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ANGOLA

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A new president moves fast to improve the good and correct the bad in Angola

The groundbreaking policies of João Manuel Gonçalves Lourenço are rapidly transforming the economy of the sub-Saharan African country.

Sub-Saharan Africa's third-largest economy, Angola, is undergoing a dramatic transformation. It is a process that started in August 2017, when the country democratically elected its first new president in 38 years: João Manuel Gonçalves Lourenço. Since then, Lourenço has been "improving Angola's international image as a result of his sweeping reform agenda and eagerness to engage with the international community," according to the U.S. Department of State.

The Angolan government predicts that this agenda, with its focus on revitalizing Angola's economy, will bring a positive growth in gross domestic product (GDP) from 2019 onward that will rise to 4.1 percent by 2022.

Foreign direct investment is also on the rise — not least from Japan, with trading company Toyota Tsusho and export credit agency the Japan Bank for International Cooperation signing a \$650-million deal in January to develop a port on the Atlantic Ocean near Angola's border with Namibia, for example.



João Manuel Gonçalves Lourenço
President of Angola

Investments like this mark a welcome return to the world stage for the middle-income country that is home to about 30 million people and a wealth of natural resources. It is the eighth-largest exporter of oil worldwide and produces 1.7 million barrels of petroleum every day.

Angola is also the world's fifth-largest producer of diamonds, with 60 percent of its reserves of the gem yet to be exploited. In addition, it is rich in natural gas, iron ore, phosphates, copper, gold, manganese, agricultural land and water sources that offer significant potential for hydroelectric green-energy generation.

Despite this variety of resources, the Angolan economy has been dependent on oil since it found lasting peace in 2002, after a civil war that affected the country from the time it gained independence from Portugal 27 years earlier. Until 2014, the focus on oil created GDP growth of almost 10 percent a year. However, that all changed when global oil prices dropped. "Our oil revenues recorded a

sharp loss of around 70 percent," said Lourenço; "Economic activity slowed to such an extent that, according to official data, the real GDP growth rate fell from 6.8 percent in 2013 to 0.1 percent in 2016."

Oil dependency was not the only challenge the 65-year-old former defense minister faced when he was nominated for the presidency by José Eduardo dos Santos, the man who had held that position since 1979. Angola also suffered from a lack of perceived business friendliness, inadequate financial, administrative and infrastructure systems and a high level of corruption.

The new way forward for Angola

To help attract new investment partners, Lourenço is cracking down on corruption, which he described as a "scourge on society," making the public sector more efficient and transparent, improving Angola's macroeconomic stability and competitiveness, and working with the central bank, the National Bank of Angola, to adapt the

country's financial systems to modern international standards.

Many international observers are amazed at the steps Lourenço has already taken to achieve his objectives. In a country where the majority of the wealth was perceived to be controlled with impunity by a minority elite, he has acted against corruption by firing long-standing senior personnel from key organizations like the central bank, the state oil company Sonangol and the country's sovereign wealth fund for the suggested mismanagement of public funds, fraud and other activities.

The government also swiftly introduced a macroeconomic stabilization program and a national development plan for 2018 to 2022 and, to further encourage private-sector involvement in the economy, it announced plans to privatize over 70 state-owned companies operating in various sectors in May 2018. This includes part of the national Angola Telecommunications Company, the non-core activities of Sonangol and manufacturing enterprises. Although details of the bidding processes have yet to be announced, the government has said they will be open to international investors.

May 2018 also bought a new investment law, which was developed in consultation with the private sector. Some of the law's highlights are the removal of the requirement for international investors to form partnerships with local companies, an elimination of the previous minimum investment value, and investors being given the right to repatriate profits and capital. Initiatives like this have seen Angola's business environment gain nine places in the World Bank's Doing Business reports since the new president took office.

International organizations, other countries and foreign businesses have reacted positively to Lourenço's changes. In December 2018, for instance, the International Monetary Fund's Managing Director, Christine Lagarde, traveled to Luanda, Angola's capital, to agree a three-year



Angola's fertile lands are home to a wealth of natural resources.

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extended fund facility worth \$3.7 billion that is "designed to support the implementation of the authorities' policies by providing substantial resources and policy advice, coupled with technical assistance," she said. In the first half of that year, the central bank raised over \$2 billion in over-subscribed government bonds and Western banks pledged credit worth more than \$1 billion.

Under Lourenço, Angola has also taken an active role in international organizations such as the African Union and boosted diplomatic rela-

tionships with vital country partners like Japan, in order to expand investments, export markets and tourism. Japan and Angola have had diplomatic, trade and other partnerships since 1976. In 2013, for instance, Angola's Agostinho Neto University and Japan's Ryukoku University signed a cooperation agreement that represented the first relationship between the Angolan and Asian higher-education sectors. And in 2016, Marubeni Corp. carried out a \$1 billion rehabilitation of Angolan textile factories.

However, the relationship between the two countries stepped up a gear when Lourenço became president. Toyota Tsusho's expansion and modernization of the Port of Namibe's facilities is the first investment from the Japanese private sector in Angola but many more are set to follow.

There are opportunities for these investments in numerous areas. Ports are not the only infrastructure Lourenço wants to expand, for example. A new \$6 billion international airport should open fully by 2025, but the country has an urgent need to build other infrastructure for renewable energy, oil and gas, electricity, water, waste, telecommunications, housing and transportation.

Lourenço also intends to develop other sectors as diverse as mining, agriculture, manufacturing, steel making, building materials, information and communication technologies, food processing, textiles, education and health. To further aid diversification, "We will move forward with a program of export promotion and import substitution, where the main actor will be the private sector, domestic and foreign," he said.

In Angola's most-established industry, improved regulations, incentives and terms for exploration have already led to energy giants like BP, Total and ExxonMobil snapping up the opportunity to develop new offshore oil operations, and the country's first licensing round for hydrocarbon blocks in eight years will take place in 2019.

Last but not least, the president is introducing Angola to the world through tourism. As patron of the World Tourism Forum 2019 held in Luanda, he is opening up for exploration a country containing dazzling landscapes, national parks, a rich historical legacy and stunning beaches. Under Lourenço's leadership, Angola is well on its way to becoming a treasure for both investors and tourists.

The rejuvenated Angola is a key African partner for Japan

Japan's public and private sector have welcomed the changes taking place in Angola's business environment and are strengthening their presence in the country.

"Angola has huge economic potential. Lots of changes are taking place under the new government of President Lourenço, which is making a great effort to correct the country's weaknesses and to boost its competitive advantages," said the Ambassador of Japan to Angola Hironori Sawada.

"I have the utmost respect for the actions of the president to implement economic and administrative reforms in order to create a better business environment and attract investment, and I'm convinced that these efforts will yield positive results. Japan is ready to strengthen relations between the two countries," he added.

There are clear indications that this is already happening, with multiple interactions taking place recently between the two countries at all levels. To give just two examples: at the Tokyo International Conference on African Development (TICAD) conference in 2018, the foreign ministers of Japan and Angola, Taro Kono and Manuel Augusto, discussed increasing bilateral ties. And in January, Angola's embassy in Japan, the Japan International Cooperation Bank (JBIC) and the Japan Institute for Foreign Investment organized a seminar on investment in Angola that was attended by over 100 Japanese entrepreneurs from numerous sectors.

The relationship between the countries is likely to strengthen even further this year, noted Sawada: "We are hosting TICAD7 in Yokohama in August and hope that the new president will visit us for the first time to share with the world the opportunities Angola has to offer and his

government's remarkable achievements. There is also an intention to make a presidential bilateral visit to Japan."

Increasing collaborations

Japan views the rejuvenated Angola as a key partner on the African continent although the countries have an extensive history of collaboration going back to 1976. Since 2002, for instance, "The Japan International Cooperation Agency (JICA) has been promoting government cooperation with Angola in a wide range of sectors through financial support, technology transfer and human training in the fields of education, health, agriculture, industry, energy and infrastructure," said the ambassador. These projects have included a \$236-million support program for energy sector reform, and the advancement of rice and cotton cultivation.

In the last few years, Japan's private sector has also increased its presence in the African country. A leading illustration of this is Marubeni Corp., which rehabilitated three Angolan textile factories in a \$1 billion project financed by JBIC in 2016. JBIC also funded NEC Corp.'s installation of the South Atlantic Cable System between Angola and Brazil. This network provides high-speed submarine data transmission between Africa and Latin America for the first time and, stated Sawada, "makes it possible that Angola will become a center of Africa in the communication sector."

Japan's private-sector involvement in Angola took another step forward in January when Toyota Tsusho Corp. signed a contract with



Japan's Minister for Foreign Affairs Taro Kono meets Angola's President João Manuel Gonçalves Lourenço in Luanda in May.

Angola's Ministry of Transport for the third phase of a redevelopment of the Port of Namibe, which will become a leading logistics hub for southern Africa.

The first two phases of the expansion and modernization program, carried out by Japan's TOC Corp., were financed by JICA and JBIC. JBIC is also involved in the latest stage but — as a result of growing international confidence in the new Angolan government — part of the financing for the \$600 million project will come from private institutions like Nippon Export and Investment Insurance.

"This project will have a big impact on bilateral relations," said the ambassador. "The

magnitude of the collaboration is having a positive impact in the Japanese business community as it is creating awareness of the huge opportunities Angola has to offer. Egyptian and Portuguese construction companies are also keen to participate in the project, so its impact is being felt globally."

Japanese companies taking advantage of these opportunities should consider working in partnership with Angolan businesses, he believes, saying: "Currently, eight Japanese companies have activities in Angola. Not all of them have offices there, preferring to have local partners to supervise their joint activities. Even though new investment regulations allow

foreign companies to invest in Angola independently, I think it is a great strategy for Japanese investors to get assistance from local businesses due to language and cultural differences."

The Angolan and Japanese governments want to open up more investment opportunities for the private sector, according to Sawada. "So we have been working hard together to find new areas for cooperation in different strategic sectors," he said.

One new sector that will certainly be of interest to Japanese companies is digital terrestrial television (DTT), as Angola adopted Japan's digital broadcasting technology in March, he stated: "In 2013, Angola decided to use the

"I have the utmost respect for the actions of the president to implement economic and administrative reforms in order to create a better business environment."

Hironori Sawada, Ambassador of Japan to Angola

European standards for DTT, but no advances had been made so the new Angolan administration has announced the adoption of the Japanese system instead." Japan's Ministry of Internal Affairs and Communications has indicated that it will help ensure a smooth migration to digital television for only the second African country after Botswana to adopt the Japanese system.

The Angolan government has also shown interest in the participation of Japanese companies in an upcoming tender for the building of a new oil refinery in Lobito on the Atlantic coast; a project that will be worth \$6 billion.

Japanese authorities are reportedly investigating the potential of a power plant project in the north of Angola, constructing electricity transmission infrastructure in the south and a significant agricultural initiative for cotton.

Sawada sees part of his job as helping Japanese companies to understand the profitable opportunities available in Angola and the positive changes that have been made to its business environment by Lourenço, he said. "There is still great room for the development of our bilateral relationship and, hopefully, business relations between the two countries will be far more active in the next few years."

Planning for the future

When Angola's National Development Plan (NDP) 2018-2022 was presented to the world in July 2018, Minister of Social Communication Aníbal João da Silva Melo called it a key document that comprised all the new government's development policies and programs for the next five years in every sector and at both national and provincial levels.

The plan for promoting economic, social and territorial development has been well received by international observers. The International Monetary Fund (IMF), for example, said, "The targets under the NDP are ambitious but many are achievable, including a substantial reduction in poverty and income inequality, improved access to basic education and health services, a more business-friendly environment and strengthened governance."

The NDP is based around six strategic axes: sustainable, diversified and inclusive economic development; good governance; international trade integration; infrastructure; human development and welfare; and regional development. Those axes are further broken down into 25 policies, 83 programs and 500 goals. The estimated cost for achieving these goals is around \$97 billion, which will be raised through budgetary funds, new borrowing and private-sector resources.

Work began on the NDP almost immediately after the government took office. It was coordinated by the Ministry of Economy and Planning, with technical assistance from an international consortium led by Investment, Training and Human Development Consulting and CESO, experienced development consultancies.

A wide range of stakeholders closely collaborated in the plan's creation, with input received from every ministry and provincial government, national and local government agencies, representatives from each industrial sector, businesses and civil society. This has resulted in sectoral and cross-sectoral programs that complement each other, and have clear objectives, targets and paths of responsibility.

The programs and the NDP as a whole also complement and incorporate the commitments made by Angola to international development plans like the United Nations' 2030 Sustainable Development Goals, the African Union's Agenda 2063 and the Southern African Development Community's Regional Indicative Strategic Development Plan, which are also focused on poverty reduction, stronger competitiveness, economic diversification and, in the case of the regional plans, free trade. The

NDP is also in line with Angola's transition strategy to graduate from being classified as a least-developed country to a being a developing country, which the United Nations has scheduled for 2021.

According to the IMF: "The NDP is underpinned by a somewhat conservative macro-economic framework for the medium term. It envisages a decline in both oil production (including gas) and prices, and a gradual but robust recovery of the non-oil sector, supported by an improvement in public investment efficiency and adoption of business-friendly measures." As a result of its conservative analysis, the government forecasts that implementing the NDP will result in a growth in gross domestic product (GDP) of 3 percent a year on average until 2022. By then, it also predicts that private-sector investments will make up 20.7 percent of GDP and inflation should be reduced to 6.4 percent.

A diversified economy

Macroeconomic stability is crucial for achieving the government's goals for economic development. Fiscal consolidation is, therefore, an important component of the NDP, which includes measures to contain government expenditure and anti-corruption strategies, for example. The implementation of a new debt-management strategy will also help reduce the public-debt-to-GDP ratio to 60 percent by 2022. In addition, the government aims to modernize the country's financial systems by expanding the use of electronic payment technology, for instance, and to double the number of contracts awarded through competitive bidding.

The latter initiative will partly address the fact that Angola is currently too dependent on public investment. Among other NDP measures to encourage the private sector are the new investment and competition laws that were introduced in 2018. One of the goals of business-friendly legislation like this is to improve Angola's ranking in the World Bank Doing Business ratings by 15 positions by 2022.

The private sector will receive another lift from the privatization of at least 20 state-owned enterprises and the sale of equity stakes in private enterprises. Another major contribution to building businesses and economic advance will be the development of non-oil sectors to reduce the country's dependence on hydrocarbons.

Within the NDP, the main initiative for achieving this is the Production, Export Diversification and Import Substitution

(PRODESI) program, which includes initiatives for boosting agriculture, manufacturing and tourism. Through this and other programs, the government projects that the main drivers of economic growth between 2018 and 2022 will be agriculture at 8.9 percent of GDP, fisheries at 4.8 percent, manufacturing at 5.9 percent, construction at 3.8 percent and services, including tourism, at 5.9 percent. By 2022, the government also aims to increase foreign direct investment in sectors excluding oil and gas by 60 percent and double the value of exports of non-oil goods to \$1.8 billion.

The NDP's strategy for trade integration will help enable that export growth. The government has committed to reducing the average time for export procedures from 192 hours to 72 hours and to almost halve export costs. In addition, it will start integrating into the free-trade zone of the Southern African Development Community, a market of 16 countries and around 300 million people, in 2020.

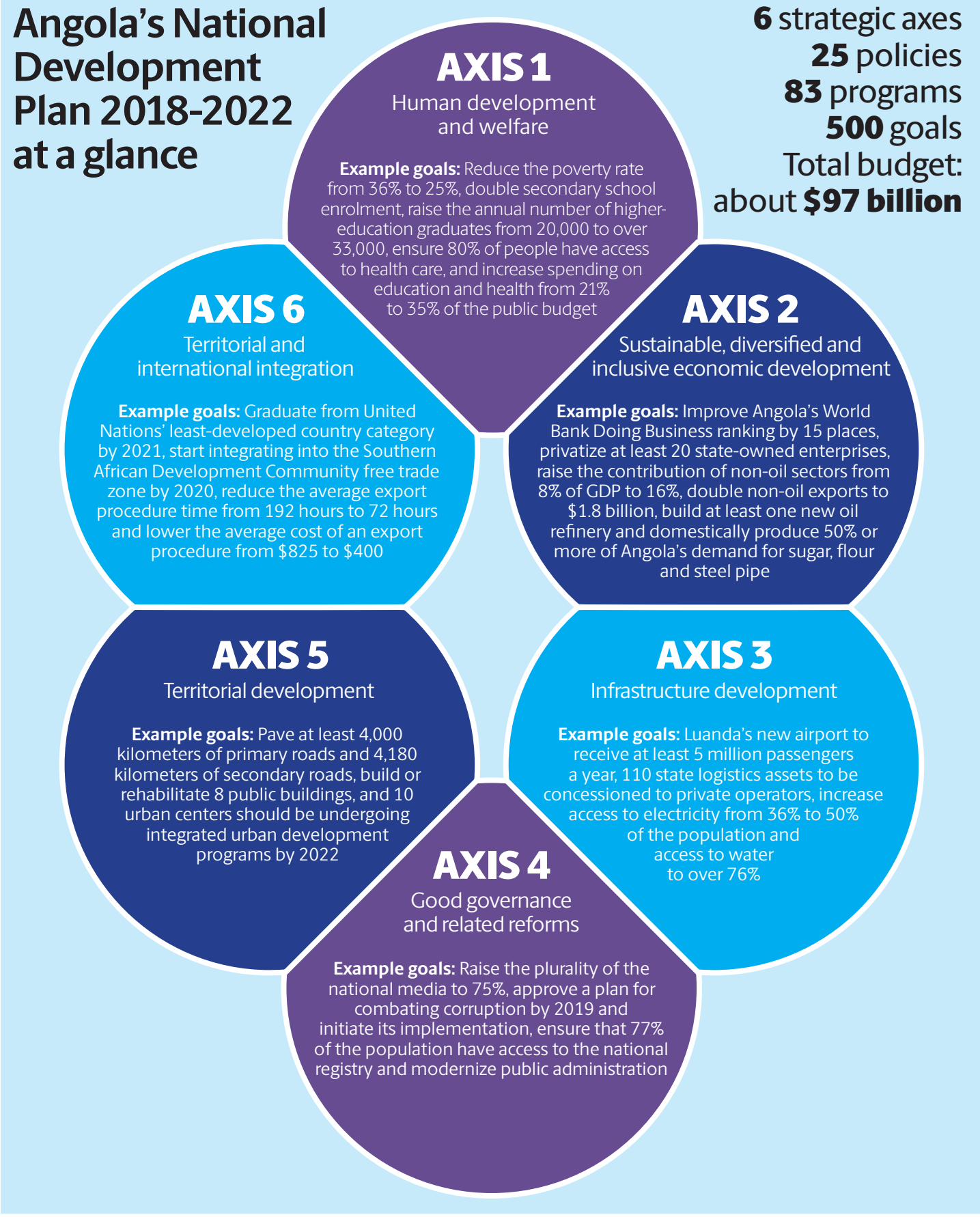
Many of the programs in the NDP's infrastructure axis will also improve Angola's attractiveness as a hub for exports and business generally. Substantial development projects are planned for all forms of transport, logistics, electricity, energy, water, sanitation and telecommunications. As an illustration of the ambition of these schemes, the government aims to raise access to electricity from 36 to 50 percent and increase energy generation capacity from 3.9 GW to 7.5 GW.

Promoting the development of society

Advancing human development and welfare is the core axis of the NDP for the government. Key to this is increasing spend on education and health from 21 percent of the public budget in 2018 to 35 percent in 2022, in addition to investing in housing, culture and sport. Inequalities will also be addressed through programs targeted at each of Angola's regions so that the country's most remote areas benefit from social and economic revitalization as well as its cities.

Over the next few years, implementation of the NDP's programs will transform many aspects of life for Angolan citizens, businesses and investors. President João Manuel Gonçalves Lourenço's government has, as the World Bank put it, "geared policies towards macroeconomic stability, leveling the playing field for a more diversified and inclusive economy, and putting in place a social safety net for the vulnerable."

Angola's National Development Plan 2018-2022 at a glance



The government ‘takes the bull by the horns’

Angolan Minister of Social Communication Aníbal João da Silva Melo provides an insider's guide to the country's development plans.

Could you provide some background to the economic situation in Angola when President João Manuel Gonçalves Lourenço's government came to power in 2017?

Angola had been in a recession that began in 2014 that was caused by the fall in the price of oil on the world market. In addition to that, due to some serious management problems under the previous administration that were identified during our first year of being in office, the new government found itself with empty coffers.

In the Angolan national treasury there were only sufficient funds to pay seven months of salaries to public officials. As well as that, the liquid international reserves of the country showed a very steep downward trend from 2014. Inflation had once again grown, and had reached a rate of between 30 and 40 percent. The exchange rate was an administrative and artificial rate, and there was a huge gap between it and the real rate.



Aníbal João da Silva Melo
Minister of Social Communication

What were the first steps the government took to improve the economic position?

It was a very critical situation and things were worse than we had imagined. That is why the first measure of the government of Lourenço was to approve a macroeconomic stabilization plan with different objectives. First, to reduce the gap between the two exchange rates by ending the administrative exchange rate and introducing a fluctuating exchange rate.

Urgent measures were also approved to create a better business environment. The positioning of Angola in the World Bank's Doing Business ranking lists was very low and it was essential to improve that. So, one of the first initiatives of the new government was to alter the legislation on private investments—simplifying the law and ending the requirement for foreign investors to have mandatory partnerships with Angolan partners.

At the same time, the government changed our migration regulations: simplifying the visa process, establishing visa agreements with some countries, and creating a business visa to facilitate the attraction of investors and to encourage the arrival of tourists.

How have initiatives introduced by the government changed Angola's economic standing?

Our government was inaugurated in October 2017, which was still a year of recession, as was

diversification are important focuses for your government. Can you tell us about the national Production, Export Diversification and Import Substitution (PRODESI) program you have implemented to help achieve these things?

We are betting seriously on economic diversification. The objective of the PRODESI program is to stimulate the agriculture and agribusiness sectors as well as to promote tourism, which has a lot of dormant potential. It is a very broad program with both bureaucratic and economic measures, and the government is now beginning to implement it.

Included in it are measures to stimulate the domestic production of goods, in order to reduce our level of imports of foods that are part of the basic basket or are raw materials for industry. The new priority in the agricultural sector is to support small family farming. While the government will not forget large agricultural investments, they will no longer be the priority.

An important part of PRODESI is that Angola's armed forces and the Ministry of the Interior will be obliged to acquire materials from local producers. This is very significant because we are talking about two of the agricultural sector's biggest internal clients.

What role do hydrocarbons have in Angola's future economy?

It is obvious that a country that has oil must learn to use these riches correctly, and return the revenues to the economy in order to support diversification and serve the social areas of education and health. The government is acting to reorganize the oil sector because, in recent years, not only has the price of a barrel of oil fallen but so has Angola's oil

in dormant areas. The results of these are beginning to be felt.

Angola has a reputation for corruption. How is your government tackling this?

Previous governments spoke of corruption but effective measures to fight it were not implemented. Lourenço made a commitment to change this in the 2017 elections, in which he had a clear campaign slogan: "Improve what is right and correct what is wrong."

Corruption was a problem that the whole of society recognized, unanimously, needed to be addressed urgently. It had reached a level where wrong practices were considered normal and acceptable. This was an obstacle for private investment. A favorable political climate had to be created so that competent institutions could do their job and the country could really advance. The president said he would "take the bull by the horns" and he did from day one.

What are the other main challenges Angola faces in attracting foreign direct investment and what are some of the country's attractions for investors?

The most important challenges would be the development of transport, water and energy infrastructure, and education. Internal and external communication is another challenge we must face. We need to show that the current Angola is not the Angola of war and there are no problems with citizen security.

We need to communicate that Angola, with this new government, is a new country offering great opportunities that hopes to establish more relationships with international partners. Angola is a strategically located country that can serve as a platform for other regions of Africa and our human capital is another excellent competitive advantage that we need to communicate to the international community—Angola is a culturally and ethnically diverse country that welcomes all those who visit us.

How do you see the relationship between Angola and Japan developing in the future?

The development of the Port of Namibe represents the first substantial example of Japanese funding for a major infrastructure project that is fundamental for the development of Angola. I think that, soon, we will begin to discuss the implementation of digital terrestrial television as Angola has adopted the Japanese standard and we are going to work on it with Japan. This project opens up great possibilities for associations with Japanese companies in that and other sectors. And, undoubtedly, 2019's Tokyo International Conference on African Development will be an excellent opportunity to intensify bilateral cooperation in even more projects.



Africa's leaders pose after signing the continent's new free trade agreement.

Strengthening trade in Africa

In March 2018 at an African Union summit in Rwanda, President João Manuel Gonçalves Lourenço was the fourth of 44 heads of states to sign on to the creation of the African Continental Free Trade Area (AfCFTA).

Negotiations are still continuing on the details but the groundbreaking agreement will see the elimination of tariffs on most goods, liberalization of trade in services, removal of non-tariff barriers to intraregional trade and eventually result in a huge new continental single market with free movement of labor and capital.

By establishing the world's biggest trade zone made up of 1.2 billion people, AfCFTA is set to have an immense impact on the participating countries' economies and open up major opportunities for businesses with operations in some of those nations.

Businesses based in Angola, currently the sixth-biggest economy in Africa, will be in a particularly advantageous situation, said Minister of Social Communication Aníbal João da Silva Melo, "The strategic location of Angola between central and southern Africa means that it is in an excellent position to serve as a gateway to other regions of the continent."

The AfCFTA countries currently have a combined gross domestic product of \$2.5 trillion but many, including the minister, expect this to expand significantly in the near future. "Africa has great advantages on which this growth can be based including the continent's enormous diversity. But most important is the demographic factor—Africa has a young population and the use of technologies has grown very rapidly in some countries. This will allow the region to make sig-

nificant economic, political and cultural leaps over the next few decades."

Melo felt that African trade blocs are essential for encouraging further growth in intraregional trade. "If we work together with our neighbors on the continent, the prospects for growth are very positive. Traditionally, Angola kept away from the idea of opening up regional trade, but we have another strategy today. The new government is determined to participate in this process of regional and continental trade development."

As a result of a number of smaller African economic communities, trade within the continent is already rising, with the International Monetary Fund estimating that intraregional imports, as a share of total imports, have almost tripled in the last two decades to around \$100 billion.

One of the most important of those blocs is the Southern African Development Community (SADC) free trade zone, which includes 13 countries and around 27 percent of the continent's total population. Angola, the second-largest economy in the region, opted out of joining this trade bloc when it was set up in 2007. Partly as a result of that decision, although Angola represents 30 percent of exports from the region, it only accounts for 5.8 percent of intra-SADC exports.

That is about to change. In 2018, the Angolan government announced it would be joining the SADC free trade zone and, within a few years, tariffs on an estimated 5,000 items should be gradually removed. "We want to encourage the growth of intracontinental trade as this will help Africa become the world's next success story," explained Melo.

Stable, resilient and modern monetary policies and banks

As part of Angola's Macroeconomic Stabilization Program, the central bank is reducing inflation to one digit, transforming the exchange rate mechanism and currency controls, and ensuring that the country's banking sector meets the highest international standards.

Angola's new government has created two central road maps for revitalizing the country. One is its National Development Plan 2018-2022, which includes initiatives for promoting economic, social and territorial development. The other is its Macroeconomic Stabilization Program (MSP), which is focused on removing financial imbalances.

Launched in January 2018 and expected to be fully implemented by 2020, the MSP involves the government addressing issues in three areas. Two of these — fiscal consolidation and improving the business environment — are being overseen by the Ministry of Finance, and the Ministry of Economy and Planning, respectively. While at the heart of the third — reforming monetary policy — is the National Bank of Angola (BNA).

Created in 1926, BNA is the country's state-owned central bank and it is headed by one of Angola's most respected bankers, José de Lima Massano. He first held the post of governor of the bank between 2010 and 2015, during which time he bolstered Angola's financial position to the point where inflation dropped to under 10 percent — the lowest the country had ever seen.

In October 2017, he was reappointed as governor by President João Manuel Gonçalves Lourenço to restore BNA's credibility and help ensure the success of the MSP.

Reducing inflation is the main goal
Within that program, the BNA's primary goal is to reduce inflation in a way that does not impact on Angola's economic growth in order to protect the country's currency (the kwanza), revenues and foreign exchange reserves.

"Bringing inflation down to one digit is our main objective and greatest challenge. According to the MSP, we have to deliver this result by the end of 2022 and in a manner that does not create further imbalances for the economy," Massano said.

The Angolan central bank is well on its way to meeting this goal, he stated: "In 2016 the inflation rate was 42 percent, in 2017 it was 23.7 percent and in 2018 it was 18.6 percent. This downward trend is fantastic and I believe that BNA's management strategies and the measures we have implemented have enabled it. Even though it is still high, we are on the right path."

The positive signs are continuing in 2019, with February's inflation rate being 17.6 percent — "That is the best it has been in a single month since 2015. So, for 2019 we are targeting a rate of around 15 percent at the end of the year. Upcoming changes to electricity and fuel prices could have a short-term impact on inflation but we remain optimistic that we will deliver what we have promised," said the governor.

Market-led currency systems
The BNA's containment of inflation is even more impressive when you consider that over the last year the bank has also substantially reformed Angola's exchange rate system and the way foreign currencies can be accessed.



José de Lima Massano
Governor, National Bank of Angola

According to Massano, "Everyone expected that these changes would have a tremendous impact on prices but that has not been the case."

Previously, Angola had a fixed foreign exchange rate mechanism that was pegged to both the dollar and the euro, and foreign currencies were allocated to individual banks by the BNA. The Angolan economy is currently dependent on petroleum and, when the price of oil plummeted in 2014, the inflexibility of this system put tremendous stress on the country's international currency reserves with over a third of them being lost in two years.

"Something had to be done," noted Massano: "The central bank is responsible for managing and protecting the country's

"The BNA will continue to build on the foundations it has developed for robust governance and internal controls and the highest international standards."

José de Lima Massano
Governor, National Bank of Angola

international reserves. At the same time, we want to create a better and more competitive business environment — so we had to introduce changes."

Now, the fixed-rate regime has been replaced by exchange rate flexibility and it is the market that guides the rate, rather than the BNA. "Through the MSP, we have allowed commercial banks to bid for foreign currency. We now organize auctions on a regular basis and, following the Dutch model, we offer foreign currency to the highest bid," he explained.

The currency reforms have had an immediate impact. In early 2018, the gap between the formal and informal currency markets for the kwanza in relation to the dollar was around 150 percent but, by October that year,

the gap had been reduced to about 20 percent. To achieve that, BNA needed to devalue the kwanza by 45 percent.

Although this has impacted import prices, inflation has remained under control and Angola's international currency reserves had risen to \$16.7 billion by January — enough to cover the cost of almost six months of the country's imports.

Stronger supervision of banks
"These initiatives have been of great benefit and created a more transparent market that is better regulated," said Massano. However, the bank is going much further to develop a more credible, resilient and modern financial system by 2020 that can better enable Angola's economic advance and provide confidence to potential international investors.

"We have not just changed our foreign exchange system but we have also strengthened our ability to supervise the banking sector, and become far more strict when it comes to compliance and best practices in the Angolan banking sector, for instance," he said.

The NBA is improving its reporting standards to an international level and now follows the Basel Committee on Banking Supervision's standards for overseeing the sector, for example. "We have also achieved massive advances in making sure guidelines for anti-money laundering and countering the financing of terrorism are implemented and adhered to," Massano said.

"In addition, we are currently working with the World Bank to reshape our entire payment-system law. By modernizing our financial legal frameworks we can guarantee that the players that operate in our market follow the rules of good practice and represent no risk for consumers or the Angolan financial sector," he added.

Recent announcements from the NBA illustrate its commitment to stronger supervision of a sector made up of 29 banks, five of which are responsible for around 80 percent of lending activities in the country.

Last year, a threefold increase in the minimum share capital requirement for banks was introduced, with a deadline of December 2018 given to meet this level. "As a result of this, in 2019 we have closed down three banks that failed to meet the new minimum capital requirements.

"This is part of our process to improve the banking environment, and allow operations only of those institutions that have the mentality and the structure to keep up with the changes we are implementing," stated the governor.

This improvement process will continue, said Massano: "We want to be sure that Angola has a resilient and modern financial sector, and we need to guarantee that consumers are fully protected. The BNA will continue to build on the foundations it has developed for robust governance and internal controls and the highest international standards, while retaining its commitment to inflation."



Part of Sonangol, the state-owned oil and gas company, will be privatized in the near future.

Reforms lead to growth in public revenues and the private sector

Angola's Ministry of Finance has introduced a package of reforms that is bringing fiscal consolidation and opportunities for business.



Archer Mangureira
Minister of Finance

A new program of Angolan reforms that aim to increase macroeconomic stability and fiscal consolidation, while enabling private sector-led economic growth and diversification, is "off to a promising start," according to an International Monetary Fund (IMF) review from June.

The review of the program, which the IMF helped to develop, was the institution's first since it agreed to extend about \$3.7 billion to Angola under its Extended Fund Facility (EFF) in December 2018. And the report's positive conclusions resulted in the IMF approving a new tranche of funding for the program of around \$248 million, bringing the total so far disbursed to \$1.24 billion.

Angolan Minister of Finance Archer Mangureira provided background to the agreement: "In 2018, the government initiated some deep reforms as part of our Macroeconomic Stabilization Program that were aimed at creating the conditions of stability and predictability needed to attract and enable private investment. That process continues in 2019 at the same time as structural reforms that favor the business environment are implemented.

"However, to complement this strategy, as well as to provide greater stability and robustness to our reforms, the government decided to take advantage of the knowledge accumulated by the IMF by requesting a technical and financial assistance package from the organization."

The three-year program contains "a series of vital fiscal, financial, monetary and structural reforms — we believe that the EFF will boost the relaunch of economic growth in Angola," said the minister.

Fiscal consolidation
A critical pillar of the program — and one that particularly concerns Mangureira's ministry — is fiscal consolidation in order to bring down the country's debt, which had risen to 84 percent of gross domestic product by December 2018 due to a fall in oil revenues.

Although the IMF's June review predicted a possible increase in this figure during 2019, it assessed Angola's debt level as sustainable.

Mangureira, however, is a man of caution, saying: "The Angolan economy remains dependent on oil and there has been a high level of volatility in its price recently. Given that, I felt there was a need to revise the country's budget for 2019 in order to adopt a more moderate stance on the reference price of a barrel of oil and current levels of production.

"Reducing the price from \$68 to \$55 resulted in a 19.4 percent decrease in tax revenues. But this will not reflect an increase in the gross financing needs of the state because, under the fiscal consolidation measures we have adopted, the revised budget provides for a cut in expenditure."

The Angolan authorities have responded "decisively" by enacting a conservative budget for 2019, said David Lipton, first deputy managing director and acting chair of the IMF executive board, in June.

He was confident that "fiscal consolidation will continue in 2019 under the recently approved supplementary budget. This is supported by a conservative expenditure envelope, which preserves social spending, and by non-oil revenue mobilization, including the adoption of a value-added tax (VAT)."

Portugal is supplying technical assistance to Angola for the introduction of this new VAT system. It could impose a rate of 14 percent on all imported goods, taxpayers with annual incomes over \$44,000, large public enterprises and finan-

cial institutes, and it replaces a more limited consumption tax.

"Until now, the Angolan tax system has been one of the few in the world that did not have VAT. We began its implementation in July, gradually, and we believe that there are significant advantages for the treasury, government and taxpayers, despite constraints that may still occur at this stage. The fact that we are considering a single rate avoids administrative and legal issues, and simplifies computer systems. Among other benefits, VAT may also attract investment, as it can be deducted, and help move people from the informal economy into the formal economy," Mangureira said.

The government has put in place a number of other measures aimed at formalizing Angola's significant informal economy as a way to maximize revenues. These include the introduction of new high-tech computer systems that will make it much easier for more individuals to register for tax identification numbers.

According to the minister, "Technology is also being used to accelerate the legalization and incorporation of companies, and to simplify the processes involved in taxes and fees. We have launched an online platform for opening new businesses, for example, which eliminates the need for an initial deposit of capital and reduces the number of requirements for the creation of a company from eight to five."

Encouraging the private sector
A key target for these simplified procedures is the country's entrepreneurs, he said: "The government's strategy for transforming the economy involves increasing the participation of the private sector with a focus on boosting micro-, small- and medium-sized enterprises. The state needs to create the necessary environment for entrepreneurs to be able to freely develop their activities."

Other encouragements for revenue mobilization from entrepreneurs and established businesses include a new and incentive-packed private invest-

ment law, a competition law that seeks to eliminate Angolan monopolies and legislation to promote public-private partnerships.

A further stimulus comes from Germany's Deutsche Bank, which announced in June 2019 that it has set up a \$1.13 billion credit line for private investments in Angola that will be distributed through five Angolan banks.

"Deutsche Bank's long relationship with Angola includes supporting €3 billion of public sector projects. Now it is time to continue this relationship and also involve private-sector initiatives. Angola's rapid transformation is creating exciting opportunities," said Ignacio Ramiro, head of structured trade and export finance for Deutsche Bank Spain.

Opportunities that the government is initiating for citizens should also advance public revenues, stated Mangureira, "For instance, we are implementing a vast employment program to generate 500,000 jobs by 2021 and supplying specialized training to 30,000 young people — a measure that is giving our young workforce the necessary skills

"Our privatization program will follow a transparent process. It will be carried out on the stock exchange and be fully open to foreign investors."

Archer Mangureira, Minister of Finance

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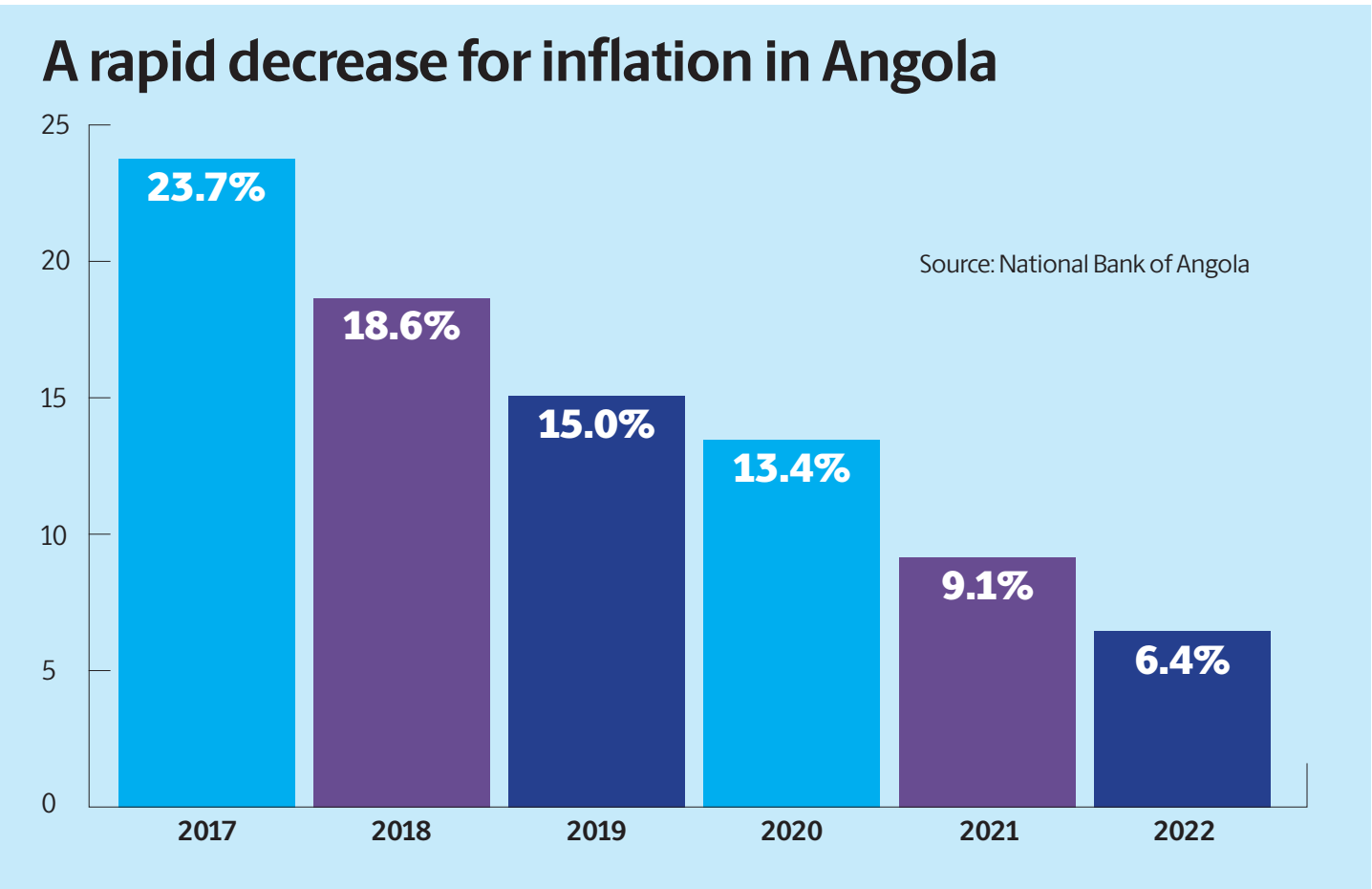
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Mangureira was unsurprised by the high level of interest, "The EEZ stands out as a space for investors. It has a strategic location, and ideal water, energy and road infrastructure — all factors that underpin the viability of investments," he said.

The second step in the process came in June, when IGAPE launched an international tender for the privatization of four farming estates, which could be worth about \$110 million in total. At the same time, IGAPE announced that its next set of tenders would be for 17 companies, including slaughterhouses, tomato concentrate factories, cold stores and silos.

In its June report on progress in Angola, the IMF noted that better financial management, greater transparency and front-loaded fiscal consolidation, among other improvements, had "stoked confidence" in the country's enactment of its EFF program, which had "provided impetus to a reform-minded government." Summing up the country's current position, Mangureira said, "Angola is now a sea of opportunities."



The great little revolution in transportation

The government’s strategy for expanding Angola’s transport infrastructure is turning the country into a regional hub for logistics.

In June 2019, Angolan Minister of Transport Ricardo Viegas D’Abreu confirmed that the new and much-anticipated \$5.2 billion Luanda International Airport should be fully operational by 2025. Predicted to be a future aviation hub for West Africa, it will be able to handle up to 15 million passengers and 600,000 metric tons of cargo a year.

The airport — located 40 kilometers from Angola’s capital — is a central cog in the government’s strategy to improve national and international connectivity through the development of a more integrated, modern, efficient and sustainable transport and logistics network. According to D’Abreu, “One of our main aims is to turn Angola into a vast logistics platform in order to facilitate interregional trade and the movement of goods and people. The country can become a strong logistics hub for neighboring African countries, and that will obviously boost our domestic economy and accelerate economic diversification.”

Angola has already carried out substantial reconstruction of its transport infrastructure since 2002, covering roads, bridges, railways, seaports and airports. However, to take the country to the next level, the government is now looking to attract international investment to a wide range of projects, many of which are under the auspices of the Ministry of Transport. “We are responsible for rail, maritime and air transport infrastructure, as well as the legal and regulatory frameworks for civil aviation, road, rail and sea transportation,” explained D’Abreu.

The government is turning to foreign companies and away from publically funding projects for two reasons, he stated: “One is that our public expenditure is currently limited. The second, which is possibly more relevant, is that private investors will not just bring capital but also knowledge, technical expertise and supporting industries. In addition, we need to make our existing infrastructures more



Ricardo Viegas D’Abreu
Minister of Transport

The Luanda International Airport, which is being built and equipped by a Chinese consortium and Brazilian company Odebrecht, will be at the forefront of Angola’s restructured air transportation network. It will cover an area of over 1,300 hectares, have two runways capable of handling the world’s biggest passenger aircraft and serve as an alternative to Luanda’s existing Quatro de Fevereiro International Airport.

Construction began over a decade ago and has been on hold for a while, said D’Abreu: “Unfortunately, it was not properly planned in line with modern international standards. We are addressing this but, because of the delay, we have to start restoring Quatro de Fevereiro airport in the meantime. An international tender for this will be launched in 2019.”

“One of our main aims is to turn Angola into a vast logistics platform in order to facilitate interregional trade and the movement of goods and people.”

Ricardo Viegas D’Abreu, Minister of Transport:

productive and this can only be done if we bring in international partners that can integrate them into the global economy. Our challenge is to establish a solid, transparent, secure and competitive framework for foreign investment and public-private partnerships.”

With 30 airports, 17 of which have recently been rehabilitated, the country’s first focus for developing this type of framework was civil aviation. It started by introducing improved aviation law and establishing the independent Angolan Civil Aviation Authority to comply with recommendations from the International Civil Aviation Organization.

Next, stated D’Abreu: “We are dividing the functions of Angola’s National Company for the Exploration of Airports and Air Navigation (ENANA). One publicly owned company will be in charge of navigation and air traffic control, and a separate airport management company that will open its capital to private national and international investors. We will group our airports into regional clusters and aim to publish international tenders for these clusters by the end of 2019.”

Also on the horizon is part-privatization for Empresa Linhas Aereas De Angola (TAAG), the country’s national airline, in order to reinforce its modernization and growing capacity. It currently operates 12 domestic, 10 regional and six intercontinental routes, and has codeshare agreements with airlines such as Lufthansa, Emirates and Air France. “TAAG was recently cleared to fly without restrictions by the European Union and has successfully completed the International Air Transport Association’s Operational Safety Audits. Its fleet is now being renovated to allow a significant increase in domestic and regional flights,” said D’Abreu.

Investment opportunities in ports and rail
With a coastline of 1,600 kilometers, another focus for Angola is the rehabilitation of its numerous ports. One of the largest, the Port of Namibe, is currently being developed by Toyota Tsusho Corp., but the minister pointed out that there are many other opportunities for investors in the country’s maritime sector. “We need international players to assist in maximizing our existing and future port



Angola’s plans for transport infrastructure development cover sea, air and land.

infrastructures. In port management, for example, we are not utilizing their potential as transshipment hubs for the South Atlantic, the Gulf of Guinea and Southern Africa,” he said.

To achieve this, the country will launch tenders to manage a number of its facilities. One, the Port of Lobito, “is probably among Africa’s best ports. We are interested in significantly increasing its productivity with a partner that shares our vision of taking full advantage of Lobito’s geographical location for cargo transportation toward inland countries like the Democratic Republic of the Congo (DRC), Zambia, Botswana and Zimbabwe,” stated D’Abreu.

The ports of Lobito, Namibe and Luanda are terminal stops on each of Angola’s three railway lines and one way the government intends to make the most of their potential for transporting minerals and other commodities is by developing and modernizing the railway network.

The government is currently investing in this network by, for instance, buying new trains and building more stations, but according to the minister: “Restructuring and expanding our railway system to DRC, Zambia and Namibia is a priority. It is up to us to develop about 200 kilometers of line to connect with Namibia and then we will be able to move cargo by rail from Cape Town to the Port of Namibe quickly and cheaply. Our reactivation project for the ‘Lobito Corridor’ line, which links to DRC and Zambia, will also be a game changer for some international commodity prices.”

A new light railway is one proposed option for solving another issue that Angola faces: urban mobility. “Luanda and some of our main provinces currently face tremendous challenges in terms of mobility. We need to develop strong and sustainable mobility programs, and Japanese experience could be key in this area,” D’Abreu said.

Overall, he is extremely positive about the future of transportation in Angola: “We have reached a moment where the social, political, economic and financial preconditions for success have been established. In the Angolan transport sector, we are starting a ‘great little revolution.’”

Japan invests \$600 million in Angola

The development of the Port of Namibe is Toyota Tsusho Corp.’s biggest project in Angola to date. Now the company is looking to make further investments in the country.

Angola offers Japanese businesses important opportunities, said the President and CEO of Toyota Tsusho Corp., Ichiro Kashitani, after holding a meeting with the country’s President João Manuel Gonçalves Lourenço in Luanda in May. Following those discussions, during which the leading executive expressed his company’s interest in investing in various sectors of the Angolan economy, he visited the site of Toyota’s biggest commitment to date: the Port of Namibe.

In January, it was announced that Toyota had signed a contract worth over \$600 million with Angola’s Ministry of Transport to renovate and expand the country’s third-largest port. Located in the city of Moçâmedes in the south of Angola and near the border with Namibia, the project is expected to be completed within three years and should turn the port into a competitive logistics gateway for imports, exports and transshipments for the surrounding African region.

According to Minister of Transport Ricardo Viegas D’Abreu, “It will be able to compete with the other major ports in Southern Africa, like Walvis Bay in Namibia and Cape Town in South Africa.”

Originally constructed in 1957, the port has been a historically important export route to Europe and Asia for commodities such as iron ore, granite and oil. When asked why Toyota was chosen to lead the facility’s modernization, D’Abreu replied: “Japanese cooperation is

very important for us. We can take advantage of their investment capacity, while they also bring in human and technology skills.”

Those skills will be used in a development project consisting of two parts: an expansion of Namibe’s container terminal and a rehabilitation of its iron-ore export terminal. As part of the container terminal expansion, Toyota will be increasing pier capacity, dredging the harbor so that it is suitable for large vessels, and supplying and installing new container cranes and other Japanese equipment.

Toyota has also been asked to rehabilitate the Sacomar iron-ore terminal because the Angola government intends to reopen the iron-producing Cassinga Mine in the interior of the country that is connected to Namibe by the Benguela railway and was closed during the country’s civil war.

As the minister explained: “There are proven reserves and production will resume soon but the only way we can export the commodity is through the Port of Namibe. It is interesting that Toyota is responsible for this project because, historically, Japan was one of the main importers of our iron.”

Japan’s interest in Namibe goes back to 2009, when the Japanese government financed a feasibility study into the port’s redevelopment that was carried out by TOA Corp., which has over a century of experience in marine infrastructure. As a result of that study’s success, TOA was also responsible for the second stage of the

improvement project in 2018. With \$20 million in funding from the Japan International Cooperation Agency, this involved paving the container terminal and reinforcing part of its quay.

Under an export credit line agreed in 2019 between the Japan Bank for International Cooperation (JBIC) and Angola’s Ministry of Finance, the latest stage of the port modernization project will be co-financed by the JBIC and private Japanese financial institutions including Sumitomo Mitsui Bank Corp. and the Hongkong and Shanghai Banking Corp.’s Tokyo branch.

Providing insurance for the private sector loans is Nippon Export and Investment Insurance, a spokesperson for which said: “This project, in which Japanese public and private sectors will work together to develop ports in Angola, has great significance. The project is expected to strengthen the bilateral relationship between Japan and Angola, and be a milestone for Japanese companies to win business opportunities in Africa.”

Toyota, which has been active in Angola since 1966 — through the supply and distribution of vehicles, post-war mine clearing and the development of local human resources — clearly sees its development of the Port of Namibe as a milestone in its relationship with the country.

At his meeting with Lourenço, Kashitani suggested that Toyota was interested in investing further in, for example, more infrastructure, the automotive sector, new transportation technologies for services like traffic management, energy and training. “The company will continue to contribute to the revitalization and economic development of Angola,” a spokesperson confirmed.



The 2019 OECD Global Forum on Integrity and the Fight against Corruption.

Collaborating on crime

During 2018, \$500 million in illicit funds were repatriated to Angola as part of a coordinated investigation between Angola’s authorities and the U.K.’s National Crime Agency (NCA). “We’ve forged a successful and cooperative relationship with Angolan prosecutors and the government as they work to create a strong infrastructure to combat corruption,” said NCA Director Donald Toon at a meeting with Angolan Attorney General Helder Pitta Gróz in London.

“It would not be possible to carry out our work to fight corruption without international cooperation. In addition to the U.K., we have agreements with various international entities, including Portugal and Mauritius,” said Pitta Gróz.

Another agreement was reached in 2019, when U.S. Assistant Secretary of State John Sullivan announced that the U.S. would grant Angola about \$2 million to combat money laundering and terrorist financing. The FBI and U.S. Justice Department will also work to help recover stolen money, he said, “We have trained staff, researchers and prosecutors who can help the Angolan gov-

ernment recover these assets and return them to their real owners, the Angolan people.”

Further support came at the Organisation for Economic Co-operation and Development’s (OECD) Global Forum on Integrity and the Fight against Corruption in 2019. Speaking at the event, Angolan Minister of Justice and Human Rights Francisco Manuel Monteiro de Queiroz said, “A crusade is being carried out in Angola against corruption that can be a reference in Africa, but for it to become a success we need international cooperation.” OECD Public Governance Director Marcos Bonturi replied, “Angola has shown very clearly its priority in the fight against corruption.” He also stressed that the OECD was very interested in developing closer cooperation.

Angola’s partnerships against corruption go far beyond these examples, said Pitta Gróz: “In addition, the United Nations Convention against Corruption opens the doors to work in an integrated manner with countries with which we have no formal collaboration. There is a clear international demonstration of willingness to cooperate.”

Angola’s crusade against corruption

Angola is becoming an international case study for how countries can best introduce successful anti-corruption policies.

When the government of President João Manuel Gonçalves Lourenço came to power in 2017, Angola was rated 167th out of 180 nations in terms of perceived corruption by Transparency International. Thanks to an ongoing and extensive crusade against corruption mounted by the president and his team, that situation looks like it is changing considerably.

The country rose two positions in the non-governmental organization’s 2018 rankings, which rated it “one to watch” for further rises in the near future once more initiatives had been implemented. While in June 2019, Hippolyte Fofack, chief economist of the pan-African bank Afreximbank, spoke for many expert observers when he told the Portuguese news agency Lusa that Angola had become a “case study” for how to set about reforming anti-corruption policies and processes.

“We are experiencing a very significant change,” said Attorney General Helder Pitta Gróz. “Angola only prosecuted 10 corruption cases between 2012 and the new government’s inauguration at the end of 2017. Since then, we have dealt with more than 200 cases so far.”

The new executive is focused on eliminating all types of corruption, which it sees as a practice that weakens democracy as well as the trust of citizens and investors in the state’s operations. According to Pitta Gróz: “Our objective is to achieve a better country, where state institutions are more transparent for all parts of our society, including citizens

and foreign investors, and we have responsible management of the public treasury. We want the resources we have to be used for the benefit of all and not just for the benefit of a few, as has happened previously. No individual or company should have unfair advantages and all businesses should be able to compete with equal opportunities.”

The Attorney General’s Office (PGR) “aims to be the national reference organ in Angola’s prevention of and fight against corruption. It is a public body with a constitutional mandate to defend democratic legality and its powers align with this new era of integrity, ethics and good governance. That is why its role in this area is fundamental,” explained Pitta Gróz.

After establishing a new anti-corruption agency in March 2018, which operates under the auspices of the Angolan Criminal Investigation Service, the government asked PGR to develop the country’s

“We are a country that is working to improve legal security through an effective justice system in which no one is untouchable.”

Helder Pitta Gróz, Attorney General

Strategic Plan for the Prevention and Fight Against Corruption that was published in December 2018 and is now being implemented. “In the plan, we established the guidelines for action by the relevant bodies for combating this phenomenon,” stated Pitta Gróz.

The strategy is based on three pillars of action: prevention, fight and institutional development, with the PGR itself being one of the focuses for that development as it had previously been severely underfunded. “We even lacked our own facilities but have now acquired an autonomous property in which we will operate.

We are also working to modernize the PGR because economic-financial criminality is increasingly sophisticated and we have to move at the same pace. We have to be equipped with and trained in state-of-the-art technologies that are being used worldwide for the investigation of technological crimes,” he said.

Recovering stolen assets

Angola ratified the United Nations Convention Against Corruption in 2010 and, as part of its subsequent moves to fully implement the treaty’s principles, various bodies are in place that cooperate and collaborate to share information about potentially fraudulent acts. These include a court of accounts, a financial information unit, the National Directorate of Prevention and Fight against Corruption, and the National Directorate of Criminal Investigation and Action.

In 2019, the PGR set up another new body to join them: the National Asset Recovery Service. “This very important service aims to create mechanisms so that the state is compensated for damages suffered through criminal attitudes, bribes, corruption

and money laundering, and it has already begun to recover assets located abroad and within the country,” stated Pitta Gróz.

Having offered a six-month amnesty to those illicitly holding capital overseas, new legislation came into force in 2019 that will assist the new body’s ability to recover an estimated \$30 billion that has been illegally removed from the country.

“Overall, we now have a very solid legal framework that has been adapted to meet good international practices against corruption and all other economic and financial crimes. Recently, we have also introduced new laws to support the work of our new agencies. These cover, for example, public property, money laundering and financial institutions,” noted the attorney general. Another important piece of new Angolan legislation is a revised penal code that includes severe punishments for corruption.

One of the PGR’s most vital weapons against corruption is education, he said: “We are working on a broad training plan for all magistrates and the officials who work with them. To ensure the quality of our work, we need to invest in educating the individuals who carry out these important tasks.”

PGR’s educational ambitions against corruption extend to all other public employees and the wider population. For this reason, it is currently carrying out awareness campaigns on television and radio. “We must make the PGR a more functional and proactive body that is closer to citizens, and improve our interactivity with them. We are a country that is working to improve legal security through an effective justice system in which no one is untouchable. We are counting on everyone’s collaboration in Angola’s crusade against corruption,” stressed Pitta Gróz.

A modern approach to justice and human rights

Minister of Justice and Human Rights Francisco Manuel Monteiro de Queiroz explains how his ministry is improving its services through modernization and the use of technology.

What do you see as the main responsibility of your ministry?

The Ministry of Justice and Human Rights has a transversal impact when it comes to economic and social development. It is transversal because, in the first place, it is concerned with people's citizenship. For the collective, it is about the constitution of companies and societies, as well as the organization of civil society. In addition to that, my ministry is also responsible for human rights — which, today, is a subject that is important in all its activities.

You recently announced that you are opening a new Identity Card Issuance Center, which will include 16 production lines to allow the issuance of more than 20,000 identity documents a day. The center will bring together a lot of Angola's civil and criminal identification services, employ over 200 people and will have a real-time connection to identity registration centers in each of the country's 18 provinces. Why are you investing so much in identity cards and wider citizen registration at the moment?

It is a major priority for us in 2019 because we need to solve a big problem that we have, especially in rural areas, where 75 percent of Angolan children under 5 years old do not have birth certificates. Without registration it is not possible to obtain an identity card and, without that card, citizens will not be able to obtain services, register property or pay taxes, and will be completely excluded from the functioning of the economy and society.

We have developed a vision for civil registration and a strategy that will result in us extending civil registration posts for citizens to the entire country by the end of this parliamentary term. So that every time a new Angolan is born, they can be easily registered as a citizen. Our new Identity Card Issuance Center will be equipped



Francisco Manuel Monteiro de Queiroz
Minister of Justice and Human Rights

with state-of-the-art technology. After we have opened that, although there is already a location for issuing identity cards in all of Angola's 164 municipalities, we are going to extend those services to the smaller administrative units and districts in the country.

Later in 2019, we will begin the construction of three other regional centers. The entire infrastructure for this, from both the physical and technological points of view, will be implemented in the coming months.

Has Angola relied on its own expertise to create this new system?

To achieve our goals for civil registration we have had international cooperation. The technological infrastructure, for example, is very important and we are establishing cooperation with Chinese companies for the development

of this aspect. Our biggest challenge is to take advantage of any cooperation project in order to prepare Angola's human capital for the future.

Each of the companies working with us is made responsible for providing training and transferring know-how, so that we can autonomously provide the services with our own human resources when the contracts end with those external suppliers. We also run permanent technical training programs to ensure that this happens.

How are you using new technologies to help businesses and international investors?

When we talk about registration, that is not limited just to people — we also need to talk about the registration of companies and other commercial enterprises. In March, we launched the ability to create companies online. Through our Portal for Electronic Public Services (SEPE), any Japanese business can now be constituted here just by scanning in the required documents and filling in the necessary forms. For foreign investors, setting up companies here is now a very easy and fast procedure.

Are you modernizing Angola's judicial and legal systems in order to attract more foreign investment?

Those seeking to establish themselves in a new country to do business need two fundamental elements in place: political stability and legal security. Angola, fortunately, is the safest country in Southern Africa and has remarkable political stability, as well as being a country free of conflicts.

In terms of legal security, it is imperative that any national or international entrepreneur be certain that when they sign a contract they are acquiring rights and obligations that will be defended by local courts and laws. Our judicial system is currently undergoing reforms in order to give it greater autonomy and, in 2019, we will complete the process of ensuring the administrative and human resource autonomy of our courts.

For courts to function, they require financial resources, human capital and good legislation. Regarding financial resources, we have imple-



Angola is investing in cutting-edge technology.

mented a strategy for the courts to be able to function by channeling financing to them from the funds generated by charging fees for different administrative and judicial actions.

To improve the human skills in Angola's justice system, we are carrying out training initiatives with the National Institute of Judicial Studies, and working with magistrates from the Public Prosecutor's Office and judicial magistrates. In addition, we have implemented cooperation projects with foreign universities for the training of Angolan magistrates.

Finally, from the legislative point of view, the government is approving and implementing numerous new laws, especially in the economic arena, that guarantee the legal and economic security of national and international commercial operators in different market sectors. These laws cover issues such as ethics, compliance, good practices and transparency.

In January, we also approved a new, modern penal code that has an extensive chapter on economic crimes and replaces one that was 132 years old. In addition, we have a new civil code — an adaptation of the current Portuguese code

“Through our Portal for Electronic Public Services, any Japanese business can now be constituted here just by scanning in the required documents and filling in the necessary forms.”

Francisco Manuel Monteiro de Queiroz
Minister of Justice and Human Rights

— that offers guarantees for contracts and regulations on obligations. Our overall objective is to improve the country's business environment and its competitiveness for investors.

Recently, one of our biggest concerns has been the fight against corruption because it is a determining factor for improving the business environment. It is very complicated to inspire confidence in an environment marked by corruption and that is why we are working with the

attorney general's office to make the justice system work better and reduce corruption through education, prevention and action.

Why should Japanese and other international companies consider investing in the modern Angola?

For many reasons. Angola is a country that is very rich in natural resources, has a great capacity for generating energy and also contains good physical, economic and social infrastructures. Above all, Angola has a huge wealth of human resources. This human capital will be the fundamental element for achieving the ambitious objectives set by Lourenço.

Angola has undergone an incredible transformation, especially in the field of education, which can be seen in the substantial growth of educational institutions that have advanced in terms of quality.

We are a young country that has a large workforce that needs to be trained and be given the opportunities to work and generate wealth. Angola has enormous potential and it will be through our people that we succeed.

Angola is on the path to ICT development

By opening up telecommunications through new private sector involvement, and investment in services and infrastructure, Angola is developing a digital economy.

“We are building a new Angola that seeks to establish technological bridges and strengthen the impact that information and communication technology (ICT) has on man and society,” stated Minister of Telecommunications and Information Technologies José Carvalho da Rocha.

He explained why he saw this as vital: “Increasingly, ICT plays a fundamental role in the development of any country because of the role they play in the rapid diffusion of ideas and programs. Particularly as a developing country, we need ICT to facilitate the provision of government services, and the introduction of a digital economy and knowledge-based society.”

His ministry's strategy for an ambitious expansion of telecommunications services, networks and infrastructure is laid out in a recently produced ICT white paper that details the many steps the government intends to take before 2022 in order to best facilitate the advancement of Angola's economy and society.

The use of mobile and digital technologies has seen significant recent growth in the country, according to the Angolan Communications Institute. Almost half of the population — 13.2 million people — used mobile phones in 2018 and 4.5 million people accessed the internet in 2017, a number that the institute expects to rise 32 percent to 5.9 million by the end of 2019.

More private operators for telecoms

Telecommunication services are currently supplied by three operators: the state-owned Angola Telecom and two private companies, Unitel and Movitel. In March, the latter of these signed a partnership agreement with Vodafone, which will see the international giant providing the Angolan firm with strategic support in various areas.

“This engagement will provide Movitel with technical and marketing expertise that will improve the quality of services we offer to our customers and accelerate the expansion of digital services across Angola,” said Gianvittorio Maselli, Movitel's CEO.

The agreement between Movitel and Vodafone comes at a time when competition in the sector is about to heat up. “The government recognizes the great contribution of the private sector in the provision of services, and in generating employment and, particularly, wealth. We maintain the principle that, in areas like this, the state should withdraw and just be responsible for creating the regulations that allow the market to develop through competi-



José Carvalho da Rocha
Minister of Telecommunications and Information Technologies

tion and the entry of more private operators,” said da Rocha.

As a start to this process, in 2018 the government enacted legislation to enable new operator licenses to be awarded and it released a tender for a fourth, restriction-free global operator license in 2019. “Naturally, the entry of a new operator will create more alternatives and offers for customers that we hope will translate into greater variety and quality in services, and more accessible prices,” he explained.

In a further move toward a more competitive market, 45 percent of Angola Telecom will soon be privatized, da Rocha noted. “The decision has been made. Now, the government is evaluating how the privatization of Angola Telecom will be carried out in order to allow the entry of an international investor that will fully develop it activities. As a consequence of both of these measures, Angola will have four global operators competing to provide telephone, internet and television services.”

Expanding infrastructure

To improve access to those services, public and private sectors are working together to expand the country's telecommunications infrastructure network. In the case of fiber optics, for example, the government has installed 10,000 kilometers of cable to date, with the private sector adding a further 12,000 kilometers in order to connect Angola's 18 provincial capitals. Due to the country's considerable size — at 1.25 mil-

lion square kilometers it is about three times the size of Japan — it will take some time to fully develop a comprehensive fiber-optic network.

The minister added: “The government decided to develop satellite infrastructure that would quickly cover our territory. Investing in that technology would allow us to conduct observation activities of our entire territory but also, and fundamentally, to achieve a transfer of technology and knowledge. We recognized that as soon as we have that service available, we will see a boom in the development of ICT services and the access of citizens to information.”

Angola's first satellite, Angosat-1, was built by a Russian firm and launched in December 2017 in Kazakhstan. However, it developed operational problems and will soon be replaced by the more powerful Angosat-2. With its \$121 million cost being covered by the insurance package on the defective Angosat-1, the new satellite is likely to be in orbit by 2021 and is being built by Airbus in France, with over 60 Angolan scientists and technicians also involved in the project.

“The admission test and basic preparation program for the Angolan specialists who are currently working in this area was developed with support from Japan through the University Space Engineering Consortium, a group of universities with which we have reached a training agreement,” commented da Rocha.

However, said the minister, “In the field of ICT, we must promote the development of not just internal infrastructure, but also external infrastructure — Angola is part of a global village and we need to be connected.” At present, more than 70 percent of those essential external communications are made through submarine cables.

The local telecommunications operators make up a consortium, Angola Cables, that is part of the West Africa Cable System project — a submarine communications cable that links 14 countries, including Angola, and extends from the U.K. to South Africa. “The same consortium is fully funding a segment of cable that links Angola to Brazil, which is part of the Google-associated Monet Cable System that runs from the U.S. to Brazil. This will allow us to exponentially increase our connection speed and quality with the American continent,” said da Rocha.

Embracing technology

To help the Angolan population embrace the potential of a knowledge-based society, the country has sent up a National Institute for the Promotion of the Information Society, which aims to promote universal access and digital inclusion.

It runs various programs including “Walking

with ICT,” which introduces citizens to new technologies through short courses and other activities. “We are also developing a comprehensive training program for students in secondary and higher education, and we offer a series of free courses for young people in areas related to ICT,” he said.

In addition, the government is hastening Angola's transformation into a digital economy by developing its own online platform — the Portal for Electronic Public Services (SEPE) — that offers an increasing number of services for both citizens and businesses.

“The government is evaluating how the privatization of Angola Telecom will be carried out in order to allow the entry of an international investor that will fully develop it.”

José Carvalho da Rocha
Minister of Telecommunications and Information

As da Rocha explained: “What we are seeking to facilitate is the provision of services that people can utilize through electronic devices without having to leave their homes or offices.

“Services are already available in a wide range of areas — from downloading books for primary education free of charge to pre-licensing for the importation of 54 products considered part of the basic basket. You can also create a company online through the platform, a service that we have also made available to foreign investors as a way of improving the position of Angola in the World Bank's Ease of Doing Business rankings.”

Created by the Ministry of Telecommunications and Information Technologies in partnership with the Ministry of Economy and Planning, the online one-stop service for company registration was launched in March. By reducing the bureaucracy involved in setting up a business and simplifying the administrative processes, it can now take only two days to open a new company in Angola.

Further support packages for national and international users will be added to the SEPE platform soon, the minister stressed: “The next step is for us to carry out coordination work with other government institutions so that the number of services provided by SEPE can increase in the coming months. We are looking for exponential growth in what the portal offers.”

Da Rocha's ministry is also working to stimulate new digital services outside of the SEPE environment. “Banking, for instance, is one economic sector that most uses ICT. In this area, we are working with the Angolan financial industry to use the capacity of our telecommunications operators — which represent more than 13 million mobile users — so that they are able to provide mobile payment services. The government is also developing regulations for this, which will be supervised by the National Bank of Angola,” he said.

In a country that currently has only around 1.5 million subscribers to television through satellite and cable, another focus area for his ministry is the expansion of digital media. “With the Japanese government as our strate-

gic partner — which sent specialists to Angola to work with us — we have been carrying out a program that will allow us to develop terrestrial digital television. At the moment, we are involved in a pilot project for this in the city of Luanda, but we are also looking for funding to extend this project throughout the nation,” da Rocha stated.

As with all of his ministry's initiatives, the overall aim is to expedite the spread of ICT, either through encouraging new telecommunication services or by expanding the infrastructure that supports those services. “This is because there is an intrinsic relationship between three factors: service provision, infrastructure development — and economic growth,” he said.



Angotic: The technology forum that is making the future

This June saw the latest edition of an annual Angolan event that is gaining increasing recognition on the world stage: Angotic — the Angola Information and Communication Technology Forum. Held at Luanda's Talatona Convention Center, the conference and exhibition acts as a knowledge-sharing and networking hub for governments, public bodies, leading companies and startups from Africa, Asia, Europe and America.

The three-day event was opened by Angolan Vice President Bornito de Sousa Baltazar Diogo and attracted about 8,000 participants — double 2018's number. 150 speakers were involved in over 50 events that covered topics like digital transformation strategies, smart cities, cybersecurity, the fourth industrial revolution and space.

International speakers included the former prime minister of Cape Verde, José Maria Neves, who congratulated Angola's government for the “significant changes” it was making in progressing information and communication technology (ICT). Professors from Japan's Center for

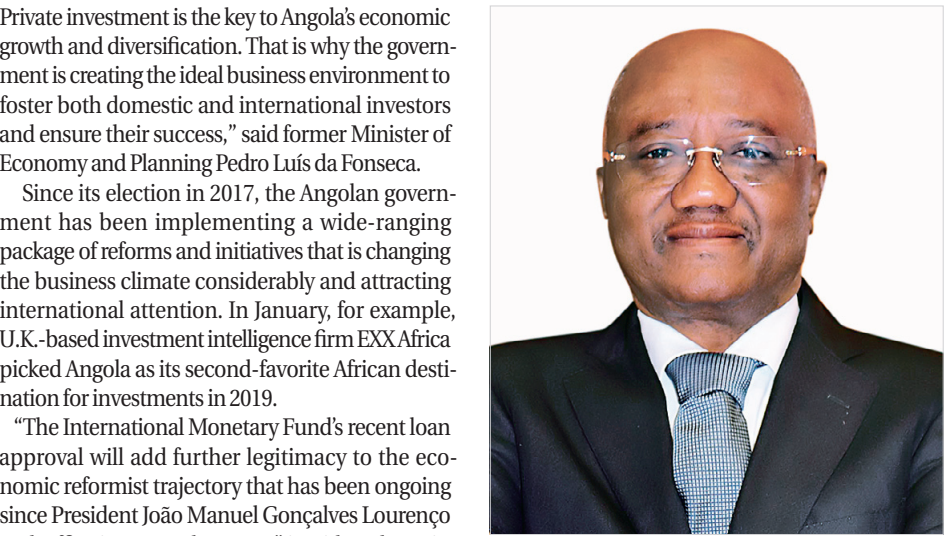
Space Information Science and the Institute of Industrial Science at the University of Tokyo were among representatives from academia. While industry players the size of IBM, Ericsson, KPMG, Facebook, Microsoft, Huawei and Inacom also had a presence.

The main reason for many being there was articulated by keynote speaker Brian Jakins, regional vice president of satellite services provider Intelsat Africa, who said that the Angolan ICT market was set for major growth and offered substantial investment potential. To help speed up the market's advance, Minister of Telecommunications and Information Technologies José Carvalho da Rocha signed memorandums of understanding at the forum that will see Angola strengthening its cooperation in ICT with Rwanda and Sweden.

Angotic 2020 should be an even greater success, he said: “We have great expectations for its future in terms of quality and participation. And we hope that it will become an essential stage for debate and learning about ICT in the region.”

An improved business climate grabs global attention

Having risen nine places in two years in the World Bank’s Doing Business rankings, Angola continues to develop its business environment in order to attract the private investors that will enable economic growth and diversification.



Pedro Luis da Fonseca
Former Minister of Economy and Planning

“Private investment is the key to Angola’s economic growth and diversification. That is why the government is creating the ideal business environment to foster both domestic and international investors and ensure their success,” said former Minister of Economy and Planning Pedro Luis da Fonseca.

Since its election in 2017, the Angolan government has been implementing a wide-ranging package of reforms and initiatives that is changing the business climate considerably and attracting international attention. In January, for example, U.K.-based investment intelligence firm EXX Africa picked Angola as its second-favorite African destination for investments in 2019.

“The International Monetary Fund’s recent loan approval will add further legitimacy to the economic reformist trajectory that has been ongoing since President João Manuel Gonçalves Lourenço took office in September 2017,” it said. In the opinion of EXX Africa’s analysts, the Angolan economy is set to benefit from its “pro-market policies that help facilitate an environment conducive to investment and general expansion.”

Meanwhile, the World Bank’s Doing Business report for 2019 ranked Angola at 173, nine places higher than in 2017. According to the organization, this rise was the result of updates to the country’s electricity infrastructure, the implementation of state-of-the-art electronic data systems to simplify importing and exporting, improvements to construction permit procedures and the development of the Port of Luanda. However, since Doing Business 2019 was published, many more business-friendly reforms have taken effect that should see Angola take a further leap up in 2020.

The Angolan government laid down its own goal for the country’s position in the rankings in its National Development Plan 2018-2022 (NDP): to move forward 15 places by 2022, said da Fonseca, who headed a ministry that is central to ensuring the NDP’s success. “The Ministry of Economy and Planning is responsible for planning national development and coordinating the implementation of public policies to advance the economy, as well as for overseeing activities in the areas of economic integration, cooperation and internationalization. In addition to technically coordinating the NDP’s preparation, it oversees the production of its annual action plans and program budgets,” he explained.

Actions that have already been established cover

the entire life cycle of an investment project, starting with minimizing barriers to entering the Angolan market. “As an example, the process of obtaining visas is now much simpler and easier for both businesspeople and tourists,” da Fonseca said.

Revising legislation for investments

New legislation has been enacted to further facilitate investor entry and private sector growth. The Private Investment Law provides tax and other incentives that are applicable to investments of any size made by local or international businesses. The government is also privatizing public enterprises in a program that is open to all buyers. In addition, public-private partnerships (PPP) are seen as a viable option for developing infrastructure projects or providing high-quality and efficient public services.

“The PPP model is internationally accepted and has proved to be an effective way of engaging the private sector in pursuing public objectives and diversifying the economy. For this reason, the ministry has recently published a revised PPP law. It follows international standards and lays out the general principles that will govern any partnership.

“For example, the state’s aims must be fulfilled and public resources used efficiently, and there will be respect for the interests and rights of both service users and the private partner. In addition,

the socio-economic advantages and financial sustainability of the project, budgetary responsibilities, risks, procedures and decision-making channels will all be spelled out and transparent,” da Fonseca said. The draft law also lays out the types of project that are compatible with public-private partnerships, including concessions of public works and services, the acquisition of services and the management of projects.

The government is open to international investors partnering with Angolan public or private entities — or investing alone — to take advantage of the opportunities available in nearly every sector of the country’s economy. “Agriculture is undoubtedly one priority as Angola currently imports food with a value of about \$250 million a month. Others include the development of agro-industry, raw materials for light industry, livestock, fisheries, tourism, mining and education,” he stated.

Support for production and exports

Within the NDP, probably the most important initiative that the Ministry of Economy and Planning is overseeing is the Program to Support Production, Export Diversification and Import Substitution (PRODESI), which will accelerate private projects in those areas over the short, medium and long term, he said: “The concept came from the fact that Angola’s economy is dependent on oil exports and our productive industries are underdeveloped with low levels of productivity and competitiveness. PRODESI aims to provide a sustainable start to the structural transformation of the country’s economic base, where the role of the state changes from actor and operator to coordinator and regulator.”

The PRODESI program contains numerous measures that will improve the business environment and support private investors, with 44 of them directly impacting the World Bank’s Doing Business rankings. These include supporting the internal production and sale of 54 products that are part of the basic basket of goods or are otherwise seen as essential, such as rice, wheat flour, sugar, eggs, oil, salt and glass containers; and fostering the quantity and quality of non-oil exports.

Increasing access to finance is an important aspect of PRODESI and in February, Angola announced the launch of a vital new initiative: the Credit Support Program (PAC). Through PAC, micro to medium-sized businesses including family farms,



Angola provides an ideal environment for ostrich farming.

fisheries and processors will have access to up to \$434 million that is being distributed by nine commercial banks. The initiative replaces the Angola Investe Program (PAI), which distributed over \$262 million to 400 businesses.

“Unlike PAI, which served various sectors of the economy, PAC has a more targeted scope — it aims to assist the growth in domestic production of the 54 goods identified in PRODESI and favors production chains that use local inputs in order to increase national added-value creation,” da Fonseca said.

PAC should play an important role in achieving many of PRODESI’s goals including expanding the domestic market for goods and services, substituting imports and diversifying exports, while also strengthening businesses, competitiveness, quality standards, productivity, strategic and operational alliances along the production chain and training.

Access to opportunities for private investors has additionally been improved by the ministry’s restructuring of various government bodies, including the National Institute of Support for Micro, Small and Medium Enterprises, the Angolan

“Our government is focused on improving the business environment for the private sector in accordance with its role as a driver of diverse economic growth.”

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Venture Capital Fund and, most importantly for international investors, the Angolan Investment and Exports Promotion Agency (AIPEX). “AIPEX is responsible for attracting internal and external private investments, promoting the increase and diversification of exports, ensuring Angolan companies are in international markets, implementing policies and programs that substitute imports and increase exports and overseeing investment projects from preparation to registration,” said da Fonseca.

A significant proportion of those projects are likely to be located in the Luanda-Bengo Exclusive Economic Zone, another of the ministry’s strategic projects. “It was created in 2009 and provides many benefits to domestic and foreign investors, such as access to integrated infrastructures, simplified visa procedures, a one-stop shop for business administration, tax incentives, and exemptions from export duties, raw material import duties for five years and equipment import duties for 10 years,” he noted.

Angola’s new and coordinated strategy for boosting the private sector is working. According to AIPEX, 118 projects worth \$850 million were registered by international investors between August 2018 and April, many of them in manufacturing, trade and farming. Da Fonseca commented: “Angola is now a great investment opportunity as its domestic market is expanding rapidly and it is part of the Southern African Development Community economic zone of 300 million people. In addition, the government is focused on improving the business environment for the private sector in accordance with its role as a driver of diverse economic growth.”

Undiscovered treasure in tourism

From sun and sand to wildlife and waterfalls, Angola has it all and plenty more besides. Now, the government is looking to the private sector to unlock the potential in tourism.

Angola offers 1,650 kilometers of stunning beach coastline; immense biodiversity in its rainforests, savannas, plateaus, desert dunes and vast rivers; rich and varied cultural experiences; excellent weather all year round and an extremely hospitable population. “Angola is a treasure to be discovered. Unquestionably, there is great potential in our tourism sector, which is at a very early stage of development if you compare us to neighboring tourism giants like Namibia,” said Minister of Tourism Angela Bragança.

With the World Travel and Tourism Council predicting that the country’s international visitor arrivals will rise from 498,000 in 2018 to 787,000 in 2028, it would appear that this African gem will soon become a hotspot for those seeking unspoiled pleasures.

The advancement of tourism to enable more people to experience those pleasures and to diversify the economy is a high priority for the government, Bragança said. “It is one of the sectors that is most expected to achieve an immediate return in terms of gross domestic product and the creation of jobs, particularly for young people.”

The biggest impediments to the growth of tourism are accessibility and infrastructure, according to the minister. “Our biggest challenge is aerial and terrestrial connectivity. In terms of international air travel, my ministry is working with the Ministry of Transport to boost the civil aviation sector, and we are implementing an exemption and facilitation program for obtaining visas. Both of these things will allow us to operate new international flight routes and we are currently looking at numerous destinations,” she stated.

The Ministry of Tourism is also helping to improve internal terrestrial connectivity between the areas with the highest potential for tourism by coordinating the actions of agencies responsible for land transportation, regional planning, and energy, water and other infrastructure.

“The role of private foreign investment will be essential for pushing forward our plans for advancing tourism,” said Bragança. “At the moment, for example, there are only around 28,462 hotel rooms in Angola, which is a very low number considering the size of the country. The situation is similar for restaurants, as



Angela Bragança
Minister of Tourism

we only have 5,829 units, and we have 317 travel agencies.”

By 2022, the government aims to increase the number of hotel rooms in the country by 45 percent. Part of this growth will come from large international chains that have already expressed interest in expanding in the country. In May 2019, for instance, Erwan Garnier, Radisson Hotel Group’s director of development for the sub-Saharan Africa region, confirmed that the chain expected to build five hotels ranging from three to five stars in quality in Angola’s capital Luanda within the next few years.

Country-wide opportunities

At present, 60 percent of Angolan hotels are in Luanda, a city where modern skyscrapers stand alongside Portuguese colonial architecture and where tourists can relax on sandy beaches or explore the bustling urban center. The capital is the ideal place to shop for the widest range of traditional Angolan handicrafts, with those carved from wood being among the most sought after. The city’s exuberant nightlife is best experienced during the Easter carnival, when Angola’s musicians and dancers take to the streets.

Although highly entertaining, “The quality of the tourist offer in our capital has a long way to go,” noted the minister. There, as at other

locations all along the Atlantic coast, such as Benguela and Lobito, there are opportunities for investors in areas like infrastructure, hotel services, catering, entertainment and sports. Bragança pointed to Namibe as an example of what was possible for the private sector, “It is a region with desert, nature, sun, culture, history and ports, and the pearl of our tourism sector today.”

A government priority for coastal tourism development is Cabo Ledo in the national park of Quiçama, a breathtakingly beautiful zone of 2,000 hectares located 120 kilometers from Luanda that will delight global surfers. According to the Ministry of Tourism, \$400 million is expected to be invested in accommodation, a marina and other facilities at Cabo Ledo in the near future.

Quiçama is just one of 13 conservation areas in Angola that together encompass the richness and diversity of the country’s landscapes, fauna and flora. Within these protected regions live species as varied as gorillas and other apes, elephants, gnu, springbok, zebras, giraffes, lions, leopards, hippopotamuses, sea turtles and crocodiles.

The government is focused on sustaining this natural environment and hunting, for example, is prohibited. Which means that the country offers substantial potential for ecotourism and there are many opportunities for investing in infrastructure and services for safari-based vacations and eco-resorts.

“Angola is also excellently placed for cruises and bird-watching, as the country is home to 14 unique species of birds. We want to work with the private sector to push initiatives that take advantage of the assets that are here. In particular, as well as Cabo Ledo we are developing projects in Calandula and Okavango — these are viable schemes that will quickly boost our tourism,” said the minister.

The 2,000-hectare project at Calandula, in the north of the country, will allow visitors to discover the dramatic region surrounding Africa’s second-largest waterfalls. The Okavango project, on the other hand, covers the Angolan part of the world’s biggest inland delta, which the country shares with Namibia and Botswana.

“This initiative has an international component and the objective is to take advantage of the number of tourists that visit Namibia. It is important to highlight that this is a project we are carrying out in cooperation with the Ministry

of Environment and it goes hand in hand with remarkable scientific work that is discovering new species, mainly in terms of birds and flora,” Bragança explained.

Opportunities also abound for advancing cultural tourism at locations such as the historic city of Mbanza Congo, near the border with the Democratic Republic of Congo and a potential UNESCO World Heritage site, or at Muxima in Luanda province, where the largest Catholic Marian shrine in southern Africa attracts hundreds of thousands of pilgrims a year.

In addition, as a way of ensuring the benefits from tourism are spread across the country, the minister said, “We would welcome investments in a project we are launching to develop tourist villages, which will involve strengthening human capacities and establishing communities with harmony between government, civil society and companies.”

The government is investing in training to

“Angola is a treasure to be discovered. Unquestionably, there is great potential in our tourism sector, which is at a very early stage of development.”

Ângela Bragança, Minister of Tourism

ensure that the human skill sets are in place to make these all of these projects a success. It is spending \$20 million on building a school-hotel in Luanda with capacity for 500 students and 50 bedrooms, and another center will soon open in Benguela.

To inform the world about the potential in Angolan tourism and the initiatives being developed, the country hosted the World Tourism Forum in May, which was attended by an estimated 1,500 delegates, while the ministry always participates in the most important international tourism fairs.

Bragança also recently launched a new website — angolatourismo.ao — to act as a “window of information and a gateway to Angola. If we open the country up to tourists, it will attract investors in other sectors. Tourism can be Angola’s calling card,” she said.



The bustling city of Luanda, Africa’s second-largest waterfalls and 1,650 kilometers of beach coastline are just a few of Angola’s attractions.