

Angola

March 2018

Executive Summary

This country fact sheet provides key trade and investment related statistics for Angola. Specifically, it shows Angola's trade and investment flows including an analysis of top markets and products with South Africa and the Western Cape highlighting the largest and fastest growing products and sub-sectors. The key highlights in the Angola country fact sheet are provided below:

Economy

- Angola's GDP (PPP) was estimated at USD192bn in 2017, making Angola the world's 66th largest economy. At 1.5% growth in 2017 the country was ranked the 175th in terms of growth.
- According to Business Monitor International net exports will make a consistent negative contribution to real GDP growth between 2018 and 2027.

Trade

- Angola's export in services declined by 8% in 2015 to reach USD1.26bn, while global imports decreased by 27%. Over the period analysed Angola has consistently maintained a negative trade balance.
- Angolan exports declined by 22% in 2016 to reach USD28.29bn from USD36.20bn in 2015. Imports to Angola declined by 36% to reach USD10.75bn in 2016.
- China was the leading export market for Angola with a value of USD13.97m. The United States and India ranked second and third valued at USD2.98bn and USD2bn respectively.
- Western Cape's exports to Angola increased by 14% in 2017 to reach USD188m from USD164m in 2016. Imported goods were valued at USD1.1bn in 2017 compared to USD880m in 2016, increasing by 21%.
- The Western Cape has maintained a trade deficit with Angola, with imports exceeding exports over the period 2008 to 2017.

Investment

- Between January 2003 and September 2017 a total of 347 FDI projects were recorded into Angola. These projects represent a total capital investment of USD70.39bn which is an average investment of USD202.8m per project.
- Between January 2003 and September 2017 a total of 11 FDI projects were recorded from the Western Cape to Angola. These projects represent a total capital investment of USD247m which is an average investment of USD22.45 per project.

Tourism

- The number of Angolan arrivals into South Africa between declined by 9% in 2015 from 53 592 arrivals in 2014 to 48 416 in 2015, while arrivals into the Western Cape also declined by 14% in 2015 from 14 680 arrivals in 2014 to 12 602 in 2015

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1. General Information

Angola is a country in Southern Africa. It is the 7th largest country in Africa, and is bordered by Namibia on the south, the Democratic Republic of the Congo on the north, and Zambia on the east; its west coast is on the Atlantic Ocean and Luanda is its capital city.

Since the adoption of a new constitution in 2010, the politics of Angola takes place in a framework of a presidential republic, whereby the President of Angola is both head of state and head of government, and of a multi-party system. Legislative power is vested in the President, the government and parliament. Angola is a member state of the United Nations, OPEC, African Union, the Community of Portuguese Language Countries, the Latin Union and the Southern African Development Community.

GENERAL INFORMATION	
Capital city	Luanda
Government type	Republic; multiparty presidential regime
Chief of State	President Joao Manuel Goncalves Lourenco
Population (July 2017)	29,310,273
Life expectancy	55.63 years
Literacy	71.1%
Ethnic groups	Ovimbundu 37%, Kimbundu 25%, Bakongo 13%, mestico (mixed European and native African) 2%, European 1%, other 22%
Religions	Indigenous beliefs 47%, Roman Catholic 38%, Protestant 15%
Languages	Portuguese (official), Bantu and other African languages
HDI (2016)	0.533

Sources: CIA World Factbook, 2018 and World Bank Data, 2018

2. Economic Overview

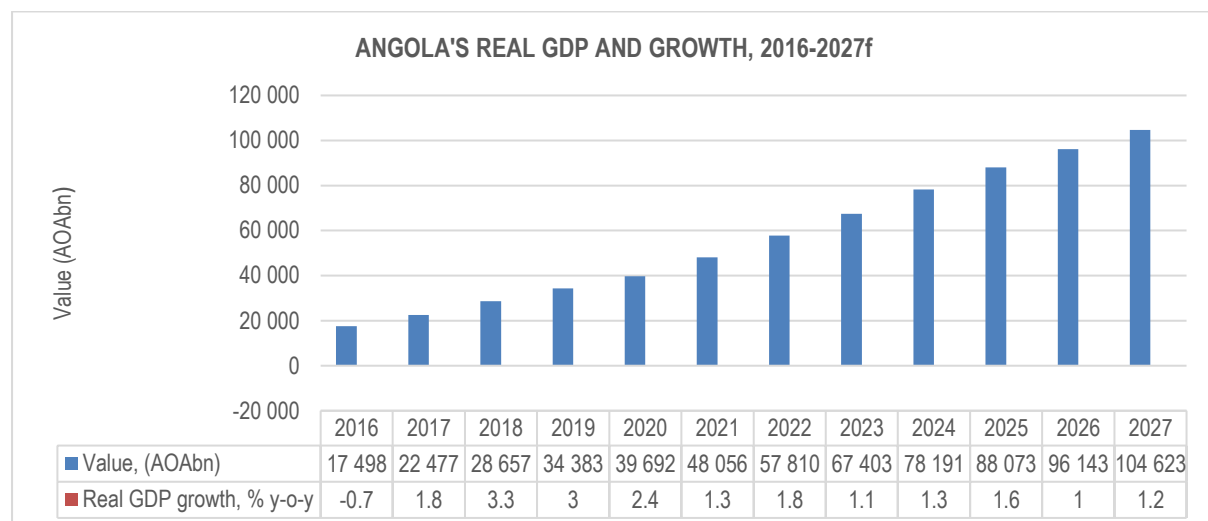
Angola's GDP (PPP) was estimated at USD192bn in 2017, making Angola the world's 66th largest economy. At 1.5% growth in 2017 the country was ranked the 175th in terms of growth. The country has a GDP per capita of USD6,800 and an unemployment rate of 6.6%.

Angola's economy is strongly dependent on hydrocarbons, with oil traditionally comprising 38% of GDP, more than 70% of fiscal revenues and more than 90% of merchandise export earnings. This has served the nation well during periods of rising commodity price however has been a handicap as the economy adjusts to structurally lower oil prices. Although the non-oil sectors have been experiencing rapid growth in recent years, they are by no means able to cushion the economy from the negative ramifications of vastly depleted oil revenues.

ECONOMIC INFORMATION	
GDP (PPP) (2017 est.)	USD192bn
GDP growth (2017 est.)	1.5%
GDP per capita (2017 est.)	USD6.800
Inflation (2017 est.)	30.9%
Commercial bank lending rate (31 December 2017)	20%
Budget Revenue	USD35bn
Budget Expenditure	USD45bn
Doing Business in...(2018 ranking)	185
Total Exports (2017)	USD34bn
Total Imports (2017)	USD23bn
Inward FDI (January 2003-September 2017)	USD70bn
Outward (January 2003-September 2017)	USD1.8bn

Source: CIA World Factbook, 2018

According to Business Monitor International (2018) net exports will eventually begin to make a consistent negative contribution to real GDP growth between 2018 and 2027. Although net exports will initially make a positive contribution to Angola's GDP growth as oil production increases, a lack of investment and maturing oil fields mean that this position will have reversed by 2018. Meanwhile an underdeveloped domestic manufacturing sector will keep Angola reliant on imports, and increasing GDP will mean that import growth remains robust over the long-term outlook.



Source: BMI, 2018

Angola has emerged as Sub-Saharan Africa's second largest oil producer after Nigeria, producing approximately between 78 000 to 1.63 million barrels per day in 2017. Moreover, the deep/ultra-deep Kwanza Basin, previously unlicensed, is regarded as one of the world's richest untapped reservoirs of crude with the potential to significantly increase Angola's production capacity. With several new discoveries by foreign companies involved in prospecting in Angola's shores, the production outlook for the sector remains positive and this is despite a major re-shuffle in Sonangol which is a major state entity. Angola also has the second largest natural gas reserves in Africa (297 billion cubic meters). The Liquefied Natural Gas (LNG) plant in Soyo, Northern Angola, is at the centre of the country's efforts to commercialize and develop its natural gas resources. The diamond industry is Angola's second largest export commodity after oil. However other minerals such as gold, barite, iron, copper, cobalt, granite and marble are also abundant. The move to diversify Angola's mining base away from diamonds is already underway driven by improvements in rail and road networks and vital changes to the mining law that confer greater protection to investors.

The leading industrial sectors in Angola are petroleum; diamonds (3rd third largest producer of diamonds in Africa), iron ore, phosphates, feldspar, bauxite, uranium, and gold; cement; basic metal products; fish processing; food processing; brewing; tobacco products; sugar; textiles and ship repair.

The law defines the following priority areas for private investment:

Agriculture and livestock: Industry, notably the production of construction materials, manufacture of package equipment, tools and accessories, recycling of iron and non-iron materials, production of textiles, clothing and footwear, manufacture of wood and its by-products, production of foodstuff, information technologies and communications.

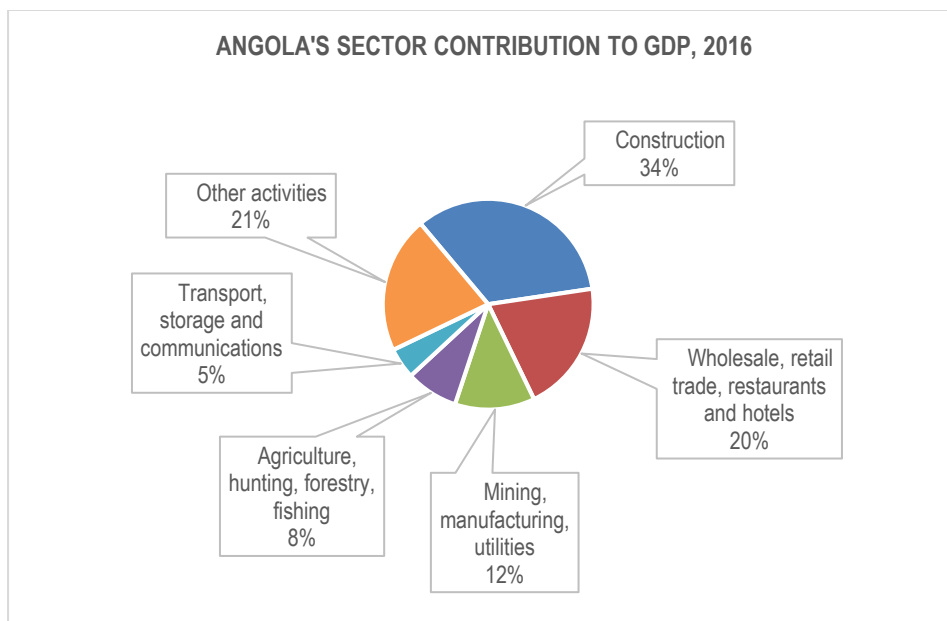
Other sectors include: transport infrastructure, telecommunications, fishing industry and by-products, including the construction of boats and fishing nets, energy, water, social housing and health and education and hospitality and tourism.

Transport: Transport in Angola consists of the following:

- Three separate railway systems totalling 2,761 km (1,715 mi),
- 76,626 km (47,613 mi) of highway of which 19,156 km (11,903 mi) is paved,
- 1,295 navigable inland waterways,
- 8 major sea ports, and
- 243 airports, of which 32 are paved.

The diagram below shows Angola's industry contribution to Gross Domestic Product (GDP) in 2016. The largest industry contributors in 2016 were:

- Construction: 34%
- Wholesale, retail trade, restaurants and hotels :20%
- Mining manufacturing utilities: 21%



Source: UNCTAD, 2018

2.1 Doing Business in Angola

According to the World Bank's *Doing Business 2018* report, Angola is ranked 175th out of 190 countries in terms of the ease of doing business. The country's relative strengths lie in dealing with construction permits (80th) and protecting investors (81st).

ANGOLA'S EASE OF DOING BUSINESS, 2018	
SELECTED INDICATORS	RANKING OUT OF 190 COUNTRIES, 2018
Starting a Business	134
Dealing with Construction Permits	80
Getting Electricity	165
Registering Property	172
Getting Credit	183
Protecting Investors	81
Paying Taxes	103
Trading Across Borders	180
Enforcing Contracts	186
Resolving Insolvency	168
Doing Business 2018	175

Source: World Bank *Doing Business, 2018*

2.2 Angola's Risk Ratings

Credit ratings are used by sovereign wealth funds, pension funds and other investors to gauge a country's credit worthiness thus having a big impact on the country's borrowing costs.

Standard and Poor's Ratings Services (Aug; 2017), downgraded Angola's long and short-term foreign and local currency sovereign credit ratings to a B minus with a stable outlook. Standard & Poor's lowered its expectation of Angola's pace of economic growth.

ANGOLA'S COUNTRY RATINGS				
STANDARD & POORS SOVEREIGN RATINGS			FITCH RATING	MOODY'S RATINGS
Local Currency Rating	Foreign Currency Rating	T&C Assessment	Credit Rating	Credit Rating
B-	B-	B-	B	Ba2

Source: Standard & Poors, 2018

The table below shows Angola's risk assessment in terms of export transactions and direct investments. Ratings are between 1 and 7, and between A and C, with 7 and C being the maximum risk indicators. The table shows that the political risk and commercial risk and all direct risks that include war, expropriation and transfer risk are all relatively high.

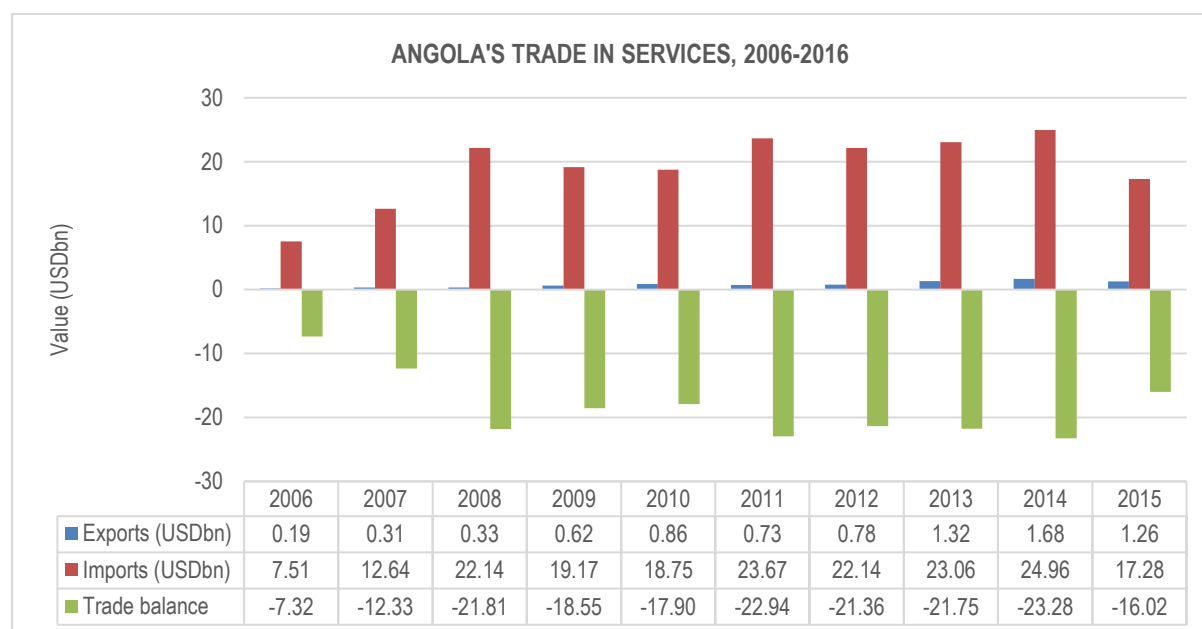
ANGOLA'S RISK ASSESSMENT		
EXPORT TRANSACTIONS		
Political Risks	Short Term	6
	Medium-Long term	6
	Special Transactions	6
Commercial Risk	C	
DIRECT INVESTMENTS		
War risk	4	
Risk of expropriation and government action	5	
Transfer risk	6	

Source: ONDD, 2018

3. Trade

3.1 Angola Trade in services

In 2014 Angola experienced the highest trade in services both in terms of exports and imports over the ten year period. Angola's export in services declined by 8% in 2015 to reach USD1.26bn, while global imports decreased by 27%.



Source: TradeMap, 2018

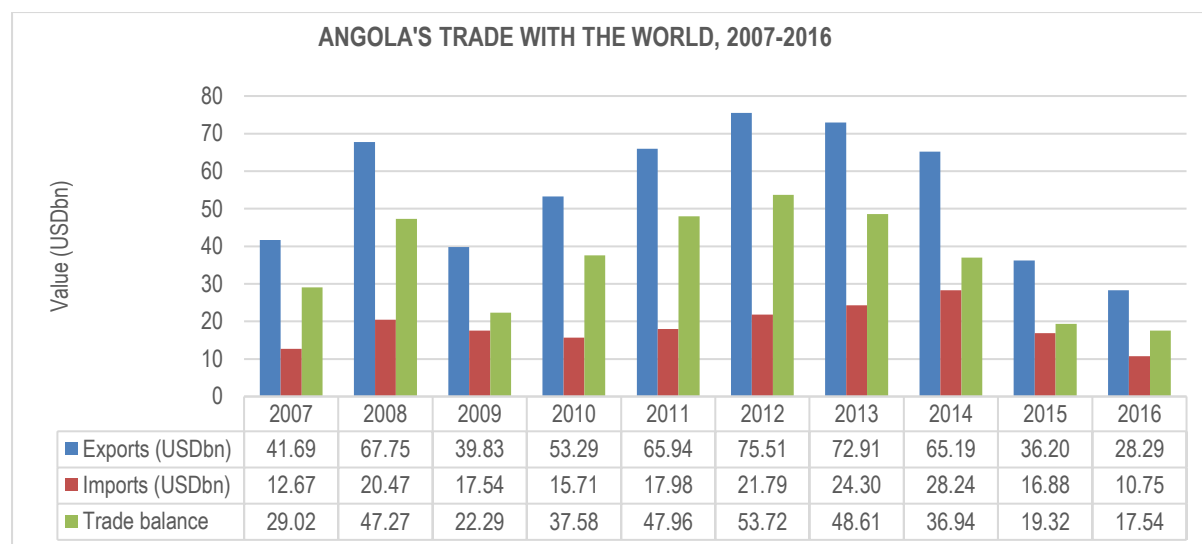
The table below shows Angola's trade in services for 2015. Travel was the largest services export valued at USD1.16bn followed by telecommunications, computer and information services valued at USD30.17m and transport USD25.30m respectively. Other business services was the largest import service into Angola valued at USD7.96bn followed by transport valued at USD4.06bn.

TOP 10 SERVICES EXPORTED BY ANGOLA, 2015				TOP 10 SERVICES IMPORTED BY ANGOLA, 2015			
CODE	SERVICE	VALUE 2015 (USDm)	% GROWTH 2012-2013	CODE	SERVICE	VALUE 2015 (USDm)	% GROWTH 201-2013
4	Travel	1 162.71	15.16%	1	Other business services	7 955.28	6.76%
9	Telecommunications, computer, and information services	30.17	3.80%	2	Transport	4 058.04	7.30%
3	Transport	25.30	-7.85%	3	Construction	3 107.40	1.83%
10	Other business services	20.24	126.44%	4	Government goods and services	695.53	-13.99%
8	Charges for the use of intellectual property	17.49	-	5	Insurance and pension services	475.52	42.16%
2	Maintenance and repair services	0.25	-	6	Charges for the use of intellectual property	264.70	1382.25%
5	Construction	0.00	-	7	Personal, cultural, and recreational services	247.02	-
11	Personal, cultural, and recreational services	0.00	-	8	Telecommunications, computer, and information services	211.52	-3.57%
				9	Travel	146.29	2.39%
				10	Financial services	94.33	-10.96%
				11	Maintenance and repair services	13.99	-
				12	Manufacturing services on physical inputs owned by others	6.61	-
TOTAL EXPORTS		1 256.16	12.63%	TOTAL IMPORTS		17 276.23	0.27%

Source: TradeMap, 2018

3.2 Angola Global Trade in Goods

In 2012 Angola experienced the highest trade value in terms of exports over the ten year period. Angolan exports declined by 22% in 2016 to reach USD28.29bn from USD36.20bn in 2015. Imports to Angola declined by 36% to reach USD10.75bn in 2016. Over the period analysed there was a visibly declined in Angolan trade and this can be attributed to the plummet in oil prices.



Source: TradeMap, 2018

China was the leading export market for Angola with a value of USD13.97m. The United States and India ranked second and third valued at USD2.98bn and USD2bn respectively.

TOP 10 DESTINATION COUNTRIES FOR ANGOLA'S EXPORTS, 2016			
RANK	COUNTRY	VALUE 2016 (USDbn)	% GROWTH 2013-2016
1	China	13.97	-22
2	United States	2.98	-30
3	India	2.00	-30
4	Taipei	1.31	-31
5	South Africa	1.27	-19
6	France	1.03	0
7	United Arab Emirates	0.96	-7
8	Spain	0.92	-11
9	Portugal	0.90	-25
10	Belgium	0.46	-5
TOTAL EXPORTS		28.29	-23

Source: TradeMap, 2018

China was the leading import market for Angola in 2016, valued at USD1.68bn. Portugal and the United States were ranked second and third valued at USD1.66bn and USD1.25bn respectively. In 2013 Angola broke its strategic partnership with Portugal which is the country's previous colonial master. Angola descended from being the seventh largest source market for Portugal in 2014 to being the 12th in 2016. The cited reason for severing of this relationship include corruption allegations and unwarranted juridical inquiries by Portugal (Source, 2018) . Of the top ten products the fastest growing import markets were Russia (82%), Norway (11%) and Korea (10%). South Africa was the 5th largest import market for Angola in 2016.

TOP 10 SOURCE MARKETS FOR ANGOLA'S IMPORTS, 2016			
RANK	COUNTRY	VALUE 2016 (USDbn)	% GROWTH 2013-2016
1	China	1.68	-17
2	Portugal	1.66	-20
3	United States	1.25	-5
4	Russia	0.57	82
5	South Africa	0.56	-15
6	Korea	0.55	10
7	Brazil	0.54	-20
8	United Kingdom	0.50	-7
9	Norway	0.46	11
10	Germany	0.29	-11
TOTAL IMPORTS		10.75	-16.00

Source: TradeMap, 2018

The figure below shows Angola's ranking Angola's top three globally ranked exports and imports in 2016. Angola ranks 15th in terms of its global exports of mineral fuels and 14th globally in its imports of milling products.

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- Angola's exports represent 0.2% of world exports and is the world's 60th largest exporter.
 - Angola's imports represent 0.1% of world imports and is the world's 91st largest importer.

Source: TradeMap, 2018

Crude petroleum oils was the leading export product valued at USD25.30bn and accounting for 89% of Angola's global exports. Diamonds and refined petroleum ranked second and third valued at USD1.91bn and USD330m respectively. Of the top 10 exported products machinery, plant and laboratory equipment (264%), pumps for liquids (84%) and wood (46%) had the highest growth rate.

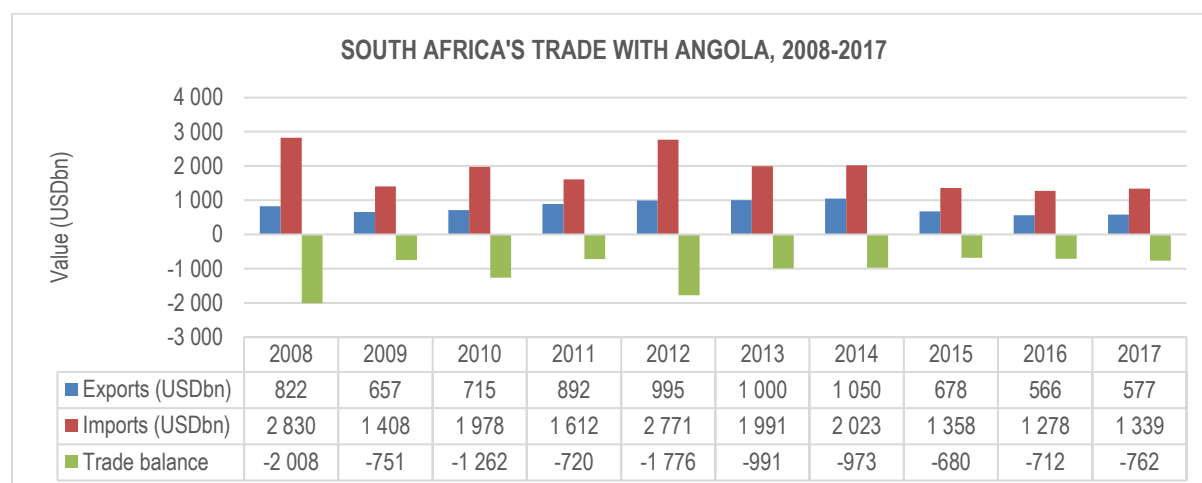
Refined petroleum oils was the leading imported product by Angola, valued at USD720m, followed by taps, cocks, valves and similar appliances valued at USD390m and USD240m, respectively. Of the top 10 products the only product that showed positive growth was frozen fish with an average growth rate of 5% over the analysed 5 year period.

TOP 10 PRODUCTS EXPORTED BY ANGOLA, 2016				TOP 10 PRODUCTS IMPORTED BY ANGOLA, 2016			
RANK	PRODUCT	VALUE 2016 (USDbn)	% GROWTH 2012-2016	RANK	PRODUCT	VALUE 2016 (USDbn)	% GROWTH 2012-2016
1	Crude petroleum oils	25.30	-24	1	Refined petroleum oils	0.72	-11
2	Diamonds	1.91	-2	2	Taps, cocks, valves and similar appliances	0.39	-2
3	Refined petroleum oils	0.33	-19	3	Parts suitable for scraping and boring machinery	0.24	-15
4	Petroleum gas and other gaseous hydrocarbons	0.31	-17	4	Meat and edible offal of fowls	0.20	-20
5	Machinery, plant or laboratory equipment	0.08	264	5	Structures and parts of structures	0.18	-7
6	Commodities not elsewhere specified	0.05	38	6	Insulated wire, cable	0.18	-4
7	Frozen fish	0.04		7	Rice	0.17	5
8	Granite, porphyry, basalt, sandstone and other monumental or building stone	0.03	-10	8	Electric generating sets and rotary converters	0.17	-28
9	Wood	0.02	46	9	Tubes, pipes and hollow profiles	0.16	-10
10	Pumps for liquids	0.02	84	10	Cane or beet sugar	0.16	-7
TOTAL EXPORTS		28.29	-23	TOTAL IMPORTS		10.75	-16

Source: TradeMap, 2018

3.3 South African Trade with Angola

South Africa's exports to Angola declined by 30% in 2017 to reach USD577m from the USD822m figure in 2008. Imported goods were valued at USD1.34m in 2017 compared to USD2.83bn in 2013, declining by 52%. Over the reviewed period South Africa maintained a trade deficit with Angola, with imports exceeding exports over the 2008 to 2017 period.



Source: Quantec, 2018

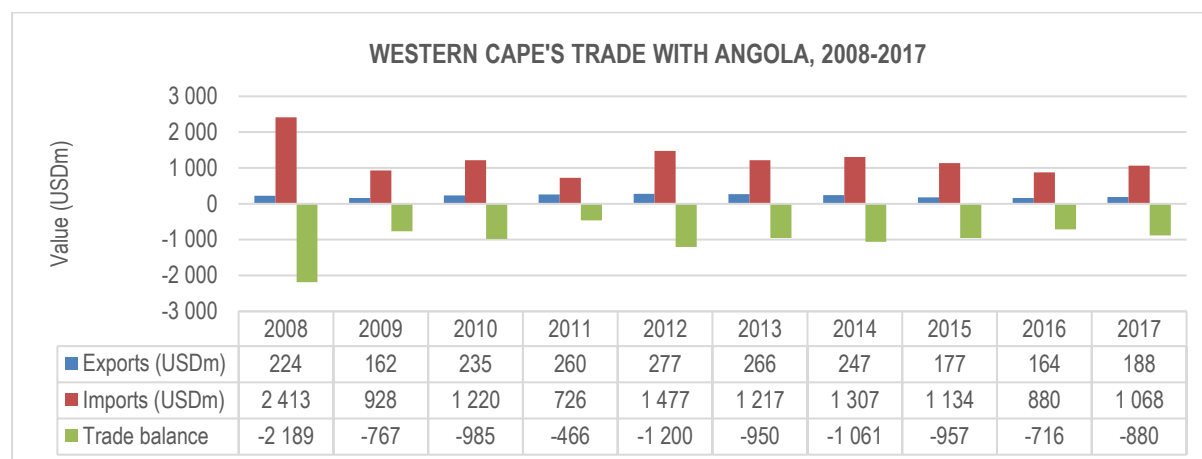
The leading export product into South Africa from Angola were aluminium plates valued at USD25.52bn, followed by refined petroleum, (USD24.47m) and soap (USD24.47m). The leading import product from Angola into South Africa was crude petroleum oil accounting for 99 percent of trade.

SOUTH AFRICA'S EXPORTS TO ANGOLA, 2017				SOUTH AFRICA'S IMPORTS FROM ANGOLA, 2017			
RANK	PRODUCT	VALUE 2017 (USDm)	% GROWTH 2013-2017	RANK	PRODUCT	VALUE 2017 (USDm)	% GROWTH 2013-2017
1	Aluminium plates	25.52	72.04%	1	Crude petroleum oils	1 324.86	-12.06%
2	Refined petroleum oils	24.42	-2.84%	2	Diamonds	6.94	79.98%
3	Soap	22.47	29.96%	3	Petroleum gases and other gaseous hydrocarbons	3.93	-
4	Cereal groats, meal and pellets	21.66	-5.02%	4	Containers for compressed or liquefied gas	0.55	1335.39%
5	Cigars	17.06	-3.47%	5	Other moving, extracting or boring machinery	0.43	-
6	Undenatured ethyl alcohol	12.76	253.41%	6	Copper wire.	0.29	-
7	Buttermilk, curdled milk and cream	12.46	4.61%	7	Parts suitable for pulley tackle and hoists	0.24	322.14%
8	Parts suitable for extracting and boring machinery	12.03	25.06%	8	Pumps for liquids	0.20	26.10%
9	Coal	10.89	981262.38 %	9	Wood sawn	0.19	-
10	Undenatured ethyl alcohol	10.27	-2.46%	10	Machinery for washing, cleaning, wringing and drying	0.16	-
TOTAL EXPORTS		577.03	-8.90%	TOTAL IMPORTS		1 339.43	-12.10%

Source: Quantec, 2018

3.4 Western Cape Trade with Angola

Western Cape's exports to Angola increased by 14% in 2017 to reach USD188m from USD164m in 2016. Imported goods were valued at USD1.1bn in 2017 compared to USD880m in 2016, increasing by 21%. The Western Cape has maintained a trade deficit with Angola, with imports exceeding exports over the period 2008 to 2017.



Source: Quantec, 2018

The leading export product to Angola from the Western Cape were cigars valued at USD16.90m, followed by undenatured ethyl alcohol (USD10.25m). Of the top 10 products the fastest growing export products was machinery for sorting (137.31%) followed by cereal flours (107.35%). Most exports were from the agribusiness sector with manufacturing components also featuring. The leading import product into the Western Cape from Angola was crude petroleum oils valued at USD1.06bn, accounting for 99.9% of trade.

WESTERN CAPE'S EXPORTS TO ANGOLA, 2017				WESTERN CAPE'S IMPORTS FROM ANGOLA, 2017			
RANK	PRODUCT	VALUE 20167 (USDm)	% GROWTH 2013-2016	RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2013-2016
1	Cigars	16.90	-3.40%	1	Crude petroleum oils	1 064.62	-4.95%
2	Undenatured ethyl alcohol	10.25	-3.08%	2	Parts suitable for use solely or principally with the machinery	2.25	-
3	Articles for the conveyance or packing of goods	7.81	67.35%	3	Machines and mechanical appliances having individual functions	0.16	-
4	Wine of fresh grapes	7.44	7.70%	4	Taps, cocks, valves and similar appliances for pipes	0.09	-
5	Onions, shallots, garlic, leeks	6.78	-0.06%	5	Interchangeable tools for hand tools	0.07	-
6	Apples, pears and quinces, fresh.	6.18	-17.22%	6	Other bars and rods of other alloy steel	0.06	-
7	Machinery for sorting	5.97	137.31%	7	Containers	0.04	-
8	Cereal flours	4.80	107.35%	8	Instruments and apparatus for measuring or checking the flow	0.03	215.47%
9	Cartons, boxes, cases, bags and other packing containers	4.00	72.56%	9	Pumps for liquids	0.03	-
10	Refrigerators	3.49	27.02%	10	Tubes, pipes and hoses, of vulcanised rubber other than hard rubber	0.02	-!
TOTAL EXPORTS		187.65	-6.47%	TOTAL IMPORTS		1 067.50	-4.90%

Source: Quantec, 2018

3.5 Trade Regulations Markings and Standards

Import Tariff

The current customs tariff schedule, Decree-Law 2/08, came into force in September 2008. It provides for tax exemptions on the import of raw materials, equipment and intermediate goods for industries, as well as reduced tariffs on 58 categories of basic goods to lower the price of these products for the end consumer. The tariff schedule imposes a tax on luxury products and subjects certain goods to a special importation regime. Fees collected at the port include:

- clearing costs (2% of declared value),
- Revenue stamp (0.5%),
- port charges (\$500 per 20 foot container or \$850 per 40 foot container), and
- Port storage fees (free for the first 5 days, then \$60 per 20 foot container or \$120 per 40 foot container per day).

Trade Barriers

Angola prohibits importing viable transgenic grain or seed until regulatory systems governing biotechnology is developed.

Import Requirements and Documentation

A mandatory pre-shipment inspection (PSI) regime applies for the export of certain goods identified by the ministries of Finance, Agriculture, Health, Commerce and Industry. Goods such as used cars, live animals, meat, fish, dairy, live plants, seeds, fruit, cereals, alcoholic beverages, tobacco, toys, chemicals, and pharmaceutical products must be submitted to a PSI.

Importing certain goods into Angola requires an import license issued by the Ministry of Commerce. Goods requiring ministerial authorization include:

- pharmaceutical products for human use;
- saccharine and saccharine-derived products;
- radios;
- transmitters;
- receivers and other devices;
- weapons, ammunitions;
- fireworks and explosives;
- plants, roots, bulbs, microbial cultures, buds, fruits, seeds; and
- Crates and other packages containing these products.

Standards

On the 23rd of January the Angolan government introduced the Joint Executive Decree No. 22/15 in an effort to increase national production, by reducing and restricting the import of food and non-food commodities. This decree has also imposed regulatory measures on the import market and the network for distribution and sale of food products where internal supply guarantees more than 60% of national consumption. In this was Angola has set maximum import quotas for the year 2015.

3.6 Logistics

Rail way: There are three separate railway lines in Angola: Luanda Railway (CFL) (northern), Benguela Railway (CFB) (central) and Moçâmedes Railway (CFM) (southern). The Benguela Railway already connects to the Democratic Republic of the Congo.

Waterways: Angola had an estimated 1,300km navigable waterways and the country's comparison to the world is ranked 36th globally.

Pipelines: gas, 2km; crude oil 87km (2008). In April 2012, the Zambian Development Agency (ZDA) and an Angolan company signed a memorandum of understanding (MoU) to build a multi-product pipeline from Lobito to Lusaka, Zambia, to deliver various refined products to Zambia. Angola plans to build an oil refinery in Lobito in the coming years.

Ports and harbours: The government plans to build a deep-water port at Barra do Dande, north of Luanda, in Bengo province near Caxito.

Airports: Angola had an estimated total of 30 paved runways and 181 unpaved runways.

3.7 Trade Agreements

South African and Angola are members of Free Trade Agreement involving the 12 Southern African Development Community countries (SADC). The SADC Free Trade Area was achieved in August 2008, when a phased programme of tariff reductions that had commenced in 2001 resulted in the attainment of minimum conditions for the Free Trade Area - 85% of intra-regional trade amongst the partner states attained zero duty.

As the process to remove tariffs on sensitive products is still ongoing, there is still potential for further expansion of intra-SADC trade as most of the products on the sensitive list such as textiles and clothing and leather products are highly tradable products.

3.8 Tariffs

Tariffs imposed on South African exports to Angola for 2016 are listed below.

TARIFFS IMPOSED ON SOUTH AFRICAN IMPORTS BY ANGOLA, 2016					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H01: Live animals	0	H33: Essential oils, perfumes, cosmetics, toiletries	11	H65: Headgear and parts thereof	24
H02: Meat and edible meat offal	25	H34: Soaps, lubricants, waxes, candles, modelling pastes	16	H66: Umbrellas, walking-sticks, seat-sticks, whips	29
H03: Fish, crustaceans, molluscs, aquatic invertebrates	4	H35: Albuminoids, modified starches, glues, enzymes	0	H67: Bird skin, feathers, artificial flowers, human hair	15
H04: Dairy products, eggs, honey, edible animal product	6	H36: Explosives, pyrotechnics, matches, pyrophorics	2	H68: Stone, plaster, cement, asbestos, mica, articles	6
H05: Products of animal origin	0	H37: Photographic or cinematographic goods	4	H69: Ceramic products	13
H06: Live trees, plants, bulbs, roots, cut flowers	7	H38: Miscellaneous chemical products	2	H70: Glass and glassware	9
H07: Edible vegetables and certain roots and tubers	11	H39: Plastics and articles thereof	5	H71: Pearls, precious stones, metals, coin	1
H08: Edible fruit, nuts, peel of citrus fruit, melons	4	H40: Rubber and articles thereof	16	H72: Iron and steel	7
H09: Coffee, tea, mate and spices	3	H41: Raw hides and skins (other than furskins) and leather	5	H73: Articles of iron or steel	9
H10: Cereals	12	H42: Articles of leather, animal gut, harness, travel goods	29	H74: Copper and articles thereof	1
H11: Milling products, malt, starches, inulin, wheat gluten	11	H43: Furskins and artificial fur, manufactures thereof	19	H75: Nickel and articles thereof	0
H12: Oil seed, oleagious fruits, grain, seed, fruit,	5	H44: Wood and articles of wood, wood charcoal	7	H76: Aluminium and articles thereof	5
H13: Lac, gums, resins, vegetable saps and extracts	5	H45: Cork and articles of cork	0	H78: Lead and articles thereof	0
H14: Vegetable plaiting materials, vegetable products	7	H46: Manufactures of plaiting material, basketwork, etc.	20	H79: Zinc and articles thereof	0
H15: Animal, vegetable fats and oils, cleavage products,	9	H47: Pulp of wood, fibrous cellulosic material, waste	0	H80: Tin and articles thereof	0
H16: Meat, fish and seafood food preparations	13	H48: Paper & paperboard, articles of pulp, paper and board	5	H81: Other base metals, cermets, articles thereof	0
H17: Sugars and sugar confectionery	11	H49: Printed books, newspapers, pictures	3	H82: Tools, implements, cutlery, of base metal	9
H18: Cocoa and cocoa preparations	8	H50: Silk	0	H83: Miscellaneous articles of base metal	12
H19: Cereal, flour, starch, milk preparations and products	26	H51: Wool, animal hair, horsehair yarn and fabric thereof	6	H84: Nuclear reactors, boilers, machinery	2
H20: Vegetable, fruit, nut food preparations	20	H52: Cotton	16	H85: Electrical, electronic equipment	4
H21: Miscellaneous edible preparations	10	H53: Vegetable textile fibres paper yarn, woven fabric	4	H86: Railway, tramway locomotives, rolling stock, equipment	0
H22: Beverages, spirits and vinegar	9	H54: Manmade filaments	16	H87: Vehicles other than railway, tramway	16
H23: Residues, wastes of food industry, animal fodder	7	H55: Manmade staple fibres	14	H88: Aircraft, spacecraft, and parts thereof	0
H24: Tobacco and manufactured tobacco substitutes	100	H56: Wadding, felt, nonwovens, yarns, twine, cordage	15	H89: Ships, boats and other floating structures	2
H25: Salt, sulphur, earth, stone, plaster, lime and cement	0	H57: Carpets and other textile floor coverings	23	H90: Optical, photo, technical, medical apparatus	0

H26: Ores, slag and ash	0	H58: Special woven or tufted fabric, lace, tapestry	16	H91: Clocks and watches and parts thereof	0
H27: Mineral fuels, oils, distillation products,	1	H59: Impregnated, coated or laminated textile fabric	8	H92: Musical instruments, parts and accessories	0
H28: Inorganic chemicals, precious metal compound, isotopes	1	H60: Knitted or crocheted fabric	19	H93: Arms and ammunition, parts and accessories thereof	14
H29: Organic chemicals	1	H61: Articles of apparel, accessories, knit or crochet	42	H94: Furniture, lighting, signs, prefabricated buildings	4
H30: Pharmaceutical products	0	H62: Articles of apparel, accessories, not knit or crochet	43	H95: Toys, games, sports requisites	12
H31: Fertilizers	0	H63: Other made textile articles, sets, worn clothing	72	H96: Miscellaneous manufactured articles	0
H32: Tanning, dyeing extracts, tannins, derivatives, pigments	3	H64: Footwear, gaiters and the like, parts thereof	28	H97: Works of art, collectors pieces and antiques	-

Source: Market Access Map, 2018

NOTE: Exporters should not take the HS2 tariff as conclusive and as the actual tariff that will be applied to the exported product. The tariffs indicated above are average tariffs and for products within the category it may be higher or lower than indicated. Where the tariff is zero it can be assumed that there is zero tariff applicable to all products within that HS code. Tariffs are determined according to the importing country's national tariff line from the HS6 level and upwards. Exporters are advised to visit www.macmap.org to determine the exact tariff applicable to the product at HS6.

3.9 Port-to-Port Rates

Luanda port, Angola's largest port, processes about 80% of cargo shipped to Angola. The port installed new cranes and provided more training to reduce its cargo unloading time by 80% as the government reviews a plan to build Africa's biggest shipping terminal. Angola is also planning a new port at Dande, 50km north of the main Empresa Portuaria de Luanda EP. The main ports are shown in the table below.

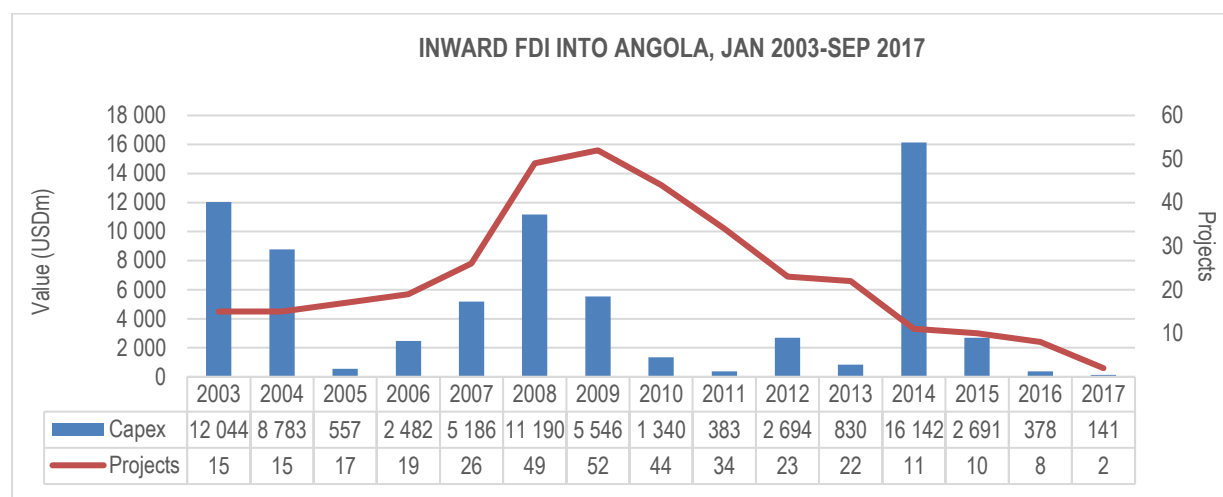
CAPE TOWN PORT TERMINAL TO ANGOLA MAIN SEA PORTS		
ANGOLA PORTS	DISTANCE	TRANSIT TIME
Ambriz	3121.11km	5 days 0 hours
Cabinda	3369.99km	5 days 9 hours
Essungu Marine	3281.00km	5 days 6 hours
Futila	3379.91km	5 days 10 hours
Girassol	3160.07km	5 days 1 hours
Kiabo	3180.23km	5 days 2 hours
Kiame Marine	3200.73km	5 days 3 hours
Lobito	2702.65km	4 days 5 hours
Lombo	3248.29km	5 days 5 hours
Luanda	3047.85km	5 days 21 hours
Malango	3392.28km	5 days 10 hours
Mocamedes	2377.18km	3 days 19 hours
Polanca	3225.03km	5 days 4 hours
Porto Amboim	2862.45km	4 days 14 hours
Soyo	3300.10km	5 days 7 hours
Sumbe	2824.55km	4 days 21 hours
Takula	3413.99km	5 days 11 hours

Source: Sea-Rates, 2018

4. Investment

4.1 Global Investment into Angola

Between January 2003 and September 2017 a total of 347 FDI projects were recorded into Angola. These projects represent a total capital investment of USD70.39bn which is an average investment of USD202.8m per project. During the period, a total of 55,096 jobs were created. Projects peaked in 2009 with 52 projects, while capex peaked in 2014 at USD16.14bn, the highest value over the reviewed period.



Source: FDI Intelligence, 2018

Portugal was the largest source market for inward FDI into Angola in terms of projects, with 145 investment projects, accounting for 42% of all projects. The United States and the United Kingdom ranked second and third with 32 and 30 projects respectively. South Africa was the 4th largest source of global FDI by number of projects into Angola.

TOP 10 SOURCE MARKETS FOR FDI INTO ANGOLA, JAN 2003-SEP 2017							
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES	% COMPANIES
1	Portugal	145	41.79%	3 011.0	4.28%	31	19.62%
2	United States	32	9.22%	23 305.5	33.11%	21	13.29%
3	United Kingdom	30	8.65%	8 129.6	11.55%	20	12.66%
4	South Africa	28	8.07%	713.3	1.01%	16	10.13%
5	Spain	15	4.32%	320.6	0.46%	14	8.86%
6	France	12	3.46%	23 299.0	33.10%	8	5.06%
7	China	11	3.17%	3 938.8	5.60%	7	4.43%
8	Germany	8	2.31%	367.6	0.52%	8	5.06%
9	Brazil	7	2.02%	2 923.6	4.15%	7	4.43%
10	Switzerland	7	2.02%	108.1	0.15%	3	1.90%
TOTAL		347	100.00%	70 387.5	100.00%	158	100.00%

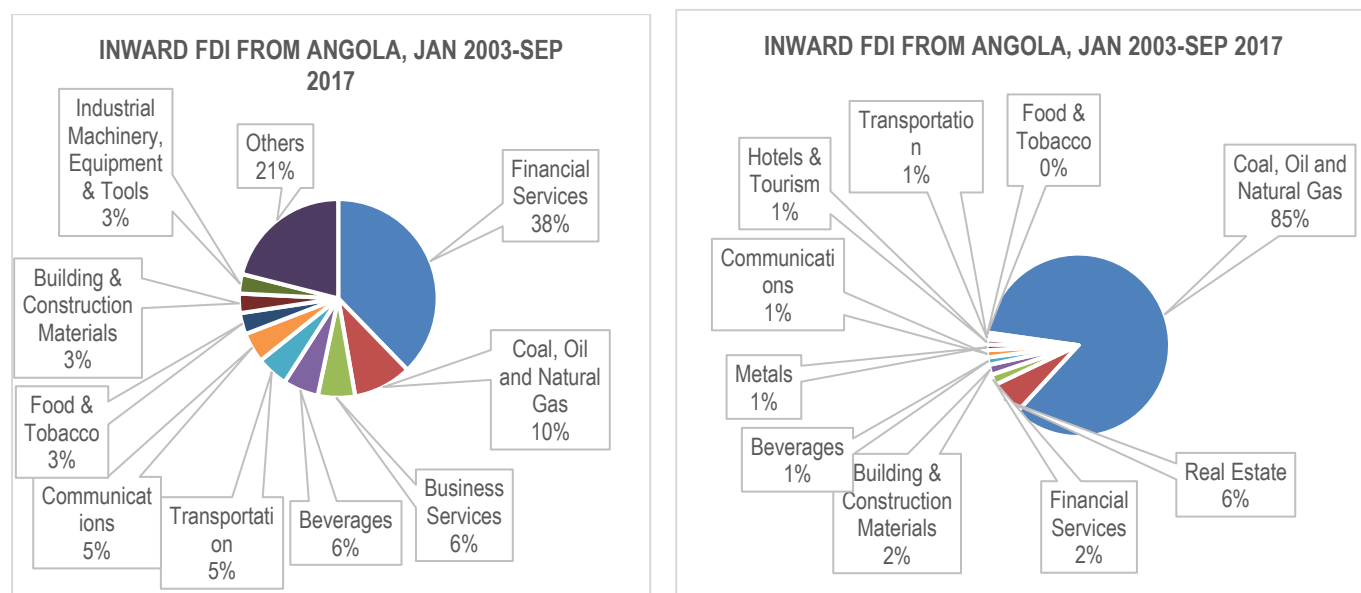
Source: FDI Intelligence, 2018

The figures below show global inward FDI into Angola by sectors, for 2003 to September 2017 by number of projects and capex. In terms of FDI projects, most projects were in the following sectors:

- Financial services accounting for 38% of projects,
- Coal, oil and natural gas accounting for 10% share of projects, and
- Business services and Beverages accounting for 6% share of projects respectively.

In terms of sector classification of FDI by capex, most FDI went to the following sectors:

- Coal, oil and natural gas accounting for 85% of capex, and
- Real estate accounting for 6% share of capex.



Source: FDI Intelligence, 2018

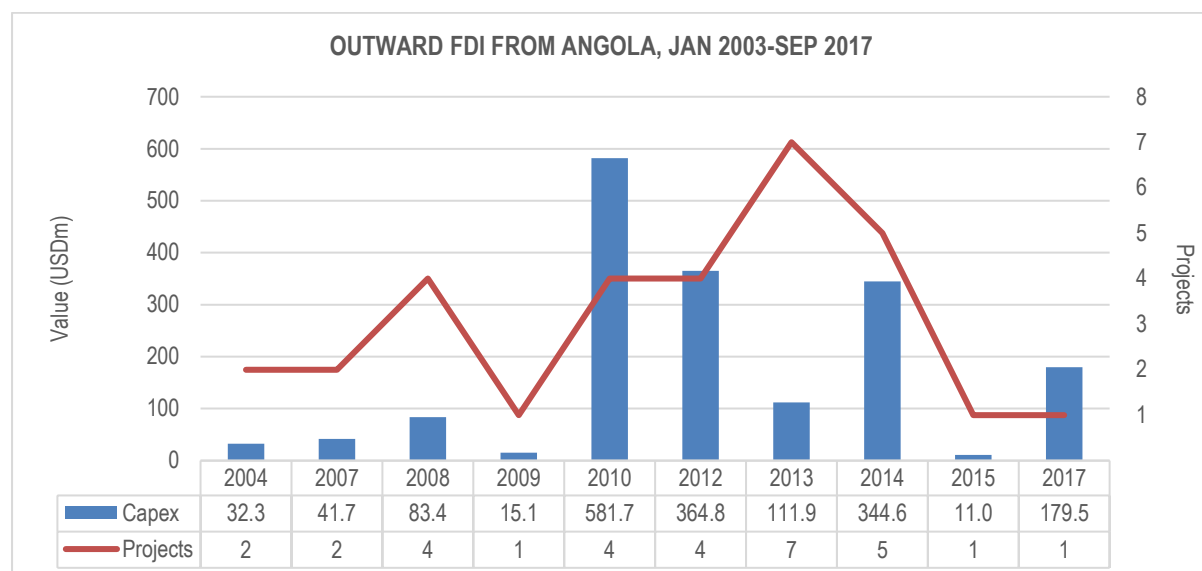
The top 10 global companies investing into Angola by projects from 2003 to are shown below.

TOP 10 COMPANIES INVESTING IN ANGOLA, JAN 2003- SEP 2017				
RANK	COMPANY	SECTORS	PROJECTS	CAPEX (USDm)
1	Banco Sol (Sol bank)	Financial Services	69	633
2	Banco Africano de Investimentos (BAI)	Financial Services	21	150
3	Banco Bic	Financial Services	10	110
4	Banco Angolano de Negocios e Comercio (BANC)	Financial Services	7	70
5	Angola Cables	Coal, Oil and Natural Gas	5	8 121
6	Endiama	Transportation	5	107
7	Sonangol Group	Beverage	5	295
8	Banco de Negocios Internacional	Food and Tobacco	5	83
9	Banco Privado Atlantico (BPA)	Communications	5	176
10	Ridge Capital Solutions	Coal, Oil and Natural Gas	4	7 307
TOTAL			347	70 388

Source: FDI Intelligence, 2018

4.2 Global Investment from Angola

Between January 2003 and September 2017 a total of 29 FDI projects were recorded from Angola. These projects represent a total capital investment of USD1.76bn which is an average investment of USD57m per project. During the reviewed period, a total of 1 278 jobs were created. Projects peaked in 2013 with 7 projects, while capex peaked in 2010 valued at USD581.7m.



Source: FDI Intelligence, 2018

Portugal was the largest destination market in terms of projects for FDI from Angola, with 7 investment projects, accounting for 23%. South Africa was the 6th largest destination for Angola FDI investment in the reviewed period.

TOP 10 DESTINATION MARKETS FOR FDI OUT OF ANGOLA, JAN 2003- SEP 2017							
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES	% COMPANIES
1	Portugal	7	22.58%	215	12.17%	5	21.74%
2	Namibia	6	19.35%	66	3.74%	108	469.57%
3	Brazil	3	9.68%	738	41.81%	336	1460.87%
4	Cape Verde	3	9.68%	33	1.87%	54	234.78%
5	Israel	2	6.45%	32	1.83%	144	626.09%
6	South Africa	2	6.45%	22	1.25%	42	182.61%
7	Central African Republic	1	3.23%	11	0.62%	18	78.26%
8	China	1	3.23%	7	0.37%	8	34.78%
9	Congo (DRC)	1	3.23%	11	0.62%	18	78.26%
10	Egypt	1	3.23%	11	0.62%	18	78.26%
TOTAL		31	100.00%	1 766.0	100.00%	23	100.00%

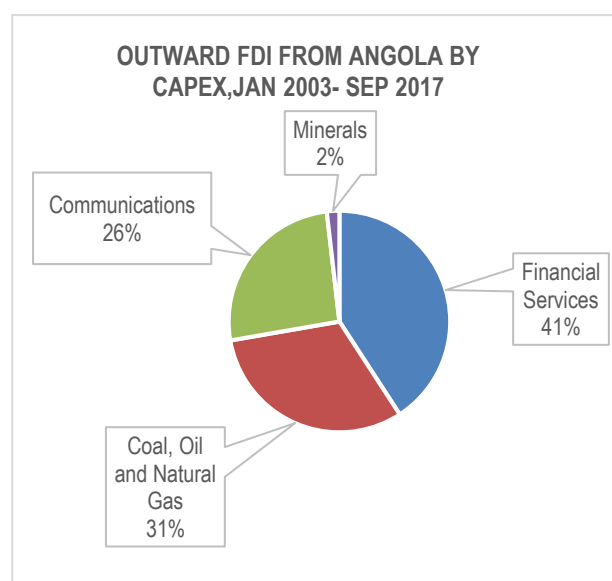
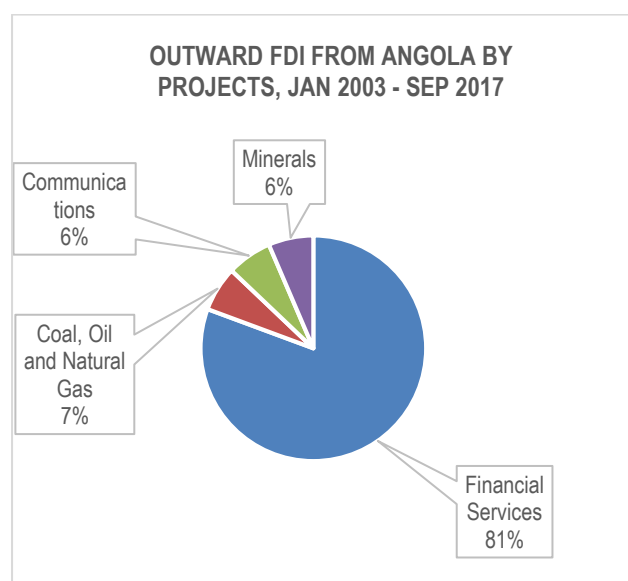
Source: FDI Intelligence, 2018

The figures below show global outward FDI from Angola by sectors, for January 2003 to September 2017 by number of projects and Capex. In terms of FDI projects, most projects were in the following sectors:

- Financial services accounting for 81% of projects,
- Coal, oil and natural gas accounting for 7% share of projects, and
- Communications and minerals and counting for 6% share of projects respectively.

In terms of sector classification of FDI by capex, most FDI went to the following sectors:

- Financial services sector accounting for 41% share of capex,
- Coal, oil and natural gas accounting for 31% share of capex, and
- Communications accounting for 26% share of capex.



Source: FDI Intelligence, 2018

The top 10 global companies investing from Angola by projects from 2003 to September 2017 are shown below.

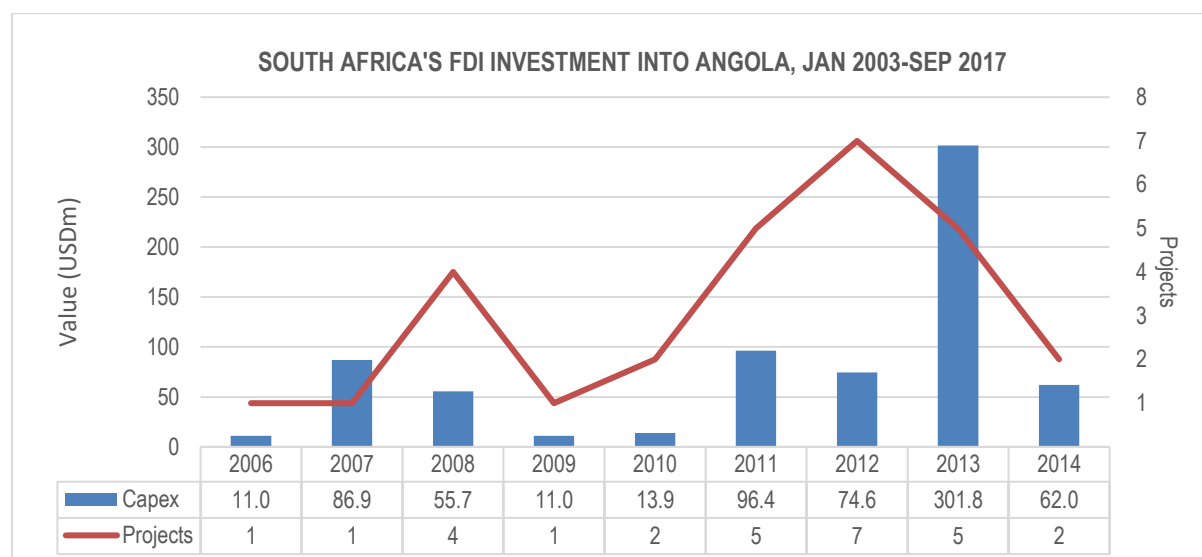
TOP 9 COMPANIES INVESTING FROM ANGOLA, JAN 2003- SEP 2017					
RANK	COMPANY	SECTORS	PROJECTS	CAPEX (USDm)	JOBS
1	Banco Sol (Sol bank)	Financial Services	69	367	173
2	Sonangol Group	Financial Services	21	630	325
3	Banco Bic	Financial Services	10	94	113
4	Banco Angolano de Negocios e Comercio (BANC)	Financial Services	7	72	74
5	Ridge Solutions	Financial Services	5	71	122
6	Angola Telecom	Communications	5	458	281
7	Endiama	Minerals	5	32	144
8	Banco de Negocios Internacional	Financial Services	5	31	28
9	Banco Privado Atlantico (BPA)	Financial Services	5	11	18
TOTAL			31	1 766	1 278

Source: FDI Intelligence, 2018

4.3 FDI between South Africa and Angola

4.3.1 South African FDI into Angola

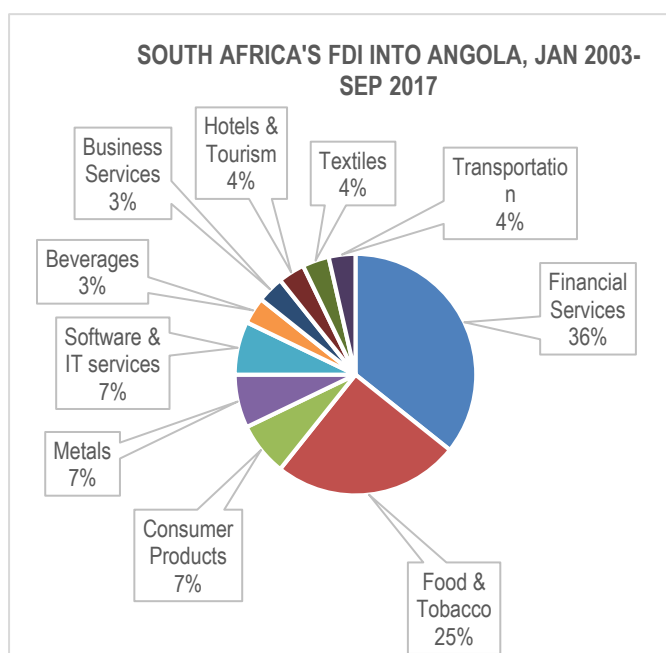
Between January 2003 and September 2017 a total of 28 FDI projects were recorded from South Africa to Angola. These projects represent a total capital investment of USD713m which is an average investment of USD25.5m per project. During the period, a total of 3,362 jobs were created. Projects peaked in 2012 with 7 projects while capex peaked in 2013 with USD301.8m.



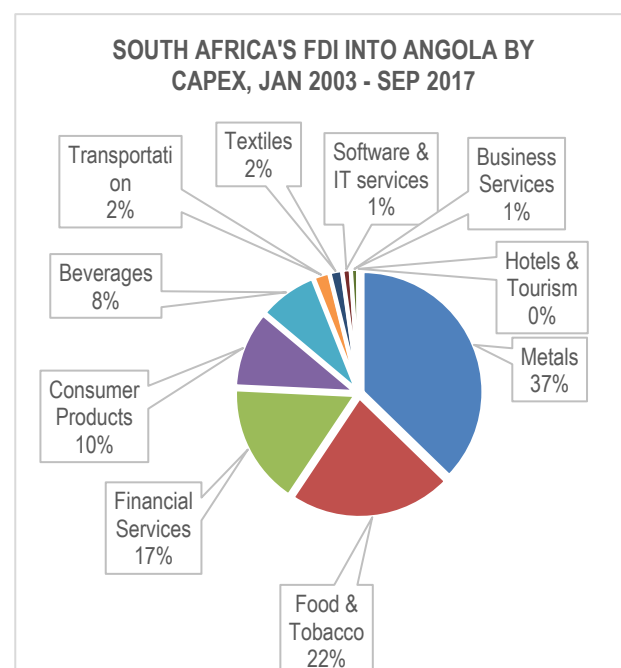
Source: FDI Intelligence, 2018

The figures below show FDI from South Africa to Angola by sector, for 2003 to September 2017 by number of projects and capex. Most projects were in the following:

- Financial services accounting for 36% share of projects and 22% capex and
- Food and Tobacco accounting for 25% share of projects and
- Consumer products accounting for 7% of projects.



Source: FDI Intelligence, 2018



Standard Bank Angola was the leading investor by projects from South Africa with 7 investment projects valued at USD69.9m, followed by Shoprite with 5 projects (USD82.7m) and Nampak with 2 projects (USD265.8m).

TOP 10 COMPANIES FROM SOUTH AFRICA INVESTING IN ANGOLA, JAN 2003- SEP 2017				
RANK	COMPANY	SECTORS	PROJECTS	CAPEX (USDm)
1	Standard Bank Angola	Financial Services	7	69.9
2	Shoprite	Food and Tobacco	5	82.7
3	Nampak	Plastics	2	265.8
4	Standard Bank	Financial Services	2	36.0
5	Clover Industries	Software and IT services	1	58.4
6	Digital Archiving Systems (DAS)	Transportation	1	2.2
7	Distell Group	Beverage	1	56.2
8	FirstRand	Financial Services	1	11.0
9	PEP	Textiles	1	11.9
10	Pick n Pay	Food and Tobacco	1	16.6
TOTAL			28	173.3

Source: FDI Intelligence, 2018

4.3.2 Selected Investment Opportunities in Angola

The Angolan National Private Investment Agency provided the following investment opportunities:

Infrastructures:

- Almost the entire road network, both primary and secondary, is in poor or very poor condition;
- Port infrastructures are operating below capacity because of obsolete equipment;
- The main airports require considerable upgrading and/or repairs;
- The urban water supply and drainage systems currently reach only a small proportion of the population;
- The rural environment lacks infrastructure to support production and transportation;
- The housing stock is highly degraded and falls well short of demand;
- The construction and construction materials market is in its infancy and therefore undeveloped; and
- There is insufficient monitoring and quality control. Materials and know how are in short supply.

Agribusiness:

- Waterworks maintenance & management;
- Consultant engineering, all kinds of production /marketing technical & material assistance;
- Agricultural mechanization & technical assistance;
- Industrial poultry breeding, cattle & pig breeding;
- Investments in factories for extraction, grinding and distribution of limestone, phosphates;
- Seed production for cereals and fertilizer industries;
- Agro-industries for processing maize, palm oil, sugar, soybeans, cassava etc.;
- Storage and silos;
- Tools factories and other agricultural equipment;
- Agricultural mechanization, Fruit production and processing, animal feed production; and
- Biofuels production.

Key challenges for South African companies are the Portuguese language, Lusophone culture and the market dominance of firms from Brazil, China and Portugal, many of which have contracts funded by state-to-state credit line (Angolan National Private Investment Agency; 2018).

4.4 FDI between the Western Cape and Angola

Between January 2003 and September 2017 a total of 11 FDI projects were recorded from the Western Cape to Angola. These projects represent a total capital investment of USD247m which is an average investment of USD22.45m per project. During the period, a total of 1,637 jobs were created. Five of the eleven investment projects were initiated by Shoprite. In terms of business activity, 8 of the eleven projects were in the retail sector.

In 2014, South Africa-based Webtickets, an online ticketing specialist, expanded its international footprint into Angola. The development is part of a wider growth strategy which will involve the firm opening offices in Zambia and elsewhere in east Africa.

Distell Group, a subsidiary of South Africa-based Remgro, established a new manufacturing facility in Angola. The planned development is part of a wider growth strategy which will see an additional facility established in Nigeria. Both initiatives are expected to become operational during 2015. In 2013, South Africa-based The Foschini Group, a retail specialist, planned to expand its international presence into Angola. The expansion is part of a wider growth strategy which will see additional stores opened in Ghana and Mozambique. South Africa-based retailer Shoprite planned to expand its business across Angola by opening 21 new stores. The expansion is part of a wider international growth strategy which will also see 44 new stores established in Nigeria.

WESTERN CAPE FDI TO ANGOLA, JAN 2003-SEP 2017								
Project Date	Investing Company	Source City	Destination City	Sub-Sector	Cluster	Industry Activity	Capital Investment (USDm)	Jobs Created
Sep 2014	Webtickets	Cape Town	Not Specified	Internet publishing & broadcasting & web search	Creative Industries	Sales, Marketing & Support	5.8	16
Jun 2014	Distell Group	Stellenbosch	Not Specified	Breweries & distilleries	Food, Beverages & Tobacco	Manufacturing	56.2	222
Nov 2013	The Foschini Group	Cape Town	Not Specified	General merchandise stores	Retail Trade	Retail	36.9	179
Aug 2013	Shoprite	Cape Town	Not Specified	Food & Beverage Stores (Food & Tobacco)	Retail Trade	Retail	16.6	177
Aug 2012	Shoprite	Cape Town	Luanda	Food & Beverage Stores (Food & Tobacco)	Food, Beverages & Tobacco	Logistics, Distribution & Transportation	19.9	147
Sep 2011	Pick n Pay	Cape Town	Not Specified	Food & Beverage Stores (Food & Tobacco)	Retail Trade	Retail	16.6	177
Sep 2011	Woolworths (South Africa)	Cape Town	Not Specified	Miscellaneous store retailers	Retail Trade	Retail	36.9	179
Feb 2011	Shoprite	Cape Town	Not Specified	Food & Beverage Stores (Food & Tobacco)	Retail Trade	Retail	16.6	177
Aug 2010	Shoprite	Cape Town	Huambo	Food & Beverage Stores (Food & Tobacco)	Retail Trade	Retail	13	100
Nov 2008	PEP	Cape Town	Benguela	Clothing & clothing accessories	Retail Trade	Retail	11.9	86

Sep 2008	Shoprite	Cape Town	Not Specified	Food & Beverage Stores (Food & Tobacco)	Retail Trade	Retail	16.6	177
TOTAL							247	1637

Source: FDI Intelligence, 2018

5. Tourism

5.1 Angola Trends and Travel Patterns

Despite the extremely positive evolution of travel and tourism in Angola, the main tourism indicators are supported by business tourism flows. The main goal of the Angolan government in the forecast period is to improve travel and tourism so that the country will no longer be so dependent on oil extraction. In order for the importance of this industry to increase in terms of national GDP, a number of measures targeting the upgrading and development of infrastructure in travel and tourism as a whole are expected to emerge.

5.2 Tourism Expenditure

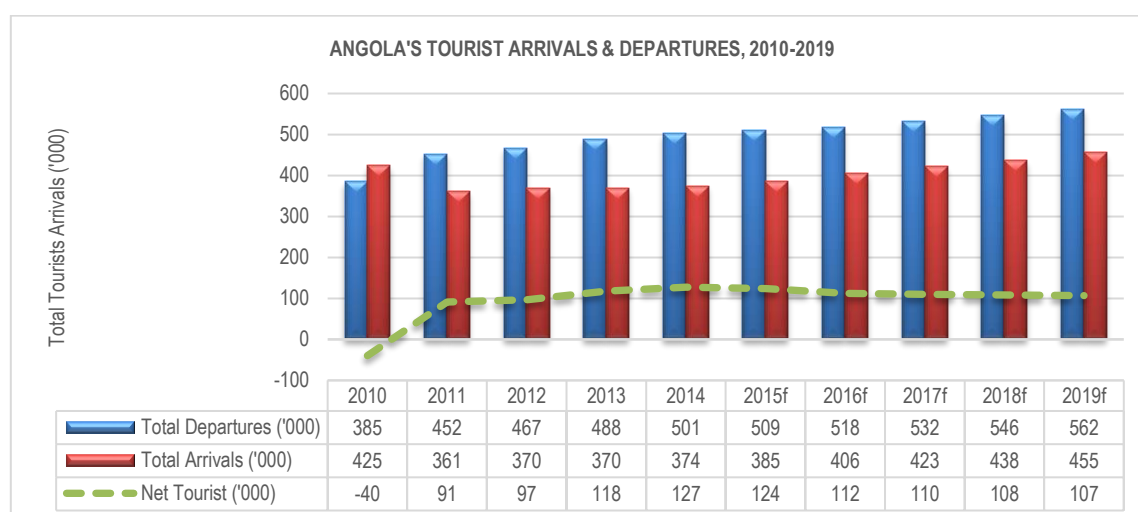
International expenditure per tourist into Angola is shown in the figure below, recorded between 2010 and 2019. The highest year-on-year growth of 6% was recorded in 2010. Growth is expected to decrease from 2015 to 2019, mainly attributed to the low oil price that is expected to slow down economic growth in Angola and reduce income.



Source: Business Monitor International, 2015

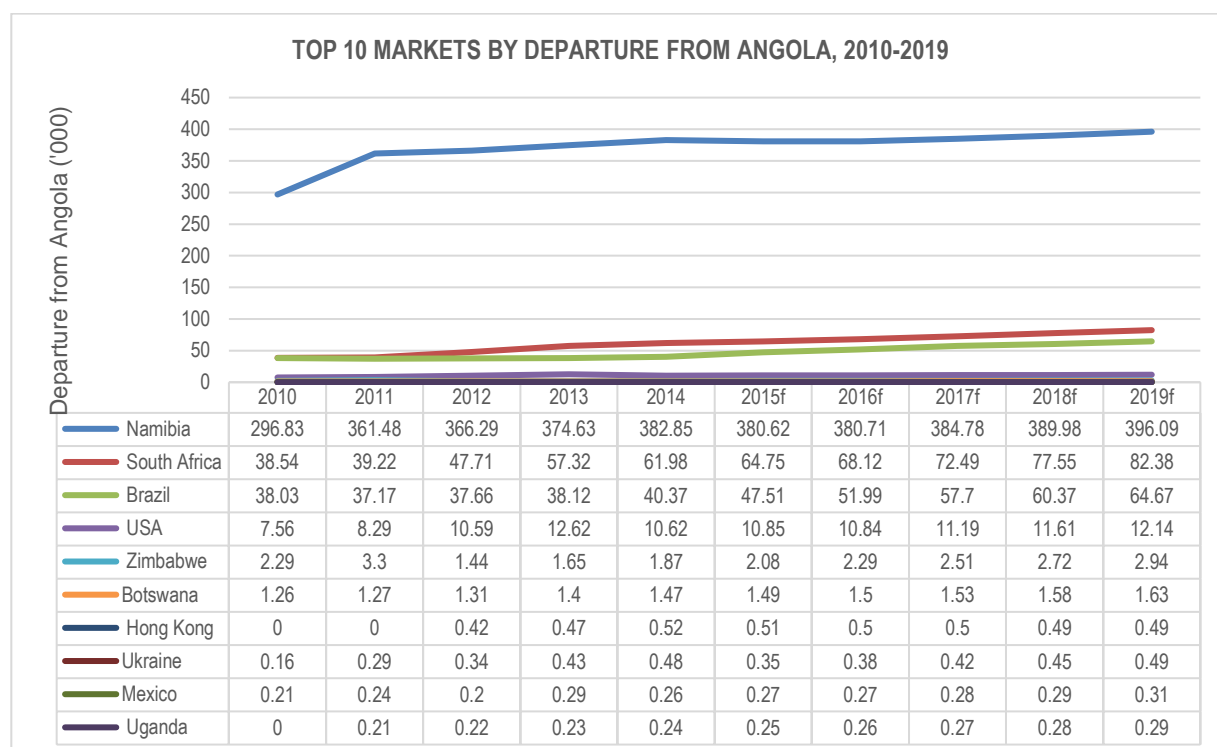
5.3 Inbound & Outbound Tourism

The figure below shows Angola's inbound and outbound tourists from 2010 to 2019. Except for 2010, the total number of departures is far greater than the number of arrivals, increasing from 385,000 in 2011 to 562,000 in 2019.



Source: Business Monitor International, 2015

The table below illustrates the top ten markets by departures from Angola from 2010 to 2019. Namibia was the top market for Angolan tourists over the period 2010 to 2019 accounting for an estimated 76% in 2014. Other top markets were South Africa, Brazil, United States, Zimbabwe and Botswana. All the top 10 markets are expected to experience positive growth during from 2010 to 2019.

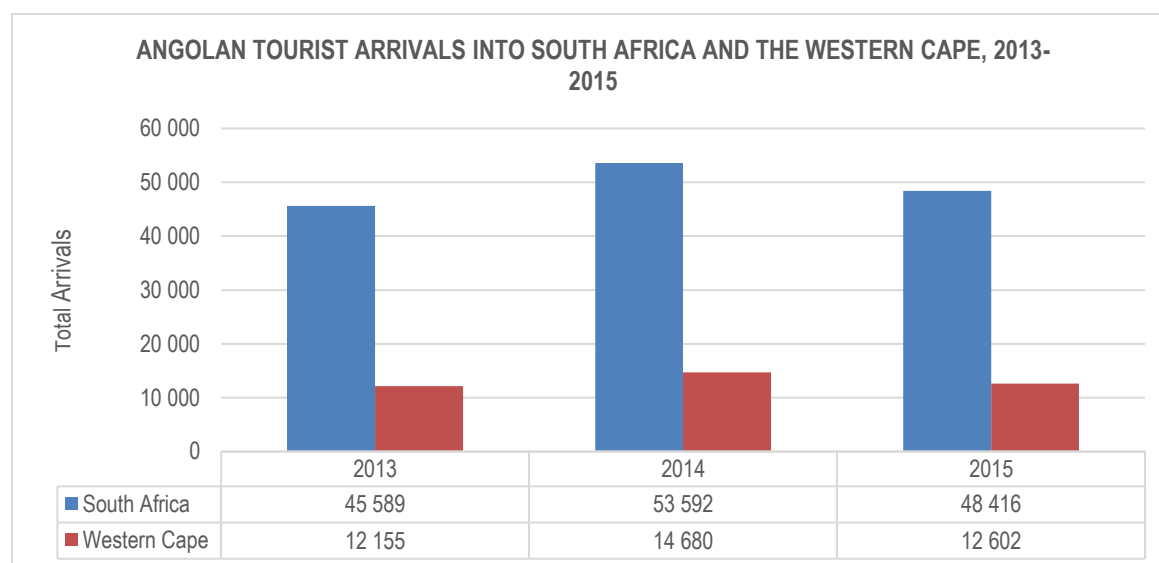


Source: *Business Monitor International, 2015*

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5.2 Angolan Tourist Arrivals into South Africa & Western Cape

The graph below depicts total tourist arrivals from Angola into South Africa and Western Cape between 2013 and 2015. The number of Angolan arrivals into South Africa between declined by 9% in 2015 from 53 592 arrivals in 2014 to in 48 416 in 2015, while arrivals into the Western Cape also declined by 14% in 2015 from 14 680 arrivals in 2014 to 12 602 in 2015.



Source: *SATourism, 2018*

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