

ANGOLA

ANGOLA IS NOW

THE ANGOLAN INVESTMENT GUIDE



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ANGOLA

PREFACE

THE PRESIDENT OF THE REPUBLIC
THE COUNTRY IS OPEN TO INVESTMENT



President João Manuel Gonçalves Lourenço was born in Lobito in the Province of Benguela on March 5, 1954. He is married and has six children. He graduated with a major in history and boasts a long career of public service in various capacities including Governor of Moxico, Governor of Benguela, Vice President of the National Assembly and Minister of Defense. In addition to Portuguese, he speaks English, Russian and Spanish.

Angola is not a country unknown to Americans, who have been doing business here since the 1940s, especially in the oil industry.

Already in the 1990s, around 10% of the Angolan imports from around the world originated from the United States, and more than two-thirds of Angola's exports went to the United States.

The US has been Angola's largest trading partner, with Angola being the third US trading partner in sub-Saharan Africa.

With the significant investment of American companies, our petroleum sector has always been fully active, and it expanded, with reciprocal benefits.

This American participation continues today to be advantageous, but now it is about extending it to other sectors of our economy, such as agriculture, fishing, construction, finance, transport or industry.

Indeed, Angola currently offers significant investment opportunities to US companies in all important sectors of our economic and financial systems.

Taking advantage of the opportunities that the AGOA (Africa Growth and Opportunity Act) has implemented since the beginning of this century, Angola is open to partnerships and direct investments seeking to benefit from the features of this program, namely the export of products to the US, with tax exemptions.

With the changes that are taking place in Angola during a period of democratic transition, with improvements in the business environment and institutional capacity, our relationship with the US should produce deeper connections.

I believe that the ideal conditions for safe investments and mutually advantageous partnerships between our two countries have now been created.

In the current context of globalization, what matters most are real values, such as dialogue and mutual understanding, which are the most appropriate paths to promote peace and balance in our international relations.

The time to invest in Angola is now!

Luanda, July 11, 2018

JOÃO MANUEL GONÇALVES LOURENÇO
PRESIDENT OF THE REPUBLIC OF ANGOLA





Angola boasts 1600 km (994 miles) of coastline
- Longer than the California coastline



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Global Finance 2018

Best Treasury & Cash Management Provider in Angola
Melhor Provedor de Tesouraria e Gestão de Caixa em Angola

Sirius Awards 2017

Best Annual Financial Report of 2017
Melhor Relatório de Gestão e Contas 2017 Sector Financeiro

The Banker 2017

Bank of the Year in Angola
Banco do Ano em Angola

EmeaFinance 2017

Best Investment Bank in Angola
Melhor Banco de Investimento em Angola

Global Finance 2017

Best Investment Bank in Angola
Melhor Banco de Investimento em Angola

Global Finance 2017

Best Trade Finance Provider in Angola
Melhor Provedor de Trade Finance em Angola

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Há uma tradição com centenas de anos, passada de geração em geração. Homens e mulheres que com a sua sabedoria lideram as comunidades. São os Sabas de Angola.

O seu exemplo demonstra a importância de confiar nos que têm mais experiência. Algo que sabemos, pois somos um banco sólido, com mais de 150 anos e com presença em mais de 20 países. Veja a nossa homenagem aos Sabas em www.standardbank.co.ao

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Sonangol, Angola's
National oil company

 Sonangol

INTRODUCTION

The American Chamber of Commerce in Angola (AmCham Angola) and the Angolan Agency for the Promotion of Investment and Exports (AIPEX) have partnered to produce this unique, one-of-a-kind investment guide for the Republic of Angola. The guide aims to provide relevant facts, perspectives and articles regarding the overall business climate and opportunities in the Republic of Angola, with the ultimate goal of garnering global interest and engagement.

ACKNOWLEDGMENTS

The American Chamber of Commerce in Angola (AmCham Angola) and the Angolan Agency for the Promotion of Investment and Exports (AIPEX) would like to thank the following commercial partners, without whom this publication would not have been possible:

Agrozootec; Atlantico - Banco Millenium Atlantico; Baker Hughes, a GE Company; Banco BIC; Banco de Fomento Angola - BFA; Banco Sol; Banco BNI; BP Angola; Chevron; Exxon; Friburge; GAM - Grupo Antonio Mosquito; Grupo Aderito Areias; Grupo Mieres; Hotel Tropic; Nord Compo; Prodiaman Oil Services; Standard Bank; and Unitel

Additionally, we would like to thank the following people and institutions for the written contributions to the guide:

The President of the Republic of Angola, Joao Manuel Gonçalves Lourenço; the Ambassador of the United States of America to Angola, Nina Maria Fite; the Minister of Transport of Angola, Ricardo Veigas de Abreu; IDIA- The Angolan Industrial Development Institute; BODIVA - The Angola Debt and Securities Exchange; The Ministry of Mineral Resources and Petroleum; The National Bank of Angola (BNA); the President of ARSEG, Aguinaldo Jaime; The Center for Studies and Scientific Research of the Catholic University of Angola; Neil Breslin Jr.; Larry Bennett; JMJ Angola; Fernando Pacheco; Manuel Victoriano Sumbula; Sónia Maria Nunes Cunha; The National Geographic Okavango Wilderness Project (NGOWP); Félix Vieira Lopes; Vladimir Russo; Zenki Real Estate; Diogo Osório Rodrigues; Dominick Maia-Tanner; Vitor Carmona; EY Angola; Fernandes Wanda; and José de Oliveira.

Finally, we would like to thank NewVista Publications; BP Angola; Neil Breslin Jr.; The National Geographic Okavango Wilderness Project (NGOWP); Kostadin Luchansky; espAfrika; Carlos Muyenga; and Peter Moeller for all the photographic contributions.

EDITORIAL

SCOTT EISNER,
PRESIDENT OF THE U.S.-AFRICA BUSINESS
CENTER AND SENIOR VICE PRESIDENT, U.S.
CHAMBER OF COMMERCE



Angola: Africa's Next Investment Frontier

Angola's enormous natural and human resources present significant opportunities for investment. The recent peaceful political transition to democracy and massive reforms underway are indicative of a country ready to attract foreign direct investment. Angola's economic diversification agenda, backed by the will of the government to fight corruption, promote good governance, and improve the ease of doing business, is commendable. Reforms, such as the new investment code, the investors' visa, and other economic policies, are all central to restoring investor confidence and sustaining economic growth.

This economic guide provides insights into sectors outside of oil and gas, for which Angola is well known. Investment opportunities in ecotourism, agriculture, mining, energy, infrastructure, and education are discussed across the country's 18 provinces. The U.S. Chamber's U.S.-Africa Business Center (USAfBC) and its local affiliate, AmCham Angola, work closely with the Angolan public and private sectors to expand the commercial relationship between our countries and encourage American companies to support Angola's diversification process through capital, skills development, and technology transfer.

The U.S. Chamber of Commerce is the world's largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions as well as state and local chambers and industry associations. The Chamber also works closely with 117 American Chambers of Commerce (AmCham) abroad, including in Angola. The USAfBC, housed within the Chamber, is an advocacy and policy organization with a mission to build prosperity for Africans and Americans through job creation and an entrepreneurial spirit. With over \$5.6 billion in projected consumer and business expenditures by 2025 and a population of 1.2 billion expected to double by 2050, we firmly believe that Africa is the future of the global economy.

It is our hope that the comprehensive nature of this guide will offer useful information to individuals and companies keen on investing in one of Africa's most promising growth markets—Angola.

U.S.-AFRICA BUSINESS CENTER

■ About the U.S.-Africa Business Center

The USAfBC is the preeminent voice advocating for increased trade and investment between the U.S. and Africa, with a focus on leading the U.S. business community in a period of unprecedented engagement with Africa's Regional Economic Communities, the established African private sector, as well as small and medium-size enterprises. Its relationships with key members of Congress, the administration, and foreign governments open doors for strategic dialogue that advances private sector engagement in Africa.

■ Priorities

Enabling Ecosystem Innovation

We work with like-minded partners to ensure that African governments are equipped with recognized best practices for regulatory and enforcement mechanisms to protect both indigenous and foreign products to advance growth, innovation, and investment.

Promoting Regulatory Coherence and Increasing the Ease of Doing Business

We strongly believe that solid regulatory practices, transparency, and stakeholder engagement are essential for a vibrant business environment and increased foreign direct investment.

Enhancing U.S.-Africa Bilateral and Regional Engagement

We recognize that the U.S. lacks a developed network of trade agreements in Africa, which makes it increasingly difficult for U.S. companies to operate on a level playing field with other nations. We urge governments to move beyond traditional trade relationships and advocate for the continued development of bilateral and regional trade agreements.

Expanding Commercial Support for Africa

We build awareness around profitable trade and investment opportunities in Africa and the resources available to U.S. companies.

■ Join the Center

As a member of the USAfBC, your company will enjoy a wide range of customized benefits such as guidance and advocacy around strategic issues and invitations to intimate roundtables with high-level U.S. and African officials. Your company will also receive special consideration in driving our policy priorities and program of work throughout Africa. Visit www.usafricabusinesscenter.com for details on how to join the USAfBC.

PRESIDENT OF AMCHAM-ANGOLA



AmCham-Angola was founded in July 2017 as a non-profit association aimed at being the collective voice of the U.S. investment in Angola. Through our board of directors, committees and forums we serve as a representative voice for U.S. businesses and U.S.-Angola commerce.

Our affiliation to the U.S. Chamber of Commerce and the U.S.-Africa Business Centre, as well as the network of over 116 AmChams around the world, provides a powerful platform for us to protect the interests of our members, facilitate business partnerships and promote new investment opportunities in Angola.

Our partnership with the Agency for Private Investment and Exports of Angola (AIPEX) has been vital to the elaboration of this Investment Guide, which consolidates important information and data to describe the investment potential and business opportunities in Angola.

The structural reforms that are being implemented by the Angolan Government, under the leadership of HE President João Lourenço, aimed at improving the business environment and achieve macroeconomic stability are starting to yield results. New policies and efforts are being made to diversify the economy and reduce the country's overdependence on oil.

The U.S. and Angola share a long history of cooperation and U.S. is an important partner in Angola's new economic growth trajectory.

I hope this investment guide will help unlock the full potential of this resource rich and politically stable country, geographically well positioned to be the gateway between Southern Africa and the European and American continents.



ANGOLA

QUICK OVERVIEW

- Located in Southwestern Africa.
- Bordered with the Atlantic Ocean to the West; Namibia and Botswana to the South; the Republic of the Congo to the North; the Democratic Republic of Congo to the North and East; and Zambia to the East.
- Population: 29,250,009 inhabitants (*Instituto Nacional de Estatística*)
 - The third (3rd) largest market in Sub-Saharan Africa
 - 46th largest country in the world in terms of population
 - Overall Population of Angola comparable to the state of Texas (28,304,596 inhabitants)
- Population Density: 20.1 inhabitants per square kilometer
 - 41st most densely populated country in the world
 - Population Density comparable to the state of Colorado
- Square Area: 1.25 million square kilometers (481,345 square miles)
 - 23rd largest country in the world and seventh in Africa in terms of surface area
 - Relative Size of Angola – Twice the size of the state of Texas





- 1,600 Kilometers (994 miles) of Atlantic coastline
 - Comparable to the coastline of the state of California which is 1,350 Kilometers (840 miles) long
- Geography and Climate
 - Angola has a rainforest in the north, a coastal strip from north to south (Cabinda to Namibe), an interior highland rising between 1,200 meters (4,000 ft) and 1,800 meters (6,000 ft), and savannas in the interior south and southeast. (*World Facts Index*)
 - Highest Peak in Angola is Morro de Moco at 2,620 meters (8,592 ft) (*World Atlas*)
- Major Languages: Portuguese (Official), Umbundu, Kimbundu and Kikongo
- Major Religion: Christianity
- Political System: Democratic Presidential Republic
- Current President – João Manuel Gonçalves Lourenço (João Lourenço)
 - Democratically elected on August 23, 2017 to a five (5) year term, having received 61% of the vote.
- Official Currency: Kwanza
- Capital City is Luanda
 - The estimated population of Luanda is 2.4 million inhabitants.
 - In terms of population, Luanda is slightly larger in size than Houston, but slightly smaller than Chicago.



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2018 Forecast according to the IMF: “The Outlook is favorable and risks appear balanced. Growth is expected to accelerate modestly in 2018 and inflation would continue declining despite headwinds from currency depreciation...” (2018 IMF Article IV Consultation – Press Release; Staff Report; and Statement by the Executive Director for Angola)

- GDP Growth Forecast for 2018: 2.25% Growth (*IMF Estimate*)
- Inflation forecast for 2018: 24.75% (*IMF Estimate*)
- Current Account Deficit Forecast for 2018: 3.5% of GDP (*IMF Estimate*)
- GDP per Capita in 2017: \$5819.50 USD (*Trading Economics*)
- Second (2nd) Largest Oil Producer in Sub-Saharan Africa (*OPEC Annual Statistical Bulletin 2018*)
- Third (3rd) Largest Diamond Producer in Africa by Value (*Kimberley Process Annual Statistics Annual Global Survey 2017*)
- Top Foreign Investors in Angola – by Country (*Lloyds Banking Group PLC*)
 - China
 - USA
 - France
 - Netherlands
- Top Trading Partners with Angola (Exports and Imports) – by Country (*World Bank*)
 - China
 - India
 - Spain
 - France
- Strong Potential Growth in Agriculture, Conservation and Environmental Research, Construction, Fishing, Forestry, Human Resource Development, Infrastructure, Mining, Power Generation and Tourism



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ção de um verdadeiro ícone na cidade de Luanda.
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ANGOLA IN THE WORLD

2018-2019

ANGOLA IN THE WORLD CONTEXT

“President João Lourenço is taking on entrenched vested interests and focusing on improving governance and fighting corruption.” (2018 IMF Article IV Consultation – Press Release; Staff Report; and Statement by the Executive Director for Angola)

■ Natural Advantages of Angola

The Republic of Angola is the most attractive and intrinsically blessed country on the African continent. Physically, the country is twice the size of the state of Texas, possesses a coastline longer than the California coastline, has diverse climatic conditions ranging from deserts to mountains to rainforests, enjoys enviable fresh water resources, boasts extensive tracks of fertile and arable land, and has large deposits of mineral resources including, but not limited to petroleum and diamonds.

Demographically, the Republic of Angola is also endowed with an extremely advantageous profile making it one of the most stable countries on the continent. A population of almost thirty million people makes it the third largest market in Sub-Saharan Africa. Yet, given the country’s large physical size, the population density is consequently low, at a level similar to that of the state of Colorado. Almost all Angolans speak Portuguese and are predominantly Christian. This homogenous nature of the Angolan population has contributed to the overall sovereignty of the country and also to the strength of national Angolan identity.



Adding to its stability and, in turn, its attractiveness, Angola possesses one of the most professional and well organized armed forces in Africa. In fact, the Angolan Armed Forces have been instrumental in keeping regional peace especially in the Great Lakes Region of *Burundi*, the *Democratic Republic of the Congo*, *Kenya*, *Rwanda*, *Tanzania* and *Uganda*.

■ Angola's New Beginning: August and September 2017

All of these aforementioned factors make Angola a remarkably attractive potential destination with constantly increasing levels of foreign investment, trade and tourism. Even so, historically, the country has had challenges in terms of realizing its enormous potential on these fronts for two interrelated reasons: 1) An historic inability and reluctance to diversify the economy and reduce the country's oil dependence; and 2) A lack of political commitment and opening of the Angolan economy.

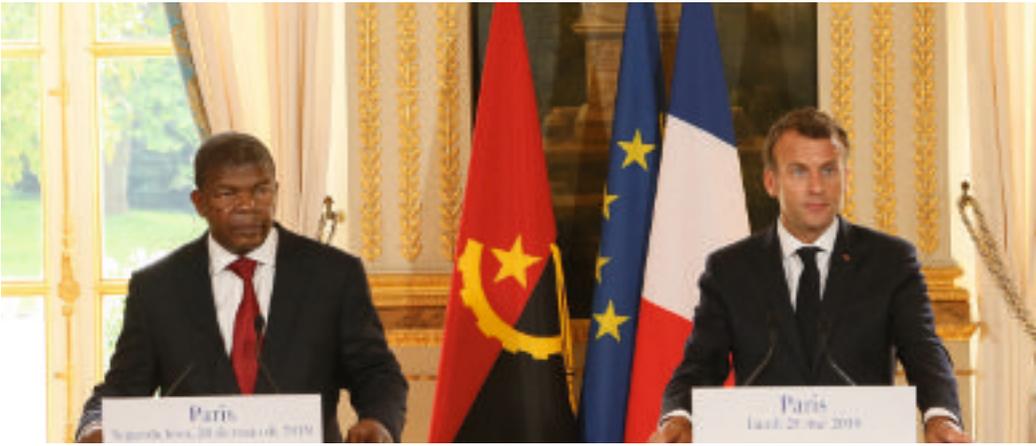
ON AUGUST 23, 2017,
ANGOLA HAD A PEACEFUL
ELECTION, TRANSPARENT AND
DEMOCRATIC, AND A NEW
PRESIDENT WAS ELECTED

With the precipitous decline in the price of oil starting in 2014, market forces pressured Angola to decrease its dependence on petroleum. Since that time, Angola, and all petroleum producing countries around the world have had to rethink and readjust their economic policies regarding economic diversification.

Beyond the oil price crash of 2014, there is an even more important date indicating a new beginning for Angola - the months of August and September 2017. On August 23, 2017 Angola held a peaceful, transparent and democratic election and elected a new President. A month later, on September 26, 2017 Angola celebrated a peaceful democratic transition of power between the outgoing president and the newly elected incoming president. The historical significance of these two dates in 2017 cannot be understated as Angola moved one step closer to a consolidated democracy, demonstrated to the world that peaceful democratic transitions do take place on the African continent, and in the process opened the door to new policy directions and initiatives.

Since the inauguration of President João Manuel Gonçalves Lourenço in September 2017, Angola has moved positively in the following areas: transparency and governance; internationalization; and the implementation of specific policy initiatives to open the country for increased investment and competition. As the IMF noted in their recent Press Release; Staff Report; and Statement by the Executive Director for Angola, "President João Lourenço is taking on entrenched vested interests and focusing on improving governance and fighting corruption." (2018 IMF Press Release; Staff Report; and Statement by the Executive Director for Angola.)

Concerning internationalization and developing foreign partnerships, the new administration of President Lourenço has made concrete steps to opening up its borders.



One such practical measure has been the loosening of visa requirements to enter Angola. Since December 2017, Angola has made the following countries exempt of visa requirements: Botswana, Mauritius, Mozambique, Singapore, South Africa and Zimbabwe. Parallel to the exemption of these countries, Angola has also simplified and streamlined the visa process for an additional thirty-five (35) countries worldwide. In many cases, the visas will be issued directly upon arrival in Angola.

Two additional policy measures enacted by the new administration also promise to lure investments, partnerships: 1) The New Private Investment Law (June 26, 2018); and 2) The New Competition Law (May 10, 2018). Respectively, these two laws aim to streamline and simplify the foreign investment process and ensure that free and fair competition is upheld and defended within the Angolan market.

On the diplomatic front, President João Lourenço has also been assertively promoting the Republic of Angola on the world stage. In his first year of office, he has already held direct face-to-face meetings with King Philippe of Belgium, President Xi Jinping of China, President Emmanuel Macron of France, Chancellor Angel Merkel of Germany, the President of the International Monetary Fund, Christine Lagarde, Prime Minister Narendra Modi of India, President Vladimir Putin of Russia, and President Cyril Ramaphosa of South Africa among others.

■ Prospects for Economic Diversification and Foreign Direct Investment

Given Angola's considerable natural resources, diverse climatic conditions, large physical area, and impressive market size, the country has always had remarkable potential for economic development and diversification. These natural characteristics combined with the new administration's commitment to internationalization, good governance, and provision of incentives to the private sector can only enhance the Republic of Angola's attractiveness and viability as a serious partner for foreign investment.

Author: Neil Breslin Jr.



ANGOLA: A GLOBAL VISION

■ Population

In accordance with the PND 2018-2022, "The population is the main governance recipient, depending on all policies of the population dynamics of Angola. The completion of the General Census of Population and Housing (2014 Census) allowed us to know, with greater precision, the population structure of the country, namely its spatial distribution and composition. It also made possible to update other fundamental exercises for the definition of public policies, such as the projection of the population until 2050. If at the date of the Census there were 25.9 million Angolans, in accordance with this projection, in 2017 the population would be 28.36 million and in 2022, 33.1 million, which is equivalent to an increase of more than 4.7 million inhabitants during the Plan period"¹.

Population of Angola in the Period 2017-2022 (by provinces)

Years	2017	2018	2019	2020	2021	2022
ANGOLA	28,359,730	29,250,986	30,167,079	30,997,287	31,986,850	33,068,833
Bengo	413,599	429,322	445,690	462,598	479,936	479,936
Bié	1,602,663	1,654,744	1,709,139	1,765,495	1,823,451	1,883,101
Benguela	2,414,094	2,477,595	2,543,493	2,679,641	2,679,641	2,749,300
Cabinda	779,383	801,374	824,143	847,377	870,757	894,276
Cunene	1,087,493	1,121,748	1,157,491	1,157,491	1,194,495	1,271,638
Huambo	2,234,039	2,309,829	2,389,757	2,309,829	2,557,008	2,645,080
Huíla	2,735,493	2,819,230	2,906,791	2,997,267	2,997,267	3,185,244
Kwanza Norte	482,222	495,81	509,969	524,569	539,486	554,749
Kwanza Sul	2,050,441	2,109,999	2,172,184	2,236,581	2,302,788	2,370,936
K Kubango	829,23	855,258	880,48	907,681	955,649	964,426
Lunda Sul	591,137	609,851	629,213	649,133	669,413	690,413
Lunda Norte	944,165	972,183	1,001,090	1,030,631	1,060,551	1,090,897
Luanda	7,714,644	7,976,907	8,247,688	8,523,574	8,801,035	9,079,811
Malanje	1,076,481	1,108,264	1,141,485	1,175,886	1,211,206	1,247,509

1. Government of Angola: PND 2018-2022, Page 76.

Years	2017	2018	2019	2020	2021	2022
Moxico	583,893	601,454	619,757	638,615	657,837	677,43
Namibe	549,857	568,722	588,378	608,649	629,355	650,5
Uíge	1.615.360	1.662.047	1.710.810	1.761.367	1.813.436	1.867.157
Zaire	655,536	676,649	689,521	720,903	743,539	766,43

Source: INE

The increase in the country's population in this period indicates that in the coming years domestic demand for goods and services will increase, which is positive for investors who wish to invest particularly in the non-oil sector of the Angolan economy. The province with the highest population is in the capital, Luanda, which, in average terms, hosts 27% of the country's population followed by the province of Huíla with 10%, Huambo 8% and Uíge 6%. The country's population growth rate is, on average, 3.1% per year.

■ Gross Domestic Product

After the armed conflict in 2002, Angola recorded remarkable economic growth above 10% between 2002-2008, in accordance with the National Accounts data of the INE. It is a fact that the country depends greatly on oil, and over the last few years the real growth of the global GDP has depended on the performance of the price of oil in the international market. As a result, in the period 2009-2016 the real GDP growth rate fell to 3.2% in annual average, registering in 2016 (-2.6%) and 2017 a recession.

Evolution of the Gross Domestic Product 2017-2022

Nominal GDP and Growth Rate (PND 18-22)	2017	2018	2019	2020	2021	2022
GDP (nominal) Thousand Million Kwanzas	16,455.90	23,274.50	29,220.60	33,673.90	37,784.00	42,191.40
Real GDP Growth Rate (%)	2.1	2.3	3.5	2.4	2.6	4.1
Oil	5.2	0.8	0.6	3.6	2.5	4.5
Gas	461.4	18.5	14	1.8	36	10.8
Non-oil	4.7	2.4	4.4	5	6.2	7.5

Source: Government of Angola PND 2018-2022, Page 58

In accordance with the government projections presented in the PND between 2014 and 2022, "the GDP is expected to grow between 2018 and 2022, in real terms, at an average rate of 3.0%, with the oil sector including natural gas lowering in average 2.0% and the non-oil sector increasing in average 5.1%. The scenario shows a gradual acceleration of the economic growth, related

to an acceleration of the growth of the non-oil sector and a reduction in the value of the petroleum product. Agriculture, fisheries, manufacturing, construction and services (including tourism) are identified as the main engines of growth².

The IMF forecasts are almost identical to those of the Government, in particular the growth of the non-oil sector, which is expected to be slightly above 5% in the coming years in accordance with the table below.

Nominal GDP and Growth Rate (IMF)	2017	2018	2019	2020	2021	2022
GDP (Kwanzas Thousand Million)	20,656	29,073	34,348	39,537	44,904	50,630
Oil	4,061	7,409	8,069	8,536	8,898	9,313
Non oil	16,595	21,664	26,278	31,001	36,006	41,317
GDP (USD \$ Million)	124,500	119,100	121,000	126,400	133,700	142,700
GDP per capita (USD)	4,418	4,102	4,048	4,105	4,214	4,367
Real GDP Growth Rate (%)						
Oil	1.0	2.2	2.5	3.6	4.2	4.7
Oil	0.5	2.3	0.1	0.3	0.3	0.0
Non-oil	1.2	2.1	3.5	5.0	6.0	6.5

Source: IMF Angola Country Report April 2018, Page 31 (IMF Country Report No. 18/156)

The non-oil sector should be the engine of Angola's economic growth, considering the Government's intentions to diversify its national economy. Investors are therefore encouraged to invest in this sector which will greatly contribute to an employment increase.

In terms of sectors, the Government's forecasts are as follows: The **agriculture** sector is expected to register an average of 8.9% between 2018 and 2022. **Fisheries** is expected to have a real average growth rate in the same period of 4.7%, with more emphasis in the last year of the cycle, where the rate should be 8.3%. **The manufacturing industry** is expected to have an average real growth rate of 5.9% during the Plan, reaching 9.5% by 2022. **Energy and Water**, the real growth projected for the sector in the period corresponds, on average, to 7.7%, with enhanced performance in 2018, when it presents 30%, as a result of the entry into operation of the Lauca 3 and 4 plants, with a combined nominal capacity of 1,320 MW, and of the Soyo Combined Cycle project, with a nominal capacity of 480 MW. **Services** (including trade, transports, post offices and telecommunications, financial intermediation, real estate services and rental, other market services—which integrate Tourism), is expected to have a growth rate of 5.8%, on average, during the Plan period, with best performance projected to occur in the years 2021-22, when the growth rate will reach around 7.6% and 8.8%.

2. Government of Angola: PND 2018-2022, Page 58.

■ Public Finances

The IMF foresees a fiscal deficit over the period 2018-2020 due to insufficient fiscal revenues (which on annual average terms represent 18% of the GDP) to cover total expenditure (20% of the GDP). The Government has adopted both an internal and external policy of indebtedness to be able to finance public expenditure, especially related to investment, which will culminate in the construction and reconstruction of the main economic and social infrastructures.

Evolution and Behavior of Public Finances 2017-2022

Public Finance (% GDP)	2017	2018	2019	2020	2021	2022
Total Revenues	15.8	18.2	18.1	17.6	17.2	17.0
Oil related	8.4	11.7	10.8	9.4	8.6	8.0
Non-oil related	5.8	5.6	6.4	7.3	7.6	8.0
Total Expenses	21.8	20.2	20.5	20.1	20.0	19.6
Current	16.2	16.2	15.6	15.2	14.9	14.4
Capital	5.5	4.0	5.0	5.0	5.2	5.3
Overall budget balance	6.0	2.0	2.4	2.5	2.8	2.7
Non-oil related primary budget balance	10.8	8.8	8.3	7.2	6.7	6.1
Non-oil related primary budget balance (% of non-oil related GDP)	13.4	11.8	10.8	9.2	8.3	7.5
Debt (% GDP)						
Total (gross) debt of the public sector	64.1	72.9	69.9	67.3	65.4	62.5
Sonangol	3.9	4.5	4.2	4.0	3.7	3.5

Source: IMF Angola Country Report April 2018, Page 31 (IMF Country Report No. 18/156)

In relation to the debt, the Macroeconomic Stabilization Program (PEM) presented by the Government in January of this year aims at reducing the Debt/GDP ratio to less than 60%.

■ Monetary Policy

In the last two years the Central Bank of Angola (BNA) followed a restrictive or contractionary monetary policy because of the high levels of inflation that the country recorded during this time (42% in 2016 and 26% in 2017). But considering that the reduction in the money supply increases the interest rates on the loans that commercial banks grant their clients and decreases their investment intentions, for the period 2018-2022, the IMF foresees that the BNA will follow an expansionary monetary policy that will facilitate the increase of credit to the private sector. The table below shows that there will be an increase in money supply and credit to the private sector in all years until 2022.

Evolution and Behavior of Monetary Aggregates 2017-2022

Monetary Aggregates (variation %, end of period)	2017	2018	2019	2020	2021	2022
Monetary mass (M ²)	0.1	14.4	21.3	18.0	16.1	18.8
Percentage of GDP	31.6	25.7	26.3	27.0	27.6	29.1
Velocity (GDP/M ²)	3.2	3.9	3.8	3.7	3.6	3.4
Velocity (non-oil related GDP/M ²)	2.5	2.9	2.9	2.9	2.9	2.8
Credit to the private sector (percentage variation in 12 months)	1.3	27.2	22.8	20.7	21.8	20.5

Source: IMF Angola Country Report April 2018, Page 31 (IMF Country Report No. 18/156)

In relation to the behavior of the general price level, the IMF foresees that by 2021/2022 Angola will once again have a single-digit inflation rate, a benefit to consumers.

Inflation 2017-2022

Inflation	2017	2018	2019	2020	2021	2022
Consumer prices (annual average)	31.7	27.8	17.1	12.2	9.4	7.6
Consumer prices (end of period)	26.3	24.7	15.0	10.0	9.0	6.5

Source: IMF Angola Country Report April 2018, Page 31 (IMF Country Report No. 18/156)

■ External Sector

The Angolan economy is very open to international trade considering the volume of exports and imports taking place with its trading partners. In 2016, total exports were USD \$ 27.5 billion and imports USD \$ 25.6 billion. In 2017, total exports were USD \$ 34.4 billion and imports USD \$ 28.3 billion. In terms of the commercial balance, the country has a positive balance or surplus, but the current account, because of the remuneration of foreign production factors, causes it to be negative or deficient. In the period 2018-2022, the IMF foresees a current account deficit of 2.5% GDP on average per year.

Evolution and Behavior of the Balance of Payments 2017-2022

Balance of payments	2017	2018	2019	2020	2021	2022
Commercial balance (percentage of GDP)	13,5	17,4	16,5	15,4	14,1	13,0
Exports of goods, FOB (percentage of GDP)	26,2	33,4	31,0	28,6	26,5	24,9
Exports of oil and gas (percentage of GDP)	25,1	32,2	29,7	27,3	25,1	23,3

Balance of payments	2017	2018	2019	2020	2021	2022
Imports of goods, FOB (percentage of GDP)	12.7	16.0	14.5	13.2	12.4	11.9
Terms of trade (percentage change)	21.7	16.8	7.4	5.1	2.1	4.3
Current account balance (percentage of GDP)	4.5	3.5	2.5	2.1	2.5	2.9
Gross international reserves (end of period, USD \$ million)	17.938	14.338	15.238	16.138	16.138	16.138
Gross international reserves (next year import months)	6.0	5.2	5.8	6.2	6.0	5.9
Net international reserves (end of period, USD \$ million)	13.300	9.700	10.600	11.500	11.500	11.500

Source: IMF Angola Country Report April 2018, Page 31 (IMF Country Report No. 18/156)

International net reserves over the period will be enough to cover at least six months of imports. In monetary terms, foreign currency reserves in 2022 are expected to be USD \$ 11.5 billion.

■ Angolan Financial System

Angola has a financial system in development that includes three fundamental axes: banking, insurance, and the stock exchange (which is at an early stage). Among the three axes, the most developed is banking which is supervised by the National Bank of Angola (BNA). In accordance with BNA statistics, up to May 2018, there were 30 authorized Banking Institutions in Angola and only one was not carrying out activities. The most well-known banks in the public market are Banco de Poupança e Crédito (in difficulties because of the high level of bad credit), Banco Angolano de Investimentos (BAI), Banco de Fomento Angola (BFA), Banco BIC, Banco Millennium Atlantic (BMA was created from the merger of two banks).

The insurance is regulated by the Angolan Agency for Regulation and Supervision of Insurance (ARSEG). In accordance with the data released by the agency there are 26 licensed insurers in the country. From these 26, about 20 are in operation and market life and non-life related products. The largest and best-known insurance companies are ENSA Seguros (public company), Nossa Seguros, Saham Angola Seguros, Mundial Seguros, Global Seguros and Universal Seguros.

The Market of Securities and Derivative Instruments is regulated by the Securities Market Commission (CMC). 60 institutions are registered with the CMC which are authorized to carry out activities in this market:

- A management company of regulated markets, which is BODIVA (currently performs or transacts debt operations such as bills)

and treasury bonds. 17 Institutions participate in the operations, 15 commercial banks and two non-bank institutions.)

- Six management companies of organizations and collective investment.
- Thirteen collective investment organizations.
- Three securities brokerage companies.
- Twelve real estate appraisers of collective investment organizations.
- A certification body for real estate expert appraisers.
- Nineteen intermediation agents (all commercial banks)
- Five external auditors

Strategic Development Axes

The Angolan Government identified six major development axes that are included in the National Development Plan 2018-2022.

- (1) Human development and welfare
- (2) Sustainable, diversified and inclusive economic development
- (3) Infrastructures needed for development
- (4) Consolidation of peace, reinforcement of the democratic state and law, good governance, state reform and decentralization
- (5) Harmonious development of the territory
- (6) Guarantee of stability and territorial integrity of Angola and reinforcement of its role in the international and regional context

The factors identified in the NDP as critical to the productivity of Angolan companies include human capital, the quality of institutions, financial institutions, infrastructure, the operation of markets and public policies. Improving productivity, innovation, and the enhancement of quality are thus decisive elements for diversification, competitiveness, inclusive growth, and the creation of remunerative jobs.

With respect to the business environment, the Government is aware that it needs to improve the country ratings in the Doing Business of the World Bank. This will “reinforce all the lines of action that have been developed throughout the so-called business life cycle. Minimizing barriers for the entry and exit of companies to/from the market and promoting institutional and legislative changes to improve and make more effective the enforcement of competition policy, are decisive contributions for the improvement of the business efficiency and well-being of consumers”³.

THE IMPROVEMENT OF PRODUCTIVITY, INNOVATION AND THE ENHANCEMENT OF QUALITY ARE, THEREFORE, DECISIVE ELEMENTS FOR THE DIVERSIFICATION, COMPETITIVENESS, INCLUSIVE GROWTH AND THE CREATION OF REMUNERATING EMPLOYMENT

3. Government of Angola PND 2018-2022, Page 148.

The fight against corruption is the motto of the current President of the Republic who is making efforts to strengthen governmental and judicial institutions in order to reduce the negative impact of corruption which is devastating the country and discouraging foreign investors from investing in Angola.

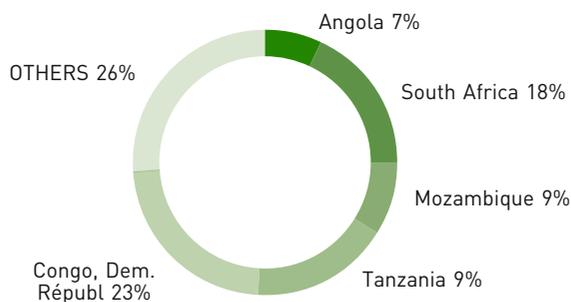
■ Angola-SADC

SADC is a regional economic integration area in which 15 countries of the Southern Zone of the African Continent participate, with a diversity of natural resources and productive activities and many asymmetries between them. In economic terms, the heterogeneity of the productive structures and the imbalance in the scientific and technological collections are its main characteristics. Its global GDP, at 2011 prices, can be estimated at around USD \$ 1,318 billion.

In population terms, SADC has a huge potential estimated at about 200 million inhabitants, with an average GDP per capita of about USD \$ 8,000. The most populated SADC countries are the Democratic Republic of Congo and Angola, which, in 2017, had a combined population of 28.4 million and an average purchase power of USD \$ 3,800.

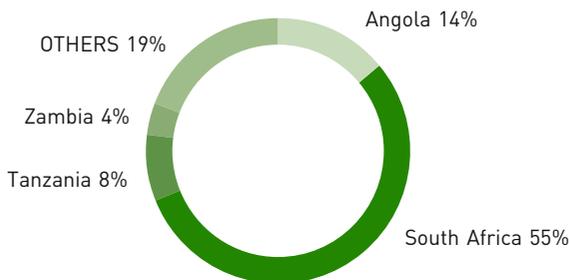
SADC is a regional area with more than 310 million inhabitants and a total Gross Domestic Product of USD \$ 1,317.3 billion, and a GDP per capita of USD \$ 4,390.

The population spaces of SADC



Angola is the second largest economy of the SADC in terms of Gross Domestic Product, representing 14.4% of the Total Added Value of the Region, just after South Africa, with 55.2%. But the most interesting fact is the progression of the economic representation of Angola in this region: 8% in 2002 and more than 14% fifteen years later—a change of six percentage points.

The Structure of the SADC's GDP in 2014



The main reason for this evolution is related to the relative importance of the GDP originating in the oil sector. Although in recent years and with the oil price crisis after 2014, this extractive activity has lost relevance in favor of the non-oil related sector, especially concerning services and construction.

In the SADC specific area, there are three categories of countries in accordance with their average income per capita: of high income (Seychelles, Mauritius, Botswana and South Africa), of middle income (Namibia, Angola and Swaziland) and of low income (the remaining eight countries). In conditions of free trade, the benefits of growth will tend to be concentrated in the countries with the highest GDP and the highest per capita GDP (greater purchase power). This trend may worsen in subsequent phases of the SADC as there are no concrete and effective measures to promote real convergence between their countries. Even if there are joint initiatives in certain areas of infrastructure, the essence of this topic is understood as "housework" for each of the economies.





The dynamics of economic growth in this region is expressed by an average annual rate of 3.8% in the period 2004-2015. Angola's growth capacity is above this figure, remaining at 5%. Zambia (7.3%), Mozambique (7.2%) and Tanzania (6.5%) had greater economic growth rates.

In general, all the economies of this regional space are open, although some of them are more open (coefficient above 50%). However, Angola, Namibia, Botswana and Mozambique focus their economy on a small number of tradable products (mainly of mineral origin), making it unhealthy and risky. Angola has had little commerce with the countries of the region, and only with South Africa has had more significant trade. With Angola joining the Free Trade Area of the region, trade with other countries is expected to increase, especially with those bordering with Democratic Republic of Congo and Namibia.

There are policy orientations that all SADC States should consider: *"In the current SADC governance framework, Member States are responsible for transposing regional priorities into their national planning instruments. However, the success of the RISDP for 2015-2020 also depends on developing countries' capacities, strengthening communication between SADC and its several countries involved, adapting regional objectives to the concerns of each country, better implementation of its programs and the reinforcement of the ministerial task force on regional integration (bringing together Ministers responsible for infrastructure, central bank governors and other ministries relevant to the current team of Ministers of Trade, Industry, Finance, Investment and Planning). Finally, SADC reiterates the importance of strengthening monitoring systems for the implementation of the different protocols."*

Author: The Centre for Studies and Scientific Research of the Catholic University of Angola



Chevron



building lasting partnerships

**progress starts
with partnership**

human energy

AIPEX: PRIVATE INVESTMENT AND PROMOTION OF EXPORTS AGENCY

Angola's stable and sustainable growth requires the diversification of its business fabric, with Private Investment (PI), and in particular Direct Foreign Investment (DFI), a critical vector for the diversified growth of the country's economy.

In this sense, the Government and particularly AIPEX—Angola's Private Investment and Export Promotion Agency—is strongly committed to maximize the national investment and DFI as well as promote the exports and internationalization of Angolan companies.

AIPEX, supervised by the Ministry of Economy and Planning, is the sole interlocutor with the investor in all phases of the investment process. AIPEX's main responsibilities are:

- Ensure the receipt and monitoring of private investment proposals to be implemented in Angola;
- Create favorable conditions for private investment;
- Supervise and control the execution of approved private investment projects;
- Implement policies and programs to replace imports with increased exports;
- Make institutional announcements with other ministerial bodies, banks and others.

The effect of attracting PI in Angola would not only increase economic diversification, but also minimize the need for imports. It would also increase the flow of foreign currencies in the country and improve national productivity, resulting in an increase in GDP, employment, fiscal revenues and competition.

The promotion of Private Investment in the country is essential to break the cycle of economic dependence of the oil sector and accelerate the recovery and growth of products and services from the Priority Clusters and Structuring Sectors in Angola.

ANGOLA'S STABLE AND SUSTAINABLE ECONOMIC GROWTH REQUIRES DIVERSIFICATION AND ENTREPRENEURSHIP

Priority Clusters	Structuring Sectors
Agriculture and Agro-industry	Education
Fish, shellfish and their derivatives	Health
Animal products	Energy and Water
Ornamental rocks	Construction of infrastructures
Tourism	
Forestry	
Clothing	

In this context, AIPEX is focused on increasing exports of products and services from Angola, supporting and facilitating more (internal and external) private investments, and accelerating the internationalization of Angolan companies.

That is why Angola has a high potential to leverage its economy and position itself as one of the main destinations to invest in Africa, considering the diverse characteristics inherent to a promising market.

■ Why Invest in Angola

1) High Potential of the Internal Market

- Angola possesses a considerable market of more than 28,831,463 inhabitants with a GDP per capita of US \$ 3,440;
- Investment in the priority sectors carries the possibility of replacing imports in the amount of US \$ 3.3 billion.

2) Diversity and Abundance of Natural Resources

- Access to 38 of the top 50 minerals used in various industries, such as diamonds, iron, gold, phosphates, manganese, copper, lead, zinc, volphamium, tungsten, titanium, chromium, marble, granite and uranium;
- Presence of several microclimates allows for a varied agricultural production during the 12 months of the year, with an arable land area of 35 million hectares, of which only 14% is used;
- Sixty-nine million hectares of forestry extension comprised of woods of great economic values such as ebony, African sandalwood and rosewood, and commercial plantations of pine and eucalyptus trees;
- Access to 1,650 kilometers of coastline with abundant stocks of fishery products such as mackerel and tuna, shellfish, sardines, and seafood, among others.

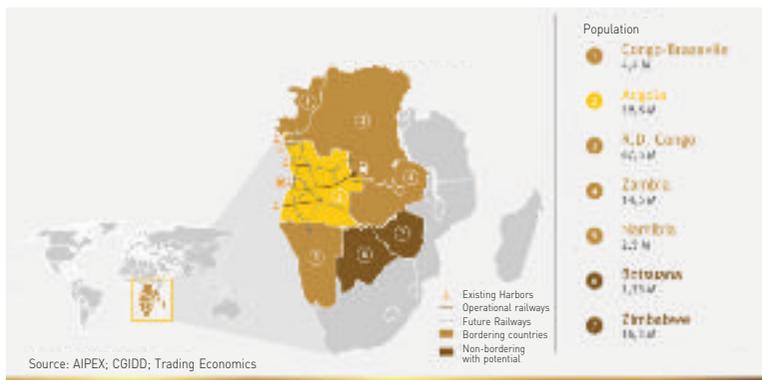
3) Important Gateway to Access Southern Africa

- Its geo-strategic position allows investors access to the regional market (SADC) of 16 countries with a total GDP of US \$ 600 billion with more than 200 million consumers;

THE EXISTENCE OF VARIOUS
MICROCLIMATES OVER AN AREA
OF 35 MILLION HECTARES, OF WHICH
ONLY 14% ARE USED, ALLOWS
VARIABLE AGRICULTURAL PRODUCTION
THROUGHOUT THE YEAR



- Access by sea, with four neighboring countries: D.R. Congo, Congo Brazzaville, Zambia, and Namibia.



4) Socioeconomic Stability with Young and Cohesive Population

- Young and growing middle-class workforce;
- Political and economic stability since 2002;
- Estimated growth of 5% per year up until 2025.

5) Angola is Determined to Attract Investment and Improve its Business Environment

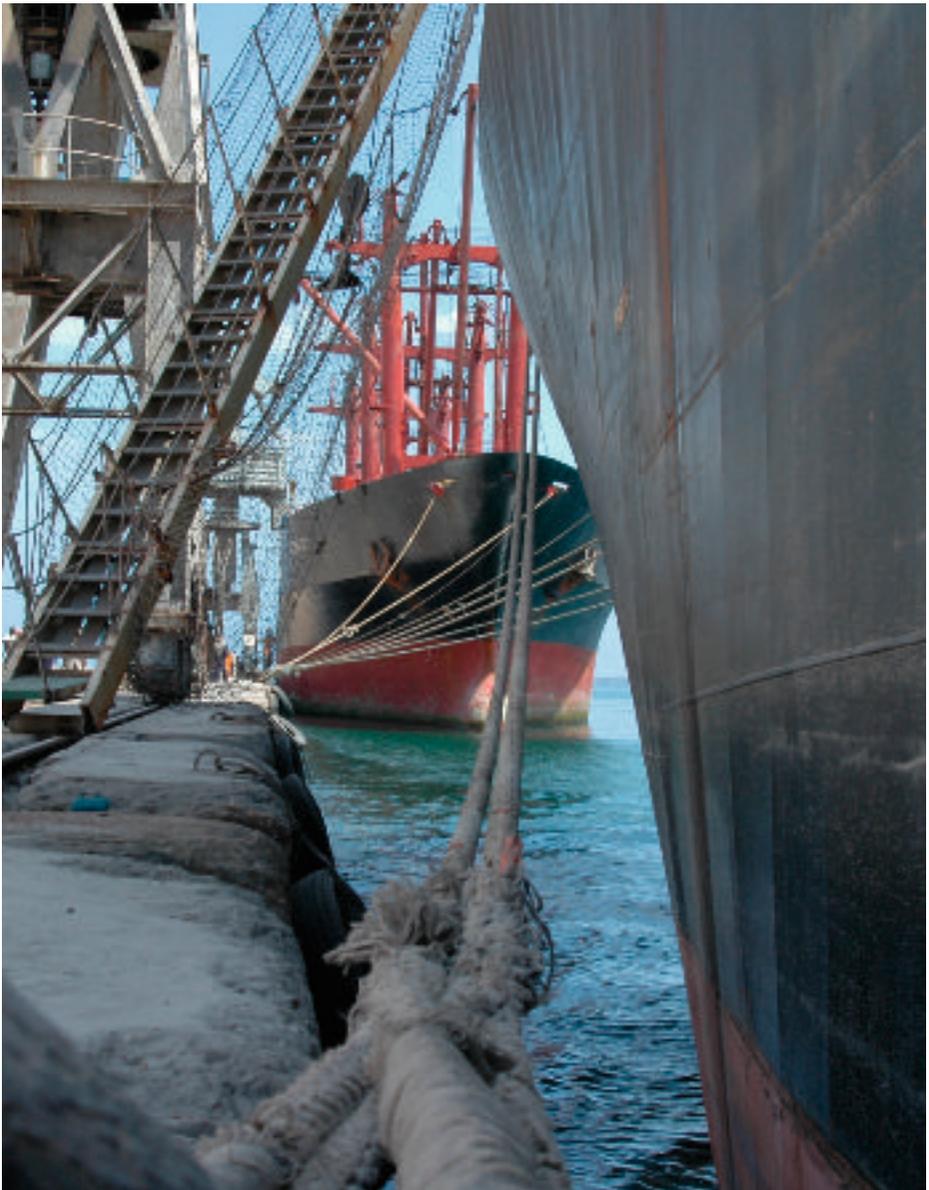
- Long-term strategy (LTS 2025) foresees important infrastructure investment projects that constitute major business opportunities;
- Bilateral agreements on the promotion and protection of investments with several countries, with an emphasis on Germany, Spain, Great Britain, Italy, Portugal, Russia, Switzerland, South Africa and Guinea Bissau;
- Capturing private investment through investment incentive and diversification programs, such as PRODESI, which establishes the parameters inherent in a process of sustainable development;

Private Investment Law – Law 10/28 of June 26, 2018, is designed to facilitate the attraction of Foreign Direct Investment and contribute to the improvement of the business environment. The following elements stand out:

- No minimum floor for Private Investment;
- No mandatory partnerships to invest in Angola;
- Guarantee of the transfer of profits and dividends after effective implementation of the project;
- Automatic granting of tax benefits;
- Exemption from payment of duty and dues for any requested service, including customs, by a non-corporate public entity, for a period not exceeding 5 (five) years, for projects under the Special Status.

For the implementation of the law, procedures were adopted to simplify the process, reducing the time and cost for registering investment proposals. Among the measures, the following stand out:

- The possibility to submit online the investment proposal through the Electronic Private Transaction Processing System (SETIP), from anywhere in the globe;
- A 72-hour maximum limit for the registration of private investment proposals;
- Monitoring of investment proposals until their effective implementation, through the investor support services.



■ Incentives to Invest

The tax and customs benefits are granted to private investment projects, depending on the investment status in which they are framed.

1) **Prior Declaration Regime:** applies to private investments made outside the sectors considered as priority for the purposes of the private investment law.

Benefits of the Prior Declaration Regime

Term	*2 Years
Taxes	Percentage Reduction
Industry	20%
Stamp	50%
Capital Employed	25%

2) **Special Regime:** applies to the investments made in the priority sectors. The tax benefits are allocated according to the development of the zone in which they belong.

Benefits of the Special Regime

Term	Zona A	Zona B	Zona C	Zona D	Other Benefits Zonas B, C or D
	*2 years	*4 years	*8 years	*8 years	
Taxes	Percentage Reduction				
Industry	20%	60%	80%	40%	Reduction by 50% for a 4-year period of Depreciation and Reintegration rates.
Capital Employed	25%	60%	80%	40%	
Urban Land	N/A	50%	75%	37,5%	
Real Estate Transfer Tax	50%	75%	85%	42,5%	

AIPEX offers to the special status investments, expedited and simplified procedures for the following services:

- Registration of a legal, fiscal and social security nature;
- Registration of licenses and administrative services necessary to carry out investment projects;
- Registration of intellectual property, movable property and real estate properties;
- Procurement of activity licenses, building permits, environmental licenses and others;
- Contracting of energy and water services;
- Procurement of visas and residence documents.

■ How to Invest in Angola

The process begins with the application for registration of the Investment Proposal, which may be done through SETIP, or through direct contact with AIPEX services, and must present the following documents for the due effect:

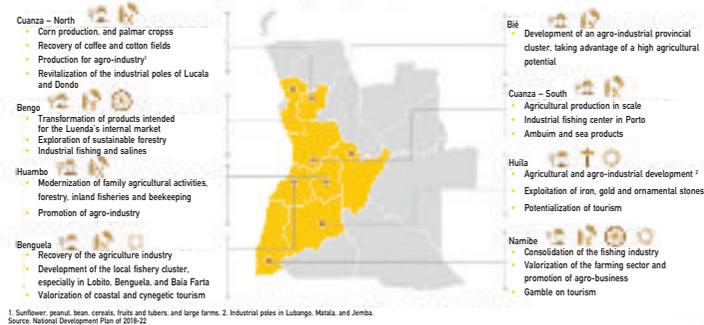
- Letter requesting registration of the private investment proposal;
- Form of the Investment Project Declaration and its annexes duly completed (available at the AIPEX service counters, and the e-portal aipex.gov.ao);
- Copies of the applicants' identification (identity card or passport), in the case of individual persons;
- Copy of the Commercial Registration Certificate, in the case of a legal entity;
- The deliberative record of the decision to register the investment project;
- Document proving the existence of funds or other forms to carry out the declared private investment project (bank statement, if made in monetary means, and the original document duly certifying the asset from an assessment entity, in case of machinery and equipment);
- Training plan, and gradual replacement of foreign with national workforce;
- Power of attorney, if the applicant is represented.



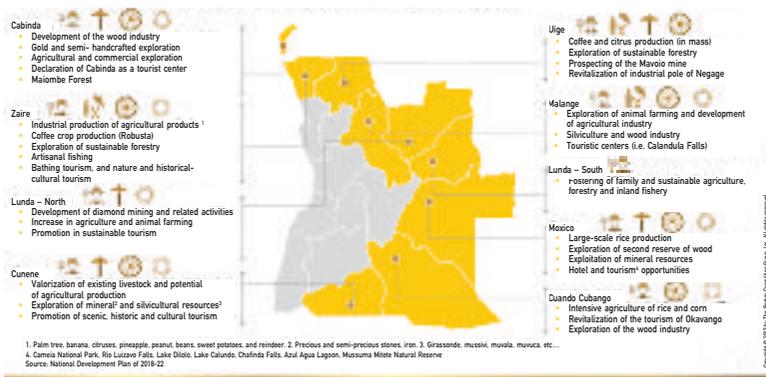
■ Where to invest in Angola

According to the National Development Plan 2018-2022, investment opportunities were identified in each region according to the national potential.

Potential of Priority Sectors (Zone A & B)



Potential of Priority Sectors (Zone C & D)



CONTACT

KN10, R. Kwame Nkrumah 10, Município de Belas – Luanda
 Luanda – Angola
 geral@aipex.gov.ao | <http://www.aipex.gov.ao>
 TEL.: +244 222 39 14 34 - 222 33 12 52 | FAX.: +244 222 39 33 81

BODIVA: THE ANGOLA DEBT AND SECURITIES EXCHANGE

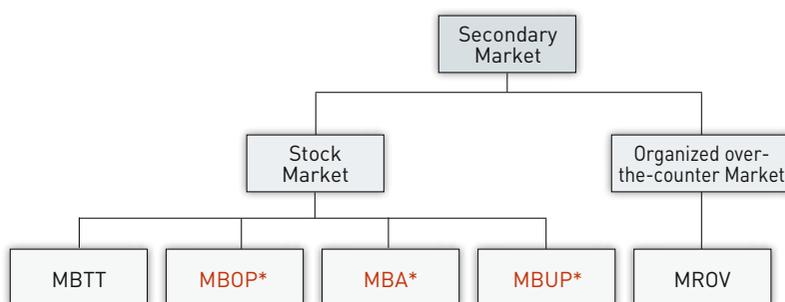
■ BODIVA

The Angola Debt and Securities Exchange – a Regulated Markets Management Company (**thereafter referred to as BODIVA**) is a corporation with public capital incorporated in 2014, whose corporate objective is the management of regulated markets, which also may carry out related activities, namely:

- Services related to the issuance and trading of financial instruments that do not constitute financial intermediation;
- Elaboration, distribution and commercialization of information related to markets for financial instruments;
- Acting as a central counterparty in the negotiation of financial instruments;
- Management of clearing and settlement systems for financial instruments;
- Management of centralized securities system;
- Fulfill all necessary acts for the clearing and settlement functions and management of a centralized securities system

■ BODIVA Markets (Secondary Market)

Regarding the organization of the secondary markets managed by it, BODIVA adopts the following structure:



Of the above-mentioned markets, only the Registry of Securities Transactions Market (MROV) and the Treasury Stock Exchange Market (MBTT) are active.

Stock Market

- Treasury Exchange Market (MBTT);
- Private Bond Exchange Market (MBOP);
- Stock Exchange Market (MBA);
- Participation in Investment Funds Exchange Market (MBUP).

Organized Over-the-Counter Market

- Market for Registration of Securities Transactions (MROV).

The first market segment BODIVA made available was the MROV, in May 2015. The first operations registry took place at that time. The same year, the Securities Code was approved.

THE FIRST TRADING OF PUBLIC DEBT SECURITIES TOOK PLACE IN NOVEMBER 2016, WHICH LAUNCHED THE MBTT

The Securities Code establishes the legal organization of the stock market instruments and derivatives, regulating the system of supervision and regulation of securities, issuers, public offerings of securities, and respective infrastructures, prospectuses, services and activities in investments in securities and derivative instruments, as well as the respective sanctioning organization.

In November 2016, the first negotiation of Public Debt securities took place, which allowed the launch of MBTT.

It should be noted that only **the Registry of Securities Transactions Market, and the Treasury Stock Exchange Market are active.**

It is important to realize that the management of securities in the primary market was transferred to BODIVA in 2018. With this, BODIVA became responsible for conducting the auctions of treasury bonds.

■ CEVAMA

The Central Securities Exchange of Angola (CEVAMA thereafter) was launched in 2016 with the goal of allowing the custody (protection) of securities, Compensation of Operations for the Clearing and Settlement of Business, carried out on the Exchange.

In addition, CEVAMA provides the following services:

- Dematerialization of securities;
- Corporate income distribution events;
- Settlement of business;
- Automatic portfolio reconciliation.

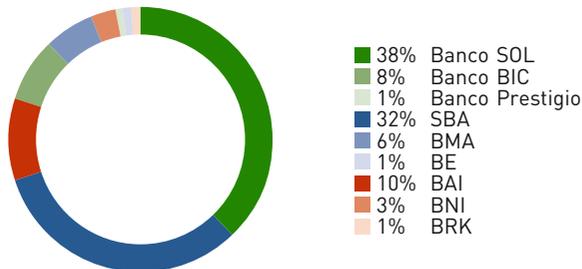
■ BODIVA Members

Financial intermediation services are provided by financial institutions authorized by the supervisory body of the securities market to provide investment services and activities in transferable securities and derivative instruments in Angola.

The BODIVA members (below in Portuguese) authorized to provide the above services are:

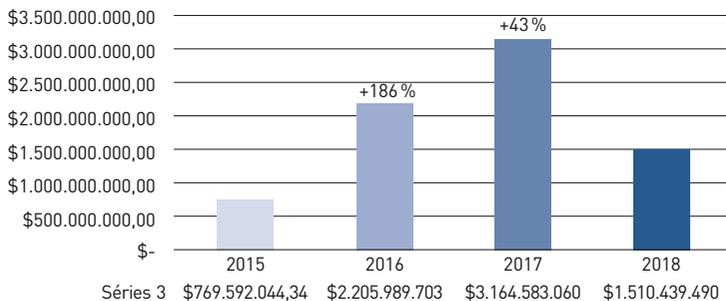
- Banco de Fomento Angola
- Banco Angolano de Investimentos
- Banco Millennium Atlântico
- Banco de Poupança e Crédito
- Banco SOL
- Banco BIC
- Standard Bank Angola
- Banco de Negócios Internacional
- Banco Regional do Keve
- Banco Prestígio
- Banco de Comércio e Indústria
- Banco Económico
- Banco Caixa Geral Angola
- Banco Credisul
- Growth SCVM (correctora)
- Madz SCVM (correctora)

Market Share 2017



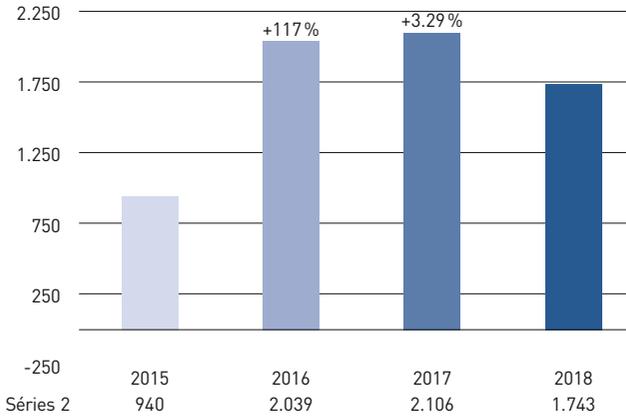
Market Statistics

Sum Traded



- The bonds indexed to the USD represent more than 95% of the amount traded;
- Treasury bills represent 2%;
- Non-readjustable Bonds 2%.

Total Transactions



■ Investor Portal

The Investor Portal is an initiative of the Ministry of Finance under the management of BODIVA. Through the portal, securities representing the State are sold to a private individual or a legal entity via the internet.

To invest in Treasury Securities, the buyer must possess an IBAN, an active Custody Account, an E-mail, and a valid Tax Identification Number. Payments are made via ATMs.

When buying Treasury Bonds, the Investor lends money to the Angolan government in exchange for the right to receive in the future (as the bond matures) a remuneration for the loan. Meaning, the investor will receive the amount of the loan, plus the interests on this loan.

For more information, visit www.portaldoinvestidor.minfin.gov.ao.





MANUFACTURING INDUSTRY

■ Characterization of the Sector

In Angola, the Institute of Industrial Development of Angola (IDIA) is responsible for “the promotion of industrial activity and support of the development and the consolidation of industrial projects”¹. The country has an enormous potential to locally produce more than it imports. For example, in 2015, out of ten most imported products, seven were from the food business. In 2016, there were already eight². This fact gives the manufacturing industry an enormous growth potential, whether it is for the number of jobs that can be created, or its contribution to the process of import substitution and export diversification³. Hence, the manufacturing industry presents itself as a strategic sector for Angola.

ANGOLA IS ALREADY, BY AND LARGE, SELF-SUFFICIENT IN THE BEVERAGE INDUSTRY (EG BEER AND WATER) AND PORTLAND CEMENT.

Nowadays the sector is led, in terms of importance, by the beverage industry with 60%, followed by the food industry with 20%, non-metallic minerals with 10%, metallic minerals with 5% and the chemical industry with 5%. Angola is already, by and large, self-sufficient in the beverage industry (e.g., beer and water) and Portland cement. However, the manufacturing industry’s growth has been well below its potential. Between 2003 and 2016 it only grew 5%. In other words, it went from 4% to 9%⁴, which represents an important opportunity for potential investors.

■ The Challenges of the Sector

Despite the fact that the Government has a National Plan of Staff Training, there is still a limited supply of qualified workforce with the necessary experience for any industrialization process. However, it is undeniable that Angola has, since 2015, a new General Labour Law, better adjusted to the new economic environment, providing investors with the desired and necessary flexibility in work relations management.

Another challenge is related to the deficiencies seen in infrastructures of production support. This fact makes the exports from Angola less competitive. However, since 1998, through the Resolution of the Permanent Commission of the Council

1. IDIA (s/d) Institutional booklet.

2. Data from the National Leaders Council 2015, 2016.

3. Government of Angola (2018) *National Development Plan 2018-2022*, Vol. I, page 158.

4. BNA *Statistical Bulletin* Several years.

of Ministers n° 1/98 of March 10th, the Angolan Government adopted a policy to boost industrial growth poles in some provinces and created a Special Economic Zone in Luanda. With the new economic environment, a new management and promotion model is forecasted, opening doors to the participation of private national investors and foreigners.

■ The Opportunities of the Sector

For the investors, foreign and nationals, in the manufacturing industry sector, there are business opportunities, not only in the creation of industrial development poles, but also in the following segments: food industries, textile, clothing and footwear industries, wood industry, wood furniture and pulp, paper and board, chemical and pharmaceutical industries, mineral and non-metallic construction materials, basic metallurgical industries, metal products, machinery and material transport and recycling⁵.

Author: Fernandes G. Wanda

Fernandes Dovale G. Wanda is the Interim Coordinator of the Social and Economic Research Centre of the Economic Faculty of the UAN, with vast experience in the food and beverages management. His last research work "Understanding Post-War Foreign Direct Investment in Angola: South-South led or the West Still Rules?" was published in the *Journal of Southern African Studies*.
ORCID.org/0000-0002-2514-1243 [fernandes.wanda@fecuan.ed.ao]



LEGISLATION: DOING BUSINESS

IN ANGOLA

■ The Private Investment Law

The current private investment regime is regulated by the Law n° 10/18, of June 26, 2018, that approved the new Private Investment Law of Angola.

This mandate is applicable to all private investment projects in Angola, regardless of the amount, with the exception of investment projects that will be implemented by public domain societies in which the State holds all or most capital, or projects related to sectors of activities regulated by special laws.

According to this Law, there are two private investment regimes: the regime of prior declaration, which consists of a simple submission of the private investment proposal along to the concerning authority for registration and benefit attribution (the societies must have been constituted prior to the investment project submission), and the special regime, applicable to investment projects to be realized in priority sectors and developing zones, established in this Law.

THE FOLLOWING ARE
CONSIDERED AS PRIORITY
SECTORS: EDUCATION,
TECHNICAL AND PROFESSIONAL
TRAINING, HIGHER EDUCATION,
SCIENTIFIC INVESTIGATION
AND INNOVATION...

For this purpose, the following, among others, are considered priority sectors: education, technical and professional training, higher education, scientific investigation and innovation; agriculture, food and agro-industry; unities and specialized health services; reforestation, industrial transformation of forest resources and forestry; textile, clothing and footwear; hotel businesses, tourism and leisure; construction, public works, telecommunications and information technologies, and airport and railway infrastructures; production and distribution of electric energy; basic sanitation and solid waste collection and treatment.

■ The Competition Law

The current Competition Law of Angola was recently approved by the Law n° 5/18, of May 10, 2018, with the intent of establishing the rules and regulatory principles of competition in the country. The present Law is applicable to all economic activities, conducted permanently or occasionally, in Angola and to all the public

and private companies, enterprise groupings, cooperatives, business associations and any legal entity with or without legal personality.

We would like to emphasize that the Competition Law provides the incorporation of the Competition Regulatory Authority, which will be governed by the public interest to promote and defend the competition.

In addition to the rules regulating Angola's business activities, the present Law determines the penalizations that might have to be applied in case of default. In fact, without prejudice to criminal and administrative liabilities that may be imposed, we emphasize that the Competition Regulatory Authority could potentially impose fines and additional penalties, namely the exclusion of the offender's participation in procedures of public procurement for a period of up to three years.

■ The General Labor Law

The current General Labor Law was approved by the Law n° 7/15, of June 15, 2015 [rectified by the Rectification n° 15/15].

This law is applicable to all workers who conduct remunerated activity for other people or organizations, including public companies in Angola.

IN THIS REGARD, WE REITERATE THAT COMPANIES CAN ONLY HIRE NON-RESIDENT FOREIGN WORKERS TO FILL UP TO 30% OF THE WORKFORCE, WITH THE REMAINING 70% CONSTITUTED BY NATIONAL WORKERS OR FOREIGN WORKERS WHO RESIDE IN THE COUNTRY

In addition, the General Labor Law is applicable to foreign workers who are non-residents. In this regard, we reiterate that companies can only hire non-resident foreign workers to fill up to 30% of the workforce, with the remaining 70% constituted by national workers or foreign workers who reside in the country.

The General Labor Law establishes the rules and procedures applicable to the work relations, including its constitution, modification or termination, as well as obligations, rights and duties of workers and the employer. In addition, it reinforces that, for each year of service, besides the base salary and other obligatory benefits, all workers have the right to a minimum of 50% of a basic salary to subsidize vacation, and a minimum of 50% of a basic salary as a Christmas allowance.



■ The Public Contract Law

The legal regime of development and execution of Public Contracts in Angola is provided for the Law n° 9/16, of June 16, 2016 (rectified by the Rectification n° 23/16).

The present Law is applicable to public work contracts, lease or acquisition of movables, and acquisition of services provided by a hiring public entity, as well as contracts to be concluded by the hiring public entities that are not subjects to a special legal regime, to the contracts that are implemented through a public-private partnership, and also to contracts entered by the defense, security and internal law order, without prejudice to the other exceptions provided for by the law.

Under the terms of this mandate, the economic operators taking part in the process of development or execution of the herein cited contracts, must observe the principles and rules of corporate governance, particularly: to provide information regularly; to maintain organized accounting; to possess internal control systems and to follow the rules of social and environmental responsibility.

Notwithstanding the specificities provide for by the law, the hiring public entities wishing to enter contracts, must adopt, according to the estimated contract value, one of the following procedures: public tender; restricted by previous qualification tender; limited invitation to tender; or simplified hiring.

■ The Land Law

In Angola, it is the Land Law (Law n° 9/04, of November 9, 2004) that determines the legal regime of integrated lands in the property originating in the State, including the land rights that may be applicable to them, and the general regime of transmission, constitution, exercise and extinction of the respective affecting rights.

The transmission, constitution and exercise of land rights over lands that the State can grant, must comply with the following principles: principle of original ownership of land from the State; principle of transmissibility of integrated land under the private sphere of the State; principle of useful and effective utilization of land; principle of the ability to be taxed; principle of respect for the land rights in rural communities; principle of natural resources ownership by the State and principle of non-reversibility of nationalization and confiscation.

This way, we reaffirm that the land constitutes property originating in the State. Nevertheless, and without prejudice of exceptions determined by the law, the State may transmit or encumber the property of integrated grounds in its private domain; however, deals violating the public order are null and void.

We would like to emphasize that the transmission of the property rights and the constitution of land rights over integrated grounds in private domain of the State can only exist with the objective of ensuring their useful and effective utilization.



■ The Migration Law

The legal regime for foreigners in Angola is regulated by Law n° 2/07, of August 31, 2007, and by the Presidential Decree n° 108/11, of May 25, 2011, with the alterations introduced by the Presidential Decree n° 151/17, of July 4, 2017.

These mandates establish the rules and Angola's visa procedures, including the applicable rules to consular visa, which in general must be granted by the Diplomatic and Consular Missions.

There are ten consular visa categories: work visa; ordinary visa; short stay visa; temporary stay visa; privileged visa; tourist visa; transit visa; student visa; medical treatment visa and residency.

The foreign citizens who wish to work in Angola must request a work visa, for which it is necessary to previously obtain the favorable permission from the supervisory authority of the activity, in case of companies or private entities, or the Ministry of Public, Labor and Social Security Administration in case of public companies or institutions.

On the other hand, the ordinary visa must be requested by those who wish to visit Angola for family reasons or business prospection, and that, as a rule, is valid for 30 days and may be extended twice, for the same period of time.

■ The Business Activities Law

The Business Activities Law, approved by the Law n° 1/07, of May 14, 2007, establishes the applicable rules to the exercise of business activity in Angola.

Under the present law, the following activities are considered commercial: wholesale trading, retail trading, general trading, precarious trading, market trading, street trading, representation trading, provision of market services, import and export.

The Presidential Decree n° 193/17, of August 22, 2017, which approved the regulation on the licensing of establishments and the commercial activity and market services, complements the aforementioned mandate and adapts it to the current needs.

According to the aforementioned mandates, the exercise of commercial activities such as wholesale trading, retail trading, general trading and market services, when subject to licensing, require obtaining the respective commercial license, precarious commerce license, marketer card, street vendor card or market stall vendor card.

In turn, we reinforce that importers and exporters must be registered as such in the previously mentioned Importer and Exporter Record.

Authored by EY Angola.

In Angola for over six decades, our team today includes elements of all our service lines, assurance, tax, advisory and transaction advisory services, which allow us to offer locally the full range of EY solutions.



HOW TO GET STARTED: DOING BUSINESS

IN ANGOLA

■ Registering a Company

Notwithstanding the rules of national or foreign private investment that may be applicable and any requirements that specific sectors of activity may require, companies must be registered with the Commercial Registry Office, Tax Office, National Security Institute Social, and the National Institute of Statistics, among others.

Currently, it is possible to carry out many of the acts inherent to the incorporation of a company or venture in the Company's Single Counter, including, for example, the application for admissibility of the name to be adopted, the public deed, the commercial register, as well as the publication of the Articles of Association of the venture in the Official Gazette.

■ Financing

Generally speaking, the Angolan financial, banking and non-banking system, has shown some stability, in large part as a result from the process of observed transformation, considering the convergence with the best international practices. However, the banking financial system still has some systemic constraints, particularly with regard to high credit default ratios.

GENERALLY SPEAKING,
THE ANGOLAN FINANCIAL
SYSTEM, HAS SHOWN STABILITY

To address the challenge of bad credit, the State created an asset management company, Recredit, which has been acquiring high-risk assets from the public banks credit portfolios, and is working with other banks to acquire part of their bad credit. In 2016, the total credit granted was more than USD \$ 20,000 M, knowing that from about 30 banks authorized to operate in Angola, six control more than 65% of the total assets.

The financing of large public projects has been mostly provided by external financial institutions, such as international credit agencies, which require sovereign guarantees.

With regard to internal financing intended for the private sector, the Angolan Government has been developing some initiatives aimed at the creation and

development of micro, small and medium-size companies. These initiatives are aimed at strengthening some priority sectors, such as the “Angola Investe” (Angola invests) initiative, promoted by the Ministry of Economy, which offers subsidized interest rates.

As a rule, for financing in foreign currency, Angolan commercial banks have avoided providing guarantees due to the existing exchange rate risk.

Nevertheless, multilateral institutions such as the African Development Bank and the World Bank have concluded financing agreements with the Angolan government for the development of sectors such as agriculture, environment, rural development, health and education.

The venture capital market in Angola is still taking its first steps, already having the contribution of some public funds, such as the FACRA and FSDEA, and private funds, associated with banking or large business groups.

Recently, the National Bank of Angola has defined an increase in the minimum regulatory capital for commercial banking, an increase that should be completed by the end of 2018.



■ Import and Export

The Presidential Decree No 75/17 dated April 7, 2017 established the new Administrative Procedures for the Licensing of Imports, Exports and Re-exports.

As a rule, we must emphasize that the Register of Exporters and Importers (known as "REI"), which consists of the registration of economic operators in the Integrated System of Foreign Trade, is mandatory. By means of the present registration, the respective Certificate is granted to importers and exporters, which is valid for five years (although an update must take place every two years), under the *aforementioned* diploma.

For the purpose of recording and monitoring import, export and re-export operations, all operators involved in the operations in question shall use the Integrated External Trade System ("SICOEX"), under the supervision of the Ministry of Commerce.

The import, export and re-export operations may or may not be subject to licensing, which, in turn, may be automatic or not, under the terms of this Law. By means of example, it is not subject to licensing the temporary importation of goods subject, by law, to this customs regime, or the importation of parts and accessories covered by guarantee agreements, as well as the importation of donated goods, unless they are used.

The import, export and re-export of materials sent abroad for the purpose of testing, examination or research, for industrial or scientific purposes, or the import, export and re-export of samples are also exempt from licensing.

The settlement of import, export and re-export operations shall comply with the requirements and enforce applicable exchange rules and procedures under the Foreign Exchange Act and related diplomas.

With regard to the settlement of import and export operations of goods, we emphasize that the National Bank of Angola recently issued the Notice No. 5/18 dated July 17, 2018, which established new rules and exchange procedures to consider in the payment procedure of these operations.

■ Compliance

The world's largest economies are observing a growing importance of regulatory and compliance obligations, with a particular focus on the Prevention of Money Laundering (PBC), combating the financing of terrorism (CFT) and combating corruption. This concern has increasingly significant impacts on emerging economies such as Angola, where foreign investment represents an opportunity for development.

Regulatory bodies have been increasing pressure by applying fines of millions of USD to companies that do not make all the necessary efforts for PBC/CFT and to fight against corruption. This pressure, strong in other countries, especially in

the USA and in the countries of the European Union (EU), also is felt by Angolan companies which are obliged to comply with compliance programs in order to establish business relations.

The adoption of better compliance practices by Angolan companies will have two effects of great impact. On the one hand, it will improve the efficiency of the company by reducing the cases of fraud, corruption and loss of revenues in such way. On the other, it will give a clear signal to the market and international investors that they are engaged in a new culture of ethics and integrity.

Companies that are quicker to respond to these requirements will be better positioned to attract international partners, by demonstrating policies aligned with the highest levels of demand in these areas. The compliance function is no longer a formality. It has become a decisive factor in the competitiveness of Angolan companies for the attraction of investment.

■ Tax Regime

The Angolan tax system is composed of several taxes that are subdivided in taxation of income, sales and assets.

The Oil & Gas sector has a specific tax regime.

It should also be noted that currently Angola has no agreement to avoid double taxation with other countries in force.

Taxation of Income

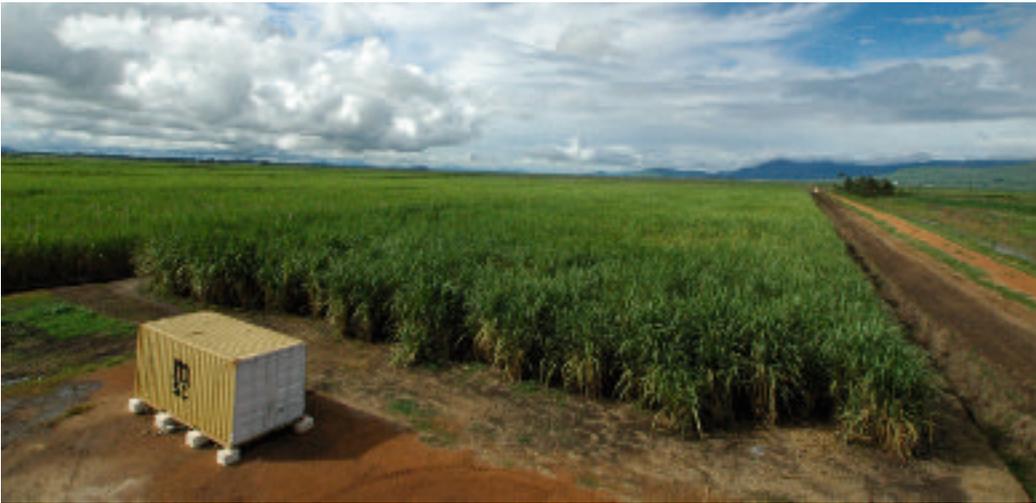
Industrial Tax

Profits from the business and industrial activities are subject to a tax rate of 30%. The tax is calculated in the annual statement of income "Model 1," which must be delivered by the end of May or April of the following year, depending on whether the company belongs to the Taxation Group A or B.

The provision of services to Angolan entities is, in most cases, subject to withholding tax at the rate of 6.5%.

In addition, companies are subject to settlement and payment of the provisional Industrial Tax at the rate of 2% on sales of the first 6 [six] months of the current fiscal year, which must be delivered by the end of August and July of the current year, depending on whether the contributor belongs to Group A or B.

It should be noted that the withholding tax on services and the settlement of the Provisional Industrial Sales Tax are for the purposes of calculating the final tax determined in the annual income tax return "Model 1", when they are deducted from the final tax collection.



Tax on Labor Income (“IRT”)

Income earned by single employees on the basis of work is taxed at progressive rates up to 17%, in accordance with the income levels stipulated in the table attached to the IRT Code.

The income earned by holders of management/administration positions or holders of corporate bodies is subject to withholding tax at the rate of 15%.

The income earned by independent service providers is subject to a tax of 10.5% in Group B and 6.5% or 30% if they qualify for Group C.

In general, the delivery of the tax occurs through withholding by the entity that makes the payment of the income.

Taxes on Capital Gains

Income derived from capital gains is subject to taxation ranging from 5% to 15%, of which we emphasize:

- Dividends, royalties, interest on supplies, interest on demand investments and/or term deposits and positive balance between gains and losses – 10%
- Other income derived from the application of capital and interest on loans for financial loans – 15%.

It should be noted that the taxable income can either result from its attribution and/or payment, or from the presumption of its existence.

Asset Taxation Property Tax (“IPU”)

The IPU is levied on real estate assets and is due both for having property of own use and for the income from the lease of urban buildings.

Thus, the Following are Subject to IPU:

- Own property – rate of 0.5% on amount that exceeds the asset value of AKZ 5,000,000
- Rental income – effective rate of 15% on the amount of income actually received Succession and Donation Tax and Sisa

The onerous transfer of real estate is subject to SISA at the rate of 2% on the acquisition value of the property.

Consumer Taxation

Consumption

The sales tax is levied on the production, importation and sale of goods, as well as on the provision of certain services.

The tax rate is 10% for the production and import of goods, although some goods have a lower rate, which may amount to 0%, while other goods may increase to 50%.

The services included in the scope of incidence are subject to rates of 5% or 10%.

In the event that the service subject to Sales Tax is provided by a non-resident entity, the Angolan beneficiary entity must proceed with the self-assessment of the tax.

With the expected entry into effect of the Value Added Tax on 1 January 2019, the Regulation of the Sales Tax will be canceled.

Value-Added Tax

In accordance with the present draft law, Angola will introduce the Value Added Tax ("VAT") as of January 1, 2019, and the current Consumer Tax Regulation will be canceled.

Its introduction will be divided in phases during the first two years and will be only mandatory for companies included in the list of Major Taxpayers.

Although the bill has not yet been approved, it is expected that the tax rate will be set at 14%.

Stamp Duty

Stamp Duty is due on acts, agreements, documents, titles, operations and other facts provided in the Schedule attached to the Stamp Duty Code.

Among others, below some tributary facts and the respective rates are presented:

- Issuance of receipts of payment - 1%
- Financing - 0.1% to 0.5%, depending on the maturity of the loan
- Issuance of insurance policies - 0.1% to 0.4% depending on the type of insurance
- Acquisition of property - 0.3%
- Fees and Contributions
Contributions to Social Security

The income attributed to employees is payable to Social Security, in accordance with the following rates, on salary and other remuneration components:

- Workers' share – 3%
- Employer's share – 8%

Contributors who have documented proof that they are subject to another Social Security scheme in foreign territory are not bound by this regime.

Special Contribution on Invisible Current Foreign Exchange Transactions ("CEOCIC")

CEOCIC is applicable to bank transfers made abroad under agreements for the provision of foreign technical assistance or management services.

The applicable rate is 10% on the value of the transfer abroad.

It is the responsibility of the payer of the banking transaction to settle it with a Tax Office, prior to the request of the transaction.

■ Customs Regime

The new Customs Tariff entered into force on August 7, 2018.

With reference to the previous customs tariff that had entered into force in the beginning of 2014, a transverse increase of customs rights occurred, while the rates of the consumption tax decreased for certain goods.

The following fees shall be levied on the importation of goods (including equipment), calculated on the customs value and determined in accordance with the applicable legislation:

- Import duties: between 2% and 70%
- Consumption tax: between 2% and 30%
- Stamp duty: 1%
- General customs duties: 2%

It should be noted that the Sales Tax rates will be revoked and will be replaced by new VAT rates, after the entry into force on January 1, 2019.

■ Bank Account Opening

Notice No. 2/17, defines new rules for the opening and movement of accounts in Angolan banks, held by non-residents for foreign exchange purposes.

Accounts in national currency can be operated by credit through income from economic activity in Angola or by conversion of foreign currency. Debt transactions now include domestic transfers or use of debit cards, among others. For accounts in foreign currency, this present notice limits the credit operations to funds coming from abroad and interest.

Some players already offer the solution of opening an account online, though most still require the opening of the account to be done in person.

Documentation required to open an account:

Individual Account

- Letter of account opening, which can be obtained from the financial institution
- Photocopy of identification documents of account holders or identity card for national citizens
- Passport with Work Visa, Residence Visa or Residence Card, in case of foreign citizen
- Photocopy of the Taxpayer Card 1 Color photocopy of each of the holders
- Service statement (optional)
 - Statement from the Ministry of Finance (only needed for civil servants)
 - Minimum amount for the initial deposit (amount defined by the financial institution) Business account
 - Account opening form to be obtained from the financial institution
 - Letter from the company requesting the opening of the account
 - Certificate of Commercial Registration
 - Memorandum of association published in the Official Gazette and its amendments, if any
 - Tax Registration Card
 - Certificate of Statistical Registration
 - Proof of Tax Settlement
 - Permit to exercise the activity
 - Photocopy of identification documents of the company representatives
 - Certificate of power of attorney containing the names of company representatives, if any
 - 1 color photograph of each titleholder
 - Minimum amount for the initial deposit
 - (amount defined by the financial institution)

Authored by EY Angola

In Angola for over six decades, our team today includes elements of all our service lines, assurance, tax, advisory and transaction advisory services, which allow us to offer locally the full range of EY solutions.

MESSAGE FROM THE AMBASSADOR

NINA MARIA FITE



After having served in Angola ten years ago, I am delighted to be back as the U.S. Ambassador. Much has changed since I first came to Angola, which was recovering from a 27-year civil war and beginning to rebuild its infrastructure. Since then, the economy and oil industry have grown, new buildings and roads have been constructed, and the country has played an important leadership role in the Southern Africa Development Community (SADC). Today, Angola is one of three U.S. strategic partners in southern Africa, and this year marks 25 years of diplomatic relations between the U.S. and Angola.

As U.S. Ambassador to Angola, my top priority is to strengthen U.S.-Angola trade and investment and continue existing initiatives to that end. For over a decade the U.S. has actively contributed to developing the key pillars of a sustainable and prosperous Angolan economy, which will create opportunities for all Angolans.

Through the U.S. Agency for International Development, the U.S. government has provided over USD 500 million in technical assistance, training, and commodities to improve health systems and health services in Angola leading to a healthier population. And healthier Angolans mean greater economic productivity.

In humanitarian demining, the U.S. has spent USD 124 million over the past 20 years to clear mine fields throughout Angola. The program has reduced the size of Angola's landmine problem from an estimated 982 square kilometers in 2007 to 102 square kilometers today. Now, as Angola seeks to diversify its economy, more land is available for agricultural development. In addition to cultivation, these de-mined spaces are safe for community development projects that improve Angolans' health and education prospects.

We at the Embassy have also been committed to helping and creating the future leaders of Angola through the U.S. government-sponsored educational and professional exchange programs, such as the Fulbright Fellowship, the Young African Leaders Initiative (YALI), and the International Visitors Leadership Program (IVLP). Each program is different, but they all provide Angolans with opportunities to travel to the United States for professional and educational development; alumni of these programs return home with more practical and analytical skills to tackle their country's most pressing local issues.

In addition to human capital, we know that a reliable and stable energy system is crucial to powering the Angolan economy. The U.S. is working with the Government of Angola to build its energy infrastructure through Power Africa – a United States' government-funded program designed to increase electricity generation and access in Africa using private investment and supporting regulatory and policy reforms.

All these programs directly support human capital, industrial development, and diversification of the Angolan economy. Altogether, these initiatives will create more robust and better trade and investment opportunities for both of our countries. Of course, cooperation with the private sector is paramount to further our goals of greater bilateral trade and investment. AmCham Angola has an important role to play in this relationship, and I commend the AmCham for launching the first AmCham Angola Economic Guide. I am confident that together with the AmCham Angola and the Government of Angola we will be successful in building a mutually beneficial trade and investment relationship.

U.S.-ANGOLA RELATIONSHIP IN NUMBERS

■ Trade

\$3.4 billion USD in total (two way) goods trade between Angola and the United States during 2017

US Goods exported to Angola totaled \$810 million;

- The top export categories in 2017 were: railway vehicles/equipment (\$216 million), meat (poultry) (\$158 million), machinery (\$154 million), electrical machinery (\$82 million), and aircraft (\$62 million).
- According to the Department of Commerce, U.S. exports of goods to Angola supported an estimated 7 thousand jobs in 2015.

Angolan goods exported to the United States totaled \$2.6 billion.

- The top import categories in 2017 were: mineral fuels (\$2.5 billion), precious metal and stone (diamonds) (\$136 million), special other (returns) (\$5 million), railway vehicles/equipment (\$154 thousand), and furniture and bedding (\$73 thousand).

■ Investment

- U.S. foreign direct investment (FDI) in Angola was \$804 million in 2016 (latest data available), a 236.4% increase from 2015.
- Angola's FDI in the United States (stock) was \$234 million in 2016 (latest data available), up 13.0% from 2015.

Information Source: The Office of the United States Trade Representative



THE US-ANGOLA RELATIONSHIP

■ Four Centuries of Common History

The current bilateral relationship between the United States of America and the Republic of Angola is undoubtedly solid. Yet, this well-established contemporary relationship represents only a small portion of the deep historical ties that have existed for nearly four centuries. It is this profound common history that lays the groundwork for the continued enhancement and expansion of an already fruitful and well-established relationship.

■ Current Bilateral Relations

The relationship remains strong and has an impressive track record through initiatives such as the African Growth and Opportunity Act (AGOA), The Trade and Investment Framework Agreement (TIFA) and the Presidential Malaria Initiative. Additionally, the US Export and Import Bank (Ex-Im Bank) is working with Angola to stimulate the creation of employment opportunities in both countries, reinforcing collaboration in the financing of US exports to Angola.

As an ultimate testament to the depth of this political relationship, in May 2017, the U.S. Secretary of Defense James Mattis and then Angolan Minister of Defense, João Lourenço, signed a Memorandum of Understanding (MOU) that envisions an enhanced security cooperation between the United States and Angola, including security information exchanges, officer training in both countries, ongoing visits between both leaders, and the utilization of effective training mechanisms for peacekeeping. The MOU also underscores the American and Angolan commitment to security in the Gulf of Guinea and stability in Africa's Great Lakes region.

IN MAY 2017, THE U.S.
SECRETARY OF DEFENSE
JAMES MATTIS AND
ANGOLAN MINISTER OF
DEFENSE, J. LOURENÇO,
SIGNED A MEMORANDUM OF
UNDERSTANDING (MOU)

■ Nearly a Century of Commercial Interests, Investment Ties and Partnerships

One only needs to analyze the US corporate presence in Angola over the past century to realize that the relationship is much more profound than just the political aspect. For instance, the first Ford dealership was established in Angola nearly

a century ago, in 1926. In the 1930s, Texaco began commercialization of their products in Angola. In the 1950s, Gulf Oil began oil exploration and production in Angola. Today, the United States is one of the largest foreign investors in the Republic of Angola and boasts the presence of leading American companies such as Coca-Cola, GE, Chevron, Exxon and John Deere.

Most recently, The National Geographic entered into partnership with the Angolan Ministry of Environment to study and document the Okavango River Basin, one of Africa's most important, but least understood, river basins. Thus far, The National Geographic Okavango Wilderness Project (NGOWP) has recorded fourteen plant species potentially new to science and eighteen species newly recorded for Angola. For the Project, they have also studied invertebrates, fish, reptiles and amphibians, birds and mammals, and have made Resource Management recommendations for communities that live in the Okavango River Basin. Finally, a documentary film entitled "Into the Okavango" was produced and premiered at the 2018 Tribeca Film Festival in New York. (The National Geographic Okavango Wilderness Project)

■ Four Centuries of Common Identity, Heritage, History and Mutual Influence

Easily the most important, yet most overlooked aspect of the unique relationship between the United States and Angola is that of common identity, history, heritage and culture, all of which have been determinant in the integral development of each country.

For instance, Angolans have been present in what is now known as the United States for nearly four centuries and have been quintessential to the contribution to, and the development of the "American Experiment". The first documented arrival of an Angolan in the United States was on August 25th, 1619 at Point Comfort (modern day Fort Monroe in Hampton, Virginia). From this date forward, it is estimated that at least twenty-six percent (26%) of all Africans arriving in what is now known as the United States of America have been of Angolan

origin, meaning that one out of every four African-Americans is of Angolan descent. In other words, based on current U.S. Census information, there are at least eleven (11) million Angolan-Americans in the United States today.

JAZZ LEGEND, MCCOY TYNER,
WAS THE HEADLINING ACT
AT THE FIRST LUANDA
INTERNATIONAL JAZZ FESTIVAL

Americans have also been present and influential in Angola over the past several centuries. Most notably, as far back as 1880, Protestant missionaries were present in Angola, building churches, schools, and hospitals, investing in agriculture, and training stonemasons, carpenters, nurses and teachers. Schools run by The United Methodist Church helped to educate a number of important Angolan leaders, including Dr. António Agostinho Neto, Angola's founding father and first President, who was the son

of a Methodist pastor. In 1948, the same American Methodists even granted the future first President of Angola an academic scholarship to pursue his advanced studies overseas.



The American cultural presence is also noteworthy in present day Angola, especially in the realms of music and sport. The number of American musicians, predominantly in the genres of Jazz, R&B and Hip Hop who have visited or performed in Angola over the past decade and a half is formidable. Jazz legend McCoy Tyner, was the headlining act at the first Luanda International Jazz Festival. Other Jazz legends such as George Benson, Dee Dee Bridgewater, Cassandra Wilson,

Nnenna Freelon, Dianne Reeves, Randy Crawford, Carmen Lundy, Roy Hargrove, Joe Sample, Stanley Jordan, Marcus Gilmore and Joshua Redman have all performed in Angola. The list of visitors in R&B and Hip Hop is equally impressive.

In sports, Angola's dominance on the African continent in basketball bears witness to Angola's commitment to a sport first invented in Springfield, Massachusetts by Dr. James Naismith in 1891. The Angolan national team has won the African Basketball Championship eleven times and is perennially ranked tops on the African continent. At the individual level, Angolan power-forward Bruno Fernando plays for the University of Maryland and is one of the top NBA lottery nominees for the 2019 draft.

■ Enormous Potential for Future Development

Undoubtedly, the historical relationship between the United States and Angola runs very deep on diplomatic, commercial and cultural levels. Even so, this relationship has not even come close to achieving its ultimate potential. Once both sides realize and embrace the profound nature of their common heritage and experience, the sky is the limit for future development.

Author: Neil Breslin Jr.





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BFA

MINERAL AND PETROLEUM RESOURCES SECTOR

■ Executive Summary

This Economic Guide includes the main elements to attract foreign investments to the Mineral and Petroleum Resources Sector, based on the policy proceedings and actions forecast by different instruments of national governance.

As a result of the organic and functional restructuring of the Government's central agencies, under the terms of the Presidential Legislative Decree n° 3/17, of October 13, the Ministry of Mineral and Petroleum Resources was created.

The Ministry of Mineral and Petroleum Resources, thereafter referred to MIREMPET, is the Ministerial Department that supports the President of the Republic and Executive Power, responsible for the formulation, conduct, enforcement and control of the executive's politics related to the geological and mineral activities, of petroleum, gas and biofuel.

■ Sector Actors

The Mineral and Petroleum Resources Sector includes the following services:

PUBLIC COMPANIES	FIELD OF ACTIVITIES	LOCATION
Endiama-E.P.	Research, exploration, mining, trading and diamond polishing	Luanda
Sodiam-E.P.	Trading	
Ferrangol-E.P.	Production and exploration	
Sonangol-E.P.	Exploration, production and trading	
Geological Institute of Angola (IGEO)	Organization and systematization of geological knowledge and mineral resources' potential.	
National Petroleum Institute (INP)	Training and education at high school, technical and professional levels, as well as promoting the training of the field of oil professional, to the workers related to the sector, promoting their update, recycling and scientific, technical and cultural improvement.	Southern Cuanza
Regulatory Institute for Oil Derivatives (IRDP)		Luanda
Kimberley Process Committee (PK)		Luanda
National Agency of Mineral Resources		Luanda

■ International Organizations Connected to the Sector

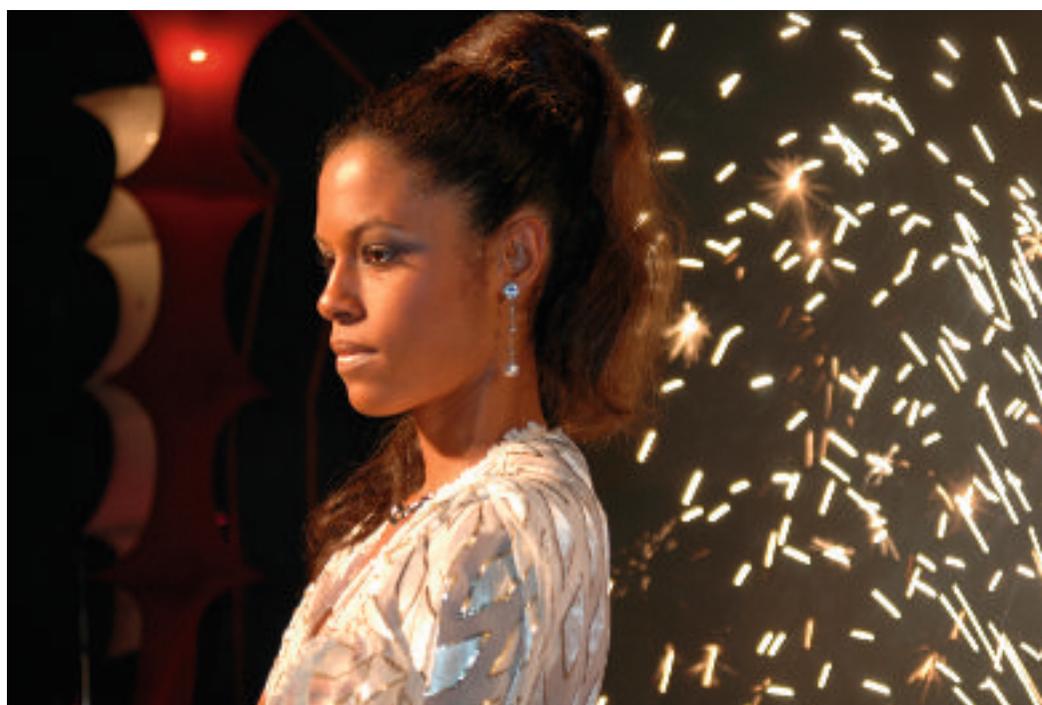
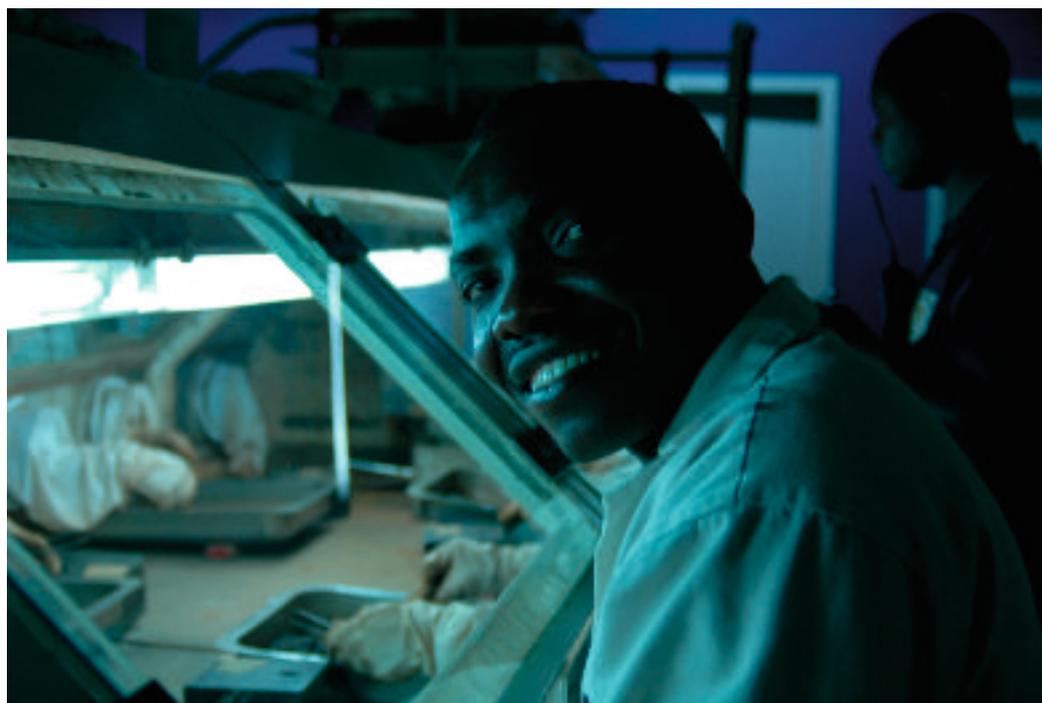
- African Minerals and Geosciences Council (AMGC);
- African Diamond Producers Association (ADPA);
- Great Lakes International Commission – Protocol Against the Illegal Exploitation of Natural Resources
- International Energy Forum (IFE);
- Organization of Petroleum Exporting Countries (OPEC);
- Organization of African Geological Surveys (OAGS);
- Organization of African Petroleum Producers (APPO);
- Tripartite Cooperation Mechanism: Angola, South Africa and RDC.

■ Main Sector Indicators

A) Mining Sub-Sector

1. Main Indicators

Main Indicators	Period				
	2013	2014	2015	2016	2017
Industrial Production of Diamonds (ct.)	7.922.811	7.856.835	8.145.809	8.662.587	8.973.680
Small-scale Production of Diamonds (ct.)	678.883	934.506	870.532	358.880	465.122
Total Production of Diamonds	8.601.694	8.791.341	9.016.341	9.021.467	9.438.802
Ornamental Rocks Production (m ³)				52.582	43.145
Industrial Export of Diamonds (ct.)					9.406.696
Small-scale Export of Diamonds (ct.)					388.988
Total Export of Diamonds (ct.)					9.795.685
Industrial Export of Diamonds (Thousand USD)					1.060.304,41
Small-scale Export of Diamonds (Thousand USD)					78.075,86
Total Diamonds Export (Mil USD)					1.138.380,26



1.1. 2018-2022 Forecast

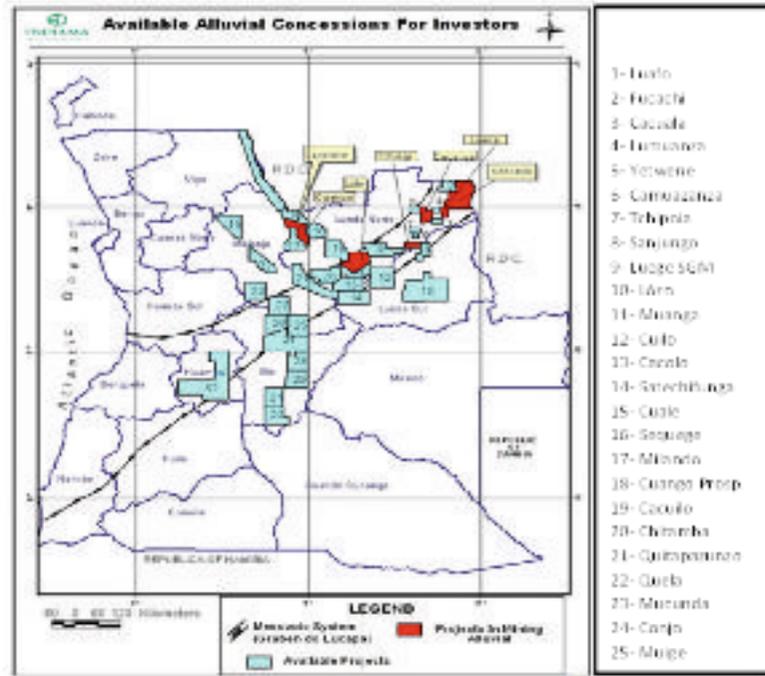
Indicators	2018	2019	2020	2021	2022
Diamond Production (Million ct.)	9,048	9,191	9,833	11,333	11,333
Gold Production (Million oz.)	4,719	8,981	9,059	25,086	25,60
Ornamental Rocks Production (Thousand m ³)	73,160	88,931	92,251	98,961	104,611
Phosphate Production (Thousand T.M.)		1.130	1.350	1.350	1.350
Limestone Production (Dolomitic) (Thousand m ³)	772,194	795,360	819,221	843,797	869,111
Production of Siliceous Sand (Thousand m ³)	12,467	12,841	13,226	13,623	14,032
Clay Production (Thousand m ³)	148,431	152,883	157,470	162,194	167,060
Iron Ore Production (Thousand T.M.)		451	1.802	1.807	1.790

2. Projects

2.1. Projects in Prospection and Exploitation Phase

Projects	Deadlines	
	Start	End
Phosphate Project in Cabinda (Cacata) Province	2018	
Phosphate Project in Zaire (Lucunga) Province		
Iron Project in Cerca		
Project in Mavoio-Tetelo	2009	
Integrated Iron Mining and Steelmaking Project in Cutato and Cuchi	2016	
Iron Mining and Steelmaking Project in Kassala Kitungo		
Gold Mining Project (Lombige, Kassala Kitungo area)	2018	
Non-ferrous Metals, elements of Rare Earths and Rare Metals and Precious Metals in Longonjo		
Iron Mining and Steelmaking Project (KASSINGA)		
Mining Manganese Project (Northern Cuanza/Malange)		
Gold Prospection Project in M'popo		
Gold Prospection Project in Chipindo	2013	
Project in Luaxe	Nov-18	
PLANAGEO Project	2013	2020
Sociedade Mineradora Project (Gold) in Lufo, Lda		
Tchegi- Aluvionar Project	Abr-14	
CAT E42	Jan-18	

3. Investment Opportunities in Angola's Diamond Industry



B) Oil and Gas Sub-Sector

4. Main Indicators

Indicators	2013	2014	2015	2016	2017
Crude Petroleum Reserve of Angola (Thousand Million Bbl: 3P) *	13,7	12,7	9,5	8,9	8,16
Crude Petroleum Production (Thousand Bbl)	626.176,60	610.160,50	649.528,60	630.113,20	595.811,12
LNG Production (BOE)	3.585.951,00	2.786.296,00		8.127.353,00	35.609.891,00
LPG Production - Cabinda Association (T.M.)	567.444,39	506.237,12	495.250,50	500.712,60	423.940,84
Refinery Derivatives Production of Lunada (T.M.)	2.118.966,00	2.161.686,00	2.491.688,00	2.561.663,00	2.473.434,00
Derivatives Production of Topping Plant of Malongo (T.M.)	204.168,00	205.065,00	193.057,00	195.388,00	182.406,00

*Proven and Probable Reserve

Indicators	2013	2014	2015	2016	2017
Lubricating Oils Production (T.M.)	14.880,80	11.522,30	11.005,80	10.835,40	8.146,10
Crude Petroleum Export (Bbl)	609.330,49	586.883,35	628.316,61	611.240,41	575.510,05
Crude Petroleum Export (USD)	65.611.115,48	56.353.387,28	31.393.669,84	25.577.533,08	31.064.915,92
Crude Petroleum Export Price (USD/Bbl)	107,68	96,02	49,96	41,85	53,98
Derivative Products Export of Natural Gas and Crude Petroleum (T.M.)	1.692.990,41	1.709.903,77	1.650.541,96	2.429.966,58	6.265.095,24
Derivative Products Export of Natural Gas and Crude Petroleum (Thousand USD)	1.298.294,94	1.226.618,38	535.459,09	713.777,28	2.241.401,26
Derivative Products Import of Crude Petroleum (T.M.)	4.465.635,33	4.760.284,40	4.631.061,74	3.546.304,36	3.149.247,20
Derivative Products Import of Crude Petroleum (Thousand USD)	4.662.482,14	4.713.085,98	2.915.200,79	1.621.237,16	1.715.200,23
Internal Sales of Derivative Products of Crude Petroleum (T.M.)	6.378.103,00	6.875.902,92	6.479.151,15	5.606.948,51	4.889.373,03
Internal Sales of Derivative Products of Crude Petroleum (Millions Akz)	463.989,90	467.391,48	647.886,32	875.197,73	782.853,42
Supply Stations in Operational Status	743	889	940	987	1.013
Installed Earth Storage Capacity (Thousand m ³)	393,22	358,34	358,51	363,51	363,51
Investments (Millions USD)	28.451	25.691	20.084	13.208,63	8.232,64**

**Provisional Data

4.1. 2018-2022 Forecast

Indicators	2018	2019	2020	2021	2022
Crude Petroleum Production (Millions of BOPD)	1,65	1,66	1,60	1,56	1,49
LNG Production (Millions BOEP)	148,13	168,87	171,86	110	98,1
Refinery Derivatives Production of Luanda (Thousand T.M.)	2.294	2.971	2.971	2.971	2.971
Supply Stations in Operational Status	1.091	1.105	1.114	1.123	1.132
Installed Earth Storage Capacity (Thousand m ³)	358,51	394,51	605,54	605,54	605,54

5. Projects

5.1. New Fields Development Projects

Project	Operators	Estimation	Location
		Start	
Kaombo	Total E&P	2018	Block 32 ultra-deep waters
UM8	ENI	2018	Block 15/06 deep waters
Ochingufu	ENI	2018	Block 15/06 deep waters
CLOV Phase 1	Total E&P	2019	Block 17 deep waters
CLOV F2	Total E&P	2020	Block 17 deep waters
Vandumbu	ENI	2019	Block 15/06 deep Waters
Zinia Phase 2	Total E&P	2021	Block 17 deep waters
Dalia Phase 3	Total E&P	2021	Block 17 deep waters
South Bavuca	ESSO	2021	Block 15 deep waters
Chissonga	Maersk Oil	2024	Block 16
Cameia	Sonangol	2025	Block 21/09 offshore pre-salt





5.2. Structural Projects of Master Storage Plan – PDA

(State of Play until 2nd Quarter of 2018)

Structuring Projects: Master Storage Plan	Objectives	Execution		Deadlines
		Physical	Financial	
1. Oceanic Terminal Construction in Barra do Dande	Construction of an Oceanic Terminal with a total capacity of 1,870,950 m ³ , with 641,500 m ³ during the first phase, in order to meet the current storage needs in land and the remaining by 2025. The Project includes the construction of a MOT (Marine Oil Terminal).	24,52%	16,26%	2 years
2. New Storage Site Construction in Lubango	Construction of the new Fuel Storage Installation in Lubango, in order to accommodate the Master Storage Plan, in addition to the operational reserve, part of the Government's safety reserve. With an initial projected capacity of 333,000 m ³ , it changed to 15,750 m ³ , after the Project's scope and layout's redefinition.	0,48%	0,0%	2 years
3. New Oceanic Terminal Construction in Soyo	Construction of the new Fuel Terminal, off Kwanda's base limits, with a total fuel storage capacity of 45,500 m ³ , which will support part of the production of the Angola LNG project.	31,10%	25,41%	2 years
4. Expansion and Reconstruction of ICM-Malanje	Reconstruction and Expansion of the fuel storage installation of Kinguila – Malanje, to accommodate according to the Master Storage Plan, in addition to the operational reserve and part of the State's safety reserve. With an initial projected capacity of 133,000 m ³ and infrastructures/administrative buildings.	26,20%	15,00%	12 months
5. Oceanic Terminal Expansion and Reconstruction in Namibe	Increase of the Oceanic Terminal's capacity in Namibe, in order to improve the supply of installations in the country's south region (Lubango and Cunene). The project includes the renovation of administrative buildings and operational support infrastructures.	0,0%	0%	12 months

Structuring Projects: Master Storage Plan	Objectives	Execution		Deadlines
		Physical	Financial	
6. Construction of New Relay in Dundo	Construction of the foundations for a Fuel Storage in Dundo City, in order to supply the Northern Lunda-North Province's market.	0,0%	0,0%	2 years
7. Construction of New Relay in Sarimo	Construction of the foundations for a Fuel Storage in Dundo City, in order to supply the Northern Lunda Province's market.	0,0%	0,0%	2 years
8. Expansion of the Relay's Capacity in Moxico	Increase in storage capacity of fuel installation in Moxico, to improve the country's eastern region supply. Construction of 4TKs, GA: 1,000 M ³ ; GO: 2,000 M ³ and KE: 2X250 M ³ . The facility has a potential railroad access of products (CFB) from Huambo or Lobito, and it will serve as refueling station for future Saurimo and Dundo facility.	0,0%	0,0%	12 months

5.3. Construction and Renovation of Supply Stations

(State of Play to the 1st quarter of 2018)

Supply Stations		
Province	Construction	
	Stations	Physical Execution
Benguela	PA BOCOIO	55%
	PA MERCADO	100%
Bié	PA CHINGUAR	70%
Cunene	PA CUVELAI	52%
Huambo	PA LONGONJO	54%
Quando Cubango	PA KUITO CUANAVALÉ	68%
Northern Cuanza	PA BOLONGONGO	72%
	PA PETRO CUANZA	98%
	PA QUIKULUNGO	72%
Southern Cuanza	PA KALELE	88%
Southern Lunda	PA SAURIMO II	69%
Luanda	PA CABOLONGO	100%
	PA ENTREPOSTO	74%

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Supply Stations		
Province	Construction	
	Stations	Physical Execution
	TERRA VERDE	92%
Malange	PA KINGUILA	59%
Namibe	PA BENTIABA	39%

5.4. Luanda Refinery Structural Projects

(State of Play to 2nd Quarter of 2018)

Project Description	Objective	Deadlines	
		Start	Completion
1. Modernization of fire network (2018 budget allocated to the installation – diesel pump P-397 S.I)	Current condition of pump, which is in state of degradation	2018	2018
2. Upgrade of asphalt unity (U-100)	Adapt the asphalt productive chain's system with 50/70 penetration, in order to ensure a continuous production throughout the year and therefore reduce the harmful gases emissions.	2018	2019
3. Medium and high voltage network automation	Ensure better reliability in the refinery's electric network, avoiding breakage in processing units.	2014	2018
4. Construction of a new building for laboratory and expeditions	Respect the Michaelis auditing company's recommendation regarding security audits, because the proximity between the buildings accommodating the laboratory's departments, of reception and expedition in relation to the LPG spheres, constitute a high risk in terms of safety.	2015	2019
5. General stop	To ensure the reliability and integrity of the refinery's equipment.		2018

Project Description	Objective	Deadlines	
		Start	Completion
6. Unity of gas recovery (U-550)	Eliminate the existing bottlenecks in the facility, to ensure the 65,000 barrels/day capacity is reached.	2015	2018
7. New medium tension boards installation	Ensure the reliability in the electric power control system of the oil port.	2015	2017
6,6 and 15KV in PT in oil port and the station in Bengo			
8. Pipeline substitution (roundabout of Boa Vista - IBV'S)	Ensure the integrity of the islands, operational and population safety.	2015	2019
9. To install the new kerosene treatment facility (Sweetening)	Ensure better kerosene quality and flexibility of the acid processing.	2018	2019
10. Increase in the capacity of the central water pumping in Bengo	Maximize the available waterflow for the refinery, from 150 m ³ /h to 400 m ³ /h.	2018	2019
11. Manufacture and install a new tanker at the oil port	Ensure better operational and personnel safety conditions for loading and unloading operations of refined products, including delivery of crude oil to the refinery, and, as a result, reduce the maintenance costs and eliminate the expenses with frequent repairs in the current tank.	2018	2019
12. Construction of the refrigeration tower base (civil construction work, electric interconnections, mechanics and instrumentation)	Build a settlement base to install the tower with a view and ensure the increase in capacity and efficiency in water refrigeration.	2017	2018
13. Improvement of the water supply system for the cafeteria	Ensure the supply of potable water to the main cafeteria from the EPAL conduct, in order to grant an alternative supply source.	2018	2018

Project Description	Objective	Deadlines	
		Start	Completion
14. Implement the mass balance management system	Elevate the reliability of refinery's mass balance to the best practices level. Create tank measurements and units flow.	2018	2019
15. Construction of a residual water and draining collector	Build a new collector and pluvial water inspection boxes and grease boxes that connect all storage tanks and unload directly to the hydrocarbon separator, consequently meeting an environmental compliance obligation.	2018	2018
16. Synchronization of energy and refinery systems	Ensure the synchronization between energy sources, whether from turbine GT-35 to CCRL or vice-versa, from the 15KV network, so that the maneuvers are done under the recommended electric safety standards.	2018	2018
17. Install the new gasoline production facility (platforming)	Ensure the increase of gasoline production	2018	2021

5.5. Refining

Regarding the refining strategy and regarding the guidelines of the Executive included in its Government Interim Program for the year 2018, various refineries construction proposals were analyzed.

- Angola's current refining situation was diagnosed, along with its demographic indicators, its macroeconomic environment and priority areas for the refineries construction;
- Clearance of the Aggregate Fuel Demand by type was done;
- Current state of Lobito's refinery was analyzed, as well as aspects related to the construction of a refinery in Cabinda and Namibe.
- The country's refining strategy was defined and elaborated in three axes:
 - Optimization and maximization of the Luanda refinery production (create conditions to increase gasoline production);
 - Resume the Lobito refinery construction;
 - Invest and/or take part in the construction of a refinery in Cabinda.

The ongoing implementation of phase 2 of the Activities Plan, which includes the following tasks:

- Qualification, notification of candidates and invitation for the clarification of proposals;
- Deepening of the technical, legal and financial due diligence;
- Analysis, evaluation and selection;
- Negotiation;
- Celebration of partnership agreements for future Investments.

6. Business Opportunities

Downstream	Upstream	Midstream
1. Services and equipment supply E&P; 2. Transports (terrestrial of petroleum derivatives, of resale of petroleum derivatives and resale of petroleum derivatives in the marine Market (bunkering); 3. Supply stations (constructions and exploration of conventional fuel supply stations; implementation and exploration of containerized supply stations); 4. Trading (of butane gas; trading of lubricants and similar products; of illuminating petroleum); 5. Installation and trading of piped gas in buildings.	1. Exploration and Production; 2. Utilization of Natural Gas (LNG); 3. Calibration of storage tanks and measuring instruments; 4. Inspection and supervision of petroleum or natural gas shipments; 5. Operation and management of terminals; 6. Inspection of supply and distribution facilities; 7. Geographical and geodesic surveys; 8. Geological control of survey; 9. Electricity and instrumentation; 10. Terminal maintenance and supply stations; Catering.	1. Calibration of storage tanks and measuring instruments; 2. Operation and management of terminals; 3. Inspection of supply and distribution facilities; 4. Geographical and geodesic surveys; 5. Electricity and instrumentation; 6. Terminal maintenance; Catering. 7. Petroleum transportation and its derivatives; 8. Trading of crude oil, natural gas and oil derivatives.

Pre-Salt

- The necessity to develop the Angolan Pre-Salt

■ Annex I

Legal Instruments Governing the Sector

Within the legislative area, the oil and gas sub-sector gave continuity to the revision of petroleum Legislation, in order to update and grant it with more legal instruments and adapt it to the socio-economic reality of the country. 8888

- **Law n° 10/04, of November 12th** (establishes the access rules and oil operations in available areas on the surface and submerged national territory...);
- **Decree n° /09, of January 27th** (defines and establishes the conditions and modalities to observe in oil operations);
- **Law n° 11/04, of November 12th** (customs procedure applicable to the oil sector);
- **Law n° 13/04, of December 24th** (law on taxation of petroleum activities);
- **Law n° 28/11, of September 1st** (about the refining of crude oil, transport, distribution and trading of petroleum products);
- **Executive Decree n° 79/15 of March 2nd** (approves the technical regulation of the project, the construction, technical exploitation and safety of fuel gas networks and distribution branches.
- **Executive Decree n° 80/15 of March 2nd** (approves the technical and safety regulation of the project, the construction, exploitation and maintenance of containers for the filling of liquefied petroleum gas – GPL bottles);
- **Executive Decree n° 81/15 of March 2nd** (approves the technical regulation over the safety of natural liquefied gas storage facilities in reservoirs with pressure);
- **Executive Decree n° 282/14 of September 22nd** (approves the technical regulation related to the project, the construction and the exploitation of supply stations);
- **Executive Decree n° 283/14 of September 22nd** (approves the technical regulation about the project, construction, exploitation and maintenance of the installations of liquefied petroleum gas storage – GPL, with capacity over 200 m3);
- **Executive Decree n° 82/15 of March 2nd** (approves the technical regulation of the project, the construction, installation, operation, maintenance, repairing and alteration of liquefied petroleum gas reservoirs – GPL);
- **Executive Decree n° 288/14 of September 25th** (approves the regulation on the specifications of petroleum products, marketable in Angola);
- **Decree-Law n° 17/09, of June 26th** (recruiting, integration, formation and development of oil industry personnel);

- **Executive Decree n° 45/10, of May 10th** (regulation on recruiting, integration, formation and development of oil industry personnel);
- **Executive Decree n° 46/10, of May 10th** (regulation on the formation and development fund of Angolan human resources in the oil sector).
- **Presidential Decree n° 86/18 of April 2nd** (establishes the rules and procedures of contests for the acquisition of quality of national concessionaire and for hiring goods and services in the oil sector – revokes all legislation that counters the present decree, namely the decree n° 48/06 of September 1st).
- **Presidential Legislative Decree n° 6/18 of May 18th** (defines the incentives and the procedure to adequate the contractual and fiscal terms with the qualified marginal areas, revoking the Presidential Legislative Decree n° 2/16, of June 13th).
- **Presidential Legislative Decree n° 5/18 of May 18th** (establishes the legal regime over the additional research activities in areas of petroleum concessions development areas, revoking the presidential decree n° 211/15 of December 2nd;
- **Presidential Legislative Decree n° 7/18 of May 18th** (establishes the legal and fiscal regime applicable to the activities of prospection, research, evaluation, development and natural gas production in Angola.
- **Presidential Decree n° 91/18 of April 10th** (establishes the rules and procedures of activities of abandonment of dismantling wells of petroleum and gas facilities on the territory;

For the mining sub-sector, it is priority to ensure the law enforcement and implementation of the mining code requirements.

- **Law 31/11** approves the mining code (regulates all geological and mining activities, namely geological instigation, discovery, characterization, evaluation, exploitation, trading, the use of mineral resources existing in soil, sub-soil, inland waters, territorial sea, continental platform, exclusive economic zone and other areas of territorial and maritime domain under the Republic of Angola's jurisdiction, as well as the access and the exercise of the rights and obligations related to it.
- **Presidential Decree n° 175/18 of July 27th** (approves the marketing policy of diamond).

■ Annex II

Required Contacts

MINISTRY OF MINERAL AND PETROLEUM RESOURCES

Av. 4 de Fevereiro n° 1279-C | Tel: +244 +222 421 307/308/309, Luanda-Angola

SONANGOL E.P.

Rua Rainha Ginga n° 29-31. Caixa Postal 1316. Luanda – Republic of Angola

Tel: (002442) 226642010. Fax: (002442) 332578, 396496

E-mail: secretariageral@sonangol.co.ao

NATIONAL PETROLEUM INSTITUTE

Km12, Estrada Sumbe- Porto Amboim. POBox n° 240. Sumbe. Tel/ Fax 236239008

GEOLOGICAL INSTITUTE OF ANGOLA

Largo António Jacinto | C. P. 1230 C, Luanda-Angola

Tel: +244 222 914 077 732/+244 914 077 751/+244 914 077 737 | E-mail: igeoan-gola@hotmail.com

ENDIAMA

Rua Major Kanhangulo | n° 100 Luanda-Angola C.P 1247

Tel: +244 222 391 608/+244 222 391 280 | E-mail: endiamainvest@gmail.com | www.endiama.co.ao

SODIAM

Rua Ranhia Ginga n 87.7 n° andar | Edifício Endiama/De Beers | CP.1072 Luanda-Angola

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AN OVERVIEW OF THE ANGOLAN OIL AND GAS INDUSTRY

BY JOSÉ DE OLIVEIRA, JOURNALIST
AND RESEARCHER FOR THE ENERGY SECTOR
OF THE CEIC / UCAN*

Angola's commercial oil production started in July 1956 onshore on the Kwanza Basin, and six years later the country became self sufficient in refined products through the Luanda refinery. The discovery of the Tobias field, south of the Kwanza river, followed by the first offshore discovery in Cabinda in 1966, led to the start of exports to international markets by Gulf Oil in 1968.

After Independence in 1975, the country was still at war and was the sixth oil producer in Africa with reserves estimated at one billion barrels, of which three quarters were in Cabinda. The country created the foundations to develop its oil industry potential, establishing the national oil company Sonangol, which was assigned the role of Concessionaire, and launched the Production Sharing Contracts (PSAs) to gain access to those reserves without having to invest, and

*. Scientific studies and research centre (CEIC) of the Catholic University of Angola (UCAN).



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attract international oil companies that were interested in the offshore of the Congo Basin, which was one of the most prolific basins globally.

In parallel, Sonangol acquired 51% of the producing areas in Cabinda (from Gulf Oil), Soyo and Kwanza (from Petrofina), becoming the biggest exporter of Angolan oil (equity and concessionaire oil) until today. The partitioning of the Angolan offshore in blocks of 4,000 Km² each, enabled the production to increase to 250,000 barrels per day (b/d) in 1986, and to 500,000b/d six years later.

Although the production increase in the 80s was mostly from the offshore shallow waters (less than 200m of water column), Sonangol, encouraged by around ten American and European companies, dedicated great attention to the preparation of exploration in deepwaters (up to 1,500m of water column), commissioning studies that showed the great oil and gas potential, and adapted its PSAs to higher risk and bigger investments, with the introduction of the internal rate of return (IRR) and the extension of the exploration and development periods

BY OCTOBER 2004, MOST OF THE COUNTRY'S OIL PRODUCTION WAS ALREADY COMING FROM DEEPWATER FIELDS, WHICH IS STILL THE CASE TODAY AND WILL LIKELY REMAIN THE CASE IN THE FUTURE

The various discoveries in the deepwater blocks 14, 15, 17 and 18, allowed the production to grow past 1,000,000b/d in August 2004 and 1,500,000b/d in January 2007. By October 2004, most of the country's oil production was already coming from deepwater fields, which is still the case today and will likely remain the case in mid-term with in the future.

Today, around 82% of Angola's oil production of 1.5 million barrels per day comes from deepwater, which has higher exploration and development costs than the marginal barrel, which is the Shale Oil. Angola and Brazil are highly dependent on the oil price, as opposed to the U.S. and Nigeria, which have a large onshore production and depend less on their deepwater production from the Gulf of Mexico or the Niger Basin.

The increase in the produced associated gas resulted in the development of the Angola LNG by Sonangol and former Texaco in the late 90s, with a capacity of 5 million tons/year. The development project only started in 2007 through a partnership with the main operating companies present in Angola (except ExxonMobil) with the exports of the LNG, condensates and propane starting in 2013. The liquefaction plant monetizes the gas and provides butane for our internal market, as the production from the Sanha field in block 0 is insufficient to cover the more than 300,000 tones/year consumed by the Angolan market today.

At the turn of the millennium, the exploration success of the Brazil's pre-salt, attracted some of the major international oil companies (IOCs) to the deepwaters of the Kwanza basin. After a sizable exploration investment, more gas was

discovered, which seems to be the dominant hydrocarbon in this basin, driving the country to create a gas master plan to use the gas already discovered (around 10Tcfs) and to be discovered, to produce fertilizers, basic petrochemicals or electricity generation.

The recent changes to the economic and financial conditions of the production sharing agreements (PSAs) aimed at developing marginal fields, promoting exploration and development of natural gas, and exploring existing development areas with old discoveries, should improve the economics of future projects. They present an opportunity for the companies already operating in the country and could improve Angola's reserves to production ratio, which at the current production rate is around 15 years.

In May 2018 Sonangol announced their intention to sell some of their participations in various offshore blocks, some of them already in production. This could attract more foreign oil companies to Angola. The same could be said about service companies, as the oil price has firmly sat above the 60-dollar mark and the exploration and development activity picks up, including the natural gas fields to feed the Angola LNG. Also, in the cards for the near future are the possibility of international tenders for new shallow and deepwater blocks.

Luanda 8 de Julho de 2018

BANCO NACIONAL DE ANGOLA (BNA)

AUGUST 2018

Banco Nacional de Angola (BNA), the Central Bank of Angola's, first and foremost objective is price stability. It also focuses its actions on strengthening supervision of banks and improving the regulatory framework for the banking sector.

To further ensure economic stability, since October 2017, Banco Nacional de Angola has pursued additional monetary and foreign exchange reforms. The conduct of monetary policy has been simplified by replacing some instruments for others more in line with the current environment, such as adopting the monetary base as the operational variable to further enhance the mechanism of transmission to price stability.

Starting in January 2018, the peg to the dollar has been abandoned. The Kwanza is now floating against every currency traded in the local market and being semi-pegged to the Euro. The new exchange rate regime is now characterized as a managed floating regime. Its implementation has achieved a continuous reduction of the foreign exchange rate gap between the formal and informal market from 150% in January to 45% in July 2018. The Central Bank objective is to lower the gap to 20% by the end of this year. The new exchange rate regime has allowed more efficiency in the allocation of scarce international reserves.

The policies implemented in 2017 combined with the increase in foreign exchange sales (due to the recovery in oil prices) caused the inflation rate to recede, ending 2017 at 26.3% from 42% in 2016. The inflation rate, as of June 2018 is 19%. The Government's goal for 2018 is an inflation rate of 23% at year's end, caused by the effects of depreciation of the Kwanza and expected adjustments in domestic fuel prices and utility tariffs. Thus, in order to achieve this goal, the Government and BNA are expected to continue coordinating their policies (fiscal and monetary) to preserve the level of foreign reserves consistent with its growth objectives.

Current priorities in the banking sector are the improvement of competition in the sector, making banking products and services more accessible to a wider proportion of Angola's population and business, increasing the lending segment of the banking sector and improving the regulatory framework for the banking sector. Banco Nacional de Angola acts as the supervisory authority in the Angolan banking sector.

Angola has taken significant steps to improve its banking regulations to bring them in line with internationally acceptable practices of banking regulation and supervision. Angola enacted several important pieces of banking legislation

and has introduced regulations based on the principles of Basel II and Basel III. Additionally, the BNA has implemented a project to adopt the International Standards for Financial Reporting Standards. By the end of 2017 all banks operating in Angola had adopted the International Financial Reporting Standards.

The banking system comprises 29 banks, of which three are state-owned, five are subsidiaries of foreign entities and the remainder are privately-owned Angolan banks. In addition, there is a development bank, the Banco de Desenvolvimento de Angola (BDA), which has as its main task to subsidize lending to the private sector.

The banking sector has high levels of concentration, with six major banks: Banco Angolano de Investimentos (BAI), Banco do Fomento Angola (BFA), Banco de Poupança e Crédito (BPC), Banco Internacional de Crédito (BIC), Banco Económico (BE) and Banco Millennium Atlântico (ATL); comprising 78.5% of deposits and 79.0% of loans in June 2018.

THE BANKING SYSTEM IS
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OWNED ANGOLAN BANKS.

To keep on improving the financial system, the Comissão de Mercado de Capitais (CMC) was created to oversee the development of Angola's capital markets, and the Angolan stock exchange, or Bolsa

de Dívida e Valores de Angola (BODIVA). BODIVA has a management board which is responsible for ensuring the transparency, efficiency and security of transactions, encouraging the participation of small investors and competition between operators.

The outlook for the next years is promising. Economic growth is expected to be driven by an economic diversification program, supported by a stable macroeconomic environment. A more efficient foreign exchange allocation system by the BNA and additional foreign exchange availability due to higher oil prices, increased natural gas production approaching capacity levels, and improving business sentiment will help to unleash economic growth.

INSURANCE INDUSTRY

I N A N G O L A

The Republic of Angola faces a difficult and challenging economic and financial situation as a result of having an economy heavily reliant on the export of a single product, oil, whose price the country does not control and which suffered a steep decline the last two years on the international market.

On the other hand, the Angolan economy continues to depend on the importation of equipment and final and intermediate consumer goods, which adds great pressure on the balance of payments, much weakened by the fall in its export earnings.

Despite the adverse economic and financial situation, the insurance and pension funds sector continues to grow strongly, reflecting the confidence private investors have in the potential of the Angolan economy and financial system.

In fact, the insurance and pension funds sector currently has 25 insurance operating companies, one state owned, and 24 by private investors; and 33 pension funds, managed by three insurance companies, and five by pension fund managers.

The assets invested in 2016 by the insurance companies were over USD \$ 500 million, whereas the assets invested by the pension funds amounted to approximately USD \$ 640 million.

Despite its strong growth, the insurance sector still has a lot of room to grow, as the insurance penetration rate, calculated by the volume of premiums on GDP, is lower than the average penetration rate in Africa, around 3%.

In order to reach, and eventually surpass the average penetration of insurance rate in Africa, it is imperative that the Angolan economy resume the robust growth of the recent years. This implies higher corporate and household incomes and, consequently, higher insurance premiums, whether in the life or non-life branches.

On the other hand, campaigns to clarify the economic and social importance of insurance and pension funds must continue. They alert society to the need to protect the properties and personal assets of families and companies, subject to risks ever more sophisticated.

Finally, the process of modernizing the insurance and pension funds regulatory framework must be pursued, incorporating the international principles advocated by IAIS (*the International Association of Insurance Supervisors*) and IOPS (*the International Organization of Pension Supervisors*).

The ongoing actions in the insurance and pension funds sector, which include the creation of the national reinsurer, ANGO RE, the institutionalization of agricultural insurance and high competition sports insurance, aim to make the sector sustainable. On the other hand, strengthening prudential and behavioral supervision focuses on making the sector competent and competitive. The steps that the regulator of the sector, ARSEG – Angolan Agency for Regulation and Supervision of Insurance – has taken to comply with the guideline of the FATF – International Financial Action Task Force on Money Laundering, should be noted.

The pension funds insurance sector in Angola offers excellent investment opportunities for all private investors, who desire to contribute with their capital, know-how and technology, to the modernization of the Angolan financial system, an essential tool for the growth of the economy.

Aguinaldo Jaime – Chairman of the Board of Directors of the Angolan Agency for Regulation and Supervision of Insurance (ARSEG)



INDUSTRIAL BEVERAGE SECTOR

■ A Vibrant Business with Huge Growth Potential

Angola is a country of challenges, a giant market and a rapidly developing society, in need of entrepreneurship in various sectors with a spirit of dedication, strategic vision and investment.

On the path of the diversification of the national economy, there is a sector that has long invested and created a solid structure to go beyond borders: the *Industrial Beverage sector*. The beverage sector continues to this day to be one of the most advanced in Angola in terms of business network and production capacity. Leading companies have a nationwide presence and distribution capability. They operate under strict international quality standards.

This sector contributes actively to the country's social and economic development, with a considerable impact on the national market, with 40 beverage manufacturers operating in the beer, soft drink (carbonated), juices and nectars (uncarbonated), table water, wine and spirits markets.

■ Job Creation

The sector employs about 13,600 people, and it is estimated that it manages some 42,000 indirect jobs. The development of adjacent sectors led to the reduction of foreign exchange consumption and an even balance of trade. The utilization of the installed capacity of the industry ensures not only the satisfaction of national demand, but also contributes to the improvement of export performance, which in 2017 reached 0.6 million liters, entailing the creation of local skills and improvement of living conditions for the population.

The Angolan beverage industry contributes 4% to the Gross Domestic Product (GDP), according to the National Institute of Statistics (INE). Before the independence, the share of this sector reached 20%. In countries where industrialization functions as a support for economic diversification processes, their relative weight is 25%, a target value that the Association of Beverage Industries of Angola (AIBA) wants to achieve in the short and medium term, considering that installed capacity is about 70% higher than the total consumption.

THE SECTOR EMPLOYS
ABOUT 13,600 PEOPLE,
AND IT IS ESTIMATED
THAT IT MANAGES SOME
42,000 INDIRECT JOBS

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The national beverage industry is in a position to become the second engine of the Angolan economy, following the oil sector. The development goes through, among other steps, local production of raw materials and subsidiaries, since there is a whole scope of combinations and specifications that most people cannot imagine: sugar production, grits (corn), fruit pulp, pallets, cans, preforms of PET bottle; caps, corks, labels, boxes of cartons; the inks for the labels and cans, among other things.

The needs of the market, currently three billion liters per year, with an installed capacity of 4,580 million liters per year, fulfilling the domestic market and exports, become a source of national income, with a tendency to increase, the result of maintaining a strategic vision for the sector, with exports in sight. In the beverage sector, Angola satisfies the national market and has the capacity to export. It is a matter of national pride.

The Angolan market is a demanding market, mature and above all a reflection of modern Angola. The sector expects investors, national or foreign, to look at this economy and analyze its numbers and especially its needs, and invest in it because it is worth it. The economy needs committed investors, and those who invest will surely have returns. *Investors who win are synonymous with higher tax revenues. The more jobs, the stronger and healthier the economy. Everyone wins: the country, the entrepreneurs, but above all the consumers.*

The competition for attracting foreign investment within the SADC further justifies the effort. The countries of the region that do not meet satisfactory conditions for industrial location may end up marginalized. Angola is very well positioned at various levels to be not only an export hub within the SADC, but also with right conditions to export to Europe, the result of privileged channels – political and cultural ties – as for example with Portugal.

Regarding the raw material, the sector envisions a phased national production “cluster,” in order to reduce its dependence on foreign markets. Regarding customs duty, far from protectionism, AIBA only seeks to value what is good for the country, without facilitating the importation that places products at the same level as those of national values. The improvement in the image of the packaging industry, the increase in communication with the consumer, and the technological development in terms of waste treatment are some of the opportunities yet to be explored.

In Angola, the potential of the circular economy in the packaging and beverage sectors, exposing some of the main opportunities and challenges in the beverage production sector, makes the development of the nutrient market one of the main opportunities, and this despite some challenges, namely demographic dispersion.

Manuel Victoriano Sumbula
President of the Association of Beverage Industries of Angola (AIBA)

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BACK TO AGRICULTURE

Angola is one of the countries with the greatest potential for development on the African continent, including the development of a modern and competitive agriculture, favored by its climate conditions, soil, water and biological resources, geographical location and sources of electricity, associated with tradition, and the ability of its populations to adapt to a market-oriented agriculture, among others. A vast number of constraints, however, still prevents this potential from blossoming.

Before the post-independence armed conflict (1975), the country was self-sufficient in most foods except wheat, but still was a major exporter of coffee and corn, as well as bananas, sugar, palm oil, beans and cassava. The 27-year civil war, which forced a part of the rural population to urban areas interrupted its agricultural production. The poor state of the roads, the dismantlement of rural commerce, and the threat of the mines lessened the importance of agriculture in the country's economy, which instead favored until the mid-1970s an agriculture increasingly market-oriented. Near subsistence made the country heavily dependent on imports and the oil sector.

Angola benefits from a rich and diverse natural heritage, with agro-ecological regions ranging from the Maiombe forest (the most important forest in the world, shared with neighboring countries, after the Amazon) in the northern part, to the Namibe (a part of the Kalahari of Namibia) to the south, passing through other forest formations and savannas, with plateaus and coastal

ANGOLA BENEFITS FROM A RICH AND DIVERSE NATURAL HERITAGE

zones, and water resources that place Angola in a privileged position in the African continent, particularly from the hydroelectric potential standpoint; and climate and soil conditions that provide, assuming corrective measures are implemented, a high and varied potential of animal farming production.

With a potential agricultural area of some 58 million hectares, according to the FAO, of which more than 10% is covered by forest, the country currently uses just over five million hectares for agriculture. The seven main food crops occupy more than 95% of this area: corn (37%), cassava (24%), beans (17%), peanuts (7%), sorghum (4%) and potato (2.5%). Coffee, fundamentally Robust but also Arabica (the country became the third largest producer in the world), represents only 0.6% of this area.

With about 73% of the area of the territory above 1000 meters, Angola has not only good conditions for rice, soybean, cotton, sugar cane, sunflower, palmar,

and tropical fruits, but also in subtropical and temperate zones for olive trees, grapes, strawberries, apples, and pears among others. Likewise, the potential of livestock production is diverse, with an emphasis on beef and dairy cattle, goats, sheep and poultry.

THE AREA UNDER CULTIVATION IS SPREAD AMONG FAMILY FARMS (MORE THAN 95%)

The area under cultivation is spread among family farms (more than 95%) and business-type holdings farms. The former have a predominant part in the agricultural production: more than 95% of roots and tubers, legumes, oilseeds and fruits; 74% of cereals and 41% of vegetables. Yet, this dualistic view is not static. It is believed that in the medium term a sort of "middle class" still-in-training farmers will bring another momentum to Angolan agriculture.

Though for the African continent, the production of main crops remains low in medium terms, it can constitute an excellent opportunity for private investment within a certain perspective, mainly the provision of extension services and technical assistance, and seeds and quality vegetative material, fertilizers and phytosanitary products and vaccines.

The war markedly affected livestock production, and herds once almost decimated are currently undergoing an expansion.

Angola is currently self-sufficient in cassava, sweet potatoes, sorghum, bananas and goatmeat. In all other important food groups, the country is deficient and has to import three-million dollars of food per year.









Access to land has limited investment in agriculture. The current political and economic environment in Angola suggests a greater availability of land for agricultural purposes with the goal to attract investment in order to increase the production of commodities from agro-livestock origins.

In short, the points below underscore **the strengths** of the agricultural activity of the country and **the opportunities** that it offers:

- Abundance of agricultural land;
- The potential of a family agriculture must be progressively linked to the market and should be framed as an important component of agrobusiness;
- Emergence of a private business sector with a mindset open to technological innovations;
- Abundance of water resources, allowing an estimated irrigable area of about three million hectares with reasonable costs, approved by the national irrigation plan (PLANIRRIGA);
- Presence of young workforce;
- Significant increase in middle and higher level agrarian schools in the last 15 years;
- Potential increase in domestic demand for agricultural products;
- Political stability and social cohesion;
- Regional integration of Angola in SADC;
- Neighboring countries as potential markets;
- Openness to foreign investment and progressive improvement of the business environment;
- Presence of key players in international agricultural finance, such as the World Bank, the European Union, the African Development Bank, the International Agrarian Development Fund, with a current financing project portfolio of about US \$ 300 million;
- Recent rehabilitation of transport infrastructures (roads and railways).

Whatever **the constraints**, however, they must be perceived as business opportunities:

- Weak knowledge of the most productive agricultural techniques;
- Poor level of institutional development and human capital;
- Poor training and under-utilization of technical staff;
- Reduced marketing capacity and production outflow;
- Scarce financial means for the effective exploitation of resources;
- Weak planning and management ability of agricultural entrepreneurs;
- Poor service supply of factors of production;
- Lack of credible statistical information;

- Technical assistance and scientific research;
- Low productivity of land and labor.

Angolan agriculture is experiencing a difficult time, but it is also like a blank slate where everything can be written, namely, much can be done, including the transformation of various limitations into business opportunities.

Fernando Pacheco
Agronomist and Independent Consultant



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TOURISM IN ANGOLA

A LAND OF OPPORTUNITIES

Angola is a country with a total area of about 1,246,700 km, with 1,600 km of coastline. Its beautiful beaches, imposing plateaus, diverse culture, abundant fauna and flora, vast rivers, and hospitable people offer business opportunities in tourism.

With the end of the armed conflict, which lasted 27 years and left most of the existing infrastructures destroyed, the country initiated its reconstruction process.

Angola offers many opportunities, thanks to its territorial and coastal dimension, climatic diversity, scenery, and biodiversity. It remains still undiscovered by the international community for having been closed to the world for decades.

The tourism development strategy in Angola is based on priorities, regions and poles of tourism development. The training of the sector focuses on the integrated and phased development of six strategic axes, namely: issuing markets,



TOURISM PRESENTS
ITSELF AS A PRIVILEGED
SECTOR FOR THE
REDUCTION OF POVERTY
AND INCREASED GROWTH
OF THE COUNTRY

accessibility, supply enrichment, services and skills, promotion and distribution, and urban and environmental quality.

The great impetus to the post-war tourism sector began in 2010 with the ANC (African Nations Cup) in Angola, resulting in the improvement of tourism. The process of national reconstruction brought visitors to the country, mainly for family and business reasons, and tourism experienced a gradual growth.

Tourism presents itself as a privileged sector for the reduction of poverty and increased growth of the country, with a view to achieving the goals for the millennium, while considering its cross-cutting nature and impact on all sectors of the economy. The sector helps to contain the rural exodus. It is decisive in the



social inclusion and development. It reinforces the citizenship, the national identity and the image of the country.

Angola has been experiencing an economic and financial crisis since 2014, as a consequence of the drop of the price of oil in the international market. The crisis has awakened government, political and business leaders to the need to diversify the economy through other potential resources such as tourism.

In view of the burden driven by the international market and the need to guarantee the economic development of Angola, the tourism industry was one of the sectors selected for the diversification of the economy, as the result of the potential of the country and the continuous growth of the world tourism industry.

On the international scene, Angola is positioned as the second oil producing country in sub-Saharan Africa. The economy depended primarily on oil tax revenues. But the country has other potential assets: arable land for agriculture, water resources in abundance, fauna and flora diversity, mineral resources, and more. The tourism industry and other prospects can help boost the national economy and consequently raise more revenues contributing to the GDP.

The concept of tourism has evolved over time. The model of mass tourism that has been in force since the 1950s, based on the three S (Sun, Sea, Sandy) is outdated and unsustainable. Nowadays, the new model is based on the three L (Landscape, Leisure, Learning), which implies a significant shift in the behavior of tourists and in tourism strategies. Tourism started to be more related to nature, adventure, novelty and creativity. This entire process contributes to the emergence of a new profile of tourists, with greater sensitivity to local cultures, the environment, the search for unique experiences and self-fulfillment, and health and well-being, resulting from people's lifestyle changes.

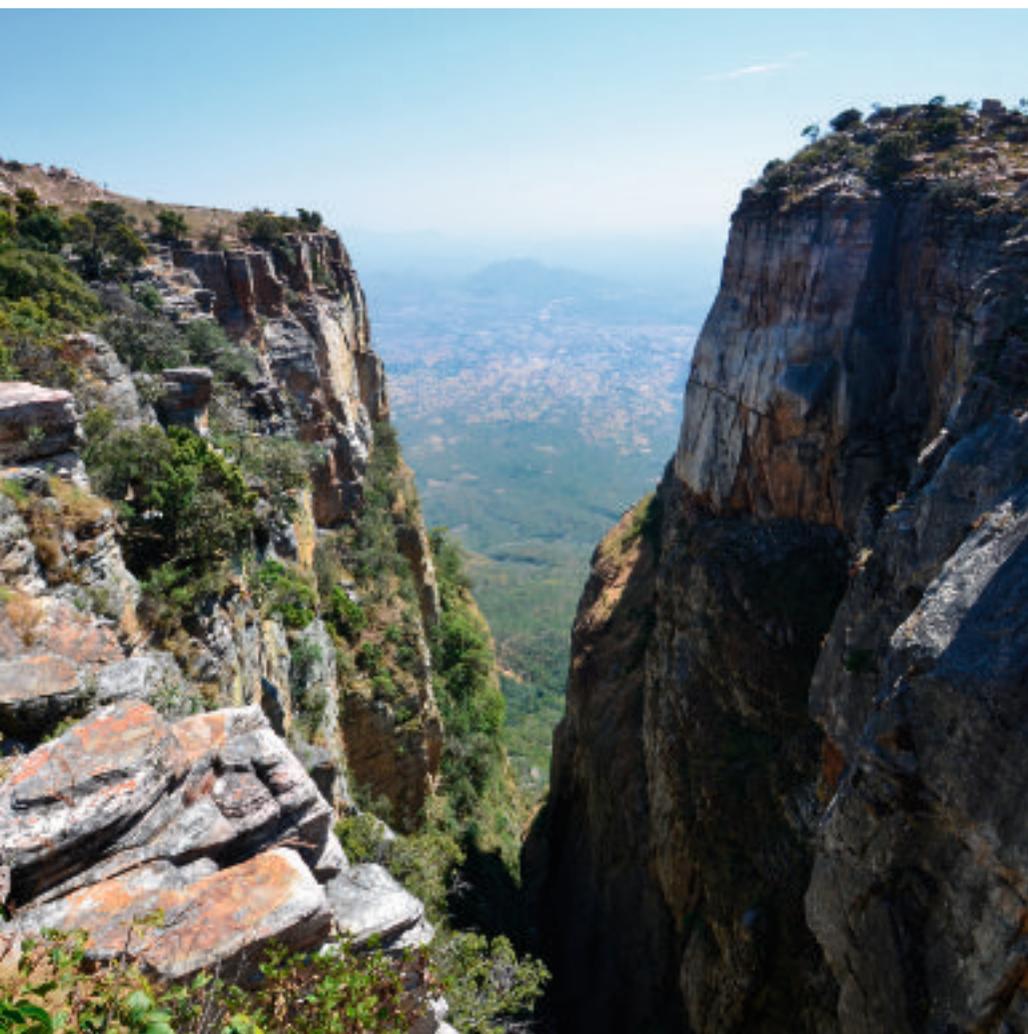
Angola is betting on the sustainability of tourism, which includes the preservation of nature, fauna, flora, protection of cultural identity, and other natural resources, because there is still time to avoid the mistakes other countries made when the economic factor overlapped all others, leading to a deterioration of its resources, the result of short and medium-term strategies. The country has a strong cultural heritage, historical and natural reserve, welcoming people, a diverse flora and fauna, a privileged location, a vast territory and coast, all of which are assets to boost the development of tourism in the medium and long term. Hence, the need to qualify the tourist offer with increasing quality and diversity, making it more competitive.

Angola has been making efforts to create a normative framework adequate to the development of the tourism sector, today considered of great economic importance. However, despite this worthy effort, areas where regulation is deemed necessary still remain. Otherwise, the objectives of the National Tourism Plan and the great options that the Angolan Government have defined will be called into question.

Angola has the capacity to become a new tourist destination in the 21st century, but to do so it must invest heavily in overcoming the supply gap at various levels (labor, legal framework, inventory and characterization of tourist assets, efficient means of work and creation of an integrated vision of tourism), since it has potential for its development.

When in 2018 the government eased the process of granting tourist visas, since tourism is mobility, one of the biggest constraints that the sector confronted was eliminated.

Sónia Maria Nunes Cunha
Hotel Manager
Operations Director, AKI, Hotels & Resorts



THE OKAVANGO-ZAMBEZI WATER TOWER

ANGOLA'S HIDDEN TREASURE

Freshwater is one of Africa's greatest natural resources. It is the key element that shapes its landscapes and sustains its iconic biodiversity, obeying no human-imposed boundaries. The Okavango River Basin, shared by Angola, Namibia and Botswana, is the continent's fourth longest river system, creating in Botswana the world's second largest inland delta, the "Jewel of the Kalahari", the Okavango Delta. This magnificent watershed, one of the largest undeveloped basins in the world, is known for its wilderness in the Namibian and Botswana sections, attracting millions of visitors annually, and supporting a well sought-after tourism industry with great benefits to these countries' economies.



*The Okavango Basin, 72.000 km² spread throughout three countries.
Source: Okavango Wilderness Project.*

However, until very recently, no baseline information existed on the ecological condition and economic potential of the sources of this system, in the highlands of Angola. It is safe to say that this is the most important part of the whole basin in terms of system stability and dynamics, directly supporting one million people throughout the system as well as the largest population of African elephants in the world, in its Delta. Approximately 96% of the water that feeds the system downstream originates in Angola, 55% through the rocky Cubango river and 45% through the boggy Cuito river, both playing different roles in supporting the watershed as a whole.

In 2015, the Okavango Wilderness project, led by the Wild Bird Trust, assembled a team of interdisciplinary individuals of different nationalities, including Angolan, Namibian and Motswana, to explore the remote river sources in Angolan that feed the Okavango. The first expedition, carried through 121 days in dugout canoes, was conducted from the source of the Cuito river, in the highlands of eastern Angola, all the way to the end of the Okavango watershed, in Lake Xau in Botswana, "From source to sand". The main objective was to obtain baseline data from the unexplored parts of the system, identify the ecological and economic potential of the source areas and enable scientific insights to help inform strategies to better protect these essential waterways.



The project has managed to compile some of the most comprehensive biodiversity, ecological and socioeconomic information representative of this region. Through the ten surveys conducted to date in that region, around 24 potentially new species are being described, exposing the scientific value of such exploration. Not to mention the 38 new records of previously unknown species for the country, as well as the existence of iconic keystone predators like lions, cheetahs and leopards, even signs of elephants. Wilderness that matches the reputation of its counterparts downstream, but that is in much greater danger.



The area where the source of the Cuito river is located, in Moxico, Angola, presents high biodiversity and endemism, with new populations never before known to exist in the region (wild dogs, top left); extensive bird life (wood-land kingfisher, top right); potentially new species to science (orchid, bottom left) and key iconic predators caught on camera traps (leopard, bottom right). Source: Okavango Wilderness Project.

Furthermore, 16 source lakes were identified and described in what is now being called *Lisima Lya Mwona*, the Source of life, the Okavango-Zambezi Water Tower. A “water tower” is an elevated, forested, high-rainfall river catchment with very high water storage capacity (e.g., lakes and peatlands), more than 700km away from the major rivers it sustains. This water tower in the south-eastern Angola represents long-term resilience to the impacts of climate change for the great ephemeral rivers of northern Botswana, Zambia and Zimbabwe – the Okavango, Kwando, Chobe and Zambezi – that support arguably the most important wildlife populations on Earth. The water tower and these near-pristine river basins in Angola are the lifeline and the primary water supply for the world’s largest trans-frontier conservation area, the Kavango-Zambezi Transfrontier Conservation Area (KAZA-TFCA), reliably releasing trillions of liters of water into downstream rivers.



These source lakes are associated with a vast Miombo forest, believed to be the largest intact Miombo forest of sub-Saharan Africa. Miombo woodland covers about 2.7 million square kilometers of the African continent and is one of the

MIOMBO WOODLAND COVERS ABOUT 2.7 MILLION SQUARE KILOMETERS OF THE AFRICAN CONTINENT AND IS ONE OF THE MOST IMPORTANT ECOSYSTEMS FOR SUPPORTING WILDLIFE AND PLANT BIODIVERSITY

most important ecosystems for supporting wildlife and plant biodiversity as well as the extensive human communities that depend on its natural resources for fuel and sustenance. About 25% of Africa's miombo woodland is found in Angola, with a large portion of this concentrated in the Okavango watershed. These woodlands are integral to the river system itself, regulating the water flow and reducing erosion. It functions as the lungs of the system, capturing the high intensity rainfalls that are typical of the area and directing it into the source lakes, instead of having it lost in the deep sandy soils below. The water is then accumulated in the immense peat bogs of

the system, holding up to 25 times more water than its dry weight and working as a gigantic sponge that releases water slowly into the system and maintains its levels even in periods of low rainfall, providing the much-needed resilience for climate change.

The miombo forest and peat bogs around the source lake of the Cuito river (left), maintain the water of the system crystal clear. Source: Okavango Wilderness Project.

Being kept untouched for decades due to civil war, *Lisima Lya Mwono* still holds its pristine essence, a trait with great intrinsic conservation and tourism potential. The landscape composed of the vast forest, the deep sand filtered clear lakes associated with the peat bogs the rich biodiversity and high endemism, as well as iconic mammal and bird species, compose a package of its own, unlike anything else seen in the country, and in the region. Associated with the low agriculture potential due to poor sandy soils, low fish stocks, no minerals of economic importance proven to exist and low population density and development rate, this package can be the core to establish ecotourism, with great potential to foment the local, national and regional economy through the sustainable management of the system as a whole. The true value of the region lies in the preservation of the existing biodiversity and natural resources.

However, due to increased access to the area, there is mounting pressure from development that could have irreversible impact. Impact on the landscape, through forest degradation and uncontrolled burning, have already led to signs of increased erosion and the subsequent closing off of some of the smaller tributaries. As a result, legal protection of the source lakes is urgently needed to preserve Angola's



TO ESTABLISH PROTECTED AREAS ACROSS 15% OF ITS TERRESTRIAL SURFACE BY 2020

biodiversity treasures and secure freshwater resources for future generations, while simultaneously serving to achieve the Angolan government's commitments to establish protected areas across 15% of its terrestrial surface by 2020 (Convention on Biological Diversity, 2011) and contribute to the Angolan Protected Area Expansion Strategy (2011), by creating one of the largest protected areas in sub-Saharan Africa.

This proposed protected area would preserve critical waterways and important migration corridors that reach across international borders.

Creating a protected area in Lisima Lya Mwono will potentially result in the largest protected area in sub-Saharan Africa, an inveiglement to ecotourism as a sustainable conservation approach, with benefits to the country's economy.
Photo by Kostadin Luchansky.





The rich biodiversity and identification of potentially new and rare species highlights the area's ecotourism potential. In 2014, travel and tourism contributed 8.5% to Botswana's GDP and accounted for 10.1% of total employment in the country. Angola now has a unique opportunity to establish a world-class adventure, travel and safari industry within the Cuito and Cuando river catchments to replicate such success. Responsible ecotourism has the potential to not only fund protected area operations, but also to increase the quality of life for the neighboring communities through direct employment, the introduction of infrastructure and basic services and entrepreneurial enterprises.

IN 2014, TRAVEL AND
TOURISM CONTRIBUTED
8.5% TO BOTSWANA'S GDP
AND ACCOUNTED FOR 10.1%
OF TOTAL EMPLOYMENT
IN THE COUNTRY

To preserve the long-term health of the Okavango watershed, it is essential that the communities living along these source lakes and rivers have access to sustainable livelihoods, alternatives to charcoal, slash and burn agriculture, bark-ringing for beehives and extensive hunting for bushmeat. Communities living within the Okavango watershed have maintained a lifestyle that is intertwined with the rivers and the ecosystem they support. The creation of a protected area offers potential opportunities for employment and training for local villagers either through direct



IN ADDITION, THE TEAM IS EXPLORING
LONG-TERM, SUSTAINABLE MANAGEMENT
OF FUTURE PROTECTED AREAS BY FACILITATING
PARTNERSHIPS BETWEEN GOVERNMENTS,
NON-GOVERNMENTAL ORGANIZATIONS (NGOS)
AND LOCAL COMMUNITIES. THE NGOWP
IS WORKING IN COLLABORATION WITH
THE GOVERNMENTS OF ANGOLA, NAMIBIA
AND BOTSWANA TO ADDRESS KEY TARGETS
OF THE NATIONAL ACTION PLAN
FOR THE SUSTAINABLE MANAGEMENT
OF THE CUBANGO/OKAVANGO RIVER BASIN
(OKACOM, 2011)



management and operational positions or through future development of ecotourism and entrepreneurial ventures. Such options would preserve local knowledge and traditional practices while conserving the area's natural resources and fueling the tourism industry, thus contributing to the country's economy.

Development of ecotourism in the Okavango-Zambezi Water tower is the only sustainable approach to development, providing locals with alternatives to bushmeat and slash and burn agriculture to improve their livelihoods and contribute to the eradication of poverty in the country.

Finally, the important ecological role of the watershed on the local and international scale could provide additional benefits. Both the Miombo woodland and peat bogs found throughout the landscape help sequester carbon and offset the effects of climate change. The source lakes and the Cuito/Cuanavale water system are critical to maintaining the waterways essential to the region's development. With the growing shift to a global market that places economic worth on such ecological services, the greatest value of this important watershed depends on its long-term preservation.

BIODIVERSITY AT THE SERVICE OF SUSTAINABLE DEVELOPMENT

BY VLADIMIR RUSSO

The Republic of Angola is one of the African countries that can boast a rich diversity of species and ecosystems, making it an important place to attract investments in the environmental area, the sustainable exploitation of natural resources, and scientific research.

Its vast number of species, including two of the icons of the animal and plant kingdom, namely the giant black sable (a magnificent antelope who lives in the heart of Angola, in the province of Malanje) and the *Welwitschia mirabilis* (an ancient plant inhabiting the Namib Desert) makes Angola and its rich and diverse biodiversity a destination.

THE DIVERSITY OF MAMMALS,
WITH MORE THAN 250 SPECIES,
AND A RESERVE OF AVIFAUNA,
WITH CLOSE TO 900 SPECIES

The exceptional nature of biodiversity in Angola results from a mix of factors based on its intertropical geographic position associated with a variation of biomes that transport us from the dense forests in the north to the desert in the south. These environments are interrupted by a fantastic escarpment, pockets of Afromontana forest, and a dazzling coast line adorned with beautiful estuaries and mangrove areas.

■ Angola – A Mosaic of Opportunities

Natural resources provide, in a context of economic diversification, a mosaic of investment opportunities that allows the leveraged development of productive and economic activities with added value for Angola and the quality of life of its citizens.

The basis of natural resources, with the appropriate investments, on the premise of sustainable development, should invite the emergence of tourism projects. The diversity of mammals, with more than 250 species, and a reserve of avifauna, with close to 900 species, including endemic species such as the Red-Crest-Andua, provide a range of opportunities for ecotourism and birding watching.

The emblematic landscapes, scattered throughout Angola, and with a unique historical and cultural heritage, plus the character of territories still to be

discovered, allow the development of various types of tourism. Among these opportunities are adventure tourism, coastal tourism, ecotourism, and the creation of itineraries that, when associated with the development and strengthening of conservation areas, enable unparalleled business opportunities.

Angola has an extensive coastline of approximately 1,650 km, which covers seven provinces and an Exclusive Economic Zone with approximately 518,433 km², where a series of activities of economic development, environmental protection, and management of fishing resources, can be implemented. The blue economy development, where the use of the marine space and its resources play a fundamental role, makes the Angolan sea a space for growth.

■ Business Challenges for the Future

The development of projects relying on rich natural resources presents a set of challenges for both investors and present and future generations. But investors and their partners must consider these challenges as opportunities for future-oriented businesses. The secret of business success in the field of the environment involves deep knowledge of the environmental legislative framework, the involvement of local elements and their strengthening in the medium and long term, as well as the identification of partners, expert in the environmental business.





In the area of environmental business, a pressing need to create foundations for environmentally sustainable and climate resilient economies sustained in green business must be put in place. Priority areas include, among others: renewable energy projects using solar, wind and biomass; the integrated management of solid waste with the creation of recycling projects and the reuse of waste; reforestation and logging; and waste water treatment plants.

In the tourism area, the highlight goes to the three priority tourist destinations: Cabo Ledo in the province of Luanda with a sun and sea expanse; Calandula in the province of Malanje with a landscape stretching on the stone axis of Pungo Andongo and the Calandula Falls, and the Cubango basin in the province of Cuando Cubango, a place associated with the Kavango-Zambezi Transboundary Conservation Area.



■ Long-Term Sustainability

In the context of the National Development Plan of 2018-22, environmental issues, reaching across disciplines, aim to ensure the existence and sustaining of the quality of natural resources, ensuring their healthy use for present and future generations. These assumptions are achieved through an appropriate legal and institutional framework and adequate management, involving a strong social participation.

Long-term sustainability in the environment sector depends on long-term investments in compliance with local legislation and institutions, while recognizing the potential of natural resources within the perspectives of the diversification of the economy and sustainable management.

Vladimir Russo is Technical Director of the environmental consulting firm Holistic and an environmental consultant with more than 20 years of experience in the environment and biodiversity sector. He holds a master's degree in environmental education from the University of Rhodes and serves as Executive Director of the Kissama Foundation, a non-governmental organization for the protection of biodiversity.





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ELECTRICITY SECTOR IN ANGOLA

HIGHLIGHTS

■ Introduction

The process of reforming the electricity sector began in 1996 with the entry into force of a benchmark: Law 14-A/96, of 31 of May. It establishes a set of general principles aimed at promoting competition in the generation and distribution markets, promoting private investment, and encouraging the supply and efficient use of electrical energy.

The Electricity Supply Industry (ESI) in Angola is one the most critical areas for the country's economic development. It has 18.2 GW hydropower potential and three main isolated transmission networks, which need to be fully integrated to eliminate the existing power supply asymmetries.

The major power plants in Angola are as follows:

- Northern System: Cambambe (960MW), Capanda (520MW) and Laúca (still in progress, to be 2,060MW) – all hydropower;
- Central System: Lomaúm (50MW), Biópio (18MW) and Gove (60MW) – all hydro; Kileva (60MW), Cavaco (20MW) and Biópio (18MW) – all thermal;
- Southern System: Matala (60MW), Chitoto-Namibe (20MW) and Lubango (80MW) – all hydro;
- Isolated plants: Cabinda (70MW) and the East (20MW).





■ Background and Motivation

The ESI is currently faced with a variety of challenges:

- The generalized deficiency of the electrical infrastructure aggravated by the financial weakness of the public power utilities;
- The sector has a general reactive approach, responding to the numerous immediate challenges, with a reduced human resources capacity to implement the medium and long-term strategies to support its own development;
- Poor reliability and quality of services;
- Tariffs that do not reflect costs, which are compounded by billing and collection of inadequate revenues, as well as generally unsatisfactory business operations;
- Reduced capability to expand the electricity network in rural areas.

In addition to these constraints, there are other challenges for which adequate and effective responses must be identified and implemented:

- Operational challenges, as a result of an increasing complexity of the network with the entry into service of the new 400kV transmission lines and new electricity generation facilities of large dimension;
- The need to radically change the financial weakness of the sector, not only by adjusting tariffs, but, above all, by introducing a new model of commercial operation that ensures its sustainability as a whole;
- Rational use of the workforce and existing skills;
- The promotion of private investment to complement the huge public investment programme in the electricity sector.

■ Vision

The plan to develop Angola's power systems is very ambitious. Over the next seven years the hydroelectric power will represent over 70% of the electricity generated in wet periods dropping down to 48% over the dry years. Thus, natural gas together with new and renewable sources of energy will be required to fill up the gap.

The largest and highest impact investments will continue to be in hydropower plants, taking into account water flow regularization, the creation of more biomass plants and the improvement of electricity distribution all over the country. Mid-term plans include the interconnection with the SADC west network.

To enable the power sector to achieve its goals, Angola will need around US\$ 23 billion, in public and private investments by 2025.

■ The Current Business Model

The ongoing electricity sector reform process highlights the importance of significantly improving the performance of the Electricity Supply Industry and the consequent need to modernize and restructure its business organization.

The ESI in Angola is currently structured by means of Generation (quasi-state monopoly), represented by PRODEL (the main company in the sector); Transmission Lines (state monopoly), represented by RNT; and Distribution Network and Commercialization by ENDE (state monopoly), as its main areas of activity.

The current power generation public company can operate power plants of any type and still participate as a strategic partner in new production ventures with the involvement of the private sector.

■ Investment Opportunities

Public sector investments will be reserved to large hydropower developments, the national transmission grid, as well as distribution in areas covered by the national public utility (ENDE) and all rural electrification endeavours. The remaining investments shall be undertaken by the private sector, enabling the mobilization of capital and know how. As a result, private sector finance will progressively replace public investment in all areas of the ESI.



Immediate opportunities for private investment include, but are not limited to:

- Tômbwa Windpower Development (100MW) – looking for “Build Operate Transfer” (BOT) financing;
- Cacombo Hydropower Development – important to regularize the Catumbela River;
- Construction of seven selected mini Hydropower Stations;
- Keve Hydropower Development Studies;
- A 100% private 500MW Hydrothermal Production. The aim is to implement five biomass and six mini-hydroelectric developments in Benguela and Huambo;
- A 1,200MW power intensive industry project for aluminium production in the southern coast of the country;
- A 12MW Hydropower development to improve power supply in the eastern provinces as well as to Catoca Diamond Project.

■ Conclusions

The ESI business model creates opportunities for the private sector and will:

- Accelerate the process of electrification countrywide, which will contribute to economic growth and poverty eradication;
- Ensure a medium and long-term sustainable ESI that promotes and contributes to sustainable development;
- Improve the quality of power supply and services;
- Strengthen the electricity sector and its commercial entities;
- Reduce poor economic and financial performance and ensure the resources for investment in rehabilitation and expansion of the sector at the lowest possible cost;
- Reduce inefficiencies and technical constraints and as a major priority,
- Implement a trustworthy and indefectible Human Resources Development Programme for the sector.

Another major constrain is the Angolan tariff structure, which has been largely subsidized by the Government. These subventions will gradually be phased out, enabling the power utilities to be self-sustainable and more capable of providing a better quality of service.

By: Felix Vieira Lopes

Master of Sciences in Electrical Power Engineering and Management; and Master of Policy Studies; Energy and Water Affairs Minister’s Adviser for Atomic Energy Subjects and National Liaison Officer (NLO) of Angola to the International Atomic Energy Agency.



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TRANSPORT SECTOR IN ANGOLA

STATISTICAL DATA FOR 2017 AND FIRST HALF OF 2018

The statistical data tables for 2017 show that the Sector carried a total of **183,372,000** passengers and **11,339,000** loads.

During the first half of 2018, a total of **86,103,000** passengers were transported, as against **88,736,000** in the first half of 2017, with a negative variation of around 3%, because of a significant drop in maritime transport of passengers.

In relation to freight, a total of **5,083,273** loads were transported in 2018, compared to **5,659,965** transported in 2017, registering a negative variation in the order of 10%, also because of a marked drop in the transportation of maritime cargo.

The tables below illustrate the transportation of Passengers and Freight in 2017 and the first semester of 2018.

Passengers Transported by Mode (thousands)

MODE	2017
Road	176,580
Railway	3,073
Maritime	152
Air	3,567
Total	183 372

Cargo Transported by Mode UM (thousands of Tons)

MODE	2017
Road	377
Railway	192
Maritime	10,717
Air	53
Total	11,339

Passengers Transported by Mode (thousands)

MODE	FIRST SEMESTER / 2017
Road	85,390
Railway	1,572
Maritime	78
Air	1,696
Total	88,736

Cargo Transported by Mode (thousands of Tons)

MODE	FIRST SEMESTER / 2017
Road	167
Railway	35
Maritime	5,434
Air	23
Total	5,659





Passengers Transported by Mode (thousands)

MODE	FIRST SEMESTER / 2018
Road	82,507
Railway	1,769
Maritime	67
Air	1,761
Total	86,103

Cargo Transported by Mode (thousands of Tons)

MODE	FIRST SEMESTER / 2018
Road	167
Railway	178
Maritime	4,714
Air	24
Total	5,083

Office of Research, Planning and Statistics, August 10, 2018
 Jacqueline Maria Coimbra André





The formulation, conduct, execution and control of the Executive's policy in the field of transport is the responsibility of the Ministry of Transport.

In Angola, the transport sector comprises four main subsectors, namely road, rail, sea and port, and air. However, the transport domain also encompasses the National Network of Logistics Platforms, as part of the national strategic plan for accessibility, mobility and transport, an essential factor for economic, social and territorial cohesion in the country.

One of the main objectives is to provide the country with an integrated transport network that is adequate to national and regional development objectives, facilitating the process of economic growth and enhancing territorial and population policies.

With the appointment of the new Transport Minister, on June 20, 2018, the Transport Sector faces significant new challenges, in accordance with the guidance of His Excellency the President of the Republic, João Manuel Gonçalves Lourenço, in order to find "bolder solutions" for urban and inter-urban public transport, especially in the big cities, highlighting Luanda, the capital of Angola, with close to seven million inhabitants.



Our challenge must respond to the growing demand for population growth. We are imbued with a spirit of mission and a sense of the “great challenges presented by the strategic sector and the economy and national non pas development”.

Urban transport should be considered as a priority to improve the quality of life of the population in Luanda. The true integration (intermodality) between modes of transport will guarantee the increase of accessibility levels in the city and guarantee better mobility conditions for citizens.

The continuous investment in infrastructures ensures the strategic and competitive positioning of Angola in the regional and international context, which is open to the establishment of public-private partnerships with large companies and to the support of transport activity.

Increasing the volume of investments in the transport sector in Angola will enhance the creation of employment for Angolan citizens, generating more wealth and, above all, more national income.

We emphasize that the opening of the transport sector to public or private entities, national and foreign entrepreneurs who want to invest in the sector with rigor, responsibility, discipline and transparency, help us promote an efficient operation, so that we can jointly stimulate the growth of the agrobusiness, industry, commerce and tourism sectors, enabling greater regional, national and international integration.

There are therefore many investment opportunities available to US entrepreneurs, which may be used to promote and launch the structural projects of the transport sector oriented toward the domestic and regional market.

In the maritime and port subsector, the aim is to develop infrastructures capable of providing protection and safety for the maritime environment, to develop maritime hydrography and signaling, to promote the replacement of international flag shipping, and to improve maritime safety and navigation.

In the railway sector, the aim is to alter the vertically integrated Angolan Railways’ institutional model of railway infrastructures, equipment, maintenance and provision of passengers and freight services to a more disaggregated and specialized framework, allowing the inclusion of the private sector in the value chain, with the aim of ensuring quicker, more secure conveyance on this vital means of transport.

The aviation subsector, with the completion of the New Luanda International Airport (NAIL), will be the major milestone and epicenter of the entire civil aviation modernization strategy in Angola, reinforcing the operational capacity of TAAG (Angolan airline), with the renewal of its fleet, the effective restructuring of ENANA (national airport company), ensured by competent supervision and in

IN THE MARITIME AND PORT
SUBSECTOR, THE AIM IS TO
DEVELOP INFRASTRUCTURES
CAPABLE OF PROVIDING
PROTECTION AND SAFETY FOR
THE MARITIME ENVIRONMENT



line with industry best practice by the National Civil Aviation Authority (INAVIC), promoting effective competition conditions and flight freedoms in the aviation sector and increasing mobility and operational safety in civil aviation in Angola and throughout the world.

The no less important challenges of the road subsector are to establish and implement a program to reorganize Angola's transport system, particularly in the provincial capitals of the country, with a major impact on the province of Luanda. Ensuring a regulatory framework for the licensing and planning of public urban transport, whether road or light rail, which responds effectively to the growth challenges of our large cities is the goal.

The road sector cannot exclude the implementation in Angola of the procedures, rules and principles established by the COMESA-EAC-SADC Tri-Party Facility for Transport and Transit Facilitation (Common Market for Eastern and Southern Africa – Commonwealth of Africa Eastern – Southern African Development Community). The objective is to ensure that the rules of transit and cross-border movement applicable in Angola match those of the countries forming part of these three regional economic communities.

Ricardo Viegas de Abreu
Minister of Transport

REAL ESTATE SECTOR IN ANGOLA

ANGOLA INVESTMENT GUIDE

■ Capital Markets

The trend, registered in recent years, of growth in demand for real estate investment product with income still remains. However, there are still difficulties in the supply of products with immediate income, namely “prime” product, a situation that has led investors to opt for product with no immediate income.

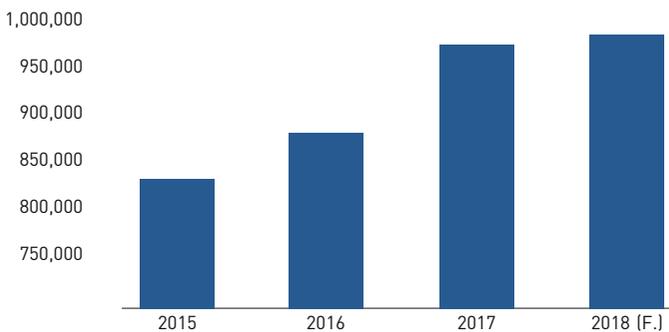
The growth of the investment market in recent years is expected to slow down, predominantly in terms of the non-immediate return on investment. The observation of this cyclical change leads to the demand for investment product to be fixed on assets with immediate or short-term return. The pursuit for a “defense of capital” still remains, however less active.

In 2018, we expect commercial prime market yields (offices and retail) to be between 10 and 12%, and in the residential market between 9% and 11%.

■ Office

The acquisition for investment and for own occupation are factors driving a market in which the supply is increasingly competitive and of higher quality.

Offices Stock (Sq. m)



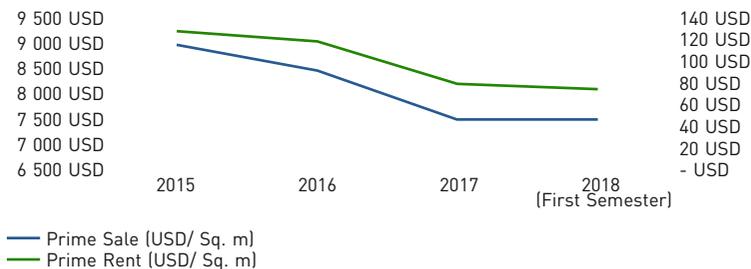
Given the current macroeconomic context, we have witnessed the trend of more and more companies opting to optimize their spaces according to their real needs, as a way to obtain a more efficient operation costs management. Typically the choice lies in more modern offices, with smaller area, lower incomes and lower operating costs.

In a scenario of contraction in demand and price reduction, real estate developers have opted to wait for a positive macroeconomic evolution to progress with their projects in a safer way. This decision is reflected in the reduced rate of new construction, with projects being developed at a moderate/slow pace, with the new offer continuing to be mostly characterized by quality and competitiveness.

As the result of the difficulty to repatriate capital, we have witnessed the continued demand for the acquisition of real estate products by individuals and companies. There are expectations that this trend, aimed at the acquisition for investment or for own occupation, replacing spaces leased to third parties, may continue to contribute to a greater dynamism of the office market, albeit at an accelerated pace.

Concerning commercialization values, the trend of a decrease in rental values has continued, with the prime rent in 2018 (First Semester) being 75USD / sq. m while the prime selling price remained at 7,500 USD / sq. m.

Commercialization Values Evolution



■ Retail

Over the last three years, we have witnessed a strong reduction in consumption and a decrease in the variety of products available, associated with the rising inflation and the restrictions on access to foreign exchange and inherent import constraints.

The consequent climate of uncertainty has severely conditioned the opening of new street stores and the conclusion of large commercial projects planned for the center of Luanda.

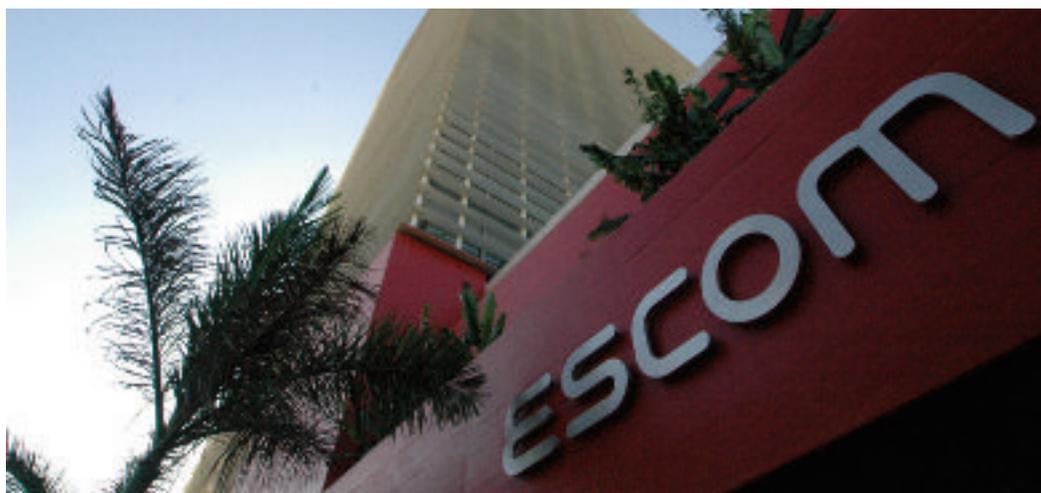
Shopping Center Development Pipeline			
Name	Location	Gross Lettable Area (GLA)	Opening Date
Shopping Fortaleza	Luanda	18.000 m ²	2018 - 2019
Luanda Shopping - Gika	Luanda	60.000 m ²	No date scheduled
Torres Kianda	Luanda	6.635 m ²	No date scheduled
Vista Club Shopping	Luanda	7.500 m ²	No date scheduled
Muxima Plaza	Luanda	4.681 m ²	No date scheduled
Kinaxixi Shopping	Luanda	45.000 m ²	No date scheduled

At the same time, we witnessed the expansion of the commercial fabric in the areas of Talatona, Kilamba, Morro Bento, and Cacuaco, closely associated with the emergence of new commercial complexes, which made the periphery of Luanda a reference zone of the retail segment. It should be noted that the growth of these commercial units is driven exclusively by large distribution operators.

Currently the prime rents of street stores are between 65 to 75 USD/sq. m GLA/month while those of stores in shopping centers or galleries range between 80 and 100 USD/sq. m GLA/month (lower for large stores).

Regarding the sales numbers, they range between 6,500 USD / sq. m GLA and 7,000 USD / GLA for street stores (including small galleries), although there are no track records of large commercial areas sold in Angola, that allow us to meet the metrics to be reached.

REGARDING THE SALES NUMBERS, THEY RANGE BETWEEN 6,500 USD/SQ. M GLA AND 7,000 USD/GLA FOR STREET STORES



■ Residential

The residential market in Angola has been suffering from the signs of economic slowdown since 2014, namely:

- Reduction of the number of transactions in the market
- Delayed completion of projects under construction
- Postponement of the start of construction of projects in pipeline
- Increased vacancy rate

The development of projects in recent years has been very much in line with the demand by companies to set up their expatriate staff, mainly in the center of the city and in Talatona.

At present, given the reduction of these demand indices, the leasing situations of large-scale demand by a single entity are sporadic or residual.

Although the value of units sold in 2017 is not known, Zenki Real Estate estimates that they have traded 20% less than in the same period.

There is a lack of residential units oriented to the majority of the population, that is to say low and medium income, and the solution so far implemented by the State to face the challenge of providing access to the population of this type of housing was intensive investment and with the "revenue" compromised by failure to comply with one of the assumptions associated with the "renda resolúvel" (resolvable rent) model, that is, non-payment by the "owners", without the State having so far triggered the real estate recovery clause.

■ I&L

The development of the Angolan industry has been a strong commitment of the Government, which has been reinforcing the industrial sector in a more professional way. This real estate segment has been characterised mostly by development for own use and by an increasing speculative supply of industrial and logistic parks. In addition, we have witnessed a greater definition and consolidation of industrial zones, with the Viana area, and especially the PIV, the most active.

THE DEVELOPMENT OF THE
ANGOLAN INDUSTRY HAS BEEN
A STRONG COMMITMENT OF
THE GOVERNMENT, WHICH
HAS BEEN REINFORCING THE
INDUSTRIAL SECTOR IN A MORE
PROFESSIONAL WAY

Although we have witnessed a decrease in the demand in the last year, considering the Government's continued commitment to industrialisation and diversification of the economy, based on the substitution of import, this segment is expected to show a growth trend in the coming years.

Simultaneously, the construction of the new Luanda International Airport, which will be inaugurated in 2020 and the



consolidation of several industrial zones, will be a key factor in relaunching the real estate market.

■ Hotel

The tourism market has also been facing the negative impact of falling oil prices and the consequent economic crisis that the country has been dealing with in recent years.

With the departure of many expatriates from Angola, the tourism sector depends almost exclusively on the oil sector, a situation that has been reflected in the main operational indicators, with a special impact on hotels.

Despite the adverse context that the segment has experienced, during the year 2017 we recorded some activity in Angola, namely with the appearance of new hotel units in Luanda.

Even with the deceleration in the hotel market and the outflow of foreign investors, Angola continues to have the potential to attract investment in the very large tourism sector, which should be explored following the diversification policies of the Angolan economy.



Piano Internacional

No plano estratégico do Banco Sol está também a internacionalização dos seus ativos. Sendo um Banco Universal, está a iniciar a sua expansão para outros países, na região da África Austral, na vizinha República da Namíbia, no Continente Europeu, através de Portugal e na Ásia, especificamente na Região Especial Autónoma de Macau.

O Banco Sol assume-se assim como parceiro do Executivo e de todos os forças vivas do País, na construção de uma sociedade mais equitativa, assente num modelo de desenvolvimento económico sustentável em que a prosperidade das famílias e a sustentabilidade económica das empresas constitui um pilar fundamental, contribuindo assim para um sistema bancário que promova a igualdade, a justiça, a sustentabilidade, o desenvolvimento do capital humano, respeito de cidadania e a inclusão social.

Em Angola, o sector bancário tem desempenhado um papel essencial na promoção do desenvolvimento económico e social do país nos últimos 20 anos. Já há mais de 20 bancos e, de uma forma geral, o sector bancário teve uma evolução significativa em termos de qualidade dos serviços prestados, de acordo com as melhores práticas e os padrões internacionais.

O BNA, o Banco Central, aumentou a aplicação de mecanismos de supervisão segundo os padrões internacionais para assegurar a manutenção e o mesmo o aumento do foco das instituições financeiras na qualidade e na sua sustentabilidade a longo prazo.

O Banco SOL é um dos bancos que é reconhecido como um parceiro seguro por muitas entidades governamentais e não-governamentais e também por diversos multilaterais que operam em Angola, both to apply microcredit programs and to trade finance and project finance operations.

Com o compromisso invariavelmente ao desenvolvimento de negócios em Angola e países vizinhos onde surge a oportunidade, estamos abertos a trabalhar com novos parceiros especialmente interessados em seguir os princípios de desenvolvimento, valorizando os princípios de seriedade, credibilidade e a gestão criteriosa dos riscos e controle interno que ajudados transformam uma imagem de elevada confiança e reputação junto aos nossos clientes.

International Plan

In the strategic plan of the Banco Sol is also the internationalization of its assets. Being a Universal Bank, it is beginning to expand to other countries, in the Southern Africa region, in the neighboring Republic of Namibia, in the European continent, through Portugal and Asia, specifically in the Special Autonomous Region of Macau.

Banco Sol is thus a partner of the Executive and of all the country's living forces in building a more equitable society, based on a model of sustainable economic development in which the prosperity of the families and the economic profitability of the companies constitute a pillar thus contributing to a banking system that promotes equality, justice, solidarity, the development of human capital, the respect of citizenship and social inclusion.

In Angola, the banking sector has played a key role in promoting the country's economic and social development over the past 20 years. There are already more than 20 banks and, in general, the banking sector has undergone a significant evolution in terms of the quality of services provided, in accordance with best practices and international standards.

The BNA, the Central Bank, has increased the application of supervisory mechanisms according to international standards to ensure the maintenance or even increase the focus of financial institutions on quality and their long term sustainability.

Banco Sol is one of the banks that is recognized as a safe partner by many governmental and non-governmental entities and also by several multilaterals operating in Angola, both to apply microcredit programs and to trade finance and project finance operations.

With the commitment to business development in Angola and neighboring countries where it will be operating soon, we are open to working with new partners especially interested in following the development trends, valuing the principles of serenity, credibility and prudent risk management and controls that convey an image of high certainty and reputation with our clients.



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A NEW HUMAN CAPITAL

ALIGNED WITH THE ECONOMIC CHALLENGES
OF ANGOLA AND THE WORLD

■ An Educational Reform – a New Educational Paradigm for the New Generations

Since peace was reached in 2002, one of the Angolan government's greatest efforts has been in education. With the expansion of the school network, the capacity of admission of new students in the educational system increased. In 2004, there were 4,393,497 students enrolled, and in 2010, the number of students rose to 6,168,454.

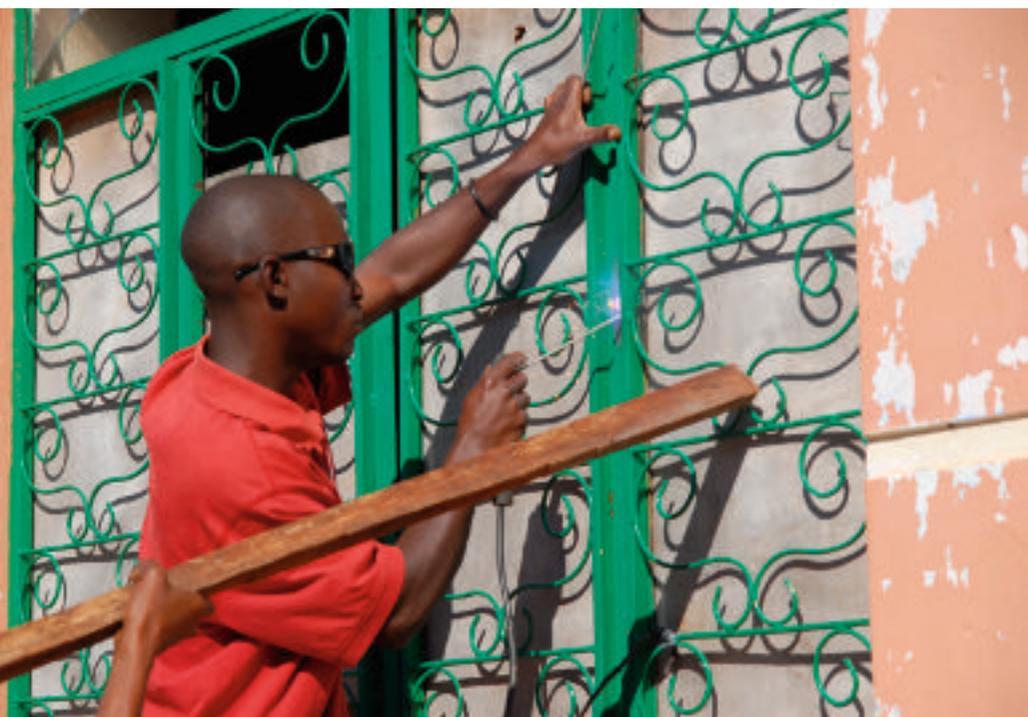
The average number of students enrolled, in the last three academic years, before the beginning of the Educational Reform, corresponded to 2,836,727. From 2004 to 2010, the average shot to 5,325,619 students, an increase of 87.7 percent. Before the Education Reform, there were 27,276 classrooms.

IN 2004, THERE WERE 4,393,497
STUDENTS ENROLLED, AND
IN 2010, THE NUMBER OF
STUDENTS ROSE TO 6,168,454

During the implementation of the Education Reform, new classrooms were built, reaching 53,592 classrooms by 2010, representing an average growth of 96.4 percent. The increase in the number of classrooms throughout the process of implementation witnessed a relative decrease of the student / classroom ratio.

In this school year, the country has at least ten million students, with seven million in primary education.





■ The National Program of Training of Staff (PNFQ) – an Essential Tool in the Training Strategy of Young Angolan Staff

On the one hand, in order to respond to the need to promote and intensify the training of highly qualified staff to meet the country's demands, and, on the other, to adopt a coordinated policy of labor and national staff between the different sub-systems of education (superior, technical-professional and teacher training) that responds to the development priorities of the country, the Angolan government created the National Program of Training of Staff (PNFQ) in 2012.

The PNFQ has a dual role. First, it is an instrument that redirects the supply and demand of education and training, according to the country's needs. Second, it is an instrument that defines the goals (number of graduates, number of trained students, etc.) to be achieved by 2020.

The implementation of the 2013-2020 PNFQ is the responsibility of the ministries, which, by training new cadres (graduates of technical and vocational education, teacher training and training for public administration and entrepreneurship), acclaims an average increase of 109,000 managers per year, translating to annual growth rate of around 7%, which forecasts a total stock of 2,320 employees by 2020, of which 1,720 are middle managers (around 84% in the public and private sector).

■ An Increasingly Qualified and Targeted Workforce for Services, Industry and Technology

The data show that the main specialization of young Angolan staff is Administration and Office Support, where 14.49% of Angolans develop in their professional experience. In second place come the areas linked to engineering, with 10.47%, followed by Sales and Customer Service (10.04%), followed by IT (9.47%), and Finance and Accounting (7.36%).

On the other hand, the main sectors where young people have trained or intend to develop their professional career are: Banking and Insurance (9.73%), Oil and Gas (6.79%), Services Provision (6.42%), and ICT (6.27%) and Education (6.17%).

52% of Angolan youths over 22 have received some type of higher education, understood as being in higher education (22%), or having already completed a university (25%), as well as having achieved some postgraduate course (5%).

52% OF ANGOLAN YOUTHS OVER 22 HAVE RECEIVED SOME TYPE OF HIGHER EDUCATION, UNDERSTOOD AS BEING IN HIGHER EDUCATION (22%), OR HAVING ALREADY COMPLETED A UNIVERSITY (25%), AS WELL AS HAVING ACHIEVED SOME POSTGRADUATE COURSE (5%)

By Victor Carmona



TOGETHER WE INVEST IN NEW ROADS FOR ANGOLA'S DEVELOPMENT

ATLANTICO provides you a wide range of financial solutions available for Corporate and Institutional customers. We believe that our expertise in financial services in Angola will help your business to grow. Let's walk this path Together.



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FINDING COMMON GROUND

"In the contemporary postcolonial era, the influence of traditional African aesthetics and processes is so profoundly embedded in artistic practice that it is only rarely evoked as such."

Denise Murrell

Department of Art History and Archaeology, Columbia University

" ...

Now she is rising, remember her pain
remember the losses, her screams loud and vain
remember her riches, her history slain
now she is striding, although she has lain."

Maya Angelou (excerpt from the poem "Africa")





Almost ten years ago, art from Angola was relatively unknown and little documented, both in and outside the country – despite the enormous genius there existed. Since then, and despite the strong investments established by the ‘Sindika Dokolo Foundation’ and by Fernando Alvim during the 2000s until now, there is still so, so much to be done. Artists are largely self-taught, unstructured, and left to their own fate; institutions and the general public still mix and confuse ‘art’ with ‘arts and crafts’; little or no books have been written on the sector; consequently very few libraries have been erected on the theme; little or no inter-exchanges between Angola and international institutions and/or other countries have occurred in order to stimulate dialogue and learning – not even within the African continent. On a commercial level, on the one hand if a work of art is expensive it is deemed to be good, and, on the other hand, artworks are mostly sold to expatriates who live in Angola for three years on average and take with them a souvenir – which then tragically means that most of the significant art leaves the country.

Now, it is estimated that during the colonial period, people from the Congo-Angola region made 25% of the slaves in North America¹. More recently, between 1980 and 1989, 1,170 Angolans emigrated to the US; between 1990 and 2000, 1,995 more arrived. In 2000, 4,365 Angolans were registered as living in the United States². Finding common ground is a technique people use to facilitate interpersonal

1. https://en.wikipedia.org/wiki/Angolan_Americans

2. https://en.wikipedia.org/wiki/Angolan_Americans



relationships. “To find common ground between parties, participants must search for signals of recognition, which are often subtle and prone to misunderstanding”³. This text seeks to suggest the possibility of ‘art’ having an important part to play in strengthening, or even establishing new common ground between Angola and the United States of America (USA).

So what can be done between Angola and the USA on a practical level? Three things.

First and foremost, and most importantly in my opinion, there ought to be an investment in education. Education, through the availability of online courses and visiting workshops from USA institutions, universities and/or art schools, can be developed. There is a need to educate Angolans (both in Angola and throughout the diaspora) to understand and appreciate their own art, even more so in the light of the art of history; thus, shifting the existing audience from a small viewership to the general public at large, ultimately creating a notion of national identity and pride. This new social and cultural awareness will involve and bring together the Angolans, undoubtedly even stimulating interest by some members in acquiring art for their personal consumption – much like the Nigerians, the Moroccans, the South Africans and the Chinese, to name a few, have taken pride in viewing and collecting their national art in the recent years. People and institutions, like banks and insurance companies, should be taught to increase and/or improve their patronage in the arts, not necessarily quantitatively, but above

3. [https://en.wikipedia.org/wiki/Common_ground_\(communication_technique\)](https://en.wikipedia.org/wiki/Common_ground_(communication_technique))



all qualitatively. From my experience, it would appear that the contemporary art world in Angola is more about networking and who gets a cut, rather than the long-term path that artists should take in order to create their work and develop a career. Artists have to be taught to go through the motions and combat their ego in believing they have reached the top. In 2013, a symposium entitled "American Art in Dialogue with Africa and the African Diaspora" was organized by the Smithsonian American Art Museum in partnership with the Smithsonian's National Museum of African Art and the National Museum of African American History and Culture. This workshop examined the role of Africa and its diaspora in the development of art of the USA, from the XIX century portraiture to American modernismo, and from the Harlem Renaissance to the contemporary art world. This is an event which could come to Angola to further cross-cultural dialogue. Similarly, there are many organisations like 'Friends of African and African-American Art', and can be emulated elsewhere, which support and collaborate on innovative educational programs, in the belief that art has the potential both to distinguish cultures and to unite them.

Secondly, there ought to be an investment in traveling exhibitions and international art exchanges, in order to raise public awareness and appreciation for the legacy of Angolan artists in the USA, and of American artists in Angola. In recent years, globalization has facilitated multi-directional exchange and brought contemporary artists from Angola and its diaspora increasingly into contact with the mainstream USA art scene. For example: in 2015, Edson Chagas was chosen for the Museum of Modern Art's "Ocean of Images: New Photography 2015" contemporary photography exhibition; and, in 2016, Nastio Mosquito presented "Projects 104: Nástio Mosquito" also at the Museum of Modern Art – both artists' first exhibition (collective and solo, respectively) at any museum in the USA. In 2018 my gallery has been invited by Prizm Art Fair in Miami to show the works of six Angolan Artists, but the lack of funding is a problem. And without this, not much can be done. Now, the opposite has never been the case, i.e., artists from the USA showcasing their work in Angola—e.g., a collection of works by Kerry James Marshall in Angola, or even younger artists like painter Kehinde Wyley or photographer Ayana Jackson. And here lies a great opportunity for developing traveling exhibitions and art exchanges between the two countries in a more formal and organised manner. This two-way exchange is very unique and important. However, in truth and to a certain extent, social media has helped narrow this gap and allows for more-and-more real-time knowledge acquisition and virtual display of the reality in the USA for Angolans.

Thirdly and finally, and following a trend which has been gaining international relevance, artist residencies can be increasingly developed between the USA and Angola. For many years, artists have used residencies as a way to focus on their work. Many professional artists find it a necessity to periodically do a residency to jump-start or simply continue the direction of their work. Basically, art residencies provide three very important areas for artist development: (i) cross-cultural research: the possibility of researching another culture and identity; (ii) seclusion: the time and space to experiment with new ideas and work uninterrupted by the

daily tasks of life; and (iii) professional networking: friendships can be made and professional collaborations and networks formed. It is widely accepted that artists from the USA who have traveled to the continent or engaged firsthand with international African diasporic communities have often found themselves and their work altered by these experiences in significant and unexpected ways. 2018 marks the inauguration of our and indeed Angola's first official 'Artist-

IN RECENT YEARS,
GLOBALIZATION HAS
FACILITATED MULTI-
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ARTISTS FROM ANGOLA AND
ITS DIASPORA INCREASINGLY
INTO CONTACT WITH THE
MAINSTREAM USA ART SCENE

In-Residence' (AIR) programme called 'Angola AIR'. With the idea that coming to Angola for two months will have a positive impact on an artist's practice, we would like to receive an American artist per year, whilst sending one the other way in equal number and regularity.

In conclusion, it has been argued that from the onset of the slave trade, Africa has played a key – albeit changing, challenged, and often unseen – task in the history of art of the USA. American artists of differing racial and ethnic contexts with various schedules have envisaged and represented Africa and African populace in their work and/or turned to African cultures and artworks for inspiration (much like their European peers). But maybe now it is time to give back or create a symbiotic relationship, not only to help stimulate the Angolan art scene, but to establish new common ground between Angola and the USA and, in so doing, also stimulate the USA art scene in a novel way.

Dominick Alexander Maia Tanner⁴

4. British Curator-Producer, born in London in 1973, has been living and producing various Art Projects in Angola for 10 (ten) years, and is founding-director of art space 'ELÁ – Espaço Luanda Arte' for just over 2 (two) years. He is particularly interested and engaged in: pan-african and non-african collaborations between artists, curators and galleries, therefore holding intra- and inter-continental workshops and residencies; participating in key international fairs; and exploring project-based and site-specific shows, with ample space for up to three solo private and five collective residencies at any given moment, an area for round-tables, discussions and artist talks, and a very large exhibition area for solo and collective exhibitions.

ANGOLA AND ITS 18 PROVINCES

THE BENGO PROVINCE

Established in 1980, the province comes across, since the colonial period, as an area of strong economic dynamism. It is a fact that the local economy was deeply marked by the implantation of *fazendas*, large colonial farms, whose various cultures were geared towards exportation. This is especially the case with coffee.

■ Physical, Geographical and Environmental Characterization

Located in the coastal zone, the province has an area of 24,173 Km², with an altitude ranging between 0-200 meters and about 300 kilometers of coastline. Its relief is hilly and can be divided into three morphological sections: coastal strip, coastal plain and pre-mountainous undulating plateau. From a political-administrative point of view, the province is organized in six counties: Dande, Pango Aluquém, Ambriz, Bula Atumba, Dembos and Nambuanguo. The provincial center is the town of Dande.

The soil, rich in alluvial, is ferralitic and tropical ferralitic, with limestone, black and brown mud. The flora consists of savannahs with shrubs and trees mainly on the coast, with rainforest along the rivers, and dense humid forests in the mountainous areas.



The climate in Bengo falls within a tropical belt with two climatic seasons: a dry and cool period, also called *cacimbo*, which runs from May through August, and a rainy and hot season in the remaining months. The highest temperatures are registered in the coastal border (with an annual average of 25-6 degrees Celsius).

The province abounds with natural resources which can boost its growth and development. Oil deposits have been found along the sedimentary basin in the regions of Kissama and Ambriz. 25 kilometers from Caxito, there is an extensive zone rich in quartz, asphalt, plaster, dolomite, limestone, and clay.

Several rivers run parallel to the Atlantic: the Sembo, Loge, Onzo, Lifune, Dande and Bengo, most of which are important for the development of specific cultures. The interior contains also numerous ponds with excellent conditions for fish and tourist exploitation. The main irrigable areas are Loge and Dande with more than 10,000 km², including the last perimeter of Caxite already partly tapped.

The Bengo province has two forest reserves (Kibinda and Kibaxi-Piri) besides the Coutada do Ambriz. These officially protected reserves are important for the preservation of flora and fauna and tourist exploration.

■ Demographic Characterization

According to the 2014 Census, the province had 356,641 inhabitants, with 49.9% men and 50.1% women. From these data, it is estimated that the general population density is around 14.8 inhabitants per km².

Close to 45.8% of the province's population is under 14 years of age. The economically active population (15-65 years) represents 50.6% of the overall population, and the elderly (over 65) do not exceed 3.6%.

■ Relevant Social Data

Education and Professional Training

In 2012, the province's school network consisted of 285 schools, of which 231 were in primary education, 39 in high school, and 15 in the secondary cycle.

In the field of vocational training, the province had 11 training centers, eight public and three private. The private centers focus mainly on the field of informatics. The public centers offer a wide range of training, including courses in animal farming, masonry, plumbing, carpentry, ceramics, cutting and sewing, electricity, cold, computer, mechanics, baking, pastry and locksmithing.

Health

In general, in the province, the major causes of infant mortality are malaria, acute diarrheal diseases and acute respiratory diseases. However, though diseases such as trypanosomiasis and schistosomiasis do not cause mortality, they have high prevalence rates. Adult mortality is mainly due to malaria, followed by

road accidents. Access to drinking water, sanitation, food and housing are still difficult and the main social determinants of health. In truth, in Bengo, access to safe drinking water and sanitation are among the sectors where investment is the most necessary.

In 2012, the provincial health network consisted of 73 health offices, 16 health centers and seven hospitals. Bengo is one of the provinces with the highest health coverage.

Media

Radio Bengo is the only public station in the province. Repeater antennas in all municipalities allow it to be broadcast throughout the province. Reference should also be made to the rehabilitation of the TPA/Bengo facilities and the construction of the Production Center, a joint initiative of the Provincial Government in partnership with the Ministry of Social Communication. The installation of repeater antennas allows a clear signal to be received in the towns of Nambuanguo, Quibaxe and Bula Atumba.

IN 2012, THE PROVINCE'S SCHOOL NETWORK CONSISTED OF 285 SCHOOLS, OF WHICH 231 WERE IN PRIMARY EDUCATION, 39 IN HIGH SCHOOL, AND 15 IN THE SECONDARY CYCLE



Bengo has also a commission from *Jornal de Angola*, which is responsible for delivering daily newspapers to the main authorities, such as the Provincial Directorates and Delegations, and sending them to the municipalities through the Government CDI.

In the field of telecommunications, different networks (fixed and mobile) cover close to 80% of the province. Two main networks operate, a) the fixed network of the Angola -Telecom operators (voice and data); Infrassat (voice and data), and INATEL – National Institute of Administrative Telecommunications (voice, data and messages); b) the mobile network of Unitel and Movicel, private domain operators that provide voice and data services in all municipal centers, except in Pango Aluquém, where Movicel does not cover.

There are also specific communication systems via the postal services, meteorology and geophysics.

■ Economic Characterization

Agriculture and Fishery

With the exception of the provincial capital, agriculture is, alongside fishing and trade, the main occupation or occupation of labor having more than 1,200,000 hectares of arable land.



The dominant crops are corn, beans, cassava, peanuts, sweet potatoes, vegetables, bananas, coffee, palm trees, citrus fruits and other fruits.

In the past, Bengo was an important producer of coffee, but the current production is insignificant, since the old farms must be renovated.

Sea fishing is practiced mainly in Barra do Dande and Ambriz (in the north), where shellfish such as shrimp and lobsters are important fishing resources. The continental fishery, on the other hand, takes place in the small islands of the rivers Bengo and Ndanji, where the most sought-after African tilapia, locally known as *cacusso*, lives in the lagoons.

The forest resources with woods worth high commercial values, combined with the enormous tourist potential that can be developed, are other features to emphasize.

Industry, Geology and Mines

The manufacturing sub-sector includes 59 manufacturing units with emphasis on baking, building materials, carpentry and woodworking, electrification, clothing and cleaning.

Bengo's geological formations contain deposits of mineral resources, from which gypsum, asphalt and phosphates are especially extracted. Salt extraction takes place in the towns of Ambriz and Dande.

Tourism, Hospitality, Commerce and Entrepreneurship

The province has a considerable tourist potential (highlighted by the beach of Pambala in the Libongos), special reserves in Mumbondo, Coutada do Ambriz, Açude, Barra do Dande, and a significant hydrographic network with numerous leisure areas, within walking distance of Luanda. Monuments, sites and festivals make Bengo a touristic attraction center.

The celebrations of Mama Santa Ana, the patron Saint of Caxito, the Lagoons of Ibêndua in Barra do Dande, and the festivals of Caxito, as well as Catholic, Methodist, Kimbanguist and Bom-Deus rituals, are main cultural events celebrated annually in the province. Twelve monuments and historical sites, classified by the Ministry of Culture, carry a great relevance in the counties of Dande and Ambriz.

SALT EXTRACTION
TAKES PLACE IN THE
TOWNS OF AMBRIZ
AND DANDE

The hotel network is very weak, despite the tourist potential. In 2012, only the following hotels were licensed: i) two-star hotel ii) two inns. These establishments are mainly concentrated in the province's headquarters, which has a banking network with 13 branches.

Access Roads, Infrastructure and Transport

The province of Bengo has airplane landing tracks in the following municipalities: Ambriz, Bula Atumba, Dembos and Nambuanguongo. But at the moment, they are not operating.

Energy and Water

The rehabilitation of a medium and low voltage electricity grid in the city of Caxito has been completed. It included connections to 15,000 homes. Work is being done to expand the grid to the outskirts of the city.

The construction of a network for the abstraction, treatment, pipelining and supply of drinking water for Caxito and Porto Quipiri should increase the water production levels from 80 m³/h to 227 m³/h in Caxito, and from 50 to 100 m³/h in Porto-Quipiri. The network should also reach the new residential areas under construction.

On one hand, surface-pickup abstraction systems have equipment allowing for everyday water treatment operations. On the other, systems using spring water generally distribute water directly.

Challenges and Opportunities of the Province

Bengo's proximity to Luanda, the capital of the country and the main focus of the economic dynamism, makes it pivotal. The province functions as a turntable that connects the Provinces of Uíge, Zaire and Luanda, with roads in a reasonable condition.

Furthermore, the province's population is quite young, with a high percentage old enough to work. A segment of this population has access to education, including higher education in Luanda, and local vocational training.

THE PROVINCE'S POPULATION IS QUITE YOUNG, WITH A HIGH PERCENTAGE OLD ENOUGH TO WORK. A SEGMENT OF THIS POPULATION HAS ACCESS TO EDUCATION, INCLUDING HIGHER EDUCATION IN LUANDA, AND LOCAL VOCATIONAL TRAINING

The proximity to the sea and the exploitation of its resources, the abundance of land for various ends, such as farming, exploitation of pastures, salt and inert industries, sea and continental fishing, are also targets for investors. Livestock production of small animals (ruminants), and production of wood and coal are important activities as well.

Also noteworthy is the marginal path along the coast, which still needs to be rehabilitated, as well as the presence of a maritime port and other military infrastructures of the Navy.

The project to construct a shrimp factory, a mini-hydro dam, and the implantation of a 5000-hectare agro-industrial enterprise in the locality of Loge Grande are also on the map.



The provincial business community already has important players, such as several construction companies (CONDORIL and CAMARGO) and others such as PETROMAR, which has also its own training center and shipyard oil platforms, among other equipment. The executive development programs, which focus on four areas of interest: a mining zone, a livestock farming zone, a factory and a complex, in addition to the structuring projects foreseen by the new National Development Plan 2018-2022, must be noted.

Other investments are planned to promote the economy, thus increasing the consumption market and the outflow towards Luanda. As an example, both IFAD and the United Nations plan to develop a project to promote small-scale fisheries, alongside Government programs for the promotion of industrial fisheries. The executive branch also recommends establishing a back-up base for the LNG Project and the creation of a military base, as well as an Academy of Marines and a Marines Brigade. Also scheduled is the transfer of the naval base of Luanda, the renovation of the Mabubas Dam, the distribution of electricity to other regional municipalities, and the repairing of the road linking Luanda to Soyo.

Tourism, in its cultural, historical, environmental and recreational aspects, for the reasons already described, is another sector worthy of attention. As an example, in Pago Aluquém, there are tourist areas in Bom Jardim, Rio Zenza, Boa Entrada, Ngombe Ya Mukiama and Belo Horizonte.

Some of the main challenges to the development of the province include the fact that its population in relation to its territory remains low; that part of the municipality's coastal zone is semi-arid and ecologically fragile, with scattered

rainfalls; that it needs to reconfigure and modernize existing productive activities for the market, to invest in the factors and production costs and facilitate access to credit and financing, while environmental preservation must be implemented to combat pollution and deforestation.

■ National Development Plan 2018-2022

Overview

A province with strong integration within the concept of the Metropolitan Region of Luanda, with deconcentrated urban-industrial centers (Caxito, Ambriz), developing internationalization infrastructures (harbor and associated logistic infrastructures) and a belt of agricultural and livestock activities to supply either the domestic (fruit and vegetable) or export markets (banana, coffee, cotton, sunflower, soy, palm oil), privileging spaces for sun and beach tourism and nature tourism (Coutada de Ambriz) and an extensive coastline with potential for the development of fisheries and the exploitation of other sea products.

Strategic Priorities

- Development of agriculture and livestock, forestry, and associated or focused industries on the sustainable exploitation of natural resources.
- Manufacturing industries focused on the domestic market, within the industrial framework of the metropolitan region of Luanda, and industries taking advantage of the new harbor of Barra do Dande.
- Fishing (industrial, medium and small-scale) and other seafood (e.g., salt).
- Harbor and logistics activities (Barra do Dande).
- Wholesale supply for Luanda.
- Tourist and leisure activities.
- Qualified tertiary functions associated with the urban development of Caxito.

JMJ Angola
National Development Plan and Provincial Development Plans





THE BENGUELA PROVINCE

The Benguela province is a region of great historical, cultural and patrimonial importance. It is home to Benguela city, one of the oldest in Africa, founded in 1617, and one of the largest ports in Africa, Lobito, from where the Benguela Railway (CFB) and the Lobito corridor start.

An ethnic, cultural and ecological mosaic, it is a region of great economic importance and with a high growth potential in the agricultural, industrial, fishing, commercial, logistic, tourism and transport sectors, not only in the national panorama but also in the southern African region.

■ Physical, Geographic and Environmental Characteristics

The Benguela province is located west of central Angola, bordered to the north by the province of Cuanza Sul, to the west by the Atlantic Ocean, to the east by Huambo, to the southeast by Huíla and the southwest by Namibe. Its territory has an area of 39,827 km² and is administratively divided into ten counties: Benguela (the capital), Baía Farta, Balombo, Bocoio, Caimbambo, Catumbela, Chongoroi, Cubal, Ganda and Lobito.

ITS TERRITORY HAS AN AREA OF 39,827 KM² AND IS ADMINISTRATIVELY DIVIDED INTO 10 COUNTIES: BENGUELA (THE CAPITAL), BA.A FARTA, BALOMBO, BOCOIO, CAIMBAMBO, CATUMBELA, CHONGOROI, CUBAL, GANDA AND LOBITO

From an ecological point of view, there are three distinct zones: a coastal plain (municipalities of Lobito, Catumbela, Benguela and Baía Farta), a zone of transition (Bocoio, Caimbambo, Cubal, Chongorói and part of Ganda) and a third of plateau (Balombo and part of Ganda). Valleys and rivers with fertile alluviums traverse the land, and in the coastal zone there are beautiful beaches and bays.

The climate is semi-arid coastal, with average temperatures of 24° Celsius and rainfall around 400 mm. As you go inland and increase altitude, rainfall also rises, reaching 1300-1400 mm respectively in Ganda and Balombo, while the temperature goes down averaging 21° C in the eastern part.

The alluviums along the main rivers make the richest soils, but fersialitic soils with good agricultural aptitude are to be found in the transition zone.

The vegetation is dominated by the steppes on the coast, and savannas and open forest in the interior.

The province has good water resources, with five hydrographic basins corresponding to the rivers Balombo, Cubal, Catumbela, Cavaco and Coporolo, the penultimate being intermittent.

■ Demographic Characterization

According to the 2014 Census, the province had 2,231,385 inhabitants - 52.7% women and 47.3% men.

The population is very young, with 65.9% under 25. The population density (56 inhabitants per km²) is higher than the national average. At the time of the census, the working age population was 49.4% and the population over 65 was only 2.6%.

Education and Vocational Training

The high percentage of young people explains the great pressure on the education sector. Although Benguela has 1,278 schools, the sector is confronted with a lack of infrastructure (schools, libraries, media libraries, sports grounds) and qualified personnel, despite the efforts the Central and Provincial Governments made in recent years.

There are several mid-level establishments, of which the Agrarian Middle Institute is the most outstanding.

The province has a public university (Katyavala Bwila University) and five private universities (Catholic University of Angola, Universidade Lusíada, Jean Piaget Institute, Benguela Higher Polytechnic Institute and Instituto Superior Maravilha), which together offer a wide variety of courses such as business management, economics, law, international relations, psychology, various engineering, pharmacy, among others.



Health

In recent years there have been improvements in health care, mainly through the government rehabilitation programs and the construction of new health units.

The health network includes 933 public and private health units, with three general hospitals, three county reference hospitals, the National Ophthalmological Center and facilities of main private health groups.

Media

The province has fixed, mobile and internet service in all the municipalities and communes, although in many places the service is intermittent or weak. The province is also linked to the national fiber optic network that has brought substantial improvement in fixed-line, cable television and internet services.

The Public Television of Angola and the National Radio of Angola broadcast over most of the territory, and those with access to cable television also have a varied offer of thematic and international channels.

BENGUELA IS ONE OF THE MOST IMPORTANT AND DYNAMIC PROVINCES IN ANGOLA FROM THE ECONOMIC POINT OF VIEW

■ Economic Characterization

Benguela is one of the most important and dynamic provinces in Angola from the economic point of view. It has the second largest industrial park, after Luanda, and has an important fishing sector, with a long tradition in the province. Agriculture and trade are also important and historical activities. The existence of the Lobito harbor and the Benguela Railway are also factors that boost economic growth and development in the region.

Its natural beauty, history and culture make Benguela one of the provinces of Angola with the greatest potential in the tourism sector.

Agriculture and Fishery

Agriculture has a high potential thanks to the favorable soil, climate diversity and water resources. Nonetheless, farming is characterized by a predominantly traditional and familiar activity with minimal business components. The main crops are corn (63% of cultivated area), beans (8%), cassava (6%), vegetables (6%), bananas (5%), peanuts and others such as sweet potatoes, potatoes, soybeans and other fruits. The sector's main constraints are the difficulties of access to inputs and their price, mechanization, technical assistance and product disposal, which open up good investment and business opportunities.

In spite of being heavily affected by the civil war period, livestock farming enjoys favorable conditions in the province due to the fact that part of the territory is included in an area known as "sweet and mixed pasture zones," which offer high







quality grazing. The main animals raised in the province are cattle, goats, pigs and poultry. Some breeders have good bovine herds thanks to the acquisition of well-bred animals in Namibia and Brazil and the good management of their enterprises.

Fishing is one of the main economic activities of the province. Coastal waters have large quantities of quality fish, which makes Benguela the second largest province in the production and distribution of fish and fish products. The industrial sector is heavily deployed, especially in Farta Bay, and yet, the sector needs new players and investment to bring modernization and new life. Another business opportunity in the sector is the naval industry and other services complementary to fishing activity.

Industry, Geology and Mines

The province's industrial production has grown considerably in recent years with various food industries (beer, mineral water, juice, baking), the production of

plastic containers and tanks, mattresses, sawmills and oil industry accessory providers. The Industrial Development Center of Catumbela is an infrastructure to boost the development of the industrial park, but it needs to improve basic conditions, which may also be a business opportunity.

Benguela has large reserves of quality ornamental stones such as granite and limestone. It also has an economic potential with copper, silver, uranium and table water, but a study is necessary for the survey, identification and mapping of all the mineral resources of the province.

BENGUELA HAS LARGE RESERVES OF QUALITY ORNAMENTAL STONES SUCH AS GRANITE AND LIMESTONE

Tourism, Hospitality, Commerce and Entrepreneurship

The province has an important history as a tourist destination and great potential, firstly for its beautiful coast and beaches, some of them in a practically virgin state, which makes it a privileged destination for sandy beach and water sports. The province also has a long tradition of sport fishing that opens up another business opportunity in the sector. Also, its beautiful interior landscapes, including the Chimalavela Park, make Benguela a destination for nature lovers. Associated with all this, there is a great historical and architectural heritage.

Benguela has a reasonable hotel and catering infrastructure with some high quality hotels and restaurants. Nevertheless, the development that the sector needs, combined with its potential, makes hospitality and catering a great business opportunity that any investor should consider.

Its privileged geographical location, associated with the existence of the Lobito harbor and the Benguela Railroad, makes the province a commercial place, with the potential to become an important logistics platform for supplying other areas of the country and even a port for exports. The province has a reasonable commercial network, but the informal sector still has a great weight.

Access Roads, Infrastructure and Transport

A major investment has been made in recent years in the province's road infrastructure with the rehabilitation of main and secondary roads. However, they quickly degraded. At present some inter-municipal roads linking Benguela to neighboring provinces and Luanda are in poor condition, and rehabilitation and conservation works are ongoing.

The province has an international airport in Catumbela, with regular flights to and from Luanda. Road transportation is also regularly and acceptably provided by private operators, whether on inter-municipal or interprovincial routes.

The Benguela Railroad, the only railroad link from Southern Africa to the Atlantic, passing through the central and eastern provinces of Angola, also provides an important means of transporting people and goods.

Energy and Water

The Lomaum dam with a power of 50 MW is manifestly insufficient to meet the needs of the province. So the energy supply is essentially made through thermal and diesel plants or groups of generators installed in municipal and communal venues. The installed capacity amounts to 158 MW. Nevertheless, an energy deficit persists and must be reversed through investments in the production and distribution network. The focus on renewable energies might be a good solution to the energy deficit and prove to be a business opportunity.

There are still difficulties in the access to drinking water, however the situation has been improving as a result of investments the government made in the sector. The supply is mainly through home connections (urban areas) and fountains, community systems, etc. in rural areas.

■ Challenges and Opportunities of the Province

Benguela faces major challenges, particularly in terms of harnessing existing potential, and can bring more and better economic development and better living



conditions for the population. Throughout this text important investment and business opportunities have been pointed out.

The province's main activities are still below its potential, and there are business opportunities directly in the activities, but also in associated activities such as processing and food industries and associated industries and services.

This is how the production and processing of rows of corn (flour and feed), soybeans (feed and oil), bananas (preservation and drying), vegetables (preserves), fruit (jams), sausages, eggs, preserves of fish, salt, among others, must take place.

The existing mineral resources, especially ornamental rocks, are another business opportunity to be developed. They can also boost other areas such as public works and civil construction.

The great environmental and natural wealth is also a factor that opens doors to attractive businesses in the areas of tourism, with emphasis on leisure, nautical activities, nature, hotels and restaurants.



Boosting and making the most of the airport structure, the Lobito harbor and the Benguela Railway, are both a challenge and an opportunity that, if done well, could considerably energize the province's economic activity.

■ National Development Plan 2018-2022

Overview

A province declared the second urban agglomeration of the country, with an intercontinental (port and airport) and African (railway) internationalization platform, a heavy industrial concentration center (shipbuilding, metallurgy, cement, refinery) for markets in the south of the country and neighboring countries, and transport and logistics activities, a recovered and dynamic agro-livestock sector capable of inducing agro-industry growth, a developing fishing sector and strong investment in the tourism sector. Qualified urban development, concentrating on advanced service offering directed to the southern region, with urban expansion areas ordered and integrated through an effective public transport system, ensuring the population's widespread access to essential services.

Strategic Priorities

- Acceleration of the industrialization process underway in the province, with emphasis on:
 - Heavy industry (shipbuilding, metallurgy, cement, refinery, etc.), taking advantage of the articulation of infrastructures and port and rail services and boosting the investments already made.
 - Development of the Lobito and Catumbela Industrial hubs and reinforcement of logistic activities to support the development of import / export activities and supply of the great urban concentration: development of the Benguela, Cubal and Baía Farta industrial estates (agro-industries, fish derivatives and oil and gas derivatives).
- Development of logistics and transport activities, including training activities, based on port, airport and railway.
- Exploitation of mining, through the development of downstream and export activities, and the extraction of salt.
- Recovery of the agricultural and livestock sector (coffee, cotton, horticulture, cereals), aiming at increasing agricultural production in a logic of diversification of the economy, the consolidation of agro business and the increase of household income, contributing to job creation and food self-sufficiency.
- Appreciation of fishing activities that represent an important component of the current productive structure, especially in Lobito, Benguela and Baía Farta, with potential for development of an important local fishery cluster.



- Development of a strong tourism sector, making the province a national, regional and international reference destination in the coastal and hunting areas.
- Appreciation of human resources, promoting access to basic education for the whole school-age population, qualification of the working population and the development of scientific research and advanced service activities.



THE BIÉ PROVINCE

Located in the center of Angola, the Province of Bié has an enormous potential for agriculture and livestock farming capable of promoting the development of a diverse industrial park, especially directed towards the processing of cereals, fruits and tanneries, and red clay. It was one of the provinces hardest hit during the civil war, but nevertheless, it has performed positively since the beginning of reconstruction, which portends well in terms of development if the province benefits from the necessary funding.

The population of Bié represents an authentic ethnolinguistic mosaic where more than six languages are spoken, with the predominance of Umbundo. The others are Cokwe and Nganguela, Luimbi, Songo and Ngoia.

■ Physical, Geographic and Environmental Characterization

Bié has the particularity of confining seven provinces: Cuanza Sul (to the north-west), Huambo (to the west), Huíla (to the southwest), Cuando Cubango (to the south), Moxico (to the east), Lunda Sul (to the northeast), and Malange (to the north).

Its territory covers an area of 70,314 km², and from an administrative point of view, the province is divided into nine municipalities: Cunhinga, Nharéa, Catabola, Camacupa, Chinguar, Andulo, Cuito, Cuemba and Tchitembo.

60% OF ITS AREA
IS ARABLE LAND

The western part of the territory of the province integrates the well-known Central Plateau, with an average altitude superior to 1,000 meters. To the east and south, the altitudes are slightly lower. It presents a tropical climate of altitude or hot temperate, with average annual temperatures of 19° to 20° C. The annual rainfall varies between 1,100 mm (north of Catabola) and 1,400 mm (Andulo and Nharéa), translating into an overall average of 1,200 mm, with a decrease towards the south. The rainy season occurs from October to April, with the dry season from May to September.

A considerable part of the territory is occupied by open forest and savannah. The primitive vegetal canopy of the region is much altered in the zones exposed to culture, predominating the open forest (panda forest) and savannah with bushes.

60% of its area is arable land. There is a diversity of soils, namely: ferralitic (on land at the highest altitude and requiring acidity correction to increase agricultural aptitude), paraferalitic (in sloping foothills and higher agricultural aptitude), hydromorphic (in areas of low poorly drained but prone to rice fields since subject to drainage) and psamitic, predominant to the south and east.

Bié has areas for protection of fauna and flora: the Luando reserve, the Umpulo reserve, though the creation of the Malengue reserve has yet to be approved. The first is one of the most important national protected areas, since it shelters the habitat of the giant sable Antelope. The reserve is mainly in the province of Malanje, but in Bié, it covers about 2 000 km² in the municipality of Camacupa between the rivers Luasso and Luando.

The province is served by an important hydrographic basin constituted by the river Cuanza, the largest of Angola and takes its source in the province. Its tributaries Cutato, Luando, Cunhinga, Cunje, Cuquema and Cuiva, suggest it be used only for small irrigation systems in accordance with soil conditions. The Cuchi river, which feeds the Cubango, also springs from Bié. This considerable number of rivers gives the region enormous hydroelectric potential.

■ Demographic Characterization

According to the 2014 Census, the population of the province totaled 1,455,255 inhabitants, of which 52.5% were women. With a population density of 20.7 inhabitants per km², the active population represented 46.8%, young people under 25 69.2% and over 65 of only 2%.

Education and Vocational Training

According to available data, in 2012 the Bié province had 1 474 schools and five teacher training colleges. These figures are expected to be higher today, given the increase in infrastructures in recent years, especially to 2014. In Andulo there is a middle school of agronomy and a technical-vocational school.

ACCORDING TO AVAILABLE
DATA, IN 2012 THE BI.
PROVINCE HAD 1 474 SCHOOLS
AND FIVE TEACHER TRAINING
COLLEGES

The province has two public and one private higher education institutions, respectively the Higher Pedagogical School and the Higher Polytechnic School, and the Kanganjo Higher Institute. These institutions serve more than 5,000 students and offer courses such as psychology, pedagogy, mathematics, physics, physical education and sports, among others.

Health

The Bié health network consists of a total of 170 units, including a General Hospital (Bié Provincial Hospital), a Sanatorium Hospital, eight Municipal Hospitals, six Maternal and Child Health Centers and one Physical Rehabilitation Center.

The province faces problems in terms of qualified human resources, doctors and nurses in particular, although the situation has been improved by programs carried out by the governing body.

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Media

In Bié, there are fixed, mobile and internet services in all municipalities and communes. The launch of terrestrial fiber optics and the rehabilitation of post offices are planned. Even so, this sector is dependent on the initiatives and development strategies of private operators, whose decisions of growth and expansion are ruled by market logic.

■ Economic Characterization

Agriculture, Livestock and Fishery

The estimated cultivated area in 2016 was over 700,000 hectares, more than 90% linked to family farmers. In 2012 it was only 300,000 hectares.

Corn is by far the main crop, occupying more than 50% of the area cultivated, followed by beans with almost 25%. The other crops include peanuts, cassava, sweet potatoes, potatoes, vegetables, fruit trees (including pineapples, bananas and strawberries, here in descending order of importance for their cultivated area), and soybeans, rice, sorghum and millet. After years of neglect, Arabica coffee is now receiving more attention and represents a high potential for growth.

A World Bank financed project to support the production and marketing of the main crops of around 40,000 family farmers is underway.

Climatic and soil conditions favor the development of livestock. According to data for 2014, the livestock population was around 2.4 million, with special focus on poultry, pigs, goats and cattle.

Climatic conditions and water resources favor inland fisheries and aquaculture, but these activities are still under-developed and represent important business opportunities to be explored.

CORN IS BY FAR THE
MAIN CROP, OCCUPYING
MORE THAN 50% OF
THE AREA CULTIVATED,
FOLLOWED BY BEANS
WITH ALMOST 25%

Industry, Geology and Mines

The potential of the Bié Province in terms of its mineral resources is high, with a wide variety of rocks and minerals, such as limestone, clays, granites, diamonds, iron, magnetite and quartz.

The diamond sector is one of the main focuses of attracting investment. As business exploitation has not yet been implemented, business opportunities must be taken into account.



At present, the industrial park is still in development and requires infrastructures, particularly for energy, water, transportation and logistics. In 2012, the existing industrial sector was made up of 204 small businesses.

The main sectors of industrial activity are agriculture and construction, with emphasis on micro-mills, which represent about 50% of the identified companies. Inert material and rock exploitation industries, especially those dealing with limestone, granite, sandstone, basalt and sand is worth mentioning.

It is important to highlight the high potential of the municipality of Andulo, having created the project of the Calucinga Agro-Industrial Center. In 2017, the center already had 29 companies dedicated to diverse production activities.

Tourism, Hospitality, Commerce and Entrepreneurship

The tourism sector is still at an embryonic stage. The hotel offering is minimal and concentrated in the city of Cuito.

One of the sector's development strategies is to encourage private investment in the hotel and restaurant sectors. There are ongoing private investment initiatives that will enhance the existing hotel and tourist offer, with special emphasis on the tourist complexes of Chicava and Novo Horizonte.

Forty-two tourist interest centers have been identified on the basis of a diversified ethnological and cultural heritage. Being located in the center of Angola represents, in itself, a reason for the promotion of tourism in the region.

Commercial activity in Bié has a high potential for growth because of a number of factors, such as the rehabilitation of the road and the Benguela Railway (CFB) – linking the region to Lobito harbor and the border with the DRC and Zambia – and the installation of infrastructures for rural markets and logistics component. In 2014, there were 3,148 commercial licenses in the province.



Access Roads, Infrastructure and Transport

In recent years major investments have been made in the province's road infrastructure, and the main roads allow for movement within the province and connection to neighboring provinces and Luanda. However, investments in the rehabilitation of the network of secondary and tertiary roads and support maintenance are required, so that the repaired roads do not degrade again.

The CFB railroad is very important to the regional economy, the backbone of the transportation system of Angola's central region and its cross-border connection. It is a strategic investment that connects the harbor of Lobito and the mining regions of the Congo and Zambia, via the Benguela-Huambo-Bié-Moxico rail network, with all the economic potential this entails.

The regular interprovincial road connections between Cuito and the other municipalities of Bié require more investments and operators, which is a business to explore.

The province has a redeveloped airport with regular connections to Luanda.

Energy and Water

Efforts have been made to rehabilitate the basic infrastructures of the sector, with emphasis on electricity production, transport and distribution systems. The current energy sources of the province are thermal and provided by the Cuito Power Station and the municipal and communal generator groups. Strengthening and completing the connections between the Northern and Central Systems, and the transport lines ensuring the connection with the potential water resources for the province, also present interesting investment opportunities.

The coverage rate of water distribution in the Province is estimated at 32%, especially in urban areas. The Government intends to continue investing in this sector, so the construction, management and maintenance of water systems is another investment opportunity.

■ Challenges and Opportunities of the Province

Through the Structural Projects defined by the Public Investment Program and the new National Development Plan (2018-2022), the province will undergo productive specialization, industrialization and affirmation as a platform of transportation and circulation of goods and merchandise that link national and international markets, highlighting the role of the CFB.

The primary sector has been the subject of major investments, notably a pilot project in the locality of Jimba Silili to intensify rice production by introducing new cultivation techniques and practices, including fertilization and rice weeding. However, there is a wide range of opportunities in agricultural, livestock production

and agro-industry, based on cereals, manioc and fruit trees. Here, the focus should be directed to the potential of the municipality of Chinguar.

At the industrial level, there are several potentialities. One of them is the large iron reserves in Andulo and limestone in Cuito; the existence of diamonds in the municipalities of Nharea, Chitembo and Andulo, and the presence of granites, clays and quicklime. A development factor at this level is the possibility of the transport of minerals by railroad. Another factor will be the Cunje Industrial Development Hub. The launch of new financing programs based on micro, small and medium enterprises is also underway.

The strengthening of the province's exclusive energy production, in terms of new thermal power plants and the introduction of mini-hydro plants, associated with the existence of hydrographic basins, will be another point of interest in the province.

In terms of tourism, the diversified ethnological and cultural heritage and the various opportunities for tourist exploration associated with the province's interest centers, reinforced by the province's accessibility through the CFB and the airport, are also notable.

■ National Development Plan 2018-2022

Overview

A region in the process of inclusive economic growth, taking advantage of natural resources and integration in the Benguela-Luau axis, with a growing small-scale farming and an entrepreneurial agriculture under development, revitalizing an agro-livestock sector oriented towards the internal market (production of vegetable and animal protein, coffee, wood). The effort to qualify human resources, urban development and infrastructures in progress enables other activities to be expanded, with emphasis on the agro-livestock industries, the reorganization of extractive activities, the logistic activities associated with the CFB and tourist resources and the promotion of related activities, the modernization of economic activities in rural areas (forestry, apiculture, inland fisheries) and the consolidation of the Cuito-Cunje urban-industrial area.

Strategic Priorities

- Harnessing the high agricultural potential, developing a provincial *cluster* of agro-industries, promoting increased income from family agriculture and business agriculture.
- Qualification of human and institutional capital to support development, promoting the access of all children to basic education, increasing the educational levels of the population and institutional capacity building.
- Promotion of entrepreneurship and self-employment supported by a coherent vocational training program aimed at business development

in key sectors for the province's economic growth and productive diversification as a way of fighting unemployment, liberated by the modernization of agriculture and promoted by social inclusion.

- Strengthening the urban functions of the provincial capital and promoting the quality of life in urban areas by improving energy, water and sanitation infrastructures, housing conditions, streets and urban spaces, and strengthening social facilities, such as supporting the establishment and attraction of population and activities.
- Development of rural areas through widespread access to essential services (drinking water, energy, health and education), improvement of accessibility and integration of economic activities in a market logic.
- Improvement of accessibility: implementation of road links, namely to Malanje, Moxico, Cuanza-Sul and Huíla, as well as connections between the municipal headquarters and the communes; increased frequency of rail transportation, connection to the Moçamedes Railway (CFM) via Cuando-Cubango and connection to the Luanda Railroad (CFL) in the province of Malanje.

THE CABINDA PROVINCE

The Cabinda province is Angola's largest oil producer, a resource that provides the country's main wealth and the largest source of OGE funding. Cabinda offers specific characteristics that must be met in the format of the strategy to be implemented. Among them, it should be mentioned, is the province's lack of geographical continuity with the rest of the country; a floating population crosses almost freely the borders with the two neighboring countries, and oil makes a substantial contribution to sustainability and development.

THE MAIOMBE FOREST, THE
BOOKPLATE OF THE PROVINCE,
IS CONSIDERED ONE OF THE
"SEVEN WONDERS OF ANGOLA"

The presence of oil companies influences employment and economic and social activity in general.

The Maiombe Forest, the bookplate of the province, is considered one of the "Seven Wonders of Angola."



■ Physical, Geographic and Environmental Characterization

The province of Cabinda is located to the north of Angola, constituting a separate portion of the country located next to the mouth of the Congo river and a strip of about 40 km of the Democratic Republic of Congo. It occupies an area of 7,283 km². It is bordered to the North and Northeast by the Congo Republic, to the east and south by the Democratic Republic of Congo and to the west by the Atlantic Ocean. Its administration is divided into four municipalities: Cabinda, Cacongo, Buco-Zau and Belize.

The territory is very diverse, ranging from the lowlands, near the Atlantic Ocean, to the 83-meter highlands in Morro de Sanga in the county of Belize, to the north of the Province.

In climatic terms, the province is equatorial, with average annual rainfall over 1,200 mm and average temperatures ranging from 18° to 31°C. The high humidity, especially in the interior is responsible for the presence of vast areas of dense rain forest, which constitutes the well-known Maiombe Forest, the most important in the world after the Amazon. It is divided with other countries such as the Congo Republic, the DRC, Gabon and the Central African Republic.

Cabinda is located in a privileged area. Bathed by four important hydrographic basins – Chiloango, Lubinda, Lulondo and Lucola – the province has plenty of water resources that might be used for irrigation.

■ Demographic Characteristics

According to data from the 2014 Census, the province is inhabited by 716,076 inhabitants of which 49.7% are men and 50.3% women. The population density is the highest in the country, with 98.3 inhabitants per km². The active population is 54.8%, while 62.3% of the population is under 25.

ACCORDING TO DATA FROM THE 2014 CENSUS, THE PROVINCE IS INHABITED BY 716,076 INHABITANTS OF WHICH 49.7% ARE MEN AND 50.3% WOMEN

Education and vocational training

As in other parts of the country, because of the high percentage of school-age population and also the lack of infrastructure and teaching staff, the pressure on the education system is enormous in Cabinda.

In 2012, the province had 272 schools. The province has several representative centers of higher education institutions, such as the Higher Institute of Educational Sciences, Lusíada University, the 11 de Novembro University and the Universidade Privada de Angola, which offer courses such as pedagogy, psychology, mathematics, Portuguese language, nursing, imaging and others.



Health

As in the education sector, difficulties in health both in terms of infrastructure and specialized personnel remain. However, as a result of investments made, the situation is improving.

The province has 94 health units in operation including Cabinda Regional Hospital, which will receive a new ground infrastructure, whose construction was announced in 2017. The health network consists of 151 physicians and 1,334 nurses. Business dynamics should contribute to the delivery of basic health care.

BUSINESS DYNAMICS SHOULD
CONTRIBUTE TO THE DELIVERY
OF BASIC HEALTH CARE

Media

Angola Telecom's fixed-line service is not sufficiently comprehensive. The mobile phone service provided by the operators Unitel and Movitel is reasonable. Internet connections are below requirements, although the situation is expected to be improved as a result of the implementation of the national fiber optic network.

■ Economic Characterization

Agriculture, Livestock and Fishery

Some 64% of the territory is made up of potentially arable land, giving the region a good foundation in the field of agricultural production. This activity has a high development potential.

The province's main products are, in descending order of cultivated area, manioc (more than 30%), sweet potatoes (18%), peanuts (18%), bananas (12%), beans (10%), and to a lesser extent, corn, tropical fruit trees, vegetables and coffee. This culture, along with cocoa and palm trees now has Government support for their promotion through small family farms.

Overall, agricultural production is rudimentary, with a low productivity, given the lack of functional systems of technical assistance and commercial outlets and storage. Recently, the African Development Bank has approved the financing of a \$100 million small-owner project that could bring enormous changes to the province's productive and economic situation.

With government support, whether in terms of poultry, animal-feed mills, slaughterhouses and refrigeration, or as in technical training, poultry farming should emerge as an important development sector for the province.

Fishing activity is still artisanal and has great development potential in all segments, including aquaculture. The province has a privileged water situation, abundant fishing resources and a satisfactory environmental condition.

Investment in the revitalization of business support facilities such as cold storage complexes, fishing centers and ice plants is an important development factor. The construction of fishing terminals and the modernization of the fleet are also essential.

Industry, Geology and Mines

The provincial industrial park is small. Apart from oil, the largest industries include beer production, water bottling, ceramics and some oil-production support industries. Recently some plants have been built or are under construction (for soap, metal plates, palm oil and mills).

The modernization of small local industries, including the processing of agricultural products for which the region has competitive advantages, is an excellent business opportunity.

The installation of the industrial hub of Fútila, allowing the emergence of medium-sized industrial activities, should be seen through the same angle.

Tourism, Hospitality, Commerce and Entrepreneurship

Given the province's specificities, especially in terms of the floating population, the hotel industry is very relevant. However, it is still underdeveloped in regard to the quality and diversity of the services offered.

In 2013, Cabinda had four hotels, five tourist complexes and a handful of B&Bs and inns. Considering the oil activity in the province and its tourist potential, this sector, along with catering, offers an excellent business opportunity.

In terms of tourism, the cultural dynamism of the province and its population, with the existence of various cultural associations, dance groups, etc., should be mentioned. There are also important historical sites that, with the recently reclassified Provincial Museum, give the province a relevant potential for historical-cultural tourism. The Maiombe Forest offers delights for nature tourists.

**IN 2013, CABINDA HAD
FOUR HOTELS, FIVE TOURIST
COMPLEXES AND A HANDFUL
OF B&BS AND INNS**

The inland forest areas, presided by the Maiombe Forest, with its lagoons, rivers, and diversity of fauna and flora, give the province significant potential in terms of nature tourism. The coast still offers beautiful beaches.

Border trade is of enormous importance, even though it is somewhat informal.

Executives' concern to formalize this activity should view it as another important business opportunity.

Access Roads, Infrastructure and Transport

The province's road network covers around 1,250 km, of which 501 km are paved. All the municipalities and communes, as well as the main villages, have paved access, the majority in good condition. The national roads interconnect the





capitals of the municipalities and the border communes. However, the coverage of the road network is still insufficient, with weaknesses at the secondary and tertiary level.

The Cabinda harbor is one of the most important infrastructures, despite some physical and technical limitations. Cabinda depends mainly on the port to carry out the commercial exchanges essential for its development, including with the rest of Angola. A new multimillion dollar port is under construction at Caio. It will allow operations with larger ships and increase capacity.

Cabinda airport was expanded and modernized in 2017. It offers a good infrastructure and support for air navigation and regular connections to Luanda.

Urban public transportation is concentrated in the city of Cabinda, where the collective taxi service basically handles it. There are road links between the capital city and the headquarters of the municipalities and their communes, and direct lines between Cabinda and some communities in other municipalities.

Energy and Water

Energy supply is continuous in the municipalities located along the Cabinda-Lândana road, guaranteed by the 70 MW Malongo Power Plant.

Also underway is the Hyundai Project, which consists of the construction of two 40 MW power plants, and the about-to-be-completed 30 MW Chibodo thermal power station and the groundwork for the installation of a second 10 MW thermal power station in Santa Catarina.

Access to drinking water is a reality only in urban centers. Outside these, the supply is from the rivers and lagoons. National programs are underway to improve access to drinking water. Investments mainly aim to expand the means of capture, treatment and distribution.

■ Challenges and Opportunities

There are several economic development potentials in the province of Cabinda beyond oil activity and the use of natural gas.

Beyond the widely recognized development of tropical agricultural produce, agro-industry has fertile ground for expansion here. The Dinge agro-industrial project is a good example of this.

The livestock sector is relevant only for goat and poultry farming, given that climatic conditions are not the best for cattle farming. Fishing activity, including aquaculture, like livestock, is a good business opportunity.

The exploitation of wood resources is one of the greatest riches of the province that must be harnessed sustainably.

In addition to the space for the development of commerce, hotel and tourism sectors, it is important to highlight the opportunities available to industries such as construction, which has growth potential in the sectors of aggregates (sand and gravel), the manufacture of clinker bricks, carpentry and joinery. Other industries with obvious growth potential are baking, cassava and corn mills and coffee processing.

The energy sector, through mini-hydro and wind generators offers further diversification and promising solutions. The transformation of phosphates for use as fertilizer is an opportunity of enormous importance for the whole country, given the lack of phosphorus in most of Angola's soils. There are also indicators of titanium, gold, semiprecious stones and uranium.

■ National Development Plan 2018-2022

Overview

The province is strategically positioned in the context of the national and regional economy and is affirming itself as a business center and commercial base in the Congo Basin, from which to promote the diversification of the productive structure based on its endogenous resources and geographical location. It has the potential to become an economic development hub and a scientific and tourist attraction, thus contributing to the creation of added value at a national level.



Strategic Priorities

- Integration into the national territory, minimizing the constraints caused by the geographical discontinuity.
- Competencies and human resources initiative (education and training of specialized staff).
- Promotion of the endogenous economic initiative, stimulating youth initiatives for business creation and self-employment, namely through the construction of entrepreneurship centers and startups.
- Valued cultural heritage as a development factor, encouraging literary collection and production and the development of theater and dance, etc.
- Prospection for oil and gas.
- Development of industries to support oil and gas prospection and derivatives.
- Wood industries with high added value; industry for the transformation of primary products and production of inputs.
- Industrial production of phosphates and derivatives.
- Artisanal and / or semi-handcrafted gold exploitation
- Development of competitive market and agricultural niches for direct consumption and industrial processing.
- Affirmation of Cabinda as business center and commercial base in the Congo Basin – port hub and logistics center associated with the regional distribution of products.
- Affirmation of Cabinda as a tourist hub, the Maiombe forest being one of the “Seven Wonders of Angola”.



THE CUANDO CUBANGO PROVINCE

At the southern tip of the country, the province of Cuando Cubango, formerly considered by the Portuguese as “the end of the world”, has now been designated, given its potential for development, the “land of progress”. This is based on two basic pillars: the formation of human capital and entrepreneurship and the promotion of private initiative. The main productive sectors geared towards a faster return on investment are agriculture, with emphasis on its modern and entrepreneurial aspects, tourism, which takes advantage of the transboundary Okavango-Zambezi initiative (KAZA), forestry exploitation, which includes timber and beekeeping, and its various mineral resources.

■ Physical, Geographic and Environmental Characteristics

The province of Cuando Cubango is located in the extreme southeast of Angola. It occupies an area of 199,049 km² and borders with the provinces of Bié and Moxico to the north, Huila and Cunene to the west, Namibia to the south, the Republic of Zambia to the east. Its capital is the city of Menongue.

From an administrative perspective, the province is organized in nine municipalities: Calai, Cuangar, Cuchi, Cuito Cuanavale, Dirico, Mavinga, Meningue, Nancova and Rivungo.



THE PROVINCE HAS A WIDE RANGE OF RIVERS, OF WHICH CUBANGO, CUITO AND CUANDO ARE NAVIGABLE

The territory of Cuando Cubango presents a smooth slope from northeast to southeast, reaching a maximum altitude of 1,500 meters. This feature makes the waters of numerous rivers that border and run through the province converge at the extreme southeast in the Cuando and Cubango rivers, which, in turn, flow into the sands of the Kalahari Desert in a unique setting.

The average annual temperature is about 20° C, with very low temperatures during the cold season. Rainfall decreases from northwest to southeast, so the climate changes from humid in Menongue to semi-arid in Mucusso, where the influence of the Kalahari Desert is already noticeable.

The province has a wide range of rivers, of which Cubango, Cuito and Cuando are navigable. This vast hydrographic resource has a great fish-farming wealth.

The fauna is very diverse, and wild animals may be found in the existing reserves, including the following species: elephants, kingfishers, rhinoceros, hippos, lions, leopards, and hyenas, among others. Displaced into neighboring countries during the war, they are now in the process of returning to their former habitats.

■ Demographic Characterization

According to the 2014 Census, the province had 534,002 inhabitants. It is one of the provinces with a lower population density, with only 2.7 inhabitants per km².

The population is predominantly female (51.2%), the percentage of young people (under 25) is high at 66.1%, and the active population is 50.8%. Only 2.8% of the population is over 65.

Education and Vocational Training

In 2008, there were about 72 primary and secondary schools in the province. Five years later, Cuando Cubango had 164 new schools, including an Agrarian Institute and an Institute of Nursing. Despite this development and improvement of conditions, the province still faces infrastructure difficulties and a shortage of qualified personnel. The extremely low population density also poses major challenges for the sector in the search for solutions to bring education services to the most isolated communities.

HIGHER EDUCATION OFFERS COURSES IN ENGINEERING, TECHNOLOGY, HEALTH, HOSPITALITY AND TOURISM, AMONG OTHERS

The creation of the Polytechnic School integrated in the Mandume Ya Ndemufayo University and later the University of Cuito

Cuanavale, which also serves the neighboring province of Cunene, represents an important step towards the creation of human capital, a key condition for development. Higher education offers courses in engineering, technology, health, hospitality and tourism, among others.

Health

There has been a lot of progress in recent years in this sector. The health network is composed of 86 operational health units, including six hospitals, 10 health centers and 70 health posts. These health units are supported by 37 doctors.

The use of new technologies offers new opportunities, as the improvement of telecommunications strengthens telemedicine, which will certainly attract private investors in health care, as is the case in provinces with a higher rate of development.





Media

In this area, the province needs more investment. Telephone communication is available to only about 14% of the population. Radio still predominates over TV and the use of the Internet is extremely limited, mainly to the capital city of the province.

In addition to the expected arrival of the national fiber optic network, better coverage by operators is anticipated because, with tourism, communication traffic will be much higher.

■ Economic Characterization

Agriculture, Livestock and Fishery

These activities are still predominantly family and self-sufficiency oriented and employ the majority of the active population (about 80%). The estimated cultivated area totals more than 127,000 hectares, with great diversity of cultivation, including (in descending order) corn (about 30%), sorghum (17%), peanuts (11%), manioc (6%), beans (4%), bananas (4%) and sweet potatoes (3%), among others. Agricultural activity is more relevant in the northwest due to soil quality and relatively higher population density. Only on the border with neighboring Namibia can one speak more properly of a market-oriented production.

Given the province's location and a network of roads and transportation that still needs further development, there are no agro-industries or product outlets. The provision of supplies is thus still incipient. Still, it is worth mentioning the existence of about two dozen entrepreneurial exploitations, where there is a certain degree of mechanization and modernity of productive processes.

THE ESTIMATED
CULTIVATED AREA
TOTALS MORE THAN
127,000 HECTARES

An important factor that enhances the development of this sector is the fact that the province is rich in water resources. Its geomorphology allows easy mechanization and the implementation of irrigation systems.

Forest is widespread throughout the province and is rich in valuable species. This is another area of potential investment.

Rudimentary beekeeping is widely practiced by the population as a complementary activity, resulting in wax and honey, which is widely used in the production of the mead beverage that is marketed. The production of oil from mangongo wild fruit is another activity that results from silviculture.

Livestock farming is carried out with special emphasis in the south and is mainly family oriented.

Continental fishing has special relevance in the watershed of the Cubango river, where it has been practiced since ancient times. The main species caught are catfish, *cacusso*, freshwater sardines, *mukunga* and mullet.

Industry, Geology and Mines

Despite the abundance of raw materials in the province, commercial and industrial activity is still incipient. In the case of the industry, in 2013 there were around a hundred operational units, mostly small and based in Menongue.

This framework means that there is a high potential for business expansion, as there is space for all kinds of commercial and industrial activities, boosted by the remarkable increase in tourism in the region.

A project to produce iron ore with biomass as fuel is also underway.

The potential of Cuando Cubango in terms of mineral resources is also well known. This area might even constitute one of the main factors of development of the province, as there is a high level of national know-how in terms of geology and mines and the Menongue logistic platform is an important support. By 2013, eight inert material prospection companies (copper, gravel and sand) were licensed and operating. PLANAGEO, a study of the country's mineral potentialities, may reveal the mining potential of the province more accurately.

Tourism, Hospitality, Commerce and Entrepreneurship

Quando Cubango has a very important natural heritage that has survived the war and sanctuaries with diverse and abundant fauna.

The extension of open spaces, exotic landscapes resulting from the combination of river basins, closed forests and desert areas, forest reserves and, above all, fauna, confer a higher potential for nature tourist attraction than any other province.

A PROJECT TO PRODUCE IRON ORE WITH BIOMASS AS FUEL IS ALSO UNDERWAY

The inclusion of Cuando Cubango in the international initiative Transboundary Kavango Zambezi Area (ATFC KAZA), commonly known as KAZA, is another very important catalyzing factor for tourism in the region. This area, covering 440,000 square kilometers, focuses on the potential of the Cubango (Cavango or Okavango) and Zambezi rivers, especially in the areas of wildlife and associated tourism. The Okavango Tourist Development Center was created with this focus in mind.

Also, with regard to future tourist development, the existence of airports, such as the ones of Menongue and Cuito Cuanavale, is extremely important as they provide a gateway to the international tourism to be attracted by the KAZA initiative. The attractiveness of Cuito Canavale, the scene of the decisive battle between the Angolan and South African apartheid forces, which led to Namibia's



independence and political change in Mandela's country, should also contribute to tourism.

Trade is incipient and predominantly informal and dedicated to the trade of food and clothing. However, public investments made in recent years have given rise to an important logistics platform in Menongue, which will boost the creation of more business units around the provincial capital.

Furthermore, the geographical proximity to an important export market from neighboring countries, boosted by existing cross-border trade, is another attractive factor for entrepreneurs, who will be able to take more advantage of the benefits offered by the Walvis Bay Corridor.

Access Roads, Infrastructure and Transport

The province's main road network covers around 4,000 kilometers. In 2013, about one-fifth was undergoing repair. In areas bordering Namibia, communication routes are hampered by the Cubango River.

The overland connection with Menongue is preferably by way of the city of Cuito and the Katwitwi border, a result of the development of the neighboring country and the opening of the Walvis Bay corridor.

This activity recently increased with the creation of the logistic platform bases of Menongue. A broad transport market might be created around this platform, of which private initiative should take advantage.

INVESTMENTS MADE IN RECENT YEARS HAVE GIVEN RISE TO AN IMPORTANT LOGISTICS PLATFORM IN MENONGUE

The opening of new roads and the repair and improvement of those existing is not a particularly demanding task, as the geomorphology of the region does not present many difficulties. As far as the railroad is concerned, some 907 km of railroad track have been built, giving freer movement to people and goods along this route.

The province has a recently redeveloped airport that offers regular connections between the provincial capital and Luanda and, of a non-commercial nature, to the historic village of Cuito Canavale.

■ Energy and Water

The province has much hydropower and renewable energy production potential, its morphological characteristics not presenting major difficulties for the expansion of public works.

In 2012, the new ten MW Menongue thermal power station was completed. Given the poor energy coverage and low access to water, a private initiative

opportunity exists, which may be reinforced by the use of infrastructure-directed credit lines.

■ Challenges and Opportunities

The two major development strategies of the province represent excellent business opportunities—on the one hand to stimulate the productive fabric, supporting entrepreneurs in the agricultural, commercial, service and industrial areas. In this context, the emphasis on forest and livestock farming, as well as, industry in general, is particularly relevant. On the other hand, the enhancement of natural resources invites new business ventures. This includes two dimensions: a) the promotion of hotel accommodation and tourism, and b) the exploitation of mineral resources in the subsoil to boost the emergence of extractive activity and the rational exploitation of the forest.

At the level of the primary sector the province has several strengths, particularly the abundance of water resources, the climate and the soil, which offer high potential for agriculture in the northwest region, the geomorphology that makes the implantation of irrigated perimeters, livestock breeding, logging and processing, and fishing in the Cubango basin possible.

Cuando Cubango presents a significant abundance of raw materials. A number of reference projects are planned for their use, such as (i) the licensing of companies for exploration and exploitation of mineral resources; (ii) studies on the potential of the province for the definition of concession strategies in the areas of copper, iron, diamond, gold, granite and quartz, among others; and (iii) the creation of conditions for the reception of concessionaires in the field of mineral resources.

■ National Development Plan 2018-2022

Overview

The Province benefits from the integration into the national development axes of Huambo-Menongue-Fronteira Namibia and Namibe-Lubango-Menongue-Fronteira Zambia to build a new development path that reverses isolation and favors its natural potential, based on economic, social and environmental balance and endowed with the infrastructure that fosters the development of economic activities and the well-being of the resident population based on a consolidated urban network. Prepared to contribute to national growth, in the use of tourism in its natural, cultural and landscape resources, in the valorization of integration in the largest tourism area of nature worldwide and in agricultural and mining resources, the basis for a balanced production structure between tourism, agro-livestock, forestry and extractive activities.



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Strategic Priorities

- Tourism, with emphasis on the Okavango tourism development hub, but also valuing the Mavinga and Luiana Natural Parks and the corridors of the Cuito and Cubango rivers, promoting the enhancement of wildlife and the installation of support equipment.
- Large-scale intensive agriculture (rice and corn), agro-livestock and timber activities.
- Forest, through beekeeping and wood production.
- Extractive and related industries.
- Cross-border trade relations, fostering economic interaction with neighboring countries.
- Urban development, reinforcing the advanced services in the capital of the province and the consolidation of the urban functions of the remaining municipal seats.
- Development of the province's human resources through a strong commitment to vocational education and training oriented to the potential labor market: better quality of education, expansion and access, broadening of the number of courses offered in the province.







THE CUANZA NORTE PROVINCE

From an ecological point of view, the province is very diversified and covers one of the regions of the oldest Portuguese colonization, which favored a greater command of the language and greater literacy. Two major events marked its history at the beginning of the twentieth century: the arrival of the Luanda Railroad, and the beginning of coffee exploitation. The province yielded the highest production.

■ Physical, Geographic and Environmental Characterization

The province of Cuanza Norte is located to the north-central region of the country and borders the provinces of Uíge to the north, Bengo to the west and southwest, Cuanza Sul to the south, and Malanje to the east. It occupies an area of about 19,500 km² and its administration is organized in ten counties: Cazengo, Ambaca, Banga, Bolongongo, Cambambe, Golungo Alto, Lucala, Ngonguembo, Quiculungo and Samba Cajú. The city of Ndalatando, in the municipality of Cazengo, is the province civic center.

The county of Cambambe is the largest, with an area of 5,032 km². Its communal center, Dondo, stands out for its economic capacity linked to energy and industrial production. The county has a population density of 11.48 inhabitants per km².

THE COUNTY OF CAMBAMBE IS THE LARGEST, WITH AN AREA OF 5,032 KM²

The relief of the province is quite rugged, and several important rivers cross its territory. Among the most outstanding are the Lucala, the Cuanza and the Bengo, which define major hydrographic basins.

The climate is varied: subhumid dry and rainy and subhumid humid. Equally varied are the soils, between "aridic tropical", "tropical fersialitic", "paraferalitic" and "feralitic." The landscape includes several floristic complexes, corresponding to distinct ecological zones, of which the "forestous bushes and wooded savannah" in the south and southeast along the river Cuanza (county of Cambambe), the "dense rainforest" in most of the territory and the "Plateau de Camabatela" (county of Camabatela) stand out. In Golungo Alto, in the town of Cerca, there is a large forest reserve of approximately 600 km².

The Cuanza river, the largest in Angola (about 960 kilometers), bathing the city of Dondo and feeding the dams of Cambambe in the province of North Cuanza and those of Lauca and Capanda in Malanje, is navigable from the city of Dondo to the mouth, in the south of Luanda.

In the south and southeast (country of Cambambe) there is a significant number of lagoons with a clear potential for fishing and fish farming.

■ Demographic Characterization

According to the Census of 2014, the province had 443,386 inhabitants, 217,060 (49%) men and 226,326 (51%) women. Of the overall population, the majority (68%) resided in urban areas.

The province of Cuanza Norte has a population density of 22.7 inhabitants per km² and an active (old enough to work) population of 48.6%.

The population is the youngest in the country, with an average age of less than 20, and a temporal evolution tending towards greater rejuvenation.

Education and Vocational Training

The population's demand for education is quite high. The sector has been improving in recent years as a result of the implementation of specific development programs, managed at central, provincial and municipal levels, which resulted in investments in infrastructure constructions. These include the constructions of primary schools in all municipalities, secondary institutes in Lucala and Quiculungo, the secondary agrarian Institute in the county of Cazengo, and the Polytechnic School of Cazengo, among other interventions.

ACCORDING TO THE LATEST AVAILABLE DATA, FOR THE PERIOD 2007-2012, THE SCHOOL SUCCESS RATE WAS AROUND 73%

According to the latest available data, for the period 2007-2012, the school success rate was around 73%.

However, classrooms still have an average number of students higher than the required number.

Health

Since 2002, there has been an increase and improvement in the availability of basic social services in the province, as well as efforts towards the development and health programs in the county.

The province has 128 health facilities, most of which are health offices and centers. It is also equipped with a maternity and a materno-infantil specialized hospital. In total there are ten hospitals in the province, eight of which are municipal.

The health network has been gradually improved through the modernization of the provincial hospital and the construction of 22 health centers.

Media

Cuanza Norte is equipped with fixed and mobile lines of telecommunications. Although total coverage of the province is not guaranteed, the growth of its use is worth noting.



■ Economic Characterization

According to the available data, 911 companies were registered in 2011.

The tertiary sector – mainly trade, but also transport, vehicle repair, catering and hospitality – is the most represented, accounting for about 81% of the existing businesses (2011). In that year, the manufacturing industry accounted for only 8% of businesses.

Agriculture and Fishery

The province's economy essentially relies on agro-livestock and forestry. In fact, the agricultural sector, which includes livestock farming and the exploitation of forests, is responsible for the most employment.

The province produces cereals (mainly corn and rice), roots and tubers (cassava, sweet and regular potatoes), legumes and oilseeds (beans, peanuts and soya), various fruits (bananas, citrus fruits and pineapples) and vegetables (onion, tomato, cabbage, carrot and pepper). The main crops, in order of their importance per cultivated area, are cassava—absolutely in first place—peanuts, beans, corn and sweet potatoes.

During the colonial period, coffee was economically the most important agricultural product. At present, the coffee sector has 3,446 family coffee growers with about 97 business-type farms for a total area of 32,419 hectares. Associated with the coffee culture, the plantation of palmar takes place from imported hybrid plants and seeds of high yield potential.

Before the war (in the 1970s) a livestock development project was underway to take advantage of the conditions of the plateau of Camabatela, and an industrial slaughterhouse was built to this end. The Government has recently built a new slaughterhouse with a slaughtering capacity of 250 animals per day, while promoting animal repopulation using Spanish funding.

Fishing is practiced in the province's rivers and lagoons, under artisanal methods, and has significant economic and social importance, particularly in Cambambe, where the commercialization is done in the form of fresh, scaled, dry or smoked products. Much of the fish is drained to Luanda. The most fished species are the local tilapia (*cacusso*), catfish (much appreciated by the population) and the moon fish (*mussolo*).

There are areas with potential for aquaculture, such as in Lucala, Banga, Ambaca and Cambambe, in addition to a Breeding Center in Cambambe for supplying species.

The sector is under the supervision of the Provincial Directorate of Agriculture, and Rural Development and Fisheries. Some private companies provide services to the agrarian sector, with special emphasis on the mechanized preparation of lands (Tecnagri and Mecangol) and others dedicated to the sale of seeds, fertilizers, equipment and tools (ANGOPRI, Hortojardim, AGRIPEST and EDUSA).



Industry, Geology and Mines

The industrial domain has still little relevance. According to the National Statistics Institute, in 2011, 45 manufacturing companies were active in the province¹. The same year, the value added of this industry was around US \$ 18 million for a total provincial GDP of US \$ 384 million, though the present value is significantly higher.

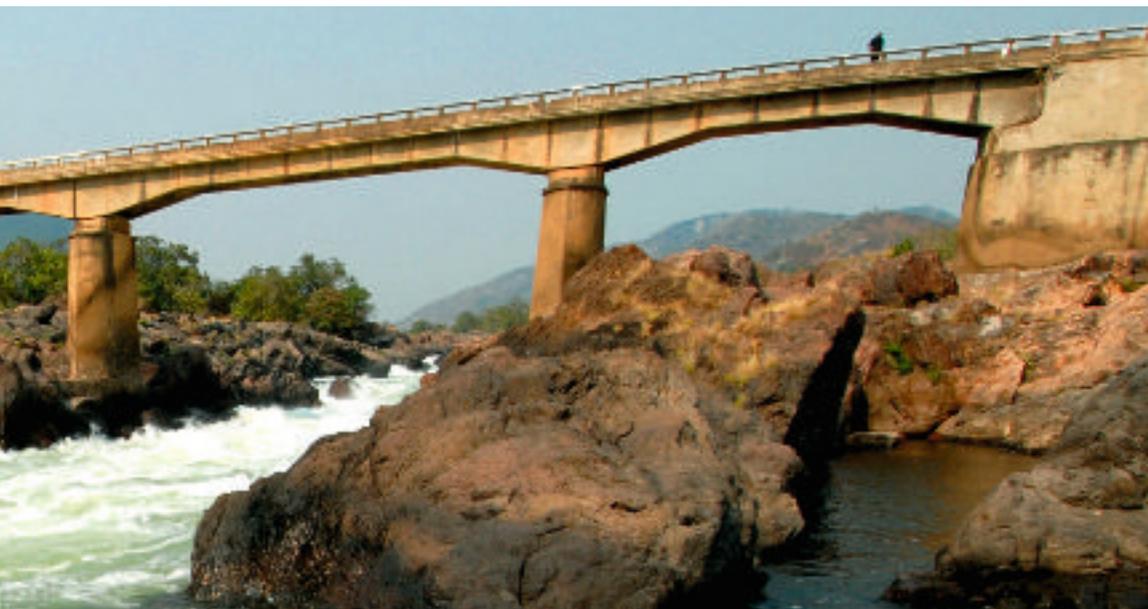
The main industries are beverages (beer in Cambambe, and mineral water in Cazengo), industrial slaughterhouse (Camabatela), mills (manioc and corn flours) and baking.

A textile factory financed by the government of Japan has recently been renovated in Dondo-Cambambe, but it has not yet started operations. A motorcycle assembly unit is still waiting for operation.

The Government has set up the creation of an industrial center in Lucala, in order to take advantage of the power transformation unit from the Capanda and Lauca hydroelectric power plants, which though still lacking infrastructure, nevertheless represents a good opportunity investment. Currently there is only one plastic factory in the industrial community.

Given its location and the possibility of access to electrical energy (at proximity to three hydroelectric dams – Cambambe, Capanda and Lauca – with another one under construction), Northern Cuanza has the conditions for a stable agro-industrial development, and also entrepreneurial ventures, aimed at providing services to the population.

1. (1). INE – Statistics from the United Businesses' File, 2008-2011



THE CASSALA QUITUNGO HAS IMPORTANT DEPOSITS, WITH PROVEN RESERVES ESTIMATED AT MORE THAN 300,000,000 TONS OF IRON ORE, AND ABOUT 5,000,000 TONS OF MANGANESE

The mining sector represents, for its potential alone, one of the main strategic areas of the national economy. In Cuanza Norte, the presence of iron, manganese, copper, gold, ornamental rocks, quartz, asphalt and talcum is no secret. The Cassala Quitungo has important deposits, with proven reserves estimated at more than 300,000,000 tons of iron ore, and about 5,000,000 tons of manganese. There is data on the placement of copper in the Serra do Banga and gold in Massangano, Serra do Banga, and in Gonguembo. There is also marble located in Quixico, Cacolombo and Zanga, as well as some granite formations to use as ornamental stones. Finally, there are inert materials, essential for the construction industry.

■ Tourism, Hospitality, Commerce and Entrepreneurship

The province has identified 87 monuments, historical sites and places of religious consecration that are of great importance for internal and external tourism.

For this reason, it will be paramount to develop hotels and catering businesses, which represent a good opportunity. The hotel and catering sectors have only six hotels and a high number of low quality pensions. The tourist and cultural potential of the province includes, for example, the Botanical Garden (where the botanist, John Gosswailer, uttered his famous phrase “if paradise exists, it is here”), the River Vuva Falls, the ruins of Massagano (where Paul Dias de Novais, founder of the city of Luanda, was buried) and those of Santo Hilário, the rapids of the Lucala river, the Furnas de Quiangombe (Lucala), the Banga lagoon and the Quiamafulo beach on the Cuanza river, as well as several municipal cultural centers, and many other places of interest.

The Government is trying to have the Corridor of the river Cuanza added to the World Heritage of Humanity given its historical value in terms of a crossroad of cultures and commerce.

Access Roads, Infrastructure and Transport

The province of Cuanza Norte needs to invest more in a highway transport network. The Government has been developing initiatives and projects aimed at providing the province with diversified and sustainable roads.

The major axis of connection to other Provinces will be available upon completion of the repair and reconstruction works on the Luanda-Dondo-Ndalatando-Lucala-Malanje road and an extension to the territories of Lundas.

In turn, the railway line running through Luanda / Ndalatando / Lucala / Malanje was completely rebuilt, as well as the branch between Zenza do Itombe and the

city of Dondo. On the other hand, the segment between Canhoca and Golungo Alto needs rebuilding.

Finally, the province has a recently-built airport still little used.

The transportation of passengers and cargo by road is covered by private companies, notably TCUL, MACON, SGO, among others.

Energy and Water

Water and energy infrastructures have benefited from many interventions in recent years, given that the province is relatively well placed with water resources.

The development of the sector has been driven by specific national programs such as the Water for All program.

Given the water conditions, the province seems the center of energy production. In this regard, the Cambambe Dam has recently benefited from a rise that allows the production of 960 MW. The province also benefits from the Capanda and Lauca dams (located in Malanje, but very close to the territory of Cuanza Norte), already completed, and will benefit from the one of Caculo Cabaça, whose construction has already begun.



■ Challenges and Opportunities of the Province

The basic vocation of the province of Cuanza Norte is its vitality, which should encourage and facilitate the installation of an industrial environment. This could be the case with the extraction and conversion of iron ore from Cassala-Quitungo.

Given the proximity and economic links, the creation of a regional "cluster" is projected between Cuanza Norte and Malanje, with an emphasis on the trinomial electricity / agriculture / manufacturing. In fact, these provinces are not only the main zones of energy production but also contain remarkable reserves in the national context.

Following the logic of the implementation of regional development hubs, the agricultural sector is considered as a strategic investment, associated with the food and processing industries. On the one hand, the province's agricultural potential indicates that its production can be aimed at not only domestic consumption but also at exports, particularly at the level of cassava, peanuts, beans, corn, potatoes, coffee, palmar, rice, cotton, sunflower, tropical and semi-tropical orchards and horticultural crops. It is worth also highlighting the potential for the timber industries and for the cultivation of exotic forest species, for livestock farming (cattle raising, poultry and pig farming), given the existence of good and diversified pastures, and for fishing activities. A final word should be said for the resumption of production and industrialization of coffee and soybeans. In the future, the business sector should introduce soy as a crop, mainly for its importance as a raw material for the production of food oil and the use of bagasse in the feed industry.

On the industrial front, the province is able to receive investments for the development of some integration chains in the agro-industrial and food industries. This is true for either the food industry (meat industry, edible oil production, milling and baking), or the beverage industry, the textile industry (cotton), wood and furniture, and soap, brick, and tile manufacturing, among others. The new integrated system of fiscal and financial incentives allows the organization, under favorable conditions, of numerous industries, as well as, with fewer resources, the revitalization of the private sector to achieve maximum effects. The Government has recently decided to accept investment proposals for the construction of infrastructures in the industrial hubs, which, for Cambambe and Lucala would be a good business opportunity.

Investment in the hotel and catering industry is still an important investment opportunity, given the tourism potential.

The proximity of Luanda, as a major consumer and exporter center, and the existence of road and rail connections, reinforce all this economic potential. Furthermore, the executive's strategy to boost credit, provide incentives for entrepreneurial activity, and the availability of partnerships, constitute another driver of provincial growth. For example, within this framework, the development of agro-industrial centers in Cambambe and Lucala, based on public and private partnerships, would set up production chains integrating citrus, bananas, other fruits and vegetables, cassava, rice, peanuts, sunflower and soya.



■ National Development Plan 2018-2022

Overview

The main center of power generation at the national level, welcoming energy-intensive industries with a productive specialization in agro-business and large-scale livestock farming, with the capacity to export agro-food products and to supply the manufacturing industry with a strong agro-industrial sector, benefiting from the strategic position for the circulation within the north-south-west of the country, provided by the Malanje rail corridor and the Dondo branch – for the economic development of the Dondo-Ndalatando-Lucala axis. A well-developed tourism sector, with a qualified and diversified offer, valuing the natural landscape and historico-cultural resources of the province, supported by reclaimed and qualified urban centers, taking advantage of the proximity to the largest metropolitan area of the country.

Strategic Priorities

- Business agriculture, with emphasis on intensive crops such as corn to supply poultry units; the recovery of coffee and cotton cultivation (there is already a processing factory needing raw material); the cultivation of palmar; and the production for the agro-industry (sunflower, peanuts, beans, cereals, fruits and tubers).
- Large-scale agro-livestock farming.
- Industry: promotion of the industrial centers of Lucala and Dondo with the appeal of processing units for agricultural products, in particular the production of palm oil, vegetable oil, cotton and coffee processing, and fruit juices.
- Appreciation of the tourism potential (nautical, ecological and rural) by creating support infrastructures in places with the greatest potential for attracting visitors, developing hotel and catering services, and promoting initiatives.
- Attractive urban community of qualified professionals, activities and tourists, and rehabilitation of urban centers (public space, buildings, housing and urban infrastructures).
- Inclusion of young people in the labor market and creation of self-employment, especially in the agricultural, industrial and tourism sectors.
- Energy, with increased production and transport and distribution networks.

THE CUANZA SUL PROVINCE

The province's geographical positioning and the great diversity of the geomorphological and ecological characteristics of its territory dictate its vocations for agricultural and livestock production. The province also has a 178-kilometer coastline rich in multiple fishing resources, reflecting the potential development of the fishing industry associated with the marine produce processing industry.

The physical, climatic and landscape conditions, the beauty of the coast and the interior of the province, represent a high potential for investment in the tourism sector, specifically associated with sightseeing and sports.

From a human and ethno-linguistic angle, the province is also a diverse mosaic, with, at least, three of the most spoken national languages: Ngoia, Kimbundu and Umbundu. It is a region of transition with a predominant culture north of the Cuanza river, also prevailing in the central plateau.

Funerary art, tombs of kings and cave paintings – a rarity in Africa that earned the status of human heritage site – constitute, along with the forts built by the Portuguese during the period of occupation in vast areas, a legacy of high historical-cultural value and beauty. They give the province a special charm and make its people very proud. They invite exploration.

FROM A HUMAN AND ETHNO-LINGUISTIC ANGLE, THE PROVINCE IS ALSO A DIVERSE MOSAIC, WITH, AT LEAST, THREE OF THE MOST SPOKEN NATIONAL LANGUAGES

■ Physical, Geographic and Environmental Characterization

The Province of Cuanza Sul is located on the central west coast, in a mountainous area with varied altitude. It is bordered to the north and northeast with the provinces of Bengo, Cuanza Norte and Malanje, with Benguela to the south, with Huambo and Bié to the southeast, and with the Atlantic Ocean to the west. It covers an area of approximately 55,660 km² and is organized administratively in 12 municipalities: Amboim, Cassongue, Cela, Conda, Ebo, Libolo, Mussende, Porto Amboim, Quilenda, Quibala, Seles and Sumbe. The provincial capital is the city of Sumbe. It is a typical transitional region from the geographical point of view, between the coastal plains and the interior or central plateau of Angola, and the northern Kimbundu culture and the central Umbundu culture.

The territory of Cuanza Sul is ecologically very diverse, with a coastal plain (corresponding to the municipalities of Sumbe and Porto Amboim), a mountainous zone with a succession of levels that grow in altitude toward the interior (Amboim, Quilenda, Seles, Conda and Libolo) and a peneplain transitional zone (Ebo, Quibala, and parts of Cela and Mussende). These three zones are



ARQUI JAZ
MATEUS
FALECEU EM
15 DE JUNHO
DE 1957



AQUI JAZ
KICAMBI
SILENGI
ALECEU EM
DE MARCO
DE 1939

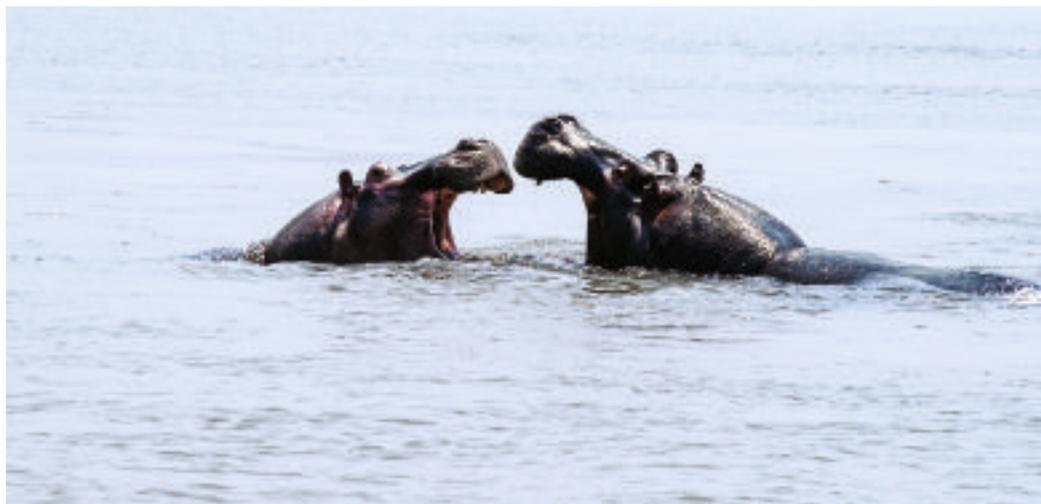
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F. BRASILEIRO
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arranged almost parallel from north to south and from west to east. A fourth zone integrates the well-known Central Plateau (parts of Cela and Mussende and Cassongue).

The climate is also diverse, from the arid and semi-arid coast (with rainfall between 400 and 900 mm, and average annual temperatures of around 25° Celsius), the sub-humid and wet zone (900-1000 mm and 20-22° C), the transitional zone (1300 to 1400 mm and 20-21° C) and finally the Central Plateau, where rain is the most pronounced, over 1400 millimeters and average temperatures are lower (19° C) .

This geomorphological and climatic diversity has correspondingly varied types of vegetation, with trees typical of semi-arid climates being found in coastal steppes and savannas, dense rainforest favorable for Robusta coffee in the mountainous zone and open forest with savanna in the highest areas.





The Kumbira forest – the place “where the sun hides” – is a paradise of unique beauty with invaluable economic, tourist and natural potential. In spite of its value, it is a little-known region, quite threatened and lacking in protection. It is located in the central region of the Escarpa de Angola, a rugged area that separates the plains from the coast and the plateau in the interior of the country. One of the characteristics of Central Escarpa is that it is permanently enveloped in a mist carried by the sea winds. When it reaches the slope, it condenses to form a fine rain, even during the dry season. This combination of topography and humidity is the main reason why the escarpment has a microclimate contrasting with the almost desert landscape of the coast of Cuanza Sul.

The province is covered by four hydrographic basins, which give it a wealth of very relevant ecological and biological resources: to the north the Cuanza and Longa rivers; in the center the Queve river, and to the south the Quicombo river. On the Queve, relatively close to the city of Waco Cungo, one of the largest concentrations of hippos in the country, only comparable to the River Cuquema in Bié, may be observed.

ON THE QUEVE, RELATIVELY CLOSE TO THE CITY OF WACO CUNGO, ONE OF THE LARGEST CONCENTRATIONS OF HIPPOS IN THE COUNTRY, ONLY COMPARABLE TO THE RIVER CUQUEMA IN BIÉ, MAY BE OBSERVED



■ Demographic Characterization

According to the 2014 Census, the province had 1,881,873 inhabitants, 51.9% women and 48.1% men.

The population density is the highest in the country with 33.8 inhabitants per km². The active population is 48.1% of the total, while 66.6% of the population is under 25. Only 3% are over 65.

Education and Vocational Training

The province's population is a very young age, with the high presence of school-age children putting pressure on the primary education system. However, there is an overall trend towards increased demand for education services across the province, which could mean an opportunity for investment in education, including vocational and higher education.

In addition to elementary and primary schools, the province has seven teacher training colleges, four professional technical schools, one Polytechnic Institute, the National Institute of Petroleum in Sumbe, the Agrarian Institute in the county of Cela and a technical-professional agrarian college in Quibala (Catofe).

At the level of higher education, the province has the Higher Institute of Educational Sciences, the Higher Polytechnic Institute of Cuanza Sul, the Higher Polytechnic Institute of Porto Amboim and the Higher Polytechnic Institute of Libolo, which offer courses such as agronomy, zootechny, agrarian business management, Accounting and management, nursing, engineering (informatics, telecommunications, electronics), psychology, and law, among others.

Health

In terms of access to health care, the province has a number of health facilities in all municipalities, health centers and hospitals, especially the provincial hospital and the pediatric hospital, both in Sumbe, a regional hospital in Porto Amboim and another in Libolo, and two regional reference hospitals in the Amboim and Cela counties.

Despite the investments in the sector, the province still has deficiencies in infrastructure and specialized personnel, namely medical specialists and qualified nurses.

Media

Cuanza Sul is equipped with fixed and mobile telecommunications services. Although difficulties with mobile coverage still persist, there is a gradual increase in voice and data services in the province's municipal offices, in the main urban population groups and even along the roads between municipalities.

Voice and data services are provided by mobile operators Unitel and Movitel, which have representative offices in the province, and by the operator Angola Telecom, which is responsible for providing fixed telephony services through its copper and fiber optic networks.

■ Economic Characterization

Agriculture, Livestock and Fishery

According to data from the 2014 Census, agriculture and fishing are the most common economic activities in the country, the province of Southern Cuanza having the highest proportion of agricultural and livestock farming households. The same document reveals that the provinces of Benguela and Cuanza Sul had the lowest unemployment rates in the country with about 14% each.

This is partly explained by the quality and abundance of land resources allowing the coexistence of family and business economies in the agro-food sector.

CORN IS BY FAR THE MAIN CROP, OCCUPYING ALMOST 70% OF THE CULTIVATED AREA, FOLLOWED BY BEANS WITH ALMOST 15%

Corn is by far the main crop, occupying almost 70% of the cultivated area, followed by beans with almost 15%. The remaining crops vary with manioc, peanuts, bananas, various vegetables, potatoes, sweet potatoes, other fruit trees (pineapples, citrus, mangos) and palm groves in descending order. Coffee, once the province's great

wealth, has received more attention in recent years and offers high growth potential.

The Cuanza Sul Province is where the largest public and private investments were made in the last two decades in agriculture, along with Malanje, which benefited from private investments. The Aldeia Nova Project, a public-private partnership financed by Israeli banks worth more than \$ 100 billion for corn, milk and poultry production, is located there. It is also the province with the largest concentration of public and private bank financing, having benefited until 2013 from about 70% of the credit granted to agriculture by the Agrarian Development Bank since its founding in 2006. For this reason, the province has the largest cultivated area by private companies, with more than 75 thousand hectares.

An important potential is the production of meat, milk and eggs, associated with traditions in the field of livestock in balance with agriculture and the environment.



Cela-Catofe's Milk Basin has had relevance in the past and is a sleeping giant awaiting good projection and financing.

The abundance of surface water resources whose potential is by a large measure waiting to be harnessed, forest resources with quality timber, the tradition of market economy and the accumulated knowledge in some segments of agricultural production (corn, coffee, cotton, palm, horticultural, fruit) are opportunities for anyone interested in investing in the province.

The Government invested in the rehabilitation of the Matumbo canal, in the Cela county, to supply water to important farms in the same municipality. The reactivation of the structures of the Agronomic and Veterinary Research Institutes, with the creation of an artificial insemination center, is part of a set of measures to support agro-livestock production. Production factor supply companies are starting to set up in the region.

Another important potential is related to fishing and aquaculture, especially in the sea, where the sector generates a significant volume of employment.

Industry, Geology and Mines

Before the war, the Cuanza Sul region experienced a remarkable entrepreneurial development through the installation of various agro-industries for grinding and fruit and dairy processing, which were destroyed during the war.



Now there is a gradual recovery of the processing industry with some units linked to agro-food (dairy, juice, coffee, bottled water) and cement.

THE PETROLEUM SECTOR HAS
A SIGNIFICANT PRESENCE,
MAINLY BECAUSE OF THE
PORTO AMBOIM OCEAN
TERMINAL AND THE NATIONAL
PETROLEUM INSTITUTE,
WHICH GIVE THE SECTOR
A FRAMEWORK

The fisheries sector has great potential to organize and integrate into a very competitive processing and marketing line, such as the existing Peskwanza unit in Porto Amboim.

The petroleum sector has a significant presence, mainly because of the Porto Amboim Ocean Terminal and the National Petroleum Institute, which give the sector a framework.

The province has important diamond deposits in the municipalities of Quibala and Mussende, as well as other mineral resources such as mineral water, stone and inert materials used in civil construction.

er resources such as mineral water, stone and inert materials used in civil construction.

Tourism, Hospitality, Commerce and Entrepreneurship

Cuanza Sul is characterized in general as a territory combining urbanity and rurality in a context of excellent landscapes and natural inland and coastal systems, when added to its strategic position in the proximity of the main urban



concentrations, explain why the region is often visited for recreation, tourism and leisure. Its location is also important as a connecting platform between the entire northern and central regions, both on the coast and inland. There are plans to link Luanda and Benguela Railway via Cuanza Sul.

Investments in the hotel and catering sector are concentrated in the municipalities of the coastal strip (Sumbe and Porto Amboim) and the counties of Libolo and Cela. In Conda, there is a facility located in a coffee farm, which serves rural tourism, as well as one of the Libolo units. In the rest of the province, the hotel and catering offer is precarious, which may represent an opportunity for future investors.

Funerary art, with the famous tombs (monoliths and ornate stone constructions to perpetuate the memory of the great chiefs, an idea also associated with the monuments of Greater Zimbabwe) can be found in six municipalities. Together with rare cave paintings, these provide a great potential for historical-cultural tourism. The same can be said of the forts and fortresses built in the nineteenth century by the Portuguese to confront the revolts of the colonized people opposed to the occupation.

One of the major challenges to the province is formal trade, which confronts many difficulties in the conservation and disposal of agricultural products, which is above all executed via unregulated community markets. Potential investors may well consider a stake in this industry.



Access Roads, Infrastructure and Transport

In this context, the geo-strategic positioning at the crossroad of two major development axes of the national territory (Luanda-Benguela and Luanda-Huambo), and the development of port infrastructure and rail transport could also be vectors of competitiveness, provided that they are properly accompanied by a territorial strategy to complement the major routes to the interior of the province (Sumbe-Porto Amboim urban coastal axis connecting with the Gabela-Waku Kungo axis, with a functional link to all municipalities).

The province, crossed by one of the main roads of the country, the National Road 100, which links Luanda to Benguela, allows good access to Luanda and the neighboring province of Benguela. A number of road repair works are underway, implying that, for the moment, travel within the province is more complicated because of the many diversions resulting from ongoing works.

The lack of public transport systems in many municipalities in the province, the few alternatives to road transport systems to municipalities such as Conda, Mussende, Ebo and Cassongue, as well as the lack of a structured and regular supply of air transport services, are the major challenges presented by the province. There are however regular services connecting Luanda by bus.

Energy and Water

Given its geographical positioning next to the largest hydroelectric dams in the country, the province will soon benefit from electricity from the Cambambe and Lauca dams, located nearby in the neighboring provinces of Cuanza Norte and Malanje, and the Caculo dam Cabaça, under construction.

The ongoing programs to improve public access to drinking water, associated with the province's water resources, will lead to a substantial improvement in the near future. At present, reasonable systems of capture, treatment and distribution of water are only available in the main urban centers of the province.

■ Challenges and Opportunities

The existence of an economic and social fabric, which, despite its weaknesses, has lived up to the challenges of the last decades, is a starting point for the development of agriculture and livestock, and related industries, especially in the food sector. The same may occur with fisheries, and consequently with trade and tourism. As described above, Cuanza Sul is, in fact, one of the provinces with the greatest potential to support the diversification of the Angolan economy.

■ National Development Plan 2018-2022

Overview

A diverse but cohesive province, with important coastal (Sumbe and Porto Amboim) and developing interior areas (dynamized by the municipalities of Cela and Quibala) with a balanced productive structure between the primary sector (intensive agriculture and industrial fisheries) agro-food industries, marine produce processing and oil industry support and a consolidated tourism sector, taking advantage of the Luanda-Dondo-Huambo and Luanda-Sumbe-Benguela road corridors, the use of natural resources and favorable conditions for the development of small-scale economic activities in rural areas (beekeeping, aquaculture, rural tourism).

Strategic Priorities

- Affirmation of agriculture and livestock production: relaunch of coffee, rice, soybean, wheat and cotton production, and promotion of palm groves to generate large-scale export-oriented agriculture and supply to manufacturing; development of the corn and livestock value chain (cattle, goats, pigs and others), including poultry.
- Modernization of the peasant economy by promoting higher incomes for family farms and their orientation towards the production of marketable surpluses, reinforcing their role in improving living conditions.
- Development of a logistic-industrial complex in Porto Amboim, supported by a deep water port, and development of the Cela agro-industrial pole.
- Transformation of Porto Amboim into an industrial fishing center and concentration of infrastructures and services to support fishing, attracting the processing industry of sea products.
- Tourism development, through the valuation of places of tourist interest, the structuring and increase of the offer (tourist routes, equipment and services) and the attraction of private investors.
- Development of a balanced network of urban centers that contributes to reducing social deficits and increasing business competitiveness by improving urban planning, infrastructure, urban and residential quality of coastal cities and strengthening the urban functions of the main interior population groups, in particular Waku-Kungo, Quibala and Gabela.



THE CUNENE PROVINCE

A significant part of what is now known as the territory of the Cunene province was, in the past, the famous kingdom of the Kwanyama, which extended north and south of the Cunene river. Today, in addition to a rich historical and natural heritage of high symbolic value, thanks to the resistance of its peoples to the advancement of Portuguese colonial occupation, the province carries a significant potential for the livestock sector development, since the great majority of the population of Cunene are comprised of shepherds.

The proximity of Namibia is a factor and opportunity for business and development that is yet to be explored.

THE PROXIMITY OF NAMIBIA IS A FACTOR AND OPPORTUNITY FOR BUSINESS AND DEVELOPMENT THAT IS YET TO BE EXPLORED

■ Physical, Geographical and Environmental Characterization

The Cunene Province is located in the southern region of Angola, with an area of 77,213 km² and a border with Namibia of 460 km, 120 of which correspond to the international section of the Cunene river, from the Monte Negro falls to those of Ruacanã.

The province borders to the north with Huíla, to the south with the Republic of Namibia, to the east with Cuando-Cubango and to the west with the Namibe. Its administration is organized in six municipalities: Cuanhama (capital), Ombadja, Cahama, Namacunde, Cuvelai and Curoca.

The climate of the province of Cunene is generally semi-arid, with the rainy season coinciding with the period when average temperatures are the highest. Rainfall varies a lot in territorial terms, throughout the year and from year to year.

There are abundant fast flowing rivers, except for the Cunene river. Because of low rainfall and the existence of sandy soils in extensive areas, the province is also poor in other surface water resources. Regular droughts happen, whose consequences are visible particularly in the vegetation cover of the affected areas.

■ Demographic Characterization

According to data from the last Census (2014), Cunene had 990,087 inhabitants: 53.3% women and 46.7% men.

The population is quite young, 66.4% of the inhabitants under 25, with a low density of only 12.8 inhabitants per km². At the time of the census, the working-age population was 48.5%.

Education and Vocational Training

The distribution of the school network presents a concentrated pattern around the capital, Ondjiva, and the headquarters of the county of Ombadja and the main axes of access to the counties' headquarters.

The number of schools offering vocational training is low. There are only the intermediary Institute of Administration and Management and three teacher training colleges specialized in the training of primary teachers for rural environment.

Higher education is only available in the city of Ondjiva with a center at the Mandume Ya Ndemufayo University, which integrates the Polytechnic Higher School of Ondjiva, offering courses in biology, agro-livestock, clinical laboratory analysis, nursing and management IT.

Health

The health network includes seven hospitals, one being the General Hospital in Ondjiva and six municipal hospitals. In addition to these facilities, there are centers and health posts, mostly located in the cities and communes, as well as along intra-communal roads.

One of the key challenges in the health sector is the reinforcement of the equipment network and health professionals throughout the territory, which might be an opportunity for interested companies.



Media

The coverage of the radio and television broadcast signal differs from one municipality to the next. There are greater difficulties in accessing the television signal.

All municipal offices are covered by the mobile and fixed telephone network provided by the operators Angola Telecom (fixed voice and data network), Unitel and Movitel (mobile voice and data networks).

■ Economic Characterization

Agriculture, Livestock and Fishery

The agricultural and livestock activity has a central role in the socio-economic life of the province's population, representing the main source of employment and income.

The region's main crops are sorghum, millet, corn and beans.

Projected a while ago, but still without an opening date, the Cunene river basin irrigation system, with enormous potential for the development of crops such as wheat, rice, sugar cane, citrus, vegetables, cotton, sunflower and tobacco, etc. is worth noting.

Livestock farming represents an important driving force in the functioning of the economic, social and cultural society. It is the province with the highest cattle population after Huíla, and also with a significant concentration of breeders who practice the ranching system. In addition to supplying their products directly for human consumption and providing a source of income for the self-sustenance of rural families, the local culture relies significantly on livestock.

The Cahama county has a modern slaughterhouse with a capacity of 18,000 animals per year, which is not fully utilized and might constitute an important business opportunity.

By taking advantage of the catchment area on the Cunene river, the conditions for the development of traditional small-scale inland fishing and aquaculture are good.

Industry, Geology and Mines

Most of the land in Cunene is devoted to agriculture and livestock, which nurtures the development of a sustainable agro-food industry.

In addition to the slaughterhouse at Cahama, there are several small industrial facilities in the province, such as slaughterhouses, bakeries, mills, scrap

THE AGRICULTURAL AND LIVESTOCK ACTIVITY HAS A CENTRAL ROLE IN THE SOCIO-ECONOMIC LIFE OF THE PROVINCE'S POPULATION, REPRESENTING THE MAIN SOURCE OF EMPLOYMENT AND INCOME

processors, block manufacturers, carpentry and other wood manufacturing facilities.

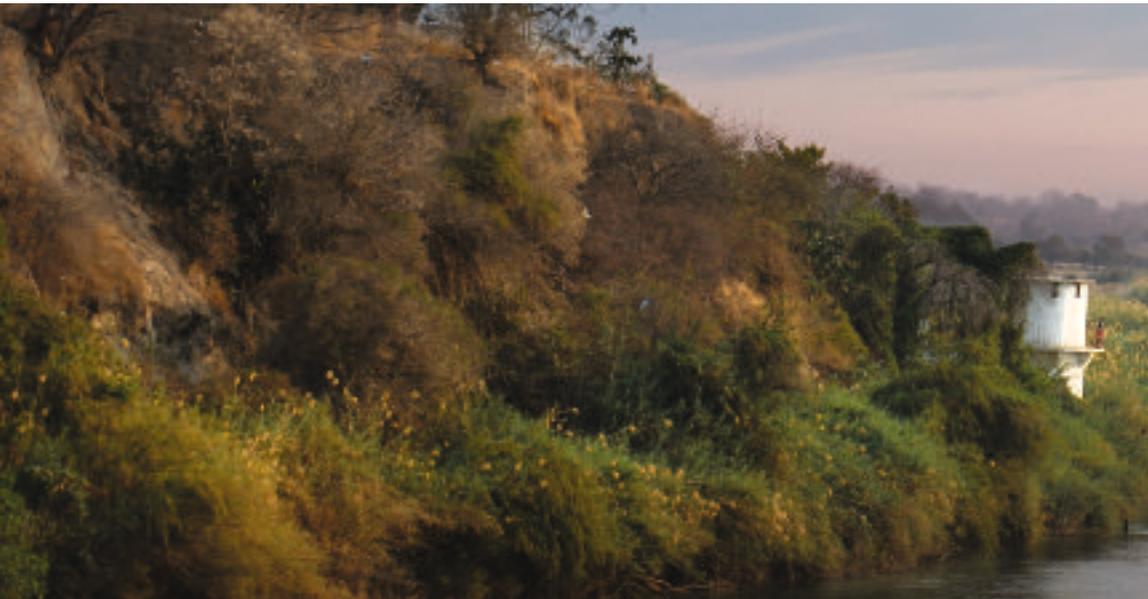
The Cunene province has important natural resources such as iron, precious stones, granite, gravel, hydraulic lime and crushed stone, which afford a glimpse of the potential development of the extractive industry.

Tourism, Hospitality, Commerce and Entrepreneurship

The main axis for commercial network is the Ondjiva-Santa Clara road, thanks to its proximity to the border with Namibia. Small and medium-size commercial units have been increasing in the last years, satisfying intense commercial and logistical support activity, yet with still a great margin for expansion. At the frontier point of Santa Clara, there is an intense circulation of people and goods with two exchange cores, one on each side of the border.

The Cunene province represents one of the primary land entry points in Angola for tourists from neighboring countries and the southern region of Africa, especially Namibia and South Africa. This emerging tourism market should be boosted above all in terms of the promotion of nature and historical-cultural tourism.

The offer of hotel units and the like is limited and little diversified. They are mostly located in the city of Ondjiva. This situation should be understood as an important investment opportunity.



Access Roads, Infrastructure and Transport

In the context of southern Angola, the Cunene Province has a strategic and important economic position, boosted by the logistics platform between Namibia and Angolan territory and for the potential role the Port of Namibe in the west plays and may come to play.

The current network of major roads is in reasonable condition and allows movement in the province, including access to the border with Namibia and the neighboring provinces.

The city of Ondjiva has a redeveloped airport equipped with modern instruments and regular connections to Luanda.

THE CITY OF ONDJIVA HAS
A REDEVELOPED AIRPORT
EQUIPPED WITH MODERN
INSTRUMENTS AND REGULAR
CONNECTIONS TO LUANDA

Linking the Moçâmedes Railroad to the Santa Clara border and the Namibian rail network is planned. This will be an important asset in the transport of people and goods and a considerable expansion of the existing logistics platform.

Energy and Water

Cunene shows a number of shortcomings in the production infrastructure, energy distribution and water production, supply and treatment.

Sole the city of Ondjiva, the seat of the county of Namacunde, the Mission of Omupanda, the localities of Santa Clara and Calueque, the communal venues



of Naulila and Chitado and the village of Ruacaná, benefit from electrical power delivered from Namibia through medium voltage lines and distributed through low voltage ones. The power is produced by the Ruacaná Hydroelectric Plant, whose management, distribution and supply are the responsibility of the National Energy Company (ENE). There is an electrical substation and a thermal power station located respectively in the city of Ondjiva and Xangongo. The remaining municipal and communal venues, including other settlements, are supplied by thermal sources or generators, managed by the municipal administrations.

The province benefits from the important Cunene river, which constitutes the border between Angola and Namibia, from the Ruacaná Falls. It is also bisected by the Caculuvar River, which crosses the Cahama county, and by the Cuvelai river, which limits, to the northwest, the Cuvelai county. Although seasonal, these two rivers have a reasonable flow rate and can offer significant amounts of water if managed in a balanced way, namely with the construction of mini-hydro plants.

■ Challenges and Opportunities

The region's agricultural and livestock development has encountered several constraints in terms of technical and veterinary assistance services, access to supplies, commercialization of products, as well as road, water and energy infrastructures. These constraints should be considered as huge business opportunities, as they can complement examples from neighboring Namibia. The exploitation of the potential known as the Cunene Basin Development Plan, which abounds in land and water, is of fundamental importance. The emergence of slaughtering and meat processing industries, the creation of a specialized center in the agro-industrial sector in Xangongo, the development of urban centers to rebalance cross-border relations and the exploitation of the potential of Ondjiva's "border warehouse" for the development of commercial, logistical and industrial activities are equally important investment and business opportunities.

The strategic location and logistical platform to be developed to facilitate an integration with several southern African countries through Namibia, as well as the role the Port of Namibe can play, present an important set of opportunities to be explored.

■ National Development Plan 2018-2022

Overview

A province involved in a process of development and land-use planning geared towards the generalization of the population's basic living conditions and the territorial balance of the infrastructures necessary for development, overcoming the limitations arising from their natural characteristics and sustainably exploiting resources in the SADC south region, through the Republic of Namibia, and the road and rail accessibility to the neighboring provinces and to the center and north of the country – in an integrated, rational and a sustainable, diversified and inclusive economic development based on productive specialization in the agricultural and livestock sector and the development of cross-border trade and attracting investment in productive activities with potential for export.

Strategic Priorities

- Agro-livestock sector: valorization of the important livestock population existing in the province and potential of agricultural production in irrigated areas to be built and rehabilitated, with an emphasis on the Cunene River Valley, and in rainfed areas, in the strong potential of livestock production, and the development of agro-livestock value chains geared towards the supplying of the domestic and export markets.
- Logistics sector: exploring the proximity of the border with the Republic of Namibia by combining a number of projects to enhance the border area of Santa Clara and the development of cross-border trade, namely the extension of the CFM railway branch and the construction of the Santa Clara Logistics Platform.
- Mining and forestry sectors: as sectors of balance of the provincial productive structure, promoting the rational exploitation of existing resources, in particular the minerals of significant economic value (precious and semi-precious stones, iron) in the municipality of Cuvelai, quality of the Curoca and Cahama massif and the exotic timber of commercial value (girassonde, mussivi, muvala, muvuca, etc.).
- Tourism sector: also in the logic of the balance of production structure, oriented toward nature and cultural tourism, valuing and promoting the existing points of interest of the landscape, history and culture, with emphasis on the Mupa National Park, and benefiting from the cross-border flows.
- Social and economic integration of the migrant population: study of solutions that may contribute to the integration of minority ethnicities in productive activities, contributing to the social cohesion of the province.



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THE HUAMBO PROVINCE

The Huambo province is located geographically in the center of the country and integrates the well-known Central Plateau. The name comes from Wambu Kalunga, founder of the Wambo kingdom. Most of Huambo's population is assumed to be part of the Ovimbundu ethnolinguistic community. In 1975, the year of independence, Huambo was the most populous Angolan province—a position which was lost as a result of the civil war, which began shortly thereafter.

■ Physical, Geographic and Environmental Characterization

With 35,771 km², the Huambo province is bordered to the northeast and east with the Province of Bié, to the south with the Province of Huíla, to the west with the Province of Benguela and to the northwest with the Province of Cuanza Sul. Its administration is divided into 11 municipalities (Huambo, Bailundo, Ecuinha, Chicala-Cholohanga, Caála, Catchiungo, Londuimbale, Longonjo, Mungo, Chinjenje and Ucuma) and 37 communes.

The region is essentially agricultural with a predominance of ferralitic soils associated with the medium texture paraferalitic soils, known to be acidic and with little organic matter. Its climate is humid with a tropical characteristic, influenced





by the altitude of the plateau, reaching rainfall averaging 1,400 millimeters/year and with average temperatures close to 19 degrees Celsius.

Geomorphologically, the Huambo province has two types of landscape. The first, dominant, is characterized by an extensive plateau surface, located 1,550 meters above sea level, and drained by an important hydrographic network, where the basins of the Queve, Cunene and Cubango rivers stand out, a fact that makes the province the most important river basin of the country. The second, to the west, is a marginal range of mountains, which defines the western limit of the Angolan plateau area.

Here is located Morro do Moco, in the municipality of Ecuinha, the highest point of Angola with an altitude of 2,620 meters.

The city of Huambo has been demanding the status of Angola's ecological city, and a Center for Tropical Ecology and Climate Change has been set up.

Demographic Characterization

IN TERMS OF
POPULATION DENSITY,
HUAMBO HAS
56.5 INHABITANTS
PER KM²

In accordance with the 2014 Census, the province had 2,019,555 inhabitants at the time, which corresponds to 8% of the total population that lives in the country, with 52.3% women and 47.7% men.

In terms of population density, Huambo has 56.5 inhabitants per km². The province has an active population of 45.9%, with a young population, 69.8%, under 25. Only 2.4% people are over 65.

Education and Vocational Training

Because most of the total population is young and of school age, the province is characterized by a high population demand for education services.

The sector has been improving in recent years as a result of the implementation of specific programs, translated by means of investments in infrastructure construction and the hiring of teachers.

The student/school enrollment ratio in primary education is still very significant. This situation can be seen as an opportunity for interested investors as local authorities consider the urgent need to develop this sector, mainly through the construction of schools and other infrastructures supporting the education.

According to the 2014 Province Development Plan, there were four primary teaching schools, two teacher training schools and six technical and vocational schools, with emphasis on agricultural and health education.

The province has two universities (one public and one private), two polytechnic institutes and an institute of educational sciences, which together make it possible to offer a wide range of courses, such as medicine, architecture, civil construction, electronics and telecommunications, nursing, computer engineering, clinical laboratory, forestry and agronomic engineering, veterinary medicine, economics, and law, among others.

Health

Since 2002, the province's health network has been continuously expanding, with the prospect of building new health units for the next few years. Efforts towards the municipalization of health programs in all the municipalities of the province are noteworthy.

In 2012, the province had a health network consisting of 232 health units, including a central hospital, a sanatorium hospital and ten municipal hospitals, as well as health facilities and centers.

SINCE 2002, THE PROVINCE'S HEALTH NETWORK HAS BEEN CONTINUOUSLY EXPANDING, WITH THE PROSPECT OF BUILDING NEW HEALTH UNITS FOR THE NEXT FEW YEARS

Media

The province has two mobile operators, Unitel and Movitel, whose signal covers all municipal headquarters. Although some failures exist at very specific points, they provide access to voice and data services.

Angola Telecom has set up several improvement systems aimed at fixed telephones, and broadband internet. To improve access to Internet and also television services, the national network of fiber optics is being installed throughout the country.

■ Economic Characterization

The economy of the Huambo province is essentially focused on the agriculture and mining sectors. Industrial activity, which was very prosperous prior to the independence, is still in the process of recovery from the war, which particularly affected the province.

Agriculture and Forestry

The province produces cereals (mainly corn), roots and tubers (sweet potatoes and potatoes), legumes and oil seeds (beans, peanuts and soybeans), various fruits and vegetables (mainly garlic, onions, tomatoes, cabbage, carrots and peppers).

In accordance with official data, Huambo takes second place in area planted with cereals, Cuanza Sul being ahead of it with a very small difference. With regard to legumes and oil seeds, it is the third province with the largest area planted. In horticulture, the province occupies the top position.

An important family-oriented agriculture project is underway, financed by the World Bank (MOSAP), taking advantage of a commercial tradition of the people



IN ACCORDANCE WITH OFFICIAL DATA,
HUAMBO TAKES THE SECOND PLACE
IN AREA PLANTED WITH CEREALS,
SOUTHERN CUANZA BEING AHEAD OF
IT WITH A VERY SMALL DIFFERENCE

of the Plateau. A significant proportion of the local farmers has a high business sense and dominates production technique. Other farmers with the above characteristic cannot be found in the country.

The main livestock production is poultry, cattle, goats and pigs. The regions presenting the greatest cattle rearing production are the municipalities of Huambo, Caála, Longonjo and Ucuma.

In areas less subject to human pressure, important traces of the so-called open forest or panda forest, predominantly with medium-sized trees, still remain. The province also has forest perimeters of exotic species with terrain for eucalyptus, cedar and pine. In the forest, rare flowers, edible, medicinal and adornment plants, apart from wild fruits very appreciated by local people, can be found, such as the famous *loengo*, with which a delicious compote is made.

The headquarters of the Agronomic Research Institute (IIA) and the Veterinary Institute (IIV) are located in Huambo, which in the past, and in the future, will keep on playing an important role in agri-livestock and forestry development in the region and in the country.





Industry, Geology and Mines

More than 90 % of Huambo's industrial park was destroyed during the war. With peace, there are signs it is being rebuilt, mainly with the Industrial Pole of Caála, which may have more than 40 manufacturing units. At the site, a pottery, a mattress factory and a carpentry are already in operation, which are producing home furniture and school desks. The most important manufacturing plant is of beer production, which never stopped working, even during the war.

THE MOST IMPORTANT
MANUFACTURING PLANT IS
OF BEER PRODUCTION, WHICH
NEVER STOPPED WORKING,
EVEN DURING THE WAR

Huambo has specific subsoil features with resources of high economic value that make one believe in the development of the mining industry.

Apart from inert materials, the proven presence of a variety of minerals, especially manganese in the municipalities of

Longonjo, Bailundo and Caála; barium, iron and phosphate in the municipalities of Bailundo and Caála; wolfram in the municipality of Huambo; kaolin in the municipalities of Huambo, Ucuma and Londuimbale; graphite in Caála; gold and copper in Caála and Ucuma, is well known. Current knowledge of existing mineral resources must be deepened in order to attract the necessary investments for their exploitation.

Tourism, Hotel Business, Commerce and Entrepreneurship

In terms of tourism, the most outstanding places are the ones the province offers to visitors, such as Granja Pôr-do-Sol, the reservoirs of Cuando and Gove that allow sport fishing, swimming and several nautical activities, the thermal waters of Hama and Lepi, and the stones of Kawe and Ganda in Caála.

Within the context of Angola, Huambo has an important strategic position enhanced by air, rail and road connections, which contribute decisively to the development of commerce, hotels and entrepreneurship. In particular, the importance of the Benguela Railroad (CFB), connecting the provinces of Benguela (from Lobito Port), Huambo, Bié and Moxico, with future connections to the Democratic Republic of the Congo and Zambia, forms the so-called corridor of Lobito. It is not by chance that prior to the war the province stood out as a service platform.

The city of Huambo is reasonably equipped with hotel and restaurant facilities, which can facilitate the increase of tourism.

Before the independence, holding a Fair Exhibition was very important. It will be resumed in September 2018.

In short, the province's industrial, commercial, hotel and tourism development is essentially based on the existence of access roads promoting the mobility of people and goods more quickly and efficiently.

Access Roads, Infrastructure and Transport

The central government's projects for the construction and rehabilitation of the road network has benefited the province's main roads. The main roads allowing movement within the province and the connection to neighboring provinces and to Luanda are in reasonable condition. Despite the registered improvements, investment is still needed in the secondary and tertiary road network.

As mentioned previously, the Benguela Railroad, which passes through the province of Luanda and connects Benguela, Bié, Huambo and Moxico, plays an important role in the movement of people and goods. The Executive branch is committed to keeping on investing in its modernization.







There are also road connections between municipalities, mainly provided by collective taxi service. There are regular inter-service connections with connections to Luanda.

The province has recently rehabilitated and modernized an airport that offers scheduled flights between the provincial capital and the country's capital.

The multimodal link of the various means of transportation (ground transportation, air and rail transport) and the fact that it can serve the nearby health facilities, education infrastructures, industrial zones and new residential areas, makes Huambo an important center of regional development.

Energy and Water

Energy and water infrastructures have benefited from many interventions in recent years, since the province abounds with water resources. However, the current situation still displays basic deficiencies in the basic infrastructure of production and distribution of energy and in production, supply, and treatment of water.

Given the water conditions, the province presents a high potential for energy production through a mini-hydro system. It also has the Gove dam, which has recently undergone repairs and is now in operation. Furthermore, the province benefits from the electricity supplied by the Lomaum and Biopio dams, both located in the province of Benguela, and from the electric power from the thermoelectric installations located in several municipalities of the province.

■ Challenges and Opportunities of the Province

The fundamental added value of Huambo province is that it is geographically located in the center of the country and can function as an internationalization platform in the Benguela-Moxico link – based on industry and logistics activities, advanced services and in a tourist sector and as a dynamic urban agglomeration in the center of the country (Huambo-Cuito), which is based on agri-business and industrial activities, competitive in the national market, and advanced services of education and scientific research.

THE FUNDAMENTAL
ADDED VALUE OF HUAMBO
PROVINCE IS THAT IT IS
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PLATFORM IN THE BENGUELA-
MOXICO LINK

The farmers' entrepreneurial spirit and the presence of agronomy and veterinary universities, as well as agricultural research institutes, allow us to predict an important future for the region.

■ National Development Plan 2018-2022

Overview

Dynamic and modern province, taking advantage of its geographical centrality in the national context and the main longitudinal and transverse roads of Angola, that can be affirmed as a strategic economic space capable of promoting the development of the Central and Southern regions of the country, based on the urban and industrial development of the Huambo-Caála link and in a productive structure that coordinates an agri-business sector oriented to the national and international markets, with the capacity to attract investment in diversified sectors – industry, transportation and logistics, commerce, tourism and top level qualified services. A structured urban system with a good functional link between the centers of the different hierarchical levels ensures the economic and social integration of the rural territories, in which a family-based agricultural economy in modernization is developing.

Strategic Priorities

- Modernization of farming activities run by families (corn, beans, cassava, vegetables, potatoes, sweet potatoes, soybeans and small livestock), forestry, inland fisheries and beekeeping, ensuring the rational use of natural resources and environmental sustainability.
- Private investment to streamline business activities and recover existing inactive production units, promoting agri-livestock and agri-industry, logistics, rural commerce and nature and cultural tourism.
- Integration of young people into economic activity, both by promoting employment and promoting self-employment and entrepreneurship associated with the modernization of sectors such as rural commerce, nature and cultural tourism, fish farming, agri-livestock and agro-industry, among others.
- Top level services, with emphasis on research and extension aimed at the province and country's developing priority sectors, valuing an already existing important center of university education.
- Recovery and strengthening of the urban network, through the decongestion of the city of Huambo, strengthening urban functions in other cities (in particular Bailundo, Caála and Catchiungo), aiming at residents' quality of life and population fixation, contributing to the correction of territorial asymmetries.



THE HUÍLA PROVINCE

The plateau territory that today integrates the province of Huíla is one of the oldest Portuguese settlements in the interior. The climate and other favorable conditions for agriculture attracted the settlers. For the successive colonial administrations that occupied Namibia from the 19th century, this would have exerted considerable influence.

The Province of Huíla has a high agricultural, industrial and tourist potential, extended by the proximity of the harbor of Namibe and the border with Namibia. Agriculture, livestock and agro-industry have a strong tradition and could be the driving impulse behind the province's development.

THE PROVINCE OF HUÍLA HAS A HIGH AGRICULTURAL, INDUSTRIAL AND TOURIST POTENTIAL, EXTENDED BY THE PROXIMITY OF THE HARBOR OF NAMIBE AND THE BORDER WITH NAMIBIA

■ Physical, Geographic and Environmental Characterization

With 79,023 km², the Huíla province is located in the southwestern part of the Republic of Angola, bordering the provinces of Benguela and Huambo to the north, Namibe to the west, Bié and Cuando Cubango to the east and Cunene to the south. The province is broken into 14 counties: with Lubango, the capital, Humpata, Chibia, Gambos, Quilengues, Cacula, Caconda, Quipungo, Matala, Cuvango, Chipindo, Caluquembe, Chicomba and Jamba.

The altitude range in the territory of Huíla runs from 1000 to 2300 meters, with the Chela mountain range and its set of ridges. In the north, the zone of intermediate altitudes (1400-1800 meters) corresponds to the southern part of the central plateau. The highest altitudes, 1900-2300 meters, are part of the Humpata plateau¹.

From an ecological position, Huíla is a rather diversified territory. The northern part that integrates the central plateau is the rainiest, with an average of 1,100 millimeters. In the semi-arid region of the Gambos, it rains 400-500 millimeters in average. In the south, passing through the Terras Altas and the Humpata plateau, precipitations ebb between 750 to 1,200 millimeters. There are several other transition periods in terms of altitude and rainfall, such as in the east the Matala-Cuvango axis (about 1,000 millimeters) or in the west, with Quilengues (600-900 millimeters). Average annual temperatures bounce about 18°C.

Part of two of Angola's five large river basins, the Huíla province is crossed by the Cunene rivers in the center, the Cubango in the east, and Caculuvar in the southwest.

1. www.investhuila.com

■ Demographic Characterization

THE POPULATION DENSITY IS
THE HIGHEST IN THE COUNTRY,
ESTIMATED AT 32 INHABITANTS
PER KM²

According to the latest 2014 Census, the Huíla province is the most populated in the country, after Luanda, with a population reaching 2,497,422 inhabitants (10% of the population of Angola). This results from the relative stability during the war and the engaged economic activity, which attracted populations from other provinces, mainly from Huambo. The majority are women, 52.5% for 47.5% men. The working population is 47.5%, and the population under 25 represents 67.3%. The population density is the highest in the country, estimated at 32 inhabitants per km². However, the distribution of the population by municipality is differentiated, recording a high concentration in the city of Lubango and its surroundings.

Education and Vocational Training

Despite the investments in recent years, the province is stigmatized by a population with a low level of education and high illiteracy rate. Some of the difficulties are seen during pre-schooling, the transition of cycles, and in a high drop-out rate.

In terms of professional technical education, Huíla has an intermediate Institute of Economics and a training school of health technicians located in Lubango, an intermediate agrarian institute in Tchivinguiro (with a great history in Angola), and an intermediate polytechnic institute, with the latter in the municipality of Humpata.

Higher education is located in Lubango, which includes the Higher Institute of Educational Sciences (ISCED) and the Mandume Ya Ndemufayo University, both of public management, and still with six private Polytechnic Institutes.

There is in general a strong trend towards increased demand for educational services, including vocational training at the basic, intermediate and higher levels, which may represent an opportunity for potential investors.

Health

The province's health network is expanding with the construction of new health centers, complementing a pediatric hospital, a maternity hospital and a psychiatric hospital. The social network is composed of 263 offices, the main ones being in Lubango. These include the Dr. António Agostinho Neto Central Hospital, pediatric, sanatorium, and psychiatric hospitals, and the Comrade Irene Maternity Hospital. There are also the Municipal Hospitals of Caluquembe, a hospital linked to the Evangelical Church, and, with great tradition since colonial times, in Matala and Cuvango.



A private health network in the province includes seven clinics, 45 medical centers, 61 nursing offices, one technical health school, and 21 specialized centers and offices.

Media

With regard to the telecommunications sector, there has been significant progress, notably an increase in the fixed telephone network, and the introduction of the mobile network and the Internet. At present, all the counties in the province are covered by Unitel and Movitel (mobile voice and data networks).

All municipalities are also covered by the operator Angola Telecom (fixed voice and data network), which provides services through its copper and fiber optic networks, except for the municipalities of Jamba and Cuvango, which are only connected to the copper network.

From Lubango, it is possible to access Angola Telecom's fixed telephone network, responsible for providing basic telecommunication and corporate communications services, satellite communications system, public booths, data communication, and radio and television signal transport, among others.

The postal service emphasizes the transportation and distribution of letters and parcels, Internet access points (service available to citizens), and fax and stamp sales.



■ Economic Characterization

Agriculture and Livestock

In Huíla, agriculture and livestock farming find excellent conditions for their development, allowing them to consider the region as an important center for the production and establishment of food reserves, both for cereals, fruits and vegetables, and for various livestock species. In the south, with less rainfall, corn gives way to sorghum and millet as the basic food staples.

The agricultural activity is very diversified, according to the ecological characteristics of each region, and the province's main crops are corn, beans, sweet potatoes, potatoes, squash, cassava, peanuts, horticultural crops, sorghum, and more. One of the most important hydro-agricultural enterprises in the south of Angola, with capacity to irrigate about 10,000 hectares, is located in the Matala county.

Regarding infrastructures to support agricultural production, important irrigation systems serve the various agricultural farms in the province with an estimated capacity of about 7,000 hectares.

Livestock farming is one of the main sources of income for the population and, besides a major economic weight, a huge symbolic and cultural value. The province has the largest cattle population in the country, estimated at almost 1.5 million heads, with more than 1.3 million goats, and more than 300,000 pigs. There are areas in which the majority of the population is essentially dedicated to pastoral life with a well-credited resource for transhumance.

ONE OF THE MOST IMPORTANT HYDRO-AGRICULTURAL ENTERPRISES IN THE SOUTH OF ANGOLA, WITH CAPACITY TO IRRIGATE ABOUT 10,000 HECTARES, IS LOCATED IN THE MATALA COUNTY

Industry, Geology and Mines

Most of Huíla is devoted to agriculture and livestock, both of which are conducive to industrial development. The need to process the products derived from agro-livestock farming has led to the creation of agro-food industries, particularly the processing and preservation of vegetable derivatives for human consumption: meat, eggs, sausages, milk, butter and cheese.

The province's industrial environment is composed mainly of small and medium industries for the food sector, especially beverages, bakeries, slaughterhouses, sausages, and mills, among others.

In addition to the agro-livestock business, Huíla has a wide range of rocks and minerals already in an exploration phase, featuring decorative granites, clay, gravels, sands and waters, all of which are resources well exploited because of their high commercial interest. Another development axis for the mining industry is the





reactivation of the Cassinga mining complex, intended for the production of iron, as well as the exploitation of ornamental rocks, already in progress.

Tourism, Hospitality, Commerce and Entrepreneurship

The Huíla province meets the conditions to become a reference tourist center for the country and the southern region of the African continent, affirming itself as a destination offering an increasing range of services and tourist products in the natural, cultural and leisure activities.

Its privileged location with the neighboring provinces of Namibe, Cunene, Benguela and Huambo, and relatively easy access to the Santa Clara border post (Cunene province), where there has been an increase of foreign tourists, mainly from Namibia and South Africa, gives the province a special status.

The best-known tourist areas in the province are the Tundavala rift in Lubango, the Serra da Leba (although already part of the Namibe province, and its access is by far easier from Lubango) and the National Park of Bicular, plus other attractions that are already or have potential to become tourist interests.

The annual Expo-Huíla, whose tradition dates back to colonial times and remained active during the war, only to be interrupted in the first ten years after the inde-

pendence, validates the commercial and productive vitality of Huíla. It represents the largest business portfolio in the south and the second largest in the country, only surpassed by FILDA, in Luanda. The cattle fair during the event has greatly contributed to the regional and national animal farming development. The fair is integrated into the Festivities of the City of Lubango, in allusion to Our Lady of the Mount, which in itself constitutes a notable tourist attraction.

IT REPRESENTS THE LARGEST
BUSINESS PORTFOLIO IN THE
SOUTH AND THE SECOND
LARGEST IN THE COUNTRY,
ONLY SURPASSED BY FILDA,
IN LUANDA

Approximately 76% of commercial establishments are located in Lubango, which is directly associated with the urban dimension and the population density recorded there.

Access Roads, Infrastructure and Transport

As a result of investments made in recent years, the province of Huíla benefits from a road network in good condition, allowing not only the circulation within the province but also connections with neighboring provinces, and consequently to Namibia, and Luanda. These connections play a major economic role because they give access to various fundamental infrastructures, such as the harbors of Namibe and Benguela. Despite these improvements, investment still remains to be made, namely in the recovery of the secondary and tertiary road network.

The province also benefits from the Moçâmedes Railway (between Namibe and Menongue, in Cuando Cubango) which plays a vital role in freight transportation.

As far as highway transportation, there are standard inter-county and inter-provincial connections, mostly in Luanda.

The province also has an international airport, with regular flights to and from Luanda and also to the capital of the Republic of Namibia.

Energy and Water

Although over the last few years, improvements in the energy and water sectors have been observed in Huíla, as a significant player of the national territory, deficiencies in basic infrastructures such as water supply, and treatment and supply of electric energy, are still evident.

The province's main source of energy is the Matala Hydroelectric Power Plant, which is equipped with three generator sets of 13.6 MW each, for a total of 40.8 MW, with one of the generators paralyzed some years ago. It is followed by the Arimba thermal power station and the Lubango electrical substation, with a production of 40 MW each.

As for water supply, despite investments and improvements, still significant deficiencies persist. Nevertheless, there are ongoing programs and investments that will improve this situation in the coming years.





■ Challenges and Opportunities of the Province

Geographically positioned between two important development corridors (Namibe-Moçâmedes and Benguela), Huíla occupies a prominent strategic position in the South of Angola, boosted by air, rail and highway network.

The province has potentially fertile soils and the skills to promote agriculture and livestock farming. It has an agribusiness industry of traditional and recognized quality (sausages, meat, fruits, etc); important mineral resources and various areas of tourist interest. These facts, together with the existence of markets, could contribute to the continuous increase of the economic importance of the province and invigorate the expansion of agricultural and industrial production, especially in the food, hotel, tourist and mining industries.

Challenges include the fact that the province presents a poorly maintained network of secondary and tertiary roads, reducing the levels of accessibility and mobility of people and goods. Poor electricity and water supply also dampen the province's industrial potential.

■ National Development Plan 2018-2022

Overview

A rapidly developing province with a diversified and extroverted economy: producing agricultural surpluses, with an industrial base for processing agro-livestock products and supplying markets in the southern provinces; an important mining complex (iron and ornamental stones) with a dynamic innovation and competitiveness supported by a scientific and technological environment associated with three industrial centers under development in the municipalities of Lubango, Matala and Jamba.

Strategic Priorities

- Agriculture and animal farming: development of irrigated agribusiness and valorization of traditional agriculture, geared towards the production of surpluses and adequate exploitation of micro-irrigation.
- Mining industry: exploration of ornamental rocks and reactivation of the exploitation of iron and gold, creating conditions for concrete private investment in these areas.
- Agro-industrial sector: sustained development in the processing and conservation of agro-livestock products.
- Industrial development supported by centers to be implemented in Lubango, Matala and Jamba.
- Logistics and transportation: multimodal terminal in Lubango and warehousing and marketing network covering the 14 municipalities, with a reinforcement of a highway, railway and maritime network (Namibe).
- Tourism: boosting of the province's natural and heritage values and the development of top-level support services.
- Valorisation of human resources: improvement of the population's education level and development of a technical workforce towards the needs of key sectors of development.

JMJ Angola

National Development Plan and Provincial Development Plans

A LINE HAS BEEN DRAWN.

BETWEEN THE SAME WAY

BETWEEN A COMPANY

BETWEEN MAINSTREAM

TODAY, A LINE HAS BEEN DRAWN.

AND THE PAST IS ON ONE SIDE

AND A NEW WAY.

AND A CHANGE AGENT.

AND FULLSTREAM.

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THE LUANDA PROVINCE

The Luanda Province is the country's decision center and represents its most important economic area, having the main port and the largest industrial park.

The province benefits from natural conditions of particular beauty, such as a bay, the sandbank (Island of Luanda), the island of Mussulo, more than 14 kilometers and has good accessibility by land, sea and air.

With a vastly rich history and culture, it is currently one of the most dynamic and diversified cities on the African continent and a leader of great initiatives. It is going through moments of change never seen in its history.

Luanda is the third largest Portuguese-speaking city, after São Paulo and Rio Janeiro in Brazil.

■ Physical, Geographic and Environmental Characterization

Luanda is located in the western part of Angola, bordered to the west by the Atlantic Ocean and to the north by the Bengo province, to the west by the province of Cuanza North and to the south and southwest by the province of the Cuanza Sul. It has an area of 18,826 Km², the second smallest of the country, which represents 1.51% of the territory.

THE CLIMATE IS WARM
AND HUMID WITH AN
AVERAGE ANNUAL
TEMPERATURE OF 24°C

The capital of the province is the city of Luanda, which is also one of the seven counties of the province. The other counties are Belas, Cacuaco, Cazenga, Icolo and Bengo, Quiçama and Viana.

The climate is warm and humid with an average annual temperature of 24°C and an average annual precipitation slightly over 300 millimeters.

The city of Luanda is located between two rivers of great flow: the Cuanza, the largest of Angola, and the Bengo. There are no other rivers on the territory.

The most common vegetation consists of grasses, a feature of semi-arid areas, with few trees, among which the emphasis has been put to the baobab. The Quiçama National Park, in the southern part of the province, regained importance after the destruction during the war, with programs to reintroduce animals and protect wildlife.





■ Demographic Characterization

The Province of Luanda is by far the most populous in Angola, a consequence of a strong migration of populations from other provinces, a phenomenon which is also common in other countries, but aggravated by the civil war.

In accordance with the 2014 Census, the Luanda province had 6,945,386 inhabitants, with the highest population density in the country, 368.9 inhabitants per Km². Currently, it should have more than eight million.

There is a gender balance with a slight predominance of women (51%) compared to men (49%). The active population represented 55.3%, while young people under 25, 63%, and those over 65 only 1.5%.

Education and Vocational Training

According to the data from the Development Plan of the province, Luanda had a total of 826 schools, both public and private and several international schools,

especially in the capital. However, there is still a lack of school infrastructures in the municipalities of Icolo-Bengo and Quiçama and, at a broader level, educational support infrastructures (libraries, media libraries and others).

THERE IS A LARGE NUMBER
OF PUBLIC AND PRIVATE
UNIVERSITIES IN THE PROVINCE,
WITH A WIDE VARIETY OF
COURSES SUCH AS MEDICINE,
LAW, ARCHITECTURE,
ECONOMICS, PSYCHOLOGY,
SOCIOLOGY, AND VARIOUS
TYPES OF ENGINEERING,
AMONG OTHERS

There is a large number of public and private universities in the province, with a wide variety of courses such as medicine, law, architecture, economics, psychology, sociology, and various types of engineering, among others. In higher education, the Catholic University of Angola, which in 2017 took the 70th position in the ranking of African universities and is widely recognized for its Center for Studies and

Scientific Research, stands out, and so does the Agostinho Neto University, which has a new *Campus* in the University City of Luanda.

According to the 2014 Provincial Development Plan, there were 30 professional training establishments in the province, distributed by fixed Training Centers, small Mobile Centers and Arts and Crafts Pavilions, with emphasis on the Integrated Technological Training Center (CINFOTEC).

Health

The health system network in the Province is expanding quickly and currently has very diverse capacities of health care provision.

The health units (hu) are spread over all the municipalities, with a preponderance of the service in the municipality of Luanda. Despite the improvement recorded,

the per capita ratio per health unit in some municipalities is still in parameters outside the range considered acceptable.

Alongside the public health network, there is also a private network that has been progressively developed, both in quantitative and qualitative terms, with particular emphasis on the municipality of Luanda, which represents an opportunity for investments in a high demand sector.

Media

The Luanda province in the areas of telecommunications, information technology, post services and meteorology is well served, with perspectives of becoming an African power, a result of investments made at the level of human capital and support infrastructure.

The province has a good system of fixed and mobile communications, and Internet service and cable television offering a wide variety of international and thematic channels. A fiber network is widespread throughout the province.

The services are provided by several operators such as Unitel, Movitel, Angola Telecom, TvCabo, DSTV, Zap, and others.



It is possible to access the signals, not only of Public Television of Angola and National Radio of Angola, but also of a set of other local and community radios. The headquarters and main studios of the public and private media organizations and also the correspondents of several international communication organizations are located in the province. It has two main-stream daily newspapers (one public and one private) and several weeklies, all private.

■ Economic Characterization

Agriculture and Fishery

Given its climatic conditions, soils and geography, and limited to urban occupation, the province of Luanda is propitious for a wide range of cultures. Agricultural production is mainly focused in the counties of Icolo, Bengo, Quiçama, Cacuaco, Belas and Viana.

Luanda profits from a consumer market recipient of large agricultural products and has good outlets for them. Also, the market of industries potentially consuming livestock products in Luanda is significant, which is an important factor that enhances its development.

The water resources in the region are a determining factor for this sector. The government invested in various irrigation strategies, some of which are not always well implemented. The "Quiminha" Project was recently set up with funding from an Israeli financial group for more than \$200 million.



Although livestock activity has been declining substantially in past years, as a result of the expansion of urban residential areas at the expense of areas reserved for aviaries and the rearing of grazing animals, farming has favorable conditions throughout the rural province, in particular for the breeding of cattle, goats, pigs, sheep and birds. The KIKOVO complex, in the county of Viana, is currently the largest egg producer in the country.

THE KIKOVO COMPLEX, IN THE COUNTY OF VIANA, IS CURRENTLY THE LARGEST EGG PRODUCER IN THE COUNTRY

Not having a great representation in the calculation of the national fishing volume, part of the population is still engaged in fishing activity, both maritime and continental. Additionally, the province has excellent conditions for such a practice.

The levels of demand for fish continues to increase, and it is expected that, as a result of the population increase and changes in the Angolan diet, demand levels will increase substantially, which opens up ideal prospects for the sector.

Industry, Geology and Mines

Luanda has the largest national industrial park, with important and diversified units and significant growth potential.

The good conditions for the outflow of products, both for the domestic and the external market, make Luanda the most important logistic platform in the country.



The expectation that domestic consumption will keep up with the growth of the population income is a favorable factor in the development of the industry.

The Province of Luanda has mineral resources that permit the exploitation of limestone, gravel, red soil, sand, clay and siliceous sand, the largest production occurring in the municipality of Cacuaco; the production of siliceous sand, however, occurs exclusively in the municipality of Viana.

Tourism, Hotel Business, Commerce and Entrepreneurship

The Luanda province is home to more than 80% of the country's commercial network of goods and services. The trade sector represents a great opportunity for investors because of the high potential for business expansion, boosted by expected population growth and increased income.

THE LUANDA PROVINCE IS
HOME TO MORE THAN 80% OF
THE COUNTRY'S COMMERCIAL
NETWORK OF GOODS
AND SERVICES

In addition to the influence that business tourism carries, it should be noted that all counties have places of tourist interest and leisure. The hotel sector in Luanda has been developing with new infrastructures that are well equipped and with a high level of quality.

Likewise, the offer in terms of catering is wide, making the province a pleasant place for those who visit it. It is also worth mentioning the entertainment culture in the Cape Island next to the Bay of Luanda, with many bars and restaurants.

Access Roads, Infrastructure and Transport

We are all aware of the traffic difficulties in Luanda. For that reason, the region needs an integrated transport plan capable of coordinating road, rail and sea traffic, offering several traveling options to the population, even though a strong population growth can overwhelm the current scenario.

In this sense, an opportunity is opening up for investors interested in solving this problem, as well as in joining the efforts that the province will have to make with the rehabilitation of interprovincial roads, secondary and municipal roads.

The peripheral expressway in Cacuaco and Viana favored the interconnection between the municipalities of Cacuaco, Viana and Belas.

In terms of road traffic, the province has regular bus connections to all provinces, except for Cabinda, which has a service provided by several operators. The province also has railroad service, the Luanda Railroad (CFL), a line that currently extends to the province of Malanje, after an important investment in its rehabilitation, which was followed by the acquisition of new diesel locomotives and wagons, aiming at a quality service. The railway station has recently been inaugurated, allowing the transport of goods by train directly from the port of Luanda.



Apart from the expansion and modernization of the Port of Luanda, the province has passenger terminals at Kaposoka, in Samba, and the Port of Luanda, which are transportation alternatives. They marked the beginning of the commercial maritime passenger service, opening doors to the expansion of the project for the entire country's coastline.

The new Luanda International Airport is under construction, a technologically modern infrastructure 40 kilometers from the city. It should be one of the largest airports on the African continent. It is intended for both international and domestic flights and will have an annual capacity of 15 million passengers and 600 thousand tons of cargo. It will be able to receive all types of aircraft. Luanda is currently served by the *4th de Fevereiro* International Airport, which has been the subject of expansion and modernization throughout the years. Located in the city, it has domestic and international terminals, which offer, in addition to connections to almost all provincial capitals, regional and intercontinental connections to important cities like Windhoek, Johannesburg, Cape Town, Lisbon, Paris, Amsterdam, Frankfurt, Brussels, Dubai, Beijing, and Rio de Janeiro, among others.

Energy and Water

After a difficult period, the regular supply of energy to the city of Luanda improved with the completion of Cambambe and Laúca. The horizon will improve even more, as it is expected that the Soyo Combined Cycle Plant will be completed and



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fully operational in the near future. Hence, natural gas will start to be used for the energy production, not only for the Zaire province, but also to serve Luanda, which will boost the expected industrial impetus.

The collected water intended for the province originates from the Bengo river (the treatment plants of Candelabro and Kifangondo) and from the Cuanza river (plants of Luanda Sudeste, Kikuxi, Luanda Sul and Bom Jesus). Although water and energy infrastructures have benefited from many measures adopted in recent years, huge challenges linked to their regular distribution in some parts of the province still remain.

■ Challenges and Opportunities of the Province

With such a considerable population, the province faces multiple challenges: the need to regenerate vast areas of informal settlements, commonly known as *musseques*; the priority in the recovery and expansion of the water, energy, and sanitation technical networks, drainage ditches and social facilities; the urgency of connecting existing and expanding urban areas with intermodal transport systems; the urgency of defining a green structure with contiguous features to the location of different urban functions, be they housing, commercial or industrial.

In harmony with the already existing province's potential, and aimed at maximizing socially and economically significant investments in the modernization of existing infrastructure, strategic solutions should inevitably take into account the following:

- The rehabilitation of the old city;
- The creation of new well-structured neighborhoods;
- Re-adaptation of logistics and industrial centers due to the new international airport;
- Insertion of parks and nature reserves in the dynamics of the great metropolis.

■ National Development Plan 2018-2022

Overview

Main area of international insertion of the Angolan economy, headquarters of the national government, center of knowledge, research and advanced services, main national business center, with a strong presence of international institutions and excellent internationalization infrastructures (airport, port and telecommunications) to establish itself as a strategic platform in this region of Africa. By focusing on the spatial distribution of urban functions and the adoption of effective mobility solutions to connect the different centralities, equipment and areas of employment, Luanda aims at reducing its duality and reinforcing solidarity by promoting qualified offers of essential services. Its position in the national context qualifies the city to be a big center of services and an industrial and logistical development hub involving capital, consumer and intermediate goods and industries for export.

Strategic Priorities

- A dynamic sector of advanced services – including presence of international institutions, higher education and research, financial services, etc. – supported by skilled human resources and modern and functional urban infrastructures.
- A revitalized old city with new polyfunctional centralities and expansion zones (*musseques*) with integrated infrastructures and basic services.
- Platform of international flows supported by an integrated complex of internationalization infrastructures.
- A dense and dynamic small business network, basis of the resilience of the economy, promoting initiative and entrepreneurship.
- A vigorous tourism sector (business, leisure and knowledge), in an attractive, welcoming and safe city.
- A solid industrial base, supplying the domestic market, exporting and supporting logistics activities.
- A developed agriculture and livestock farming, especially within the perspective of supplying the metropolitan market.



THE LUNDA NORTE PROVINCE

The Lunda Norte Province was created only in 1978, with a special status, repealed since, thanks to the restrictions of movement and other type of restrictions linked to the diamond mining.

The region has a great historical-cultural wealth, which includes an important intangible heritage of traditional knowledge and techniques in the field of wood and metal sculpture. This knowledge has been transmitted from father to son, and Tchokwe artists are recognized for the great quality of their works, transformed into a symbolic heritage. The isolation of the region and the existence of a strong associative fabric have kept alive these and other traditions, musical and choreographic among others.

THE REGION HAS A GREAT HISTORICAL-CULTURAL WEALTH, WHICH INCLUDES AN IMPORTANT INTANGIBLE HERITAGE OF TRADITIONAL KNOWLEDGE AND TECHNIQUES IN THE FIELD OF WOOD AND METAL SCULPTURE

Though the province's diamond wealth began to be exploited in the early twentieth century, it continues to be the largest center of interest in Lunda Norte. It has led however to an unstable economy, since the exploitation of this resource has little impact on local development. Other sectors, nonetheless, such as agriculture and tourism have significant potential and can support the diversification of the economy and create a basis for more integrated and sustainable development.

■ Physical, Geographic and Environmental Characterization

Lunda Norte is the northernmost province in eastern Angola, bordering to the north and east with the Democratic Republic of Congo, to the south with the province of Lunda Sul, and to the west with the provinces of Malanje and Cuanza Norte. It has an area of 103,760 Km² and its administration is divided into 10 municipalities: Chitato, Lóvua, Cambulo, Lucapa, Lubalo, Capenda-Camulemba, Xá-Muteba, Cuango, Caúngula and Cuilo. The capitol is the city of Dundo, in the municipality of Chitato.

Its relief forms a plateau formation with an altitude that varies from 700 to 1500 meters, with the most expressive elevations to the southwest and the lowest to the northwest and northeast. The climate is tropical humid with average annual temperature of 27°C, relative humidity level of 50% to 90% and heavy rains, between 1200 and 1800mm.

The prevailing soils are sandy, except for spots along the rivers and other argils, with higher agricultural value usually corresponding to areas with greater concentration of population. This is where hydromorphic soils of great capacity for rice cultivation appear, a culture introduced in the early twentieth century and

adopted by the agricultural unit of DIAMANG, the old company that held the monopoly of diamond mining prior to the independence.

The fairly homogeneous vegetation cover is dominated by the savanna, but in the central zone, forests whose density increases in the north and especially in the surroundings of the rivers, are present.

In this same northern zone, the hydro-graphic system integrates the great basin of the Zaire river. The province has several large water lines, but diamond mining, for its intensity and lack of environmental safeguards, has created important biophysical imbalances, mainly visible along the rivers.

■ Demographic Characterization

In accordance with the 2014 Census, the province had, at that time, 862,566 inhabitants, with a relative balance between men and women (51.5% men and 48.5% women). The province has various important areas of mining (small-scale illegal mining of diamonds), particularly in the municipalities of Cuango and Cambulo. There are a significant but unquantified number of temporary inhabitants, many of them from the Democratic Republic of the Congo.

With a reduced population density of 8.31 inhabitants per Km², Lunda Norte had 54.1% of working-age population at the time of the Census, 59% under 25, and only 2% aged 65 or more.



Education and Vocational Training

There is great pressure on the education sector because of the high proportion of children and young people. The sector struggles with a lack of infrastructure and qualified staff. However, the Government has made gradual efforts to overcome the large shortage of schools and staff, and to improve the coverage of the school network in order to provide more comprehensive education services in the municipalities outside the headquarters. The priority announced for 2018 has been the completion of works in progress.

THE PRIORITY
ANNOUNCED FOR
2018 HAS BEEN THE
COMPLETION OF WORKS
IN PROGRESS

In 2017, the province of Lunda Norte had 2,178 classrooms in its school network. Lueji A'nkonde University, which covers the provinces of Lunda Norte, Lunda Sul and Malanje, is located in Dundo, where the Superior Pedagogical School of Northern Lunda, an organic unit of Lueji A'nkonde University, is also located.

The municipality of Cuango has instituted the core of the Superior Pedagogical Institute, with the intention to create other university centers in other municipalities. In 2018, the Institute of Administration and Management, in the municipality of Lucapa, and the School of Training of Health Technicians, will start operating.

Health

The health sector has also benefited from Central Government programs to extend its infrastructure network. By 2015, the health network had three provincial hospitals, at least six municipal hospitals, 15 health centers, 73 health posts and four maternal and child health centers, in addition to two sanatoriums.

In 2017, the "Kamanga" David Bernardino General Hospital was inaugurated with an ortho-traumatic focus, considered as a reference in the province. A Maternal-Infant Hospital and a Diagnostic Center recently inaugurated still need to be equipped. These three infrastructures are located in Dundo.

Media

The fixed-line network is limited to the municipalities of Chitato, Cambulo and Lucapa, but the coverage of the mobile telephone network covers all municipal offices and extends to all communal venues. It is also possible to capture the signal along the main roads EN180 and EN230. Since the end of 2014, the province has installed equipment so that the Saurimo-Dundo section can be connected to the optical fiber.

■ Economic Characterization

Despite the importance of diamond mining in the province's economy and the disproportionate interest in both the industrial and the craft industries, mining does not represent a sector developing employment opportunities or local development. 45% of Lunda Norte households practice some type of agricultural activity. The sector is far from taking advantage of its full potential.

There is also potential to develop small-scale industry and tourism, knowing that in all the cases, there is a lack of infrastructure, including electricity and road networks throughout most of the territory, as well as incentives for projects investing on the economic, social and environmental sustainability of its activities. Through the investments made in recent years and those planned for the future, the Executive seeks to create more attractive conditions for private investors interested in investing in Lunda Norte.

Agriculture, Livestock and Fishery

Agriculture in the province is dominated by activities run by families, with around 97% of the area cultivated, leaving only about 3% for farms. Cassava represents about 45% of the total cultivated area, corn 30%, sweet potatoes 9%, peanuts 7%, the remainder being attributed to beans, various fruits (bananas,

pineapples, citrus, mangos) and vegetables, among others less significant. The province's conditions are favorable to other crops, such as rice and cotton, which have had great importance in the past, in addition to fruit trees, sugar cane and coffee.

Cattle farming is at an early stage in the province, while the goat, sheep and pig production is more pronounced when compared to the distribution of the different

livestock production at the national level. On the other hand, the production of poultry has little importance.

The Government has installed a livestock farming unit for modern production with financial and technical assistance from an Israeli company, but the results were not those expected because of design problems. For example, the industrial slaughterhouse installed was undersized, as it provided for the slaughter of 18 cattle/day when the initial cattle head count (400) was clearly insufficient.

Small-scale fisheries and fish drying are widespread in the province, and continental fisheries based on the development of freshwater aquaculture represent a promising sector. In the context of a restocking of rivers with native species to reduce the current pressure on fish stocks and an investment and training plan, this sector has real potential.

AGRICULTURE IN THE PROVINCE IS DOMINATED BY ACTIVITIES RUN BY FAMILIES, WITH AROUND 97% OF THE AREA CULTIVATED, LEAVING ONLY ABOUT 3% FOR FARMS





Industry, Geology and Mines

Although most of the current and potential production of diamonds is located in the territory of Lunda Sul, diamond mining is very important not only in the Lunda Norte economy, but also in the image of considerable concession associated with it. Existing production may increase, since ENDIAMA alone registers in this province no fewer than 16 prospecting projects in search of investors. Currently, the province's largest industrial mining project is Cuango, with 4.1% of the market in terms of volume, but 8.5% in value, which shows the quality of the kimberlite in this area. Lunda Norte is also the province that attracts more small-scale mining, though most of which is illegal.

APART FROM THE INDUSTRIAL EXPLORATION OF DIAMONDS, THERE IS PRACTICALLY NO INDUSTRY IN THE PROVINCE

Apart from the industrial exploration of diamonds, there is practically no industry in the Province. Its potential for development is limited by the poor coverage and inadequacy of the electricity network. Taking this into account, it could increase substantially to the extent that the electricity production capacity increases, and the main roads are rehabilitated.

Tourism, Hotel Business, Commerce and Entrepreneurship

The history and traditions of the Tchokwe culture and other peoples in the area, the existence of landscapes of rare beauty, the century-long history of the diamond industry, and the particular architecture left in the city of Dundo can constitute attractions for the development of tourism. Many preconditions need to be created in order to really take advantage of this potential. So private investments in the sector have to be projected within the framework of public investment prospects, but projects based on historical-cultural tourism and green tourism must include environmental protection activities.

Mainly informal, trade and entrepreneurship are extremely important in most people's lives, but in their current state, they are not economically significant. This implies that new investment options will open up as the province becomes better structured.

Access Roads, Infrastructure and Transport

The province of Lunda Norte is still characterized by a very poor road network. It is crossed by two fundamental roads in the national development strategy: EN230 (west-east) connecting Luanda to Saurimo via Malanje and Xá-Muteba/Capenda-Camulemba/Xinge in the section belonging to Lunda Norte; and EN180 connecting Dundo, Saurimo and Luena, or from north to south the capitals of, respectively, Lunda Norte, Lunda Sul and Moxico. EN225 is a very important third road for the province, since it interconnects EN230 (from Xá-Muteba) and EN180 (up to Dundo) by the north quadrant. In accordance with data from the

2014 Road Infrastructure Rehabilitation Program (PRIR), these three roads were in the process of rehabilitation at that time. Apart from these roads, the province had about 650 kilometers of secondary roads that needed work, and more than 2,000 kilometers of tertiary roads in the same situation.

**AT THE TRANSPORT LEVEL,
DUNDO AIRPORT STARTED
RECEIVING FLIGHTS FROM TAAG
AGAIN IN LATE 2017, AFTER
A TEN-YEAR HIATUS. IT HAS
THREE FLIGHTS PER WEEK**

At the transport level, Dundo airport started receiving flights from TAAG again in late 2017, after a ten-year hiatus. It has three flights per week. Unlike most of the country's provinces, Lunda Norte has a network of several airports, but work is required to be able to receive commercial flights. Road transport to and from Luanda is achieved by buses, which are forced to use the EN180 via Saurimo. Apart from being a very long

route, it is regularly interrupted. Since the beginning of 2018, traffic was interrupted twice: the first time because of the road degradation, and the second time because of the opening of a ravine threatening to cut EN180.

In the city of Dundo, a large public housing project was built, though it remained underused because of the poor financial capacity of the population to pay either for rent or the purchase price required. Its existence may be an attractive feature to ease the installation of investment support units in the region, as opposed to housing shortages in other Angolan cities.

Energy and Water

The province has benefited from investment and central government programs, which have improved conditions in these sectors. However, Lunda Norte, at the time of the 2014 Census, was part of the four provinces with the lowest rates of access to drinking water in the country, but with important intra-provincial differences.

These situations are repeated in terms of access to energy. Generally speaking, only 15% of the households had access to the public network at the time of the census, despite the various energy production projects announced since the beginning of 2010. With the start of the rehabilitation and the reinforcement capacity of the Luachimo hydroelectric plant in May 2018, a significant improvement is expected, since the production capacity generated should facilitate the development of small industries.



■ Challenges and Opportunities of the Province

The great challenge of Lunda Norte is to have a better balance between the diamond sector and other ones. This should enable the province's wealth and potential to become the basis for local development that is much more relevant, on the one hand, for the province's environmental conditions, and, on the other, for the present and future needs of the local communities. The appreciation of human capabilities appears as a huge challenge.

The agriculture and fishery sectors, but also tourism, thanks to the region's great cultural wealth, have a particularly relevant potential for those who want to invest in the province. The industry may become more relevant to the extent that the road and electricity networks expand. The new political drive for the province, marked by the diversification of the economy, will certainly support and facilitate new types of private investment.

■ National Development Plan 2018-2022

Overview

A more balanced, equitable and inclusive society, on the way to the definitive overcoming of its deficits in the infrastructures and basic services, trying to reduce social and territorial inequalities in an area of cultural affirmation and of traditions; an economy based on a more diversified production base, with a view to enhancing traditional production methods and working conditions, qualifying them with the technical and technological means and skills that enable tradable production, either directly or through local manufacturing which creates added value; a better structured, sustainable and quality territory based on a balanced urban network that values the size of the Dundo-Luachimo-Chitato link and the movement with the other urban centers of Lunda Norte, ensuring the province's territorial cohesion.

Strategic Priorities

- Diversification of economic activities and of the productive base, involving diamond companies in projects to support micro-enterprises and agro-livestock development companies, having in view the increase and competitiveness of local production as a deterrent to imports and promoting the reduction of final prices charged, promoting the local acquisition of industrial mine-support services.
- Development of diamond mining and related activities, favoring the role of semi-industrial holdings by diamond cooperatives as an instrument to combat poverty and stimulate private initiative.
- Increase of agriculture and livestock, evolving from rudimentary subsistence agriculture to the production of marketable surpluses, involving the restructuring of rural areas, improvement of tools, development of rural credit and trade, and the recovery of old agricultural and livestock farms.
- Promotion of sustainable tourism, promoting heritage and cultural resources, namely for niche tourism services.
- Development of trade and urban services, reinforcing the urban dimension of the Dundo-Luachimo-Chitato link by promoting higher-level administrative functions, advanced social and public services, logistical activities – consolidating the urban system and balancing cross-border relationships – and with the infrastructure of the remaining municipalities.

THE LUNDA SUL PROVINCE

The Lunda Sul province has a great historical-cultural wealth inherited from the culture of the Lunda and Tchokwe peoples, which includes, among others, an important immaterial heritage of traditional knowledge and techniques in the field of woods and metals.

The diamond wealth of the province began to be valued in colonial times and is still today the center of the economic life of Lunda Sul. Other mineral resources exist, namely gold, mercury, iron, copper, manganese and tungsten, the potential of which is being evaluated thanks to the ongoing geological-mining research throughout the country, known as PLANAGEO.

The potential of other sectors deserves to be studied as well, namely the use of the region's important hydrographic system for the production of electricity and for irrigation for farming. Although the quality of the soil is not the best, the potential of agriculture is exemplified by the strong tradition of rice cultivation. The fact that the province experiences abundant and regular rainfall for about eight months of the year represents a solid foundation for the development of various crops, including fruits and vegetables.

■ Physical, Geographic and Environmental Characterization

The Province of Lunda Sul is located in eastern Angola, bordering to the east by the Democratic Republic of Congo, to the south by the province of Moxico, to the east by the provinces of Bié and Malanje, and to the north by the province of Lunda Norte. The province has an area of 80,950 Km² and its administration is divided into four municipalities: Saurimo, Cacolo, Muconda and Dala.

Morphologically, the province is a peneplain area with altitudes ranging between 1000 and 1500 meters, characterized by the immensity and wide horizons of its landscape. Its quite homogeneous vegetation cover is dominated by the savanna, with the exception of some forests present mainly in the communes of Alto Chicapa and Chiluangue.

Apart from integrating the large basin of the Zaire river, Lunda Sul has seven large water lines that cross the province from north to south, including the Cassai river that serves as a border to the entire eastern and southern face of the province and the Cuango river on the borders of Bié and Malanje.

The climate is tropical humid with average annual temperature of 27°C, relative humidity level of 50% to 90% and heavy rains, between 1200 and 1800mm.

■ Demographic Characterization

In accordance with the 2014 Census, the province had at that time 537,587 inhabitants, with a balance between men and women, 49.4% of men and 50.6% of women.

The province has a very low population density, 6.64 inhabitants per Km². At the time of the census, the percentage of the working age population was only 39%, with a population under 25 of 62%, and over 65 of only 2%.

Education and Vocational Training

The high proportion of children and young people adds great pressure on the education sector. The sector struggles with a lack of infrastructure and qualified staff. However, the Government has made serious efforts to overcome the great lack of schools. The priority has been to complete all the unfinished works by 2018.

According to available data, in 2017 Lunda Sul had 1,443 classrooms in its educational network. The province also has the Lunda Sul Polytechnic School (ESP), an organic unit of the Lueji A'nkonde University, whose headquarters are in the province of Lunda Norte, as well as the Lusíada Polytechnic Institute. In the municipality of Dala there is also the newest teacher school of the future, the NGO ADPP.

Health

In accordance with the Lunda Sul Health map of 2011, the province then had 62 health units, four of them considered as municipal hospitals. According to other available data, in 2018 the provincial health network has 115 health facilities, 112 of which are functional, reflecting, despite the failures that remain, the completed investment in the sector over the past years.

Lunda Sul also has a provincial hospital, known as General Hospital. In May 2018, the resumption of the works of its rehabilitation was announced. Once concluded, this health facility will be renamed Municipal Hospital of Saurimo, as a new General Hospital is under construction. There is also a Maternal Child Hospital, also referred to as a maternity.

Media

There is reasonable coverage of fixed and mobile telephony, available in the four municipalities. The mobile network with broader coverage reaches the municipal offices, some communes and the main roads. The province is connected to the national fiber optic network in the Malanje/Saurimo section and, by the end of 2014, the equipment was installed so that the Saurimo /Luena and Saurimo/ Dundo sections could be connected to this network as well.

THERE IS REASONABLE
COVERAGE OF FIXED AND
MOBILE TELEPHONY, AVAILABLE
IN THE FOUR MUNICIPALITIES

The broadcasting signal from public television and radio reaches the capital of the province but needs to be progressively expanded to all municipalities.



■ Economic Characterization

The importance given to diamond mining in the Lunda Sul province over the last century has created a dual economy with separate production and marketing systems: a disproportionate interest of all actors (potential investors, companies, and young people) in this sector, and little returns to local development. The Government intends to reverse this situation. According to the data from the 2014 population census, only 34% of the province's households practice some type of agricultural activity. There is sufficient potential, however, to develop the sector and meet the political will of rebalancing the situation as emphasized in the strategic vision of the PND 2018-2022 for the province.

Agriculture, Livestock and Fishery

Agriculture in the province is mostly run by families, with cassava accounting for about 80% of local production, followed by sweet potatoes with 15%. Other crops



are emerging, even peanuts, even though as more than 95% of the territory has favorable conditions for its production. In addition to these three crops, it would be favorable to take advantage of the marginal lands along the rivers and of the regularity of the rains and to bet on horticulture and fruit growing to diversify agriculture and diet.

Livestock and poultry are limited in the province, although the territory has good aptitude for the former. On the other hand, the production of goats, pigs and sheep is proportionally much larger than in the rest of the country, though it is still run by families.

Small scale fisheries and fish drying are widespread in the province, and together with freshwater aquaculture, they represent a promising sector, within the context of a restocking of rivers with native species to reduce the current pressure on fish resources in addition to an investment and training plan.



Industry, Geology and Mines

Apart from the industrial exploitation of diamonds, there is no industry in the province. Its development potential is limited by the little coverage and inadequacy of the electricity grid, but taking this into account, it could increase substantially as soon as the main roads are rehabilitated and the economy diversified.

Angola is one of the top ten diamond producers in the world, and the top five in terms of value, thanks to the prices achieved for the quality of its extracted diamonds. In 2017, it became the fourth largest producer in the world in value, with more than 1,100 million dollars. 85% of this production (corresponding to 60% in value) comes from the CATOCA mine located in Lunda Sul. With the upcoming entry into operation of the Luaxe mine, also belonging to CATOCA, the province will have the largest kimberlite in the world and a production potential of 10 million carats per year for the next 30 years.

Tourism, Hotel Business, Commerce and Entrepreneurship

The history and traditions of the Tchokwe culture, together with the possible creation of a national park in the province, can be a strong attraction for the development of tourism. The construction of several hotels in Saurimo in past years represents the beginning of the great investment needed by the tourism and hotel sector to reveal its full potential.

Trade and entrepreneurship, mainly informal, play a large role in people's lives, but in their current state they are not economically significant.

Access Roads, Infrastructure and Transport

Two main axis roads in the national development strategy cross the Lunda Sul province: the EN230 road connecting Luanda to Saurimo via Malanje (west-east), and the EN180 connecting Dundo, Saurimo and Luena, running from north to south of the capitals of Lunda Norte, Lunda Sul and Moxico. In accordance with the data from the Road Infrastructure Rehabilitation Program (PRIR) of 2014, the first completed road dealt with the section belonging to Lunda Sul and the second road in its entirety was in the process of rehabilitation. A third road, the EN 240, structuring the whole southern quadrant of the western province in the east, had its eastern third segment completed, the central third in progress, while the western one still waits to be awarded. Apart from these roads, the province had more than 500 kilometers of secondary roads requiring work, and more than 1,300 kilometers of tertiary roads in the same predicament.

The city of Saurimo has an airport and regular flights to and from Luanda, in some cases via Malanje. Road transportation is also assured on a regular basis, to and from Luanda. At the beginning of 2018, it was interrupted impacted by the degradation already seen in EN 230. However, the main inter-provincial road transport operator has decided to resume routes to meet the demand.

Energy and Water

The province has been benefiting from investment and central government programs, which have improved conditions in these sectors. However, Lunda Sul, at the time of the 2014 population Census, was part of the four provinces with the lowest rates of access to drinking water in the country. Intra-provincial differences are important from one municipality to the next and between villages and rural areas.

These situations are repeated in terms of access to energy. Generally speaking, about 20% of households had access to the public network at the time of the census, thanks to the hydroelectric power from the Chicapa Hydroelectric Plant. However, despite having an installed capacity of 16 MW, the plant only provides 4 MW for domestic consumption (exclusively to the city of Saurimo), the remaining 12 MW is consumed by the Mining Company of Catoca. At the end of 2011, a thermoelectric plant with three generator units with a production capacity of 7.5 MW started to operate in Saurimo.

■ Challenges and Opportunities of the Province

The great challenge is to take advantage of the province's potential so it can get out from the same economic dualism that has restricted its development.

The current importance of diamond exploration is already huge and will be even greater in the coming years, but the existing potential may facilitate the implementation of the medium-term vision that the Government of Angola has defined for the province.

The sectors of agriculture and fisheries have a particularly relevant potential for those who want to invest in Lunda Sul. Both industry and tourism could gain relevance as soon as the road and electricity networks are expanded, thus making it possible to materialize the Saurimo industrial complex as local economic agents demand. The new political desire towards the province, marked by the diversification of the economy, will certainly support and facilitate new types of private investment in the province.

■ National Development Plan 2018-2022

Overview

A diversified economy, based on agriculture and rural development, and with a mining activity and related industries committed to social development. A province contributing to the integration of the national territory through the enhancement of the connection of the Luanda-Malanje-Saurimo and Luena-Dundo roads, and for national growth by boosting logistical activities and support services to the productive sector in Saurimo's urban center, in a territory structured by a hierarchical and functional urban network, ensuring all citizens access to infrastructure, services and social equipment.

Strategic Priorities

- Diversification of the economic basis by promoting rural development through the promotion of sustainable agriculture run by families based on private investment, forestry and inland fisheries.
- Expansion of logistics activities, transport services, warehouses, trading ports and support services to the productive sector, with a concentration in the Saurimo development center.
- Social responsibility of mining companies, with their involvement in projects to support the productive diversification and strengthening the local economies.
- Reorganization of the population in rural areas, in order to make possible the balanced allocation of infrastructures, equipment and collective services.
- Education and vocational training of the population in order to create human capital capable of facing the challenges of economic growth and productive diversification.

THE MALANJE PROVINCE

The province is currently referred to as the land of the Giant Sable Antelope, a rare subspecies of antelope, which can only be found worldwide in the province of Malanje, at the famous Pedras Negras de Pungo Andongo and the Kalandula falls, considered the second largest of all Africa. They constitute the region's three main tourist icons, among many others.

Apart from the rich natural heritage of great tourist interest, the province has an important historical and cultural legacy. Part of the province's territory belonged to the ancient kingdom of the Queen Njinga Mbandi, who rebuilt the Kingdom of Matamba. It was in Malanje that a peasant revolt fueled the beginning of an armed struggle for liberation.

Malanje also offers significant development potential in agriculture, industry and commerce.

■ Physical, Geographic and Environmental Characterization

The Malanje Province is located to the north of Angola and shares a border with the Democratic Republic of Congo to the northeast, and the provinces of





Uíge to the north, Cuanza Norte to the west, Lunda Norte to the east, Lunda Sul to the southeast, Bié to the South and Cuanza Sul to the southeast.

Its administration includes 14 municipalities: Cacusso, Caombo, Calandula, Cambundi-Catembo, Cangandala, Kiuaba Nzoji, Cunda-Dia-Base. Luquembo, Malanje, Marimba, Massango, Mucári, Quela and Quirima. The city of Malanje is the capital of the province.

The Malanje Province has a territorial extension of 97,602 km² and integrates three different ecological zones: the Plateau of Malanje, the Baixa de Cassanje and Songo or Alto Cuanza.

The Malanje plateau, with an altitude of 1,000 and 1,250 meters respectively, has a tropical rainy climate and soils with proportionate fertility. The plateau's vegetation cover is essentially constituted by open forest and savanna with bushes. Baixa de Cassanje has ranging altitudes of 600 to 700 meters and is formed by alluvial areas. Songo is a transition zone between the plateau regions to the west and the sandy areas to the east of the country, with fertile soils and a terrain with elevation that allows flooding and favors the cultivation of rice. The whole province has a humid tropical climate with two alternately rainy and dry seasons.

THE MOSTLY YOUNG POPULATION, UNDER 25, REPRESENTS 66.4%, WHILE ONLY 3% ARE ABOVE 65

■ Demographic Characterization

In accordance with the data from the 2014 Census, the province had 986,363 inhabitants. The majority are women, 51.4%, while men represent 48.6%.

The mostly young population, under 25, represents 66.4%, while only 3% are above 65. The working population was 47% at the time. The province had a population density of 10.1 inhabitants per Km².

Education and Vocational Training

In past years, the education sector has been making remarkable progress, mainly in relation to the increase of the number of students, teachers and infrastructures at all levels of education. Despite progress, problems and difficulties persist throughout the country, such as the lack of infrastructure and personnel, notably teachers.

In terms of technical and vocational training, the province has some basic training schools covering subjects such as accounting, IT and foreign languages. The province also has an intermediate Agrarian Institute, an intermediate Institute of Health, the Polytechnic Institute of Administration and Management and the intermediate Institute of Teacher Training.





Malanje has a Faculty of Medicine and a Polytechnic School, which offer courses in pedagogy, mathematics, hospitality and tourism, and philosophy, among others. It also has a Higher Polytechnic Institute with courses in clinical psychology, nursing and pharmaceutical sciences and a university associated with the Methodist Church.

Health

The health network of the province is composed of Health centers and facilities in the primary network, fourteen municipal hospitals, one general hospital and two specialty hospitals (Maternity and Sanatorium).

Given the number of its population, the size of the territory and the dispersion of villages, towns and cities, the sanitation system is considered insufficient. This requires a large investment in terms of infrastructures, staff training, equipment placement, as well as key means for its operation.

Media

The province has a mobile telecommunications network belonging to the two national operators (Unitel and Movitel). Although they do not cover the entire territory, they provide both voice and data services in all municipalities. The city of Malanje also has fixed telephone services provided by the operator Angola Telecom through its fixed network of copper and optical fiber.



Although the network does not reach the entire territory, Malanje receives a broadcast signal from the Public Television of Angola and the National Radio of Angola.

■ Economic Characterization

Agriculture, Livestock and Fishery

Malanje has a significant potential for the development of agriculture, forestry, fisheries and livestock in modern and competitive ways, anchored in its climatic conditions, soil, water resources, biological resources, geographic location and sources of electricity, which can mean a great opportunity for interested investors.

MALANJE HAS A
SIGNIFICANT POTENTIAL
FOR THE DEVELOPMENT OF
AGRICULTURE, FORESTRY,
FISHERIES AND LIVESTOCK

Cassava is the main crop, with 34% of cultivated area, followed by corn (22%), beans (24%), peanuts (12%) and sweet potatoes (9%). The remaining crops are potatoes, vegetables and diverse fruit trees. Rice, cotton and tobacco have been of great importance in the past, but their recovery is slow.

Currently there are several initiatives in the province that rely on large public investments. One of the major references deals with the perimeter of the Capanda





Agro-industrial hub in Cacuso, with an area of 410,000 hectares, of which 13,500 will be irrigated. This hub is part of the BIOCOCOM company, which produces sugar, ethanol and electricity, and several other public and private enterprises, which, together, make Cacuso the municipality with the largest agricultural investment in the country, more than 1.2 million dollars since 2004.

In the Malanje province, there are excellent ecological conditions for the development of livestock, due to the climate, soil and terrain with elevation, suitable for the breeding of cattle, pigs, goats and poultry.

With regard to forest resources, Malanje has some species of high wood value confined in areas such as Cuale, Massango, Marimba and Quela, in the north of the province, and in the southern region of Cambundi Catembo and Quirima.

Another of the province's great potentialities is based on water resources (rivers, streams and lagoons), which represent an important potential for fish capture, especially in the municipalities of the Songo region. With the exception of the municipalities of Caculama and Quiwaba Nzoji, all municipalities rely on fishing as an important source of food and income for their population. The most important rivers are Cuanza, Lucala and Cuango, which can be used for small and medium irrigation.

Industry, Geology and Mines

Despite the water potential, the high energy capacity and the privileged road and railway connections, the industrial activity in the province of Malanje is at an early stage, limited only to small-scale bakery and milling industries. The only important industry is BIOCUM, already mentioned in the previous section. An industrial pole of the city of Malanje is in the process of development, and a textile unit, whose equipment is already in Malanje, is planned.

In the field of geology and mines, important mineral resources such as diamonds, gold, ornamental rocks, manganese, iron, gypsum, different inert materials, bicarbonate water, etc. can be found in the territory.

Tourism, Hotel Business, Commerce and Entrepreneurship

Commercial establishments carrying out wholesale marketing tend to focus mostly in the city of Malanje. This predicament raises a major challenge, particularly in rural areas. This means that one of the major business opportunities in the region relates to the commerce sector, which would give renewed vitality to the commercialization of products from the countryside to the cities and vice versa.

Because the province is connected to Luanda by land and railway and because of its strategic location between the coast and the eastern provinces, Malanje became an important logistics and commercial center for the region, which implies a series of opportunities for investors interested in boosting the trade sector.

With regard to the province's tourist potential, Malanje has national reference sites, especially the Calandula Falls, the Pedras Negras de Pungo-Andongo, the Luando National Reserve, the Cangandala National Park, the Musselege Falls, and the hydro-graphic basins of the rivers Cuanza and Zaire, all of which, combined with the characteristics and cultural features of its people, constitute a diversified and quality tourist attraction.

The existence of tourist and economic potential in the province have encouraged the emergence of some hotels, pensions, restaurants and other enterprises dedicated to the hosting, leisure and accommodation of a growing number of national and foreign citizens traveling to the province.

Access Roads, Infrastructure and Transport

With regard to the means of transport, it should be noted that the province is served by bus routes, public transport (private taxis) and by an airport at the provincial capital, with a regular connection to Luanda via the Sonair airline.

The main access roads are rehabilitated. Although lacking maintenance, they have

NATIONAL ROADS CONNECT THE MUNICIPALITY HEADQUARTERS TO THE NEIGHBORING PROVINCES OF LUNDA NORTE, LUNDA SUL, AND CUANZA NORTE

fostered the circulation of goods and services in the province. There are also some difficulties in the connection between the municipal headquarters of Marimba, Kunda-Diabase, Luquenbo and Kirima with the provincial capital. National roads connect the municipality headquarters to the neighboring provinces of Lunda Norte, Lunda Sul, and Cuanza Norte. The road to Luanda is functional despite the need for maintenance.

The rail transport service ensures mobility between Malanje and the provinces of Northern Cuanza and Luanda. It represents another investment opportunity in the creation of a logistics platform to support the eastern provinces of the country.

Energy and Water

Taking into account the various natural waterfalls forming natural hydroelectric dams and their solar and wind potential, Malanje offers huge opportunities for energy exploration using non-polluting and renewable sources.

Malanje also operates two of the country's largest hydroelectric dams (Capanda and Lauca), which provide power to other provinces. It also profits from part of the energy produced by BIOCOM. Nonetheless, as a whole, the province continues to have a deficit in the supply of electricity in some municipalities, and many of them are now dependent on the electricity produced from the generator sets installed in the municipal headquarters.

The water sector has undergone significant development since 2008, but this growth is not enough to remedy the *deficit* of access to drinking water through household connections especially in the capital city of Malanje.

In the rest of the province, other equipment such as fountains, small water systems and wells have been installed.

■ Challenges and Opportunities of the Province

The province offers potential and attractive features for private investment in several sectors, namely agriculture, cattle raising (cattle, goats and poultry), aquaculture, forest, building materials, tourism and mining industry. The agro-industry based on the raw materials produced in the province is very favorable for cassava, corn, rice, cotton, eggs, wood and furniture, among other sectors.

Investment opportunities relate to these sectors and are embodied in structuring projects and other initiatives arising from the challenges identified throughout these pages.

The strengthening of the rail connection between Malanje and Luanda and the land connection between the province's headquarters and the municipalities to the north and south are priorities. The rehabilitation of the roads and the connection of the several municipalities to the city of Malanje, and from there to Luanda, as a large center of consumption, is one of the greatest challenges that the province faces.

■ National Development Plan 2018-2022

Overview

The main power generation center on the national scale, hosting energy-intensive industries and with a productive specialization in corporate agriculture and large-scale agri-livestock, with the capacity to export agri-food products and to supply the manufacturing industry, with a strong agri-industrial sector, benefiting from the strategic position in the north-south-west traffic of the country – provided by the railway corridor of Malanje and the Dondo branch – for the economic development of the Dondo-N'Dalatando-Lucala road. A well-developed tourist sector, with a qualified and varied offer, valuing the natural, scenic and historical-cultural resources of the province, supported by recovered and qualified urban centers and taking advantage of the proximity to the largest metropolitan area of the country.

Strategic Priorities

- Business agriculture, especially: intensive crops such as corn to supply poultry units; the recovery of coffee and cotton cultivation (there is already a processing unit that needs raw material); the cultivation of the palm tree; and the production for the agri-industry (sunflower, peanuts, beans, cereals, fruits and tubers).
- Large-scale farming.
- Industry: revitalization of the industrial centers of Lucala and Dondo by attracting processing units for agricultural products, in particular the production of palm oil, vegetable oil, cotton and coffee processing, and fruit juices.
- Recovery of the tourism potential (nautical, ecological and rural) by creating support infrastructures in places with the greatest potential for attracting visitors, developing hotel and catering services and promotion measures.
- Attractive urban environment of qualified professionals, of activities and tourists, rehabilitating the urban centers (public space built, housing park and urban infrastructures).
- Integration of young people into the labor market and creation of self-employment, especially in the agricultural, industrial and tourist sectors.
- Energy, enhancing production and transport and distribution networks.



THE MOXICO PROVINCE

Moxico is the largest province of Angola. It occupies 17% of the national territory and has an area of 223,023 km². The province is administratively organized in 11 counties: Alto Zambeze, Bundas, Camanongue, Léua, Luca, Luau, Luchazes, Lumeje, Lumbala Nguibo and Moxico. Luena is the provincial capital, in the municipality of Moxico.

From the ethno-linguistic perspective, the population is pretty diverse, with the predominance of the Cokwe, Luales, Ovimbundu, Lunda Dembo, Nganguela, Buttes and other small ethnic groups.

■ Physical, Geographic and Environmental Characterization

The province is located in the eastern part of the country and borders the provinces of Lunda Sul, to the north, Bié to the west, Cuando Cubango to the south, and borders the Republic of Zambia to the east and southeast and the Democratic Republic of Congo in the northeast.

The province's morphology is a relatively uniform flat region, covered by a sandy mantle of the Kalahari. It fits in the vast African plateau of soft valleys formed by the river floodplains, which correspond to the so-called "anharas" or "chanas," flat expanses, covered with herbaceous and subject to more or less persistent floods during the rainy season.

In the central part, the altitude varies from 900 to 1200 meters. In the municipality of Alto Zambeze, besides an extension of the peneplain, a line of elevations between 1400 and 1800 meters of altitude leads to the commune of Calunda, the most notable of the entire province, with the beautiful landscape of the Luizavo Falls, a place with high tourist potential.

IN THE CENTRAL
PART, THE ALTITUDE
VARIES FROM 900 TO
1200 METERS

The climate is tropical humid, and the rainfall fluctuates between 1,200 and 1,300 mm and can reach averages of 1,400 mm in the Alto Zambezi and 900 in the south of the Bundas.

In this region important rivers are born. The Cassai in the north contributes to the flow of the Zaire river, which flows into the Atlantic Ocean. Another large river, the Zambezi, the fourth largest basin of Africa, runs into the Indian Ocean. The Cubango forms the largest inland river mouth in the world, in Botswana, near the Kalahari desert. All this water gives the province a potential for fishing, fish farming and tourism.

■ Demographic Characterization

According to the 2014 Census, the province had 758,568 inhabitants, 51.3% women and 48.7% men. Moxico has a very low population density, with only 3.4 inhabitants per square kilometer. At the time of the census, the working population was a 46.5%, with 67.6% of the population under 25, and only 2.9% aged 65 or over.

■ Education and Vocational Training

The demand for education is quite high since most of its population is within the education age, putting an enormous pressure on the system.

Difficulties in the infrastructure front and specialized personnel exist. However, the provincial authority has established among its priorities the expansion of the school infrastructures in the province. According to the PDP data, the province had a school community of 223 schools covering all levels.

The province benefits from the presence of higher public education with the Polytechnic School of Moxico, which belongs to the José Eduardo dos Santos University, where courses such as nursing, clinical analysis, mathematics, geography, physics and chemistry are taught.



Health

Since 2002 there has been an increase and improvement in the access of basic social health services in the province, with emphasis on efforts to implement primary health care programs in every county.

The province has health infrastructures in all its municipal and some communal centers, although there is still a shortage of medicines in some public health centers and poor conditions in some local health facilities.

Investment in the health network is considered to be one of the priorities of the provincial government, which opens up an opportunity for the participation of the private sector, either in terms of infrastructure construction and staff training or the provision of good and essential services.

Media

According to the 2014 Development Plan of the Province, Moxico had only 170 users of fixed-line telephone network in 2012, about 4500 registered users of mobile phone and approximately 400 subscribers of Internet services—low numbers considering the population. The fixed and mobile telephone networks still do not guarantee full coverage of the province despite improvements and investments undertaken, namely the implementation of the national fiber optic network.

However, the provincial and central governments at the provincial level intend to bet on improving the quality of infrastructure supporting information and communication services in at least all strategic areas of the province, which can be a great business opportunity for private investors.

■ Economic Characterization

Agriculture and Fishery

The province's economy relies mainly on agriculture and can be the driving force behind other sectors of the economy linked to the manufacturing and commercialization of surpluses, which generate the bulk of jobs in rural and peri-urban areas.

Thanks to its huge size and characteristics, the province has a great potential for the development of a competitive agriculture, since it bets on the removal of certain constraints – which may be immediate business opportunities – and the creation of incentives as much for the business as for the familial sectors.

The province produces or has the potential to produce rice (with a notable prewar history), corn, cassava, sweet potatoes, beans, soybeans, peanuts, various fruits (pineapple, citrus, mango, avocado) and vegetables beyond the conditions and tradition for beekeeping. The breeding of cattle, goats, pigs and poultry also is feasible since some precautionary measures have been taken.

Moxico also has one of the largest forestry reserves in Angola. The municipalities of Moxico, Luchazes, Camanongue, Léua, Luau and Alto Zambeze hold precious

MOXICO ALSO HAS ONE OF THE LARGEST FORESTRY RESERVES IN ANGOLA

reserves for the exploitation of woods of high commercial value (*mussivi*, *Muvuca* and *girassonde*).

Its water potential, reflected by the numerous rivers, lakes, lagoons and extensive wetlands during the rainy season, is conducive to the practice of river fishing in several regions of the province, the most expressive

being the municipalities of Moxico, Luau and Alto Zambezi. This activity can be boosted by the improvement of technology for the production, processing and conservation of several highly prized species for domestic and foreign markets, given the relative proximity of the important Katanga market in the Democratic Republic of Congo, which for example traditionally imported “tuqueia.” Aquaculture can be an important complement to small-scale fishing and may also contribute to the economic and social development of the province.

Industry, Geology and Mines

The industrial environment is still very weak, reduced to micro and small companies among which those related to the baking, grinding, locksmithing and carpentry sectors stand out. There are conditions and opportunities to invest in setting up small industries for processing, manufacturing and conserving the diversity of local products.

According to completed prospective studies, including PLANAGEO’s, the Development Plan of the Moxico province refers to the existence of mineral resources such as coal, copper, manganese, iron, diamond, gold, wolfram, tin, uranium and lignite. All these minerals are yet to be exploited. This too represents a business opportunity for those interested.

Tourism, Hospitality, Commerce and Entrepreneurship

In the province, there are several areas of tourist interest such as the Cameia National Park, Luizavo Falls (Alto Zambezi county), Lake Dilolo (municipality of Luacano), Lago do Calundo (municipality of Leua), Chafinda Falls and Lagoa da Água Azul (municipality of Moxico) and the Mussuma Mitete Nature Reserve in the municipality of Bundas. All this potential has not been sufficiently exploited because of the poor development of the transport, hotel and restaurant sectors, which are therefore good business opportunities. Challenges for the tourism and hotel industry are reflected also in poor skilled labor, difficulties in accessing sites with high tourism potential and logistical problems.

In spite of the challenges mentioned above, the Angolan executive plans seek to create logistics centers that serve as a basis for delineating the territory and enhancing the strategic position of the province in the context of the SADC¹, since it is a border province.

1. Moxico Province Development Plan, 2014, page 29



Access Roads, Infrastructure and Transport

The transport infrastructure in the Moxico province relates to road, railway, air and river (small scale) networks. Given its territorial dimension, the Moxico province needs to invest more in a network of quality and well-maintained roads. In general, road traffic conditions between the various counties and between them and the neighboring provinces are difficult. They have been considered one of the main impediments for the province's development.

Because it is connected to the central coast of Angola by the Benguela Railroad (CFB) and to the railroad system of the Democratic Republic of Congo, which is connected to that of the Republic of Zambia, Moxico has a good development potential.

If the SADC member states intend to connect to the Democratic Congo and Zambia, then it would be possible to establish a rail link with the cities of Beira in Mozambique and Dar es Salaam in Tanzania, in the Indian Ocean. It would not be impossible either to connect indirectly to the South African rail system. In this way, the CFB could form a transcontinental rail network, which opens up good prospects for the province of Moxico.

Moxico has airports in Luau and Luena with regular flights from Luanda to the city of Luena.

The Zambezi River is navigable for small vessels. It has been a viable option for the transport of people and goods between Alto Zambezi and Lumbala-Nguimbo and the Republic of Zambia.

Energy and Water

Despite efforts to repair basic infrastructure in municipalities and install small systems for the production, transportation and distribution of electricity, and for water supply, the province has still some deficits in the supply of drinking water and electricity.

Given the province's environmental and water conditions, there are many opportunities for national and foreign investors wishing to invest in the energy sector, including renewables and water, since focusing on the recovery and construction of new thermal and mini power plants and drinking water supply and supply systems, are necessary.

■ Challenges and Opportunities of the Province

The fundamental vocation of the province of Moxico is based on agriculture, forestry, timber-affiliated industries, and the exploitation of the continental fishing, fish farming and beekeeping, which promote up and down stream, a series of activities linked to other sectors of the economy. In the case of agriculture, given the availability of land and water, it makes sense to explore the possibility of growing rice on a large scale, focusing not only on the high domestic consumption (Angola currently imports about 200,000 tons of husked rice), but also on export. Other crops already mentioned can also be grown.

Given the proximity and economic links with the Democratic Republic of Congo and the Republic of Zambia, its geographic position and the existence of the Benguela Railway, creating a "cluster" which could eventually become an important commercial and industrial reference point for the eastern region of the country and for the countries with which the province borders, will be a great strategy.



■ National Development Plan 2018-2022

Overview

Taking advantage of its vast territorial extension, the border position with the Democratic Republic of Congo and Zambia, its geo-strategic positioning in the SADC region, and the natural characteristics and the railroad (Lobito-Luau), the Moxico province seeks to diversify its economic base relying on agriculture, forestry and timber industries and on the exploitation of the continental fishery, fish farming and beekeeping, with Luena recognized as the economic, cultural and commercial center of the eastern part of the country and center of consumer industries for these regions. A network of small rural settlements ensures commercial channels and services to the population. Tourism emerges as a relevant activity in rural development, within the framework of the Cameia National Park, in conjunction with the Okavango-Zambezi International Park.

Strategic Priorities

- Agriculture, the basic sector of the province's economy with potential for large-scale production (i.e., rice) and strategy for job creation and the fight against hunger and poverty.
- Wood affiliation, exploited with respect for the principles of environmental sustainability (Moxico is the second timber reserve of Angola).
- Small-scale fishing and fish farming, valuing the potential of rivers, lagoons and lakes of the province, extremely rich in their biodiversity and promoting export-oriented business development.
- Beekeeping, in association with peasant agriculture and natural forest.
- Economic exploitation of mineral resources (coal, copper, iron, manganese, diamonds, gold, wolfram, tin and molybdenum, uranium) betting on attracting investors and business development in the sector.
- Hospitality and Tourism: Cameia National Park, Luizavo River Falls, Dilolo Lake, Calundo Lake, Chafinda Falls, Agua Azul Lagoon, Mussuma Mitete Nature Reserve.

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National Development Plan and Provincial Development Plans



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THE NAMIBE PROVINCE

The Namibe province is a region of contrast, high beauty and natural wealth. Characterized by its extensive desert, the province has to the east, near the border with the province of Huíla, mountainous zones and to the west an extensive coast with beautiful beaches. Inhabited by a large colony of seals and turtles, the province also includes many other species of animals and plants, such as the famous and bizarre *Welwitschia mirabilis*, specific to the Namib Desert. The reasonably preserved Iona National Park can be found in Namibe.

The house of the Kuvale or Mucubal nation, a subgroup of Herero, with a history and culture quite rich and worth discovering and preserving, comes from the region.

For these reasons, Namibe could become the jewel of tourism in Angola in the future.

■ Physical, Geographic and Environmental Characterization

The Namibe Province is located in the extreme south-west of Angola, bordering with the Benguela province to the north, with the Atlantic Ocean to the west, in a stretch of 420 km with the provinces of Huíla and Cunene to the east, and the Republic of Namibia to the south. It has an area of 56,389 km² and administratively is divided into five counties: Namibe, Camucuio, Bibala, Virei and Tômbwa.

The presence of a vast desert plain, the Namib Desert, characterizes mainly the province's relief. Inland, especially along the border with the provinces of Huíla and Cunene, plateaus and mountainous areas shape the landscape. Water resources



are scarce because of low rainfall, and the Bentiaba, Giraúl, Bero, Curoca and Cunene rivers lie north-south. Except for the great Cunene, which borders the Republic of Namibia in the south, the rest is intermittent with annual average flows in the region of 40 million m³.

The climate is mostly arid and semi-arid, with temperatures averaging 23-4 degrees Celsius, and reaching 17 degrees on the quite humid south shore. In the western range, the average rainfall is less than 100 millimeters, whereas in the interior plateau, it can reach or exceed 400 millimeters and even 800-900 millimeters.

Along the rivers are alluvial soils with fertile agricultural potential, although limited in extent.

■ Demographic Characterization

According to the 2014 Census the province had, at the time, 495,326 inhabitants, 48.5% men and 51.5% women.

The population is quite young, 67.7% of inhabitants under 25. The province has very low population density, 11.4 inhabitants per km². At the time of the census, the percentage of the working-age population was 49.7%.



Education and Vocational Training

The high percentage of young people explains the great deal of pressure on the education sector, which is confronted with a lack of infrastructures and qualified staff, despite the implementation of specific programs that have brought about improvements, such as a 7% increase in qualified teaching staff.

The data available account for 158 schools, including one primary teaching school and four higher education institutions, three of which are public and one private, with a special emphasis on the Fishery Academy, with a wide range of courses focusing on this economic domain. In addition, more courses such as accounting and management, engineering, marine biology, human resources management, law, architecture and urbanism, political sciences and administration of the territory, among others, are offered.

Health

In recent years, there has been an improvement in health care in the province, mainly through the construction and rehabilitation of health facilities, in particular the one of the Ngola Kimbanda Provincial Hospital, and the construction of a 300-bed Maternal and Child Hospital. However, difficulties on the personnel front persist.



The healthcare network includes 79 public and 47 private health centers, with a total of 1,443 beds, including two provincial hospitals and a maternal and child hospital.

Media

The province has reasonable coverage of fixed and mobile telephony, but in the municipalities of Virei, Camuquio and Bibala major difficulties remain. The province is linked to the national fiber optic network whose signal operates in Tômbwa and the city of Moçâmedes. Despite difficulties, the fiber optic network continues to expand, and the quality of service is improving.

The broadcast signal of public television and radio is available in all municipalities, and there is a modern, recently inaugurated production center of the Angolan Public Television in the city of Moçâmedes.

■ Economic Characterization

The economic activity of the province relies mainly on the agriculture, livestock and fisheries sectors, based on geographical location and territorial and climatic characteristics. These latter also allow to deduce the potential for the development and exploitation in sectors such as tourism and commerce.

The existence of the third largest port in Angola and the Moçâmedes railroad, linked with the border with Namibia, are also factors that boost economic growth and development in the region.

Agriculture and Fishery

In Namibe, the agricultural sector is not as strong as in other regions of the country because of the vastness of the desert and the cultural characteristics of its people, traditionally leaning on livestock. Despite this, the province makes possible the development and exploitation of agricultural activity, including vineyards and olive groves. Conditions are also favorable for potato cultivation and horticulture, for fruit growing in coastal areas, and for crops such as sorghum and millet in the more semi-arid zones.

LIVESTOCK (MAINLY CATTLE AND GOATS) PLAYS AN IMPORTANT ROLE THANKS TO THE QUALITY OF THE PASTURES DEEP INSIDE AREAS OF THE PROVINCE BETWEEN THE ALTITUDE OF 700 TO 1200 METERS

Livestock (mainly cattle and goats) plays an important role thanks to the quality of the pastures deep inside areas of the province between the altitude of 700 to 1200 meters. Almost all herds belong to the Macubal peoples, who continue to practice transhumant grazing, and carry, beyond economic importance, historical and cultural symbols.

Fishing is an important source of income for the province and a sector with high

potential, thanks to its extensive coast extremely rich in biodiversity, which can supply several species of not only fish, but also high-quality crab, clams, mussels, and oysters, among other shellfish. These conditions also foster the creation and development of an industry linked to the drying, freezing, processing and preserving of fish and shellfish. The existence of the Fishery Academy is also an important factor in the sector's development.

Industry, Geology and Mines

The province's industrial park consists mainly of industries manufacturing agricultural and fish products and extracting and transforming ornamental stones.

Namibe has interesting mineral resources for economic exploitation, such as marble, nickel, platinum, gold, copper, zinc, gypsum, sand, and limestone, among others. These resources are important not only for the development of the industry directly engaged with its exploitation, but also for other industries that need some of these resources as raw materials.

Also noteworthy is the existence of mineral and medicinal waters in the Bibala county and the extraction of salt in the municipalities of Namibe and Tômbwa, activities that can also be boosted and exploited.





Tourism, Hospitality, Commerce and Entrepreneurship

The province's tourism potential must be accessed, because of its diversity and geographic and climatic characteristics, its desert, existing animal and plant species, which include turtles, species protected by law, and seals. These features, including the Iona Natural Park, favor ecotourism. Health tourism also has a high potential with the thermal waters of Bibala. The province's vast Atlantic coast with beautiful beaches is ideal for a tourism engaged in diving and nautical activities. The relative proximity of Walvis Bay in Namibia is another factor to consider.

The province has few hotels, which underscores the need and growth potential of this sector as well as others closely reliant on tourism, such as catering and trade.

The trade sector has been developing substantially but is very concentrated in the municipalities of Namibe and Tômbwa. The informal sector represents an important part of the commercial activity, and still exists, although in 2012, 1,098 commercial establishments were legalized.

The border with the Republic of Namibia is a major opportunity, either for the tourism sector, where the province can attract visitors, or for the development of commercial activity, since it is a country that represents a considerable market.

Access Roads, Infrastructure and Transport

A major investment took place in recent years in the province's road infrastructure with the rehabilitation of main and secondary roads that allow circulation not only within the province but also to the neighboring ones. Bad sections and roads still exist, but investments continue for their improvement.

At the transport level, the province is served by a regular air link from Luanda to the city of Moçâmedes. Road transportation is also regularly and acceptably provided by private operators, whether on inter-municipal or interprovincial highways.

Energy and Water

The power supply for the province comes from the Matala Hydroelectric Plant (Huila), the Xitoto Thermal Power Plant, in the County Namibe, and the Tômbwa Thermal Power Plant. In other municipal and communal centers, the supply is provided by groups of generators.

The province has benefited from investment and central government programs, which have improved conditions in the sector. In June 2017, the municipality of Namibe received another turbine with a capacity to generate 28 MW, and more investments are being made not only in this municipality, but also in Tômbwa.

Difficulties in accessing drinking water still persist, either because of a lack of infrastructure or of the low rainfall and drought that impact the province, despite the Central Government's investments to improve conditions.

IN JUNE 2017, THE MUNICIPALITY OF NAMIBE RECEIVED ANOTHER TURBINE WITH A CAPACITY TO GENERATE 28 MW, AND MORE INVESTMENTS ARE BEING MADE NOT ONLY IN THIS MUNICIPALITY, BUT ALSO IN TÔMBWA

■ Challenges and Opportunities of the Province

Namibe faces major challenges, whether it is improving the delivery of energy and water to the population, or the growth and economic development generating employment and wealth. Despite these challenges, the province possesses an enormous potential and opportunities to explore and develop.

Its main activities, animal farming and fisheries, run still far below their potential. There are business opportunities directly tied not only to these activities, but also to associated activities, such as processing and food industry. The existing industrial center in the city of Moçâmedes has an infrastructure that can and should be taken advantage of by investors and new companies seeking to settle in the province.

The existing mineral resources, especially ornamental stones and building materials of mineral origin, are another business opportunity to develop, which could boost other areas such as public works and civil construction.

Agriculture and tourism are also sectors offering development conditions that may play a significant part in the Namib economy.

In agriculture, the provincial Government bets on the restoration of ancient vineyards and olive groves, important during the colonial times, and which open doors for two highly valued products, wine and olive oil, onto a far-reaching world market.

The great environmental and natural heritage is also an asset that opens doors to an attractive business in the areas of tourism, with emphasis on nature tourism, biological research, and hotels and restaurants.

The border with the Republic of Namibia and the relative proximity of Walvis Bay opens a major market and the doors to international tourism, that any investor should bear in mind. Also, the national programs to promote the country's development and to encourage foreign investment are factors to be considered.

■ National Development Plan 2018-2022

Overview

Province with an attractive and competent environment, endowed with a wide range of opportunities, welcoming the most important fishing zone of Angola and an important fishing and fish processing industry and salt production, and promoting the valorization of the bays of Namibe and Tômbwa. It is a reference destination in the country, with potential for internationalization, taking advantage of 480 km of the Atlantic Coast and a desert interior area, rich in natural, landscape and cultural resources. A growing industrial sector, associated with the use of primary production (sea products, mineral resources, agricultural and livestock) and maritime activities. The logistics platform for the internationalization of the southern region of the country, linking the port of Namibe with international air transport, rail and highway, and the development of the Namibe international corridor in view of improving and increasing trade with SADC countries.

Strategic Priorities

- Consolidation of the fishing sector and development of a strong fishing and fish processing industry. Promotion of aquaculture.
- Strengthening the harbor and logistics functions of the port of Namibe by moving to an *Hinterland* that includes Angola and northern Namibia.



- Appreciation of the agricultural and livestock sector: modernization of livestock farming and reinforcement of agricultural crops of Mediterranean and subtropical characteristics (vine, olive, tomato, melon, watermelon, mango), and promotion of associated agro-industrial activities.
- Industrial development focused on export: sea products processing industry, ornamental rocks and also industries supporting maritime activities (maintenance, repair and shipbuilding, equipment).
- Tourism as a privileged activity for the internationalization of the province, structuring supply and betting on a public-private cooperation.
- Appreciation of human resources.
- Cohesive territorial planning and re-qualification of the territory as a way of attracting investment and stabilizing the population.
- Social and economic integration of the transhumant population.

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comercial@grupomieres.com

www.grupomieres.com

THE UÍGE PROVINCE

What is today known as the territory of Uíge province has in the past included the famous kingdom of the Congo, whose inhabitants are mostly people of the Congo community or, as commonly known as *Bacongo*. This kingdom extended to the north and south of the Congo river and was founded in the thirteenth century, extending its territory to the present Democratic Republic of Congo, Republic of Congo, Gabon and Angola.

Around the middle of the twentieth century the region gained importance from coffee exploitation. In 1961 it gained even more relevance with the beginning of the armed fight for independence.

At present, in addition to a rich historical and natural heritage of high tourist value, the province demonstrates significant development potential in the agriculture, industry and commerce sectors.

■ Physical, Geographic and Environmental Characterization

The province of Uíge is located in the extreme north of Angola and is bordered in the west with the province of Zaire, in the north and east with the Democratic Republic of Congo, in the southeast by Malanje, and in the south with the provinces of Cuanza Norte and Bengo. The province has an area of 62,424 km², and its administration is divided into 16 counties: Uíge, Ambuíla, Songo, Bembe, Negage, Bungo, Maquela do Zombo, Damba, Cangola, Sanza Pombo, Quitexe, Quimbele, Milunge, Mucaba, Buengas and Puri.





IT HAS IMPORTANT WATER RESOURCES, ESPECIALLY THE RIVERS LOJE, MBRIDJE, DANGE, LUCALA, KUÍLO, AMONG OTHERS

The territory is very rugged with several mountain ranges (Uíge, Pingano and Kibinga being the main ones) and the Congo plateau. It has important water resources, especially the rivers Loje, Mbridje, Dange, Lucala, Kúilo, among others.

The province's climate is tropical hot and humid with long rainy seasons (September to May) and high precipitations reaching the 1600 mm in various zones.

The province has a rich flora and fauna where the forest's richness, one of the most important of the country, stands out and integrates in a dense and humid forest that extends south to the Southern Cuanza province, and beyond the savanna plateau.

■ Demographic Characterization

According to the last 2014 Census, the population of the province was composed of 1,483,118 inhabitants. In Uíge, the women population stands at 50.9% while men at 49.1%.

At the time of the census, the province had a population density of 23.8 inhabitants per square kilometer and an active-age population of 46.6 per cent, while the young population (under 25) stood at 66.3%.

Education and Vocational Training

According to the data available, the province has 1,238 schools. As in other provinces, the education system in Uíge is under great pressure, both because of the high proportion of young people and because of the shortcomings in terms of infrastructure and human resources.

ACCORDING TO THE DATA AVAILABLE, THE PROVINCE HAS 1,238 SCHOOLS

The province has two teacher training schools, two agrarian intermediary schools and an intermediary health institute. There is also a public higher education institution, which, according to recent data, has about 8,000 students, who can choose courses such as Medicine, Nursing, Law, and Economics, among others.

Health

In recent years, there has been a gradual increase of health units, as well as health professionals. According to PDP data, the province currently has 218 health facilities, including ten mother-child centers and a center specializing in the diagnosis and treatment of trypanosomiasis (sleeping sickness). There is still a shortage of specialized personnel, but the Uíge province benefits from the presence of the university, which trains health professionals, namely doctors and nurses.

Media

As far as media is concerned, the province has two postal stations with internet rooms. Mobile and fixed network coverage still falls short despite investments that have brought improvements.

The Uíge province also benefits from the national fiber-optimum network that will, over time, substantially improve the quality and availability of services.

A good part of the province receives the Public Television of Angola and the National Radio of Angola signals, despite persistent difficulties that investments in the sector, namely in the center emitting the Public Television of Angola, are overriding.

■ Economic Characterization

Agriculture and Fishery

As in the rest of the country, agriculture is also the main economic engine in Uíge, alongside trade. The province has good conditions for agricultural activities. The main crops consist of cassava, bananas, sweet potatoes, potatoes, corn, peanuts and beans, and more.

After a period of neglect, coffee (Angola was once the third largest producer in the world) has made a comeback in recent years. It is estimated that the area

devoted to its cultivation stretches over 30,000 hectares. Though the large farms, *fazendas*, have been abandoned or are underutilized, they can be an attractive factor for investment, especially with the modernization of the productive system and industrialization.

In the animal farming sector, the breeding of poultry, followed by swine, sheep, goats and cattle stand out. In 2012, there were 12 aquaculture productive tanks with a production of 36,016 kilograms of fish.

Wood represents an interesting opportunity for investment, with eight industrial sawmills in the province. The possibility of setting up furniture manufacturing units makes perfect sense.

Industry, Geology and Mines

This sector needs more investment in the province, given its high potential. The Mavoio and Tetelo copper mines are in operation, and there is exploitation of aggregates for construction, such as gravel, white sand, red clay, *burgau* and rock.

THE COFFEE SECTOR
ALSO HAS ECONOMIC
POTENTIAL, NOT ONLY IN
THE PRODUCTION BUT ALSO
IN THE INDUSTRIALIZATION
OF THE SECTOR, NAMELY IN
THE HUSKING, ROASTING,
PACKAGING AND EVEN
PROCESSING BY-PRODUCTS

The exploitation of diamonds is another opportunity for business and development. Along with the small-scale exploitation, explorations and studies have been carried out on the prospection and eventual exploitation of diamonds in several municipalities.

The province also has important forest reserves that can be economically exploited, provided that its sustainability and environmental factors are assured, making the wood manufacturing industry an attractive sector.

The coffee sector also has economic potential, not only in the production but also in the industrialization of the sector, namely in the husking, roasting, packaging and even processing by-products.

Tourism, Hospitality, Commerce and Entrepreneurship

These sectors also reflect good examples of the province's economic vitality. Whether in the hospitality or in the commercial sectors, there has been an increase in licensed establishments.

The Luanda, Malanje, Lunda Norte, Lunda Sul and Democratic Republic of the Congo people and merchants' demand for local agricultural products is a factor bringing great dynamism and potential to the province's agriculture and commerce, a significant fact knowing that between 2009 and 2013, the trade increased by four.



The province's hotel sector has 17 hotels. Given Uíge's tourist and commercial potential, both in terms of cultural and natural heritage, this sector carries a lot of potential.

Access Roads, Infrastructure and Transport

In the matter of transportation, the Uíge province is served by inter-municipal and inter-provincial bus routes, private taxi networks and an airport, which was renovated and expanded in 2014, though at the moment there is no regular air connection to the province.

The access roads have been the focus of heavy investments and are in reasonable condition, above all the road connecting Luanda to Uíge. Although there are secondary and tertiary roads in need of repair, in general, the existing roads allow circulation between the municipalities and to the neighboring provinces.

Energy and Water

Given the investments made in recent years, improvements in the energy and water sectors have been achieved, while others are planned.

In 2012, the total operative capacity in the province was 42.11 MW, but the situation is expected to improve as the energy from the Capanda dam reaches the cities of Uíge and Negage. In fact, Capanda produces enough energy to extend its distribution. On the other hand, planned mini-hydraulics are expected to function as the base in order to improve the system and support future investments.

As for water, investments have been made to ensure access to drinking water, including fountains and small water systems. Some of these supply systems rely

on gravitation, and this process can be extended to other municipalities. The rate of coverage of the population in terms of access to water was at the time, 40.6%. It is planned that funding from the World Bank will expand the network.

■ Challenges and Opportunities of the Province

Strengthening connections with Zaire, Malanje and Luanda is a priority. The role of Luanda as a major center of consumption, outlets and exports, must be mentioned here.

These conditions encourage the contemplation of business and investment opportunities, first of all in agriculture, given the availability of land and the gradual increase of cultivated area and agricultural production. Coffee, corn, cassava, beans, soybeans, peanuts, bananas (of various types), citrus and tropical fruits are products with a great future. Secondly, the exploitation and manufacturing of wood are important investment and business opportunities. Cattle and goat breeding is considerable, taking advantage mainly of the conditions of the Congo plateau, an extension of the Camabatela plateau (Northern Cuanza), of strong animal raising tradition, where a modern industrial slaughterhouse has been recently inaugurated. A strategy of economic dynamism leads in turn to the creation of specialized inter-municipal and agro-industrial centers and projects.

The development of an industrial exploitation of copper and diamonds, as well as other mineral resources, such as gold, will be another important area of investment.



In the chapter on trade, there is an interesting dynamic, which has been reinforced by the recent creation of a B.U.E. (Balcão Único do Empreendedor) with plans to extend to market and logistic networks. This will facilitate the commercialization, manufacturing and flow of goods and products, integrating the province into important commercial circuits.

The hotel sector, associated with the economic dynamism of the territory but also with the province's tourist development, is another good business opportunity. As mentioned, the province has a rich historical and cultural heritage, as well as a natural heritage worthy of being valued.

Finally, the media, the improvement of transportation services, and the extension of digital coverage are important investment and business areas.

■ National Development Plan 2018-2022

Overview

An economically and socially dynamic province, well connected to the neighboring provinces, in particular with Luanda, in transition from a local subsistence to market-driven agriculture, with a strong specialization in coffee production, but also enabling other crops, citrus and bananas, and with a productive infrastructure balanced by the mining, industrial and tourist sectors.

Strategic Priorities

- Agriculture, Fisheries and Forestry: relaunching large-scale coffee production, commercial production of citrus fruits, rational and sustainable exploitation of timber, expansion of export-driven aquaculture projects in all municipalities.
- Mines: prospecting of the Mavoio mine (copper), reorganization of diamond mining on a semi industrial basis.
- Trade, Hospitality and Tourism: sales and marketing of agricultural surpluses (namely citrus fruits), hotel development, institutionalization and consolidation of the Quimbata border market.
- Industry: completion of the infrastructure of the Negage industrial hub and implementation of industries for processing agricultural products associated with production sites.

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THE ZAIRE PROVINCE

The province of Zaire has remarkable historical relevance for Angola, due to its capital, Mbanza Congo, the capital of the Kingdom of the Congo, founded in the 13th century, whose territory extended to the present Republic of Congo, the Democratic Republic of Congo, Gabon and Angola.

In July 2017 UNESCO classified the city of Mbanza Congo's historic center as a World Heritage Site, which translates into an opportunity for tourism.

At present, the economic importance of the Zaire province lies mainly in oil exploration along the coast, though its potential is very diversified. Soyo, located at the mouth of the Zaire river, is actually its economic capital.



■ Physical, Geographic and Environmental Characterization

The Province of Zaire is located in the extreme north-west of Angola, bordered in the north by the Democratic Republic of Congo, in the west by the Atlantic Ocean, with a coastline 250 km long, and in the south and east respectively by the provinces of Bengo and Uíge. It has an area of 40,130 km² and its administration is divided into six counties: Mbanza Congo, Cuímba, Nóqui, Nzeto, Soyo and Tomboco.

The relief consists of coastal plains, the Congo sub-plateau and the Serra da Canda. The province's vast water resources consist of 32 rivers and 67 lagoons, of which the Zaire river is the most important, the seventh largest in the world in length and the second in flow.

Varied geological reserves going beyond hydrocarbons abound, especially limestone and granite, with potential for economic exploitation.

The climate is tropical hot. Its landscape is made out of more arid zones on the coast and dense forests in the interior, with valuable wood species, such as blackwood and ebony.

■ Demographic Characterization

According to the 2014 Census, the province had 594,428 inhabitants, with a balance of 50.1% men and 49.9% women.

With a low population density, 14.8 inhabitants per km², at the time of the census, the working-age population represented 52.4%, the population under 25 62%, while the population above 65 was only 3%.

ACCORDING TO THE 2014 CENSUS, THE PROVINCE HAD 594,428 INHABITANTS, WITH A BALANCE OF 50.1% MEN AND 49.9% WOMEN

Education and Vocational Training

The education sector is under great pressure because of the high percentage of young people. Further, the sector still confronts a lack of infrastructure and qualified personnel, despite the implementation of specific programs that have brought improvements.

According to the available data, the province has 284 schools, including an intermediate administration and management institute, and a teacher training school. There are also two higher education institutions, one in Mbanza Congo and another in Soyo, which offer courses in physics, business management, mathematics, chemistry, and computer engineering, among others.

IN RECENT YEARS, IMPROVEMENTS IN HEALTH CARE HAVE TAKEN PLACE IN THE PROVINCE, MAINLY THROUGH THE CONSTRUCTION OF NEW HEALTH FACILITIES

Health

In recent years, improvements in health care have taken place in the province, mainly through the construction of new health facilities. In spite of this, the sector faces great difficulties finding qualified personnel.

The province has 89 health units, with a total of 671 beds, including a provincial hospital with several specialties. The services are mainly concentrated in Mbanza Congo and Soyo.

Media

There is reasonable coverage of fixed and mobile telephony. The proximity to the Democratic Republic of the Congo makes it possible to use the services of the neighboring country in much of the territory. The province is linked to the national fiber optic network, and its coverage is increasing.

The broadcasting signal of the radio and public television and radio does not yet reach the entire territory.

■ Economic Characterization

Thanks to large hydrocarbon reserves, oil and gas exploitations have a strong foothold in the province. They are the main engine of the economy and contribute, with their momentum, to the development of other sectors, such as miscellaneous service providers for oil companies.

Despite having less economic importance, agriculture accounted for around 80% of the labor force, according to the 2014 data.

The proximity to the Democratic Republic of the Congo opens intense though still somewhat unstructured commercial activities. A favorable evolution is expected.

Agriculture and Fishery

The climatic and soil conditions are favorable to the development of agriculture, especially in the interior areas. However, with few exceptions, a self-subsistence and local agriculture is practiced almost exclusively. The main exceptions are the mid-size farms in Nzeto and Cuímba, which grow various crops such as cassava (including flour processing), corn, soy and vegetables, and the Girassol *fazenda*, which supplies some supermarkets in Luanda. Though still from small producers, pineapple cultivation is important because of its quality and the possibility of industrialization.

The conditions for the growing and production of peanuts, sweet potatoes, cassava, beans, bananas, citrus fruits and coffee, are favorable. The more arid coastal

zones are conducive to the cultivation of cashew. The potential for the exploitation of high value timber is a reality as well.

Fishing happens almost exclusively on a small-scale, but the province's extensive coastline and the quality of the fish reflect a great potential for developing this activity, along with the possibility of setting up processing industries. Also, in the interior, the fishing activity takes place in rivers and lagoons, but above all in the Zaire river.

Industry, Geology and Mines

The province's industrial park is mainly made of small family businesses. According to the data from its Development Plan, the province has 295 industrial units, and a great potential for growth given its proximity to Luanda and the Democratic Republic of the Congo. The main industries are baking and the production of blocks for construction.

At the level of the petroleum sector, the province of Zaire is one of the most important in the country, with large reserves both onshore and offshore. There are several blocks in operation and a modern Liquefied Natural Gas (LPG) unit in the city of Soyo, whose investors, almost all major oil companies operating in Angola, financed about \$ 4 billion. The sector is the main driver of the local economy, and it also energizes many companies that provide services to the oil companies. All the movement generated around the activity also brings a great potential to other sectors such as hotel and catering.



In addition to hydrocarbons, the province also has important mineral reserves with potential commercial exploitation, such as granite, limestone, sand, and also copper, pyrite, phosphates and even diamonds. It is also important to study the possibility of phosphate exploitation for the use of phosphorus as fertilizer.

Oil exploration and the availability of energy could enable the development of the petrochemical industry, including the production of nitrogen fertilizers. The creation of the Soyo industrial center is underway, with an infrastructure, which, in itself, represents an excellent business opportunity.

Tourism, Hospitality, Commerce and Entrepreneurship

The province has a high tourist potential. Since its capital is a World Heritage Site, it can boost historical and cultural tourism. There is also great potential for nature tourism, with the presence of the Zaire river and the beauty of the surrounding landscapes. The Atlantic coast offers beautiful beaches.

The necessary development in the area of tourism creates great business opportunities for the creation of infrastructures in the hotel and catering sector.

The trade sector offers good business opportunities. It can be exploited at the border with the Democratic Republic of Congo and complements existing or potentially expanding sectors such as oil or tourism. At the moment, it is still little developed. It is mainly centered in the provincial capital and in the city of Soyo. Also, a major informal sector accounts for a large part of existing trade.

Access Roads, Infrastructure and Transport

Major investments have been made in recent years in the province's road infrastructure, and the roads connecting Nzeto, Soyo, Tomboco and Mbanza Congo, including Luanda. They are in very good condition, especially the highway between Nzeto and Soyo, which opened in August 2017 and operates with two lanes, expected to be four and extended to Luanda in the near future. Difficulties on the roads to Nóqui and Cuímba and on the secondary and tertiary roads still persist.

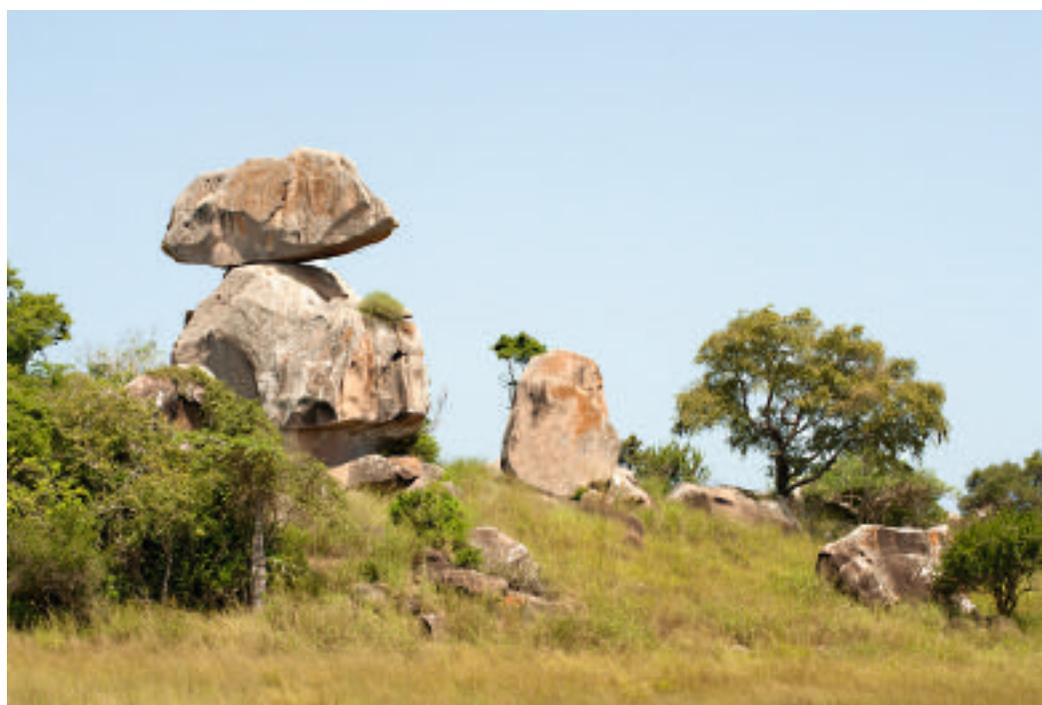
In terms of transport, the province is served by regular air connections from Luanda to the cities of Soyo and Mbanza Congo. Three transport companies regularly provide road transport to and from Luanda.

The business potential in this area is to be explored, namely the possibility of maritime links between coastal cities and also the province of Cabinda. The navigability of the Zaire river is also a good opportunity.

Energy and Water

The province has benefited from investment and central government programs, which have improved conditions in these sectors. The Soyo combined cycle plant was inaugurated in August 2017 with a production capacity of 750 MW.

Difficulties in accessing drinking water persevere, despite existing water resources, but the situation has been improving.



■ Challenges and Opportunities of the Province

The big challenge is to take advantage of the great potential and resources and put them at the service of the development and growth of the province.

The hydrocarbon exploitation is the main stimulus of the economy and will continue to be for the next few years. However, at the level of agriculture, industry and tourism, there remain huge possibilities to be explored. Intra-structuring and exploration of the Soyo industrial center, aiming at the manufacturing of wood and processing of fish, are excellent business opportunities.

It is important to invest in all the agriculture's potential and transform it into a genuine modern sector creating employment and wealth. Parallel to the development of agriculture runs the industry sector, namely of food, processing and petrochemical. The potential for commercial exploitation of existing mineral resources and high value timber must also be taken into consideration. The country's national development programs and incentives for foreign investment are both facilitating factors and drive the investment in the province.

The great historical, cultural and environmental treasures open doors to attractive businesses in the areas of tourism, hotels and restaurants.

All this economic potential is strengthened, on the one hand, by the proximity to Luanda, with good air and land connections, and, on the other, by the Democratic Republic of Congo, with which the province shares not only much of its history and culture but also important commercial relations, which can and should be consolidated and deepened given its huge expanding market.



■ National Development Plan 2018-2022

Overview

Productive expertise around oil, gas and complementary activities – in the Soyo industrial center, based on oil, natural gas and energy intensive industries – complemented by the recovery of small industries in the timber industry, and the development of a network of companies for the exploitation of small-scale resources, focused on a commercial agriculture, the enhancement of the coastline through the development of fishing activities and tourism, and the exploitation of the navigability of the Zaire river, based on a balanced urban system and within a cross-border framework.

Strategic Priorities

- Oil, Natural Gas and related industries, especially in the municipality of Soyo, reducing environmental impacts.
- Industrial production of large agricultural crops, palm trees, pineapples, bananas, citrus fruits, sweet potatoes, etc.
- Relaunch of the coffee production.
- Lumbering, respecting the principles of sustainability and rational use of resources.
- Appreciation of small-scale fishing and development of seafood processing industries.
- Valuation of the natural and patrimonial treasures of the province for the development of tourism, in the bathing, nature and historical-cultural segments.
- Strengthening urban functions (administrative, social, and supportive of economic activities) and developing a balanced network of cities and towns.

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National Development Plan and Provincial Development Plans

IMPORTANT CONTACTS

U.S. Chamber of Commerce

Address: 1615 H Street, NW, Washington, DC 20062-2000

Telephone: +1 202 659 6000 / +1 800 638 6582

www.uschamber.com

AmCham Angola

Address: Largo do Pescador, nº 7, Ilha de Luanda- Luanda, Angola

E-mail: amchamangola@amchamangola.org

Telephone: +244 227 280 516 / +244 943 088 750

Website: www.amchamangola.org

Facebook: www.facebook.com/AmChamAngola.org

LinkedIn: www.linkedin.com/company/amchamangola

Export-Import Bank of the United States (EXIM Bank)

Address: 811 Vermont Avenue, NW, Washington, DC 20571

Telephone: +1 800 565 (3946) / 202 565 (3946)

www.exim.gov

Embassy of the United States of America

Address: Rua Dourai Boumedienne, N° 32 – Luanda, Angola

Telephone: +244 222641000

<https://ao.usembassy.gov/>

U.S. Department of Commerce's International Trade Administration

Angolan office: <https://2016.export.gov/angola/>

Commercial guide: <https://www.export.gov/apex/article2?id=Angola-Market-Overview>

Embassy of Angola in the United States of America

Address: 2100-2108 16th Street, NW, Washington, DC 20009

Telephone: +1 202 785 1156

www.angola.org

Consulate General of Angola in Houston

Address: 3040 Post Oak Blvd, Suite 780, Houston, Texas, 77056

Telephone: +1 713 212 3840

www.angolaconsulate-tx.org

Consulate General of Angola in Los Angeles

Address: 640 S San Vicente Blvd, Ste 590 Los Angeles CA, 90048

Telephone: +1 (323) 219-0014 | +1 (323) 279-3350 | FAX +1 (323) 219-0014

<http://angolaconsulate-ca.org>

Consulate General of Angola in New York

Address: 866 United Nations Plaza, East 48th Street, 5th Floor, New York, NY, 10017

Telephone: +1 212 861 5656

Agency of Private Investment and Promotion of Exports (AIPEX)

Address: Rua Kwamme Nkrumah, n° 8/n° 10, Maianga- Luanda, Angola

E-mail: geral@aipepx.gov.ao

Telephone: +244 222 39 14 34 | 222 33 12 52 | FAX 222 39 33 81

www.apiexangola.co.ao

National Bank of Angola

Address: Banco Nacional de Angola, Av. 4 de Fevereiro n° 151 – Luanda, Angola

Telephone: +244 222679200

www.bna.ao

International Monetary Fund (IMF)

Address: Edifício Kimpa Vita Atrium, Apt. 104, Rua Joaquim Kapango 5, Maculusso, Luanda, Angola

Telephone: +244 222732150

www.imf.org/en/Countries/ResRep/ago

Endiama

Address: Rua Major Kanhangulom, n° 100 – Luanda, Angola

Telephone: +244 222 33 45 85 / +244 222 33 30 18 / +244 222 33 27 51

www.endiama.co.ao

Sonangol

Address: Rua Rainha Ginga, N° 29-31, Ingombotas- Luanda, Angola

E-mail: hld.gci@sonangol.co.ao / secretariageral@sonangol.co.ao

Telephone: +244 226643343 / +244-226-643342

www.sonangol.co.ao

MINISTRIES

Ministry of Mineral Resources and Petroleum

Address: Av. 4 de Fevereiro, nº 105 Esq – Município da Ingombota – Luanda, Angola

E-mail: dnc@mirenpet.gov.ao

Telephone: +244 226 421 324

Website: <http://www.mirempet.gov.ao>

Ministry of Finances

Address: Edifício do MinFin, Largo da Mutamba- Luanda, Angola

E-mail: gci@minfin.gov.ao

Telephone: +(244) - 222 706000

<https://www.minfin.gov.ao/>

Ministry of Construction and Public Works of Angola

Address: Rua de D. Miguel- Luanda, Angola

Telephone: +244 222 556 888

<http://www.mincons.gov.ao/>

Ministry of Agriculture and Rural Development

Address: Avenida Comandante Gika, nº 2 – Luanda, Angola

Telephone: (+244) 222 32 05 41 / 222 32 35 93

<http://www.minagri.gov.ao/>

Ministry of Energy and Water

Address: Avenida 4 de Fevereiro, 105, nº 4

Telephone: (+244) 22233 78 36 / 222 33 74 48

<http://www.minea.gov.ao/>

Ministry of Industry

Address: Rua Cerqueira Lukoki, nº 25

Telephone: +244 222 334700 / 222 337070

<http://www.mind.gov.ao/>

Ministry of Commerce

Address: Palácio de Vidro, Largo 4 de Fevereiro 3 – Luanda, Angola

Telephone: +244 222 338737

<http://www.minco.gov.ao/>

HOTELS

EPIC SANA Luanda

Address: EPIC SANA Hotel, Rua da Missão – Luanda, Angola

E-mail: info.luanda@epic.sanahotels.com

Telephone: +244 930 687656

www.luanda.epic.sanahotels.com/pt

Skyna Hotel

Address: Rua de Portugal, nº 29 -Luanda, Angola

E-mail: reservas.lad@skynahotels.com

Telephone: +244 222 670 900

<http://skynahotels.com/hoteis/skyna-luanda/>

Hotel Alvalade

Address: Av. Comandante Gika- Luanda, Angola

E-mail: alvalade@tdhotels.com

Telephone: +244 222 620600

<https://www.tdhotels.com/pt/Menu/Hoteis/Angola/Luanda/Hotel-Alvalade/Galeria.aspx>

Hotel Presidente

Address: Largo 17 de Setembro nº 4 – Luanda, Angola

E-mail: geral@hotelpresidente.co.ao

Telephone: +244 222 311 717

<http://www.hotelpresidenteluanda.com/>

Hotel Trópico

Address: Rua da Missão 103 – Luanda, Angola

E-mail: tropico@tdhotels.com

Telephone: +244 222 670 100

<https://www.tdhotels.com/pt/Menu/Hoteis/Angola/Luanda/Hotel-Alvalade/Galeria.aspx>





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Translated by Frank Debonair at Lingorama