



# *India in Angola Economic Newsletter*

*May - June 2021*



**TOGETHER IN PARTNERSHIP**  
**TOGETHER IN BUSINESS**

## From the Ambassador's Desk



Dear readers,

I am happy to present the fifth edition of our economic newsletter 'Together in Partnership - Together in Business'. I am pleased to inform that the Embassy has moved to its new address in the month of May 2021. During the months of May and June 2021, I met the Minister of Interior, President of National Assembly, visited the Business Confederation of Angola, CEO of Sodiam, President of AIPA, President of Ventura Corn Association and Indian Businesses. We organised the first ever Buyer-Seller Meet in the Agriculture sector virtually in cooperation with APEDA, on 14th June titled: 'Exploring Trade opportunities in Agro and Processed Foods'. The event evinced a keen interest in Indian and Angolan businessmen to collaborate. In the current issue, we are therefore focusing on the Agricultural sector and upcoming opportunities in the Agriculturally rich province of Huamba. We also introduce you with the changes in laws and regulations for businesses in Angola that have been announced during this period. The Covid pandemic led to Angola announcing certain restrictions on travel and businesses, and we are mentioning some highlights here. Your suggestions, comments and feedback are welcome. I request you to share this newsletter with your colleagues and acquaintances. Each newsletter will also be posted on our website ([www.indembangola.gov.in](http://www.indembangola.gov.in)) Facebook page (@indiainangola2019) Twitter (@IndiainAngola) and Instagram (@india\_in\_angola).

With regards.

(Pratibha Parkar)  
Ambassador

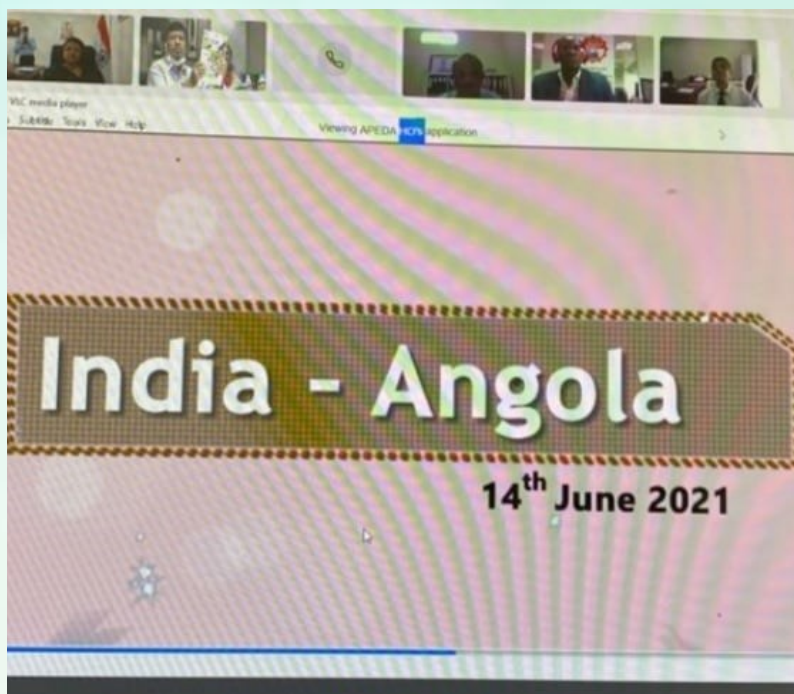
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## VIRTUAL BUYER SELLER MEET

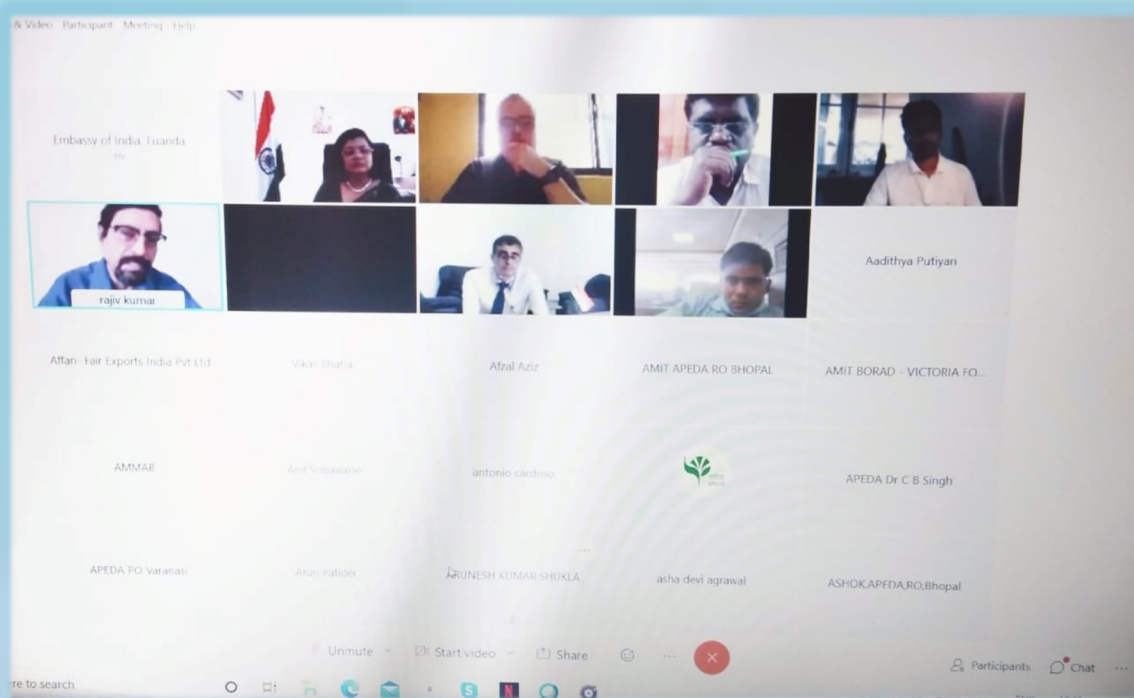


The first ever Buyer-Seller Meet in the Agriculture sector was organized virtually (VBSM) in cooperation with APEDA, on 14th June titled: 'Exploring Trade opportunities in Agro and Processed Foods'.

The VBSM evinced keen interest among business associations and Agro-companies on both sides, with around 80 participants from India and Angola joining the Meet. During the VBSM, Ambassador along with General Manager Agricultural and Processed food Products Export Development Authority (APEDA) released an e-Catalogue, that would help in match-making between Indian and Angolan businesses. Besides providing an overview on the Agricultural trade between the two countries, the catalogue also provides details of around 170 companies on both sides. The event saw the participation of Mr. U. K. Vats, General Manager, APEDA, Ministry of C&I, GOI, New Delhi, Dr. M. Angamuthu, Chairman APEDA, Ministry of C&I, GOI, New Delhi, Mr. U. K. Vats, General Manager, APEDA, Ministry of C&I, GOI, New Delhi, Mrs. Samidha Gupta, DGM, APEDA, New Delhi, Mr. Leilo Franciso, Representative from AIPLEX – Private Investment and Export Promotion Agency of Angola, Mr. Francisco Viana, Confederation of Business Enterprises of Angola (CEA), Mr. Caetano Capitaio, Secretary General, Angola India Chamber of Commerce, Mr. Ventura Hateua, Representative of Angola Corn Traders and Producers Organisation (EPUNGO), Mr. Rui Santos, Angola Poultry Farmers Association (ANAVI), Mr. Paulo Gaspar, Agro-Livestock Industry of Hula, Mr. R. K. Boyal, All India Meat & Livestock Exporters Association (AIMLEA), Mr. Subodh Jindal, All India Food Processors Association, Mr. V. K. Kaul, All India Rice Exporters Association, Mr. Rajiv Kumar, The Rice Exporters Association (TREA), Mr. Ekram Hussain, Fresh Vegetables & Fruits Exporters Association (VAFA), Dr. P.V.S.M. Gouri, Association of Indian Organic Industry (AIOI),



## VIRTUAL BUYER SELLER MEET



Angola and India share friendly bilateral relations, which sets out potential areas for intensifying bilateral cooperation, and among others, agriculture, food processing and agricultural technology holds a significant potential. The country is now in a unique transition stage in its development from an oil-based economy towards a more diversified economy into agriculture and other areas.

The country has several agro-ecological zones that are conducive to the cultivation of diverse tropical and subtropical crops for local consumption and export. Angola holds tremendous agriculture potential with natural advantages like highly fertile soils, abundant water, and a favorable climate with a wealth of natural resources, including minerals, water, agriculture, forestry and fisheries.

With the gap in demand and supply in the agro and food sector, Angola agro and food processing sector, is looking for meeting its demands through imports in the short term. Wheat, non-basmati rice, seeds, fertilizers and processed foods were sought during the event. Angola is also focusing on increasing its domestic production capacity in the long term with import of seeds, fertilizers, agricultural equipment's and implementation of advanced agricultural technology for farm mechanization, setting up of industries and mills and training for farmers. Developing agricultural infrastructure, transfer of latest agricultural technologies, equipment's, tractors, implements and creating agro-irrigation systems for farming were the key requirements highlighted during the event.

The virtual buyer seller meet helped in a B2B connect for businesses on both sides, providing them with useful knowledge on each others requirements. The event generated much needed information for the ways and link ups for Angolan companies with the Indian companies and has generated export avenues in the Agro and processed foods sector for Indian companies. The Angolan companies are looking to work with Indian businesses.

## AMBASSADOR MEETINGS WITH GOVERNMENT OF ANGOLA



Ambassador Pratibha Parkar called on H.E. Eugenio Cesar Laborinho, Minister of Interior of Angola on 6 May and held discussions on further strengthening of India-Angola cooperation, consular issues and matters pertaining to the Indian Community in Angola.



H.E Mrs. Pratibha Parkar, Ambassador paid a courtesy call on H.E Fernando da Piedade Dias Santos, President of National Assembly Angola & discussed ways to enhance cooperation between Parliaments of India & Angola including exchange of visits of the Parliamentarians.

The visit was covered in local media viz. TPA , Jornal de Angola, National Radio of Angola and ANGOP. During the media interaction, Ambassador expressed India's willingness to participate in Angola's economic growth, boost friendship and bilateral relations between the two countries along with enhanced B2B interactions.



## AMBASSADOR'S VISIT TO VIANA, LUANDA



H.E Mrs. Pratibha Parkar, Ambassador met Mr. Francisco Viana, President of the Business Confederation of Angola and members of other business associations under the aegis of the Confederation, and discussed possibilities for expanding business and networking between Indian and Angolan companies. Ambassador visited the facilities of the confederation built up with private investments in Viana on the outskirts of the capital city of Luanda.

The Business Confederation of Angola ( Confederação Empresarial de Angola-C.E.A) consists of 50 large , medium and small enterprises, associations and cooperatives which are located across the length and breadth of the country, in all the 18 provinces of Angola. The prominent Associations members under the aegis of the confederation include:

1. Fish farming cooperative
2. Association of Baking Industries of Angola
3. Farmers association of Cacuaco
4. Association of Laundry Business of Angola
5. Association of Textile and Confectionary Industries of Angola
6. Association of Products for the Construction Industries
7. Association of Food Processing Industries
8. Poultry Association of Angola
9. Association of Woman Entrepreneurs of Viana

As their name suggest, each Association works within their specific domains towards promoting and easing trade and investment into Angola. which include in the areas of Bakery and Confectionary, Farming, Aquaculture, Textiles, Construction, Food processing, Agriculture, Poultry etc.

## MEETINGS WITH LOCAL ASSOCIATIONS AND INDIAN BUSINESSES



Ambassador met Mr. Ventura Hatewa, Executive Director, Angolan Corn & Maize traders and producers Organization (EPUNGO), on 11th June 2021 and discussed trade and investment initiatives.

EPUNGO, was created on August 15, 1992, in the city of Huambo with the objective to promote the cultivation of corn, as well as adapting techniques aimed at guaranteeing and stabilizing the income of corn and maize producers. The organization currently has 700 members located in the 18 provinces of Angola. The main hub for corn production in Angola is in the South of the country, specifically in the provinces of Huambo, Bie, Benguela, Cuando Cubango.



Ambassador Pratibha Parkar met Mr. Gilberto Simao, President of the Association of Bakery and Confectionary Industries of Angola (AIPPA) and discussed possibilities for expanding business and networking between Indian and Angolan companies. AIPPA is helping small and medium entrepreneurs for setting up bakery and confectionary businesses and congregates 2000 members of which 1000 are in the Capital City of Luanda, and around 50 each are located in the 18 provinces of Angola. The President of AIPPA informed that Angola currently requires credible wheat producers, milling equipments, technical assistance, technical know-how for agriculture production, farming, wheat grinding mills.



Ambassador met with Mr. Siddhartha Theckedath, Country Head, VFS Global and Mr. Saurabh Maskara, CEO, Mahabir Industries on 28 May 2021 & 3 June 2021 respectively and discussed trade and investment initiatives.

VFS Global, also known as "Visa Facilitation Services Global," is an outsourcing and technology services company that serves governments and diplomatic missions worldwide, managing visa and passport issuance-related administrative and non-discretionary tasks for its client governments. Formerly based in INDIA, the company is now headquartered in DUBAI with offices in 144 countries. The company aims to expand its presence in Angola.

Mahabir Industries, a diversified manufacturing and trading group manufactures transmission line towers, railway electrification towers, hand pumps, Poles, PSCC inter locking concrete cement tiles and paraffin wax. It is also involved in the diversified trade in a range of goods and commodities including large Industrial supplies. In Angola, Mahabir Industries has investment in Agriculture Sector specifically in wheat plantation and is looking for further investment.

## MEETING WITH COMPANIES IN MINING SECTOR



Ambassador met the representatives of Endiama E.P., and Sodiam E.P., the State-owned diamond mining and trading companies in Angola and Indian Diamond Companies present in Angola viz. Kapu Gems & KGK. The meeting was organized to discuss various aspects of cooperation in the diamond and mining sector between India & Angola, visit to the Saurimo Diamond Pole, developments in Angola like the new diamond stock exchange and changes in diamond and mining policy in Angola.

### Mining Sector in Angola

Diamond mining in Angola dates back to 1917. Currently, Angola's diamond production is third in the African continent – the first two spots taken by Botswana and South Africa respectively. In terms of global production, Angola is seventh, accounting for roughly 5% of world diamond production. In 2019, Angola's diamond production volume amounted to 9.1 million carats, compared to a production of 6.1 million carats in 2004. Angola has in total 14 mining projects. The largest is the Catoca Mine, which produces 61% in value of the total Angolan output. Government of the Republic of Angola has announced plans to further developing industry specific market infrastructure and plans to optimise and widen its services to the global diamond trade through the establishment of an Angolan Diamond Hub and an Angolan Diamond Bourse (ADB). The main ambition of the Angolan Diamond Hub will be to provide the platform that will put the enormous flow of diamonds under one roof. The Diamond Hub will include a Gemmological Academy, a Technological Research Centre and will be embedded in a Free Trade Zone. The Presidential Decree 175/18 of 27 July 2018 and a new Presidential Decree 143/20 of 26 May 2020 have outlined some important main principles which will serve as guidelines for Angola's future in diamonds. At present Sodiam is responsible for all diamond trading and exports, while Endiama is the State owned Diamond mining company. With India as a leader in diamond polishing and its cutting edge technology in the mining sector, both countries provide complementarities to each other. Angola has requested Indian businessmen to visit and invest in setting up the diamond polishing units near the mines in the Industrial Pole in Saurimo (Lunda Sul).

The sale value of Endiama's diamond production recorded a year-on-year growth of 35 percent in the first quarter of 2021, to US \$ 220.3 million compared to 162 million in the same period in 2020, with a gross production of more than 1.1 million carats, compared to 1.2 million in the first quarter of 2020. The average price per carat was \$ 186.9 (133.8 in 2020).

Angola's National Diamond Marketing Company Sodiam obtained an inflow of US\$56.6 million at the end of the third auction of special diamonds on June 24, in an operation that had a bidding base estimated between US\$27 to 30 million. More than 50 companies from the world's main diamond markets participated in the auction. This was the third diamond auction since the New Diamond Policy was introduced in Jan 2019, with the first auction in February 2019 and the second taking place in December, 2019.



## ECONOMIC DEVELOPMENTS IN ANGOLA

### Business Restrictions during COVID-19

In view of the Covid-19 pandemic, the Angolan government put in place certain restrictions towards Pandemic management in the country. The restrictions came into force from 8<sup>th</sup> May and continue to be gradually relaxed. Some of the restrictions presently in force up to 7<sup>th</sup> August, 2021, with regards to businesses, include:

- I. The exercise of commercial activity in goods and services in general, including in canteens and similar, to be carried out between 7:00 am and 8:00 pm, observing the rules of biosecurity and physical distance, and the rule of temperature control in the access and the installation of hand hygiene points at the entrance and inside the premises must also be adopted. Commercial establishments including restaurants in country are allowed to open from 6 am to 10 pm.
- II. The attendance for foreseen activities in office and other establishments allowed is up to 75% of the workforce and 75% of customers inside the establishment. 100 percent of the workforce is allowed in shifts in essential services like port, airports and related services, tax services, defense and security bodies, health services, electronic communications, media, energy and water, waste collection and bank. Gatherings of a festive nature in places outside the home are prohibited.
- III. Violation of the provisions of the above articles include a fine ranging from Kz: 250,000.00 (two hundred and fifty thousand Kwanzas) to Kz: 400,000.00 (four hundred thousand Kwanzas).
- IV. Regular national and international flights are permitted, limited to the minimum necessary and appropriate to the epidemiological situation. For boarding international flights to and from Angola, it is mandatory to present an RT-PCR test with a negative result, carried out within 72 hours prior to the trip. All citizens coming from abroad are subject to a test on arrival in Angola at the airport facilities. In case of a positive result, citizens are subject to institutional isolation. For boarding domestic flights, it is mandatory to present a serological test with a negative result carried out within 72 hours prior to the trip.
- V. Entry of non-resident foreigners from Brazil and India, or those transiting from the two countries, is temporarily suspended. Angolan nationals and resident foreigners, including from Brazil and India, are allowed entry subject to the obligation to observe an institutional quarantine subject to co-payment under the terms defined by the competent Ministerial Departments.

### Developments related to Covid-19

- I. At the 74th World Health Assembly, Government of Angola "warmly welcomed" and expressed support for the initiative of a temporary exemption of intellectual property rights related to Covid-19, both for vaccines and for medicines, stating it as an opportunity to reduce inequalities between developed and developing countries and within each country.
- II. Government of Angola has not ruled out the possibility of becoming, the producer of vaccines against Covid-19. The Government has clarified that realization of this aim depends on a self-assessment of the country's infrastructure, personnel and capacity to receive technology and knowledge for production of vaccines.

## ECONOMIC NEWS AND LAWS & REGULATIONS IN ANGOLA

### Major Economic News from Angola

- ♦ Angola has received investments worth US\$ 3.80 billion, with a total of 361 investment projects during the three year period from 2018 to April 2021, as per the Government Agency for Private Investment and Export Promotion (AIPEX). The major investments came from Portugal, China, United Arab Emirates, Uganda, United Kingdom and India. Sector-wise, these included, nine projects in Civil Construction valued at US\$686 million, five in Hospitality and Tourism sector estimated at US\$31 million, four in Health estimated at US\$ 131 million, and three each in the Telecommunication and Education sectors with investments worth US\$ 307 million and 30 million, respectively.
- ♦ Angola's current oil refining capacity is around 60,000 barrels of oil per day, compared to the average production of 1.2 million barrels per day of crude, resulting in cost of imports of refined oil of US\$ 4 billion annually. Government is therefore investing in the Luanda and Lobito refineries for capacity enhancement and construction of new refineries in Cabinda and Soyo. The oil and gas industry in Angola recorded, in 2020, a turnover of around US\$19 billion.
- ♦ Bloomberg has projected the Angolan economy to grow by 1.7 percent as compared to 1.2 percent projected earlier. However, the agency expects to register an expansion of the Angolan Gross Domestic Product (GDP) by 2.3%, a decrease compared to the 2.6% predicted in their previous survey.
- ♦ The South African company Trooper has decided to employ US \$ 100 million for agro-industrial projects in Cabinda, with planned investments in the assembly of food processing units, technical assistance to agricultural cooperatives and solar energy.
- ♦ Angola maintained leadership of banana production in Africa for six years, with 4.4 million tons per year, followed by Tanzania, with 3.2 million, with the main export destinations being the Democratic Republic of Congo, Namibia, South Africa, South, Portugal and Spain.
- ♦ The International Monetary Fund (IMF) approved, a disbursement of US\$772 million from the Expanded Financing Program (EFF) to Angola on 9th June, bringing the total to US\$ 3.9 billion under the IMF's monetary support program.

### New Laws and Regulations

- ♦ Angola approved a Treasury Financing Agreement with the International Bank for Reconstruction and Development (IBRD), in the amount of US \$ 700 million, as per the Presidential Order No. 59/21, of 3 May. The agreement was approved under the Macroeconomic Stabilization and Financing Policy for Angola's Inclusive Development and Economic Diversification Policy.
- ♦ The new rules defined by the Angolan government on the import of pre-packaged products, states that imports of a series of identified products including sugar, rice, wheat and corn flour, beans, powdered milk, cooking oil, animal feed, coarse and refined salt, wheat semolina , pork and beef, margarine and soap, must be made in bulk with a view to "saving foreign exchange" and supporting the local economy.
- ♦ With the aim to stabilize prices and guaranteed supply of goods in the basic basket at rational and fair prices, Angola has set up the National Strategic Food Reserve with an investment of US\$200 million, which is expected to be put into operation in 2021.

## PROVINCE IN ANGOLA

### Huambo Province

**Geography:** The province of Huambo is bordered by the Angolan provinces of Kwanza Sul (to the north), Bié (to the northeast), Huila (to the south) and Benguela (to the west). It covers an area of 35,736 km<sup>2</sup>. It is located in the central plateau region of Angola, with the Morro do Moco hill. Moco Hill, located in the municipality of Londuimbali, is the highest mountain peak in the region and in the country (over 2,000 metres high).

**Climate:** The Province is located in the alternating wet and dry climates of the intertropical regions and due to its high altitude, the climate is temperate, with an average annual temperature of less than 20°C. The coldest month is normally June and the hottest between September and October, with an annual rainfall of around 1400 mm. The Province mainly experiences two seasons viz. the rainy season and the dry season (called "cacimbo"). The rains normally start in October and end in April with May and September being transitional months, and the period of June to August seeing some incidence of frost, mainly in the valleys and depressions, where the absolute minimum temperatures can drop close to 0°C.

**Agricultural Resources:** The Province has natural agro-ecological conditions with abundance of tree, forest and fruit crops and extensive cattle with livestock farming of bovines. Forest essences of eucalyptus, pine and cupressus show excellent adaptation. Fruit species, such as avocado, passion fruit and guava reach good yields under natural conditions; Extensive cattle farming has great potential provided that the local natural area pastures are improved with forage species that are more palatable and usable throughout the year. In the last years of the colonial period, the province was considered as one of the main dairy basins of the country. Cattle ranching, especially for beef or milk production, finds favourable conditions. Pig farming has a strong tradition among family businesses and the production of maize assumes significance for animal feed increase.

**Agro-Food Processing Industry Investment Opportunities:** As per the Huambo Province Development Plan, the Province aims for the development of a number of sectors associated with the food cluster, through the agrarian and livestock resources. The major sectors include the following:

Maize Sector—aiming to transforming the maize industry, the province presents a potential to explore the production of derived products such as flour starch, cornmeal, glucose, gums and tapioca;

Fruit Crops Sector—The transformation of fruit crops potentiates the production of derived products such as juices, jams, etc.;

Soya industry- The production of soya promotes the production of products as diverse as milk, oil, flour and animal feed;

With abundance of sunflower, the province comprises a potential for the production of raw, refined and hydrogenated oil, margarine and soap;

Livestock —The incorporation of the processing industry allows for the extension of the cattle and pork sector to include slaughtering and packaging, diverse by-products (meat flour, bones, hooves and horns), dairy products canned meat and sausages, tanneries, footwear;

Apart from the above points Huambo is also has a potential in Forestry Sector - the incorporation of the manufacturing industry makes it possible to exploit forest resources, from wood to products derived from it (furniture and others).

**Industry and mining:** Huambo has an industry in Metalworking, Chemicals, Construction Materials, Textiles, Clothing, Leather and Footwear, Food, Beverages and Tobacco, Wood and Furniture. But all areas are not functioning at full capacity.