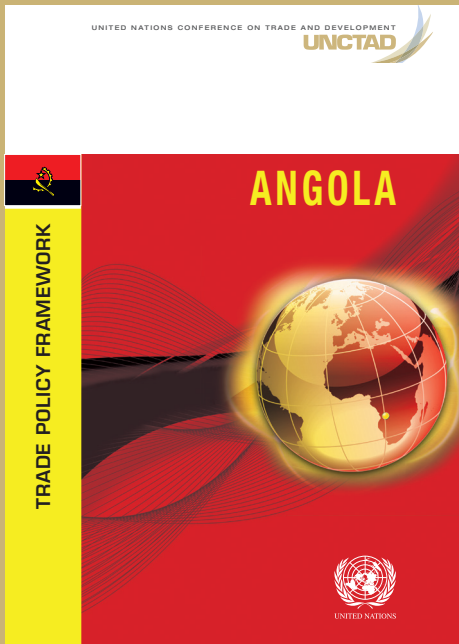




Trade Policy Framework: Angola



This study was prepared at the request of the Government of Angola in order to assist the country in elaborating a trade policy framework. The main challenge facing Angola in participating in international trade is the continued over-reliance on exports of one commodity, petroleum, which accounted for 99 per cent of total merchandise exports of \$62.4 billion in 2014 and manufactured goods accounting for only 0.1 per cent. Rather than shrink, the proportion of exports of primary commodities has increased in the past 20 years. While it has diversified its export market from traditional developed countries, namely the European Union and the United States of America, to China, Angola has not correspondingly diversified its exported products. The central question remains how the country can improve its trade portfolio for economic diversification. Angola's economy has been growing progressively over the last 20 years. Between 2004 and 2009, growth was in the range of 15–20 per cent but there is no evidence that that growth supported export diversification to a large extent. Now growth has declined from about 18 per cent in 2008 to about 2 per cent in 2014, and this performance may adversely affect export diversification efforts.

The study examines Angola's participation in international trade and its existing trade policy, and seeks to recommend some areas of policy changes that may help the Government to improve its trade performance and bring about inclusive development. As regards merchandise trade, the study identifies several sectors that could be usefully explored for the

country's export diversification efforts, particularly through accelerated agro-based industries development. These include coffee, tea, fruits, fruit juice, vegetables, maize, cassava, sugar cane, cotton, floriculture, sawdust briquettes, fisheries, palm oil and natural rubber. Some of these sectors have been important in improving export performance of some developing countries such as Malaysia in palm oil and Viet Nam in coffee. Other recommendations centre on improving capacities with supportive services infrastructures, and regulatory and institutional framework, improving and strengthening trade related fundamentals.

As regards trade services, the study identifies some key services sectors in which reforms and improvement in the supply side would be necessary to boost trade. These include the energy, financial, construction, tourism, telecommunications and transport services. For example, it calls for improved quality of transportation and increased supply of road cargo transportation. For telecommunications services, it calls for raising funds to create a broadband infrastructure in order to connect all urban and rural geographic regions of the country and establish connections with the regional infrastructures supporting the development of telecommunications. For tourism services, it calls for development of the Angolan tourism services through quality products, incorporating the regional, cultural and natural diversity and to stimulate and facilitate the consumption of Angolan tourism products in the national, intraregional and international market.

