

# NATIONAL DAY OF THE REPUBLIC OF ANGOLA

Stability, Growth and Employment – are the three central aims of the Angolan Government's fundamental strategy



The President of the Republic of Angola, José Eduardo dos Santos

Today, November 11th, the Republic of Angola marks its 38th Independence Day. The President of the Republic of Angola, José Eduardo dos Santos, described last October the current state of the country as being stable and in the process of consolidating peace.

The Angolan Government is focusing on accomplishing its major objectives, which are to secure peace, strengthen democracy, preserve national unity, promote development and improve the quality of life of the Angolans.

According to President dos Santos in his address to Parliament on October 15th on the state of the Nation, economic growth prospects for 2013 stand at 5.1%, compared to 7.1% anticipated by the National Development Plan for 2013. The country's Net International Reserves for October stood at \$33.4 billion, which constituted an increase of 9.3% as compared to the end of last year.

The Angolan Government intends to complete major projects by early 2016 in the fields of energy and water, as well as the plan for improving roads which will enhance the rural trade system, in order to create improved conditions for an increase in private investment in the production of goods and services with competitive advantages and create more jobs.



The Angolan Minister of Energy and Water, João Baptista Borges, came to Israel last month

## Oil Production

Oil continues to be Angola's main source of revenue. According to the Angolan Oil Minister, Botelho de Vasconcelos, Angola's oil reserves are estimated at 12.6 billion barrels, thanks to new discoveries in shallow, deep and very deep waters.

With respect to oil production in Angola, the Angolan minister stated that it is estimated at an average of 1.65 million barrels a day, with a forecast of a short-term increase to two million barrels a day by 2017 as a result of the anticipated increase in the production of existing oil fields.

Angola is currently the second largest oil producer in sub-Saharan Africa. Crude oil accounts for 97% of exports and 80% of tax revenue.

## The Social Factor

In the social area, the Government intends to achieve a decrease in poverty, bringing it down below 35%, as compared to 65.6% in 2002. Among other measures, the implementation of an auxiliary program entitled 'Help for Work' and access to essential state-subsidized commodities will initially benefit 200,000 families in 80 municipalities. At a later stage, this number will continue to grow significantly.

The major challenges for the near future will be the transition from the informal to the formal market, and finding suitable solutions for the demand for social housing.

According to current statistical data, 52% of the rural population has access to drinking water; 48% to sanitation, including a sewer and

septic tank system; 25% to rural electrification from alternative sources such as generators and solar panels; and 61% to municipal health services. Moreover, 79% of all children are given primary education and 48% are fed with school meals.

Considerable ongoing efforts are being made to improve the quality of education at all levels, mainly in primary and secondary education. In the field of Education and Training, there are currently 7.4 million students enrolled in all levels of non-university education, with 5.1 million in primary and 2.3 million in secondary schools. There is a total of 278,000 teachers, out of whom 153,000 teach in primary schools and 125,000 in secondary schools.

In Higher Education, there has been a rapid expansion of the public and private services available nationwide. In the second quarter of this year, 198,700 students were registered, exceeding the 8.8% target set for this year.

In accordance with a National Plan for Staff Training, the government anticipates the training of 109,000 citizens a year. As a result, for the period of 2013-2020, there are plans to train 285,000 young people in intermediate technical-professional courses and 209,000 bachelor degree graduates in higher education.

The Angolan government's policy of staff training also anticipates the training of 174,000 citizens in entrepreneurship and business development.

## Angola paves the way to give up its status of a low yield country

Angola has accomplished many goals, including the per capita GNP required for the country to be classified as having a medium-level income – a change that should be made official by 2018.

Becoming a medium-level income country will increase Angola's access to risk guarantees and credit, which will enhance the country's efforts to attract financial investment in various infrastructures essential to its growth.

Angola's per capita GNP is US\$ 4,442 – four times what is needed to break away from its status of a low yield country according to the United Nations classification.

## Defense and Security

On the whole, security and public safety in Angola is stable and normal. To maintain its sovereignty and territorial integrity, Angola continues to create conditions and the necessary expertise to defend the country, and as part of this scheme, the implementation of a modernization policy is underway. The plan is aimed at improving the technical, operational, logistical and infrastructure quality and capacity of the Angolan Armed Forces, as well as the technical and professional aptitude of human resources and the improvement of their living conditions.

Israel has been an important partner of Angola in upgrading the defense and security sectors, as stated last June by President José Eduardo dos Santos, in an interview to an Israeli journalist. According to President José Eduardo dos Santos, "Angola is developing a special relationship with Israel in the area of defense and security. Angola has acquired military and other equipments for intelligence services and for the Angolan Armed Forces, and also has trained staff teams, particularly for the national police."

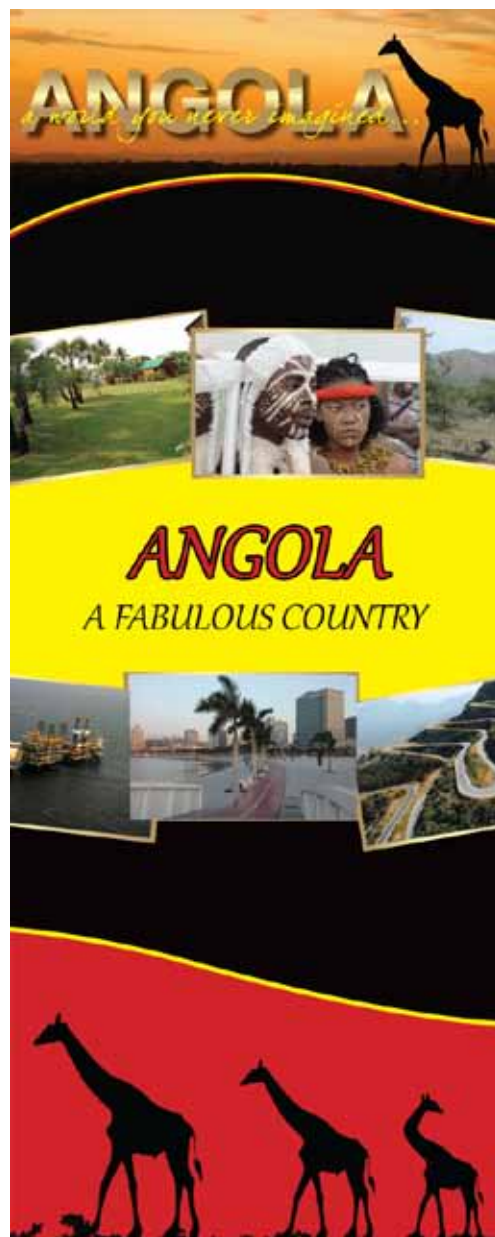
The President also stated that relations with Israel are being developed in several other areas, and as an example he mentioned the economic and financial sectors. In the political and diplomatic spheres, there have been bilateral consultations on key issues in the international community.

The President said that "there are Israeli



businessmen who are interested in our market because Angola is a country that offers great business opportunities. This makes relations with Israel dynamic and multifaceted, thereby satisfying the interests of both countries."

Within the framework of bilateral cooperation, the Angolan Minister of Energy and Water, João Baptista Borges came to Israel last month to attend a conference and an international trade fair on water infrastructure.



## Foreign Policy

In foreign policy, Angola has reaffirmed the primacy of respect for constitutional order and a peaceful resolution to conflicts and disputes, especially in Africa, where troubling situations still prevail in Mali, the Central African Republic, Sudan and South Sudan, Somalia, Madagascar, Guinea Bissau and the Democratic Republic of Congo.

The Republic of Angola is a member of the African Union and of the SADC (Southern African Development Community), both of which observe and monitor electoral processes in various parts of Africa. This involvement is part of the Angolan Government's belief in democracy and the rule of law.

President José Eduardo dos Santos also said last October that as part of its bilateral policy Angola has stable relations with almost

all the countries in the world. With many of these countries, such as Israel, Angola enjoys growing economic cooperation and mutual benefits.

Increasingly, Angola is becoming a tourist destination and a target of foreign investment due to the fact that the reputation of the country and the growing trust of its capabilities.

In accordance with its strategic and foreign policy, Angola intends to play a leading role in fighting and preventing all dangerous and criminal incidents which are threatening the stability of the continent. The country is nowadays focusing on enhancing maritime security in the Gulf of Guinea.

President José Eduardo dos Santos gave his assurance that Angola will continue to be an active member of the African Union, the SADC, the CCAS (Community of Central African States) and the CPLP (Community of Portuguese Language Countries) and that it has put forward its candidature to be a Non-Permanent Member of the Security Council of the United Nations for the 2015/2016 period.

Regarding the Israeli-Palestinian conflict, the Vice-President of Angola, Manuel Vicente, said while addressing the UN General Assembly in New York, that Angola supports the mediation efforts undertaken by US Secretary of State John Kerry and hopes that resumed dialogue will result in an agreement between Israel and the Palestinian National Authority that will reverse the deadlock and result in lasting peace and an independent Palestinian state based on 1967 borders, co-existing in peace and security with the State of Israel.

## Tourism

The "Peace Industry," as the tourist industry is known in Angola, is growing rapidly. The goal of the Ministry of Hotels and Tourism is to create one million jobs by the year 2020 and for the sector to contribute 3% to the GDP (Gross Domestic Product).

One of Angola's tourist attractions is the KISSAMA National Park located 70 kilometers south of Luanda, Angola's capital, where tourists can enjoy a safari expedition to observe elephants, hippopotamuses, monkeys, ostriches, zebras, wildebeests, giraffes and antelopes in their natural habitat.

Israeli citizens planning a trip to Angola are required to obtain a tourist visa at the Embassy of the Republic of Angola in Tel Aviv upon presentation of proof of a hotel reservation and an airline ticket.

## Culture

Angola is a country of rich and vibrant cultural diversity. This year, a number of Israeli citizens had the opportunity of verifying this fact as they watched the shows put on by the Contemporary Dance Company of Angola in Rishon LeZion and Tel Aviv.

Also this year three Angolan writers presented their literary works at the International Book Fair in Jerusalem, and two craftsmen showed their works at the International Fair of Arts and Crafts in Jerusalem.

An Angolan soap opera entitled "Windeck" was one of four soap operas nominated by the International Academy of Television Arts and Sciences for the Emmy Awards, whose winner will be announced on November 25th in New York.

The Kizomba and Kuduro styles of music and dance are notable international features of Angolan culture, and have become popular in many parts of the world.

## Sports

In the world of sports, Angola is working hard towards establishing itself within the African setting as a country of sports. In 2013, Angola won the senior male and female African basketball championships, thereby becoming

the leading African force in this field. Angola won the African championship in male basketball 11 times and three times in female basketball.

Last September, Angola hosted the 41st Men's Roller Hockey World Cup and it was the first time an event of this kind was held in Africa. In October, the African Men's Wheelchair Basketball Championships took place in Luanda, the capital of Angola.

## Investing in Angola – Frequently Asked Questions

**What are the economic sectors that are eligible for incentive grants?**

Agriculture and fisheries; civil construction; energy and water; road, rail, port and airport infrastructures; education and health; manufacturing industries; and heavy equipment for cargo and passengers.

**Which developing areas are eligible for financial incentive rights?**

- Zone A – The Province of Luanda and the capital of the Provinces of Benguela, Huila, Cabinda and the Municipality of Lobito. Tax incentives: Exemption from payment of dues and other customs duties for a period of three years; exemption from industrial taxes for a period of eight years; exemption from capital gains tax for a period of five years.

- Zone B – The remaining municipalities of the provinces of Benguela, Cabinda and Huila, the provinces of North Kwanza, Bengo, Uige, South Kwanza, North Lunda and South Lunda. Tax incentives: exemption from payment of dues and other customs duties for a period of four years; exemption from industrial taxes for a period of 12 years; exemption from capital gains tax for a period of 10 years.

- Zone C – The provinces of Huambo, Bié, Moxico, Kuando-Kubango, Cunene, Namibe, Malange and Zaire. Tax incentives: exemption from payment of dues and other customs duties for a period of six years; exemption from industrial taxes for a period of 15 years.

**What are the organizations that approve investment projects?**

The ANIP (National Agency for Private Investment) approves investment projects subject to Prior Intimation regulations. The ANIP submits investment projects that are subject to contractual arrangements to the Council of Ministers for approval.

The Council of Ministers also approves: concession agreements on oil exploitation and diamond mining, and investment projects that require mandatory participation of public companies.

Taxation of corporations: Standard Tax – 35%. Dividends from capital revenue: internal origin – 10%, external origin – taxed as corporation revenue. Loan interest – 15%; 10% for entrepreneurial bonds.

Capital revenue tax: For the purposes of corporation tax, worldwide capital revenue is considered to be the corporation's regular income. The return on capital gained by individual entities that do not take the form of companies and on sales of movable property or realty are not subject to any taxes whatsoever. The capital revenue from the sale of shares, dividends and other social proceeds is not subject to any tax whatsoever.

Conveyance taxes: normal tax – 10%, reduced tax for some products – 2%, tax for luxury goods – 20-30%.

Stamp duty and transfer tax: most common tax – 1%. Can vary between 3% and 10%.

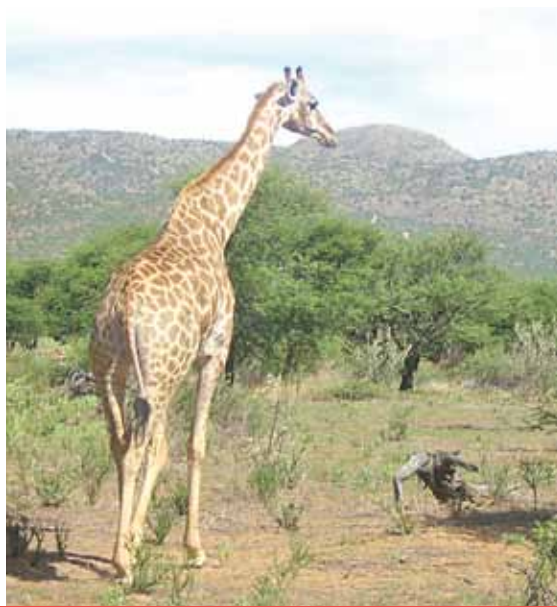
Repatriation of profits: investors can repatriate dividends and profits after having deducted the legal amortization and paid owed taxes.

**Is there a limit on the hiring of foreign staff?**

Foreign staff in Angola is limited to 30% of the labor force of the company.



Landscape of Angola



Traditional Angolan dancers



The Angolan national roller hockey team