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# FUNDO DE GARANTIA DE CRÉDITO ANGOLA

(Credit Guarantee Fund)

Global Conference on Guarantee Institutions  
for SME Financing

Guarantee Institutions for Financing Specific Sectors  
Agriculture

Madrid  
June 2017

# 1. Angola - Constraints and Potential



Population  $\approx$  25 Million

GDP Current US\$ (2015): 102,6 Billion

GDP Current US\$ (2014): 126,8 Billion



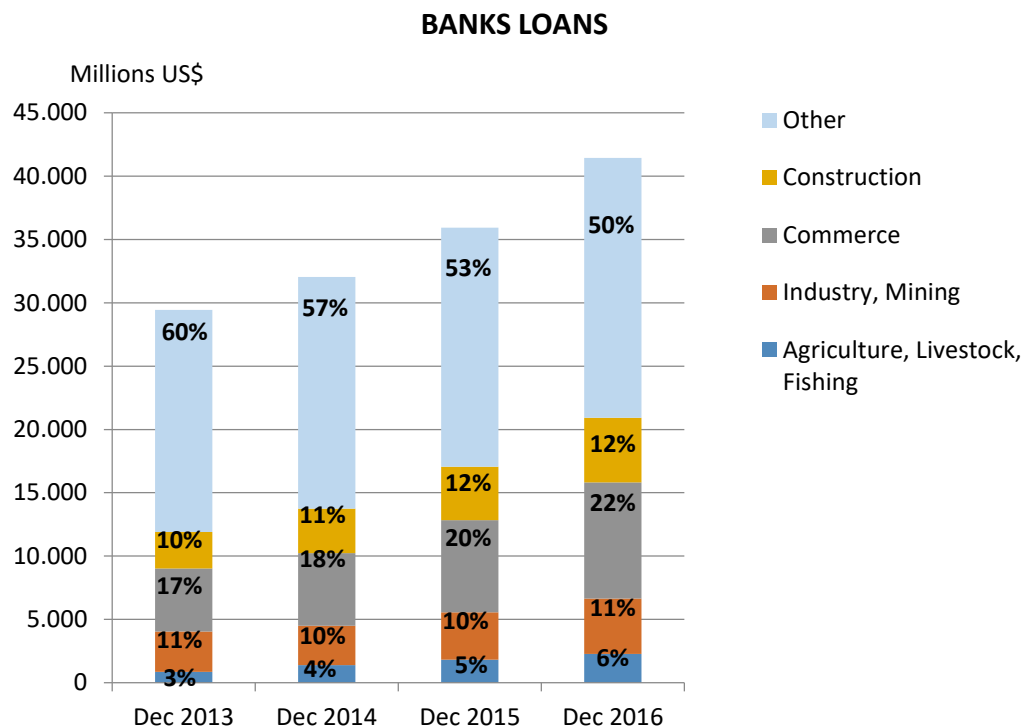
Agriculture % GDP (2012): 7%

Oil % GDP (2012): 47%

Oil Exports > 90%

**Agricultural Land > 45%**

## 2. The FGC



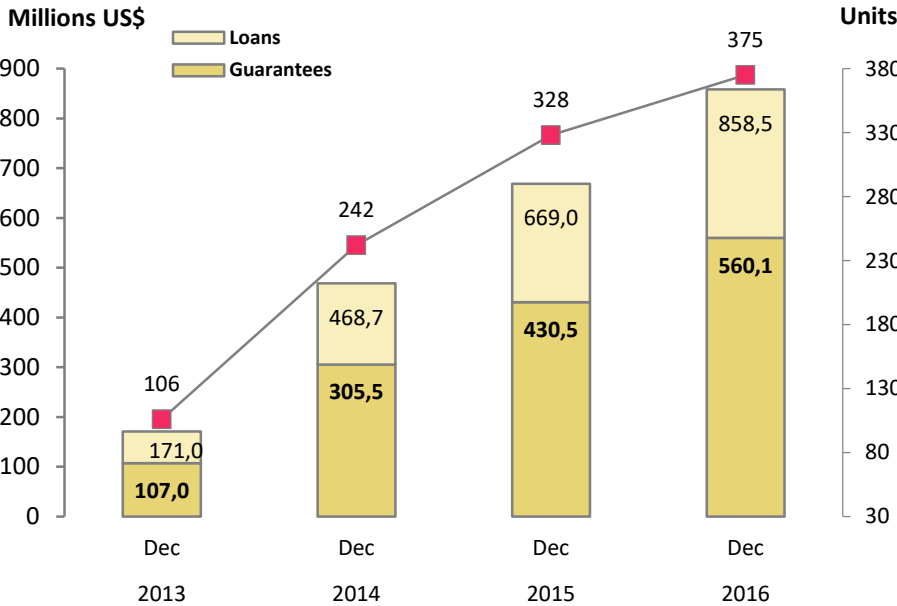
### FGC established in 2012:

- Facilitate access to credit to businesses, especially to SMEs;
- Public institution;
- Grant counterguarantees to private credit guarantee institutions;
- Provide equity to partially private credit guarantee institutions (below 50%);

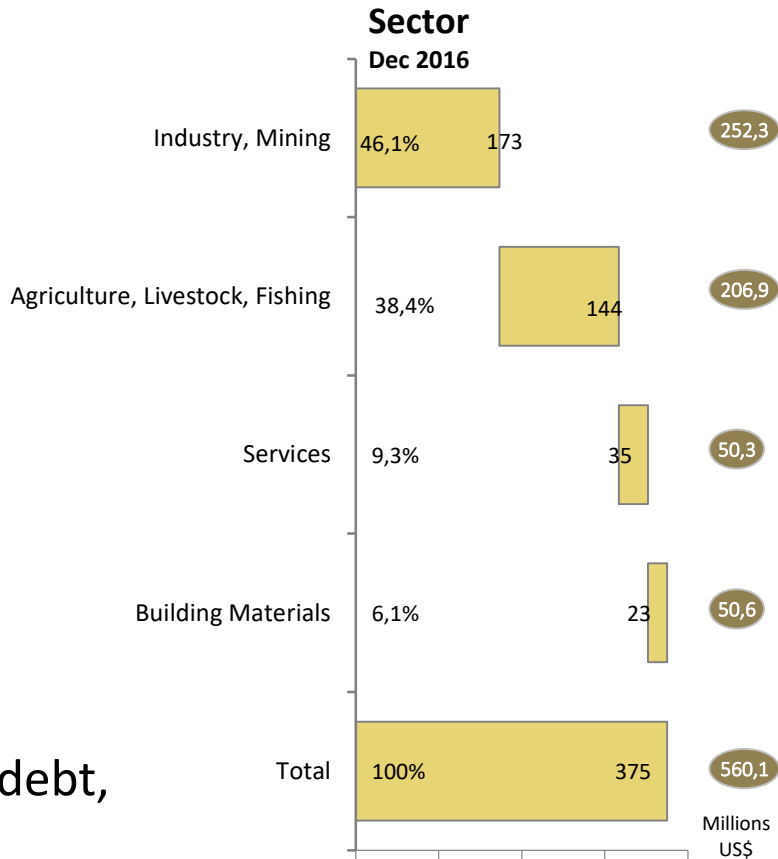
- Focus on primary and secondary (excludes oil) sectors;
- Investment financing (allowing for up to 20% in working capital);
- Accountable to the Treasury; Supervision of the Central Bank;
- Ultimate Goal **“To establish a National Credit Guarantee System”**.

# 3. Operations

### Outstanding Guarantees



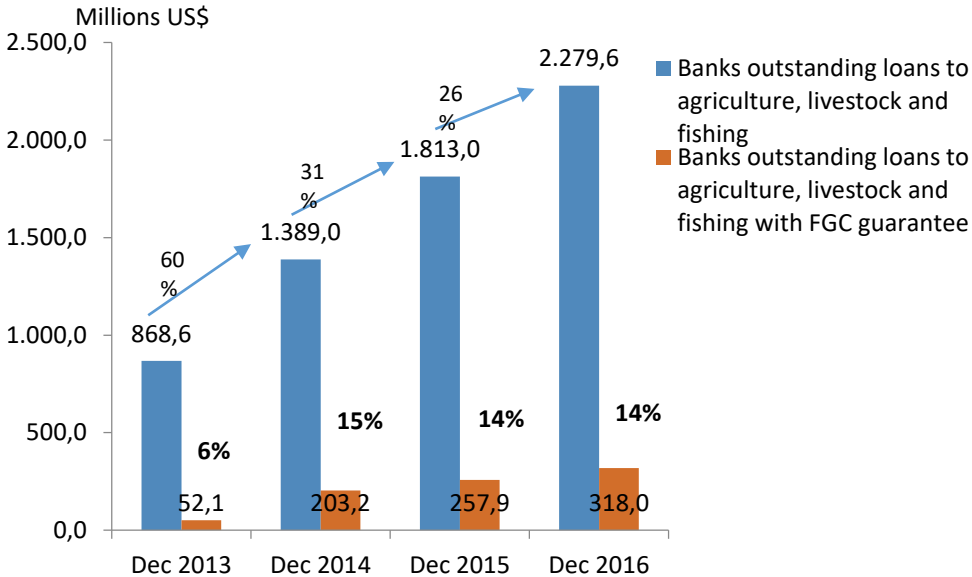
### Number of Outstanding Guarantees by Sector



- Guarantee up to 70% of loan; So far indirect guarantees (SMEs approach bank first);
- Guarantee fee up to 2% p.a. on outstanding debt, paid by SME;
- Loans maturity up to 7 years (recently extended to 9 years especially for agriculture projects);
- Government may subsidize interest rates.

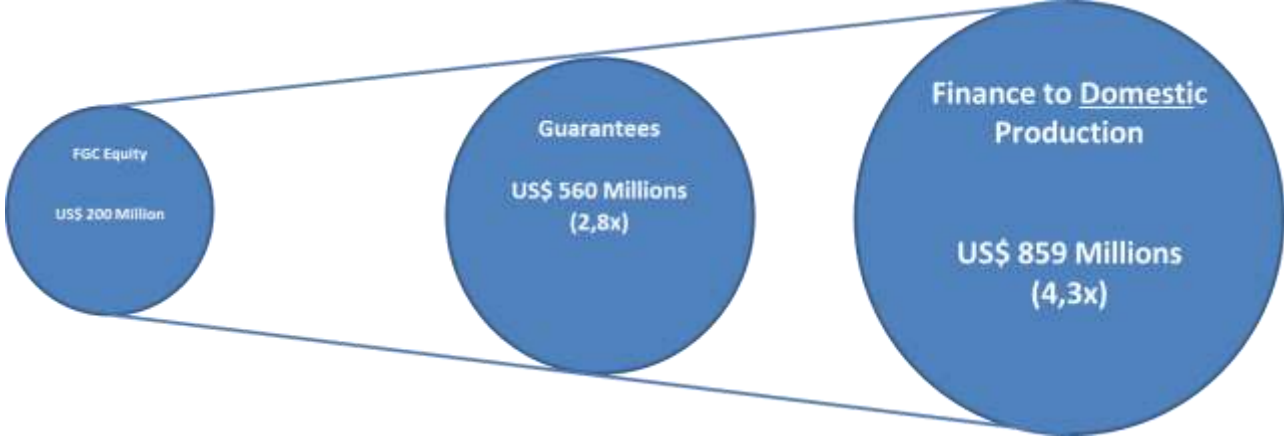
# 4. Performance

**BANKS LOANS WITH GUARANTEE**



**Outstanding guarantees as percent of GDP**

**0,549%**



# 5. Services and Perspectives

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## Services to Agriculture:

- FGC provides to SMEs, free of charge, consulting services designing (before issuing the guarantee) and monitoring (after issuing the guarantee) projects, through agriculture expert firms (cost around US\$ 4.500,00 a year per customer);
- FGC assists SMEs in negotiating with banks loans restructuring.

## Perspectives:

- FADA-Fund for the Assistance to Agriculture Development, created in the 1980's and until recently inactive, reenacted in 2016;
- New Custom Tariffs expected to further exemptions from customs duties to agriculture equipment and inputs;
- FGC plans to start issuing direct guarantees in 2017.

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**MUCHAS**

**GRACIAS**