AFRICA **TRADE BAROMETER**

An overview of the current cross-border trade landscape of Africa

ANGOLA

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EXECUTIVE SUMMARY

Being Africa's largest bank, Standard Bank (trading in Angola as Standard Bank de Angola S.A.) has leveraged its presence and expertise across the continent to create the Standard Bank Africa Trade Barometer (SB ATB).

The SB ATB was launched in 2022 to create Africa's leading trade index to address the information vacuum of reliable African trade data and to support and enable the growth of intra-Africa trade. Availability of trade data remains a challenge across Africa and the SB ATB aims to fill part of this data gap through up-to-date survey data on the views of African businesses on the environment they operate in, their trade behaviour, trading activities and their perceptions on trade.

This is Issue 4 of the SB ATB. The SB ATB focuses on 10 countries: Angola, Ghana, Kenya, Mozambique, Namibia, Nigeria, South Africa, Tanzania, Uganda and Zambia.

To construct the SB ATB index rankings, seven broad thematic categories of data are collected from both primary and secondary data sources. These thematic categories are trade openness, access to finance, macroeconomic stability, infrastructure, foreign trade, governance and economy, and traders' financial behaviour. These are the seven variables on which the trade barometer scores for each country are constructed.

From a primary data perspective, the Standard Bank Firm Survey Trade Barometer (SB STB) is constructed. The SB STB scores and ranking by country are the averages of all the data collected only from the primary research surveys conducted with 2 258 firms across the 10 countries of interest.

From a secondary research perspective, the Standard Bank 3-Year Quantitative Trade Barometer (SB QTB) is constructed. The SB QTB scores and ranking by country are the averages of all the selected indicators collected only from existing secondary data sources. It is important to note that the SB ATB ranking of countries is relative to the 10 countries themselves. In other words, countries are ranked against each other i.e., relative scores to each other.

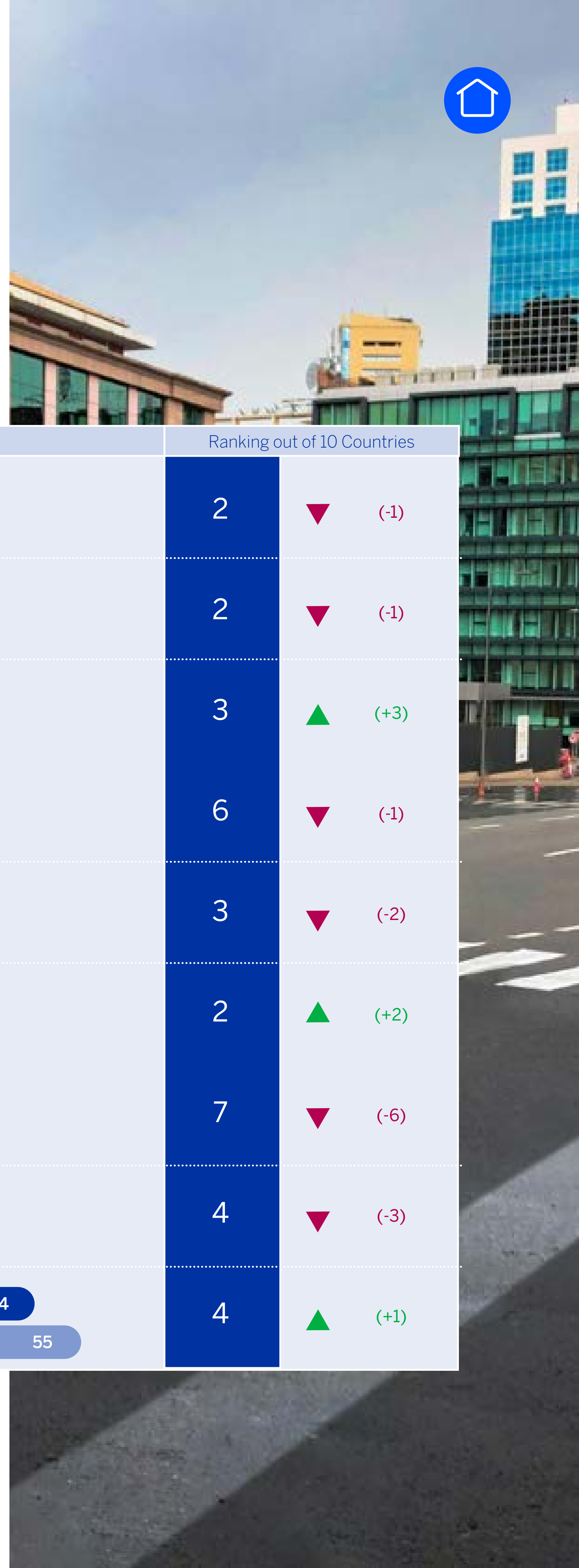
The SB ATB is an aggregate of the SB QTB and the SB STB.

The table below shows Angola's relative performance in the seven broad thematic categories of the SB ATB.

Thematic Category	Indicator	August 2024	May 2023	Ranking out of 10 Countries	Change
Macroeconomic Stability	Business Confidence	65	61	2	▼ (-1)
Governance and Economy	Government Support on Trade	56	68	2	▼ (-1)
Infrastructure	Quality of Infrastructure	50	45	3	▲ (+3)
	Infrastructure Obstacles	55	56	6	▼ (-1)
Access to Finance	Access to Credit	49	61	3	▼ (-2)
Traders' Financial Behaviour	Credit Terms Extended to Clients	59	56	2	▲ (+2)
	Credit Terms Advanced from Suppliers	45	69	7	▼ (-6)
Foreign Trade	Ease of Trade	42	50	4	▼ (-3)
Trade Openness	Trade openness	54	55	4	▲ (+1)

Note: All (with the exception of the ease of trade) indicators have an index score ranging from 0 to 100, where 0 represents a low score and 100 the highest score. For the ease of trade indicator, 0 represents a high score and 100 a low score.

August 2024
May 2023



This is the country report for Angola.

It contains an analysis of the primary and secondary data gathered specifically for Angola between July and September 2024 and showcases trends and opportunities in trade within the country. A consolidated report complements the individual country analyses, synthesising data from the 10 African markets surveyed to provide a comparative perspective on the factors enabling and hindering trade. This will form the cornerstone of the trade barometer.

Angola's 10th-place ranking in the overall SB ATB remained unchanged. Likewise, with regard to the SB QTB, the country's 10th-place ranking remained unchanged. However, Angola fell from 1st place to 3rd in the SB STB. Hence, Angola's overall SB ATB position remained the lowest in relation to the other markets.

Angola's macroeconomic environment shows a mixed outlook, with GDP growth projected to increase to 2.3% in 2024, up from 1.7% in 2023, largely driven by expansions in the agriculture and fisheries sectors as part of efforts to diversify beyond oil. The current account surplus is expected to remain robust, bolstered by steady oil exports and restrained imports, though vulnerabilities exist due to the heavy reliance on oil revenues. Inflation is anticipated to surge to 30% in 2024, exacerbated by rising food prices, currency depreciation, and subsidy reductions, posing a significant challenge to economic stability. The central bank's tight monetary policy is expected to curb inflationary pressures in 2025, aiming to stabilise prices amidst ongoing structural reforms.

Angola's business confidence index rose to 65 in August 2024, up from 61 in May 2023, indicating a more optimistic business environment driven by growth in oil exports despite rising inflation.

About 63% of businesses expressed optimism, up from 53% in the previous survey, as the oil sector rebounds, with export growth expected to boost ancillary sectors like construction and energy. However, inflationary pressures from the depreciation of the Kwanza and the removal of fuel subsidies continue to challenge the economic landscape. This mix of optimism and caution reflects the ongoing efforts to diversify the economy beyond oil. At the same time, businesses remain wary of inflation and the impact of structural reforms on future growth.

Angola's government support index for cross-border trade dropped significantly from 68 in May 2023 to 56 in August 2024, reflecting a decline in business sentiment toward government backing. Only 47% of surveyed businesses now view the government as supportive of cross-border trade, down from 60% in May 2023. This dip is felt more acutely among small businesses, which struggle with limited resources and capacity to navigate complex trade regulations, compared to larger firms with greater resilience. The removal of fuel subsidies has also increased inflation, escalating operational costs and impacting import prices, further eroding perceptions of government support. Businesses emphasise the need for improved clarity on customs duties (66%), better access to foreign currency (66%), and stronger promotion of regional trade agreements like the AfCFTA (65%) to enhance cross-border trade. While the automated customs system Asycuda has improved trade efficiency, businesses continue to call for a balance between protecting local industries and diversifying the economy through regional integration efforts.

Angola's quality of trade-related infrastructure index rose to 50 in August 2024, up from 45 in May 2023, indicating a significant improvement in business perceptions. Power, water, and airport infrastructure enhancements have primarily driven this increase. The operationalisation of the Laúca hydroelectric power station and plans for the Baynes hydroelectric plant are bolstering perceptions of the power supply. At the same time, recent projects in Luanda aim to double the city's water supply capacity amid ongoing drought conditions. The inauguration of Dr. António Agostinho Neto Airport further strengthened the outlook for trade. However, businesses continue

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highlighting the need for further road and rail infrastructure upgrades to unlock Angola's full trade potential.

Angola's access to credit index fell to 49 from 61 in May 2023, indicating a tightened credit market. The deterioration reflects higher borrowing costs due to the National Bank of Angola's policy rate hike to 19.5%, intended to curb rising inflation. The percentage of surveyed businesses receiving credit advances from suppliers fell from 69 in May 2023 to 45 in August 2024. However, more surveyed businesses (59%) extended credit terms to their clients than in May 2023 (56%).

Angolan businesses are increasingly using mobile money for cross-border transactions, with usage climbing from 7% in May 2023 to 19% in August 2024. This shift reflects a move away from cash, cards, and EFTs. The rise in mobile money adoption is driven by new market players like Africell, promoting financial inclusion through partnerships. Similar trends are seen in domestic trade, where mobile money use for sales rose from 10% to 19%, signalling a broader shift toward digital payments in Angola's business landscape.

Angola's ease of trade index dropped to 42 in August 2024 from 50 in May 2023, indicating growing difficulties in trading conditions. Surveyed businesses reported increased challenges, particularly in trading outside Africa, with the proportion finding trade difficult surging to 45% from 27% in May 2023. High transport costs, currency fluctuations, language barriers, and poor infrastructure were significant obstacles. Despite rising awareness of the African Continental Free Trade Agreement (AfCFTA), perceptions of its effectiveness in easing trade have worsened, with only 18% finding intra-African trade easy, down from 24% in May 2023. While awareness of AfCFTA has grown, especially among larger businesses, its perceived benefits are yet to materialise fully.

Angola's trade openness index dipped slightly to 54 from 55 in May 2023, reflecting persistent challenges in the trading environment. Most surveyed businesses continue to prioritise domestic markets, with 84% focusing solely on local trade, up from 75% in May 2023. This increase in domestic orientation aligns with a decline in import and export activity, as fewer businesses are engaging in cross-border trade. While Asia remains the top source of imports, especially China, the outlook for export growth remains muted, constrained by reduced oil production and lower global prices. Efforts to diversify beyond oil exports are ongoing, with potential shifts in trade partnerships towards Europe for green industrialisation projects, though China still dominates Angola's export landscape.

In conclusion, Angola's trade landscape reflects a complex mix of structural challenges and emerging opportunities as the country grapples with its position at the bottom of the SB ATB rankings. Dwindling confidence in areas such as access to credit, ease of trade, government support, and credit terms indicates significant hurdles that still need to be addressed. However, recent improvements in business sentiment, trade openness, and the quality of infrastructure, including power, water, and airport facilities, suggest potential for progress. With ongoing efforts to diversify beyond oil and foster new trade partnerships, the future trajectory of Angola's trade environment will hinge on targeted reforms to improve credit accessibility, streamline trade regulations, and expand economic opportunities. Tracking the impact of these initiatives in future SB ATB reports will be crucial, particularly in assessing Angola's ability to reduce its reliance on oil and build a more resilient, diversified economy.

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1 INTRODUCTION

Africa's largest bank, Standard Bank, has leveraged its presence and expertise across the continent to create the Standard Bank Africa Trade Barometer (SB ATB).

The SB ATB was conceived with the intent of creating Africa's leading trade index to address the information vacuum of reliable African trade data and to support and enable the growth of intra-Africa trade.

Trade—in the context of the SB ATB—should be understood as the process of production and transfer of goods and services that is enabled by solutions that effectively connect the supply chain domestically and internationally to create economic value.

Launched in 2022, this is Issue 4 of the SB ATB. Issue 1, 2 and 3 were published in June 2022, November 2022 and September 2023 respectively. The SB ATB focuses on 10 countries: Angola, Ghana, Kenya, Mozambique, Namibia, Nigeria, South Africa, Tanzania, Uganda, and Zambia.

The objective of the SB ATB is to provide dynamic and insightful analysis that can intelligently inform and grow Africa's trade ecosystem.

Updated annually, the data enables stakeholders to take the pulse of African trade in near real-time to measure improvements or declines in business confidence, track operational challenges, and identify shifts in overall tradability.

The SB ATB is based on primary and secondary data sources. Primary research is gathered through a survey of over 2 258 firms representing small businesses, big businesses, and corporates across the 10 countries. The survey is augmented by in-depth interviews with select thought leaders in respective countries, and secondary data from sources such as the World Bank, the International Monetary Fund (IMF) and central banks of the respective countries.

To complement the individual country reports, a consolidated report is published, serving as a cornerstone of the trade barometer. This overarching document synthesises the data from the various country analyses to offer a comparative perspective of the factors enabling and impeding trade across the 10 African markets surveyed.

This is the country report for Angola. It contains analysis of the primary and secondary data gathered specifically for Angola and showcases trends and opportunities in trade within the country. Primary and secondary data was gathered in Angola between July and September 2024 for this fourth issue of the SB ATB.

All of the surveyed businesses in Angola were located in Luanda. In order to be representative, the majority of these (70%) were small businesses (see Figure 1) given that most businesses in the country fall in this category. There were three in-depth interviews conducted in Angola as part of this issue. These were with representatives from State Justice, the Ministry of Finance and the Ministry of Commerce.

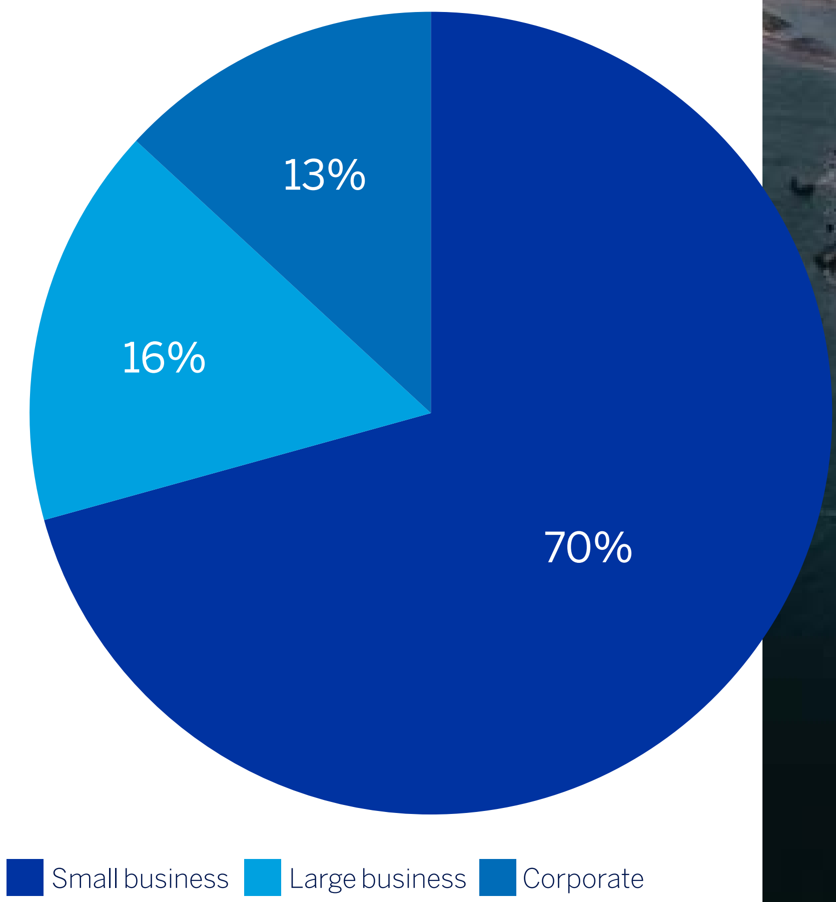
The fact that the majority of surveyed businesses were small businesses is the central value-add of the Standard Bank Africa Trade Barometer (SB ATB). Generally, aggregate trade data and information on the African continent is skewed by large businesses who trade specific commodities in large volumes. The trading activities and behaviour of small businesses is therefore often not adequately represented.

Skewness towards small businesses of SB ATB

The emphasis and findings in the SB ATB relate to small businesses, their trade behaviour, trading activities and their perceptions on trade. The SB ATB also makes a contribution in understanding the trade perceptions of small businesses in Africa that do not necessarily engage in cross-border trade. Understanding the trade perceptions of all small businesses is key, as it aids in Africa's journey from a disjointed trading landscape to a more cohesive one where an extensive range of economic participants actively engage in trade with one another.

Notes: Certain survey findings in this report may differ from data at the aggregate level because data at the aggregate level is skewed by a few large businesses that trade large volumes of specific commodities. This is pointed out in the report, as relevant.

Figure 1: Breakdown of surveyed businesses in Angola by business segment



Source: Standard Bank Africa Trade Barometer Issue 4

2 STANDARD BANK AFRICA TRADE BAROMETER ISSUE 4 COUNTRY RANKINGS

Angola retained its 10th place ranking in the Standard Bank Africa Trade Barometer ranking.

In order to construct the Standard Bank Africa Trade Barometer (SB ATB) index rankings, seven broad thematic categories of data are collected from both primary and secondary data sources. These thematic categories are macroeconomic environment, macroeconomic stability, government support, infrastructure constraints and enablers, trade openness, trader's financial behaviour and access to finance, and foreign trade and trading in Africa.

The SB ATB consists of the following two trade rankings:

- **The Standard Bank 3-Year Quantitative Trade Barometer (SB QTB)** is constructed from a secondary research perspective. The SB QTB scores and ranking by country are the averages of all the selected indicators collected from existing secondary data sources and reports.
- **The Standard Bank Firm Survey Trade Barometer (SB STB)** is constructed from a primary data perspective. The SB STB scores and ranking by country are the averages of all the survey data collected from 2 258 businesses.

The SB ATB is an aggregate of the SB QTB and the SB STB. Changes in a country's ranking on the three indices (SB ATB, SB QTB and SB STB) are driven by changes in both the aggregate score for that country, as well as their relative ranking against the other countries included. Changes in the SB ATB rankings over the past year are driven mostly by the changes in the SB STB scores.

The SB ATB ranking of countries is relative as countries are ranked against each other i.e., relative scores to each other. This is pegged on a scale of 0 - 100. When indexed between this range, South Africa has the highest Tradability Index while Angola has the lowest. This does not imply that one cannot trade in Angola or that South Africa is perfect, it only implies that on a common starting point of 0 and maximum point of 100, this is how the two markets fared.

Angola retained its 10th place ranking in this year's SB ATB rankings, which it has held since the first SB ATB in January 2022 (see Figure 2). In the SB STB, the country relinquished its first place ranking, falling to 3rd place. Angola's SB QTB remained unchanged, at 10th place.

Angola retaining position 10 in the SB ATB is a reflection of declining perceptions in access to credit, ease of trade, government support for trade and credit terms received from suppliers. However, there are signs of optimism, with positive perceptions of import and export growth, trade openness, business confidence and quality of trade-related infrastructure

Figure 2: ATB, QTB and STB ranking, by country

1 = High tradability score — 10 = Low tradability score

Aug '24										
ATB	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
May '23	1	2	4	8	6	5	3	9	7	10
Jan '22	1	7	3	5	8	4	2	9	6	10

Aug '24										
QTB	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
May '23	1	2	3	4	6	7	8	5	9	10
Jan '22	1	8	3	6	4	9	6	2	7	10

May '23										
STB	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Sep '22	3	4	1	2	7	9	8	5	6	10
Jan '22	4	2	6	5	9	8	7	10	1	3

Improved in Ranking — Remained in the same ranking — Declined in ranking

Source: Standard Bank Africa Trade Barometer Issue 4

Notes: All values are shown so that a higher value is 'better' for trade, with the best to least ranking economies being ranked 1, 2, 3, etc., and how this has changed over time. Red border indicates that the country has declined in the relevant ranking from May 2023, Green border indicates that the country has improved in ranking from May 2023, while Grey border indicates that the country has remained in the same position as in May 2023.

3 MACROECONOMIC ENVIRONMENT

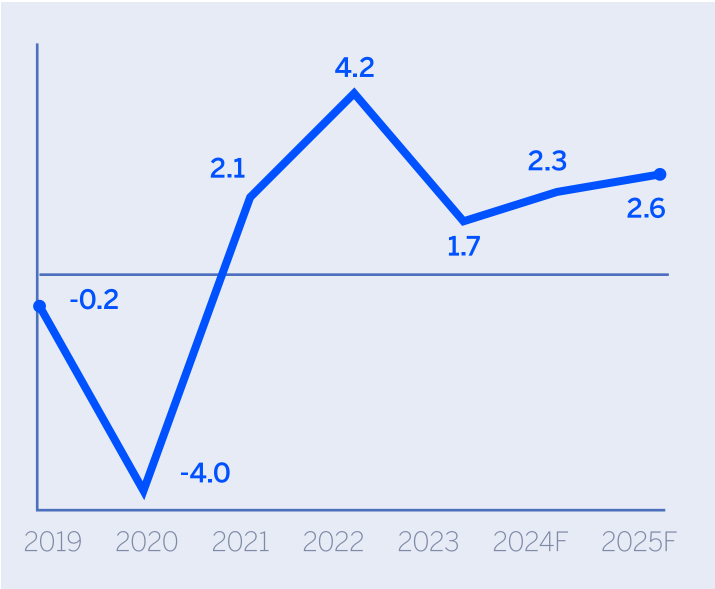
Angola's macroeconomic climate gains momentum from oil revenues, yet is checked by soaring inflation.

A country's macroeconomic environment is a crucial factor in determining its attractiveness for trade and business in the economy. Some factors that increase a country's trade and investment attractiveness are high GDP (indicating a strong production of goods and services); high GDP per capita (suggesting strong consumer purchasing power); low inflation (ensuring the local currency remains favourable for importers); high foreign direct investment (FDI) (indicating a generally business-friendly environment) and high merchandise trade as a percentage of GDP (reflecting substantial imports and exports).

Angola's overall macroeconomic outlook remains cautiously optimistic, across several indicators (see Table 1). Factors such as nominal GDP, real GDP growth rate and GDP per capita are showing signs of improvement. In contrast, exchange rate stability and FDI net inflows do not look positive.

Angola's real GDP growth has been volatile in recent years (see Figure 3). After registering a growth rate of 4.2% in 2022, real GDP decelerated in 2023 to 1.7% due to an unexpected extension of maintenance production pause at one of the oil streams in the country and an estimated 20% reduction in Angolan oil prices.[1] Real GDP is forecasted to reach a modest 2.3% in 2024 and 2.6% in 2025. This expansion is primarily driven by the agriculture and fisheries sectors,[2] bolstered by crucial structural reforms that back the non-oil sector in a bid to diversify the economy.[3]

Figure 3: Real GDP growth (%)



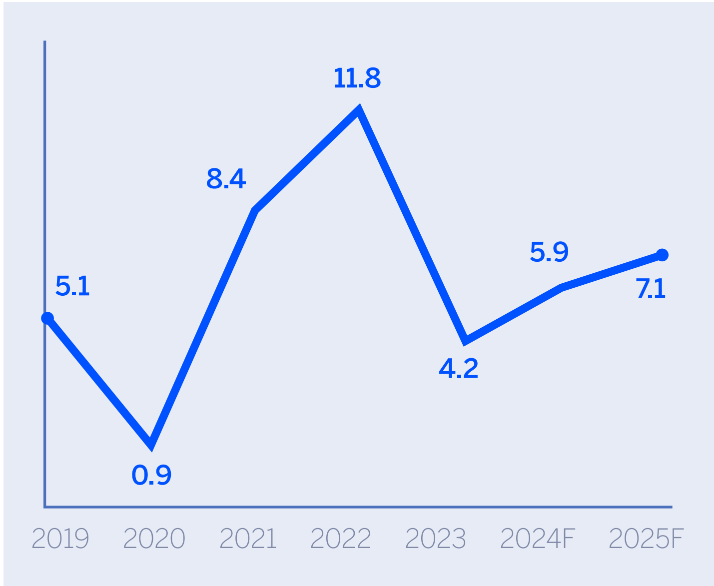
Source: Standard Bank African Markets Revealed Report

Note: 'f' represents forecasted data points.

A significant factor contributing to the improvement of Angola's macroeconomic situation is the robust current account surplus projected to persist into 2024 and 2025 (see Figure 4). This surplus, underpinned by robust oil exports alongside restrained import levels, offers an optimistic view of Angola's external financial health.

Forecasts anticipate surpluses of 5.1% of GDP in 2024 and 5% in 2025, sustained mainly by consistent oil production at over 1 million barrels per day and advantageous oil prices.[4] Nevertheless, potential vulnerabilities lie in the oil sector; a downturn in export volumes or a dip in global oil prices could adversely impact Angola's current account surplus.

Figure 4: Current Account as % of GDP



Source: Standard Bank African Markets Revealed Report

Note: 'f' represents forecasted data points.

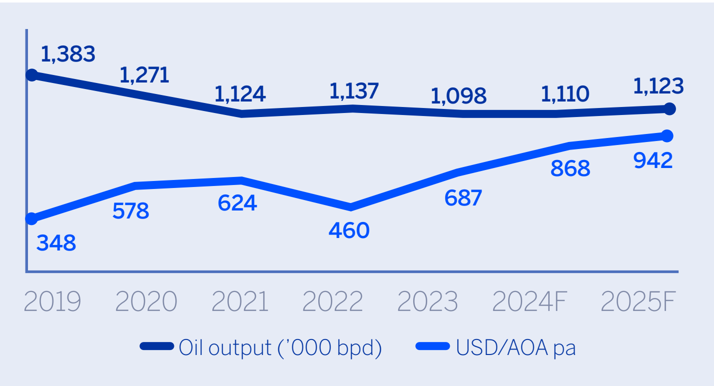
The oil and gas sector is a cornerstone of the nation's economy, representing approximately 30% of GDP and forming the backbone of government revenue.

[1] IMF, 2024. Available here.
[2] IMF, 2024. Available here.
[3] Stanbic Trade club, 2024. Available here.
[4] Standard Bank African Markets Revealed, 2024.

Over 70% of state income and 90% of Angola's exports are attributable to the oil industry.[5] When combined with diamonds, these commodities comprise 95% of the country's export portfolio.[6] Although fresh oil ventures have the potential to enhance production in the immediate future, the industry confronts hurdles in maintaining growth over the long haul, as it grapples with diminishing resources and a shortfall in investment. Additionally, the mining and metals sector contribute to export revenue such as gold, iron ores and rare earth minerals.

There is a robust correlation between oil output and the USD and AOA exchange rate (see Figure 5). As oil production shows signs of recovery after a steady decline, the Angolan Kwanza is expected to strengthen against the dollar. The forecasted increase in Angola's oil production, adding 13,000 barrels per day between 2024 and 2025, is expected to coincide with a depreciation of the Angolan Kwanza from 868 to 942 per U.S. dollar. This projected weakening of the currency, despite higher oil output, underscores significant macroeconomic challenges facing the country. As of Q3 2024, the Kwanza has declined to AO 949.5 against the U.S. dollar and is projected to fall to AO 1,140.1 in Q4 2024.[7]

Figure 5: Oil Output and USD/AOA Exchange Rate (2019 - 2025f)

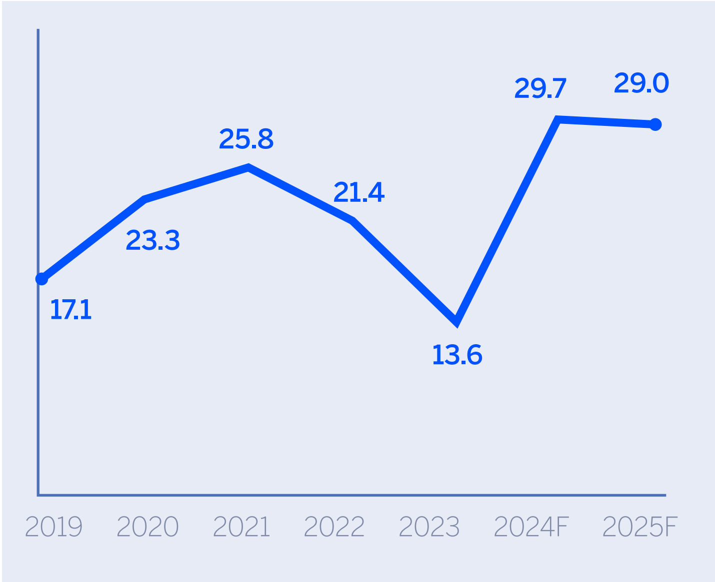


Source: Standard Bank African Markets Revealed Report

Note: 'f' represents forecasted data points.

Negatively pressuring the macroeconomic environment is inflation, which is expected to surge in 2024 to more than double from 2023 to reach 30% (see Figure 6). This spike in inflation—largely driven by rising food prices—reflects the lagged effects of last year's currency depreciation and disruption in the supply chain due to reduced imports as imports became expensive and adverse weather conditions.[8] As of September 2024, Angola's inflation rate stands at 29.9%, primarily fuelled by rising prices in food and non-alcoholic beverages. Additionally, a decline in foreign exchange earnings has likely contributed to the depreciation of the Kwanza, further fuelling inflationary pressures. The inflation surge is also linked to ongoing reforms, such as reductions in gas oil subsidies.[9] However, in 2025, inflation is projected to trend downwards, supported by the central bank's persistently tight monetary policy aimed at stabilising prices.

Figure 6: Average annual inflation rate (%)



Source: Standard Bank African Markets Revealed Report

Note: 'f' represents forecasted data points.

Table 1: Select macroeconomic indicators for Angola that affect her tradability attractiveness

Indicator	Unit	2019	2020	2021	2022	2023	2024f	2025f
Nominal GDP	USD, billions	94.7	66.5	85.4	142.7	110.3	115.8	141.3
GDP per capita	USD	3 139.2	2 115.1	2 659.4	4 312.7	3 234.4	3 292.7	3 897.5
Real GDP growth rate	%	-0.2	-4.0	2.1	4.2	1.7	2.3	2.6
Inflation rate	%	17.1	22.3	25.8	21.4	13.6	29.7	29.0
Lending interest rate	%	19.3	19.66	19.40	20.12	16.92	N/A	N/A
Merchandise trade	% of GDP	69.67	64.89	68.94	66.17	64.28	N/A	N/A
Exchange rate	USD per AOA	364.6	578.4	624.1	459.8	686.6	868.3	942.2
FDI	USD, billions	-1.7	-2.0	-3.3	-6.6	-2.2	-1.2	-1.9
Trade (exports and imports as % of GDP)	%	57.8	65.9	74.5	69.7	66.5	N/A	N/A

Source: World Bank Development Indicators; Standard Bank African Markets Revealed Report

Notes: Information collected is up to June 2024 and forecasts could have been revised by the time of publication. Some percentages and figures are rounded to the nearest whole number.

[5] Stanbic Trade club, 2024. Available here.
[6] US Department of Commerce, 2024. Available here.
[7] Standard Bank Research, 2024. Available here.
[8] IMF, 2024. Available here.
[9] World Bank, 2024. Available here.

4 MACROECONOMIC STABILITY

Business confidence among surveyed businesses has improved, in line with oil export growth and despite inflationary pressure.

ANGOLA'S BUSINESS CONFIDENCE INDEX SCORE

Source: Standard Bank Africa Trade Barometer Issue 4

Business confidence can vary between 0 and 100, where 0 indicates an extreme lack of confidence, 50 neutrality and 100 extreme confidence. In the August 2024 SB ATB survey results, Angola's business confidence index score showed an improvement from 61 in the May 2023 SB ATB survey to 65 in the August 2024 SB ATB survey.

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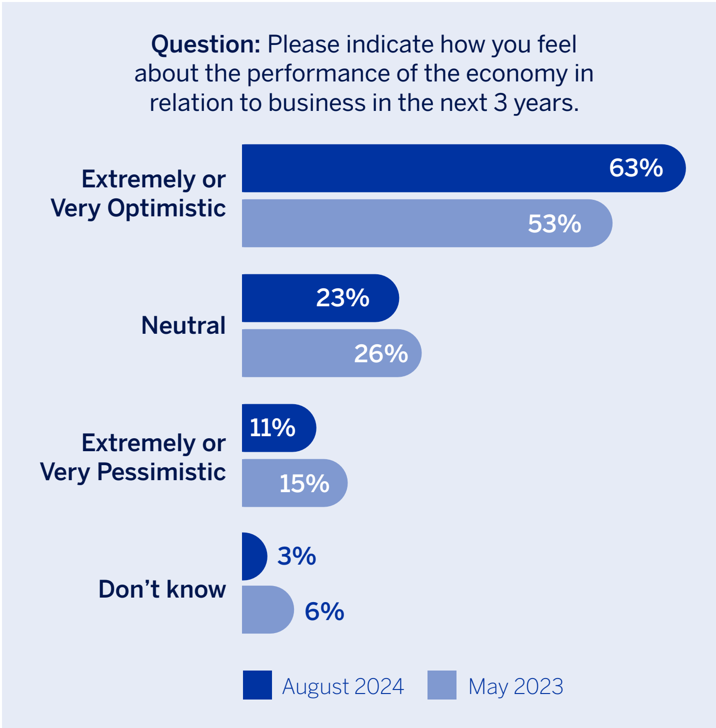
More surveyed businesses are optimistic about the performance of the economy in relation to business this year compared to the May 2023 survey. 63% of surveyed businesses said that they were optimistic this year, in contrast to 53% in the May 2023 cohort (see Figure 7). This positive sentiment is likely driven by the rebound of the oil sector and its contribution to economic growth. Oil exports are forecasted to grow by 1.1% year-on-year to 1.11 million barrels per day (bpd) in 2024, and by 1.2% year-on-year in 2025 to 1.123 million bpd.[10] With oil prices expected to remain steady, the rebounding oil sector will continue driving growth, boosting ancillary sectors such as construction, transportation and logistics, financial services, and energy.

Figure 7: Surveyed Angolan businesses outlook of the performance of the economy



Source: Standard Bank Africa Trade Barometer Issue 4

In December 2023, Angola declared its exit from the Organization of the Petroleum Exporting Countries (OPEC), explaining that the production quotas imposed by the organisation conflicted with its national interest.[11] Angola found that the output restrictions were impeding its objective to sustain crude production levels above 1 million barrels per day. Considering the pivotal role of oil in Angola's economy, alterations in production levels can have profound economic implications. With its departure from OPEC, Angola is seeking to ramp up investments in its oil sector to enhance production capacities, which in turn is expected to elevate government revenues from this critical industry.

Furthermore, the Angolan National Oil & Gas and Biofuels Agency (ANPG) revealed mid-2024 that the country has 767 inactive oil wells—about 45% of all wells—due to mechanical and other challenges. These wells, spread across 1,634 oil fields,[12] will now be re-evaluated to attract foreign direct investment (FDI).[13] For existing oil concessions, the ANPG is aiming to increase investment by offering more favourable production sharing agreements that promise a faster payback period for investors. Additionally, new oil concessions will be awarded. Plans are also in place to grow natural gas production from 664,000 cubic feet in 2023 to 1.21 million cubic feet by 2027.[14]

Surveyed businesses with an optimistic outlook on the immediate future of the Angolan economy most commonly cited business growth (77%), high demand from customers (50%), and increased

> The depreciation of the Angolan Kwanza is closely tied to the country's reliance on oil exports, which are the primary source of foreign currency, particularly U.S. dollars. When oil prices drop or production slows, the flow of dollars into Angola diminishes, leading to a shortage of foreign exchange.
>
> Representative from the Ministry of Finance

[10] Standard Bank African Markets Revealed Report, 2024.
[11] US Department of State, 2024. Available here.
[12] Energy Capital Power, 2024. Available here.
[13] Standard Bank African Markets Revealed, 2024.
[14] Standard Bank African Markets Revealed, 2024.

economic growth (29%) as the main factors behind their positive sentiment. This optimism is likely driven by the government's initiatives aimed at improving the economy and business environment, such as the US-led refurbishment of the Angola-Zambia Railway, also known as the Zambia Lobito Rail Project. Angola and Zambia recently signed a concession agreement with the Africa Finance Corporation (AFC) to connect their railway lines in both countries. This project, the Zambia-Lobito Rail Project represents a significant milestone in modernising infrastructure, enhancing economic competitiveness, and improving livelihoods.[15] The AFC estimates the Zambia Lobito Rail project will generate economic benefits of approximately USD 3 billion for both countries, reduce emissions by 300,000 tons per year, and create over 1 250 jobs in construction and operations.[16]

Furthermore, with substantial untapped deposits of critical minerals, the Lobito Corridor project will facilitate the transport of minerals such as copper, cobalt, nickel and lithium amongst other minerals from the Democratic Republic of Congo and Zambia to Lobito port.

This will stimulate various economic sectors, by providing a shorter route for export and imports to the Atlantic Ocean and reach trading partners such as Europe, United States, United Kingdom, China (indirect via Atlantic routes) amongst other trading partners.[17,18] As Angola is a net food importer, enhancing agricultural production is a vital component of its economic diversification strategy.

Despite the overall positive outlook for the economy in relation to business over the next three years, pessimistic surveyed businesses cited high product prices (64%) as a key concern. This was followed by worries about a poor economy (57%) and high inflation (39%). Inflation in Angola has been persistent, rising from 13.6% in 2023 to 29.7% in 2024. This increase is partly driven by the depreciation of the Kwanza, which makes imports more expensive.

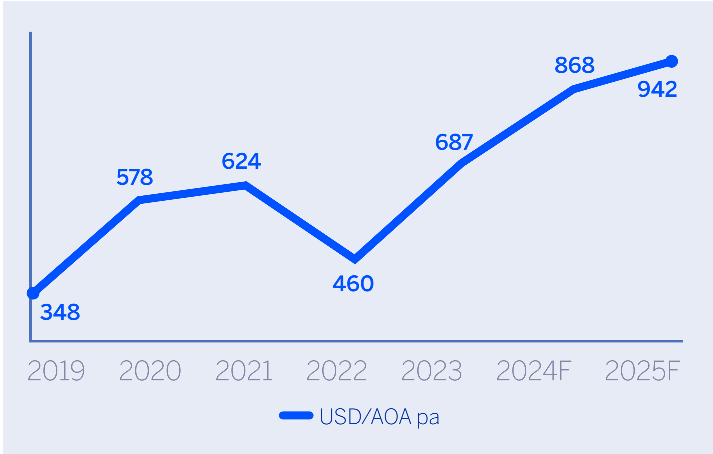
Inflation can partly be explained by the removal of fuel subsidies and depreciation of the Kwanza, causing notable price increases in sectors such as transportation and healthcare.[19] Fuel subsidies are progressively being removed, with Angola aiming to remove all fuel subsidies by the end of 2025, which are expected to alleviate the financial pressures experienced by state oil company Sonangol and enable the company to pay taxes and dividends again.[20] The IMF has shown support for subsidy removal while emphasising the need to support disadvantaged households to prevent protests related to the rising cost of living, as experienced in 2023.[21]

The Angolan Kwanza has experienced substantial depreciation, with the exchange rate worsening from 365 Kwanza per USD in 2019 to a projected 942 Kwanza by 2025 (see figure 8). As of Q3 2024, the Kwanza has further declined to AO 949.5 against the U.S. dollar and is forecasted to drop to AO 1,140.1 in Q4 2024.[22] This instability, driven by reduced foreign exchange earnings, has created inflationary pressures and hindered growth of sectors outside of oil. Approximately 81% of Angola's public debt is dollar-denominated, making the economy vulnerable to exchange rate fluctuations. There is some relief here, nonetheless. It was announced earlier this year that Angola will be able to move USD 150 million to USD 200 million from its escrow account with China, its largest creditor, in monthly instalments to pay off loans.[23] This reduces pressure on foreign currency reserves and supports the fiscal space.

29%

is the estimated annual average inflation rate for Angola in 2025, slightly down from 2024 but the highest level in five years.

Figure 8: USD/AOA pa (2019 to 2025)



Source: Standard Bank African Markets Revealed Report

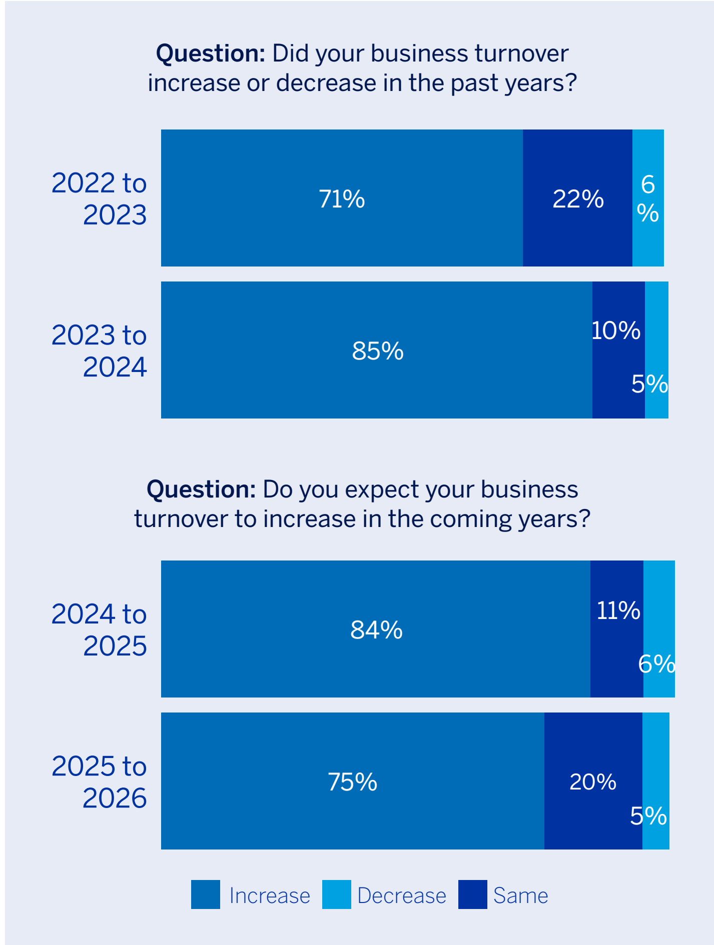
Note: 'f' represents forecasted data point.

Looking to the future on their revenue performance, surveyed businesses in this year's cohort are less optimistic than those of the May 2023 survey (see Figure 9). However, the majority still expect revenues to increase.

The decline in optimism regarding revenue growth over the next three years can be attributed to several factors. A significant 72% of respondents point to the wider economy contracting, while 68% point to limited access to funding. Additionally, 67% express concerns about the restricted prospects for expanding into cross-border markets. The pessimism can, in part, be due to Angola's vulnerability to climate shocks. Key non-oil sectors, such as agriculture and fisheries, are particularly affected by climate change and extreme weather events, this hinders the country's diversification efforts.[24]

Despite the prevailing pessimism regarding declining turnover over the next three years, surveyed businesses have identified several factors that could positively impact their operations. 74% of respondents highlighted increased production, while 71% mentioned enhanced marketing activity and the expansion of their physical presence within the country (71%). Economic diversification provides new opportunities, especially towards the blue economy. Angola has vast fish reserves which can be used to increase exports and promote food security within the country. Initiatives, such as the National Plan for the Promotion of Fisheries, which will run from 2023 to 2027, aim to enhance production capacity and integrate fisheries with agriculture.[25]

Figure 9: Sentiments on turnover increases of Angolan Businesses



Source: Standard Bank Africa Trade Barometer Issue 4

Note: Numbers may not add up to exactly 100% due to "don't know" and "refused" responses not being included.

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[15] Rail Journal, 2024. Available here.
[16] Africa Finance Corporation, 2024. Available here.
[17] Africa Finance Corporation, 2024. Available here.
[18] Africa Policy Research Private Institute, 2024. Available here.
[19] Reliefweb, 2024. Available here.
[20] Reuters, 2024. Available here.
[21] Crisis24, 2024. Available here.
[22] Standard Bank Research, 2024. Available here.
[23] Reuters, 2024. Available here.
[24] Germany Trade & Invest, 2024. Available here.
[25] Invest Angola, 2024. Available here.

5 GOVERNMENT SUPPORT

Perceptions of government cross-border trade support have dipped, with surveyed small businesses feeling the decline more acutely than corporates.

ANGOLA'S GOVERNMENT SUPPORT INDEX SCORE

Source: Standard Bank Africa Trade Barometer Issue 4

Government support index can vary between 0 and 100, where 0 indicates an extreme lack of Government support, 50 neutrality and 100 extreme government support. In the August 2024 SB ATB survey results, Angola's government support index score decreased substantially from 68 to 56.

***

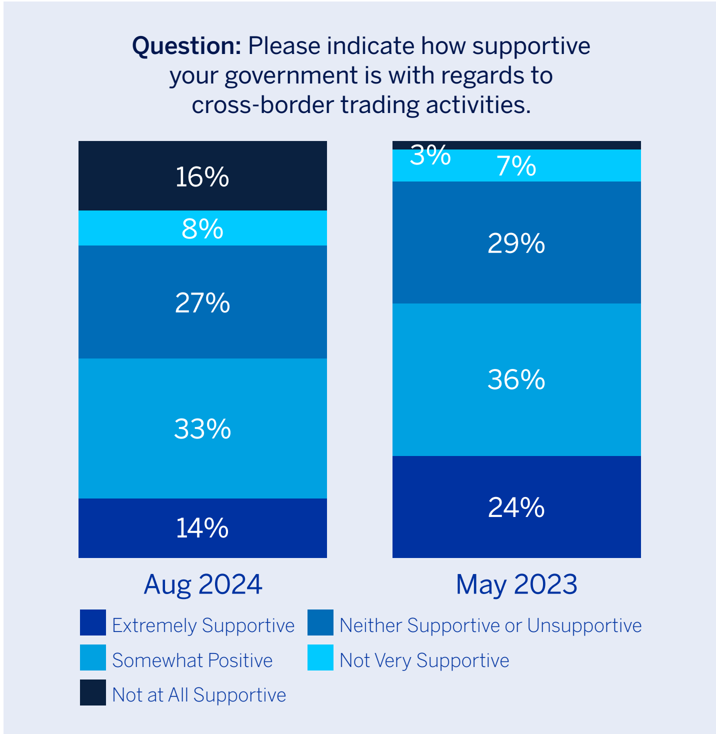
Fewer surveyed businesses feel that the government is supportive of cross-border trade, falling to 47% in this iteration of the survey compared to 60% in May 2023 (see Figure 10). Similarly, surveyed businesses that say that the government is not supportive has risen to 24% compared to 10% last year.

Surveyed corporates (69%) on average have a more positive perception of the government's support for cross-border trade relative to big businesses (45%) and small businesses (44%). This difference could, in part, stem from the greater risk tolerance of larger businesses, which have the capacity to weather potential losses, thereby lessening their reliance on government support. This resilience is evident as larger, well-established companies typically maintain reserves and plan for various contingencies. Conversely, smaller businesses, with their more restricted cash flows, often lack the financial buffer to seamlessly manage losses in the same manner as their larger counterparts.

Reduced perceptions of the government's positive role in supporting cross-border trade can also be attributable to some government policies. A pivotal development was the government's decision to eliminate fuel subsidies, leading to a spike in inflation. As a consequence, businesses contended with escalating operational costs, and the price of imports surged because purchasing goods and services now demanded more Kwanza than previously. This policy shift, recommended by the IMF, was intended to aid Angola in managing its debt and enhancing its macroeconomic conditions. Nonetheless, the subsidy removal precipitated an inflationary wave, resulting in increased prices and exerting additional financial pressure on the business sector. Additionally, the removal of fuel subsidies, as demonstrated in Nigeria in 2023 when the country initially removed fuel subsidies, can trigger unrest.

A pivotal development was the government's decision to eliminate fuel subsidies, leading to a spike in inflation

Figure 10: Perceptions of government support for cross-border trade



Source: Standard Bank Africa Trade Barometer Issue 4

Note: Numbers may not add up to exactly 100% due to "don't know" and "refused" responses not being included.

The majority of surveyed businesses highlighted clarity on custom duties payable (66%), improving foreign currency availability (66%) and promotion of the AfCFTA (65%) as the main ways they want government support. Small businesses often have limited resources, talent or knowledge that helps them navigate complex customs regulations and compliances. Additionally, access to foreign currency is critical for cross-border trade, and businesses struggling to secure currency for imports are likely to seek government intervention to improve availability.

Surveyed businesses highlight similar factors on challenges that impact confidence in business growth, including a shrinking economy, limited access to funding, and limited prospects for expanding into cross-border markets. These challenges predominantly affect smaller businesses, which often struggle with access to information, markets, and capital.

64% of surveyed businesses also cited the need for enhanced regional trade relationships, recognizing their potential to significantly improve cross-border trade and contribute to Angola's economic resilience. Angola is one of the least integrated countries on the continent, despite being one of the largest and most mineral-rich nations with oil, diamonds and lithium. According to the African Regional Integration Index, Angola ranks second lowest compared to other countries in the Economic Community of Central African States and within the Southern African Development Community (SADC).[26] The index highlights Angola's deficiencies in infrastructure and macroeconomic integration. To diversify the economy and foster growth in sectors such as the blue economy and agriculture, bilateral trade agreements will be crucial in protecting the country against the volatility of oil prices.

Angola is making a significant move toward regional integration by joining the Southern African Development Community (SADC) Free Trade Area (FTA). Following a Trade and Negotiation Forum in Luanda in October 2024, Angola is set to gain access to regional markets with reduced tariffs and trade barriers.[27] This will boost trade between Angola and other SADC countries while allowing member states easier access to the Angolan market. Angola's participation in the SADC FTA is expected to create new trade opportunities, strengthen economic ties, and benefit both Angola and the wider SADC region through enhanced cooperation.

65% of surveyed businesses also suggested implementation of non-tariff barriers to protect local businesses. This is a fear amongst businesses about competition which will negatively impact their revenues and cause business harm. At the same time improvements aimed at reducing non-tariff barriers by the Angolan tax authority have improved trade efficiency through the introduction of the automated customs system–Asycuda–at ports and airports. This system significantly reduces the time required for documentary compliance for both imports and exports, streamlining trade processes and enhancing overall efficiency in Angola's trade environment.[28] This shows a balancing act between the government and businesses - where businesses fear international competition whilst the government seeks to diversify the economy.

66%

of surveyed businesses cited clarity on customs duties payable as an area where the government could support cross-border trade. A similar percentage also said improving foreign currency availability.

Small businesses often have limited resources, talent or knowledge that helps them navigate complex customs regulations and compliances.

To diversify the economy and foster growth in sectors such as the blue economy and agriculture, bilateral trade agreements will be crucial in protecting the country against the volatility of oil prices.

> Previously, the Angolan government stayed out of the commercial sector, but it's now beginning to support local companies. Although this shift faces resistance due to widespread informal trade, the government's aim is to formalise the market and empower businesses. Formalization can create jobs, reduce unemployment, and increase tax revenues, benefiting both businesses and the government.

Representative from the Ministry of Finance

[26] Africa Regional Integration Index, 2024. Available here.
[27] SADC, 2024. Available here.
[28] AfDB, 2024. Available here.

6 INFRASTRUCTURE CONSTRAINTS AND ENABLERS

Surveyed firms report a marked upturn in infrastructure quality, with notable enhancements in power, water, and airport facilities.

ANGOLA'S QUALITY OF TRADE-RELATED INFRASTRUCTURE INDEX SCORE

Source: Standard Bank Africa Trade Barometer Issue 4

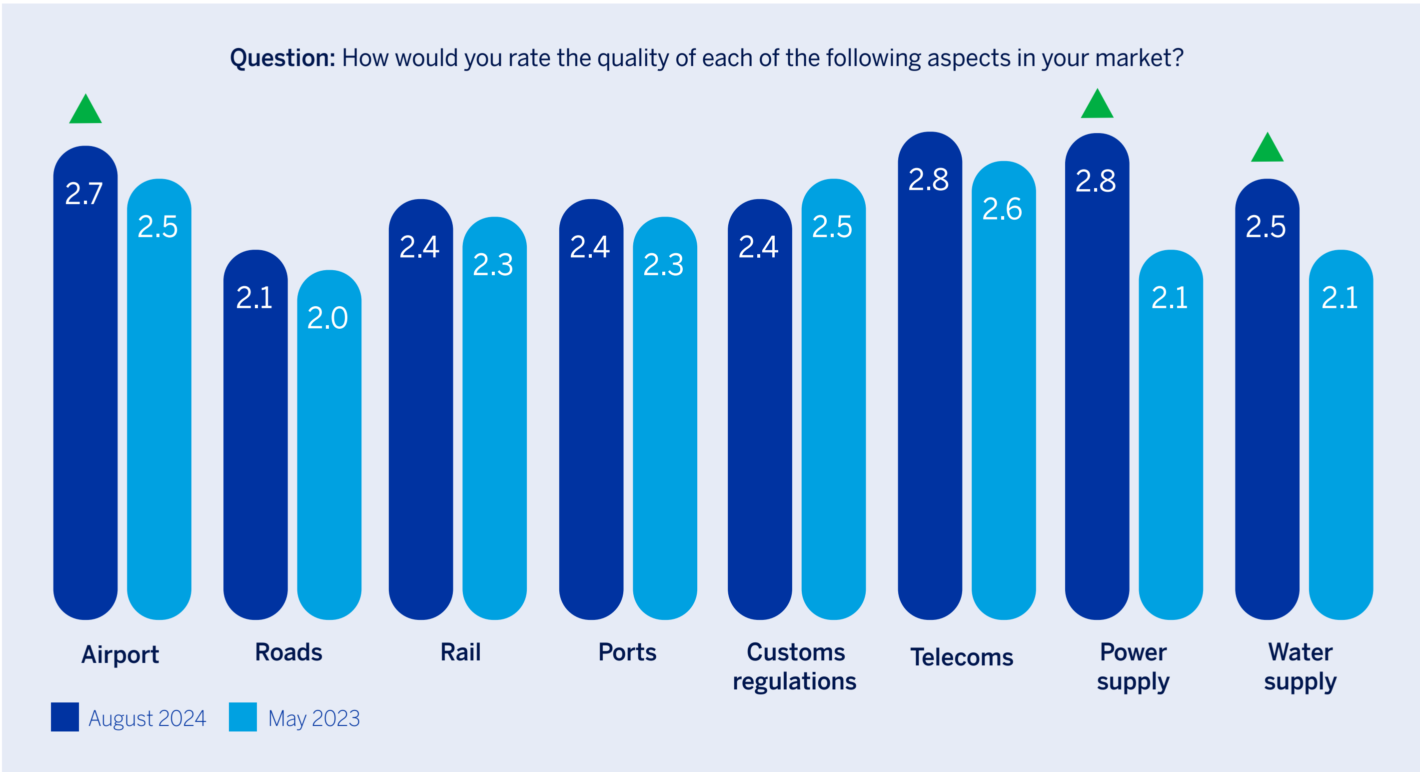
The quality of trade-related infrastructure index can vary between 0 and 100, where 0 indicates poor quality, 50 indicates fair quality and 100 indicates excellent quality. In the August 2024 SB ATB survey results, Angola's quality of trade-related infrastructure index score increased to 50 from 45 in May 2023.

***

On average, surveyed Angolan businesses in this iteration of the survey perceived the quality of infrastructure to be significantly better relative to the May 2023 cohort (see Figure 11). This shift is largely driven by significant increases in the perceived quality of power, water and airport infrastructure.

The perceived quality of Angola's power supply infrastructure increased significantly, rising from 2.1 points in the May 2023 cohort to 2.8 points in August 2024 cohort. A contributor to the increased positive perception of power supply infrastructure could be the operationalisation of the Laúca hydroelectric power station which began construction in 2013. The 2GW plant has an annual production potential of up to 8 640GWh and is set to be able to meet the demand of 8 million Angolan households.[29]

Figure 11: The perceived quality of various infrastructural aspects by businesses (out of 5 points)



Source: Standard Bank Africa Trade Barometer Issue 4

Notes: Rating is on a 5-point scale, where 5 = excellent quality and 1 = poor quality. A red arrow indicates a significant decline in perceptions of quality.

“ Reliable electricity is fundamental for commercial activities, especially in manufacturing. To attract investors, Angola must focus on making its electric sector functional. There's been progress, with fewer power cuts recently, but it's crucial to extend this reliability to remote and rural areas to enable industry and production nationwide.

Representative from the Ministry of Finance ”

[29] Proctor, 2024. Available here.

FAST FACT:

In 2022, 70.4% of Angola's energy mix was hydro, followed by oil (16.2%), natural gas (10.9%), and solar PV (2.5%).[30]

Perceptions of power supply infrastructure are likely to continue to improve as new power projects commence construction. The upgrades to the capacity of Baynes hydroelectric power plant, amounting to a 0.9GW increase in generation capacity, are expected to commence in 2024.[31] The Ministry of Energy and Water has also signed a contract with Off-Grid Europe to supply 62 250 solar home systems to rural homes in four of the country's 18 provinces. This is a significant step towards the country's goal of having 50% of its electricity supply produced through renewable sources by 2025 and closing the gap of rural energy access.[32] Angola currently has a target to achieve an installed generation capacity of 8.9 GW and an electrification rate of 60% by 2025.[33]

Material investment into the construction of the Lobito Refinery, projected to process up to 200,000 barrels of crude oil per day,[34] and the Cabinda Refinery, set to reach an initial capacity of 30,000 barrels daily,[35] are poised to significantly bolster Angola's trade landscape.

The refineries are expected to reduce import expenditure on refined outputs consumed domestically and boost export in naphtha and heavy fuel oil which Angola does not have much use for.[36]

The perceived quality of water supply infrastructure increased significantly, from 2.1 points in the May 2023 cohort to 2.5 points amongst surveyed businesses in August 2024. Driving the increase could be the launch of two major projects in August 2024 to address the issues of water supply in Luanda, Angola's capital. Angola is faced with drought conditions resulting from the El Niño phenomenon that is impacting countries across Sub-Saharan Africa. In response to the worsening water shortages, the projects launched in Luanda aim to increase the capital's water supply capacity from 430 000 cubic metres to a million cubic metres.[37] One of these projects, the Bita system, aims to integrate 65 kilometres of pipelines, 3,700 kilometres of distribution infrastructure, and 170,000 household connections into the city's water supply infrastructure to improve access.[38] Other water supply improvement projects are also in the pipeline. In August 2024, UK Export Finance announced a GBP 22 million loan to finance the construction of a rural water supply project in Quiminga which is intended to provide 100,000 people in rural communities with access to clean water.[39]

Perceptions around the quality of airport infrastructure increased from 2.5 points in May 2023 to 2.7 points in this iteration of the ATB. This increase can be attributed to the opening of the Dr. António Agostinho Neto Airport (AIAAN) which was officially inaugurated by President Joao Lourenco in November 2023. AIAAN, situated 40 kilometres north of Luanda, boasts a 130 000 cargo terminal, an 82m high control tower, and its own rail station. The airport has a passenger capacity of 15 million passengers per year.[40] Passenger flights are scheduled to open in November 2024 and scale up to full operation by March 2025.[41]

FAST FACT:

Angola, also referred to as the 'water tower of Southern Africa, is a source for the major rivers in the region. Angola's highlands is the southern source of water for the Congo Basin, the western source of the Zambezi Basin, and sole water source for the Okavango Basin and the Okavango Delta.[42]

Perceptions in rail infrastructure quality are expected to increase in the future. Funding for Angola's Lobito Corridor Railway project was closed in September 2024 and construction is expected to begin imminently.[43] The railway will connect the Port of Lobito in Angola to mines in the DRC and Zambia, creating a significant trade route between the producers of various key minerals and the Atlantic Ocean.[44]

> "Significant investments in airport and port infrastructure have started to facilitate enterprise trade in our country. With well-structured borders and improved import capabilities, we're poised for growth; however, the key to unlocking trade's full potential lies in addressing internal challenges—upgrading roads, reducing port and airport delays, and improving railway and communication networks."
>
> Representative from the Ministry of Finance

[30] IEA. Available here.
[31] Goosen, 2024. Available here.
[32] Kemp, 2024. Available here.
[33] United States International Trade Administration, 2024. Available here.
[34] Sonangol, 2024. Available here.
[35] Reuters, 2024. Available here.
[36] Ibid.
[37] Reuters, 2024. Available here.
[38] Angop, 2024. Available here.
[39] UK Export Finance, 2024. Available here.
[40] Greenbank, 2024. Available here.
[41] Ver Angola, 2024. Available here.
[42] IMail & Guardian. Available here.
[43] Bulbulia, 2024. Available here.
[44] Trafigura, 2024. Available here.

7 TRADE OPENNESS

The majority of surveyed Angolan businesses engage in domestic trade as opposed to cross-border trade, while oil and Chinese relations still dominate the export landscape.

ANGOLA'S TRADE OPENNESS INDEX SCORE

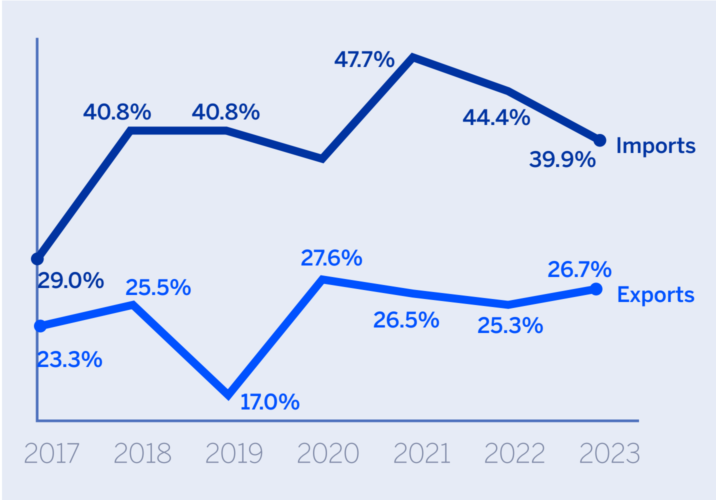
Source: Standard Bank Africa Trade Barometer Issue 4

The trade openness index score can vary between 0 and 100, where 0 indicates a high burden of obstacles inhibiting trade, 50 indicates a moderate burden of obstacles inhibiting trade and 100 indicating a low burden of obstacles inhibiting trade. In the August 2024 SB ATB survey results, the trader perceptions on the degree of challenges impacting trade score declined slightly from 55 to 54.

***

84% of surveyed businesses trade exclusively with domestic markets, a significant increase from the 75% in the May 2023 cohort– it is also the highest proportion across all ten markets in this year's ATB. This increase coincides with the reported decrease in import and export activity by cohorts in this survey compared to last year. A lower proportion (15%) of surveyed businesses import their goods compared to the proportion of importers (22%) amongst last year's cohort. The proportion of surveyed businesses that export also declined slightly from 8% to 6%, the lowest proportion across all ten markets in the ATB. Similarly, at a national level, there is a decrease in the value of exports as a percentage of exports (see Figure 12).

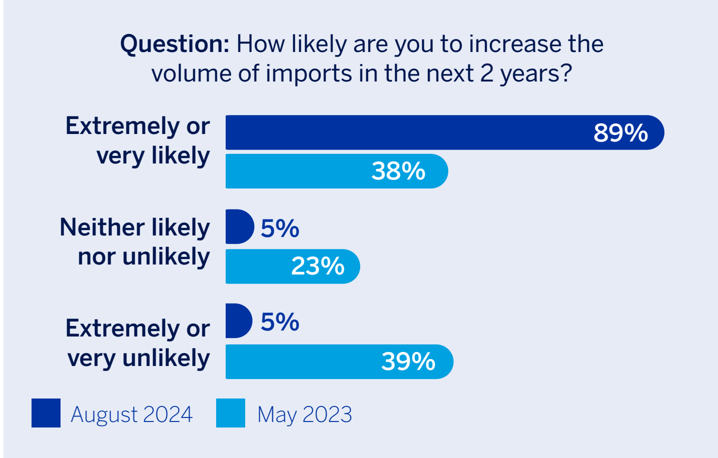
Figure 12: Imports and exports (% of GDP)



Source: World Bank

Surveyed businesses' outlook on import and export volumes for the next two years mirror macroeconomic trends in Angola's import and export volumes. Surveyed businesses anticipate a significant increase in their import volumes over the next two years (see Figure 13) which is consistent with a reported increase in imports between 2022 and 2023 (see Figure 12).

Figure 13: Importers' perceptions on their likelihood to increase import volumes over the next 2 years (%)



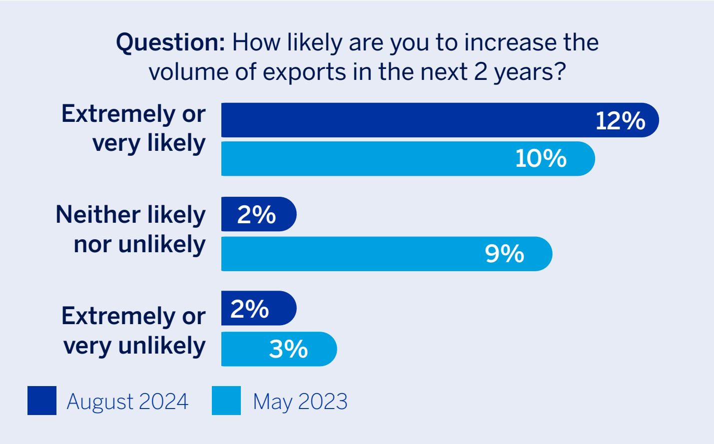
Source: Standard Bank Africa Trade Barometer Issue 4

Similarly, surveyed businesses are only slightly optimistic on the likelihood of an increase in export volumes in the next two years (see Figure 14). The decrease in oil prices coupled with reduced domestic production significantly impacted Angola's export earnings, contributing to the observed reduction in export volumes from 2022 to 2023 (see Figure 12).[45]

> China's partnership is pivotal for Africa's advancement in trade, infrastructure, technology, and resource exploration. It's evident that a significant portion of goods sold in Africa originate from China, underscoring China's crucial role in our commercial activities.
>
> Representative from the State Justice

[45] BNP Paribas, 2023. Available here.

Figure 14: Exporters' perceptions on their likelihood to increase export volumes over the next 2 years (%)



Source: Standard Bank Africa Trade Barometer Issue 4

Asia stands as the predominant import origin for Angola amongst surveyed businesses, with 54% sourcing their imports from the region, an uptick from 46% reported by the May 2023 cohort. This increase is likely propelled by a surge in trade activities with China, which is the most popular import market amongst surveyed businesses. 23% of surveyed businesses sourced their imports from China, in contrast to 17% in the May 2023 cohort. On a national level, 24% of Angola's imports came from China in 2022.[46]

FAST FACT:

In 2022, Angola's total exports to East & Pacific Asia amounted to USD 24.8 billion, of which fuels made up 98.8%.[47]

Angola, historically reliant on oil exports, is pivoting away from this model to diversify its economy by leveraging its agricultural potential and reserves of base metals. China has expressed an interest in supporting Angola with modernising its agricultural sector, developing its industries, and diversifying its economies in exchange for an increased volume of imports of Chinese goods.[48]

FAST FACT:

Between 2017 and 2022, transportation as a proportion of Angola's intra-African exports grew from 0.93% to 45.65%, making it the second most exported sector after capital goods (47.94%).[49]

On the export side, surveyed businesses in Angola mainly export to countries within Africa. 12% of surveyed businesses export to West Africa, 8% to Central Africa, and 7% to Southern Africa. This is a very different picture to Angola's export activity at the aggregate national level, given the prominence of oil production on the Angolan economy. More than 90% of Angola's total exports is crude oil destined for China (over 40% of exports), the United States, India, France, Taiwan, and South Africa.[50]

23% of surveyed businesses sourced their imports from China, in contrast to 17% in the May 2023 cohort.

China has expressed an interest in supporting Angola with modernising its agricultural sector, developing its industries, and diversifying its economies.

On the export side, surveyed businesses in Angola mainly export to countries within Africa.

"China's embrace of Angola in international trade post-peace declaration marked the beginning of a strategic partnership. Despite previous debt challenges, renegotiated terms tied to oil supply have fostered a positive, mutual exchange. This symbiosis ensures that investments and benefits flow both ways, fostering a relationship that promises growth and mutual advantages for the future."

Representative from the Ministry of Finance

[46] United States International Trade Administration, 2024. Available here.
[47] WITS. Available here.
[48] Cash, 2024. Available here.
[49] WITS. Available here.
[50] United States International Trade Administration, 2024. Available here.

8 TRADERS' FINANCIAL BEHAVIOUR & ACCESS TO FINANCE

Mobile money usage is growing and becoming a key payment method among surveyed businesses in Angola.

ANGOLA'S TRADE OPENNESS INDEX SCORE

Source: Standard Bank Africa Trade Barometer Issue 4

Access to finance can vary between 0 and 100, where 0 indicates an extreme difficulty in accessing credit, 50 neutrality and 100 indicates no difficulty in accessing credit. In the August 2024 SB ATB survey results, Angola's access to credit index score decreased to 49 from 61 in May 2023. This means that surveyed businesses in Angola generally perceived access to credit to be more difficult in this iteration of the survey compared to May 2023.

***

Angolan surveyed businesses use a mix of payment methods for cross-border sales and purchases. 100% of surveyed businesses use card, mobile money, EFT and cash for cross-border sales and purchases in this iteration of the survey. An analysis of the usage of these instruments amongst surveyed businesses shows that businesses tend to prefer a mix of payment methods (see Figure 15). This trend is observed across business segments for both cross-border sales and purchases.

19%

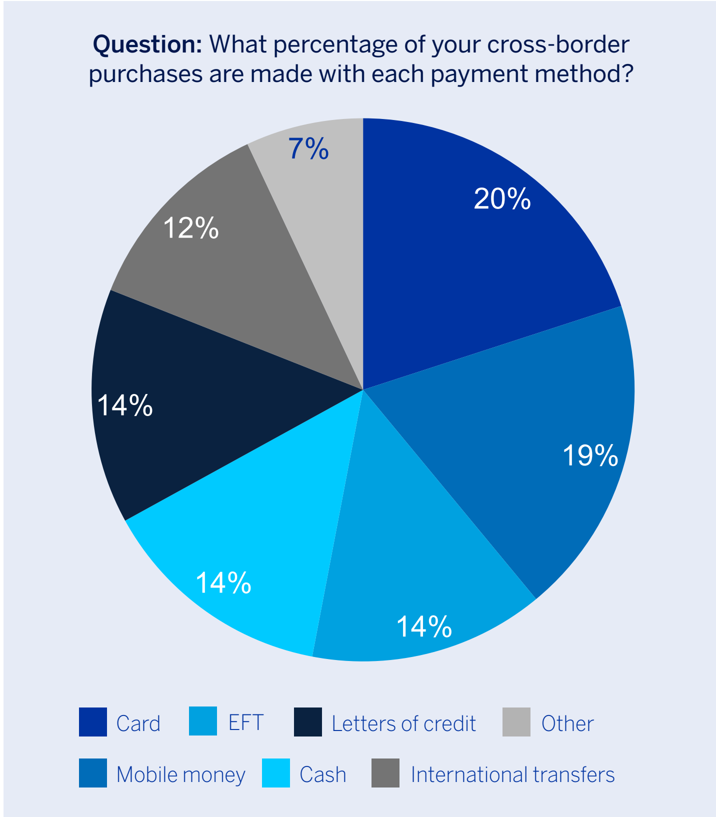
of surveyed businesses use mobile money for local sales, a significant increase from 10% in May 2023.

FAST FACT:

In 2022, 36% of Angola's adult population was banked, this is largely driven by urban dwellers (48%). In contrast, only 15% of Angola's rural population is banked.[51]

However, a gradual shift is emerging, with surveyed businesses reporting a growing usage of mobile money in their cross-border trade. Surveyed businesses reported a significant increase in their mobile money usage from 7% in May 2023 to 19% in August 2024. This trend was largely driven by surveyed small and big businesses who reported a 14 and 13-percentage point increase, respectively. In contrast, the use of card, cash and EFTs declined over the same period, highlighting a gradual shift toward mobile financial services. The growth in mobile money adoption and usage can be attributed, in part, to the emergence of new entrants to the market, such as Africell, who are driving financial literacy and adoption of mobile money through partnerships with international donors. These initiatives aim to drive financial inclusion among Angola's large unbanked, informal ecosystem.[52]

Figure 15: Proportion of cross-border purchases by payment method



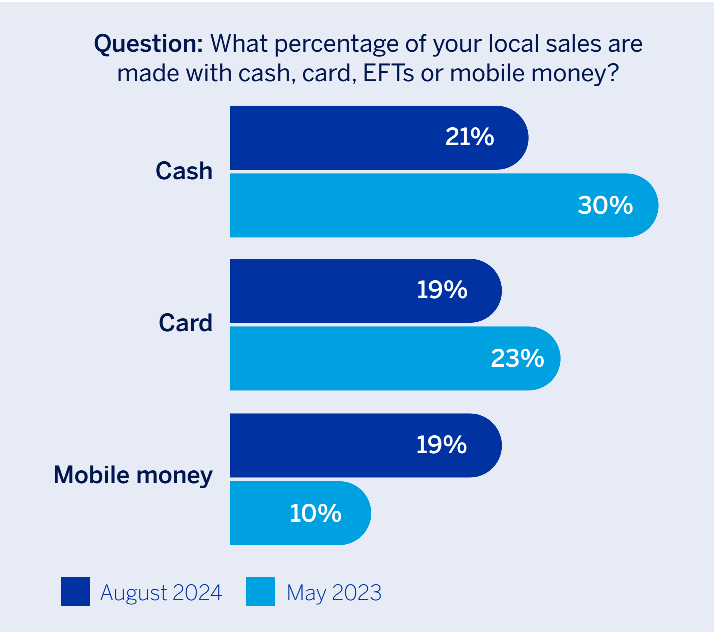
Source: Standard Bank Africa Trade Barometer Issue 4

> The challenges affecting cross-border trade are high interest rates on commercial loans.
>
> Representative from the Ministry of Finance

[51] FinMark Trust. Available here.
[52] GSMA. Available here.

There was a notable decline among surveyed businesses in terms of the use of cash and card in the domestic economy (see Figure 16). In previous surveys of the ATB, surveyed businesses relied heavily on card and cash to facilitate domestic trade. Card and cash made up 53% and 52% of domestic sales and purchases in the May 2023 survey, respectively. However, mirroring trends in cross-border transactions, the results reveal a shift towards mobile money in domestic trade (see Figure 16). This iteration of the survey indicates a significant increase in mobile money usage for domestic sales, rising to 19% from 10% in May 2023. This upward trend is evident across all business segments, with big businesses and corporates demonstrating the most significant growth, both reporting a 14 percentage point increase in mobile money usage for domestic transactions.

Figure 16: The proportion of local sales for surveyed businesses by payment method



Source: Standard Bank Africa Trade Barometer Issue 4

FAST FACT:

Angola's informal sector is estimated to be 39.7% of GDP, equating to approximately USD 105 billion at per capita purchasing power parity levels.[53]

Perceptions of ease of credit access have significantly declined among surveyed businesses in this year's survey, in contrast to the May 2023 survey. There was a 16-percentage point increase in those perceiving credit access as extremely difficult. This sentiment is largely driven by small and big businesses, who reported a 13 and 24-percentage point increase, respectively, in this regard (see Figure 17). This shift can, in part, be attributed to a tightening monetary policy, with the National Bank of Angola (BNA) increasing the policy rate to 19.5% in May 2024, the highest it has been since December 2022.[54] The decision by BNA to raise the policy rate is an attempt to address rising inflation, which increased to 28.2% in April 2024, the highest rate since June 2017.[55]

30%

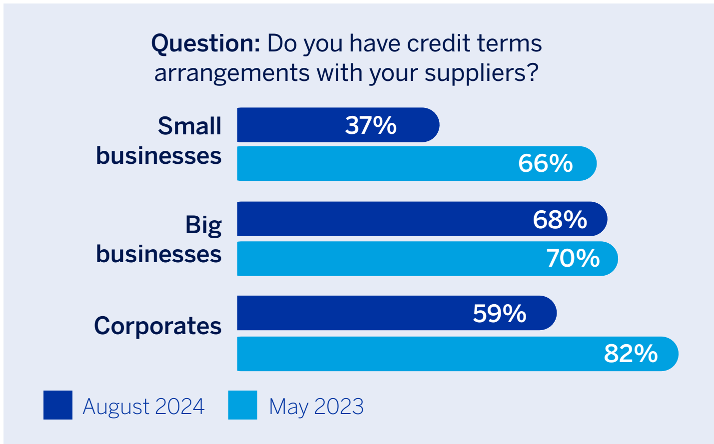
of surveyed businesses reported access to credit to be somewhat or extremely easy, a significant increase from 21% in May 2023.

Figure 17: Perceived difficulty of accessing credit from a financial institution

Source: Standard Bank Africa Trade Barometer Issue 4

The worsening perceptions on ease of credit from financial institutions observed in this year's survey mirrors the decline in the use of credit arrangements with suppliers that was also observed. The proportion of surveyed businesses that benefit from credit arrangements from their suppliers declined from 69% in May 2023 to 45% in August 2024. This was largely driven by small businesses and corporates, who reported a 29 and 23-percentage point decline, respectively (see Figure 18).

Figure 18: Proportion of surveyed businesses with credit arrangements from a supplier by business segment



Source: Standard Bank Africa Trade Barometer Issue 4

[53] World Economics. Available here.
[54] Focus Economics. Available here.
[55] Focus Economics. Available here.

9 FOREIGN TRADE & TRADING IN AFRICA

Despite the growing awareness of AfCFTA, surveyed businesses perceive trade with the rest of Africa as more difficult.

ANGOLA'S EASE OF TRADE INDEX SCORE

Source: Standard Bank Africa Trade Barometer Issue 4

Ease of trade can vary between 0 and 100, where 0 indicates an ease of trade with other countries, 50 neutrality and 100 indicates an extreme difficulty in trading with other countries. In the August 2024 SB ATB survey results, Angola's ease of trade index score decreased to 42 from 50 in May 2023. This means that the perceptions of surveyed businesses in Angola with regard to the ease of trade with foreign markets declined from May 2023.

***

The majority of surveyed Angolan businesses prefer to trade with countries that are either in Africa (43%) or Asia (23%). While Africa remains the most preferred trading partner for surveyed small and big businesses, the majority of surveyed corporates prefer Asian markets (see Figure 19). Surveyed small businesses prefer African markets due to the lower cost of products (65%) while big businesses attribute their preference to low importing costs (62%). On the other hand, corporates cited good quality products (80%) as the main reason for their preference to trade in Asian markets.

85%
of surveyed businesses said the low cost of exporting is an important element in doing business with China.

FAST FACT:

In 2024, Angola and China agreed to upgrade their trading relationship to a Comprehensive Strategic Cooperative Partnership, setting the scene for a new era. This upgrade signifies a strengthening of bilateral trade ties across a number of sectors, including infrastructure and agriculture.[56]

China remains the most significant trading partner in Asia for surveyed businesses in Angola. The nature of their involvement in trade with China is centred on buying final goods and services directly from China (35%) and importing raw materials (22%). The majority of surveyed businesses cited low cost of exporting (85%), good quality products (85%) and lower cost of products (83%), and larger order sizes in terms of quantity (83%) as the most important elements in doing business with China.

Surveyed Angolan businesses found it more difficult to trade with the rest of the world in this iteration of the survey in contrast to the May 2023 survey. The percentage of businesses reporting trade with the rest of the world to be difficult (either very difficult or extremely difficult) significantly increased to 45% in August 2024 from 27% in May 2023 (see Figure 20). This is largely attributed to significant increases in the percentage of businesses reporting high transport costs (54% from 1% in May 2023), language barriers (23% from 2% in May 2023), currency variations (20% from 5% in May 2023), and poor infrastructure in some countries (15% from 0% in May 2023).

Figure 19: Preferred trading partner by business segment

Source: Standard Bank Africa Trade Barometer Issue 4

"The relationship with China is very positive as African governments look to China as a partner that brings many benefits, especially in terms of large investments they make in Africa. Whenever they invest in Africa, they come with good initiatives and importantly they come to create job opportunities, it's always a beneficial relationship.

Representative from the Ministry of Finance

Import and export taxes are too high, and revision of these policies could encourage more international trade. If trade policies improve, this will empower small local businesses while creating jobs and fighting unemployment in the country."

Representative from the Ministry of State Justice

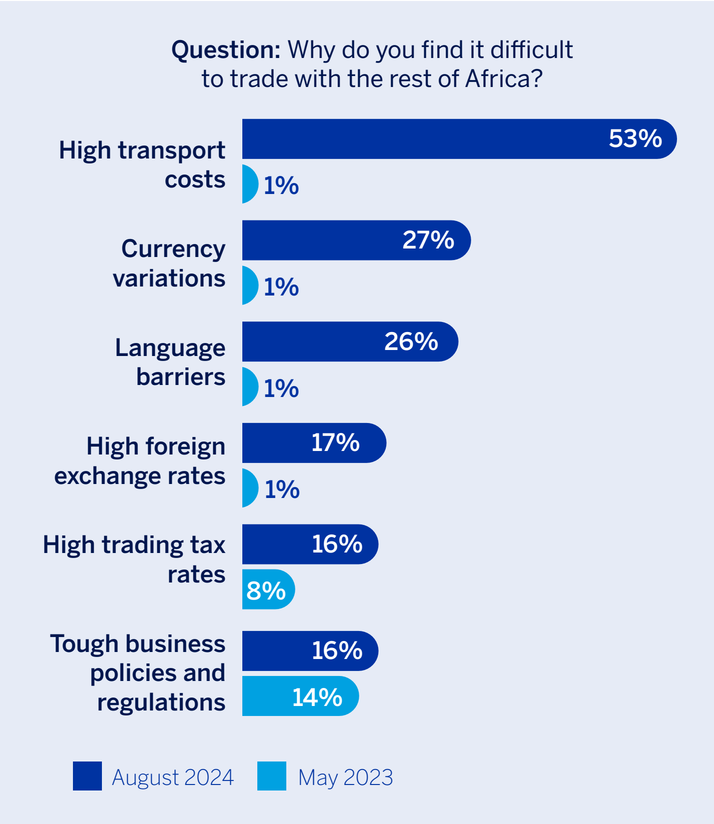
[56] Global Times, 2024. Available here.

Figure 20: Ease of trade with the rest of the world

Source: Standard Bank Africa Trade Barometer Issue 4

The proportion of surveyed businesses who find trading with the rest of Africa easy (either very easy or extremely easy) significantly declined in this year's survey (18%), in contrast to the May 2023 survey (24%). The rationale for this negative trend closely mirrors the observed rationale in trading with the rest of the world—high transport costs, currency variations, language barriers and high foreign exchange rates (see Figure 21).

Figure 21: Reasons businesses find it difficult to trade with the rest of Africa



Source: Standard Bank Africa Trade Barometer Issue 4

Trade with the rest of Africa is perceived to be difficult despite the African Continental Free Trade Agreement (AfCFTA), to which Angola is a signatory. The AfCFTA is an initiative which looks to improve the level of intra-African trade by creating a single market for goods and services and lowering trade barriers.

FAST FACT:

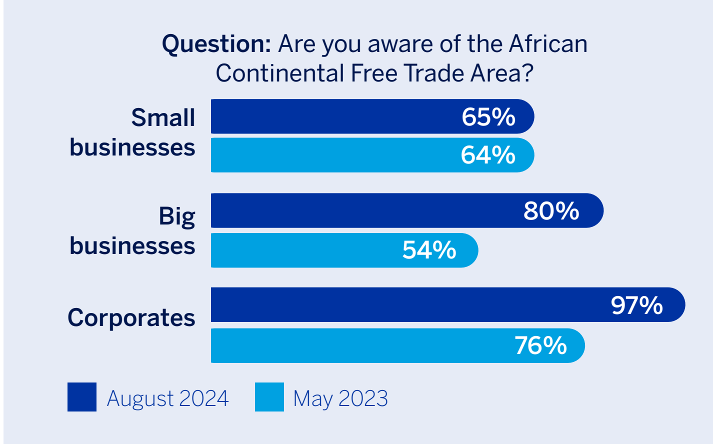
The Guided Trade Initiative (GTI) aims to catalyse trade under the AfCFTA through preferential tariff arrangements. The GTI began in late 2022 with 8 participating countries trading selected goods. As of 2024, 30 more African countries will be covered by the GTI as well as an increase in the scope of products to be traded, including bio pesticides, packaged moringa, tea, coffee, and meat products, among others.[57]

Awareness of the AfCFTA amongst Angolan businesses significantly increased. The percentage of businesses that are aware of the AfCFTA increased to 71% compared to 63% in the May 2023 cohort. The rise in awareness is largely driven by big businesses and corporates, where awareness increased by 26 and 21-percentage points, respectively (see Figure 22). The growth in awareness of the AfCFTA can, in part, be attributed to Angola's participation in the Guided Trade Initiative (GTI) under the AfCFTA framework. As of 2024, Angola has submitted offers of trade concessions that have been verified by the AfCFTA Secretariat, which will allow for participation in the GTI.[58]

97%

of surveyed corporates are aware of the AfCFTA, a significant increase from 76% in May 2023.

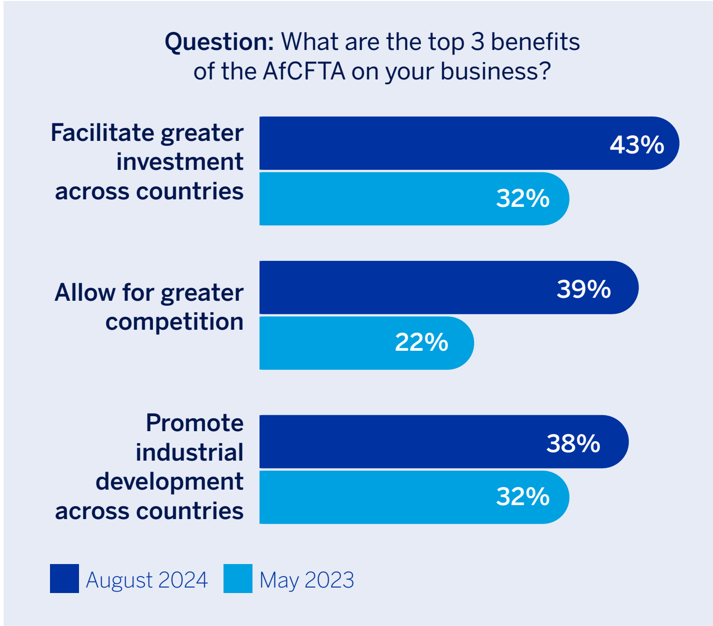
Figure 22: Awareness of the African Continental Free Trade Area by business segment



Source: Standard Bank Africa Trade Barometer Issue 4

There is a growing perception among surveyed businesses that there will be more benefits by participating in the AfCFTA in contrast to the May 2023 survey. 10% of surveyed businesses reported no benefits associated with the AfCFTA, a decline from 13% in the May 2023 cohort. This positive trend corresponds to an increase in the percentage of businesses reporting the top three benefits of the AfCFTA during the same period (see Figure 23). Looking forward, this sentiment could increase in future iterations of the SB ATB as Angola is expected to launch their National AfCFTA strategy in the coming months.[59]

Figure 23: Expected benefits of the African Continental Free Trade Area



Source: Standard Bank Africa Trade Barometer Issue 4

> The AfCFTA is important because one of its main objectives is to get approximately 30 million people out of poverty. This trade agreement is indeed in the best interest of the African population.
>
> Representative from the Ministry of State Justice

> The AfCFTA will remove or reduce tariffs for the member countries which will promote trade among African countries, improve trade policies in favour of member countries, remove technical barriers in the Trade sector, promote economic growth and development on the continent and boost production and services in the manufacturing and natural resources sectors.
>
> Representative from the Ministry of State Justice

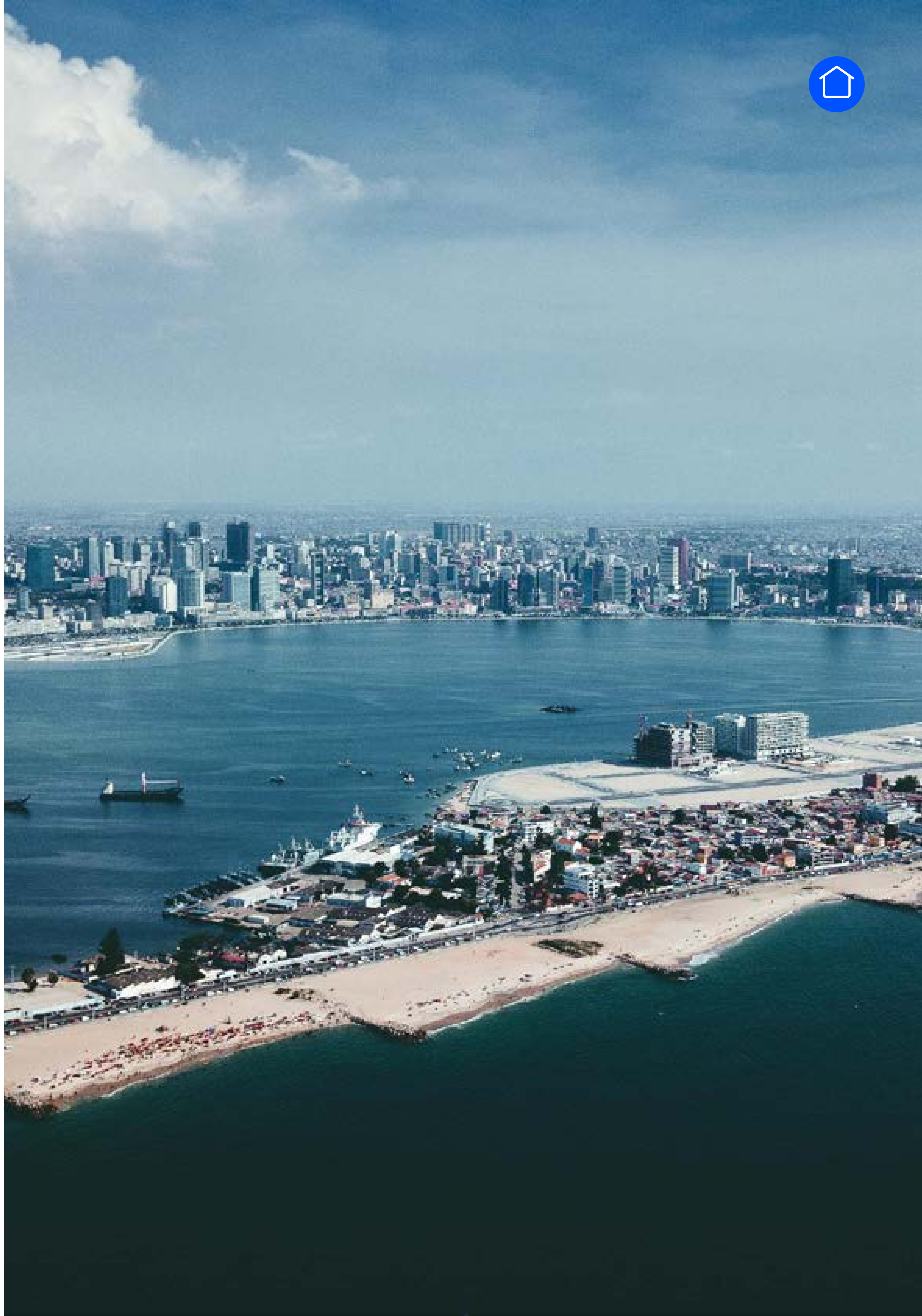
[57] Africa24. Available here.
[58] Tralac. Available here.
[59] United Nations. Available here.

CONCLUSION

Angola's continued position at the bottom of the SB ATB rankings reflects sustained low confidence in crucial areas such as access to credit, ease of trade, government backing for trade initiatives, and the terms of credit extended by suppliers. This indicates that while there is a recognition of the structural challenges within Angola's trade environment, there is also a tangible need for targeted reforms to address the issues impeding its tradeability and creditworthiness.

Despite these challenges, there are glimmers of hope that hint at a potential turnaround for Angola's trade attractiveness. The country has seen a positive shift in perceptions regarding import and export activities, trade openness, business sentiment, and the improving quality of trade-related infrastructures, such as enhancements in power, water, and airport facilities. These are encouraging signs that, if sustained, could herald a more robust and diversified economic landscape, reducing the historical over-reliance on the oil sector that heavily influences foreign exchange reserves and current account balances.

Angola's increasing oil exports continue to underpin its economy and efforts to diversify away from oil are gaining momentum, signalling a commitment to economic liberalisation and stronger trade partnerships. Even as trade with China remains dominant, Angola is keen on broadening its trade horizons. By investing in infrastructure, liberalising trade regulations, and fostering diverse international relationships, Angola is laying the groundwork for a more resilient and multi-faceted economy that can attract investment and improve trade potential in the years ahead.



APPENDICES

Appendix 1: Standard Bank Africa Trade Barometer (SB ATB) Country Ranking for Issue 4, 2024

The Standard Bank Africa Trade Barometer (SB ATB) scores are an aggregate of the Standard Bank 3-Year Quantitative Trade Barometer (SB QTB) scores and the Standard Bank Survey Trade Barometer (SB STB) scores. Countries are ranked against each other, i.e., relative scores to each other. This is pegged on a scale of 0 - 100. When indexed between this range, South Africa has the highest Tradability Index while Angola has the lowest. This does not imply that one cannot trade in Angola or that South Africa is perfect, it only implies that at a common starting point of 0 and maximum point of 100, this is how the two markets fared.

SB ATB scores remained the same for Namibia, Angola and South Africa, while half of the countries saw their scores decrease from May 2023 (see Table 2).

Countries that have retained their ranking from May 2023:

- Angola (10th position)
- Namibia (2nd position)
- South Africa (1st position)

Countries that have improved in their ranking from May 2023:

- Mozambique (4th to 3rd position)
- Zambia (9th to 8th position)
- Nigeria (6th to 5th position)
- Tanzania (8th to 4th position)

Countries that have declined in their ranking from May 2023:

- Ghana (3rd to 7th position)
- Uganda (7th to 9th position)
- Kenya (5th to 6th position)

Table 2: Standard Bank Africa Trade Barometer (SB ATB) scores by country

	Africa Trade Barometer (ATB) Score		ATB Ranking	
	August 2024	May 2023	May '22	Aug '24
Angola	0	0	10	10
Ghana	14	46	3	7
Kenya	16	32	5	6
Mozambique	29	35	4	3
Namibia	47	50	2	2
Nigeria	19	29	6	5
South Africa	100	100	1	1
Tanzania	25	25	8	4
Uganda	4	25	7	9
Zambia	9	15	9	8

Source: Standard Bank Africa Trade Barometer Issue 4

August 2024 May 2023

Note: The scores denote the performance of each country relative to the full country list on the specified measures.

Appendix 2: Standard Bank 3-Year Quantitative Trade Barometer (SB QTB) Country Ranking for Issue 4, 2024

The Standard Bank 3-Year Quantitative Trade Barometer (SB QTB) scores and ranking by country are the averages of all the selected indicators collected from existing secondary data sources and reported facts.

SB QTB scores remained the same for Mozambique, Nigeria, Uganda, Angola, Namibia and South Africa, while most countries had their scores decline from May 2023 (see Table 3).

Countries that have retained their ranking from May 2023:

- Angola (10th position)
- Namibia (2nd position)
- South Africa (1st position)
- Mozambique (3rd position)
- Nigeria (4th position)
- Uganda (9th position)

Countries that have improved in their ranking from May 2023:

- Zambia (7th to 6th position)
- Tanzania (8th to 7th position)
- Kenya (6th to 5th position)

Countries that have declined in their ranking from May 2023:

- Ghana (5th to 8th position)

Table 3: Standard Bank 3-Year Quantitative Trade Barometer (SB QTB) scores by country

	Quantitative Trade Barometer (QTB) Score		QTB Ranking	
Country	August 2024	May 2023	May '22	Aug '24
Angola	0	0	10	10
Ghana	20	27	5	8
Kenya	22	26	6	5
Mozambique	36	37	3	3
Namibia	45	46	2	2
Nigeria	25	32	4	4
South Africa	100	100	1	1
Tanzania	20	23	8	7
Uganda	11	18	9	9
Zambia	21	23	7	6

Source: Standard Bank Africa Trade Barometer Issue 4

August 2024 May 2023

Note: The scores denote the performance of each country relative to the full country list on the specified measures.

Appendix 3: Standard Bank Survey Trade Barometer (SB STB) Country Ranking for Issue 4, 2024

The Standard Bank Firm Survey Trade Barometer (SB STB) scores and ranking by country are the averages of all the data collected from the primary research surveys conducted with 2 258 businesses.

Except for Zambia, SB STB ranks have changed in this wave for all countries, while the majority of the countries saw their scores rise (see Table 4).

Countries that have retained their ranking from May 2023:

- Zambia (10th position)

Countries that have improved in their ranking from May 2023:

- Ghana (7th to 5th position)
- Uganda (9th to 6th position)
- Tanzania (3rd to 1st position)
- Namibia (4th to 2nd position)
- Kenya (8th to 7th position)

Countries that have declined in their ranking from May 2023:

- Angola (1st to 3rd position)
- South Africa (2nd to 4th position)
- Mozambique (6th to 9th position)
- Nigeria (5th to 8th position)

Table 4: Standard Bank Survey Trade Barometer (SB STB) scores by country

	Survey Trade Barometer (STB) Score		STB Ranking	
	August 2024	May 2023	May '22	Aug '24
Angola	79	100	1	3
Ghana	37	18	7	5
Kenya	34	18	8	7
Mozambique	25	22	6	9
Namibia	79	53	4	2
Nigeria	31	22	5	8
South Africa	44	67	2	4
Tanzania	100	65	3	1
Uganda	34	12	9	6
Zambia	0	0	10	10

Source: Standard Bank Africa Trade Barometer Issue 4

Note: The scores denote the performance of each country relative to the full country list on the specified measures.

Appendix 4: Selected Macroeconomic Indicators for Angola

This appendix is structured around the thematic categories of the Standard Bank Africa Trade Barometer: macroeconomic stability, trade openness and foreign trade, access to finance and infrastructure. These are important in evaluating the trade environment and prospects of a country. Within each theme, specific indicators have been selected to quantify elements contributing to the overall trade climate. The data spans from 2019 to the forecasted values for 2024 and 2025, offering a temporal perspective on trends and potential future directions.

Table 5: Angola macroeconomic overview

Thematic Categories	Indicator	Unit	2019	2020	2021	2022	2023	2024**	2025**
Macroeconomic Stability	GDP per capita	USD	3 139	2 115	2 659	4 313	3 234	3 293	3 898
	Real GDP growth rate	%	-0.2	-4	2.1	4.2	1.7	2.3	2.6
	Inflation rate	%	17.1	22.3	25.8	21.4	13.6	29.7	29
	Exchange rate stability (USD/AOA)	AOA per USD	364.6	578.4	624.1	459.8	686.6	868.3	942.2
	Policy interest rate	%	15.6	15.5	17.8	19.8	17.3	19.4	20.0
	FX reserves	USD, billions	17.2	14.9	15.5	14.6	14.7	14.4	14.7
	Domestic debt (% of GDP)	%	32	31.4	20.7	15.2	19.5	14.3	15.7
	External debt (% of GDP)	%	52.2	75.4	60.1	36.5	45	40.9	35.2
Trade Openness and Foreign Trade	Trade (exports and imports as % of GDP)	%	57.8	65.9	74.5	69.7	66.5	N/A	N/A
	Balance of Trade*	USD, billions	12.9	5.9	14.8	21.6	13.3	14.6	16.1
	Current account (% of GDP)	%	5.4	1.3	9.8	8.2	3.8	5.1	5
	Exports of goods and services	USD, billions	35.2	21	33.7	50.1	37	37.3	38.3
	Imports of goods and services	USD, billions	-22.3	-15.1	-18.8	-28.6	-23.7	-22.7	-22.7
Access to Finance	Domestic credit to private sector (% of GDP)	%	14.4	12.7	9.6	7.8	8.4	N/A	N/A
	Gross capital formation (% of GDP)	%	17.7	26.5	26.4	26.3	26.6	N/A	N/A
	Net official development assistance and official aid received	USD, billions	0.02	0.12	0.25	0.10	N/A	N/A	N/A
	Personal remittances received (% of GDP)	%	N/A	0.02	0.02	0.01	0.01	N/A	N/A
	FDI	USD, billions	-1.7	-2	-3.3	-6.6	-2.2	-1.2	-1.8
Infrastructure	Individuals using the internet (% of population)	%	32.1	32.6	32.6	N/A	N/A	N/A	N/A
	Access to electricity (% of population)	%	45.6	47.0	48.2	48.5	N/A	N/A	N/A
	Mobile cellular subscription (per 100 people)	Ratio	45.8	43.8	44.4	67.4	N/A	N/A	N/A
	Air freight tonnage	million ton-km	68.0	28.9	31.0	N/A	N/A	N/A	N/A
	Container traffic at ports	TEUs***, thousands	651.3	563.9	605	654.6	N/A	N/A	N/A

Source: Standard Bank African Markets Revealed Report. | World Bank. Available here.

Notes: *Negative values indicate that a country is a net importer, while positive values indicate it is a net exporter. **2024 and 2025 data points are estimates. ***TEUs refers to twenty-foot equivalent unit. N/A denotes that the relevant data was unavailable from the specified source.

Appendix 5: Key Results of the Standard Bank Africa Trade Barometer Issue 4 Survey in Angola

This appendix presents the key results of the main questions asked to businesses in Angola as part of the fourth edition of the Standard Bank Africa Trade Barometer. The results are structured according to the SB ATB thematic categories: macroeconomic stability, trade openness and foreign trade, infrastructure, government support, as well as traders' financial behaviours and their access to finance. **Not all questions in the SB ATB survey are presented here.** The questions selected for inclusion have been chosen for their closed-ended nature and being succinct enough for a concise presentation. Questions pertaining to the general profile of businesses and individual respondents, or those requiring open-ended responses, have been omitted. This approach ensures that the findings detailed in the following table are directly relevant and valuable for interpreting the trade dynamics within the Angola context.

Table 6: Key findings of the survey

Thematic Categories	Question	Responses								
Macroeconomic Stability	Thinking of your business turnover over [from 2020 to 2021], please indicate if turnover increased, decreased or remained the same.	Increased	Decreased	Remained the same	Don't know	Refused	–	–	–	–
		23%	64%	11%	1%	1%	–	–	–	–
	Thinking ahead [from 2024 to 2025] do you expect business turnover to increase, decrease or remain the same.	Increased	Decreased	Remained the same	Don't know	Refused	–	–	–	–
		84%	6%	11%	N/A	N/A	–	–	–	–
	Thinking ahead [from 2025 to 2026] do you expect business turnover to increase, decrease or remain the same.	Increased	Decreased	Remained the same	Don't know	Refused	–	–	–	–
		75%	5%	20%	0.5%	N/A	–	–	–	–
	Please indicate how you feel about the performance of the economy in relation to business in the next 3 years.	Extremely optimistic	Very optimistic	Neutral	Not very optimistic	Not at all Optimistic	Refused	Don't know	–	–
		9%	54%	23%	9%	2%	N/A	3%	–	–
Infrastructure	[Road infrastructure] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/ use this	Don't know	–	–
		4%	29%	21%	19%	27%	N/A	1%	–	–
	[Water supply] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/ use this	Don't know	–	–
		6%	27%	32%	25%	10%	N/A	0.5%	–	–
	[Telecommunications] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/ use this	Don't know	–	–
		9%	38%	27%	17%	9%	N/A	N/A	–	–
	[Ports] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/ use this	Don't know	–	–
		5%	30%	25%	22%	15%	0.5%	2%	–	–
	[Airports] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/ use this	Don't know	–	–
		9%	34%	27%	17%	10%	0.5%	3%	–	–
	[Customs and trade regulations] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/ use this	Don't know	–	–
		5%	29%	30%	18%	16%	0.5%	2%	–	–
	[Power supply] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/ use this	Don't know	–	–
		8%	34%	34%	18%	5%	0.5%	1%	–	–
	[Rail infrastructure] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/ use this	Don't know	–	–
		9%	28%	26%	17%	18%	0.5%	1%	–	–

Trade Openness and Foreign Trade	How likely are you to increase the volume of imports in the next 2 years?	Extremely likely	Very likely	Neither likely nor unlikely	Very unlikely	Extremely unlikely	–	–	–	–
		27%	62%	5%	5%	N/A	–	–	–	–
	How likely are you to decrease the volume of imports in the next 2 years?	Extremely unlikely	Very unlikely	Neither likely nor unlikely	Very likely	Extremely likely	–	–	–	–
		9%	9%	52%	22%	9%	–	–	–	–
	To what extent do importation-related taxes, including tariffs, impact your business growth?	Severe impact	Major impact	Moderate impact	Minimal impact	No impact	–	–	–	–
		2%	11%	55%	23%	8%	–	–	–	–
	To what extent do importation-related customs and trade regulations impact your business growth?	Severe impact	Major impact	Moderate impact	Minimal impact	No impact	–	–	–	–
		4%	15%	45%	26%	10%	–	–	–	–
	How likely are you to increase the volume of exports in the next 2 years?	Extremely likely	Very likely	Neither likely nor unlikely	Very unlikely	Extremely unlikely	–	–	–	–
		25%	50%	13%	13%	N/A	–	–	–	–
	How likely are you to decrease the volume of export in the next 2 years?	Extremely unlikely	Very unlikely	Neither likely nor unlikely	Very likely	Extremely likely	–	–	–	–
		8%	54%	23%	15%	N/A	–	–	–	–
	To what extent do exportation-related taxes, including tarrifs, impact your business growth?	Severe impact	Major impact	Moderate impact	Minimal impact	No impact	–	–	–	–
		3%	14%	53%	21%	9%	–	–	–	–
	To what extent do exportation-related customs and trade regulations impact your business growth?	Severe impact	Major impact	Moderate impact	Minimal impact	No impact	–	–	–	–
		4%	15%	45%	25%	11%	–	–	–	–
	In your view would you say trading with the rest of Africa is extremely easy, very easy, neither easy nor difficult, very difficult or extremely difficult?	Extremely easy	Very easy	Neither easy nor difficult	Very difficult	Extremely difficult	Don't know	Refused	–	–
		4%	14%	24%	47%	2%	9%	N/A	–	–
	In your view would you say trading with the rest of the world (OUTSIDE OF AFRICA) is extremely easy, very easy, neither easy nor difficult, very difficult or extremely difficult?	Extremely easy	Very easy	Neither easy nor difficult	Very difficult	Extremely difficult	Don't know	Refused	–	–
		3%	15%	28%	39%	6%	7%	1%	–	–
	Are you aware of the African Continental Free Trade Area Agreement?	Yes	No	–	–	–	–	–	–	–
		71%	29%	–	–	–	–	–	–	–
	What are the top 3 benefits of the AfCFTA on your business?	No benefits (Exclusive)	Ease the movement of goods/ services across borders	Allow for a larger market for my goods/ services	Allow for greater competition	Promote the availability of more products and services to choose from	Contribute to the movement of capital and people across borders	Facilitate greater investment across countries	Promote industrial development across the countries	Other
		10%	33%	32%	39%	24%	24%	43%	38%	N/A
Government Support	Please indicate how supportive your government is with regards to cross-border trading activities.	5 - Extremely supportive	4	3	2	1 - Not at all supportive	Refused	Don't know	-	-
		14%	33%	27%	8%	16%	N/A	2%	-	-

Traders' Financial Behaviour and Access to Finance	Please indicate how difficult or easy it is to get credit from financial institutions	Extremely easy	4	3	2	1 - Extremely difficult	Refused	Don't know	–	–
		15%	28%	23%	8%	24%	N/A	2%	–	–
	Why do you prefer using cash to pay for your goods or services when trading with suppliers in other countries?	Minimal cost/ fees	Allows for negotiations	Limited knowledge in other payment methods	Convenient - easy to deal with	Privacy	Other	–	–	–
		27%	73%	32%	62%	27%	N/A	–	–	–
	What challenges, if any, do you encounter when using cash when trading with suppliers in other countries?	Fraud	Loss of money/ security risks	Fluctuating exchange rates	Customs declarations	Inconvenience - of carrying large amounts of money	Other	–	–	–
		54%	43%	46%	43%	35%	N/A	–	–	–
	What benefits or incentives would encourage you to entirely switch to formal channels (such as cards, electronic payments, international transfers) when trading with suppliers in other countries?	Faster transaction processing times	Minimal document requirements	Competitive exchange rates	Guaranteed security	Recorded transactions	Other	–	–	–
		38%	46%	35%	73%	32%	N/A	–	–	–
	Do you offer credit terms to your clients?	Yes			No			–	–	–
		59%			41%			–	–	–
	Do you have credit terms arrangements with your suppliers?	Yes			No			–	–	–
		45%			55%			–	–	–

ABOUT THE RESEARCH

The Standard Bank Africa Trade Barometer is based on both primary and secondary research sources. This is Issue 4 of the SB ATB. Issues 1, 2 and 3 were released in June 2022, November 2022 and September 2023, respectively. Data collection (both primary and secondary research) for Issue 4 was carried out between July and September 2024 in all 10 countries of interest.

The primary research component involves the administration and analysis of a firm survey (i.e., a survey of sample businesses in the countries of interest) and in-depth interviews with key stakeholders. The sample is stratified by size (small, big and corporate), region and industry. A total of 2 258 businesses were surveyed and 30 in-depth interviews were conducted across the 10 countries in Issue 4.

In Angola, 244 businesses were surveyed, all of them in Luanda.

The breakdown of surveyed businesses in Angola by business segment was as follows:

- 70% were small businesses
- 16% were big businesses
- 13% were corporates

In the context of the SB ATB, small businesses are defined as those with a turnover of less than AOA 1.1 billion, large businesses as those with a turnover of between AOA 1.1 billion and AOA 40 billion and corporates as those with a turnover of more than AOA 40 billion.

The breakdown of surveyed businesses in Angola by industry is as follows:

Table 7: Breakdown of surveyed businesses in Angola by industry

Industry	%	Industry	%
Accommodation and food service activities	23	Transportation and storage	1
Wholesale and retail trade; repair of motor vehicles and motorcycles	21	Administrative and support service activities	1
Manufacturing	13	Electricity, gas, steam and air conditioning supply	1
Mining and quarrying (includes oil & gas)	8	Information and communication	0
Other service activities	8	Professional, scientific and technical activities	0
Construction	7	Education	0
Agriculture, forestry and fishing	6	Water supply; sewerage, waste management and remediation activities	0
Real estate activities	3	Human health and social work activities	0
Financial and insurance activities	2	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	0
Public administration and defence; compulsory social security	2	Activities of extraterritorial organisations	0
Arts, entertainment and recreation	2		

The breakdown of surveyed businesses by staff complement was as follows:

- 25% had below 5 employees
- 46% had 5 - 10 employees
- 17% had 11 - 20 employees
- 11% had 21 - 50 employees

With regards to individual respondent characteristics within the businesses, 19% were female and 81% were male. The breakdown by their job titles is as follows:

The breakdown by their job titles is as follows:

- 16% were general managers
- 15% were owners, partners or co-owners
- 13% were heads of departments
- 11% were chief executive officers (CEOs)
- 9% were chairmen
- 8% were treasurers
- 7% were chief accountants
- 4% were chief financial officers
- 6% were financial directors
- 5% were deputy director generals

Further details by region, business segment, industry, staff complement, age of firm, the firms' corporate and strategic decision-making structures as well as individual respondent characteristics (gender, job title, etc.) are available on request.

There were three in-depth interviews conducted in Angola as part of Issue 4. The interviews were held with representatives from the State Justice, the Ministry of Finance and the Ministry of Commerce.

The survey and in-depth interviews were conducted on a confidential basis.

The secondary research component involves the gathering and analysis of quantitative data. This data is primarily collected from World Bank sources, although additional data is obtained from the International Monetary Fund (IMF), the International Trade Center and individual country central banks.

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In-depth details on how the Standard Bank Africa Trade Barometer scores for each country are calculated, and the resultant country rankings, are available on request.

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The research was produced by Standard Bank Business and Commercial Banking Research & Insights. For any questions or information requirements on this report please contact tradebarometer@standardsbg.com.

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