

**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 in Angola's favour with around 85% imports. The imports in 2021-22 were US\$ 2725 million compared to US\$ 452 million of exports.

3. India's trade with 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 was stalled with the Covid-19 impact, and the bilateral trade fell to US\$ 3.9 billion (in 2019-2020) and further down to US\$ 2.1 billion during peak Covid period in 2020-2021. The bilateral trade however has recovered to US\$ 3.2 billion in 2021-22.

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 from 2018 to 2021 remained in the range of US\$ 260 – 280 million. However the year 2021 – 2022 saw India's exports reaching US\$ 452 million, a jump of 74% on y-o-y basis. 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 :**

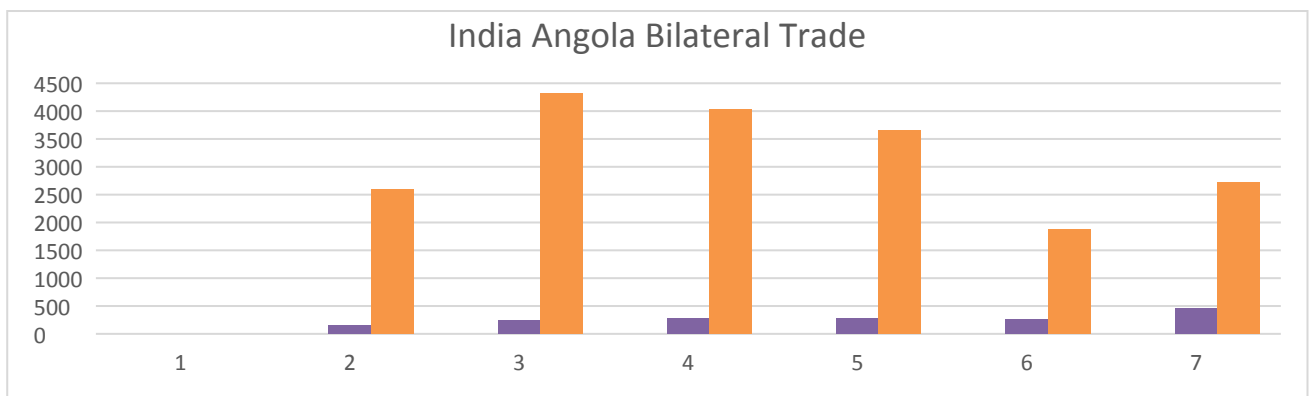
Oct 2010	Jose Maria Botelho De Vasconcelos, Minister for Petroleum	to attend the Petrotech Conference in New Delhi
Mar 2016	General Salviano de Jesus Sequeira 'Kianda', Secretary of State, Ministry of National Defense	DEFEXPO INDIA 2016 held in Goa from 28-31
May 2016	General Cândido Pereira dos Santos 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,	Accompanied by a HL delegation comprising

	Minister of Economy	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 Manguera, 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
Oct, 2022	Gen. Joao Ernesto Dos Santos, Defence Minister	Led a nine member HL defence delegation to participate in the “Defexpo 2022” and India Africa Defence Dialogue

### **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 frm Angola	Bilateral Trade
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 282 mi	USD 4028 mi	USD 4310 mi
2019 – 20	USD 285 mi	USD 3649 mi	USD 3934 mi
2020 - 21	USD 260 mi	USD 1880 mi	USD 2140 mi
2021 – 22	USD 452 mi	USD 2725 mi	USD 3177 mi
Apr 2022 - Aug 2022	USD 285 mi	USD 1431 mi	USD 1516 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 trying to diversify it's 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. Jaishnkar 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 Embassy website. 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 AIPEX – 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 which include 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.

17. Besides the above, Exim Bank of India on its own (without Gol support) extended three commercial LOCs of value aggregating US\$ 28 million to Angola. These LOCs which have been fully utilised.

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 Indian businesses :**

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 oil and energy, diamond mining and polishing, agriculture, food processing, Healthcare, Pharma, Ayurveda, Herbal Medicine, Financial Technology, IT and Infrastructure (Water and Waste Management, Power transmission, Roads and Highways construction). The main key areas that provide future prospects towards increasing bilateral trade are as follows:

#### **Education sector:**

20. 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.

21. 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 2021-22 and 30 ICCR slots have been offered to Angola in 2021-22. Six officials from the Angolan government also participated in the Special PCFD course in FSI in May, 2019.

### **B2B exchanges:**

22. Indian community in Angola is around 5000 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:**

23. 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 and Fluctuations in Foreign exchange:** Scarcity of foreign exchange and fluctuations in exchange rates are possible.

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.

24. 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 Four Villas Condominio, Via S7A, Avenida Samora Machel, Talatona, 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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