

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Exporting to Angola

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Exporter Guide

Approved By:

Abigail Nguema

Prepared By:

Ricardo Dias

Report Highlights:

With a population of 25.8 million people and a growing retail sector, Angola is an attractive export market for U.S. agricultural products. Current U.S. agriculture exports are concentrated in the consumer oriented products category, which accounts for 94 percent of all U.S. agriculture exports to Angola. Angola is a significant importer of food and agriculture goods, with total imports reaching \$2.6 billion in 2015. However, GDP is expected to grow by less than 1.3 percent in 2016 (according to the Angolan national budget review), and a lack of foreign currency, depreciation of the local currency, and inflationary pressure are major threats to the Angolan economy.

Section I: Market Overview

Angola remains a significant importer of agricultural products, with total imports reaching \$2.6 billion in 2015 according to Global Trade Atlas data. This figure represents a nearly 40 percent decline from 2014 as a result of the country's economic downturn and a shortage of foreign exchange. Demand for food and beverages are driven by a population of 25.8 million.

The Angolan economy depends largely on the petroleum industry, which accounts for 50 percent of GDP and 75 percent of government revenues. As such, the country has faced an economic downturn in 2015 and 2016 due to the decline in global oil prices. GDP growth was three percent in 2015 and estimated at only 1.3 percent in 2016. Yet the IMF projects that the Angola economy will begin to recover in 2017. The government of Angola (GOA) has signaled an official policy of economic diversification in order to minimize the country's dependence on oil revenue as well as to reduce its dependence on imports. Within GOA efforts to diversify the national economy, the government has identified agriculture, agro-industry, fisheries, and manufacturing as priority sectors.

In the agricultural trade sector, the main U.S. competitors are Portugal, Brazil, South Africa, Malaysia, and Thailand. U.S. agricultural exports to Angola in 2015 totaled \$130 million, an estimated decline of 57 percent from 2014. U.S. exports to Angola are dominated by frozen chicken leg quarters.

Despite signs of economic growth, increasing unemployment and lack of consumer purchasing power continue to present great challenges for the country. Shortage of skills and relatively low general education levels also pose obstacles to Angola's economic development.

Basic Economics Indicators for Angola

Indicator	2013	2014	2015 <i>f</i>	2016 <i>f</i>	2017 <i>f</i>
GDP, USD billions	125	127	102	81	86
GDP per capita, USD units	5,276	5,199	4,100	3,150	3,238
Total investment, percent of GDP	14.7	15.3	9.3	10.5	11.6
Gross national savings, percent of GDP	21.4	12.4	0.76	-1.1	2.7
Consumer price inflation, percent	8.8	7.3	10.3	19.1	15.2
Goods and services imports, percent change	9	11.2	-23.8	-13.2	3
Goods and services exports, percent change	0.1	-2.1	7.9	8.2	-1.6
Population, millions	23.7	24.4	25.1	25.9	26.6
General government gross debt, percent of GDP	32.9	40.7	62.3	70.1	68.7
Current account balance, percent of GDP	6.7	-2.9	-8.5	-11.6	-8.8

Source: International Monetary Fund, World Economic Outlook Database, April 2016

f: indicate IMF staff estimates

Advantages and Challenges for U.S. Exporters

Advantages	Challenges
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Demonstrated consumer preference for buying frozen poultry and meat in bulk quantities.	Foreign currency shortage makes it extremely difficult for importers to pay their suppliers.
Railway systems recently improved.	Limited of knowledge of U.S. food products.
Improving relationship with the United States.	Frequent and poorly communicated changes in import regulations.
Demand for consumer-oriented food products is growing.	Business environment remains one of the most difficult in the world.
Formal retail market is growing and informal market is declining.	Continued reliance on declining oil revenue for foreign currency in the short to medium term.
Limited tariff and non-tariff trade barriers.	Rising inflation and currency devaluation.
Modern supermarkets & retailers in most major cities.	U.S. poultry, beef and pork will continue to face stiff competition from Brazil and Portugal due in part to Angola's strong traditional business ties to those countries.
The Government of Angola is focusing on diversification, which may present new opportunities.	

Section II: Exporter Business Tips

Business Customs

Angola has one official language, Portuguese, which is also the primary language for business communications. The country's three most widely spoken national languages are Umbundu, Kimbundu, and Kikongo.

Business meetings can be informal, such as get-togethers in coffee shops, or very formal at a company's headquarters. Smart business dress is appreciated, although because of the climate men often dispense with jackets and often do not wear ties. Businesswomen typically dress modestly with longer jackets and tops together with longer skirts or trousers. One significant challenge is that business meetings, especially with government officials, often are not confirmed until hours before the scheduled meeting time. Thus visiting companies must have flexibility. Business travelers who intend to spend a long time in Angola are strongly encouraged to get a cell phone to use while in country. Business cards are usually exchanged at the beginning of meetings, and most meetings include more than one representative of a particular organization. Presentations in meetings should be well planned, informative and to the point, always making sure time is allocated for questions and discussions.

Giving gifts to clients or providers is not a necessary practice, but it is normal for established business partners to do this type of exchange. However, bribery and corruption are present in the public and private sectors. Therefore, it is important to understand the difference between wanting to build a relationship with a client/provider and expecting something in return.

Food Standards and Regulations

The Foreign Agricultural Service office in Luanda, Angola prepared a report on Food and Agricultural

Import Regulations and Standards (FAIRS), which can be found at the following link:

- [FAIRS 2015](#)

General Import and Inspection Procedures

Food consignments are subject to random inspection and sampling at any point of entry into Angola to ensure that the food products are safe and comply with local regulations. Importers or freight forwarders are required to present the following documents to custom authorities for entry of products into Angola: a bill of entry, a customs worksheet, a commercial invoice, an import permit if necessary, special import certificates if necessary, all relevant transport documents, and the certificate of origin.

Angola is a member of the World Trade Organization (WTO) and must comply with relevant WTO agreements in relation to tariffs and duties. Detailed information on imports subject to duties or tariffs can be found on the Administração Geral Tributária (AGT) of Angola website:

www.agt.minfin.gv.ao/portalat/faces/legislacao/aduaneira.

Section III: Market Structure and Trends

Retail Sector

In Angola, food is sold both through modern retail and informal channels. Local industry sources estimate that the informal market accounts for approximately 80 percent of the national retail sales volume of agricultural produce. Informal retail includes both small grocers and open air markets (locally called “cantinas”). Since the end of Angola’s civil war in 2002, the importance of the informal retail sector has declined, especially in urban centers such as Luanda where formal retail is developing rapidly. The government is trying to formalize retail by establishing specific areas for open markets. In Luanda, municipal authorities are forcefully eradicating street vendors with laws that impose fines for both vendors and buyers. Public health concerns are the main reason provided by the government for the closures of informal open markets, as goods are often sold in poor condition, food is kept on the ground, without refrigeration and exposed to the sun, and expired goods are sometimes offered for sale.

As many other things in the country, shopping itself is not without challenges. Only a small percentage of Angola’s population owns a car, thus most people are dependent on overcrowded public mini-buses to reach hypermarkets and supermarkets. Consequently, the majority of the population prefers to shop close to home in open air markets or small grocers, which are perceived as offering fresher, less expensive food than hypermarkets and supermarkets. Even with convenient supermarkets opening in the past few years in the outer areas of Luanda, many Angolans feel more comfortable in informal markets. For this reason, local formal retailers have come up with various strategies to attract the informal market customer. Nosso Super, for example, opened its shops at locations near traditional market places. Hypermarket Kero, in turn, tries to make lower and middle income customers feel comfortable in its shops by playing loud Angolan music.

Changes in the consumer profile and demographics, increasing urbanization, improvements in infrastructure, and an increase in the number of international brands available in the Angolan market are

driving rapid developments of the retailing landscape. Consumers across income levels are becoming more sophisticated and demanding in terms of variety and quality. In the past, Angolans were satisfied with small grocers selling dry goods, but now retailers are expected to offer frozen goods as well. Historically, Portuguese, Lebanese and Indians have been the dominant players in the Angolan grocery retail market; however, due to the economic downturn and scarcity of foreign exchange many of these third country traders are leaving Angola. South African supermarket chain Shoprite is expanding in Angola and new players are entering the formal retail space, most recently the hypermarket Candando owned by Angolan Isabelle Santos. Some supermarkets target wealthier Angolans and expatriates such as Casa dos Frescos that offers the greatest choice of fresh produce and higher quality standards.

Leading Supermarket Retailers in Angola:

Retail Company	Number of Outlets
Nosso Super (Nova Rede de Supermercados de Angola) (managed by Kero)	28
Shoprite and Usave (South African Shoprite)	17
Maxi Cash & Carry (Teixeira Duarte)	14
Kero Hypermarket (Zahara Group)	12
Casa dos Frescos (Casa dos Frescos Group)	9
Mega Cash & Carry (Refriango Group)	1
Jumbo (Aunchan Group)	1
Mazarati (Group Dimassaba)	1
Deskontão (Jerónimo Martins group)	1
AngoMart (Sanzi group)	4
Alimenta Angola	2
MEL	1
MARTAL	2
Mercadão Cash & Carry (SODOSA group)	1
InterMarket (Italian Group)	1
TAKI (NDAD group)	2
Candando (Condis)	1

Section IV: Best Product Prospects

Product Category	2015 Total Imports	2015 Imports from United States
	USD (millions)	USD (millions)
Broiler Meat	209,3	109,3
Beef	145,2	4,1
Dry Beans	41,3	4,4
Wheat flour 1	175,5	-

Source: Global Trade Atlas.

1: Angola is in the process of developing wheat milling capacity, which could result in the substitution of wheat grain imports for wheat flour.

Section V: Key Contacts and Further Information

If you have any questions or comments regarding this report or need further assistance, please contact the Foreign Agricultural Service (FAS) office in Luanda at the following address:

Foreign Agricultural Service (FAS) office

U.S. Embassy Luanda, Angola

Tel: +244 222 641 058

Email: ricardo.dias@fas.usda.gov

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service's website at: <http://www.fas.usda.gov>

Office of Agricultural Affairs

U.S. Embassy Pretoria, South Africa

Tel: +27 (012) 431-4235

Fax: +27 (12) 342-2264

Email: agpretoria@fas.usda.gov

U.S. Foreign Commercial Service

The U.S. Foreign Commercial Service produces an annual Angola Country Commercial Guide for U.S. companies, which presents a comprehensive look at Angola's commercial environment, using economic, political and market analysis. For copies and information:

Tel: +244 222 641 255

<https://www.export.gov/apex/article2?id=Angola-Market-Overview>

Ministry of Agriculture

Largo Antonio Jacinto, Luanda

<http://www.minagri.gov.ao/>

Ministry of Trade

Largo 4 de Fevereiro, Edifício Palácio de Vidro, Luanda

<http://www.minco.gov.ao/>

Ministry of Finance

Largo da Mutamba, Luanda

<http://www.minfin.gv.ao/>

Administração Geral Tributária (AGT - Customs)

<http://www.agt.minfin.gv.ao/>

Angola National Shippers Council (CNC Angola)

Largo 4 de Fevereiro, Palácio de Vidro - 5º Andar, Luanda

<http://www.cnc-angola.com/>

Instituto Nacional de Estatística (INE)

Rua Ho-Chi-Min, C.P. 1215 – Luanda

<http://www.ine.gov.ao/>

Post acknowledges the following sources: Euromonitor International, the National Statistical Institute of Angola, the Global Trade Atlas, the International Monetary Fund Database, the World Bank, the

Angolan Ministry of Agriculture, and the Angolan Ministry of Commerce.

Appendix: Statistics

Agricultural Imports (Consumer Oriented)

Commodity	USD (millions)
	2013
Chicken Cuts And Edible Offal (Inc Livers), Frozen	296,4
Beer Made From Malt	172,6
Meat Of Bovine Animals, Boneless, Frozen	149,5
Sausages, Similar Prdt Meat Etc Food Prep Of These	140,6
Meat Of Swine, Nesoi, Frozen	118,0
Milk/Cream Cnctrd Nt Swtn Pwd/Oth Solids Ov 1.5% Fa	111,8
Meat & Offal Of Chickens,Not Cut In Pieces,Frozen	107,5
Wine, Fr Grape Nesoi & Gr Must W Alc, Nov 2 Liters	96,1
Nonalcoholic Beverages, Nesoi	66,3
Pasta, Uncooked, Not Stuffed Etc., Nesoi	65,2
Food Preparations Nesoi	55,8
Wine, Fr Grape Nesoi & Gr Must With Alc, Nesoi	55,4
Malt Extract; Flour, Meal, Milk Etc Prod Etc Nesoi	55,3
Cookies (Sweet Biscuits)	49,9
Sugar Confection (Incl Wh Choc), No Cocoa, Nesoi	37,3
Tomato Paste Etc, Not Prepared With Vinegar Etc.	36,2
Bread, Pastry, Cakes, Etc Nesoi & Puddings	36,1
Meat, Bovine Animals, Salted, In Brine, Drd, Smokd	31,6
Yogurt, W/N Sweetened, Flavored Or Cntg Fruit/Coco	30,5
Eggs Of Chickens, Fresh, Nesoi	28,8
Turkey Cuts And Edible Offal (Includ Liver) Frozen	28,6
Prepared Or Preserved Bovine Meat Etc. Nesoi	26,1
Meat, Bovine Cuts With Bone In, Frozen	26
Sparkling Wine Of Fresh Grapes	26
Food Preparations For Infants, Retail Sale Nesoi	25,7

Source: Global Trade Atlas.

Top 15 Suppliers of Agricultural Products (Consumer Oriented, Meat and Poultry)

Agricultural Consumer Oriented	USD (millions)			Meat and Poultry Products	USD (millions)		
	2013	2014	2015		2013	2014	2015
Portugal	742,9	808,1	451,1	Brazil	370,5	417,6	203,1
Brazil	450,3	506,2	241,6	United States	248,9	277,2	116,9
South Africa	169,2	175,9	123,7	Portugal	153,8	164	105,1
United States	254,2	282,6	121,9	India	91,8	108,7	42,9
Netherlands	148	175,0	94,9	Italy	28,5	32,7	18,6
India	123,2	141,8	60,3	Argentina	18,7	19,3	16,3
Turkey	81,6	94,6	57,2	Netherlands	28,8	26,2	14,1

China	47,3	53,8	36,1	Paraguay	25,9	26,5	12,4
Italy	67,9	56,3	34,7	Turkey	7,4	9,6	9,1
Spain	54	48,5	31,2	Belgium	12,6	12,7	7,5
Argentina	50,6	47,9	27,3	Germany	3,6	8,9	6,9
Malaysia	38,4	48,7	26	Spain	6,1	12,9	6,1
Belgium	36,6	43,9	25,8	South Africa	8,3	7,7	6
France	22,1	31,9	23	Canada	5,5	8,3	5,9
New Zealand	24,1	22,3	14,1	France	4,6	4,3	2,9

Source: Global Trade Atlas.