



# *India in Angola Economic Newsletter*

*July-August 2021*



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

## From the Ambassador's Desk



Dear readers,

I am happy to present the Sixth edition of our economic newsletter 'Together in Partnership - Together in Business'. During the months of July and August 2021, I had the honour to interact with H.E. President of the Republic of Angola, and met the Minister of Foreign Affairs and the Minister of Mineral Resources, Oil and Gas. I am happy to take note that the Secretary's of State of the Ministry of Tourism and Ministry of Economy and Planning of Angola participated in the 16th CII Exim Bank India-Africa Project Partnership Conclave. I also met the Executive Director, Corn Producers and Traders and President of the Chamber of Traditional, Natural, Alternative and Non- Conventional Medicine Therapists of Angola. I met the representatives of Indian companies who are investing in Angola. We also participated in the English Festival Week in Angola. We celebrated our 75th Independence Day with fervor with wide participation of the Indian diaspora. We also introduce you with important economic developments and the changes in laws and regulations for businesses in Angola that have been announced during this period. The Covid pandemic continued to lead to Angola announcing certain restrictions on travel and businesses. 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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## MEETING WITH PRESIDENT OF ANGOLA



H.E. Mrs. Pratibha Parkar, Ambassador of India met H.E. João Lourenço, President and the First Lady of the Republic of Angola at the inauguration of the Saurimo Diamond Development Hub and the diamond polishing factories of Indian companies KGK and Kapu Gems, who have made investments in Angola.

President inaugurated the Diamond Development Hub, with three diamond cutting factories in Saurimo, Lunda Sul Province on August 27. The factories belonging to the companies, namely "Kapu Gems", with the capacity to cut five thousand carats/month, Stardiam" (508 carats month) and "KGK" (12 thousand carats/month). With an area of more than 300 thousand square meters, the Hub with an initial investment of around 77 million dollars, is divided into three areas, namely, commercial, industrial and the one reserved for the hybrid plan.

## DIAMOND AND MINING SECTOR



Diamond production in Angola, reached 3 million carat during Q1 of 2021, which represents 34 percent of the goal of producing 9 million and 140 thousand carats of diamonds by the year 2022. In the last three years, Angola has sold 35 million carats of diamonds, which resulted in US\$4.6 billion in revenue for the country. The production in 2017 was 9.1 million carats, 9.4 million carats in 2018, 9.1 million carats in 2019 and 7.9 million carats in 2020. According to data provided by the National Company for Prospecting, Exploration, Cutting and Marketing of Diamonds of Angola (ENDIAMA EP), 65 mining concessions in operation throughout the country will guarantee, entry of new projects underway and more than four thousand new jobs by 2022. The national diamond company Endiama and Afreximbank signed protocol of understanding for financing of US\$50 million for investment in the diamond mining activity on August 04. Endiama declared, in May this year, to have obtained a cash inflow of US\$58.2 million in the first quarter of this year which represents a year-on-year rate of 2.69 percent, resulted from the sale of 1.17 million carats at an average price of \$186.9 per carat, 28.41 percent above the price for the same period last year.

## AMBASSADOR MEETING WITH HIGH LEVEL DIGNITARIES OF THE REPUBLIC OF ANGOLA



H.E. Mrs. Pratibha Parkar, Ambassador called on H.E. Mr. Tete Antonio, Foreign Minister of the Republic of Angola today and reviewed entire gamut of our bilateral relations including cooperation at various multilateral fora.

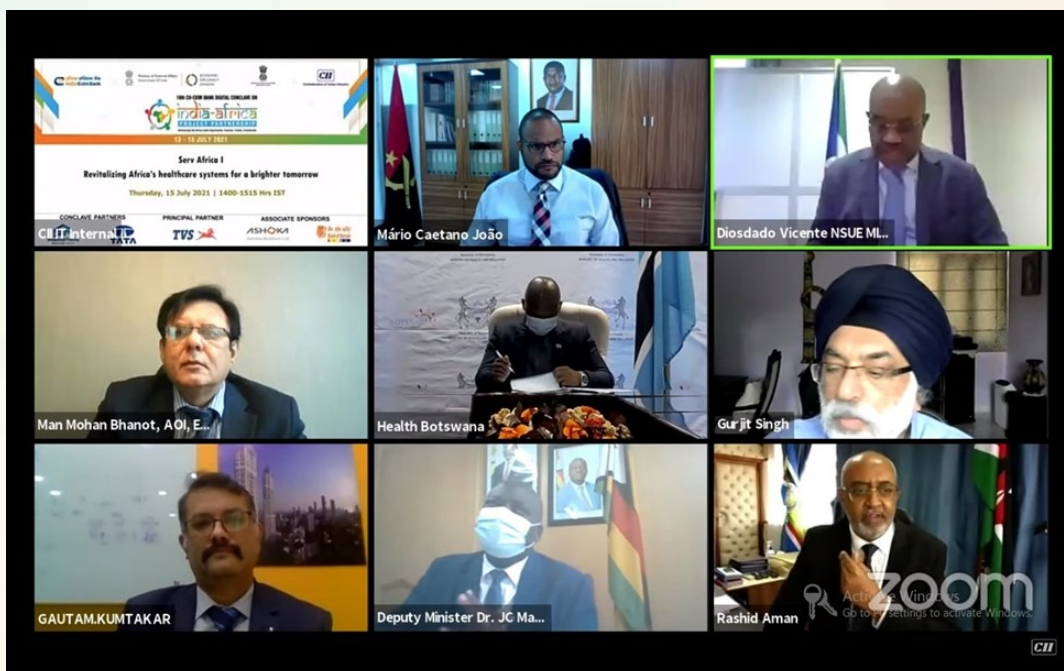
Ambassador met H.E. Diamantino Pedro Azevedo, Minister of Mineral Resources, Oil and Gas on August 19 and discussed bilateral cooperation in the areas of mineral resources and diamonds between India and Angola.



## INDIA AFRICA PROJECT PARTNERSHIP CONCLAVE

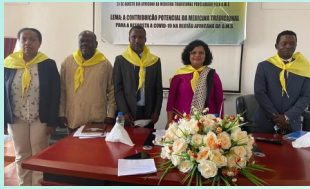


Mr. Helder Marcelino, Secretary of State for Tourism, Republic of Angola, invited further cooperation in the growth of tourism and hospitality industry between India and Angola at the 16th CII-Exim Bank Conclave on India Africa Project Partnership held from 13-15 July.



At the 16th CII-Exim Bank Conclave on India Africa Project Partnership, Dr Mário Augusto Caetano João, Secretary of State of Economy of Angola, highlighted strategies and needs towards re-vitalising Angola's healthcare systems and cooperation between Angola and India for achieving these goals.

## MEETINGS WITH LOCAL ASSOCIATIONS AND INDIAN BUSINESSES



H.E. Ms. Pratibha Parkar, Ambassador attended the event on African Traditional Medicine Day organized by Professional Chamber of Traditional, Natural, Alternative and Non- Conventional Medicine Therapists of Angola and proclaimed by W.H.O. on 31 August 2021.

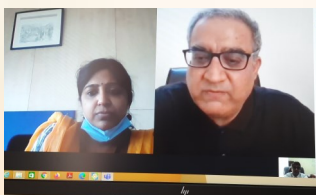
Ambassador met Mr. Isaac Dos Anjos, Secy. of the president of Angola for Productive Sector & Mr. Ventura Hatawa, Executive Director, Corn Producers and Traders (EPUNGO).

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.



Embassy partnered at the English Festival week in Angola as part of the #AmritMahotsav celebrations from July 26 to July 31 in Luanda. Books on Indian culture, tourism, literature, mythology, philosophy, yoga etc. were distributed and gifted to REMA Mediateca Library Luanda for setting up of an Indian corner. ICCR and ITEC programmes offered by Government of India to Angola were publicized during the event which were well appreciated.

As part of Hon'ble PM's effort to make India a \$ 5 Trillion Economy and to boost the promotion of Make in India products abroad, all the PSUs under Government of India were mandated to explore the possibilities of exporting their products to foreign markets. As such Artificial Limbs Manufacturing Corporation of India (ALIMCO) a Schedule 'C' Miniratna Central Public Sector Undertaking (CPSU) under the Ministry of Social Justice and Empowerment (M/o SJ&E) presented its products in a virtual briefing organized by the ED Division, Ministry of External Affairs. ALIMCO has a pan India presence and manufactures 26 categories (273 variants) of Technological advanced rehabilitation products at affordable price. The products Apart from giving a major boost to export of these items to foreign markets, these products will also evince a good will for India especially among the under-developed and developing countries in Africa, Middle East and SAARC Region.



Second Secretary (Commerce) Mr. Aditya Vats interacted with CII and Health Training Asia, an Indian company specializing in the health sector, towards promotion of Healthcare services in Angola to reach the last mile and providing training and facilities to doctors and nurses of Angola by the Indian company.

## COWIN GLOBAL CONCLAVE 2021



H.E. Prime Minister Shri Narendra Modi addressed the CoWin Global Conclave as India offered CoWIN platform as a digital public good to the world to combat COVID19 on July 05, 2021.

The Prime Minister began with conveying his condolences for all the lives lost to the pandemic, in all the countries. The Prime Minister remarked that there is no parallel to such a pandemic in hundred years and no nation, however powerful, can solve a challenge like this in isolation.

Underlining India's Commitment for sharing experiences, expertise and resources with the global community, the Prime Minister also expressed India's eagerness to learn from global practices. Emphasizing the importance of technology in the fight against pandemic, Shri Modi said that software is one area in which there are no resource constraints. That's why India made its Covid tracking and tracing App open source as soon as it was technically feasible. He pointed out that with nearly 200 million users, the 'Aarogya Setu' app is a readily available package for developers. Having been used in India, the Prime Minister told the global audience, you can be sure that it has been tested in the real world for speed and scale.

The Prime Minister said that given the importance of vaccination, India decided to adopt a completely digital approach while planning its vaccination strategy. This helps people in proving that they have been vaccinated, expediting the normalcy in the post pandemic globalized world. A safe, secure and trustworthy proof helps people to establish when, where and by whom they have been vaccinated. Digital approach also helps in tracking the usage of vaccination and minimizes the wastage. Shri Modi stressed that the Conclave is the first step to introduce this platform to the global audience.

The Prime Minister concluded with the hope that guided by the approach of 'One Earth, One Health', humanity will certainly overcome this pandemic.



## PM LAUNCHES NATIONAL MISSION FOR EXPORT TARGET



On 6 August, Hon'ble Prime Minister Shri Narendra Modi addressed all the Indian missions abroad, export promotion councils in India and other stakeholders for the promotion of Indian exports. Prime Minister gave a clarion call for 'Local goes Global—Make in India for the World' and provided a target of US\$ 400 bn of exports during 2021-22 towards a clear vision and roadmap for future India recovery in the post-pandemic phase.

In his remarks, the PM stated that this ambitious target regarding exports can be achieved only through a holistic and detailed action plan. He added that not only do we need to accelerate our existing exports, we also have to work to create new market destinations for new products. He apprised the audience that the governments both at the Centre and the states are trying to move ahead by understanding the needs of the business world and the Government of India had under the AatmaNirbhar Bharat Campaign provided many relaxations in compliances which have made it easier to run economic activities smoothly in India.

PM called for building a seamless and high quality supply chain within the country as well so as to derive maximum benefit to our economy from our exports. For this he said we need to forge a new relationship, a new partnership. PM urged all exporters to strengthen partnership with MSMEs, farmers and fishermen and promote our start-ups.

PM added that under the Aatmanirbhar Bharat Mission, one of its goals is to increase India's share in the global supply chain in the exports manifold. In this connection, PM requested all participants to ensure that we get access according to the international demand so that our business can scale up and grow. He said that our industry will have to embrace the best technology, focus on innovation and increase its share in R&D. While encouraging competition and excellence, he called for preparing global champions in every sector. He called for increasing manufacturing along with qualitative competitiveness. He highlighted the Production Link Incentive Schemes and called for a new journey with new goals for brand India.



## INDEPENDENCE DAY OF INDIA CELEBRATION WITH INDIAN DIASPORA



Embassy of India, Luanda celebrated the 75th Independence Day of India on August 15, with fervor, pride and enthusiasm. To mark the occasion, H.E Ms. Pratibha Parkar, Ambassador hoisted the National Flag at the Embassy with the physical presence of Embassy officials, Indian Diaspora and friends of India. The flag-hoisting ceremony was followed by playing of National Anthem and reading of Hon'ble Rashtrapati Ji's Address to the Nation by Ambassador. The cultural performances by Indian diaspora were greatly appreciated. Indian refreshment were also served to the guests. Approximately, 250 people attended the Independence Day event.

The Indian community in Angola actively participated in the celebration including various company representatives from India who have been investing in Angola and have showed their interest in the investment in the various sectors of Angola.

The Covid-19 related protocols were scrupulously followed throughout the event. The Mission launched the ICCR's global digital Painting and Poster Making Competition to mark "Azadi Ka Amrit Mahotsav" (AKAM) on August 15 and the cultural gala performance with EAM's message was also screened during the event. The flag-hoisting and cultural performances by Indian Diaspora were telecasted live on Embassy's Facebook page.

## INDIAN COMMUNITY WELFARE FUND (ICWF) DAY



As part of the Azadi Ka Amrit Mahotsav celebrations, the Embassy organized Indian Community Welfare Fund (ICWF) Day on 20th August. Ambassador interacted with members of the Indian Diaspora in Angola. During the interaction, Ambassador highlighted the programmes of the Government of India for welfare of the Indian Community in Angola and invited suggestions for future programmes.

## ECONOMIC NEWS AND DEVELOPMENTS IN ANGOLA

- ◆ The proposal for a Legislative Authorization Law in Tax matters to change fuel export taxes was analyzed and approved by the MPs of the specialized committees. The Government of Angola intends to change the export taxes and surcharges on petroleum products, in order to mitigate the negative impact of illegal fuel exports on the national economy and the subsidy enjoyed by petroleum products in the country.
- ◆ Within the framework of the SIMPLIFICA 1.0 Project, the Government of Angola aims to simplify 32 administrative acts and procedures with a high impact on the citizen's life. Among these six documents, previously necessary by the Central and local Public Administration, for various processes, are no longer required for acquiring the Identity Card, Driving License, Passport and licenses, since August 04.
- ◆ The Government of Angola generated a revenue of 371.9 billion kwanzas (US\$ 595 million) with the privatization of 35 companies and state assets, under the Privatization Program (PROPRIV) with five companies in 2019 and thirty in 2020. Under the PROPRIV programme, disinvestment in 33 government companies is underway in 2021.
- ◆ Association for Private Investment and Export Agency, (AIPEX) announced that the Luanda-Bengo Special Economic Zone (ZEE) approved, from January to July, a total of 10 projects valued at US \$70 million from Eritrea, Rwanda, Germany, India and Angola (internal) which is expected to generate six thousand jobs with the various initiatives.



## ECONOMIC NEWS AND DEVELOPMENTS IN ANGOLA



Angolan oil production, in the first half of 2021, resulted in a turnover of 2440 billion kwanzas (around US\$ 4 billion), from the export of 210.1 million barrels. In the month of June alone, the revenue calculated was 572.9 billion kwanzas (US\$ 932 million), with an average price of 68.48 dollars and 33.4 million barrels exported. Of this revenue, 147.7 billion kwanza resulted from Petroleum Income Tax (IRP), 26.7 billion from the Petroleum Production Tax (IPP) and 398.4 billion kwanza from concessionaire revenues.

The National Oil, Gas and Biofuels Agency signed production-sharing contracts with oil companies Sonangol and Eni for blocks 27 and 28, in the Namibe basin on July 09. Sonangol Pesquisa & Produção will hold "100% of the production sharing contract for the prospecting, research, evaluation, development and production of liquid and gaseous hydrocarbons" in block 27.

The public tender for investment in the Lobito Refinery (Sonaref), was launched on July 09. The bidders have four months to submit proposals to the National Fuel Society (Sonangol). The refinery designed to process 200,000 barrels of oil per day, will have the capacity to provide 8,000 direct and indirect jobs in the construction phase and another four thousand in the production phase. The construction works of the Refinery situated in Benguela province, could be completed between 2025 and 2026 with the project being valued at US\$ 6 billion.

Sonangol imported 1.24 million metric tons of refined products for \$694 million in the first half of 2021 which is in line with the observed average for the period 2018-2020, of 2.5 metric tons per year, at an average cost of 1.5 billion dollars. Government of Angola expects a reduction in imports of oil products at the end of the Luanda Refinery expansion works, in the second half of 2022.

Angola's external assets dropped by 13.55 percent in 2020, standing at US\$14,879 million, due to the factors such as contraction of international reserves including debt and expenditure in foreign currency. This negative evolution was based on the negative balance of US\$3,963 million between the volume of expansion and contraction factors in international reserves.

The net result of the Sovereign Fund of Angola (FSDEA) fell, in 2020, to US\$ 74.61 million, below the 233.7 million reported in 2019, according to figures in the institution's report and accounts, as, the value of the Fund's assets rose to US\$2,953 million (compared to US\$4,587 million in 2019) and equity capital to US\$2,243 million, compared to the US\$3,668 million recorded in the previous year.

## ECONOMIC NEWS AND DEVELOPMENTS IN ANGOLA

- ◆ The Council of Ministers approved the Presidential Decree Project that approves the regulation on pharmacovigilance on 12 August 2021. The bill establishes the rules for the exercise of pharmacovigilance activity on medicines for human use, traditional medicines, blood derivatives and other health products, carried out by the National Pharmacovigilance System.
- ◆ The National Assembly finally approved the proposal for a Medically Assisted Human Reproduction Law On 11 August 2021, which aims to assist couples with infertility problems. The Medically Assisted Human Reproduction Law aims to prevent couples or single people with difficulties in procreating from going outside the country, with very high economic costs, not only for the families and individuals concerned, but also for the country.
- ◆ While speaking as the acting President of the Community of Portuguese Language Countries (CPLP) on July 17 in the Summit, President João Lourenço proposed the creation of an Investment Bank of CPLP, as part of the search for financing mechanisms for the realization of the new economic pillar of the community. The Heads of State and Government of the Community of Portuguese Language Countries (CPLP) adopted the Mobility Agreement between the Member States, which aims to effectively contribute to greater mobility and circulation within the Community and for the development of cooperative relations in all fields. Under the agreement the “CPLP residence visa” and the “CPLP residence permit” can be granted to all nationals of the nine Member States, holders of diplomatic, official, special and service passports, as well as ordinary ones.
- ◆ On July 16, the World Bank representative in Angola Jean Christophe Carret stated that the World Bank guarantees mobilizing financing of US\$1.7 billion, in the short term, to support the Angolan Government's programs. The statement was made at the Ministry of Finance in Luanda, on the sidelines of the signing of four agreements, valued at US\$417 million for energy and water projects and others, of which US\$167 million were disbursed by the French Agency for Development.
- ◆ On July 8, Regional director (Africa), Turkish Airlines, announced that it is negotiating with the Ministry of Transport and other Angolan authorities, for the realization of two weekly flights between Istanbul and Luanda. The operations of the Turkish airlines, on the Istanbul-Luanda route, is likely to officially open in October 2021, with a view to boosting cooperation between the two States and peoples which is part of an MOU signed between Turkish Airlines and Angolan Airlines (TAAG), under a code-sharing regime.
- ◆ The United Nations Economic Commission for Africa intends to help the Angolan Government in carrying out various activities that boost the country's economic and infrastructure development through Africa Finance Corporation (AFC). The AFC has already loaned Sonangol US\$50 million to improve operations abroad

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## PROVINCE IN ANGOLA

### Lunda Norte Province



**Lunda Norte** is a province of Angola, located in the northeast of the country. It has an area of 103 760 square kilometers, with estimated population of 972 183 inhabitants, according to the 2018 population projections prepared by the National Institute of Statistics, and its capital is the city of Dundo-Chitato, in the municipality of Chitato. Lunda Norte is bordered to the north and east by the Democratic Republic of Congo, to the east by Malanje province, and to the south by Lunda Sul province.

**Economy-** The year 1912 marked the discovery of diamonds by the Forminière company in the Mussalala stream. In the same year, the Angolan Mining Research Company was formed and began mining at Chicapa River and its tributaries, setting up a base camp at Dundo-Chitato. In 1917 the Diamang mining company took over the camp, building new infrastructure, turning the settlement into a workers' town. In 1971, Lunda Norte a record of 2,413,021 carats of diamonds mined by Diamang, replaced in 1981 by the newly-created Endiama. Lunda Norte has a large mining industry, with a focus on diamonds, but also on gold.

**Husbandry and Extractivism-** In temporary farming in Lunda Norte people cultivate, rice, cassava, maize, groundnuts, sweet potatoes, cutelinho beans and pineapples are the main crops; permanent crops are guava, papaya, mango and avocado. Other activities include beef and dairy farming, with the province having a large cattle population, as well as goat and pig raising, and poultry raising (for meat and eggs). Many rivers in Lunda Norte provide the possibility of extracting an enormous fish surplus too.

**Industry and mining-** Lunda Norte's industrial park is concentrated in the city of Dundo, and in the municipalities of Cuango and Lucapa, where there is manufacturing of food, beverages, clothing, aggro-industrial production and civil construction, the latter of which has a huge wage bill, concentrated basically in the provincial capital, and; also in the capital there is electricity production from the Luachimo Hydroelectric Plant, on the Luachimo River.

**Trade and services-** The trade and services sector is concentrated in the capital, Dundo, which hosts wholesale and supply centres for both Lunda Norte province and Congo-Quinxassa.

**Education-** A sector which felt a strong effect of the war, much of its structure (schools, universities), were destroyed. With this, the number of schools in the region is still small in relation to the number of inhabitants. There is an effort by the government to try to recover or build schools and universities in the region. The region has a technical school called 28 August Polytechnic Medium Institute of Dundo and the Lueji A'Nkonde University, both in the capital, Dundo.

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