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ANGOLA

50% reduction in the VAT rate for products of the basic food basket

The Angolan Draft General State Budget for 2022 was approved at a meeting of the Council of Ministers on 28 October. Among other provisions, it introduces a change to Value Added Tax (VAT) that is intended to boost the purchasing power of families in relation to essential consumer goods, and to increase their production factors. This will consequently mitigate the effects of the economic crisis aggravated by the Covid-19 pandemic.

This measure, which is temporary in nature, reduces the tax rate from 14% to 7% on the following products of the basic food basket:

Products of the basic food basket

Sugar	Beans	Eggs
Mineral and table water	Cassava flour	Bread
Sweet potatoes and white potatoes	Yam	Frozen and dried fish
Fresh or frozen meat - beef, goat, sheep and their offal and pork	Condensed and powdered milk	Soap
Chicken thigh	Cassava	Salt
Meat sausages	Margarine	Soy beans
Maize flour	Sweet corn grain	Grain wheat
Wheat flour	Corn grain	
	Cooking oil	

Besides the above products, this measure applies to production factors, small and medium-sized vessels, fishing equipment, agricultural and industrial machinery and equipment, and agricultural inputs. ■