

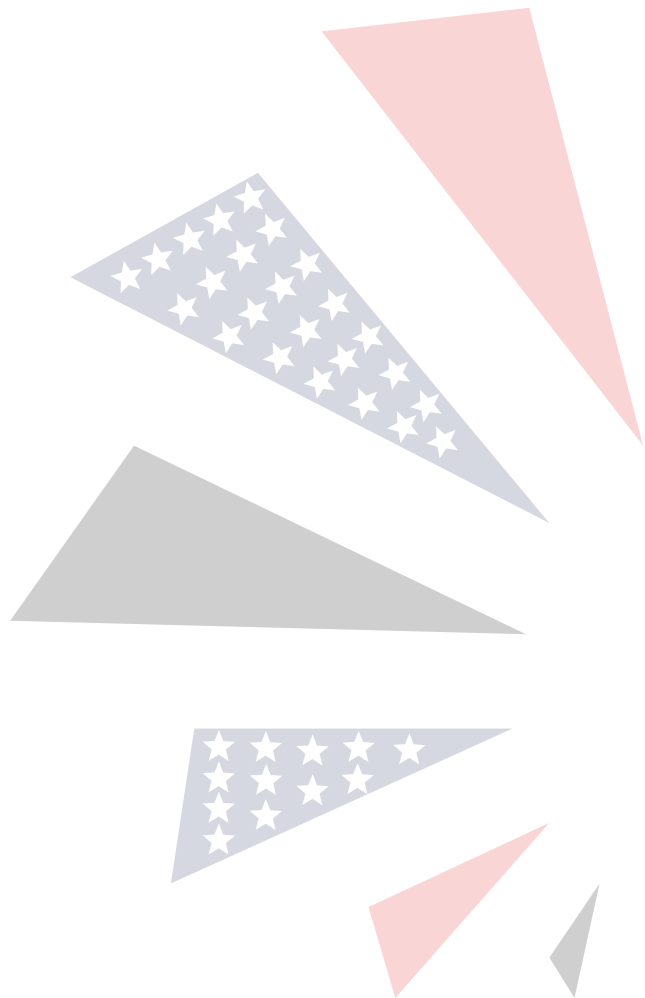
Investment Journey

Doing Business



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Preface

Angola stands at the intersection of immense potential and strategic opportunity. This dossier has been meticulously developed as a comprehensive guide for foreign investors seeking to understand and engage with the Angolan market.

Whether you are exploring your first venture into the country or expanding existing operations, this document is designed to offer actionable insights, clear guidance, and relevant data that together form a pragmatic foundation for informed investment decisions.

Organized in a logical and thematic structure, the dossier begins by introducing the country and its macroeconomic landscape, followed by chapters on the investment climate, regulatory environment, strategic sectors, financing mechanisms, and ongoing reforms. Rather than offering abstract commentary, each chapter distills complex realities into digestible analyses, supported by the most up-to-date indicators available as of June 2025.

For example, you will find detailed explanations of how foreign direct investment is regulated, how to navigate tax incentives, and what sectors are currently benefiting from targeted public-private partnerships. From legal requirements to operational considerations, the content aims to be both explanatory and instructive.

Importantly, this is not a document to be read once and filed away. It is conceived as a practical tool - something to be kept on hand and consulted whenever questions arise during the investment lifecycle. Whether you need to understand foreign exchange rules, review benchmarks for logistics infrastructure, or evaluate the solvency of local banks, the dossier offers a point of reference grounded in official sources, expert analysis, and international benchmarks. The “Key Facts” sections at the end of each chapter offer concise recaps for decision-makers on the go.

This dossier is also closely linked to the **“Angola Talks Business – Investment Journey”** forum. This event gathers policymakers, international financial institutions, business leaders, and investors in a collaborative platform aimed at exploring Angola’s evolving investment ecosystem. The goal is to equip all investors with a shared reference base, thereby enhancing the quality of the dialogue and facilitating the journey from interest to concrete investment.

Angola is changing - and fast. This dossier helps you understand where those changes are happening, how they affect business, and where your next opportunity may lie. Welcome to the journey.

1. Introduction: Discovering Angola



• Key Facts

- Angola's population is about 33 million.
- Portuguese is the official language.
- It has a 1,600 km Atlantic coastline and borders four countries.
- The country gained independence from Portugal in 1975 and endured a civil war until 2002.
- Today it is a presidential republic active in international organizations (UN, AU, SADC, WTO, etc.) and is working to build a more transparent, diversified economy.
- Its culture is a fusion of Bantu traditions and Portuguese influences, exemplified by music, dance and art that celebrate Angola's history and unity.

Angola is a vast and diverse country located in southwestern Africa. It covers roughly 1.25 million square kilometers, making it the world's 24th-largest nation. Bordered by the South Atlantic Ocean to the west, Namibia to the south, Zambia to the east, and the Democratic Republic of Congo to the north, Angola also includes the separate northern exclave province of Cabinda (isolated by a strip of Congolese territory).

The country boasts about 1,600 kilometers of Atlantic coastline, with four major seaports providing access to international trade. Angola's terrain is varied: lush tropical forests lie in the north, rolling savannas and highlands stretch across the interior, and arid (Kalahari) desert regions appear in the south.

Picturesque highland plateaus, waterfalls and river valleys contrast with the Atlantic beaches along the coast. In sum, Angola's geography combines tropical and dry zones in a large landmass with significant natural corridors.

Population and Society

With a population of roughly 33 million people, Angola is a populous and predominantly youthful country. Its population is among the youngest in the world: about two-thirds of Angolans are under age 25, reflecting a very low median age (mid-teens).

This youthful demographic offers a large and growing workforce and consumer base. Ethnically, Angola is overwhelmingly Bantu. Major groups include the Ovimbundu (mostly in the central highlands), the Ambundu (around the capital, Luanda), the Bakongo (in the north), and many others – collectively over ninety ethnic communities.

Portuguese colonial rule for nearly 500 years left a strong cultural imprint: Portuguese is the official language of government, business, education and media, and it serves as a unifying lingua franca among diverse peoples. At the same time, several native languages are widely spoken (such as Umbundu, Kikongo, Kimbundu, Chokwe/Umbundu and others).

Religious practice is predominantly Christian, with most Angolans identifying as Roman Catholic or Protestant. (Portuguese missionaries introduced Christianity during colonial times and it remains central to Angolan culture.)

Urbanization has been rapid: today roughly two-thirds of Angolans live in cities. Luanda, the capital and largest city, is a cosmopolitan port of about ~10 million people; it blends Portuguese-style colonial architecture with modern high-rises and vibrant African neighborhoods. Other regional cities (like Huambo, Benguela, Lubango, and Cabinda town) have their own local cultures and histories, but all share the Portuguese heritage in language and public life.

In recent years Angola has also seen growing ties with the Portuguese-speaking world (through membership in the Community of Portuguese-Speaking Countries) and with regional neighbors in SADC and the African Union, reinforcing its outward-looking society.

Historical Context and Governance

Angola's modern identity has been shaped by its history of colonialism, liberation struggle and civil war.

The area was inhabited by various kingdoms and Bantu states (such as the Kongo, Ndongo, Mbundu, and Lunda empires) well before European arrival.

Portuguese traders first landed in 1483, and over the next centuries Portugal established control over the territory, creating separate colony sectors. (In practice, Portuguese rule was limited mostly to urban centers and trade zones, with much of the interior remaining under local kingdoms.)

Angola remained a Portuguese colony until November 1975, when it gained independence after a protracted liberation war. At independence there were three main liberation movements – the MPLA, UNITA and FNLA – each backed by different foreign allies. A political power struggle among these groups erupted almost immediately into civil war.

The Angolan civil war lasted 27 years and left a profound imprint on the nation. By the early 2000s the conflict had devastated the country, with hundreds of thousands of lives lost and many areas littered with landmines. (Indeed, as recently as the early 21st century Angola “was a country ravaged by war and the related effects of land mines,” and heavily dependent on foreign aid.) UNITA's long-time leader, Jonas Savimbi, was killed in combat in 2002, and a formal ceasefire soon followed. Since then, Angola has largely maintained peace: civil society has been rebuilding, infrastructure has been reconstructed, and communities have worked to heal decades of division.

Politically, Angola is a sovereign republic with a presidential system. Its current constitution (promulgated in 2010) enshrines multiparty democracy and divides power among executive, legislative and judicial branches.

In practice, the Popular Movement for the Liberation of Angola (MPLA) - one of the liberation parties that took power at independence - has dominated politics since 1975.

Nevertheless, Angola now holds regular elections and has accepted peaceful transitions of power within this framework. The president is head of state and government, and he appoints a Council of Ministers subject to parliamentary approval.

In recent years the government has also initiated reforms to modernize institutions and governance, aiming to improve transparency, fight corruption and diversify the economy.

Internationally, Angola has integrated into global systems: it has been a member of the World Trade Organization since 1996 and has signed major trade treaties (for example the Cotonou Agreement with the European Union).

Although Angola formally withdrew from OPEC at the start of 2024, it continues to play an active role in the United Nations, the African Union and the Southern African Development Community (SADC), underscoring the country's commitment to constructive international engagement.

Culture and National Identity

Angola's culture is a rich tapestry woven from its African roots and Portuguese legacy. The term "angolanidade" (Angolan-ness) has been used to describe a modern national identity that blends these influences. Traditional music and dance are core elements of this identity: for example, semba (a predecessor of Brazilian samba) and kizomba are world-famous Angolan dance music genres. Contemporary Angolan artists in music, cinema and literature often explore themes of national history and pride. (Notable Angolan authors include Pepetela and José Eduardo Agualusa, whose works draw on the country's past.)

Religious and festive life also reflects this dual heritage. Major holidays include Independence Day (November 11) and Heroes' Day (February 4), commemorating the anti-colonial struggle. Catholic and Protestant religious traditions coexist with enduring indigenous customs.

In architecture and urban culture, one sees the mix clearly: Luanda's harbor is lined with Portuguese-style colonial buildings and churches built centuries ago, while the hills and suburbs feature houses in African traditional styles. As Britannica notes, "Luanda... blends Portuguese-style colonial landmarks with traditional African housing styles".

Angola's cuisine similarly melds local ingredients with Portuguese recipes (for example, caldeirada fish stew and feijoada beans). Local crafts and art often use symbols from both tribal heritage and national liberation icons.

This synthesis of influences makes Angolan culture unique. Historical sites like M'banza Kongo (a UNESCO World Heritage city) testify to Angola's deep pre-colonial civilization, while contemporary festivals celebrate the nation's recovery and aspirations.

Angolans are generally very proud of their heritage; the memory of the struggle for independence still looms large and fosters a sense of national unity. At the same time, Angola is increasingly cosmopolitan - the younger generation is more urban, more internationally connected (through diaspora in Portugal, Brazil and elsewhere), and more forward-looking.

Portuguese remains the language of education and official life, which facilitates business and diplomacy, yet everyday culture is vibrantly local and African. This mix of continuity and change - honoring tradition while embracing modernization - defines modern Angolan identity.

In summary, Angola is a nation marked by striking contrasts: a vast, resource-rich land that

spent much of its recent history in turmoil, now striving for stability and growth.

It is ambitious in planning for the future (with national visions like “Angola 2025”) and open in its orientation towards global partners.

After decades of conflict, the country today projects an image of peace and potential. Angola’s government and people emphasize this new chapter: they promote an image of a stable, reform-minded country that is open for business.

For foreign investors and partners encountering Angola for the first time, it is important to see beyond the country’s difficult past. Angola’s rebirth as a sovereign nation in the 21st century – with a youthful population, a dynamic capital, and a renewed sense of Angolanidade - offers a backdrop of cultural richness and national pride.

This context of stability and ambition, grounded in Angola’s unique identity and heritage, sets the stage for the economic and development opportunities discussed in the chapters to follow.

2. Angola's Macroeconomic and Investment Environment

Key Facts

- GDP Growth (2024): Approximately 3.8%.
- Inflation Rate (2024): Estimated at 25%–28%.
- Oil Sector Dominance: About 25% of GDP and roughly 94% of exports.
- Current Account Balance (2024): Surplus of around 6% of GDP.
- Foreign Reserves (2023): Approximately USD 15.2 billion (~5.7 months import cover).
- Public Debt (end-2023): Around 74% of GDP, decreasing trend expected.
- Major Reforms: Exchange rate liberalization, introduction of VAT, privatizations.
- Diversification Goal: Target of 5% annual growth for non-oil sectors.
- Global Integration: Member of WTO, AfCFTA, SADC; investment treaties with EU and China.
- Credit Rating (2024): Upgraded to B- (stable outlook).



Angola's economy has shown volatility in recent decades, driven by oil prices, policy shifts, and external shocks.

After the civil war ended in 2002, Angola enjoyed a decade of oil-financed growth, but the collapse in oil prices after 2014 and a parallel FX market crisis caused a sharp downturn.

By 2020 the economy contracted steeply during the COVID-19 shock, as oil output and prices fell. Growth then resumed in 2021–22 (around 3–4%), but in 2023 Angola suffered a “double shock” of weaker oil output and the end of a debt moratorium, slowing GDP growth to roughly 0.5%.

The IMF notes that “the economic recovery in 2021/22 was nearly halted in 2023”. In 2024, however, Angola's economy regained momentum: the oil sector rebounded, and non-oil activity held up, leading to an IMF assessment that the country “recovered in 2024”.

Angola remains highly dependent on oil. Oil accounts for about 25% of GDP and roughly 60% of government revenue, and it still dominates exports (≈94% of goods exports).

The oil share of GDP has fallen from its 2014 peak, but it is far higher than in most sub-Saharan countries. Non-oil growth has averaged only a few percent (and even contracted in 2023), so diversification is a key policy goal.

Inflation and Exchange Rate Policy

Inflation in Angola has been volatile, closely tied to exchange rate and subsidy policies. In the mid-2010s, consumer prices surged by about 30% in 2016–17 due to sharp kwanza devaluation and emerging shortages. Strict foreign exchange controls created a wide black-market premium, which authorities addressed by unifying the exchange rate in late 2017.

By 2018, inflation eased to approximately 19.6% as the forex market was liberalized. Between 2019 and 2022, inflation generally moderated into the low teens, with the central bank gradually moving toward an inflation-targeting framework. However, starting in 2023, inflation ticked up again amid renewed kwanza depreciation and food price pressures. The IMF noted that inflation “remains elevated, fueled by exchange rate depreciation and import substitution measures that have restricted food supply.”

Inflation spiked in 2024 but has begun to ease. Year-end 2024 inflation was about 27.5%, down from a June 2024 peak of approximately 30.5%. The decline continued into 2025, with annual inflation recorded at over 22% in April. The

central bank responded by tightening policy, raising rates and reserve requirements. For 2025 overall, inflation is expected to moderate further, with the IMF projecting a CPI forecast of 22.0%.

The government's strategy from 2023 to 2025 has combined fuel price increases with tighter monetary policy to rein in inflationary pressures.

Monetary conditions have eased only gradually. After the 2018 unification, the Kwanza held relatively steady through 2021. In 2022 and 2023, it began weakening again due to higher import demand and FX scarcity, although the central bank's tight interventions helped to contain volatility. The Kwanza continued to depreciate through 2024 and into the first half of 2025, albeit at a slower pace. Angola's withdrawal from OPEC, formalized in January 2024, allowed domestic policymakers to increase oil production, which has provided some fiscal relief but has so far had limited effect on stabilizing the exchange rate.

External Sector and Reserves

Angola's external accounts track the oil cycle. During the oil boom to 2014, exports and reserves soared. After 2014, the current account swung to a large deficit (about –8.8% of GDP in 2015) due to collapsing oil revenues. By 2017–18, higher oil prices and production turned the trade balance around: in 2018 exports grew by 21.3% and the current account swung into a surplus of roughly +6.6% of GDP. (Non-oil exports have stayed negligible – roughly USD1–2 billion per year – so the trade balance is overwhelmingly driven by oil revenue and import spending.)

In the near term, the analysts project continued small current-account surpluses, helped by modest oil production gains and import compression. The current account surplus reached 6.7% of GDP in 2024, with gross international reserves remaining above 5

months of imports, narrowing to ~1.3% in 2025, assuming Brent crude stays in the \$70–80 range. These surpluses translate into comfortable foreign-exchange buffers: gross international reserves were roughly USD 15.2 billion in late 2023 (about 5.7 months of imports of goods and services).

Even as reserves are expected to edge down (to ~USD 14.5 billion by 2025 due to amortizations), coverage of about 5–6 months of imports will remain well above peer levels. Throughout 2023–24 the government has prioritized external debt servicing (using oil receipts to pay down China and Eurobond obligations), which has consumed some reserves but bolstered credit ratings.

Fiscal Policy and Public Debt

Fiscal accounts improved markedly after 2017 but remain sensitive to oil. In the mid-2010s, Angola ran large deficits (6.3% of GDP in 2017) as revenues collapsed and spending remained high.

Facing a crunch, the government cut the wage bill and capital outlays in 2018, which actually turned the budget into a surplus (about +2.1% of GDP) that year. Subsequently Angola ran small deficits again under the impact of pandemic relief and stimulus, but by 2024, the budget deficit was approximately 1.5% of GDP, reflecting increased expenditures and a slight decline in revenues.

For 2025, the government projects a fiscal deficit of around 1.65% of GDP, slightly higher than the previous year. This projection is based on an assumed oil price of \$70 per barrel. However, recent fluctuations in global oil prices have introduced uncertainties, prompting the government to conduct stress tests and consider potential adjustments to fiscal plans.

Over the medium term, deficits are planned to shrink below 2% of GDP under new fiscal rules

(including a requirement to hold reserves worth 6 months of imports).

Public debt spiked in recent years but is now on a downward path relative to GDP. After the oil crash and large fiscal deficits, debt (official and contracted) rose sharply.

By 2018 public debt was about 56% of GDP, and official statistics (after a large 2024 GDP rebasing) show about 74% of GDP at end-2023. The authorities have adopted a medium-term debt strategy to cap debt and prioritize repayments. As a result, debt service is high (nearly 30% of revenue by some estimates) but falling.

Fitch expects government debt to decline to roughly 58.6% of GDP by 2026, thanks to robust nominal growth and continuing fiscal surpluses that outpace new borrowing. Domestic debt is large, but amortization burdens are expected to ease as short-term bonds are replaced by longer maturities.

Policy Reforms and Structural Agenda

Since 2017 the government has pursued a broad reform agenda to stabilize the economy and encourage investment. Key macro policies have included: unifying the exchange rate (2018); ending many foreign-exchange restrictions; introducing a value-added tax (VAT) in 2019 (first new tax code in decades); and strengthening public financial management (modernizing budgeting and procurement rules). It has also renegotiated debt (e.g. a 2022 Paris Club agreement cleared ~\$7 billion of arrears) and imposed fiscal rules (such as reserve accumulation targets).

On the regulatory side, Angola overhauled its investment framework. A new Private Investment Law (2018, with amendments in 2021) abolished the requirement for a local partner and expanded tax incentives for priority sectors. A 2019 Privatization and PPP Law created frameworks for public-private partnerships.

In 2022 the government approved tax and regulatory changes (via new laws and decrees) to further reduce red tape, clarify transfer-pricing rules, and encourage competition. For example, banking sector recapitalizations and new licensing (including digital banks) have been underway.

These efforts have had mixed results. According to one multilateral review, Angola has made “noticeable progress” on some Doing Business indicators (e.g. cutting the time to start a firm from 66 days in 2009 to 36 days by 2019), but the country still ranks near the bottom globally (173rd out of 190 in 2020) due to infrastructure gaps and remaining bureaucracy.

Counter-cyclical measures during COVID helped avoid deep economic freefall but also led to renewed deficits (funded by oil bond issues). More recently, fiscal consolidation has paused; officials have increased capital spending (to support jobs and infrastructure) while postponing some energy price reforms. International agencies warn that fiscal discipline must be reestablished to preserve the macro balance.

Key reforms and policy highlights:

- **Currency liberalization:** In 2018 Angola moved to a single, market-determined exchange rate (eliminating the parallel FX market), which improved transparency and gradually reduced black-market premiums. The central bank is transitioning to a more flexible, inflation-targeting regime.
- **Tax and fiscal reforms:** In 2019 the VAT was introduced (14% standard rate), widening the tax base. New fiscal legislation tightened debt rules and created a Sovereign Wealth Fund for oil revenues. Annual budgets now aim at small deficits and require international-reserve targets.
- **Public enterprise restructuring:** The

government began privatizing or concessioning state assets (e.g. selling stakes in Sonangol oil company and local airlines in 2021–22) to raise revenue and improve efficiency. A privatization law and PPP law (both 2019) provide legal frameworks.

- **The 2018–21 reforms removed the mandatory local partner rule, guaranteed profit repatriation, and offered special regimes (tax holidays, free zones) for investors in priority sectors (agriculture, industry, tourism). Angola also established “one-stop” investment service centers. Such measures are intended to boost FDI and formal sector growth.**
- **Financial sector:** Capital requirements for banks were tightened (2019), leading to consolidation. The central bank is liberalizing interest rates and strengthening banking supervision. Public ownership in banks remains high, but some state banks have been partly privatized.
- **Agricultural credit and infrastructure:** In 2024 the government allocated new lines of credit to small farmers and announced large irrigation and port projects, underlining the push to diversify.

Diversification Strategy

Angola's medium-term development plans put diversification front and center. The National Development Plan (NDP) 2023–27 explicitly aims to reduce dependence on oil. It sets an ambitious goal of 5% annual growth in non-oil GDP (with 3% overall GDP growth). The plan targets agriculture (crops, livestock), agribusiness, tourism, manufacturing, minerals (diamonds, iron ore), and gas exploitation as new growth engines. To date, non-oil sectors have grown only modestly, and agriculture and industry remain underdeveloped. However, authorities have launched flagship initiatives: expanding cotton and coffee production, investing in food

processing zones, and promoting small-scale mining.

International partners (IMF, AfDB, World Bank) stress that real diversification will require continued reforms: improving infrastructure (roads, ports, reliable power), streamlining customs, and strengthening property rights. The AfDB notes that Angola's current infrastructure deficit (especially power and transport) is "unfavorable for private sector development," and that persistent regulation and bureaucratic costs hinder diversification. As an example, Angola's logistics scores lag the African average. The NDP includes major public investment in power generation (hydro and solar), port and rail upgrades, and rural roads, which could raise competitiveness.

Importantly, diversification is seen as a way to stabilize macroeconomic performance. Economic theory and evidence suggest that broadening the base (beyond oil) improves growth stability and reduces vulnerability to shocks. For instance, higher agricultural output would dampen the impact of oil price swings on growth and inflation. Angola's policymakers repeatedly emphasize this link: IMF analysts note that past oil-sector slumps "illustrate the recurring risks of oil dependency and the urgency of diversification efforts".

Global Integration and Investment Climate

Angola is deepening its global economic ties. It is a member of the WTO and the UN Economic Commission for Africa, and participates in regional blocks (SADC, CPLP). In 2020 Angola ratified the African Continental Free Trade Area (AfCFTA) Agreement, signaling a commitment to intra-African trade.

It also maintains a Trade and Investment Framework Arrangement with the US (since 2009) and has negotiated bilateral investment treaties. Notably, Angola and the EU concluded

a Sustainable Investment Facilitation Agreement in November 2022, aimed at easing EU-Angola investment flows.

In December 2023 Angola signed a reciprocal investment protection accord with China, reflecting its strong commercial ties. (Angola is China's largest African oil supplier; the two countries also restructured \$1.5bn of oil-backed debt in 2022.)

Transparency and standards are improving. Angola applied to join the Extractive Industries Transparency Initiative (EITI) in 2021 and became a full member in 2022. Since re-joining EITI, the government has published detailed reports on oil and diamond revenues (the latest reconciled 2023 financial data across state entities). This step – along with anti-corruption measures – aims to boost investor confidence.

Despite these advances, challenges remain. Corruption and bureaucratic inertia are still cited as impediments. The 2023 World Bank Investment Climate survey notes that investors often face red tape at customs and licensing. The Doing Business ranking (discontinued in 2021) placed Angola very low (177th in 2020), illustrating persistent regulatory friction. Electricity supply and logistics costs are high by regional standards. The government has begun to address some of these: for example, telecom and power sectors have seen private concessions, and a "special economic zone" law (2022) provides tax breaks and land leasing incentives in designated areas.

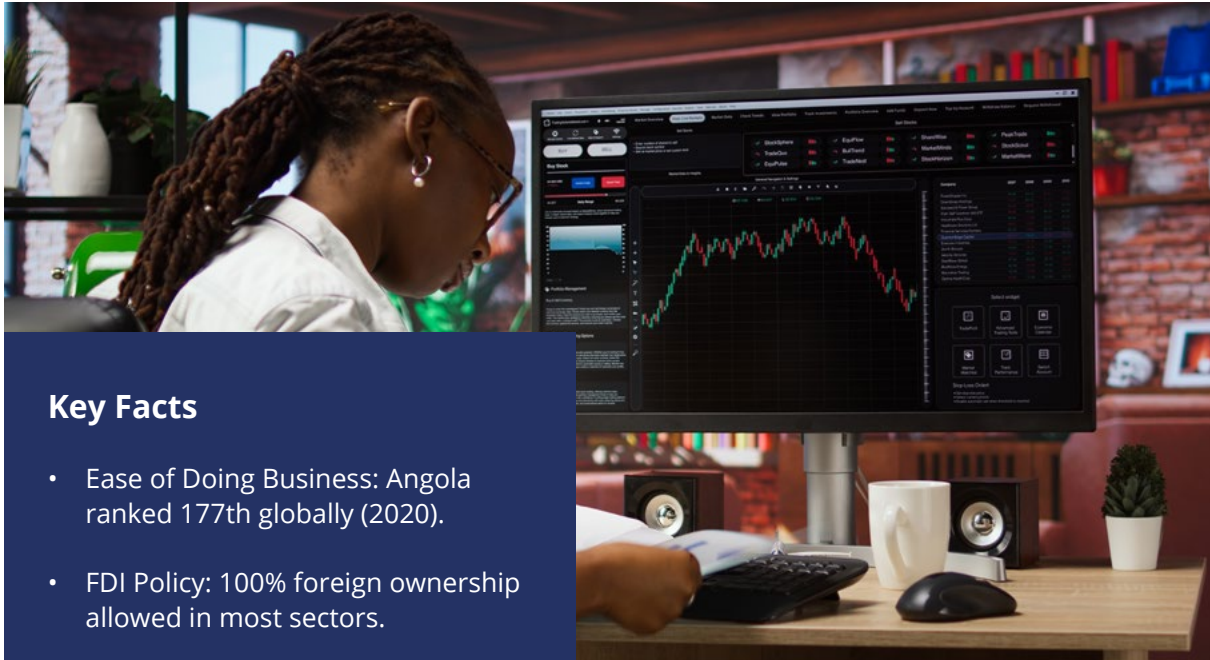
In external markets, Angola has strengthened credit relationships. Its sovereign ratings have been raised to B– (stable outlook) by major agencies, reflecting anticipated fiscal consolidation and robust reserves. In 2024 Angola tapped international markets again (both Eurobonds and commercial loans) for the first time since 2017, aided by high oil prices. As a long-time OPEC member (since 2007) it previously aligned output with the cartel, but with the OPEC exit in 2024, Angola now has more freedom to raise production in future. The

global context – including rising oil demand and Africa's expanding markets – generally favors Angola's export prospects if it can continue reforms.

In summary, Angola's macroeconomic environment has improved from crisis levels but remains characterized by high volatility. Recent reforms have stabilized inflation and built reserves, and growth has resumed with the oil rebound.

Major challenges – fiscal pressures, debt servicing, and diversification – persist, but the government's policy agenda aims to tackle them. Continued liberalization, coupled with infrastructure investment and integration into African and global markets, will be key to sustaining recovery and attracting capital.

3. Investment Climate



Key Facts

- Ease of Doing Business: Angola ranked 177th globally (2020).
- FDI Policy: 100% foreign ownership allowed in most sectors.
- Investment Approval: Fast-track registration via AIPEX.
- Repatriation: Legal guarantee of profit and capital transfers.
- Priority Sectors: Agriculture, energy, tourism, industry, IT.
- Tax Incentives: Up to 15-year tax holidays and credits available.
- Anti-Corruption: ~\$13 billion in recovered assets since 2018.
- Transparency: EITI membership secured in 2022.
- FDI Trend: Net FDI outflows narrowing since 2022.
- Investor Sentiment: Cautious optimism gaining ground).

Angola's investment climate is in the midst of a notable transformation. After emerging from five consecutive years of recession in 2021, the country returned to modest growth (0.7% GDP growth in 2021) and anticipated stronger expansion in 2022.

This turnaround is backed by a reform-minded government that has placed investment at the heart of its agenda. For international investors unfamiliar with Angola, the narrative is shifting: the country is moving beyond its historical dependence on oil and positioning itself as a more diversified, business-friendly frontier market.

President João Lourenço's administration, in power since 2017, has implemented sweeping reforms to improve the business environment. These efforts have earned international recognition – Angola completed a stringent IMF program in 2021 and even garnered multiple sovereign credit rating upgrades by early 2022,

signaling growing confidence in its economic management.

In short, Angola today presents an investment climate of cautious optimism: substantial opportunities in a range of sectors, underpinned by improving policies and institutions, yet still grappling with the legacy of past challenges.

Regulatory Framework and FDI Conditions

Openness to FDI: Angola actively seeks foreign direct investment to diversify its economy and capital inflows. There are few blanket prohibitions on sectors for foreign investors – virtually all industries are open to 100% foreign ownership, with the important exception of certain strategic areas traditionally reserved for the state (such as defense, internal security, and the central banking functions of the National Bank).

Outside of these narrow areas, overseas investors are welcome to fully operate in Angola's market, either by establishing new ventures or partnering with local firms. Notably, a new Private Investment Law (PIL) introduced in 2018 (Law No. 10/18) fundamentally liberalized the FDI regime. This law eliminated earlier requirements that forced foreign investors to have an Angolan joint venture partner or meet a high minimum investment threshold.

Now, foreign investments of any size are allowed, and partnering with local shareholders is optional rather than mandatory in general. This provides international investors with greater flexibility in ownership structure. (Certain industries like oil & gas and mining do have their own sector-specific laws and "local content" rules, but even in these, foreign companies can operate - usually through licenses or production-sharing agreements - while complying with requirements to use local labor or suppliers.)

Ease of Establishment: The process of starting a

business in Angola has been simplified in recent years, although it remains more cumbersome than global averages. Investors must incorporate a local company (most choose a limited liability or joint-stock company form) and register their project with Angola's investment promotion agency.

In 2018, the government created the Agência de Investimento Privado e Promoção das Exportações (AIPEX), a one-stop agency to facilitate investments. Through AIPEX, foreign investors submit a private investment project registration and obtain a Certificate of Private Investment Registration (CRIP) – which effectively serves as the green light to proceed.

Importantly, recent reforms abolished the need for multiple preliminary licenses or ministerial approvals before an investor can start implementation. Today, once AIPEX issues the CRIP, an investor may commence the project; if any additional sector-specific permits or opinions are legally required, the relevant government offices must adhere to strict deadlines or else the approval is deemed granted by silence. This change, instituted by an April 2021 amendment to the investment law, aims to cut red tape and has significantly streamlined business licensing procedures.

According to the World Bank's last Doing Business report (2020), Angola still ranked 177 out of 190 countries for overall ease of doing business, underscoring the longstanding bureaucratic hurdles. However, the country has made incremental progress in areas like starting a business – for example, it eliminated a prior requirement for significant upfront capital, helping to improve its score in that category.

Company registration can now be initiated through "Guiché Único da Empresa" one-stop service centers, and an online portal for certain filings is being developed. These efforts are gradually chipping away at procedural delays, even if Angola's business climate remains challenging by global standards.

Priority Sectors: In line with its economic diversification drive, Angola has identified a number of priority sectors where it particularly encourages investment. These are areas deemed crucial for reducing import dependence and broadening the economic base beyond oil.

The list is defined in the Private Investment Law and includes agriculture and agro-industry, fisheries, hospitality and tourism, transportation and logistics, construction and public works, telecommunications and information technology, energy and water production/distribution, sanitation, and waste management, among others. Investments in these priority sectors – especially when located outside the capital Luanda (in designated development zones B, C, and D) – are eligible for extra incentives under the law.

The government's rationale is to channel FDI into industries that create jobs, promote exports or import substitution, and develop infrastructure across less-developed regions of the country.

For investors, this translates into potential benefits (tax breaks, faster licensing, etc.) when undertaking projects in these high-priority areas. For example, agriculture and food processing ventures can enjoy tax reductions, and tourism projects in scenic provinces may get customs duty exemptions on imported equipment, under the right conditions.

Beyond incentives, these sectors also benefit from targeted government programs: the PRODESI initiative (Program to Support Production, Export Diversification and Import Substitution) provides financing and support for agribusiness and manufacturing, while a new push in renewable energy (solar and hydro) has led to partnership deals worth hundreds of millions of dollars.

All of this signals to investors that Angola is keen to direct capital into its emerging industries where growth potential is highest.

Repatriation of Profits and Capital: A critical

concern for foreign investors is the ability to repatriate earnings, and Angola's legal framework provides explicit guarantees on this front. By law, foreign investors have the right to transfer dividends, profits, and the proceeds from the sale or liquidation of investments out of Angola in foreign currency, after paying all due taxes.

In the past, Angola imposed some conditions – notably, older rules required that the investment project be fully executed (completed) before certain profit transfers were allowed. This stipulation was removed in 2021, so investors no longer need to wait until a project is 100% implemented to start repatriating dividends.

The main requirements now are procedural: the investor must show proof that the initial investment was registered (via the CRIP certificate) and that taxes on the profits have been paid, along with presenting audited financial statements and relevant corporate resolutions declaring the dividends. The National Bank of Angola (BNA) has established clear steps for commercial banks to approve these transfers in Notice 15/19, making the process more transparent.

In essence, there are no legislative restrictions on converting or sending home your returns on investment, and the central bank has loosened foreign exchange controls significantly since 2018.

That said, investors should be mindful of practical realities: Angola has experienced periods of foreign currency shortage and Kwanza volatility. In such times, even with a guaranteed legal right, delays in obtaining hard currency to remit abroad can occur. The government's move to abandon the currency peg in 2018 and let the Kwanza float has improved access to foreign exchange overall, narrowing the gap between official and parallel exchange rates.

Yet, as recently as 2020–2021, dollar liquidity was tight, and some companies faced backlogs in expatriating funds. As of mid-2025, the situation

has stabilized compared to the past – Angola's central bank reserves have improved on the back of high oil prices in 2022, and inflation has eased from the double-digit highs of prior years – but currency risk remains an element for investors to consider.

On the positive side, Angola imposes no exchange control approval requirements for routine profit transfers anymore. Once you've met the documentation requirements and paid taxes, you can legally move your money, which is a far cry from the stricter capital controls of a decade ago.

Recent Reforms and Pro-Business Initiatives (2022–2025)

Angola's government has demonstrated a strong commitment to improving the investment climate through continual reforms, especially since 2022. These changes, spanning new laws and institutions, are aimed at enhancing transparency, reducing bureaucracy, and incentivizing investors. For investors, it's crucial to understand these updates as they significantly improve the operating environment:

- **Private Investment Law Amendments:** In 2021, Angola amended its Private Investment Law (via Law No. 10/21 of 22 April 2021) to make the regime more attractive and flexible for investors. This reform reintroduced a Contractual Investment Regime alongside the existing "prior declaration" and "special" regimes. Under the contractual regime, large or strategic investments – even in non-priority sectors – can be negotiated case-by-case with the government, allowing investors to secure bespoke incentives and protections through an investment contract.

In practical terms, this means if an investor is bringing, say, a transformative multi-hundred-million-dollar project, they can negotiate directly with AIPEX and relevant ministries to obtain specific tax breaks,

land rights, or infrastructure commitments beyond the standard menu, formalized in a signed agreement. This change was widely welcomed by the business community, as it puts Angola back in line with global best practices (many countries allow tailored investment agreements for big projects).

The 2021 amendment also simplified procedures: it scrapped the requirement for provisional licenses from other agencies before project launch – the CRIP from AIPEX is now sufficient to start operations. Moreover, it mandated that any additional approvals (e.g. environmental permits or sector licenses) must be issued within statutory deadlines, or they are deemed approved by default. This "silence is consent" rule compels Angola's bureaucracy to act swiftly and has begun to curb the notorious delays in paperwork.

Another investor-friendly tweak was removing restrictions on accessing local finance: previously, a foreign investor's local subsidiary couldn't obtain an Angolan bank loan until its project was fully implemented. That restriction is gone – now companies with foreign capital can borrow locally at any stage, which helps with working capital and expansion financing.

Additionally, the amendment eliminated the 10-year limit on the duration of incentives; incentives can be granted for longer periods as justified.

All these changes took effect immediately in 2021, signaling that Angola is serious about cutting red tape and increasing flexibility for investors.

- **New Tax Benefits Code:** A centerpiece of recent reform is the enactment of a comprehensive Tax Benefits Code in 2022 (Law No. 8/22 of 14 April 2022). This code overhauled and unified the system of fiscal incentives for investment, which were previously scattered across various laws. The Tax Benefits Code (TBC) came into force on

14 May 2022. It provides a clear catalog of tax incentives and the conditions to obtain them, bringing much-needed transparency.

Under the TBC, investors in priority sectors or less-developed regions can qualify for significant tax reductions for up to 10 years for projects under the standard regimes. For example, the code allows reductions in Industrial Tax (corporate income tax), reductions or exemptions on Capital Investment Tax (withholding on dividends), property transfer tax cuts for acquiring real estate tied to the project, and stamp duty reductions.

The exact incentive and its duration depend on the investment's location (Zone A being Luanda down to Zone D being the most remote provinces) and the project's characteristics. Notably, investments that fall under negotiated contractual regime or public-private partnerships can get even more generous incentives, such as tax holidays up to 15 years on corporate and property taxes.

In some cases, investors can enjoy a tax credit of up to 50% of the investment value (spread over up to 10 years) as an incentive – effectively allowing them to offset half their project cost against taxes.

The code also introduces accelerated depreciation (up to 80% increase in rates) for projects in secondary provinces to spur regional investment.

Another addition is incentives for investments in forthcoming free trade zones, aligning with plans to establish special economic zones – companies operating in such zones can receive tax benefits for the life of the zone's designation.

Overall, the 2022 TBC modernizes Angola's incentive framework to be competitive with other African jurisdictions, balancing the need to attract investment with fiscal

responsibility (incentives are time-bound and performance-based).

For investors, this means a more predictable and potentially lucrative tax environment when planning projects – a sharp change from a few years ago when incentives were granted ad hoc and had shorter maximum terms.

It's worth noting that the TBC is part of a wider tax reform; Angola has also been gradually lowering headline tax rates (the standard corporate tax rate was reduced from 30% to 25% in recent years) and digitizing tax payment systems to improve compliance.

- **Anti-Corruption and Transparency:** Improving governance has been a flagship policy of the current administration, directly impacting the investment climate. Since 2018, Angola has aggressively pursued anti-corruption measures, recovering nearly \$13 billion in misappropriated assets from former officials and related entities.

High-profile corruption cases have been launched to signal that impunity is ending, and the government established a specialized Asset Recovery Office under the Attorney General to claw back stolen funds. This drive is not just internal – Angola has sought to rebuild trust with international partners by embracing transparency standards.

In 2022, Angola was accepted as a member of the Extractive Industries Transparency Initiative (EITI), joining the global anti-corruption framework for the oil, gas, and mining sectors. This was a landmark move given Angola's importance in petroleum; as an EITI member, Angola is committing to publish reports on oil revenues, licensing, and payments to government, which should improve accountability in a sector historically seen as opaque.

Additionally, Angola has been a participant in the Kimberley Process (for transparency

in the diamond trade) and has passed new laws such as a revised Penal Code (in force 2021) that criminalize various forms of graft and influence-peddling.

For investors, these steps help mitigate a key risk – the prevalence of corruption – and improve Angola's international image. Indeed, Angola's score on Transparency International's Corruption Perceptions Index has modestly improved in recent years (scoring 33/100 in 2023, up from the low-20s a decade ago).

The business community reports gradually better interactions with officials, although petty bureaucracy and solicitation have by no means disappeared overnight. Crucially, the government is also reforming public finance and procurement to be more open: a new Public Procurement Law (2019) mandates open tenders for most government contracts, reducing sole sourcing.

And the ongoing Privatization Program (PROPRIV) has begun to auction or sell stakes in dozens of state-owned enterprises, bringing in private capital and reducing the patronage networks. Through PROPRIV, foreign investors can bid for assets ranging from banks to factories; as of 2024 over 90 entities had been privatized or were in the process, out of an initial list of 195. This not only creates investment opportunities but also shrinks the domain of state-owned monopolies, making the economy more competitive.

Overall, while corruption remains a concern cited by many investors (it's still common to encounter requests for facilitation payments or see conflicts of interest in contracts), the trajectory is positive and backed by institutional reforms.

Investors now have stronger legal recourse as well – Angola has updated laws on money laundering and established a Financial

Intelligence Unit, and it is negotiating bilateral investment treaties that include clauses on transparency and dispute arbitration.

- **Other Reforms:** The Angolan authorities have enacted a host of other changes to bolster the investment climate. A new Competition Law in 2018 created a watchdog to prevent anti-competitive practices, opening sectors like telecoms to new players.

A tangible outcome: the telecom sector saw its first new mobile operator in two decades when Africell, a U.S.-backed company, launched services in 2022, investing \$150 million to build a 5G-ready network.

Reforms in the financial sector have strengthened bank supervision and cleaned up weak banks, which is crucial for investors' confidence in the banking system. All banks now follow international IFRS accounting standards, and the central bank raised capital requirements, leading to consolidation in the sector.

Access to credit is slowly improving as interest rates fall – the central bank has cut its policy rate from highs of 20%+ a few years ago down to around 18% in 2023, with further cuts possible if inflation keeps declining.

On the infrastructure front, Angola is tapping public-private partnerships (PPPs) to upgrade transport and utilities, creating new investment avenues. The government, for instance, signed contracts with foreign firms to manage major ports and is tendering highway rehabilitation projects to investors with Build-Operate-Transfer models. Such moves should gradually ease the logistical bottlenecks that investors face (Angola's ports and rail had inefficiencies, but new management is improving throughput).

Furthermore, Angola has modernized its business regulations in areas like insolvency (with a 2019 insolvency law to facilitate

corporate restructuring) and property registration (digitizing land records to speed up title transfers).

Each of these micro-reforms contributes to a more predictable, rules-based business environment that gives investors clarity and confidence.

Investor Sentiment and Outlook

The impact of Angola's reforms is reflected in a slowly improving sentiment among investors, though challenges clearly remain. It is instructive to gauge how both foreign and domestic business leaders view the current climate:

FDI Trends: By the raw numbers, Angola has yet to see a surge in net foreign direct investment inflows – in fact, FDI data shows that outflows (mainly profit repatriation by established oil companies) have exceeded new inflows for several years. In 2022, Angola recorded a net FDI outflow of \$6.6 billion (meaning more capital was pulled out than injected). This continued a trend of negative net FDI that the country experienced throughout the late 2010s.

However, there are encouraging signs beneath the surface. The magnitude of outflows has been diminishing, with net FDI outflow falling to about \$2.1 billion in 2023 – a significant improvement from the prior year. This suggests that new investment is starting to catch up with, and in some cases replace, the legacy outflows.

Moreover, the composition of investment is broadening. While the oil & gas sector once dominated FDI (and still accounts for the largest stock of past investment), recent years have seen greenfield projects in telecom, renewable energy, manufacturing, and agriculture.

For instance, several large solar energy farms backed by U.S. and European investors were announced in 2022–2023 as part of Angola's renewable push.

The number of new foreign project announcements in Angola is on the rise. According to UNCTAD's World Investment Report 2023, Africa overall saw a 39% jump in greenfield project announcements in 2022, and Angola is among countries benefiting from that trend.

Investors from Portugal, China, the United States, and South Africa are all active, pursuing opportunities not just in oil but in finance (e.g. insurance ventures), retail and commerce (supermarket chains expansion), and transportation (a major international investment is underway to modernize the Port of Lobito and its trade corridor).

The government's hope is that as the macroeconomy stabilizes and reforms take root, FDI will turn firmly positive in coming years – and indeed, some forecasts (e.g. from the African Development Bank) project that Angola could see net positive FDI by 2025 as diversification projects materialize.

For now, investor sentiment can be described as cautiously optimistic: many companies are exploring the market and a few are making the first move (as Africell did in telecom), but others are taking a wait-and-see approach until they observe sustained stability.

Business Confidence: Survey data from within Angola indicates that business leaders recognize the improved climate but remain wary of certain risks.

A late-2024 business confidence index compiled by Angola's central bank stood at +5 points in Q4 2024, down from +9 the previous quarter. (This index is scaled such that values above 0 indicate overall optimism.)

The dip toward the end of 2024 reflected concerns about a resurgence of inflation and currency depreciation earlier in the year. However, the fact that the index remained in positive territory suggests that firms were, on balance, still expecting conditions to improve.

Sector-specific sentiment varies: for example, an EY Angola CFO survey in 2023 focusing on banking and insurance found CFOs in those industries cautiously optimistic about growth but concerned about regulatory compliance and exchange-rate volatility.

The survey results indicated that while financial sector CFOs shared common macro-economic worries (like inflation and credit risk), their strategic priorities diverged – banks were focusing on digital transformation and asset quality, whereas insurers prioritized capitalization and new product lines. These nuances imply that experienced executives see opportunity but also significant hurdles in the Angolan market.

On the international front, Angola's reputation among global investors is gradually improving as well. The U.S. Department of State's 2024 Investment Climate report notes Angola's "commitment to improving the investment climate" and highlights top-level policy support for investors.

Likewise, institutions such as the IMF have commented that Angola's reforms could "improve investor confidence" if followed through, though they caution that external factors (like oil price swings) still sway sentiment.

Doing Business Indicators: As mentioned, the World Bank's Doing Business rankings (the last of which was published in 2020) painted a sobering picture of Angola's business environment – 177th of 190 countries overall.

In specific areas measured by that index, Angola scored poorly on things like Trading Across Borders and Enforcing Contracts, reflecting port inefficiencies and judicial backlog, respectively. It performed somewhat better in Starting a Business (with a score of 79.4/100, owing to recent simplifications in registration), and in Getting Credit (thanks to a functioning credit bureau and collateral framework).

While the Doing Business report is now discontinued, Angola has continued working on those underlying metrics. For instance, the time to import goods through Luanda port has been cut with new container terminals and scanners, and an online tax payment portal launched in 2022 has improved the "Paying Taxes" experience for firms. These incremental improvements are likely to be reflected in other benchmarks: the World Economic Forum's competitiveness index and others have started to register better scores for Angola in infrastructure and institutions.

Still, the legacy of bureaucratic complexity won't disappear overnight – investors often cite administrative delays, a slow judiciary for dispute resolution, and underdeveloped supply chains as day-to-day challenges of doing business in Angola. The government acknowledges these issues. In public forums, officials have emphasized ongoing work to "debureaucratize" processes and decentralize certain services from Luanda to provinces, so that investors can get permits and information more easily at the local level.

Over time, such efforts should raise Angola's standing in global business-climate rankings, but for now, patience and local expertise remain valuable for any investor navigating this market.

Investor Success Stories: Despite the hurdles, many foreign companies have found success in Angola, contributing to a gradually improving perception among investors.

For example, brewing giant Heineken opened a \$100 million brewery in Angola in 2020 (its first in-country brewery), which now operates profitably and sources a portion of inputs locally.

Several multinational energy firms have launched renewable energy projects – one U.S.-based firm is building one of Africa's largest solar farms in southern Angola under a public-private partnership.

These stories, along with the telecom entry by Africell, highlight that Angola can be a rewarding market for those who navigate the initial setup phase.

The presence of a young and growing population (nearly 34 million people) and abundant natural resources means long-term demand fundamentals are strong.

This sentiment is captured in surveys like the UNCTAD World Investment Report, which in 2023 noted that investor interest in Africa's frontier markets (including Angola) remains high, even if execution of projects lags due to global factors. Angola's large internal market (third-largest economy in Sub-Saharan Africa) and its strategic location on the Atlantic coast give it advantages that investors are increasingly weighing against the risks.

In summary, investor sentiment toward Angola's climate in 2025 could be described as "cautious optimism built on concrete improvements." Surveys and anecdotal reports show investors are taking note of the country's reforms – the laws are more welcoming, the incentives more enticing, and the government more engaged with the private sector than in years past.

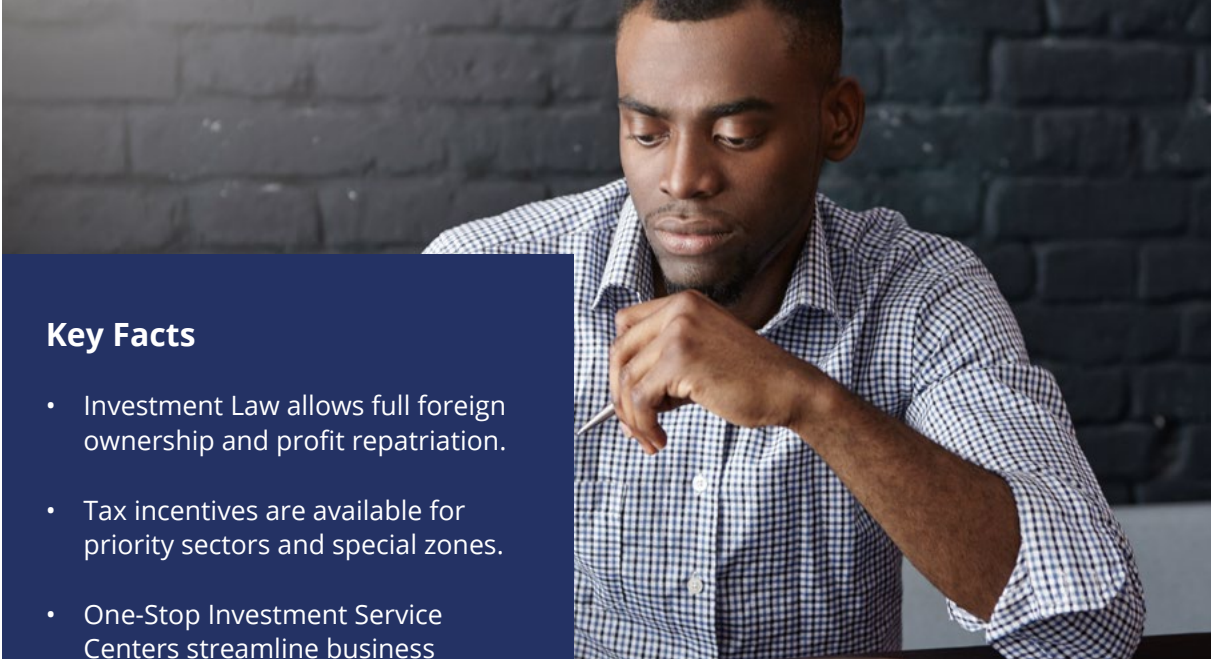
Yet, many investors also remain vigilant about enduring issues like corruption (Angola still ranks low in governance indicators), inconsistent policy implementation, and macroeconomic swings tied to oil.

The Angolan government's challenge is to continue the reform momentum so that positive sentiment translates into actual investment on the ground. If oil prices remain relatively stable and reforms deepen, there is a real sense that Angola could finally turn the corner to become one of Africa's investment bright spots in the latter half of the 2020s.

4. Starting a Business in Angola

Key Facts

- Investment Law allows full foreign ownership and profit repatriation.
- Tax incentives are available for priority sectors and special zones.
- One-Stop Investment Service Centers streamline business processes - GUE.
- Privatization law enables private participation in key public sectors.
- Licensing and registration times have improved but still face delays.
- Contract enforcement and dispute resolution remain slow.
- Labor law reforms aim to balance flexibility and worker protection.
- Land rights and concessions require careful due diligence.
- Digitalization of administrative processes is expanding gradually.
- Anti-corruption frameworks have improved but need further enforcement.



International investors will find that starting a business in Angola has become more streamlined and transparent in recent years. This chapter provides a step-by-step overview of the business incorporation process as of June 2025, highlighting the types of legal entities available, the roles of key agencies, required procedures and documentation, recent reforms, and remaining challenges. The narrative is designed to reassure foreign investors by clarifying each step and demonstrating Angola's commitment to improving its business climate.

Legal Entity Options for Foreign Investors

Angolan law allows 100% foreign ownership of locally incorporated companies. The two main corporate structures are the **Sociedade por Quotas (LDA)** and the **Sociedade Anónima (SA)**, roughly equivalent to a limited liability company and a joint-stock corporation, respectively.

An **LDA** is the most common choice for foreign entrepreneurs due to its simplicity. It can be formed by a single or multiple shareholders (minimum of two if not formed as a single-shareholder company) and **has no required minimum share capital** – even a token capital of 1 Angolan Kwanza per shareholder is acceptable. Shareholders' liability is limited to their quota contributions, and quotas (equity stakes) can be transferred via notarial deed.

An **SA**, by contrast, is typically used for larger ventures. It requires a **minimum capital equivalent to USD 20,000**, with at least 30% paid in at incorporation. An SA traditionally needed five shareholders, but if a state-owned entity is among the owners, it may proceed with just two. SAs issue shares (which can be freely transferred unless restricted by by-laws) and must appoint a board of directors and an audit committee.

Both LDAs and SAs limit shareholder liability to the company's capital.

Other forms, such as **branch offices** and **representative offices**, exist but are less relevant under current policy. A branch (sucursal) is an extension of a foreign company in Angola, and a representative office is limited to liaison and market research activities.

In practice, since the 2018 Private Investment Law, foreign investors generally incorporate a local company rather than operate through branches or rep offices. (The law excluded branches and rep offices from the preferred investment vehicle list, meaning they are not eligible for the incentives under the private investment regime.)

For most investors, establishing an LDA or SA in Angola provides a clear legal standing and access to investment benefits.

Importantly, there are no general restrictions on foreign shareholders in ordinary sectors of the economy – Angola permits full foreign ownership in most industries. This marks a significant shift from earlier eras and underscores that international investors can set up subsidiaries in Angola without mandatory local partners in most cases.

Choosing between an LDA and SA will depend on the scale and needs of the project: LDAs suit small to medium enterprises or joint ventures, while SAs may be preferable for large ventures needing greater capital and corporate governance structure.

Step-by-Step Incorporation Process (2025)

Starting a business in Angola involves several coordinated steps. Thanks to the **Guiché Único da Empresa (One-Stop Shop)**, many of these procedures can now be completed in one place and often in parallel. Below is a step-by-step guide for incorporating a new company (assuming the choice of an LDA or SA) as of June 2025:

- 1. Reserve a Company Name:** Propose a unique company name and obtain approval from the Central Registry of Companies (Ficheiro Central de Denominações). This is done through the one-stop shop's interface. The chosen name must be distinct and will be cleared by the Ministry of Justice's registry. This step is typically quick – name approval can often be done instantly or within one day.
- 2. Obtain Tax Identification (NIF) for Investors:** Ensure all founders (and the company itself) have a **Tax Identification Number (NIF)**. Angolan nationals and resident investors usually have NIFs, but

foreign investors will need to obtain one. The one-stop shop can facilitate issuance of a personal NIF on the spot for a foreign individual investor. A non-resident foreigner needs only a valid passport (with visa) and can get a NIF at the Guiché Único da Empresa in order to be officially recognized in the Angolan tax system. (If a foreign corporate entity is a shareholder, it must usually appoint a fiscal representative and obtain a NIF for tax purposes as well.)

3. Open a Bank Account and Deposit Capital:

Prior to formal incorporation, open a local corporate bank account in the company's name and **deposit the initial share capital** (if any). While an LDA has no minimum capital requirement, whatever capital the founders decide to subscribe must be deposited in a bank before the incorporation deed is executed. For an SA, at least 30% of the USD 20,000 minimum capital (roughly USD 6,000) must be deposited prior to incorporation. The bank will provide proof of the deposit which is required by the notary. If the funds are coming from abroad, coordinate with the bank on obtaining a **capital import license from the National Bank of Angola (BNA)** – essentially a clearance for the inbound investment funds. This is usually handled as part of the banking process.

4. Draft the Articles of Association:

Prepare the company's constitutive documents (articles of association or public deed of incorporation). Standard models for LDA and SA are available and can be tailored to include the company's objectives, share capital distribution, management structure, and other statutory provisions. Many investors use these templates provided by the one-stop shop or local lawyers to expedite the process. Key decisions like the company's registered address, business purpose, and appointment of directors must be settled in this document.

5. Execute the Incorporation Deed at the One-Stop Shop (Notary):

your authorized representative appear) at the Guiché Único da Empresa (GUE) to **formally sign the incorporation deed before a public notary**. The one-stop shop hosts notaries on-site, so this can be done in the same office. All shareholders or their proxies sign the public deed, which is then officially notarized. If any shareholder is not physically present in Angola, they can sign via **power of attorney** through a proxy. In fact, **a foreign investor is not required to travel to Angola to incorporate** – they may appoint a local representative via a notarized and legalized power of attorney to handle the incorporation on their behalf. This feature greatly facilitates foreign participation. During this phase, the notary verifies the identity of shareholders, confirms the capital deposit (the bank deposit slip is provided), and ensures compliance with legal formalities. Once the deed is executed, the company is considered legally formed.

6. Obtain the Commercial Registration Certificate:

After the deed, the one-stop shop will forward the documents to the commercial registry to record the new company. The result is a **Commercial Registration Certificate** – an official proof of the company's existence and details. This certificate is usually available shortly after the deed is executed (often within a day or two). For foreign investors, this certificate will later be needed when registering the investment with AIPEX (the investment agency).

7. Publish the Incorporation in the Official Gazette:

As required by law, the key details of the company's incorporation (essentially the company name, founders, capital, and an excerpt of the statutes) must be **published in the Diário da República**, Angola's official gazette. The one-stop shop coordinates this publication step. In practice, the publication is a formality that may take a few days or weeks to be processed by the National Press. The timing of the gazette notice can be a gating item – historically this was a source of delay, but it has improved significantly. Now,

publication often occurs within a week or two of submission (sometimes even faster for simpler cases). The cost for the gazette publication is modest and is typically included in the one-stop shop service fees.

8. Register for Tax, Social Security, and Statistics:

Once incorporated, the company must be registered with the tax authorities, social security, and the national statistics institute (INE). The **tax registration** with the General Tax Administration (AGT) confirms the company's Tax ID and its obligations for corporate income tax, VAT (if applicable), etc. Concurrently, the company registers with the **National Institute of Social Security (INSS)** to enroll any employees (even if there are none yet, the registration is needed to hire staff in the future). The one-stop shop usually facilitates these post-incorporation registrations by forwarding the necessary information to the relevant agencies. Additionally, new companies are expected to register with the **National Institute of Statistics** for statistical tracking (this involves filling out a short form about the business activity and is often done at the time of tax registration). In prior years, these registrations had to be done separately, but **today the one-stop shop significantly streamlines the process by handling much of this in parallel.**

9. Obtain Special Licenses or Permits (if applicable):

Depending on the nature of the business, further permits may be required before commencing operations. For example, companies engaging in **commercial trade (import/export)** need a **commercial operations permit (Alvará)** from the Ministry of Commerce. Similarly, certain regulated sectors (banking, insurance, oil & gas, mining, etc.) require sector-specific licenses from the pertinent ministries or regulatory bodies. These are **outside the scope of the basic incorporation** and may involve separate application processes. The one-stop shop does **not** have authority to issue such operational licenses – it can only streamline the company formation itself.

Investors should budget additional time for any industry-specific approvals. Fortunately, many common businesses (general services, manufacturing, etc.) do not need extra permits beyond the standard tax and social security registrations. If required, it's best to initiate the licensing process soon after incorporation, providing the newly issued company documents and any sector-specific documentation needed.

10. Register the Investment with AIPEX (for Foreign Investors):

If the new company involves foreign ownership or funding, the final crucial step is to **register the investment with Angola's Private Investment and Export Promotion Agency (AIPEX)** and obtain a **Certificado de Registo de Investimento Privado (CRIP)** – the Private Investment Registration Certificate. Note: This step can actually be initiated earlier in parallel with the company setup or immediately after incorporation, as explained in the next section. In the standard "prior declaration" regime, the company is established first, and then the investment is registered. To register, the investor (or their legal representative) submits an application to AIPEX with the commercial registration certificate of the new company and details of the investment project. AIPEX will review the application (more on this below) and, if all is in order, issue the CRIP certificate. The CRIP is effectively the government's acknowledgment and approval of the foreign investment. It **confers important benefits**, such as the legal guarantee to repatriate dividends, profits, and capital abroad in convertible currency, as well as eligibility for any fiscal incentives the project might qualify for.

Most of the above steps are handled through the **"Guiché Único da Empresa" one-stop service**, which greatly simplifies what used to be a lengthy procedure. At the one-stop center, representatives from various agencies (Notary, Registry, Tax, Social Security, etc.) are available under one roof. This integration means that

many steps 1 - 9 can be processed almost **simultaneously and within the same office**. For example, while the notary prepares the deed, the name can be confirmed, and tax registrations forms are readied in parallel. The official fees for incorporating an LDA are relatively low (on the order of Kz 11,000, roughly USD 20), and for an SA around Kz 41,000 (roughly USD 75-95), not including any capital deposit or publishing costs. These fees were reduced in recent reforms to encourage new businesses.

In **timeline** terms, a straightforward incorporation can be completed in **one to two weeks** if all documents are in order and there are no special licenses needed. In practice, however, investors should be prepared for some variability. Officially, the entire process (from name reservation through final registrations) **can take around 30 days** to complete in full. This accounts for possible slowdowns in gazette publication or obtaining additional registrations. The Angolan government has consistently worked to speed up these procedures, and the one-stop shop's efficiency has improved markedly – many companies do get registered in under two weeks now. However, factors such as obtaining a required operating permit or dealing with complex investment approvals can extend the timeline. The good news is that compared to a decade ago (when starting a business could take several months), Angola's incorporation process is now much more expeditious and investor-friendly.

AIPEX and the Private Investment Registration (CRIP)

AIPEX (Agência de Investimento Privado e Promoção das Exportações) is the key institution for foreign investors in Angola. It serves as a **one-stop interface for investment projects**, particularly those involving foreign capital. AIPEX's role is to register and oversee private investment proposals, and to grant the accompanying benefits and guarantees under Angola's Private Investment Law (Law

10/18 of 26 June 2018, as amended). If you are an international investor starting a business in Angola, engaging with AIPEX is essential to secure your rights – most notably, the right to **repatriate profits and dividends** in foreign currency.

Under current rules, **there is no minimum investment threshold to qualify** for the protections of the Private Investment Law. Any amount of foreign investment can (and should) be registered with AIPEX to be “under the umbrella” of the law. By registering, **investors obtain the CRIP certificate**, which is proof that the investment is approved and recorded. The CRIP is more than a formality – it is required to later remit profits abroad, benefit from tax incentives, and access other investor guarantees.

When and how to obtain the CRIP: In the “prior declaration regime”, a foreign investor may incorporate the local company first and then apply for the CRIP. This is indeed the common approach now. As indicated earlier, once your new company is formed (Step 10 in the process), you submit an **investment registration application** to AIPEX. Notably, Angola now has an electronic platform called SETIP (Sistema Eletrónico de Tramitação de Investimento Privado) that allows investors to **submit their investment proposal online**. This online system, launched as part of recent e-government reforms, means you can initiate the AIPEX process via the web (or you can do it through direct consultation with AIPEX officers in Luanda).

The application to AIPEX will include several documents (as per Presidential Decree 250/18, which regulates the Private Investment Law). Key **documents required** are: a **letter** formally requesting the registration and issuance of the CRIP, the completed **investment project application form** (available from AIPEX) detailing the nature of the project, a copy of the company's Commercial Registration Certificate, copies of investors' identification (passports or IDs), a **resolution or minutes** from the company approving the investment project

registration, proof of financial capacity or funds for the project (e.g. a bank statement showing the capital to be invested), and a **training and localization plan** for gradually replacing foreign workers with Angolan personnel over time (this labor plan is a legal requirement under Article 46(3) of the Private Investment Law, emphasizing skills transfer to locals). If someone is filing on the investor's behalf, a **power of attorney** must be included as well. AIPEX reviews the submission and will not accept it until all required documents are present. Once the application is formally accepted (AIPEX issues an official receipt), **a decision is typically made within 5 working days**. This rapid turnaround is mandated by regulation: AIPEX must either approve (and issue the CRIP) or request changes/deny the application within that timeframe. In practice, simple investment registrations are often approved quickly. Upon approval, you pay the **registration fee** and AIPEX issues the CRIP certificate. The fee for the CRIP issuance is **Kz 300,000** (around USD 500), a one-time cost. If the project were exceptionally large (qualifying for a special contractual regime, above USD 10 million or in priority sectors), the process might involve additional steps or negotiations, but for most standard investments the prior declaration route is straightforward.

With the **CRIP in hand**, the foreign investor is legally all set. The CRIP formally authorizes the commencement of operations under the investment project. It also allows the investor to proceed with any capital inflows (the central bank will reference the CRIP for foreign exchange control) and later outflows of profits. It's worth noting that **all investments, regardless of size, are now entitled to repatriate funds freely** as long as they are registered with AIPEX – a major reassurance for investors concerned about converting local profits to dollars or euros. Tax incentives, if any were offered under the investment law (such as custom duty reductions or tax holidays in certain development zones), also become effective once the CRIP is issued.

AIPEX also provides ongoing support to investors. They liaise with other government entities to

help implement projects and can assist if any bureaucratic hurdles arise. Essentially, AIPEX is both a regulator and a facilitator – it ensures compliance with investment law, but also serves as an advocate for the investor within the government. Foreign investors should view AIPEX as a partner in the setup process. From the initial inquiry through to expansion plans, AIPEX is a central point of contact. Its creation was part of Angola's effort to centralize and simplify investor engagement, replacing the old ANIP (National Private Investment Agency) and improving on past procedures. The presence of AIPEX means investors no longer have to seek approvals from multiple ministries for general investment approval – one agency handles it, in a time-bound manner.

Practical tip: Coordinate the AIPEX registration timing with your company incorporation. Because the law now allows the company to be formed prior to AIPEX approval, many investors incorporate first (to get the legal entity and bank account ready) and then immediately submit to AIPEX. This way, while AIPEX is reviewing the project (those few days), you can proceed with other post-incorporation tasks. If AIPEX requires any clarification or additional document, they will notify you or your attorney. On issuance of the CRIP, ensure you keep this certificate safely; banks and authorities may request to see it as proof of the investment's approved status, especially when repatriating funds in the future.

Role and Effectiveness of the One-Stop Shop (Guiché Único da Empresa)

A cornerstone of Angola's business environment reforms is the **Guiché Único da Empresa (GUE)** – the "One-Stop Shop" for company incorporation. This service, first introduced in 2003 and continually enhanced, has vastly improved the ease of starting a business. The GUE is a **special public service center that consolidates multiple registration procedures in one location**. Instead of shuttling between the notary, commercial registry, tax

office, and other agencies, investors can handle virtually all incorporation steps through the GUE's coordinated platform.

At the one-stop shop, representatives from relevant government departments work side by side. For example, the Ministry of Justice's personnel handle name reservations and commercial registration, notaries handle deed execution, Ministry of Finance/Tax officials handle fiscal number and tax registration, and Ministry of Labor/Social Security staff handle INSS registration – all under one roof. This integration greatly reduces duplication and waiting times. **The registration formalities can be executed almost simultaneously via the GUE** because once your application is in their system, multiple tasks proceed in parallel. The result is a smoother and faster experience for the entrepreneur.

The GUE's effectiveness today is a marked improvement from the past. Historically, two of the most time-consuming steps were the notary certification and the gazette publication, which used to take months in the early 2000s. Now, with GUE oversight, notarial acts are done on-site quickly, and the official gazette process – while still required – is handled as an internal workflow rather than leaving the investor to manage it externally. **The government has steadily cut down the average time for company registration**, aiming to make it as short as possible. As of 2025, uncomplicated cases have been reported to finish incorporation in under a week, thanks to GUE's efficiency. The U.S. State Department notes that despite some bureaucratic steps, Angola has reduced the overall procedures and that it currently takes about **one month to incorporate a business on average** including all post-registration formalities. The one-stop shop is the primary reason this timeline isn't much longer – without it, each step would add delays.

Another recent boost to GUE's effectiveness is the push toward **digital services**. The government has launched an online portal for the one-stop shop (the Portal do GUE) which

allows certain steps to be initiated or even completed electronically. In fact, as of 2024, entrepreneurs can **register a company online** through the GUE portal with guided steps (a publicized campaign in April 2025 showed how users can create an account and submit an online incorporation request). While some steps (like signing the deed) still eventually require in-person or notarized actions, the portal can handle preliminary tasks such as name search/reservation, filling company statutes forms, and even issuing electronic payment invoices for fees. This digital transformation means less time waiting in queues and more transparency, as applicants can track the progress of their registration online. The motto shared in GUE's communications – **"GUE, o seu negócio começa aqui"** (GUE, your business starts here) – reflects the government's commitment to modernize business services fully available online.

That said, the **one-stop shop does have limits**. It facilitates incorporation and general registrations, but **does not have authority to grant every type of permit or license** an enterprise might need. For example, if a business needs an environmental license or a sectoral ministry approval, GUE can often guide investors on the process, but the approval itself comes from the respective ministry. In the past, this limitation meant GUE couldn't fully eliminate all delays, since some ministries were slow to coordinate. However, inter-agency coordination has been improving. Many ministries now have streamlined their requirements too, and GUE acts as a liaison to some extent. For the majority of standard businesses, no additional permits (beyond those GUE handles) are needed to start operating.

Investors generally report positive experiences with the one-stop shop. It significantly **reduces the red tape** associated with starting a business. Where multiple signatures and visits were once required, GUE offers a single window. The staff at GUE are accustomed to working with foreign investors – English may be spoken by some attendants, though having a Portuguese-speaking lawyer or assistant can be helpful. The

service fees are fixed and published (the earlier-mentioned Kz 11,000 or Kz 41,000 fee covers the notary and registration aspects for LDA or SA, respectively). This predictability in cost and procedure helps reassure investors that there won't be hidden bureaucratic expenses.

In summary, the Guiché Único da Empresa is one of Angola's success stories in creating an investor-friendly environment. It **cuts through bureaucracy by bundling necessary tasks** and continues to evolve with digital integration. For any investor starting a company in Angola, engaging with the one-stop shop (either directly or via a local law firm) will be one of the first and most important steps. The convenience it provides cannot be overstated – it is a major reason Angola's "starting a business" indicators have improved.

Documentation, Timeline, and Costs

When preparing to incorporate in Angola, having all required documentation ready is crucial for a smooth experience. Based on the steps above, here's a summary of what you will typically need:

- **Shareholder Identification:** For individuals, valid passports (with visa stamp if you are in-country) are required. For corporate shareholders, certified copies of incorporation documents (e.g. certificate of incorporation or charter) and a board resolution authorizing the Angolan investment are needed. These foreign documents should be notarized and legalized (usually via the Angolan consulate or apostille, if applicable) to be accepted by Angolan authorities.
- **Tax Identification Numbers (NIFs):** As noted, all individual and corporate shareholders must have a NIF. If foreign investors do not already have one, they can obtain it during the incorporation process. Local directors or representatives will also need NIFs. This requirement is mainly to ensure the tax authorities can track the new
- company's stakeholders.
- **Company Constitutive Documents:** A draft of the **articles of association (estatutos)** or an incorporation form. If using the one-stop shop's standard models, these can be prepared on-site by filling in key details. Otherwise, you may present your own draft. In either case, the document will be executed before the notary at GUE. The document will include details such as the company name, purpose, share capital, quota/share distribution, management structure (administrators or board members), and other bylaws as needed.
- **Proof of Capital Deposit:** A bank letter or deposit slip confirming that the initial capital has been deposited in a bank account in the company's name. For an LDA, if the capital is very low (e.g. a few kwanzas or a token amount), banks may waive a formal letter and the notary will accept a simple statement. For larger amounts or for an SA, a formal bank certificate is typically provided. If the capital was brought from abroad, documentation for the transfer (and BNA clearance if applicable) should be kept as well.
- **Power of Attorney:** If you, as a foreign investor, will not personally be in Angola to sign documents, you'll need to issue a power of attorney to a trusted person (often a lawyer or consultant) in Angola. This POA must be notarized and legalized in your home country. The appointed attorney-in-fact will then carry out acts like signing the incorporation deed on your behalf. Angola's one-stop shop is accustomed to processing incorporations via proxies; many foreign investors use this route to save time and travel.
- **Investment Project Documents (for AIPEX):** As detailed in the AIPEX section, once the company is formed, foreign investors must compile the documents for the AIPEX application. Many of these will have overlap with what was used in incorporation (e.g. copies of IDs, the commercial register

certificate, corporate resolutions, POA). Additional elements include the filled **investment registration form**, the project description (which is usually part of that form), and the training/local staff plan. AIPEX provides templates to ensure investors include all required information, such as project value, financing sources, projected job creation, etc.

- **Other Supporting Documents:** Depending on the business, you may also prepare lease agreements for office space (if required for showing a registered address), technical certificates (if a professional service company requiring credentials), and so forth. While not needed for the core registration, they might be needed when applying for operational licenses or opening a bank account.

In terms of **timeline**, as previously mentioned, the core incorporation (through GUE) is often completed in under 2 weeks. However, getting your business fully operational (with all registrations and any licenses) can be closer to **3–4 weeks (roughly 30 days) in practice**. The sequence usually looks like: a few days to gather/prepare documents, a day to reserve name and get NIFs, a day for bank account and deposit, a day for signing at notary (assuming appointment readily available), then a wait of several days for the gazette publication and final certificate issuance, alongside tax/INSS registrations which are mostly immediate once the company is registered. **AIPEX's approval** is relatively quick (about 5 business days after submission), but assembling the AIPEX submission package itself can take some days, especially if documents from abroad need translating or legalizing. If you plan efficiently, AIPEX processing can run concurrently with the latter part of the incorporation timeline.

Costs for starting a business in Angola have been reduced as part of the government's reforms. A breakdown of typical costs (in USD equivalent) includes: the **one-stop shop service fee** (~\$20–\$100 depending on company type);

notary fee (usually included in the one-stop fee for standard capital amounts); **official gazette fee** (minor, often around \$50 or less for the publication, depending on length); **AIPEX registration fee** (\$500 for the CRIP); and any translation/legalization expenses for documents from overseas (this can vary widely by country of origin). Additionally, if you increase the share capital significantly, there could be a **stamp duty** on the capital (Angola used to levy a 0.1% stamp tax on capital subscriptions, but recent policy has either waived or minimized this for new companies – it's worth confirming the current rate with local advisors). Professional service fees (for lawyers or consultants) would be on top, but those are negotiable and not government-imposed.

To put the government fees in perspective: it is possible to legally establish a basic LDA for well under **USD 1,000** in official costs. This is quite competitive regionally. The biggest single government cost for foreign investors tends to be the AIPEX fee (if applicable). By comparison, a local entrepreneur (with no foreign investment) might pay almost no fees except the nominal registration charge, since AIPEX would not be involved.

Key Reforms Since 2022

Angola has undertaken **significant reforms in the last few years (2022–2025)** to simplify starting a business and improve the investment climate:

- **Digitalization of Processes:** A major push toward e-government has modernized business incorporation. The launch of the online portal for the GUE now allows entrepreneurs to initiate company registration electronically. Similarly, AIPEX's SETIP online investment platform enables electronic submission and tracking of foreign investment registration. These tools reduce face-to-face interactions and speed up processing.

- **Reduced Costs and Capital Requirements:**

The government cut the official fees and capital barriers for new businesses. Company registration fees were lowered (e.g. ~Kz 11,000 for an LDA), and the minimum share capital requirement for LDAs was abolished. Entrepreneurs can now incorporate with a symbolic capital if they wish, eliminating a historical cost hurdle. SAs still require USD 20k capital, but that remains moderate for larger ventures and has not increased despite inflation.

- **Streamlined Registration Procedures:**

Reforms have merged or eliminated unnecessary steps. For instance, tax and social security registrations are now integrated into the incorporation process via the one-stop shop, rather than separate post-incorporation visits. The introduction of standardized forms and model statutes simplified document preparation. The overall number of procedures to start a business has been reduced, as recognized by international indices.

- **Faster Turnaround Times:** Through administrative decrees and internal performance targets, agencies are working faster. AIPEX, as noted, has a binding 5-day decision deadline for investment approvals. The commercial registry and notary services at GUE have also accelerated – many tasks that once took weeks now happen in days (for example, name reservation is virtually instant, and obtaining a tax ID is done in minutes). These improvements collectively shaved off time from the incorporation process.

- **Legal Framework Improvements:** The Private Investment Law was refined (with updated regulations in late 2018 and further clarifications in 2021), solidifying investor rights and removing bureaucratic requirements. One outcome was removing the earlier stipulation for a local partner in certain sectors, thereby opening most sectors fully to foreign investment.

Additionally, a “simplification law” (Law 11/15 and related statutes) continued to influence company law by allowing, for instance, single-shareholder companies and lowering minimum shareholders for SAs, making it easier to structure businesses flexibly.

- **Decentralization of One-Stop Services:**

The GUE model has been expanded beyond Luanda. Provincial capitals now have one-stop shop branches, meaning investors can register businesses in other regions without dealing with the central bureaucracy in the capital. This regional expansion (ongoing through 2022–2024) brings services closer to where businesses operate and has encouraged entrepreneurship across the country.

- **Elimination of Some Red Tape:** The government has reviewed and scrapped certain antiquated requirements. For example, provisional operating permits can often be obtained more quickly so that businesses don't have to wait for final alvarás to commence some activities. Some registrations, like with the statistics institute, have been made automatic once the tax registration is done, to spare entrepreneurs an extra trip (though one may still need to confirm it). The overall documentation requirements have been made more predictable – a published checklist (available through AIPEX and GUE websites) outlines exactly what is needed, increasing transparency.

- **Improved Transparency and Support:**

Since 2022, authorities have ramped up investor support. AIPEX regularly publishes guides and offers consultation to investors, often in English, to explain the incorporation steps. Meanwhile, an online business portal (e-Portal do Investidor) is being developed to serve as a single information hub. These efforts, coupled with stricter anti-corruption measures, aim to ensure foreign investors can navigate the process without unofficial obstacles.

These reforms demonstrate Angola's commitment to fostering a business-friendly environment. The country's leadership has placed investment climate improvement at the forefront, recognizing that simplifying the path to starting a business is crucial for attracting foreign direct investment and stimulating the domestic economy. Many of these changes – especially the digital systems and reduced fees – have taken effect since 2022, so investors familiar with the older processes will notice a tangible difference in convenience.

Remaining Obstacles and Bottlenecks

While Angola has made great strides, investors should remain aware of a few remaining challenges in the business start-up process:

- **Bureaucratic Delays:** Despite streamlining, certain steps can still take longer than desired. In practice it may still take around a month to fully establish a company's operations, because after incorporation, you must register with the tax authority, the national statistics institute, and social security, and these add to the timeline. If paperwork is incomplete or an official is absent, even one-stop procedures can slow down. Patience and careful follow-up remain important.
- **Official Gazette Publication Timing:** The requirement to publish new company bylaws in the *Diário da República*, while quicker than before, can introduce a waiting period of days or weeks. The company is legally formed upon notarization, but some subsequent actions (like certain license applications or opening corporate bank credit lines) may await proof of gazette publication. This step is outside the investor's control and can be a minor bottleneck if the National Press has backlog.
- **Sectoral Licenses and Permits:** As noted, obtaining specific operational licenses (alvarás) can be a hurdle. The one-stop shop does not expedite ministry approvals, so if your business needs one, it may face the traditional bureaucratic process. For example, getting a trading license from the Ministry of Commerce or a tourism operator license from the Tourism Ministry can involve separate paperwork and inspections, which take additional time and effort. Coordination between GUE and line ministries has improved, but not all red tape is eliminated. Investors sometimes find that after the ease of incorporation, these extra steps feel cumbersome.
- **Document Legalization and Language:** Foreign investors must often translate and legalize home-country documents (like powers of attorney, board resolutions, etc.) into Portuguese. This process (dealing with embassies or apostilles and certified translations) can be time-consuming. It's an external step that, if not started early, can delay the incorporation. Also, all official processes in Angola run in Portuguese, so having translation support is essential to avoid miscommunication.
- **Banking and Capital Importation:** Opening a bank account for a new company, while generally straightforward, can sometimes be slow due to compliance checks. Additionally, transferring investment funds into Angola requires working with banks that follow BNA (central bank) foreign exchange rules. Though the law guarantees repatriation, the practical aspect of converting and moving money can be bureaucratic. Obtaining the BNA capital import license (usually arranged by the bank) is an added step that can take a few days. Delays in the banking sector or foreign currency availability could indirectly affect how quickly you can inject funds to start operations.
- **Infrastructure and Accessibility:** If you are incorporating outside of Luanda, the availability of notaries or one-stop services might be limited. Some provinces have fully operational GUE branches, but in others

the process might revert to the older way (sequential steps at different offices) if the one-stop shop isn't fully implemented. This is improving over time, but uneven regional implementation can be an obstacle in certain locations.

- **Administrative Culture:** Angola is transitioning from a historically bureaucratic administration. Old habits like requiring multiple signatures or excessive formality can occasionally persist. Investors might encounter an official insisting on an extra copy of a document or a particular stamp that seems superfluous. These are usually minor issues, but they can be frustrating. Engaging a knowledgeable local facilitator (lawyer or consultant) can help navigate such quirks efficiently. They know “how things are done” and can preempt requirements before they become roadblocks.
- **Post-Incorporation Compliance:** Starting a business is one thing – running it is another. There are ongoing obligations (tax filings, license renewals, etc.) that, if not managed, can circle back and affect the business license. For instance, after registration, a company is expected to begin operations within a certain timeframe or risk being questioned (especially if benefits were granted). If an investment project remains dormant, AIPEX could eventually inquire about its status given the CRIP issuance. Ensuring that any conditions tied to incentives (like hiring a certain number of locals to meet the training plan) are met will be important to avoid any future bottlenecks in maintaining good standing.

Despite these challenges, Angola's trajectory is positive. Each year, administrative hurdles are being knocked down one by one. The remaining obstacles are well-known and the government – often in consultation with the private sector – is working to address them.

For example, there are ongoing efforts to eliminate the need for separate statistical registration, or to allow interim operation while waiting for final licenses.

Moreover, initiatives under the government's reform program aim to increase the use of online systems, reducing personal interactions where delays or rent-seeking could occur.

Investors can take comfort that none of the current bottlenecks are insurmountable; they typically represent additional time or paperwork, not fundamental barriers to investment. With proper preparation and local guidance, a foreign investor can navigate the incorporation process in Angola with relative ease, fully aware of where a few slow points might be.

5. Operational Environment & Cost Considerations

Key Facts

- Commercial electricity tariffs average 21–25 Kz/kWh (USD 0.025–0.03).
- Corporate internet packages (50–100 Mbps) cost USD 300–600/month.
- Office rents in Luanda range from USD 30–45/m²; industrial space USD 7–15/m².
- Minimum wage is approx. USD ~50/month; mid-level salaries range USD 800–1,500/month.
- Three operational deep-water ports; Lobito Corridor offers rail access to DRC/Zambia.
- Foreign work permits subject to quotas and skills justification.
- One-stop investment windows (AIPEX, GUE) streamline registration and licensing.
- 4G widely available; 5G in pilot phase; Internet penetration ~38%.
- Industrial zones (e.g., Luanda-Bengo ZEE) offer tax incentives and serviced plots.
- Logistics constraints persist in urban mobility and rural access roads.



Operating a business in Angola requires navigating a complex mix of high costs and infrastructural challenges alongside gradual improvements. This chapter provides an overview of key components of Angola's operational environment – from energy and utilities to logistics, real estate, labor, and regulations – with an emphasis on current data and trends as of mid-2025. The narrative highlights both the hurdles international investors may face and the ongoing reforms aimed at improving cost structures and infrastructure.

Energy and Utilities (Electricity, Water, Waste)

Angola's energy sector is in a phase of expansion but still struggles with limited access and reliability. The country has about 5.7 GW of installed electric generation capacity (primarily hydropower) but only around 70% of that is effectively utilized. The government has set ambitious targets to reach 8.9 GW capacity and 60% electrification by 2025.

In practice, current electrification rates are only an estimated 43% in urban areas and under 10% in rural communities. This leaves many businesses and households dependent on diesel generators for power, which raises operational costs and complexity. With plans for new power plants (e.g. the 750 MW Soyo gas plant and 2.1 GW Laúca hydropower project coming online) and several solar and mini-hydro projects in development, Angola is working to improve generation and grid coverage.

However, until the transmission grid (currently split into three unconnected regional grids) is unified and expanded, electricity access will remain uneven (a national grid backbone is planned to expand from ~3,300 km to 16,000+ km of lines by 2025).

Investors should be prepared for power instability in certain regions and budget for backup power solutions in their cost structure.

Water supply and waste management infrastructure also lag behind demand. In major cities like Luanda, the public water utility coverage is limited, leading many companies to drill private boreholes or purchase water from tanker trucks.

Angola's southern provinces have experienced severe droughts, underscoring the vulnerability of water access. Only about half of urban households have reliable piped water, and in rural areas access is far lower. As a result, businesses often incur additional costs to secure potable water for operations and employees.

The high reliance on bottled water is telling – Angola is among the largest bottled water markets in Africa, with roughly \$600 million in annual sales, reflecting the need to compensate for inconsistent tap water quality.

Solid waste disposal is another concern: municipal waste collection services exist in Luanda and provincial capitals but are frequently overwhelmed. Many firms hire private waste contractors to ensure regular collection, particularly for industrial waste. Environmental compliance costs can be significant for industries that generate hazardous waste, given the nascent state of waste treatment facilities. Overall, in the utilities arena (electricity, water, sanitation), companies should plan for supplementary investments (generators, water storage/treatment, waste hauling) to maintain reliable operations.

Notably, Angola's government has begun phasing out subsidies on fuel and electricity, which, while improving fiscal sustainability, is driving up energy prices. Electricity tariffs in Angola have historically been low by regional standards (around 11 Kwanza per kWh on average, one of the cheapest in SADC) due to subsidies, but adjustments are underway to approach cost-recovery levels. The prospect of higher utility bills is incentivizing interest in alternative energy solutions: some businesses are adopting solar panels or hybrid systems to reduce long-term power costs.

In summary, the energy and utilities landscape in Angola presents a mix of opportunity (vast hydropower and solar potential) and immediate challenges (access gaps and rising prices), making it a critical factor in the operational cost structure for investors.

Telecommunications and Internet Infrastructure

Angola's telecommunications infrastructure has seen significant advancements, yet it remains a tale of two worlds: modern networks in urban centers versus gaps in rural connectivity.

The country now has four mobile network operators (MNOs) competing: long-time leaders Unitel and Movitel, the state-owned Angola Telecom, and newcomer Africell (which launched in 2022).

Market competition has intensified since Africell's entry – Africell quickly captured the position of second-largest operator, pushing Unitel (recently brought under full state ownership) to upgrade and expand its services. Unitel is even preparing an IPO to attract foreign capital for network expansion as part of a broader privatization push. As a result of this competition, investment in telecom tower infrastructure is high, with both Unitel and Africell rolling out new 4G sites and preparing for eventual 5G deployment. Angola Telecom, primarily a fixed-line and backbone provider, has also received government investment (around \$189 million) to extend coverage in rural areas, including leveraging the Angosat-2 satellite launched in late 2022 to reach remote communities.

Internet access is growing rapidly. As of early 2025, roughly 17.2 million Angolans were internet users – about 44.8% of the population. This marks a sharp rise from an estimated 32% internet penetration in 2023, reflecting the country's digital uptake.

Mobile broadband (3G/4G) is the primary mode of access for most, given the limited fixed-line broadband infrastructure. Luanda and other coastal cities benefit from multiple submarine fiber optic cables landing in Angola (including the West Africa Cable System and the South Atlantic Cable System connecting Angola to Brazil), which provide ample international bandwidth.

The main challenges now are last-mile

connectivity and affordability. Internet costs in Angola are relatively high when compared to average incomes – only about 10% of Angolans can afford 1 GB of data at the globally recommended standard of 2% of monthly income, whereas the Africa-wide average is 23% affordability. For businesses, commercial internet plans (dedicated broadband, corporate VSAT links for remote sites, etc.) remain expensive, though prices have started to decline with greater competition and infrastructure investments.

The government has also sponsored initiatives like "Angola Online" to set up free Wi-Fi hotspots in urban areas to increase public access. This is helpful for the community but also underscores the need for more affordable private internet solutions.

Despite the improvements, service quality can be uneven. In major cities, 4G coverage is solid and fiber-to-the-premises is available in upscale neighborhoods and business districts. However, in secondary cities and rural towns, users often contend with slower 3G or even 2G connections, and outages are not uncommon. Network reliability and speed should therefore be carefully evaluated for any planned business location. Companies might need to invest in backup communication links (for example, maintaining both a fiber link and a microwave or satellite backup) to ensure continuity.

The entrance of new players and technologies is a promising sign: Africell's expansion and the government's push for telecom sector reform aim to lower consumer prices and improve quality. Angola even signaled interest in 5G, with pilot tests anticipated once the market matures – a move that could eventually support advanced industry needs (IoT, smart logistics) in the long term.

Overall, the telecom environment is improving, but cost structures should account for higher-than-average telecom expenses, especially for high-bandwidth corporate needs.

Transport and Logistics Infrastructure

Angola's transport network is undergoing reconstruction and modernization after decades of war-related damage and underinvestment. The country's vast size (1.25 million km²) and the dispersal of economic activity make internal logistics both critical and challenging for investors.

Roads: The road system includes about 76,000 km of roads, but only a fraction are paved major highways connecting key cities. Over the past few years, the government has allocated substantial funds to rehabilitate and expand highways and bridges. Between 2018 and 2024, around \$12.7 billion was invested in roads and bridges maintenance and construction, with plans to commit a total of \$22.6 billion through 2025.

A five-year plan launched in 2019 aimed to improve 8,200 km of roads, adding new links and widening critical routes. By 2024, a new \$421 million road development program was underway, backed by international financing (African Finance Corporation, U.S. Ex-Im Bank, etc.). This program focuses on both new road construction and rehabilitation of existing routes, including resurfacing and bridge repairs.

The impact of these investments is gradually improving connectivity: for instance, travel times from inland agricultural areas to coastal ports have started to drop as key sections of highways are restored.

However, significant portions of the interior still have poor road access, especially during the rainy season. Outside of the capital province, road freight can be slow and costly, as trucking companies factor in vehicle wear-and-tear and route risks.

Luanda, with its dense road network, is relatively well-developed, but congestion within the city is an issue of its own. In contrast, many secondary cities have only basic road links to the national network.

The government's efforts have been recognized regionally – in 2025, President João Lourenço received the “Africa Road Builder” award for his focus on road infrastructure – yet from an investor's perspective, reliable ground transport beyond core routes remains a work in progress.

Railways: Angola's rail infrastructure consists of three separate east-west railway lines, historically unconnected to each other. These lines, rehabilitated in the 2010s, run from the Atlantic ports into the interior: (1) The Luanda Railway (CFL) runs from the port of Luanda east to Malanje province; (2) The Benguela Railway (CFB) runs from Lobito Port through the central highlands (Huambo) to the DR Congo border; and (3) The Moçâmedes Railway (CFM) runs from the southern port of Namibe (Moçâmedes) to Menongue in Cuando Cubango province.

Each is operated by a state-owned company under the Ministry of Transport. These rail lines are valuable for bulk cargo: for example, the Lobito Corridor (the Benguela line and Lobito port) serves as a key export route for copper and cobalt from the DRC and Zambia, reaching 1,300+ km inland. The Benguela railway was fully refurbished and now, under a new public-private concession awarded in 2022, a consortium is set to operate cargo services and invest in further improvements. This concession is expected to boost throughput of minerals and other goods, making Lobito a competitive gateway for Central Africa.

Plans are also in place to finally interlink the three separate railways by constructing additional lines (over 10,000 km of new track envisioned) to create a unified national rail grid. If realized, such links would allow, for instance, through-trains from the mineral-rich southeast to either Lobito or Namibe ports.

For now, however, the disjointed nature of the rail system means that rail is mostly a point-to-point solution from inland areas to the nearest port, rather than a country-wide network. Investors can use the rail for heavy cargo where available (it's significantly cheaper per ton-km

than road trucking for bulk goods) but will need to transship by road at break-of-gauge points.

Ports: Angola has a 1,600 km Atlantic coastline with five major ports handling cargo and freight. The Port of Luanda is the busiest, serving as the main gateway for imports (consumer goods, equipment) and some oilfield supplies. Luanda's port has undergone management changes to improve efficiency – a 20-year concession was granted to DP World in 2021 to operate and upgrade the multi-purpose terminal, with around \$190 million invested in modernization.

Additionally, in 2023, Abu Dhabi's AD Ports Group entered a joint venture to co-manage Luanda's port operations (Unicargas terminal), aiming to further improve cargo handling and logistics services. The results include better container handling rates and reduced vessel wait times, though congestion at Luanda can still occur during peak seasons.

The Port of Lobito is strategically important as mentioned – it is a deep-water port that, together with the Benguela railway, forms the Lobito Corridor. Lobito is poised for expansion under a recent concession as well, with plans to upgrade facilities to handle more mineral exports from Zambia/DRC.

Port of Namibe (Moçâmedes) handles minerals (like marble, granite) and fishing exports, and has received Japanese support for upgrades to its docks.

Port of Cabinda, in the oil-rich Cabinda enclave, has been constrained by shallow draft and limited capacity, which is why a new deep-water port at Caio (just north of Cabinda city) is under construction. The first berth of Caio Port is expected to become operational by late 2025, which will greatly improve Cabinda's connectivity for both oil industry needs and general cargo.

Port of Soyo (at the Congo River delta) mainly serves oil and gas projects (it's near offshore oil fields and the Angola LNG plant) but is being considered for broader use.

Overall port costs in Angola tend to be higher than global averages – partly due to past inefficiencies and the need to import most handling equipment – but the trend is toward more competitive operations with these new international partnerships.

Investors importing heavy machinery or large volumes should factor in port fees and also inland haulage from ports (e.g. Lobito or Luanda to inland provinces) when comparing logistics costs.

Air Transport: Air connectivity in Angola has seen a milestone change with the opening of a new international airport for the capital. The Dr. António Agostinho Neto International Airport in Luanda was officially inaugurated in November 2023 and is slated to become fully operational by June 2025, replacing the older Quatro de Fevereiro Airport. This state-of-the-art airport, built with Chinese partnership, is located about 40 km outside Luanda and boasts a capacity of up to 15 million passengers per year and 130,000 tons of cargo annually.

For investors, the new airport means greatly improved passenger comfort and logistics capabilities – larger cargo facilities and modern cold-storage and handling equipment will benefit sectors like agribusiness and fisheries that rely on air freight. It will also enable more direct long-haul flights.

Currently, Angola's national airline TAAG and a handful of international carriers link Luanda to major hubs (Lisbon, Johannesburg, Dubai, etc.), and the new airport should attract additional routes thanks to its increased capacity.

Apart from Luanda, there are a few other international airports: Catumbela Airport (between Benguela and Lobito) handles some regional flights and could be a cargo alternative for the Lobito corridor; Lubango Airport in Huíla province and Namibe Airport serve the south; Cabinda Airport serves the exclave. Internal flights connect most provincial capitals, which is vital given road travel times.

Air travel domestically, however, can be expensive for businesses (high fuel costs and limited competition keep ticket prices up). As aviation infrastructure improves – including ongoing rehabilitation of provincial airports – these costs may gradually come down.

For now, investors should budget for relatively steep air transport costs for staff travel or high-value cargo, but also take confidence in the fact that Angola's connectivity is trending upward, reducing the country's historical logistical isolation.

Real Estate Costs (Office, Industrial, Retail)

Real estate in Angola, especially in Luanda, has a unique cost trajectory: once among the most expensive in the world for expatriates, prices have moderated but remain significant. Office space in Luanda's prime areas (downtown CBD, Talatona district, etc.) is available in modern high-rises built during the oil boom.

Grade A office rents in Luanda have declined from their peak a decade ago due to oversupply and the exit of some international firms, yet they still command a premium. Western-standard office space and housing are "moderately expensive" in Luanda, according to a 2024 U.S. trade assessment. For example, Class A office rents might range around USD \$40–\$60 per square meter per month in prime locations – not as extreme as the \$100+ seen in 2014, but still on the higher side for Africa. The slowdown in the oil sector and currency devaluation (the Kwanza lost significant value in 2019–2023) have actually improved affordability for those earning or budgeting in hard currency. Many landlords price leases in U.S. dollars or dollar-indexed Kwanzas to hedge against inflation, which is something tenants must negotiate.

Residential housing for expatriates (which often doubles as office/compound space for smaller businesses) has also become somewhat more

affordable than in the past. Upscale three-bedroom apartments that used to rent for \$15,000+ per month in Luanda's downtown have reportedly come down into the single-digit thousands or even lower, depending on location and amenities. This drop is due to reduced demand as many expats left during the 2015–2018 recession and companies localized their workforces.

Still, quality housing in safe compounds or buildings can be costly relative to regional peers. In provincial cities, office and retail rents are considerably lower – often a fraction of Luanda rates – but so is supply and quality. For instance, in Huambo or Lubango, one might rent a decent small office for a few hundred dollars a month, whereas in Luanda the equivalent could be a few thousand dollars.

Industrial real estate (warehouses, factories) is another important cost factor. The Luanda–Bengo Special Economic Zone (ZEE) on the outskirts of the capital has developed ready-made industrial facilities that investors can rent or buy. Renting industrial space in the ZEE or in Viana (Luanda's main industrial suburb) might cost on the order of \$8–\$12 per square meter per month for large warehouses, though deals vary widely. Outside Luanda, older warehouse properties (often former state facilities) can be leased at much lower rates, but may require refurbishment and are farther from the main consumer market of Luanda. Industrial land in designated parks is sometimes offered at promotional rates by the government to encourage manufacturing ventures.

Retail and commercial space: Luanda's few shopping centers (like Belas Shopping) and high-street retail spots have high rents by African standards, reflecting the concentration of purchasing power in the capital. Retail rents in elite malls can be as high as office rents or more for small units. That said, the retail sector is not yet saturated – modern retail space remains limited, so where consumer demand is strong, landlords can charge a premium. In secondary cities, modern retail is just beginning

to emerge; most commerce is through informal markets or simple shops, so renting a formal retail storefront is relatively inexpensive but also less relevant outside wealthier urban districts.

From an investor perspective, the cost structure of real estate in Angola means budgeting for Luanda if that is your base of operations will significantly outweigh property costs in neighboring countries. However, there is room to negotiate, and many landlords are flexible, especially if paying a year or more in advance (a common practice).

The devaluation of the Kwanza in 2023 by about 60% has made local costs cheaper in dollar terms, but also introduced volatility – lease contracts often include clauses to adjust rent if exchange rates swing.

Maintenance and utilities for properties are another consideration: on top of rent, building service charges (for backup power, water tanks, security, etc.) can add 20-30% to office occupancy costs. Companies have found that since 2020, with economic pressures, they can downsize office footprints (some shifting to remote work) to cut costs; this has left Luanda with higher vacancy rates and more bargaining power on the tenant side.

In summary, Angola's real estate costs are no longer in the stratospheric range they once were, but they are still a significant component of the cost structure. Firms should leverage the current renter's market to secure better terms, and consider locations in industrial parks or newer buildings that might offer tax or cost incentives. Future economic growth could tighten the market again, but for now (2025) the trend is stable or even declining rents in real terms.

Labor Market Structure and Wage Benchmarks

Angola's labor market presents a mix of a young, growing workforce and a shortage of certain

skilled talents. The population is approximately 34–35 million in 2025, with a median age under 17 – a very young demographic. This translates into a large pool of potential labor, but education and formal training have not kept pace, impacting productivity and skill availability.

Most jobs in Angola are informal – roughly 80% of employed individuals work in the informal sector or subsistence activities. This indicates that while labor in general is abundant, the pool of formal-sector, experienced workers is limited.

Unemployment remains high, officially around 30% (and youth unemployment over 50%), although these figures are somewhat inflated by the definition that counts many informal workers as “unemployed.” In practical terms, investors will find no shortage of candidates for low-skill positions, but filling technical, managerial, and highly skilled roles can be challenging and often expensive.

Wage levels span a broad range. At the lower end, Angola sets sectoral minimum wages; for example, agriculture and transport workers have a lower minimum wage than service or manufacturing workers. In 2023, the minimum wage ranged roughly from AOA 32,000 to AOA 48,000 per month (around \$50–\$80 at the time, after the devaluation).

Many unskilled laborers in cities earn about AOA 50,000–100,000 per month (\$75–\$150). Meanwhile, the average monthly salary across formal jobs was estimated around AOA 60,000–70,000 (roughly \$100) in recent data, which reflects the large base of low-wage jobs.

However, these averages mask the much higher salaries paid to skilled workers. An experienced engineer, accountant, or IT professional in Angola can command a salary comparable to international levels due to scarcity.

Indeed, executive and upper management salaries for Angolan nationals are often on par with those in the United States when converted to dollars. For example, it's not uncommon for an Angolan senior manager in the oil industry

or banking sector to earn \$5,000–\$10,000 per month or more. This high pay for skilled locals is partly to prevent brain drain and partly to match what expatriates would earn; it reflects the premium on talent.

Expatriate staff, if brought in by investors, further add to costs. While the government encourages hiring and training Angolans, certain technical roles may need expats initially. Expat compensation typically includes hardship allowances, housing, and other benefits that easily double the base salary cost. Additionally, Angola's personal income tax ranges up to 25%, and employers must contribute to social security (8% employer contribution on salaries), which should be accounted for in the wage bill.

On the positive side, labor productivity in well-run firms is improving, and the government is investing in vocational training. Several training centers and institutes (often in partnership with foreign donors or companies) are producing graduates in construction trades, IT, and agriculture. Over time, this should expand the skilled labor pool.

For now, investors often need to budget for substantial on-the-job training programs. It's common for companies to run in-house training for new hires to get them up to the required skill level. Some sectors have training levies or guidelines – for instance, the oil & gas sector mandates training programs for Angolan staff as part of local content rules.

Another aspect of the labor environment is labor law. Angola's labor laws mandate generous benefits: e.g. a mandatory 13th month salary, paid annual leave (typically 22 days), and severance pay scales. Dismissals can be complicated outside of probation periods, which sometimes leads firms to use short-term renewable contracts or employ through agencies for flexibility. While these rules protect workers, they can raise the effective labor cost for employers by requiring robust benefit packages.

In summary, wage benchmarks in Angola range widely: unskilled labor is relatively inexpensive (by global standards, though higher than in some African neighbors), while skilled labor is costly. Companies should plan a **dual strategy**: maximize localization for entry-level jobs to benefit from the large labor supply, but be prepared to pay a premium for specialists or invest in training to develop them. Managing this will significantly influence the cost structure of doing business in Angola.

Administrative and Regulatory Service Costs

The administrative and regulatory environment in Angola has historically been one of the most difficult in the world, and complying with it adds both time and monetary costs to investors. While reforms are underway to simplify procedures, companies still face a maze of licensing, permits, and bureaucratic steps for various business activities.

Starting a business: The process to incorporate a new company has been streamlined compared to a decade ago, thanks to the “Guichet Único da Empresa” (One-Stop Shop), but it remains more cumbersome than global averages. As of the last World Bank Doing Business assessment (2020), establishing a standard LLC in Luanda required 8 procedures and about 36 days on average. The official fees were around AOA 12,000 (roughly \$20 at current rates) for registration, which is not exorbitant, but the time and steps involved can lead firms to hire legal facilitators to expedite the process. Those facilitator or consulting fees (often law firms or specialized “despachantes”) can run into a few thousand dollars for full-service incorporation and licensing handling, depending on the complexity. The cost of business start-up procedures was about 11% of income per capita in 2019, placing Angola better than many sub-Saharan countries in nominal terms, but the real friction comes from the time delays.

Licensing and permits: Many industries require specific operating licenses – from industrial permits, import/export licenses, to sectoral authorizations (e.g. a telecom license, oil blocks, mining concessions, etc.). Obtaining construction permits, for example, involves multiple inspections and approvals: a World Bank study noted it took on average 12 procedures and 184 days to get a construction permit in Luanda. Similarly, getting electricity connected for a new facility took roughly 97 days historically, reflecting utility bottlenecks. Each step often comes with a fee – not always large individually (a few hundred dollars here, a stamp duty there) – but they add up.

There is also the indirect cost of navigating the bureaucracy: companies frequently need to devote staff or hire consultants to follow up at ministries, submit paperwork in person, and negotiate the administrative hurdles. This is why the “consulting etc.” is mentioned: local consulting firms that specialize in regulatory compliance are often engaged to handle paperwork for expatriate work visas, land deeds, tax filings, and more. Their services, while invaluable, increase the operational overhead.

Administrative services: Government services in Angola have been improving with digital platforms (for instance, tax filings can now be done online to some extent, and a new Investor Portal has been launched by AIPEx for investment project approvals). Nonetheless, doing things the “old way” remains common. Expect to pay official fees for notarizations, translations (Portuguese is the official language for all documents), and registrations.

For example, registering a property involves notary and registration office fees that can sum to 3-5% of the property value. Importing goods requires using a licensed customs broker; brokerage fees plus import duties and port charges contribute to high import transaction costs. Angola’s import tariffs themselves are moderate, but the ancillary charges (clearing agent fees, port storage if delays occur, inspection fees) can make the landed cost of

goods quite high.

Corruption, while officially condemned and being tackled, can also influence costs. It is not uncommon to face solicitation for “facilitation” payments to speed up a process. The government’s anti-corruption drive since 2018 aims to eradicate this, and there have been improvements in transparency (e.g., public procurement is more open now).

Still, investors often factor in an extra time buffer for bureaucratic processes instead of resorting to unofficial payments, as compliance and anti-bribery standards tighten.

All these factors mean that the regulatory compliance cost in Angola – in terms of both money and management effort – is significant. The country ranked near the bottom globally in ease of doing business (177th out of 190 in the World Bank’s 2020 rankings). The government recognizes this and is pursuing business environment reforms, such as simplifying tax payments, reducing the number of days to get licenses, and creating more one-stop service centers.

For example, there are efforts to cut the time to start a business down to under a week by consolidating steps at the Guichet Único da Empresa. Likewise, new laws have reduced the minimum capital requirement to virtually zero and eliminated the need for a local partner except in a few restricted sectors, which lowers entry barriers.

For an investor, it’s wise to budget for professional services as part of operating costs – whether it’s legal counsel, accounting firms, or consultants – to handle ongoing compliance like annual reports, tax declarations, labor law compliance (which can involve lengthy paperwork for hiring or terminating employees), and renewal of various licenses. Such services can run 10-20% of other operating expenditures. On the positive side, once established, many firms find the day-to-day running costs (rent, labor, utilities) weigh more than the admin costs; but if expansion or

new projects are in view, each will trigger a new round of regulatory procedures.

In summary, the administrative environment in Angola remains a challenging cost factor, but gradual improvements are occurring. Patience and good local advisors are key to managing these costs efficiently.

Special Economic Zones and Industrial Parks

To mitigate some of the high costs and stimulate investment, Angola has been developing Special Economic Zones (SEZs) and industrial parks that offer better infrastructure and incentives. The flagship is the Luanda-Bengo Special Economic Zone (ZEE), an industrial zone about 30 km outside Luanda. Established in 2009, the ZEE spans over 4,700 hectares and was the country's first designated industrial free zone. It hosts nearly 150 industrial units (factories and plants) across sectors like food processing, textiles, steel fabrication, plastics, and chemicals, with around 113 of those currently operational. Investors in the ZEE benefit from ready access to utilities (more stable power supply from a dedicated grid connection and onsite substations), water and wastewater infrastructure, and logistics facilities including an internal road network and proximity to both Luanda's port and the new airport.

Crucially, companies setting up in the ZEE enjoy fiscal incentives: customs duties exemptions on imported machinery and raw materials, and tax breaks as per Angola's investment law. The zone was designed to encourage import-substitution industries and exports by offsetting some of the higher costs of operating in Angola.

The success of ZEE Luanda-Bengo has been mixed – it attracted a number of investors (including some joint ventures with Chinese, Portuguese, and Indian firms) and has seen notable outputs (e.g., a textile factory that exports uniforms, a brewery, a large steel

rebar plant). However, it also struggled initially with under-utilization and governance issues. In recent years, the Angolan government privatized many of the state-built factories in the ZEE, selling them to private operators, and brought in professional management for the zone itself. This has started to revitalize activity, and occupancy rates in the zone are rising. As of 2023, at least eight new industries were in the process of entering the ZEE, ranging from agro-processing to packaging materials, indicating renewed investor interest.

Beyond Luanda, new industrial parks and free zones are being planned to foster regional development. The government's Industrial Development Plan (PDIA 2025) calls for evaluating additional SEZs and free-trade zones in other provinces. One example is the Catumbela Industrial Park in Benguela province, which leverages the Benguela rail and Lobito port – there, a cluster for agro-industry and mineral processing is envisioned. In the north, Cabinda is slated for a special zone (complementing the new port under construction) to process wood, palm oil, and support the oil services sector. There are also discussions of zones in the eastern region (perhaps tied to mining areas in Lunda Sul and Lunda Norte) to facilitate local value addition to diamonds and other minerals.

A significant development in 2025 is Angola's partnership with international zone developers. In April 2025, the Luanda-Bengo ZEE's management signed an MoU with ARISE Integrated Industrial Platforms – a major pan-African industrial park developer – to jointly develop world-class industrial parks across Angola. ARISE has had success in countries like Gabon and Togo, and their involvement could bring best practices in zone development, from building infrastructure to attracting anchor investors. This move signals Angola's intent to accelerate the creation of special zones countrywide, leveraging private capital and expertise. New zones might feature specialized clusters (for instance, a petrochemical hub near Soyo, or an agricultural processing zone in the fertile central highlands) and would likely come

with tailored incentive packages.

For investors, operating in an SEZ or industrial park can offer distinct advantages: improved infrastructure reliability, faster administrative processing (some zones offer one-stop shop services on-site for licensing and customs), and financial incentives like tax reductions. Under the current Private Investment Law regime, investments in designated development zones (which include much of the interior and SEZs) can qualify for tax deductions up to 80% for up to 10 years – effectively a sizeable cut in profit tax or industrial tax obligations. Additionally, profits from exports may enjoy customs perks. These benefits aim to offset challenges such as distance from Luanda or need to build local supply chains.

However, being in a zone doesn't solve all issues: companies still mention bureaucratic delays in getting their incentives actually executed (e.g., VAT exemptions at the port can still require paperwork). And not all inputs can be sourced within zones, so external logistics still matter. Yet, the trend is positive – the government views SEZs as catalysts for diversification and is continuously improving their frameworks.

In conclusion, Angola's special economic zones and industrial parks form an increasingly important part of the operational landscape. Investors should evaluate if their project fits a zone's profile because the potential cost savings (in infrastructure and taxes) could be substantial. As new zones emerge in different regions, they may also help reduce the stark regional disparities by creating pockets of efficiency in the provinces.

Regional Differences in Operational Costs

Angola is a highly centralized economy with Luanda as the dominant hub, and this centralization leads to significant regional cost disparities. Luanda and its surrounding area

have by far the highest costs for most inputs – labor, real estate, services – but also the best infrastructure and market access. In contrast, operating in a provincial city or a remote area can mean lower wages and rent, but higher costs for transport, utilities, and potentially a need to provide more for yourself (like infrastructure or social services).

Cost of living and salaries: In Luanda, the cost of living (for expatriates or upper-middle-class locals) is substantially higher than upcountry. Basic goods not produced locally often cost more in the interior due to transport costs, but for locally available goods (like fresh food), interior provinces are cheaper. That said, Luanda's decades of being one of the world's most expensive cities for expats have eased; it's still pricey, but as mentioned, currency devaluation and economic adjustment have made things like dining and hotels in Luanda more in line with other major African cities.

If an investor sets up in, say, Lubango (Huíla province) or Benguela, they might find local staff have lower salary expectations than their Luanda counterparts, and housing and office space are far less costly. A mid-level manager in Lubango might be satisfied with a salary that is 20-30% lower than what the same talent would demand in Luanda, given lower local living costs and fewer competing employers. However, the trade-off is that skilled professionals often migrate to Luanda for opportunities, so the talent pool in the regions can be thinner, potentially requiring extra incentives to attract or retain qualified staff.

Infrastructure and utilities: There is a stark difference in infrastructure quality. Luanda (and to some extent the coastal cities of Benguela, Lobito, Namibe) enjoy better electricity supply from the main grid, whereas many inland provinces rely on smaller grids or diesel generation.

For example, a factory in Luanda might get 20+ hours of grid power per day, but one in a province like Moxico might have to self-generate

power most of the time. This means the effective energy cost for operations can be higher outside the main grid coverage – even if the official tariff is the same, the reliance on generators (diesel at international prices) raises costs.

Water supply in Luanda's industrial areas is more assured (though not perfect), whereas a plant in a rural area might need to drill its own well and invest heavily in water treatment and storage.

Transport-wise, locating outside Luanda means longer distances to the port for any imports/exports. Until the interior railway links or major highway upgrades are completed, logistics from a place like Saurimo or Uíge to the port can add significant cost and time. In some cases, these added logistics costs cancel out the savings from cheaper land or labor.

Regional incentives and support: The government has introduced measures to encourage investment outside of Luanda and diversify economic activity geographically. As noted, the investment law provides greater tax incentives for projects in less-developed zones (Zones B, C, D) – typically these correspond to all provinces except Luanda and perhaps one or two others. Additionally, there are some province-level programs: for instance, the government might offer subsidized industrial land or shared facilities in a province to attract an anchor investor (e.g., a maize mill in Bié province might get a favorable land lease and an agreement for the government to build an access road).

Some provinces have one-stop shops for investors that, in theory, make local licensing easier than going through central ministries in Luanda.

Security and stability costs: Angola is generally stable and secure now, but there are minor regional considerations. The exclave province of Cabinda has had separatist tensions historically,

though much reduced now – an investor there might still need to consider additional security for operations in remote areas. The far southeast is sparsely populated; operating there might involve extra costs to provide facilities for workers (housing, medical, etc.), since local amenities are minimal. In contrast, operating in the central highland cities (Huambo, Bié) might be quite peaceful and straightforward, with supportive local authorities but one must contend with poorer connectivity.

Market access: If your business relies on local markets (e.g., retail or services), Luanda is where the money is – over a quarter of Angola's population and a large share of its purchasing power are concentrated in the capital. Regions have smaller markets, so a retail chain or high-end service might not do well outside Luanda (hence most do not expand far). This can indirectly affect cost structure: a factory in a province might have to transport goods back to Luanda to find buyers, adding logistics costs. On the other hand, if your input (raw material) is in a province – say timber in Cabinda or fish in Namibe – being near the source saves input costs and might outweigh the extra output distribution cost.

In summary, **regional cost differences** in Angola are significant. Luanda remains the costliest but also the most serviced location. Interior regions offer some cost relief in wages and real estate, and companies there benefit from strong government incentives, yet they face higher operational hurdles in infrastructure and logistics. Many investors adopt a hybrid approach: keep a representative office in Luanda for government relations and sales, but situate actual production or resource extraction in the provinces where resources and some costs are lower. As infrastructure projects (roads, rail, telecom) progress, the gap between Luanda and the rest may narrow in coming years, but as of 2025 it is still a key factor in business planning.

Constraints and Reform Outlook

Angola's operational environment comes with notable constraints, but the trajectory is one of gradual improvement. Key structural constraints include bureaucracy, corruption, infrastructure gaps, and skills deficits. These have been acknowledged at the highest levels of government, and since President João Lourenço took office in 2017, there has been a steady reform agenda to tackle them.

Governance and anti-corruption: The government has made high-profile efforts to improve transparency and the rule of law. It completed a 3-year IMF program in 2021, demonstrating commitment to tough fiscal and monetary reforms. Laws have been updated – a revised Private Investment Law (2018, amended 2021) removed local partnership requirements and introduced clearer incentive frameworks; a new Public Procurement Law aims to ensure fair and competitive bidding. Importantly, the state has pursued the recovery of misappropriated assets from the previous era, reclaiming almost \$13 billion by 2022. Angola received several sovereign credit rating upgrades in 2021-2022 as a result of better fiscal management and governance.

The establishment of the High Authority against Corruption and closer scrutiny of government officials have started to improve investor confidence. Despite these efforts, corruption remains a concern voiced by investors – petty bribery and favoritism in contract awards haven't vanished overnight. However, there is cautious optimism that the trend is moving in the right direction, with continued pressure for Angola to meet international standards (e.g., it is seeking to join the Extractive Industries Transparency Initiative).

Bureaucratic and regulatory reform: As discussed, Angola's bureaucracy is notorious, but there are tangible improvements. Business registration and property registration have been somewhat simplified; an e-government portal is gradually connecting various services.

The government has also decentralized certain approvals to provincial authorities to reduce bottlenecks in Luanda. Still, red tape remains a drag – something acknowledged in the government's own "Ease of Doing Business" task force. The outlook is that incremental reforms (cutting procedures, digitizing registries, introducing English-language services for investors, etc.) will accumulate. International partners like the EU and USAID are assisting Angola in these areas, e.g., providing technical support to streamline customs processes and electricity connections. So, while today an investor must contend with complex procedures, two years from now the situation may be noticeably better if reforms stay on track.

Infrastructure investments: A major piece of the reform outlook is infrastructure development through public-private partnerships (PPPs). Recognizing its own financial constraints, Angola has opened up ports, railways, and even energy infrastructure to foreign operators and investors. The Lobito rail and port concessions, the Luanda port concession, and planned tenders for management of power distribution companies are examples. This is expected to bring capital and know-how, thereby improving service delivery and possibly reducing costs in the long run.

For instance, if port efficiency increases, importers will save time and money, and those savings should trickle down to the cost of doing business. Roads being rehabilitated will mean lower vehicle maintenance costs and faster turnaround for logistics. The new airport will reduce freight costs for time-sensitive goods. Power sector improvements (with private power producers and solar farms coming in) might gradually make electricity more reliable and, with subsidy reform, more sustainably priced.

Financial and currency environment: A constraint that has eased is access to foreign currency. Angola had a notorious shortage of USD from 2015–2018, making profit repatriation and import payments very difficult. The central bank undertook monetary reforms, floated the

Kwanza, and by 2022-2023 forex availability improved markedly. As of 2025, investors report better access to forex at market rates, though the 2023 devaluation was a shock that raised local currency costs for businesses temporarily. Inflation, while still present (about 13.6% in 2023, forecasted to rise to ~18% in 2024 before easing), is far below the 20-30% levels of the past, which helps with cost planning. The outlook on the currency is cautious but positive: with oil prices stabilizing and debt managed, the Kwanza may be less volatile, meaning fewer surprises in local cost spikes for foreign investors.

Human capital and local capacity: The government is also focusing on human capital – education reform, vocational training, and aligning university curricula with market needs. These are long-term fixes for the skills gap, so in the short term companies may still need to bring in expertise or invest in training. But initiatives like the Instituto Superior Politécnico de Tecnologias and others aim to produce more engineers and technicians domestically. If successful, the wage pressure for skilled labor could ease in the future, and companies might spend less on expat packages. The youthfulness of the population is a potential demographic dividend, if harnessed via job creation and training; it also means labor will remain a buyer's market for some time in terms of sheer numbers.

Special economic zones and diversification: As noted, pushing development beyond oil is a core part of the reform agenda. Incentives for agriculture, mining, tourism, and manufacturing are being rolled out. The Privatization Program (PROPRIV) has been selling off dozens of state-owned enterprises (from banks to farms to factories) to more efficient private hands. This should, in theory, improve productivity and open new sectors to competition.

For example, recently privatized textile factories in the ZEE are now back in production under new owners, supplying local markets. Diversification will gradually reduce some structural costs (like the need to import almost everything), thereby improving the operating environment. However,

diversification is a slow process – oil still accounts for 95% of exports, so the economy's fortunes (and thus business conditions) remain tied to oil price swings for now.

In conclusion, Angola's business climate constraints are real – high operational costs, heavy bureaucracy, and infrastructure gaps won't disappear overnight. Yet the reform outlook is generally positive. The government's continued signals to investors (legal reforms, international cooperation, public-private projects) suggest that the cost structure five years from now should be more favorable than today. Companies entering now should factor in current challenges but also position themselves to benefit from improvements underway, such as leveraging new infrastructure or incentive programs as they come online. Patience and due diligence are key, but those who can navigate the present difficulties may find a significantly better environment as reforms bear fruit.

6. Sectoral Investment Opportunities



Key Facts

- Agriculture employs 44% of the workforce yet contributes less than 10% of GDP.
- Angola plans to irrigate over 500,000 hectares by 2027 under its agricultural expansion agenda.
- Oil accounts for 94% of export revenues, but new offshore licensing rounds are diversifying upstream investments.
- Renewable energy represents over 70% of electricity generation, with large-scale solar and hydro projects in the pipeline.
- Manufacturing FDI grew by 21% in 2024, driven by agro-processing and construction materials.
- Angola welcomed over 400,000 tourists in 2024, with new incentives for eco- and cultural tourism.
- Private healthcare investment has surged, with Luanda seeing a 15% rise in medical service startups since 2023.
- The Luanda-Bengo SEZ hosts more than 200 active companies, across multiple sectors.
- ICT infrastructure expansion added over 3 million mobile broadband users in 2024 alone.
- Angola is among Africa's top 10 countries attracting energy transition-linked investment flows in 2025.

Angola's post-war economic trajectory has been defined by ambitious diversification efforts, shifting focus from a decades-long reliance on oil towards a broader base of growth. The government has designated several priority sectors – including agriculture, energy, tourism, manufacturing, construction, and healthcare – for accelerated development and investment. This chapter provides an in-depth overview of these sectors and emerging industries such as the digital economy and renewable energy, highlighting key opportunities, trends, and recent investment projects in each. All data and indicators are updated as of June 2025, offering a current snapshot of Angola's sectoral landscape. By examining concrete case studies and recent developments, international investors can gain clarity on where Angola's growth is heading and what opportunities lie ahead.

Agriculture and Agribusiness

Agriculture is a cornerstone of Angola's diversification agenda, given the country's vast arable land and water resources. Despite fertile land and a climate suitable for diverse crops, Angola still imports roughly \$3 billion in food annually, indicating enormous untapped potential for import substitution and agribusiness investment.

Over the past five years, the government has prioritized agriculture, moving from subsistence farming toward commercial agribusiness to improve food self-sufficiency. Key initiatives include the World Bank co-financed Commercial Agriculture Development Project (PDAC), which supports farmers and agribusiness SMEs with technical assistance, grants, and credit guarantees to expand production. As a result, Angola is seeing growth in staple crops like corn, cassava, and rice, as well as a revival of cash crops such as coffee and tropical fruits.

Investment opportunities in agriculture span the entire value chain – from primary production to processing and logistics. There is scope

to develop large-scale commercial farms on Angola's underutilized land, and to rehabilitate plantations for coffee, cocoa, and sugar that thrived pre-independence.

For example, PDAC has helped kickstart large corn farms, a coffee-roasting factory, and a modern poultry farm in provinces like Malanje and Kwanza Sul. The fisheries and aquaculture segment is also growing (fishing posted 12.2% growth in 2024), with investments in fish processing facilities and hatcheries to capitalize on Angola's rich Atlantic fisheries. Agri-processing is another ripe area – investors are establishing mills, sugar refineries, beverage plants, and cassava/maize processing units to add value locally and reduce reliance on imports.

The government actively courts foreign partnerships to accelerate agricultural development. In 2025, Angola and Brazil launched the Programa de Investimento Produtivo Agropecuário (Brazil-Angola Agricultural Investment Program), an ambitious initiative to bring Brazilian agribusiness expertise into Angola. Under this program, up to 500,000 hectares of farmland will be concessioned to Brazilian farming enterprises for up to 60 years.

The partnership includes modernizing Angola's farming with Brazil's tropical agriculture technologies – such as improved plant varieties and mechanization – and adjusting regulations to allow genetically modified seeds and advanced inputs that boosted Brazil's Cerrado yields. Notably, Angola's sovereign wealth fund will establish a guarantee fund covering 70–75% of Brazilian investors' capital, reducing risk and incentivizing rapid project rollout. This initiative exemplifies Angola's push to transform its savannahs into productive breadbaskets, create rural jobs, and eventually become a net food exporter.

Angola's agricultural growth trends are encouraging. The sector grew an estimated 3.5% in 2024 and is poised for faster expansion as new commercial projects bear fruit.

Priority sub-sectors include grains (maize, soy), horticulture (fruits like bananas, citrus, pineapples), livestock (cattle ranching and poultry), and agro-forestry (timber and coffee in the highlands). High-profile investments such as the Biocom sugar and ethanol plantation in Malanje (a \$300 million project by Angolan, Brazilian, and Cuban partners) demonstrate the viability of large agro-industrial ventures.

Additionally, the UNDP SDG Investor Map highlights opportunities in grains, tropical fruit value chains, coffee, fisheries, poultry, and related infrastructure, confirming the broad spectrum of profitable niches in Angolan agribusiness.

With strong government backing and improving infrastructure, agriculture stands as one of the most attractive sectors for investors aiming to tap into Angola's domestic market (over 35 million people) and export potential across Southern Africa.

Oil and Gas Industry

Angola's **energy sector** remains the backbone of the economy – oil and gas contribute about **50% of GDP and over 90% of export earnings**.

In 2024, Angola produced around **1.13 million barrels of oil per day**, making it one of Africa's top oil producers.

Notably, Angola withdrew from OPEC at the end of 2023, freeing itself from production quotas that had capped output at 1.11 million bpd. This policy shift enabled a modest uptick in production – average output in the first three quarters of 2024 was 4% higher than the previous year. While current production remains well below the 2008 peak of ~1.8 million bpd, the government is determined to sustain output above 1 million bpd and reverse decline by attracting new investments.

Recent gains have come from the commissioning

of new wells and enhanced recovery interventions in mature fields. Major international oil companies – such as TotalEnergies, Chevron, ExxonMobil, BP/Eni (Azule Energy), and others – continue to invest in field developments and extensions.

For investors, upstream opportunities include participating in new licensing rounds for offshore blocks, farm-ins into existing blocks, and service contracts for enhanced oil recovery projects.

Downstream and midstream segments are also expanding. Angola is constructing its **first major oil refinery** (in Lobito) to reduce dependence on imported fuels, and the government offers incentives for investments in refining and petrochemicals.

Natural gas development is a rising priority as well. Historically, Angola's natural gas (estimated **11 trillion cubic feet** of proven reserves) was mostly flared or reinjected, with some captured for the Angola LNG plant in Soyo. Now, the country has embarked on its first non-associated gas project: the Quiluma and Maboqueiro fields in offshore Block 2/15. Led by the New Gas Consortium (Azule Energy, Chevron, TotalEnergies, and Sonangol), this project reached key construction milestones in 2024–2025, with offshore platforms installed and an onshore processing plant underway. It targets first gas by 2026 and will ensure a steady feedstock to the Angola LNG facility.

The government's strategy is to **increase the share of natural gas in the energy mix to 25%**, supplying both LNG exports and domestic power plants. This opens opportunities in gas field development, LNG value chain services, and gas-to-power infrastructure.

Angola's investment climate in oil & gas has improved due to reforms. The state oil company Sonangol has been restructured, and a dedicated regulator (ANPG) now manages licensing and partnerships, increasing transparency.

Foreign operators can now take majority

stakes in new blocks, and tax terms have been sweetened for marginal fields and gas projects. The country is keen to tap smaller onshore and near-shore oil deposits too, having held licensing rounds for inland basins. Case in point: In 2023, Italian major ENI (part of Azule) made new discoveries in the mid-deep waters, and Chevron greenlit the development of Sanha Lean Gas (a gas project to supply Soyo LNG).

There is also interest in biofuels and green ammonia (leveraging natural gas and abundant solar power) to align with energy transition trends.

Despite the push for diversification, **oil and gas will remain pivotal** in Angola's economy for years to come. The government emphasizes adding value locally – for example, by expanding petrochemical industries, encouraging local refining, and utilizing gas domestically for fertilizers and electricity. Investors can thus find opportunities not only in extraction, but in oilfield services, equipment supply, pipeline and storage infrastructure, and downstream processing.

With higher oil prices in recent years and Angola's renewed **commitment to investor-friendly policies**, the hydrocarbons sector offers a stable foundation with significant upside if new reserves are tapped. The exit from OPEC quotas underscores Angola's resolve to maximize output and revenue in this sector, all while using the proceeds to fuel growth in other areas.

Power and Renewable Energy

Expanding access to electricity is one of Angola's highest priorities, both to improve living standards and to power industrial growth. The government's target is to reach 8.9 GW of installed generation capacity and 60% electrification by 2025. Significant progress has been made: current installed capacity is around 5.7 GW (as of early 2024), of which roughly 62%

is hydropower and 38% thermal (diesel/gas).

Angola has harnessed several large hydroelectric dams on the Kwanza River – notably Laúca (2,070 MW), which became fully operational recently, and is constructing Caculo Cabaça (2,172 MW) due by 2026. Once these come online, hydropower will dominate the grid, aligning with Angola's goal of sourcing 70% of its electricity from renewables by 2025^{gh2.org}.

However, even with these plants, electricity access remains uneven – an estimated 43% of urban households have power, but in rural areas electrification is under 10%. This unmet demand creates opportunities for investment in generation, transmission, distribution, and off-grid solutions.

Renewable energy beyond large hydro is an **emerging sector with high potential**. Mapping studies by the Ministry of Energy and Water have identified **16.3 GW of solar, 3.9 GW of wind, and 18 GW of additional hydro** potential across Angola. To leverage this, the government has opened up generation to independent power producers (IPPs) and launched a program for **solar mini-grids** in rural communities.

Several major solar projects are underway: in 2023 Angola inaugurated its then-largest solar farm (at Caraculo, 25 MW in Namibe province) and soon after completed an even larger plant at Biópío (188 MW) in Benguela. The Biópío solar park, developed by a private consortium with international financing, is part of a broader scheme to build five solar PV plants totaling ~370 MW across Angola. These solar farms not only feed clean power to the grid but also free up diesel fuel that was used for generators, improving both fiscal stability and environmental outcomes.

International partners are actively supporting Angola's renewable push. For example, the **U.S. Export-Import Bank and Swedish export credit agencies** have financed solar projects with American firms providing technology. Similarly, **Germany and the EU** are funding

feasibility studies for wind power along Angola's southern coast. The **African Development Bank** has invested heavily in Angola's power sector (over \$1 billion by 2019), focusing on transmission lines and grid stability to integrate new generation sources.

Private sector investors can explore opportunities in solar equipment manufacturing (the government has even floated plans for a photovoltaic panel factory), battery storage solutions, and off-grid electrification ventures.

One identified opportunity is solar off-grid systems for rural villages, which the UNDP SDG Investor Map cites as a high-impact investment area, given the large gap in rural electrification.

Angola's **power sector reforms** also favor investment. The country unbundled generation, transmission, and distribution under a new Electricity Law, and is introducing cost-reflective tariffs while reducing subsidies. The reduction of fuel subsidies (initiated in 2023) is raising diesel and electricity prices, which in turn boosts demand for alternative energy solutions – from rooftop solar kits to efficient mini-grids. There is also a push for gas-to-power projects: the Soyo combined-cycle gas plant (750 MW) will soon come online, utilizing domestic gas for electricity. This complements renewables by providing baseload power. Investors interested in **Public-Private Partnerships (PPPs)** will find opportunities in planned transmission projects, such as lines to connect Angola's isolated northern and southern grids, and in distribution management contracts to cut power losses.

In summary, renewable energy is transitioning from potential to reality in Angola. From vast solar farms under the desert sun to wind mapping in coastal plains, the groundwork is being laid for a greener energy mix. For the international investment community, this sector offers a dual promise: strong commercial returns in a growing power market, and alignment with sustainability goals in one of Africa's rising economies.

Mining and Minerals

Beyond oil, Angola is richly endowed with **minerals and metals**, and the mining sector is experiencing a renaissance as the government seeks to monetize these resources.

Traditionally, **diamonds** have been the flagship of Angola's mining industry – the country is the world's fourth-largest diamond producer by value. In 2024, Angola achieved a record diamond output of ~14 million carats, up from about 10 million the year before. This generated approximately \$1.5 billion in revenue. The surge is driven by new projects like the massive Luaxe kimberlite (one of the biggest discoveries in decades) coming online and operational reforms in diamond marketing.

Angola's state diamond company, ENDIAMA, has partnered with foreign investors (e.g. ALROSA and Lucapa Diamond) to increase production and improve distribution via competitive tenders. While global diamond prices have been soft recently (leading producers to temporarily stockpile some inventory), Angola remains bullish on expanding production to over 17 million carats by 2027, aiming to become the world's third-largest rough diamond supplier.

Crucially, Angola's **mining potential extends far beyond diamonds**. The country sits on 34 of the 54 mineral types deemed "critical" by the EU, including copper, cobalt, iron ore, manganese, rare earth elements, lithium, and gold. In 2024, the non-diamond mining sector saw explosive growth – "diamond and metallic mineral" extraction jumped 44.8% – reflecting the ramp-up of new projects. One milestone was the start of production at the Cassinga (Kassinga) iron ore mine in 2023, which had been dormant since the 1970s. With foreign technical assistance (including a partnership with a Turkish steelmaker), Cassinga is now yielding iron ore for export and local steel production. Similarly, a large phosphate deposit at Cácata is being developed to produce fertilizers, reducing Angola's import needs.

The government is aggressively promoting investment across the mining value chain, and has set a goal to become a key exporter of value-added minerals (not just raw ores) in the next 10–15 years. Several flagship projects underscore this ambition:

- **Rare Earth Elements (REEs):** UK-based Pensana Plc secured \$325 million funding in early 2025 to develop the Longonjo rare earth mine in Huambo. Longonjo holds one of the world's largest known deposits of magnet metals (NdPr). The project will produce a mixed rare earth carbonate on-site, supplying an estimated 5% of global rare earth needs for high-tech industries. It is also expected to generate \$6 billion in exports over its life. This is a strategic play as countries seek non-Chinese sources of REEs for electric vehicles and wind turbines.
- **Copper:** Chinese firm Shining Star is commencing production at the Mavoio-Tetelo copper mine in Uíge province – a site with 40 million tons of reserves. Once fully operational, it's slated to produce 300,000 tons of copper per year, which would significantly elevate Angola into a regional copper producer. Concurrently, Ivanhoe Mines (Canada) has been granted 22,000 km² of exploration ground in Moxico and Cuando Cubango provinces, indicating confidence in Angola's copper belt prospectivity (an extension of the DRC-Zambia Copperbelt). These moves foreshadow a potential copper mining boom, supported by strong global copper prices.
- **Lithium:** Angola is joining the lithium rush, leveraging its pegmatite deposits. Australian miner Tyranna Resources, in partnership with China's Sinomine, is fast-tracking lithium exploration in Namibe and Huíla provinces. Initial drilling has confirmed significant lithium (spodumene) reserves, and projects like Namibe and Muvero are being developed toward production. Lithium, vital for batteries, could become a new export earner; processing it locally into battery-

grade material is another future opportunity.

- **Manganese:** To capitalize on its manganese ore, Angola (with Chinese partner ST New Materials) is investing in a \$250 million manganese-to-silica alloy plant. Set to open in 2025, this facility will process domestic manganese into higher-value alloys for steelmaking, capturing more value internally.
- **Steel:** As mentioned, iron ore from Cassinga is intended to feed a domestic steel industry. A pilot steel mill (Aceria de Angola) is already operating near Luanda using scrap; expansions are planned to use local iron ore, which would make Angola a steel producer for construction materials.

This flurry of activity is backed by policy reforms. Angola has modernized its mining code, offers tax incentives (such as 5-year tax holidays for strategic projects), and created a one-stop shop for mining investors. The Angolan Geological Institute has been mapping reserves to provide reliable data. Notably, in 2022 the government awarded the landmark Lobito Corridor rail concession to a private consortium to transport Congolese copper and cobalt to Lobito port. This rail PPP, supported by a \$550 million U.S. DFC loan, will upgrade transport infrastructure and also serve new mines in Angola's inland provinces. Improved logistics like this rail line and rehabilitated ports (Lobito, Namibe) make remote mineral deposits more viable.

Overall, **mining represents one of Angola's brightest investment frontiers.** The combination of high global demand for minerals, untapped geology, and government commitment to diversification forms a conducive environment. Investors can consider joint ventures in exploration blocks (numerous exploration licenses have been snapped up by majors like Rio Tinto and Anglo American in recent years), partnerships in mine development, and downstream processing plants (for example, cutting and polishing diamonds locally, or refining metals). Angola's message is clear: it wants to move from an oil-and-diamonds

economy to a broadly resource-rich economy, exporting everything from copper cathodes to fertilizer – and it is willing to structure attractive deals to make that happen.

Manufacturing and Industrial Development

Angola's manufacturing sector is in an **early growth phase**, buoyed by government efforts to promote industrialization and reduce imports. After the civil war, manufacturing had to be rebuilt almost from scratch, but recent years have seen steady progress.

By 2024, manufacturing and processing industries accounted for around **10% of GDP** (up from virtually nil two decades ago) and are expanding as new factories come online.

In 2022, for instance, manufacturing output grew ~10.6% in Q4 (year-on-year), reflecting a rebound in domestic production of goods. The government's PRODESI program (Program to Support Production, Diversification and Import Substitution) offers credit lines and fiscal incentives for local producers in priority segments like food processing, construction materials, textiles, and fertilizers.

One of Angola's key advantages is a large domestic market hungry for locally made products – from cement and steel for construction, to beverages and packaged foods for consumers. Import substitution is a driving theme: Angola previously imported everything from flour to rebar, but investors are now filling those gaps. Concrete examples include:

- **Cement and building materials** – Angola invested heavily in cement plants over the past decade and is now not only self-sufficient but even exporting cement to neighboring countries. Firms like Nova Cimangola (with Portuguese investment) and Chinese ventures built modern cement factories. By 2025, Angola's cement production capacity

is over 8 million tons/year, supporting the construction boom.

- **Steel and metallurgy** – The Aceria de Angola steel mini-mill near Luanda produces rebar and steel rods for domestic use, recycling scrap metal. As iron ore mining restarts, there's potential to expand into primary steelmaking. A new rolling mill was also established to make steel sheet and profiles. This vertical integration (mining-to-steel) is being encouraged by authorities to keep more value in-country.
- **Food and beverage processing** – Multinational and local companies are investing in food processing to serve Angola's growing consumer class. In 2019, Heineken opened a \$100 million brewery outside Luanda, producing beer for the local market and competing with domestic brands like Cuca. Similarly, Coca-Cola and others have bottling plants. Angola now has modern flour mills, cornmeal plants, and edible oil refineries (often joint ventures with investors from the Middle East and Asia). The sugar industry was revived with the Biocom project, which produces sugar, ethanol, and electricity from sugarcane. The dairy and poultry industries are also emerging, with investments in milk processing and chicken feed mills to support local farmers.
- **Consumer goods and textiles** – There is renewed interest in light manufacturing. Factories producing detergent, soaps, and plastics have sprung up in Luanda's industrial zones. The government rehabilitated three major textile factories (built in the 1970s) with Japanese financing; these now produce fabrics and garments, albeit below capacity. Opportunities exist for investors to operate or partner in these textile mills, given abundant cotton from neighboring countries and local demand for affordable clothing.

Angola has established **Special Economic Zones (SEZs)** and industrial parks to attract manufacturing FDI. The **Luanda-Bengo SEZ**,

for example, offers serviced land, tax breaks, and customs facilitation for investors setting up factories.

As of 2025, dozens of companies have set up in this zone, producing goods from paint to agricultural machinery. Chinese, Turkish, Portuguese, and Indian firms are among those building factories, leveraging Angola's improving electricity supply and the prospect of exporting within Africa (under the African Continental Free Trade Area, AfCFTA).

The government also reduced bureaucratic hurdles for business startups and is implementing a privatization program that opens formerly state-run plants to private ownership.

A promising subsector is **pharmaceuticals and healthcare products manufacturing**. During the COVID-19 pandemic, Angola realized the need for local production of medical supplies. Since then, a few small-scale pharmaceutical assembly plants have been initiated (with Indian and Brazilian support), aiming to produce generic medicines and vaccines locally in the future. Investors in healthcare consumables, generic drugs, or medical oxygen production can find incentives and ready market demand.

While challenges remain – such as relatively high production costs and a skill gap in the labor force – the trajectory for manufacturing is upward. The construction sector's 5.5% growth in 2022 has had a multiplier effect on industries like cement, steel, and paint. Angola's membership in SADC and AfCFTA also means manufacturers can potentially access a regional market of 300+ million people tariff-free if they produce in Angola. With the currency (kwanza) stabilizing in 2024–2025 and inflation moderating, the environment for planning industrial investments is improving.

In summary, Angola's manufacturing sector offers growth opportunities in both import substitution and export-oriented production,

supported by government policy and a large unmet domestic demand for manufactured goods.

Construction and Infrastructure

Angola's construction and infrastructure sector has been one of the most dynamic since the end of the civil war, fueled initially by oil revenues and later by strategic partnerships and loans (notably from China). Today, even after some cyclical ups and downs, construction remains a growth industry (expanded 5.5% in 2022) and continues to offer abundant opportunities for investors and contractors.

The country's needs span transport infrastructure (roads, railways, ports, airports), housing and urban development, and utilities (water, telecom, power grids) – essentially building the backbone for a modern diversified economy.

Transport Infrastructure: Angola's sheer size (1.25 million km²) and low population density make internal connectivity critical. In recent years, the government has completed or rehabilitated over 13,000 km of roads, linking provincial capitals and key municipalities. Chinese construction firms (supported by oil-backed credit lines) played a major role in highways and bridges, but there is still demand for new expressways, road maintenance, and bridges, especially to connect remote farming areas to markets.

The rail network, largely destroyed in war, has been rebuilt on three main corridors (Luanda Railway, Benguela Railway, and Moçâmedes Railway).

A landmark project is the **Lobito Corridor**, where a private consortium (Lobito Atlantic Railway, led by Trafigura and partners) won a 30-year concession in 2022 to operate and upgrade the Benguela Railway from Lobito port through

the DRC border. This PPP involves refurbishing 1,300 km of track and eventually extending it into DRC's Copperbelt and onward to Zambia. The U.S. and EU are backing this corridor as a strategic trade route.

For investors, the Lobito project signals that Angola is open to private investment in infrastructure, with revenue streams from freight tariffs. Similar opportunities might emerge for the Moçâmedes Railway in the south or urban light rail in Luanda (which has been under discussion).

Ports and logistics are another focus. Angola has five major ports (Luanda, Lobito, Namibe, Cabinda, Soyo) and is investing to increase capacity and efficiency. Lobito Port has been concessioned alongside the railway and will be upgraded to handle more mining exports and container traffic. Namibe Port is being modernized with Japanese support, including new terminals to support fishing and mining shipments. In the exclave of Cabinda, a new deep-water port at Caio is under construction (with advisory input from DP World) to reduce Cabinda's reliance on cross-border traffic via DRC.

There is also interest in building logistics hubs and dry ports near Luanda and on the border with Zambia to facilitate trade. The civil construction related to these – from warehouses to rail depots – presents investment avenues.

Airports: Angola has dramatically improved its aviation infrastructure. The showpiece is the Dr. António Agostinho Neto International Airport (AIAAN) – the brand new international airport for Luanda, built with a \$3.8 billion investment. Situated 40 km outside Luanda, this mega-airport has four runways and capacity for 15 million passengers/year, far exceeding the old airport's capacity. It began phased operations in 2024 and is expected to be fully operational by mid-2025. The new airport will make Luanda a regional aviation hub, facilitating more direct flights and cargo connections.

For investors, this opens opportunities in **airport services, air cargo logistics, and commercial real estate development** in the airport zone. Angola is also upgrading provincial airports (for instance, Catumbela airport in Benguela and airports in Huambo and Lubango have been refurbished). The expansion of the national airline TAAG's fleet and routes, plus entry of new airlines, indicates growth in air travel, both business and tourism.

Housing and Urban Development: Another critical aspect of construction is housing. Angola faces a significant **housing deficit**, especially in Luanda which has swelled to over 8 million residents. In response, the government has built new satellite towns (like Kilamba City, a Chinese-built new town with tens of thousands of apartments).

There are ongoing social housing programs targeting affordable homes for low-income families, as well as opportunities for private real-estate development for the middle class (gated communities, mixed-use complexes, shopping malls, etc.).

Luanda's skyline itself is changing, with new high-rises and office towers (often backed by investors from Portugal, Dubai, or China) reflecting confidence in urban commercial real estate. Construction companies and developers with expertise in modular housing, green building, or cost-effective construction materials can find a receptive market.

Utilities and PPPs: The Angolan government has embraced Public-Private Partnerships to fund and manage infrastructure, given tight public budgets. Beyond the Lobito rail, other PPP projects in the pipeline include water treatment plants and distribution networks for major cities, a potential toll highway between Luanda and Benguela, and telecommunications towers expansion (the latter in collaboration with new private telecom operators). The telecom infrastructure saw a boost as the new entrant Africell built hundreds of towers since 2022,

often outsourcing to tower companies. Likewise, with power generation largely state-led, there's room for private investment in transmission lines and grid extensions on a PPP basis.

In conclusion, Angola's construction sector remains a bedrock of economic activity and a barometer of its development. Growth in this sector is self-reinforcing: as more roads, rails, and ports get built, they enable expansion of agriculture, mining, and trade, which in turn calls for more infrastructure.

For investors in construction, Angola offers a landscape of large projects (often supported by international lenders or credit agencies) and a government eager to partner on improving the nation's infrastructure backbone. Managing costs and execution timelines remains a challenge in this environment, but successful projects can secure long-term returns in a nation that is literally rebuilding itself.

Tourism and Hospitality

Long overshadowed by Angola's oil wealth, the tourism and hospitality sector is now gaining traction as a promising avenue for diversification. Angola boasts a stunning array of natural and cultural assets – pristine Atlantic beaches, dramatic landscapes like the Tundavala escarpment and Kalandula Falls, wildlife-rich national parks (Iona, Kissama, Cangandala), and a unique Portuguese-African cultural heritage evident in its music, dance, and cuisine. Yet for years it remained off the typical African tourism circuit, partly due to strict visa policies and limited infrastructure.

This is rapidly changing: Angola has undertaken significant reforms to open up to international visitors. In 2024, the government introduced visa-free entry for citizens of over 90 countries (including the US and most of Europe) for stays up to 90 days. Previously onerous and costly visa processes have been swept away, removing

a major barrier that long deterred tourists and business travelers. This bold move is expected to “open the floodgates” for tourism, making Angola one of the more accessible destinations in Africa.

Global travel watchers are starting to take note of Angola's potential. CNN Travel named Angola one of its “Top 24 destinations to visit in 2024,” highlighting the country's unspoiled beauty and emerging tourism scene. Similarly, Business Today listed Angola among the top five destinations for frontier market investment (partly on account of tourism prospects). Such recognition has been a confidence booster for the sector. Angolan authorities, including the Ministry of Tourism and the national investment agency AIPEX, have ramped up international promotion and attended trade fairs to showcase Angola's attractions. There is a new focus on developing **eco-tourism and adventure travel** – for example, guided safaris in the Okavango headwaters region (Cuando Cubango province), deep-sea fishing and scuba diving along the southern coast, and cultural tourism in historic towns like M'banza Kongo (a UNESCO World Heritage Site).

Investment in tourism infrastructure is picking up. The hospitality industry in Luanda and other cities has seen top-end hotel chains enter: hotels by Hilton, InterContinental, and Accor are either open or under development. Luanda's scenic waterfront (Marginal) now features several modern hotels and restaurants catering to business travelers.

The government is encouraging resort development along the coast – for instance, the province of Benguela (with beautiful beaches in Baía Azul and Restinga) has designated areas for private resort investments. In Namibe province, investors are exploring lodges near the Namib desert's unique landscapes (think “safari meets beach” experiences).

Domestic air connectivity has improved, making it easier to reach provincial attractions: TAAG and new airlines are flying to destinations like

Saurimo (for the Tchitundo-Hulo rock paintings) and Lubango (gateway to Tundavala and Namibe). The new Luanda international airport will also enable more direct international flights, crucial for tourism growth.

Angola's cultural and business travel segments are also notable. Luanda has a vibrant cultural scene – the annual Luanda Carnival, music festivals (showcasing kizomba and kuduro genres), and a burgeoning conference industry as Luanda aspires to be a regional business hub. The country has hosted international events like the African Cup of Nations (football) and is bidding for more conferences and expos. This drives demand for city hotels, convention centers, and related services. Wildlife conservation efforts are being renewed to make parks tourist-friendly: for example, Kissama National Park received reintroduced elephant and zebra populations and now has a lodge for visitors. The government, sometimes with NGO support, is working on improving park roads, training rangers, and marketing these parks as part of multi-country safaris (tying into Namibia/Botswana circuits).

One challenge is still the relatively high cost of travel within Angola, but as competition increases (in airlines, hotels, tour operators) prices are expected to moderate. The government is also negotiating air service agreements to attract more carriers – e.g., Emirates and Qatar Airways are increasing frequencies, which could bring more tourists via their networks.

For investors, opportunities exist in hotel development (especially 3-4 star segment), ecolodges and campgrounds in scenic areas, tour operators and car rental franchises, and even niche sectors like game fishing charters or cultural tourism packages.

It's worth noting that tourism's contribution to GDP is still small (far under 1% currently), meaning the upside is significant.

The World Travel & Tourism Council projects Angola's travel and tourism GDP contribution

could grow ~7% annually over the next decade with the right investments.

Early movers can benefit from government incentives such as tax deductions for tourism investments and easier repatriation of profits under new investment laws. In summary, Angola's tourism is transforming from a "sleeping giant" into a rising star: the combination of visa liberalization, infrastructure upgrades, and marketing is finally unlocking a sector that could become a key employer and source of foreign exchange in the years ahead.

Healthcare and Life Sciences

Improving healthcare is both a social imperative and an investment opportunity in Angola. Decades of under-investment left Angola's healthcare system with outdated infrastructure, shortages of medical staff, and reliance on overseas treatment for complex care.

Recognizing this, the government has made healthcare a priority sector, targeting both public health outcomes and private sector participation to modernize services. The result is a wave of new hospital projects, clinic upgrades, and entry points for investors across healthcare delivery, pharmaceuticals, and medical training.

Healthcare Infrastructure Expansion: In the past few years, Angola has launched an unprecedented hospital building program. With financing partnerships from entities in South Africa, Italy, Israel, and others, multiple new hospitals are under construction or recently completed.

For instance, in 2023 a consortium involving Investec and Italian export credit (SACE) arranged €225 million to build three new regional hospitals – a 200-bed hospital in Huambo, and 100-bed hospitals in Luena and Cabinda – executed by the international hospital builder VAMED. Separately, Swiss-Israeli firm Mitrelli Group delivered three modern general

hospitals in 2023–2024: in Bengo, Cuanza Sul, and Cuanza Norte provinces. Together these facilities add over 600 beds and state-of-the-art services (oncology, surgery, ICUs) for about 3 million people who previously had limited access. These hospitals are not just treatment centers; they also incorporate training wings for nurses and technicians, and even housing for staff – a holistic approach to sustainability.

Luanda, the capital, is getting a significant upgrade too. **Clínica Sagrada Esperança (CSE)**, the largest private hospital network (owned by Sonangol's social arm), is expanding with international support.

In 2023, the IFC (World Bank Group) made its first healthcare investment in Angola by lending \$23.5 million (and mobilizing \$48.5 million more) to help CSE build a new 140-bed hospital complex in Luanda. This new facility will offer advanced surgeries (cardiothoracic, neurosurgery) and specialist treatments that previously were not widely available in-country. Such private sector projects complement public hospitals and target the growing middle-class and insured population in need of higher-end care. The government has indicated openness to public-private partnerships in hospital management and is contracting private firms to run imaging centers, labs, and dialysis units within public hospitals.

Primary and Preventative Care: On the primary care front, opportunities exist to establish clinics and diagnostic centers in secondary cities and rural areas, where many Angolans still lack access to basic healthcare. Telemedicine is being piloted to reach remote communities (with projects supported by NGOs and universities), and the Ministry of Health is encouraging investments in mobile clinics and telehealth platforms.

For example, a digital health pilot in Luanda is equipping a small hospital with telemedicine capabilities to consult with specialists abroad. Donor-funded programs are also co-financing clinics focusing on maternal and child health –

investors or NGOs can partner in these under a social impact model.

Pharmaceuticals and Medical Supplies:

Angola imports the majority of its medications and medical equipment, which is another area for localization. The government has streamlined drug registration processes and offers tax breaks for pharmaceutical manufacturing. This has led to early ventures: an Angolan entrepreneur with Indian partners opened a plant assembling IV fluids and basic medicines, and there are proposals for a vaccine packaging facility (especially after COVID). Warehouse and distribution logistics for pharmaceuticals is another critical need – establishing cold chain storage and efficient distribution in Angola could both save lives and be profitable. Notably, Angola's sovereign wealth fund (FSDEA) has identified healthcare and pharma as key investment sectors and may co-invest in viable projects.

Human Resources and Training: With an average of only 2 doctors per 10,000 people, Angola faces a healthcare human resource crunch. Investment in medical education and training institutions is encouraged. Private nursing schools have opened in Luanda and Benguela; a private medical university is also being discussed. International hospital operators can partner to manage new hospitals while training local staff, under management contract models. Some foreign healthcare providers (from Portugal, Brazil, and South Africa) are exploring joint ventures to operate clinics in Angola's urban centers, leveraging their expertise and brand trust.

The **health indicators** in Angola, while improving, underscore the need for continued investment: maternal and infant mortality rates remain above African averages, and diseases like malaria and tuberculosis are persistent challenges. However, government spending on health has been rising, and with support from the World Health Organization and others, Angola is strengthening its supply chains and health governance.

For investors, this means opportunities not only in bricks-and-mortar facilities but also in technology solutions – e.g. health information systems, digital patient records, and supply chain management systems are all in demand.

In summary, the healthcare sector in Angola is transitioning from a predominantly public, under-resourced system to a mixed public-private model with modern infrastructure. For the international investor community, there are multiple entry points: building or managing facilities, supplying equipment (everything from MRI machines to basic hospital beds is needed in quantity), localizing pharmaceutical production, or providing specialized services (dialysis centers, dental clinics, etc.). The ultimate outcome sought by Angola is improved care for its citizens, but in getting there, it presents a robust market opportunity in a sector that traditionally has low correlation with oil price swings and thus provides a stable investment domain.

Digital Economy and ICT

Angola's digital economy is on the rise, driven by a young tech-savvy population and rapid improvements in telecommunications infrastructure. By January 2025, internet penetration had reached approximately 45% of the population (up from under 25% just five years prior), and the number of mobile phone subscriptions stands around 26 million – a figure near saturation relative to population. This connectivity boom is laying the foundation for growth in sectors like fintech, e-commerce, e-government, and digital entertainment.

The government has explicitly identified the **digital economy as a high-potential sector**, aligning with its diversification plans to create jobs and leapfrog into modern services.

A major catalyst was the liberalization of the telecom sector. In April 2022, Africell launched operations as Angola's first new mobile operator

in two decades, breaking the long-standing Unitel-Movicel duopoly. Africell's entry has been a game changer – by late 2022 it had gained 4.6 million subscribers in Angola, forcing incumbents to improve service and lower prices.

The increased competition has accelerated the rollout of **4G (and pilot 5G) networks** and expanded coverage in secondary cities. Moreover, the government awarded a new unified telecom license to a fourth operator (Angola Telecom's mobile arm privatization is in process), promising even more competition. For investors, this telecom opening means opportunities in tower infrastructure, fiber optic networks, and service provision (such as tower sharing agreements and rural connectivity projects). The completion of submarine fiber cables – West Africa Cable System (to Europe) and South Atlantic Cable System (connecting Angola to Brazil) – has drastically improved international bandwidth, making internet access faster and cheaper.

With the infrastructure in place, **startups and digital services** are flourishing. **Mobile money and fintech** have been a standout success: Unitel and Movicel both launched mobile wallet services (Unitel Money, e-Kwanza) after regulations in 2019 allowed non-banks to offer e-money. By 2025, millions of Angolans use mobile money for transfers and bill payments, many gaining access to formal financial services for the first time. New fintech startups are building on this ecosystem – offering micro-loans, savings platforms, and merchant payment solutions – often with backing from venture funds and banks. The UNDP's SDG Investment Map explicitly highlights **digital financial services** and **SME financing platforms** as opportunity areas in Angola, underscoring the alignment of profit potential with development needs.

E-commerce is another nascent but growing domain. Entrepreneurs have launched online marketplaces (for example, Soba e-store and BayQi) selling everything from electronics to fashion, targeting the rising middle class in Luanda. These platforms face challenges like

payment systems and delivery logistics, but with mobile money integration and improving postal services, adoption is rising. Social media (Instagram, Facebook) commerce is also popular among small businesses.

There is room for foreign e-commerce players or joint ventures to bring expertise in logistics and warehousing – essentially, Angola is at the stage of building the “Amazon of Angola.” The government’s push for a cashless economy and recent introduction of a **real-time gross settlement system (RTGS)** for banks provide a supportive environment for digital transactions.

Angola’s **tech startup scene** is in its infancy but shows promise. Co-working spaces and innovation hubs have sprung up in Luanda – e.g., FÁbrica de Sabor and Espaço Baobá – offering mentorship and incubation to young entrepreneurs. Annual pitch competitions (like Seedstars Luanda) have showcased innovative ideas from healthtech to agritech. One startup, Appy Saúde, created a popular health services app and attracted foreign investment, illustrating that local talent can solve local problems via tech. To further encourage this ecosystem, the government has set up an Angolan Venture Capital Fund with \$40 million to co-invest in startups and a regulatory sandbox for fintech. International tech companies (from Portugal, Brazil, and China) are also entering Angola – both Amazon Web Services and Google have been training Angolan developers under their Africa programs, anticipating future cloud services adoption.

The **government’s digital transformation** efforts also inject momentum. Public services are going online: citizens can now apply for visas and business licenses via e-government portals, and an electronic tax payment system is in place. The President has spoken of creating an “Innovation City” in Luanda – a tech park to host ICT companies and research institutions. While still conceptual, land has been earmarked for this purpose. Additionally, a focus on **digital literacy** is evident – coding and IT are being introduced in school curriculums, and partnerships with

firms like Huawei and Microsoft offer ICT training to students and civil servants.

For foreign investors and tech companies, Angola’s digital sector offers a **greenfield landscape** in many areas. Potential opportunities include: expanding broadband to underserved regions (perhaps through satellite internet or expanding fiber – Angola is even exploring its own satellite communications via the **AngoSat-2 satellite** launched in 2022), investing in data centers (as data consumption grows, local cloud storage and processing will be needed – Angola Cables opened the first Tier III data center in Luanda, and more capacity will be required), and providing enterprise IT solutions to businesses that are modernizing. Cybersecurity, e-learning platforms, telemedicine apps, and digital entertainment (there’s a huge youth market for online music and streaming services) are all frontier markets in Angola with relatively little competition so far.

In conclusion, Angola’s digital economy is on an **upward trajectory, underpinned by improved connectivity and a supportive regulatory push**. The country’s large youth population – roughly 60% under 25 – is a natural driver of digital adoption. As Angola continues to integrate with the global internet and its people get online, the digital sector could very well become one of the main pillars of the non-oil economy. The period from now to 2030 is likely to define whether Angola can transition into a tech-empowered nation, and investors who engage early in building this ecosystem stand to reap significant rewards while shaping the future of Angola’s economy.

7. Investment Entry Options and Legal Framework

Key Facts

- Angola offers multiple entry modes: wholly-owned subsidiaries, joint ventures, franchises, PPPs, and acquisitions.
- The Private Investment Law (2018, revised 2021) is the core legal framework for investment.
- No local partner requirement exists under the general investment law.
- Profit repatriation and legal protections are guaranteed under the law.
- Priority sectors benefit from tax incentives and special investment regimes.
- The AIPEX One-Stop-Shop simplifies licensing and investor services.
- Dispute resolution can be pursued domestically or via international arbitration.
- Investment agreements may include stability clauses for legal predictability.
- Free zones and special economic zones offer additional tax and operational benefits.
- Angola has bilateral investment treaties ensuring non-discriminatory treatment.



Angola offers a range of pathways for international investors to enter its market, underpinned by a progressively liberalized legal framework. This chapter explores the main entry options – from setting up local subsidiaries to partnering in public-private projects – and outlines the key legal regimes governing investment. It highlights Angola's Private Investment Law (2018, revised 2021) and related statutes, special incentive regimes (such as free zones and tax holidays), and the guarantees and protections available to foreign investors. The focus is on providing narrative clarity and analytical depth for an international investment audience, with updated information as of mid-2025.

Entry Options for Foreign Investors

Investors can choose from several entry strategies depending on their business objectives, desired level of control, and the nature of their venture. The principal entry options in Angola include:

- **Wholly Foreign-Owned Subsidiary:**

Establishing a new local company (typically a Limitada (Lda.) or **Sociedade Anónima (S.A.)**) allows full foreign ownership in most sectors. Since 2018, Angola's investment law permits 100% foreign shareholding without a local partner requirement. The investor incorporates a subsidiary under Angolan law, benefiting from limited liability and direct management control. This option was streamlined by the 2018 Private Investment Law reforms, which eliminated the old mandate that foreign investors must have at least a 35% Angolan partner. Exceptions exist only in certain regulated industries (e.g. oil & gas, insurance, banking, telecommunications) where separate laws impose local ownership quotas.

In practice, forming a subsidiary involves registering with the one-stop investment agency **AIPEX** (Agência de Investimento Privado e Promoção das Exportações) and fulfilling standard company incorporation procedures (covered in Chapter 4). The subsidiary route offers maximum control and long-term presence, albeit with higher setup cost and compliance obligations than lighter-touch modes.

- **Branch Office of a Foreign Company:**

Instead of creating a separate local entity, a foreign company may establish a **branch** in Angola to conduct business. A branch is an extension of the parent firm and not a distinct legal person. Angolan law permits foreign companies to register branches or other forms of representation, although this option is less common for new investors. Branches can be useful for specific projects or initial market entry, but they expose the parent

company to full liability for branch activities. In addition, some regulated activities require incorporation of a local company, so a branch may be limited in scope. This option was likely discussed in Chapter 4 (Starting a Business), and investors often weigh the branch vs. subsidiary decision based on tax and liability considerations.

- **Joint Ventures and Local Partnerships:**

Forming a **joint venture (JV)** with a local partner is a prevalent strategy to combine foreign capital and expertise with domestic market knowledge. A JV can be structured as a new jointly owned company or a contractual partnership. Angolan investment law explicitly recognizes **"association in partnership and other forms of business cooperation"** as valid investment operations. JVs are voluntary in most sectors (post-2018 reforms), but they remain advantageous or required in practice for certain industries. For example, in oil & gas upstream projects, foreign operators traditionally partner with the state oil company Sonangol; in mining, a local partner can help navigate regulatory processes. JVs allow risk-sharing and can ease compliance with any local content rules (such as employment or sourcing targets).

However, investors should conduct due diligence on prospective partners and negotiate clear shareholder agreements to address management roles, profit sharing, and dispute resolution. Angola's legal system enforces JV contracts and shareholder agreements under the Commercial Companies Law, providing a framework for minority protections and governance. Notably, the **2018 Private Investment Law removed the blanket JV obligation** for foreigners, so partnership is now generally a business choice rather than a legal mandate – aside from sectors with specific laws (power, telecom, etc. had old 35% local equity requirements under prior statutes).

- **Franchise and Licensing Agreements:**

International companies can enter Angola by

franchising their business model or licensing intellectual property to local operators. In this mode, a foreign firm (franchisor) grants a local company (franchisee) the right to operate using its brand, products, and know-how, typically in exchange for fees or royalties. Franchising is common in retail, food & beverage, and services, enabling rapid expansion with lower capital investment. Angola has seen growth in franchises (especially in fast-food, hotel, and automotive sectors) as the consumer market develops. There is no standalone franchise law; franchises are governed by commercial contract law and intellectual property (IP) regulations.

The **Angolan Industrial Property Law (1992)** protects trademarks and patents, and a new draft IP law is under consideration to update the framework. Investors should ensure trademarks are registered in Angola and contracts clearly define quality control and termination clauses. **Technology transfer** is encouraged – foreign investors can contribute technology and know-how as part of their investment capital (though the 2021 amendment to the investment law stopped counting know-how alone as a form of equity capitalization). Franchising offers a flexible entry with local entrepreneurship buy-in, but maintaining brand standards and legal protection of IP are key considerations.

- **Public-Private Partnerships (PPPs):** For large-scale projects in infrastructure and public services, foreign investors may engage via **Public-Private Partnerships**. A PPP is a contract between a private investor and the government (or a state-owned entity) to finance, build, and operate a project – such as roads, power plants, ports, or water systems – with risk-sharing and a long-term concession.

Angola updated its PPP legal framework in 2019 (Law No. 11/19 of 14 May 2019) to streamline and promote such partnerships. This law replaced the older 2011 PPP

law and clarifies procedures for project solicitation, negotiation, and implementation. It defines PPPs broadly, covering any sector where public infrastructure or services can benefit from private sector efficiency. The government has identified PPPs as vital for improving Angola's infrastructure, given budget constraints, and is seeking foreign investment in projects like port management, railway rehabilitation, power generation, and housing.

Investors entering via PPPs should expect a competitive tender or negotiation process, feasibility studies, and a partnership contract that stipulates each party's roles, performance standards, and financial terms. Typical PPP incentives include long-term concession rights, government guarantees on certain risks, and potential tax/customs benefits. While PPPs involve complex preparation, they offer an entry route with government support and the opportunity to tap into priority national projects. The legal framework (Law 11/19 and its regulations) provides for transparency and contract stability, though investors should conduct careful risk assessment (including political and currency risks) and ensure dispute resolution clauses (like international arbitration) are in place.

- **Mergers and Acquisitions (M&A) and Privatizations:** Another entry avenue is to acquire or invest in an existing Angolan company. The Private Investment Law explicitly includes "acquisition of shareholdings in existing companies, including minority interests" as a form of foreign investment. Acquisitions can grant immediate market presence and experienced staff, which is attractive in sectors like banking or telecommunications where established operators exist.

Foreign investors must comply with Angola's Competition Law (Law 5/18 of May 2018) for any mergers or acquisitions that could affect market competition – significant deals

may require notification to the Competition Regulatory Authority. Since 2019, Angola has also been implementing an ambitious **Privatization Program (PROPRIV)** to sell stakes in around 195 state-owned enterprises across industries.

Through PROPRIV, foreign investors have the chance to acquire formerly state-run businesses in sectors such as agribusiness, mining, banking, insurance, telecom, and manufacturing. By early 2022, dozens of assets had been privatized, including partial stakes in Sonangol's subsidiaries, banks, and an airport concession. M&A transactions require careful legal and financial due diligence.

Key steps include obtaining AIPEX registration for the investment (for statistical and incentives purposes), ensuring compliance with sector-specific ownership rules, and structuring the deal under local corporate law. Notably, while most sectors allow full foreign takeovers, a few regulated sectors still limit foreign ownership (for example, the Insurance Law caps foreign ownership of an insurance company at 50%, and banking/telecom regulations require a minority local share).

Investors should also be aware of labor considerations (transferring employees) and the tax implications of share versus asset acquisitions. Overall, acquisitions can be one of the faster entry strategies and align well with Angola's ongoing privatization and economic reform agenda.

Investment Legal Framework in Angola

Angola's legal framework for investment has undergone significant reforms to improve the business climate and attract foreign direct investment (FDI). The cornerstone is the Private Investment Law, alongside specialized regimes

for certain sectors and newly overhauled tax incentive rules. This section outlines the main laws and regulations that govern both foreign and domestic investment, emphasizing the 2018/2021 reforms, special incentive regimes (e.g. free zones), and the guarantees afforded to investors. The **legal environment as of 2025 is markedly more open and investor-friendly** than in earlier years, reflecting Angola's policy shift toward diversification and private-sector growth.

Private Investment Law (2018) and 2021 Amendments

The **Private Investment Law (PIL)** is the primary statute defining how investments are made and protected in Angola. Enacted as Law No. 10/18 of 26 June 2018, and amended by Law No. 10/21 of 22 April 2021, the PIL establishes the general principles and rules for both foreign and domestic private investments. It applies to almost all sectors of the economy (except those covered by separate specific regimes like oil & gas and financial services) and covers a broad array of investment operations – from incorporating new companies and expanding existing ones to acquiring assets or shares, and even non-equity forms like technology transfer.

Key features of the 2018 PIL and its impact:

- **Elimination of Local Partnership Requirement:** One of the most notable changes in 2018 was the removal of the old requirement for foreigners to have a local partner owning 35%. The new law “scraps rules that previously forced foreign investors to partner with local firms”, effectively allowing 100% foreign-owned projects in most industries. This was a major shift from prior policy and aimed to make Angola more competitive in attracting FDI. As mentioned earlier, certain sectors continued to have

local ownership rules under separate laws, but the PIL itself no longer imposes a blanket joint-venture mandate. The principle of national treatment is reinforced – foreign investors are generally treated the same as nationals under the law.

- **Lower Investment Thresholds and Simplified Procedures:** The 2018 law did away with minimum investment size thresholds that existed before (previously, only projects above a certain value qualified for incentives or needed approval). Now, there is no minimum capital requirement for an investment to fall under the law. This opened the door for small and medium foreign investments. The process of registering an investment was simplified through a “fast-track” Prior Declaration regime (detailed below), reducing bureaucracy. The government consolidated multiple investment promotion bodies into the single agency AIPEX in 2018, creating a one-stop shop to assist and register investors. The aim was to expedite approvals – in fact, under the new rules if the authority does not respond within statutory deadlines, certain approvals are deemed granted by silence.
- **Investment Regimes – Prior Declaration, Special, and Contractual:** The PIL established different regimes under which an investment project can be registered, each with its own treatment of incentives:
 - o The **Prior Declaration Regime** is a simplified route for standard investments that do not seek special incentives. Investors merely notify and register the project with AIPEX (obtaining a Certificate of Private Investment Registration, CRIP) and can proceed without a negotiated contract. This regime applies to projects that meet general criteria and want the default incentives.
 - o The **Special Regime** applies automatically to investments in certain priority sectors defined by regulation (such as education,

health, agriculture, manufacturing, etc.) and below the high-value threshold for contractual regime. Under the special regime, investors receive pre-defined tax and customs benefits by law (varying by the zone of the country – see next section) without needing to negotiate them. This was meant to encourage investment in sectors aligned with Angola’s development goals, outside the oil sector.

- o In the **2018 law**, a specific **Contractual Regime** (where incentives are negotiated case-by-case) was notably absent – all projects fell either under prior declaration or special rules. However, Law 10/21 of 2021 reintroduced the Contractual Regime. The amendment responded to the need for flexibility to accommodate large, strategic investments that might not fit neatly into a one-size-fits-all incentive scheme. Under the contractual regime now reinstated, projects over a certain size (\geq USD 1 million) or with significant impact can be negotiated directly with the government (represented by AIPEX) to obtain bespoke incentives and guarantees. This allows investors in any sector – not just the “priority” ones – to secure special terms if their project is deemed high-impact (e.g. creates substantial jobs or infrastructure). An investment contract is then signed between the state and the investor, detailing the agreed tax breaks, import duty exemptions, land rights, or other facilitative measures for the project. Essentially, Angola brought back the ability to treat major investors on a case-by-case basis, a tool many competing countries use to attract big-ticket FDI.
- **Tax and Incentive Framework Overhaul:** The 2018 PIL initially included a schedule of tax benefits (e.g. reductions in corporate income tax for a number of years) tied to investment zones and sectors. However, the 2021 amendment removed those tax benefit clauses from the PIL, as Angola was preparing a separate Tax Benefits Code.

Investors are now directed to the new Tax Benefits Code (enacted in 2022, discussed below) for applicable incentives, rather than the PIL itself. The rationale was to unify all fiscal incentives in one code, improving transparency and consistency. During the transition, incentives under the old law remained valid, but new projects post-2021 follow the updated code.

- **Repatriation of Funds and Financial Flows:**

The investment law guarantees the right to repatriate profits, dividends, and capital for duly registered investments, subject to payment of applicable taxes. A subtle but important change in 2021 was removing the prior requirement that an investment project be fully implemented before profit repatriation. Now, foreign investors can transfer dividends abroad even prior to completing the entire project implementation (for example, if the project is phased), as long as taxes are paid and any required reserves are allocated. This increased flexibility was meant to improve investor confidence that they can exit or receive returns without long lock-in periods. In parallel, Angola's Central Bank regulations were liberalized: as of 2020-2021, there are no major limitations on converting currency or sending money overseas for investment-related transactions. Investors can freely convert kwanza earnings into foreign currency and remit funds, which marks a significant improvement from earlier years when foreign exchange shortages made profit repatriation challenging. (More on capital transfer rules in the Guarantees section.)

- **Other Amendments in 2021:** Law 10/21 introduced additional refinements to the investment regime, such as considering job creation and investment amount as criteria for incentives (not only the sector or region). It also removed the 10-year limit on benefits that existed – previously, tax holidays were capped at 10 years, but now the duration can align with the Tax Benefits Code which in some cases allows up to 15 years or more.

Furthermore, the amendment clarified that projects under special sector laws (e.g. petroleum, mining, financial) still need to be **registered with AIPEX for statistical purposes and to obtain “private investor” status**, even if their incentives are governed by those sector-specific laws. This ensures all investment is tracked and can qualify for general guarantees. Lastly, companies that had been operating in Angola without going through the PIL process (perhaps under the old regime) are now encouraged to register their investments retroactively – though they might not get tax incentives, they can legalize their status and benefit from other protections.

In summary, Angola's Private Investment Law (2018, rev. 2021) set a more welcoming legal foundation for investors: it liberalized ownership, simplified entry procedures, and modernized the incentive negotiation process. The law's implementation is facilitated by AIPEX, which serves as the interface for investors – reviewing investment proposals, issuing the CRIP certificate, and liaising with other government agencies. Investors seeking to utilize the PIL's benefits should engage AIPEX early, submit an investment project proposal (with details on the project, funding, jobs, etc.), and indicate under which regime (prior, special, or contractual) they are applying. Approval times have improved, and the government touts the PIL framework as a key reason Angola's investment climate rankings have started to inch upward.

Special Investment Regimes and Incentives

Beyond the general investment law, Angola has special regimes that offer tax and operational incentives to encourage investment in priority areas. These include **geographical zones with tax benefits, sector-specific incentive laws, and a new unified Tax Benefits Code (2022)**. Investors should be aware of these regimes to take full advantage of available benefits, such

as tax holidays, custom duty exemptions, and other concessions.

Development Zones and Tax Incentives:

Under both the 2018 PIL and the new Tax Benefits Code, Angola is divided into development zones (traditionally labeled **Zones A, B, C, and D**) for the purpose of incentives. These zones are based on the level of economic development of provinces/regions – for instance, **Zone A** includes Luanda and other relatively developed urban centers, while **Zone D** covers the least developed, interior provinces. The principle is that investments in less-developed zones get **greater tax breaks for longer periods** to spur regional development. For example, under the earlier framework, an industry investment in Zone C or D could enjoy an **80% reduction in corporate income tax for up to 8 years**, versus a smaller 20% reduction for 2 years in Zone A. Similar graduated incentives applied to other taxes like the Imposto sobre Aplicação de Capitais (capital gains/dividend tax), SISA (property transfer tax), and custom duties. The **Special Regime** of the PIL automatically applied these benefits to eligible projects – i.e. if you invest in a priority sector, the law grants you the tax reductions appropriate to your zone, without separate negotiation.

However, with the advent of the **Tax Benefits Code (TBC)** in 2022 (Law No. 8/22 of 14 April 2022), all these incentives have been consolidated and slightly revised. The TBC, effective from May 2022, gathers in one law the various tax incentives that were scattered across different statutes. It retains the concept of development zones and priority sectors, continuing Angola's targeted incentive approach. Under the TBC, tax benefits can be granted for a maximum of 10 years (in most cases) and the extent of benefits depends on **(i)** the investment regime (prior, special, or contractual), **(ii)** the zone (A to D), and **(iii)** the sector of activity. For instance, **Zone C and D investments might still get up to 80% CIT reduction for a period, whereas Zone A gets far less**, encouraging investors to venture outside Luanda. The code also introduces standardized incentives like:

- **Tax rate reductions** on Corporate Income Tax (Industrial Tax) and Investment Income Tax,
- **Tax credits** (e.g. a credit up to 50% of the invested amount, deductible against tax liabilities for a set time),
- **Accelerated depreciation** allowances (e.g. increase depreciation rates by up to 80% for new industrial assets in Zones B, C, D),
- **Customs duty exemptions** for importing capital equipment and raw materials for approved projects,
- **Exemption from certain fees** – under the special regime, project companies don't pay fees for administrative acts like property registration or permits for the first 5 years.

The TBC ensures that **tax incentives are transparent, time-bound, and tied to performance** (for example, requiring the project to remain operational and not substantially change scope during the benefit period). Incentives are no longer open-ended; they must be granted within the Code's limits and many expire after 10 years, preventing perpetual tax holidays. Any extension or special incentive beyond the code would need to be negotiated under the PIL's contractual regime on an exceptional basis.

For investors, the **practical step** is to indicate in their investment project proposal which incentives they seek. Under prior declaration or special regimes, they'll automatically get what the law provides once AIPEX registers the project. Under the contractual regime, they can negotiate for the upper end of what the code allows (or occasionally beyond it, for very strategic projects). It's worth consulting with legal advisors or AIPEX on the exact **package of incentives** available for a given project's location and industry – e.g., agriculture projects in Zone C might get a multi-year income tax exemption plus customs waivers, while a services project in Zone A may only get a smaller reduction.

Free Trade Zones and Special Economic Zones: Another component of Angola's investment landscape is the creation of free trade zones (FTZs) and special economic zones (SEZs) to catalyze investment in export-oriented and industrial activities. The flagship initiative is the **Luanda-Bengo Special Economic Zone (ZEE)**, an industrial park near Luanda that has been earmarked for transformation into a full free trade zone. In December 2020, Angola approved a new Free Trade Zones Act, followed by regulations in January 2021, establishing the legal basis for FTZs. The FTZ law allows all types of private investment in designated zones, with a focus on manufacturing, agriculture processing, logistics, and technology ventures that can boost exports and create jobs.

Investors in a licensed Free Trade Zone enjoy special incentives, potentially more attractive than the general regime:

- **Tax breaks:** The law envisions tax incentives such as tax rate reductions, credits, and even exemptions for businesses operating inside FTZs. The specifics have been tied into the Tax Benefits Code and subsequent regulations. For example, the Tax Code provides for a reduced Investment Income Tax (withholding) rate of 5% on payments of royalties, interest, and other capital income for companies in Free Zones. Corporate tax and custom duty exemptions are also part of the package.
- **Customs and import duty exemptions:** Typically, inputs and equipment brought into the zone can be exempt from import duties, and exports from the zone are duty-free. This encourages import-substitution industries and re-exports.
- **Simplified administration:** One-stop administrative services and lighter regulation inside the zone, making it easier to get licenses, land, and utilities. Some labor law flexibilities might also apply.
- **Infrastructure support:** The government

often invests in infrastructure (roads, power, water) in the zone to attract investors. In the case of ZEE Luanda-Bengo, the zone management is actively seeking foreign manufacturers and has already attracted over \$3 billion in FDI since 2018.

As of 2025, the Luanda-Bengo zone is being actively promoted as “the best free trade zone in Africa” with new incentive schemes. There are also plans to establish other zones or development hubs around the country. The FTZ/SEZ strategy aligns with Angola's participation in the African Continental Free Trade Area (AfCFTA) – by boosting local production in zones, Angola aims to export to the African market tariff-free. Investors willing to set up manufacturing for export should explore opportunities in the ZEE or any upcoming FTZs, as they may secure **generous tax holidays (up to 10-15 years)** and other privileges not available elsewhere. The Free Trade Zones Act is new, so there may be some delays in full implementation, but it signals Angola's commitment to providing pockets of highly competitive conditions for FDI.

Sectoral Regimes and Incentives: While the PIL is overarching, certain industries have their own investment regimes:

- In **Oil & Gas**, investments are governed by the Petroleum Activities Law and a host of sector-specific rules. The upstream sector uses production-sharing agreements or risk service contracts with Sonangol as the concessionaire. Tax terms (royalties, petroleum income tax) are set in those laws, not under PIL. However, the government has offered incentives for marginal fields, gas development, and refining via special decrees. For example, a 2024 decree established a special tax regime to encourage additional investment in mature offshore oil fields. Downstream (refining, distribution) has been opened to private investment with incentives like tax waivers on importing equipment.
- In **Mining**, the Mining Code governs investments, requiring separate licenses.

Mining projects often negotiate customs and tax stability clauses with the state. The PIL still applies in general, but mining royalties and incentives come under the mining law. Strategic mineral projects might get additional benefits through contractual agreements.

- In **Agriculture and Fisheries**, there are potentially special regimes (the PIL allows the President to define special legal regimes for these sectors). These could include access to land on favorable terms (land is state-owned in Angola, but investors can get long-term surface rights), subsidized loan programs, or tax breaks beyond the standard if it aligns with food security goals. Investors should check if any Presidential decrees or programs (like PRODESI – a program for production diversification) offer extra perks for agribusiness projects.
- In **Industry and Tech**, aside from the zones, Angola launched initiatives like “Made in Angola” certification to promote local manufacturing. While not a tax incentive per se, participating companies might get marketing support or priority in government procurement.

In 2022, Angola’s government also updated its **Customs Tariff Schedule** and **VAT regime** to be more investment friendly. Capital goods imports for approved projects can often be imported at a reduced customs tariff or exempt VAT. The **Value Added Tax (VAT)**, introduced in 2019 at 14%, is reimbursable on exports and has exemptions for certain basic sectors, indirectly benefiting investors in those areas (e.g. VAT exemptions for farming inputs reduce costs for agribusiness investors).

Overall, Angola’s incentives landscape as of 2025 is characterized by codification and clarity (via the Tax Benefits Code) and targeted generosity (higher rewards for investments that further government priorities like diversification, industrialization, and regional development). Investors should incorporate these incentives

into their financial models – a well-structured project in a priority sector and region could enjoy significantly lower taxes for its first decade of operation. However, they should also be mindful of compliance: failure to meet the project’s stated objectives (like job creation or output levels) could lead to incentives being revoked. All incentives are conditional on the investor fulfilling the terms of their investment proposal and operating within the law.

Investor Rights, Protections and Guarantees

Investors in Angola benefit from a set of legal guarantees designed to protect their rights and mitigate risks. These cover areas like profit repatriation, protection against expropriation, access to dispute resolution, intellectual property rights, and requirements (or lack thereof) for local participation. Ensuring a safe and fair investment environment is a core goal of Angola’s recent reforms, and the country has also joined key international conventions to bolster investor confidence.

Repatriation of Profits and Capital: Angola guarantees the right of foreign investors to **repatriate their profits, dividends, and invested capital** in foreign currency, after paying all due taxes. The Private Investment Law explicitly provides this assurance, and the Central Bank (BNA) has issued regulations to facilitate foreign exchange operations. According to official guidance, *“foreign investors have no current limitations or restrictions for converting and transferring funds”*, including the ability to **convert Kwanza earnings into hard currency and transfer funds abroad freely**. Investors can maintain bank accounts in Angola in foreign currency, and they can remit **dividends, loan repayments, and proceeds from sale/liquidation** at any time, subject only to presenting proof that taxes have been paid. This is a significant improvement from prior years when forex liquidity issues sometimes delayed transfers. The exchange rate is now market-

determined, which reduces distortions, though investors remain exposed to exchange rate risk (the Kwanza can be volatile). The key point is that legally, **profit repatriation is safeguarded** – Angola wants to assure investors that they can realize returns on their investments. In fact, the 2021 PIL amendment reinforced this by allowing early repatriation (not waiting for project completion). Additionally, if an investor sells their stake or liquidates the business, they can transfer out the capital proceeds. The BNA Notice 15/2019 and related directives removed prior authorizations for most such transfers, making the process more routine (usually handled through the investor's commercial bank in Angola). It's always recommended for investors to register their foreign investment with BNA (via AIPEX's process) so that the principal amount invested is recognized, which in turn makes later capital repatriation smoother.

Protection Against Expropriation: The Angolan Constitution and investment law provide that private property can only be expropriated for **public interest**, and if so, with **prompt, fair compensation**. Expropriation (be it of land, assets, or enterprises) is rare and would follow a legal process. The **Law on Expropriations for Public Utility** (recently revised) outlines the government's obligations to pay compensation based on market value. To date, expropriation has not been a common issue for foreign investors in Angola; the concerns historically were more about contract sanctity and government change of terms, rather than outright nationalization. Nevertheless, the legal guarantees are in place: any expropriation or requisition must be accompanied by adequate compensation and is subject to judicial review. The **Private Investment Law** reiterates that investors' property rights are protected and that the state will not nationalize private assets except in accordance with the law and with due compensation. In recent years, Angola has actually been moving in the opposite direction – **privatizing** state assets rather than expropriating private ones. This policy trend further reduces the perceived risk of expropriation. Investors can take comfort that

their ventures will not be arbitrarily taken over by the state; and if for some reason a public project necessitated expropriation of an asset (e.g. land for infrastructure), the investor is entitled to fair payment. Obtaining investment insurance (e.g. from MIGA or other providers) is an additional way to hedge against this political risk, but Angola's legal stance is to reassure investors on ownership security.

Dispute Resolution and Legal Recourse: In the event of disputes, investors have multiple avenues for resolution:

- **Local Courts:** Angola's judicial system can hear commercial disputes, including those involving foreign investors. The **Constitution guarantees access to justice** for all, and foreign investors have the right to sue (and be sued) in Angolan courts under the same conditions as locals. However, the local court system has historically been slow and faces capacity constraints in handling complex commercial cases. Contract enforcement can be time-consuming. Recognizing this, Angola has undertaken judicial reforms and is training judges in commercial law. Commercial sections exist in provincial courts for business matters. Still, many investors prefer arbitration for significant disputes.
- **Arbitration:** Angola has embraced arbitration as an alternative dispute resolution mechanism. It passed a Voluntary Arbitration Law (2003) which allows domestic and international arbitration of disputes. Importantly, Angola became a party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards in 2017. This means Angolan courts are obligated (on a reciprocal basis) to recognize and enforce arbitral awards made in other New York Convention member states. It was a major step that "internationalized" Angola's dispute resolution framework. Additionally, in 2022, Angola ratified the ICSID Convention, becoming a member of the World Bank's International Centre for Settlement of Investment Disputes. This allows disputes

between Angola and investors from other ICSID member countries to be settled through ICSID arbitration, which is a neutral forum. Angola's accession to ICSID (effective October 2022) is a strong signal of commitment to investor protections. Many recent investment contracts, especially under the contractual regime or PPPs, include clauses for arbitration – often specifying arbitration under ICSID or UNCITRAL rules, seated in a neutral venue. With the New York Convention in force, any arbitration award can be brought to Angola for enforcement against local assets if needed.

- **Mediation and Alternative Dispute Resolution:** The government and chambers of commerce encourage mediation and negotiation for disputes. There is an Arbitration Center in Luanda that offers mediation services. The Civil Procedure Code also allows court-led conciliation. These methods can be faster and preserve business relationships.

For an investor, the **practical tip** is to include a robust dispute resolution clause in any joint venture agreement, investment contract, or government contract. Angola's acceptance of international arbitration means you can agree to, say, ICSID arbitration; and now Angola cannot claim sovereign immunity to avoid it, as it has consented by treaty. This greatly boosts confidence that if a dispute arises with a state entity, there is a path to resolution that doesn't rely solely on local courts. It's also advisable to ensure arbitration awards can be enforced (e.g. by having assets or accounts that could be targeted, if needed, in jurisdictions that uphold awards). Overall, Angola's moves to join the **global arbitration frameworks** are viewed positively by investors and were long-requested reforms.

Intellectual Property (IP) Rights: Protecting intellectual property is important for investors in sectors from manufacturing to media. Angola's legal system recognizes patents, trademarks, copyrights, and trade secrets. The current

Industrial Property Law dates back to 1992, and a new draft law to modernize IP protection was released for public consultation in late 2023. Angola is a member of the World Intellectual Property Organization (WIPO) and a signatory to conventions such as the Paris Convention (for industrial property) and the Berne Convention (for literary and artistic works).

Trademarks and patents must be registered with the Angolan Institute of Industrial Property (IAPI) to be enforceable. Trademark counterfeiting and piracy have been issues in the Angolan market, but enforcement is improving gradually. The government has been strengthening customs inspections to prevent counterfeit goods, and there are legal remedies (civil and criminal) against IP infringement. Investors should budget time and resources to secure their IP rights in Angola – e.g. registering key trademarks, patents or designs, and perhaps using local counsel to monitor for infringements.

Copyright is protected under the 2016 Copyright Law, granting authors rights over their works and requiring licensing for use. Software and technology companies can protect source code and algorithms as trade secrets by contract. In case of IP disputes, one can go through Angolan courts, and the courts can issue injunctions or award damages. However, given the nascent stage of IP enforcement, many foreign investors also use contractual protections (for example, arbitration for licensing disputes, or provisions to terminate franchises if IP misuse is detected).

On a positive note, Angola's improving investment climate and aspirations to join more international treaties (like the Madrid System for trademarks or the Patent Cooperation Treaty in the future) mean IP protection will likely strengthen further, aligning with global standards.

Local Content and Employment Requirements: While not an entry "option," it's worth noting any obligations once operating. Angola does have local content rules in certain sectors – notably oil & gas and banking. For

instance, the petroleum sector regulations mandate that oil companies use Angolan firms for services and give preference to Angolan materials when available (a percentage of contracts must go to local suppliers). Also, by policy, foreign oil operators need to invest in local capacity building. In banking and insurance, regulators encourage hiring and training Angolan staff, and certain management positions may need Angolan nationals.

There isn't a general economy-wide local content law forcing joint ventures, but labor laws require companies to prioritize Angolan citizens for hiring when they have similar qualifications as foreign candidates. Work visas for expatriates are allowed (as discussed in Chapter 8 on Living and Working in Angola), but typically a company can only employ a foreigner when the skill is not found locally, and there may be a ratio guideline (e.g. at least 70% local employees is an oft-cited figure, though not codified strictly).

Investors should incorporate human resource development plans and consider training programs – this not only ensures compliance but also garners good will. There is no requirement for a local equity stake in general, as emphasized, but **having a local partner or agent can still be beneficial** for navigating bureaucracy and cultural aspects. Certain permits (like land use rights) might be easier to obtain or faster with local involvement, though legally not mandated.

Guarantees under Investment Treaties: Angola has a limited number of **bilateral investment treaties (BITs)** in force (with countries such as Portugal, Germany, Italy, Russia and others). These BITs typically provide additional guarantees to investors from those countries – like fair and equitable treatment, most-favored-nation treatment, protection against expropriation, and the right to international arbitration (often UNCITRAL or ICSID) for disputes with the host state. While Angola hasn't aggressively expanded its BIT network yet, it has shown interest in doing so under the current administration.

Additionally, as a member of the Multilateral Investment Guarantee Agency (MIGA), investors can seek political risk insurance from MIGA for Angolan projects, which covers expropriation, currency transfer restrictions, breach of contract, etc. Regionally, Angola is part of SADC (Southern African Development Community), which has a Finance and Investment Protocol with investment protection clauses, though its enforceability is limited.

In summary, foreign investors in Angola are **legally well-protected** on paper: they can repatriate profits freely, enjoy equal treatment, have recourse to international arbitration, and hold their assets without fear of arbitrary takeover. The on-ground reality has been steadily improving, as evidenced by governance reforms and high-profile steps like ICSID ratification. Investors should still exercise standard caution – perform due diligence, ensure contracts are watertight, and possibly include political risk insurance for large investments – but the trend in Angola is toward greater alignment with international best practices in investment protection. The government's efforts have been recognized with improved rankings and increasing interest from investors across the globe.

The legal framework in Angola by mid-2025 is one of opportunity: it offers multiple pathways to enter the market, incentives to boost returns, and a growing web of protections to give investors peace of mind. For anyone looking to do business in Angola, understanding these entry options and legal provisions is critical to structuring a successful venture.

8. Labour Market and Human Capital

Key Facts

- Angola has a youthful workforce, with ~65% of the population under age 25.
- Around 80% of workers are employed informally, limiting the formal skills base.
- Unemployment remains high at ~30%, with youth unemployment exceeding 50%.
- The 2024 Labour Law introduced stricter rules on contracts and dismissals.
- Employers must pay 13th and 14th month salaries and provide 22 days paid leave.
- The minimum wage doubled in 2024 and will reach AOA 100,000 by late 2025.
- Skilled local professionals can earn over \$5,000/month due to talent scarcity.
- Foreign hires are capped at 30% of staff and require localization plans.
- Major investment is being made in vocational training and youth employment.
- Labor relations are generally stable, though occasional public strikes occur.



Demographics and Workforce Profile

Angola's labor force is shaped by a young and rapidly growing population. The country's population is roughly 39 million people in 2025, and a striking 65% are under the age of 24. The median age is only about 16–17 years, one of the lowest in the world. This youthful demographic means hundreds of thousands of new entrants join the job market each year, creating a large pool of potential workers. However, it also places pressure on the education system and job creation efforts to keep pace with the boom in working-age youth.

Despite abundant labor in numeric terms, the structure of employment in Angola presents challenges for investors. Approximately 80% of the workforce is in informal employment – subsistence agriculture, street trading, and other informal activities.

Formal sector jobs (with contracts and legal protections) account for only about a fifth of total employment. This imbalance means that, while many Angolans work, relatively few have the skills and experience obtained in formal industry or services. The talent pool for skilled positions is limited, and competition for qualified personnel can be intense.

High unemployment underscores the labor market paradox of plenty versus scarcity. Officially, Angola's general unemployment rate has been recorded around 30–32% in recent years. (Notably, definitions differ – many informal workers are counted as “unemployed” in surveys, inflating the rate.) Youth unemployment is even more concerning: by one measure, over 50% of young Angolans seeking work are jobless. Even using a stricter definition, youth joblessness exceeds the national average.

The result is a labor market with two faces: on one hand, a surplus of unskilled or inexperienced workers looking for opportunities; on the other, a shortage of qualified labor in technical, managerial, and professional domains. As discussed in Chapter 2: Macroeconomic Outlook, Angola's economic diversification and growth efforts will need to absorb this young workforce to avoid social pressures. For investors, this dynamic means entry-level labor is abundant, but truly skilled human capital is at a premium.

Legal and Regulatory Framework

Angola's labor framework is governed by a comprehensive General Labor Law, recently overhauled to modernize worker protections and employer obligations. The New General Labor Law (Nova Lei Geral do Trabalho) came into force in March 2024, superseding the 2015 law. The reform aims to strike a better balance between protecting employees and giving employers flexibility. A few notable aspects of the labor legislation include:

- **Employment Contracts:** Open-ended (permanent) contracts are now the default. Fixed-term contracts are only allowed if the employer can justify them under specific legal grounds, and even then they are capped in duration (ranging from 6 to 60 months depending on justification). All fixed-term agreements must be in writing with explicit reasons. This change pushes companies toward stable employment relationships and curtails the previous overuse of temporary hires.
- **Termination and Dismissal:** The new law makes terminating employees more procedurally complex. For any dismissal on economic or performance grounds, the employer must now follow a mandatory consultation process with employee representatives and involve the labour authorities. Notably, the threshold for what counts as a “collective” layoff (triggering additional approvals) was lowered from 20 employees to 5 employees – meaning even moderate-sized staff reductions require government notice and justification. In practice, it is difficult to fire or downsize except in clear cases, and severance pay obligations apply based on tenure. These rules encourage investors to be deliberate in hiring and to utilize probation periods (typically up to 2-6 months) effectively. Some firms resort to short-term consulting contracts or employment through agencies to retain flexibility, although such strategies must still comply with the law.
- **Work Hours and Leave:** A standard workweek in Angola is 44 hours (generally 8 hours per day, Monday–Friday). Overtime is restricted and requires premium pay (e.g. 50% above normal rate for large companies under a certain hour threshold). The law guarantees paid annual leave of 22 days (in practice about a month off per year), and maternity leave of at least 3 months is provided, with recent provisions also recognizing paternity leave. There are 14

public holidays per year (recently updated to include local holidays) which must be paid days off.

- **Mandatory Benefits:** Angola mandates generous bonus salaries that significantly impact labor costs. In addition to 12 months of base salary, employers must pay a 13th month salary (often called a holiday or vacation bonus) and a 14th month salary as a Christmas bonus. These effectively amount to two extra months of pay per year. Employers are also required to contribute to social security and pension funds – specifically, an 8% payroll tax for social security (with employees contributing 3% from their wage). Personal income tax is withheld from employees on a progressive scale (up to 25% for the top bracket). All told, the statutory benefits and taxes add considerably to the cost of hiring. For example, a base salary of 100,000 Kwanza/month might actually cost an employer around 130,000 Kwanza or more once the 13th/14th payments and 8% contributions are factored in.
- **Labor Relations and Unions:** The constitution and labor law allow workers to unionize, and there are several active unions and labor federations in Angola (covering sectors like oil, education, civil service, etc.). Unions must be formally recognized, and collective bargaining is practiced in some industries (notably the oil & gas sector has collective agreements). Strikes are legal if procedures (such as notice periods and minimum service in essential sectors) are followed. In recent years, as economic strains increased, even public sector workers have organized strikes – for instance, in early 2024 government workers staged a three-day strike demanding higher wages and tax relief amid rising living costs. The law prohibits retaliation against lawful strikes but also empowers the government to mandate minimum services or arbitration to resolve prolonged disputes. Overall, Angola's labor relations climate is stable but can become restive when inflation erodes purchasing power or when layoffs

loom. Investors should be prepared to engage with employee representatives and follow due process in any labor dispute (see Labor Relations section below for more).

Cross-reference: Many of the procedures related to hiring (such as registering employees with social security and tax authorities) are handled during company setup via one-stop services (see *Chapter 4: Setting Up a Business*). Additionally, local content provisions (see *Chapter 3: Investment Climate*) intersect with labor law by requiring training programs for Angolans in certain industries.

Labor Costs and Wages

Labor cost is a pivotal factor for doing business in Angola, with a dual nature: unskilled labor is relatively inexpensive by global standards, while skilled labor – local or expatriate – commands a significant premium. Investors need to budget for both ends of this spectrum in Angola's market.

At the lower end, wage levels in Angola's formal sector start low in local currency terms. The government sets a statutory minimum wage that varies by enterprise size. Historically, minimum wages were set by sector (e.g. agriculture vs. industry), but recent reforms streamlined this. In 2023, the minimum wage floor ranged from about AOA 32,000–48,000 per month (approximately \$50–80 USD at that time). To restore buying power lost to inflation, the minimum wage was more than doubled in 2024: effective September 2024 it rose to AOA 70,000 (about \$85) per month, with a slightly lower AOA 50,000 for micro-enterprises and startups. Another raise to AOA 100,000 is scheduled for late 2025. These aggressive hikes (from ~32k to 100k over a year) show the government's intent to improve living standards, although they also raise business costs. By mid-2025, an unskilled laborer in a city might earn on the order of AOA 50–100,000 per month (roughly \$75–\$150) depending on the job and region – not far above

the new minimum threshold.

For mid-level positions, wages rise substantially. Recent surveys indicated that the average formal-sector salary in Angola was around AOA 60–70,000 per month (roughly \$100), reflecting the large share of lower-tier jobs in the mix. However, this average masks a wide distribution. Skilled tradespeople (electricians, welders, supervisors) or junior office staff often earn a few times the minimum wage. For example, a trained technician might earn AOA 150–300,000 (\$250–\$450) per month – still moderate in dollar terms due to currency weakness.

At the top end, salaries for high-skill roles in Angola can be as high as in developed markets. In sectors like oil & gas, banking, or IT, an experienced Angolan engineer or manager can command \$5,000–\$10,000 per month or more in total compensation. It is not uncommon for a senior Angolan executive (especially in oil companies) to have a dollar-denominated pay package comparable to international levels. These high salaries for locals stem from the scarcity of specialized skills – companies pay a premium to attract and retain qualified nationals, and to prevent “brain drain” to overseas opportunities. By contrast, in many neighboring African countries local senior staff might earn far less; Angola is an outlier because of its oil wealth legacy and limited pool of experts. Investors should be aware that hiring a top-notch accountant, geologist, or project manager locally will be **costly**, sometimes surprisingly so.

Expatriate staff are often used to fill the skilled talent gap, but they come at an even higher cost. Hiring foreigners entails not only high salaries (often hard currency pegged or with exchange guarantees) but also typical expatriate benefits: housing allowances, airfare, hardship uplifts, and comprehensive insurance. These benefits can double the cost of an expat’s base salary. For example, an expatriate engineer might cost the company \$150,000/year in salary but an equal amount once housing, flights, and other benefits are included. Moreover, Angola’s tax system treats expatriate compensation the same as local

– with up to 25% income tax – and employers must contribute social security on expatriate salaries as well (unless a treaty exemption applies). This means total employment cost for an expatriate can far exceed that of a local hire. It is clear why the government and firms alike prefer to localize positions wherever possible.

From an investor’s perspective, managing labor costs in Angola requires a nuanced approach:

- Take advantage of the large supply of entry-level labor by localizing unskilled and semi-skilled jobs (which keeps wages on the lower side).
- Plan for significant training or wage premiums to fill skilled roles, whether by upskilling local staff or recruiting externally.
- Budget for all the mandatory benefits and on-costs – the 13th/14th month, social security, severance reserves, etc., which add substantially to nominal salaries.
- Leverage the fact that real wages at the lower end have been dampened by exchange rate effects (for foreign investors paying in USD, the post-2020 devaluation of the Kwanza made local-denominated wages cheaper in dollar terms. However, also be mindful of inflation eroding those gains; as noted in Chapter 2, Angola’s inflation and currency fluctuations can quickly change the cost picture.

Skills Gaps and Education

A core challenge in Angola’s human capital is the skills gap – the misalignment between what the economy needs and the capabilities of the local workforce. Decades of civil conflict (ending in 2002) and underinvestment in education left a legacy of low educational attainment among workers. Although schooling has expanded in the 21st century, today less than half of youth complete secondary education, and vocational/technical training capacity is

limited. Adult literacy is about 72%, meaning a quarter of adults still lack basic reading skills. At the same time, employers in growth sectors (energy, construction, finance, ICT, etc.) complain of a shortage of job-ready skilled workers – a constraint on diversification away from oil.

The gaps are most evident in technical trades and professions. For instance, Angola produces few home-grown engineers and geologists relative to demand in oil & mining; similarly, there is a shortage of experienced mechanics, electricians, and plumbers for industry. High-skill services like finance or telecom rely on a thin cadre of local experts. Middle management and specialized roles are often filled by expatriates or by a handful of Angolans who are in high demand (and often job-hop for better pay).

Even in basic manufacturing or agribusiness, investors note that workers often require extensive on-site training because their formal education didn't provide practical skills. The productivity levels in many sectors are therefore not as high as they could be if workers were better trained. This presents both a challenge and an opportunity: while investors may incur initial training costs, there is an eager young workforce that, once trained, can significantly contribute to operations.

It's important to recognize regional and linguistic factors as well. Portuguese is the official (and dominant) language, spoken by virtually the entire workforce, whereas English proficiency is limited outside of elite circles. This can be a hurdle for some international firms – technical manuals, safety training, and supervision may need translation or bilingual staff.

On the other hand, Portuguese fluency means Angolan workers can relatively easily interface with Brazil, Portugal, or Mozambique for knowledge exchange. Digital skills are another gap: outside of urban youth, computer literacy remains low, which is a barrier as the economy modernizes. The government has acknowledged that human capital quality is a bottleneck to attracting investment in high-value industries

(as noted in Chapter 7: Strategic Sectors, where sectors like manufacturing and tourism hinge on workforce skills).

For investors, the skills gap means two things: first, hiring for skilled positions will require creativity (poaching talent, offering premium pay, or bringing in foreign experts); second, companies should be prepared to invest in training and development of staff (discussed in the next section). On the positive side, Angola's youthful population is more educated than past generations – literacy and school enrollment have improved for those under 30 – so the fundamentals of human capital are trending upward. The key will be translating that into applicable workplace skills.

Expatriate Workers and Localization Policies

Given the scarcity of certain skills, many foreign investors inevitably consider using expatriate employees in some roles. Angola does allow expatriates, but it maintains a strict regulatory framework to encourage localization (hiring of Angolan nationals). Companies must navigate visa rules, quotas, and localization plans when employing foreign workers.

Work visas and permits: Any foreign national working in Angola needs a work visa (separate from a business visa). The process to obtain work visas can be **lengthy and bureaucratic**, often taking 2–3 months or more. Employers must typically demonstrate that the role cannot be filled by an Angolan – in practice this means submitting the foreigner's qualifications and a statement of justification. For critical technical positions this is usually approved, but it underscores the policy priority on hiring locals. As discussed in Chapter 4, Angola has a “one-stop” service for investors (the GUE) that can facilitate various registrations, but work visas still involve multiple steps (immigration, labor ministry, etc.). Companies often engage local legal counsel or agencies to handle work permit

applications to ensure compliance.

Quota system: Angolan law imposes a quota on the proportion of foreign employees. The general rule is often cited as “70/30” – that is, for every 100 employees, at least 70 should be Angolan citizens and at most 30 can be expatriates. In other words, foreigners cannot exceed 30% of a company's workforce (certain sectors or small companies might have slightly different thresholds, but 70:30 is the broad norm). Recent regulations clarified some definitions in this quota: interestingly, resident foreign workers who have been in Angola long-term may be counted as “local” for quota purposes in some cases, but new hires from abroad definitely fall under the foreign cap.

Firms must report their workforce composition to authorities, and non-compliance (exceeding the foreign quota) can result in penalties or denial of additional work visas. For most investors, the quota is not a binding constraint since hiring 30% expatriates is already costly; however, for a small startup with say 5 critical expats out of 10 total staff, it could be an issue. In such cases, planning to train local understudies is essential.

Localization plans: As part of Angola's drive to build local capacity, major investment projects are required to include a training and localization plan. When registering an investment with the authorities (AIPEX), investors must submit a plan for how they will gradually replace expatriates with Angolans over time. This is mandated by the Private Investment Law (Article 46) and is more than a formality – authorities may follow up on the progress of local hiring and training under the plan. In practice, sectors like oil & gas have had localization plans for decades (an oil company might start with foreign engineers but train locals who eventually take on those roles). Now, even outside the oil sector, the government expects investors to prioritize hiring Angolans and justify any foreign hires as essential for skills transfer. Investors should be prepared to **invest in upskilling local staff** as part of their commitments. This not only helps comply with regulations but also can improve community

and government relations (hiring locals is seen as contributing to national development).

Compensation and other rules for expats: Companies should note that expatriate employees in Angola must be paid in local currency (Kwanza), not in foreign currency, under the law. While many expat packages are effectively pegged to USD or EUR (to protect against Kwanza devaluation), the pay slips and payments are in Kwanza, which introduces exchange rate risk for the individual.

Additionally, Angola caps certain allowances: benefits in kind (like housing, car, etc.) provided to an expat cannot exceed 50% of their base salary – this is to prevent companies from circumventing tax by paying mostly allowances. All expats must be registered with the National Institute of Social Security (INSS) and the employer must contribute the same 8% as for locals, unless a bilateral agreement exempts the individual (for example, some countries have treaties where their citizens remain on home social security).

Repatriation of foreign staff salaries is allowed – expats can legally remit portions of their earnings abroad, which is important for those supporting families or obligations back home (see *Chapter 6: Repatriation of Profits* for currency and banking considerations).

Overall, Angola's message to investors regarding expatriate workers is: use them sparingly and strategically. The government welcomes expertise that can't be found locally, but it expects knowledge transfer to happen. Many companies implement a “twinning” approach, pairing an expatriate with an Angolan deputy to mentor. Expatriates also tend to receive additional cultural and security briefings, as living in Angola (while generally safe in major cities) requires some adaptation. From a cost perspective, as outlined earlier, expat staffing will heavily impact the payroll budget, so investors should localize roles as soon as feasible. On the positive side, expatriates who do work in Angola often bring valuable experience and can kick-start projects

quickly while the local team builds capacity.

Training and Human Capital Development Initiatives

To bridge the skills gap, both the Angolan government and various private and international actors are investing in training and human capital development. By mid-2025, a range of initiatives are underway aimed at improving the quality of the labor force – an encouraging sign for investors concerned about workforce skills.

Government programs: The Ministry of Public Administration, Labor and Social Security (MAPTSS) oversees vocational training through institutes like INEFOP (National Institute for Vocational Training). Angola has a National Plan for Training (Plano Nacional de Formação) which coordinates efforts to increase the number of trained technicians and artisans. Dozens of vocational training centers have been established across provinces, focusing on trades such as construction, mechanics, agriculture, and ICT.

For example, centers in Luanda and Lobito train young people in welding, plumbing, and electrical work – skills directly applicable to industry. The government has also introduced technical streams in secondary schools and expanded public universities in the provinces, aiming to decentralize skills development. While these efforts are relatively recent and the output is still modest relative to demand, they are creating a pipeline of semi-skilled youth that investors can tap into. Importantly, the government often partners with industry on curricula, trying to align training with market needs (e.g. a new fisheries institute was created to support the fishing industry, an area highlighted in Chapter 7).

International support: Angola has drawn support from foreign aid and development finance to boost training. In 2024, the African Development Bank approved a \$79 million

project to promote youth entrepreneurship and employment in agriculture and transport sectors. This Angola Youth Employment Project (AYEP) will, over 2025–2029, fund technical training programs, incubators for young entrepreneurs, and placement of youth in apprenticeships. Similarly, the World Bank and UNDP have ongoing programs addressing youth skills – for instance, entrepreneurship training for women, coding academies for IT, and improving vocational school infrastructure.

Countries like Germany, Brazil, and Portugal have bilateral initiatives: Germany has supported technical training in the renewable energy sector; Brazil has provided Portuguese-language curricula and teacher training in technical schools; Portugal's IEFP (vocational training institute) has partnerships to exchange instructors. These collaborations mean investors might find local training providers with improved capacity, or co-sponsor programs to create the talent they need.

Corporate and sector-specific training: Many large companies in Angola run their own in-house training schemes. The oil & gas industry, due to strict local content requirements, has arguably the most advanced training programs. Major oil firms operate training centers for Angolan staff, offering courses in drilling technology, safety, and project management – effectively building a cadre of skilled local oil workers over time.

The mining sector is following suit with training partnerships at the new mines (for example, the Catoca diamond mine has a training school for mine operators and technicians).

In banking and telecom, firms often hire fresh graduates and put them through intense trainee programs for a year to build skills in accounting, IT, customer service, etc.

Investors entering Angola can leverage such models: on-the-job training is common and often necessary. It's typical for companies to allocate a training budget (some sectors even have a training levy – a small percentage of payroll that

must be spent on training local employees).

By investing in employees' skills, companies not only meet localization obligations but also reduce long-term dependence on expensive expats. That said, one risk is that after being trained, employees may be poached by competitors – a reality in Angola's tight skill market.

Education reforms: Beyond vocational initiatives, the general education system is gradually improving, which bodes well for the future labor force. The government has been building new secondary schools and promoting STEM education. There is a push to introduce more English language training and computer skills in schools, recognizing their importance for business. Angola's universities (public and private) have expanded enrollment in fields like engineering, economics, medicine, and law.

Quality remains uneven, but partnerships, such as Angola's Agostinho Neto University working with foreign universities, aim to raise standards. Over time, these efforts should yield a larger pool of graduates with relevant degrees. In the meantime, investors might consider collaborating with universities – for example, sponsoring internships or offering guest lectures – to increase industry relevance of academic programs.

In summary, while Angola's current workforce skills may not be at the level investors ideally want, the trajectory is positive. Training and human capital development are front-and-center in the country's policy agenda. For an investor, engaging in workforce development isn't just CSR; it's often a necessity to ensure the talent needed for the business. Companies that take a proactive role – by setting up training academies, apprenticeship schemes, or scholarship programs – often find it pays off in loyalty and a stronger talent pipeline.

As one investor put it, "In Angola you sometimes have to create the employees you wish to hire". The government's increased focus (and financing from partners like AfDB) in this area is

a promising sign that doing business in Angola will come with a gradually improving human capital base in the coming years.

Labour Relations and Work Culture

Angola's labor relations climate is shaped by its history and evolving legal framework. For decades, under Marxist influence post-independence, labor unions were state-aligned and strikes were rare. In the modern era, the system has liberalized: workers can unionize and bargain collectively, though in practice union influence is concentrated in certain sectors. Understanding the **work culture and industrial relations** is important for investors to maintain good labor practices and avoid disputes.

Trade unions: There are several union federations in Angola, the largest historically being UNTA (National Union of Angolan Workers), formerly linked to the ruling party. Another is the CGSILA (General Centre of Independent and Free Unions of Angola). These federations and their member unions represent workers in industries like oil, construction, education, healthcare, and public service.

Union membership density is not very high overall (many private sector workers are non-union, especially in the informal and service sectors), but where unions exist they can be vocal. The oil sector union (PETROL), for example, has at times threatened strikes that could disrupt oil production, giving it leverage. The government tends to intervene early in such cases to facilitate negotiations, as oil is strategic.

Public sector unions – teachers, nurses, civil servants – have grown more active in recent years, pressing for wage hikes to keep up with inflation. In early 2024, public employee unions organized strikes pushing for a 25% salary increase, illustrating that even government-affiliated workers resort to industrial action when economic conditions bite. For investors in

sectors like mining or manufacturing, it's wise to be aware of any unions at your operation and maintain open communication with them.

Collective bargaining and labor agreements:

In Angola, collective bargaining agreements (CBAs) are not ubiquitous, but they do exist in major industries. The oil & gas sector has multi-employer agreements that set standards for salaries, shift work, and benefits for oil workers, negotiated between the union and industry group. These CBAs often go beyond the statutory minimums – for example, oil workers might have higher housing allowances or bonus schemes as agreed in collective deals. Outside oil, some large companies have enterprise-level agreements with their workforce (often brokered by a union or workers' committee). Investors acquiring or partnering with state-owned enterprises should note that those entities might carry collective agreements or past practices that effectively act like one.

It's advisable to consult local HR legal advisors to know if your sector has an established labor agreement tradition. If so, engaging in good faith negotiations with employee representatives can actually provide stability (clear rules on wages, overtime, etc., for a set period).

Work culture and productivity: Angolan work culture reflects a mix of influences – a formal Portuguese colonial legacy in some corporate practices (hierarchy, titles, etc.), and informal African relational norms. Generally, work relationships are respectful and somewhat formal (using titles and last names in business settings is common initially).

Punctuality in office settings is expected, though in practice not always observed strictly (investors sometimes note that meetings may start late or deadlines can be fluid – clear communication can mitigate this). There is a strong sense of hierarchy in many local companies; decision-making can be top-down. However, younger Angolan professionals, especially those educated abroad or in multinational firms, are introducing more meritocratic and transparent

practices into the workplace.

As an investor, fostering a work culture of training, safety, and open communication will generally be well-received by employees who may not have experienced that in more old-fashioned workplaces.

Labor disputes and resolution: When labor disputes arise, Angolan law provides for mediation and arbitration mechanisms under the Ministry of Labor. In practice, many disputes (e.g. over dismissal or non-payment of benefits) are settled informally or with ministry conciliation. The court system is a last resort and can be slow. It's often in a company's interest to settle disputes amicably – whether through a negotiated severance or reinstatement – rather than prolonged legal fights, which can draw negative attention from authorities or the media. Culturally, Angolans value respectful treatment; even when letting an employee go for performance reasons, handling it with dignity and according to legal procedure can prevent conflicts from escalating. Also, building a reputation as a fair employer helps in attracting talent, given that skilled workers have choices.

Recent trends: With the 2024 labor law revisions, as noted above, the government strengthened worker protections (e.g. consultation requirements for layoffs). This signals that Angola is not pursuing a low-cost, "hire-and-fire" labor model; instead, it is aligning with international labor standards. For investors, this means compliance and good HR practices are not just morally right but important for legal and reputational reasons.

On the other hand, the government is also keen to avoid labor unrest that could scare away investors. It often acts as an intermediary – for example, in 2023 when transport workers in Luanda threatened strikes over fuel prices, officials quickly convened talks. The labor authorities may step in to avert strikes if they threaten economic disruption. Thus, a foreign investor might find the government quite supportive in preventing or resolving major labor

issues, especially if the company is contributing jobs and investment.

In summary, Angola's labor relations environment can be characterized as formally regulated and generally orderly, with periodic flare-ups of strikes or disputes usually tied to economic conditions (inflation, wage value, etc.). By understanding the cultural context and engaging proactively with employees and any unions, investors can typically maintain harmonious labor relations.

Many international companies in Angola report that their Angolan employees are loyal, eager to learn, and adaptable, especially when given training and clear advancement paths. Nurturing that human capital is part of succeeding in the Angolan market.

9. Financing and Access to Capital

Key Facts

- Angola has 23 commercial banks, with the top five controlling over 80% of banking assets.
- Banking sector profits reached Kz 905.6 billion in 2024, driven by regulatory reforms and FX gains.
- Lending to SMEs remains limited due to banks' preference for low-risk government securities.
- The \$79 million "Projecto Crescer" and a Kz 300 billion credit guarantee fund support SME financing.
- BODIVA's equity market has four listings and aims to reach ten by 2027 through privatizations.
- Over AOA 6 trillion in government and corporate bonds were traded on BODIVA in 2024.
- Around 50% of adults remain unbanked, and only 6% use mobile money services.
- Digital finance is expanding through new mobile wallets and national inclusion initiatives.
- Foreign investors can access finance via development banks, credit guarantees, and trade facilities.
- Key reforms include a private credit bureau, FX liberalization, and improved collateral systems.



Angola's financial sector is a critical pillar for investors assessing the business environment. This chapter examines the banking system's structure, access to credit (especially for SMEs), capital market developments, financial inclusion and digital finance, instruments available to foreign investors, and the structural challenges and reforms shaping access to capital in Angola as of mid-2025. The tone here is factual yet optimistic, highlighting both the realities and the progress that create a persuasive case for international investors.

Angola's Banking System in 2025

Angola's banking sector has 23 commercial banks as of 2025, but it is highly concentrated. The five largest banks – including Banco Angolano de Investimentos (BAI), Banco Económico, Banco de Fomento Angola (BFA), Banco BIC, and the state-owned Banco de Poupança e Crédito (BPC) – control over 80% of total banking assets, deposits, and loans. This concentration means competition is limited, with a few dominant players (among them a major state bank, BPC) and a long tail of smaller banks. Foreign bank presence is modest but notable (e.g. Standard Bank Angola from South Africa and Access Bank from Nigeria operate in the market), adding some international competition.

Despite economic volatility in recent years, bank stability has improved under stricter oversight by the National Bank of Angola (BNA). The system remains well-capitalized and was resilient through the currency adjustments of 2018 and beyond. The BNA implemented major regulatory reforms – for example, tripling minimum capital requirements for banks and imposing strict foreign-exchange liquidity limits – which led to consolidation as weaker banks merged or exited.

Banks have also addressed legacy issues of asset quality: non-performing loans (NPLs) had spiked to around 15% of loan portfolios in 2023, particularly in state-run banks, prompting intervention. The government created an asset management firm, Recredit, to purchase and restructure bad loans; it absorbed Kz 300 billion (Angolan kwanzas) in toxic assets from BPC and is taking on another Kz 180 billion from other banks. These steps are gradually cleaning up bank balance sheets and enabling a return to healthier lending.

Indeed, Angola's commercial banks collectively achieved record profits in 2024, with aggregate net income jumping 82% (to Kz 905.6 billion) versus 2023. This profit surge – partly driven by foreign exchange gains from kwanza depreciation – underscores improved financial

performance, even as it also reflects one-off factors. Notably, the top five banks accounted for about 75% of total banking profits in 2024, mirroring their dominant asset share.

Yet structural challenges persist. Banks remain cautious lenders, often preferring the safety of government securities and central bank bonds over private-sector loans. This risk-aversion means limited credit flows to businesses, especially to smaller firms. The banking system's role in private-sector growth has thus been underwhelming – as an IMF review noted, credit to the non-oil economy is constrained, reflecting banks' still-limited contribution to diversified growth. Asset quality issues and high operating costs also temper banks' appetite for aggressive lending. Furthermore, while foreign exchange availability has improved with BNA's reforms (e.g. a more flexible exchange rate and requirements that banks inject a portion of hard currency into the interbank market), occasional FX liquidity mismatches remain a concern.

Overall, Angola's banking sector in 2025 offers a mix of stability and caution: it is stable and profitable, thanks to reforms and oil-led liquidity, but still highly concentrated and conservative in lending. This sets the context for businesses and investors – large firms often find banks capable partners, but smaller enterprises struggle to secure financing.

Access to Credit for Businesses and SMEs

Accessing credit in Angola can be difficult for businesses, especially for small and medium-sized enterprises (SMEs). As noted, banks tend to channel funds into low-risk assets (like government debt) rather than lend to private companies. The result is a low ratio of private-sector credit to GDP and a noticeable “finance gap” for SMEs. Many viable small businesses face high interest rates, stringent collateral demands, or outright denials when seeking loans.

According to recent assessments, banks' lending to Angola's non-oil private sector remains very constrained, creating a bottleneck for entrepreneurship and diversification. Investors should be aware that local partner firms may have limited borrowing capacity and often rely on retained earnings or informal funding.

However, the landscape is slowly improving with targeted initiatives. The Angolan government and development institutions have launched programs to boost SME financing. One example is the newly established "Projecto Crescer", supported by a \$79 million credit line from the African Development Bank (AfDB). Launched in late 2024, this project aims to facilitate access to credit for start-ups and MSMEs, improve the regulatory framework for SME finance, and build entrepreneurial skills among youth. It combines funding with capacity-building – training an estimated 95,000 young people in digital and business skills – to make SMEs more bankable and innovative. Similarly, banks like Banco de Fomento Angola (BFA) are benefitting from trade finance guarantees (for instance, a \$10 million AfDB guarantee for BFA was approved in 2022) to support SME import-export transactions. Such facilities encourage banks to extend letters of credit and working capital to smaller clients by mitigating the risk.

Another important development is the introduction of Angola's first private credit bureau in 2022. In partnership with Creditinfo (an international credit information provider), Angola licensed a new credit bureau that will compile credit histories on individuals and businesses. This is expected to support responsible lending and broaden access to finance, as lenders can better assess risk and lend to borrowers who previously had no formal credit records. Over time, better credit information should enable more SMEs – even those without land or large assets for collateral – to obtain loans based on their repayment history and cash flows.

Additionally, the government operates a Credit Guarantee Fund (FGC) specifically to facilitate SME financing. The FGC provides partial credit

guarantees to banks, sharing the risk of loans to qualifying projects. As of 2023 the FGC had issued 770 guarantees over the past decade, supporting investments of around Kz 310 billion (≈€575 million). It is now being scaled up: the fund's capital is being increased to 300 billion Kz (about \$0.5 billion) to back an estimated 500 new projects in the five years ahead.

A new partnership with the African Guarantee Fund will inject an additional \$100 million over 10 years to reinforce this guarantee pool. These efforts signal a policy push to unlock more credit for SMEs through risk-sharing and improved credit infrastructure.

From an investor's perspective, the credit environment in Angola is gradually becoming more supportive of private enterprise. Large corporations (especially in oil & gas, mining, and telecommunications) typically have better access to bank credit, often in partnership with international lenders. For smaller businesses, challenges remain, but the combination of government guarantees, development bank lines, and reforms like the credit bureau are steadily lowering barriers. Investors looking to enter the Angolan market – for instance via joint ventures or supply chain partnerships – should explore these financing support tools. Additionally, they may consider engaging with local banks that participate in SME programs or leveraging multilateral finance facilities when structuring project funding in Angola.

Capital Markets: Angola's Stock and Debt Exchange (BODIVA)

Angola's capital market is young and growing, centered on the Bolsa de Dívida e Valores de Angola (BODIVA) – the country's combined debt and stock exchange. BODIVA was established in 2014 and initially focused on trading government bonds. For several years, the exchange facilitated treasury bond auctions and secondary trading of public debt, helping to finance government budgets.

Market liquidity on the bond side has grown: in 2024, the total value of securities traded on BODIVA reached about AOA 6.06 trillion (USD 6.6 billion) across over 10,000 transactions – indicating an active debt market. Government bonds in particular are a mainstay instrument for banks and investors, offering attractive yields in Angola's high-interest environment. BODIVA's bond platform thus provides an opportunity for investors to participate in Angola's public debt and potentially earn solid returns, albeit with currency risk to consider.

Equity trading on BODIVA is a more recent development. After nearly a decade of planning, Angola launched its first IPOs in 2022, marking the birth of the stock market. The inaugural listing was Banco Angolano de Investimentos (BAI), Angola's largest private bank, which in June 2022 floated 10% of its shares (previously held by state investors Sonangol and Endiama) and raised about \$94 million. This historic IPO was oversubscribed (~1.6 times) and proved investor appetite for credible Angolan corporates. It was followed by a second bank, Banco Caixa Geral Angola (BCGA), which listed a 25% stake in late 2022 as part of the government's privatization program. These two bank listings effectively opened BODIVA's equities board. Trading volume in these stocks has been modest so far, reflecting the limited float and a still-developing investor base. Nonetheless, the successful IPOs built confidence and set the stage for more listings.

By late 2024, BODIVA's equity market boasted four listed companies. In addition to BAI and BCGA, the government pushed forward with partial privatizations of a major insurer and the exchange itself. ENSA – Seguros de Angola, the state-owned insurance leader, conducted an IPO of 30% of its shares in October 2024, raising AOA 12.9 billion (around \$14 million) with a 174% oversubscription rate.

Shortly after, in November 2024, BODIVA (the exchange) listed 30% of its own shares on the market, an offer that was nearly 8 times oversubscribed. The successful sale of a stake

in the stock exchange – essentially allowing the public and investors to own part of the exchange's equity – underscored increasing trust in capital market institutions. There was also an attempted listing of an oil & gas company, ACREP, offering ~37% of its equity (including shares sold by BPC bank) in early 2024. These steps, while small in scale, have introduced new asset classes for investors and have begun to diversify Angola's financing options beyond bank loans.

Despite this progress, Angola's capital market remains shallow and illiquid by global standards. Market capitalization and trading turnover of equities are low – only a few thousand trades per year – as most companies are still not publicly listed and those that are have limited free-float shares.

For now, the bond market is where most action is, offering liquidity for investors (primarily in government securities and a handful of corporate bonds).

The stock market is an emerging opportunity: for investors, getting in early on Angolan equities could yield long-term gains as the market deepens, but one must be patient with the low liquidity and price discovery issues in the short term.

Looking ahead, the Angolan government's ambitious Privatization Program (PROPRIV) promises to be a game-changer for BODIVA. Authorities plan to eventually divest stakes in around 200 state-owned enterprises across various sectors, and many of these sales are slated to occur via the stock exchange to ensure transparency and broad participation. In 2024 alone, the state raised over USD 74 million by listing portions of public holdings in banks and insurance firms on BODIVA. By 2025, further offerings are expected as the privatization drive continues. Notably, Sonangol, the national oil company and Angola's largest enterprise, is preparing for an IPO of up to 30% of its shares by 2027. Other large entities like the diamond company Endiama, telecom operators, and additional banks are being primed for market

listing in the coming years. If these materialize, Angola could see its stock market expand from just 4 listed companies in 2024 to 10 or more by 2027, significantly boosting market capitalization and liquidity.

For international investors, this presents a new frontier – the chance to invest in Angolan blue-chip companies through a regulated market mechanism. It also signals the government's commitment to economic liberalization and attracting foreign portfolio investment. Reforms such as modernizing the capital markets law, improving trading infrastructure, and strengthening regulatory oversight (including the appointment of a new CEO for BODIVA in 2025) are building the foundation for a credible marketplace. In summary, while small today, BODIVA is on a growth trajectory that could make it an increasingly relevant source of capital for businesses and a platform for investors to engage in Angola's growth story.

Financial Inclusion and Digital Financial Services

Angola's financial system has historically served mainly the urban and formal sectors, leaving a large portion of the population underserved or unbanked. Improving financial inclusion – bringing more individuals and SMEs into the banking and digital finance ecosystem – is a national priority, and it also expands the customer base for investors in consumer-facing businesses. As of 2025, Angola still has significant gaps in financial access. Roughly half of the adult population remains unbanked (i.e. without an account at a formal financial institution).

By implication, about 50% of adults do have bank accounts, which is an improvement from past years but still lagging behind peer countries in Southern Africa. Most bank branches and services are concentrated in Luanda and a few major cities, whereas rural areas have very limited banking infrastructure.

One notable success in Angola is the interbank payment network – nearly all banks are connected to the national switch (EMIS), enabling customers to use the ubiquitous “Multicaixa” ATM and point-of-sale network across the country. This interoperability means those with bank accounts can withdraw cash and make card payments widely, even if their bank has no local branch. However, even with such infrastructure, many Angolans don't use banks due to factors like low incomes, informality, and distrust or lack of financial literacy.

Digital financial services are seen as the key to bridging this inclusion gap. Angola is a country where mobile phone penetration is around 70% of the population, offering a platform to leapfrog traditional banking. Yet until recently, mobile money and fintech solutions were virtually non-existent in Angola's market. In contrast to Kenya or Ghana (where mobile money is ubiquitous), Angola's first mobile money services only launched in the last few years. Currently, mobile money usage remains extremely low – only about 6% of Angolans use mobile money services, despite most having a cellphone. This low uptake is partly because telecom operators were slower to obtain mobile money licenses and because cash remains entrenched.

The good news is that the landscape is changing rapidly. The government approved a national strategy for financial inclusion and updated regulations to encourage digital finance. By 2023, several mobile network operators had rolled out mobile wallets: for example, Unitel Money (offered by the largest telecom, Unitel) and Afrimoney (offered by newcomer operator Africell) now allow customers to open e-wallets, deposit and withdraw cash through agents, and send money or pay bills via their phones. In partnership with USAID, Angola launched the “Dinheiro Digital é Melhor” (“Digital Money is Better”) initiative to accelerate mobile money adoption. This program works on both the supply and demand side – it provides technical support to operators like Africell to broaden digital payment offerings, and it drives financial literacy and agent network expansion to bring these

services to rural and low-income communities. Notably, a recent training initiative under this program focused on women's financial inclusion, training 500 women as mobile money agents to serve local markets. The Angolan Finance Ministry has openly recognized that traditional banking alone will not achieve the desired level of inclusion, and is thus promoting mobile solutions as the way forward.

Progress is already visible: the number of mobile money agents and users, while starting from a low base, is growing annually. Banks too are enhancing their digital offerings – Multicaixa Express, a mobile app that links to bank cards for online payments and transfers, has gained popularity among urban banked customers. Fintech startups are emerging, some focusing on payments, lending, or services like micro-insurance, often in collaboration with banks or telecoms.

The regulatory framework is catching up, with the central bank (BNA) creating sandboxes and new licensing categories for e-money issuers and payment service providers. These shifts signal that Angola could follow the trajectory of other African markets in using mobile money to include millions of unbanked citizens into the formal financial system.

For investors, the expansion of digital financial services in Angola opens opportunities in several ways. First, it broadens the consumer base – as more Angolans gain accounts or e-wallets, they become reachable for payments, e-commerce, and credit, which can stimulate sectors like retail, fintech, and telecommunications.

Second, it improves the business environment: higher financial inclusion means a larger labor force that can be paid electronically, improved transparency in transactions, and more robust domestic demand.

Third, there are direct investment opportunities in the fintech and digital finance space – from mobile money operations to payment tech partnerships and agent banking networks. The

backing of strong players (e.g., Africell's entry was supported by development finance and technical assistance) underscores that this is a growth area. Government and central bank support for financial inclusion also reduces regulatory risk for investors in this domain.

Nonetheless, challenges remain in scaling up digital finance: low financial literacy, patchy mobile network coverage in remote areas, and the need to build trust in digital transactions. Overcoming these will take time.

Instruments and Facilities for Foreign Investors

Given Angola's evolving financial landscape, what financing avenues can foreign investors tap into? International investors looking to do business in Angola – whether establishing a local subsidiary, entering a joint venture, or financing a project – will find a mix of traditional banking, local capital markets, and development finance resources at their disposal.

Firstly, **local banks** (especially the top-tier banks) do engage in corporate and project lending, often in partnership with international lenders. For large-scale investments, foreign companies can seek syndicated loans or credit facilities where an Angolan bank teams up with global banks or export credit agencies. For example, major infrastructure or oil projects in Angola have been financed with the involvement of Angolan banks alongside institutions like Standard Chartered, Deutsche Bank, and others (often backed by oil revenues or sovereign guarantees).

If a foreign investor has a solid project in a priority sector (such as agriculture processing, mining, or manufacturing), Banco de Desenvolvimento de Angola (BDA) – the state development bank – could be a potential source of long-term funding. BDA is mandated to finance strategic projects that diversify the economy, and it draws on public funds (including a portion of oil revenues) to

offer loans at subsidized rates for development-focused investments. While BDA itself may not be very large, it signals government support and can co-finance alongside private banks.

Another avenue is through multilateral development banks and export credit agencies. Angola has active engagements with the World Bank, IFC, African Development Bank (AfDB), African Export-Import Bank (Afreximbank), and others. These institutions often provide credit lines or guarantee facilities to local banks aimed at specific goals, which foreign investors can indirectly benefit from. For instance, the AfDB not only funds SME projects like “Crescer” mentioned earlier, but also approved a Trade Finance Transaction Guarantee to BFA (Banco de Fomento Angola) which provides up to 100% guarantee on letters of credit issued by BFA. In practice, this means a foreign exporter or importer dealing with an Angolan SME can be assured that the AfDB backs the trade payment, reducing counterparty risk. Similarly, Afrximbank has extended credit lines to Angolan banks to support trade finance and has worked with the government on oil-backed financing facilities. Export Credit Agencies (ECAs) from countries like China, the US, and European nations have been involved in financing capital goods exports to Angola – for example, credits for equipment or machinery which investors can utilize for their projects, with repayment guaranteed by Angolan entities or the sovereign.

Angola also offers some special financing programs to encourage investment in certain sectors. Under the government’s diversification agenda, there have been dedicated credit lines for agriculture, fisheries, and manufacturing through commercial banks, often with subsidized interest (sometimes referred under programs like “Angola Investe” in the past).

The Credit Guarantee Fund (FGC), as discussed, is a valuable tool for foreign investors partnering with local SMEs – a joint venture company that qualifies as an SME can apply for FGC coverage to enhance its bankability. The FGC’s expansion (over 300 billion Kz earmarked

to guarantee loans for 500 new projects in 2023–2028) means more opportunities to de-risk lending for innovative ventures. In fact, the FGC’s collaboration with the African Guarantee Fund brings additional international backing, effectively bolstering guarantees available to projects even if they involve foreign capital.

Foreign investors can also look to capital markets for financing. While the local stock and bond market is still small, it is possible for companies operating in Angola (including foreign-owned ventures) to issue corporate bonds on BODIVA to raise funds in local currency. A few corporates have done so, often with guarantees or credit enhancements. As the exchange grows, there may be opportunities for companies to list or issue equity to local investors, which could be a route to partially finance expansion while bringing local ownership on board. Additionally, **Eurobonds** remain an avenue primarily for the sovereign and large state-owned companies, but in the future, successful privatizations might lead to dual-listings or GDRs (global depositary receipts) allowing foreign investors to inject capital more directly.

Finally, investors should be aware of facilities aimed at easing currency and profit repatriation. A key financial concern in Angola historically was the difficulty of converting and repatriating profits due to FX shortages and capital controls. The central bank has been liberalizing these rules: the 2018 foreign exchange law and subsequent directives have made it easier for foreign companies to purchase foreign currency for remitting dividends, subject to proof of a positive investment record and tax compliance. While not a “financing” instrument per se, the ability to get your money out is a crucial part of the financial ecosystem that investors evaluate. BNA’s move to a floating exchange rate and periodic interventions have aimed to ensure the FX market functions more transparently.

Additionally, as of late 2024, BNA requires banks to sell a portion of their hard currency to the interbank market, which should improve liquidity for all market participants.

In summary, foreign investors in Angola today have access to a **hybrid financing environment**: traditional bank loans (though often conservative), a nascent but expanding capital market, and an array of international financial partners (DFIs, ECAs, guarantee funds) ready to support viable projects. The government's pro-investment stance means that if an investment aligns with Angola's development goals, one can often negotiate favorable terms or tap into special credit schemes.

The key for investors is to structure their financing by combining local knowledge (e.g. working with a top local bank) and international support (multilateral guarantees or co-financing), thereby mitigating risk and improving the cost of capital for their Angolan ventures.

Structural Barriers and Recent Reforms

While we have highlighted many improvements, it is important to address the structural barriers to financing in Angola – the underlying issues that have historically made access to capital challenging – and the policy responses aimed at overcoming them. Understanding these factors gives investors a clearer picture of the risk landscape and the reform trajectory.

High financing costs and inflation have been a fundamental barrier. Angola has endured years of double-digit inflation (peaking well above 20% in recent years) and high central bank policy rates. This has translated into very high lending interest rates – borrowing in kwanzas can easily carry nominal rates of 20-30%+ per annum. Such costs are prohibitive for many businesses, particularly SMEs, and make only the most high-return projects viable.

The government's broader macroeconomic stabilization efforts – such as tightening monetary policy, reducing fiscal deficits, and negotiating debt relief – are aimed at bringing down inflation and interest rates. Indeed, inflation is projected

to gradually ease (from ~28% in 2024 to ~21% in 2025), which should eventually allow for lower interest rates and more affordable credit. For now, investors often turn to foreign-currency financing (when available) at lower rates, but that introduces exchange rate risk given the kwanza's historical volatility.

Another structural hurdle has been the lack of credit information and collateral. Many small companies and individuals have no documented credit history and lack formal collateral (such as titled land or registered assets) to secure loans. This made banks extremely cautious, effectively shutting out a large portion of the private sector from credit. The establishment of the private credit bureau in 2022 is a direct reform to tackle the information asymmetry.

Over time, as the bureau gathers data on loan repayments, utility payments, etc., it will enable credit scoring and reduce the reliance on physical collateral. Similarly, Angola has been working on improving property registration and the legal framework for using movable assets as collateral (e.g., machinery, inventory, receivables), which should help borrowers pledge assets for loans more easily. On the legal side, recent reforms to insolvency laws and contract enforcement (as part of ease-of-doing-business initiatives) aim to give lenders more confidence that they can recover assets in case of defaults, thus gradually encouraging more lending.

Banking sector weaknesses in the past have also been a barrier. The overhang of bad loans (NPLs) and under-capitalized banks in the 2010s meant banks were internally focused on balance sheet repair rather than new lending. The government's response – recapitalizing or restructuring troubled banks, and setting up Recredit to purchase NPLs – is a notable reform to free banks from that burden. The aggressive increase in bank capital requirements by BNA forced a shakeout of weaker players, leaving a core of more solid banks.

As of 2025, the banking sector aggregate capital adequacy is well above regulatory minima,

providing a cushion that should enable more lending if profitable opportunities arise. This reform has improved systemic stability (good for all investors' confidence) but it will take continued efforts (and perhaps competitive pressure) for banks to translate their stronger position into broader credit provision.

Foreign exchange regulation used to be a major impediment – previously, strict rules on purchasing foreign currency and remitting money abroad made investors wary, and local businesses had trouble obtaining dollars to pay suppliers. The move to a market-driven exchange rate in 2018 and subsequent liberalization (e.g. oil companies now selling FX to BNA via auctions, more flexibility for banks) have *partially* alleviated this.

There are still episodes of FX shortages, but the situation has improved from the crisis levels of 2015-2017. The central bank's recent directive for banks to inject 30% of their FX holdings into the market is one such measure to boost liquidity. For investors, these reforms mean easier access to hard currency for legitimate transactions, although careful treasury planning is still advised to hedge against kwanza swings.

Financial inclusion gaps, as discussed, are a barrier in the sense that they limit the pool of customers and entrepreneurs that can engage with formal finance. The government's multi-faceted approach – promoting mobile money, simplifying account opening processes, and rolling out financial education – is a reform aimed at expanding the market.

Notably, the Finance Ministry and central bank have set targets for increasing the banked population and electronic transactions by 2025, and have established a National Council for Financial Inclusion to coordinate efforts. This high-level attention is already yielding regulatory changes (for example, allowing agent banking, where banks can operate through retail agents in remote areas, and permitting non-bank fintech operators). Overcoming the inertia of

cash usage will take time, but every additional percentage of adults using formal finance will contribute to a more vibrant domestic market.

Finally, a broader structural challenge has been over-reliance on oil which indirectly affects financing. When oil prices drop, liquidity tightens, government creditworthiness falters, and banks become even more risk-averse (since the whole economy slows). To address this, the government's reforms in fiscal management – such as subsidy reforms and prudent budgets – and its aggressive privatization and diversification initiatives are crucial. By selling stakes in state companies and encouraging private investment in sectors like agriculture, mining, and telecoms, Angola aims to generate new growth engines that are less volatile and more job-creating.

The privatization via BODIVA is not just about revenue; it's also about improving corporate governance and efficiency in those companies, which should help them access capital more easily and operate better. For investors, a diversifying economy means more sectors to invest in and potentially more stable long-term returns.

In summary, Angola in June 2025 finds itself at a **turning point** in financing and access to capital. Significant barriers – high costs, limited credit data, risk-averse lending practices – are acknowledged, and a suite of reforms is being implemented to tackle them. These policy responses (from cleaning up banks' books to enabling fintech and establishing guarantee schemes) are building a more robust financial ecosystem. For the international investor, the direction is positive: each reform reduces risk and opens new avenues for funding and investing. That said, patience is warranted as these changes take hold. The trajectory is one of improvement, and Angola's commitment to continue reforming (with support from international partners like the IMF, which is slated for a new program discussion, and others) bodes well for the future.

Investors should keep an eye on ongoing developments such as the upcoming Financial Sector Assessment Program (FSAP) in 2025, which will stress-test banks and evaluate the financial system – likely yielding further recommendations to strengthen financing access. Overall, Angola's financing landscape is increasingly open for business, blending prudence from lessons learned with proactive measures to foster a more inclusive and dynamic financial sector.

10. Case Studies of Successful Foreign Investment

Key Facts

- ExxonMobil committed up to USD 15 billion to offshore oil development through 2030.
- Sun Africa and U.S. Ex-Im Bank invested over USD 900 million in two solar plants.
- TAAG ordered four Boeing 787 Dreamliners to modernize its long-haul fleet.
- The Lobito Corridor railway received USD 250 million from the U.S. DFC.
- Acrow Bridge supplied 186 modular bridges with USD 363 million in Ex-Im Bank support.
- A USD 5 million digital payments program launched with Africell in 2023.
- USDA trade mission brought 60 U.S. agri-companies to Angola in 2024.
- USD 13.3 million provided for food security in drought-hit provinces.
- USD 5 million allocated to empower women farmers along Lobito Corridor.
- Green bonds and diaspora bonds listed on BODIVA to attract international capital.



Angola has emerged as a key investment destination in sub-Saharan Africa, thanks to structural reforms, political commitment to economic diversification, and its increasing openness to international capital. In recent years, particularly from 2022 onward, several foreign-led projects have underscored the country's investment potential across strategic sectors. The following case studies illustrate how global partnerships - especially with companies and institutions aligned with advanced economies - have yielded tangible results in sectors such as energy, infrastructure, digital innovation, agriculture, and financing.

Energy and Natural Resources

The energy sector remains Angola's flagship for attracting foreign capital. In 2023, ExxonMobil reaffirmed its long-term presence by committing up to USD 15 billion to develop new offshore reserves by 2030. This decision followed successful exploration campaigns and ongoing confidence in Angola's legal and production frameworks.

Chevron continues to lead in Angola's liquefied natural gas (LNG) space, operating the Angola LNG plant in Soyo. In mid-2023, the facility celebrated its 400th LNG shipment, highlighting consistent output and international market access.

In the renewable energy arena, Sun Africa, in partnership with the U.S. Ex-Im Bank, launched a flagship solar project with more than USD 900 million in approved financing to build two photovoltaic power plants. Announced originally at the G7 in 2022, the project's total investment is expected to exceed USD 2 billion, and includes large-scale export of solar panels, trackers, and smart sensors. Construction began in 2024 and will generate over 500 MW of clean energy, helping Angola diversify its energy mix and expand rural electrification.

Infrastructure and Transport Logistics

Foreign capital is also fueling the expansion of Angola's logistics and transport systems. In 2023, TAAG Angola Airlines placed an order for four Boeing 787 Dreamliners, enhancing its long-haul fleet and strengthening air links with international markets.

The Lobito Corridor, a key railway line connecting Angola's Atlantic coast to inland resource zones and the Zambian border, received a USD 250 million commitment from the U.S. Development Finance Corporation (DFC) for rehabilitation. A memorandum of understanding has also been signed to expand the line by an additional 800

km, integrating new mining and industrial nodes across the region.

Additionally, the Ex-Im Bank approved USD 363 million in financing for the procurement of 186 prefabricated modular bridges from Acrow Bridge, significantly improving Angola's rural and regional road network. These initiatives show the power of blended finance and public-private collaboration in transforming infrastructure.

Digital Innovation and Financial Connectivity

Digital transformation has also become a frontier for foreign-backed development. In August 2023, the Angolan government, with Africell and development partners, launched the "Digital Money is Better" initiative, aimed at expanding mobile payment systems and 5G infrastructure. With an investment of approximately USD 5 million, the program is delivering mobile financial services to underserved communities, including rural zones along the Lobito Corridor.

These developments are instrumental in enhancing financial inclusion and represent a growing interest in Angola's ICT and fintech sectors. They also complement broader government strategies to digitalize the economy and reduce informal transactions.

Agriculture and Food Security

Foreign partnerships in agriculture are increasingly viewed as a foundation for Angola's long-term economic resilience. In 2024, a major agricultural trade mission organized by the U.S. Department of Agriculture (USDA) brought over 60 companies to Angola, focusing on opportunities in food processing, seed technology, and irrigation.

In parallel, the U.S. government committed USD 13.3 million in emergency food assistance

to drought-affected regions between 2022 and 2023. Moreover, in alignment with rural development goals, a USD 5 million grant was launched to support women smallholder farmers along the Lobito Corridor, aiming to better integrate them into agribusiness value chains.

investors—from a post-conflict oil economy to an emerging frontier market with diversified opportunities, backed by credible partnerships and a growing reform agenda.

Capital Markets and Financial Instruments

The financial sector, though traditionally underdeveloped, is gaining traction. Angola's capital market regulator (CMVM) and BODIVA (the Angolan debt and stock exchange) have worked to boost market liquidity and transparency. By mid-2025, several new public debt instruments have been listed, including green bonds and diaspora bonds, aimed at attracting international investors.

Additionally, the government has signed cooperation frameworks with international institutions to promote the use of sovereign guarantees, risk-sharing facilities, and concessional lending schemes for strategic sectors such as renewable energy and logistics. These instruments, backed by multilateral banks and export credit agencies, make it easier for foreign investors to enter capital-intensive markets in Angola.

Institutional Partnerships

Beyond project finance, Angola's success in drawing foreign capital also reflects institutional engagement. Through bilateral accords, participation in the U.S.-Africa Business Forum, and the implementation of the African Continental Free Trade Area (AfCFTA), Angola is securing long-term trade and investment relationships.

The cumulative effect of these developments is a marked shift in Angola's perception among

11. Conclusion – Angola's Investment Outlook

Key Facts

- ExxonMobil committed up to USD 15 billion to offshore oil development through 2030.
- Sun Africa and U.S. Ex-Im Bank invested over USD 900 million in two solar plants.
- TAAG ordered four Boeing 787 Dreamliners to modernize its long-haul fleet.
- The Lobito Corridor railway received USD 250 million from the U.S. DFC.
- Acrow Bridge supplied 186 modular bridges with USD 363 million in Ex-Im Bank support.
- A USD 5 million digital payments program launched with Africell in 2023.
- USDA trade mission brought 60 U.S. agri-companies to Angola in 2024.
- USD 13.3 million provided for food security in drought-hit provinces.
- USD 5 million allocated to empower women farmers along Lobito Corridor.
- Green bonds and diaspora bonds listed on BODIVA to attract international capital.



After emerging from decades of civil war in 2002, Angola has achieved a hard-won stability under a solid political majority, which created the foundation for economic rebuilding. Over the course of this report, we have examined Angola's journey from conflict to an emerging market poised for growth. This final chapter synthesizes those insights, drawing key conclusions about Angola's strategic positioning and investment potential as of mid-2025.

Summary

Angola's macroeconomic landscape has markedly improved in recent years. Following a prolonged recession in the late 2010s, the economy rebounded with **GDP growth of 4.4% in 2024**, the country's strongest annual expansion since 2014. This recovery was driven not only by the oil sector but also by rising output in diamonds, agriculture, and services, indicating early signs of diversification in the growth base. Prudent fiscal and monetary measures underpinned this turnaround – the government adopted a more flexible exchange rate, curbed subsidies, and pursued debt transparency and privatization reforms.

As a result, key indicators stabilized: foreign reserves rose to about \$15.7 billion (covering nearly 8 months of imports), the currency saw only mild depreciation in 2024, and public debt levels have declined significantly from earlier highs. While inflation remains elevated (27.5% in early 2025) due to subsidy removals and food prices, the central bank's tight monetary policy is containing price pressures.

Overall, Angola has **turned a corner economically**, restoring growth and macro-stability – a critical backdrop for investor confidence.

Equally important, Angola's **investment climate** is becoming more business-friendly. The government has enacted investor-oriented reforms that streamline red tape and open previously restricted sectors. A new Private Investment Law, for example, **eliminated the 35% local ownership requirement for foreign ventures**, reduced minimum capital needs, and guarantees the right to repatriate profits freely. Investors can now more easily convert and transfer funds, and since 2020 even the importation of foreign capital no longer requires central bank licensing – a significant easing of bureaucratic hurdles. Angola has also established one-stop service hubs to simplify business registration and permitting processes,

addressing what used to be a notoriously cumbersome procedure.

At the same time, governance improvements are gradually taking root. Anti-corruption efforts, spearheaded by President João Lourenço, have improved transparency – Angola climbed **46 places in Transparency International's corruption perception rankings** since 2016. A strengthened legal framework (including a new Competition Law, Public-Private Partnership law, and Public Contracts code) is bolstering the rule of law for commerce. These changes, taken together, are fostering a more predictable and attractive business environment than Angola has seen in decades.

Another major theme of this report is the identification of **strategic growth sectors** beyond oil. Angola remains sub-Saharan Africa's **second-largest oil producer** (with associated industries like LNG), and the oil & gas sector will continue to be a pillar of the economy. However, the country's long-term trajectory is defined by diversification.

In **agribusiness**, Angola holds millions of hectares of arable land with rich soils and a tropical climate suitable for year-round cultivation – an immense opportunity to revitalize farming and agri-processing after decades of underinvestment.

Mining is another growth field: Angola is a top global producer of diamonds and is endowed with iron ore, phosphate, copper, and rare earth minerals that remain largely untapped.

Infrastructure and construction needs are pressing and present huge investment potential, from building roads and railways to power plants and housing. As described in Chapter 5, the government is investing heavily in infrastructure modernization (often via public-private partnerships), which reduces operating costs and spurs growth. For instance, the landmark Lobito Corridor railway concession – awarded to an international consortium – will

connect Angola's Atlantic port to the DRC and Zambia, catalyzing trade and logistics across the region.

Renewable energy (solar, hydro) and **telecommunications** are additional frontiers with supportive policies and rising demand.

Meanwhile, **tourism and services** stand to gain from recent visa reforms – in 2023 Angola introduced **visa-free entry for citizens of over 90 countries** for stays up to 90 days, a clear signal of openness that is expected to boost tourism and business travel.

Each of these sectors, examined in Chapter 7, offers avenues for investors to diversify their portfolios in Angola and benefit from targeted incentives (the government has designated agriculture, infrastructure, energy, health, education, and tourism as priority sectors for investment with tax breaks and facilitation).

The **human capital and market dynamics** in Angola further reinforce its investment appeal. With a population now exceeding **36 million**, Angola is one of the largest markets in Africa – by some measures the third-largest economy in sub-Saharan Africa. This domestic market size translates into substantial consumer demand for goods and services. Notably, about half of Angola's people are under 30 years old, forming a young and growing workforce as well as a budding consumer class. Such demographics promise a “demographic dividend” in the coming years: a large labor pool and rising middle class to fuel productivity and consumption. For investors, this means opportunities in industries ranging from fast-moving consumer goods to education and real estate, as covered in Chapter 8 (which discussed living and working in Angola). While challenges in skilled labor availability persist, companies are increasingly investing in training and local talent development, leveraging Angola's “young and booming” labor force.

Angola's Strategic Positioning as an Emerging Market

Stepping back, what emerges from the analysis is that **Angola today is strategically positioned as a high-potential emerging market in Africa**. The country's core strengths – political stability, abundant natural resources, large market size, and geographic advantage – form a strong platform for investment. Angola's political environment has remained stable and peaceful for nearly two decades under consistent leadership (the ruling MPLA party has ensured continuity, winning re-election in 2022).

This stability, rare in some frontier markets, provides predictability for investors planning long-term projects. Moreover, Angola's geopolitical location on the Atlantic coast and membership in regional blocs give it outsized strategic value. As a member of the Southern African Development Community (SADC) and a signatory of the African Continental Free Trade Area, Angola can serve as a **gateway to regional markets**, enabling investors to access not just Angola's population but the wider southern African and lusophone African consumer base.

The government is actively leveraging international partnerships to enhance this integration – for example, the **EU-Angola Sustainable Investment Facilitation Agreement (SIFA)** that came into force in 2024 aims to improve regulatory transparency, e-governance, and stakeholder engagement to attract more sustainable FDI. Such agreements will align Angola's business practices more closely with international standards and reduce investment frictions across borders.

Angola's commitment to economic reform and diversification is another cornerstone of its emerging-market narrative. Throughout this report, we saw evidence of a government that is **pro-investment and reform-minded**. It regards FDI as essential for diversification and has backed up that stance with concrete policies.

The ongoing **"Propriv" privatization program** is case in point: launched in 2019, it has already privatized nearly a hundred state-owned enterprises and assets, and it now aims to open dozens more by 2026, including stakes in "crown jewel" companies like Sonangol (oil) and Endiama (diamonds) via public offerings. This move toward privatization and public-private partnerships is creating unprecedented openings for foreign investors to participate in sectors that were formerly state-dominated, from banking and insurance to telecommunications and aviation. It also signals that Angola is building a more competitive, free-market economy for the future.

Investor protections have improved in tandem; foreign and domestic investors are now legally on equal footing regarding incentives, and Angola's laws explicitly protect the rights of foreign investors to repatriate capital and profits without hindrance. Such assurances, combined with anti-corruption drives (Angola's anti-graft crackdown since 2017 has not gone unnoticed, contributing to rising international perceptions of compliance and rule of law), contribute to a more secure investment climate.

The **business climate**, while still challenging, is on an upward trajectory – **non-oil FDI inflows have started to recover**, even doubling in the first three quarters of 2024 as investor confidence improved, aided by projects like the Lobito Corridor. This uptick illustrates that early movers are responding to Angola's reforms and positioning themselves in the market.

It is important to acknowledge the **risks and challenges** that persist, as highlighted in Chapter 9. Angola is by no means a frictionless environment yet. The economy remains **highly exposed to oil price volatility**, since oil still accounts for about 95% of exports and a majority of fiscal revenues. This means that external shocks to oil prices can affect foreign exchange and public finances, a factor investors must consider. The **business environment**, while improving, continues to rank low on some global indices (for instance, Angola scores poorly on

metrics of ease of doing business, innovation, and economic freedom). Bureaucratic procedures can be slow, and a **weak judicial system and lingering corruption** in some pockets pose risks to contract enforcement. Infrastructure, though expanding, is still developing – companies may encounter high logistics costs or energy supply gaps in certain regions. Human capital constraints (e.g. skills gaps, language barriers) and a relatively underdeveloped financial system are additional hurdles. These challenges are real, and any investor in Angola must do due diligence and have mitigation strategies. Fortunately, as this report detailed, many of these risks are mitigable. The government and international partners are actively addressing them – for instance, investments in roads, power, and internet connectivity are reducing infrastructure bottlenecks year by year, and policies in education and vocational training are slowly improving workforce skills.

Regulatory reforms (such as the new licensing regimes) are chipping away at bureaucracy. Investors can further mitigate risks by partnering with experienced local firms, utilizing political risk insurance instruments, and structuring projects to account for currency fluctuations. Chapters 9 and 10 showcased how several multinational companies navigated Angola's challenges successfully, underscoring that the hurdles, while significant, are **surmountable with the right approach**.

Final Outlook and Investor Takeaways

In summary, Angola today presents a compelling case as an emerging market with **significant investment potential**. The country has made tangible progress in stabilizing its economy and improving its business environment, creating a platform for sustainable growth. Looking ahead, forecasts indicate Angola's GDP will continue to grow at roughly 2–3% annually in the near term – a moderate pace, but importantly *driven increasingly by non-oil sectors* as the diversification efforts bear fruit. The expectation

of steady non-oil growth means opportunities in agriculture, manufacturing, services, and infrastructure will likely expand, even as oil production faces a gradual decline.

Angola's fiscal and external metrics are on a healthier footing than they have been in years (debt levels as a share of GDP have come down, and international reserves remain robust), providing a buffer of stability. Crucially, the Angolan government has demonstrated commitment to staying on the reform path – a point reaffirmed by ongoing engagement with the IMF and other international institutions. While the political cycle ahead of the 2027 elections could slow some reforms, as the IMF cautions, the broader trajectory toward a market-oriented economy is unlikely to reverse.

For international investors evaluating Angola, the **final message** of this report is optimistic yet realistic. Angola stands at the cusp of a new era: it has vast untapped resources and a youthful market, and it is more open to foreign investment now than ever in its modern history.

The **upside potential** is enormous – early investors can establish a foothold in high-growth industries at an inflection point in Angola's development. The government's pro-business initiatives and partnerships (from privatizations to investment accords) are aligning the investment landscape with global best practices, gradually reducing uncertainty and transactional costs.

Of course, investing in Angola still requires a strategic, well-informed approach and patience, as with any frontier market. However, the rewards can be substantial. Companies that succeed in Angola often find strong returns and long-term advantages, leveraging the country's high margins in sectors like energy or consumer goods and its increasing integration into regional value chains.

In essence, **Angola is positioning itself as a rising African investment destination** – one that offers the stability of a peaceful democracy,

the scale of a large emerging economy, and the growth prospects of a diversifying market. Savvy investors with a long-term perspective and the ability to navigate initial challenges should view Angola as a place to build lasting value. The coming years are likely to **solidify Angola's status as an attractive investment hub**, and those who engage now will be best placed to ride the wave of its resurgence.

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