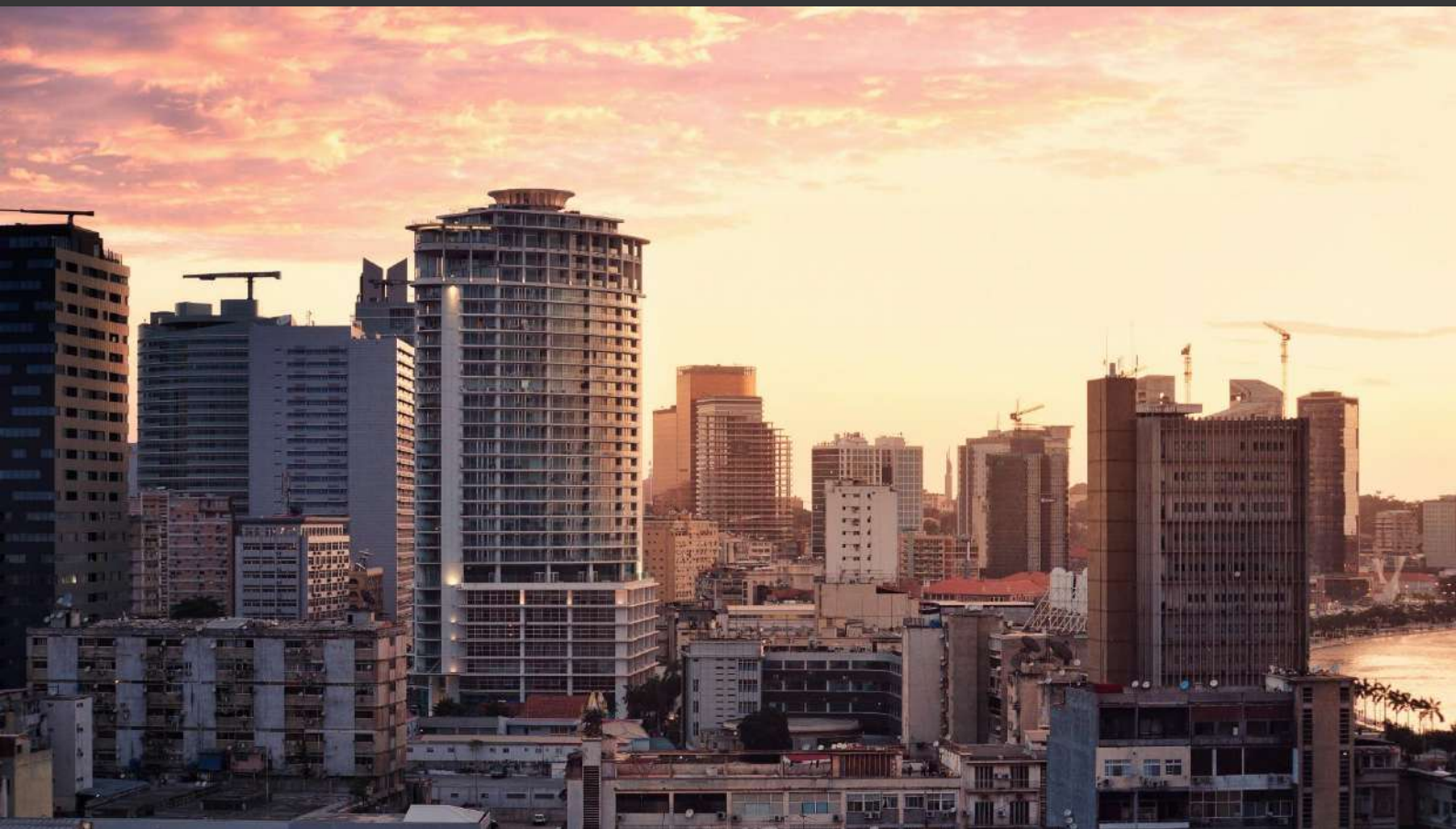


ANGOLA BUSINESS OPPORTUNITIES REPORT

A look at Investment Potential in Emerging Markets



FOREWORD

In today's rapidly evolving economic landscape, identifying and capitalising on new business opportunities is more critical than ever. This report aims to provide a comprehensive analysis of emerging trends, market demands, and strategic insights that can help businesses navigate and thrive in the dynamic environment that is Angola.

Our team has researched and compiled data from a variety of reliable sources to ensure that the information presented here is both accurate and actionable. We have focused on key sectors that show potential for growth and innovation and will present our findings focusing on opportunities and challenges within each sector.

This report is intended to serve as a valuable resource for Swedish companies, entrepreneurs, investors, and business leaders seeking to make informed decisions and strategically position their organisations for success in the Angolan market. We hope that the insights and recommendations provided will inspire new ideas, foster strategic thinking, and ultimately contribute to the achievement of your company's business goals.

Team Sweden in Angola is working to identify areas of collaboration wherein/in which Swedish business solutions can help grow and diversify the Angolan economy. The Swedish offering, characterised by sustainable business solutions, capacity building, and favourable export financing, can contribute to the sustainable development of Angola. Industries such as energy, transportation, mining, and ICT, remain strong areas of interest for Swedish companies. The forementioned industries are also well aligned with the priorities and needs of the Angolan government. Although Angola remains a complex market, Team Sweden is ready to help you capture the business opportunities that will undoubtedly arise as the country continues to grow.



**LENNART KILLANDER
LARSSON**

Swedish Ambassador to Angola
lennart.killander.larsson@gov.se



ALEXEJ CEDERHOLM

Senior Project Manager
alexej.cederholm@business-
sweden.se



LETHOKUHLE DLADLA

Consultant
lethokuhle.dladla@business-
sweden.se



LEILA TRULSEN

Associate
leila.trulsen@business-
sweden.se

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EXECUTIVE SUMMARY

This business opportunity report provides the reader with an analysis of the current market landscape in Angola. It serves to identify key trends and potential areas for growth and investment for business leaders, entrepreneurs, and investors.

KEY FINDINGS

1. Angola's priorities within the energy, infrastructure and mining sectors are well aligned with Sweden's expertise and exports. Coupled with the strong bilateral relations between Sweden and Angola, including several signed Memoranda of Understanding (MoU), Swedish services and products are well positioned in the country.
2. Angola's positive experience with using export credit agencies to finance large projects fits well with Team Sweden's offer. In the short term, EKN's guarantee limit for Angola has been reached, but for medium to long-term projects, this is an avenue for Swedish companies to explore.
3. The president, João Lourenço and his government have a clear strategy to attract more foreign investments to the country. This has led to changes in legislation aimed at easing the bureaucratic burden including more transparency in the mining sector, the establishment of Special Economic Zones and the launch of a one stop shop for permits and licenses.
4. The Angolan economy is heavily dependent on oil, so the economic landscape can be quite volatile. The government is attempting to diversify the economy, but with slow progress and oil earning still amount to 35% of Angola's GDP and 95% of its exports.
5. Angola's position in global business rankings is at the lower end. The country continues to struggle with high levels of corruption, poor access to skilled labour, and complicated bureaucracy for doing business.

CONCLUSION

The business environment in Angola is constantly evolving, presenting both challenges and opportunities. This report underlines the importance of staying ahead of market trends and being agile in responding to change. By using the insights and recommendations provided, companies can strategically position themselves for sustainable growth and competitive advantage.

We believe this report will serve as a valuable tool for decision-makers to guide them towards profitable and innovative business ventures.

COUNTRY OVERVIEW



OVERVIEW & REGIONAL ASPECTS

Angola, officially the Republic of Angola, is located in the southwestern region of Africa and occupies about 3500 km of coastline on the Atlantic Ocean. The country borders the Democratic Republic of the Congo (DRC), the Republic of the Congo (Congo-Brazzaville), Zambia and Namibia. A Portuguese colony for over 400 years, Angola was an important hub for Portuguese trade and shipping. However, the 1974 Carnation Revolution brought an end to Portuguese dictatorship and independence was achieved in 1975.

The country ranks 41st in the world population index, with a population of around 38 million, 75% of which is youth. Angola has the second highest population growth in sub-Saharan Africa, with an increase of 3.2% in 2021. The population is then expected to double by 2050.

Angola was embroiled in a civil war between 1975 and 2002, which left many citizens impoverished. To this day, the distribution of wealth in the country is highly unequal, the unemployment rate is high at 29.6%, and 80% of the workforce is employed in the informal sector. The current multi-party establishment faces challenges to rectifying the economical damage caused by decades of conflict. In addition, incumbent President Joao Lourenço has a vested interest in attracting international investment and diversifying the economy.

ECONOMIC OUTLOOK

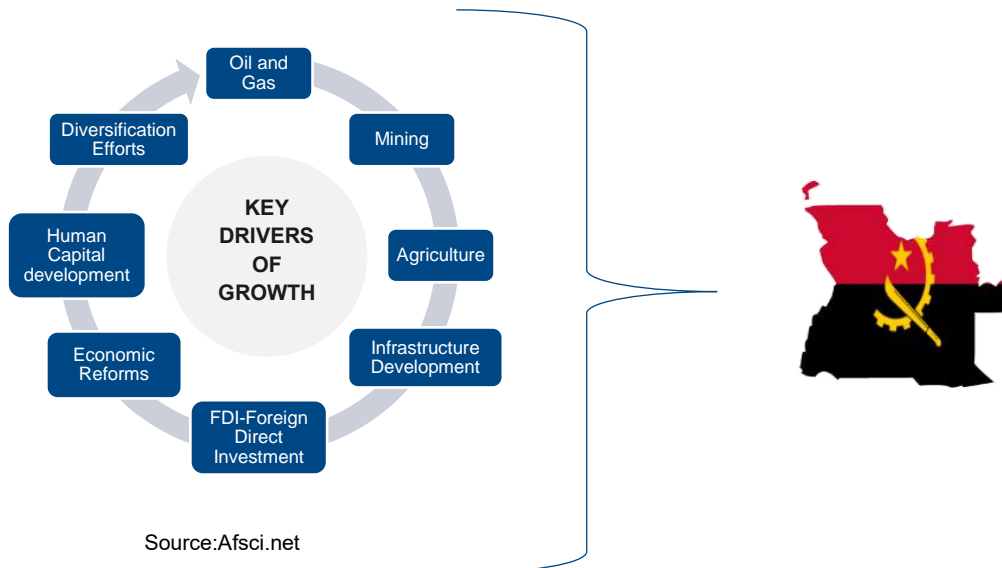
Angola is the 7th largest economy in Africa and 3rd in Sub-Saharan Africa, mainly driven by oil export and production of rough-cut diamonds. Oil production accounts for 30% of the country's GDP and 95% of its export earnings.

The country's GDP growth rate in 2023 was a modest 0,9%, however, 2024 saw a change in fiscal policy, to enhance the resilience of the Angolan Kwanza. Subsequently, GDP growth rate is forecasted to 2,6% in 2024, this growth is attributed to the reduced fuel subsidies that lowered the cost of oil production, as well as growth in other sectors such as agriculture. Inflation and basic interest rates are still high at 18,1% and 19% respectively, due to high food prices and the Kwanza decreasing in value with 40% between May and June 2023.

In the last two years, the country has repaid some of its debt in order to improve its debt profile. As a result, the debt-to-GDP ratio fell from 84% to 70% in March 2024.

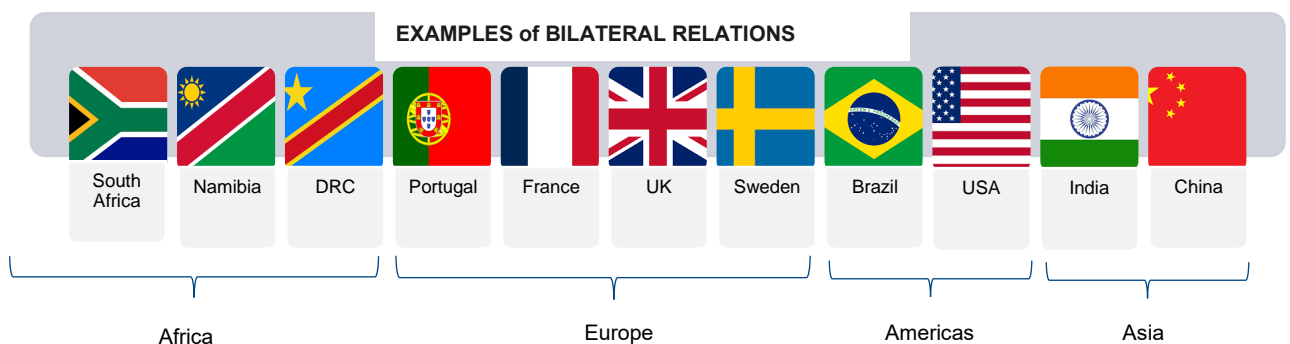
KEY DRIVERS OF GROWTH

Angola depends profoundly on oil industry which contributes to more than 70% of government revenue and more than 95% of the country's export. Oil production which we mentioned above, contributes 30% towards GDP. All the supporting activities around it including drilling, and export of crude oil contributes a further 20%.



BILATERAL RELATIONS

Several countries and external actors participated in Angola's liberation process, including during the years of civil war. Some of these countries have remained collaborators to continue to achieve mutual benefits and address common interests or challenges. Angola maintains a neutral stance within the broader global macroeconomic and geopolitical landscape. Angola has adopted a rather unique position where it is open to both private and public relations with any partner that can benefit Angola's development.



Source: Afsci.net

To understand Angola's geopolitical situation, we have chosen to give a brief overview of the USA-Angola relations, China-Angolan relationship and lastly, the Swedish-Angolan relationship.

USA RELATIONSHIP WITH ANGOLA

Affairs between USA and Angola are seen through economic and trade relations, development assistance, diplomatic engagements and shared security goals particularly since the end of the civil war.

American companies such as Chevron and MODEC have a substantial investment in Angola's oil industry. Angola Oil and Gas (AOG) hosted a networking event in Houston Texas, USA, during March 2024 to outline the country's next oil and gas licensing round in 2025. The event highlighted the available blocks and investment opportunities in Angola for US based exploration and production companies.

Secretary of State for Oil & Gas was quoted saying:

"Although we recognise the importance of the energy transition, we do believe that both hydrocarbons and renewables can work together, and therefore we are still looking for investment in the oil sector while trying to make this industry cleaner, making sure that we acquire the newest technology to lower carbon and methane emissions. Angola has one of the richest portfolios and from a geological perspective, this is one of the most intriguing countries"

- Secretary of State for Oil & Gas, H.E. José Alexandre Barroso

Other interesting ways these two countries have collaborated include:

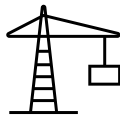
1. Physical Infrastructure: Lobito Corridor - The United States is developing strategic economic corridors to bring goods, services, and jobs to underserved populations and integrate them into the global economy.
2. Debt Reduction – The USA Department of Treasury closely supports Angola's efforts to reduce its debt vulnerabilities enabling the country to reprofile it's domestic debt and lower interest costs.
3. Space Exploration - The United States and Angola signed the Artemis Accords in Q4 of 2023, which advances a common vision of cooperation in space exploration for the benefit of all humankind.
4. USAID has supported Angola in various ways:



- 4.1 Provided relief to provinces affected by drought and screened children for acute and severe malnutrition.
- 4.2 Provided funding towards the Angolan Ministry of Transport to develop the Public Private Partnership (PPP) unit for transportation infrastructure.
- 4.3 Support agricultural development along the Lobito Corridor with a focus on women and smallholder farmers.
- 4.4 Partnered with local universities to address road traffic injuries which is an economic burden due to lost human capital and high medical costs.
- 4.5 Supporting biodiversity conservation, water resource management and sanitation services as well as lower-impact renewable energy solutions in Okavango River.

CHINA'S RELATIONSHIP WITH ANGOLA

China has a significant presence in Africa, and this is very evident in Angola, which is the second largest destination for Chinese investment in Africa. Some 62% of Angola's oil exports go to China. Other areas of cooperation include food, agro-industry, construction, fisheries, housing, transport, IT, health, education, energy and mineral resources, innovation, and tourism. The relationship is characterised by extensive economic investment, trade, and diplomatic relations. The strong Chinese interest has resulted in 40% of Angola's total debt being in Chinese loans. Key aspects of China's involvement include:



Infrastructure Development:

China has been heavily involved in financing and constructing infrastructure projects in Angola, including roads, railways, housing, and public buildings. These projects are often funded through loans from Chinese banks.



Oil Trade:

Angola is one of the largest suppliers of oil to China. In return, China provides Angola with financial support and investments in various sectors. This oil-for-infrastructure model has become a cornerstone of their bilateral relationship.



Investment:

Chinese companies have invested in various sectors of the Angolan economy, including mining, agriculture, and telecommunications. These investments are part of China's broader strategy to secure natural resources and expand its economic influence in Africa.



Diplomatic Relations:

Angola and China maintain strong diplomatic ties, with regular high-level visits and cooperation in international forums. The relationship is often described as mutually beneficial, with China supporting Angola's development goals and Angola providing China with access to critical resources.



Labour and Expertise:

Chinese firms often utilise Chinese labour and expertise for its projects in Angola, which has led to a significant Chinese expatriate community in the country.

National and global criticisms surrounding the Angola - China relationship include:

- Debt dependency – Chinese loans raise concerns over Angola's Debt-to-GDP ratios with 40% of Angola's external debt being owed to China.
- Labor Practices – The use of Chinese labour limits the job opportunities for local Angolans.
- Quality and Sustainability – Long-term sustainability of the infrastructure built by China is raised.

SWEDEN'S RELATIONSHIP WITH ANGOLA

Sweden has a unique bilateral diplomatic relationship with Angola, with almost five decades of cooperation in both the private and public sector. Sweden was also one of the first countries in the world to recognise Angola as an independent state.

One of Angola's main priorities in recent years has been to diversify its economy, which has led to a number of knowledge exchanges between Sweden and Angola. Several initiatives have been implemented between the two countries, including in the areas of telecommunications, green energy, transport, smart cities and waste management.



Sweden's local presence in Angola has historically consisted of an embassy in Luanda and, for a period, also a seconded trade secretary from the Swedish Trade Council, now Business Sweden. The Embassy has been closed and reopened several times due to changing political priorities over the years. Currently relations are managed via an ambassador based in Stockholm and Business Sweden's office in Johannesburg, South Africa.

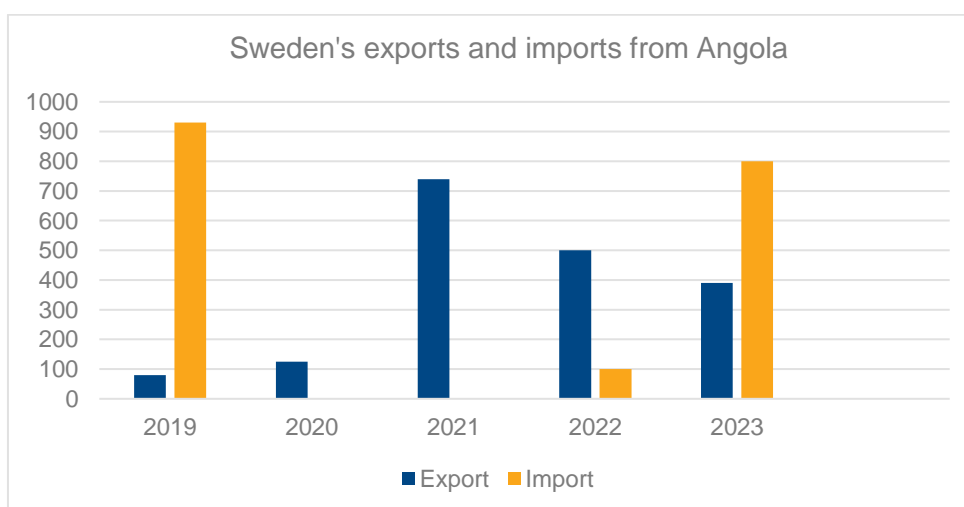
TRADE BETWEEN SWEDEN AND ANGOLA

One of the most important focus areas for Angola in recent years has been the diversification of the economy, which has led to several knowledge exchanges between Sweden and Angola. Several initiatives have been implemented between the countries, mainly in telecommunications, green energy, transport, smart city and waste management.

Sweden and Angola signed a Memorandum of Understanding (MoU) on ICT in June 2019. The MoU, and the subsequent ICT-focused delegation organised by Team Sweden, has increased the presence and business opportunities for Swedish companies in the renewable energy sector. In addition, Angola and Sweden signed a MoU on future cooperation in the energy sector in 2024, and the aim is to conclude a third MoU on the transport sector before the end of 2024.

Sweden's exports to Angola have been steady at around 80 million to 150 million SEK during the years 2017 to 2020. A significant increase took place in 2021 driven by an increase in exports of trucks to Angola.

Over the years, Swedish imports from Angola have been negligible, around two million SEK, with the exception of 2019 and 2023 when Sweden imported oil products from Angola to a value of 900 million and 800 million SEK, respectively.



Source: in.thedollarbusiness.com, figures converted from USD to SEK.

TRADE BARRIERS

According to the World Bank's Doing Business Index Report 2019, Angola ranked 173 out of 190 countries in terms of the ease of doing business. The report analysed a range of business areas and Angola ranked low in accessing credit, enforcing contracts, registering property, resolving insolvency and trading across borders. There are many opportunities for companies wishing to enter the Angolan market, but as with all emerging markets, there are challenges to be aware of in order to trade successfully.



Business language is Portuguese – Angolan government officials and most business executives' interactions, outside of the oil industry, require knowledge in Portuguese or an English interpreter supporting in meetings. Product labelling, marketing materials, and most technical level training must also be in Portuguese.

Infrastructure Gap in most sectors – A major obstacle for investments into industries other than oil, is the poor quality of Angola's transport infrastructure. Transportation and logistics networks are underdeveloped, ports have limited capacity and there are inefficient storage facilities.

Corruption – Foreign investors are urged to remain vigilant, as public institutions and procurement sectors are reported to have high levels of corruption. It is always necessary to verify the stakeholders involved and to ensure that the stated organisation is a legally registered entity, free from legal disputes or a bad reputation.

High Unemployment Due to Skills Shortage – Angola's population is very young, with 75% of the population under the age of 30. The majority of this youth pool is unemployed and suffers from a mismatch between the education system and access to the labour market. This exacerbates the skills shortage in key sectors of the economy such as healthcare, engineering, finance and technology.

Poor Power Supply – A large proportion of the population lives in rural areas, while about 60% of Angola's population lives in urban areas. Less than half the population has access to electricity. The state-owned generation company has an installed capacity of 900 MW. 60% of the installed capacity is hydroelectric, while the rest is mainly diesel-fired thermal.

Import Regulations - All importers and exporters must register and obtain a license from the Ministry of Commerce and have a valid taxpayer's card. Goods over 1000 USD must be cleared through a forwarding agent and often at times further testing is required through Ministries of Industry and Trade, Agriculture, and Health.

High-Cost Location - Luanda is a high-cost location for expatriates and company operations. Western standard housing and office space is extremely expensive, however the lowered demand, given that multiple international oil companies and their service providers have downsized their expat staff in Angola, has led prices to decrease. The cost of hotel lodgings remains expensive at 3000 SEK upwards per night.

ECONOMIC IMPACT

It is understandable that Angola's business infrastructure and capacity is maturing a mere two decades post the civil war. Subsequently, a limited number of local companies are well positioned to become distributors or representatives for international companies. Further, trade barriers can deter foreign investment as significant obstacles will make the business environment tough and too much of a hurdle. While Angola is a founding member of the Southern Africa Development Community (SADC), it has yet to join the SADC Free Trade Area. Negotiations are currently underway and if successful it will have substantial impact on the private sector and create new trade opportunities with the region. President Lourenço, who assumed power in 2017, has an outspoken governmental priority in promoting the private sector and diversification of the economy.

PROJECT FINANCING

There are several international financing institutions willing to invest in projects in Angola. While concerns exist on the country's reliance on oil export, they recognise the country's opportunities in diversifying the economy and ongoing efforts in legislation to support more private sector involvement that aligns with Angola's development goals. Here are a few examples of financing institutions and their standpoint:

Africa Finance Corporation – AFC



Angola is the latest in AFC's rapidly expanding footprint across Africa, having added 16 new member countries in the past four years. Other Southern African member states include Malawi, Namibia, Zambia and Zimbabwe.

With a mission of solving the continent's infrastructure gap, AFC has invested over \$10 billion, utilising its unique access to global capital markets to drive development, integrate regional economies and transform lives. Member countries enjoy significant benefits, including increased investment allocation, preferred access to AFC's structuring and lending solutions for sovereign states, reduced debt costs for projects, and access to the Corporation's unique advisory and project development services. As a shareholder, Angola can co-invest its foreign reserves in the Corporation's high-impact and high-yielding de-risked African infrastructure assets.

"Angola's membership and shareholder status enables AFC to continue to support the government in fostering the industrial transformation necessary to build a resilient and inclusive economy," said Samaila Zubairu, AFC President & CEO. "We look forward to growing our partnership with the government of Angola to serve not only in-country projects but across the Central and Southern Africa region."

"Membership of AFC offers Angola a much-needed partnership with a highly rated African multilateral institution that can support our transition from a state-led and oil-funded economic model to a private sector-led growth model," said Finance Minister Vera Daves. "We look forward to collaborating with AFC as we approach Angola's next phase of growth and development."

AFC's investment approach is aligned with the government's priorities through its focus on financing instrumental infrastructure projects that promote economic diversification and resource-driven industrialisation. In line with this, AFC recently approved just over 1 billion SEK in financing for the construction of the Cabinda Refinery, a prioritised national project to boost local value addition to oil exports and boost employment/create thousands of jobs.

AFC is working with the government on a pipeline of additional potential projects totalling almost two billion SEK across several sectors including natural resources, transport and power. AFC is assessing opportunities to support refinery plants that will boost local manufacturing, drive import substitution, and strengthen production networks, along with construction of a railway corridor that will improve exports in Angola's sub-region.

In 2020, AFC, as part of a syndicate, made a 90 million SEK investment in Sonangol, the country's state-owned oil company to support strategic projects including the development of Angola's first solar photovoltaic power plant. AFC intends to focus on further boosting electricity through two key power generation and transmission projects.

EKN



Background:

The Swedish Export Credit Agency, (EKN) is an authority with the government's mission to promote Swedish exports and the internationalisation of Swedish companies, by insuring companies and banks against the risk of not getting paid. EKN's decision-making is based on a commercial assessment of the investment's risk.

EKN Analysis:

Between 2020 to 2022, Angola had the highest country risk classification of 7 out of 7, mainly due to the low oil price during the period. With a return to a normalised oil price, EKN has upgraded Angola's country risk classification to 6 out of 7 as of June 2023. This is an improvement but falls short of the pre-2015 oil price decline rating of 5.

Risk type	Short Term	Long Term
Sovereign	○	○
Public	●	●
Bank	◐	◐
Corporate	◐	◐

White circle: Normal Risk assessment
Mixed Circle: Restrictive risk assessment
Dark circle: "Normal off cover"

Despite Angolan reforms aimed at economic diversification and anti-corruption, EKN remains concerned about the country's creditworthiness. The government's limited capacity to manage sovereign debt, external shocks, and oil price fluctuations, coupled with high unemployment and weak institutions, pose significant risks to investors. However, EKN acknowledges the progress Angola has made in the past years and sees a continued increase in government payment commitments, lowered rate of corruptions, and budget surplus with the increase of oil prices.

EKN's Commitment:

EKN is open to sovereign risks but maintains a cautious approach due to the significant exposure to public risks. For other public entities, such as government agencies or municipalities, a letter of credit, bank guarantee, or sovereign guarantee is required. For banks and companies, premiums are higher for longer-term projects.

EKN's current exposure is primarily related to sovereign risks, with five outstanding guarantees in the energy, transport, and transmission sectors. In the private sector, exposure is mainly focused on transport and construction. EKN has a positive payment experience in its transactions, with no significant claims.

Background:

Swedfund is a Swedish development finance institution dedicated to combating poverty by making sustainable investments in developing countries. In Angola, its focus is on the ICT, Energy, and Transport sector, providing support in areas such pre-investment analysis, environmental and social impact assessments, and capacity building. Swedfund currently supports Angola with several project studies in order to make sure the projects the county engage in follow international standards and are economically feasible.

THE AFRICAN DEVELOPMENT BANK (AfDB)**Background:**

The African Development Bank (AfDB) is a multilateral institution whose objective is to contribute to the sustainable economic development and social progress of the African countries that make up the AfDB's Regional Member Countries.

The bank's country strategy paper is aligned with Angola's Vision 2050 and National Development plan (NDP) 2023-2027 and emphasises an economic diversification led by the private sector. The NDP further prioritises two areas: increasing national production and Employment and Human capital. With the estimation of the population doubling by 2050, AfDB sees the need of significant investment in human capital, Technical and Vocational Education and Training (TVET), infrastructure coverage and basic services will be required to capitalise on the demographic dividend and boost the productivity of its ample labour force.

Opportunities according to AfDB:

AfDB recognises agriculture and agrobusiness as a key driver of economic growth and poverty reduction in Angola, and as a springboard towards industrialisation. The aim is for Angola to shift from a fossil fuel producer to an exporter of clean energy to the Southern and Central Africa region, while also developing as a logistics hub for the landlocked countries in the Southern African Development Community (SADC). Angola's infrastructure is insufficient to meet growing demand. Given limited public funds for investment, Public-Private Partnerships (PPPs) have emerged as a potential solution to address these constraints.

AfDB Commitment:

The AfDB's Country Strategy Paper for Angola (2024-2029) is prioritising four sectors: Agriculture, Energy, Water and Sanitation. The Bank's active portfolio consists of 11 projects totalling over 13 billion SEK (December 2023) with just over 40% invested in the energy sector.

Many development banks and financial institutions lack a dedicated strategy for Angola, which can limit their ability to finance projects in the country.

BUSINESS OPPORTUNITIES

Angola's economy heavily relies on the state, which serves as the primary employer, consumer, and debtor. Recognising this top-down structure is crucial for understanding the country's economic landscape.

Although transparency issues persist in allocation structure and projects preparation at ministry level, proposing turnkey solutions with financing can expedite the approval and implementation process.

Worth mentioning is that open procurement for large state-funded projects in Angola has declined significantly in recent years. Direct awards, known as 'contratação simplificada,' have become the norm, even for projects that do not require specialised expertise.

While oil remains a dominant sector, Transport, Energy, and Mining are increasingly contributing to Angola's GDP. The ICT sector has potential but requires structural investment to ensure digital and cybersecurity resilience.

One way of improving the opportunity to get through projects, is to identify, prepare and present turn-key solutions including financing. This approach can facilitate and shorten the way to decision and implementation. Bear in mind, companies should have knowledge of the needs and be anchored, preferably at the ministry level, but it can also be projects identified by an authority in partnership with companies, regardless, all state projects must engage at ministry level.

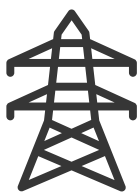
We will examine opportunities in the Energy, Infrastructure and Transport, and Mining sectors. As an introduction to each sector, we will include a few outlined goals as communicated by each ministry, to give a context for near future priorities in Angola.

ENERGY

Angola's energy sector presents significant business opportunities, particularly in transmission, distribution, and renewable energy. Angola's energy mix is predominantly hydroelectric, accounting for 68% of the total capacity. Solar and fossil fuels contribute 31%, and there is a small but growing hydrogen sector at 0,7%. Hydropower offers untapped potential that could also contribute to Angola's energy mix. The country faces a substantial electricity access gap, only 43% of the urban population and less than 10% of rural residents have access to electricity. Furthermore, there are regular brownouts and power outages.

To address this challenge, the government has set ambitious targets: 9,900 megawatts of installed generation capacity and a 60% national electrification rate by 2025 equalling approximately 200 000 new electricity connections each year.

"By 2027, we will build power transmission lines and their substations. To finance these infrastructures, we intend to develop campaigns to grant them to private entities and carry out campaigns to attract funding to multilateral entities. Given the high potential for the installation of solar photovoltaic and hydro energy capacity, we will explore alternatives to extract value from these resources. We intend to increase private participation in the sector by focusing on the development of renewable energies." (National Development Plan (NDP) 2023-2028)



There are currently three state-owned utilities, PRODEL, RNT, and ENDE, managing generation, transmission, and distribution, while the newly formed IRSA serves as the regulator. Of the 66 power plants, two are privately owned, and one operates under a public-private partnership (PPP) arrangement. In the process of improving transmission and generation capacity, external financing and private project development will be key.

A big challenge for Angola is transmission in and out of the country as well as distribution domains. The country's current transmission network comprises approximately 5,200 kilometres of transmission lines distributed across the country with four interconnected systems. Angola has the ambition to play a large role in the power trade in the Southern Africa Power Pool (SAAP) but is not currently connected to the pool. Investment are being made into the interconnectors, particular in the northern region in which Angola has an energy surplus. Regulatory reforms to build a cost-reflective tariff system would furthermore create a more conducive environment for private sector participation.

In 2020, AfDB approved a multimillion-dollar loan to support Angola's energy sector modernisation. The funding, that was allocated under the Energy Sector Efficiency and Expansion Program (ESEEP), is a multi-faceted initiative designed to enhance the country's power infrastructure. ESEEP's key objectives includes expanding the transmission network, improving revenue collection through smart metering, and providing technical and administrative support for project implementation. The program aims to strengthen Angola's power distribution network and increase the capacity of its nationwide transmission system, thereby improving energy access and reliability.

Business opportunities for Swedish companies:

Transmission lines (NDP 2024-2027)

- 220 KV Lubango – Namibe
- 400 KV Xá Muteba – Saurimo
- 400 KV Huambo – Lubango
- 220 KV Gove – Matala
- 220 KV Saurimo – Lucapa – Dundo
- Saurimo Substation
- Dundo Substation
- Lucapa Substation
- 220 KV Gove – Chipindo Capelongo – Cuchi – Menongue
- Substation 220/60 Menongue
- 220/60 KV Menongue – Gove – Capelogo
- 220 KV Saurimo – Kamanongue Luena
- Substation 220/110 Kamanongue
- 220 KV Lomaum-Huambo
- Construction of NCC – Nacional Control Center

INFRASTRUCTURE

Lobito Corridor

The Lobito Corridor, a key regional railway project connecting Zambia and the Democratic Republic of Congo (DRC) to the Angolan port city of Lobito, has garnered significant attention and investment. The project, which aims to facilitate the export of minerals from the region, is championed by international organisations such as the European Union, United States, and African Development Bank.

The project has secured a 30-year concession agreement with the "Lobito Atlantic Railway" consortium. This consortium comprises Trafigura (a Swiss commodity trading house), Mota-Engil (a Portuguese construction and engineering firm), and Vecturis SA (a Belgian railway operator).



Port of Lobito

Situated on the Atlantic coast, the Port of Lobito is Angola's second busiest port. It boasts a deep-water harbour and offers a range of terminal facilities, including:

- General cargo terminal
- Refrigerated container terminal
- Dry port container terminal
- Mining terminal
- Support terminal

The multipurpose terminal has an annual cargo handling capacity of 600 000 tonnes, while the container terminal can handle 250 000 TEUs per year.

AGL (Africa Global Logistic) has operated the Port of Lobito since 2024 and has committed approximately 1.2 billion SEK to modernise and improve its efficiency. Which includes developing construction sites and tertiary service companies. The Port's development is closely linked to the Lobito Corridor, as it serves as the primary Atlantic gateway to the Central African Copperbelt region. The enhanced infrastructure will play a crucial role in facilitating the export of strategic minerals and strengthening Angola's trade routes.

Airport City

Angola's newest airport António Agostinho Neto Airport (AIAAN) is located 40km southeast of Luanda and was inaugurated November 2023. The airport will have a capacity of handling 15 million passengers per year and features a 130 000-tonne cargo terminal. A master plan is being developed for an Airport City project on a 110 square kilometre area near the airport.

The goal is to create a new urban centre that will stimulate economic growth and diversification. Phase 1 of the project will focus on developing logistics and industrial zones to support; industrial, commercially, and social activities. The Airport City project is planned to be implemented under a Public-Private-Partnership (PPP) model.

Logistical Platforms

Angolan Cargo Certification and Logistics Regulatory Agency (ARCLAA) is a government entity under the Ministry of Transport and is responsible for overseeing the Lobito Corridor.

It has announced the intention to build six Logistic Platforms nation-wide. These strategically located platforms aim to stimulate the regional development and facilitate the efficient movement of goods within Angola in the following locations:

- Arimba, (Huila province)
- Caála, (Huambo province)
- Lombe, (Malanje province)
- Luau, (Moxico province)
- Luvo, (Zaire province)
- Soyo, (Zaire province)

Three out of the six Logistic Platforms (LP) are already under concession, Luau platform, which is connected to the Atlantic coast and Lobito corridor, is one of them. The Luau LP is being developed under a PPP:

Free trade Zone, Barra do Dande

The Barra do Dande oceanic terminal, located in northern Angola, represents a significant milestone in the country's economic development. Designed to ensure a sufficient supply of refined products for both domestic consumption and export, the terminal is strategically important for Angola's energy security. The aim is to optimise fuel storage and distribution logistics at a national level. The terminal will serve as a key hub for receiving, storing, and transporting oil products to the interior of the country in a safer, more efficient, and cost-effective manner.

In addition to the oceanic terminal, the Barra do Dande development includes a free trade zone and a new city. The project covers 5 500 hectares of land and will feature light and heavy industries, residential areas, mixed-use developments, retail, tourism, education and training centres, and public facilities.

In the first phase, the terminal will have the capacity to store 580 000 cubic meters of petrol, diesel, and gas. Depending on market demand, the storage capacity could increase to 728 500 cubic meters in the second phase.

Business opportunities for Swedish companies:

- **Logistical Platforms**
- **Barra do Dance. Oceanic Terminal**
- **Airport in Cabinda** - announced not yet started.
- **Airport in Mbanza Congo** (Zaire province) – construction started in 2023
- **1st phase Tram system for Luanda** - discussions initiated
 - Line Cacuaco - Luanda (discussions with a Chinese company)
 - Line Sequele – Kilamba (discussions with a German company)

MINING

The Angolan mining sector has historically been an opaque industry with little to no insight into the companies work with questions related to environment, human rights or even production capacity. The opaqueness was to some extent contributed to the Angolan mining regulations especially within the diamond industry where the state-owned enterprise Endiama did not release volume or export figures. Subsequently, this led to limited foreign investments and event divestments from large mining corporations such as De Beers and Anglo American.

In recent years, the Angolan government has taken steps to improve the attractiveness of its mining industry. This has included increased transparency in mining contracts and environmental protection, as well as initiatives to map the country's mineral resources. This has already made the country more attractive to diamond giant De Beers, which has signed a memorandum of understanding with Endiama.

Previous studies show that Angola has vast mineral resources, including gold, platinum and 36 of the 51 rare earth minerals, including chromium, cobalt, graphite, lead, lithium and nickel. In 2022, Angola produced 8% of the world's diamonds and it is estimated that around 60% of its territory remains unexplored for minerals and metals. With such mineral wealth and few mines, there are many opportunities for international companies and investors. The Luele and Catoca mines are driving this surge, positioning Angola to become the world's second largest producer of rough diamonds by 2030.

Recent positive developments in Angola's mining sector have also attracted the interest of global mining companies such as Anglo American and Ivanhoe Mines, both of which have acquired exploration licences to investigate the feasibility of copper and cobalt mining in the country.

Business Sweden therefore has a positive outlook for increased opportunities for Swedish companies supplying the mining industry in Angola. Coupled with the Angolan government's growing interest in diversifying its economy away from oil, there are great opportunities to help the country build a modern and sustainable mining industry. An industry that can become a key supplier for the global green transition.

APPENDIX: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDG)

The SDGs provide a plan that resonates with other regional, national, continental and intercontinental development agendas.

Angola has committed to achieving UN SDG goals as part of the NATIONAL Development Plan 2023-2027. The main goals being 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 15, 16 and 17.





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BUSINESS-SWEDEN.COM

BUSINESS SWEDEN Box 240, SE-101 24 Stockholm, Sweden
World Trade Center, Klarabergsviadukten 70
T +46 8 588 660 00 F +46 8 588 661 90
info@business-sweden.se

Southern Africa Office
4th floor, 138 West Street, Sandown
Sandton, Johannesburg, 2196.
T +27 11 300 5600
ask.southafrica@business-sweden.se