

**Embassy of India  
LUANDA**

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**India - Angola Economic Relations**

**Background:**

India's trade links with Angola, one of the major oil producers in Africa, are underpinned by a vibrant energy partnership and date back to pre-independence era of Angola. The relations began as far back in 1761, when both Angola and regions in India (Goa, Daman and Diu) came under Portuguese colonization. In an act of solidarity, India supported Angolan freedom struggle against the Portuguese colonial rule till the country attained independence in 1975. India established its diplomatic relations with Angola in 1985. Since then, the Indian leadership has retained robust ties with the reigning political establishment in Angola - MPLA (Popular Movement for the Liberation of Angola).

2. After cessation of the Civil War in the country in 2002, India's trade with Angola showed a perceptible increase. India's imports from Angola registered considerable growth basically due to bulk purchase of crude oil. In fact, India has become the 3rd largest trading partner of Angola, sharing about 10% of Angola's external trade. The balance of bilateral trade is though highly skewed in Angola's favour with around 90% imports. The imports in 2019-20 were US\$ 3649 million compared to a mere US\$ 313 million of exports.

3. India's imports from Angola registered considerable growth early during this decade from US\$ 4.2 billion (2009-2010) to US\$ 7.2 billion (2012-13). The bilateral trade, however, saw a decline thereafter, basically owing to the falling oil prices and in 2015-2016, and fell to US \$ 2.8 billion. The trade decline recovered to an extent in 2017-18 and 2018-19, reaching US\$ 4.6 and US\$ 4.4 billion respectively. The recovery has now been stalled with the Covid-19 impact, and the bilateral trade in 2019-2020 was around US\$ 4.0 billion.

4. India's exports saw a decline from US\$ 675 million (2010-2011) to US\$ 155 million (2016-17) mainly due to general import curbs arising from the forex problem. The past three years have however shown signs of recovery, with exports rising to US\$ 235 million (2017-18), US\$ 330 million (2018-19) and US\$ 313 million (2019-20). The two countries now intend to raise their bilateral trade which has great potential.

**High Level Exchanges**

5. High level exchanges have been maintained since the establishment of diplomatic relations in 1985.

**VVIP Visits/meetings:**

May 1986 - PM Rajiv Gandhi paid the first high level visit to Angola.

April 1987 - Reciprocal visit by President José Eduardo dos Santos.

July 2009 - PM Dr. Manmohan Singh met with President Jose Eduardo dos Santos on the sidelines of the G-8 meeting at L'Aquila, Italy on 10<sup>th</sup> July.

Oct 2015 - Vice President of Angola, Manuel Vicente accompanied by a high level delegation comprising the Ministers of Foreign Affairs, Agriculture and ICT participated in the Third IAFS and had bilateral meetings with PM Modi. Agriculture Minister had meeting with his Indian counterpart. MoS PNG along

with ONGC Videsh MD called on the Vice President to discuss cooperation in the field of energy.

July 2018 - President Joao Lourenco met PM Narendra Modi, during the BRICS Summit on 26<sup>th</sup> July in Johannesburg. Both leaders discussed ways to enhance trade and investment between the two countries and also to deepen cooperation in sectors like energy, agriculture and food processing and pharmaceuticals.

**EAM level visits/meetings :**

May 2006 - Minister for External Relations Joao Bernardo de Miranda visited India  
 Feb 2011- Minister for External Relations Georges R Chikoti attended India-LDC Ministerial Conference in New Delhi  
 Apr 2020 - EAM Dr S. Jaishankar had a telephonic conversation with the newly appointed Foreign Minister Tete Antonio.

**VIP Visits:** A list of other important high level exchanges is as follows:

**Outgoing :**

June 2007	Shri Anand Sharma, MoS (External Affairs)	Called on the President of Angola and met the Ministers of Foreign Affairs, Petroleum and Geology and Mines, and President of Endiama, the state-owned diamond company.
March 2008	Shri Jairam Ramesh, MoS (Commerce & Ind.)	
Jan 2010	Shri Murli Deora, Min. of Petroleum & NG	
July 2015	Gen. V K Singh, MoS (External Affairs)	as Special Envoy of PM to personally hand over invitation for the IAFS III. During the visit he called on Vice President Manuel Vicente
March 2018	Sh. M. J. Akbar, MoS (External Affairs)	held bilateral meeting. MOU on ICT was signed during the visit.

**Incoming :**

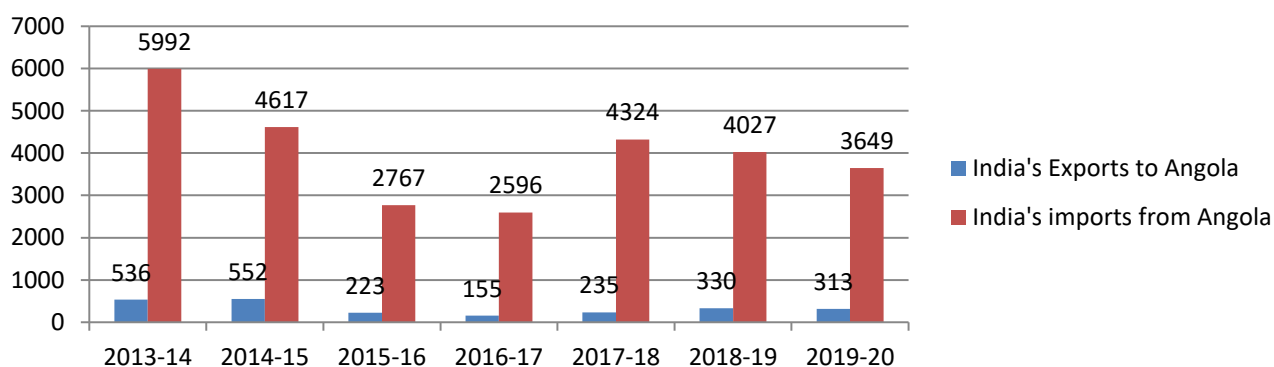
Oct 2010	Jose Maria Botelho De Vasconcelos, Minister for Petroleum	to attend the Petrotech Conference in New Delhi
Mar 2016	General Salviano de Jesus Sequeria 'Kianda', Secretary of State, Ministry of National Defense	DEFEXPO INDIA 2016 held in Goa from 28-31
May 2016	General Cândido Pereira dos Santos Van-Dúnem, Minister for former Combatants & Veterans of Homeland	led inter-ministerial delegation comprising representatives from departments of health and agriculture, which met MoS (VKS), Minister for Food Processing and Secretary (EWS) in MoD
May 2016	Mr. Pedro Canga Minister of Agriculture,	Met Minister of Agriculture Sh. Radha Mohan Singh, the two sides discussed bilateral cooperation in agriculture. He visited ICAR, agriculture cooperative units as well as private entities engaged with agriculture.
June 2017	Mr. Abrahão Gourgel, Minister of Economy	Accompanied by a HL delegation comprising Secretaries of State in the areas of Agriculture, Industry, Geology & Mining and Transport and

		the Deputy Governors of Bengo, Huambo, Huila and Zaire provinces.
Mar, 2018	Mr. Janio da Rosa Correa Victor, Secretary of State for Geology and Mines	for discussing trading of rough diamonds
July, 2018	Dr. Silvia Lutucuta, Minister of Health	met Health Minister of India and held discussion with CII and premier hospitals.
Sep, 2019	Mr. Archer Mangureira, Minister of Finance	held discussions with the Exim Bank for various projects under LOCs/Buyers credit programme
Feb, 2020	Gen. Afonso Carlos Neto Secy. of State for Material Resources & Infrastructure	Led a seven member HL defence delegation to participate in the "Defexpo 2020" and "India Africa Defence Ministers Meet" in Lucknow

### **Bilateral Trade :**

6. The recent trends in the bilateral trade figures show an upward trajectory as follows:

Year	India's Exports to Angola	India's Imports from Angola	Bilateral Trade
2013 – 14	USD 536 mi	USD 5992 mi	USD 6528 mi
2014 – 15	USD 552 mi	USD 4617 mi	USD 5169 mi
2015 – 16	USD 223 mi	USD 2767 mi	USD 2990 mi
2016 – 17	USD 155 mi	USD 2596 mi	USD 2751 mi
2017 – 18	USD 235 mi	USD 4324 mi	USD 4559 mi
2018 – 19	USD 330.07 mi	USD 4027.00 mi	USD 4357.07 mi
2019 – 20	USD 313.36 mi	USD 3649.02 mi	USD 3962.38 mi



7. India's main products of Export to Angola are Pharmaceutical products, Plastic and articles thereof, Machinery and mechanical appliances, Vehicles (cars, motorcycles, tractors etc.), Cereals and their preparations, Meat and edible meat, Electrical machinery and equipment's and their parts, Ceramic products.

8. India's main products of Imports from Angola are Mineral fuels and oil, Precious Stones like diamonds. Machinery and mechanical appliances, Aluminium and article and electrical machinery are imported in limited quantities.

### **Angolan Economy :**

9. Angola is Africa's second largest oil producer, a net producer of natural gas and also the third largest producer of diamonds in the continent with the third largest economy in sub-Saharan Africa. Angolan economy is largely dependent on hydrocarbon production which contributes nearly 50% of its GDP, more than 70% of government revenue and accounts for more than 90% of the country's exports. However, Angola's dependence on

oil revenue has made its economy vulnerable to crude oil price volatility. The Angolan economy has suffered in a big way with global fall in oil prices since 2014. The contraction in economy is likely to continue with the falling oil prices and the Covid-19 pandemic. The present government has decided to reduce the complete dependence on oil exports and aims to try to diversify its economy in a big way. The Angolan government sees a trustworthy partner in India to develop economic relations.

### **Agreements:**

10. The following Agreement/MoUs have created an enabling environment for trade and mutual investment between the two countries:

- \* Protocol For Consultations Between India And Angola (May 2006)
- \* Joint Statement on Bilateral Cooperation (May 2006)
- \* MoU On Promoting Cooperation In The Oil And Natural Gas Sector (Nov 2010)
- \* Agreement On Establishment Of Bilateral Commission (Jan 2017)
- \* MoU On Cooperation in the field of Electronics & Information Technology (Mar 2018)
- \* Agreement on visa exemption for holders of diplomatic, official and service passports (Sept, 2020)
- \* MoU on cooperation in the field of Health (Sept, 2020)
- \* MoU for cooperation between Sushma Swaraj Institute of Foreign Service and Ministry of External Relations Institute of Angola (Sept, 2020)

### **Bilateral Mechanisms :**

11. A Protocol on Foreign Office Consultations was signed during the visit of Minister for External Relations Joao Bernardo de Miranda to India, however no FoC has been held so far. On January 30, 2017, both sides signed an Agreement for the establishment of the Bilateral Commission. The Angolan Cabinet Council in its meeting on June 2017 ratified the Presidential decree approving the agreement for the establishment of the creation of the Angola-India bilateral commission.

12. The first ever Joint Commission meeting was held on 7<sup>th</sup> September, 2020, wherein both sides agreed to move forward for intensification of bilateral economic relations through partnership in trade and investments, agriculture and food processing, diamond trading, pharmaceuticals, IT & Telecommunication, oil and natural gas etc. EAM Dr. S. Jaishankar and Foreign Minister Tete Antonio both agreed that the JCM meeting gave an opportunity to further work together and make things happen towards realising the great potential that exists towards enhancing our relations and would help in bringing businessmen to invest in the identified areas. The key outcome of the JCM, inter-alia, included signing of three Agreements/MoUs in the area of Visa Waiver for Diplomatic and Official Passport holders, Health and Medicine and Cooperation in training between the Foreign Service Institutes.

### **Bilateral Investments/Projects:**

14. The tentative list of Indian companies in Angola is available at the link. There are no Angolan companies in India. Campotec, a business group has been active in Angola for last 20 years and have been selling Mahindra tractors to the Angolan government. The company also had an agency of Tata Motors.

15. An Angola-India Chamber of Commerce and Industry (CCIA) was inaugurated on October 9, 2017 to promote trade and business relations between the two countries. An important Angolan entity is AIPLEX – Agency for Private Investment and Promotion of

Exports of Angola is an Agency that works in the ambit of an auxiliary board of the President of Angola towards attracting private investments and promoting exports from Angola.

### ***Development Partnership***

16. Government of India, has through EXIM Bank, extended three Lines of Credit (LOC) of value aggregating US\$ 85 million - US\$ 40 million for financing Railway Rehabilitation in Angola; US\$ 30 million for setting up of an Industrial Park in Angola; and US\$ 15 million for setting up of a Textile Project in Angola. The first GOI LOC of US\$ 40 million for Railway Rehabilitation was implemented by RITES and has been utilized and the remaining two LOCs currently remain stalled.

17. Besides the above, Exim Bank on its own (without Govt support) has extended three commercial LOCs of value aggregating US\$ 28 million. These LOCs have since been utilized by Angola. The last LOC extended by EXIM Bank to Angola was in June 2012 for US\$ 23 million for supply of tractors, implements and related spares.

18. As a goodwill gesture, Government of India had gifted 5 ambulances manufactured by M/s Mahindra & Mahindra to the Government of Angola in December 2005.

### **Future Prospects and Opportunities for India :**

19. India's corporate sector looks at Angola as a land of opportunity. Angola wants to reduce their dependency on imported food items and aims to make country self-sufficient. Due to its geographical location, Angola can provide access to nearby markets of other African countries, as it could become an industrial hub for 300 million people living in the SADC region. There are ample opportunities in Angola for trade and investment in variety of sectors such as agriculture, food processing, health, Pharma and IT. The main key areas that provide future prospects towards increasing bilateral trade are as follows:

#### **Oil & Energy sector :**

20. Oil and Energy cooperation lies at the heart of the India-Angola partnership, with the Lusophone country emerging as the second largest African oil supplier to India, after Nigeria. India is Angola's 3rd largest trading partner - sharing about 10% of Angola's external trade mainly on account of bulk crude oil purchase. India and Angola signed a MoU on cooperation in the oil and gas sector in October 2010 in New Delhi, which offers vast potential for Indian companies for cooperation in the Oil, Petroleum and Natural Gas sector.

21. Indian oil companies have been upbeat about investing in the energy sector in Angola, with delegations from ONGC Videsh Ltd., Reliance Industry Limited, HPCL Mumbai, Engineers India Ltd. and Mittal Investments UK Limited visiting Luanda to explore cooperation in the oil and gas sector. Engineers India Ltd. was involved in the construction of the Lobito oil refinery from 2014-2016, under the project of Sonangol, an Angolan state owned company. India's leading importers of crude oil like Indian Oil Corporation (IOC) and the Bharat Petroleum Corporation Ltd. (BPCL) (which traditionally have had 'spot & term contracts' with Angola for procuring crude), can consider Angola as an alternative source and scale-up the oil import volume from Angola to meet India's growing domestic demand. There is need for a more focused participation, by Indian companies, particularly in the upstream oil sector in Angola.

#### **Healthcare & Pharma sector:**



22. Despite the growth and oil boom of recent past, Angola has not yet attracted a significant volume of foreign investment in Health care. Medical facility in Luanda, capital Angola is of basic nature. However, in other provinces, the medical facility is not even basic. In the given circumstances India will be better positioned to cooperate with Angola in the health sector.

23. The signing of an MOU on Health and Medicine between the two countries during the first JCM on 7<sup>th</sup> September, 2020, has opened opportunities for India in the healthcare sector of Angola such as Supply of low cost generic medicines; Supply of medical equipment and machines like Bhabharton etc; Need for skilled health professionals; Increasing provision and quality of mother and child healthcare; Increasing the number of emergency response units and Bringing healthcare access to rural areas for Improving control of communicable diseases. India can also share its expertise in Medical Insurance with Angola. Thus, opportunities for India in the healthcare sector of Angola are still plentiful.

#### **Ayurveda, Herbal Medicine & Yoga:**

24. The impact of yoga and traditional medicine for improving immunity is a matter of growing interest in the COVID 19 era and gaining traction gradually. In the current scenario, publicity and promotion of traditional medicine and yoga for both i.e improving immunity and leading a healthy life style in Angola. In August 2020, the Government of Angola has approved a National Legislation for Natural Medicines. This provides scope for supply of Ayurveda and Herbal medicines form India to Angola.

#### **Diamond mining & Polishing:**

25. Angola is one of the largest producers of rough diamonds. Insufficient funds and poor technology are among the main hindrances for the Angolan mining sector to grow. Now due to the global pandemic, prices of all minerals have come down and this has affected Angola's economy tremendously. There is vast scope for Indian companies to participate and share its expertise in Angola's diamond mining and polishing sector. With India as a leader in diamond polishing and its cutting edge technology in the mining sector, there are excellent opportunities for cooperation between our two countries in this sector - in the form of direct trade, investment and exchange of technical know-how.

#### **Agriculture & Food Processing:**

26. There is potential for bilateral cooperation in agriculture, food and agro industry, given the Angolan Government's plans to diversify its economy and move away from its dependence on revenue generation from the oil sector. Agriculture is the main source of income for 90% of Angolans living in rural areas, and small-scale farmers represent over 80% of agricultural production in the country. With most smallholder farmers focused primarily on subsistence farming of staple crops with few connections to bigger markets, there is a room to increase productivity and output, linking them to supply chains and markets. India has a particular knowledge of a range of areas that Angola would benefit from tapping into to help increase food security and agricultural self-dependence, including small-farm mechanisation. Indian investment in agriculture has the potential to directly boost production. Indian entrepreneurs with their expertise in this sector can, therefore, enter the Angolan market in a big way like cultivation of large tracts through contract farming of arable land, supply of agricultural equipment and implements, supply of seeds, pesticides and manufacturing of fertilizer in Angola.

#### **Education sector:**

27. With about 50% of the population under the age of twenty one, the demand for education is exceeding supply. English training is in huge demand and training is required in virtually every discipline. Opportunities in the education sector of Angola are plentiful, with the private sector having a pivotal role in this process. Angola has shown interest in joining the e-VidyaBharati and e-AarogyaBharati (E-VBAB) Network Project. Under these projects, India has offered capacity building and training for Angolan youth and professionals through telemedicine and tele-education. Angolans living thousands of miles away from India would be linked with top educational/training institutions and super-speciality hospitals in India. This would prove to be an asset in Angola's ongoing efforts to create a new generation of skilled and technology-empowered workers.

28. India's commitment to transferring skills and knowledge to the African youth has been long-standing. India annually offers 30 scholarships for postgraduate courses and 30 places under ITEC programme to Angolan citizens. Under ITEC 12 slots were allocated in 2019-20 and 30 ICCR slots have been offered to Angola in 2019-20. Six officials from the Angolan government participated in the Special PCFD course in FSI in May, 2019.

### **IT and communication:**

29. With the growing need of diversification of the Angolan economy due to slump in oil prices, the demand for professionals in IT, services sector, and Health care have gone up considerably. Accordingly, the presence of Indian professionals in Angola in IT, medical, and services sector have started to grow in recent years. India's capabilities in the IT sector, its digitized public delivery services and e-governance outreach, have become a world known fact. With the current social distancing norms and work from home in the COVID 19 era, it presents ample opportunities for Indian IT professionals in the areas of e-governance, data security, networking, IT enabled services, remote services, tele-medicine and tele-education etc. to explore opportunities in Angola.

### **Financial services sector:**

30. Angola is still reeling under the after effects of more than three decades of civil war that completely destroyed the country and is yet to emerge completely. Lack of infrastructure, lack of currency, lack of capacity and most importantly lack of human resources, combine to present formidable challenges for the government. However, they also constitute staggering opportunities for new and existing investors. This presents several key opportunities in the financial services sector such as Retail banking, Corporate financing, Insurance, Microfinance, PPP/PFI, Stock exchange, Currency trading, Brokerage, Mortgages, Personal loans and Pensions.

### **Water & Electricity transmission:**

31. The electricity and water transmission infrastructures in Angola need massive investments as it is grossly insufficient which require immediate replacement of old and outdated equipment and erection of new installations to connect remote areas and suburban with uninterrupted power and water supply.

### **Renewable Energy sector:**

32. Angola is one of the probable countries selected for the membership of the International Social Alliance (ISA) due to abundance of sunlight. Similarly there is huge scope of electricity generation through renewable energy sources such as water and wind.

The Angolan Parliament is currently considering approval for signing the proposal for ISA Framework agreement.

### **B2B exchanges:**

33. Indian community in Angola is around 6000 persons, mainly in business and professionals in offshore oil fields and workers in the establishments of Indian owners mostly engaged in catering, supermarkets, trading and other services; in industries dealing in plastics, metal, steel, garments. In the non-oil sector, a number of projects are being undertaken by Indian companies in retail, hospitality, agriculture plastics, and scrap metal, steel, trading, and other services. Regular exchange of business missions has provided a boost to our Economic bilateral relationship. Regular participation in each other's fairs and exhibitions will provide continuity in trade exchanges and up-dation with latest business developments.

### **Challenges in Angola:**

34. In terms of challenges for Indian businessmen, there are no India centric specific challenges, however following are some of the key points that Indian businessmen may be required to overcome:

i) **Visa Process:** Acquiring an Angolan visa can be a lengthy process. Business travelers are advised to make arrangements well in advance of planned travel dates.

ii) **Scarcity of Foreign exchange:** Of late, due to the declining foreign exchange reserves, the Angolan government has imposed restrictions on the repatriation of foreign currency out of the country.

iii) **High Inflation:** Luanda is a high cost location for expatriates and company operations. The local currency devaluation has somewhat improved affordability of restaurants and services, but business class hotels and interpreters remain expensive.

iv) **Language barrier :** Angolan government officials and most business executives, require some Portuguese-English interpretation support for meetings. Product labeling, marketing materials and most technical level training must also be in Portuguese. You must correspond with Angolan companies with Portuguese translation to have an effective communication.

v) **Export Documentation :** Besides the standard import documentation, inter-alia, the documentation includes Original Air Way Bill (AWB) / Bill of Lading (BL), Original Commercial Invoice (listing **HS** codes for each item), Packing List, Import License and/or phytosanitary certificate issued by the relevant Ministry (where applicable based on product), and production of an Angola Loading Certificate (Certificado de Embarque) issued by the National Council of Angolan Shippers (**CNCA**) authorized agent in the country of origin.

35. Angola has an Embassy in India (located at 5, Vasant Vihar Poorvi Marg, Block A, Vasant Vihar, New Delhi, Delhi 110057), while India has its Embassy located at 47, Commandante Nzaji Street, Alvalade, Luanda. Indian and Angolan businessmen interested in doing business are welcome to send their trade queries to the Indian Embassy by email at [com.luanda@mea.gov.in](mailto:com.luanda@mea.gov.in). Besides these there are various Chambers of Commerce, Industry and Trade associations on both sides that provide support and opportunities towards increasing bilateral trade and investment.

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