



## INTERNATIONAL

## ANGELA MERKEL MEETS ANGOLA'S PRESIDENT

Berlin | August 23, 2018



Angolan President João Lourenço paid a 48-hour official visit to Germany. During this visit he met with German Chancellor Angela Merkel and her counterpart Frank-Walter Steinmeier. The President's program was particularly busy, including the opening of the Angola-Germany Economic Forum, an interview with the Angolan community in Germany and a visit to Siemens headquarters.

### **Potential for stronger cooperation**

Following his meeting with Chancellor Angela Merkel, Angola's President João Lourenço called for investment in his country's infrastructure. Angola is Africa's second largest oil exporter, and is now aiming to diversify its economy. The country wants to become more attractive to investors.

### **Angela Merkel sees potential for stronger cooperation.**

Angola's new President João Lourenço introduced a reform agenda on taking office in September 2017. "We are happy to see that a fresh breeze is blowing in Angola since the new President took office, with reforms launched in a great many areas," said the Chancellor at a joint press conference with President Lourenço.

### **Incentives for investors**

Angela Merkel pledged support. The German government, she said, intends to provide Hermes export credit guarantees to back private investment in Angola. Germany is already involved in electrification in Angola, while cooperation in the field of tourism is another option, alongside infrastructure measures. "We have the potential to step up our cooperation," said the Chancellor.



Angolan head of state João Lourenço met his German counterpart Frank-Walter Steinmeier, on his second day of official visit to the European country

Since becoming President, João Lourenço has determinedly launched economic reforms, taken a tough line on corruption and worked for peace and security in the region. He has not been afraid to take on long-serving leaders. He is extremely popular among the Angolan people, and enjoys the support of the government ruling party (MPLA - Popular Movement for the Liberation of Angola).

A new law on private investment, for instance, makes it possible to conclude business deals without a local partner. Previously, at least 35% of a business had to be in Angolan hands. Although the new legislation does not apply to the oil and mining industries or the financial sector, it is a sign that under João Lourenço, the economy is opening up. The country's economy has suffered from the drop in oil prices.

#### **Greater transparency in bidding for public contracts**

Bidding procedures are to be re-opened for a number of large-scale projects that the previous government had placed in the hands of family members and friends of the previous President. All these reforms also aim to create more market-economy incentives. The reforms have been very much welcomed by international observers, including the International Monetary Fund (IMF) and the World Bank.



ANGOLA

## ECONOMICS

## ANGOLA-GERMANY BUSINESS FORUM

Berlin, | August 22, 2018



He has opened the 7th Angola-Germany Economic Forum today as part of the official two-day visit to the European country. Some 220 entrepreneurs, including more than 150 Germans, attended the event in the interest of both sides in strengthening existing bilateral cooperation.

The meeting had six panels, specifically on finance, mineral and oil resources, infrastructure as well as health. Lourenzo traveled with nine cabinet ministers. The head of state and members of his cabinet are expected to discuss the programs implemented in the country, beside presenting investment opportunities, in a context of economic and financial crisis since the end of 2014.

Angola and Germany's Commerzbank signed an agreement in Berlin based on which the German bank will grant US\$500 million to fund basic infrastructure for the economic development of Angola and the import of diverse equipment of German origin, officials said in Luanda. Both countries have a trade exchange of 500 million euros per year, especially by the sale of Angolan crude oil. Merkel visited Angola in 2011, two years after former President Jose Eduardo dos Santos (1979-2017) visited Germany in 2009.



## Cooperation

## ANGOLAN PRESIDENT PLEADS FOR GERMAN TECHNOLOGY IN THE ENERGY SECTOR

Berlin | August 23, 2018

Angolan President João Lourenço on Wednesday August 22, in Berlin expressed interest in receiving German funding and technology for the Caculo-Cabaça and Zenzo (Kwanza Norte) hydroelectric plants, as well as for the construction and modernisation of substations and power distribution grids in the province of Namibe.

Lourenço was speaking at the Angola-Germany Business Forum, as part of his official visit to the Federal Republic of Germany. According to the president, there is already an increasing interest from German companies in also being involved in the areas of construction, energy and water, inspection of works and equipment supply.



Lourenço said that this interest is evident in the participation of German companies in energy production projects in Angola, such as the supply of electromechanical equipment to the Cambambe dam (Kwanza Norte province) and the monitoring of the Lauca dam (Malanje province).

The President also recalled that a number of legal instruments have already been signed to strengthen cooperation between the two countries, including an Agreement on the Promotion and Reciprocal Protection of Investments, a Joint Declaration of Intentions, the creation of the Angola-Germany Bilateral Commission, and Rules of Procedure of the Angolan-German Consultative Group on economic issues. Lourenço said that the Convention for the Prevention of Double Taxation and Tax Evasion, agreements and memoranda in the areas of health, finance, air transport, visa suppression for diplomatic and service passports, agriculture and forestry were still under discussion.

The two countries established diplomatic relations in 1979, with the high point being an official visit by the former President of the Republic of Angola, José Eduardo dos Santos, to Germany in 2009 and a visit by Angela Merkel, Chancellor of the Federal Republic of Germany to Angola in 2011.



## COOPERATION

## ANGOLAN PRESIDENT TO ATTEND THIRD EDITION OF FOCAC

August 30, 2018 | Luanda, Angola



A bilateral meeting between Angolan President João Lourenço and his Chinese counterpart Xi Jinping is scheduled for next Sunday in Beijing, the Foreign Ministry said in a statement on Wednesday.

João Lourenço heads the Angolan high-level delegation to participate in the 3rd China-Africa Cooperation Forum (FOCAC), which will take place in the Chinese capital on 3 and 4 September. To prepare for the visit of the Angolan President, Foreign Minister Manuel Augusto will travel to Beijing this Thursday, according to a ministerial statement. On Monday, the head of the Angolan diplomacy will attend the opening ceremony of the High Level Dialogue between Chinese and African leaders.

On the same day, Manuel Augusto will attend the sixth conference of businesspeople from China and Africa, taking place at the local National Convention Center, on the fringes of FOCAC. The China-Africa summit, which takes place for the second time on Chinese soil after 2006, is a platform for consultations and collective dialogue, aimed at strengthening consensus and deepening friendly relations. The intensification and promotion of cooperation between the Asian giant and the mainland countries are also part of the forum's focus. The first edition of FOCAC was held in Beijing in 2006 and the second in South Africa in 2015.



Luanda | August 28, 2018



Banco Angolano de Investimentos (BAI) is one of the largest banks in the world and is the 20th on a list of the 25 largest banks in Africa, according to British magazine the Banker. According to the British publication, the position that BAI occupies in the list of the largest banks in Africa is due to its high liquidity profile with its cash and liquidity applications representing 33% of total assets and high solvency. Its regulatory solvency ratio has reached 19%, which is above the 10% minimum required by the National Bank of Angola (BNA).

The list points to increases in profits of sub-Saharan African banks compared to the previous year, boosted by the region's overall economic recovery, with Angolan banks contributing 22% to profits. Last year, BAI posted a net profit of 55 billion kwanzas, an increase of 11% over the previous year, which reflects the bank's leading position in terms of deposits.

To rank the development and growth of banks around the world the Banker magazine compares indicators such as assets, solvency and liquidity ratios and pre-tax benefits. BAI is present throughout Angola, with more than 142 service points, including branches and business centres, and has about 2,000 employees. The Bank is also present in Portugal and Cabo Verde (Cape Verde), through wholly-owned subsidiaries and has a minority stake in Banco Internacional de São Tomé e Príncipe.



## FINANCE

## ANGOLA CALLS FOR IMF FINANCING OF US\$4.5 BILLION

Luanda | August 27, 2018



Angola will discuss with the International Monetary Fund (IMF) a financing programme of US\$4.5 billion under the assistance programme requested by the Government, the Angolan Finance Minister said in Berlin. According to the Angop news agency, Minister Archer Mangureira revealed that the funding will be made available in three tranches of US\$1.5 billion per year, with a view to implementing the Macroeconomic Stabilisation Program (PEM) set out by the Angolan Government for the period between 2018 and 2022 .

The Angolan Finance Minister said that the Extended Fund Facility (EFF), which comes after the agreement negotiated by the Angolan government and the IMF in 2008, is fundamentally aimed at consolidating the fiscal adjustment. The ongoing tax reform programme, he added, focuses on the stability of net international reserves, which has ensured more efficient operation by economic agents.

In the financial system, he added, the government intends to continue regulating and supervising the banking system, in order to reduce bad credit and strengthen the compliance system. Archer Mangureira pointed out that with the current macroeconomic stabilisation policies, the government intends to “change the path of public debt” of the State, reducing the fiscal deficit in the general budget from 7% in 2017 to 3.4% in 2018 .

The minister said the main intention of the planned tax reforms is to allow the collection of more revenues in the non-oil sector, whose activity has registered significant increases in Angola’s Gross Domestic Product (GDP). The IMF confirmed on 21 July that it had received a formal request from the Government of Angola to begin discussions on an economic programme financed by the international institution under a support programme. Tao Zhang, deputy director of the IMF, said negotiations for the loan should begin “as soon as possible” while Angola’s Finance Minister noted that they will start as early as October.



## FINANCE

### AFRICAN DEVELOPMENT BANK OPENS \$ 700 MILLION CREDIT LINE FOR ANGOLA

Luanda | August 30, 2018



Over US \$ 700 million from the African Development Bank (AfDB) are available to support public and private sector projects in Angola, said Thursday in Luanda, the bank's strategist, Joel Daniel Muzima.

The official spoke at a seminar on financing instruments for international institutions, sponsored by the Ministry of Finance, and said that the support includes financial sector with USD 425 million, agriculture and fisheries with USD 101.7 million, water and sanitation USD 123.7 million.

Of the value, 90 million dollars are available for the social sector, 24 million USD for multi-sectoral transport and 4.7 million dollars for transport. He stated that the loans have a maturity of 20 years for the public sector and 15 for the private sector, including the five years of grace, and can be granted in US dollars, Euros, yen and rand.

As for the plans in the portfolio, the bank plans to reduce the minimum loan to private, which amounts to 30 million dollars, to benefit small and medium-sized enterprises. Founded in 1964, the AfDB has a capital of 100 billion US dollars and has 78 member countries, 53 regional and 25 non-regional.

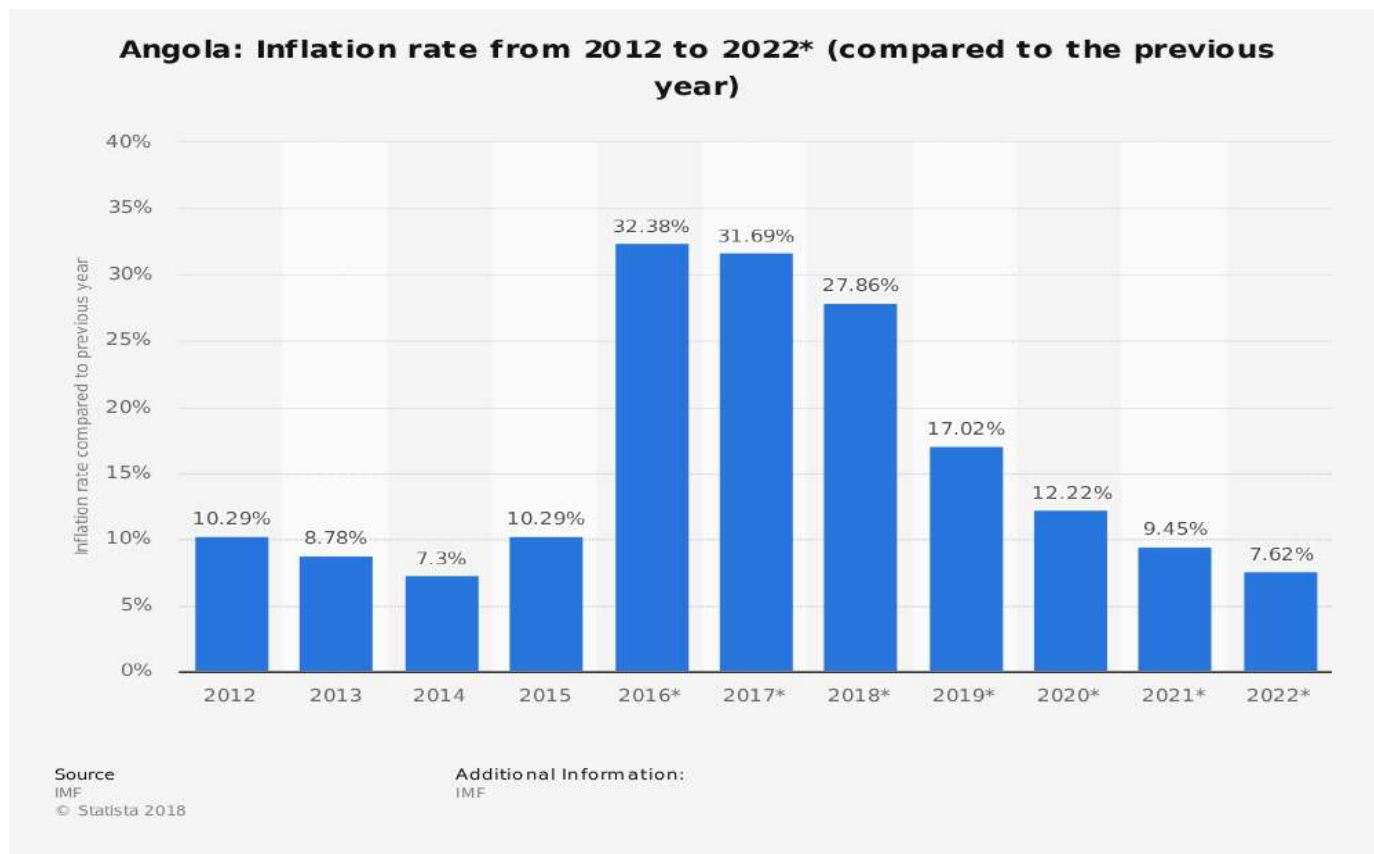




## ECONOMICS

### ANGOLA POSTS THE LOWEST ANNUAL RATE OF INFLATION SINCE FEBRUARY 2016

Luanda | August 17, 2018



Year-on-year inflation in July in Angola was the lowest since February 2016 at a rate of 19.01%, with the monthly price variation at 1.25% being the second lowest of the year, the National Statistics Institute (INE) said in Luanda. INE pointed out that the year-on-year rate of change fell by 8.28 percentage points compared to the same month of 2017 (27.29%) and by 14.71 percentage points compared to July 2016 (33.72%).

The statement on the evolution of the National Consumer Price Index (NCPI), which measures price variation throughout the country, shows that the highest increases in July were seen in the provinces of Malanje (3.11%), Bengo (1.89%), Cunene (1.75%) and Uige (1.58%), while the lowest occurred in Lunda Sul (0.76%), Kwando Kubango (0.81%), Namibe and Cabinda, both with 0.88%.

Year-on-year inflation was influenced by increases in the Apparel and Footwear expenditure category, with a rise of 2.11%, price increases in the Miscellaneous Goods and Services category (1.63%), Health (1.61%), and Leisure, Recreation and Culture (1.57%).