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ECONOMIC AND POLITICAL OVERVIEW

ECONOMIC OVERVIEW

Among the largest oil producers in Africa, Angola also boasts the third-largest GDP in sub-Saharan Africa (IMF). However, economic growth is susceptible to significant fluctuations, depending on oil production and price levels. After growing 3% in 2022, the IMF estimated a GDP increase of only 1.3% in 2023 amid lower oil production. Moreover, higher inflation dampened consumption and the import of goods, weighing on non-oil economic activity. According to the IMF's latest estimates, GDP growth is expected to accelerate to 3.3% in 2024 and remain stable in the medium term, thanks to structural reforms supporting the non-oil sector.

The general government deficit was estimated at 1.2% of GDP in 2023, following a surplus one year earlier (+0.2%). The government foresees an improvement in the upcoming years driven by a 50% reduction in gasoil subsidies in 2024 and a further 25% reduction in 2025. In 2023, the IMF projected that Angola's general government debt would rise to 84.9% of GDP, compared to 66.7% in 2022. This increase was influenced by the depreciation of the kwanza and its impact on the government's substantial foreign-currency debt holdings. The debt ratio is expected to decrease to 77.1% and 67.9% of GDP in 2024 and 2025, respectively, reflecting nominal GDP growth and primary budget surpluses. Additionally, the interest/revenue ratio is forecasted to be relatively high at 23.9% in 2024 (Fitch Ratings). The IMF anticipates that inflation will average 22.3% in 2024 and 18.1% in 2025, compared to an estimated 13.1% in 2023. This projection is attributed to the depreciation of the kwanza and the continued implementation of reforms regarding gasoil subsidies.

President Joao Lourenço initiated numerous reforms aimed at reducing the influence of the dos Santos family on the economy, improving the perception of the business climate, and addressing the country's crisis, but the social situation in Angola remains tense. Inequalities and inflation are fueling dissatisfaction among the population. Only a third of the population has access to electricity, and although income per capita has been gradually increasing, especially in metropolitan regions, poverty and unemployment rates remain high. According to the latest figures from the World Bank, the unemployment rate stood at 14.5% at the end of 2022. In 2023, the government approved the creation of the National Employment Fund in Angola (Funea), which already had EUR 44.3 million available for the year, to mitigate unemployment, mainly among youth.

Main Indicators	2022	2023 (E)	2024 (E)	2025 (E)	2026 (E)
GDP <i>(billions USD)</i>	122.78	93.80	92.93	96.90	100.79
GDP <i>(Constant Prices, Annual % Change)</i>	3.0	1.3	3.3	3.4	3.5
GDP per Capita <i>(USD)</i>	3,438	2,550	2,453	2,483	2,507
General Government Balance <i>(in % of GDP)</i>	0.3	-1.2	0.3	0.1	0.3
General Government Gross Debt <i>(in % of GDP)</i>	66.7	84.9	77.1	67.9	61.0
Inflation Rate <i>(%)</i>	n/a	13.1	22.3	18.1	10.1
Current Account <i>(billions USD)</i>	11.76	2.88	3.47	2.59	1.80

Main Indicators	2022	2023 (E)	2024 (E)	2025 (E)	2026 (E)
Current Account <i>(in % of GDP)</i>	9.6	3.1	3.7	2.7	1.8

Source: IMF – World Economic Outlook Database , October 2021

Country Risk

See the country [risk analysis](#) provided by [La Coface](#).

MAIN SECTORS OF INDUSTRY

Despite its potential, the agricultural sector in Angola remains underdeveloped and not very productive, contributing to 13.6% of GDP but employing 56% of the population (World Bank). Only about a third of Angola's arable land is utilized for harvests, and out of those, merely 100,000 out of 5 million arable hectares benefit from machinery and/or animal traction for sowing and harvesting. Angola's agriculture mainly consists of subsistence farming, with key industrial crops being coffee and cotton. The government has heavily invested in coffee, sugarcane, and ethanol productions to diversify agricultural revenues and exports. As outlined in the National Development Plan 2023 - 2027, the Angolan Government has identified two main drivers to unlock the nation's agricultural capacity: the National Grain Plan (PLANAGRÃO) and the National Plan for the Promotion and Development of Livestock (PLANAPECUÁRIA). These initiatives aim to address the increasing need for food imports, specifically cereals for human and animal consumption, as well as poultry.

The industrial sector represents 44.9% of GDP and 6% of employment (World Bank). Angola stands as one of Africa's largest oil producers, a net producer of natural gas, and the third-largest producer of diamonds on the continent, surpassed only by Botswana and the Democratic Republic of Congo. The Angolan economy, the third-largest in sub-Saharan Africa, is dominated by the oil and gas industry, which accounts for about 30% of its GDP and is the primary revenue source for the country (with more than 70% of government revenue and 90% of Angola's exports coming from oil activities). In addition to diamonds, the country also produces gold, granite, gypsum, marble, and salt, with numerous undeveloped minerals with potential for extraction, including beryllium, clay, copper, iron-ore, lead, lignite, manganese, mica, nickel, peat, phosphate rock, quartz, silver, tungsten, uranium, vanadium, and zinc. According to the National Oil, Gas, and Biofuels Agency (ANPG), Angola produced 400.72 million barrels per day (bpd) in 2023, positioning the country as the third-largest oil producer in Africa. Angola aims to sustain production at 1.18 million bpd throughout 2024.

The services sector (banking, communication, tourism) is also experiencing rapid growth, accounting for 41.6% of GDP and employing 38% of the population. Although tourism is growing, there is a severe shortage of hotels and other types of accommodation. The construction sector is booming, comprising around 9% of GDP, driven by a large reconstruction program launched by the government. Telecommunications has seen significant growth, propelled by increased mobile phone penetration and investments in infrastructure. Banking and finance play a crucial role in supporting Angola's economy, with both domestic and international financial institutions operating within the country.

Breakdown of Economic Activity By Sector	Agriculture	Industry	Services
Employment By Sector <i>(in % of Total Employment)</i>	58.7	7.8	33.5
Value Added <i>(in % of GDP)</i>	13.6	44.9	41.6
Value Added <i>(Annual % Change)</i>	3.9	1.8	4.2

Source: World Bank - Latest available data.

Monetary Indicators	2016	2017	2018	2019	2020
Angolan New Kwanza (AON) - Average Annual Exchange Rate For 1 USD	163.66	165.92	252.86	364.80	578.26

Source: World Bank - Latest available data.

FOREIGN TRADE

Angola has significantly liberalized its trade scheme in recent years, with trade now representing around 68% of the country's GDP (World Bank, latest available data). The country is a member of SADC (Southern African Development Community) and ECCAS (Economic Community of Central African States) and has signed the African Continental Free Trade Agreement. Oil exports account for more than 95% of total exports. Additionally, Angola is a major exporter of diamonds and liquefied natural gas to the American, European, and Japanese markets. Other exports include coffee, sisal, and fish. The growth of non-oil exports has been supported by the Institutional Capacity Building Project for Private Sector Development sponsored by the African Development Bank.

Angola's main trade partners are China (42.7%), India (10.0%), France (7.1%), the Netherlands (6.7%), and Spain (4.3%), while imports primarily come from China (16.0%), Portugal (10.7%), South Korea (9.2%), the Netherlands (6.8%), and India (6.1% - data from Comtrade for 2022).

Thanks to its comfortable oil revenues, Angola historically records a large but volatile trade surplus that is expected to continue in the coming years. In 2022, merchandise exports increased to USD 51.2 billion (+48.7% y-o-y) thanks to high hydrocarbon prices, while imports increased to USD 17.8 billion (+56.4% y-o-y). Services exports were almost non-existent (USD 82 million in 2022), while imports rose to USD 11.3 billion (+60.2% y-o-y - data from WTO). In the same year, the trade surplus amounted to 18.7% of the country's GDP (World Bank).

Foreign Trade Values	2018	2019	2020	2021	2022
Imports of Goods <i>(million USD)</i>	15,798	13,962	9,338	11,379	17,803
Exports of Goods <i>(million USD)</i>	40,758	35,432	22,135	34,472	51,275
Imports of Services <i>(million USD)</i>	10,090	8,172	5,603	7,050	11,297
Exports of Services <i>(million USD)</i>	631	455	67	94	82

Source: World Trade Organisation (WTO) ; Latest available data

Foreign Trade Indicators	2018	2019	2020	2021	2022
Foreign Trade <i>(in % of GDP)</i>	66.4	57.8	55.4	62.1	n/a
Trade Balance <i>(million USD)</i>	24,960	20,599	11,394	21,787	32,771
Trade Balance (Including Service) <i>(million USD)</i>	15,502	12,881	5,859	14,830	21,556
Imports of Goods and Services <i>(Annual % Change)</i>	-16.0	-25.0	-19.6	-18.3	13.8
Exports of Goods and Services <i>(Annual % Change)</i>	-7.6	-17.4	-6.2	-10.7	0.7
Imports of Goods and Services <i>(in % of GDP)</i>	25.5	17.0	17.3	16.6	n/a
Exports of Goods and Services <i>(in % of GDP)</i>	40.8	40.8	38.0	45.4	n/a

Source: World Bank ; Latest available data

Foreign Trade Forecasts	2023	2024 (e)	2025 (e)	2026 (e)	2027 (e)
Volume of exports of goods and services (Annual % change)	-3.0	2.8	2.8	4.2	2.0
Volume of imports of goods and services (Annual % change)	-13.9	-3.0	2.3	1.5	-4.7

Source: IMF, World Economic Outlook ; Latest available data

Note: (e) Estimated Data

International Economic Cooperation

Member of [African Union \(AU\)](#)

Member of [Southern African Development Community \(SADC\)](#)

Member of [Common Market for Eastern and Southern Africa \(COMESA\)](#)

Member of [Economic Community of Central African States \(ECCAS\)](#)

Member of [Organization of Petroleum Exporting Countries \(OPEC\)](#)

Main Partner Countries

Main Customers (% of Exports)	2022
China	42.7%
India	10.0%
France	7.1%
Netherlands	6.7%
Spain	4.3%
See More Countries	29.1%

Main Suppliers (% of Imports)	2022
China	16.0%
Portugal	10.7%
South Korea	9.2%
Netherlands	6.8%
India	6.1%
See More Countries	51.1%

Source: Comtrade, Latest Available Data

POLITICAL OUTLINE

Current Political Leaders

President : Joao Manuel Goncalves LOURENCO (since 15 September 2022) - MPLA ; the president is both chief of

state and head of government

Vice President: Esperanca Francisco DA COSTA (since 15 September 2022)

Next Election Dates

Presidential: 2027

Legislative: 2027

Main Political Parties

The MPLA party remains the largest parliamentary force and has had no real political challengers since independence. The largest parties include:

- Popular Movement for the Liberation of Angola (**MPLA**): social democracy, secured 124 of 220 recognized seats for an absolute majority
- National Union for the Total Independence of Angola (**UNITA**): centre-right, the second-largest political party, strong grassroots support and is defined by its legacy as a guerrilla movement
- Humanist Party of Angola (**PHA**): split from UNITA, it was legalised by the Constitutional Court on 27 May 2022
- Social Renewal Party (PRS): centre-left
- National Front for the Liberation of Angola (FNLA): centre-right

Executive Power

The executive power is held by the Government. Following the general election, the head of the list becomes president, the second is appointed vice-president. The position of prime minister was abolished in 2010. The president is responsible for the appointments and powers of the government (ministers, secretary of state). The government is not answerable to the National Assembly. The president is also responsible for the appointment of four out of seven judges to the Constitutional Court (including its president), judges of the Supreme Court, Court of Auditors and High Military Court, the Attorney General of the Republic, governors and vice-governors of the provinces of the State, the governor of the National Bank of Angola. He is Commander-in-Chief of the Armed Forces.

Legislative Power

Angola has a unicameral legislative system. The parliament is called the National Assembly and has officially 223 seats. Its members are elected under a system of proportional representation by universal suffrage for a five-year term. In practice, the National Assembly has only 220 members. It is responsible for voting the law, granting the tax and controlling the activities of the government. However, the President of the Republic has significant legislative power, which renders the role of oversight of the Assembly's governmental activities ineffective.

COVID-19 COUNTRY RESPONSE

Travel restrictions

Regularly updated travel information for all countries with regards to Covid-19 related entry regulations, flight bans, test and vaccines requirements is available on [TravelDoc Infopage](#).

To find information about the current travel regulations, including health requirements, it is also advised to consult Travel Regulations Map provided and updated on a daily basis by [IATA](#).

Import & export restrictions

A general overview of trade restrictions which were adopted by different countries during the COVID-19 pandemic is available on the [International Trade Centre's COVID-19 Temporary Trade Measures](#) webpage.

Economic recovery plan

For the general overview of the key economic policy responses to the COVID-19 outbreak (fiscal, monetary and macroeconomic) undertaken by the Angolan government, please consult the section dedicated to Angola in the [IMF's Policy Tracker platform](#).

Support plan for businesses

For an evaluation of impact of the Covid pandemic on SMEs and an inventory of country responses to foster SME resilience, refer to the OECD's [SME Covid-19 Policy Responses](#) document.

You can also consult the World Bank's [Map of SME-Support Measures in Response to COVID-19](#).