Africa (UNECA) (2023), *AfCFTA – What You Need to Know: Frequently Asked Questions & Answers*. Viewed at: https://www.uneca.org/african-trade-policy-centre/flipbook.

2.35. Angola ratified the AfCFTA on 6 October 2020 and its offer included the schedule of trade concessions, rules of origin, rules for special economic zones, and dispute resolution, which, as at October 2023, was still pending verification by the AfCFTA Secretariat before formal approval.

2.36. Some instruments to implement the AfCFTA Agreement have already been adopted: E-Tariff Book, Rules of Origin Manual, Origin Declaration Form, Certificate of Origin, and Supplier's Declaration. AfCFTA also launched a mechanism for reporting, monitoring, and eliminating non-tariff barriers (NTBs).[29]

2.37. As at June 2023, the notification of AfCFTA to the WTO under Article XXIV of the GATT 1994 was still pending, and Angola had not yet implemented intra-regional tariff preferences under the AfCFTA.

2.3.2.3 Southern African Development Community (SADC)

2.38. The SADC Protocol on Trade was signed in 1996 and amended in 2010. The Protocol aims to liberalize intra-regional trade in goods and to establish a free trade area in the region. Angola signed it in March 2003, but dedicated negotiations on Angola's provisional schedule of tariffs only started in January 2023 and had not been concluded as at June 2023.

2.39. A specific Protocol on Trade in Services from SADC entered into force in January 2022 with the objective of accelerating trade and creating a single market for services in the SADC region. The Protocol envisages the gradual removal of unnecessary or overburdensome regulation affecting the cross-border supply of services. According to the authorities, Angola has already signed it, and the process for ratification was under way in October 2023. Angola has ratified the SADC Protocol on Finance and Investment, although no specific actions or initiatives have been taken to implement it.[30]

2.40. SADC members together with Mozambique signed an Economic Partnership Agreement (EPA) with the European Union in June 2016. Angola has not adhered to it, but it has been granted differentiated negotiating conditions on the terms of accession in case it requests to join it in the future.[31]

2.3.2.4 Economic Community of Central African States (ECCAS)

2.41. Angola is a member of ECCAS together with Burundi, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, and Sao Tomé and Principe.[32] An Angolan national was elected president for a five-year mandate starting in 2020. ECCAS' stated objective is to create a common market, but a free trade area and customs union have never been established and no tariff preferences exist among its members.

2.42. A number of protocols have been agreed, including on rules of origin, NTBs, re-export of goods, transit and transit facilities, customs cooperation, fund for compensation for loss of revenue, freedom of movement and rights of establishment, and simplification and harmonization of trade documents and procedures.

2.3.3 Bilateral agreements and arrangements

2.43. According to the authorities, since the last Review in 2015, Angola has entered into 16 new bilateral cooperation agreements. Notwithstanding, no preferential trade agreement had been negotiated.

[29] Viewed at: https://www.tradebarriers.africa/.
[30] For more information, see WTO document WT/TPR/S/321/Rev.1, 11 December 2015; SADC, *Finance*. Viewed at: https://www.sadc.int/pillars/finance; and SADC, *Investment*. Viewed at: https://www.sadc.int/pillars/investment.
[31] SADC-EU EPA, Article 119.
[32] For more information, see WTO document WT/TPR/S/321/Rev.1, 11 December 2015.

2.44. In 2023, Angola and Portugal signed 13 sectoral cooperation agreements in the areas of space industry, sea and maritime, ports, food security, tourism, public administration, digital transition, blue economy, and financing contracts.

2.3.4 Other agreements and arrangements

2.3.4.1 Relations with the European Union

2.45. The general framework for cooperation between Angola and the European Union, entitled "EU-Angola Joint Way Forward" (Caminho Conjunto Angola-União Europeia), remains operational and held its 5th Ministerial meeting in September 2020.[33] Trade cooperation is an integral part of this initiative, covering areas such as the accession process of Angola to the SADC-EU EPA, the organization of business events, and preliminary discussions on an investment agreement between both parties. In this context, the European Union and Angola concluded a Sustainable Investment Facilitation Agreement (SIFA) in November 2022, but the Agreement was pending signature and ratification before entering into force. The cooperation provided by the European Union also covers activities to tackle the informal economy in Angola through the Programme for Reconversion of the Informal Economy.

2.46. In terms of trade relations, the European Union is the top origin of imported products into Angola (40.3% in 2019) and the second-largest destination for Angola's exports (12.2% in 2019). Angola still benefits from the "Everything but Arms" initiative where duty-free quota-free access is granted to LDCs' exports.

2.47. In the context of Angola's accession to the SADC-EU EPA[34], the European Union commissioned a Sustainability Impact Assessment (SIA), which assessed the results of a bilateral agreement for Angola (Section 2.3.2.3).[35]

2.48. EU imports from Angola comprise mostly crude petroleum oils and gas, which receive MFN duty-free treatment (Table 2.1 and Chart 2.1). On average, less than 1% of all Angolan imports into the European Union benefited from EU preferences during the period 2015-22. Angola's utilization rate of EU preferences fluctuated between 44% and 93% over the same period.

Table 2.1 EU imports from Angola by tariff regime, 2015-22

(USD million)

	2015	2016	2017	2018	2019	2020	2021	2022
Total	**7,157.4**	**4,166.9**	**2,277.7**	**3,633.4**	**3,540.5**	**1,922.3**	**1,668.4**	**13,487.5**
MFN duty-free	**7,113.4**	**4,086.5**	**2,217.6**	**3,582.3**	**3,498.5**	**1,892.5**	**1,597.4**	**13,404.5**
2709 Petroleum oils and oils obtained from bituminous minerals, crude	6,522.8	3,565.7	1,826.0	3,097.9	3,028.6	1,515.0	655.2	7,831.8
2710 Petroleum oils and oils obtained from bituminous minerals (excl. crude)	35.4	49.1	8.5	-	-	5.1	0.0	0.0
2711 Petroleum gas and other gaseous hydrocarbons	0.0	24.8	91.7	86.6	135.1	65.1	402.7	4,843.3
Preference eligible, but entering MFN dutiable	**21.8**	**38.6**	**27.4**	**15.1**	**9.5**	**4.7**	**4.8**	**36.0**
Preferences used	**18.1**	**30.8**	**28.1**	**32.5**	**31.0**	**24.2**	**65.0**	**47.0**
Other imports[a]	***4.0***	***10.9***	***4.6***	***3.4***	***1.5***	***1.0***	***1.2***	***0.1***
Memo:								
MFN duty-free (% of total imports)	99.4%	98.1%	97.4%	98.6%	98.8%	98.4%	95.7%	99.4%

[33] Further information available at Cooperação e Parcerias Angola: https://cooperacaoangola.org/uniao-europeia/.

[34] For more information on the SADC-EU EPA, see European Commission, *EPA SADC - Southern African Development Community*. Viewed at: https://trade.ec.europa.eu/access-to-markets/en/content/epa-sadc-southern-african-development-community.

[35] European Commission (2021), *Sustainability Impact Assessment (SIA) in Support of Trade Negotiations with Angola for EU-SADC EPA Accession* (SIA final report). Viewed at: http://angola.fta-evaluation.eu/en/resources-2.

	2015	2016	2017	2018	2019	2020	2021	2022
Preferences used (% of total imports)	0.3%	0.7%	1.2%	0.9%	0.9%	1.3%	3.9%	0.3%
Preference utilization (%)[b]	45.3%	44.4%	50.7%	68.3%	76.6%	83.7%	93.2%	56.6%

a Including some items denoted as "unknown", implying that some adjustments are required due to inconsistencies in the data (e.g. preference eligibility and reported preference).

b The preference utilization rate is calculated by dividing "preference used" by the sum of "preference used" and "preference eligible but entering MFN dutiable".

Note: "-" no import, "0" imports rounded to zero. Total imports under "normal trade" only, meaning they include only goods imported and released into free circulation in the EU customs territory.

Source: WTO Secretariat calculations, based on Eurostat. Viewed at: https://ec.europa.eu/eurostat/comext/newxtweb/; and WTO IDB.

2.3.4.2 Relations with the United States

2.49. The Trade and Investment Framework Agreement (TIFA) between the United States and Angola was signed in 2009 and entered into force in October of the same year via Resolution No. 93/09. In addition, Angola continues to benefit from the United States' AGOA, especially for the exports of oil, diamonds, and wood (Table 2.2).

2.50. The share of Angolan imports into the United States that benefit from AGOA and other US preferences has declined steadily in recent years, from close to 86% of Angolan imports into the United States in 2017 to less than 24% in 2022. At the same time, the share of Angolan imports that paid duties upon entering the United States, even though they were eligible for preferences, has increased (Table 2.2 and Chart 2.1).[36]

Table 2.2 US imports from Angola by tariff regime, 2015-22

(USD million)

	2015	2016	2017	2018	2019	2020	2021	2022
Total imports[a]	**3,009.9**	**2,907.4**	**2,645.4**	**2,776.0**	**1,027.4**	**479.2**	**1,024.5**	**1,529.7**
MFN duty-free	**165.5**	**440.7**	**171.4**	**328.1**	**62.4**	**10.0**	**127.2**	**116.9**
HS 2711 Petroleum gas and other gaseous hydrocarbons	*41.2*	*76.3*	*14.0*	*44.8*	*0.3*	-	*37.9*	*40.1*
MFN dutiable (no preferential rate)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Preference eligible, but entering MFN dutiable	**1,013.8**	**467.6**	**203.4**	**381.2**	**360.0**	**335.0**	**597.4**	**1,051.4**
HS 270900 Petroleum oils and oils obtained from bituminous minerals, crude	714.8	300.7	100.4	351.7	323.0	271.1	543.8	857.0
HS 2710 Petroleum oils and oils obtained from bituminous minerals, other than crude								
HS 271019 Other than light oils and preparations	292.4	163.8	100.1	0.2	7.3	9.5	53.5	114.4
HS 271012 light oils and preparations	3.1	3.0	2.8	29.2	29.5	54.4	0.0	79.9
Preference used:	**1,830.6**	**1,999.2**	**2,270.6**	**2,066.7**	**605.0**	**134.2**	**300.0**	**361.4**
AGOA	1,830.1	1,998.3	2,270.6	1,950.0	543.2	134.2	300.0	341.5
HS 270900 Petroleum oils and oils obtained from bituminous minerals, crude	*1,819.3*	*1,997.6*	*2,249.9*	*1,916.0*	*515.7*	*134.1*	*300.0*	*331.9*
GSP	0.5	0.9	0.1	116.7	61.8	0.0	0.0	19.8
Memo:								
MFN duty-free (% of total imports)	5.5%	15.2%	6.5%	11.8%	6.1%	2.1%	12.4%	7.6%

[36] The United States' specific duties to crude petroleum (HS 2709) from Angola varied from e.g. USD 0.0525/bbl – > AVE 0.1% to USD 0.105/bbl – > AVE 0.2% in 2021.

	2015	2016	2017	2018	2019	2020	2021	2022
Preference used (% of total imports)	60.8%	68.8%	85.8%	74.5%	58.9%	28.0%	29.3%	23.6%
Preference utilization (%)[b]	64.4%	81.0%	91.8%	84.4%	62.7%	28.6%	33.4%	25.6%

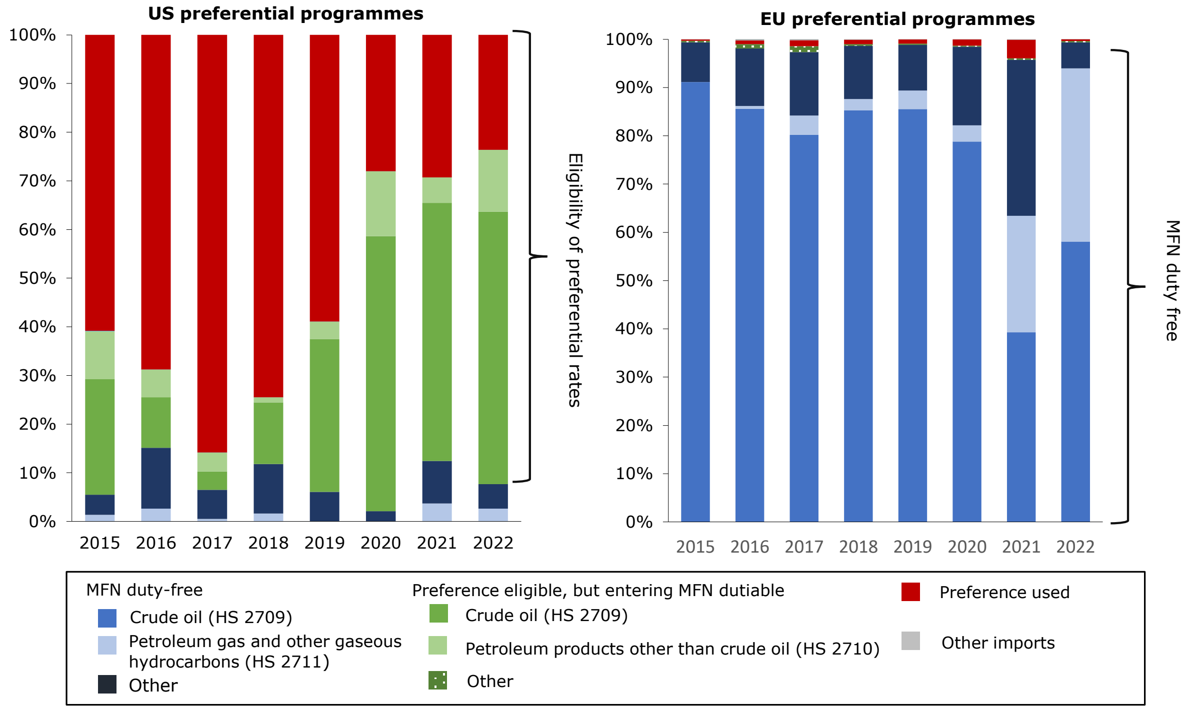
- No import.

a HS Chapters 01-97 are taken into account in calculations.
b The preference utilization rate is calculated by dividing "preference used" by the sum of "preference used" and "preference eligible but entering MFN dutiable".

Source: USITC DataWeb. Viewed at: https://dataweb.usitc.gov/; and WTO IDB.

Chart 2.1 US and EU imports by tariff regime, 2015-22

(% of total imports)



Source: WTO Secretariat calculations, based on USITC DataWeb. Viewed at: https://www.usitc.gov/; Eurostat. Viewed at: https://ec.europa.eu/eurostat/comext/newxtweb/; and WTO IDB.

2.3.4.3 Generalized System of Preferences (GSP) and Global System of Trade Preferences (GSTP)

2.51. Exports of Angola are eligible to benefit from the GSP schemes from Armenia, Australia, Canada, the European Union, Iceland, Japan, Kazakhstan, Kyrgyz Republic, New Zealand, Norway, the Russian Federation, Switzerland, Türkiye, the United Kingdom, and the United States, as well as from specific schemes for LDCs provided by India, Chile, China, the Republic of Korea, Montenegro, Morocco, Chinese Taipei, Tajikistan, and Thailand.[37]

2.52. Under the Global System of Trade Preferences among Developing Countries (GSTP), Angola has carried out negotiations with Mozambique and Cuba, but no preferences have yet been exchanged.

2.53. Virtually all of China's imports from Angola comprise petroleum and receive MFN duty-free treatment (Table 2.3). A very small share of China's imports from Angola benefited from preferences. In the case of India, imports from Angola are not receiving any preferential treatment, despite India's Duty-Free Tariff Preference (DFTP) Scheme for LDCs.

[37] WTO Database on Preferential Trade Arrangements. Viewed at: http://ptadb.wto.org/.

Table 2.3 China imports from Angola by tariff regime, 2015-22

(USD million)

	2015	2016	2017	2018	2019	2020	2021	2022
Total imports[a]	16,001.6	13,966.1	20,698.7	25,826.5	28,723.3	18,484.9	..	..
Imports entering MFN duty-free, of which:	15,930.9	13,887.2	20,235.5	25,373.3	28,079.1	17,988.9	..	..
Petroleum	15,918.0	13,866.4	20,122.7	25,037.4	27,968.5	17,820.2	..	..
Imports eligible for PTA benefits	51.5	78.9	463.2	453.2	644.1	496.0	..	..
Imports entering under PTA benefits	-	-	1.3	1.6	36.1	18.1	..	..
Imports entering MFN dutiable	51.5	78.9	461.9	451.6	608.0	478.0	..	..
Memo:								
MFN duty-free (% of total imports)	99.6%	99.4%	97.8%	98.2%	97.8%	97.3%	..	..
Preference used (% of total imports)	-	-	0.01%	0.01%	0.1%	0.1%	..	..
Preference utilization (%)[b]	-	-	0.3%	0.4%	5.6%	3.6%	..	..

- No import.
.. Not available.

a HS Chapters 01-97 are taken into account in calculations.
b The preference utilization rate is calculated by dividing "preference used" by the sum of "preference used" and "preference eligible but entering MFN dutiable".

Source: WTO Database on Preferential Trade Arrangements (PTA), *Duty-free Treatment for LDCs – China*. Viewed at: http://ptadb.wto.org/ptaHistoryExplorer.aspx.

2.4 Investment regime

2.54. According to UNCTAD, Angola has registered negative foreign direct investment (FDI) inflows for the last seven consecutive years (from 2016 to 2022), mainly due to repatriation of profits and the repayment of loans by foreign oil and gas companies.[38] The authorities note that the deficit of FDI inflows only concerned oil and gas investments.

2.55. During the period under review, large foreign investment deals took place, including investments by: (i) the Indonesian state-owned PT Pertamina (Persero) in an offshore oil block in the value of USD 100 million; (ii) the Russian Federation state-owned Uralchem (for an urea plant with a reported value of USD 1 billion); (iii) Italy's Eni on natural gas in the value of USD 1.4 billion; and (iv) the United Kingdom's Gemcorp for a petroleum refinery in the value of USD 920 million.

2.56. An investment project in the energy sector was the Caculo Cabaça hydroelectric power with an estimated cost of USD 4.5 billion, involving the Government of Angola (responsible for 10% of the investments and the technical responsibility under the auspices of the Ministry of Energy and Water) and Chinese counterparts, including China Gezhouba Group as the contractor. This project aims to generate an additional 2,171 MW capacity of electricity and is expected to be completed by March 2024.

2.57. The Government created a Single Window for Investment (Janela Única de Investimento (JUI)) (Section 2.4.1) where investors can obtain the necessary authorizations and licences in a simplified manner.

2.58. Angola also adopted a law for the creation of free trade zones with specific incentives and benefits (Law No. 35/20), regulated by the Presidential Decree No. 4/21. These zones focus on developing the agricultural and industrial sectors, as well as labour-intensive and high-tech industries (Section 3.3.1).

2.59. A Privatization Law (Law No. 10/19) was adopted in May 2019, and a privatization programme (PROPRIV) was approved through Presidential Decree No. 250/19 (Section 3.3.5). The Programme envisages the sale of around 195 companies and assets, of which 50 are being directly managed by the state-owned Sonangol Group. As part of the privatization programme, Angola authorized the

[38] UNCTAD (2023), *World Investment Report 2023*. Viewed at: https://unctad.org/publication/world-investment-report-2023.

privatization of 51% of the capital held by MSTelcom in NetOne Telecomunicações S.A., which was opened for both national and foreign investors.

2.4.1 General investment regime

2.60. A key development during the review period was the adoption of a Law on the Limitation of the Economic Activity (Law No. 25/21), which aimed at expanding the freedom to conduct a business by individual persons on the one hand, while ensuring the regulatory role of the State to guarantee a conducive economic environment in the country on the other. This law sets out three types of regimes for economic activities in Angola: (i) general freedom for private economic activities; (ii) "absolute reservation" for the State of the activities carried out by the central bank, i.e. the BNA; and (iii) "relative reservation" where the activities are subject to concessions by the government.

2.61. The "relative reservation" category covers the following sectors: defence materials; water, sanitation, and electricity services for public consumption; postal services; exploration of environment-protected areas; administration of cultural and historical sites; touristic sites; processing of solid residues; administration of ports and airports; railway transport services and domestic airways; the backbone telecommunications network; and services. Furthermore, the law reaffirms that the exploration of natural resources can only be granted on a temporary basis.

2.62. Foreign participation in activities listed under the relative reservation category are subject to concessions by the Government. Moreover, foreign investment is subject to statutory limits in certain fishing and mining activities (Sections 4.1.4 and 4.2.2). Foreign participation in the oil sector is limited insofar as the state oil company, Sonangol, exercises its preferential right to acquire at least 20% in new oil concessions (Section 4.2.1). Foreigners cannot own any type of land but can lease urban land and real estate from private investors of the State, and rural land can be accessed through concession.

2.63. During the period under review, Angola also revised its Private Investment Law (PIL) in 2015 (Law No. 14/15) and, subsequently, in 2018 (Law No. 10/18). The new legislation (known as PIL 2018) was then amended by Law No. 10/21, which introduced a clear distinction in the definitions of domestic and foreign investments and assured the right for repatriation for foreign investors (Article 19). The new law is aimed at improving the conditions for attracting more investments to Angola and included a contractual regime to enable the possibility of negotiating benefits and facilities between the Government and interested investors. The PIL 2018 does not apply to investments undertaken by public companies nor to investments in regulated sectors that are subject to specific regulations (Article 2). The law applies to foreign and Angolan investments regardless of the amount. Nonetheless, the new law sets a cap of 30% for investments by foreign investors in existing companies and subject the recovery of these investments to a period of at least three years (Article 11). According to the authorities, this 30% cap only concerns indirect investments, and aimed to avoid money laundering and fiscal evasion. A department within AIPEX is responsible for monitoring the implementation of the entire investment project with the assistance of the BNA on the transfer of resources.

2.64. The PIL 2018 distinguishes between direct and indirect investments. Indirect investments, which include, *inter alia*, loans, shares, patents, and industrial secrets, cannot correspond to more than 50% of the total value of the investment project (Article 12).

2.65. Pursuant to the new legislation, all private investments must be registered before AIPEX in order to receive the benefits specified in legislation (Article 2, para. 4). AIPEX is also in charge of seeking potential investors as part of the privatization programme (PROPRIV) to sell SOEs as well as assets held by the Government.

2.66. The PIL 2018 describes the tax and financial benefits available to private investments, as well as investment facilitation measures (Section 3.3.1).

2.67. In 2018, AIPEX launched the Private Investment Attraction Project (PROCIP) to attract private investments in areas such as agro-industry, crop and animal farming, sea products, metals and minerals, precious stones, wood and derivatives, tourism, textiles and footwear. The initiative comprised 41 investment projects for public-private partnership including with the participation of foreign investors.

2.68. The investment process is done via a Single Window for Investment (JUI).[39] The proposal must be accompanied by, *inter alia*, the implementation plan and the option for the investment regime. According to AIPEX, between August 2018 to February 2023, 581 private investment projects had been registered in Angola, out of which 279 were from foreigners, 227 from Angolans residents, and 75 were mixed projects between foreigners and Angolans. In value terms, the origin of the largest foreign investors collectively in Angola are (ordered by amount value): the United States, South Africa, Poland, China, Türkiye, the United Arab Emirates, Germany, the United Kingdom, France, and Portugal. The projects totalled USD 11.7 billion.[40] The value of tax forgone from investment benefits could not be obtained.

2.69. Advance authorization for changes in corporate ownership is not required, unless it involves foreign capital financing. Prior authorization is also required in case of change or expansion in the scope of the investment project (Article 44).

2.70. Private investors must, in general, employ Angolan nationals, though skilled foreigners can be hired as long as vocational training and a gradual substitution plan to hire Angolans is presented as part of the investment proposal (Article 45).

2.71. Expropriations must be carried out according to the Constitution and other relevant laws, particularly the new Law of Expropriations by Public Utility (Law No. 1/21), which came into force in 2021. Pursuant to this law, real property and any associated rights can be expropriated for specific public purposes listed therein in exchange of a fair and prompt compensation. Dispute resolution between investors and the State via alternative methods of resolution is possible if not restricted by any specific legislation (Article 15, para. 2). No limitation or restrictions exist for repatriation, including on profits, liquidation, compensation, and royalties after payment of taxes due and maintenance of a minimum compulsory level of the company reserves (Article 18, item d) and Article 19.[41]

2.72. In October 2021, the National Assembly approved Law No. 26/21, which amended the Law on Commercial Activities No. 1/07 of May 2007. This amendment transferred to the President of Angola the role of licensing and authorizing commercial activities and the provision of services in the country. These functions of licensing and authorization were previously carried out by MINDCOM, provincial governments, and municipal administrations. According to the authorities, this centralization aims to harmonize requirements and facilitate authorization. It is regulated by Presidential Decree No. 172/23 on the Regulation on the Conditions and Procedures for Licensing the Commercial Activity.

2.73. Another legislative novelty was the adoption of Law No. 27/21 on Independent Administrative Entities, which enabled the creation and framework of sectoral regulatory agencies and committees to operate independently of the Executive and in a business-enabling environment.

2.74. Angola has signed 19 bilateral investment treaties (BITs) of which 7 are in force (Brazil, Cabo Verde, Germany, Italy, Portugal, the Russian Federation, and the United Arab Emirates).[42] Angola has a TIFA and a Foreign Account Tax Compliance Act (FATCA)[43] with the United States, and has finalized the negotiation of a SIFA with the European Union. The negotiated agreement aims to simplify investment authorization procedures, fostering e-government, and establishing focal points and stakeholder consultations. It also focuses on implementing international labour and environmental agreements and strengthening bilateral cooperation on investment-related aspects

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[39] AIPEX. Viewed at: http://jui.aipex.gov.ao.

[40] Updated information viewed at: https://www.aipex.gov.ao/PortalAIPEX/#!/estatisticas_aipex/estatisticas.

[41] The mandatory legal reserve is established under the terms of Article 240 of Law No. 1/04 on Commercial Companies. The reserve is intended to cover losses in the financial balance of the companies.

[42] UNCTAD, *Investment Policy Hub: Angola*. Viewed at: https://investmentpolicy.unctad.org/international-investment-agreements/countries/5/angola.

[43] The FATCA entered into force on 29 August 2016 through Presidential Decree No. 162/16. This agreement enables Angolan financial institutions to report information to the US Internal Revenue Service on financial accounts held by US taxpayers in Angola. Further information at: https://home.treasury.gov/system/files/131/FATCA-Agreement-Angola-11-9-2015.pdf.

of climate change, gender equality, and corporate social responsibility policies.[44] In addition, Angola has ratified the following international treaties with investments provisions: SADC Investment Protocol (2006), Cotonou Agreement (2000), SADC Treaty (1992), African Union Treaty (1991), and the ECCAS Treaty (1983).

2.75. Angola is a party to the various United Nations conventions guaranteeing the rights of foreign investors, and is a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA), which protects investors against political risks. Angola has ratified the New York Convention of 1958 in March 2017, which recognizes arbitral awards in respect to investment contracts. Angola became an effective member of World Bank International Centre for Settlement of Investment Disputes (ICSID) in October 2022. Pursuant to PIL 2018, disputes must be settled through local courts or by alternative methods of resolution if not exclusively subject to adjudication by local courts or arbitration according to specific laws (Article 15). According to the authorities, the exclusive competence of Angolan courts is limited to real estate located in Angola, pursuant to Article 99, paragraph 1, of the Procedural Civil Code.

2.76. A new Public-Private Partnership (PPPs) law was adopted in May 2019 (Law No. 11/19) and it is regulated by Presidential Decree No. 316/19, as amended by Presidential Decree No. 111/21. An Operational Plan for Structuring the PPPs was issued in September 2020, listing 41 projects to be pursued under the PPP model as well as the phases for their implementation. The coverage of the law was broadened to include construction projects, exploration of public services, services procurement, administration matters, and other forms of public procurement compatible with the PPP model. Decisions are taken by the MEP, MINFIN, and the Secretary for the Presidency on Economic Affairs with the support of a technical commission where representatives of relevant ministries participate. Projects below AOA 500 million or for contracts of less than three years are excluded from the scope of the law. A ministerial commission (Commissão Ministerial de Avaliação das Parcerías Público-Privadas – CMAPP) and the Court of Accounts examine the contracts prior to submission to the President for signature. Investments in connection with PPPs are covered by the provisions of the PIL 2018.

2.77. The petroleum, gas, and diamond industries, and financial institutions, are subject to special investment regimes (Sections 4.2.1.2, 4.2.2.2, and 4.3.2.2).

[44] It has been reported that the European Union and Angola concluded the negotiations for a SIFA in November 2022, but it was pending the signature and ratification before entering into force. More information available at European Commission (2022), "EU and Angola Conclude First-ever Sustainable Investment Facilitation Agreement", 18 November. Viewed at: https://ec.europa.eu/commission/presscorner/detail/en/IP_22_6136.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures directly affecting imports

3.1.1 Customs procedures and requirements

3.1. During the period under review, Angola ratified the WTO Agreement on Trade Facilitation (TFA) and took steps towards improving the implementation of TFA obligations. Angola reduced the number of documents needed to register as a trader, implemented a customs automation system, and introduced an authorized economic operator (AEO) programme, and also continues to work towards the full implementation of a single window. Moreover, under Angola's customs legislation, which is undergoing further reform, importers can request advance decisions on tariff classification and obtain pre-arrival clearance of goods. Nonetheless, Angola still face a fragmented process that requires multiple submissions of documents to different authorizing agencies for the same goods. In addition, seaborne freight is subject to a participation fee for the modernization of the country's transport infrastructure. This, along with recurrent registration fees and a customs service fee calculated based on import value rather than the cost of services rendered add to trade costs for Angolan businesses.

3.2. The main laws governing customs procedures and related facilitation measures are the Customs Code[1] and the Customs Tariff (Pauta Aduaneira dos Direitos de Importação e Exportação).[2] The agency responsible for implementing customs legislation is the General Tax Administration (Administração Geral Tributária (AGT)) under the Ministry of Finance (MINFIN). According to the authorities, customs policy seeks to balance security, revenue collection, and the facilitation of legitimate trade. They also state that the goal of customs policy is to provide Angola with a modern customs system that contributes to economic and social development by fostering domestic production, attracting investment, and promoting employment. The authorities state that customs legislation is undergoing reform, in part to align it with Angola's commitments under the Revised Kyoto Convention (to which Angola acceded in 2017) and the TFA, which it ratified in 2019.

3.3. In 2018, Angola established a National Trade Facilitation Committee chaired by the Ministry of Industry and Trade (MINDCOM) and comprising representatives from the Ministries of Economy and Planning, Finance, Foreign Affairs, Interior, Transport, Health, Agriculture and Forestry, and Fisheries and Marine Resources; the Central Bank; national enterprise and industry associations; and chamber of customs brokers.[3] The Committee has helped coordinate at technical level the implementation of several trade-facilitating initiatives, including the single window and AEO programmes. It also helps coordinate border management activities in the context of Angola's participation in the SADC and is responsible for preparing Angola's TFA notifications.

3.4. AGT publishes customs-related legislation on a dedicated website, which also contains customs notices, circulars, and directives.[4] The website is used to post draft customs legislation for public comment. The authorities note that AGT holds regular public consultations, hearings, and workshops to keep stakeholders abreast of customs developments.

3.5. All importers operating for commercial purposes must be registered in the Register of Exporters and Importers (Registo de Exportadores e Importadores (REI)). Since Angola's last Review, the number of documents required to obtain registration in the REI has been reduced from five to two. The authorities say that it takes two or three days on average to obtain the REI. Registration in the REI costs AOA 500,000 and is valid for five years.

3.6. Imported goods whose value exceeds AOA 2 million are subject to the general customs regime. AGT recommends that importers use the services of an AGT-approved customs broker to handle import procedures, but this is not mandatory. Only Angolan citizens may qualify as authorized customs brokers. The authorities note that the fees charged by customs brokers, which were regulated at the time of Angola's previous Review, have been fully liberalized.[5]

[1] Decree-Law No. 5/06 of 4 October 2006.
[2] Legislative Presidential Decree No. 10/19 of 29 November 2019.
[3] Presidential Decree No. 176/18 of 27 July 2018.
[4] AGT, *Legislação Aduaneira*. Viewed at: https://agt.minfin.gov.ao/PortalAGT/#!/legislacao/aduaneira.
[5] Decree-Law No. 5/06 of 4 October 2006.

3.7. Shipments valued at more than AOA 1 million but AOA 2 million or less are subject to the simplified customs regime. This includes a simplified customs declaration and a 16% flat rate of customs duty (based on f.o.b. value), unless the goods in question are subject to zero-duty under the general customs regime, in which case no customs duty is due.

3.8. Goods imported under any customs regime are subject to a customs service fee (Section 3.1.5). The amount of the fee is based on the value of imports, not the cost of services rendered. Shipments valued at less than AOA 1 million (including packages delivered by express carriers) are exempt from customs duties and customs service fees. Goods classified in HS Chapters 22 (beverages, spirits, and vinegar), 24 (tobacco and tobacco products), 33 (essential oils and resinoids; perfumery, cosmetic, or toilet preparations), 71 (natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal), and 91 (clocks and watches) are subject to the general customs procedures regardless of value.

3.9. The requirement to obtain a cargo tracking note (*certificado de embarque*) for goods imported through Angolan sea ports as described in Angola's last Review is still in force. This document must be obtained from an overseas representative of the Angolan Cargo and Logistics Certification Regulatory Agency (Agência Reguladora de Certificação de Carga e Logística de Angola (ARCCLA)) prior to loading the cargo. ARCCLA succeeds the National Shippers' Council (CNC), which was responsible for issuing the cargo tracking note at the time of Angola's previous Review.[6] The documents required to obtain the cargo tracking note include a copy of the import/export licence issued by MINDCOM, the bill of lading, and the commercial invoice. ARCCLA charges a "participation fee" for issuing the cargo tracking note (Section 3.1.5). The purpose of the cargo tracking note is to "ensure the control of the policy for collecting, processing, interpreting, and disseminating statistical information on international maritime transport operations to and from Angola".[7]

3.10. Customs declarations can be submitted electronically using ASYCUDA World, which was implemented in Angola in 2017. The authorities say that all customs declarations are submitted through ASYCUDA World, except in remote customs posts that face connectivity problems. They also note that the customs clearance process is fully digital, and no paper copies of any documents are requested by the customs authorities. Payment of customs duties, charges, and other taxes is through electronic means.

3.11. Angola has received support from UNCTAD to implement a single window, known as the Janela Única do Comércio Externo (JUCE). The authorities indicate that some 80% of agencies involved in import and export processes participate in JUCE (November 2023). Pending full JUCE implementation, Angola has deployed the Integrated Platform for International Trade (Plataforma Integrada do Comércio Externo (PICE), available at: https://www.sepe.gov.ao/ao/) described by the authorities as a "draft" single window. PICE is used to process requests for import and export licences issued by MINDCOM, while other licences needed to import and export are processed through the government-wide Public Services Electronic Portal (Portal dos Serviços Públicos Electrónicos (SEPE), available at: https://www.sepe.gov.ao/ao/). The lack of an integrated licensing system, along with multiple licensing requirements for a wide range of products and the application of licensing requirements irrespective of the risk posed by the product, results in multiple submissions of documents to different institutions, adding to trade costs (Section 3.1.6).

3.12. Under the Customs Code, traders can request an advance decision regarding the tariff classification or origin of goods. To that end, they must address a duly justified request to the competent Regional Customs Director along with supporting documentation. The Regional Customs Director issues an advance decision based on a non-binding technical opinion issued by the relevant customs officials. The period of validity of advance decisions is one year. The Secretariat did not have access to data on the number of advance decisions issued by customs authorities. The authorities indicate that AGT has introduced a new form to facilitate requests for advance rulings and is working on a tariff classification manual.

3.13. Traders can obtain customs clearance prior to the arrival of the imported goods in Angola. To avail themselves of this possibility, traders must submit the customs declaration and pay all duties, taxes, and charges prior to the arrival of the goods in Angola. According to the authorities, AGT may

[6] Presidential Decree No. 326/20 of 29 December 2020.
[7] Presidential Decree No. 189/19 of 12 June 2019.

release imported goods even if the corresponding customs declaration is incomplete. In this case, importers have from 48 hours to 60 days from the day the goods arrive in Angola to submit the missing documentation, depending on the type of good and means of transport used.

3.14. Customs legislation foresees a "global guarantee" mechanism for frequent importers. Under this mechanism, which is operational according to the authorities, importers who provide a guarantee amounting to at least 20% of customs duties, charges, and taxes paid by them in the previous year can benefit from the release of their goods before the final determination and payment of duties, taxes, fees, and charges due.

3.15. During the period under review, Angola introduced an AEO programme.[8] AGT has published a manual that provides detailed information on the requirements to receive AEO certification and the available benefits.[9] Foreign-owned entities established in Angola may apply for AEO status. AEO certification is available for importers, exporters, customs brokers, and cargo operators. Around 50 operators have been certified under Angola's AEO programme (November 2023). The authorities note that they are working on an AEO mutual recognition agreement with South Africa.

3.16. Documentary and physical inspections are carried out selectively based on risk management criteria. According to the authorities, between 12% and 15% of customs declarations processed by AGT are subject to physical and documentary inspection (the so-called "red channel"), while between 20% and 25% are subject to documentary inspection only ("yellow channel"). The remainder is not subject to documentary or physical inspection, though AGT may conduct post-clearance audits up to five years after goods have cleared customs. The authorities also note that they rely on the computerized customs management system ASYCUDA World to target consignments for inspection, but that they are working on developing their own system for risk management.

3.17. AGT may conduct post-clearance audits. To this end, customs legislation requires traders to keep all relevant documentation for five years. In 2022, AGT conducted post-clearance audits of 89 taxpayers. As a result, it collected an additional USD 4.8 million in customs duties, charges, and other taxes. The authorities note that this reflects the prevalence of under-invoicing by Angolan importers and the need for AGT to strengthen its control capacity.

3.18. Traders have the right to appeal administrative decisions taken by customs authorities. Appeals are made in the first instance to the competent Regional Customs Director and subsequently to the High Technical Customs Council (Conselho Superior Técnico Aduaneiro), whose decisions are subject to judicial review. The Council comprises five experts appointed by the Minister of Finance on the recommendation of the National Customs Director. Of the five experts, three must come from agencies other than customs. The Secretariat did not have access to data on the number of appeals of customs decisions in recent years.

3.19. Goods in transit are subject to a customs service fee and the payment of a guarantee amounting to 100% of the import duties and charges that would be due if the goods had entered Angolan customs territory for internal consumption. Companies that make frequent use of Angola as a transit route may avail themselves of the "global guarantee" mechanism described above. There is no requirement that goods in transit be escorted by AGT, according to the authorities.

3.20. According to the OECD trade facilitation indicators, since 2019 Angola has improved its performance with respect to fees and charges, simplification and harmonization of documents, automation, streamlining of procedures, internal border agency cooperation, and external border agency cooperation. Yet, Angola's performance in each of these areas remains below that of the best performers.[10] In terms of the World Bank's 2023 Logistics Performance Index, Angola's score for the

[8] Presidential Decree No. 293/18 of 3 December 2018.

[9] AGT (2019), O que deve saber sobre o Operador Econômico Autorizado. Viewed at: https://agt.minfin.gov.ao/PortalAGT/#!/servicos-aduaneiros//operador-economico-autorizado.

[10] OECD, *Trade Facilitation Indicators 2022 Edition: Angola*. Viewed at: https://compareyourcountry.org/trade-facilitation/en/1/default/AGO/default.

efficiency of the clearance process by border control agencies is below the average for sub-Saharan Africa.[11]

3.21. Angola ratified the WTO Agreement on Trade Facilitation (TFA) in 2019 and has submitted all required notifications under the TFA except those regarding the provision and progress of technical assistance. According to its TFA notifications, Angola has committed to implement 100% of TFA obligations by end-2027, from around 33% in June 2023.[12]

3.1.2 Customs valuation and preshipment inspection

3.22. Angola's notifications under the WTO Customs Valuation Agreement (CVA) are overdue.

3.23. Under the Customs Code, the valuation of goods for customs purposes must be based on the transaction value. The Code specifies five additional valuation methods, which must be used in successive order if the transaction value cannot be used. The additional methods specified in legislation correspond to those stipulated in the WTO CVA.

3.24. In practice, AGT may use the declared transaction values of past imports into Angola of similar or identical goods from the same origin if the declared transaction value is well below the values of past imports. The authorities note that they do not use any reference prices.

3.25. In the context of Angola's previous Review, the authorities indicated that the implementation of the WTO CVA posed difficulties and that they required technical assistance. The authorities said that since then, they have received technical assistance on customs valuation from the World Customs Organization. They further noted that the remaining challenges on customs valuation relate mainly to obtaining relevant information from trading partners, particularly in Asia.

3.26. Preshipment inspection is optional (Section 3.1.6).

3.1.3 Rules of origin

3.27. Angola has one set of (non-preferential) rules of origin for imports from all sources, as all imports are treated on an MFN basis. These rules have remained unchanged since the previous Review. They have not been notified to the WTO.

3.28. Under the Customs Tariff, products are deemed originating in a country if they are wholly obtained in that country, if at least 25% of the cost of production is accounted for in that country, or if that county is the last country where an "economically justifiable transformation" (resulting in a new product or a major stage in its production) takes place. Imported goods must be accompanied by a certificate of origin or equivalent document issued by the relevant authorities in the country of origin.

3.29. Angola does not apply preferential rules of origin.

3.1.4 Customs duties

3.30. The share of customs duties in fiscal revenue is relatively small. For the period 2019-21, the latest for which data are available, import duties represented, as a share of total fiscal revenue, between 2.8% and 4.2%, while the customs service fee represented slightly more than 1% during the same period.

3.31. During the period under review, Angola eliminated tariffs for close to 43% of tariff lines. Nonetheless, this did not have a significant effect on the overall level of nominal tariff protection. In fact, the simple average applied MFN tariff increased slightly, from 10.9% at the time of Angola's previous Review in 2015 to 11.5 in 2023. This reflects tariff increases for some 12% of

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[11] World Bank, *Logistics Performance Index: International Scorecard Page*. Viewed at: https://lpi.worldbank.org/international/scorecard/radar/C/AGO/2023/I+HIC+2023+R+SSF+2023+C+SGP+2023.

[12] WTO, Trade Facilitation Agreement Database: Angola. Viewed at: https://tfadatabase.org/en/members/angola#notification-records.

tariff lines, sometimes to high levels of between 50% and 70%. The authorities consider such higher tariffs a key part of Angola's economic strategy to promote domestic production and diversify the economy. Nonetheless, Angola's Customs Tariff may work against those goals. The relatively stronger protection given to final goods risks weakening the incentives faced by producers in protected sectors to improve productivity, which in turn undermines their prospects for joining regional and global value chains. Moreover, high tariffs on final goods may also increase the prices paid for such goods by Angolan consumers.

3.32. Angola has bound all of its tariffs, but the gap between bound and applied rates may partly undermine the positive role of tariff bindings in providing stability and predictability to Angola's trade regime. The authorities agree with the Secretariat that some applied tariffs exceed their bound rates and said that this would be corrected in the Customs Tariff for 2024.

3.33. Angola continues to maintain a wide range of customs duty concessions, including for the dominant oil sector. The breadth and depth of the concessions is reflected in the large gap between the simple average MFN tariff rate of 11.5% and the average effective rate of around 4.3% in 2021.[13] Some tariff concessions granted by Angola may reinforce the degree of tariff escalation in the Customs Tariff, resulting in levels of effective protection for Angolan processing activities that are likely to be many times higher than indicated by nominal tariff rates. In addition, widespread duty exemptions are costly to administer and may give rise to fraudulent activities.

3.1.4.1 Applied MFN tariff

3.34. Angola applies MFN treatment to all of its trading partners. It has signed the SADC Trade Protocol and ratified the African Continental Free Trade Area (AfCFTA), but its offers under both agreements are pending approval. Angola does not apply any preferential tariff rates (June 2023).

3.35. The import duties applied by Angola in 2023 are contained in the Customs Tariff, enacted by Legislative Presidential Decree No. 10/19 of 29 November 2019, as amended by subsequent legislation. Through its Customs Tariff, Angola seeks to increase and protect domestic production, attract investment, and promote employment.[14]

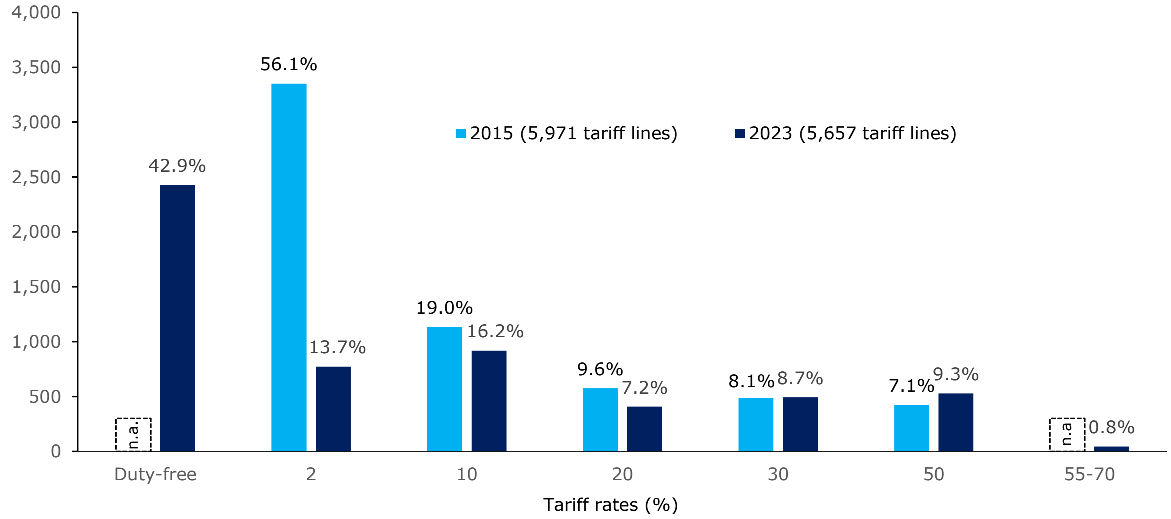
3.36. The Customs Tariff is based on the 2017 nomenclature of the Harmonized Commodity and Description System (HS17) and comprises 5,657 tariff lines at the HS 8-digit level (Chapters 1-97). All lines are *ad valorem*. Since Angola's last Review, the structure of the MFN tariff has become more complex. The number of tariff rates increased by 8 for a total of 13. The new rates are zero, 3%, 5%, 15%, 40%, 55%, 60%, and 70% (Chart 3.1).

[13] The effective tariff is the ratio between the revenue earned from import duties, and the value of merchandise imports.

[14] Legislative Presidential Decree No. 10/19 of 29 November 2019, Preamble.

Chart 3.1 Breakdown of applied MFN rates, 2015 and 2023

(No. of tariff lines)



n.a. Not applicable.

Note: The figures above each bar show the corresponding share of the total number of lines. The 2023 figures do not add up to 100%. Some 1% of tariff lines carry rates of 3%, 5%, 15%, and 40%; they do not appear in the Chart given their negligible shares of the total. The tariff rates between 55% and 70% consist of 55% (2 tariff lines), 60% (40 tariff lines), and 70% (2 tariff lines).

Source: WTO Secretariat calculations, based on data provided by the authorities.

3.37. Compared with the 2015 tariff, tariff rates decreased for some 51% of lines, increased for around 12%, and remained unchanged for the remaining 37%. These changes did not have a significant effect on the overall level of nominal tariff protection. The simple average applied MFN tariff, at 11.5% in June 2023, is slightly higher than in 2015 (10.9%). While the share of lines subject to nuisance rates decreased sharply, the share of lines subject to "tariff peaks" (domestic and international) increased (Table 3.1).

Table 3.1 Structure of MFN tariffs, 2015 and 2023

	2015	2023	Bound rates[a]
1. Bound tariff lines (% of all tariff lines)	100.0	100.0	100.0
2. Simple average of applied MFN tariffs[b]	10.9	11.5	59.1
Agricultural products (WTO definition)	23.3	22.0	52.8
Non-agricultural products (WTO definition)	9.1	9.8	60.1
3. Duty-free tariff lines (% of all tariff lines)	0.0	42.9	0.0
4. Non-*ad valorem* tariffs (% of all tariff lines)	0.0	0.0	0.0
5. Simple average of dutiable lines only	10.9	20.2	59.1
6. Domestic tariff peaks (% of all tariff lines)[c]	7.1	11.1	0.0
7. International tariff peaks (% of all tariff lines)[d]	24.9	27.0	99.3
8. Applied "nuisance" rates (% of all tariff lines)[e]	56.1	13.7	0.0
9. Coefficient of variation	1.3	1.4	0.1

a The final bound rates are based on the 2023 Customs Tariff in the HS17 nomenclature.
b Tariff data provided by the authorities did not specify rates for the following seven tariff lines: 440140, 440395, 440396, 440397, 440398, 440796, and 440797.
c Domestic tariff peaks are duties exceeding three times the overall arithmetic average applied rate.
d International tariff peaks are rates exceeding 15%.
e "Nuisance" rates are those greater than zero but less than or equal to 2%.

Source: WTO Secretariat calculations, based on data provided by the authorities.

3.38. The simple average tariff of 22% on agricultural products (WTO definition) is over twice the average rate on non-agricultural products (9.8%). Using the ISIC definition, agriculture remains the most highly protected sector with an average tariff of 22.9%, followed by mining (13.4%) and manufacturing (10.6%) (Table 3.2). Since Angola's last Review, average levels of tariff protection have increased for some WTO product categories and decreased for others (Chart 3.2). Average tariff protection on beverages and tobacco; dairy products; wood, paper, and furniture; and cereals and cereal preparations – already high in 2015 – has increased further since then.

Table 3.2 Summary of the MFN tariff, 2023

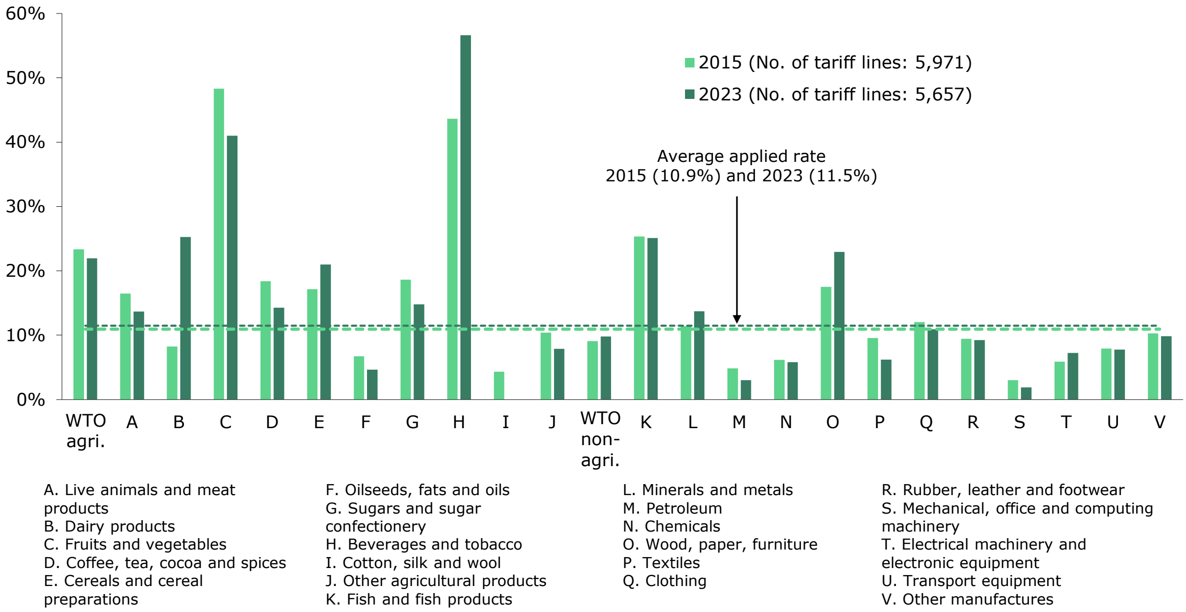
	Number of lines	Simple average (%)	Tariff range (%)	Share of duty-free lines (%)	CV[a]
Total	**5,657**	**11.5**	**0-70**	**42.9**	**1.4**
HS 01-24	985	24.0	0-70	19.1	0.8
HS 25-97	4,672	8.9	0-50	47.9	1.6
By WTO category					
WTO agricultural products	792	22.0	0-70	29.8	1.0
Live animals and meat	111	13.7	0-40	34.2	1.2
Dairy products	41	25.3	0-50	22.0	0.7
Fruits and vegetables	179	41.0	0-50	3.9	0.6
Coffee, tea, cocoa and spices	54	14.3	0-50	27.8	1.2
Cereals and cereal preparations	91	21.0	0-50	38.5	1.0
Oilseeds, fats and oils	68	4.6	0-30	38.2	4.5
Sugars and sugar confectionery	23	14.8	0-50	17.4	0.9
Beverages and tobacco	53	56.6	0-70	3.8	0.6
Cotton, silk and wool	25	0.0	0.0	100.0	0.0
Other agricultural products	147	7.9	0-50	51.0	2.4
WTO non-agricultural products	4,865	9.8	0-50	45.0	1.5
Fish and fish products	260	25.1	0-30	0.4	0.2
Minerals and metals	917	13.7	0-50	37.1	1.3
Petroleum	12	3.0	0-10	16.7	2.2
Chemicals	1,038	5.8	0-50	74.7	2.3
Wood, paper, furniture	298	23.0	0-50	24.8	1.1
Textiles	584	6.2	0-50	32.0	2.0
Clothing	218	10.9	10-20	0.0	0.3
Rubber, leather and footwear	155	9.2	0-50	28.4	1.5
Mechanical, office and computing machinery	516	1.9	0-50	88.6	5.7
Electrical machinery and electronic equipment	301	7.2	0-50	37.9	1.6
Transport equipment	200	7.8	0-50	45.5	1.6
Other manufactures	366	9.8	0-50	28.7	1.3
By ISIC sector					
ISIC 1 – Agriculture, hunting and fishing	401	22.9	0-60	31.9	0.9
ISIC 2 – Mining	97	13.4	0-50	52.6	1.5
ISIC 3 – Manufacturing	5,158	10.6	0-70	43.5	1.5
ISIC 4 – Electrical energy	1	0.0	0.0	100.0	0.0
By stage of processing					
First stage of processing	774	18.5	0-60	37.6	1.1
Semi-processed products	1,897	6.9	0-50	57.1	1.9
Fully processed products	2,986	12.6	0-70	35.2	1.3

a Coefficient of variation.

Note: Calculations are based on national tariff line level (8-digit).

Source: WTO Secretariat calculations, based on data provided by the authorities.

Chart 3.2 Average tariff rates, by WTO product category, 2015 and 2023



Source: WTO Secretariat calculations, based on data provided by the authorities.

3.39. The structure of Angola's Customs Tariff would appear to work against export diversification, one of the main goals of Angola's trade policy. The relatively high level of nominal tariff protection on certain final goods, coupled with the prevalence of tariff concessions on goods used in production (Section 3.1.4.3), results in levels of effective protection of value added that are likely to be many times higher than indicated by nominal tariff rates. This could stifle innovation and weaken the incentives faced by producers in protected sectors to improve productivity, which in turn could undermine their prospects for joining regional and global value chains.

3.1.4.2 WTO bindings

3.40. The binding commitments undertaken by Angola are contained in List CXXIX annexed to the Marrakesh Protocol. The transposition of these commitments into HS17 was certified in November 2020.[15]

3.41. Angola has bound all of its tariff lines. The bound rate for most agricultural products is 55%; lower rates of 10% or 15% apply to some lines. Tariff bindings on non-agricultural products are generally set at 60%, with some products subject to a rate of 80%. In general, applied tariff rates are well below their bound rates. Nonetheless, for 50 tariff lines, applied rates may exceed their bindings, sometimes by as much as 15 percentage points (Table 3.3). The authorities state that with the entry into force of the new Customs Tariff in January 2024, Angola will bring its applied tariffs fully into line with WTO bindings.

Table 3.3 Tariff lines where the applied MFN rates might be higher than their bound levels, 2023

Tariff code	Product description	Applied MFN tariff (2023)	Bound tariff (%)
07101000	Potatoes	20.0	15.0
07102	- Leguminous vegetables, shelled or unshelled:		
07102100	- - Peas (*Pisum sativum*)	20.0	15.0
07102200	- - Beans (*Vigna* spp., *Phaseolus* spp.)	20.0	15.0
07102900	- - Other	20.0	15.0
07103000	- Spinach, New Zealand spinach and orache spinach (garden spinach)	20.0	15.0
07104000	- Sweet corn	20.0	15.0
07108000	- Other vegetables	20.0	15.0
07109000	- Mixtures of vegetables	20.0	15.0

15 WTO document WT/Let/1478, 3 November 2020.

Tariff code	Product description	Applied MFN tariff (2023)	Bound tariff (%)
2009	Fruit juices and vegetable juices		
20091	- Orange juice:		
20091100	- - Frozen	60.0	55.0
20091200	- - Not frozen, of a Brix value not exceeding 20	60.0	55.0
20091900	- - Other	60.0	55.0
20092	- Grapefruit (including pomelo) juice:		
20092100	- - Of a Brix value not exceeding 20	60.0	55.0
20092900	- - Other	60.0	55.0
20093	- Juice of any other single citrus fruit:		
20093100	- - Of a Brix value not exceeding 20	60.0	55.0
20093900	- - Other	60.0	55.0
20094	- Pineapple juice:		
20094100	- - Of a Brix value not exceeding 20	60.0	55.0
20094900	- - Other	60.0	55.0
20095000	- Tomato juice	60.0	55.0
20096	- Grape juice (including Grape must)		
20096110	-- Juice	60.0	55.0
20096900	-- Must	60.0	55.0
20097	- Apple juice:		
20097100	- - Of a Brix value not exceeding 20	60.0	55.0
20097900	- - Other	60.0	55.0
20098	- Juice of any other single fruit or vegetable:		
20098100	- - Cranberry (*Vaccinium macrocarpon*, *Vaccinium oxycoccos*, *Vaccinium vitis-idaea*) juice	60.0	55.0
20098900	- - Other	60.0	55.0
20099000	- Mixtures of juices	60.0	55.0
22011000	- Mineral waters and aerated waters	70.0	55.0
22019000	- Other	70.0	55.0
22021000	- Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured	60.0	55.0
22029	- Other:		
22029100	- - Non-alcoholic beer	60.0	55.0
22029900	- - Other	60.0	55.0
22030000	Beer made from malt	60.0	55.0
22060000	Other fermented beverages (for example, cider, perry, mead, saké)	60.0	55.0
2207	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol. or higher		
22071000	- Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol. or higher	60.0	55.0
220720	- Ethyl alcohol and other spirits, denatured, of any strength		
22072010	-- Ethyl alcohol	60.0	55.0
22072019	-- Other	60.0	55.0
22082000	- Spirits obtained by distilling grape wine or grape marc	60.0	55.0
22083000	- Whiskies	60.0	55.0
22084000	- Rum and other spirits obtained by distilling fermented sugarcane products	60.0	55.0
22085000	- Gin and Geneva	60.0	55.0
22086000	- Vodka	60.0	55.0
22087000	- Liqueurs and cordials	60.0	55.0
22089000	- Other	60.0	55.0
24011000	- Tobacco, not stemmed/stripped	60.0	55.0
24012000	- Tobacco, partly or wholly stemmed/stripped	60.0	55.0
24013000	- Tobacco refuse	60.0	55.0
2402	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes		
24021000	- Cigars, cheroots and cigarillos, containing tobacco	60.0	55.0
24022000	- Cigarettes containing tobacco	60.0	55.0
24029000	- Other	60.0	55.0
24031	- Smoking tobacco, whether or not containing tobacco substitutes in any proportion:		
24031100	- - Water pipe tobacco	60.0	55.0
24031900	- - Other	60.0	55.0

Source: WTO Secretariat calculations, based on data provided by the authorities and the WTO Consolidated Tariff Schedules (CTS) database.

3.42. As regards other duties and taxes, Angola bound only one levy previously in effect, namely, an import tax of 0.1%, which has since been eliminated. Angola imposes other levies at higher rates (Section 3.1.5).

3.1.4.3 Tariff concessions

3.43. Under the Customs Tariff, the following are exempt from customs duty: goods imported into Angola for further processing or production; goods imported under one of the incentive regimes for private investment (Section 3.3.1); and imported goods to be used directly and exclusively by the oil, gas, and mining industries. The Customs Tariff also grants customs duty exemptions for goods imported by SOEs for investment or public works; defence, internal security, civil protection, and firefighting agencies; political parties represented in the National Assembly; sports associations and federations; and border-area residents. Goods imported for humanitarian purposes and for use in exhibitions, fairs, seminars, and workshops are also exempt from customs duty, as are imported automobiles for disabled persons. Petroleum products for the subsidized market are also exempt from customs duty. The precise product scope for each of these exemptions is specified in the Customs Tariff.

3.44. Customs duty exemptions totalled AOA 516.4 billion in 2021, the latest year for which data are available (Table 3.4). This is almost 1.8 times the total amount collected from import duties that same year (AOA 291.2 billion). The custom duty exemptions for the oil, gas, and mining sectors alone represent slightly more than 90% of the total amount collected from import duties in 2021.

Table 3.4 Customs duty exemptions, 2021

	AOA million	% of customs duty revenue
Oil and gas sector	246,547	84.7
Further processing or production (*sector produtivo*)	138,233	47.5
COVID-19 goods	45,265	15.5
Mining sector	16,900	5.8
Private investment regime[a]	8,623	3.0
Other	60,800	20.9
Total	**516,369**	**177.3**

a Covers customs duty exemptions granted to private investors under the special regime (Section 3.3.1).

Source: AGT (2021), *Boletim Estatístico 2021*. Viewed at: https://agt.minfin.gov.ao/PortalAGT/#!/estatisticas/estatistica-fiscais.

3.45. Goods imported by companies based in Cabinda province are subject to a special customs regime with a general customs duty of 2% (1% for food industry products). This special regime does not apply to the oil industry or to importers already benefiting from tariff concessions.

3.1.5 Other charges affecting imports

3.46. Imports are subject to a customs service fee levied on their c.i.f. value and a participation fee for the modernization of the country's transport infrastructure. The 1% stamp duty on imports that was in effect at the time of Angola's previous Review has been abolished. In an effort to modernize its indirect tax regime, Angola introduced a VAT in 2019 and significantly reduced the coverage of its special consumption tax, which tended to inflate prices and reinforce border protection.

3.47. Imports are subject to a customs service fee (*emolumentos gerais aduaneiros*) at a rate of 2% of their c.i.f. value. Imported goods for use in oil and mineral activities benefit from a reduced rate of 0.1%, along with a statistical tax of 0.1%, of their c.i.f. value.[16] With the entry into force of a VAT in 2019, Angola eliminated the 1% stamp duty on imports that was in force at the time of its previous Review.

3.48. Good imported through Angolan sea ports must pay a "participation fee" to ARCCLA to obtain a cargo tracking note (Section 3.1.1). The participation fees have been halved since Angola's previous Review. The amount of the fee is USD 0.02 per tonne of liquid bulk cargo, USD 2.5 per tonne of bulk or break-bulk cargo, USD 50 per 20-foot container, USD 100 per 40-foot

[16] The list of eligible goods is contained in Law No. 11/04 of 12 November 2004 and Law No. 31/11 of 23 September 2011.

container, and USD 112.50 per 45-foot container.[17] The authorities say that some of the revenue resulting from this fee is invested in modernizing and rehabilitating Angola's transport infrastructure.

3.49. Angola levies an excise tax (Imposto Especial de Consumo (IEC)) on certain goods imported and manufactured in Angola.[18] The list of goods subject to IEC, which has been significantly reduced since Angola's last Review, comprises 114 8-digit tariff lines covering alcohol, alcoholic beverages and fizzy drinks, tobacco and tobacco products, fireworks, plastic packaging, retreaded tyres, jewellery, automobiles and pickup trucks, aircraft and leisure boats, firearms, art work, antiques, and some oil products. These products are subject to 1 of 10 different IEC rates ranging from 2% to 50%. Imported and domestic goods are subject to the same rate. For imported goods, the tax base is the c.i.f. value; for domestic products, it is the factory gate price (the production cost in the case of oil products).

3.50. Angola implemented a VAT in October 2019 following the adoption of the Code on Value Added Tax.[19] According to the authorities, partially replacing the IEC with a VAT will limit the "cascading" effect of the IEC, which tended to inflate prices as it involved paying a tax on top of a tax at each stage of the supply chain.[20] In addition, the IEC tended to reinforce border protection, as most goods marketed in Angola are imported.

3.51. VAT is levied at a standard rate of 14% on imported and locally produced goods and services. The tax base for imported goods is the c.i.f. value plus all duties and charges resulting from importation. VAT-exempted goods and services include books and school fees; life insurance and reinsurance; medicines, hospital equipment, wheelchairs, ambulance transport services, and services offered by healthcare facilities; milk, rice, beans, flour (wheat, corn, and cassava), cooking oil, sugar, and soap; fortune games; public transport; financial services; and oil products.[21] Imported goods intended as gifts for philanthropic purposes or to mitigate the effects of natural disasters are also exempt. Exports are zero-rated, as are goods and services to meet the direct needs of vessels and aircraft engaged in commercial activity, and international transport of passengers.

3.52. Reduced VAT rates apply on certain foodstuffs and other products listed in Annex Table I of the 2023 budget (5% or 7% rate); hotel and restaurant services, subject to certain conditions specified in legislation (7% rate); and imports and supplies of products in Cabinda province (2% rate except for foodstuffs, which are subject to a 1% rate).[22]

3.53. Businesses with annual turnover or imports valued at more than AOA 350 million are subject to the standard VAT regime. Businesses in the manufacturing sector whose turnover or imports are valued at more than AOA 10 million in the previous fiscal year are also subject to the standard VAT regime. A simplified VAT regime with a 7% rate is available for businesses with annual turnover or imports valued at between AOA 10 million and AOA 350 million. Businesses whose annual turnover or imports are less than AOA 10 million are not liable for VAT.

3.54. Angola has eliminated the 1% *ad valorem* surcharge on imports of certain goods that was in force at the time of Angola's last Review.[23] The surcharge applied to alcoholic beverages, tobacco and tobacco products, watches and jewellery, and luxury vehicles.

3.1.6 Import prohibitions, restrictions, and licensing

3.55. Angola maintains import prohibitions and other restrictions for non-economic and economic reasons. All imports require a licence from MINDCOM, irrespective of the risk posed by the imported good and the existence of additional import licensing requirements imposed by other bodies on a wide range of goods. For "widely consumed goods", a category that is yet to be defined by MINDCOM

[17] Presidential Decree No. 189/19 of 12 June 2019, Article 3.
[18] Law No. 16/21 of 19 July 2021.
[19] Law No. 7/19 of 24 April 2019, as amended by Law No. 17/19 of 13 August 2019.
[20] AGT (2019), *IVA: Perguntas Frequentes*. Viewed at: https://agt.minfin.gov.ao/PortalAGT/#!/iva/perguntas-frequentes/perguntas-frequentes.
[21] The tariff lines of goods subject to VAT exemption are specified in AGT Circular 169/DSIVA/DSAdu/AGT/2019 of 15 October 2019. Viewed at: https://agt.minfin.gov.ao/PortalAGT/#!/iva/legislacao.
[22] Law No. 2/23 of 13 March 2023.
[23] Law No. 18/19 of 13 August 2019.

under a new Presidential Decree adopted in 2023 (but not yet in force), import licences would be issued exclusively to importers who meet domestic purchasing and other requirements. The goal of this measure is to promote domestic production and reduce imports. During the period under review, Angola adopted, and later abolished, a Presidential Decree that imposed a set of import restrictions on "basic consumption-basket goods" to advance import substitution. Angola's trading partners had raised concerns about this measure in several WTO bodies.

3.56. Imports of goods listed in Table I of the Preliminary Instructions to the Customs Tariff are prohibited. Since Angola's last Review, several product categories have been removed from the list, including second-hand vehicles over three years old, second-hand heavy-duty vehicles over eight years old, second-hand engines for vehicles of HS Chapter 87, used tyres, components of vehicles which do not meet the criteria for "spare parts" and "accessories", food products containing saccharine, and gaming machines. The goods that have been added to the list since the last Review comprise homemade artisanal beverages and medicinal products, khat plants, and certain psychotropic and narcotic substances (Box 3.1). The authorities note that import prohibitions are maintained for environmental, sanitary and phytosanitary, human health and safety, consumer protection, national security and other non-economic reasons.

Box 3.1 Prohibited imports, 2023

Goods infringing industrial property rights or copyright; counterfeit or imitation goods
Animals and animal products from zones affected by epizootic diseases
Plants from zones affected by phylloxera or other epiphytic diseases
Distilled beverages containing essences or recognized harmful products
Homemade artisanal beverages and medicinal products
Medicines and food products harmful to public health
Food products that do not meet the criteria determined in the prevailing legislation or arrive in a poor state of conservation
Right-hand-drive vehicles
Metal containers used for packaging products other than mineral oils
Used batteries
Goods prohibited under the Montreal Protocol (CFCs)
Subversive propaganda materials
Catha edulis (khat) plants
Prohibited psychotropic and narcotic substances

Source: Presidential Legislative Decree No. 10/19 of 29 November 2019.

3.57. Imports of goods listed in Table II of the Preliminary Instructions to the Customs Tariff are subject to authorization (Table 3.5). The product categories added to the list since Angola's last Review, are fish and crustaceans under HS Chapter 3 (previously only fish for aquaculture and tilapia fish were included); prepared or preserved fish, caviar, crustaceans and molluscs of HS headings 1604 and 1605; salt; gaming machines; various types of equipment, materials, and software specially designed for military use; and products that could be confused with those used by defence and security bodies. Equipment for distilling spirits, radio transmitters and receivers and their accessories, and boats (except for fishing) have been removed from the list. Under the Regulations on Laboratory Analysis for Products Destined for Human or Animal Consumption, any imported good for human or animal consumption that may pose a risk to public health or the environment, including food, food additives, beverages, medicines, cosmetics, fertilizers, seeds, and phytopharmaceuticals, may be subject to laboratory testing, and hence import authorization, if the competent authority so decides (Section 3.3.3).[24]

[24] Presidential Decree No. 179/18 of 2 August 2018.

Table 3.5 Imports subject to authorization, 2023

Product	Authorizing agency
Animals and animal products	Ministry of Agriculture and Forestry (MINAGRIF) and/or Ministry of Health
Fish, crustaceans, molluscs, and other aquatic invertebrates of HS Chapter 3	Ministry of Fisheries and Marine Resources
Plants, roots, tubers, bulbs, shoots, flower buds, fruits, and seeds	MINAGRIF
Saccharine and its by-products	Ministry of Health
Denatured pure alcohol	Ministry of Industry and Trade (MINDCOM)
Certain types of cement (HS 2523.2100, 2523.2900, 2523.3000, 2523.9000)	MINDCOM
Electricity	Ministry of Energy and Water
Pharmaceuticals	Ministry of Health
Poisons and toxic substances for medicinal purposes	MINAGRIF, MINDCOM, or Ministry of Health
Medicines whose active ingredients are not mentioned on the packaging	Ministry of Health
Explosives and fireworks	Ministry of Interior
Cigarette paper and other materials used for cigarette filters	MINDCOM
Foreign currency, cheque books, certificates for shares, bonds or similar securities	National Bank of Angola
Rough, polished, or faceted diamonds	Ministry of Mineral Resources, Oil, and Gas (MIREMPET)
Fishing boats (small-scale, semi-industrial or industrial) and boats used specifically for transporting fish	Ministry of Fisheries and Marine Resources
Arms, ammunition	Ministry of Defence or Ministry of Interior
Certain toxic and flammable products, including ammonium nitrate, acetone, urea, nitric acid, and sodium nitrate	Ministry of Defence or Ministry of Interior
Vehicles, aircraft, boats specially designed for military or police use	Ministry of Defence or Ministry of Interior
Uniforms, boots, tents, textiles specially designed for military or police use	Ministry of Defence or Ministry of Interior
Articles, equipment, and software specially designed for military use, chemical and biological agents, kinetic energy weapon systems	Ministry of Defence
Products that could be confused with those used by defence and security bodies	..
Gaming machines	..
Articles incorporating devices capable of recording sounds and pictures, including drones	Ministry of Interior
Electric cables	National Institute of Quality Infrastructure (INIQ)
Refined petroleum products for the subsidized market	Entity appointed by MIREMPET
Substances that harm the ozone layer and products containing those substances[a]	MINDCOM, and Ministry of Environment
Fiscal or postal stamps	Ministry of Finance
Salt	Ministry of Environment
Prepared or preserved fish, caviar, crustaceans, molluscs, and other aquatic invertebrates under HS headings 1604 and 1605	Ministry of Fisheries and Marine Resources
Devil's claw	..

.. Not available.

a As defined in Presidential Decree No. 153/11 of 15 June 2011.

Source: Presidential Legislative Decree No. 10/19 of 29 November 2019.

3.58. To import goods subject to authorization, importers must obtain a licence from the relevant authorizing agency. In addition, imports of goods subject to authorization must obtain a separate import licence from MINDCOM.

3.59. During the period under review, Angola adopted new regulations on import (and export) licensing.[25] The regulations, which govern the procedures to obtain an import licence from MINDCOM, distinguish between "automatic" and "non-automatic" licensing. Goods subject to prior authorization and "widely consumed goods", a category that is yet to be defined by MINDCOM under a new Presidential Decree adopted in October 2023 but not yet in force (see below), are subject to non-automatic licensing, along with goods imported under the bonded warehouse and free trade zone (FTZ) regimes, and goods subject to restrictions under UN resolutions.[26] All other goods are subject to automatic licensing.

[25] Presidential Decree No. 126/20 of 5 May 2020.
[26] Subsection V of Presidential Decree No. 126/20.

3.60. The purpose of licensing under the regulations is to (i) control the origin and quality of imported and exported goods in respect of sanitary, phytosanitary, and food safety considerations; (ii) guarantee the effective implementation of import and export restrictions; and (iii) support the flows of foreign exchange resulting from imports and export transactions.

3.61. Import (and export) licensing requests to MINDCOM must be submitted for each shipment via the PICE online platform. The required information and documents to obtain a licence are specified in the regulations. An invoice in Portuguese, English, or French must be annexed to the licensing request. Licences are valid for a renewable period of 120 days. The cost of each licence is about AOA 3,000. If a licence request is rejected, MINDCOM must inform the applicant of the reason for the rejection. Licence denials may be appealed administratively and in court. The regulations, which have not been notified to the WTO, replace those that Angola had notified to the WTO in 2018.[27]

3.62. As noted, widely consumed goods (*bens de amplo consumo*) are subject to non-automatic import licensing under the new Presidential Decree No. 213/23, which was adopted in October 2023 but is not yet in force.[28] MINDCOM is responsible for defining the precise coverage of the legislation, which targets goods that are produced in Angola but that require protection from foreign competition beyond that provided by import tariffs. The purpose of the legislation is to "promote and significantly increase domestic production with the goal of reducing imports and diversifying exports so as to secure the sustainability of the domestic economy".[29]

3.63. To obtain the MINDCOM import licence for widely consumed goods, importers would have to demonstrate that they have previously concluded a contract to purchase corresponding goods produced domestically, that investment or other initiatives to promote domestic production of such goods exist, and that they have settled outstanding payments to domestic producers (or that a guarantee to settle any outstanding debt exists).[30] A "binding opinion" (*parecer vinculativo*) from the competent body confirming that these requirements have been met is needed to obtain the import licence.

3.64. To support the implementation of the import licensing regime for widely consumed goods, MINDCOM must publish by 15 September of each year data for the upcoming 12 months on the domestic demand for widely consumed goods, along with data on the intended purchases of corresponding goods by importers. Domestic producers of widely consumed goods must, for their part, submit information on prices, quantities, and quality related to their production.

3.65. According to the authorities, Presidential Decree No. 213/23 is subject to internal consultations and is not yet being implemented. Presidential Decree No. 213/23 revoked Presidential Decree No. 23/19 of 14 January 2019, which imposed non-automatic licensing requirements on "basic consumption-basket" goods with the goal of promoting import substitution (Table 3.6). Several WTO Members had raised concerns about Presidential Decree No. 23/19 and its implementation in the Council for Trade in Goods, Committee on Market Access, Committee on Import Licensing, and Committee on Agriculture. For example, one WTO Member said that some aspects of Presidential Decree No. 23/19 distorted trade and were incompatible with WTO rules.[31] Regarding the Decree's goals, another Member noted that while trade diversification was positive, it was also important to "hav[e] a legal and regulatory framework in place that ensure[s] an environment free of trade obstacles in the medium and long term".[32]

Table 3.6 Consumption-basket and other priority goods

Category	Products
Food and beverages	Banana, mango, pineapple, tomato, cabbage, carrot, lettuce, pepper, onion, garlic, potato, sweet potato, cassava, rice, beans, honey, eggs, milk, salt, sugar, flour (cassava and wheat), cornmeal, corn grain, cooking oil (sunflower, soybean, palm, and peanut), meat (chicken, goat, and pork), dried beef, pasta, bottled water, juices and soft drinks, beer
Fish	Horse mackerel (*carapau do cunene*), Madeiran sardine (*Sardinella maderensis*), gilt sardine (*Sardinella aurita*), tilapia

[27] WTO document G/LIC/N/2/AGO/2, 30 October 2018.
[28] Presidential Decree No. 213/23 of 30 October 2023.
[29] Presidential Decree No. 213/23, Preamble.
[30] Presidential Decree No. 213/33, Article 4.2.
[31] WTO document G/LIC/M/56, 27 July 2023, para. 4.2.
[32] WTO document G/LIC/M/56, 27 July 2023, para. 4.2.

Category	Products
Cleaning and hygiene	Bleach, blue soap; napkins, toilet paper, and kitchen towel rolls; disposable diapers, sanitary pads, detergent (liquid and solid)
Construction	Cement; clinker; cement adhesives, mortar, plaster, and the like; construction steel rod, paint
Other	Tempered, laminated, multi-layered or otherwise worked glass; glass recipients, all goods produced in the Special Economic Zone of Luanda-Bengo

Source: Presidential Decree No. 23/19 of 14 January 2022 (revoked by Presidential Decree No. 213/23 of 30 October 2023).

3.66. Under the now-revoked Presidential Decree No. 23/19, only wholesalers and domestic producers of basic consumption-basket goods could receive a licence to import such goods after demonstrating that they had previously concluded a contract to purchase corresponding goods produced domestically, that an investment or other initiatives to promote domestic production of such goods existed, and that they had settled outstanding payments to domestic producers (or that a guarantee to settle any outstanding debt existed). In addition, imports of basic consumption-basket goods were subject to mandatory preshipment inspection under Presidential Decree No. 23/19. For basic consumption-basket goods subject to import authorization, importers were required to obtain an additional licence (separate from the MINDCOM licence) from the authorizing agency.

3.67. Presidential Decree No. 23/19 also established a system of "temporary" quotas for a subset of basic consumption-basket goods from January 2022.[33] The goods in question comprised sugar, meat derivatives (chicken and pork), dried beef, rice, wheat flour, pasta, cornmeal, milk, blue soap, tilapia, honey, and oil (soy, palm, sunflower, and peanut). The Secretariat could not ascertain whether quotas under Presidential Decree No. 23/19 were implemented.

3.68. Under Executive Decree No. 63/21 of 17 March 2023, animal feed, semolina, pork, beef, margarine, and soap can only be imported in bulk.[34] The legislation also specifies minimum weight packaging requirements for non-bulk imports of rice, flour (wheat and corn), sugar, beans, fruit and vegetable preserves, powdered milk, cooking oil, and salt. The goal of this measure is to promote the domestic packaging industry.

3.1.7 Anti-dumping, countervailing, and safeguard measures

3.69. According to the authorities, Angola has never had recourse to trade remedies even though Angola's Customs Tariff contains a general framework that empowers the Minister of Finance to impose safeguard and anti-dumping measures. There is no legislation on countervailing duties.

3.70. Angola's long-term development strategy "Angola 2050" calls for the creation of a National Authority for Trade Remedies. To that end, the authorities note that a technical group on trade defence was created in February 2021; they have received training and capacity-building on trade remedies, including from UNCTAD and the WTO; and they would shortly start a legislative review to assess the changes needed to launch, investigate, and impose trade remedies.

3.2 Measures directly affecting exports

3.71. Angola does not apply export taxes except on rough minerals and goods exports in the same state as they were imported. Exports are subject to a customs services fee calculated based on export value rather than services rendered. All exports are subject to licensing by MINDCOM. Exports subject to prior authorization require, in addition, a prior licence. The State is not involved in export finance, insurance, or guarantee programmes. Nonetheless, during the period under review it introduced an FTZ regime, whose tax benefits are partly contingent on export performance. An FTZ is under development with public and private investment. During the period under review, Angola merged two existing agencies into a single export and investment promotion agency known as AIPEX.

[33] Presidential Decree No. 23/19, Article 11.
[34] Executive Decree No. 63/21 of 17 March 2021.

3.2.1 Customs procedures and requirements

3.72. Exporters must be registered in the Register of Exporters and Importers (Registo de Exportadores e Importadores (REI)). Exported goods whose value exceeds AOA 2 million are subject to the general customs regime. AGT recommends that exporters use the services of an AGT-approved customs broker to handle export procedures, but this is not mandatory. Shipments valued between AOA 1 million and AOA 2 million are subject to the simplified customs regime, which includes a simplified customs declaration. Customs declarations must be submitted prior to the departure of the goods. Goods exported under any customs regime are subject to a customs service fee. The amount is based on the value of goods (Section 3.2.2). Exporters may apply for AEO status (Section 3.1.1).

3.73. All goods exported through Angolan seaports must be accompanied by a cargo tracking note (*certificado de embarque*) issued by an ARCCLA representative. Under Presidential Decree No. 189/19 of 12 June 2019, exports are exempt from the payment of "participation fees" to obtain the cargo tracking note.[35]

3.2.2 Taxes, charges, and levies

3.74. Exports of rough minerals are subject to a tax of 5%.[36] In addition, imported goods that are exported from Angola in the same state as previously imported (so-called *mercadorias nacionalizadas*) are subject to a 20% export tax, except in the case of food, medicines, medical equipment, and biosafety equipment, which are subject to a 70% tax if exported in the same state.[37] Export duties are calculated based on the f.o.b. value of exports.

3.75. Under the Customs Tariff, the following goods are subject to export duties: ivory, including powder and scrap (10%); raw and tanned furskins and articles of furskin (20%); and worked ivory, bone, and other animal carving material (10%).[38] Nonetheless, the authorities indicate that in practice, exports of these products are prohibited.

3.76. Exports are subject to a customs service fee (*emolumentos gerais aduaneiros*) at a rate of 0.5% of their f.o.b. value. The rate was 1% at the time of Angola's last Review in 2015. The customs service fee and statistical fee on exports of petroleum and gas and mineral products remain unchanged, each at 0.1% of the f.o.b. value of exports.

3.2.3 Export prohibitions, restrictions, and licensing

3.77. Exports of goods listed in Table IV of the Preliminary Instructions to the Customs Tariff are prohibited. Since Angola's last Review, unprocessed logs, khat plants, and certain psychotropic substances have been added to the list of prohibited exports, while scrap metal has been removed (Box 3.2). In addition, exports of horse mackerel (*carapau*) are prohibited (November 2023). The authorities said that this measure is for food security and ocean sustainability reasons.

Box 3.2 Prohibited exports, 2023

Giant sable antelope (*palanca negra gigante*)
Welwitschia mirabilis plant
Food products that do not meet the criteria determined in the prevailing legislation or arrive in a poor state of conservation
Metal containers used for packaging products other than mineral oils
Collections that could be used for the ethnographic study of Angolan peoples, unless exported by the State
Goods bearing counterfeit brand names, trademarks or origin marks infringing upon laws and treaties in force
Unprocessed logs

[35] Presidential Decree No. 189/19 of 12 June 2019, Article 4.
[36] Law No. 33/11 of 23 September 2011.
[37] Law No. 2/23 of 13 March 2023 (2023 Budget), Article 17.
[38] Preliminary Instructions for the Customs Tariff, contained in Legislative Presidential Decree No. 10/19 of 29 November 2019, Article 92.

Catha edulis (khat plants)
Psychotropic substances and prohibited narcotics

Source: Presidential Legislative Decree No. 10/19 of 29 November 2019.

3.78. Exports of goods listed in Table V of the Preliminary Instructions to the Customs Tariff require prior authorization (Table 3.7). Since Angola's last Review in 2015, salt has been added to the list, while the categories for boats (except for fishing), alcoholic beverages, tobacco, luxury vehicles, goods paid for in foreign currency, gold, and silver (in powder, ingots, or coins), and coins of non-precious metals have been removed.

Table 3.7 Exports subject to prior authorization, 2023

Product	Authorizing agency
Animals, parts of animal and animal products	Ministry of Agriculture and Forestry (MINAGRIF)
Products derived from wild fauna and flora; fossils	MINAGRIF, Ministry of Environment, Ministry of Health, and/or Ministry of Culture and Tourism (depending on the product)
Minerals and precious or semi-precious stones	Ministry of Mineral Resources, Oil and Gas
Radioactive materials, device containing radioactive substances or producing radiation	Ministry of Environment
Poisons, toxic substances or narcotics or their preparations	Ministry of Health
Precious wood	MINAGRIF
Aircraft	Ministry of Transport
Fishing boats (small-scale, semi-industrial or industrial) and boats used specifically for transporting fish	Ministry of Fisheries and Marine Resources
Arms, ammunition, and explosives	Ministry of National Defense
Goods imported free of duty and other import taxes	Ministry of Finance
Forage	MINAGRIF
Angola or foreign banknotes or coins	National Bank of Angola
Cultural goods	Ministry of Culture and Tourism
Goods exported under special export regime	Ministry of Industry and Trade
Devil's claw plant	..
Salt	..
Fish, crustaceans and molluscs and other aquatic invertebrates	Ministry of Fisheries and Marine Resources
Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs; and crustaceans, molluscs and other aquatic invertebrates, prepared or preserved	Ministry of Fisheries and Marine Resources

.. Not available.

Source: Presidential Legislative Decree No. 10/19 of 29 November 2019.

3.79. All exports are subject to licensing by MINDCOM. To export goods subject to prior authorization, exporters must, in addition, obtain a prior licence (*licença prévia*) from the relevant authorizing agency. The procedures to obtain an export licence from MINDCOM are contained in Presidential Decree No. 126/20 of 5 May 2020 (Section 3.1.6).

3.80. Angola imposes transit prohibitions for environmental, public health, and sanitary and phytosanitary reasons, or to protect intellectual property rights. The goods subject to transit prohibitions are listed in Table VI of the Preliminary Instructions to the Customs Tariff. The transit through Angola of weapons and military equipment is subject to a permit issued by AGT.

3.2.4 Export support and promotion

3.81. According to the authorities, the State is not involved in any export finance, insurance, or guarantees programmes.

3.82. Angola adopted a Law on Free Trade Zones in 2020.[39] Through its FTZ regime, Angola seeks to achieve the following goals: promote economic growth and diversification; enhance territorial cohesion; attract domestic and foreign investment; spur job creation; expand the demand for domestic products; diversify exports; foster domestic value-added and exports of products with high

[39] Law No. 35/20 of 12 October 2020.

local content; stimulate technological development and transfer of technology; and increase foreign exchange receipts.

3.83. Under the Law on Free Trade Zones, companies established in FTZs are exempt from import and export duties. In addition, they benefit from a reduced, 15% rate of corporate income tax (the standard rate is 25%). FTZ companies producing exclusively for export are subject to an 8% of corporate income tax rate.[40] To establish in an FTZ, companies must sign an "investment contract" with the zone's management entity. The contract must specify a minimum share of production that must be exported, in addition to targets for local content, number of jobs, hours of specialized professional training provided to Angolan employees, and other requirements specified in legislation.[41]

3.84. Companies established in FTZs may also benefit from simplified administrative procedures and may be granted additional fiscal and other incentives specified in legislation, including under special immigration, labour, exchange, and financial regimes. The authorities said that none of these special regimes had been established yet (June 2023).

3.85. In May 2021, Angola created the Barra do Dande Integrated Development Free Zone, which is under development with public and private investment (November 2023).[42] No other FTZ has been created.

3.86. During the period under review, Angola created a new export and investment promotion agency known as Agency for Private Investment and Export Promotion (Agência de Investimento Privado e Promoção das Exportações or AIPEX). AIPEX resulted from the merger in 2018 of two separate entities responsible for exports and investment.[43] Regarding exports, AIPEX provides information and training to Angolan businesses on export-related issues such as trade finance, logistics, and customs. It also organizes trade missions and supports the participation of Angolan businesses in them. Regarding investment, AIPEX promotes Angola as an investment destination and interacts with relevant domestic agencies to help foreign investors obtain all necessary permits to establish in Angola under the Private Investment Law (PIL). It also coordinates, on behalf of the State, negotiations with investors seeking incentives under the PIL's "contractual regime" (Section 3.3.1).

3.87. Angola has not made any notifications to the WTO in relation to the Agreement on Subsidies and Countervailing Measures.

3.3 Measures affecting production and trade

3.3.1 Incentives

3.88. During the period under review, Angola adopted overarching legislation on fiscal incentives. The new law, known as the Fiscal Incentives Code, defines the scope of tax incentives for private investors depending on the sector, location, and economic impact of their investment. In addition, the Code sets out incentives for MSMEs; agricultural, fisheries, and other cooperatives; renewable energy; and the financial sector. While this has helped to rationalize and improve the predictability and transparency of Angola's incentive regime, no official analyses exist to determine whether the contribution of incentives to private-sector development justify their fiscal costs. During the period under review, Angola also provided preferential credit to boost the domestic supply of certain products. Incentives under special economic zones (SEZs) are no longer available, following the termination of the SEZ regime in 2020. As a result, the only existing SEZ in Angola is being transformed into an FTZ.

[40] Law No. 8/22 of 14 April 2022 (Fiscal Incentives Code), Article 37.
[41] Presidential Legislative Decree No. 4/21 of 4 January 2021 (Free Trade Zone Regulations), Article 14.
[42] Presidential Order No. 62/21 of 6 May 2021.
[43] Presidential Decree No. 81/18 of 19 March 2018.

3.89. Among the new main laws adopted by Angola to reform its incentive regime are the Private Investment Law[44] (PIL) and the Fiscal Incentives Code.[45] Angola has also introduced a new Law on Free Trade Zones (Section 3.2.4).[46]

3.90. The PIL establishes three incentive regimes: "prior declaration", "special", and "contractual". Incentives under the "special" regime are available for investment projects in "priority" sectors, defined in legislation as sectors with potential for import substitution and economic and export diversification. Priority sectors comprise education, technical and professional training, scientific research, and innovation; agriculture and agri-food; specialized health services; reforestation, forestry, and forest industry; textiles, apparel, and footwear; hotels, tourism, and leisure; construction, public works, telecommunications, information technologies, and airport and rail infrastructures; generation and distribution of electricity; and sanitation and solid waste management.

3.91. Investment projects in other non-priority sectors qualify for incentives under the "prior declaration" regime, while projects with a "structural" impact on economic development in Angola qualify for incentives under the "contractual" regime, regardless of the sector in which the investment takes place. To qualify for the contractual regime, an investment must result in the creation of at least 50 direct jobs for Angolan nationals and be valued at USD 10 million or more. Incentives under the "prior declaration" and "special" regimes are automatic for investors that meet the requirements.

3.92. The type and size of the fiscal incentives granted under each regime are defined in the Fiscal Incentives Code. Fiscal incentives under the "special" regime comprise reduced immovable property, corporate income, and capital gains taxes, as well as accelerated depreciation. The size and duration of most benefits under the "special" regime depends on the region where the investment project is located. Under the "prior declaration" regime, investors receive reductions in immovable property, corporate income, and capital gains taxes, as well as stamp duty. The size and duration of these benefits are fixed regardless of location (Table 3.8).

Table 3.8 Fiscal incentives, 2023

Type of tax	Prior declaration (% rate cut and duration)	Special (% rate cut and duration)	Contractual (% rate cut and duration)
Immovable property acquisition	50%	50%-92.5% depending on location	Negotiated reductions available for up to 15 years
Immovable property (post-acquisition)	n.a.	0-82.5%, 4-8 years, depending on location	Negotiated reductions available for up to 15 years
Corporate income	20%, 2 years	20%-90%, 2-8 years, depending on location	Negotiated reductions available for up to 15 years
Capital gains	25%, 2 years	25%-90%, 2-8 years, depending on location	Negotiated reductions available for up to 15 years
Stamp duty	50%, 2 years	None	Negotiated reductions available for up to 15 years
Other	Goods and equipment to execute the project are exempt from customs duties	• Accelerated depreciation in some locations, 4 or 8 years depending on location • Goods and equipment to execute the project are exempt from customs duties	• Tax credit of up to 50% of the value of the investment (up to 10 years); accelerated depreciation rates (up to 10 years, only in some locations); tax deferral and possibility to deduct up to 80% of expenditures related to infrastructure • Goods and equipment to execute the project are exempt from customs duties

n.a. Not applicable.

Source: Fiscal Incentives Code.

[44] Law No. 10/18 of 26 June 2018, as amended by Law No. 10/21 of 22 April 2021.
[45] Law No. 8/22 of 14 April 2022.
[46] Law No. 35/20 of 12 October 2020.

3.93. Incentives under the "contractual" regime are the result of negotiations between the investor and AIPEX, which is responsible for coordinating the participation of other agencies, including AGT and relevant ministries. Incentives may include reductions in stamp duty, property, corporate income, and capital gains taxes. In addition, investment projects under the "contractual" regime may receive tax credits and may benefit from accelerated depreciation, tax deferral, and the possibility to deduct expenditures related to infrastructure.

3.94. Incentives granted under the three regimes also include temporary customs duty exemptions (Section 3.1.4.3), as well as non-fiscal incentives. For example, under the "special" regime, investment projects are exempt from custom service fees for five years.[47] The size and duration of other financial incentives are not further defined in legislation.

3.95. Between 2018 and November 2023, a total of 681 projects were registered under one of the three incentive regimes in the Private Investment Law. Of these, well over half (58%) received incentives under the prior declaration regime, 36% under the special regime, and 12% under the contractual regime. During the same period, the value of investment under the three regimes totalled USD 13.9 billion, of which almost half was under the contractual regime, 36% under the special regime, and 16% under prior declaration.

3.96. The Secretariat did not have access to aggregate data on the value of fiscal incentives provided under the PIL. According to publicly available data, the value of corporate income tax reductions under the PIL in 2021, the latest year available, totalled AOA 18.3 billion or slightly more than 2% of total fiscal revenue resulting from non-oil corporate income tax in 2021.[48] Customs duty exemptions granted to private investors under the special regime totalled AOA 8.6 billion in the same year.

3.97. In 2022, Angola replaced the fiscal incentives for micro, small, and medium-sized enterprises (MSMEs) contained in Law No. 30/11 of 13 September 2011 with a single set of incentives specified in the Fiscal Incentives Code. Under the Code, micro enterprises pay a reduced corporate income tax rate of 2% on gross sales and are exempt from stamp duty, while small and medium-sized ones receive a cut in the corporate income tax rate of between 10% and 50% depending on the region where they are located. These incentives may be granted for renewable two-year periods for a total of up to 10 years. In 2021, the value of the corporate income tax reduction granted to MSMEs totalled AOA 17.7 million.[49] This incentive was available to some 160 MSMEs in 2021.

3.98. Incentives are also available for specific sectors, including cooperatives involved in agriculture, livestock, forestry, fishing, and other sectors listed in Article 46 of the Fiscal Incentives Code. Renewable energy producers and distributors benefit from a 35% rate cut in corporate income tax and 60% cut in capital gains tax for four years. Renewable energy plants also benefit from reduced rates of property tax.[50] Electric vehicles receive a 50% reduction in customs duty and a 50% reduction on the motor vehicle tax. Fiscal incentives are also available for pension and savings funds, income from life insurance, certain savings deposits, and collective investment schemes.[51]

3.99. Artisanal fishers receive a subsidy for fuel (Section 4.1.4).[52]

3.100. Angola maintains preferential credit schemes under the Support Programme for Export Diversification and Import Substitution (Programa de Apoio à Produção, Diversificação das Exportações e Substituição de Importações, known as PRODESI). For example, the Programme for Credit Support (PAC) aims to support domestic production of "basic consumption-basket goods" under Presidential Decree No. 23/19, which has been revoked. PAC support is provided through loans by the Angolan Development Bank (Banco de Desenvolvimento de Angola (BDA)) at

[47] Law No. 10/21 of 22 April 2021, Article 39.

[48] AGT (2021), *Boletim Estatístico 2021*. Viewed at: https://agt.minfin.gov.ao/PortalAGT/#!/estatisticas/estatistica-fiscais.

[49] AGT (2021), *Boletim Estatístico 2021*. Viewed at: https://agt.minfin.gov.ao/PortalAGT/#!/estatisticas/estatistica-fiscais.

[50] Law No. 35/20 of 12 October 2020, Chapter III.

[51] Law No. 35/20 of 12 October 2020, Chapter IV.

[52] Presidential Decree No. 84/19 of 21 March 2019.

below-market interest rates (7.5%) or private equity by the Angolan Active Private Equity Fund. PAC is mainly targeted at micro enterprises.

3.101. In the context of measures to implement PAC, the National Bank of Angola (BNA) has issued a series of Notices instructing banks in Angola to extend credit at preferential conditions to boost domestic supply of certain goods drawn from the list of "priority" goods under Presidential Decree No. 23/19 (Section 3.1.6).[53] The latest Notice requires banks to provide a minimum of 2.5% of their liquid assets to finance domestic production of such goods, with maximum nominal interest rates of 7.5% for capital expenditure (CAPEX) loans and 10% for working capital loans. Banks must grant a minimum number of loans and give preference to agricultural cooperatives and SMEs. The Secretariat did not have access to the total amount of loans disbursed under the PAC.

3.102. During the period under review, Angola revoked its legislation on SEZs, which exempted companies established in SEZs from import duties on inputs for further processing for five years and equipment and machinery for 10 years.[54] As a result, the authorities say that their intention is to transform the SEZ of Luanda-Bengo – the only SEZ in Angola – into an FTZ, and that the relevant legislation is under preparation (November 2023).

3.103. Customs duty exemptions are available to a wide range of beneficiaries besides those operating under FTZs and SEZs (Section 3.1.4.3). Fiscal incentives, some contingent on exports, are also available under Angola's Law on Free Trade Zones (Section 3.2.4).

3.104. According to published sources, Angola is using its Sovereign Wealth Fund (Fundo Soberano de Angola (FSDEA)) to invest in private equity in sectors that are deemed to have potential for high returns and for driving economic diversification, productivity increases, and structural transformation.[55] FSDEA has dedicated investment funds for six sectors – infrastructure, hotels, timber, mining, agriculture, and healthcare – along with a so-called "mezzanine investment fund", which targets other emerging opportunities, including start-ups and venture financing. The FSDEA's portfolio in these six sectors totals USD 250 million.

3.105. A report by the World Bank's International Finance Corporation notes that for years, Angola has relied on discretionary incentives to promote private-sector development. According to the study, the value of such incentives, which have been granted with little transparency or discipline, is unproven.[56]

3.3.2 Standards, technical regulations, and conformity assessment procedures

3.106. The authorities recognize the key importance of a sound system of standardization, regulation, conformity assessment, metrology, and accreditation to underpin export competitiveness and diversification. In line with this, Angola has created a new agency with broad responsibilities in quality infrastructure and has taken steps to improve coordination between participants in the Angolan Quality System, which reinitiated its activities in November 2022 after being inoperative for several years. Work on implementing an integrated system to manage the development and publication of technical regulations, with the support of the World Bank, is central to these efforts, as each regulator often follows its own procedures. The regulatory process also seems to make limited use of existing standards, and few standards are referenced in regulations. Angola's accreditation system remains incipient, which harms the prospects of potential exporters, who must look for accredited conformity assessment services abroad to access foreign markets. Transparency remains a significant challenge, as there is no publicly available catalogue of standards nor a central registry of technical regulations and conformity assessment procedures, and the laws in which technical regulations are contained are often difficult to find or impossible to search electronically.

[53] Notices 4/2019, 10/2020, 6/2021, and 10/2022.
[54] Presidential Legislative Decree No. 6/15 of 27 October 2015, revoked by Law No. 35/20 of 12 October 2020 (Law on Free Trade Zones).
[55] AUC/OECD (2021), *Africa's Development Dynamics 2021: Digital Transformation for Quality Jobs*. Viewed at: https://doi.org/10.1787/0a5c9314-en.
[56] World Bank Group and International Finance Corporation (2019), *Country Private Sector Diagnostic: Creating Markets in Angola – Opportunities for Development through the Private Sector*.

3.107. Angola's Industrial Development Plan 2025 recognizes the need to improve quality infrastructure to promote export competitiveness and diversification.[57] To this end, the Plan sets out a broad range of actions to strengthen Angola's capacity in the areas of standardization, metrology, accreditation, technical regulations, and conformity assessment.

3.108. In 2021, Angola created a new agency with broad responsibilities in standardization, technical regulations, conformity assessment, accreditation, and metrology.[58] The new agency – the National Institute for Quality Infrastructure (Instituto Nacional das Infra-estruturas da Qualidade (INIQ)) – resulted from the merger of the Angolan Institute for Standardization and Quality (IANORQ) and the Angolan Institute for Accreditation (IAAC) in 2021. INIQ is responsible for implementing policies to promote, organize, and strengthen quality infrastructure, including through the management of the Angolan Quality System (Sistema Angolano da Qualidade (SAQ)), which reinitiated its activities in November 2022 after being inoperative for several years.[59] The authorities note that INIQ lacks sufficient resources, especially human resources, to fulfil its broad mandate. They also note that work is ongoing to develop rules and guidelines to prevent potential conflicts of interest between INIQ's accreditation and certification functions.

3.109. INIQ is a correspondent member of the International Organization for Standardization (ISO) and a member of the Affiliate Country Programme of the International Electrotechnical Commission (IEC).

3.110. The authorities say that INIQ, as the responsible agency for coordinating standardizing activities in Angola, has issued a procedural manual for the development and adoption of Angolan standards. The manual does not seem to be publicly available. Draft standards are prepared by sectoral technical standardization commissions, of which there are 35, at the request of economic operators, public associations, universities, or government agencies. INIQ may adopts as Angolan standards (Norma Angolana (NA)) standards developed at the national, regional (SADC), or international level. They also note that draft standards are announced in the Jornal de Angola, INIQ's website, and other outlets identified by the chair of the relevant technical standardization commission, and that all national standards and adapted international standards are subject to public consultation. INIQ has not yet notified its acceptances of the Code of Good Practices under the WTO TBT Agreement.[60]

3.111. According to the authorities, Angola has 476 standards in force (November 2023). Compliance with INIQ standards is voluntary. Despite repeated attempts over the period June-November 2023, the Secretariat could not access the online standards catalogue on INIQ's website, as the relevant button ("Catálogo de Normas") was inactive.[61]

3.112. Technical regulations are developed by government ministries or other competent bodies on their own initiative or at the INIQ's request. In principle, INIQ's role in the regulatory process is to refer regulators to relevant standard(s) that could be referenced in regulation based on their goals, and to avoid potential conflicts between Angolan standards and technical regulations. The Regulation on the Angolan Quality System contains provisions to enable coordination between INIQ and regulators. For example, when preparing a technical regulation, regulators must inform INIQ before the technical regulation is published in the *Diário da República*, Angola's official gazette. This provision only applies to technical regulations that refer to Angolan standards rather than technical regulations more broadly. The same holds when regulatory bodies modify or abolish a technical regulation. In such cases, regulatory bodies must coordinate with INIQ, but only with respect to changes in technical regulations that refer to Angolan standards.

3.113. In practice, the authorities note that INIQ's participation in the regulatory process is limited, as each regulatory body often follows its own procedures for the preparation and adoption of technical regulations, which do not necessarily refer to Angolan standards.

[57] MINDCOM (2021), *Plano de Desenvolvimento Industrial de Angola 2025*.
[58] Presidential Decree No. 95/21 of 20 April 2021.
[59] Regulation on the Angolan Quality System (Decree No. 83/02 of 6 December 2002).
[60] INIQ's predecessor (IANORQ) submitted such a notification in 2017. WTO document G/TBT/CS/N/190, 12 May 2017.
[61] INIQ, *Standardization, Conformity Assessment, and Training*. Viewed at: https://iniq.gov.ao/normalizacao-avaliacao-da-conformidade-e-formacao/.

3.114. The authorities state that the process to adopt legislation – including legislation containing technical regulations – in Angola is subject to rules, which include mandatory provisions for inquiry and public discussion of draft legislation. Technical regulations are published in the official gazette as part of the legislative instrument in which they are contained. In principle, the official gazette can be consulted online. In practice, the official website providing access to the gazette is often inaccessible. Moreover, online copies of the official gazette are not always available in a format that allows users to conduct text-based searches.

3.115. There is no central registry of technical regulations, or of products subject to technical regulations, even though Presidential Decree No. 95/21 tasks INIQ with managing such a registry and ensuring that it conforms to best international practice. The authorities say that they intend to develop an integrated system to assist INIQ in coordinating and managing the process of development, entry into force, and expiry of technical regulations. The initiative, known as SINGERT (Sistema Integrado de Gestão de Regulamentos Técnicos), is part of a World Bank project to support Angola's efforts to develop a national quality policy.

3.116. Regarding accreditation and conformity assessment, private and public entities providing certification, inspection, testing, and calibration services must be registered with INIQ.[62] The purpose of this measure is to allow INIQ to exercise oversight over conformity assessment activities pending the establishment of a fully operational accreditation system in Angola. According to the authorities, 78 conformity assessment bodies have registered with INIQ, including calibration and testing laboratories, certification and inspection bodies, and companies providing consulting, auditing, and capacity-building services to clinical laboratories. Of these, seven have received INIQ accreditation and another five are in the process of being accredited. The absence of a fully developed and well-functioning accreditation system harms the prospects of potential exporters, who must look for accredited conformity assessment services abroad to access foreign markets.

3.117. INIQ's current responsibility regarding conformity assessment is limited to assessing the conformity of electric cables with relevant standards. Electric cables can only be imported into Angola after they have obtained a certificate of conformity issued by INIQ. To obtain the certificate, importers must demonstrate that the cables have been duly tested. Imports of food, food additives, beverages, medicines, cosmetics, fertilizers, seeds, and phytopharmaceuticals may be subject to testing for sanitary and phytosanitary reasons (Section 3.3.3).

3.118. Angola participates in the cooperation structures on technical barriers to trade under SADC, including SADCSTAN. SADCSTAN seeks to facilitate mutual recognition of standards among SADC member states.[63] The authorities say that three laboratories in Angola have obtained accreditation from the Southern African Development Community Accreditations Service or SADCAS.

3.119. Regarding Angola's participation in the WTO TBT Committee, Presidential Decree No. 95/21 of 20 April 2021 designates INIQ as the enquiry point under the TBT Agreement. Angola has not yet submitted its one-time notification on its organizational setup for the implementation of the TBT Agreement, nor has it notified its national notification authority or any technical regulation to the WTO.

3.120. Since Angola's last review, two WTO Members have raised specific trade concerns (STC) in the TBT Committee about an Angolan requirement to affix high-security tax stamps on medicines, alcoholic and non-alcoholic beverages, tobacco, and tobacco products. The measure, which was adopted in 2022 but is not yet in force, stipulates that tax stamps must be affixed to imported products prior to their arrival in Angola.[64] The purpose of this measure is to fight smuggling. The concerns raised at the WTO relate to the absence of a notification to the TBT Committee, the length of the implementation period, and issues regarding the application of the measure to products in stock and unsold after the end of the implementation period.[65] The authorities indicate that Angola had not yet notified the measure in question because it was being reviewed.

[62] Executive Decree No. 55/08 of 17 April 2008.
[63] Article 10.7 of the TBT Agreement contains an obligation to notify agreements between Members on issues related to technical regulations, standards, or conformity assessment procedures.
[64] Presidential Decree No. 149/22 of 10 March 2022 has been suspended by Presidential Decree No. 186/22 of 8 April 2022.
[65] WTO document G/TBT/M/89, 11 May 2023.

3.3.3 Sanitary and phytosanitary requirements

3.121. During the period under review, Angola updated parts of its legal regime on sanitary and phytosanitary (SPS) measures, including on plant health. The authorities recognize that additional legislative and institutional reforms are needed to strengthen the SPS framework and bring it up to date, for example with respect to pesticides. Angola does not have a food safety law, but regulations on laboratory analysis adopted in 2018 set out a framework for testing of products for human consumption based on Codex and other international standards. In practice, all imported food is subject to laboratory testing in Angola irrespective of origin, prior testing, or level of risk. Food importers can choose the laboratory to conduct the required tests following the end of the monopoly on laboratory tests of imported food held by one company. Several bodies have possibly overlapping responsibilities regarding the enforcement of food safety standards, including with respect to imported food.

3.122. Angola's SPS legislation includes the Plant Health Law, adopted in 2021[66]; Seeds Law and its regulations[67]; Pesticides Regulation[68]; Animal Health Law and its regulations[69]; and the Regulations on Laboratory Analysis for Products Destined for Human or Animal Consumption.[70]

3.123. Regarding trade in plants and plant products, the National Directorate for Agriculture, Livestock and Forestry (Direcção Nacional de Agricultura e Pecuária (DNAP)) under the Ministry of Agriculture and Forestry (MINAGRIF) must prepare and publish a list of plants and plant products whose import is prohibited or subject to conditions, as well as a list of regulated quarantine pests. These lists must be prepared in accordance with international standards and based on risk assessment.[71] The Plant Health Law does not set out a requirement to publish draft phytosanitary measures for public comment.

3.124. Annex I of Order No. 15/19 of 21 February 2019 lists the plant and plant products whose import requires prior authorization for phytosanitary reasons and a phytosanitary certificate issued by the relevant authority of the country of origin. The list comprises fresh and dried fruits, vegetables, roots, tubers, seeds, flowers, soil, plant propagation material, wood, grains, cereals, malt, various types of flour, cotton, organic fertilizers, live insects, and invertebrates. The import authorization, which is issued in the form of a prior licence (*licença prévia*) by DNAP, sets out the conditions that the imported products must fulfil to be allowed entry into Angola. In addition to the prior licence (and the phytosanitary certificate), importers must obtain a separate import licence from MINDCOM (Section 3.1.6). Imports of products listed in Annex I of Order No. 15/19 are subject to phytosanitary inspection upon arrival in Angola. Imports of phytopharmaceuticals, including pesticides, insecticides, acaricides, herbicides and fungicides, must be registered with DNAP to be allowed entry into Angola.

3.125. Regarding trade in live animals and animal products, relevant sanitary requirements are developed by the Institute of Veterinary Services (Instituto dos Serviços de Veterinária (ISV)) under the MINAGRIF. The list of diseases subject to sanitary control measures is contained in an annex to the Animal Health Law and must be based on international standards. There is no requirement in the Law to publish such measures in draft form for public comment.

3.126. Imports of live animals, animal products, and animal biologicals require authorization (*licença sanitária* or *licença zoosanitária*), which is issued by ISV, along with a sanitary certificate issued by the relevant authorities in the country of origin. In addition, importers must obtain a separate licence from MINDCOM (Section 3.1.6). Imports of live animals and animal products must undergo inspection. Live animals must be held in quarantine for a duration determined by ISV before they can enter Angola.

[66] Law No. 5/21 of 3 February 2021.
[67] Law No. 7/05 of 11 August 2005; and Presidential Decree No. 93/16 of 9 May 2016.
[68] Decree No. 3574 of August 1965.
[69] Law No. 4/04 of 13 August 2004; and Decree No. 70/08 of 11 August 2008.
[70] Presidential Decree No. 179/18 of 2 August 2018.
[71] Law No. 5/21, Articles 8 and 9.

3.127. Phytosanitary certificates required for exports of plant and plant products from Angola are issued by DNAP, while ISV is responsible for issuing sanitary certificates required for exports of animals and animal products.

3.128. Angola does not have a food safety law. A draft public health law addressing food safety is pending approval. Several bodies have possibly overlapping responsibilities regarding food safety. These include the National Quality Control Institute for Industry and Commerce (Instituto Nacional de Controle da Qualidade da Indústria e Comércio (INACOQ))[72], the successor agency to the National Laboratory for the Quality Control of Commerce; the National Economic and Food Security Inspection Authority (Autoridade Nacional de Inspecção Econômica e Segurança Alimentar or ANIESA)[73]; the National Service for Food Quality Control (Serviço Nacional de Controle da Qualidade dos Alimentos (SNCQA))[74]; and Codex Angola.[75] INACOQ, ANIESA, and SNCQA appear to focus on enforcement, while Codex Angola focuses on standards development. Nonetheless, the authorities note that Codex Angola needed to be revitalized, as it lacked the financial resources to carry out its functions.

3.129. During the period under review, Angola adopted the Regulations on Laboratory Analysis for Products Destined for Human or Animal Consumption.[76] Under the Regulations, imported and domestically produced goods for human consumption that may pose a risk to public health or the environment may be subject to laboratory testing if the competent authority so decides (Table 3.9). The authorities say that in practice, all imports of food and beverages for human consumption are subject to mandatory laboratory testing, irrespective of their origin. The purpose is to ensure the safety and quality of imported food and beverages.

Table 3.9 Selected products listed in the Regulations on Laboratory Analysis

HS heading	Product
0803, 0804, 0805, 0806, 0807, 0808, 0809, 0810, 0811	Fruits, fruit products and similar
0603, 0604, 0702, 0703, 0704, 0705, 0706, 0707, 0708, 0709, 0710	Vegetables, legumes, and similar, including edible mushrooms
0601, 0602, 0701, 0714	Roots, tubers and similar
0712, 0713, 0801, 0802, 10813, 0814, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1201, 1202, 1203, 1204, 1205, 1206, 1207, 1208, 1209, 1210, 1211, 1212, 1213, 1214	Other vegetable products, dried grains, and cereals
0711, 0812, 2001, 2002, 2003, 2004, 2005	Vegetables and preserved vegetables
0201, 0202, 0203, 0204, 0205, 0206, 0207, 0208, 0209, 0210, 1501, 1502,1503, 1516	Meats and meat products
0407, 0408	Eggs and by-products
0301, 0302, 0303, 0304, 0305, 0306, 0307, 1504, 1604, 1605	Fish and fishing products
0401, 0402, 0403, 0404	Cow milk and from other mammals and by-products (natural, fermented, yogurts and similar)
0406	Cheese
0405	Butter, milk cream and similar
1101, 1102, 1103, 1104, 1105, 1106, 1107, 1108, 1109, 1901, 1902, 1903	Flours, pasta, baking and bakery products (processed and packaged) and similar
1701, 1702, 1703, 1704	Sugars and sweeteners
0901, 0902, 0903, 2104	Products to be consumed after adding liquid, using heat (min. 75°C for 20 seconds), excluding dairy-based and chocolate products
1904, 1905, 2007, 2008	Solid products ready for consumption (snacks and similar), edible seeds, raw or roasted, salty or sweet, salty and sweet products, extruded or not, fried, baked
0410, 1601, 1602	Sausage products (meat), canned and vacuum packed
0904, 0905, 0906, 0907, 0908, 0909, 0910, 2101, 2103	Spices, seasonings, and prepared sauces and similar
1507, 1508, 1509, 1510, 1511, 1512, 1513, 1514, 1515, 1517, 1804	Margarine, virgin olive oil. Vegetable fats and creams and similar

[72] Presidential Decree No. 177/21 of 16 July 2021.
[73] Presidential Decree No. 267/20 of 16 October 2020.
[74] Presidential Decree No. 138/19 of 13 May 2019.
[75] Executive Decree No. 186/13 of 31 May 2013.
[76] Presidential Decree No. 179/18 of 2 August 2018.

HS heading	Product
2009	Juices, soft drinks and other drinks, excluding those from milk and chocolate (cocoa and similar drinks)
1801, 1802, 1803, 1805, 1806	Chocolates, candies, confectionery products, chewing gum and similar products
2015	Edible ice cream and products for preparing edible ice cream
2201, 2202	Drinking water for consumption and food preparation
2203, 2204, 2205, 2206, 2207, 2208, 2209	Wines and beers
0409	Honey and derivatives
0501, 0502, 0503, 0504, 0505, 0506, 0507, 0508, 0509, 0510, 0511, 1301, 1302, 1401, 1402, 1403, 1404, 1505, 1506, 1518, 1520, 1521, 1522, 1603, 2102, 2106, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2309	Miscellaneous and/or unspecified products in other categories

Source: Presidential Decree No. 179/18 of 2 August 2018.

3.130. To be authorized for sale in Angola, imported food and beverages must be tested by laboratories established in Angola. Tests may be carried out by laboratories outside of Angola only in cases of "epidemiological emergency affecting public health and if national laboratories lack capacity".[77] Tests for imported food and beverages may be conducted by public or private laboratories, which must be accredited by INIQ. Private laboratories must also be licensed by the Ministry of Health. The Regulations set out the requirements that private laboratories must fulfil to obtain a licence.

3.131. Importers may freely choose which laboratory they wish to use for testing, provided the laboratory is duly accredited and if private, duly licensed. During the period under review, Angola eliminated the requirement that all imported food be tested by AGT or an entity contracted by it.[78] This measure ended the *de facto* monopoly on testing of imported food that the company Bromangol, which had been contracted by AGT to test all food imports, had held until then.

3.132. Samples must be taken by the relevant inspector (or at the inspector's request, by the lab technician) no later than 48 hours after the goods in question have been released from customs control. The laboratory must issue a so-called "test bulletin" (*boletim de análise*) with the test results within 15 days after the samples have been taken, unless it cannot carry out the tests due to "technical or force majeure" reasons.[79] The laboratory then submits the bulletin to the competent authority, which issues a health certificate (*certificado de salubridade*) within two days if it is satisfied that, based on the test results, the imported food or beverages meet the relevant standards. Only then can the products in question be marketed. The health certificate must be issued "as soon as possible" if, upon arrival in Angola, the imported products have an expiry date of 30 days or less (or if they may spoil quickly).[80] The cost of laboratory tests is specified in the Regulations and must be covered by the importer.

3.133. Under the Regulations, and pending the development and adoption of specific rules, Angola must follow Codex and other international standards, including on maximum limits for mycotoxins, food additives, pesticides, veterinary drugs, inorganic contaminants, and food testing methods.[81] Annex V of the Regulations lists the tests and testing methods (with the corresponding standard) that apply on food and beverages subject to laboratory testing.

3.134. Angola prohibits imports containing genetically engineered components, except in the case of food aid.[82] Imports of meat from cattle treated with growth-promoting hormones are also prohibited.[83] The Secretariat did not have access to information about other import prohibitions imposed by Angola due to sanitary or phytosanitary reasons.

3.135. Angola's enquiry points under the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) are MINDCOM and the MINAGRIF. The national

[77] Presidential Decree No. 179/18, Article 8.
[78] Presidential Decree No. 273/17 of 10 November 2017.
[79] Presidential Decree No. 179/18, Article 15.
[80] Presidential Decree No. 179/18, Article 11.
[81] Presidential Decree No. 179/18, Article 14.
[82] Decree No. 92/04 of 14 December 2004.
[83] Decree No. 70/08 of 11 August 2008, Article 65.

notification authority is MINDCOM. Angola has not notified any SPS measures to the SPS Committee. No STCs have been raised in that Committee on Angolan SPS measures.

3.136. Angola is a member of the World Organisation for Animal Health (WOAH, formerly OIE) and the Codex Alimentarius Commission. It is not a party to the International Plant Protection Convention (IPPC). The authorities note that not being a party to the IPPC constrains the functioning of the Angolan SPS regime. Other challenges highlighted by the authorities include developing modern pesticides legislation and ratifying relevant international conventions; strengthening human and financial resources, as well as infrastructure, to survey and monitor pests and diseases, and carry out inspections; and establishing a dedicated plant protection service.

3.3.4 Competition policy and price controls

3.137. The level of competition in the market is generally low, partly because of high entry barriers that result from the dominant position of SOEs in many sectors of the Angolan economy. The authorities consider "healthy competition" a prerequisite for improving the business environment and enabling greater participation of MSMEs in the economy. In line with this, Angola took several steps during the period under review to strengthen its competition policy regime. Angola adopted a competition policy framework and introduced policy, legal, and institutional changes in several other areas with implications for competition, including government procurement, SOEs, privatization, and regulatory oversight of specific economic sectors. The Competition Law incorporates a novel feature that empowers the competition authority to issue opinions on competition-related aspects of draft and existing legislation and recommend measures to strengthening competition in specific sectors of the economy.

3.138. In 2020, Angola reduced the number of products subject to price controls. The following prices continue to be set administratively by the relevant authorities: tap water, electricity, wastewater treatment, and public transport in urban centres. The prices of gasoline, diesel, liquefied petroleum gas, and lighting fuel are also fixed.

3.3.4.1 Competition policy

3.139. According to several published sources, market concentration is high across many sectors, partly because the dominant position of SOEs in the Angolan economy creates high barriers to entry.[84] Of the 141 economies covered in the 2019 Global Competitiveness Report, Angola ranks 140th in "extent of market dominance" and 139th in "competition in services".[85] The authorities note that concentration is particularly high in the market for mid- and down-stream petroleum sectors, due to high barriers to entry. They also point to the mobile telecommunications market as another example of a relatively concentrated market (Section 4.3.1).

3.140. Angola adopted a Competition Law in 2018 and established a Competition Regulatory Authority (Autoridade Reguladora da Concorrência (ARC)) with broad oversight, regulatory, and sanctioning powers (which include investigative powers).[86] ARC has also been empowered to work alongside other public entities to ensure that public policies are aligned with competition policy principles (Box 3.3). In addition to the Competition Law, the main competition legislation includes the Competition Regulation[87] and ARC's Organic Statute.[88]

[84] See, for example, UNCTAD (2019), Investment Policy Review: Angola; and World Bank Group and International Finance Corporation (2019), *Country Private Sector Diagnostic: Creating Markets in Angola – Opportunities for Development through the Private Sector*.
[85] World Economic Forum (2019), *Global Competitiveness Index*. Viewed at: https://www.weforum.org/reports/how-to-end-a-decade-of-lost-productivity-growth.
[86] Law No. 5/18 of 10 May 2018.
[87] Executive Decree No. 240/18 of 12 October 2018.
[88] Executive Decree No. 313/18 of 21 December 2018.

Box 3.3 ARC's role in promoting better public policies

As part of its mandate to promote competition, ARC has been empowered to assess existing and proposed public policies for their impact on competition and make recommendations. The purpose is to ensure that public policies are aligned with competition policy principles. In preparing its assessments, ARC cooperates closely with all bodies involved in the formulation of specific policies.
In line with this responsibility, ARC has issued opinions on draft and existing legislation, including (i) draft Press Law; (ii) draft regulation on the determination of "significant market operators" by the Angolan Institute for Communications (Instituto Angolano das Comunicações (INACOM)); and (iii) rules on imports of pre-packaged products.
ARC has also focused on the conditions of competition in specific sectors and issued recommendations. Its assessments have focused on the following sectors: payment services, road transport, ports, banks, civil construction, and telecommunications.

Source: WTO Secretariat, based on ARC Annual Reports 2019, 2020, and 2021. Viewed at: https://arc.minfin.gov.ao/PortalARC/#!/estudos-e-publicacoes/recomendacoes-pareceres-e-relatorios.

3.141. All economic activities within, or having effect within, Angola, are subject to the Competition Law, irrespective of whether the activity in question is by public or private companies, groups of companies, cooperatives, or business and professional associations. The Competition Law prohibits abuse of dominant position, including the refusal to provide access to a network or other essential infrastructure, or selling products below cost. Under the Competition Regulation, an undertaking with a market share of 50% or more is presumed to have a dominant position. For markets with significant entry barriers, undertakings with a market share of less than 50% may be deemed to have a dominant position. The Law also forbids abuse of economic dependence by a company that supplies goods or services for which its customers have no alternative sources of supply (i.e. market power).

3.142. The Competition Law also prohibits competition-restricting agreements, including price-fixing, market-sharing, and other kinds of horizontal agreements, as well as vertical agreements such as the imposition of resale prices or other trading conditions with third parties.

3.143. Regarding concentration, the Competition Law and its Regulation create a framework for merger and acquisition control. Merger and acquisition transactions are subject to prior notification and approval by ARC if certain conditions and thresholds are met. These are specified in the Competition Regulations. In essence, merger and acquisition transaction must be notified when one of the following conditions are met: (i) a market share equal to or greater than 50% of the domestic market in a specific good or services (or in a "substantial part" of such market) is "acquired, created, or reinforced"; (ii) a market share equal to or greater than 30% but less than 50% of the domestic market in a specific good or service (or in a substantial part of such market) is acquired, created, or reinforced, and the individual turnover of at least two of the undertakings involved in the transaction in Angola in the previous fiscal year is greater than AOA 450 million; and (iii) the turnover of the undertakings involved in the transaction in Angola exceeds AOA 3.5 billion in the previous fiscal year.[89]

3.144. Transactions that do not meet the thresholds may still be subject to a simplified, post-merger notification procedure if ARC deems that such transaction may nevertheless significantly restrict competition. When assessing merger transactions, ARC must consider public interest factors, including the impact of the transaction on a specific sector or region, employment, the capacity of small businesses (or businesses owned by marginalized people) to become competitive, and the capacity of the domestic industry to compete in the international market.[90]

3.145. Non-compliance with the provisions on abuse of dominant position and economic dependence, and competition-restricting agreements results in penalties ranging from 1% to 10% of the concerned company's annual revenue. Regarding mergers, companies that fail to notify a transaction that meets the thresholds specified in the legislation are liable for fines ranging from 1% to 5% of their annual turnover. The fines range from 1% to 10% of annual turnover for companies

[89] Presidential Decree No. 240/18 of 12 October 2018, Article 10.
[90] Presidential Decree No. 280/18 of 12 October 2018, Article 16.5.

that implement a merger without first obtaining approval from ARC. The Secretariat did not have access to information on the amount of the fines set in recent years.

3.146. During the period 2019-22, ARC adopted a total of 38 decisions related to mergers and acquisitions (Table 3.10).

Table 3.10 Mergers and acquisitions enforcement, 2019-22

	2019	2020	2021	2022
Notifications	6	5	10	21
Decisions	5	2	11	20

Source: Information provided by the authorities.

3.147. ARC is part of an interagency group providing support in the context of Angola's privatization programme PROPRIV (Section 3.3.5). ARC's involvement in PROPRIV seeks to "avoid situations that may generate market distortions or compromise the business environment".[91]

3.148. Other laws adopted under the period under review that may have a positive effect on competition in Angola include the Basic Law on Independent Administrative Bodies, which adopts a set of best practices that seek to strengthen the technical and professional capacity of such bodies, along with their objectivity and neutrality.[92] In addition, Angola adopted a new Law on the Legal Framework for Corporate Restructuring and Insolvency, which revamped the legal regime for insolvency with the goal of facilitating the reorganization of viable companies facing solvency challenges and promote access to finance.[93]

3.3.4.2 Price controls

3.149. The prices of some products are subject to controls. Under its National System of Prices, Angola applies "fixed" and "monitored" price schemes.[94] Under the fixed scheme, the competent body sets the price at which the product is sold in the domestic market. Market prices cannot deviate from the administered price.

3.150. Monitored prices are used as reference for the maximum price that the final consumer should pay for a specific product under "normal" market conditions.[95] They are set by the MINFIN in coordination with the competent supervisory body. If the actual price exceeds the monitored price by a significant margin, the responsible agency may decide to intervene following an investigation.

3.151. With the adoption of Executive Decree No. 256/20 of 20 October 2020, Angola reduced the number of products subject to price controls. The following remain subject to fixed prices: tap water, electricity, wastewater treatment, liquefied petroleum gas (LPG), lighting fuel, and public transport in urban centres. Some 20 product categories are subject to monitored prices (Table 3.11).

Table 3.11 Products subject to monitored prices, 2023

Description	
Sugar	Cooking oil
Meat	Soap (in bars)
Wheat flour	Drinking water distributed by truck
Cornmeal	Medical goods to treat coronavirus
Pasta	Jet fuel
Palm oil	Air fares (passengers and cargo)
Salt	Taxi and urban passenger transport fares
Rice	Tuition fees
Fish	COVID-19 tests

[91] Autoridade Reguladora da Concorrência (2022), *Relatório de Actividades, Gestão e Contas 2021*. Viewed at: https://arc.minfin.gov.ao/PortalARC/#!/estudos-e-publicacoes/recomendacoes-pareceres-e-relatorios.

[92] Law No. 27/21 of 25 October 2021.

[93] Law No. 13/21 of 10 May 2021.

[94] Executive Decree No. 206/11 of 29 July 2011.

[95] Executive Decree No. 206/11 of 29 July 2011.

Description	
Beans	Road, maritime and rail transport fares (passengers and cargo)
Milk	Port and airport tariffs; transport and warehouse fees (only for products subject to monitored prices)

Source: Executive Decree No. 256/20 of 30 October 2020.

3.152. Angola also controls the prices of gasoline, diesel, LPG, and lighting fuel. For gasoline and diesel, the MINFIN fixes the price that consumers pay at the pump. The low level at which the prices have been fixed has resulted in large subsidies and has encouraged smuggling to neighbouring countries.[96] The MINFIN regularly publishes information on the cost of fuel subsidies.[97] The amount of subsidies spent on gasoline, diesel, LPG, and lighting fuel totalled AOA 1,979.21 billion in 2022 or 3.8% of GDP. In June 2023, the authorities raised the prices of gasoline, as part of their plan to phase out fuel subsidies by 2025.

3.3.5 State trading and state-owned enterprises

3.153. SOEs have a significant presence in the Angolan economy. Several published analyses of SOEs in Angola have concluded that the existence of underperforming SOEs in many key sectors of the economy, including infrastructure sectors such as electricity, have negatively affected the competitiveness of the private-sector and impeded progress in trade and economic diversification.[98] Against this backdrop, Angola has embarked on an ambitious initiative to increase transparency and accountability of SOEs. In addition, Angola initiated a privatization process, which has resulted in the privatization of 98 SOEs (November 2023), with an additional 68 SOEs slated for privatization by end-2026.

3.154. At the end of 2022, Angola had 92 SOEs. Of these, 66 have legal status as public companies wholly owned by the State (*empresas públicas*), 20 are companies established under standard commercial law and in which the State has "dominant influence" (*empresas com domínio público*), and 6 are minority-owned SOEs. Of the 86 operational SOEs, 77 were active and 9 inactive. The SOE sector in Angola employs some 54,500 workers, of which 28% are female.

3.155. Financial data are publicly available for 71 SOEs.[99] According to these data, the combined assets of these SOEs totalled AOA 26.9 trillion in 2022, equivalent to 52% of GDP. Of this amount, some 83% are assets in the non-financial sector (corresponding to 65 SOEs), while the remaining 17% are assets in the financial sector (6 SOEs). The extractive sector represents close to 70% of SOE non-financial assets, followed by electricity (12% of SOE non-financial assets), transport and warehousing (9%), information and communications (5%), and other sectors (close to 5%).

3.156. Sonangol, the state oil company, alone holds around 69% of SOE non-financial assets and employs slightly more than 8,000 workers. Its revenues are worth almost 12% of GDP. The company's five business units cover the oil and gas value chain, with one of the units dedicated to gas and renewable energies. Sonangol Holdings owns companies in many non-core businesses. Cross-ownership among SOEs is widespread.

[96] There are no reliable estimates of how much fuel is being smuggled, but regular reports of scarcity of officially priced fuel and a flourishing black market in border provinces indicate that this is a large problem (see, for example, *Jornal de Angola* (2022), "Angola perde anualmente dois mil milhões de dólares com contrabando de combustível", 10 November. Viewed at: https://www.jornaldeangola.ao/ao/noticias/angola-perde-anualmente-dois-mil-milhoes-de-dolares-com-contrabando-de-combustivel/.

[97] IGAPE (2023), *Relátorio Annual dos Custos com Combustíveis e Subsídios, 2022*. Viewed at: https://igape.minfin.gov.ao/PortalIGAPE/#!/sala-de-imprensa/comunicados.

[98] See, for example, World Bank Group (2019), *Angola: Financial Performance, Corporate Governance, and Reform of State-Owned Enterprises in Angola*, p. 37. Viewed at: https://state-owned-enterprises.worldbank.org/sites/soe/files/reports/WB_SOE%20Financial%20Performance_Corporate%20Governance%20and%20Reform_Angola_2019.pdf; and World Bank Group and International Finance Corporation (2019), *Country Private Sector Diagnostic: Creating Markets in Angola – Opportunities for Development through the Private Sector*, p. 14. Viewed at: https://www.ifc.org/en/insights-reports/2019/cpsd-angola#:~:text=This%20Country%20Private%20Sector%20Diagnostic,experience%20to%20accelerate%20transformational%20investment.

[99] IGAPE (2022), *Relatório Agregado do Sector Empresarial Público, 2022*. Viewed at: https://igape.minfin.gov.ao/PortalIGAPE/#!/sector-empresarial-publico/relatorios-do-sep.

3.157. The large state presence in the economy hinders private investment and increases the risk of negative effects on the economy's productivity and competitiveness when SOEs perform poorly, which is the case in Angola. SOEs involved in core infrastructure sectors, including energy, water and sanitation, transport, and telecommunications, have not provided the coverage and quality of services needed to underpin poverty reduction and private-sector development.

3.158. SOEs are heavily leveraged. Total liabilities for the 71 SOEs for which financial data are available represented almost 34% of GDP in 2022. According to the World Bank, the reasons for the poor performance of SOEs are many, including the imposition of non-commercial objectives, poor management, weak corporate governance, and limited accountability.[100]

3.159. The State provided direct support to SOEs through equity injections and operational and price subsidies (Table 3.12). Meanwhile, only 13 SOEs paid dividends to the State in one or more years during the period 2020-22, for a total of AOA 4.3 billion.

Table 3.12 Direct government support to SOEs, 2020-22

Type of support	Number of beneficiary companies	Amount (AOA)
Equity injections	47 Banco de Poupança e Crédito (BPC), a bank, was the main beneficiary, with around 44% of support	796.6 billion
Support for operational expenses (mostly salaries)	14 (predominantly in the information and communications sector and the transport sector)	112.8 billion
Price support (to compensate SOEs for selling goods and services, mostly fuel and electricity, at reduced prices)[a]	5 Sonangol was the main beneficiary, with around 94% of support	800 billion

a Data for the period 2019-21.

Source: Institute for the Management of State Assets (IGAPE), Annual Reports 2021 and 2022. Viewed at: https://igape.minfin.gov.ao/PortalIGAPE/#!/sector-empresarial-publico/relatorios-do-sep.

3.160. Public companies and companies in which the State has a "dominant influence" are subject to the Basic Law on the State Enterprise Sector.[101] The Law establishes corporate governance requirements for public companies, while other SOEs must follow the corporate governance requirements of standard commercial law. Both types of SOEs are subject to competition rules and, if they receive public funds, to public procurement rules (Section 3.3.6).

3.161. Since its last Review, Angola has started a process to reform and downsize its SOE sector. This process comprises a privatization programme and a roadmap for SOE reform. The Institute for the Management of State Assets (Instituto de Gestão de Activos e Participações do Estado (IGAPE)), was created in 2018 under the MINFIN to oversee and monitor the SOE sector, improve SOE transparency and accountability, and manage privatizations.[102] IGAPE's consolidated reports on the financial performance of the SOE sector are available online. These reports cover information on subsidies provided to SOEs. In addition, IGAPE publishes online the annual financial statements of individual SOEs.[103]

3.162. The Basic Law on Privatization establishes the framework for SOE privatization.[104] The goal of Angola's privatization policy is to reduce the State's presence in the economy, strengthen domestic entrepreneurship, broaden participation in business ownership, contribute to the development of capital markets in Angola, and lower the public debt burden. Privatizations must be carried out through tenders or share offerings. The Law specifies procedures to implement each modality.

[100] World Bank Group (2019), *Angola: Financial Performance, Corporate Governance and Reform of Stat-Owned Enterprises*, Report No. AUS0000911, 28 June.
[101] Law No. 11/13 of 3 September 2013.
[102] Presidential Decree No. 141/18 of 7 June 2018.
[103] Both IGAPE's consolidated reports and the financial statements of individual SOEs are available at: MINFIN, *Informações Financeiras das Empresas do SEP*. Viewed at: https://igape.minfin.gov.ao/PortalIGAPE/#!/sector-empresarial-publico/relatorios-do-sep.
[104] Law No. 10/19 of 14 May 2019.

3.163. Angola adopted a privatization programme, known as PROPRIV, in August 2019.[105] PROPRIV, which is managed by IGAPE, initially identified 195 SOEs for privatization between 2019 and 2022. At the end of 2022, Angola had privatized 92 SOEs for a total contracted value of AOA 978.8 billion, mostly in industry, agri-food, and tourism. In March 2023, Angola extended PROPRIV until 2026 to privatize an additional 73 SOEs.[106] During this second phase, an additional 6 SOEs have been privatized for a total contracted value of AOA 42.9 billion, 24 SOEs are in the process of being privatized, and 43 SOEs are awaiting privatization (November 2023).

3.164. According to IGAPE, Angola intends to structure all remaining SOEs as either public companies (*empresas públicas*) or commercial companies with public capital (*sociedades comerciais com capitais públicos*). The authorities will use three criteria to determine the future structure of SOEs: economic viability, public service mission, and company by-law. Companies that are economically viable will be structured as commercial companies (with the degree of public participation to be determined) whereas companies that are not, but provide a public service, will be structured as public companies. According to this new approach, Sonangol and ENDIAMA (state diamond company), which are public companies wholly owned by the State, would be turned into commercial companies with some degree of public participation.

3.165. Privatization is taking place alongside SOE reform through the implementation of a reform roadmap adopted in January 2022.[107] The roadmap sets out initiatives to improve SOE financial and economic performance; enhance the quality, timeliness, and transparency of financial information provided by SOEs; and strengthen the management of fiscal risks related to SOE contingent liabilities and other obligations. In addition, the roadmap calls for a clear separation between the State's functions as SOE shareholder, regulator, and supervisor, and for limiting the State's presence in the SOE sector to "strategic sectors". The term "strategic sectors" is not further defined in the roadmap.

3.166. Angola has not notified any state trading enterprises within the meaning of Article XVII of the GATT. Yet, Sonangol, the state-owned oil company, has a monopoly on imports of refined petroleum products (except lubricants). In addition, all raw diamonds must be exported through the Single Channel (Canal Único) supervised by SODIAM, the state-owned diamond trading company.[108]

3.3.6 Government procurement

3.167. In 2022, public procurement represented 9% of Angola's GDP. Angola's policy in this area seeks to ensure value for money, transparency, and probity, while supporting domestic businesses, including micro-, small-, and medium-sized ones, through preferential rules. During the period under review, Angola adopted a new law on government procurement and increased the use of technological solutions to strengthen the transparency and accountability of Angola's public procurement system. Yet, implementation challenges remain, including low compliance levels by contracting entities with legal requirements to publish procurement plans and tender notices, and the heavy reliance on the relatively less competitive procurement methods. The participation of foreign individuals and companies in public contracts whose value is below certain thresholds is not permitted. The adoption of the new law is part of a broader anti-corruption initiative in public procurement.

3.168. The Law on Public Procurement covers procurement for public works, supplies, and services. It applies to central and local government entities and public funds.[109] SOEs that receive operational subsidies or any other funds from the general budget are also covered. The Law covers purchases, leases, and concessions. Not covered is procurement of legal and financial services, while procurement of real estate is subject to Law No. 18/10 of 6 August 2010. Public contracts pertaining to oil, mining, electricity, and the armed forces are governed by special laws. The National Public Procurement Service (Serviço Nacional da Contratação Pública (SNCP)) is the agency under the

[105] Presidential Decree No. 250/19 of 5 August 2019.
[106] Presidential Decree No. 78/23 of 28 March 2023.
[107] Presidential Decree No. 13/22 of 18 January 2022.
[108] Presidential Decree No. 132/13 of 5 September 2013 (Sonangol); and Presidential Decree No. 175/18 of 27 July 2018 (SODIAM).
[109] Law No. 41/20 of 23 December 2020. An English translation of the Law is available at: https://compraspublicas.minfin.gov.ao/ComprasPublicas/#!/documentacao/legislacao/contratacao-publica.

MINFIN in charge of overseeing and auditing public procurement. SNCP is also responsible for helping define and implement Angola's public procurement policies and practices.[110]

3.169. SNCP maintains a web portal intended as a one-stop shop for public procurement in Angola.[111] Launched in July 2019, the portal contains links to relevant legislation, model documents, and manuals and guides. Some information on the portal is available in English. The portal also provides access to the National Electronic Public Procurement System (Sistema Nacional de Contratação Pública Electrônica (SNCPE)). SNCPE is used for registration and certification of suppliers. According to the authorities, in the future SNCPE will also allow public contracting entities to manage their contracts and conduct electronic tendering.

3.170. Under the Law on Public Procurement, all public contracting entities must submit annual procurement plans to SNCP for publication on the portal. Compliance with this requirement is very low, according to the authorities. In mid-2023, the portal contained the procurement plans of 191 public contracting entities for the year 2023, mostly at the municipal or provincial level.

3.171. Suppliers interested in bidding for state contracts can apply for certification as a "State supplier" (*fornecedor do Estado*). Tenderers certified as State suppliers are exempt from submitting qualification documents if they win a bid.[112] Suppliers may request certification as a state supplier through the public procurement portal, which lists the required documentation for both procedures. At the end of 2022, there were 423 certified State suppliers. The Secretariat could not ascertain whether foreign companies need to establish a commercial presence or appoint a representative in Angola to apply for certification as State suppliers.

3.172. The Law on Public Procurement defines six possible procurement methods (Table 3.13). The choice of method depends on the estimated value of the contract, defined as the maximum amount that the contracting entity is willing to pay under a tender procedure. A contracting entity may adopt the "simplified" or "emergency" contracting methods regardless of contract value if certain criteria specified in legislation are met. A contracting entity must use the "public tender" or "limited tender by prior qualification" methods regardless of contract value for all tenders involving concessions.

Table 3.13 Procurement methods

Method	Main features	Threshold
Public tender	Any interested supplier can submit a bid The technical and financial capacity of the supplier is verified only after the bids have been submitted	None specified in legislation
Limited tender by previous qualification	Two-phase process comprising: (i) a qualification stage, which is open to interested suppliers, who must submit proof of their technical capacity to execute the contract; and (ii) a bidding stage with the participation of qualified suppliers	None specified in legislation
Limited tender by invitation	Bids are solicited from at least three suppliers, who are chosen from the pool of certified suppliers in the registry maintained by the National Public Procurement Service or based on the procuring entity's knowledge of potential suppliers	Cannot be used for contracts valued at more than AOA 182 million
Simplified contracting	Used for low-value procurement that needs to be completed quickly At least one supplier is invited to bid	Can only be used for contracts valued at AOA 18 million or less, with exceptions specified in legislation
Electronic dynamic procedure	Used to purchase standardized goods and services through an electronic catalogue containing the essential technical specifications Tender is conducted entirely through the Public Procurement Portal Any interested supplier may participate The bidding process consists of an interactive, reverse price auction	None specified in legislation

[110] Presidential Decree No. 162/15 of 19 August 2015.
[111] The portal is available at: https://compraspublicas.minfin.gov.ao/.
[112] Presidential Decree No. 198/16 of 26 September 2016.

Method	Main features	Threshold
Emergency contracting procedure	This method can only be used in situations qualifying as emergencies under the legislation The procuring entity requests a proposal/invoice from a single supplier	None specified in legislation

Source: Law No. 41/20 of 23 December 2020; and MINFIN, *Manual Prático da Contratação Pública Angolana*. Viewed at: https://compraspublicas.minfin.gov.ao/ComprasPublicas/#!/documentacao/institucional/publicacoes.

3.173. Statistics on the use of different procurement methods are publicly available.[113] They show that, in terms of both number and value of tenders, procuring entities rely more heavily on relatively less competitive procurement methods ("limited tender by invitation", "simplified contracting", and "emergency contracting procedures") than on more competitive ones ("public tender", "limited tender by previous qualification", and "electronic dynamic procedure"). In terms of value, contracts subject to less competitive procurement methods were worth AOA 1,432.7 billion, almost 10 times the value of contracts subject to more competitive methods (AOA 146.1 billion). Close to 90% of the total value of all contracts in 2022 used simplified contracting.

3.174. In terms of the number of tenders, 1,219 tenders used the less competitive procurement methods ("limited tender by invitation", "simplified contracting", and "emergency contracting procedures") in 2022, compared with 409 tenders using the more competitive ones ("public tender", "limited tender by previous qualification", and "electronic dynamic procedure"). The three most frequently used procurement methods in 2022 were simplified contracting (43% of total tenders), limited tender by invitation (29%), and public tender (17%).

3.175. For both "public tenders" and "limited tenders by prior qualification" a notice must be published in the official gazette (*Diário da República*) and in a newspaper widely circulated in Angola. For tenders open to foreigners, the notice is circulated to Angolan embassies abroad. SNCP must be notified of all open tenders, and public entities must publish the tender notice on the public procurement portal. The authorities note that the contracting entities' lack of compliance with publication requirements remains a serious challenge.[114]

3.176. Legislation specifies minimum periods for submitting bids following the publication of a tender notice. For "public tenders" and "limited tenders by prior qualification", the minimum period is 20 days (up to a maximum of 120 days). For "limited tender by invitation", the minimum period is 6 days from the date of the invitation letter, and for "electronic dynamic procedures" it is between 4 hours and 10 days depending on contract value. Simplified and emergency contracting are not subject to any minimum periods.

3.177. Under the Law on Public Procurement, the contracting entity must specify in the tender documentation one of two criteria for evaluating bids and awarding contracts. The criteria are "lowest price" or "most economically advantageous proposal". The SNCP's Procurement Manual provides guidance on the choice and application of the criteria.[115] Of the 1,628 tenders conducted in 2022, information on the award criteria used to evaluate the bids and award the contract was missing for 64% of the tenders. For the remaining 36% of tenders for which data was available, the "most economically advantageous proposal" criterion was used in 58% of tender procedures, while the "lowest price" criterion was used for the remaining 42%.

3.178. Technical specifications in tender documents cannot refer to specific products, production processes or methods, brands, patents, or origin of products, unless absolutely necessary. Any reference to one or more of these elements must be followed by the phrase "or equivalent".

3.179. The participation of foreign individuals and companies in tenders is allowed, but their participation is subject to thresholds. Foreign entities are only allowed to bid for public work contracts

[113] MINFIN, *Relátorio Anual da Contratação Pública Angolana 2022*. Viewed at: https://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/aw4z/ntyx/~edisp/minfin3561704.pdf.

[114] MINFIN, *Boletim Estatístico da Contratação Pública Angolana: 2º semestre de 2022*. Viewed at: https://www.minfin.gov.ao/PortalMinfin/#!/servico-nacional-da-contratacao-publica/boletim-estatistico-da-contratacao-publica-angolana.

[115] MINFIN, *Manual Prático da Contratação Pública Angolana*. Viewed at: https://compraspublicas.minfin.gov.ao/ComprasPublicas/#!/documentacao/institucional/publicacoes.

valued at AOA 500 million or more and contracts to lease or purchase goods or services valued at AOA 182 million or more.

3.180. In addition, under the Law on Public Procurement, tender documents must contain preferential rules to promote Angolan enterprises. Depending on the type of procurement method and award criteria, preferential rules may include a preference margin for price or overall score, which may not exceed 10%; bonus points for locally produced goods; and, if applicable, preferential access to post-bid negotiations. Preferences may also be granted to individuals and companies based in the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC), and to goods produced there. In addition, contracting entities must set aside 25% of their procurement budget for Angolan MSMEs.[116] Large companies executing public contracts must outsource to Angolan MSMEs at least 10% of the value of services contracts and 25% of the value of works contracts.

3.181. Contracting entities must inform SNCP of all contract awards valued at AOA 182 million or more. SNCP publishes award decisions on the public procurement portal. If applicable, contracting entities must inform the unsuccessful bidders of their award decisions. Unsuccessful bidders must receive a draft report prepared by the commission responsible for evaluating bids (including qualification bids under "limited tenders by prior qualification"). Bidders must be given at least five days to provide written comments on the draft report. They also have the right to participate in a hearing before the report by the evaluation commission is finalized.

3.182. The Law on Public Procurement establishes administrative procedures to deal with complaints by bidders. Complaints must be addressed, in the first instance, to the corresponding evaluation commission. Appeals can be filed with the evaluation commission's hierarchical superior, followed by the Minister and then the President. The last administrative instance is SNCP. While an administrative decision is in progress, it is not possible to proceed with certain decisions under a procurement process. Decisions rendered under the administrative complaint procedures are subject to judicial review. SNCP has registered 28 administrative challenges presented in the context of public procurement processes in 2022. That same year, it received five complaints, mostly related to irregularities in public procurement processes and the use of false documentation.

3.183. IMF staff note that the legal and regulatory framework, as well as the accountability, integrity, and transparency of Angola's public procurement system has been strengthened. Nonetheless, they note that the institutional framework, management capacity, and public procurement operations and market practices need further improvement.[117]

3.184. According to the World Bank, improving public procurement is key to fighting corruption in Angola.[118] The Law on Public Procurement contains provisions to promote ethical behaviour in the tender process and the execution of public contracts, including requirements for impartiality and avoiding conflicts of interest, fraud, and corruption. In addition, Angola adopted regulations in 2018 requiring income and asset declarations by senior public officials and technical staff preparing bidding documents, members of committees responsible for evaluating tender proposals, and contract managers.[119] The regulations are part of a public procurement anti-corruption strategy that also comprises guides to denounce corruption in public procurement and prevent and manage risks of corruption in public contracts.

3.185. Angola is neither a signatory to the WTO plurilateral Agreement on Government Procurement nor an observer to the Committee on Government Procurement.

[116] Joint Executive Decree No. 157/14 of 4 June 2014.

[117] IMF (2023), *Angola: Staff Report for the 2022 Article IV Consultation*, IMF Country Report No. 23/100, p. 11. Viewed at: https://www.elibrary.imf.org/view/journals/002/2023/100/002.2023.issue-100-en.xml.

[118] World Bank Group (2020), *Enhancing Government Effectiveness and Transparency: The Fight Against Corruption*. Viewed at: https://www.worldbank.org/en/topic/governance/publication/enhancing-government-effectiveness-and-transparency-the-fight-against-corruption.

[119] Presidential Decree No. 319/18 of 31 December 2018.

3.3.7 Intellectual property rights

3.186. Intellectual property rights (IPRs) and their protection remain a largely untapped source of growth for the Angolan economy. Angola's engagement in IP policy is limited, including at international and regional levels, in part because of resource constraints faced by the Angolan Industrial Property Institute (IAPI). This is partly reflected in the large gap between the number of patent applications received and patents granted, and the low overall number of industrial designs/models and utility models. In 2023, Angola ranked last in the WIPO Global Innovation Index, which ranks the innovation performance of 132 economies each year.[120] Angola's Industrial Development Plan 2025 (Plano de Desenvolvimento Industrial de Angola 2025) recognizes IPR protection as a key enabler of investment and innovation, including in areas such as the digital economy and agriculture.

3.187. Under Angola's Law on Industrial Property, a patent is available for a duration of 15 years for an invention if it is new, involves an inventive step, and is industrially applicable.[121] According to data submitted by the authorities, patent applications over the period 2018-22 steadily decreased, from 121 to 80 per year (Table 3.14). Most applications were made by foreign inventors, and are mostly related to the oil sector. The number of patent grants was significantly lower than the number of patent applications received, which the authorities attribute to the limited number of technical personnel available to assess applications. Nonetheless, the number of patent applications increased significantly over the past five years.

Table 3.14 Industrial property applications, 2018-22

	2018	2019	2020	2021	2022
Patents					
National applications	7	2	8	0	9
Foreign applications	114	115	74	87	71
Patents granted	8	22	33	49	43
Trademarks					
By residents	2,354	2,604	2,546	2,678	3,281
By non-residents	1,763	1,729	1,374	1,546	1,899
Utility models	3	9	12	13	6
Industrial designs	14	75	29	25	23
Industrial models	4	38	36	21	25

Source: Information provided by the authorities.

3.188. Regarding trademarks, the legislation grants ownership of, and the exclusive right to, a mark to any person who adopts such a mark to distinguish the products of their economic activity, provided the mark has been duly registered. Trademark application data reflect an increasing interest in trademark protection by Angolan residents (Table 3.14). The share of resident applications in total trademark applications represented 62% for the period 2018-22.

3.189. Under Angola's Law on Industrial Property, an industrial design is "any new arrangement or set of lines or colours that may be applied, for an industrial or commercial purpose, in the ornamentation of a product by any manual, mechanical, or chemical process, whether simple or combined".[122] The Law defines an industrial model as "any three-dimensional form, whether or not it is associated with a line or colours that may be used as a type in the manufacture of an industrial or handcrafted product".[123] The number of both industrial design and industrial model applications has averaged around 58 per year during the period 2018-22 (Table 3.14).

3.190. The Law on Industrial Property defines a utility model as "any new arrangement or form obtained in or introduced into objects such as tools, work implements or utensils that improve or increase the conditions for their use and their usefulness".[124] The number of utility and innovation models received between 2018 and 2022 has been relatively low, averaging almost nine per year (Table 3.14).

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[120] WIPO, *Global Innovation Index 2023*. Viewed at: https://www.wipo.int/global_innovation_index/en/2023.
[121] Law No. 3/92 of 28 February 1992, Article 6
[122] Law No. 3/92 of 28 February 1992, Article 16.
[123] Law No. 3/92 of 28 February 1992, Article 16.
[124] Law No. 3/92 of 28 February 1992, Article 15.

3.191. Since joining the WIPO Patent Cooperation Treaty and the Paris Convention in 2007, Angola has not undertaken further obligations on IPR protection at the international level. As an LDC, Angola benefits from the TRIPS transition period for LDCs (agreed until 1 July 2034).[125] In recent years, Angola has participated actively in the discussions of the TRIPS Council and notified its updated contact point for IP enforcement under Article 69 in 2019.[126]

3.192. At the regional level, Angola has neither joined the African Regional Intellectual Property Office (ARIPO), where it holds observer status, nor the Organisation Africaine de la Propriété Intellectuelle (OAPI). Angola is a member of SADC, which has elaborated a Regional Framework and Guidelines on IP. During the period under review, Angola signed the SADC Protocol for Protection of New Plant Varieties. In addition, Angola has the option to join the SADC-European Union Economic Partnership Agreement, which foresees cooperation on protection of IPRs. The implementation of the AfCFTA protocol on Intellectual Property may also enhance regional integration and induce policy reform.

3.193. At the national level, the main regulatory and institutional framework for IPRs has been under review since Angola's last Review, but revised legislation remains to be approved by the Angolan Council of Ministers.[127] As a result, industrial property continues to be governed by the 1992 Law on Industrial Property, which covers geographical indications, industrial designs, patents, trade names, trademarks, undisclosed information (trade secrets), and utility models.[128]

3.194. The Angolan Industrial Property Institute (Instituto Angolano da Propiedade Industrial (IAPI)) is responsible for the implementation of the Law on Industrial Property. According to the authorities, IAPI faces resource constraints in respect of its human resources, facilities, IT equipment, and electronic systems and software to manage rights holders and applications, and to perform other essential functions. These and other constraints limit IAPI's ability to provide transparent and up-to-date information and statistics, and to collaborate with other government agencies and regional or international organizations.

3.195. During the period under review, Angola took steps to implement its Law on Copyright and Related Rights, adopted in 2014.[129] More specifically, Angola adopted rules on collective management[130], registration[131] of copyrights and related rights, and collection of copyright royalties.[132] In addition, it enacted measures to strengthen the institutional capacity for the management of the national system of copyright and related rights[133] and improve enforcement[134], including the fight against piracy and counterfeiting.[135]

3.196. The National Service for Copyrights and Related Rights (Serviço Nacional dos Direitos de Autor e Conexos (SENADIAC)) under the Ministry of Culture and Tourism is Angola's copyright office. It is responsible for registering copyright claims and to work with other government agencies on copyright enforcement and the formulation of draft policies on copyright-related matters. To fulfil its mandate, SENADIAC is represented in each of Angola's 17 provincial capitals. According to the authorities, SENADIAC faces challenges to digitalize its services, reinforce its presence across Angola, and build human-resource capacity.

3.197. There are three recognized entities for the collective management of copyrights: Angolan Copyright Society (Sociedade Angolana dos Direitos Autorais (SADIA)), licensed in September 2019; National Union of Artists and Composers, Society of Authors (União Nacional dos Artistas e Compositores, Sociedade de Autores (UNAC-SA)), licensed in December 2020; and

[125] See WTO document IP/C/88, 29 June 2021. Upon Angola's graduation from LDC status, its IPR legislation would have to comply with TRIPS minimum standards and require reform, e.g. in terms of patent duration, protection of geographical indications; and layout-designs of integrated circuits.
[126] WTO document IP/N/3/AGO/1, 1 May 2019, updating WTO document IP/N/3/Rev.11, 4 February 2010.
[127] WTO document WT/TPR/S/321/Rev.1, 11 December 2015.
[128] Law No. 3/92 of 28 February 1992.
[129] Law No. 15/14 of 31 July 2014.
[130] Presidential Decree No. 114/16 of 30 May 2016.
[131] Presidential Decree No. 125/17 of 12 June 2017.
[132] Instruction No. 1/18 of 29 August 2018.
[133] Presidential Decree No. 164/23, of 3 August 2023.
[134] Presidential Decree No. 239/19 of 29 July 2019.
[135] Presidential Decree No. 240/19, of 29 July 2023.

Single Association of Copyright and Related Rights (Associação Única dos Direitos de Autor e Conexos (AUDAC)), licensed in May 2023. AUDAC collects copyright fees from users, while SADIA and UNAC-SA distribute these to rights holders.

3.198. In recognition of the role of copyright in digital value creation, SADIA and Unison (a music rights management entity in Europe) signed in 2021 an agreement for the collection of digital rights in the European Union and the United Kingdom. As a result, SADIA will be able to collect royalties on behalf of authors for the repertoire of over 35,000 songs entrusted to SADIA by Angolan authors, artists, and publishers. During the pandemic, SADIA's "Art Card" initiative provided support to struggling artists in the country, allowing them to purchase essential goods worth up to AOA 50,000 per month.[136]

3.199. Enforcement of IPRs is governed by Chapter IX of the Law on Industrial Property, Chapter IV of the Law on Copyright and Related Rights, and the relevant provision of criminal law statutes and the Customs Code. While no statistical data are available on IPR enforcement, since its last Review Angola has participated in international efforts to combat counterfeit trade, including in pharmaceutical products.[137]

[136] Angola, "Art Card Is a SADIA Initiative to Support Artists in Times of Pandemic", 2 July 2020. Viewed at: https://www.verangola.net/va/en/072020/Culture/20710/%E2%80%98Art-Card%E2%80%99-is-a-SADIA-initiative-to-support-artists-in-times-of-pandemic.htm.

[137] INTERPOL (2018), "Fake Goods: Arrests and Seizures in Worldwide Operations", 12 July. Viewed at: https://www.interpol.int/fr/Actualites-et-evenements/Actualites/2018/Fake-goods-arrests-and-seizures-in-worldwide-operations; and World Customs Organization (2017), "New Record Seizures of Illicit Medicines in Africa", 20 January. Viewed at: https://www.wcoomd.org/en/media/newsroom/2017/january/new-record-seizures-of-illicit-medicines-in-africa.aspx.

4 TRADE POLICIES BY SECTOR

4.1 Agriculture, forestry, and fisheries

4.1.1 Overview

4.1. Angola's agricultural potential, based on its extensive territory (58.9 million hectares of agricultural land), fertile soils, diverse climate conditions, and abundant water resources, remains underutilized, as evidenced by the country's low agricultural output levels. This is particularly noticeable when compared with the agricultural production in the decades prior to the 1990s, when Angola was a thriving exporter of coffee, tobacco, cotton, and sugarcane and was self-sufficient in all food crops except wheat (Box 4.1).

4.2. Currently, Angola cultivates only 16% of its agricultural land. The rural population is estimated to be between 35% and 44% of the total population, and approximately 10 million people depend on small-scale agriculture activities for their subsistence and livelihood. Rural areas concentrate about 57% of the people living below the poverty line in the country.

4.3. According to Angola's Ministry of Agriculture and Forestry (MINAGRIF), family farming accounts for 91.6% of the sown area, while commercial farming is responsible for the remaining 8.4%. Small family farming represents more than 80% of total agricultural production, reaching 79% of cereals, 92% of roots and tubers, and 90% of vegetables and oilseeds.

Box 4.1 A brief case study on Angola's coffee production and exports

Angola used to be the world's fourth-largest coffee exporter before its civil war, exporting 220,000 tonnes in 1973 versus 6,000 tonnes in 2021.

This sharp decline is reportedly due to the departure of experienced farmers in the Provinces of Benguela, Bie, Huambo, Huila, and Moxico; the destruction of the country's infrastructure; and the loss of business expertise and sectoral know-how.

MINAGRIF is currently developing strategic policies to restore the competitiveness of Angola's coffee sector, aimed to improve production methods, increase outputs, and resume exports.

The Angolan National Coffee Institute (INCA) is the government body responsible for redeveloping the coffee sector. Its core goal is to attract private investors interested in public-private partnerships (PPPs) and to establish a "Coffee Fund" for smallholder farmers.

Source: Provided by the authorities.

4.4. Agricultural labour productivity (value-added per worker) is just USD 1,216, a low figure when compared to the global average of USD 20,916. Among the causes identified by the World Bank for the sector's low productivity levels are "the use of poor agronomic practices and low access to improved technologies like climate-smart seeds, agrochemicals, and mechanization".[1]

4.5. Against this background, the agricultural sector registered a significant increase in its share of GDP, which climbed from 5.8% in 2015 to 9% in 2022. According to the authorities, this increase was due to (i) the implementation of three targeted programmes, namely the Programme to Support Production, Export Diversification and Import Substitution (PRODESI), the Kwenda cash-transfer programme, and the Programme for Reconversion of the Informal Economy (PREI); (ii) the granting of credit to family farmers within the scope of the Angolan Commercial Agricultural Development Project (PDAC); (iii) the implementation of mechanized technologies with technical assistance from agricultural and livestock specialists; and (iv) the increase of farming areas linked with business practices and industrialization under the scope of PRODESI.

4.6. The shares of Angola's current agricultural production are roots ad tubers (52%), fruits (25%), field crops (13%), horticulture (9%), and animal production (1%).

4.7. Notwithstanding the growth in agricultural production in recent years, Angola is still registering large deficits in its agricultural trade balance, with imports accounting for more than 50% of the

[1] World Bank (2021), *Angola: Agriculture Support Policy Review – Realigning Agriculture Support Policies and Programmes*, p. 12.

food consumed domestically. Exports have registered an 11% increase between 2015 and 2022, while imports expanded by 18% during the same period. Nonetheless, agricultural exports corresponded to just 0.1% of Angola's total exports, while agricultural imports represented 18% of total imports, having reached USD 3,205 million in 2022.[2]

4.8. The five main exported agricultural products (WTO definition) in 2022 were bran (USD 15.2 million), alcoholic beverages (USD 10.5 million), bananas (USD 6.4 million), beer (USD 6.3 million), and wheat (USD 5.7 million). In 2022, the main destinations for Angola's agricultural exports were Democratic Republic of the Congo (46.5%), the European Union (USD 21.8%), and Congo (12.7%).

4.9. In 2022, agricultural imported products accounted for 2.8% of GDP. The five main imported agricultural products (WTO definition) were meat (USD 416.4 million), wheat (USD 385.7 million), rice (USD 370.4 million), palm oil (USD 335.5 million), and soybean oil (USD 236.9 million). The leading agricultural imports in the same year were the European Union (27.1%), Brazil (15.5%), and India (9.3%).

4.10. Some SOEs are active in the agricultural sector, including Aldeia Nova S.A., Biocom, and Gesterra S.A. Pursuant to Angola's privatization programme (PROPRIV), the privatization of the Aldeia Nova agricultural project via an initial public offering (IPO) at the stock exchange (BODIVA) is scheduled for 2024 (Section 3.3.5).[3]

4.1.2 Agricultural policy

4.1.2.1 Overall framework

4.11. Since Angola's previous Review, MINAGRIF's functions and responsibilities have remained broadly unchanged. The Ministry is in charge of formulating and implementing agriculture and forestry policies and plans and monitoring the activities of public and private stakeholders engaged in the agro-food, livestock, and forestry sectors. MINAGRIF also holds responsibilities on food security matters. The Ministry is responsible for guaranteeing food supply, developing rural areas, and boosting agricultural economic activities. It is also in charge of implementing strategies for diversification of agricultural production, livestock, forestry, and expanding the list and volumes of agriculture exports. The technical functions are carried out by the State Secretariat for Agriculture and Livestock and the State Secretariat for Forestry.

4.12. Angola's agricultural policies are set out in the National Development Plan (NDP) 2018-22, which focuses on promoting economic diversification. Another key goal of Angola's agricultural policy is to enhance food and nutrition security, as food insecurity affected 26.8% and 26% of Angolans in 2020 and 2021, respectively.

4.13. The NDP identifies the following agricultural products as priorities for increasing production and exports: banana, coffee, vegetables, and tubers (specifically cassava and potatoes), horticulture, oilseeds, honey, palm and sunflower seed oils, and livestock products (meat, eggs, and milk). The NDP sets specific objectives for the domestic supply of a number of agricultural goods by 2022: 64% for sugar; 44% for corn flour; 64% for wheat flour; 43% for pasteurized milk; 13% for processed meat; and 73% for pasta. Furthermore, it aims to increase the exports of beer, juices, and soft drinks.[4]

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[2] WTO definition of agriculture: HS Chapters 01-24 less fish and fishery products (HS 03, 0508, 0511.91, 1504.10, 1504.20, 1603-1605, and 2301.20), plus some selected products (HS 2905.43-2905.45, 3301, 3501-3505, 3809.10, 3823, 3824.60, 4101-4103, 4301, 5001-5003, 5101-5103, 5201-5203, and 5301-5302). WTO Secretariat calculations, based on UN Comtrade database.

[3] The Aldeia Nova agricultural project, located in the Waku Kungu region, municipality of Cela, Province of Cuanza-Sul, gathers cooperative farming communities with centralized food processing, logistics and distribution, for the production of, *inter alia*, milk, poultry, swine, and eggs. Furthermore, the Project covers 10,000 hectares for the production of grains and cereals, comprising maize (8,000 tonnes), soybeans (5,000 tonnes), sorghum (1,000 tonnes), hay (5,000 tonnes) and silage (3,000 tonnes).

[4] According to the authorities, some of these targets had been achieved due to (i) agricultural mechanization and credits to purchase tractors assembled in Angola; (ii) delivery of infrastructure projects for rural areas, covering communication, electricity, water, improved road network, railway, and marketing within the scope of NDP (2018-22); and (iii) local production of organic fertilizers.

4.14. Another important policy guidance for the agricultural sector is the Medium-Term Agriculture Sector Development Plan (PDMPSA) (2018–22), which is broadly aligned with the NDP. The PDMPSA seeks to improve food security and to reduce the trade deficit in agro-livestock products.[5] It is built on the previous version (PDMPSA 2013-17), which established the following priority products based on food security considerations: maize, cassava, beans, peanuts, rice, and potatoes; as well as cash crops: cotton, coffee, fruit, meat, and milk (Box 4.2).

4.15. The Programme to Support the Production, Export Diversification and Import Substitution (PRODESI)[6], established by the Ministry of Economy and Planning (MEP) in 2017, covers the following agriculture and livestock products: rice, soybeans, maize, barley, wheat, milk, meat, eggs, beans, sunflower, sugarcane, cassava, potato, sweet potato, horticulture, fruits, coffee, tea, cocoa, palm oil, honey and other apiculture products, cotton, seed production, and leather (Section 3.3.1).

4.16. According to the authorities, PRODESI was developed to support the access to credit, facilitate marketing of agricultural products, foster access to external markets, increase production and productivity, and enhance the qualification and training of the Angolan labour force. It was reported that for the agricultural sector, a total of 3,343 credits had been granted under PRODESI as of November 2023, amounting to over AOA 214.93 billion in all 18 provinces. Financing was granted mostly by private commercial banks at subsidized rates, following agreements with the State. The authorities also informed that more than 74,000 jobs were created under PRODESI, mostly in the agricultural sector.[7]

Box 4.2 National Rice Development Strategy (NRDS), 2018-22

Rice is the second-most consumed cereal in Angola (maize ranks first).

The current national consumption volume of rice is estimated at 450,000 tonnes per year, holding an important role in food security and political stability, as in most of the developing countries.

Currently, around 90% of the rice consumed in Angola is imported.

Luanda has the highest average price for rice (USD 3.90/kg in 2017) compared to other capitals in Southern African countries.

The NDP (2018-22), the PDMPSA (2018-22), and PRODESI all emphasize the need for strengthening domestic rice production for food and nutritional security, and target an increase of 50,000 tonnes annually.

The NRDS aims to increase Angola's average rice production yield by 2.5 tonne per hectare. The Strategy envisages supplying 4,500 tonnes of fertilizer for rice cultivation in 2022.

In order to achieve those goals, the NRDS seeks to (i) make available inputs and equipment to producing households (e.g. quality seeds, fertilizers, agrochemicals, equipment, and technologies); (ii) further strengthen the research and development (R&D) of rice cultivation; (iii) reorganize the seed production chain; (iv) improve irrigation infrastructure; (v) enhance post-harvest operations; and (vi) establish a quality standard for locally produced rice.

Source: MINAGRIF (2018), *National Rice Development Strategy (NRDS): Angola, 2018-2022*. Viewed at: https://riceforafrica.net/wp-content/uploads/2021/09/NRDS_Eng_Angola_20180910.pdf.

4.17. The land tenure system has not changed since Angola's previous Review. Pursuant to the Constitution, all land holdings belong to the State. Land rights are accorded to rural communities that have traditionally occupied certain lands – known as (non-transferable) rights of useful customary domain. Economic operators may exploit land under concession contracts (land-use

[5] According to the authorities, Angola's definition of food security includes different economic and socio-cultural variables and mirrors the definition by the FAO as established at the 1996 World Food Summit for regular physical and economic access to safe and nutritious food. The parameters on how food security is monitored or measured has not been provided.

[6] Established and regulated by the Presidential Decree No. 23/19.

[7] According to the IMF, PRODESI has created over 13,000 new jobs and generated AOA 196 million in extra revenue for the agriculture sector, combined with more than 7,500 jobs and AOA 12.5 million revenue in the livestock sector, almost 6,000 and AOA 139 million revenue in food and agriculture, 3,500 new posts and AOA 19 million in the fishing sector, and another 249 jobs and AOA 1.3 million in extra revenue for aquaculture. International Monetary Fund (IMF) (2022), *Angola: Selected Issues*, IMF Country Report No. 22/12. Viewed at: https://www.imf.org/en/Publications/CR/Issues/2022/01/18/Angola-Selected-Issues-512007.

rights) for a maximum duration of 60 years (renewable). Foreign natural and legal persons continue to be eligible for the granting of land-use rights, provided that they have a representative in Angola.[8]

4.1.2.2 Border measures

4.18. Agriculture and food products continue to receive the highest levels of applied import tariff protection. Some 38% of tariff lines were subject to duties of more than 25%, while around 30% were duty free. In terms of value, close to 65% of Angola's total agricultural imports were duty-free, while 18% were subject to tariffs in excess of 25%. The single MFN applied tariff average for agricultural goods in 2022 was 21.4% (9.4% for non-agriculture goods). Average applied MFN duties for agricultural product categories are animal products (13.8%); dairy products (24.4%); fruits, vegetables, and plants (35.9%); coffee and tea (23.3%); and cereals and preparations (19.2%).[9] Some products may be imported free of duty and consumption tax if they have been included in the basic basket (*cesta básica*) and in the event of a shortage in the domestic market.[10]

4.19. The simple bound tariff average for imported agriculture goods is 52.7% (60.1% for non-agriculture goods). Angola has no bound tariff-rate quotas (TRQs) nor special safeguards (SSGs) for agriculture products in its WTO Schedule.

4.20. Import of agricultural products are subject to two separate licensing requirements by MINAGRIF and MINDCOM (Section 3.1.6). Imported food and beverages are also subject to testing by a laboratory in Angola (Section 3.3.3).

4.1.2.3 Support measures

4.21. Domestic support for the agricultural sector in Angola takes various forms. While most support is in the form of market price support schemes, other forms of support include subsidized credit, and to a lesser extent, general services support such as agricultural innovation (R&D and education), animal/plant health services, marketing and promotion, rural infrastructure, and public stockholding, as well as irrigation infrastructure, agro-meteorology, and mechanization for land preparation.

4.22. According to the Medium-Term Agriculture Sector Development Plan (PDMPSA 2018-22), Angola has in place a number of agricultural support programmes and subprogrammes (Table 4.1).

Table 4.1 Agriculture programmes and subprogrammes, 2018-22

Programme	Subprogrammes
Family Farming Development Programme	Extension and Rural Development Programme Land Preparation Programme Rural Marketing Support Programme Introduction Programme for Motomechanization and Microtractors
Commercial Agriculture Development Programme	Seed Production Programme Coffee, Palm and Cocoa Development Programme Cotton Programme Industrial Culture Development Programme
Animal Promotion and Meat, Egg and Milk Production Programme	Animal Production Support and Promotion Programme Poultry and Eggs Programme Milk Production Programme Camabatela Plateau Development Programme
Sustainable Forest Resources Management Programme	Forest Exploitation and Management Programme Programme to Combat Desertification Honey Production Programme
Agricultural Activity Promotion Programme	Support for the Agricultural Campaign Agricultural Credit and Agricultural Insurance Programme
National Food and Nutrition Security Programme	National Food Security Programme
Land/Agrarian Land Management Programme	Land/Agrarian Land Management Programme

[8] Constitution, Article 98.3, and also the land tenure system governed by Law No. 9/04 ("Lei de terras de Angola") and Decree No. 58/07. Further information in WTO document WT/TPR/S/321/Rev.1, 11 December 2015.

[9] WTO Tariffs Profiles for Angola. Viewed at: https://www.wto.org/english/res_e/statis_e/tariff_profiles_list_e.htm.

[10] World Bank (2021), *Angola Agriculture Support Policy Review – Realigning Agriculture Support Policies and Programmes*.

Programme	Subprogrammes
Programme for Construction and Rehabilitation of Productive Infrastructures and Agricultural Conservation	Promotion of Agro-Industrial Hubs Rehabilitation and Construction of Irrigation Support Infrastructures Irrigated Perimeters Management Programme
Animal Health and Veterinary Public Health Programme	Anti-Rabies Programme Animal Vaccination Programme
Plant Health Programme	Plant Health Programme
Agricultural Research and Technological Development Programme	Research System Restructuring Programme Agricultural Research Programme
MINAGRIF Strategic and Operational Reinforcement Programme	Implementation of the Project Management Programme – PMO MINAGRIF's Administrative Modernization and Information Management Programme Human Resources Management Programme
National Agricultural Statistics Programme	Implementation of the National System of Agricultural Statistics Creation of the Database of Agricultural Producers and Entrepreneurs

Source: Medium-Term Agriculture Sector Development Plan (PDMPSA 2018 22); and information provided by the authorities.

4.23. The Secretariat did not have access to comprehensive data on the budgetary outlays under Angola's agricultural support programmes. The budget outlays earmarked for the Plan for Development of Grain Crops (PLANAGRÃO) was reported to be USD 5.7 billion, of which USD 3.3 billion will target the financing of projects covering production, transformation, and marketing of wheat, rice, soybeans, and maize during the five-year period 2023-27[11], in addition to USD 300 million over three years for the Livestock Plan (PLANAPECUÁRIA), aimed to increase the production of beef, pork, poultry, sheep, and goat meat, as well as milk and eggs.[12] According to the authorities, these programmes aim to contribute to food security and nutritional targets, as well as to increase incomes for livestock producers and other stakeholders along the meat production value chain. The financing of both programmes are set to start once technical studies for defining the criteria are completed.

4.24. Furthermore, the NDP and the 2019 National Budget provide for specific agricultural programmes by Angola: the Agricultural Production Development Programme (USD 192 million); the Animal Production Programme (USD 37.3 million); the Improving Food Safety Programme; the Programme for Promotion of the Exploration and Sustainable Management of Forest Resources; and PRODESI (USD 89 million).[13]

4.25. Other types of support in addition to the ones listed in PDMPSA 2018-22 were also provided under the national irrigation plan (PLANO IRRIGA)[14]; the programme for the purchase of agricultural products (PAPAGRO) aimed to cut post-harvest losses (currently reaching up to 50% of the agricultural output); and the programme to promote the poultry family farming.

4.26. In June 2020, Angola introduced the Integrated Plan for the Acceleration of Family Agriculture and Fisheries (PIAAPF) with specific production output goals for cereals, roots and tubers, vegetables and oilseeds, fruits, horticultural, coffee, meat, egg, honey, and wax.

[11] African Union (2023), *Angola: Country Food and Agriculture Delivery Compact*. Viewed at: https://www.afdb.org/en/documents/angola-country-food-and-agriculture-delivery-compact. PLANAGRÃO aimed at improving production, productivity, and quality of large-scale farmers of wheat, rice, soybeans, and maize. It is reported that the Government plans to make public funds available via guarantees and blended financial instruments by the Development Bank of Angola.

[12] African Union (2023), *Angola: Country Food and Agriculture Delivery Compact*. Viewed at: https://www.afdb.org/en/documents/angola-country-food-and-agriculture-delivery-compact. The National Pan for the Promotion and Development of Livestock (PLANAPECUÁRIA) aims to meet national meat consumption needs and increase producers' income in 2023-25.

[13] For the Improving Food Safety Programme and the Programme for Promotion of the Exploration and Sustainable Management of Forest Resources, the amount allocated to these programmes could not be obtained. All the programmes are implemented by MINAGRIF under the coordination of the MEP, except for PRODESI, which is directly implemented by MEP.

[14] This Plan has the objective of rehabilitating and modernizing irrigation infrastructure throughout Angola. The management of the irrigation infrastructure will be carried out by mixed capital companies: SOPIR, SODEMAT, SOGANJELAS, and Caxito Rega.

4.27. Other government investment plans in the agricultural sector include the Cunene Water Channel for Agricultural Exploitation, envisaging the construction of over 150 km of channels for agriculture and livestock and also to address drought issues.

4.28. Legislation provides for fuel used in farming activities to be sold at subsidized prices, but according to the authorities, this measure is not being applied pending the update of the registry of eligible farmers[15] (Section 3.3.1).

4.29. According to the World Bank, Angola allocated USD 1.3 billion annually in 2018 and 2019 as total support estimate (TSE) to its agricultural sector.[16] This amount represented 1.5% of Angola's total GDP, and was equivalent to 28.5% of its agriculture GDP. However, the World Bank notes that only 6% of the TSE was towards general services, compared with 94% provided in the form of producer support, mainly as market price support schemes. Producer support amounted to around 46% of farmers' receipts, shielding local producers from international market prices and resulting in an additional cost of around 8% to Angolan consumers.[17]

4.30. The World Bank's agricultural support review also highlighted that Angolan's maize and bean farmers received an equivalent to USD 258 and USD 126 per hectare, respectively, while banana producers received USD 45 per hectare. These differences, according to the World Bank, likely had an impact on farmers' decisions, hence distorting the market and reducing producers' competitiveness.[18]

4.31. The review also noted that the already low share of the national budget assigned to agriculture (just 1% on average from 2010-14), fell to 0.6% from 2015–2019. However, as a result of the implementation of PRODESI, budget allocation to agriculture went up to 1.9% in 2020 and 2021. The Support to General Services for Agriculture (GSSE), such as agricultural innovation (R&D and education), animal/plant health services, marketing and promotion, rural infrastructure, and public stockholding represented only 1.2% of agricultural GDP (much lower when compared to developing countries' average of 2.7%, and regional average of 2.3%). In 2018, GSSE reached USD 25 million in disbursement by the Government (54% to agricultural infrastructure and maintenance, such as irrigation infrastructure, agro-meteorology, mechanization for land preparation, and support for adapted research; 42% to agricultural knowledge and innovation systems, and 4.2% to marketing and promotion).

4.32. The World Bank suggests moving away from agriculture input subsidies towards safety net programmes, such as direct support to vulnerable households, direct support to farmers through incentives for technology adoption (via credit programmes), as well as increased public investments in public goods and services, especially in rural areas.[19]

4.1.3 Forestry

4.33. Angola has approximately 53 million hectares of natural forests and estimated wood reserves of between 26 million m^3 and 57 million m^3. For the annual timber and wood production quota in 2022 (230,000 m^3), licences were granted for production reaching a volume of 185,000 m^3. About 80% of the population depends on biomass for water heating, cooking, and lighting. Angola has about 128,000 hectares of planted forest.

[15] Presidential Decree No. 84/19 of 21 March 2019.

[16] TSE is based on OECD's methodology summing up the annual monetary value of all gross transfers from taxpayers and consumers, comprising public policy measures and budgetary expenses regardless of their impact on farm production, producers' income, or consumption of agricultural products.

[17] The figures from the World Bank were referred to in this Report as a complementary source of information due to the lack of other official information from Angola, including the absence of agriculture notification on domestic support to the WTO. The support amount and estimations were obtained from World Bank (2021), *Angola: Agriculture Support Policy Review – Realigning Agriculture Support Policies and Programmes*. Angola's TSE averages are much higher than developing countries averages (8.3%), but below OECD member countries' averages (40.2%).

[18] World Bank (2021), *Angola: Agriculture Support Policy Review – Realigning Agriculture Support Policies and Programmes*.

[19] World Bank (2021), *Angola: Agriculture Support Policy Review – Realigning Agriculture Support Policies and Programmes*.

4.34. Exports of wood (HS 44) peaked in 2018 when they reached just over USD 150 million, before decreasing to around USD 50 million in 2021 and 2022 (Table 4.2). The main destinations for wood exports are China, Viet Nam, Portugal, and South Africa.

Table 4.2 Trade on wood and articles of wood; wood charcoal (HS 44), 2015-22

(USD million; unless otherwise indicated)

	2015	2016	2017	2018	2019	2020	2021	2022
Trade balance	**-48.1**	**39.4**	**61.9**	**128.2**	**7.1**	**19.5**	**27.6**	**22.3**
Exports	**13.4**	**64.6**	**90.6**	**151.6**	**29.7**	**34.4**	**49.7**	**50.1**
% of total exports	0.0	0.2	0.3	0.4	0.1	0.2	0.1	0.1
of which:								
HS 4413 Densified wood, in blocks, plates, strips or profile shapes	0.0	0.0	0.1	6.0	11.1	14.8	49.2	49.6
Imports	**61.5**	**25.3**	**28.7**	**23.3**	**22.6**	**14.8**	**22.0**	**27.8**
% of total imports	0.3	0.2	0.2	0.1	0.2	0.2	0.2	0.2

Source: WTO Secretariat calculations, based on UN Comtrade database.

4.35. In 2017, Angola adopted legislation on forestry and fauna (Law No. 6/17) containing detailed objectives and requirements for the exploitation of forestry products and including sustainable management practices. The Law is regulated by Presidential Decree No. 171/18.

4.36. The Forestry Development Institute (IDF) is responsible for granting licences under the annual quota limits.

4.37. The NDP foresees a number of actions to create economic opportunities on sustainable forestry activities. It targets to increase roundwood and sawn wood productions by 112% in 2022 as compared to 2017, and to increase exports by 116%.

4.1.4 Fisheries

4.38. Angola has a continental coastline of 1,600 km and 50,857 km^2 of shelf area, providing it with a rich aquatic resource and the potential to diversify its economy with more outputs from the blue economy and aquaculture. This would also enable Angola to create further employment opportunities and boost food security.

4.39. The share of the fisheries sector in Angola's total GDP increased from 3.5% in 2015 to 4.9% in 2022. It is estimated that around 60,000 people are engaged in fisheries activities (40,000 in the marine sector and 20,000 in the inland sector). Fisheries production was around 409,000 tonnes in 2019, with just 23,500 tonnes from inland waters. Around 80% of the fisheries production was sold to the domestic market. Aquaculture accounted for just 1,900 tonnes in 2019, mainly of tilapia and catfish.[20]

4.40. Industrial and semi-industrial sectors account for slightly more than 50% of total marine catches, with the remainder coming from artisanal fisheries, which has increased significantly in recent years. Industrial fisheries catches are mainly pelagic fish (e.g. horse mackerel, sardinella, and tuna), shrimp, deep sea red crab, lobster, and a variety of demersal fish.[21]

4.41. The value of imports was more than double the value of exports in 2018 (USD 198 million imports versus USD 81 million of exports), making Angola a net fish importer. In recent years, increased imports of horse mackerel, as well as of salted dried cod from Portugal, and tilapia fillets from China have been registered.[22]

4.42. Fish exports essentially consisted of high-end shrimp, crab, and tuna to the European Union (particularly, Spain and Portugal) and Japan. According to the authorities, export of horse mackerel is currently prohibited to meet domestic demand. Exports of sardinella are allowed only for those catches in excess of domestic demand due to food security concerns.

[20] FAO (2022), *Fishery and Aquaculture Profile: Angola*. Viewed at: https://www.fao.org/fishery/en/facp/ago.
[21] FAO (2022), *Fishery and Aquaculture Profile: Angola*.
[22] FAO (2022), *Fishery and Aquaculture Profile: Angola*.

4.43. According to UNCTAD, Angola lacks data on its fish stocks and the capacity to control fishing activities. Also, the fishing and aquaculture sectors are mainly informal with over 90% of the jobs held by small-scale and artisanal fishing. Basic infrastructure, such as cold-storage facilities, is reported to be insufficient, resulting in high post-fishing losses. Quality control laboratories and further research facilities are also lacking.[23]

4.44. According to FAO, marine fishery in Angola is carried out mainly by foreign vessels from China, Japan, the Republic of Korea, Nigeria, Russian Federation, Spain, and Namibia. These vessels are either leased or operate in joint ventures with Angolan companies, with exception to tuna fishing vessels. Fishing is also done by wholly owned Angolan vessels independently. A ban on fishing by wholly owned foreign vessels in Angolan waters continues to be in force.[24]

4.45. It is reported that companies from Poland, Portugal, Spain, the Russian Federation, the Republic of Korea, Chinese Taipei, and Italy are active in the fisheries sector in Angola.[25] One wholly owned foreign company from Portugal processes cod fish in Angola.

4.46. The main agencies responsible for the sector are the Ministry of Fisheries and Marine Resources, the National Directorate of Fisheries (DNP), the National Directorate of Maritime Affairs (DNAM), the National Directorate of Aquaculture (DNA), the National Directorate of Quality Management and Salt Production (DNGQPS), the Institute for the Development of Artisanal Fisheries and Aquaculture (IPA), the Institute for Fisheries Research and Marine Resources (INIPEM), the Institute for Support to the Fishing Industry (INAIP), and the Fund to Support the Development of the Fishing Industry and Aquaculture (FADEPA).

4.47. The legal basis for fisheries in Angola remains the Fisheries Law No. 6-A/04 of 8 October 2004 and subsequent regulations, establishing a fisheries management regime based on an annual total authorized catch (TAC) through licences/quotas. Those are reviewed periodically according to stock assessment findings and estimates of the fleet's economic performance.

4.48. The NDP sets fish, shellfish, and crustaceans and by-products, including fishmeal and fish oil, as priority sectors for economic development.[26] The Plan targeted an annual volume increase of catches from industrial and semi-industrial fisheries by 3.6% in 2022 as compared to 2017. According to the authorities, this target was achieved, with an 8% increase in catches during this period.

4.49. A five-year Fisheries and Aquaculture Management Plan (POPA) for the period 2018-22 was adopted via the Presidential Decree No. 29/19. The Plan seeks to enhance the sector's contribution to fight hunger and poverty; foster social and economic development; ensure the sustainable exploitation of marine resources; support and promote entrepreneurship, efficiency, and competitiveness in the sector; and minimize losses and target investments.[27]

4.50. Under Law No. 6-A/04, fishing rights may be held by national or foreign persons that meet the requirements set out in the Law and the regulations, subject to several limitations and the overall principle that Angolan persons have preference in the allocation of fishing rights. Regarding commercial fishing rights, these are granted to natural or legal persons with the necessary technical capacity. Artisanal fishing rights are only granted to Angolan nationals, as are fishing rights in territorial and continental waters, which may also be granted to SADC natural or legal subject to reciprocity. Fishing rights at sea beyond 12 nautical miles can only be granted to foreign natural or legal persons who are in association with Angolan persons. The crew of fishing vessels operating in

[23] UNCTAD (2023), "Angola Casts Net Wider to Scale Up Fish Exports", 26 May. Viewed at: https://unctad.org/news/angola-casts-net-wider-scale-fish-exports#:~:text=The%20fisheries%20sector%20accounted%20for,artisanal%20fish%20processing%20and%20marketing. According to the authorities, cold storage and conservation facilities exist, as well as quality control laboratories, located at the National Institute for Fisheries and Marine Research (INIPEM) and at the Fisheries Research Centres (CIP) in the Provinces of Benguela and Namibe.

[24] FAO (2022), *Fishery and Aquaculture Profile: Angola*.

[25] US International Trade Administration (ITA) (2019), *Angola – Marine Technology (Fisheries and Sea Ports)*. Viewed at: https://www.trade.gov/country-commercial-guides/angola-marine-technology-fisheries-and-sea-ports.

[26] According to the authorities, fish that are suitable for human consumption cannot be used for the production of fishmeal nor fish oil, only their wastes, based on Presidential Decree No. 8/23.

[27] FAO (2022), *Fishery and Aquaculture Profile: Angola*.

Angolan waters cannot be composed of more than 25% foreign personnel (in terms of both the total number and for each personnel category), except for oceanic tuna fishing vessels.[28]

4.51. A support programme for the sector, PLANAPESCAS, was established with the objectives of increasing the regular supply of fish, ensuring food safety, promoting competitiveness and productivity in the sector, ensuring a sustainable management of living aquatic resources and production methods, and promoting corporate social responsibility in protecting fishing communities. A total of USD 300 million over a five-year period has been allocated to PLANAPESCAS, according to the authorities.

4.52. In June 2020, Angola introduced an Integrated Plan for the Acceleration of Family Agriculture and Fisheries (PIAAPF) with goals to increase for fisheries from small-scale sea fishing in over 95,000 tonnes annually from 2020 to 2022, aquaculture production by around 1,000 tonnes each year, and fisheries from small-scale inland fishing in 25,000 tonnes for the same period.

4.53. Artisanal fishers are granted a monthly voucher of AOA 140,000 per vessel with a small engine to compensate for the increase of fuel prices as a result of the gradual elimination of fuel subsidies by the Government. No information on the number of fishers entitled to receive the vouchers, nor the total amount of disbursements given had been obtained[29] (Section 3.3.1).

4.54. Since 2016, a single online registry portal has been created to register and issue licences to all players engaged in the fisheries sector in Angola, as well as to issue import and export authorizations.[30] The Ministry of Fisheries and Marine Resources is also connected to the Electronic Public Services Portal (SEPE) where import licences are obtained.

4.55. Four state-owned companies are reported to exist in Angola: Peskwanza, Pescangola, Edipesca-Luanda, and Edipesca-Namibe. No information on the disbursements to those companies had been obtained.[31]

4.56. The Government is combating illicit, unreported, and unregulated (IUU) fishing, including by operating 15 patrol vessels purchased from China and France[32], and another two vessels funded by the Dutch government. Regionally, Angola collaborates with Namibia and South Africa to protect and monitor fishing under the SADC programme.[33]

4.57. As of August 2023, Angola had not yet ratified the WTO Agreement on Fisheries Subsidies, adopted at the 12th Ministerial Conference (MC12) on 17 June 2022. According to the authorities, ratification was expected for the first half of 2024.

4.2 Mining and energy

4.2.1 Oil and gas products

4.58. The oil sector remains the main pillar of the Angolan economy, contributing about 30% of GDP, providing more than 58% of the Government's revenue, and accounting for over 90% of Angola's exports.

4.59. Angola is a Member of the Organization of Petroleum Exporting Countries (OPEC). Its oil and gas reserves are estimated at 9 billion barrels of proven crude oil and 11 trillion cubic feet of proven natural gas.

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[28] Presidential Decree No. 41/05, Article 106.

[29] Presidential Decree No. 84/19 of 21 March 2019.

[30] As of November 2023, the portal (https://www.pescas.gov.ao) was unavailable due to an update.

[31] Instituto de Gestão de Activos e Participações do Estado (IGAPE) (2023), *Relatório Agregado Sector Empresarial Público 2022*. Viewed at: https://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/aw4z/njm1/~edisp/minfin3635464.pdf.

[32] African Association of Entrepreneurs (2022), "Exploring the Non-Oil Economy of Angola: Fisheries", 4 April. Viewed at: https://aaeafrica.org/angola/exploring-the-non-oil-economy-of-angola-fisheries/.

[33] US International Trade Administration (ITA) (2019), *Angola – Marine Technology (Fisheries and Sea Ports)*.

4.60. Angola's oil production output is around 1.16 million barrels per day (bpd), having overtaken Nigeria in May 2022 (1.02 million bpd) and becoming the largest oil producer in sub-Saharan Africa.[34] The production of liquified natural gas (LNG) and liquids (liquified petroleum gas – LPG and compressed) stands at 134.81 million bpd (Tables 4.3 and 4.4).

4.61. For LNG, reserves are estimated at 310 billion cubic meters, the 6th largest in the continent. Production is around 5,000 ktoe and most of it is exported (Tables 4.3 and 4.4). A plant in the north of Angola, in Soyo, operated by Sonangol, Chevron, Total, BP, and Eni halted its operations in 2015 but resumed in 2017, producing 5.2 million tonnes per year. The Government plans to have the domestic LNG production supplying 25% of Angola's energy needs by 2025. Currently, gas exports go to Brazil, China, the Republic of Korea, and France.

4.62. Regarding crude oil production, some of the major international oil companies producing in Angola and their respective market shares are Total (41%), Chevron (26%), ExxonMobil (19%), and BP (13%). Other companies include Eni, Equinor, and Sonangol E&P.[35]

Table 4.3 Exports of oil and gas, 2015-22

	2015	2016	2017	2018	2019	2020	2021	2022
Crude oil (in USD million)	**31,394**	**25,577**	**31,065**	**36,539**	**31,396**	**18,297**	**27,860**	**40,273**
Volume (in million barrel)	628	611	576	518	481	446	394	396
Price (USD/barrel)	50	42	54	71	65	41	71	102
Refined oil (USD million)	**386**	**331**	**477**	**433**	**462**	**256**	**365**	**745**
Volume (in metric tonnes)	1,262	1,226	1,304	914	1,030	875	693	1,016
Price (USD/metric tonne)	306	270	366	474	449	293	526	733
Gas (USD million)	**116**	**458**	**1,770**	**2,436**	**1,507**	**1,032**	**3,614**	**6,472**
Volume (in million barrel)	4	19	45	49	50	47	40	40
Price (USD/barrel)	29	24	39	50	30	22	91	164

Source: Banco Nacional de Angola, Statistics. Viewed at: https://www.bna.ao/#/en.

Table 4.4 Imports of oil and gas, 2015-22

	2015	2016	2017	2018	2019	2020	2021	2022
USD million								
Crude oil (HS 2709)	0.019	0.040	0.023	0.001	0.018	0.003	0.004	0.019
Petroleum oils, other than crude (HS 2710)	1,261.1	1,525.6	1,629.3	2,368.7	1,956.7	916.0	1,862.9	3,911.1
Petroleum gases and other gaseous hydrocarbons (HS 2711)	106.4	39.7	1.7	1.0	1.0	0.8	11.5	42.9
Liquefied natural gas (LNG) (HS 271111)	0.1	0.1	0.1	0.1	0.1	0.2	0.0	0.1
% of total imports								
Crude oil (HS 2709)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Petroleum oils, other than crude (HS 2710)	5.9	10.6	10.5	14.8	14.0	9.8	16.4	22.0
Petroleum gases and other gaseous hydrocarbons (HS 2711)	0.5	0.3	0.0	0.0	0.0	0.0	0.1	0.2
Liquefied natural gas (LNG) (HS 271111)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: WTO Secretariat calculations, based on UN Comtrade database. According to the authorities, Angola did not import crude oil during the period 2015-22.

4.63. According to the National Agency for Petroleum, Gas and Biofuels (Agência Nacional de Petróleo, Gás e Biocombustíveis (ANPG)), 35 oil production blocks were tendered between 2019 and

[34] US International Trade Administration (ITA) (2022), *Angola – Oil and Gas*. Viewed at: https://www.trade.gov/country-commercial-guides/angola-oil-and-gas.
[35] US International Trade Administration (ITA) (2022), *Angola – Oil and Gas*.

2023 on the Congo, Namibe, Benguela, Etosha, Okavango, and Kassange basins, including offshore, ultra-deep-waters, and onshore explorations.[36]

4.64. The refining capacity of crude oil remains low. Only two refineries exist in the country, making Angola heavily dependent on imported refined oil, reaching around 80% of the domestic consumption and amounting to over USD 2 billion every year.

4.65. Currently, the oil refinery in Luanda, run by the state-owned Sonangol Refinarias (SONAREF) and Eni (Italy), has an installed capacity of 65,000 bpd, and the refinery in Cabinda operated by Chevron (United States) has a capacity of 16,000 bpd. New refinery projects are in the pipeline and the Government aims to attract investments via public-private partnerships (PPPs). The goal is to increase gasoline production from the current 280 tonnes to about 1,100 tonnes per day (Table 4.3).

4.66. Sonangol (Sociedade Nacional de Combustíveis de Angola) is the national oil company, carrying out activities in prospection, exploration, production, processing (liquefaction), transport, distribution, and marketing of liquid and gaseous hydrocarbons in Angola, as well as air transport to support the oil and mining sector, telecommunications, professional qualification, management of financial and real estate investments, medical services, promotion and development of industrial projects, and integrated logistics services.

4.67. In 2020, Sonangol underwent a restructuring programme, which resulted in an organizational structure composed of five business units in the oil and natural gas value chain, with one business unit dedicated to gas and renewable energy. Sonangol Holdings owns companies in many non-core businesses.

4.68. Sonangol currently has 909 gas stations as part of its distribution chain in Angola, of which 404 have their own brand. In May 2018, the National Assembly adopted Law No. 7/18, empowering the Executive to legislate and define the most appropriate legal system applicable for additional prospection activities in oil fields that have been given for concession during their production period.

4.69. The Ministry of Mineral Resources, Oil and Gas (MIREMPET) is responsible for formulating, implementing, controlling, and monitoring the laws and regulations regarding geological and mineral activities, oil, gas, and biofuels. MIREMPET covers the entire production chain from prospecting, exploration, development, production, refining, storage, distribution, and marketing of oil, gas, petrochemicals, and minerals. For oil and gas, the Ministry's functions are implemented by the State Secretary for Oil and Gas; the National Directorate of Oil, Gas and Biofuels; and the National Directorate of Training and Local Content. During the period under review, Angola introduced amendments, contained in Law No. 5/19, to its Law on Oil Activities.

4.70. The National Agency for Petroleum, Gas and Biofuels (ANPG) was created in February 2019 through Presidential Decree No. 49/19 in order to ensure greater political coordination and eliminate conflicts of interest, support transparency and effectiveness of processes, and create conditions that are conducive to internal and external investments. The Agency is responsible for regulating, supervising, and promoting the exploration and production of oil, gas and biofuels, including the concession of hydrocarbon blocks for onshore and offshore prospection and exploration, which used to be carried out by Sonangol E.P. In particular, ANPG implements initiatives for managing oil and natural gas contracts and implements the State's public policies in accordance with best international practices. In addition, it monitors technical and technological development for the purposes of legislative adjustment, promotes investments in the sector by disseminating technical data, and ensures the promotion of specialized training for staff, in close collaboration with public and private services. ANPG is also mandated to forward complaints from competitors, service providers, and the public in general to the competent bodies.

4.71. The Regulatory Institute for Petroleum Derivatives (IRDP) was established in 2018. Its role is to regulate downstream petroleum products, including gasoline, diesel, natural gas, mineral and synthetic lubricant oils and greases; monitor the importation of refined hydrocarbons; supervise the prices to consumers; ensure quality and standards controls and the set up of laboratory tests;

[36] Presidential Decree No. 52/19.

oversee commercial relationships between the stakeholders; and update its regulations in line with international good practices and recommendations.[37]

4.72. Another significant policy change in the sector was introduced by Presidential Decree No. 282/20, which approved Angola's Hydrocarbon Exploration Strategy 2020-25 aimed to ensure the (i) availability and accessibility to Angola's sedimentary basin areas for research and evaluation activities; (ii) expansion of geological knowledge and access to oil and natural gas resources; (iii) implementation of the general strategy for awarding oil concessions; and (iv) expansion of research and evaluation of areas under concession and free areas in all sedimentary basins.

4.73. In June 2022, Angola joined the Extractive Industries Transparency Initiative, which seeks to increase transparency in the oil, gas, and mineral sectors.[38]

4.74. In March 2011, Angola set up a Sovereign Wealth Fund (FSDEA) financed by Sonangol receipts from the sale of 100,000 barrels of crude per day; the Fund also had an initial capital equivalent to the value of 36.5 million barrels of oil at the selling price obtained by Sonangol in 2010. The FSDEA reports to the President of Angola and is an autonomous body charged with promoting, developing, and supporting projects, particularly infrastructure projects, in the energy and water sectors. The FSDEA enjoys operational freedom when it comes to choosing the means of achieving its goals and is exempt from all duties, taxes, and charges (except for customs service fees).[39]

4.2.1.1 Local content regime and contracting procedures in the sector

4.75. Based on the objectives established in the NDP (2018-22), the Executive adopted legislation on local content via Presidential Decree No. 271/20.[40] The goal of the Decree is to promote and boost the supply chain of goods produced and services provided in Angola, achieve economic diversification, foster the participation of local businesses in the oil sector, increase domestic production, reduce imports of goods for the sector, create employment for Angolans, and pursue the qualification of the national workforce.

4.76. The new Decree establishes a requirement to include a local content clause in all procurement contracts of goods and services by oil companies operating in the country. Under the Decree, procurement must be done under three regimes: (i) Exclusivity – consisting of an obligation to acquire goods and services from companies that are deemed 100% Angolan companies (Sociedades Comerciais Angolanas) as listed on ANPG database; (ii) Preferential – consisting of an obligation for companies in the oil sector to acquire goods and services from companies incorporated according to Angola's law (Sociedades Comerciais de Direito Angolano); and (iii) Free competition – consisting of an authorization to contract goods and services that are not included in the exclusivity and preferential lists. The lists of the good and services falling under each of these regimes are published on ANPG's website.[41]

4.77. An annual local content plan must be submitted by oil companies to ANPG. Failure to do so is subject to fines as per the regulation. The procurement process under the local content regulation is detailed in Box 4.3.

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[37] Statute in Presidential Decree No. 133/18 and Internal Regulations in the Executive Decree No. 51/19.
[38] For further information, see EITI, *Race to Renewables*. Viewed at: https://eiti.org/.
[39] WTO document WT/TPR/S/321/Rev.1, 11 December 2015. More information at Fundo Soberano de Angola: https://fundosoberano.ao/.
[40] It revoked the Ministerial Order No. 127/03.
[41] ANPG, Conteúdo Local: Lista de Bens e Serviços. Viewed at: https://anpg.co.ao/conteudo-local-lista-de-bens-e-servicos/.

Box 4.3 Local content process

The contracting procedures for all players in the oil and gas sector as established in the Presidential Decree No. 86/18, determine the conditions for public tendering regime or direct negotiation with technical and financial reviews by ANPG.

The process comprises[42]:

i. Services and good providers must register online and obtain a certificate in order to participate in tenders published by contracting entities;
ii. The contracting entities submit a public tender for their petroleum operations;
iii. The tender is announced on newspapers in Angola and other appropriate channels, including the conditions of participation;
iv. Candidates' proposals must be submitted in a closed and sealed envelope within a maximum period of 120 days, as indicated in the tender notice;
v. The contractor has 12 weeks to analyze the offers and submit the list of competitors to the National Concessionaire for evaluation;
vi. ANPG, as the National Concessionaire, must formally issue an opinion regarding the list of competitors within a maximum period of 15 days from receipt of the documents;
vii. Lastly, the contractor will announce the final result and the winner of the competition.

Source: ANPG. Viewed at: https://anpg.co.ao/conteudo-local/.

4.78. Regarding employment requirements, oil companies must file a human resources development plan annually. Whenever there are no qualified Angolan nationals for specific job positions, oil companies can then request authorization to the Government to hire foreigners.

4.2.1.2 Special investment regime

4.79. Petroleum activities in Angola are governed by a special investment regime.

4.80. Oil deposits continue to be the inalienable public property of the State. Following the adoption of Law No. 5/19 amending the Law on Oil Activities, ANPG replaced Sonangol as the State's sole "concessionaire", responsible for overseeing and regulating oil and gas activities, including the allocation of concessions. Prospecting licences are issued by the MIREMPET, which also defines concession areas by Executive Decree. Prospecting licences and concessions are granted for three-year periods which may, exceptionally, be extended.

4.81. As a result of the amendments, Sonangol enjoys "preference rights" (or right of first refusal) *vis-à-vis* other oil companies to acquire at least a 20% stake in new oil concessions and be designated as the operator, provided that it meets internationally recognized technical and financial requirements. Sonangol has equivalent preference rights whenever the production period of an oil field that is nearing the end of its production period is extended.[43]

4.82. There have been no major changes to the tax regime applicable to the oil sector since Angola's previous Review. The regime, which is described in detail in the 2015 Secretariat report, is defined by Law No. 10/04 of 12 November 2004 on petroleum activities, Law No. 13/04 of 24 December 2004 on the taxation of petroleum activities, Law No. 11/04 establishing the customs regime for petroleum activities, Presidential Legislative Decree No. 3/12 of 16 March 2012, and Decree-Law No. 17/09 of 26 June 2009 on the contribution towards the training of Angolan staff.[44]

4.83. Companies in the oil sector are exempt from payment of customs duties and consumption tax, and benefit from a reduced rate of general customs service fees set at 0.1% of customs value.

4.84. Aiming at boosting investments and maximizing the industrialization natural gas in Angola, the National Assembly adopted Law No. 8/18, in May 2018, empowering the Executive to legislate to define the most appropriate legal and fiscal systems for the exploration of natural gas. Specifically, the law lists exemption of the "petroleum transaction tax"; reduction to the "petroleum revenue tax" to 25%; reduction on the "petroleum production tax" to 5%; same fiscal treatment to liquified by-products from natural gas; possibility to deduct all costs from gas production on the "crude oil

[42] ANPG. Viewed at: https://anpg.co.ao/conteudo-local/.
[43] Law No. 5/19 of 18 April 2019, Articles 16 and 44.
[44] WTO document WT/TPR/S/321/Rev.1, 11 December 2015.

revenue tax", as well as research costs; and any other tax benefit as justified by the economic context.

4.2.2 Mining

4.85. The mining sector is a priority in the Government's strategy to reduce dependency on oil, as in the past Angola produced considerable amounts and exported iron ore, gold, copper, and other minerals. Vast mineral deposits are reported to exist and only about 40% of the country's mineral resources has been explored to date. Thus, both the Government and private sector are seeking to streamline the regulatory framework, facilitate trade, and promote value chain investments to boost the mining sector in Angola.

4.86. Diamond exploration and production account for about 90% of total mining revenues. Angola's total mineral outputs per product in 2021 are found in Table 4.5.

Table 4.5 Minerals production, 2021

Product	Unit	2021
Diamonds	Carats (million)	8,723
Lapidated diamonds	Carats	5,292
Gold	Ounces ('000)	1.37
Ornamental rocks	m^3 ('000)	83.34
Dolomitic limestone	m^3 ('000)	15.75
Iron ore	Tonnes ('000)	157.83
Manganese	Tonnes ('000)	47.00

Source: Presentation at VIII Consultative Council by the Ministry of Mineral Resources, Oil and Gas. Viewed at: https://mirempet.gov.ao/fotos/frontend_11/gov_documentos/pds_2023-2027_908751538645e3f0f8cd55.pdf

4.87. The mining sector accounts for around 4% of Angola's total exports.

4.88. The general legal framework, the Mining Code (Law No. 31/11), has remained unchanged since the previous Review.

4.89. The institutional framework comprises the MIREMPET and the recently created National Mineral Resources Agency (ANRM) (Presidential Decree No. 161/20) with the responsibility to regulate the sector, including on export and import aspects, and assist in the adoption and monitoring of sustainable mining practices. Moreover, the Angola Geological Institute holds the function of collecting and managing geological information.

4.90. The ANRM took over the functions of Ferrangol E.P. and also absorbed the competence of National Concessionaire from the state-owned National Diamond Company (ENDIAMA), which now focuses on its activities as a mining operator, and of the state-owned National Company for the Trading of Diamonds of Angola (SODIAM) that now focuses on strategic diamond trading. Angola's Government plans to privatize its shares in ENDIAMA under the privatization programme (PROPRIV).

4.91. The Government is currently pursuing the creation of the Saurimo Diamond Development Hub and the Diamond Stock Exchange.

4.92. A National Geology Plan (PLANAGEO) defines Angola's priorities and capabilities to produce critical minerals, which are essential inputs for renewable energy and clean technology applications, ranging from more advanced batteries to semiconductor materials. The Plan includes the production in Angola of lithium, iron ore, nickel, lead, cobalt, copper, and rare earths, as well as the production of neodymium and praseodymium used in electric vehicle batteries. The PLANAGEO was launched in 2013, and the findings were presented by Angola's Geological Institute (IGEO) in August 2023.[45]

4.93. The Sectoral Development Plan for mineral resources, oil, and gas (PDS 2023-27) includes the Programme for the Development and Modernization of Geological Mining Activities to support production and enhance the downstream value chain for diamond, precious stones, ornamental stones, ferrous metals, and non-metallic mineral resources used in agriculture (phosphates,

[45] MIREMPET (2023), "IGEO Apresenta Resultados do PLANAGEO", 2 August. Viewed at: https://mirempet.gov.ao/ao/noticias/igeo-apresenta-resultados-do-planageo/.

potassium minerals, and dolomitic limestone). The Plan also foresees to increase diamond cutting capacity and to implement the Integrated Management Information System for Angola's Mineral Resources in order to automatize the mining licensing and registration processes.

4.94. The foreign companies that have obtained prospecting licences in Angola include Atabamaik for copper; Chinese General Mining for rare earth; and Vig World, in partnership with Spanish company Tolsa, for lithium. Companies already operating include AngloAmerican, Alrosa, Rio Tinto, Ivanhoe, De Beers, Tyranna Resources, and Pensana.[46]

4.95. A public tender for mining rights took place in August 2019 for five mining concessions (two for diamond productions, one for iron ore, and two for phosphates). For gold, Angola has licensed 38 gold mining projects, of which 7 are in production and 31 are in the prospecting phase.

4.2.2.1 Diamonds

4.96. Angola is the fourth-largest producer of diamonds in the world, having produced some 8.7 million carats in 2021. In 2022, diamond mining production amounted to USD 2 billion and corresponded to less than 4% of the country's total exports.

4.97. The Government aims to reap the diamond value chain potential by boosting the semi-industrial exploration and creating further employment opportunities.

4.98. In August 2021, Angola inaugurated the Saurimo Diamond Development Hub to enhance its diamond production capacity, as well as to develop the processing and polishing of rough diamonds for export.

4.99. Pursuant to Presidential Decree No. 175/18, companies are no longer obliged to sell their full production via the Government, and they can now sell 60% of their output through their own channels (Diamonds marketing policy, para. 4.1(a)). For the purposes of exports, all raw diamonds must be exported via the Single Channel (Canal Único) under the supervision of SODIAM. Angola remains a party to the Kimberley process.[47]

4.100. Another legal change was due to Presidential Decree No. 85/19, which approved the Regulation for Semi-Industrial Diamond Exploitation and the equipment to be used. Among its objectives are to formalize small-scale exploitation in order to regulate the entire value chain and combat illegal diamonds trading.

4.101. The Government is also pursuing the development of cooperative activities to evolve from semi-industrial exploitation towards industrial operations. The Government is also prioritizing geological prospecting after the preparation of technical feasibility studies, as well as economic and financial studies, and also environmental impact studies. These are aimed to avoid direct mining prospection (i.e. without prior geological and feasibility studies).

4.102. The state-owned ENDIAMA is one of the main shareholders of Sociedade Mineira de Catoca (Catoca), which produces around 80% of all Angolan diamonds by volume.

4.2.2.2 Special investment regime

4.103. Mining activities are governed by a special investment regime, which is explained in the 2015 Secretariat report.[48] Angolan or foreign individuals and companies wishing to conduct mining operations on Angolan territory may apply for mining concession rights in accordance with the provisions of the Mining Code and the Private Investment Code (Law No. 20/11 of 20 May 2011). Mining rights for the prospecting and mining of minerals for civil works may only be granted to

[46] Pensana Rare Earth's Longonjo project on neodymium and praseodymium (NdPr) is expected to be the first of such exploration in the African continent.
[47] Kimberley Process, *KP Participants and Observers: Angola*. Viewed at: https://www.kimberleyprocess.com/en/angola.
[48] WTO document WT/TPR/S/321/Rev.1, 11 December 2015.

Angolan citizens or companies governed by Angolan law and with a maximum of one third of foreign capital. Mining rights for mineral-medicinal waters are subject to the same restriction.[49]

4.104. In the case of industrial operations, mining rights are granted for up to 35 years in principle, including the prospecting and assessment period; at the end of that time, the mine reverts to the State. This period may be extended for one or more periods of 10 years, following a duly substantiated request by the rights holder.[50]

4.2.3 Energy

4.105. Electricity supply remains a major hurdle for improving the livelihoods of Angolans, and the development and diversification of the Angolan economy. Less than half of Angolans have access to electricity (36% in 2017 and 42.7% in 2021), with rates in rural areas much lower than the ones in urban zones. It is reported that over 80% of users are not metered for their electricity consumption resulting in significant losses for operators.

4.106. The current installed capacity is estimated at 7.4 GW. Electricity consumption has been rising continuously for the past years, and it was expected to have reached 15,730 GWh in 2022. Due to production shortages and infrastructure deficiencies, including in the distribution lines, coupled with high levels of energy loses (62%, of which 22% are technical and 40% non-technical)[51], recourse to energy from diesel generators is a regular practice for many households and business owners.

4.107. According to the authorities, hydroelectricity accounts for around 60% of the total supply of electricity, while fuels correspond to 36% and solar 4%. It is reported that just one fifth of Angola's potential hydropower capacity is currently being exploited, which makes the market for smaller hydropower plants a real potential once it is structured, liberalized, and regulated by the Government.

4.108. The national electricity system is formed by three regional systems (North, Central, and South), plus the East Region. These systems are partly interconnected (see below). Seven substations with installed capacity of over 1,680 megavolt ampere (MVA) are currently operational.

4.109. The Ministry of Energy and Water is in charge of the formulation, administration, implementation, and control of both energy and water resource policies through the work of two State Secretaries. The Institute for Regulation of the Energy and Water Services (IRSEA) holds the oversight of both areas by regulating technical and economic related matters pursuant to Presidential Decree No. 59/16.

4.110. The General Electricity Law (Law No. 14-A/96) was amended by Law No. 27/15 (adopted in December 2015), which restructured the sector and established a legal framework for independent power generation, in addition to regulating power purchase agreements with independent power producers (IPPs), and by determining a feed-in-tariff scheme for energy generated through renewable sources. Hence, electricity production can occur under (i) general regime by the public electricity system (SEP); (ii) special regime for production through concession and licensing; and (iii) production from private companies not bound to the SEP. The Law is regulated by Presidential Decree No. 76/21, while independent production of electricity is now regulated by Presidential Decree No. 43/21.[52] The new legislative framework on energy enables private operators to freely compete in the production and distribution in Angola, but maintains a restriction for the transport thereof. Since the adoption of the legislation, one private operator,

[49] Law No. 31/11 of 23 September 2011, Articles 332 and 347.

[50] Mining Code (Law No. 31/11 of 23 September 2011), Article 133.

[51] Competition Regulatory Authority (ARC) (2023), *Estudo sobre a Concorrência no Setor Elétrico*. Viewed at: https://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/aw4z/njgw/~edisp/minfin3680437.pdf. According to IGAPE, the commercial losses account for 59% along the supply chain (from PRODEL-RNT-ENDE), while the technical losses amount to 16.2%, questioning the sustainability of those companies. IGAPE (2023), *Relatório Agregado Sector Empresarial Público 2022*.

[52] Other relevant regulations include Presidential Decrees No. 310/10 (services quality), No. 2/11 (business relations), No. 3/11 (technical and safety requirements), No. 19/11 (access to infrastructure and connectivity), No. 178/20 (tariffs), No. 42/21 (pre-paid consumption for low tension), No. 45/21 (on regulatory information); Decrees No. 27/01 (supply of electricity), No. 41/04 (licensing); Executive Decree No. 122/19 (tariffs); Instructions No. 1/19 and No. 2/19 (on connection to distribution infrastructure).

Caraculo Photovoltaic Plant (SOLENOVA), a joint venture owned by Azule Energy and Sonangol E.P., with installed capacity of 25 MW, started the production of solar energy in May 2023. The estimated production for the first year was 59 GWh.

4.111. The Government plans to reduce the amount of subsidies to energy sources in the coming years, seeking to eliminate market distortions and achieve cost-effective tariffs and financial sustainability in the supply chain, in addition to creating demand for alternative energy sources. In July 2019, electricity subsidies through tariff compensation given to final consumers were eliminated, resulting in 97.8% price increase of kWh. According to data from IRSEA, subsidies granted during 2016-19 were AOA 70.6 billion (2016), AOA 72.5 billion (2017), AOA 78 billion (2018), and AOA 44.3 billion (2019 until July).

4.112. The SEP is composed by three public companies that hold prominent roles: the National Electricity Production Company (PRODEL), responsible for power generation centres; the National Electricity Transmission Network (RNT), which manages the operation and transmission network; and the National Electricity Distribution Company (ENDE), which handles the commercialization and distribution of electricity.[53]

4.113. According to the Competition Regulatory Authority (ARC), in 2021 PRODEL had a production market share of 87%, while the remainder was held by NamPower. For the transport of electricity, RNT is the sole authorized operator in Angola holding a monopsony position for the purchase of electricity and monopoly position for the selling to ENDE and other authorized agents. The distribution is done uniquely by ENDE, while for commercialization the company had 91%, with the other 9% spread across private companies mainly located in Luanda.

4.114. The Competition Authority also notes that PRODEL E.P. received in 2021 investment subsidies under the Public Investments Programme (PIP) corresponding to AOA 14.8 billion plus AOA 100 billion for operational activities. RNT received government subsidies amounting to AOA 7.5 billion under the PIP, AOA 5.5 billion for operational activities, and AOA 2.8 billion for prices subsidies in 2018. While ENDE received AOA 18.3 under the PIP in 2021, AOA 67.5 billion in operational activities in 2018 and AOA 50 billion for price subsidies also in 2018.[54]

4.115. The findings of the Competition Authority (ARC) show that competition issues in the electricity sector in Angola reflect two factors: (i) the legal and regulatory framework; and (ii) the competitive structure of the sector. Regarding the regulatory concerns, ARC states that the concession regime for the production of electricity enshrined in the General Electricity Law departs from a market regime of free competition in both production and commercialization.

4.116. Furthermore, ARC points out that the waiver of public tenders for a public company or a company under the effective control of the State undermines competition in the sector, resulting in efficiency handicaps, barriers for the entry of new players, monopoly powers, higher prices, lack of innovation, and hampers cost reduction efforts ultimately affecting the services provided.

4.117. Other asymmetries mentioned by ARC as a result of market structure include the fact that PRODEL holds shares in two other production companies, Hidro-Chicapa (45%) and Luxervisa (20%), which can potentially facilitate coordinated actions and harm competition.

4.118. The SEP creates natural monopolies, leading to high fixed costs for infrastructure sharing and distorting competition.

4.119. The National Electric Construction Company-State Economic Unit (ENCEL-UEE) is in charge of the assembly of transmission and distribution lines to substations, the assembly of transformer

[53] Created by Presidential Decree No. 305/14, their statutory bodies were appointed by Presidential Decrees No. 60, No. 61, and No. 62/15 and later revised through Presidential Decrees No. 44, No. 45, and No. 46/17, respectively.

[54] Competition Regulatory Authority (ARC) (2023), *Estudo sobre a Concorrência no Setor Elétrico*. Viewed at: https://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/aw4z/njgw/~edisp/minfin3680437.pdf.

stations, distribution switchboards, and also the manufacture of various electrical equipment.[55] ENCEL-UEE is currently under the final phase of the privatization process (PROPRIV).

4.120. Retail prices for consumers vary according to consumption levels and their specific categories. For low voltage, industries pay on average AOA 12.82 kW/h, domestic clients AOA 6.41 kW/h, domestic clients with low-income AOA 2.46 kW/h; medium voltage (less than 30 kV) the industry pay AOA 9.61 kW/h, commerce and services AOA 11.54 kW/h; and high voltage (more than 30 kV) by large industries pay AOA 7.31 kW/h.

4.121. The transmission infrastructure is composed by major grid systems (Northern, Central, and Southern) and isolated grids in the eastern part of Angola. The Northern and Central grids are already interconnected. A plan to connect Angola's Southern grid to the Baynes Dam in Namibia is envisaged, as Angola is a member of the Southern African Power Pool. Fragmentation of the transmission and distribution of energy remains a challenge to Angola in order to increase the electrification rate in the country.

4.122. The Government Energy 2025 Vision plan envisages to boost the generation of electricity capacity and increase distribution to 9.9 GW, in addition to reach an electrification rate of at least 60% of the population. According to IRSEA, 51 projects for the expansion, consolidation, and optimization of the energy sector under the PIP 2023 are ongoing, totalling AOA 4.7 trillion.

4.123. Currently, there is importation of electrical energy from NAMPOWER of Namibia. Angola does not export electricity.

4.2.3.1 Renewable energy

4.124. During the United Nations Climate Change Conference in Glasgow (COP26), Angola committed to having around 70% of its energy source from renewable energy by 2025.

4.125. Angola's solar power generation potential is estimated at 7 GW, while wind power estimation stands at 4 GW.

4.126. The first major solar panels farms were finalized in July 2022 in Benguela province (Biópio and Baía Farta, the former with a 144 MW capacity from 509,000 solar panels, and the latter with a 75.9 MW capacity).[56]

4.127. With regards to biofuels, Eni (Italy) signed a Memorandum of Understanding (MoU) with ANPG and Sonangol in October 2021 for the production of biofuels, though the project is still in the development stage.

4.128. The Government also plans to tap into green hydrogen production. An agreement between Sonangol and two German engineering companies (GAUFF and CONJUCTA) for the construction of a plant in Barra do Dande (Bengo province) was concluded in 2021. The objective is to produce green ammonia for export to Germany.

4.129. A MoU with an Australian fertilizer company (Minbos Resources) was also signed in December 2022, envisaging the construction of a plant with a capacity of 300,000 tonnes of green ammonia per year.

4.130. Currently, no wind or geothermal production projects exist in Angola.

4.131. Renewable energy producers and distributors benefit from a 35% rate cut in corporate income tax and 60% cut in capital gains tax for four years. Renewable energy plants also benefit

[55] Created by Decree No. 26/82.

[56] A total of seven solar farms are planned to be built, financed by the Swedish Export Credit Corporation, a consortium of banks, and national development agencies. The total generation capacity of these solar panel farms is expected to 370 MW.

from reduced rates of property tax.[57] Electric vehicles receive a 50% reduction in customs duty and a 50% reduction on the motor vehicle tax.

4.3 Services

4.3.1 Telecommunications

4.132. Angola has more than 24 million mobile telephone subscribers, 10.1 million Internet users (30% of the population and mainly through mobile networks by radio frequency or satellite), over 2 million paid-TV users, and 94,000 fixed telephone line subscribers as per the official data for 2022.[58]

4.133. Access to telephone and Internet in Angola remain below world and LDC averages (Table 4.6).

Table 4.6 Telephone and Internet users, 2021

	Internet users (% pop.)	Mobile[a]	Fixed telephony line[a]	Mobile broadband[a]	Fixed broadband[a]	Coverage mobile network (% pop.)
World[b]	66.3	108	10.8	86.9	17.6	97
LDCs[b]	36.1	78.7	0.6	41.9	1.6	92
Angola[c]	32.6	44.4	0.3	21.2	0.8	87[d]

a Subscribers per 100 inhabitants.
b In 2022.
c In 2021.
d Provided by the authorities.

Source: International Telecommunication Union (ITU) (2023), *Measuring Digital Development. Facts and Figures: Focus on Least Developed Countries*, March. Viewed at: https://www.itu.int/itu-d/reports/statistics/facts-figures-for-ldc/.

4.134. Foreign and domestic investments in recent years have increased coverage and boosted competition, resulting in rapid growth of the number of mobile and Internet users in the country (Table 4.7).[59]

Table 4.7 Growth of telephone and Internet users, 2017-22

	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 plans	115,480	130,523	140,366	146,621	159,179	170,079

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

4.135. Pre-paid mobile subscribers represent almost the entirety of mobile users (99.3%). Subscription costs for mobile broadband and for fixed broadband remain relatively high, corresponding to 12.2% and 2.7% of the average Gross National Income (GNI), respectively.[60] 3G technology covers more than 80% of the country, while 4G technology only covers around 13% of the territory.

[57] Law No. 35/20 of 12 October 2020, Chapter III.
[58] INACOM data. Viewed at: https://observatoriotic.gov.ao/home.
[59] The rate of mobile users for the entire population fell from 54% in 2014 to 46% in 2021 in spite of the increase of number of users; it did not keep pace with population growth.
[60] According to the UN Broadband Commission, 2% of the average GNI is the benchmark on the affordability cost for a broadband subscription. International Telecommunication Union (ITU) (2023), *Measuring Digital Development. Facts and Figures: Focus on Least Developed Countries*, March. Viewed at: https://www.itu.int/itu-d/reports/statistics/facts-figures-for-ldc/.

4.136. As of September 2023, Angola had three mobile company operators, one more than at the time of Angola's previous Review: Movicel (with the State represented by the National Institute of Social Security – INSS (25%)), with the remainder relating to private investment, Unitel (50% directly owned by the State, and the remainder 50% by Sonangol), and the new entrant Africell (100% foreign capital, operating in the country since April 2022). Market share as per number of subscribers stands at 69.8% for Unitel, 25% for Africell, and 5.1% for Movicel.

4.137. For fixed telephony, there were six providers: ITA, Angola Telecom, INFRASAT, MSTelcom, Startel, and TV Cabo. Their market shares for 2022 were TV Cabo (44.8%), MSTelcom (36%), Angola Telcom (17.2%), and Startel (1.9%). Angola Telecom and MSTelcom both have the Angolan State as their shareholder. In the case of MSTelcom by Sonangol. Angola Telecom is also a shareholder (50%) of TV Cabo.

4.138. There were 12 Internet service providers, up from just 5 at the time of Angola's previous Review: Angola Telecom, INFRASAT, Movicel Telecomunicações S.A., ZAP, Unitel S.A., TV Cabo, Mercury Serviços de Telecomunicações SARL (MSTelcom), Mundo Startel, Africell Angola, Internet Technologies Angola (ITA), Net One, and Multitel.

4.139. For fixed Internet, the market share is the following: ZAP (42%), followed by TV Cabo (26%), Angola Telecom (21%), and MSTelcom (8%). For mobile Internet, UNITEL leads with 90% market share, followed by MOVICEL (10%).[61]

4.140. The public company, Angola Telecom, holds shares in several companies across the supply chain: (i) Angola Cables – commercialization of international circuits via submarine cables (51% ownership); (ii) Infrasat – satellite telecommunications (40%); (iii) Multitel – business segment (30%); and (iv) TV Cabo – paid TV and fixed Internet (50%).

4.141. The other public company, MSTelcom, also holds shares in several companies in the telecommunications sector: (i) ACS – data transmission and dedicated circuits (100%); (ii) Angola Cables – international circuits via submarine cables (9%); (iii) Net One – fixed Internet services (51%); and (iv) Unitel – mobile telephone services company (50%).

4.142. Regarding the telecommunications infrastructure, MINTTICS has signed a 15-year term contract (with the value of USD 188.8 million) with Gemcorp Commodities Global DMCC and Geoglobal Consulting Corp to rebuild and expand Angola Telecom's rural and metropolitan transmission and access networks.

4.143. The fibre-optic telecommunications systems are operated by Angola Cables, which is a consortium by the major Angolan telecommunication companies (Angola Telecom, Unitel, MSTelcom, Movicel, and Mundo Startel). Angola domestic network system (ADONES) consists of 1,800 kilometres of fibre-optic submarine cable linking eight Angolan coastal cities.[62]

4.144. Angola has 29 satellite earth stations, in addition to fibre-optic submarine cable connecting it with Europe (South Atlantic Telecommunications Cable 3/West Africa Submarine Cable (SAT-3/WASC)), the WACS (West Africa Cable System), and the SACS (South Atlantic Cable System).[63]

4.145. The airborne communication and data systems via satellite are to be operated by ANGOSAT-2, a satellite purchased from the Russian Federation at an estimated cost of

[61] Market shares for mobile Internet reflect the situation prior to the entry of Africell, when there was a duopoly between Unitel and Movicel. ARC (2023), *Estudo Sobre a Concorrência no Sector das Telecomunicações*. Viewed at: https://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/aw4z/njmx/~edisp/minfin3631482.pdf.

[62] US International Trade Administration (ITA), *Angola Information and Communications Technology*, July 2022. Viewed at: https://www.trade.gov/market-intelligence/angola-information-and-communications-technology. According to the authorities, ADONES is currently inoperative due to *force majeure* reasons.

[63] The SACS started operations in 2018, has a length of 6,000 km by connecting Sangano (Angola) to Fortaleza (Brazil), with a 40 Tbit/s capacity. The project was undertaken by Angola Cables.

USD 320 million. The satellite was launched at the end of 2022.[64] Technical work is underway to enable SADC countries to use the services from ANGOSAT-2.

4.146. The Ministry of Telecommunications, Information Technologies and Social Communication (MINTTICS) has the purview of formulating, implementing, and monitoring telecommunications policy, as well as supervising the general infrastructure, norms, and standards of institutional communication to be carried out by the different ministries. The sector's regulator is the Angolan Telecommunication Institute (INACOM), which operates under the auspices of MINTTICS. INACOM is responsible for licensing, interconnection charges, price regulation, issuing technical standards, allocation of frequencies, policing of frequencies, allocation of numbers, service quality obligations and monitoring, and universal service and applying sanctions (Presidential Decree No. 234/14 and Law No. 23/11 – Law on Electronic Communications and Information Society Services – LCESSI).[65]

4.147. The previous White Paper on Information and Communication Technologies (ICT) 2011-2018 (Presidential Decree No. 71/11), described in the 2015 Secretariat report[66], was revoked by Presidential Decree No. 129/19, which also approved a new White Paper for the period 2019-22. The new White Paper sets out an ICT policy that aims to ensure the optimal use, development and expansion of telecommunications infrastructure, promote digital inclusiveness and universal access, build up digital skills, increase international connectivity through submarine cables, and consolidate the liberalization of the telecommunications market, including by fostering competition. Other relevant telecommunications legislation is listed in Table 4.8.

Table 4.8 Relevant legislation on telecommunications

Legislative reference	Scope
Presidential Decree No. 108/16 of 25 May 2016	General Regulation for Electronic Communications (RGCE), including safety and frequency
Presidential Decree No. 95/16 of 10 May 2016	Radio Spectrum and Numbering Strategic Plan (PEERNUM)
Presidential Decree No. 122/16 of 9 June 2016	Strategic Plan on the Licensing Regime for Electronic Communications Operators (PERL)
Decree No. 3/04 of 9 January 2004	Price Regulation for Public Telecommunications Services for Public Use, creating the Telecommunications Fee Unit (UTT)
Presidential Decree No. 77/17 of 20 April 2017	Approves the Implementation Strategy for the Mobile Payment System in Angola
Presidential Decree No. 85/17 of 10 May 2017	Space Strategy of the Republic of Angola 2016–2025
Presidential Order No. 129/19 of 22 July 2019	Strategy for Digital Transformation in Angola, through the White Paper on Information and Communication Technologies 2019-2022 (LBTIC)
Presidential Decree No. 181/19 of 28 May 2019	National Numbering Plan (PNN)
Joint Executive Decree No. 312/19 of 4 October 2019	Regulates the value of fees relating to the provision of electronic communications networks and services charged by INACOM
Instruction No. 4/20 of 28 April 2020	Rules on the sending of unsolicited electronic messages
Instruction No. 5/20 of 28 April 2020	Rules for the provision of communications services charged in units of time
Presidential Decree No. 243/20 of 29 September 2020	National Roaming Regulation
Presidential Decree No. 166/20 of 12 June 2020	Organic Statute of the Ministry of Telecommunications, Information Technologies and Social Communication
Presidential Decree No. 42/22 of 10 February 2022	Amends Presidential Decree No. 166/14 of 10 July 2014 (Regulation on Sharing of Electronic Communications Infrastructures)

Source: Information provided by the authorities.

4.148. Most types of telecommunications services are open to competition. There are no statutory limits on the participation of foreign investors in a telecommunications company, except for a 30% limit on foreign participation in operators that supply pay-TV services.[67] To offer telecommunications services in Angola, operators must obtain a licence. The licensing system, set out in the General

[64] Angola's first communication satellite (ANGOSAT-1) was also built by the Russian Federation but needed to be replaced due to failures. According to the authorities, the purchase of both satellites was not subject to public tender, which posed transparency and accountability questions for many stakeholders.

[65] INACOM, *Mercado*. Viewed at: https://inacom.gov.ao/ao/mercado/.

[66] WTO document WT/TPR/S/321/Rev.1, 11 December 2015, Section 4.4.1.

[67] Law No. 3/17 of 23 January 2017.

Regulations on Electronic Communications (Presidential Decree No. 108/16 of 25 May 2016), provides for two licence categories: (i) concessions; and (ii) multi-service licences.

4.149. Concessions are granted by the President for the operation of networks and services of "essential importance for the Angolan State".[68] In principle, the following are considered of essential importance for the Angolan State and, as such, subject to concession: infrastructure that makes up the basic network; land mobile voice service (national and international); nationwide television content distribution service; overseas cable stations moored in national territory; and optical fibre transmission networks of national or interprovincial scope. Concessions may be granted in the form of "unified global titles", which permit the holder to offer any electronic communications service, including fixed and mobile telephony services and subscription TV services. Multi-service licences are granted following an administrative process and cover all electronic communications services except mobile telephony and pay-TV services.

4.150. The 30% restriction for the participation of foreign entities in electronic communications operators was eliminated.[69]

4.151. In 2016, Angola approved the Strategic Plan on the New Licensing Regime for Electronic Communications Operators (PERL) comprising an international public competition to award a 4th unified global title. The company Africell, with 100% foreign capital, was granted the title. During the period under review, INACOM launched a virtual counter where telephone and Internet operators, as well as other stakeholders, can apply for licences and authorizations, as well as fill out import and custom clearance declarations for their inputs and equipment, on a single website.[70] According to the authorities, this import declaration has no costs.

4.152. Network interoperability and interconnectivity obligations beyond of those contained in the WTO telecommunications reference paper for major suppliers are envisaged in the regulations. In addition, the regulations also contain provisions on infrastructure and equipment sharing among operators. Angola created an Electronic Communications Infrastructure Sharing Committee (INFRACOM) to coordinate and control the sharing of infrastructure and equipment.[71]

4.153. Tariffs for electronic communications services are monitored by the Electronic Communications Pricing Committee.[72] Tariffs are expressed in Telecommunications Tariff Units (UTT), which are regulated by INACOM through the Price Committee.

4.154. According to the Competition Regulatory Authority (ARC), some structural, legal, and regulatory obstacles, which have the potential to contributing to the emergence of asymmetric conditions between incumbent operators and new entrants, limiting or preventing market access by the latter, include (i) the level of direct participation of the State as shareholder in different companies; (ii) the high levels of concentration and vertical integration that makes access difficult for potential entrants or enables the abuse of power by incumbents; (iii) the conditions and refusals to share the infrastructure; (iv) slowness in implementing legal initiatives, which conditions the entry of Mobile Virtual Network Operators (MVNOs); and (v) conflicts of competences between INACOM and ARC over processes of a competitive nature, including the application of sanctions.[73]

4.155. Angola has registered trade balance deficits in telecommunications services from 2016 to 2021 (Table 4.9).

[68] Presidential Decree No. 108/16 of 25 May 2016.

[69] ARC (2023), *Estudo Sobre a Concorrência no Sector das Telecomunicações*. Viewed at: https://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/aw4z/njmx/~edisp/minfin3631482.pdf.

[70] INACOM, *Balcão Virtual*. Viewed at: https://inacom.gov.ao/ao/balcao-virtual/.

[71] Presidential Decree No. 166/14 of 10 July 2014.

[72] Tariffs of electronic communications in Angola are regulated by the Electronic Communications Pricing Committee (Presidential Decree No. 108/16, Article 68), following the General Regulation of Electronic Communications (RGCE).

[73] ARC (2023), *Estudo Sobre a Concorrência no Sector das Telecomunicações*. Viewed at: https://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/aw4z/njmx/~edisp/minfin3631482.pdf.

Table 4.9 Imports and exports of telecommunications services, 2015-22

(USD million)

	2015	2016	2017	2018	2019	2020	2021	2022
Trade balance	-34.3	-78.0	-46.9	-15.9	-29.4	-31.3	-32.7	-43.6
Exports	30.2	21.7	24.5	30.9	20.7	12.4	31.8	22.3
% of total services exports	2.4	3.0	2.5	4.9	4.5	18.4	34.0	27.2
Imports	64.5	99.7	71.4	46.8	50.1	43.6	64.5	65.9
% of total services imports	0.4	0.8	0.5	0.5	0.6	0.8	0.9	0.6

Source: WTO Stats. Viewed at: https://stats.wto.org/.

4.156. It has been reported that the privatization of the state-owned Angola Telecom is currently under analysis for its viability. According to the authorities, Angola Telecom is a strategic company for the provision of essential services to the population, and for helping to improve digital inclusion and universal telecommunication services, all of which require public investments in infrastructure for the creation of a primary telecommunications network. Angola Telecom ended 2022 with positive results, receiving support of more than AOA 8 billion (approximately to EUR 9 million) from the Government.

4.157. The Government has authorized the privatization of Multitel through a public tender of the 90% public stake that it holds in the share capital of the company.[74] The first offer did not receive any proposals.

4.158. The Government has also scheduled to sell, via an IPO, Unitel mobile network operator, which is 50% owned by Sonangol. The IPO is planned to take place at BODIVA in 2024.

4.3.2 Financial services

4.159. The financial sector accounts for around 2% of Angola's GDP, employs more than 19,700 people, and represents, according to the National Bank of Angola (BNA), 3% of the value of trade in services in the country.

4.160. Imports of banking, financial, insurance, and pension services reached over USD 670 million in 2022 (Table 4.10).

Table 4.10 Financial and insurance services, 2015-22

(USD million)

	2015	2016	2017	2018	2019	2020	2021	2022
Insurance and pension services[a]	475.5	425.4	524.6	394.3	282.0	335.1	460.9	494.5
Financial services[b]	94.3	210.5	241.0	382.7	212.5	167.0	140.5	175.5
Total services	17,276.2	12,616.5	13,793.3	10,089.5	8,172.3	5,602.5	7,050.4	11,296.9

a Insurance and pension services: life and non-life insurance plans, and pension services.
b Financial services: banking, savings, capital investments, credits and loans, guarantees, foreign exchange commission, and financial consultancy services.

Source: BNA, *External Statistics*, annual data. Viewed at: https://www.bna.ao/#/en/estatisticas/estatisticas-externas/dados-anuais.

4.3.2.1 Banking services

4.161. As indicated in the 2015 Secretariat report, "[b]anking services [is] one of the three sectors, along with tourism and recreational, cultural and sporting services, in which Angola has undertaken commitments under the GATS. These commitments cover three subsectors, which are the taking of deposits and other reimbursable funds, all types of borrowing, and liquidation and money transfer services. Angola places no restrictions on commercial presence as pertains to deposit taking. On the other hand, commercial presence is not bound with respect to borrowing and is subject to a market access restriction as regards liquidation and money transfer services, worded as follows: 'branches

[74] This transaction was initially planned to be done via an IPO at the Angolan Debt and Securities Exchange Market (Bolsa de Divida e Valores de Angola – BODIVA).

of foreign institutions obligatorily accountable for the principal order after having fulfilled the commitment'".[75]

4.162. Angola has 23 commercial banks in operation (4 have shut down since 2018 due to solvency issues). Of the 23 operating banks, 20 are privately owned, while the Government controls two banks (Banco de Poupança e Crédito (BPC), and Banco de Desenvolvimento de Angola (BDA)) and have participation in another one (Banco de Fomento de Angola (BFA)). The market is relatively concentrated, as the top six banks hold around 80% of banking assets, loans, and deposits. Banco Angolano de Investimentos (BAI) is the largest asset-holder with around USD 5.5 billion. Combined, the largest six banks have around 10 million customers. There were six foreign banks operating in Angola in 2022. Their total assets amounted to 12.3% of banking system assets.

4.163. Credit availability is very often linked to government plans and specific programmes, usually through obligations to establish loan quotas for businesses or operations, as in the case of the Credit Support Programme (PAC). Nevertheless, credit growth has been low (4.9% in 2022) and banks have held own regulated funds above the regulatory minimum. BNA has made efforts to align the policy rate according to the overnight interbank rate (Luibor), as well as to ensure banks proper management of credit risk, and policies for an inflation-targeting strategy.[76]

4.164. In 2020, the BNA, the country's central bank directed commercial banks via Notice (Aviso) No. 10/2020 to increase the minimum amount of subsidized credit (with an interest rate of no more than 7.5% annually for capital expenditures (CAPEX) and 10% for working capital) and corresponding to 2.5% of their assets with a view to accelerate diversification of domestic production with priority given to the products contained Presidential Decree No. 23/19 (Sections 3.1.6 and 3.3.1). According to the authorities, these measures have been successful as at April 2021, the amount of credit approved by the banking sector corresponded to slightly more than 200% of the minimum established in the BNA standard on credit to the real sector of the economy.

4.165. BNA issued Notices No. 6/2023 and No. 7/2023 in July 2023, which determine new operational rules that reduced the social capital needed for the establishment of microcredit companies, credit cooperatives, and microcredit operators in order to expand these segments.

4.166. Non-performing loans (NPLs) continue to stand at relatively high levels (32% in 2017 and 21.1% in 2022). The RECREDIT asset management company was created to purchase NPLs from BPC, a state-owned bank, which holds 80% of the banking system's NPLs.[77]

4.167. The mobile telephony operators Unitel and Africell have offered, since August 2021 and April 2023, respectively, mobile money services, including mobile recharge, deposits, person-to-person transfers, bill payments, and merchant payments. These new products are likely to help digitalizing the informal economy and assisting the large number of the population that is unbanked. Future plans include other financial services by mobile operators, such as credit, savings account, and insurance plans.[78]

4.168. BNA, which was granted independence in February 2021[79], is responsible for the oversight, regulation, and supervision of financial system institutions. According to the authorities, in recent years, BNA has undertaken a number of measures to develop best practices to maintain financial stability. Notwithstanding, the IMF points out that Angola requires further efforts to

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[75] WTO document WT/TPR/S/321/Rev.1, 11 December 2015, para. 4.87.

[76] International Monetary Fund (IMF) (2023), *Staff Report for the 2022 Article IV Consultation*, IMF Country Report No. 23/100. Viewed at: https://www.elibrary.imf.org/view/journals/002/2023/100/002.2023.issue-100-en.xml.

[77] Pursuant to Presidential Decree No. 200/23, credit recovery services by RECREDIT were expanded to cover all national banks. According to IGAPE, the average NPL of state-owned banks, including BPC and BDA, were 48% in contrast to 22% of the five largest private banks. IGAPE (2023), *Relatório Agregado Sector Empresarial Público 2022*. Viewed at: https://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/aw4z/njm1/~edisp/minfin3635464.pdf.

[78] Comms Update (2023), "Africell Angola Launches Mobile Money", 24 April. Viewed at: https://www.commsupdate.com/articles/2023/04/24/africell-angola-launches-mobile-money/.

[79] Law No. 24/21.

strengthen financial stability by fully implementing the Financial Institutions Law (Law No. 14/21) on bank recovery and for better administering troubled banks.[80]

4.169. BNA established in 2020 the Council of Financial System Supervisors (CSSF), a supervisory body constituted by all financial sector agencies.[81]

4.170. Angola launched in 2019 the Deposit Guarantee Fund (DGF) corresponding to approximately 2% of insured deposits. It has also established a Bank Resolution Fund, which was not in operation as at September 2023.

4.171. Financial activities are governed by a special investment regime.

4.172. The conditions for foreign investment in the financial sector are contained in Law No. 14/21, which replaced Law No. 12/15 on financial institutions, and in Notice (Aviso) No. 09/2020. Foreign banks and other financial institutions may open subsidiaries or establish representative offices in Angola, subject to BNA authorization, as foreseen in Notice (Aviso) No. 11/2020. There are no foreign ownership limits on banks and other financial institutions established in Angola.

4.173. Most of the conditions and requirements for the establishment of foreign banks remained broadly the same as in the previous legislation, and are contained in Articles 83 to 98 of Law No. 14/21. To open branches, foreign banks must submit to the BNA, *inter alia*, their programme of activities and organizational structure; a certificate from their national supervisory authority stating that they are licensed and that there is no impediment to their opening a branch in Angola; evidence of sufficient technical and financial means for the type and volume of operations that they plan to undertake; projected accounts for each of the first three years of activity of the branch; a copy of their statute; and an undertaking to deposit an amount not less than that required from Angolan banks to demonstrate capital adequacy.

4.174. Representative offices of foreign banks must be listed in a special register kept by the BNA. They must be set up within three months following their registration (extendible by a further three months). They are prohibited from undertaking operations within the purview of credit establishments and from acquiring company shares or immovable property not essential to their installation and functioning.

4.175. In 2016, a relevant milestone in the banking sector of Angola was the sale of 48.1% of the state-owned BFA. In 2021, the privatization of Banco de Comércio e Indústria (BCI) via PROPRIV was carried out through the selling of representative shares of the social capital held by the State of Angola. Yet in 2021 under PROPRIV took place the dispersion of the capital of BAI (10%) and of Banco Caixa Geral Angola (BCGA/Caixa Angola) (25%). Those transactions took place at the national stock exchange, the Debt and Securities Stock Exchange (BODIVA).

4.3.2.2 Capital market and stock exchanges

4.176. BODIVA was created in 2014 and began operations on the spot market in 2015. This was followed by the operation of the treasury bonds market, the market for registered stocks, and the centre for custody, clearing, and liquidation of stocks in 2016. BODIVA trades total approximately to USD 2 billion every year.

4.177. The Capital Market Commission (CMC) has responsibilities in the areas of regulation, oversight, surveillance, and promotion of the stock exchange market of Angola.

4.178. During the period under review, BNA abolished the licensing requirement that previously applied to foreign investors to import capital via a capital account[82], as well as to repatriate income

[80] International Monetary Fund (IMF) (2023), *Angola: Staff Report for the 2022 Article IV Consultation*, IMF Country Report No. 23/100. Viewed at: https://www.elibrary.imf.org/view/journals/002/2023/100/002.2023.issue-100-en.xml.

[81] Members of the CSSF include the Governor of the BNA, the president of the Angolan Insurance Regulation and Supervision Agency (ARSEG), the president of the Securities Market Supervision Body, and the members of the boards of directors of those supervisory bodies. The CSSF replaced the National Council for Financial Stability (CNEF). The CSSF was created pursuant to Article 30 of Law No. 14/21.

[82] Notice No. 15/2019.

from investments. These changes largely benefited operations at BODIVA and were undertaken to, *inter alia*, encourage foreign investors to acquire state-owned assets from PROPRIV.

4.179. A total of 23 commercial banks and 2 brokerages are registered as members of BODIVA. Only local commercial banks can currently list at the stock exchange. Investments by individuals only represented 16% of total transactions.[83] According to Law No. 22/15 (Securities Code Law), complemented by Regulation No. 6/16 of the CMC, private companies whose capital is open to investment by the public can list their shares and other securities for trading on BODIVA. This includes public companies that have securities admitted for trading on a regulated market. Further requirements for admission of securities at BODIVA are found in Instruction No. 13/20. Securities distributors and brokerage firms are operating in BODIVA.

4.180. BODIVA itself is listed for privatization under PROPRIV following a three-phase process expected to be completed in 2024.

4.3.3 Insurance

4.181. Angola's insurance sector continued to grow during the period under review. As of September 2023, 23 private insurance companies and 1 company owned by the Government (ENSA Seguros) were authorized to operate in the country. Only three of those companies were authorized to operate in the "life insurance" segment.[84]

4.182. Premiums accounted for AOA 223 million in 2020, AOA 278 million in 2021, and AOA 312 million in 2022. Compensations, on the other hand, stood at AOA 92 million in 2020, AOA 109 million in 2021, and AOA 102 million in 2022, amounting to an accident rate of around 32%, lower than in 2021 (39.3%) and 2020 (41.3%).

4.183. The market is concentrated in a few main players, with four companies having a market share of slightly more than 66%. State-owned ENSA Seguros has the largest market share (30%), followed by Nossa Seguros (14%), Fidelidade Angola (11.7%), and Sanlam Angola (10.9%). The insurance penetration rate is still below 1% of GDP (0.7% in 2020, 0.6% in 2021, and 0.6% in 2022).[85]

4.184. In 2022, the shares of the different insurance categories by premiums paid were illnesses (38.6%), petrochemicals (15%), automobiles (9.4%), accidents (9.3%), life (8.1%), other damages (7.5%), fire and natural events (3.7%), transportation (2.3%), civil liability (2.1%), and others (3.1%).[86]

4.185. The segment of reinsurance counts with a number international players (Africa Re, Swiss Re, Munich Re, Mapfre Re, Trust Re, Chubb European Group Ltd, Hannover Rück Re, Scor Global P&C, Fidelidade Seguros, Seguradoras Unidas, and Santam Ltd), as well as brokerage firms for international reinsurance. The conditions for establishing and engaging in the activity of reinsurance in Angola are basically the same as for insurance companies.

4.186. The petrochemicals sector has a reinsurance rate of 94%, followed by fire and natural disasters with 77%, and other damages with 62%.

4.187. The Angolan Insurance Regulation and Supervision Agency (ARSEG) is responsible for regulating, supervising, inspecting, and monitoring insurance, reinsurance, pension funds, and insurance and reinsurance mediation activities, under the auspices of the Ministry of Finance (MINFIN) and as defined by Presidential Decree No. 141/13. It collaborates with BNA and BODIVA to ensure the effectiveness of the supervision of the financial system, the balance of public accounts, and prevention of systemic risks.[87]

[83] US Department of State, *2022 Investment Climate Statements: Angola*.
[84] The sector had 28 operational companies in 2019, 23 in 2020, and 22 in 2021.
[85] Angolan Agency for Regulation and Supervision of Insurances (ARSEG), *Insurance Market, Pension Funds and Insurance Mediation Report 2022*.
[86] ARSEG, *Insurance Market, Pension Funds and Insurance Mediation Report 2022*.
[87] ARSEG has also among its responsibilities monitoring the relationships between stakeholders to ensure the provision of services according to the sectoral regulations.

4.188. Compulsory insurance is required for occupational accident risks, in addition to certain personal accident risks, damages, fire, and civil liability pursuant to specific legislation.[88]

4.189. As part of its efforts to improve the business environment, Angola adopted a new Insurance and Reinsurance Activity Law (LASR), which is contained in Law No. 18/22. LASR, which entered into force in July 2022, established the conditions for the authorization process and operation of insurance companies, including rules on external audits, risk management system, internal control system, and certification of insurance accounts. The LASR also institutionalized the micro-insurance in Angola, aiming to boost coverage to the low-income population.

4.190. Under LASR, insurance and reinsurance activities in Angola can be carried out by limited liability companies (sociedades anónimas) with domestic or foreign capital, or by branches of foreign insurance or reinsurance companies, subject to authorization.[89] In addition to the conditions set out for national insurance companies, foreign companies must prove a minimum of five years of activity in the country of origin before applying for authorization to operate in Angola. LASR is regulated by Presidential Decrees No. 21/21 and No. 2/02.

4.191. Norms for the determination of insurance fee system were adopted via Executive Decree No. 58/02 from the MINFIN. The fees in the sector are regulated by the Institute for Supervision of Insurances.

4.192. A timetable for adoption of the International Financial Reporting Standards (IFRS) on insurance contracts and on financial instruments before December 2026 is in place. The insurance market is regulated under a Solvency I-type framework by ARSEG, and with weak compliance by the players.

4.193. In July 2023, IFC and ARSEG signed a partnership agreement to boost access to agriculture insurance products in Angola to protect small-scale farmers, both family and commercial, from crop damages.

4.194. Under the privatization programme (PROPRIV), the Government initiated the process of privatizing the Group ENSA in 2020[90], first through the sale of 51% via a bidding process. In June 2022, the Government cancelled the process due to lack of offers that met the desired value, *inter alia*, because of the economic effects from the pandemic. The Government announced it would carry out the privatization of 100% of the shares of ENSA via an IPO at BODIVA.

4.4 Transport

4.4.1 Maritime transport

4.195. Angola's maritime trade figures are shown in Table 4.11. In 2021, the national flag fleet registered 321,000 DWT, comprising 55 ships.[91] The authorities state that no Angolan-flagged ships for international cargo transport currently exist. This explains the absence of any maritime cargo exports for Angola and the importance of maritime cargo imports.

[88] Legislation for those sectors was viewed at: https://www.arseg.ao/seguros/tipos-de-seguros/seguros-obrigatorios/.

[89] Law No. 18/22 of 7 July 2022, Article 22.

[90] ENSA, "Mensagem do Presidente do Conselho de Administração – Processo de Privatização da ENSA – Seguros de Angola". Viewed at: https://www.ensa.co.ao/ensa-noticias.aspx?i=4185.

[91] UNCTAD Stat (2021), *Maritime Profile: Angola*.

Table 4.11 Main maritime transport indicators, 2015-23

	2015	2016	2017	2018	2019	2020	2021	2022	2023[a]
Exports (USD million)	.	..	..	..	..	..	..	..	..
Imports (USD million)	3,770.8	2,827.1	2,795.6	3,066.2	2,753.5	1,931.0	2,367.0	3,296.7	..
Liner Shipping Connectivity Index	21.1	27.6	26.3	24.4	28.3	27.9	23.3	23.3	23.5[b]
Merchant fleet ownership ('000 DWT)	5,760.5	5,532.5	5,452.5	5,716.4	5,192.0	5,322.7	5,144.9	5,097.2	4,779.0
% of total fleet (DWT)	0.33	0.31	0.29	0.30	0.26	0.26	0.24	0.23	0.21
Registered national fleet ('000 DWT)	320.9	321.0	317.7	317.7	317.2	320.9	321.4	322.3	322.3

.. Not available.

a Preliminary data.
b Period average. Higher index means better connected to global shipping networks. The 2023 data only cover the Q1-Q3 period.

Note: DWT = dead weight tonnes.

Source: WTO Stats. Viewed at: https://stats.wto.org/; and UNCTAD Stat. Viewed at: https://unctadstat.unctad.org/.

4.196. In June 2021, the Government adopted the National Master Plan for the Transport Sector and Road Infrastructures (Presidential Decree No. 157/21) including a number of structural reforms in the sector.

4.197. Specifically on maritime and port activities, the National Plan focuses on the modernization of the infrastructure; updating the legal framework; re-assessing the current model for port concessions; seeking international partnerships and ratifying international sectoral agreements; strengthening the management and control of maritime traffic; and training the sector's professionals. Following the launching of the Plan, the Government begun renovating the ports of Namibe and Luanda, and started the construction of a new oceanic terminal in Barra do Dande.

4.198. During the period under review, Angola adopted Law No. 34/22, which revised the Law on Merchant Marine, Ports and Related Activities (Law No. 27/12). Under Law No. 34/22, the National Maritime Authority (AMN) under the Ministry of Transport (MINSTRANS) regulates the maritime and port sectors and ensures abidance to international maritime conventions from the International Maritime Organization (IMO) and other related agreements. The AMN was created by Presidential Decree No. 292/21 from the merger of the Maritime and Port Institute of Angola (IMPA) and the Hydrographic and Maritime Signalling Institute of Angola (IHSMA).[92]

4.199. Law No. 34/22 abolished the requirement that the following activities be reserved exclusively for Angolan nationals: loading and unloading of bulk carriers; stowage, unstowage, transhipment, and handling and stationing of merchandise; pilotage, towage, and mooring of the ship; waste collection; operation of infrastructure for sport and leisure ships; operation of fishing ports; passenger transport; and water supply to vessels.[93]

4.200. The instruments on cargo reservation pursuant to the United Nations Code of Conduct for Liner Conferences and described in Angola's previous Reviews are still in force.[94] The legislation designates the majority SOE Secil Marítima as the beneficiary of the cargo reservation scheme. Yet, Secil Marítima only relaunched operations in 2022. Specifically, it is engaged in cabotage, mainly connecting the northern ports of Cabinda, Soyo, and Luanda. In December 2022, Secil Marítima and DHL signed an exclusivity agreement for cargo transportation and logistics in Angola. The privatization process of Secil Marítima is under consideration. It was reported that the company was deemed to be technically bankrupt, and that it had received AOA 9.1 billion of government subsidies in 2022 to sustain its operations.

[92] Angola is a member of IMO since 1977, but full implementation of the standards, protocols and practices established in the STCW-95 convention is still pending.
[93] Law No. 34/22 of 13 September 2022, Article 117.3.
[94] WTO document WT/TPR/S/158/Rev.1, 3 April 2006, para. 30 and WTO document WT/TPR/S/321/Rev.1, 11 December 2015, para. 4.108.

4.201. In December 2020, Angola established the Angolan Cargo and Logistics Certification Regulatory Agency (ARCCLA), responsible for regulating, monitoring, and supervising related logistical activities, as well as traffic operations of goods by sea, land, and air[95] (Sections 3.1.1 and 3.2.1).

4.202. UNCTAD notes that Angola's average waiting time to load ships reduced 34% from 2019 to 2022, reaching 19.2 hours, while the average for discharge decreased by 47% for the same period, corresponding to 17 hours.[96]

4.203. Port cargo handling performance for tankers in Angola averaged 115 tonnes/minute, basically matching the global average (116 tonnes/minute). For tanker-port operations, Angola ranked first in the world in terms of productivity for loading oil cargo (113 tonnes loaded/minute). Angola also had one of the lowest average waiting time to load tankers, only 37 hours, for 2018-21.[97]

4.204. Angola has four operational seaports: the Port of Luanda handling 11,166 (TEUs) corresponding to 70% of Angola's total imports and with five specialized terminals: Multiterminais (break-bulk terminal), Unicargas (multipurpose terminal), Sogester (container terminal), Sonils (oil & gas terminal), and Soportos (multipurpose terminal); the Lobito Port; the Cabinda Port (mainly for the oil and gas industries); and the Namibe Port.[98] The Caio Port is under expansion, while the Port of Dande and the deepwater Port of Cabinda are under construction.

4.205. Angola established the Single Window for Logistics (Janela Única da Logística (JUL)) through Presidential Decree No. 127/21 for planning, implementing, and supervising logistics management throughout the logistics chain. The JUL is under the purview of ARCCLA covering the entire intermodal transport of goods by sea, cabotage, road, railways, and air. This initiative aimed to streamline and expedite cargo transportation in Angola by reducing logistics costs and simplifying administrative procedures.

4.4.2 Air transport

4.206. Air transport services play an important role to facilitate trade and foster domestic tourism and supporting national, regional, and international integration. Table 4.12 features the main economic indicators for Angola's commercial civil aviation sector.

Table 4.12 Air transport, 2015-23

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Exports (USD million)	25.3	32.6	23.0	27.8	31.8	8.4	14.6	19.3	..
Passenger	8.2	5.4	4.4	12.6	11.1	2.6	0.5	4.6	..
Freight	0.0	0.0	0.0	0.3	0.4	0.0	0.2	0.2	..
Other	17.1	27.2	18.5	15.0	20.3	5.8	13.9	14.5	..
Imports (USD million)	287.2	282.6	312.5	253.8	371.6	111.4	188.4	324.9	..
Passenger	243.3	228.6	238.6	207.0	247.5	76.1	171.2	240.5	..
Freight	3.8	2.4	1.9	0.7	2.3	6.1	4.5	4.0	..
Other	40.2	51.6	72.0	46.2	121.7	29.2	12.7	80.5	..
Air freight (million tonne-km)	46.0	43.9	67.3	78.2	68.0	28.9	31.0	..	..
Air passengers ('000)	1,244.5	1,482.5	1,375.5	1,516.6	1,437.0	356.7	311.5	..	..

[95] Created by the Presidential Decree No. 326/20, it replaced the National Council for Shippers (CNC), as well as the Cabinet for the Lobito Corridor. The fees charged for imports of long-distance maritime shipments are found in the Presidential Decree No. 189/19 (Article 3), exemption of the same fee for exports (Article 4), reduction of the Port Use Fee (TUP) for exports (Article 5), and fee for weighing loaded containers for exports (Article 7).

[96] UNCTAD (2022), *Review of Maritime Transport 2022*, p. 88. Viewed at: https://unctad.org/system/files/official-document/rmt2022_en.pdf.

[97] UNCTAD (2021), *Review of Maritime Transport 2021*. Viewed at: https://unctad.org/system/files/official-document/rmt2021_en_0.pdf.

[98] US International Trade Administration (ITA) (2022), *Angola Country Commercial Guide – Maritime Technologies*. Viewed at: https://www.trade.gov/country-commercial-guides/angola-marine-technologies-fisheries-and-sea-ports.

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Registered carrier departures ('000)	13.1	15.5	13.5	14.0	13.6	3.8	3.8	..	..

.. Not available.

Source: WTO Stats. Viewed at: https://stats.wto.org/; and World Bank, DataBank World Development Indicators. Viewed at: https://databank.worldbank.org/source/world-development-indicators#.

4.207. Angola has 13 operational airports with the Luanda Airport certified for serving international flights by the International Civil Aviation Organization (ICAO). Luanda Airport (IATA: LAD, ICAO: FNLU) is the largest airport in Angola with direct passenger flights to 34 destinations in 21 countries and 11 domestic flights. It will soon be replaced by the New Luanda International Airport (NAIL), located approximately 40 km southeast of the city centre with the capacity for 15 million passengers/year, a volume of goods of 50,000 tonnes/year and 2 double runways designed to accommodate B747 and A380 aircrafts. The new airport had an estimated cost of USD 3.85 billion. The State is the owner and manager of all airports.

4.208. Angola has eight domestic airlines, but the sector is broadly dominated by the state-owned national airline, Transport Aéreo de Angola (TAAG S.A.). TAAG, founded in 1938, operates 14 domestic destinations and 13 international destinations.[99] In addition to passenger transport, it also operates cargo transports. TAAG became a public limited company in 2018 based on Presidential Decree No. 276/18. Twelve airline companies operate international flights to and from Angola. Of those, eight have code-sharing agreements with TAAG.

4.209. While the level of activity of TAAG remains below its pre-pandemic level (in terms of available seat-kilometres (ASK), passengers, etc.), revenues have recovered. However, TAAG registered operational losses of USD 480 million in 2022.[100] According to the authorities, the company also halted some domestic flight routes due to the need to acquire smaller and more suitable aircrafts.

4.210. In April 2023, TAAG and GOL (Brazil) signed a codeshare agreement that allows both companies to sell tickets of each other's destinations and increasing network coverage. At the 2023 Paris-Le Bourget International Air Show, TAAG ordered nine new aircraft (Airbus A220-300).

4.211. The other large state-owned airline, SonAir from Sonangol Group, confirmed in August 2020 its exit from the carrier air transport market, further increasing TAAG's market power in the domestic market.

4.212. MINSTRANS is responsible for formulating, implementing, evaluating, and supervising transport and logistics policies, including for air transport. Pursuant to Presidential Decree No. 206/19, the National Airport Exploration and Air Navigation Company (ENANA E.P.) was terminated and replaced by the public company National Air Navigation Company (ENNA E.P.), responsible for developing, installing, managing, and operating air navigation services and infrastructure, as well as other infrastructure related to navigation support systems, routes, and airspace within the flight information region under the responsibility of Angola. The Airport Management Society (Sociedade Gestora de Aeroportos (SGA)) manages and commercially operates Angola's airport services. Both operate under the purview of MINSTRANS.

4.213. The SGA is responsible for granting the rights to exploit the public airport service in support of civil aviation, supervising the management and development of airport infrastructure, controlling the quality services on departure and arrival of aircraft, and boarding, disembarking, and forwarding of passengers, and cargo. SGA had its statute adopted via Presidential Decree No. 207/19. SGA is scheduled to have 51% of its capital privatized in 2023, but no further information has been obtained.

[99] Lisbon (twice a day), Porto, Madrid, Havana, Lagos, Sao Tomé, Ponta Negra, Kinshasa, Johannesburg, Maputo, Cape Town, Windhoek, and Sao Paulo.

[100] Available seat-kilometres (ASK) – 6.7 million in 2019 and 3.4 million in 2022; passengers – 1.4 million in 2019 and 0.9 million in 2022; departures – 13,000 in 2019 and 10,000 in 2022. Total operational revenue in 2022 basically matched the figure of 2019 – USD 392 million (2019) versus USD 390 million (2022), as the revenue for ASK increased from USD 5.94 cents (2019) to USD 11.45 cents (2022). Operational costs decreased, but are higher than revenue – USD 596 million (2019) versus USD 480 million (2022).

4.214. The new Civil Aviation Law, Law No. 14/19, determines the principles and rules to be observed in air services, auxiliary services, aeronautical infrastructures, and certification of aeronautical equipment and personnel, as well as an organization and the exercise of the powers of aeronautical authority, in the field of civil aviation.

4.215. The regulatory framework for issuing flight operation licences is governed by the Regulations on Access and Exercise of Air Transport Activity.[101] Under the Regulations, to provide regular domestic air transport services, private companies must enter a concession contract with the National Civil Aviation Authority. During the period under review, Angola eliminated the requirement that at least 51% of the share capital be held by Angolan citizens for the purpose of awarding a concession contract to private companies.[102]

4.216. TAAG is the only airline authorized to operate scheduled domestic flights. According to the national competition authority (ARC), this situation grants TAAG with a monopoly position on passengers transported, seat-kilometres offered and sold, and cargo transported for scheduled flights. ARC further notes that the "current licensing regime of scheduled airlines constitutes a barrier induced by regulation to private operators, since they can only access the exercise of the activity of scheduled domestic air transport, through a Concession Contract, under the terms of No. 2 of article 11 of Presidential Decree No. 217/16, of 31 October. Whilst public companies do so by mere authorization from the aeronautical authority".[103] Finally, according to the ARC, 19 airline companies entered the Angolan market between 2008 and 2020, while 25 companies withdrew from it during the same period, resulting in a negative balance and, thus, increased competitive concerns regarding potential high prices, as well as lower frequency and quality of services provided.

4.217. Angola ratified the new Constitution of the African Civil Aviation Commission (AFCAC) through Resolution No. 18/17.

4.218. The following regulatory regime applies to the sectors covered by the GATS Annex on Air Transport. There are no aircraft repair and maintenance workshops established in Angola and certified by the US Federal Aviation Administration and/or by the European Air Safety Agency (EASA). There are no particular restrictions on computer reservation services, and providers are free to enter into partnerships with airlines and travel agencies. Nor are there any restrictions on ticket sales by airline companies.

4.219. As regards ground-handling services, self-handling and mutual assistance are not allowed. Airlines must contract the services of local ground-handling companies. Apart from TAAG and SGA, there are independent providers such as Ghassist and Bestfly.[104]

4.220. Angola continues to be served by airlines from the following countries: Belgium, Ethiopia, France, Gabon, Germany, Kenya, Morocco, Mozambique, Namibia, the Netherlands, Nigeria, Portugal, Qatar, South Africa, Türkiye, and the United Arab Emirates.

4.221. Aviation services to and from Angola are governed by a number of bilateral air transport agreements, whose main features, organized in accordance with the WTO Secretariat's ALI index for assessing the degree of liberalization in the sector[105], are shown in Table 4.13.

[101] Presidential Decree No. 217/06 of 31 October 2006, as amended by Presidential Decree No. 364/19 of 30 December 2019.
[102] Presidential Decree No. 364/19 of 30 December 2019.
[103] African Competition Forum (undated), *ACF Cross-Country Study on Airlines*, p. 177. Viewed at: https://arc.minfin.gov.ao/PortalARC/#!/estudos-e-publicacoes/estudoseconomicos.
[104] For SGA, the tariffs are regulated by Airport Fare Regulation – Joint Executive Decree No. 494/15.
[105] See WTO document S/C/W/270/Add.1, 30 November 2006.

Table 4.13 Air transportation agreements

Country	Date of Signature	5th[a]	7th[b]	Cabotage[c]	Cooperation[d]	Designation[e]	Withholding[f]	Pricing[g]	Capacity[h]	Statistics[i]	ALI St
Belgium	26/10/2010	Y				S			PD	Y	6.0
Botswana	27/04/2011		N	N	N	M			PD	Y	4.0
Brazil	18/03/2009		N	N	N			PD	PD	Y	0
	24/09/2019	N	N	N	Y	M	PPoB	FP	PD	Y	23.0
Bulgaria	n.a.										
Cabo Verde	07/05/2004	Y	N	N	N	M				Y	10.0
Cameroon	24/04/2011	N	N	N	Y					Y	3.0
Central African Republic	29/10/2010	Y	N	N	N	M				Y	6.0
China	17/12/2008	N	N	N	N	M	SOEC	DA	PD	Y	4.0
Congo	31/03/2015	Y	N	N	N	M				Y	10.0
Cuba	18/05/1976	N	N	N	N	S	SOEC	DA	PD		0
Democratic Republic of the Congo	17/01/2005	Y	N	N	N	M				Y	10.0
Egypt	26/11/2010	Y	N	N	N	S				Y	6.0
Equatorial Guinea	16/02/2016	N	N	N	Y	S			PD	Y	3.0
Ethiopia	20/05/1977	Y	N	N	N	S				N	7.0
France	14/06/1976	N	N	N	N					N	1.0
Gabon	04/04/2013	N	N	N	N	S				N	1.0
Germany	21/03/2014	Y	N	N	Y	S		DA	PD	Y	9.0
Guinea-Bissau	03/05/2007	N	N	N	N	S				Y	0
Italy	10/04/1976	N	N	N	N	S	SOEC	DA	PD	N	1.0
Kenya	10/09/2014	N	N	N	N	M				N	5.0
Kuwait, State of	13/07/2010	Y	N	N	N	M	SOEC	DA	PD	Y	10.0
Morocco	03/10/2010	Y	N	N	Y					Y	9.0
Mozambique	28/08/2014	N	N	N	N					Y	0
Namibia	20/03/1996	Y	N	N	N		SOEC	DA	PD	Y	6.0
Netherlands	n.a.										
Nigeria	10/06/1976	Y	N	N	N					Y	6.0
Poland	26/06/1976	Y	N	N	Y	S	SOEC	DA	B1	Y	13.0
Portugal	04/08/1977	N	N	N	Y	S	SOEC	DA	PD	Y	3.0
	14/10/2010	Y	N	N	N	M				Y	10.0
	18/09/2018	N	N	N	N	S	COI	DA	PD	Y	4.0
Russian Federation	15/03/1976	N	N	N	N	S	SOEC	DA	PD	N	1.0
	26/06/2009	N	N	N	N	M	SOEC	DA	PD	Y	4.0
Rwanda	23/05/2018	N	N	N	Y	M	SOEC	DD	FD	Y	21.0
Sao Tomé and Principe	30/11/2005	N	N	N	N	S			PD	Y	0
Singapore	19/04/2018	Y	N	N	Y	M	PPoB	FP	PD	Y	29.0
South Africa	09/04/2009	Y	N	N	Y	M		DA		Y	13.0
Spain	Rubricated 30/05/2011	Y	N	N	Y	M		DD	PD	Y	19.0

Country	Date of Signature	5th[a]	7th[b]	Cabotage[c]	Cooperation[d]	Designation[e]	Withholding[f]	Pricing[g]	Capacity[h]	Statistics[i]	ALI St
Türkiye	28/02/2014	N	N	N	N				PD	Y	0
United Arab Emirates	12/12/2007	Y			Y	S			PD		9.0
United Kingdom	16/10/2002					M					
United States	22/04/2010	Y	N	N	N	M			PD	N	11.0
Zambia	27/03/2014	Y	N	N	N	M			PD	Y	10.0
Zimbabwe	30/04/2013	Y	N	Y		S					13.0

n.a. Not available.

a If fifth freedom rights are subject to approval by the aeronautical authorities, they are coded as NOT granted.
b If seventh freedom rights are subject to approval by the aeronautical authorities, they are coded as NOT granted.
c If cabotage rights are subject to approval by the aeronautical authorities, they are coded as NOT granted.
d Clauses allowing cooperation between airlines, e.g. code-sharing.
e Single is represented by an "S" or multiple by an "M".
f Substantial Ownership and Effective Control = "SOEC", Principal Place of Business = "PPoB", Community of Interest = "COI".
g Double Approval = "DA", Double Disapproval = "DD", Country of Origin = "CoO", Free Pricing = "FP".
h Pre-Determination = "PD", Bermuda I = "B1", Free determination = "FD".
i If an exchange of statistics is foreseen by the agreement.

Source: WTO Secretariat, based on information provided by the authorities.

4.4.3 Rail transport

4.222. Angola has three main railways. In order of importance, they are (i) the Benguela Railway (CFB), which connects the Port of Lobito (Province of Benguela) to the border town of Luau (Province of Moxico), with a length of 1,037 km; (ii) the Luanda Railway (CFL), comprising 434 km and connecting the capital Luanda to the city Malanje (Province of Malanje) and three branches (Dondo, Golungo Alto, and Cacuaco) with a total length of 541 km; and the Namibe Railway (CFN) from the city of Namibe, crossing the provinces of Huíla and Kuando-Kubango, and ending in the city of Menongue, with a total length of 907 km. According to the authorities, it is envisaged to merge the three companies into just one.

4.223. Four important projects are underway: (i) the Calenga project, which re-establishes rail traffic between Caála and Huambo and the Lobito Cubal project, with a length of 153 km; (ii) the Luena-Luau project; (iii) SITLOB, a system Interurban Passenger Transport in Lobito and Benguela; and (iv) the construction of the Baia–NAIL railway extension.

4.224. The National Terrestrial Transport Agency (ANTT) was created from the merger of the National Railway Institute of Angola (INCFA) and the National Institute of Road Transport (INTR) through Presidential Decree No. 309/21. It operates under the auspices of the State Secretary for Terrestrial Transport in MINSTRANS. ANTT is in charge of the planning, technical regulation, inspection, licensing, safety, and sustainability of land transport for passengers and cargo.

4.225. In April 2023, the Government approved the construction of a 260 km railway to serve the provinces of Moxico and Lunda Sul. Odebrecht (Brazil) in partnership with Bento Pedroso Construções (Portugal) won a contract of the CFB worth USD 1.2 billion. The project aims to serve the local mining and agricultural sectors, connecting the region with the Port of Lobito as foreseen in the Government's PLANAGRÃO programme.

4.226. In July 2023, Angola and the Democratic Republic of Congo (DRC) announced a joint project to rehabilitate the railway line linking the Congolese mining regions to the Atlantic Ocean. In this respect, both granted a 30-year concession to the consortium that includes commodities trader Trafigura and Portuguese construction company Mota-Engil with the goal to develop exports of copper ore and cobalt. The Lobito railway has an extension of 1,300 km in Angola and 400 km in DRC, connecting with the rail network from the National Railway Society of the Congo (SNCC).

4.227. In February 2020, the governments of Angola and Germany signed an agreement for the construction of a surface metro in Luanda with a cost of USD 3 billion and to be built by Siemens Mobility.

4.228. Angola has also recently purchased seven suburban trains of diesel multiple units (DMU) from Singapore, with the capacity of 700 passengers.[106]

4.4.4 Road transport

4.229. Angola's road network has been deemed a priority for the country's economic development as reflected, *inter alia*, in the National Development Plan. Most important are the investments needed to rebuild infrastructure for roads and bridges, which was destroyed during the country's civil war.

4.230. Public expenditures show that spending on construction and restoration of roads and bridges reached an estimated value of USD 27.5 billion from the period 2002-18, one of the biggest on the continent. The current road network is around 76,000 km.

4.231. In 2017, 176 million passengers used the roads to travel in Angola, while 377,000 tonnes of cargo were transported via roads.[107]

4.232. The sector's regulatory framework is laid out in General Law No. 20/03 of 2003 on land transport and in three Presidential Decrees on occasional passenger transport (No. 128/10), regular passenger transport (No. 154/10) and goods transport (No. 160/10). Licences are issued on the basis of three criteria: commercial capacity, professional capacity, and financial capacity. Road transport charges are state-regulated for regular collective passenger transport and taxis, but are unregulated for all other types of road transport, including cargo transport.[108]

4.233. As mentioned in the subsection on rail transport, the National Terrestrial Transport Agency (ANTT) was created from the merger of the National Railway Institute of Angola (INCFA) and the INTR. It operates under the auspices of the State Secretary for Terrestrial Transport in MINSTRANS. ANTT is in charge of the planning, technical regulation, inspection, licensing, safety and sustainability of land transport for passengers and cargo.

4.234. The National Master Plan for the Transport Sector (Presidential Decree No. 157/21) shows that as of 2017 the conditions of roads were 57% not paved, 27% asphalted, and 16% under construction. Furthermore, 45% of roads were in critical or degraded condition, while just 18% in fair condition or good, and the remaining not known. The Plan also envisages the construction of tolls and vehicle balances throughout the country.

4.235. Angola's main roads are divided into corridors: Corridor 1 (North–South) of 1,812 km of which 95% is paved; Corridor 2 (Luanda–Soyo–Cabinda connecting to Congo Brazzaville, DRC) of 539 km with 74% paved; Corridor 3 (Lobito–Angola, connecting to DRC and Zambia) with 1,206 km and 45% paved; Corridor 4 (Malanje–Angola linked to DRC) with 1,155 km and 97% paved; and Corridor 5 (Namibe connecting with Namibia, Botswana, and Zambia) with 1,502 km of which 56% paved. Corridors 1 and 3 are also part of the Trans-African Highways.

[106] US International Trade Administration (ITA), *Angola – Country Commercial Guide, Transport (Aviation and Rail)*. Viewed at: https://www.trade.gov/country-commercial-guides/angola-transportation-aviation-and-rail.

[107] *Guide for Investments in Angola*. Viewed at: https://www.missionangola.ch/telechargements/guia_investimento_angola_isnow.pdf.

[108] WTO document WT/TPR/S/321/Rev.1, 11 December 2015.

4.236. The National Master Plan for the Transport Sector states among its objectives the need to connect the provincial capitals, the main cities, and economic activity centres.

4.237. Regarding interprovincial transportation, Angola registered around 3.6 million passengers annually (about 10,000 per day). Around 80% of all bus trips either stop or finish in Luanda. Operators (around 87) are private companies, except for TCUL.

4.238. Concerning the transport of cargo, 69 licensed operators with fleets of 10 or fewer trucks operate in the country. The market is dominated by Macon, a private company holding the concession for public road passenger transport services (urban and interprovincial), with around 60% of the market share and also covering international transport to the Republic of Congo.

4.239. The Road Infrastructure Rehabilitation Programme (PRIR) secured the asphalt of more than 13,232 km from 2011 to 2020.

4.240. Angola is currently implementing the procedures, rules, and principles established by the Tripartite Programme for Facilitation of Transport and Transit (PTFTT) for COMESA-EAC-SADC to facilitate transit and cross-border circulation in the region to foster competitiveness, integration, and liberalization between the three economic regions. The PTFTT aims to harmonize policies, laws, regulations, standards, systems, and procedures to boost transport, logistics, and cross-border transit.

4.241. Angola is in the process of adhering to the Yellow Charter from COMESA on automobile liability insurance. Hence, vehicles coming from other COMESA member states without a Yellow Licence must be insured at the border through insurers licensed to operate in Angola.[109]

4.5 Tourism

4.242. Angola's nascent tourism sector was hard hit by the COVID-19 pandemic, but its inbound tourism revenues had already started to fall before the outbreak of the pandemic (Table 4.14). Approximately half of the tourists in Angola were from Europe. Angola had 1,489 hotels in 2021, down from 1,780 in 2019. Hotel occupancy rates prior to COVID-19 pandemic were above 60%, but decreased to just 25% in 2021. Travel agencies peaked in 2019 with 469 companies, versus 306 in 2021. Restaurants were around 4,304 in 2021, also down from 5,763 in 2018. The tourism sector employed 579,000 people in 2018, and less than 10% of that figure in 2021 (50,000).

Table 4.14 Tourism sector, 2015-23

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Arrivals by main purpose ('000)	**592.4**	**397.4**	**260.9**	**217.9**	**217.5**	**63.6**	**63.7**	..	..
Personal	320.0	290.8	187.3	167.2	168.0	57.3	57.6	..	..
Business and professional	272.4	106.6	73.6	50.7	49.5	6.3	6.1	..	..
Receipts (USD million)	**1,171.0**	**628.0**	**884.0**	**557.0**	**395.0**	**19.0**	**22.5**	..	..
Travel	1,163.0	623.0	880.0	544.0	384.0	16.0	22.0	19.7	..
Passenger transport	8.0	5.0	4.0	13.0	11.0	3.0	0.5	..	..
Expenditure (USD million)	**389.0**	**823.0**	**1,216.0**	**762.0**	**717.0**	**691.0**	**800.0**	..	..
Travel	146.0	594.0	977.0	555.0	469.0	615.0	629.0	1,657.5	..
Passenger transport	243.0	229.0	239.0	207.0	248.0	76.0	171.0	..	..
Accommodation for visitors in hotels and similar establishments (No.)	**196.0**	**220.0**	**233.0**	**238.0**	**235.0**	**235.0**	**229.0**	..	..
Number of employees by tourism industries ('000)	**219.3**	**221.0**	**223.0**	**579.0**	**215.5**	**64.2**	**50.2**	..	..
Accommodation services for visitors (hotels and similar establishments)	92.3	93.0	94.0	161.0	107.2	35.7	28.5	..	..
Food and beverage serving activities	104.0	105.0	106.0	169.0	55.4	18.4	14.7	..	..

[109] ARSEG. Viewed at: https://www.arseg.ao/seguros/actividades-transfronteiricas/.

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Travel agencies and other reservation services activities	23.0	23.0	23.0	249.0	52.9	10.1	7.0	..	..

.. Not available.

Source: BNA, *External Statistics*, annual data. Viewed at: https://www.bna.ao/#/en/estatisticas/estatisticas-externas/dados-anuais; World Tourism Organization (2023), UNWTO Tourism Statistics Database. Viewed at: https://www.unwto.org/tourism-statistics/tourism-statistics-database.

4.243. The Ministry of Culture and Tourism (MINCULTUR) is mandated to formulate, implement, monitor, evaluate, and execute the Executive's policy on tourism, as well as to develop strategies, programmes, and projects to promote culture and develop tourism.

4.244. The Institute for Promotion of Tourism (INFOTUR), supervised by MINCULTUR, promotes the development of tourism, in addition to the country's image at national and international levels as a brand and tourist destination, implementing actions to attract investments, supporting the sector qualification and professional technical training.[110]

4.245. Angola's Private Investment Law (Section 2) lifted the obligation for foreign investors to have national partners in the tourism sector for their projects. The regulations governing the hotel and restaurant industries do not contain restrictions on the number of suppliers, the value or volume of services, the assets of providers, legal forms, foreign participation, and the reservation of certain advantages, such as land ownership, to national providers alone. However, a local staff training obligation applies to foreign enterprises, along with the obligation to employ a maximum of local staff (applicable to both domestic and foreign investors).

4.246. The sector is subject to nationwide regulation. The hotel industry is now governed by Presidential Decree No. 36/16, and restaurants by Presidential Decree No. 66/23. Neither of the new regulations distinguishes between national and foreign investors.

4.247. As indicated in the 2015 Secretariat report, for the hotel industry, "[a]part from the obligation to employ a maximum of local staff (the proportion being determined based on the scale of the project), local staff training obligations applicable only to foreign enterprises and the reservation of subsidies exclusively to Angolan operators; these regulations contain no market access or national treatment restrictions on commercial presence within the meaning of the GATS, in other words, restrictions, whether discriminatory or not, on the number of suppliers, the value or volume of services, the assets of providers, legal forms, foreign participation and the reservation of certain advantages, such as land ownership, to national providers alone."[111]

4.248. The restaurant industry continues to be governed by Joint Executive Decree No. 23/15 of 23 January 2015 on "the provision of restaurant and similar services". As indicated in the 2015 Secretariat report, "[a]part from the obligation to employ a maximum of local staff (the proportion being determined based on the scale of the project), local staff training obligations applicable only to foreign enterprises and the reservation of subsidies exclusively to Angolan operators; these regulations contain no market access or national treatment restrictions on commercial presence within the meaning of the GATS, in other words, restrictions, whether discriminatory or not, on the number of suppliers, the value or volume of services, the assets of providers, legal forms, foreign participation and the reservation of certain advantages, such as land ownership, to national providers alone. Licences are awarded on a non-discriminatory basis."[112]

4.249. For travel agencies, there are no restrictions on the number of suppliers, the value or volume of services, the assets of providers, foreign participation, and the reservation of certain advantages such as land ownership to national providers alone. Foreign travel agencies are subject to the same local staffing provisions as hotels and restaurants. In addition, they must set up a company under Angolan law.

[110] INFOTUR. Viewed at: https://visit-angola.ao/.
[111] WTO document WT/TPR/S/321/Rev.1, 11 December 2015, para. 4.138.
[112] WTO document WT/TPR/S/321/Rev.1, 11 December 2015, para. 4.139.

4.250. The Programme for Public Investments disbursed AOA 52 million between 2018 and 2022 in the tourism sector, below the expected amount as in the Hotel and Tourism Development Programme and in the Development Support Expenses (DAD) for the sector.

4.251. Two sectoral associations play a role in the sector, i.e. the Association of Hotels and Resorts of Angola (AHRA) and the Association of Travel Agencies and Tour Operators of Angola (AAVOTA).

4.252. AHRA aims, *inter alia*, to enforce compliance with hygiene and food safety standards, through the implementation of the international HACCP (Hazard Analysis and Critical Control Points) system by all the players in the sector.

4.253. An online portal, the Sigtur system, registers and issues licences for luxury and large hotel developments in Angola; the Portal Munícipe handles licences for restaurants, bars, guesthouses, and similar services.

4.254. The new Presidential Decree No. 189/23 exempts tourists from 98 nationalities from visa requirements for stays of up to 30 consecutive days and a maximum stay of 90 days in Angola in a given year. For the remaining countries, tourist visas are granted by Angolan diplomatic and consular missions abroad, which must be used within 60 days following the date of issuance and are either valid for one or multiple entries for a period of up to 30 days, extended once for an equal period. Angola has several visa bilateral facilitation agreements in force.[113]

[113] Viewed at: https://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/aw4x/mjq3/~edisp/minfin1247728.pdf.

5 APPENDIX TABLES

Table A2.1 Angola's notifications to the WTO, 2015-23

WTO Agreement	Description of requirement	Periodicity	Most recent notification
Agreement on Agriculture			
Articles 10 and 18.2 (ES:1)	Export subsidies (volumes and outlays)	*Ad hoc*	G/AG/N/AGO/1, 07/07/2020
Articles 10 and 18.2 (ES:2)	Total exports in the context of export subsidies	Annual since 1996	G/AG/N/AGO/2, 19/04/2023
Agreement on the Implementation of Article VI of the GATT 1994 (Anti-Dumping Agreement)			
Article 16.4	Anti-dumping actions taken	Semi-annual	G/ADP/N/193/AGO, 18/08/2020
Agreement on Subsidies and Countervailing Measures			
Article 25.11	Countervailing actions taken	Semi-annual	G/SCM/N/202/AGO, 06/08/2020
Article 32.6	Notification of laws and regulations	*Ad hoc*	G/SCM/N/1/AGO/1, 28/11/2018 G/SCM/N/1/AGO/1/Corr.1, 08/07/2020
Agreement on Safeguards			
	Specific national legislation relating to safeguard measures	*Ad hoc*	G/SG/N/1/AGO/1, 18/10/2018
Agreement on Technical Barriers to Trade			
Annex 3	WTO TBT Code of Good Practice	Once	G/TBT/CS/N/190, 12/05/2017
Agreement on Rules of Origin			
Paragraph 4 of Annex II	Preferential Rules of Origin		G/RO/N/176, 27/11/2018
Agreement on Import Licensing Procedures			
Article 5			G/LIC/N/2/AGO/1, 30/10/2018 G/LIC/N/2/AGO/2, 30/10/2018
Agreement on Preshipment Inspection			
Article 5	No laws or regulations relating to preshipment	*Ad hoc*	G/PSI/N/1/Rev.3/Add.2, 21/12/2018
TRIPS Agreement			
Article 69	Contact Points	*Ad hoc*	IP/N/3/AGO/1, 01/05/2019

Source: WTO Secretariat, based on notification documents.

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