

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Angola increases U.S. poultry imports in 2017

Report Categories:

Poultry and Products

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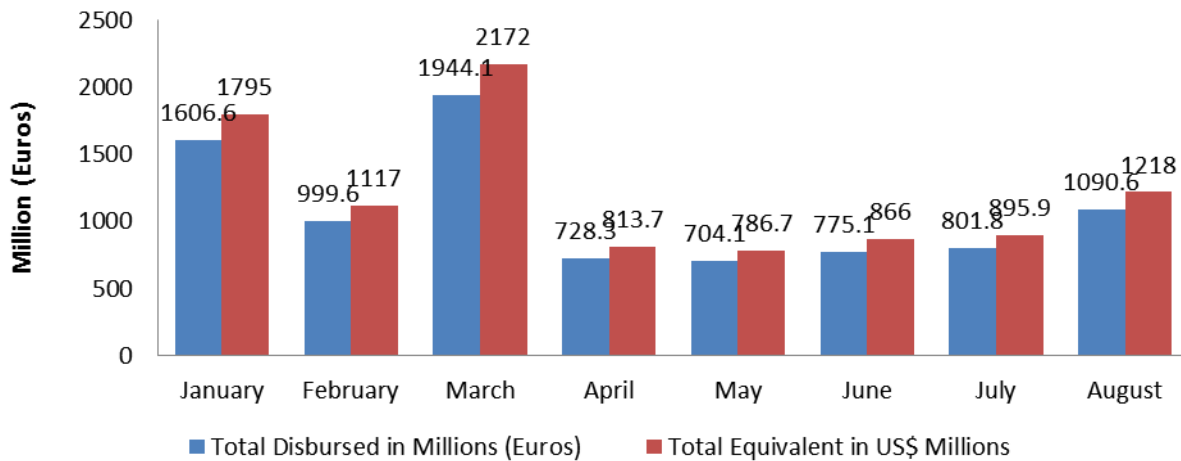
Report Highlights:

The Angolan Government made more foreign exchange (forex) injections available in 2017 to combat the high inflation and reduced food availability due to lack of forex since mid-2015. The government allocated more forex resources to the food, oil, and medicine sectors ahead of a contentious election held in August. The result of the forex injections is that Angola is now the fourth largest importer country of U.S. poultry and third largest market for U.S. frozen chicken leg quarters, behind Cuba.

After the 2015 financial and economic crisis due to the drop in global oil prices, it became more difficult to convert local Angolan currency (kwanza) into foreign currency to purchase imports. U.S. dollar transaction services have been unavailable in Angola since November 2016 because of a lack of compliance by commercial banks in Angola making the corresponding banks abandon their operations with Angola. Since then National Bank of Angola (BNA) has been conducting auctions in Euros to purchase imported goods and services.

Strategic sectors, such as oil, food, and medicine, are prioritized during weekly auctions of foreign exchange (forex) by the BNA. The forex allocation at each auction is distributed to the commercial banks for coverage of liabilities in the sectors that BNA indicates.

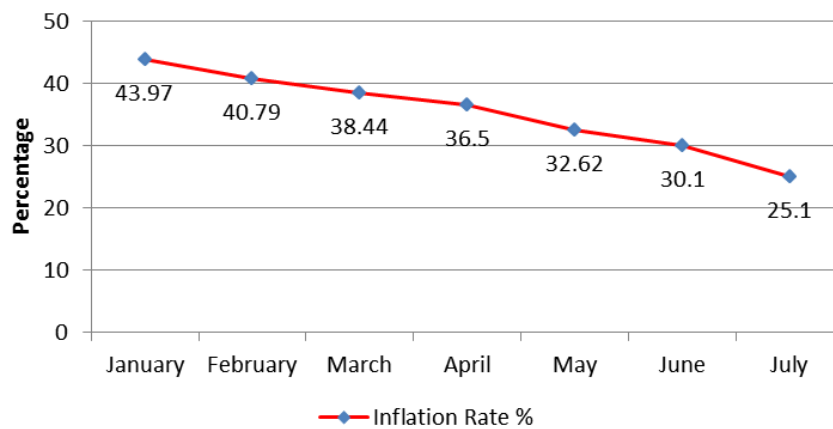
National Bank of Angola Auctions - 2017 Foreign Exchange Allocations



Angola had a 45 percent inflation rate in 2016, compared with 14.3 percent inflation in 2015. Since

January 2017 the inflation rate is decreasing, due to the higher forex allocation for food and in July inflation dropped to 25.1 percent.

Inflation Rate %

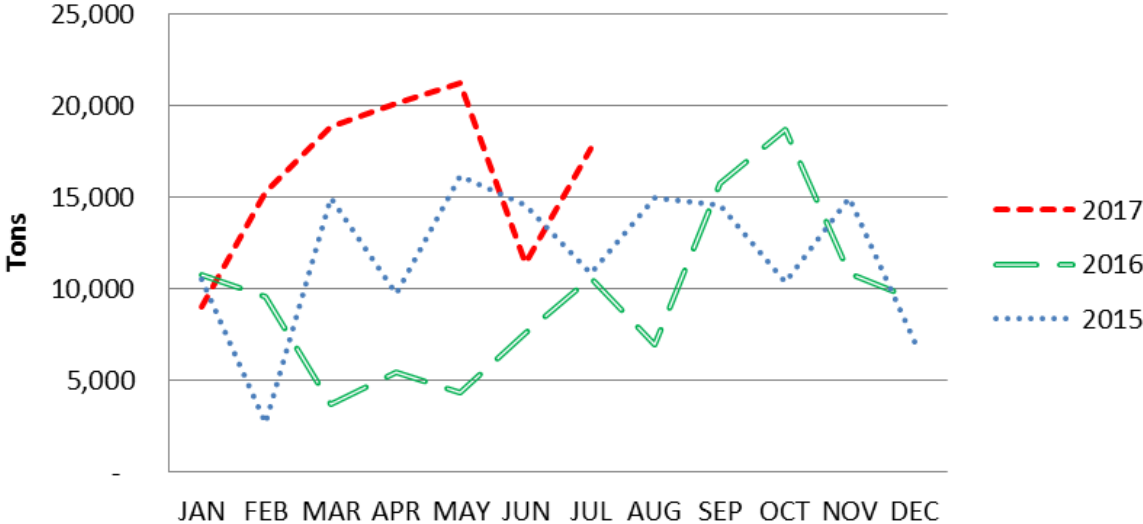


The Angolan government disbursed more foreign currency for food in the beginning of 2017 to combat the high inflation prices and food availability due to lack of forex since mid-2015. There is some

speculation are that the reason for the increase in the availability of foreign exchange was to keep the food prices low and have more food available in the run up to the presidential elections on August 23, 2017. The ruling party’s candidate, João Lourenço, won the election and was sworn in on September 26, 2017.

The forex auctions and the inflation rate are important for the purchasing of imports. Angola relies heavily on imported food, as their farming sector was decimated after the decades long Angolan Civil War that lasted until 2002. The United States is a vital supplier of poultry to Angola and U.S. exports rose in 2017, due to the declining inflation rate and increased forex auctions. The industry expects that the amount of food imports will continue to grow through the end of year holidays. Poultry imports typically rise in October and November in preparation for Christmas.

U.S. Poultry Exports to Angola Increase in 2017



The United States is typically Angola’s largest supplier of poultry, with Brazil and Argentina as the second and third largest. Between January and July 2017, Angola was the United States fourth largest market export market for poultry behind Mexico, Hong Kong, and Cuba. Angola is the third biggest U.S. market for frozen chicken leg quarters, next to Hong Kong and Cuba, during the same time period.

Table 1: Angola Poultry Imports (from January to July)

Country	2015	(tons)	2016	(tons)	2017	(tons)
United States		79,491		52,010		113,547

Brazil	32,368	32,350	47,049
Argentina	6,083	4,450	4,193
Total	117,942	88,810	164,789

Source: GTA

Table 2: U.S. Poultry exports (from January to July)

Country	2015	(tons)	2016	(tons)	2017	(tons)
Mexico	487,556		472,023		442,170	
Hong Kong	198,142		184,257		185,591	
Cuba	75,719		88,373		116,270	
Angola	79,491		52,010		113,547	

Source: GTA