

Editorial

Angola - twelve years of peace, national reconciliation and socio-economic progress



H.E. the Ambassador of Angola in Hungary
Lizeth Nawanga Satumbo Pena

Since the advent of peace in Angola in 2002 after a long civil war, Angola had an undeniable progress in all areas. In 2013 Angola has consolidated its political, socio-economic, diplomatic and geopolitical gains. The country, in 12 years of peace, is proud to draw a very positive evaluation and pave the way to its future for the sustainable economic and social development.

On the political level, our country has continued to consolidate the democratic process and strengthen the rule of law. In economical and social point of view the goal was to continue the gigantic task of national reconstruction which is a success, and the implementation of the National Development Plan (five years plan). Indeed, Angola has been a real construction site since 2003 with all sectors covered. Reconstruction concerns cities, municipalities, roads, railways, bridges, social housing, airports, hydroelectric dams, industrial infrastructures.

The Government is carrying out this work successfully and the Head of State drew up the guidelines, with special attention given at the same time to the implementation of macroeconomic policies defined in the National Development Plan, the audacious reforms and the diversification of the economic activity in order not only to reduce the dependence from the oil sector, but also to highlight the abundance of the country's potentials. Economic diversification creates jobs and wealth.

In the diplomatic and geopolitical areas, as in the past, Angola continues to play an important role on the African continent. At the 2014 Best Wishes Ceremony to the Diplomatic Corps in Luanda, President Dos Santos said, and I quote: "The Republic of Angola has always been an important factor of regional peace and stability. Our country reaffirms its commitment to contribute, to the level of the African Union and the UN, in particular through the Security Council, for the preservation and restoration of peace, as well as the stability and international security."

Our country has an active diplomacy in the Great Lakes Region and Southern Africa and has been chosen by the Summit of Heads of States and Governments of the African Union as a candidate for a non-permanent member of the UN Security Council.

Regarding bilateral relationship, Angola and Hungary continued in 2013 the effort of strengthening and consolidating the relations between the two countries. The appointment of an Ambassador of Hungary to Angola, who presented his credentials at the beginning of 2013, was one of the important points expressing the will of the two States. In January 2014, the official visit by the Minister of State for Foreign Affairs, Zsolt Nemeth, which we cover in this newsletter, laid the foundations of a dynamic and promising cooperation between our two countries.

As part of the Global Opening Policy defined by senior Hungarian officers, Hungary leads a dynamic and active African policy. Indeed, this dynamism is testified by events such as the second edition of the exhibition on Africa and the "Budapest - Africa Forum" in June 2013 which the attendance of such eminent personalities from the African continent like the Foreign Minister of Ghana and the President of the African Union's Commission Dr. Nkosazana Dlamini Zuma, among others.

By

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Cooperation

Revival of bilateral cooperation between Angola and Hungary



HUNGARY'S MINISTER OF STATE FOR FOREIGN AFFAIRS, ZSOLT NEMETH AND
ÂNGELA BRAGANÇA, THE ANGOLAN STATE SECRETARY FOR COOPERATION



Zsolt Nemeth, Hungary's Minister of
State for Foreign Affairs,

“The Hungarian diplomat, Zsolt Nemeth, highlighted the historic ties between both countries, which allowed many Angolans to study in his country's universities”

The Minister of State for Foreign Affairs, Zsolt Nemeth, paid an official visit to Angola from 14 to 16 January, 2014. This is a strong diplomatic initiative which helped to rekindle and consolidate the high-level dialogue between the two States.

During his visit, the Hungarian Minister of State for Foreign Affairs had a busy work schedule. He met the State Secretary of Foreign Affairs for cooperation, Madame Ângela Bragança, he was received by the State Secretary of Agriculture, Amaro Tati, he also met the State Secretary of Higher Education António Miguel André and was received at the National Private Investment Agency (ANIP) by José Chinjamba, President of the Board of Directors of ANIP.

In discussions with Mr. Zsolt Nemeth, the Angolan Party noted that this trip would deepen existing political, economic and commercial relations between the two countries. Madame Ângela Bragança recalled that the first agreement signed between the two parties was dated April 8, 1977 when the two countries signed an agreement on economic, technical, scientific and cultural cooperation. Since then, a bilateral committee met several times to assess the terms of cooperation, allowing the exchange of ideas and experiences.

Mr. Zsolt Nemeth underlined the seniority of the relations between the two countries and he was glad that Hungary has allowed in the past to form many Angolan seniors. He was satisfied with the political and economic progress in Angola since the end of the war in 2002 and stated that there is a huge potential and countless opportunities for cooperation between the two countries.

The two parties agreed on the need to establish the conditions for signing a new agreement on economic cooperation to adapt to the new international situation and allow the boosting of bilateral relations by increasing the volume of trade.

Note that the Hungarian Ministry of Economy and its Angolan counterpart started consultations to prepare a new agreement on economic and technical cooperation.

We recall that the two countries maintain a high-level dialogue. Angola was represented by a delegation led by the State Secretary of Higher Education Mr. António Miguel André at the Afro - Hungarian Forum in Budapest in June 2013.

A new page in the relations between the two countries was opened.

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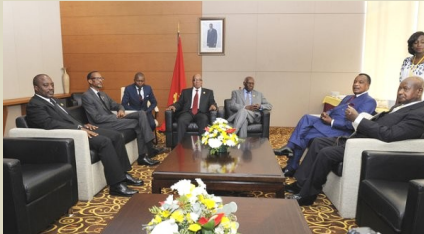
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Diplomacy

Angolan President Jose Eduardo Dos Santos elected chairman of the International Conference on the Great Lakes' Region.



Meeting of the Heads of State of the Great Lakes' Region, January 2014



Meeting of the Heads of State of the Great Lakes Region



Map of the African Great Lakes' Region

Luanda hosts Summit of African Heads of State

With a strong diplomatic battle in the search for peace and stability in Africa in general and in the Sub-Saharan region in particular, Angola has been designated, at the 5th Summit of Heads of State of the Great Lakes' Region, held in Luanda from 10 to 15 January, for the presidency of the International Conference on the Great Lakes' Region.

The Angolan Head of State, José Eduardo dos Santos, who was elected chairman of the International Conference on the Great Lakes' Region (ICGLR), invited for the occasion Member States to Luanda to work for the region's pacification and development.

At the end of the Fifth Summit, during a press conference, the Angolan President expressed his confidence to see the main conflicts find a peaceful solution. He promised to use the mechanisms of the ICGLR to ensure the achievement of organizational goals and solve the current problems, such as conflicts in the Central African Republic (CAR), South Sudan and the Democratic Republic of Congo (DRC). He said that the ICGLR is an institution with appropriate mechanisms to ensure the implementation of its decisions and it will be used for the implementation of the common strategy.

The Head of State, who ruled out the possibility of sending troops to the DRC, underlined that Angola was ready to provide humanitarian assistance to DRC, CAR and South Sudan, to encourage the displaced populations to return to their homes and refugees to return to their countries of origin.

Finally, recognizing that the process in CAR could be long, President Dos Santos has expressed the wish to see free and democratic elections in the country next year.

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ANGOLA

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Diplomacy



Vice-president of Angola, Manuel Vicente, attending the Summit of the African Union

The African Union endorsed the candidacy of Angola to become non permanent member of the Security Council of the United Nations



Georges Rebelo Chikoti, Minister of External Relations of Angola

The Angolan Diplomacy scored points by acquiring supports of a large part of states in Africa and the world, for its application to non-permanent seat in the Security Council of the United Nations. Indeed, the Summit of Heads of State and Governments of the African Union, which was held from 30 to 31 January 2014 in Addis Ababa, Ethiopia, has endorsed the candidacy of Angola as a non-permanent member of the United Nations' Security Council.

Let's recall that Angola was first elected non-permanent member of the Security Council of the United Nations on 27 September 2002 and held this position between 2003 and 2004.

Talking about the importance of the application of Angola as a non-permanent member of the Security Council of the UN, Mr. Georges Chikoti, the Angolan Minister of External Relations, noted that with the approval of the African Union, Africa demonstrates its full confidence in Angola to fully represent the continent at the decisions' greatest tribune. He stated: "The candidacy of Angola went through the African Southern region, then the African Union and will now be voted in the General Assembly, this means that in general, most international partners have confidence in Angola in addressing issues of peace and security. This is why Africa has elected Angola to represent the continent."

The diplomat said that "in addition to the campaign Angola leads among African countries, it continues to work on other countries because it will require the vote of two thirds of the members of the General Assembly of the UN to be elected."

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Economy

SONANGOL: National oil company, made bids for new concessions



The headquarters of Sonangol, Luanda

The Angola's National Society of fuels (Sonangol EP) will soon proceed to the launching of the new call for tenders for oil concessions in the onshore basins of Congo and Kwanza. According to a statement from the office of the communication and image of Sonangol EP which ANGOP (Angola Press Agency) had access, all national and international companies and all interested investors can compete for CON1, CON5 and CON6 blocks in the Congo Basin, and KON3, KON5, KON6, KON7, KON8, KON9 and KON17 blocks in the Kwanza Basin.

Economy

The oil sector attracts investors



Offshore infrastructure, Luanda

According to the report of Business Monitor International (BMI), the Angolan oil sector will experience sustained growth until 2018. The report notes: "We believe that Angola will remain as the main destination for investments in the oil industry in Africa."

The report refers to a Sonangol senior in Luanda, Domingos Cunha. He expects a very busy year in 2014, with the launch of oil exploration in the so-called pre-salt area. The pre-salt fields (for oil and gas) are located in the earth's crust, beneath layers of salt, about 7000 m depth and are very difficult to exploit. The Angolan authorities consider that there is a huge potential to exploit, similar to the discovery made in Brazil.

Domingos Cunha added: "We plan to increase the number of perforations in the coming years, we planned a total perforation of 32 wells this year including 15 holes that will allow to test the pre-salt layers. This is a huge effort compared to a single well perforated in 2013". The high member of Sonangol adds that by 2022 approximately 25 additional wells will be drilled.

BMI has published a parallel study of climate and business opportunities in Angola. Economic growth is expected to increase in the coming years thanks to a vast program of public investment and new oil production capacity. The study concludes: "We expect that real GDP will grow by 7.4 % on average between 2014 and 2018".

BMI analysts believe that inflation will remain under control this year, "balancing between 8 and 9.5% ". For the year that has just ended, BMI has revised downwards its previous economic growth forecast from 7.1 to 5.3 %. This decrease is due to the drought, the delayed projects and the reduced oil production. BMI believes that the public deficit was reduced from 2.7% to 2.1% of GDP, which is mainly due to the reduction of public expenditure compared to the forecast.

Economy

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Exceptional fall in inflation in Angola

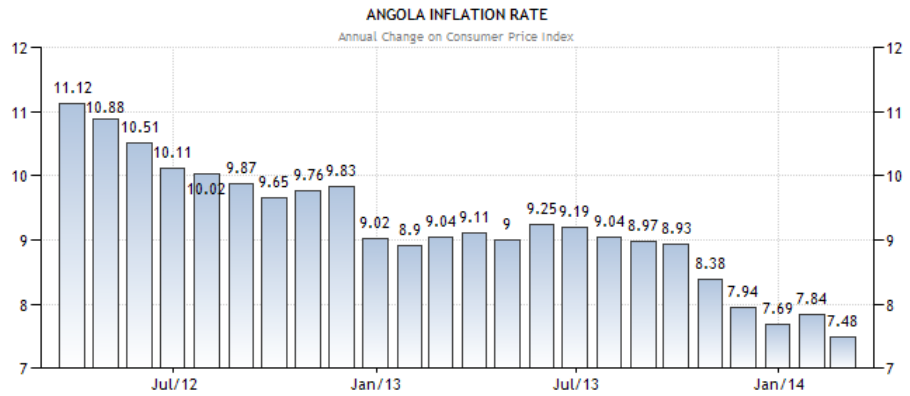


José de Lima Massano
Governor of the National Bank of Angola



1\$ US = 97,97 Angolan kwanza(AOA)
1 Euro = 135 Angolan kwanza (AOA)

Angolan Money



SOURCE: WWW.TRADINGECONOMICS.COM | INSTITUTO NACIONAL DE ESTATÍSTICA, ANGOLA

Inflation has recorded the lowest level ever. For 2013, the Government had set a target inflation rate of 10%. However, in late December the general increase in prices has reached a rate of just 7.6%.

According to data from the National Statistics Institute (NSI) based on the consumer price index (CPI) in Luanda, a decrease of 1.34 points was observed compared to December 2012.

From November to December 2012 prices rose by 0.07 %, which represents the lowest increase over the same period since 1991, when the inflation data recording started. Usually, this period has the highest price increase under the influence of demand during the holidays usually exceeding supply. It is believed that the improvement of the internal market, better organized, contributed to the relative stability of prices. The NSI data show once again that the change in the CPI in the province of Luanda in December, which is used to calculate inflation, corresponds to the downward trend of inflation initiated three years ago.

The National Statistic Institute (NSI) noted that the goods and services sector is one that has experienced the largest price increase, 1.8%; furniture and household equipment and maintenance 1.39%; clothes and shoes 1.19%; hotels, bars and restaurants 1.14 %.

The objective of the Government to keep the inflation rate below 10% is largely achieved. Indeed, over the same period in 2012 inflation was 9 %, and in 2013, for the first time, inflation dropped below 9%, reaching 7.9% in November.



ANGOLA

Economy

Angola Exports coffee GINGA



The Ginga products



In 2014, the Angolan coffee brand GINGA will be exported to the Namibian, Mozambican and South African markets.

It is an initiative of the company Angonabeiro, owner of the brand, which also plans to increase domestic consumption in Angola considered very low compared to the real potential.

According to the CEO of Angonabeiro José Carlos Beato, now the company is negotiating with its trading partners in South Africa, Namibia and Mozambique. José Carlos Beato considers that these three countries will serve as a network for exporting to European markets: "There are favorable conditions for such agreements to succeed. We hope that till the first quarter of 2014 Ginga coffee will arrive on the Namibian, Mozambican and South African market".

Domestic consumption of coffee increased by 25 % in 2011 and 40 % in 2013 but, according to José Carlos Beato, this increase is far below the prospects of the company Angonabeiro. He attributes this fragile increase to the low consumption of the internal market. According to him, "it is necessary to increase the consumption of coffee in Angola. In this perspective, the company Angonabeiro has launched several promotion campaigns and tasting of the product, especially at the fair in Luanda".

In the production area, Angonabeiro wants to expand the activity to Uige and Zaire provinces which are traditionally strategic production areas. José Carlos Beato said that in the two provinces there have been campaigns to promote agricultural fields growing coffee.

He concludes by considering that the increase in coffee production in Angola is necessary to enable the country to find a prime position within the main global producers of coffee. This implies, according to José Carlos Beato, support for the development of the industry in all phases: production, processing and marketing.

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Economy

Start of double taxation agreements between countries of CPLP and SADC

As part of its fiscal policy and public finance reform, the Government plans to establish double taxation agreements between countries with which it maintains special socio-economic and political relations, such as members of the Community of Portuguese Language Countries (CPLP) and with countries of the Southern Africa Development Community (SADC).

The Government's goal is to reduce double taxation and tax evasion, in the context of the reform of international taxation. The Government expects to have cooperation agreements with international institutions and organizations, focusing on the exchange of information for a more effective fight against tax evasion, organized crime and fraud tariffs. These actions are part of the National Five Year Development Plan from 2013 to 2017, which defines as fundamental task the reform of the tax system, the revision and improvement of the simplified tax system for familial economic activities and for micro, small and medium-sized companies.

Priority is also to introduce a new tax model on the income of natural persons and legal entities, its implementation and the regulation of the games' legislation. The objective is to create a simple, effective and fair tax system, in the collection of the tax.

Regarding the reform of the tax administration, the Government plans to improve its performance and the one for the customs administration. Future structure and its implementation has been programmed by the Government as well as administrative and computer sciences procedures to implement the amendment to the current legislation. The project also plans to conclude the program of expansion and modernization of the customs administration of Angola. It is to create mechanisms and institutions of coordination between the National Tax Department (NTD) and the National Customs Service (NCS) and allow the legislation of both components to be compatible. In addition, as part of the tax administration's reform, the National Development Plan (NDP) 2013-2017 aims to create and develop the Tax Training Institute to recruit and train new technicians for the administration of tax and customs throughout the national territory.



Map of SADC countries

Culture*Angola participates at the Africa 2014 Exhibition of Budapest*

Hungary held from February 27 to March 3, 2014, the third edition of the fair and exhibition dedicated to Africa "The Africa Expo and Fair", whose theme this year was - discover Africa -. This is an invitation and an encouragement to all, to choose Africa as a destination either for tourism, for a business trip or to invest.

As in previous editions, Angola was fully represented by its Ambassador in Hungary with the help of all the Angolan diplomatic corps accredited in this country. Angola was active in all events and led a fairly rich and varied stand, where we could see a variety of topics related to politics, economy, culture, art, fashion and tourism.

We must remember that every year Hungary organizes this event, led by the African Hungarian Union (AHU), a non-governmental organization in partnership with the Ministry of Human Resources, the Ministry of Economy, universities and research Centers on Africa. The exhibition is nonprofit and is generally opened to embassies, consulates, chambers of commerce, investment agencies, NGOs, development agencies, lobby groups, artists etc. Each year this event is an undeniable success, judging by the quantity and quality of the participants who include businessmen, researchers, students and potential travelers in love with Africa.

Exhibition themes are also increasingly rich and varied between round tables, film screenings, concerts and dances, fashion shows and each exhibitor country has at its disposal a stand to showcase the country.

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Africa 2014 Exhibition of Budapest's Gallery



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