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Angola: Statistical Annex

This Statistical Annex report on Angola was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with this member country. As such, the views expressed in this document are those of the staff team and do not necessarily reflect the views of the Government of Angola or the Executive Board of the IMF.

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INTERNATIONAL MONETARY FUND

ANGOLA

Statistical Annex

Prepared by a staff team consisting of Mr. Fajgenbaum (Head-AMR), Mr. Pereira Leite (AMR), Mr. Harnack (AMR), Mr. Gelbard (AMR), Mr. Santos (AMR), Mr. Ruiz (FAD), and Mr. Lönnberg (MAE)

Approved by the African Department

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Table 1. Basic Data

	1993	1994	1995	1996	Est. 1997
(Annual percentage change, unless otherwise indicated)					
National income and prices					
Nominal GDP (KZR billion)	919.0	2,202.5	2,111.2	6,067.7	105.4
Real GDP growth	-23.8	1.4	11.3	11.7	6.6
GDP deflator	1,237	2,171	1,886	5,423	93
CPI (annual average)	1,379	950	2,672	4,146	222
CPI (end of period)	1,838	972	3,784	1,651	150
Government budget					
Total revenue	1,016	2,385	1,478	9,041	70
Total expenditure	588	2,612	1,941	5,799	111
(In percent of GDP)					
Total revenue	39.0	42.1	30.0	44.5	36.7
<i>Of which:</i> Oil	31.9	37.4	26.2	39.7	30.1
Total expenditure	52.7	62.1	57.3	54.8	56.4
Overall balance (commitment basis)	-13.8	-20.1	-27.3	-10.4	-19.7
Overall balance (cash basis)	-4.4	-7.9	-17.6	-12.9	-14.0
Primary balance	-3.7	-7.8	-16.5	1.2	-14.1
(Annual percentage change, unless otherwise indicated)					
Money and credit 1/					
Net domestic assets	592	792	1,978	-363	107
<i>of which:</i> Credit to the government (net)	275	618	1,200	25	48
Credit to the rest of the economy	151	399	1,027	464	49
Broad money	404	1,923	1,481	2,551	90
M2 velocity (average)	1.6	1.9	2.7	3.6	4.3
Interest rate (in percent, end of period)	13	84	244	0.5	35
External sector					
Exports, f.o.b.	-24.3	4.0	23.4	36.9	-1.7
Oil	-20.9	2.7	21.4	35.7	-3.1
Non-oil	-71.5	55.4	74.4	56.7	19.9
Imports, f.o.b.	-26.4	-0.6	27.4	10.1	21.5
Terms of trade	-9.1	-8.1	0.0	22.7	1.9
Official exchange rate (dollar terms, end of period)	6.5	509	5,692	201,994	262,376
Nominal effective exchange rate	624.3	913.0	3,729.7	2,238.1	618.6
Real effective exchange rate 2/	65.5	-86.8	216.3	-51.1	100.0

Table 1. Basic Data (concluded)

	1993	1994	1995	Est. 1996	Est. 1997
(In millions of U.S. dollars)					
Overall balance of payments (US\$ millions)	-2,012	-1,132	-1,218	-218	-806
External payment arrears (end of period)	4,034	5,034	5,641	2,051	2,645
Gross international reserves (end of period)	197	190	224	556	392
Equivalent in months of imports 3/	1.5	1.4	1.7	3.7	2.2
(In percent of GDP)					
Current account balance	-15.2	-13.9	-19.6	-4.9	-11.4
Public External Debt/exports ratio 4/	338.0	341.6	304.4	157.8	177.0
External Debt service/exports ratio 4/	64.7	47.4	42.1	34.9	31.2
External Debt service/government revenue ratio	79.7	88.0	106.5	63.8	58.5
Use of fund resources					
Purchases	0.0	0.0	0.0	0.0	0.0
Repurchases	0.0	0.0	0.0	0.0	0.0
Credit outstanding	0.0	0.0	0.0	0.0	0.0
Present arrangement	None	None	None	None	None
Quota (SDR million)	207	207	207	207	207
Social and demographic indicators (most recent date)					
	Angola	Sub-Saharan Africa			
Population mid-1996 (millions)	11.1	596			
Area (thousands of squared kilometers)	1,247	24,274			
Arable land (percent of total land area)	26.1	50.6			
GNP per capita 1996 (US\$)	320	490			
Population growth, 1990-96	3.1	2.7			
Labor force in agriculture (percent of total)	75	65			
Labor force growth 1990-96	2.8	2.6			
Fertility rate 1995 (births per woman)	6.9	5.6			
Urban population (percent of total population)	31	32			
Life expectancy at birth 1995 (years)	47	52			
Infant mortality 1996 (per 1,000 live births)	170	91			
Child malnutrition (in percent of children under 5)	35	...			
Measles immunization (% of age group)	32	56			
DTP immunization (% of age group)	21	55			
Daily calorie supply per capita 1995	1,904	2,096			
Access to safe water (percent of total population)	32	45			
Access to sanitation (percent of total population)	16	45			
Illiteracy (percent of population age 15+)	58	43			
Combined first and second level enrollment ratio, 1995	30	53			
United Nations Human Development Index	0.34	0.38			

Sources: Data provided by the Angolan authorities, the World Bank, and the United Nations.

1/ As a percent of broad money at the beginning of the period.

2/ Increase = appreciation.

3/ Based on the three-year average of merchandise imports.

4/ Includes short-term debt. Percent of exports of goods and nonfactor services.

Table 2. Angola: Gross Domestic Product by Sector of Activity, 1993-97

	1993	1994	1995	1996	Est. 1997
(Share of total, in percent)					
Agriculture, forestry, and fish	11.6	6.6	7.7	7.3	9.6
Mining	41.0	58.6	58.5	61.3	52.3
Oil and LPG 1/	40.2	56.6	55.8	58.0	48.5
Diamonds	0.8	2.0	2.7	3.3	3.8
Manufacturing	5.7	4.9	4.0	3.4	4.4
Electricity and water	0.1	0.0	0.0	0.0	0.0
Construction	4.5	3.4	3.4	3.1	4.1
Trade and commerce	20.3	18.1	17.6	14.8	16.3
Nontradable services	14.4	6.5	7.3	8.1	11.4
Import duties	2.5	1.8	1.4	1.9	1.9
GDP at market prices	100.0	100.0	100.0	100.0	100.0
(Real growth rates, in percent)					
Agriculture, forestry, and fish	-46.7	9.9	26.5	15.3	9.7
Mining	-12.5	10.4	12.0	13.1	4.2
Oil and LPG 1/	-8.4	9.2	12.0	12.0	3.2
Diamonds	-81.0	111.7	11.5	48.7	58.7
Manufacturing	-6.4	10.1	-11.4	2.6	9.3
Electricity and water	-8.1	8.5	9.2	-5.8	9.5
Construction	-44.8	21.8	10.0	7.0	13.0
Trade and commerce	-20.9	6.0	7.2	3.8	9.4
Nontradable services	-30.0	-30.0	15.0	20.0	5.5
Import duties	-42.7	-26.5	-10.0	35.0	15.0
GDP at market prices	-23.8	1.4	11.3	11.7	6.6
Non-oil GDP at market price	-31.4	-3.8	10.8	11.4	9.3
Memorandum items:					
Nominal GDP	27	620	13,715	845,879	1,737,268
Oil sector	11	351	7,657	490,999	842,238
Non-oil sector	16	269	6,058	354,879	895,030
Oil output (barrels per day)	504,000	550,400	616,564	679,213	698,236

Sources: Angolan authorities; and staff calculations.

1/ Liquefied petroleum gas.

Table 3. Angola: Production of Selected Manufacturing Products, 1993-97

	1992	1993	1994	1995	1996	1997
	(In metric tons, unless otherwise specified)					
Food, beverages, and tobacco						
Dry fish	8,340	10,440	6,792	2,669	7,926	8,419
Frozen fish	21,300	22,093	15,971	22,841	12,211	12,971
Canned fish	1,398	1,787	1,121	2,644	363	385
Edible oil	910	137	109	13	21	37
Wheat flour	10,257	4,301	4,831	9,367	27,408	51,957
Maize flour	63,188	28,508	41,692	30,320	3,243	50,960
Yam flour	115,661	57,358	62,275	86,606	0	0
Bread	27,299	11,276	12,462	56,315	34,931	150,099
Pasta	967	458	294	559	629	1,197
Salt	2,725	4,182	7,091	2,435	2,739	2,587
Beer (in thousands of liters)	34,522	26,607	28,344	27,983	79,742	115,047
Other alcoholic beverages (in thousands of liters)	0	13,960	16,492	8,134	7,461	16,235
Non-alcoholic beverages (in thousands of liters)	4,031	3,025	3,855	1,300	1,565	3,378
Tobacco	813	646	319	103	697	577
Textiles, clothing, and leather						
Fabric (in thousands of square meters)	6,096	4,616	3,169	1,722	2,569	3,264
Clothing and accessories	531	98	65	17	14	13
Leather shoes	54	9	12	3	23	186
Chemicals and plastics						
Paints	1,262	427	312	89	212	3,074
Soap	4,920	1,519	812	386	4,825	10,672
Plastic containers	1,497	358	441	133	164	1,027
Gasoline	117,708	111,015	118,611	117,927	111,367	114,647
Diesel	449,772	422,274	451,280	469,855	462,816	466,336
Kerosene	34,797	22,218	23,862	22,305	17,181	19,743
Butane gas	37,749	35,397	37,657	32,536	32,726	32,631
Asphalt	10,868	7,981	7,796	9,404	7,796	8,600
Fuel oil	538,073	500,858	575,464	664,957	696,197	680,577
Fuel extra heavy	45,855	32,104	48,240	47,524	44,638	46,081
Jet fuel	296,542	315,664	293,845	283,016	301,555	292,286
Oils and lubricants	13,416	13,519	13,500	13,500	13,500	13,500
Construction material						
Zinc sheet	0	423	0	220	932	829
Cement	260,000	130,000	240,000	268,000	170,000	219,000
Electric products						
Electric cables	223	70	62	14	32	65
Batteries	4,228	4,437	6,127	1,160	2,796	3,696

Source: Ministry of Planning.

Table 4. Angola: Oil Production and Reserves, 1993-97

	1993	1994	1995	1996	1997
(Thousands of barrels per day)					
Production	504	550	617	679	698
Cabinda	295	313	373	405	402
Block 1	0	0	3	2	1
Block 2	44	58	59	95	104
Block 3	161	172	175	172	181
Block 4	0	5	5	6	4
Block 14	0	0	0	0	0
Block 17	0	0	0	0	0
Congo FST	1	0	0	6	16
Congo FS	0	0	0	0	0
Kwanza	2	2	2	1	1
(In millions of barrels, unless otherwise specified)					
Cumulative production 1/	2,768	2,968	3,193	3,441	3,696
Cabinda	1,957	2,071	2,207	2,355	2,502
Block 1	1	1	3	3	4
Block 2	120	141	163	198	236
Block 3	375	436	500	563	629
Block 4	0	2	4	6	8
Congo FST	224	224	224	226	232
Congo FS	5	5	5	5	6
Kwanza	86	87	88	88	89
New discoveries 2/	100	460	90	812	...
Proven reserves 1/ 3/	1,900	2,213	2,491	2,569	...
Reserves-production ratio (in percent)	10.3	11.0	11.1	10.3	...

Source: Ministry of Petroleum.

1/ At year's end.

2/ Includes reserves not yet developed.

For 1996, the estimate reflects the Girasol 1 discovery in Block 17 at 700 million barrels.

3/ Reserves already developed and ready for production.

Table 5. Angola: Oil Balance, 1993-97

	1993	1994	1995	1996	1997
	(In millions of barrels)				
Crude oil					
Production	184.1	200.9	225.0	248.6	254.9
Domestic refinery	12.6	14.1	14.3	14.5	15.5
Exports 1/	170.4	184.3	206.4	231.7	231.7
Net change in stocks 2/	1.1	2.5	4.3	2.4	7.7
	(In thousands of metric tons)				
Derivatives					
Supply	1,581	1,811	1,817	1,815	1,815
Domestic production	1,522	1,710	1,760	1,776	1,776
Imports	58	101	57	39	39
Uses	1,581	1,811	1,817	1,815	1,815
Domestic sales	979	1,114	1,070	932	932
Diesel (gas oil)	417	465	400	397	397
Gasoline	137	118	145	118	118
Fuel oil	46	58	75	55	55
Jet fuels	269	331	304	249	249
Kerosene	42	57	66	50	50
Gas (liquefied petroleum gas)	48	55	57	50	50
Other	20	30	23	15	15
Exports 3/	611	709	727	784	784
Net change in stocks	-9	-13	20	99	99

Sources: Ministry of Petroleum; Sonangol (state oil company); National Bank of Angola; and staff estimates.

1/ As reported in balance of payments. Other sources differ slightly.

2/ Includes pipeline losses and field consumption, as well as any discrepancies.

3/ As reported in balance of payments; excludes natural gas liquids.

Table 6. Angola: Mining Production, 1993-97

	1993	1994	1995	1996	1997
	(In units indicated)				
Crude oil					
In millions of barrels	184	201	225	249	255
In thousand barrels per day	504	550	617	679	698
Liquefied petroleum gas					
In thousands of barrels	1,282	1,481	1,616	1,580	1,581
Diamonds (recorded exports) 1/					
In thousands of carats	295	537	628	917	1,212
	(Annual percentage change)				
Crude oil 2/	-8.4	9.1	12.0	10.5	2.5
Liquefied petroleum gas	-12.7	15.5	9.1	-2.2	0.1
Diamonds (recorded exports) 1/	-78.9	81.8	17.1	46.1	32.1

Sources: Ministry of Petroleum; Endiama; and staff estimates.

1/ Exports through Endiama and, from 1995, Endiama-licensed dealers (informal market).

Table 7. Angola: Prices of Petroleum Products, June 1995-December 1997
(End of period data)

	1995			1996				1997			
	June	Sep.	Dec.	March	June	Sep.	Dec.	March	June	Sep.	Dec.
(Readjusted kwanzas per liter, unless stated otherwise)											
Gasoline	420	1,456	1,870	1,870	46,000	100,000	100,000	100,000	100,000	100,000	100,000
Kerosene	150	535	700	700	23,100	24,000	24,000	24,000	24,000	24,000	24,000
Diesel (gas oil)	225	775	995	995	23,500	50,000	50,000	50,000	50,000	50,000	50,000
Fuel oil (light) 1/	160	560	750	750	17,050	35,000	35,000	35,000	35,000	35,000	35,000
Fuel oil (heavy) 1/	110	380	500	500	11,540	24,000	24,000	24,000	24,000	24,000	24,000
LPG 2/ 3/	265	958	1,275	1,275	39,950	40,000	40,000	40,000	40,000	40,000	40,000
(Percentage change over previous quarter)											
Gasoline	13,900	247	28	0	2,360	117	0	0	0	0	0
Kerosene	33,233	257	31	0	3,200	4	0	0	0	0	0
Diesel (gas oil)	44,900	244	28	0	2,262	113	0	0	0	0	0
Fuel oil (light)	19,900	250	34	0	2,173	105	0	0	0	0	0
Fuel oil (heavy)	27,400	245	32	0	2,208	108	0	0	0	0	0
LPG 2/	21,983	262	33	0	3,033	0	0	0	0	0	0

Sources: Ministry of Finance; and staff estimates.

1/ Readjusted kwanzas per kilogram.

2/ Liquefied petroleum gas.

Table 8. Angola: Consumer Price Index in Luanda, 1993-97

	Weights (In percent)	1993	1994	1995	1996	1997				
		Dec.	Dec.	Dec.	Dec.	Mar.	Jun.	Sep.	Dec.	
(Index, 1994=100)										
Food	74.0	29.1	302.3	10,425	170,984	173,719	167,605	205,451	318,793	
Clothing and footwear	5.5	25.1	294.0	19,152	307,789	299,277	302,025	339,710	420,558	
Housing, energy, and utilities	5.5	23.6	317.6	10,295	257,809	3,882,090	4,502,115	4,419,004	4,572,341	
Furniture and appliances	4.7	31.0	286.6	16,229	237,129	274,772	278,979	355,708	451,290	
Health	1.8	14.7	201.6	16,634	307,128	341,772	375,285	438,527	562,235	
Transport and communications	3.9	20.2	393.4	11,988	557,062	601,029	601,023	1,041,159	1,162,746	
Education	2.7	17.9	279.6	17,530	490,898	540,408	501,193	633,360	795,355	
Other goods and services	1.9	27.8	292.8	10,369	222,540	248,234	249,918	303,222	402,817	
Total	100.0	27.9	299.8	11,642	203,768	327,514	342,864	392,229	504,818	
(Change in percent, year to date)										
Food		1,994	938	3,348	1,540	2	-2	20	86	
Clothing and footwear		1,829	1,072	6,414	1,507	-3	-2	10	37	
Housing, energy, and utilities		418	1,246	3,141	2,404	1,406	1,646	1,614	1,674	
Furniture and appliances		2,144	825	5,563	1,361	16	18	50	90	
Health		1,239	1,269	8,151	1,746	11	22	43	83	
Transport and communications		435	1,844	2,947	4,547	8	8	87	109	
Education		2,259	1,459	6,169	2,700	10	2	29	62	
Other goods and services		1,916	952	3,441	2,046	12	12	36	81	
Total		1,838	974	3,784	1,650	61	68	92	148	

Source: National Institute of Statistics.

Table 9. Angola: Exchange rates, 1993-97 1/
(Readjusted kwanzas per U.S. dollar) 2/

	Official	Monthly Percent Change	Parallel Rate	Monthly Percent Change	Spread (In percent)
1993					
December	7	0.0	106	3.4	1,530.7
1994					
December	494	11.8	996	71.5	101.8
1995					
January	516	4.6	1,570	57.6	204.2
February	551	6.7	1,673	6.6	203.8
March	592	7.5	1,628	-2.7	174.9
April	673	13.6	1,762	8.2	161.9
May	1,480	120.0	1,780	1.0	20.2
June	2,209	49.2	2,299	29.2	4.1
July	2,217	0.3	3,002	30.6	35.4
August	3,042	37.3	5,621	87.3	84.8
September	4,176	37.3	8,405	49.5	101.3
October	5,692	36.3	12,953	54.1	127.6
November	5,692	0.0	17,500	35.1	207.4
December	5,692	0.0	21,403	22.3	276.0
1996					
January	5,692	0.0	32,723	52.9	474.9
February	7,470	31.2	49,783	52.1	566.5
March	37,040	395.9	53,863	8.2	45.4
April	45,507	22.9	75,396	40.0	65.7
May	70,566	55.1	186,306	147.1	164.0
June	155,847	120.9	239,250	28.4	53.5
July	201,994	29.6	246,129	2.9	21.8
August	201,994	0.0	206,613	-16.1	2.3
October	201,994	0.0	223,000	8.3	10.4
November	201,994	0.0	230,333	3.3	14.0
December	201,994	0.0	241,452	4.8	19.5
1997					
January	201,994	0.0	266,452	10.4	31.9
February	201,994	0.0	239,063	-10.3	18.4
March	201,994	0.0	204,577	-14.4	1.3
April	201,994	0.0	216,375	5.8	7.1
May	201,994	0.0	241,976	11.8	19.8
June	201,994	0.0	255,354	5.5	26.4
July	214,956	6.4	278,911	9.2	29.8
August	262,376	22.1	360,806	29.4	37.5
September	262,376	0.0	410,666	13.8	56.5
October	262,376	0.0	391,653	-4.6	49.3
November	262,376	0.0	364,000	-7.1	38.7
December	262,376	0.0	390,241	7.2	48.7

Source: National Bank of Angola.

1/ Monthly averages of buying and selling daily average exchange rates.

2/ In July 1995, the new kwanza was replaced by the "readjusted" kwanza at the rate of 1,000 to 1.

Table 10. Angola: Balance of Payments, 1993-97

	1993	1994	1995	1996	Est. 1997
(In millions of U.S. dollars)					
Current account (including transfers)	-848	-564	-994	-323	-866
Trade balance	1,437	1,563	1,871	3,055	2,530
Exports, f.o.b.	2,900	3,017	3,723	5,095	5,008
Oil	2,826	2,901	3,522	4,781	4,631
Non-oil	74	115	201	315	377
Imports, f.o.b.	1,463	1,454	1,852	2,040	2,477
Services and transfers (net)	-2,285	-2,126	-2,864	-3,378	-3,397
Of which: interest payments 1/	577	549	651	882	542
Of which: public sector	518	494	584	791	463
Capital account	-672	-568	-204	74	90
Direct investment (net)	302	327	303	588	492
Medium and long-term (net)	-817	-322	-729	-306	267
Drawings	551	892	429	907	1,601
Of which: public sector	289	642	260	747	1,386
Amortization	1,368	1,214	1,157	1,213	1,334
Of which: public sector		1,008	1,027	1,079	1,134
Short term (net)	-157	-573	221	-208	-669
Errors and omissions	-491	-1	-20	31	-30
Overall balance	-2,012	-1,132	-1,218	-218	-806
Financing	2,012	1,132	1,218	218	806
Net international reserves (increase -)	900	35	624	-1,648	183
Exceptional financing	1,112	1,097	594	1,866	623
Of which: arrears (decrease -)	1,095	899	514	-3,871	594
Rescheduling	17	198	80	1,704	29
Debt cancellation	0	0	0	4,033	0
Other exceptional financing			0	0	0
(In percent of GDP, unless otherwise indicated)					
Current account (including transfers)	-15.2	-13.9	-19.6	-4.9	-11.4
Overall balance	-36.1	-27.9	-24.1	-3.3	-10.6
Import coverage (in months of imports) 2/	1.5	1.4	1.7	3.7	2.2
(In percent of exports of goods and nonfactor services)					
Public external debt 3/	338.0	342	304	158	137
Public debt-service ratio	64.7	47	42	35	31
Memorandum items:					
GDP	5,575	4,060	5,059	6,617	7,612
Exports of goods and nonfactor services	3,005	3,166	3,836	5,385	5,237
(in percent of GDP)	53.9	78	76	81	69
Imports of goods and nonfactor services	3,075	3,082	3,964	4,535	5,130
(in percent of GDP)	55.2	76	78	69	67
Foreign debt 3/	10,158	10,818	11,675	8,499	7,196
Gross international reserves	197	190	224	556	392
Price of Angola's oil (U.S. dollars per barrel)	16.1	15.3	16.6	20.4	18.6

Sources: National Bank of Angola; and staff estimates.

1/ Includes interest on arrears.

2/ Based on the three-year average of merchandise imports.

3/ Including short-term debt.

Table 11. Angola: Foreign Exchange Reserves, 1993-97
(In millions of U.S. dollars, unless otherwise specified; end of period)

	1993	1994	1995	1996	1997
Net foreign assets (banking system)	-811	-675	-1,328	472	303
National Bank of Angola	-803	-839	-1,521	209	66
National Bank of Angola (net international reserves) 1/	-718	-753	-1,377	271	88
Foreign assets	339	328	366	556	392
Gross reserves	197	188	223	549	390
Gold	13	12	13	0	0
Sight deposits	41	65	99	194	112
Time deposits	143	111	112	354	279
Medium and long-term assets	142	138	142	0	0
Foreign liabilities (-)	-1,142	-1,167	-1,886	-346	-327
Short-term 2/	-915	-943	-1,601	-284	-304
Medium and long-term	-227	-224	-286	-62	-23
Commercial banks (net)	-9	164	193	263	237
Foreign assets	122	207	262	521	825
Foreign liabilities (-)	-131	-43	-69	-258	-588
Memorandum items:					
National Bank of Angola					
Change in net international reserves	-900	-35	-624	1,648	-182.9
Change in gross reserves	-256	-8	35	326	-163.2
Import coverage (of gross reserves) 3/	1.6	1.6	1.7	3.7	2.2

Source: National Bank of Angola.

1/ Excludes medium and long-term assets and liabilities.

2/ At end-1995, US\$1,184 million of short-term debt was rescheduled and subsequently recorded as government debt.

3/ In months of imports of goods.

Table 12. Angola: Composition of Merchandise Trade by Country, 1993-97

	1993	1994	1995	1996	1997
Exports	(Percent of total exports)				
United States	71.3	70.3	66.0	58.0	63.6
China, People's Republic of	5.8	1.5	3.8	5.0	12.9
Belgium-Luxembourg	0.3	4.3	4.4	4.9	6.0
France	4.3	3.9	2.4	2.9	3.8
Taiwan Province of China	0.6	0.4	2.6	6.1	2.8
Spain	2.7	4.6	3.3	4.2	1.9
Italy	4.0	3.9	3.2	3.9	0.4
Brazil	1.0	0.5	1.1	3.1	0.9
Canada	0.6	0.1	0.3	2.7	0.0
Rest of the world	6.6	5.4	6.0	6.1	7.2
Total	100.0	100.0	100.0	100.0	100.0
Imports	(Percent of total imports)				
Portugal	26.6	22.5	20.4	21.4	20.6
United States	12.9	15.6	15.4	14.5	13.2
South Africa	6.2	6.7	8.0	18.6	14.1
France	7.3	10.5	22.7	8.2	5.6
Spain	10.0	2.4	3.5	5.0	8.2
United Kingdom	3.2	2.8	2.9	3.9	6.2
Italy	4.7	2.5	2.5	3.1	2.6
China, People's Republic of	0.9	1.0	1.3	1.5	1.4
Brazil	2.9	11.9	1.2	1.9	3.8
Germany	2.3	1.8	1.7	1.7	2.2
Rest of the world	23.1	22.4	20.4	20.2	22.1
Total	100.0	100.0	100.0	100.0	100.0

Source: IMF, *Direction of Trade Statistics*. Data provided by partner countries.

Table 13. Angola: Composition of Exports by Commodity, 1993-97
(Value in millions of U.S. dollars; volume and price as indicated)

	1993	1994	1995	1996	1997
Crude oil, value	2,750	2,822	3,425	4,651	4,507
Volume (millions of barrels)	170	184	206	228	243
Price (U.S. dollars per barrel)	16.1	15.3	16.6	20.4	18.6
Refined petroleum products, value	63	72	78	105	101
Volume (thousands of metric tons)	611	709	727	784	833
Price (U.S. dollars per metric ton)	103	101	107	133	121
Gas, value	13	7	18	25	22
Volume (thousands of barrels)	1,270	677	1,512	1,633	1,543
Price (U.S. dollars per barrel)	10.5	10.7	12.2	15.6	14.5
Diamonds, value	63	97	168	267	348
Price (U.S. dollars per carat)	2,548	680	2,707	3,189	3,330
Coffee, value	2.1	1.0	5.8	4.5	4.6
Volume (thousands of metric tons)	2,333	498	2,434	2,894	3,039
Price (U.S. dollars per metric ton)	917	2,083	2,367	1,546	1,506

Sources: National Bank of Angola; and staff estimates.

Table 14. Angola: Monetary survey 1993-97 1/

	1993	1994	1995	1996	1997
	Dec.	Dec.	Dec.	Dec.	Dec.
Stocks 2/	(In billions of readjusted kwanzas)				
Net foreign assets (banking system)	-3.797	-232	-5,991	108,461	86,200
Net foreign assets (central bank)	-3.741	-316	-7,101	55,090	23,452
Foreign assets	2.206	169	2,102	112,777	103,974
Foreign liabilities	-5.947	-485	-9,203	-57,687	-80,522
Net foreign assets (commercial banks)	-0.055	84	1,110	53,370	62,747
Foreign assets	0.794	107	1,506	105,741	218,638
Foreign liabilities	-0.849	-22	-397	-52,371	-155,891
Net domestic assets	20.922	578	11,470	36,773	190,111
Net domestic credit	16.636	191	7,908	34,707	175,402
Credit to government (net)	11.117	117	4,276	5,637	75,264
Claims on government	20.766	117	4,634	37,256	82,335
Government deposits	-9.649	0	-358	-31,619	-7,070
Credit to the economy	5.518	74	3,633	29,070	100,137
Medium- and long-term foreign liabilities	-1.478	-115	-1,642	-12,609	-6,005
Other items (net)	5.764	503	5,203	14,675	20,714
<i>Of which</i> : valuation adjustment (- gains)	-1.076	520	5,743	80,337	82,813
Money and quasi money (M2)	17.125	346	5,479	145,234	276,310
Money	15.807	181	3,310	134,929	267,135
Currency outside banks	5.499	51	1,241	42,166	101,619
Demand deposits	10.309	130	2,069	92,762	165,517
Quasi money	1.317	166	2,168	10,305	9,175
<i>Of which</i> : foreign currency deposits	1.227	165	2,162	8,151	5,211
Flows (year to date) 3/	(In percent of opening stock)				
Net foreign assets (banking system)	-478	2,380	1,508	-1,848	-31
Net domestic assets	626	649	1,185	-174	424
Net domestic credit	669	1,047	4,044	339	405
<i>Of which</i> : credit to the economy	1,297	1,239	4,816	700	244
Flows (year to date) 3/	(Percent of opening M2)				
Net foreign assets (banking system)	-187	184	-1,009	2,021	-23
Net domestic assets	592	792	1,978	-363	107
Net domestic credit	426	1,017	2,228	489	97
Credit to government (net)	275	618	1,200	25	48
Credit to the economy	151	399	1,027	464	49
Medium- and long-term foreign liabilities	-1	-87	-99	336	8
Other items (net)	167	-138	-151	-1,189	2
Money and quasi money (M2)	406	977	969	1,658	84
Unadjusted M2 flow	404	1,923	1,481	2,551	90
Memorandum items:					
Gross international reserves	339	328	366	556	392
Short-term central bank liabilities	915	943	1601	284	304
Net international reserves	-576	-615	-1235	271	88
Net foreign assets (commercial banks)	-9	164	193	263	237

Sources: National Bank of Angola; and staff estimates and projections.

1/ Data have been subject to adjustments and reclassifications, and individual series are not fully consistent over time.

2/ End of period. 3/ Valuation adjusted.

Table 15. Angola: Interest Rates, 1992-98
(In percent per annum)

	1992	1993	1994	1995			1996 1/				1997				1998		
	Average	Average	Dec.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.
Demand deposits	0	0	0	0	0	0	0	0	0	0	10	10	10	10	10	10	10
Time deposits (days' maturities)																	
30-90	...	...	...	90	152	240	240	275	0.5	0.5	35	35	35	35	35	37.5	37.5
91-180	8	13	84	95	156	244	244	281	0.5	0.5	40	40	40	40	40	40	40
181-364	12	16	86	100	160	248	248	287	0.5	0.5	45	45	45	45	45	45	45
365 +	13	18	90	102	164	253	253	293	0.5	0.5	45	45	45	45	45	47.5	47.5
Lending rates (days' maturities) 2/																	
30-90	20	30	120	150	240	380	380	435	0.5-1	0.5-2	20-45	20-45	20-45	20-45	20-45	45	45
91-180	n.a	n.a	120	160	245	385	385	443	2	3	20-45	20-45	20-45	20-45	20-45	45	45
181-364	n.a	n.a	120	170	250	390	390	450	...	...	45-55	45-55	45-55	45-55	45-55	50	50
365 +	n.a	n.a	120	165	255	395	395	457	...	...	45-55	45-55	45-55	45-55	45-55	55	55
Discount rate	15	22	95	152	152	152	152	152	2	3	48	48	48	48	48	48	48
Excess reserves	...	...	...	...	...	...	...	...	...	...	...	12	12	12	12	12	12

Source: National Bank of Angola.

1/ In the July 1996-February 1997 period, all rates were to be indexed to the exchange rate. The indexing system was abolished in March 1997, and all loans and deposits were then converted to the new rates.

2/ Since April 1998, lending rates have been stipulated as ceilings and deposit rates as floors.

Table 16. Angola: Government Revenue, 1993-97

	1993	1994	1995	1996	Est. 1997
(In billions of readjusted kwanzas) 1/					
Total revenue	10.5	261	4,116	376,260	637,915
Tax revenue	10.3	257	4,074	374,404	496,528
Income tax	6.8	188	2,845	246,033	271,592
Oil corporate tax	2.9	76	1,508	106,459	195,286
Oil transaction tax	3.9	107	1,237	132,524	51,704
Other	0.0	5	100	7,050	24,602
Tax on goods and services	2.3	55	944	105,499	171,169
Oil sector	1.8	50	844	96,580	143,955
Diamond sector	0.1	0	2	1,887	0
Other	0.4	5	98	7,032	27,214
Tax on foreign trade	0.7	12	201	16,086	33,830
Other taxes	0.5	3	84	6,786	19,937
<i>Of which: stamp tax</i>	0.5	3	84	5,890	14,145
Nontax revenue	0.2	4	42	1,856	141,387
(In percent of total revenue)					
Tax revenue	98.1	98.4	99.0	99.5	77.8
Income tax	64.8	71.9	69.1	65.4	42.6
Tax on goods and services	21.9	20.9	22.9	28.0	26.8
<i>Of which</i>					
Oil sector	17.1	19.0	20.5	25.7	22.6
Diamond sector	1.0	0.1	0.0	0.5	0.0
Tax on foreign trade	6.7	4.6	4.9	4.3	5.3
Other taxes	4.8	1.0	2.0	1.8	3.1
Nontax revenue	1.9	1.6	1.0	0.5	22.2
Total tax on oil sector	81.9	88.9	87.2	89.2	61.3
(In millions of U.S. dollars)					
Tax on oil sector	1,780	1,518	1,324	2,625	1,713
Corporate tax	600	495	556	833	856
Transaction tax	807	698	456	1,037	227
Production tax	373	325	311	755	631
Memorandum item:					
Exchange rate (Readjusted kwanzas per U.S. dollar) 1/	0.005	0.153	2.711	127.840	228.233

Sources: Budget execution reports; supplemental information from the Ministry of Finance; and staff estimates.

1/ Prior to 1995, in trillions of new kwanzas (NKZ 1000 = KZR 1).

Table 17. Angola: Government Expenditure by Function, 1993-97 1/

	1993	1994	1995	1996	Est. 1997
(In billions of readjusted kwanzas) 2/					
Total expenditure and net lending	14.2	385	7,863	463,867	980,319
General public services	2.6	82	1,513	64,628	173,598
Defense and public order	3.5	130	2,469	162,354	355,565
<i>Of which</i> : recorded	3.0	75	1,430	127,813	177,782
Peace process	0.0	0	39	3,666	6,097
Education	1.0	11	399	21,546	48,346
Health	0.8	15	450	13,909	30,740
Social security, welfare, and housing	1.1	9	247	9,968	51,470
Economic affairs and services	0.7	10	523	39,385	85,192
Interest (commitment basis)	2.7	76	1,483	97,391	97,247
Other (residual)	1.7	53	740	51,022	132,066
Memorandum items:					
Total recorded expenditure	11.2	310	6,433	336,054	598,623
Total GDP (nominal)	26.9	620	13,715	845,879	1,737,268
(In percent of total)					
Total expenditure and net lending	100.0	100.0	100.0	100.0	100.0
General public services	18.4	21.4	19.2	13.9	17.7
Defense and public order	24.6	33.7	31.4	35.0	36.3
<i>Of which</i> : recorded	21.1	19.5	18.2	27.6	18.1
Peace process	0.0	0.1	0.5	0.8	0.6
Education	7.2	2.8	5.1	4.6	4.9
Health	5.8	3.8	5.7	3.0	3.1
Social security, welfare, and housing	7.9	2.2	3.1	2.1	5.3
Economic affairs and services	4.9	2.5	6.6	8.5	8.7
Interest (commitment basis)	19.0	19.7	18.9	21.0	9.9
Other (residual)	12.1	13.7	9.4	11.0	13.5
Memorandum item:					
Total recorded expenditure	78.9	80.5	81.8	72.4	61.1
(In percent of GDP)					
Total expenditure and net lending	52.7	62.1	57.3	54.8	56.4
General public services	9.7	13.3	11.0	7.6	10.0
Defense and public order	13.0	21.0	18.0	19.2	20.5
<i>Of which</i> : recorded	11.1	12.1	10.4	15.1	10.2
Peace process	0.0	0.0	0.3	0.4	0.4
Education	3.8	1.8	2.9	2.5	2.8
Health	3.1	2.3	3.3	1.6	1.8
Social security, welfare, and housing	4.2	1.4	1.8	1.2	3.0
Economic affairs and services	2.6	1.6	3.8	4.7	4.9
Interest (commitment basis)	10.0	12.3	10.8	11.5	5.6
Other (residual)	6.4	8.5	5.4	6.0	7.6
Memorandum item:					
Total recorded expenditure	41.6	50.0	46.9	39.7	34.5

Sources: Budget execution reports; supplemental information from Ministry of Finance; and staff estimates.

1/ Accounting data and budget estimates adjusted by staff estimates of unrecorded transactions.

2/ Prior to 1995, in trillions of new kwanzas (NKZ 1000 = KZR 1).

Table 18. Angola: Population Statistics, 1993-97

	1993	1994	1995	1996	1997
(In thousands)					
Population	10,916	11,238	11,559	11,895	12,240
Urban	4,585	4,819	4,970	5,114	5,273
Rural	6,331	6,419	6,589	6,781	6,967
(Change in percent)					
Population	2.9	2.9	2.9	2.9	2.9
Urban	8.0	5.1	3.1	2.9	3.1
Rural	-0.5	1.4	2.6	2.9	2.8
(In percent of total)					
Age group					
0-19	54.8	...	...	...	59.6
20-44	30.6	...	...	...	31.0
45 +	14.6	...	...	...	9.4

Sources: National Institute of Statistics; and staff estimates.

Note: Population figures are projected from the 1970 census. In mid-1996, a nationwide survey yielded a population estimate of 15.3 million.

Angola: Summary of Tax System as of December 31, 1998

(All amounts in readjusted kwanzas) 1/

(Updated by Decree No. 65/95 of December 15, 1995)

Tax	Nature of Tax	Exemptions and Deductions	Rates												
I. <u>Central Government</u>															
1. <u>Taxes on net income and profits</u>															
1.1 <u>Individual</u>															
1.1.1 <u>Earned income tax</u> <u>(Imposto sobre o Rendimento do Trabalho)</u> Law No.12/92 of June 19, 1992	Tax on labor income in money or in kind, whether contractual or not, periodic or occasional, fixed or variable, regardless of source, place, currency, or form of calculation and payment.	<u>Not defined as taxable income:</u> Maternity, death, occupational accident and disease, unemployment, and funeral allowances; old-age, disability, and survivors' pensions; retirement bonus, per diem allowance; representation, travel, relocation, and residence rental allowance; social security contributions.	<table border="1"> <thead> <tr> <th data-bbox="1472 581 1629 638"><u>Monthly Income</u> (In Kzr 1,000)</th> <th data-bbox="1787 581 1875 605"><u>Tax Rate</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="1472 662 1598 686">Up to 30,000</td> <td data-bbox="1808 662 1885 686">Exempt</td> </tr> <tr> <td data-bbox="1472 686 1692 711">From 30,000 to 90,000</td> <td data-bbox="1734 686 1969 711">4% of excess over 30,000</td> </tr> <tr> <td data-bbox="1472 711 1692 735">From 90,000 to 150,000</td> <td data-bbox="1734 711 1927 735">2,400 + 6% of excess over 90,000</td> </tr> <tr> <td data-bbox="1472 735 1713 760">From 150,000 to 300,000</td> <td data-bbox="1734 735 1969 760">6,000 + 10% of excess over 150,000</td> </tr> <tr> <td data-bbox="1472 760 1598 784">Over 300,000</td> <td data-bbox="1734 760 1969 784">21,000 + 15% of excess over 300,000</td> </tr> </tbody> </table>	<u>Monthly Income</u> (In Kzr 1,000)	<u>Tax Rate</u>	Up to 30,000	Exempt	From 30,000 to 90,000	4% of excess over 30,000	From 90,000 to 150,000	2,400 + 6% of excess over 90,000	From 150,000 to 300,000	6,000 + 10% of excess over 150,000	Over 300,000	21,000 + 15% of excess over 300,000
<u>Monthly Income</u> (In Kzr 1,000)	<u>Tax Rate</u>														
Up to 30,000	Exempt														
From 30,000 to 90,000	4% of excess over 30,000														
From 90,000 to 150,000	2,400 + 6% of excess over 90,000														
From 150,000 to 300,000	6,000 + 10% of excess over 150,000														
Over 300,000	21,000 + 15% of excess over 300,000														
		<u>Exempted:</u> Officials and employees of diplomatic missions, on the basis of reciprocity; personnel in the employ of international organizations, as established in agreements ratified by the applicable government agency. Monthly remuneration of up Kzr 30,000,000.	Updated by Exec. Decree No.10/96 of Feb. 23												
1.1.1.1 <u>Employees</u>	<p>a. Tax on all remuneration received by employees, including allowances and bonuses.</p> <p>b. Income of partners in firms, members of corporate managing bodies, fiscal boards, general shareholder meeting bureaus, and other corporate bodies.</p>														
1.1.1.2 <u>Self-employed</u>	Tax on income earned during the tax year from self-employment in a predominantly scientific, artistic, or technical profession, or from services not subject to another tax.														

Angola: Summary of Tax System as of December 31, 1998 (continued)

(All amounts in readjusted kwanzas) 1/

Tax	Nature of Tax	Exemptions and Deductions	Rates
<p>1.1.2 <u>Tax on capital income (Imposto sobre a Aplicação de Capitais)</u> Law (Dipl.) No. 36/72 of May 1, 1972, amended by Law No. 14/92 of July 3, 1992</p>	<p>Annual tax on income from financial investments, scheduled in Sections A and B.</p> <p><u>Section A</u> covers interest on loans, charges in credit contracts, and late payment fines and charges.</p> <p><u>Section B</u> covers (at normal rate) interest paid by firms to their partners; indemnization paid to firms for suspension of activities; and other nonspecified capital income; and (at reduced rate) profits distributed by partnerships and corporations; capital income of cooperative members; interest on corporate bonds; profits of joint ventures of individuals and partnerships and from preferred shares; returns of any kind from the cession of copyright on literary, artistic, or scientific works, including films, patents, equipment, or information gained from experience in the industrial, commercial, or scientific sector; and any other income arising from the mere investment of capital and not included in Section A.</p>	<p><u>Exempted:</u></p> <p><u>For Section A</u>, income of financial institutions and cooperatives; interest on installment sales (including late interest); and interest on loans made by life insurance companies to the insured.</p> <p><u>For Section B</u>, profits distributed by holding companies; profits already taxed in other firms where they were generated; interest on demand deposits; interest on certain government debt; and interest on term deposits in the banking system.</p> <p><u>Tax incentive:</u> exemption, for a period of 3 to 5 years, for profits attributed to partners in firms who are entitled to the exemption set forth in Art. 14 of the industrial code (C.I.I.) for a like period.</p>	<p>15 percent normal rate. 5 percent reduced rate on some Section B income.</p>
<p>1.2 <u>Corporate</u></p>	<p>Tax on profits, incidental or recurrent, imputable to the carrying out of any commercial or industrial activity not subject to the Earned Income Tax; agricultural, forestry, and cattle raising; mediation or representation in the execution of contracts of any kind; and of agents of industrial or commercial activities, doing business in Angola or abroad and having domicile, main offices or effective power of direction or a fixed establishment in Angola.</p>	<p><u>Exempted:</u> workers' production cooperatives; building cooperatives engaged in construction or lending of money to members for that purpose; consumer, agricultural and cattle raising cooperatives dealing exclusively with their members; construction, cultural, leisure, physical education, or sports associations; firms that administer only their own buildings; foreign maritime and air transport companies, if reciprocal privileges are given to Angolan companies in their countries; commercial and industrial income subject to the special tax regime; the National Bank of Angola.</p>	<p>40 percent normal rate. 10 percent surcharge on income above Kz 400,000. 20 percent on income exclusively from agricultural, forestry, and cattle raising activities.</p>

Angola: Summary of Tax System as of December 31, 1998 (continued)

(All amounts in readjusted kwanzas) 1/

Tax	Nature of Tax	Exemptions and Deductions	Rates
1.2.1.1 Article 32 - Law No. 7/96 of April 19, 1996.	<p><u>Group A</u>—taxable on actual profits: state enterprises; corporations; commercial partnerships with capital exceeding Kzr 400,000; credit institutions; insurance companies; individuals or companies with domicile, main offices or effective power of direction in Angola or abroad with a fixed establishment in Angola; taxpayers with average turnover above Kzr 800,000 in the last three years; and Group B taxpayers choosing to be taxed in Group A.</p> <p><u>Group B</u>—taxable on presumptive profits: taxpayers not included in Groups A or C and engage in occasional industrial or commercial activities.</p> <p><u>Group C</u>—taxable on estimated potential profits: individual taxpayers cumulatively meeting the following conditions: (a) engage as self-employed in the practice of a commercial or industrial activity included in the Schedule; (b) work alone or with no more than three family members or other persons; (c) do not keep reliable books; (d) use no more than two motor vehicles; and (e) have annual turnover not exceeding Kzr 140,000.</p> <p>No.2 Became: As Patrimonial assets fully amortized in the previous period of the application of the refered decree, as maximum share they will be only considered if it is proved that were observed the expected proceedings in the No. 2 of Article 4 conjugated with the dispositions and foreseen in the paragraph b) of No. 3 of Article 5 of the provision of Law preVIOUSLY cited.</p>	<p><u>Tax incentives</u>: allowed for those engaging in new agricultural, forestry or cattle- raising activities for a period of up to 10 years, and also to agricultural, forestry, cattle raising, and fishing activities with annual sales below Kzr 140,000. Income from the installation of new industries in Angola may also qualify for exemption, as may income from commercial activities performed in areas deemed of interest to economic development for a period of 3 to 5 years. All or part of the profits from activities performed with a view to carrying out social assistance, welfare, or other social projects.</p>	

Angola: Summary of Tax System as of December 31, 1998 (continued)

(All amounts in readjusted kwanzas) 1/

Tax	Nature of Tax	Exemptions and Deductions	Rates
1.2.1.2 Prepayment of tax (approval pending)	The provisional settlement referred to in Article 78 of the industrial code (C.I.L.) with respect to Group A taxpayers is now made monthly, based on the amount corresponding to 5 percent of the total volume of sales, services rendered, and other income received in the previous month.		40 percent
1.2.1.3 Taxation of contract work (approval pending) Law No. 7/97 of October 10, 1997.	A special tax regime covering contract and subcontract work and services rendered is applicable to individuals or corporate bodies, whether or not they have headquarters, actual control, and effective power of direction or a fixed establishment in Angola, operating occasionally or permanently, provided they are not subject to the Earned Income Tax. Taxable base includes: (a) in the case of construction, improvement, repair or maintenance of fixed assets—10 percent of the value of the contract, regardless of its form; (b) in other cases, 15 percent of that amount.		40 percent

Angola: Summary of Tax System as of December 31, 1998 (continued)

(All amounts in readjusted kwanzas) 1/

Tax	Nature of Tax	Exemptions and Deductions	Rates
1.2.1.4 Revaluation of assets Decree No. 6/96 of January 26, 1996	Allows for the revaluation of assets classified as material fixed assets which are and should remain in service, duly recorded in the following accounts: buildings, construction for specific purposes, facilities, manufacturing and other equipment, means of transportation, furniture, fixtures, and other fixed assets. Revaluation will be made by applying the indexation coefficients established by decree of the Minister of Finance. Includes the base and maximum values, processing, reserve, tax system, non-use or destruction and sale of assets, and tables showing revaluations, amortization, and inventories.		
1.2.2 <u>Mining industry</u> Law No. 1/92 of January 17, -. Decree Law No. 4-B/96, of May 31, 1996, and D.R. No.22/96- Supplement	The mining industry is subject to: (a) Income tax; (b) Royalties; (c) Surface area tax. The income tax is the industrial tax.	b) - Precious metals and stones.....5 percent -Semi-precious stones.....4 percent - Metallic minerals.....3 percent - Other mineral sources.....2 percent c) - 1 to 2yrs.....1 Usd/km2 - 3 yrs. ....3 Usd/km2 - 4 and 5 yrs. ....4 Usd/km2	
1.2.3 <u>Special tax regime for the oil industry</u>			
1.2.3.1 <u>Oil production tax</u> <u>(Imposto de produção</u> <u>de petróleo)</u> Decree No. 41 356 of November 11, 1957, B.O. No. 49 of December 4, 1957, Decree No. 687/70, and Law No. 167.13/78 of August 26, 1978.	Royalty on the value of oil, paid by oil companies operating in joint venture with Sonangol.	a. Cabinda province: 20 percent b. Other provinces:	Basic rate 12 1/2 percent Surcharge 4 1/6 percent Total 16 2/3 percent

Angola: Summary of Tax System as of December 31, 1998 (continued)

(All amounts in readjusted kwanzas) 1/

Tax	Nature of Tax	Exemptions and Deductions	Rates
<p>1.2.3.2 <u>Oil income tax</u> (<u>Imposto de rendimento de petróleo</u>) Decree No. 41 357 of November 11, 1957, B.O. No. 49 of December 4, 1957, and Law No. 13/78 of August 26, 1978.</p>	<p>Tax on the profits of oil companies.</p>	<p>Enterprises operating under production sharing arrangements may deduct from the tax calculation base, as investment cost, up to 50 percent of the oil produced. Production tax (1.2.3.1) and transactions tax (1.2.3.3) paid are also deductible from the calculation base.</p>	<p>Basic rate 50.00 percent Surtax 15.75 percent Total 65.75 percent</p>
<p>1.2.3.3 <u>Oil transactions tax</u> (<u>Imposto de transações sobre o petróleo</u>) Decree No. 5/85 of March 28, -. Decree No. 29/86 of December 30, 1986</p>	<p>Tax on gross profit, adjusted for tax incentives, arising from production in the province of Cabinda under joint production arrangements with Sonangol.</p>	<p><u>Tax incentives:</u> the tax base is reduced by a production incentive (in practice, adjusted to production costs) and an investment incentive (a fraction of historic investment costs).</p>	<p>70 percent.</p>
<p>2. <u>Social security contributions</u> Law No. 18/90 of October 27, 1990; Decree No. 27/91 of July 5, -.</p>	<p>Contribution to social security intended to guarantee the physical subsistence of citizens unable or with diminished capacity to work, and of surviving family members upon death.</p>	<p>5 percent of the salary, from employers, 2 percent of the salary, from workers.</p>	

Angola: Summary of Tax System as of December 31, 1998 (continued)

(All amounts in readjusted kwanzas) 1/

Tax	Nature of Tax	Exemptions and Deductions	Rates
3. <u>Taxes on goods and services</u>			
3.1 <u>Sales tax</u>	None.		
3.2 <u>Consumption tax (Imposto de consumo)</u> Decree No.24/89 of May 27, 1989, amended by Decree No. 70/91 of November 15, 1991, Decree No. 20-M/92 of May 15, 1992, and Decree No. 13/93 of April 14, 1993	A set of specific and ad valorem taxes on the production and importation of specified goods, such as beer, liquefied gas, industrial alcohol, jewelry, household durable goods, beverages, electronics, automobiles, etc.		Range from 5 percent to 30 percent.
3.2.1 <u>Excise tax - New Regulation (Government authorized by the Legislature - Resolution No. 6/96-Regulatory Decree No. 21 of May 24, 1996) (Awaiting publication) Decree No. 75/97 of October 24, 1997.</u>	Levied on: (a) The production and import of goods, including raw materials and semi-finished products to be used in manufacture, regardless of their origin; (b) Auctions or sales carried out by customs and other public offices; (c) The use of goods or raw materials for purposes other than the productive process and which benefits from tax exemption. Goods produced in Angola are defined as those which are produced or manufactured in the country or those whose production process was completed in the national territory.	<u>Exemptions:</u> (a) Goods exported by the producer or by legally recognized entities established for this purpose; (b) Handicrafts. <u>Not subject:</u> (a) Unprocessed agricultural and livestock products; (b) Forestry primary products; (c) Unprocessed fishing products; (d) Unprocessed mineral products.	<u>General rate</u> <u>15 percent</u> <u>Schedule I</u> Surcharges +5 or 15 percent <u>Schedule II</u> Subsidized rates 5 percent
3.3 <u>Invoicing control (Controlo da facturação)</u> (Legislative authorization granted to the Government - Resolution No. 5/96- D.R. No. 21 of May 24, 1996 (Awaiting publication)	All goods in circulation, regardless of their nature or type must be accompanied by two copies of the transportation document, which may be the invoice, remittance slip, or equivalent document. Invoices, remittance slips and equivalent documents must contain specific data.		

Angola: Summary of Tax System as of December 31, 1998 (continued)

(All amounts in readjusted kwanzas) 1/

Tax	Nature of Tax	Exemptions and Deductions	Rates
4. <u>Taxes on international transactions</u>			
4.1 <u>Import duties</u>	A tariff code with an average ad valorem rate of about 12 percent; some specific rates.	<u>Exempt:</u> purchases of the Government, oil companies, the military, nonprofit organizations, diplomatic bodies and personnel, international organizations, economic projects given exemption, and wheat grain and flour.	In general the tariff is ad valorem with rates up to 100 percent depending on the classification of goods as indispensable, necessary, useful, superfluous, or luxurious.
4.2 <u>Export duties</u>	A set of specific and ad valorem taxes on exported goods.	Crude oil and coffee are exempted.	Average rate about 4 percent.
4.3 <u>Customs service fee (Taxa de serviço aduaneiro)</u>	A flat fee levied on imports.		5 percent.
5. <u>Other taxes</u>			
5.1 <u>Urban real estate tax (Imposto Predial Urbano)</u> Law (Dipl.) No.4044/70 of October 13, 1970.	Tax on urban real estate. The calculation base is the actual or (if higher) potential rental value, and the taxpayer is the person entitled to the rental.	<u>Exempted:</u> buildings (a) occupied by a taxpayer subject to the industrial tax (see 1.2.1) and paying no rent; (b) housing the owner, if the rental does not exceed a specified limit; (c) made available free to public services, charitable institutions, schools, museums, and the like; (d) used solely as places of worship; (e) belonging to embassies and consulates, on a reciprocity basis; and (f) belonging to nonprofit professional and economic organizations. <u>Tax incentive:</u> new housing construction may qualify for exemption for a period of 5 to 15 years, depending on housing policy priorities.	30 percent of the actual or potential annual rental value.

Angola: Summary of Tax System as of December 31, 1998 (continued)

(All amounts in readjusted kwanzas) 1/

Tax	Nature of Tax	Exemptions and Deductions	Rates									
5.1.1 Article 17 and 28 (Amended by Law No. 6/96 of April 19, -)	<p>Article 17</p> <p>1. When the building or part of it, is leased for an amount inferior to the last annual convencional rent, or it's locative value. It was not before in the regime of leasing, will be taken as not rented for effects of colectable matter.</p> <p>4. If the previous rent was not up-dated, the new rent must be compared with the one of the building or part of the building given the lease in regime of free contract and that best serves the pattern. Article 28.</p> <p>3. The rent, can never be inferior to the established value of the state building, constant legislation in force.</p>											
5.2 <u>Gift and inheritance tax (Imposto sobre as sucessões e doações)</u> Law (Dipl.) No. 230/31 of July 18, 1931, amended by Law No. 15/92 of July 3, 1992	A progressive tax on unrequited transfers and on inheritance of money, government securities, corporate shares, corporate and bank debt, and any movable or immovable property, as well as rights such as housing and water rights, perpetual endowments, and unrequited discharge of annuity obligations.	<u>Exempted:</u> acquisitions by the state, municipal services, charitable institutions, museums, libraries, schools. Also exempt are acquisitions of literary and artistic property and pensions, as are gifts not exceeding a value of Kzr 20,000 to descendants, ascendants, or spouses.	<p>Schedule of tax rates (in percent):</p> <table border="1"> <thead> <tr> <th></th> <th>Up to Kzr 120,000</th> <th>Above Kzr 120,000</th> </tr> </thead> <tbody> <tr> <td>Between spouses; to descendants or ascendants</td> <td>400</td> <td>600</td> </tr> <tr> <td>Between any other persons</td> <td>800</td> <td>1200</td> </tr> </tbody> </table> <p>Calculation: These are average rates up to the lower limit of each bracket and marginal rates above said limit.</p>		Up to Kzr 120,000	Above Kzr 120,000	Between spouses; to descendants or ascendants	400	600	Between any other persons	800	1200
	Up to Kzr 120,000	Above Kzr 120,000										
Between spouses; to descendants or ascendants	400	600										
Between any other persons	800	1200										
5.3 <u>Real estate transfer tax (Sisa sobre a transmissão de imobiliários por título oneroso)</u> Law (Dipl.) No. 230/31 of July 18, 1931, amended by Law No. 15/92 of July 3, 1992	A tax on transfers of real property through sale, barter, extinction of rights, etc. (gifts are subject to the gift tax; see 5.2); and of assets, inheritance rights, long-term leases (20 years or more), water rights, exploration rights, perpetual endowments.	<u>Exempted:</u> purchases by the state, municipal services, and charitable institutions, certain court-ordered transfers, eminent domain expropriation, and housing sold by the Public Employees Security Fund.	10 percent of the value of the transfer.									

Angola: Summary of Tax System as of December 31, 1998 (continued)

(All amounts in readjusted kwanzas) 1/

Tax	Nature of Tax	Exemptions and Deductions	Rates
5.4 <u>Stamp tax (Imposto do selo)</u> Decree Law 1647/45 of May 29, 1945, Decree No. 7/89 of April 15, 1989, and Executive Decree No. 34/95 of July 21, 1995	A tax on documents and operations listed in the Stamp Tax General Schedule.	<u>Exempted:</u> verbal contracts.	Sample rates: Equity capital increases 0.5 percent Housing leases 0.7 percent of rent Commercial leases 0.7 percent of rent Sales contracts 0.5 percent Acknowledgment of debts 3.0 percent 100 page Liquidation of companies 0.5 percent Bank drafts 0.5 percent Gifts 0.4 percent Loan guarantees 0.3 percent Dividends 1.0 percent Postal money orders: Up to Kzr 80 0.5 percent Above Kzr 80 0.4 percent
5.4.1 Article 114-A of the Stamp Tax Table (Amended by Law No. 4/96 of April 12, 1996)	<u>Banking operations:</u> I. Drafts abroad, gold vouchers (guias ouro) issued and public funds or negotiable securities sold; II. Foreign notes and coins, travelers' checks and checks in foreign currency issued to individuals; III. Interest charged by banking institutions, specifically for discounting Treasury bills and notes, on loans, on loan accounts being liquidated, and late payment interest, premiums and interest on acceptances, bills receivable on behalf of third parties, national bank drafts issued or other transfers, and generally all commissions charged.	<u>Exempted:</u> Banking operations between banking establishments, between exchange offices, or between the latter and the former, however, when foreign exchange is used for payment abroad, only when such payments are exclusively for transactions carried out by the banking system will they be exempted. Sales of foreign notes and coins by exchange dealers to banks and banking institutions, as well as the sale of gold bars carried out through the same banks and banking institutions will be subject to the stamp tax referred to in this article, as they are considered operations similar to those indicated in I and II.	I. 1 percent on the corresponding value. II. 2.5 percent on the corresponding value. III. 10 percent on the corresponding amount.
5.4.2 Article 133 of the Stamp Tax Table (Amended by Law No. 4/96, of April 12, 1996)	Receipts or acquittances.		1 percent

Angola: Summary of Tax System as of December 31, 1998 (concluded)

(All amounts in readjusted kwanzas) 1/

Tax	Nature of Tax	Exemptions and Deductions	Rates
5.4.3 Automobile Circulation Tax - D.L. 3837 - Decree No. 43/97 of October 10, 1997.	Levied on all vehicles circulating in the country.	<u>Exempted:</u> Government and government services, political parties, trade unions, religious institutions, social, cultural, scientific, and humanitarian organizations and other non-profit organizations. Also exempted are other organisms with special legislation.	
II. <u>Provincial governments</u>	None.		
III. <u>Municipalities</u> Executive Decree No. 66/95 of December 15, 1995, issued by the Ministry of Finance:	There are no municipal taxes. Establishes the amounts and means of allocating receipts from the collection of direct and indirect taxes to local and state government budgets		

Source: Based on information provided by the Angolan authorities.

1/ Kzr 203,000 = US\$1.00 from July 1, 1996. Initial values are adjusted periodically by a system of indexation.