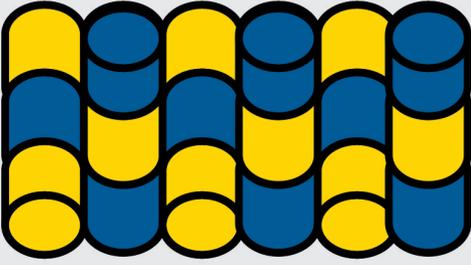
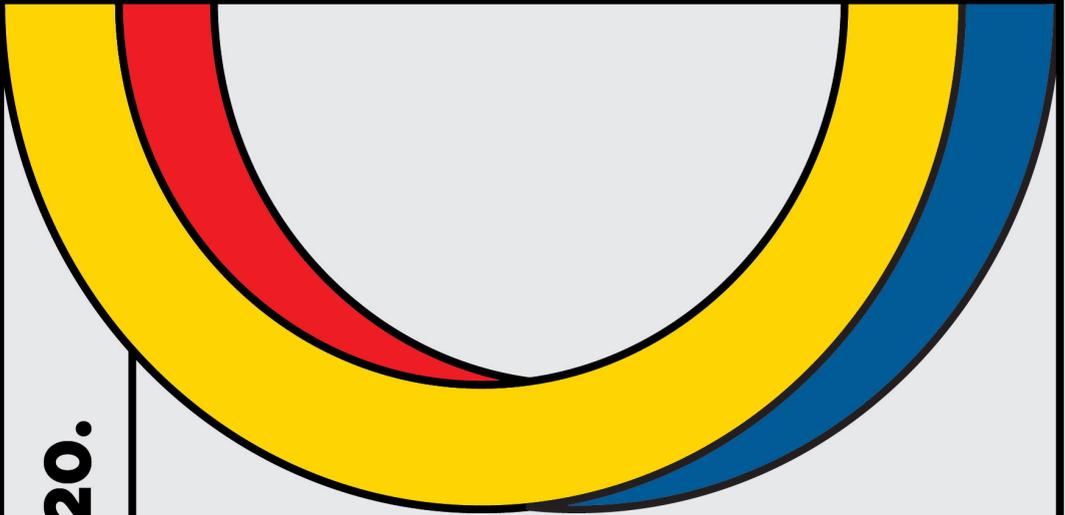


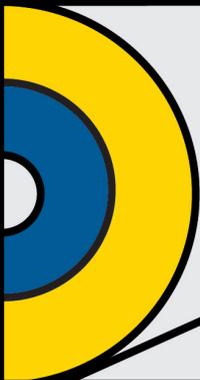
ANGOLA.



POLITICAL AND ECONOMIC REPORT



2020.



A REPORT FROM TEAM SWEDEN
IN ANGOLA

SWEDEN.

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FOREWORD

Team Sweden Angola, a network of Swedish Government agencies including the Swedish Embassy in Angola, Business Sweden in South Africa, SEK, and EKN, works to promote Swedish-Angolan relations, both politically and economically. Sweden and Angola have a long-established relationship and history of collaboration; a trend which has continued under the new president who came to power in 2017. Since taking office, President João Lourenço and his policies have provided the Angolan people, the international community and the private sector with hope. Although far from finished, government policy is moving in the right direction and has already started to improve the business climate, attract investors and grow the economy. Recognizing the pivotal nature of the coming decade for Angola, and in an effort to support the transition of the Angolan economy, Team Sweden Angola is working to identify areas of collaboration where Swedish business solutions can help grow and diversify the Angolan economy.



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As stated in this report, it is important for Sweden to participate in the early stages of the transition of the Angolan economy. The Swedish offering, characterized by sustainable business solutions, capacity building and favourable export financing, could contribute to the responsible development of Angola. Industries such as energy, transportation, ICT, healthcare, clean technology, sustainable business and mining, remain strong areas for Swedish businesses and companies for future projects in Angola. Although Angola is a complex market, Team Sweden is ready to help you capture business opportunities that will undoubtedly arise as the country grows.

1 | SEK is a state-owned company that finances Swedish exporters, their subsidiaries, and foreign customers.

2 | EKN insures export companies and banks against the risk of non-payment in export transactions.

SECTION 1- POLITICAL AND ECONOMIC OVERVIEW

POLITICAL OVERVIEW – SAME PARTY, NEW PLATFORM

Since the end of its civil war in 2002, Angola's political arena has been dominated by the Movimento Popular de Libertação de Angola (MPLA). After serving 38 years in office, MPLA President José Eduardo dos Santos relinquished power and, in 2017, President João Manuel Lourenço was sworn into office, becoming Angola's second post-war president. Although, still a member of the MPLA, President Lourenço ran on a reformist agenda, promising to curtail corruption and improve the average Angolan's economic prospects.

Reforms - Corruption & transparency

President Lourenço campaigned on the promise to root out the rampant corruption that had become commonplace under the previous regime. While far from finished, the President is largely making good on his commitment. President Lourenço surprised many by going directly after the dos Santos family; first arresting and prosecuting the son of the former president, Jose Filomeno dos Santos, for transferring half-a-billion dollars from Angola's sovereign wealth fund to a private bank account in the United Kingdom. More recently, at the end of 2019, the President froze the assets of Isabel dos Santos, the former President's daughter and CEO of the state-owned oil company Sonangol, on charges of embezzlement. Lastly, Welwitschia dos Santos, the President's younger daughter, recently fled the country and was suspended from her position in parliament which she has held since 2008.

Since President Lourenço's election, Angola has climbed from 167th to 146th in Transparency International's corruption ranking.

President Lourenço has targeted former politicians as well, jailing the former Minister of Transportation and head of the Eduardo dos Santos Foundation, Ismael Diego, for the misappropriation of 20 MUSD while in office. President Lourenço is also attempting to make structural changes to decrease corruption which has included abolishing the requirement for foreign firms to have a local partner, a regulation which lent itself to corruption and kickbacks. As a result of his efforts, Angola has risen to 146th from 167th between 2020 and 2017 in Transparency International's corruption ranking.

Along with anticorruption, transparency is improving incrementally. While the majority of the media in Angola is still owned by the government, and legislation still exists that could be used to control the press, there have been some promising developments; media outlets have started to report the views of the opposition and the judicial system recently acquitted a journalist who was on trial for exposing corruption in the government. While a far cry from a truly free and independent press, Angola is moving in the right direction, which was also confirmed in the United Nations' Human Rights Council at the Angola UPR (Universal Periodic Review) late 2019.

International engagements

European Union

Angola's main tie to Europe has traditionally been through its continuing relationship with Portugal. After centuries of colonization, Angola won its independence from Portugal in 1975. Relations between the two countries remained tense throughout the civil war but began to improve in the 1990's. Although Portugal initially held more economic power, this relationship reversed as oil production increased in Angola, culminating with the Angolan elite investing heavily in the Portuguese economy during their financial crisis. This relationship of economic interaction has persisted as Portugal remains one of Angola's top trade partners. More generally, Angolan-EU political relations have been improving since President Lourenço took office and began implementing his reform platform. These political ties are based on the ACP-EU Cotonou Partnership Agreement, which was signed in 2000 and focuses on the development of the Angolan economy and promoting good governance. This was fortified in 2012 when the EU and Angola signed the Joint Way Forward, an agreement to increase ties between the two political entities via five priority areas: peace and security, good governance and human resources, economic cooperation and trade, and energy. The most recent ministerial meeting for the initiative successfully took place in September 2020 via video conference, and the next is scheduled for 2021 in Luanda. While China continues to grow its presence across Africa and Angola, there is still a strong desire in Luanda for a continued partnership with the EU. This is exemplified by the fact that the EU remains one of Angola's largest development partners, mainly via European Development Fund and in January 2020 the European Commission signed a total of 34 MEUR for additional development projects.

China

China has established itself as one of Angola's most important international partners with over 50% of current exports going to China. Although China began to strengthen its ties with Angola in the 1980's, the relationship deepened during the first two decades of the 21st century due to China's readiness to provide Angola with financing at a time when the IMF and other international donors were unwilling. In order to secure financing, Angola negotiated oil-for-infrastructure deals with China worth billions which has left Angola heavily indebted to China.

OPEC

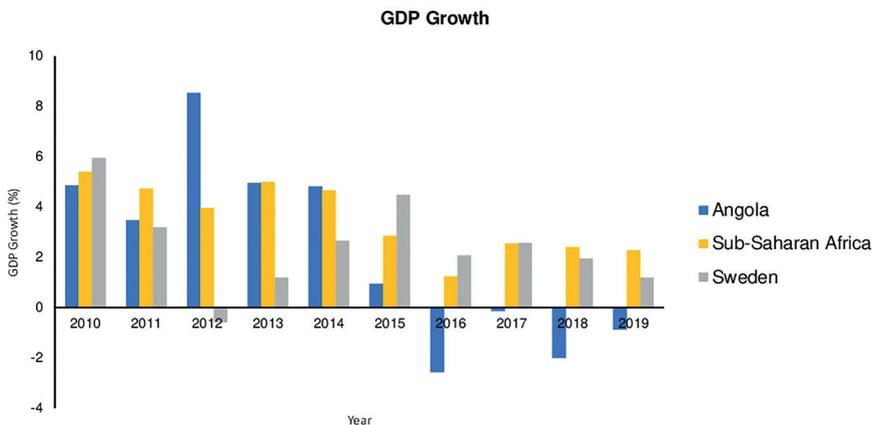
With oil production rising, Angola joined OPEC in 2007 in an attempt to raise its global profile and increase its international influence. Although its membership has provided the country a larger voice internationally, it has also constrained Angola's ability to determine its own production level. For example, due to the crash in the price of oil in early 2020, OPEC has taken the decision to decrease production which will require Angola to reduce its output from 1,39 to 1,18 million barrels per day.

ECONOMIC OVERVIEW – OUTLOOK POSITIVE AS BUSINESS CLIMATE IMPROVES

Angola is Africa's fourth largest economy with a GDP of 94,64 BUSD in 2019. On a regional level, Angola is the second largest economy in Southern Africa and constitutes 19,5% of Southern Africa's GDP. Angola's economy is driven by the oil sector with oil production and the supporting services accounting for more than a third of the country's total GDP. This reliance has resulted in a high-level of exposure volatility in the price of oil as demonstrated by the effect of the price crash in 2014, leading to the current economic recession that the country has been dealing with since 2016. Although Angola was expected to exit its recession in 2020, the COVID-19 pandemic and low oil price thwarted Angola's economic recovery. These economic hardships, coupled with Angola's high debt burden, have resulted in international lenders to question Angola's ability to repay its loans in the future. Unless addressed, Angola's large debt will constrain the country's ability to finance future projects. However, there are signs of an economic recovery and Angola is expected to record positive growth in 2021 as the price of oil recuperates and the President's economic reforms take effect.

GDP growth

Due to increased oil production and the post-war reconstruction effort, Angola was one of the fastest growing countries in the first decade of the 21st century, as evidenced by its 17% annual growth rate between 2004 and 2008. However, the 2009 financial crisis and the oil price crash in 2014 derailed Angola's economy and stalled growth over the past ten years. Currently, Angola is fighting to restart its economy and end a multi-year recession, an unlikely prospect given the COVID-19 pandemic and low oil prices. However, the President's attempt to diversify the economy and transition away from a state-led oil economy to a private-sector-based growth model provides optimism for Angola's long-term economic prospects. This optimism is reflected in economic growth projections which project a recovery in the coming years as the President continues to implement his reforms.

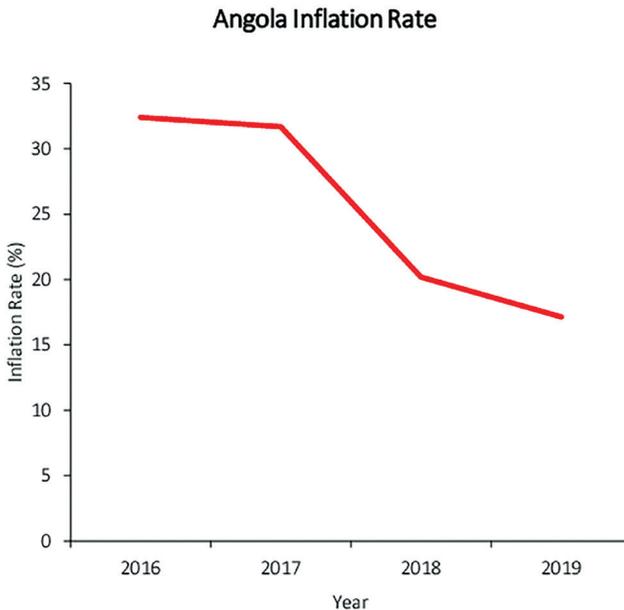


Trade

Angola's main trade partners include China, India, the United States and the EU. In 2018, Angola's exports were valued at over 40 BUSD, with petroleum products and diamonds accounting for approximately 90% and 6% of total exports respectively. The majority of exports are sent to Asia, particularly China which received more than half of Angola's exports in 2018. Imports to Angola totalled 14,5 BUSD in 2018 with refined petroleum, special purpose ships – used in the oil industry – and food items constituting a large portion of imported goods. China provided Angola the largest amount of goods, accounting for nearly 16% of all imports.

Inflation & Monetary policy

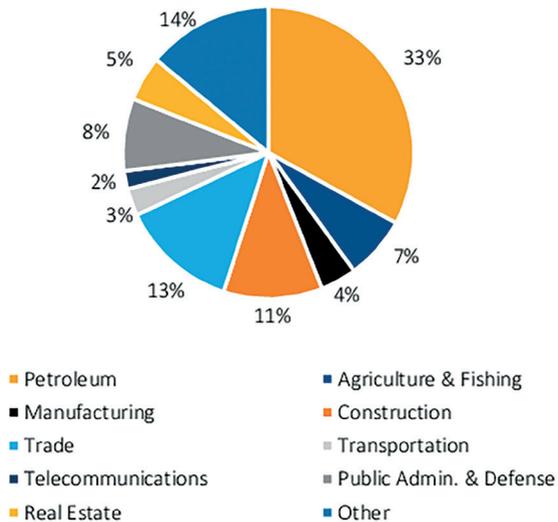
In 2016, prior to President Lourenço's ascent to power, Angola's inflation increased to over 30%. Since 2017, the Banco Nacional de Angola (BNA) has adopted a restrictive monetary policy to decrease and stabilize inflation. These policies have largely worked as inflation has fallen to 17% in 2019. Currently, the BNA has started to follow a more relaxed monetary policy to encourage economic growth, however inflation has increased during 2020.



Main sector – Angola’s economy still runs on oil

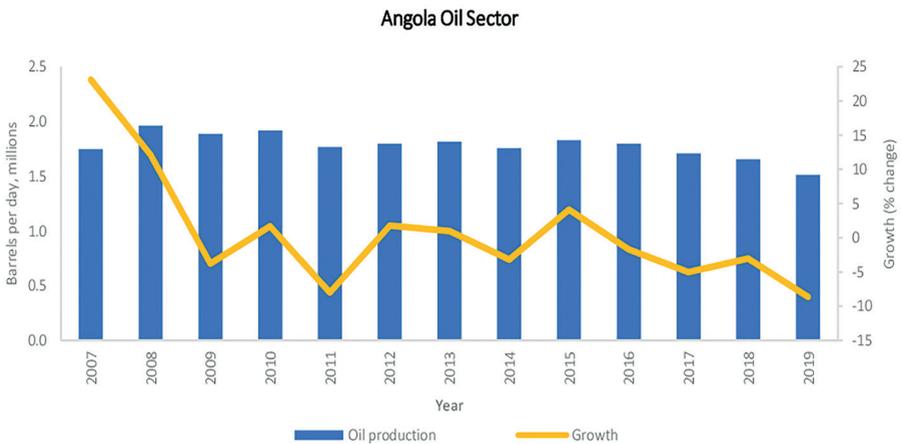
Angola is the second largest African oil producer, trailing Nigeria. The oil sector is the basis of the Angolan economy and accounts for approximately 90% of the country’s exports, 70% of the government’s revenue, and over 30% of the country’s total GDP. Other important contributors to Angola’s GDP include trade (13%), construction (11%), public administration (8%) and agriculture and fisheries (7%). Angola’s economic fortunes have been directly tied to the oil market with the explosion of the oil sector fuelling Angola’s meteoric growth in the early 21st century and the price crash in 2014 stalling its progress for the past five years. Historically, the sector has had a high-level of government involvement, particularly via the state-owned oil company, Sonangol.

Angola GDP, by sector 2019



Source:
BNA

However, President Lourenço is attempting to revive the sector and slow the decline in oil production by introducing tax incentives, auctioning new oil blocks, unbundling Sonangol into two companies, and partially privatising the company with a 30% share sale in 2022. If successful, these reforms should help revitalize the Angolan oil industry and help the government achieve its fiscal objectives. However, the industry also faces some headwinds; firstly, the recent crash in the oil price hurts Angola and, although the price is expected to recover partially, it will likely be a lengthy process.



Secondly, due to the COVID-19 pandemic, many of the oil majors in Angola had to halt exploration and while this has no effect on current output, it will delay future increases in production. Moreover, due to its membership in OPEC, Angola is required to follow the organizations complex quota system which decided to decrease production in early 2020, forcing Angola to reduce its output from 1,39 to 1,18 million barrels per day. Despite these challenges, upstream operations and oil exploration is characterized by a strong international presence with the three largest players being Total, Chevron, and Exxon Mobil who control 41%, 26% and 19% market shares respectively.

Economic reforms – Macroeconomic Stabilization Programme

In addition to his political reforms, President Lourenço is working to improve the Angolan economy. In 2017 the new regime inherited a large debt burden from the previous government which had been borrowing irresponsibly for many years. As a result, public debt peaked near 100% of GDP this past year, costing 60% of the government's budget, approximately 9 BUSD, to service. In order to reduce the country's debt burden and stabilize the economy, the President partnered with the IMF and introduced the Macroeconomic Stabilization Programme (MSP), which consists of three main interventions: fiscal consolidation, restrictive monetary policy, and improvements to the business climate. As part of the deal, Angola agreed to pursue:

- **Fiscal consolidation:** As part of the MSP, the Angolan government committed for restoring fiscal sustainability by decreasing spending and increasing government revenues. The Angolan government has planned strict budgets and committed to using revenue windfalls to reduce the public debt. This was exemplified by the government, in early 2020, reworking its budget in response to fall in the price of oil; decreasing spending to match a budget based on an oil price of 35 USD per barrel rather than the original 55 USD. In addition to enacting austerity measures, Angola is attempting to increase tax revenues, introduced a 14% value-added tax (VAT) in October 2019 which replaced the previous 10% consumption tax. As part of the IMF programme, Angola also agreed to stop making oil-for-infrastructure agreements with China which have previously contributed to the current debt situation. Although these measures have improved Angola's economic fundamentals, the current economic situation has forced Angola to seek debt relief from both the G20 and China.

- **Restrictive monetary policy:** Rebalancing the foreign exchange market and containing inflation was the second pillar of the MSP. Prior to the programme, Angola had a pegged exchange rate which had created a large discrepancy between the official and black-market exchange rates. In 2018, Angola began increasing its exchange rate flexibility while simultaneously pursuing a restrictive monetary policy. This strategy has decreased the gap between the official and black-market exchange rate while also lowering inflation.

- **Improved business climate:** The last pillar of the MSP was to improve the business climate. The main actions Angola has taken in order to achieve this include:

- **Lowering trade barriers:** In order to promote growth and increase regional economic integration, Angola is currently in the process of joining the SADC's (South African Development Community) free trade union. The deal is expected to be finalized by 2021 and the lowering of trade barriers between Angola and the other member countries will occur over the next 10 to 15 years. This will provide Angola with access to all the SADC markets apart from the Democratic Republic of Congo which has not joined the free trade union. Angola has also shown positive and constructive signals regarding joining the SADC-Economic Partnership Agreement (EPA) with EU. Consequently, Angola and the EU have begun preparations for negotiations.

- **Privatisation of state-owned enterprises:** In an effort to improve the business climate and strengthen the private sector, the President has presented a privatisation plan which spans from 2019 to 2022 and aims to privatise 195 public companies, including state-owned enterprises (SOE) operating in the mining, agriculture, telecommunications and finance sectors. The proceeds are intended to finance economic and social development programmes.

- **Introducing a new Law of Investment:** The newly adopted Law of Investment has simplified the requirements for foreign investors interested in entering the market. The new legislation removed requirements on the minimum amount for foreign investment in Angola as well as the obligation to partner with an Angolan firm. Furthermore, the investor will receive benefits if they invest in a priority sector (education/research, agriculture, health services, forestry, textiles, hospitality, ICT, airport/rail infrastructure, electricity, waste treatment) and/or in the development zones.

The new Law of Investment removed requirements on the minimum amount for foreign investment in Angola as well as the obligation to partner with an Angolan firm.

- **Introducing a new Anti-Trust Law:** Angola has also recently introduced a new, independent competition regulator, Autoridade Reguladora de Concorrência (ARC), to enforce new anti-trust laws. The regulator will monitor companies and mergers in order to ensure a “market economy based on fair competition, morality, and ethics”. The new law and regulator should increase the overall competitiveness of the Angolan market.

SECTION 2 – SWEDISH BUSINESS IN ANGOLA: OPPORTUNITIES AND CHALLENGES

Angola is a complex market and thus requires careful consideration prior to entry. However, there is a demonstrated appetite for Swedish solutions. Historically, Swedish business activities in the country have been focused on the energy, ICT, and transportation sectors but, as the country continues to grow, new opportunities in industries such as mining and healthcare will likely become available. The Swedish offering is particularly attractive in Angola due to the ability of Swedish companies to provide financing solutions via EKN and SEK as well as their commitment to sustainable business practices. This includes hiring local workers, promoting knowledge transfer via projects, implementing anti-corruption measures, providing safe and fair work environments, and encouraging measures to protect the environment. The commitment by companies to conducting business in a socially and environmentally sustainable manner has contributed to the positive reputation of Swedish products and businesses.



ABB, Sweco, Ericsson, Appy Saúde, and Team Sweden inside the Banco Nacional de Angola.

OPPORTUNITIES

President Lourenço has explicitly stated his high ambitions to strongly improve Angola's economy. Angola's National Development Plan (NDP) states goals for the country to achieve by 2020 and provides a framework for how they will be reached. Among other goals, the NDP proposes:

- Restoring economic prosperity with 3% annual GDP growth between 2018 and 2022;
- Ensuring economic stability by lowering inflation to 6,4% by 2022;
- Diversifying the economy with 5,1% growth in non-oil sectors;

A main pillar of the President's plan to achieve these aspirations is by attracting international investment, a boon for Swedish companies. The plan has also identified multiple key sectors on which the country will focus in the coming years, many of which match the Swedish offering.

KEY SECTORS

Energy

Angola's power sector is characterized by a segmented grid, low access, and a large dependence on hydropower. Recognizing these flaws, Angola's NDP focuses on increasing generation capacity, connecting the grid, and providing wider access to electricity. Angola intends to increase its installed generation capacity to 9,9 GW by 2025, of which 500 MW will come from renewable sources. Currently, nearly 60% of Angola's power is generated by hydropower which leaves Angola exposed to climate change risk. In turn, the government is attempting to diversify its sources of power generation while also taking advantage of its abundant hydro potential (5th globally). The country is also looking to improve its grid, firstly by linking the fragmented segments to create a unified grid. Additionally, the country would like to improve the grid quality in order to decrease its energy losses in distribution to under 25% by 2022. Lastly, Angola's government plans to increase the national electrification rate to 60% from the current 42% by 2025.

This will require large investments in extending the current grid as well as using distributed, renewable energy sources to provide electricity to hard-to-reach communities. To this end, Angola is currently undergoing the Aldeia Solar programme with the objective to implement photovoltaic solar systems in rural areas not covered by the grid.

Transport

Angola's transport infrastructure is lacking; with only a fifth of the country's roads paved, and antiquated navigation systems in the aviation and maritime sectors, Angola is ranked 136th for its infrastructure by the World Economic Forum's Global Competitiveness Index. In order to expedite its economic growth, both of domestic sectors and as a transport hub for countries such as the DRC and Botswana, Angola is aiming to upgrade its transport infrastructure and establish an integrated network that includes land, air and maritime transportation methods. The plans include improvements in aviation and maritime navigation and infrastructure, as well as multiple upgrades to existing airports and ports. Additionally, the NDP emphasizes the importance of upgrading the public transport system. Construction on a bus rapid transport (BRT) system in Luanda is ongoing and the NDP calls for 240 BRT vehicles to be deployed by 2022.

Telecommunications

Improving telecommunication infrastructure is an area of focus for Angola. Although the sector has historically been characterized by a high-level of state involvement and a lack of competition, President Lourenço is attempting to create a more efficient and competitive telecom market. Currently Angola has four telecom operators – Unitel, Movitel, Angola Telecom, and the newly licensed Africell. There are two fixed-line operators – Angola Telecom and MSTelcom. Unitel dominates the mobile market while the state-owned Angola Telecom still largely controls the fixed-line market. Although the sector is still nascent, when viewed in concert with the youth, size, and growth of Angola's population, it provides a large opportunity for investment. The NDP is focused on increasing access to ICT technology and improving overall quality. The plan calls for the expansion of network coverage for rural areas from 34% in 2017 to 89,7% by 2022. The plan also aims to increase the per capita international internet bandwidth fivefold by 2022.

Mining

President Lourenço is attempting to reform the mining sector and has already introduced a new mining code and changed Endiama's, the national mining company, role away from concessionaire to mining operations. Consequently, the Angolan mining sector is experiencing a resurgence; Angola is currently one of the top diamond producers and is poised to become the global leader as the country works to increase diamond production up to 13,8 million carats by 2022. Sustainability of the mining industry is continuing to grow in importance in Angola, particularly with regards to social impact. This movement began in the aftermath of the civil war when Angola became a founding member of the Kimberley Process, an international initiative focused on reducing the flow of conflict diamonds. Although not a focus area for Swedish companies operating in Angola in the past, Angola's focus on promoting environmentally and socially sustainable mineral resource extraction is a strong match for Swedish companies with traditional strengths in the mining sector. Positive news during 2020 is that Angola is in the process of joining the Extractive Industries Transparency Initiative (EITI).

Healthcare

Angola's health statistics belie its classification as a lower middle-income country. Although the healthcare system has improved, outcomes are still lagging; life expectancy is hovering around 61 years, far below the average of 69 years for lower middle-income countries. Moreover, Angola still has one of the highest child mortality rates, with many deaths resulting from preventable or treatable diseases such as malaria, diarrhoea, and respiratory infections. Recognizing the importance of amending this, the government is planning on increasing health spending from 8,53% to 15% of the country's GDP by 2022. Funds will be spent on programmes designed to improve maternal health, expand access, digitalize health records, and lower the disease burden from HIV/AIDS, malaria, and tuberculosis. Additionally, due to quality issues, many of the Angolan elite tend to go abroad for health coverage. These factors suggest that there is a large potential to both expand healthcare services to the broader population as well as to construct and supply private clinics for wealthier Angolans.

Agriculture

Despite its very favourable climate, Angola's agricultural sector remains sorely underdeveloped with only 10% of its arable land under cultivation. Prior to the civil war, Angola was a major exporter of coffee, sugarcane, bananas, and other agricultural products; however, the civil war displaced millions of people, semi-permanently disrupting the agriculture sector. The effects of the war on the agricultural sector are still felt as large areas of land still cannot be cultivated due to the presence of landmines leftover from the conflict. Fortunately, by partnering with three demining organizations, the government has been able to make measurable process as it attempts to demine the country. Although two-thirds of Angolans are engaged in agriculture, most farming is at the subsistence level, resulting with the majority of Angola's food, up to 80%, still being imported.

However, low oil prices are pressuring Angola to move away from this model and to reinvest in its own agricultural industry, which has gained even more importance during the Covid-19 pandemic. Moreover, due to an extended drought in Angola, in 2019 an estimated 2,3 million people were identified and suffering from food insecurity. Similarly, fisheries and aquaculture activities were negatively affected by the prolonged civil war. Prior to 2002, fishing was the third largest economic sector; this has decreased however and, in 2019, fisheries constituted merely 2% of total GDP. The decline has continued in recent years with total catch falling to approximately 230 000 tonnes in 2019, a decrease of 90 000 tonnes from 2018. Recognizing the importance of addressing both the economic and social challenges derived from underdeveloped agricultural and fishing sectors, President Lourenço has stated his desire for Angola to become self-sufficient in food production once again. This is reflected in Angola's NDP which focuses on improving policy and facilitating the commercialization of the agriculture, fishing and aquaculture sectors. Since food security and diversification of the Angolan economy are given high priority by the government there is a strong potential for Swedish offering in these sectors.

CHALLENGES

Despite the recent reforms, Swedish companies still face challenges when attempting to enter the Angolan market. Swedish companies present in Angola have specifically pointed to the following issues as areas of concern:

- **Corruption:** Despite recent anti-corruption progress, corruption is still an important consideration for Swedish companies when doing business in Angola. The President's reforms and his courageous steps against key decision makers during the last couple of decades, it will take time to reset the business culture. As such, companies entering the market should have a plan on how to handle corruption if it is encountered.



Although the process has improved, visas are still one the major obstacles to doing business in Angola due to the cost and amount of time necessary to acquire them

Senior Project Manager

Company in infrastructure sector

- **Visa requirements:** Conducting business in Angola still requires face-to-face interaction which, in turn, necessitates travel into the country. Although improved, the visa process is still time consuming and expensive with each visa costing approximately 120 USD (visa on arrival fees are paid in cash upon entry). Companies should budget for these costs, particularly when first establishing sales. Additionally, an invitation letter, can be required, and can be obtained via the Embassy of Sweden in Luanda, prior to completing the visa application.

Visa Application Checklist

- Photocopy of passport (valid for 6 months past your planned visit);
- White background, passport-sized photograph;
- Vaccine certificate including Yellow Fever;
- Proof of livelihood (200 USD per day);
- Proof of airfare with return ticket;
- Letter of invitation from Embassy;
- Visa fee (120 USD in cash, paid at the border);

To apply for a visa visit:

smevisa.gov.ao/

- **Financing:** The financing solutions provided by SEK and EKN have been crucial for Swedish companies' business strategy in Angola. However, the recent economic hardships, coupled with Angola's debt burden, makes it important to keep in close contact with EKN and its risk classification. Access to domestic capital in Angola is difficult and costly to acquire, which makes working with private sectors companies challenging for Swedish companies since the financing solution provided by EKN and SEK is only relevant for government deals. Another concern is the access to foreign currency and repatriating profits from the country. Although Angola is improving in this regard as its exchange rate becomes more flexible, it is still an issue to keep in mind while conducting business in the country.

ANGOLAN BUSINESS CULTURE

Angola has a distinct business culture which should be considered to maximize the likelihood of winning a deal in the country.

- **Trust:** Angolans prefer to conduct business with people they know and trust. Consequently, it is important to take time to establish relationships, particularly through in-person meetings. Expect to make multiple trips to Angola to establish the necessary relationships.

- **Hierarchy:** Unlike Sweden, Angola's business culture is hierarchical. It is important to address the most senior representative present and to use the correct title (e.g. excellency for a government official or doctor).

- **Greetings:** Greetings are particularly important and should not be rushed. Handshakes are common although, if meeting with someone obviously older or more senior, a slight bow may be appropriate to add to the handshake. It is also important to take time to inquire about the other person's family and general wellbeing.

- **Punctuality:** Punctuality is valued in Angola, although it may not always be honoured from the Angolan counterpart. Meetings may not be confirmed until a few hours prior and are likely to be moved last minute. Be prepared to be on time, but you also need a flexible approach.

- **Communication:** Portuguese is the official language of Angola. Although many top executives do speak English, it is not widespread in the country and should not be expected. As such, it is important to have an interpreter or a fluency in Portuguese. In Angola, it is also considered quite rude to interrupt someone; it will be quite rare that an Angolan will interrupt while someone else is speaking and they expect the same in return. Another difference to Swedish business culture is that Angolans are less concerned with personal space and tend to stand quite close throughout an interaction. Resist the temptation to move away as it may cause offense. Lastly, Angolans tend to provide the answer they believe the other party would like to hear. As a result, it can be difficult to get a clear answer to a proposal, particularly if the response is negative. To avoid miscommunication, ask for specifics rather than taking vague statements at face value.

- **Dress code:** Angola is still very traditional with its dress code and formal attire is expected for business negotiations. Angolan's show respect via their clothes and expect the same in return. Do not attend business meetings in casual wear as you may offend your prospective partner or client.



You need to be in Angola to conduct business... it is better to not write emails to establish a contact but instead to meet with them

Senior Project Manager
Company in infrastructure sector

SECTION 3 – TEAM SWEDEN IN ANGOLA

Team Sweden Angola was established in the autumn of 2016, by initiative of the Embassy of Sweden in Luanda with support from Business Sweden in South Africa, SEK and the EKN, in order to promote trade between Sweden and Angola. The aim of Team Sweden Angola is to:

- Reinforce the commercial relations between the countries;
- Increase the presence of Swedish industry in Angola;
- Market the Swedish offering in Angola;
- Assist Swedish companies interested in entering the Angolan market;

Since the establishment of Team Sweden Angola, several delegations and business networking activities have been organised to promote Swedish business solutions. The Embassy has heavily prioritized promoting the Swedish offering using social media and more traditional communication mediums. These active communication efforts have created interest from the Angolan counterparts in Swedish solutions and, as a result, the Embassy was awarded the price as the media profile of the year 2017 by the Swedish Minister for Foreign Affairs. Moreover, in an effort to support Swedish companies interested in or already operating in Angola, the Embassy produces an annual trade barrier report based on company input. Please report any trade barriers you experience while working in Angola so that the Embassy, in concert with Business Sweden and the National Board of Trade, can work to better support and advocate for the needs of Swedish companies in Angola.



ABB, Sweco and SEK in the company of the Ambassador and Business Sweden are having a meeting with João Baptista Borges, the Minister of Electricity and Water.

PAST PROJECTS AND OUTCOMES

Energy Study and workshops

In 2015 Sweden became the first international partner of the US-led “Power Africa” initiative, committing 1 BUSD over ten years to fund the development of the African energy sector. The supporting Swedish programme, Energy for Africa, was launched in 2016 and specifically serves as a conduit for supporting country initiatives such as Angola’s “Vision of 2025”. In response to the Angolan Ministry for Energy and Water’s Energy Road Map, published in 2017, Team Sweden developed a report to provide insights on the possible role that Swedish companies could take in Angola’s changing energy industry.

The report outlined:

- Structure of the energy industry
- Key players
- Current energy landscape
- Future as mapped out by the “2025 VISION”
- Opportunities for Swedish companies
- Challenges facing Swedish companies
- Role of Team Sweden

Building on the report, in February 2019 Team Sweden Angola invited Swedish companies, the Angolan Ministry of Energy and Water, and the Angolan Agency for Import and Export Promotion (AIPEX) to participate in a breakfast seminar in Stockholm. The objective of the “EN-POWERING 2025” breakfast seminar was to present the Swedish offering and to identify areas of collaboration based on Angola’s goals and vision. The workshop included a presentation of case studies, observations from local energy experts and an overview of the Swedish finance and export credit system (SEK and EKN).

FILDA

The Luanda International Trade Fair, FILDA, took place in July 2019 with the theme “Dynamize the private sector and promote economic growth”. While there was strong representation from Portugal (25 companies), South Africa (20 companies) and Italy (13 companies), Team Sweden helped organize a Swedish delegation which was well represented by Ericsson, SAAB, Volvo / Auto Sueco, Grupo SEAO and Atlas Copco. Moreover, although unable to physically attend, Team Sweden helped to distribute information for ScandGreen Energy, Sweco, FLIR, EKN.

In addition to the trade fair, the participating Swedish companies appreciated opportunity to attend a networking reception at the Ambassador’s residence which gave company representatives the opportunity to interact and mingle with key stakeholders in a more informal environment.

Digitalization Visit

Building on the Memorandum of Understanding signed in June 2019 between Sweden and Angola regarding ICT, Team Sweden organized a digitalization delegation to Angola in February 2020. Additionally, as a result of various renewable energy projects involving Swedish companies gaining momentum, the ICT-delegation was enlarged with representatives from the Swedish energy sector. The visit consisted of a series of workshops focused on regulation, connectivity, mobile money, and human and institutional capacity development as well as arranging B2B meetings and a networking event at the ambassador's residence. The visit allowed Swedish companies to meet with important Angolan stakeholders from both the private sector and the government to start business discussions. The visit agenda included meetings with several ministers and state secretaries of the Angolan government. The follow up with the participating companies three months after, found that the Swedish companies were pleased with the visit and that the delegation had created new business opportunities.



The delegation was very good for us, since it gave us opportunity to meet with the stakeholders in Angola such as the Central Bank, the IMF, MINEA, the Governor of Bengo and others.

Regional Sales Manager
Company in energy sector



Aptilo, Ericsson, Appy Saúde, Sweco, PTS, SPIDER and Team Sweden in a meeting with Adilson Miguel dos Santos, CEO of Angola Telecom during the Swedish digitalization delegation, February 2020.

FINAL REMARKS

Angola is both one of the largest and most complex economies in Africa.

However, the recent reforms in both the political and economic spheres are providing reasons for optimism. This momentum has been slowed by the tepid oil market and global COVID-19 pandemic, but the structural changes that have been accomplished should help Angola weather the storm and continue its upward trajectory as oil prices and the global economy recover. As such, Team

Sweden is ready to help you capture business opportunities that will undoubtedly arise as the country grows. The historic and excellent relations between Sweden and Angola since its independence has given Swedish business solutions a strong name in Angolan society. In these footsteps Team Sweden together with the door opening role of the Embassy of Sweden, we stand ready to promote and support Swedish business interest in Angola.

We look forward to hearing from you!
Team Sweden Angola



**Embaixada da Suécia
Luanda**





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