United Nations
Economic Commission for Africa

COUNTRY PROFILE 2016

ANGOLA

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Contents

Abbreviations and acronyms

ASDI	African Social Development Index
CPI	consumer price index
ECCAS	Economic Community of Central African States
ECA	Economic Commission for Africa
FDI	foreign direct investment
FSDEA	Fundo Soberano de Angola
GDP	gross domestic product
ICGLR	International Conference on the Great Lakes Region
IMF	International Monetary Fund
LCC	Line of Credit from China
NER	net enrolment rate
OCHA	Office for the Coordination of Humanitarian Affairs
SADC	Southern African Development Community
SME	small and medium-sized enterprises
UNCTAD	United Nations Conference on Trade and Development

Acknowledgements

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The country profile of Angola was prepared under the overall coordination and substantive guidance of Giovanie Biha, Deputy Executive Secretary for Knowledge Delivery of ECA, and the direct leadership of Said Adejumobi, Director of the Subregional Office for Southern Africa, with supervision from Sizo Mhlanga, Chief of the Subregional Data Centre. The lead author of this country profile was the Associate Economic Affairs Officer, Marta Duda-Nyczak, of the Subregional Office for Southern Africa.

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Angola at a glance

General information	
Subregion	Southern Africa
Official language	Portuguese
Currency	kwanza
Capital city	Luanda
Regional Economic Community membership (s)	ECCAS, SADC

Rankings	
Human development index (United Nations Development Programme)	149/188 (2014)
Gender inequality index (United Nations Development Programme)	n/a
Ibrahim index of African governance (Mo Ibrahim Foundation)	45/54 (2015)
Ease of doing business index (World Bank)	182/190 (2017)
Corruption perceptions index (Transparency International)	163/168 (2015)

Economic growth

The dynamics of economic growth in Angola over the past five years has been closely related to developments in the global oil market because of the country's high dependence on oil. As a result of a slump in oil prices, the growth pace remained subdued in 2016, with a projected rate of 3.0 per cent.

Fiscal policy

The revised fiscal deficit reached 5.9 per cent of gross domestic product (GDP) in 2016, widening from 2.2 per cent in the previous year. As a rescue mechanism, the fiscal authorities steeply hiked consumption and import taxes, and major cuts were made in government consumption and current transfers, in particular fuel subsidies.

Monetary policy

The consumer price index (CPI) was 14.3 per cent in 2015, whereas the accumulated yearly inflation rate in December 2016 was equal to 42.0 per cent. Over the course of the year, prices shot up for various consumption goods, in particular imported food and fuel, which were particularly affected by the depreciation of the kwanza and fuel subsidy cuts.

Current account

Angola posted a large current account surplus during the period 2010-2013, reaching its highest level in 2012. After a drastic drop in the trade balance, it deteriorated to a deficit in 2014 and 2015. China is the largest exporter to Angola in terms of value and the main destination of the country's exports. More than 16.9 per cent of all imported goods and services come from China and almost 43.4 per cent of Angolan exports, principally oil, are shipped to China.

Capital and financial accounts

The country's financial account was in deficit over the period 2010-2014, peaking in 2013. It then went into a surplus of US$6.921 billion in 2015. Angola became the top recipient of foreign direct investment (FDI) in Africa. In terms of outward flows, it is the second largest investor on the continent. The oil and gas sectors have continued to attract investors from abroad, whereas FDI outflows are mainly placed in energy sectors in Portugal, Brazil, Sao Tome and Principe and Cabo Verde.

Demography

The general population census conducted in 2014 indicated that Angola had 25.8 million inhabitants. The country is highly urbanized and geographically concentrated, with only 37.4 per cent of the population living in the rural areas and more than a quarter of the people living in Luanda province.

Poverty

The poverty profile of Angola is skewed towards the rural areas, but it is relatively even between men and women. About 36.6 per cent of the population lived below the national poverty line in 2008-2009 (down from 68 per cent in 2000), with the poverty incidence being 18.7 per cent in urban areas versus 58.3 per cent in the rural parts of the country.

Employment

In 2014, 61.1 per cent of the men were economically active versus only 45.4 per cent of the women. This rate for rural areas was 58.4 per cent versus 49.7 per cent for urban areas. The largest proportion of those employed, 44.2 per cent, make their living from agriculture and fisheries, often as subsistence farmers.

Health

Current life expectancy in Angola is 60.2 years, 55.5 years for men and 63.0 years for women. The estimated HIV/AIDS prevalence rate for 2012 was 2.1 per cent among the adult population (15-49 years age group), which is relatively low compared to other countries in the subregion. The highest disease-caused death toll was related to malaria. The doctor-patient ratio was 1.7 to 10,000 in 2012, whereas the Government's planned 2017 spending on the sector is 4.3 per cent of the budget, which is significantly below the Abuja Treaty target of a 15-per cent allocation.

Education

About 77 per cent of those in the 15-24 years age group can read and write, up from 76 per cent in 2009. School enrolment rates are low and progressing slowly. The net enrolment rate in primary education was reported at 75.8 per cent in 2014, and below 10 per cent in secondary education. The pupil-teacher ratio in primary education rose from 45 in 2008 to 48 in 2011, and the pupil-classroom ratio increased from 138 to 172 over the same period.

Gender equality

Data reveal that there is gender equality in Angola in such areas as child health, share of population without HIV* and net secondary school enrolment ratio. The life expectancy at birth parity score, which is 11, attests that women live longer than men. Areas of concern with regard to gender equality are the lower female labour force participation and lower literacy among women between 15 and 24 years old. Also of note, women are underrepresented in Parliament and in ministerial positions. Men hold 61 per cent of the representation in Parliament and 74 per cent of the ministerial positions.

** The data for share of population without HIV are for young people in the 15-24 years age group.*

1

Overview

The pace of economic growth in Angola remained subdued in 2016, with a projected rate of 3.0 per cent (Ministério das Finanças, 2016a), as it was strongly affected by low oil prices in the world markets. In addition to the oil sector, recent growth has been mainly driven by developments in energy and construction. To compensate for the limited revenues from oil sales and taxes, the fiscal authorities raised consumption and import taxes, reduced expenditures and cut subsidies among other measures. On the monetary side, the external shock has led to a depreciation of the kwanza and higher inflation, amplifying the possible detrimental effect of the fiscal adjustments on the poor. The trade balance has also shrunk because of the lower value of oil exports, resulting in negative current account balance for the years 2014 and 2015.

Regarding social developments, the country boasts a very young society with the average age of the population below 21 (INE, 2016c). However, the unemployment rate is particularly high among the youth, making it difficult for the country to reap benefits from the demographic dividend. Inequalities are widespread in Angola and the incidence of poverty is more pronounced in the rural areas. At the same time, progress in improving health care and education has been sluggish. The mortality rates, particularly among children and mothers, are high, whereas malaria remains the major cause of illness-related deaths (INE, 2015). One out of every four children does not attend a primary school and nearly the same proportion of young people is illiterate (INE, 2016c).

Diversification of the economy is a crucial step to ensure sustainable growth. The country's efforts to bring structural transformation currently focus on modernizing and constructing infrastructure, spanning from transport networks, energy and water facilities to telecommunication. Ensuring sustainable funding, attracting investors and raising competitiveness are among the greatest challenges of the State. Simultaneously, guaranteeing positive social spillovers should be another focus area of the policymakers.

2

National and subregional context

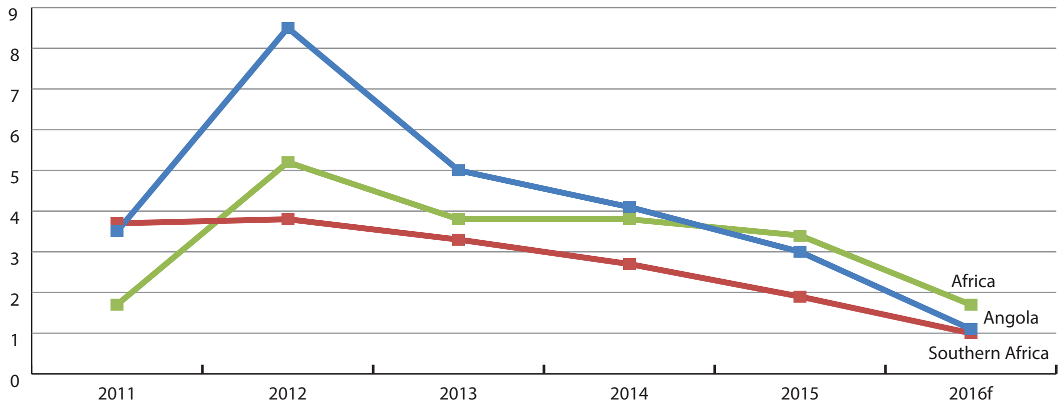
Because of the country's dependence on oil, its main export product, the dynamics of the country's economic growth over the past five years has been closely related to developments in the global oil market. However, even though the global economic crisis has had a strong negative impact on the growth rate, the economy expanded at a higher rate than the regional and subregional averages for the four consecutive years starting in 2011. As illustrated in figure 1, the country's real GDP growth averaged 4.2 per cent over the period 2011-2016,[1] compared to 2.7 per cent in Southern Africa and 3.3 per cent in Africa as a whole. After expanding 3.5 per cent in 2011, a relatively subdued rate due to the ramifications of the world crisis, the pace of economic growth in Angola surged to 8.5 per cent in 2012, followed by 5.0 per cent in 2013 and then moderate levels of 4.1 and 3.0 per cent in 2014 and 2015, respectively. The 2016 growth rate is projected to have been 1.1 per cent (INE, 2016d; Ministério das Finanças, 2016a). In comparison, the Southern African subregion posted economic growth of 3.8 per cent in 2012, which then decreased gradually to 1.0 per cent in 2016. At the same time, the continent as a whole was strongly affected by shocks to major economies, such as the war in Libya in 2011. Consequently, the overall growth rate fell to 1.7 per cent in 2011, rebounded to 5.2 per cent in 2012 and stabilized at 3.4-3.8 per cent from 2013 to 2015 before dropping to 1.7 per cent in 2016 (United Nations, Department of Economic and Social Affairs and others, 2017).

From a subregional perspective, the overall growth rate for Southern Africa over the period was subdued mainly as a result of an economic downturn in South Africa, which was strongly affected by the world economic crisis of 2007 and 2008. The robust performance of Mozambique or Zambia was offset by slow growth in the largest economy in the subregion. Simultaneously, since 2011, commodity-based Southern African economies have been adversely affected by falling prices of their main export products. Growth in Southern Africa is expected to have remained below the continental average in 2016.

In the aftermath of the global crisis, the deceleration of the Chinese economy, the main destination for Angolan exports, was reflected in the lagging growth rates of oil-related GDP in 2010 and 2011. However, the recovery of the developed economies paired with remarkable growth rates of non-oil sectors, in particular energy, agriculture, services and

1 Based on real GDP growth estiates for 2016.

Figure 1: Real gross domestic product growth, Angola versus Southern Africa, and Africa, 2011-2016, percentage



Source: INE (2011-2014) and Ministério das Finanças for Angola (2015-2016) and United Nations, Department for Economic and Social Affairs, for Southern Africa and Africa rate for 2016. Calculations by African Centre for Statistics for Africa real GDP growth (2011-2015).

manufacturing, positively affected the country's real GDP growth rate from 2012 to 2014. Starting from mid-2014, the slowdown in the economic performance of Angola is strongly related to the slump in oil prices, with the price falling to as low as $26 dollars per barrel in February 2016, the lowest level since 2003.[2] (US Energy Information and Administration, 2016). As the exchange rate constitutes one of the most important transmission channels of oil price changes, the national currency, kwanza, depreciated significantly in the wake of this recent external shock, adding to inflationary pressures. The adverse effects could be also observed in the current account and fiscal balances. On the whole, the projected growth rate of Angola has translated into a revision from 7.5 per cent (Ministério do Planeamento e do Desenvolvimento Territorial, 2012) to 1.1 per cent in 2016 and 2.1 per cent in 2017 (Ministério das Finanças, 2016a). Following the November 2016 agreement on oil production cuts by the Organization of the Petroleum Exporting Countries (OPEC), a modest recovery in international oil prices is expected to positively affect the country's budget and trade balance.

Since the end of the civil war in 2002, Angola has made significant progress in terms of political and economic development. The country has shifted its focus in recent years to regional integration, in particular in the areas of security and infrastructure. Starting in 2014, it has been at the helm of the International Conference on the Great Lakes Region (ICGLR) and under its leadership, the situation in the region, especially in Burundi, the Central African Republic and the Democratic Republic of the Congo, has improved significantly, after political and economic sanctions against armed rebel groups in the subregion were imposed. In addition, over the past ten years, special efforts have been made by Angola in demining and

2 U.S. Energy Information Administration, Petroleum & Other Liquids, data. Available from http://www.eia.gov/dnav/pet/pet_pri_spt_s1_d.htm (Accessed 27 January 2017).
Note: f denotes forecast

impeding the proliferation of small arms. In recognition of the country's commitment, the ICGLR Heads of States designated the presidency to Angola for the next term, which started in 2016.

Regarding infrastructure, the most significant venture of a regional dimension undertaken by Angola is the Lobito Corridor Project under the auspices of ICGLR. Implementation of the project started in January 2006 with the rehabilitation programme of the Benguela railway.[3] The railway connects the port of Lobito[4] with the mineral-rich Katanga province in the Democratic Republic of the Congo and the Copperbelt of Zambia. The multimodal corridor also includes the Catumbela international airport with a capacity of 2.2 million passengers per year and road networks, which are projected to form part of the Trans-African Highway (TAH 9), running from Lobito to Beira in Mozambique. It is estimated that 40 per cent of the people of Angola live within the catchment area of the Lobito corridor and will benefit from the project. Furthermore, the latest major addition to the project, the Lobito Oil Refinery, is expected to create 10,000 new jobs and attract $7 billion worth of investment. The regional significance of this enterprise stems from its potential to boost trade of mining, agricultural and industrial products, in particular by providing the Democratic Republic of the Congo and Zambia with a shorter route to the sea. This line will also enable Zambia to import oil from Angola more easily (ICGLR, 2016; Chr. Michelsen Institute and Centro de Estudos e Investigação Científica, 2014; Port and Corridor Cooperation, 2013).

Another key infrastructure development that is expected to boost the economy of the subregion is the construction of the New Luanda International Airport, scheduled for completion in mid-2017[5]. As a result of this greenfield $3.8 billion project, the airport will have the capacity to process 13 million passengers[6] and 35,000 tons of cargo per annum and feature two runways capable of handling A380 airplanes. Once completed, the airport will potentially serve as a major subregional hub, rivalling the Johannesburg OR Tambo International Airport and boost the competitiveness of the African continent (Angola International Airport, 2016).

3 The first rehabilitation programme was prepared under SADC in 1987, but it was never implemented because of the long-lasting civil war in Angola.

4 The Government has invested $1.2 billion in the rehabilitation and modernization of the port, which will initially have the capacity to move 3.7 million tons. The capacity will be expanded to 4.1 million when the Benguela Railway is working at its full potential (Chr. Michelsen Institute and Centro de Estudos e Investigação Científica, 2014).

5 Initially, the project was to be concluded in 2015/16.

6 Some feasibility reports state this capacity can be greatly exceeded.

Box 1: Africa Regional Integration Index - Angola

The Africa Regional Integration Index is designed to measure how well each country in Africa is meeting its commitments under the pan-African integration frameworks, including Agenda 2063 and the Abuja Treaty.

The index is a joint project of ECA, the African Development Bank and the African Union Commission (2015). The index covers the following dimensions: free movement of persons, trade integration, productive integration (development of regional value chains), regional interconnections and infrastructure and macroeconomic policy convergence. The following section gives highlights on selected indicators in the index.

Overall rank of Angola: 15th in SADC (score – 0.28). Best performer in SADC is South Africa (score – 0.74). eighth in ECCAS (score- 0.33)*				
Free movement of persons	Trade integration	Productive integration	Infrastructure	Financial integration and macroeconomic policy convergence
15th in SADC (score – 0.05). 11th in ECCAS (score- 0).	12th in SADC (score – 0.49). Best performer in SADC is South Africa (score – 1). 2nd in ECCAS (score- 0.96).	11th in SADC (score – 0.27). Best performer in SADC is Zimbabwe (score – 0.74). 11th in ECCAS (score- 0).	11th in SADC (score – 0.43). Best performer in SADC is Botswana (score – 0.82). 2nd in ECCAS (score- 0.66).	14th in SADC (score – 0.17). Best performer in SADC is South Africa (score – 0.91). 11th in ECCAS (score- 0).

Angola ranks poorly within the SADC (Southern African Development Community), placing last among the fifteen countries in the bloc and moderately to poorly within ECCAS (Economic Community of Central African States) (ranking eighth) in the overall index.

Free movement of persons: poor score (fifteenth in SADC, eleventh in ECCAS). Angola does not allow nationals from other SADC countries to enter visa-free. Angola has not yet ratified the relevant SADC and ECCAS instruments concerning free movement of persons, rights of establishment and free movement of workers. Only 7 per cent of SADC may enter Angola visa-free, while 87 per cent are required a visa to enter Angola. In addition, all ECCAS member countries require a visa to enter Angola.

Trade integration: Good to moderate score (second in ECCAS, twelfth in SADC). From 2010 to 2013, imports from the rest of SADC accounted for only 1.5 per cent of the GDP of Angola, which was the lowest level among SADC member States, while imports from the rest of the ECCAS member States accounted for about 0.31 per cent (the lowest level among ECCAS member States as well). On the other hand, exports from Angola to SADC as a share of GDP averaged 2 per cent over the same period (meaning that it placed second-to-last among SADC member countries). Over the same period, exports to ECCAS averaged around 0.39 per cent of GDP, which was the fourth-lowest share among the 11 ECCAS member States.

* A continent-wide ranking, in which all African countries from all regional economic communities will be compared with one another, is currently under development for the Africa regional integration index and will be added to subsequent updates of the ECA country profiles.

Productive integration: poor score (eleventh in both SADC and ECCAS). Angola appears to be weakly integrated into regional value chains. Its trade is softly complementary with that of its partners. It had a merchandise complementarity index of 0.11 (based on 2013 data). This shows a weak correlation between the country's exports and the SADC import structure.

Infrastructure: Good to moderate score (second in ECCAS, eleventh in SADC). The country ranked tenth among SADC members in its average performance in the African Development Bank infrastructure development index between 2010 and 2012. About 82 per cent of international flights to and from Angola are intra-SADC, which was the sixth-lowest such ratio among SADC member States, while 79 per cent of its international flights were intra-ECCAS (the highest such ratio among ECCAS member States). Intra-African mobile phone roaming was relatively expensive in Angola (the fourth-highest roaming rate among SADC member States for which data were available).

Financial integration and macroeconomic policy: poor score (fourteenth in SADC, eleventh in ECCAS). The Angola inflation rate was relatively higher at about 8.78 per cent which was the second-highest rate in SADC next to Malawi and the first-highest rate among ECCAS member countries (based on 2013 data).

Overall, Angola had performed moderately to poorly, with positive results in the area of infrastructure but moderate to poor scores in the areas of trade integration, free movement of persons, productive integration, financial integration and macroeconomic policy. In cases in which specific policy measures could boost its performance, Angola could consider, adopting macroeconomic policies that, for example, aim to reduce the inflation rate, ratifying the SADC and ECCAS instruments on free movement of persons and allowing visa-free entry for the nationals of a greater number of countries within the region, and setting other measures to boost intraregional trade in goods and services, particularly integration into regional value chains.

3

Economic performance

3.1 Economic growth and sectoral performance

Angola is the second largest oil producer in Africa. Oil is the largest contributor to GDP, comprising a 29.9 per cent share (figure 2), and represents about 60 per cent of the total growth rate.[7] The sector was revitalized in 2015, putting an end to its systematic contraction registered since the global economic crisis of 2008 and 2009. In 2015, it grew by 6.5 per cent[8] after declining by 2.6 per cent in 2014 and dropping by an average of 2.0 per cent annually over the period 2009-2013. Apart from limited external demand for oil, the most recent contraction was also attributed to the technical problems and unscheduled maintenance works in some of the production blocks in 2014, and production restrictions and delays in some oilfields at the beginning of 2015 (Ministério das Finanças, 2015a). Drastically falling prices in 2015-2016 further jeopardized the country's economic outlook, putting the oil sector growth estimate at 0.8 per cent in 2016 (Ministério das Finanças, 2016a). Other mining industries, dominated by the diamonds subsector,[9] account for 2.5 per cent of the GDP, and present an untapped opportunity for the economy as only 40 per cent of all the diamond reserves have undergone detailed prospecting to date (Endiama, 2016a). The growth of the sector had been stable, reaching 3.2 per cent in 2015, but it is estimated to contract by 0.8[10] per cent in 2016. Looking forward, the sector has very favourable long-term outlook boosted by investments in the Catoca mine and the Government's Plano Nacional de Geologia, which focuses on mapping the country's mineral endowments (Ministério das Finanças, 2015a).

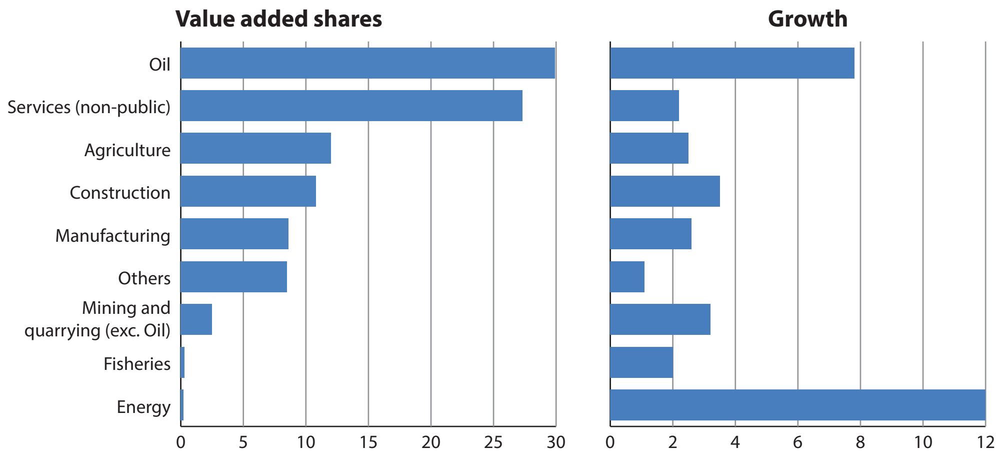
Agriculture is the second largest non-oil component of the country's GDP. According to the 2015 figures, it constitutes 12 per cent of the gross value addition, which signifies that it has a strong impact on the dynamics of the non-oil sector of the economy and large potential to support sustainable growth. Following an acute drought in 2012, which severely impaired agricultural production across the country, the gross value addition of agriculture contracted by 22.5 in that same year. In spite of a vigorous recovery in 2013, with an impressive growth rate of 42.3 per cent, the growth rate of the sector slowed in

7 Own calculations based on the growth estimations in the 2016 budget (Ministério das Finanças, 2015a).
8 This single data point comes from the revised 2016 budget (Ministério das Finanças, 2016a), not reflected in figure 2.
9 Angola is the world's fourth largest producer of diamonds in terms of volume (estimated at 8.8 million carats in 2014), supplying nearly 10 per cent of the world's production (Endiama, 2016b, United States Geological Survey, 2016).
10 This single data point comes from the revised 2016 budget (Ministério das Finanças, 2016a).

2014, increasing at the rate of 11.9 per cent, spurred by favourable maize, cassava, coffee, timber and meat outputs. The impetus for this growth was, however, bolstered by government spending, whereas yields recorded low levels. The instability of the growth trajectory of the sector was also reflected by further slackening in 2015, with an expected increase of 0.8 per cent.[11] The Government has undertaken steps to foster agricultural sustainability through development programmes for smallholders' and commercial farming, such as cutting rates for the Agriculture Credit Campaign and sponsoring fertilizers (Ministério das Finanças, 2015a). The sector is projected to grow by 6.7 per cent in 2016, mainly on the back of expected higher output from irrigated land farms in Caxito Rega, Bom Jesus, Calenga and Mucosso, and the successful implementation of government programmes (Ministério das Finanças, 2015a; Ministério das Finanças, 2016a). Furthermore, if channelled effectively, the impact of increased public investment and expected positive growth rates of the sector can contribute towards ensuring food security and self-sufficiency in the country, and improving the current account balance by cutting the food import bill.

Growth of the industrial sector is also expected to have decelerated in 2015, but remain positive. The sector currently comprises a 22.1 percent share of GDP. Energy and construction are the most dynamic components, with 2015 growth of gross value addition of 12 and 3.5 per cent, respectively, owing to electricity and water projects, such as Cambambe Phase 2, Laúca power station and Inga dam, and large-scale construction ventures, with the New Luanda International Airport being a flagship example. Following rapid growth at an annual average rate of 8.4 per cent for 2013 and 2014, manufacturing slowed, expanding by only 2.6 per cent in 2015. It is projected to have contracted by 3.9 per cent in 2016.[12] The ailing

Figure 2: **Gross value added shares and growth, Angola, 2015, percentage**



Source: Ministério das Finanças (2015a).

11 This single data point comes from the revised 2016 budget (Ministério das Finanças, 2016a), not reflected in figure 2.

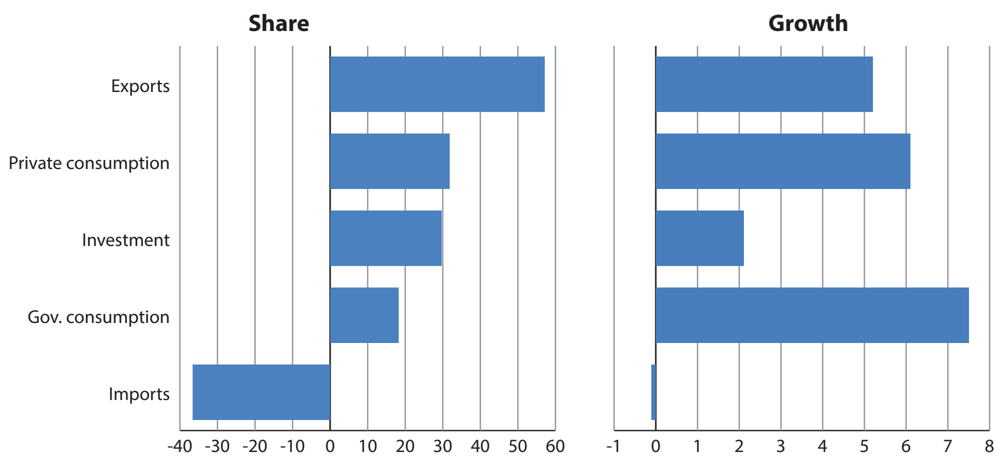
12 This single data point comes from the revised 2016 budget (Ministério das Finanças, 2016a).

economy paired with the weak business environment hindered the production from small- and medium-sized enterprises (SMEs), in particular, spurring SME investment programmes, such as the Angola Investe (Ministério das Finanças, 2015a). Success in reinvigorating the private sector across the industry is key to guaranteeing growth sustainability. The State could envisage further measures aimed at improving access to credit, fostering business climate or introducing incentives for particularly small and medium entrepreneurs.

The private services sector is still relatively small in Angola compared to other Southern African economies, accounting for 27.3 per cent of GDP. However, expansion of the sector is particularly visible in telecommunications, which grew by 7 and 8 per cent in 2013 and 2014, respectively. This expansion can be largely attributed to investments in Angola Cables and upgrading of telecom infrastructure. In 2015, the growth of the sector was expected to slow to 2.2 per cent and then grow by 2.4 per cent in 2016. On the other hand, public services constituted 8.5 per cent of GDP, after expanding by 6.0 per cent in 2014. It is projected to have expanded by only 1.1 per cent in 2015. These projections are based on a revised budget following the drop in oil prices. (Ministério das Finanças, 2015a). In 2016, the sector is expected to stagnate mainly due to a freeze in civil service wage hikes (Ministério das Finanças, 2016a).

On the aggregate demand side (figure 3), in 2014, exports were the largest GDP component; this notwithstanding the weak growth rate of 0.7 per cent, which was subdued by declining external demand for oil and diamonds from countries adversely affected by the global crisis. Private consumption, in turn, was the most dynamic component, increasing by 12.7 per cent in the same year. This came as a result of a relatively stable inflation rate. Matched by a post-war trend of positive GDP growth rates, the substantial increases in private consumption since

Figure 3: Demand shares and growth, Angola, 2014, percentage



Source: Instituto Nacional de Estatistica.

Box 2: Comparing economic forecasts for Angola

Economic forecasts provide essential information for decision-makers in the public and private sectors. Reliable economic forecasts inform and support a reliable decision-making process. A number of organizations currently produce forecasts of economic growth for Angola. Among them are: African Development Bank; Economist Intelligence Unit; International Monetary Fund (IMF); and World Bank. The forecasts produced by these organizations at times matched each other but sometimes they diverged by as high as seven percentage points for the period 2008-2016, excluding the year 2009 (see figure A). The World Bank provided the most optimistic forecasts of growth, averaging 9.1 per cent annually over the period 2008-2016. Looking forward, the most optimistic growth rate forecasts for 2016 were from the Economist Intelligence Unit (5.7 per cent), followed by African Development Bank (4.2 per cent), IMF (3.9 per cent) and World Bank (3.3 per cent).

The degree of accuracy of these forecasts is an important issue. Hence, ECA has carried out an analysis to assess the reliability of forecasts applying the root mean square error and the mean absolute error, which are the common measures used to evaluate forecasts. Generally, the higher the value of these errors, the less accurate the forecasts.* ECA analysis of forecasts over the period 2008-2014 indicates that IMF forecasts are relatively more accurate followed by those from the Economist Intelligence Unit and the African Development Bank, while the World Bank had relatively high forecast errors (see figure B).

Real GDP growth forecasts and forecast error, Angola, percentage

Figure A: Forecasted GDP real growth rates, by institution

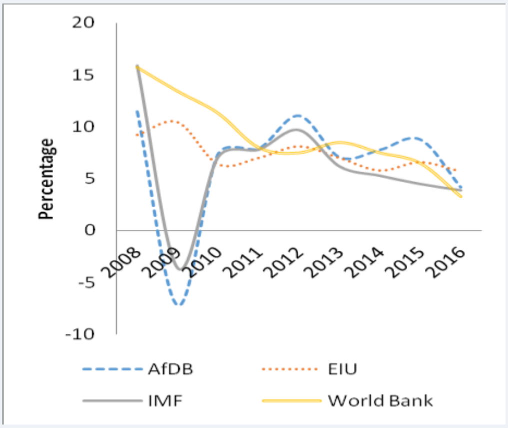
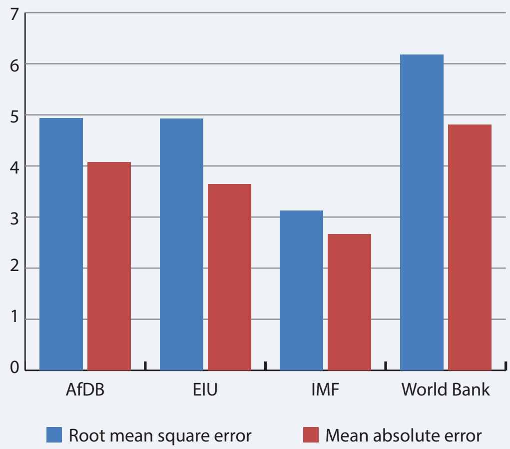


Figure B: Forecast error (2008-2014)



* For more information on these terms and the ECA approach to evaluating the accuracy of forecasts, see ECA (2015).

2003 have contributed to enhancements in household welfare and poverty reduction, even though the country is marred by a high level of inequality. On the other hand, government consumption decreased by 17.5 per cent following the completion of some large-scale infrastructure projects, such as the Luanda and Lobito ports. Gross fixed capital formation, in contrast, increased by a modest 3.5 per cent (INE, 2016d).

3.2 Fiscal policy

The price of oil and the volume of oil production are two decisive elements influencing the budget of Angola. As a consequence, the volatility of the former and uncertainties surrounding the latter have been major risks in assuring fiscal consolidation and planned spending in recent years. As illustrated in table 1, following a dramatic fall of oil prices total revenue was gradually revised down to 3.485 trillion kwanza ($21 billion) in 2016, from 4.849 trillion kwanza in 2013. The lion's share of the revenues, 2.970 trillion kwanza (23.8 per cent of GDP) in 2014 and 3.630 trillion kwanza (30.1 per cent of GDP) in 2013, came from oil taxes, in particular concession rights. After oil prices slumped, these taxes plummeted to the value of 1.898 trillion kwanza in 2015 and further down to 1.536 trillion kwanza in 2016, or 15.4 and 9.1 per cent of GDP, respectively, wreaking havoc on the economy. As a rescue mechanism, the fiscal authorities steeply raised consumption and import taxes to levels as high as 80 per cent on tobacco and 70 per cent on alcoholic beverages. This resulted in a higher value of the non-oil taxes from 972.2 billion kwanza (8.1 per cent of GDP) in 2013 to 1.557 trillion (9.2 per cent of GDP) in the revised 2016 budget (Ministério das Finanças, 2016a; Imprensa Nacional Angola, 2015). However, broadening the tax base requires precautions, such as tax exemptions on food or health and education services, in order to prevent such actions from adversely affecting the poor. Moreover, the new tax regime calls for intensified controls, as it poses a threat of tax evasion in the long run, with a substantive risk of a black market developing over time. Simultaneously, increased public service provision could encourage tax compliance.

In order to close the widening fiscal deficit, the Government has also adjusted its expenditure. From total expenses of 5.221 trillion kwanza in 2014, the amount dropped to 3.774 trillion kwanza in 2015 and then rose to 4.485 trillion kwanza in 2016. The recurrent spending, however, remained the main allocation with 9.3 per cent of GDP being spent on the civil service wages in 2016, down from 11.3 per cent in 2015, and 10.6 per cent in 2014. Among other elements, interest payments also increased from 99.1 billion kwanza in 2013 to 441.7 billion kwanza in 2016 (0.8 to 2.6 per cent of GDP). In turn, amid budgetary pressures, major cuts were imposed on government consumption and current transfers, in particular fuel subsidies. The goods and services bill amounted to 787.2 billion kwanza in 2015, down from 1.228 trillion kwanza in 2013, and current transfers dropped to 611.9 billion kwanza in 2015 (versus 955 billion kwanza in 2013). In relative terms, this translated in a downward movement from 10.2 to 6.4 per cent of GDP for use of goods and services, and from 7.9 to 5.0 per cent for current transfers. The revised 2016 budget envisages that those values will drop further in relative terms to 5.0 per cent and 4.0 per cent of GDP, respectively. (Ministério das Finanças, 2016a).

The revised 2016 fiscal deficit reached 5.9 per cent of GDP (one trillion kwanza), widening from 2.2 per cent (269.3 billion kwanza) in the previous year, which was preceded by a 2.4-per cent deficit in 2014 and a surplus of 3 per cent (355.7 billion kwanza) in 2013. A freeze in civil service wage hikes for 2016 and further cuts in fuel subsidies, accompanied by the recovering

Table 1: Angola fiscal accounts, billions of kwanza

	2013	2014	2015	2016	2016 revised	2017
Revenues	4,848.6	4,402.6	3,366.7	3,514.5	3,484.6	3,667.8
Oil taxes	3,629.8	2,969.8	1,897.7	1,689.7	1,535.5	1,695.5
Of which: concession rights	2,445.6	1,993.5	1,305.6	1,163	968.1	1,216.6
Non-oil taxes	972.2	1,128.2	1,144.3	1,545.4	1,556.5	1,708.6
Grants	1.8	1.5	1.2	0	0	0
Expenses	-4,816.4	-5,221.4	-3,773.7	-4,295.7	-4,484.6	-4,807.7
Wages	-1,154.8	-1,318.9	-1,390.0	-1,497.4	-1,562.6	-1,613.8
Use of goods and services	-1,228.3	-1,249.4	-787.2	-995.2	-847.6	-1,034.8
Interest payments	-99.1	-147.2	-248.5	-307.4	-441.7	-484.2
Current transfers	-955	-950.4	-611.9	-680.2	-671.5	-680.0
Fiscal balance (cash basis)	355.7	-303.2	-269.3	-781.2	-1,000	-1,139.9
% GDP	3	-2.4	-2.2	-5.5	-5.9	-5.8
GDP	12,056.3	12,462.3	12,320.8	14,218.1	16,879.6	19,746.1
Oil price assumption (USD/barrel)	107.7	96.9	50	45	40.9	46

Source: Ministério das Finanças; the figures for 2016 represent preliminary results of the revised budget and for 2017 projected budget.

oil sector and higher production should result in a slightly lower 2017 fiscal deficit of 5.8 per cent of GDP (1.140 trillion kwanza). Nonetheless, the impact of such budget adjustments can contribute to inflationary pressures.

Concerning the public debt, the current economic situation has forced Angola to seek ways to finance its expanding fiscal deficit in order to guarantee fiscal consolidation. The total debt stock increased from $30.6 billion in 2013 to $56.6 billion in 2016, which in relative terms represented a rise from 24.5 to 61.9 per cent of GDP, seriously questioning the sustainability of the debt. The recent increase in interest rates in the United States of America by the Federal Reserve (and further rises anticipated in 2017) will most probably lead to an escalation of debt repayment. Extending or opening new external credit lines, primarily by emerging economies, such as China and Brazil, led to an increase in external debt from $15.7 billion in 2013 to $26.5 billion in 2016 and up to $32.5 billion (27.3 per cent of GDP) projected in 2017. The issuance of 10-year bonds worth $1.5 billion in November 2015 was one of the most recent external debt additions on such a scale. Similarly, the internal debt equalled $14.9 billion in 2013 and rose to $26.5 billion and $30.0 billion in 2015 and 2016, respectively. It is, however, projected to decline in relative terms from 32.9 per cent of GDP in 2016 to 25.4 per cent in 2017 (Ministério das Finanças, (2016a). The issuance of high-yield short-term Treasury

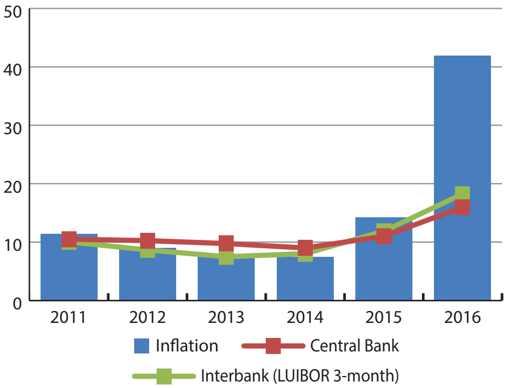
Bills (up to a year) has been the most common practice applied to increase the internal debt during the recent fiscal difficulty. However, the Government should take into consideration the risk of a crowding-out effect of the private sector investment associated with further increases in the internal borrowing, and its possible repercussions of curbing the economic diversification prospects.

3.3 Monetary policy

After experiencing relatively stable inflation in single digits during the period 2012-2014 inflationary pressures emerged in 2015 and 2016. Higher consumption and import taxes, along with cuts in fuel subsidies, translated into higher prices for various consumption goods, especially food and beverages, and fuel, with a strong adverse effect on the poor population. In 2015, the consumer price index (CPI) stood at 14.3 per cent, whereas the accumulated yearly inflation rate in December 2016 was equal to 42.0 per cent. This notwithstanding, the deceleration of price increases has been noted since August 2016 and is expected to continue in the first trimesters of 2017. At the same time, rapid depreciation of the kwanza has been another reason behind rising prices of imported goods. The official exchange rate fell gradually from 93.9 kwanza per U.S. dollar in 2011 to 98.6 in 2014, and then steeply to 166.7 kwanza end of December 2016 (INE, 2016a; Banco Nacional de Angola, 2016a).

With the aim to intensify the absorption of the negative effects of the recent drop in oil prices, the monetary policy has been aligned with the fiscal interventions. Beyond regular assurance of liquidity through adjustments to the monetary base, the coordination of monetary and fiscal policies has focused on maintaining macroeconomic stability. Monetary policy has had a restrictive orientation, in line with the Banco Nacional de Angola aiming to mitigate the risk of high inflation. This was reflected in the rapid expansion of the monetary base as well as increases in interest rates. The broad money supply M2 rose from 4.395 trillion kwanza in 2013 to 6.479 trillion kwanza in October 2016, growing nominally by 16.1 per cent between 2013 and 2014, and by 11.8 per cent the following year (Banco Nacional de Angola, 2016c). Meanwhile, after a relatively stable reference rate oscillating around 10 per cent during the period 2011-2013 (figure 4), BNA has increased the rate nine times since July 2014 with the objective to stabilize the galloping prices. As of the end of December 2016, it levelled at 16 per cent. The interbank lending rate (LUIBOR

Figure 4: **Inflation and interest rates, Angola, 2011-2016, percentage**



Source: Instituto Nacional de Estatistica for end-of-year inflation; Banco Nacional de Angola for end-of year interest rates; the 2016 inflation rate is the year-on-year December rate, 2016 interest rates are as of end December 2016.

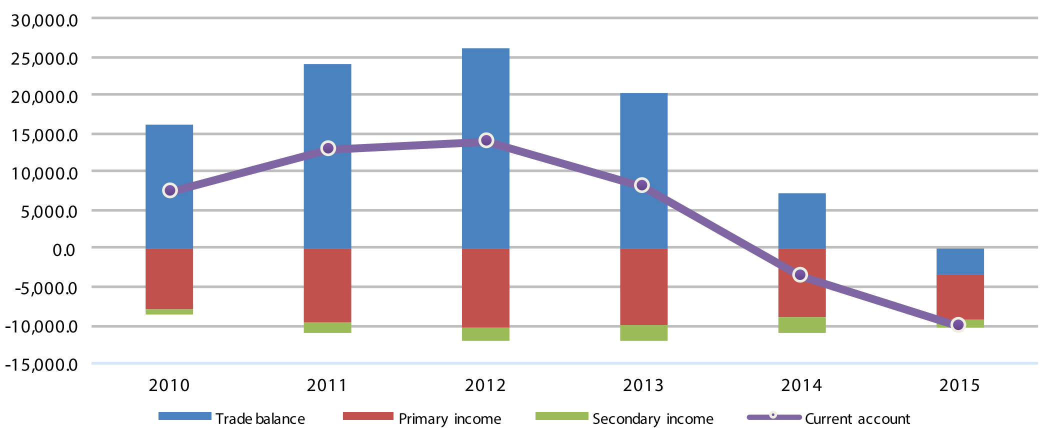
3-month) followed suit; it increased from 7.5 per cent at the end of 2013 to 18.2 per cent end of December 2016 (Banco Nacional de Angola, 2016b).

3.4 Current account

As illustrated in figure 5, the current account balance of Angola was large and positive over the period 2010-2013, reaching its highest level of $13.841 billion US dollars[13] in 2012 and decreasing to $8.145 billion in 2013. However, it deteriorated to a deficit of $3.748 billion in 2014 and $10.273 billion in 2015 after a drastic drop in the trade balance. On the one hand, the lower value of oil exports diminished gains from trade significantly; whereas growing imports of both goods and services contributed to a narrowing of the trade surplus to $7.313 billion in 2014, down from $20.169 billion and $26.025 billion in 2013 and 2012, respectively. To address the widening current account deficit, imports were curbed significantly in 2015; yet, the seriously subdued oil exports resulted in a trade deficit of $3.532 billion, the first one since 2010. While rising oil prices have contributed to an increase in export value, further cuts in import bills, in particular by supporting domestic agricultural production to substitute food imports, could be envisaged to proactively counteract the current account shock.

On the income side, primary income oscillated between -$10.422 billion and -$5.908 billion over the period concerned, with the biggest negative impact of profits and dividends paid out abroad. The secondary income was also negative from 2010 to 2015, with the deficit rising gradually from $437.7 million in 2010 to $2.211 billion in 2014, reflecting remittances from expat oil workers based in Angola, which fell sharply in 2015 and led to the secondary income balance being -$833.8 million (Banco Nacional de Angola, 2016d). Remittances from Angolans living abroad, in particular in Portugal, even though essential for the subsistence of

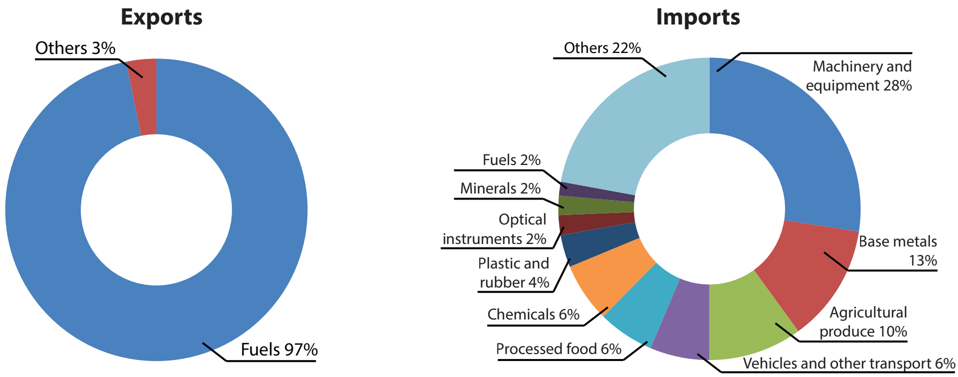
Figure 5: **Current account, Angola, 2010-2015, US dollar (millions)**



Source: Banco Nacional de Angola.

13 Due to the structure of its economy (oil-based), the country reports its balance of payments in US dollars.

Figure 6: Import and export composition, Angola, 2015, percentage



Source: Instituto Nacional de Estatística.

many families, are negligible in terms of their magnitude, representing roughly 0.2 per cent of GDP (IMF, 2014)

China is the main trading partner of Angola in terms of imports by value and exports. According to the 2015 figures, more than 16.9 per cent of all imported goods and services come from this Asian economy and close to 43.4 per cent of exports from Angola, principally oil, are destined for the Chinese market, making the country's conjuncture highly dependent on the developments in the Chinese business cycle. Among the other export destinations, France, India and Spain play the most significant roles, though their combined share of export value is less than a half that of China. On the other hand, other major partners for imports are Portugal, the Republic of Korea and the United States, with the respective proportions of 14.8, 7.8 and 7.5 per cent of the total import value. In terms of the subregional trade, South Africa is the only significant partner, accounting for 4.03 per cent of exports and 5.27 per cent of imports (INE, 2016b). Enhancing regional trade integration could be another measure to reduce import bills and improve the current account balance.

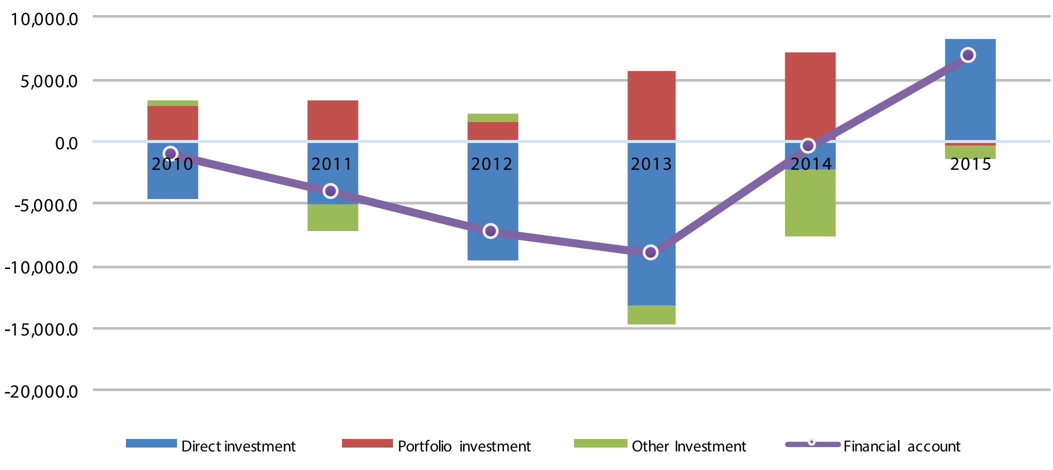
Figure 6 presents details of the import and export composition. With regard to the latter, the structure shows very little diversification, with 96.8 per cent of the total 2015 value being fuels. This figure clearly exposes the vulnerability of Angola to external shocks to oil prices and global demand, which was visible in the aftermath of the world economic crisis of 2007 and 2008 and recent drops in commodity prices. Despite the large potential of the diamond sector, minerals constitute only 0.03 per cent of the country's exports. In turn, machinery and equipment, base metals and agricultural products are major imports, suggesting developments in various infrastructure and construction projects but limited diversification (INE, 2016b).

3.5 Capital and financial accounts

The financial account was in deficit over the period 2010-2014. It reached its widest level of $9.018 billion in 2013, before narrowing to $486 million in 2014 and registering a surplus of $6.921 billion in 2015. Figure 7 illustrates the developments in the financial account over the period concerned. FDI, which except for in 2014 had been the major component of the financial account, recorded outflows that were significantly greater than inflows, an uncommon trend among the economies in Africa. In 2013, FDI outflows totalled $27.510 billion while inflows were $14.346 billion. The next year, even though the negative balance of FDI narrowed, with outflows amounting to $18.875 billion and inflows totalling $16.543 billion, and the portfolio investments soared to 7.182 billion, the financial account deficit persisted because of the deepening negative value of other investments. It turned into surplus in 2015 following a decrease in FDI outflows to $7.941 billion. At the same time, portfolio investments have been limited, recording a negative value for the first time since 2010 (Banco Nacional de Angola, 2016d). Also of note, the restrictive moneraty policy has not been enough to keep the level of the net international reserves, which fell from $24.3 billion in 2015 to a record low of $20.3 billion in November 2016 (preliminary results) (Banco Nacional de Angola, 2016c).

In line with the recent trend towards direct investment, the latest international reports on FDI indicate that, in 2015, Angola became the top recipient in Africa of FDIs, and based on outward flows, it is the second largest investor on the continent (UNCTAD, 2016). The oil and gas sectors have continued to attract investments, such as the announced ultra-deep offshore project at Kaombo, a greenfield investment made by Total (France),[14] and the energy-related venture of Puma Energy (Singapore), which invested in one of the world's largest conventional

Figure 7: Financial account balance, Angola, 2010-2015, US dollars (million)



Source: Banco Nacional de Angola.

14 Planning start date is 2017; the estimated oil production capacity of Kaombo is 230,000 barrels/day.

buoy mooring systems in Luanda Bay. It is important to note, however, that a vast increase in inflows in 2015 was to a large extent driven by loans dispensed by parent companies to their local affiliates to strengthen their balance sheets in the wake of the slump in the global oil market.

In turn, Angola reduced its investment abroad largely as a result of the lower oil prices, the depreciating kwanza, and weakened external demand from major trading partners. The State-oil company Sonangol has been in the forefront of the FDI outflows in recent years investing primarily in the energy sector in Portugal (Galp Energia), Brazil (oil exploration), Sao Tome and Principe and Cabo Verde (fuel distribution and logistics). In addition, Sonangol is the main shareholder in the largest Portuguese private bank, Millennium. The banking and construction sectors, particularly in Portugal, also attract capital from Angolan private groups.

4

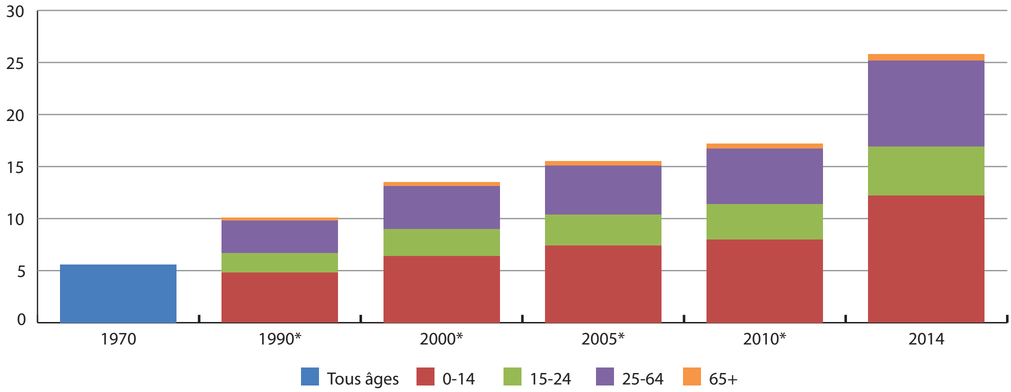
Social developments

4.1 Demography

The civil war impeded Angola from taking comprehensive measurements of its population levels, forcing the country to rely on projections for many years. A census, which was conducted in 2014 for the first time since 1970, revealed that Angola had 25.8 million inhabitants, about six million more than the projections. Figure 8 illustrates the jump between the real population levels, from 5.62 million in 1970. This indicates that the average yearly population growth rate over the last 44 years was 3.5 per cent. In addition, Angola is highly urbanized and geographically concentrated, with only 37.4 per cent of the population living in the rural areas. More than one quarter of the people of Angola, 6.95 million, live in Luanda province. The next most populated provinces are Huíla, Benguela and Huambo, with 2.5 million, 2.2 million and 2.0 million inhabitants, respectively. Luanda is also the most densely populated province, with 368.9 inhabitants per square kilometre, which is 18 times the country's average (INE, 2016c).

Largely as a result of the war, women account for a higher share of the population (52 per cent). This gap is most pronounced within the 25-64 years age group. With regard to the age structure, Angola has a very young society. The average age is 20.6 years; it is slightly higher for women and in rural areas. About half of the population, 47.3 per cent,

Figure 8: **Population by age group, Angola, 1990-2014, millions, real figures for 1970 and 2014, historical projections for 1990-2010.**



Source: Instituto Nacional de Estatística.

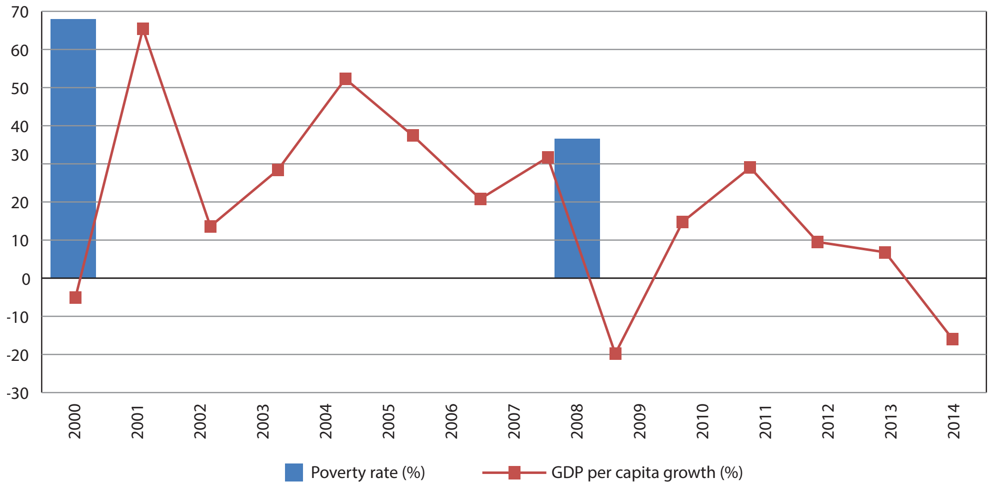
Note: * indicates projections.

is aged 14 years or less, and 65.5 per cent of all Angolans are under 24 years old. Only 2.4 per cent of the population is older than 65 years. This age distribution, in particular the large share of children below 14 years old, translates in an extremely high dependency ratio, which was nearly 99 per cent in 2014 and can be difficult to sustain. This notwithstanding, Angola can reap benefits from the demographic dividend if the quick pace of population growth can be matched by economic opportunities for young people (INE, 2016c), for example, through targeted programmes, such as Angola Investe, which focuses on SME development.

4.2 Poverty and employment

The poverty profile of Angola is skewed towards the rural areas. It is relatively even between men and women.[15] Some 36.6 per cent of the population lived below the national poverty line in 2008 and 2009 (down from 61 per cent in 1996 and 68 per cent in 2000), with the poverty incidence of 18.7 per cent in urban areas versus 58.3 per cent in the rural parts of the country. This has prompted the Government to introduce such measures as the Integrated Municipal Programme of Rural Development and the Poverty Fight or Promotion Programme of Small Rural Industry. In addition, the share of the poorest quintile in national consumption was 5.4 per cent as opposed to 48.5 per cent for the richest quintile and the Gini coefficient is 0.43 (INE, 2013a; Ministério de Planeamento e do Desenvolvimento Territorial, 2015). Despite a trend towards lower poverty levels (figure 9), buttressed by invariably positive private consumption growth rates registered after the war, inequality remains large in the country and should be addressed through further government measures (box 3).

Figure 9: **Poverty and economic growth per capita, Angola, 2000-2014, percentage***



Source: INE for GDP, Ministério de Planeamento e do Desenvolvimento Territorial for poverty.
* Abrupt drops in GDP per capita (marked with an asterisk *) came as a result of the economic crisis that hit Angola (2009) and a drastic upward change in the population number that was reviewed after the census (2014). Consequently, the latter does not represent a drop of such a magnitude in GDP per capita in real terms.

15 Headcount; when measured at a household level, the poverty incidence was higher in households headed by a man, 37.4 per cent, versus 33.2 per cent when the head was female.

Box 3: National Sovereign Wealth Fund (Fundo Soberano de Angola)

The Fundo Soberano de Angola (FSDEA) is a sovereign wealth fund wholly owned by the State. It was officially launched in 2012 with an initial endowment of $5 billion. With the aim to promote growth, prosperity and social and economic development, the Fund invests across Africa and globally, focusing heavily on investments in the domestic market, building the infrastructure of Angola and creating opportunities for its citizens. In addition to dedicated funds for infrastructure, mining and agriculture, a large share of the Fund's investments is in the African hospitality sector through a specially established hotel fund. The main rationale behind this special focus is that the sector has great potential to create jobs, generate wealth and mobilize local supply chains.

To fight poverty and inequality, FSDEA is required to dedicate up to 7.5 per cent of its endowment to social development and socially responsible projects in the fields of education, income generation and local economic development, access to clean drinking water and sanitation, access to health care and energy. The most prominent initiatives include:

- **Future Leaders of Angola** – Scholarship Program. This initiative is aimed at building the capacity of the future workforce of the country by enabling talented young Angolans to access global experience and gain deep knowledge of various industries worldwide. In 2014-2015, 46 scholarships were awarded in partnership with the Zurich University of Applied Sciences.
- **The Bungo Initiative** – Supporting Agricultural Communities. The objective of the project is to enhance and formalize family farming and agribusiness in the city of Bungo through the promotion of civil registration, the introduction of diversified farming practices, the financial formation of micro-entrepreneurs, and the provision of support in accessing and managing microcredit. The creation of 15 micro- and small enterprises can benefit up to 3,000 families in the area.
- **Kamba Dyami** – One Laptop Per Child Program. The programme focuses on the promotion of computer-based learning across schools in the most deprived regions of Angola. It was planned that 1,200 laptops were to be purchased from late 2013 to 2015, and that 2,400 children would profit from the initiative. The programme is expected to be scaled up in the future to cover more schools in the economically vulnerable areas (Fundo Soberano de Angola, 2016).

In terms of the labour market situation, the 2014 census showed that out of the 13.6 million people older than 15 years, only 52.8 per cent of them participated in the labour force, implying a possibly high rate of informality. The figure varied by gender and location, as 61.1 per cent of the men were economically active versus only 45.4 per cent of women, and the rate was 58.4 per cent for rural areas versus 49.7 per cent in urban areas. The largest proportion of those employed, 44.2 per cent, make a living from agriculture and fisheries, often as subsistence farmers, and the economic activity is concentrated mainly in the province of Cuanza Sul, where 70 per cent work in agriculture. On the other hand, the industrial sector is providing a limited number of job opportunities; only 6.1 per cent of the labour force is employed by the sector, though the rate is higher in urban areas. Services is generating employment for 26.6 per cent of the economically active population, whereas 23.5 per cent of all the workers do not declare their activity sector. In addition, there is a strong divide between male and female employment when skill composition is analysed. The low productive agricultural sector employs more women than men, 53.5 per cent versus 34.6 per cent, while the highly skilled occupations are dominated by men (INE, 2016c).

The total unemployment rate was 24.2 per cent in 2014,[16] with little differentiation between men and women (23.6 per cent versus 24.9 per cent), yet with very unequal distribution across age groups and location. Those mostly affected were youth: 45.8 per cent of 15-19 year-olds and 35.4 per cent of 20-24 year-olds remained without a job. Unemployment is also most prevalent in urban areas: 30.8 per cent versus 14.3 per cent in rural areas. The most affected provinces are Lunda Sul (43 per cent) and Lunda Norte (39 per cent), whereas Benguela and Cuanza Sul are the least touched (both with the rate of roughly 14 per cent) (INE, 2016c).

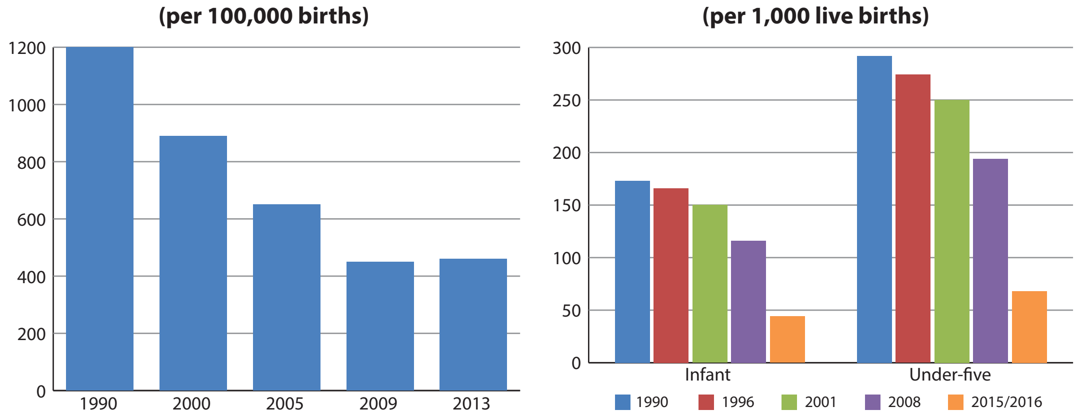
4.3 Health

Years of internal conflict made it impossible to properly assess the health status of the population before 2002. Many indicators were not measured on a regular basis. The recent census revealed that the current life expectancy is 60.2 years, 55.5 years for men and 63.0 years for women (INE, 2016c). As shown in figure 10, despite falling mortality rates over the years, the recent figures remain very high in particular for the maternal mortality ratio. It is elevated by the relatively low percentage of births attended by skilled personnel (46 per cent in 2015-2016), which is often undermined by poor health care and large distances in rural areas (Instituto Nacional de Estatística, Ministério da Saúde, 2016). The ratio equalled 460 in 2013,[17] up from the 2009 level of 450; however, it was nearly halved in the long term from 890 in 2000 (SADC, 2016). On a positive note, the latest health survey results showed a drastic drop in the infant and under-5 mortality rates, with the former at 44 and the latter equal to 68[18] (Instituto Nacional de Estatística, Ministério da Saúde, 2016). In addition, in 2007, 29.2 per cent of the country's children under five were stunted, 15.6 per cent were underweight and 8.2 per cent were wasted. For the three phenomena, the proportion is higher for boys (Ministério da Saúde, 2008).

In terms of the disease burden, the HIV/AIDS prevalence rate in 2012 was 2.1 per cent among the adult population (15-49 years old), which is relatively low among the countries in the subregion. Some 63.5 per cent of all those infected were women. The prevalence and incidence rates of tuberculosis were also low, below 1 per cent in 2012. Of the reported deaths caused by a disease, 9.7 per cent were caused by AIDS and 9.6 per cent by tuberculosis in 2012. Both figures increased from the previous year, which were 6.4 per cent and 7.1 per cent, respectively. The largest death toll is, however, associated with malaria. It was reported that 56.1 per cent of people of Angola were infected with malaria in 2012, and 45.7 per cent of the reported disease-related deaths were caused by malaria (INE, 2015). The 2016 outbreak of yellow fever also caused numerous fatalities, estimated at more than 300.[19] The most affected group was the 15-30 year-olds, with most of them being men (75 per cent)

16 The unemployed is defined as any person 15 years or older meeting the following conditions over the period concerned: (a) not working; and (b) available for work.
17 Per 100,000 births.
18 Children mortality rates are per 1,000 livebirths.
19 As of 7 June 2016.

Figure 10: Maternal mortality ratio (per 100,000 births), infant and under-five mortality rates (per 1,000 live births), Angola, 1994-2015/2016



Source: SADC for MMR; Ministério da Saúde for 1990 children mortality data, Instituto de Estatística for 1996-2008 data, INE/Ministério da Saúde for 2016 data. Children mortality rates before 2016 were sourced from Ministério de Planeamento e do Desenvolvimento Territorial, 2015, with respective references to the original sources.

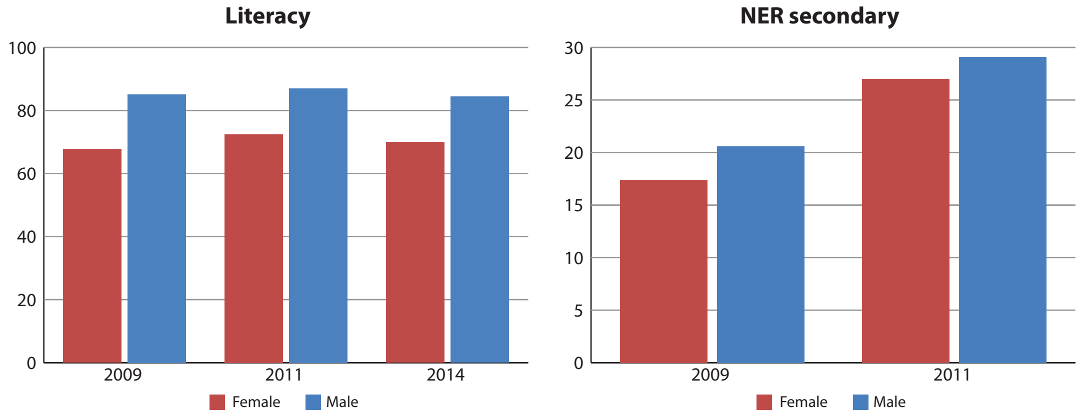
(OCHA, 2016). Overall, the poor quality of health services, high cost of medical treatment, limited number of skilled personnel and insufficient budget allocation to health are the factors behind the slow improvement in the health status of the population. The doctor-patient ratio was 1.7 to 10,000 in 2012 (below the World Health Organization recommendation of 1 to 1,500), whereas the Government's planned 2017 spending on the sector is 4.3 per cent of the budget, which is down from 5.3 per cent of the 2016 budget (Ministério das Finanças, 2016b; Ministério das Finanças, 2015b), and significantly below the Abuja Treaty target of a 15-per cent allocation.

4.4 Education

In the area of education, advances have also been minimal. The youth literacy rate has stagnated over the last five years (figure 11), registering a slight downward movement in 2014. Nearly 77 per cent of 15-24 year-olds can read and write, up from 76 per cent in 2009. The gender and geographical distribution is uneven, with 84.4 per cent of boys and 70 per cent of girls being literate (versus 85.1 and 67.8 per cent in 2009, respectively) and the youth literacy rate is 87.7 per cent in urban areas and 54.7 in rural areas (INE, 2016c; Ministério de Planeamento e do Desenvolvimento Territorial, 2015). At the same time, school enrolment rates are low and progressing slowly. According to the figures from SADC, the net enrolment rate in primary education rose from 76.3 per cent in 2008 to 79 per cent in 2011; however, the recent census reported 75.8 per cent in 2014. The net enrolment ratio in secondary education improved from 2008 to 2011 to 28 per cent; yet, the census indicates that the current level is not greater than 10 per cent[20] (SADC, 2016; INE, 2016c). Therefore, caution

20 When combining secondary schools of the first and second cycle.

Figure 11: Youth (15-24 years) literacy rate and net enrolment rate in secondary education by sex, Angola, 2009-2014, percentage



Source: Instituto Nacional de Estatística for literacy and SADC for NER.
Abbreviation: NER, net enrolment rate.

needs to be taken when analysing the figures as the difference in sources may suggest that different methodologies are being used, resulting in large discrepancies among the numbers. On the other hand, the recent 2014 gender parity indices are close to 1 for both primary and secondary levels, which indicated that Angola has made positive advancements in empowering women (INE, 2016c). At the tertiary level, for every 10 male students, there are about eight female students, indicating a gender gap in access to universities and to obtaining high-skilled jobs, as depicted in the employment analysis (SADC, 2016).

Available data indicate that the quality of education has deteriorated over the last couple of years. Despite relatively high spending (7.6 per cent of the 2016 budget, mainly spent on primary education (Ministério das Finanças, 2015b)), the pupil-teacher ratio in primary education rose from 45 in 2008 to 48 in 2011, and the pupil-classroom ratio increased from 138 to 172 over the same period. The latter ratio, however, decreased for the secondary level, from 121 in 2008 to 106 in 2011 (INE, 2013b). The targeted programmes dedicated to enabling more children to attend schools and enhancing education quality should be a priority in efforts to improve the schooling system in the country.

4.5 Gender

The status of gender equality and women's empowerment is measured in terms of the key areas indicated in the circular chart below. These areas are important for the improvement of women's lives and their contribution to sustainable and inclusive growth in Africa.

To assess the actual extent of gender inequality and to achieve the goal of measuring gender equality and women's empowerment in Africa, ECA has developed a monitoring tool, the African Gender Development Index (AGDI), which allows policymakers to evaluate their own performance in implementing policies and programmes geared towards ending women's marginalization.

The calculation for the scoring is based on Gender Status Index (GSI) data. GSI is one of the components of AGDI. For each key indicator, the score is calculated as an unweighted arithmetic average by taking the female to male ratio of the indicator values, multiplying it by 10 and rounding the result off to the nearest whole number. A score of zero represents the highest level of inequality, five shows middle parity level and 10 represents perfect parity. Parity levels exceeding 10 represent situations in which women have outperformed men, irrespective of the level of development of the area being assessed.

Most of the data used to calculate scoring are drawn from the latest nationally available data sources. However, for a few indicators in which countries have no disaggregated data, international data are used. These sources include "Anuário de estatísticas sociais 2011", "Relatorio de Balanço de Execução do Sector de 2009 á 2015", data from the Angolan National Institute of Statistics, and Inter-Parliamentary Union 2016.

Box 4: Gender equality and women's empowerment – Angola

In Angola, data reveal that there is gender equality for the following key areas: child health; share of population without HIV; and net secondary school enrolment ratio. In relation to life expectancy at birth, the parity score is 11, which attests that women live longer than men.

Data for Angola also indicate that the percentage of women who are own-account workers (71.3 per cent) is higher compared to that for men (50.9 per cent).

Despite significant progress made in the above-stated key areas, there are areas of concern. The labour force participation rate for women (59.9 per cent) is lower than that for men (77.1 per cent).

In the educational sector, 70 per cent of women between 15 and 24 years old are literate against 84.4 per cent for men.

Gender inequality is also observed in the representation in parliament and attribution of ministerial positions. Men comprise about 61 per cent of the representation in parliament and hold 74 per cent of the ministerial positions.

Employment :

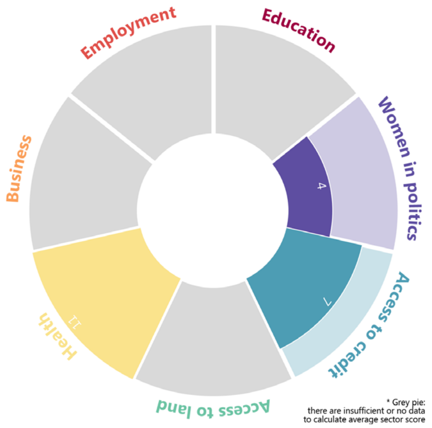
Employment in nonagricultural sector	No data
Labour force participation rate	8

Business :

Top management in firms	No data
Ownership in firms	14

Health : 11

Under-five survival rate	10
Children under age five who are not stunted	11
Life expectancy at birth	11
Share of population without HIV	10



Education :

Youth literacy rate	8
Enrolment ratio in secondary education	10
Enrolment ratio in tertiary education	No data

Women in politics : 5

Representation in parliament	6
Ministerial positions-cabinet	3

Access to credit : 7

Account at a financial institution	6
Borrowed from a financial institution	7

Access to land :

Access to land	No data

Stand-alone indicators

Access to drinking water source within 15 minutes (urban)	57
Access to drinking water source within 15 minutes (rural)	22.4
Improved sanitation (urban)	81
Improved sanitation (rural)	25.9
Maternal mortality ratio	No data

Source : African Union Commission and ECA, 2015.

** The data for share of population without HIV indicate for youths from 15-24 years old.*

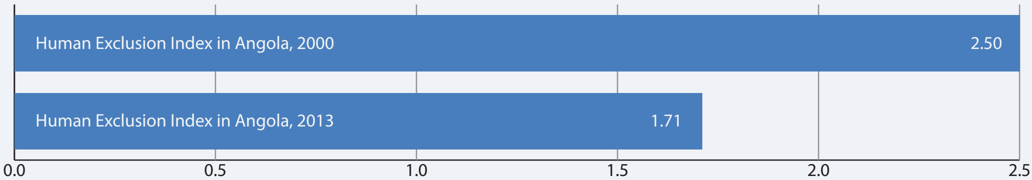
4.6 Human exclusion

The African Social Development Index (ASDI) (box 5) was developed by ECA in response to a call from African member States for an African-specific indicator of exclusion. The index is built on the premise that economic growth should result in the improvement of human conditions of all. Adopting a life-cycle approach, ASDI focuses on six key dimensions of well-being: survival; health; education; employment; means of subsistence; and a decent life. Using available national data, this tool helps to map and assess the effectiveness of social policies in reducing human exclusion at the national and subnational levels. ASDI also supports countries to improve data collection and strengthen their capacities to monitor progress in alleviating poverty and exclusion. As a policy tool, ASDI complements efforts by member States to devise more inclusive social policies and facilitate the implementation of Agenda 2063 and the 2030 Agenda for Sustainable Development. which place a high premium on inclusiveness as a driver of sustainable and equitable development.

Box 5: African social development index - Angola

Exclusion over the past 13 years has dropped significantly in Angola (figure A). During this period, the economic performance, largely driven by oil exports, included some revenue windfalls and allowed for increases in the budgetary allocation to social sectors. The drop in overall human exclusion over a fairly long period spanning from 2000 to 2013 denotes a positive trend at the aggregate level. However, the absence of disaggregated data by gender and location does not provide a full picture of human exclusion in country.

Figure A: African Social Development Index in Angola

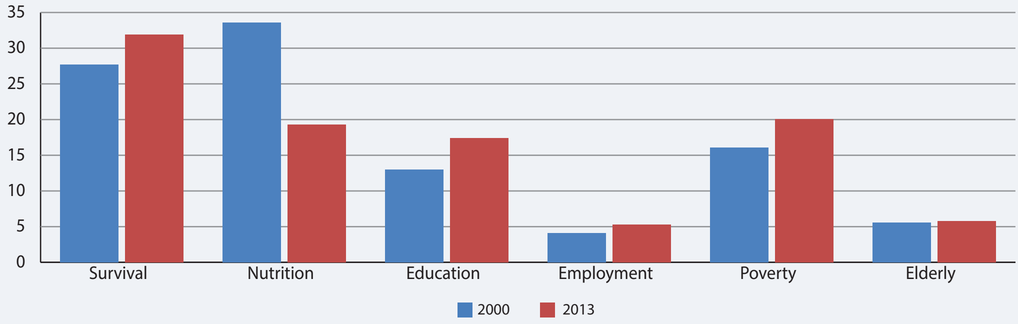


Source: Economic Commission for Africa computations based on national data.

The drivers of the ASDI provide further information on the progress across the time period under consideration (2000-2013) of the six indicators. The value of each indicator ranges between 0 and 1 and the aggregate value of ASDI lies between 0 and 6. The higher the value of ASDI, the higher the extent of human exclusion. While aggregate under five mortality has dropped between 2009 and 2013, exclusion in infant mortality has worsened, along with employment and education. This is likely due to the health, nutrition and education costs for households. The cost sharing schemes between Government and households for public services have remained a critical feature of exclusion in Angola. In particular, this takes on increased importance at subnational levels, which have access to only 15.4 per cent of budgetary resources as against 80 per cent at the central level, exacerbating the laggard effect of undeveloped regions in improved social outcomes (figure B).

In terms of policy actions, the ASDI analysis has indicated that the rural-urban distinction in access to services requires some attention in the intersectoral allocation and spending patterns, at the subnational level. The need for an improved clearly defined decentralization policy to alleviate unequal development across subregions is imperative. Regional development plans and regional budgets with possibly fiscal decentralization at their core are crucial. Complementary to this, improved coordination among providers of public goods in addressing spatial exclusion across the country is essential.

Figure B: Drivers of human exclusion (contribution measured in per cent)



Source: Economic Commission for Africa computations based on national data.

Furthermore, social protection in Angola seems fragmented, and calls for a more ambitious social assistance agenda, including scaling up social transfer programmes to tackle poverty. Also, quality of spending remains critical. Survival and literacy and therefore health and nutrition and education facilities require more attention. The public policies on health, education and nutrition need to be equitable. The design of equity based public policies to ensure improvements in access in low income rural dwellers is an important policy direction for a more inclusive sustainable development.

Source: ECA (2016).

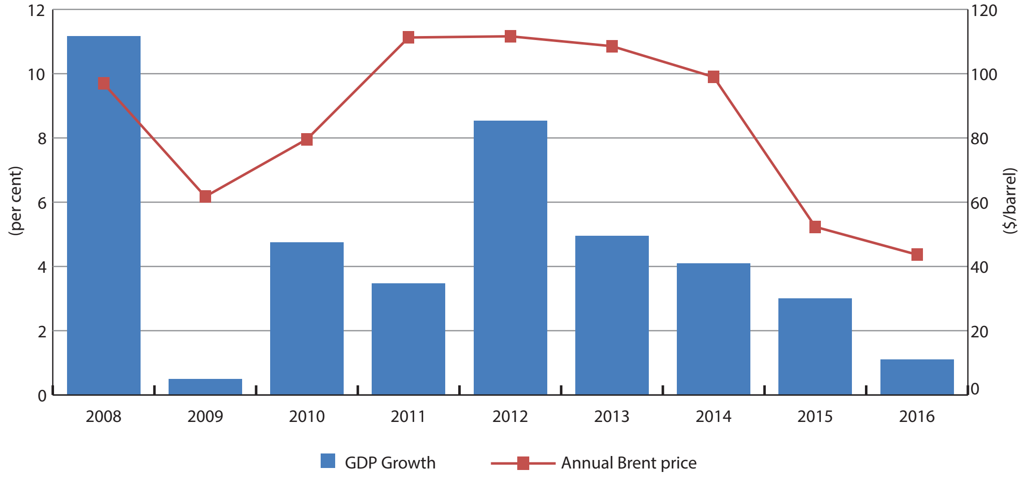
5

Major policy challenges

5.1 Infrastructure

The need to ensure sustainability of the economic growth is without a doubt a key priority of the country. As illustrated in figure 12, the vulnerability of the economy of Angola to the external shocks, and its weakness to generate income from non-oil sources, has been exposed in the aftermath of the recent world's slump in oil prices. In 2014, oil production constituted 60 per cent of all the industry gross value addition, whereas the non-oil sectors accounted for 72 per cent of total GDP (INE, 2016d). The need to accelerate the economic diversification has thus reverberated in a wide range of sectors. In that regard, the State envisages multiple efforts and considers the development of infrastructure as one of the most pressing needs and a foundation stone to pave the way for structural transformation. If successful, well-developed infrastructure can generate multiplier effects throughout the economy, in such ways as spurring high rates of economic growth, raising productivity of various sectors, attracting foreign investment, strengthening economic and trade ties in the subregion, shifting focus to more capital-intensive technologies, creating jobs, and advancing spatial development, with positive spillovers for human capital

Figure 12: Average annual oil prices and real GDP growth, Angola, 2008-2016, US dollar per barrel and percentage



Sources: Instituto Nacional de Estatística, Ministério das Finanças; United States Energy Information Administration.

as well as for the most disadvantaged groups of the society. However, the prospects for growth sustainability come into question if the infrastructure projects are not geared towards benefiting households and the private sector at the micro level. It should be of paramount importance to assure that outward-looking fixed capital investment has a further impact on generating private consumption and providing a platform for private sector development domestically. Bringing people out of poverty should be a major social priority embedded in the venture if it is aimed at benefiting millions of Angolans.

Angola is a vast territory, covering about 1.25 million square kilometres. It is the fifth largest economy in Africa[21] and the second largest oil producer on the continent, with great potential in other sectors largely untapped. However, one of the major obstacles for strategic non-oil investments is the overall poor condition of the country's transport, energy and telecommunications networks. The armed conflict has left the country in a state of massive infrastructure destruction. It is estimated that more than one third of the roads and bridges, as well as 70 per cent of the railways were destroyed, whereas the three major ports were left without maintenance and in a dilapidated state (World Bank, 2013). On the 2015 Global Competitiveness Index, Angola ranked 139 out of 144 in terms of overall infrastructure. For a country that seeks to be transformed into a "logistical hub of considerable importance in Southern Africa" (International Business Publications, 2011), the infrastructure investments should be treated as a priority supported by sustainable financing and strong political will.

5.1.1. Transportation

Despite its large territory, transportation infrastructure in Angola is primarily concentrated around Luanda and along the Atlantic coast. To step up efforts to foster domestic economic growth and diversification and reinforce the country's connections to other countries in the subregion and elsewhere, the Government has undertaken a number of multimillion dollar projects in roads, railways, ports and aviation. In 2005, an unprecedented initiative involving demining and road rehabilitation was initiated. By 2012, about 40 per cent of the fundamental road network was constructed or reconstructed, alongside 500 bridges (Veloso, 2013). Another 59,000 kilometres of roadworks were scheduled for the period 2013-2015 (Ministério do Planeamento e do Desenvolvimento Territorial, 2012). In spite of the economic slump, the State reassured investors when its commitment to expand the road infrastructure was reconfirmed in July 2016, with the authorization of President Dos Santos to include more than $1 billion worth of roadworks. In total, the spending will cover 17 projects, all executed by Chinese companies under the Line of Credit from China (LCC) for the construction sector. Simultaneously, a new credit line of 26.1 billion kwanza was approved in the budget, putting a possible strain on future fiscal consolidation (Agência Lusa, 2016).

The rehabilitation and reconstruction of the railway network in Angola has been going in parallel since 2007. The three main lines of Benguela (part of the Lobito Corridor to Zambia

21 Following Nigeria, Egypt, South Africa, Algeria (World Bank, 2017).

Box 6: "Oil-for-Infrastructure" – Chinese investment in Angola

In exchange for oil contracts, China has extended to Angola a so-called "Linha de Crédito da China (LCC)" – a credit line worth $5.2 billion (as of January 2016) aimed at developing the country's devastated infrastructure. As a result of the funding, the Government of Angola is believed to create 365,000 jobs through 155 projects; however, the execution of the contracts will be reserved for 37 Chinese companies "recommended for the Angolan market".

The credit line is split into several sectors. Most importantly:

- **Energy and water:** $2.17 billion allocated to 34 projects, of which rehabilitation of the water supply system of Cabinda province will cost $209 million, providing more than 42,000 employment opportunities;
- **Construction:** $1.64 billion split into 33 projects, road infrastructure being a large part;
- **Education:** $373.3 million divided into 55 projects, mainly construction of new schools.

In terms of geographical distribution, Luanda province will be the main beneficiary with nearly one fifth of the total credit in 18 projects, followed by Huambo province, 12 projects worth $776 million (Rede Angola, 2016).

and the Democratic Republic of the Congo), Luanda and Moçâmedes link the west with the less developed east of the country. The line extends approximately 2,700 kilometres (Ministério das Finanças, 2015c). The railway extension towards the mineral and agricultural regions of the hinterland augurs well for decreasing the geographical inequalities. Similarly, the railway reconstruction is mainly executed by the Chinese construction companies under the management of three State companies. Though, because of the State monopoly over the passenger and commercial railway services in the country, there is a limited space for the private companies to reap direct benefits from the enhanced railway infrastructure.

In terms of the seaport infrastructure, four out of the six ports in the country play a strategic role as the point of entry for imports, 95 per cent of which depend on ports (PricewaterhouseCoopers, 2013). As such, they require a high level of defence on one hand, and efficiency on the other, to be used in the most optimal way. Currently, three ports (Luanda, Lobito and Namibe) are completed, with a combined annual cargo capacity of 9.7 million tons, which will be complemented by 3.2 million tons upon the conclusion of Barro do Dande commercial port in the vicinity of Luanda (Ministério das Finanças, 2015c). Nevertheless, the activities related to exports are limited and development efforts should also focus on expanding the use of the ports in that direction.

The holistic approach to transport infrastructure development is completed with the modernization and construction projects of airports. The aviation network is well established in Angola, as it was the major means of transportation during the recent turbulent history of the country. As a result, it also suffered the least destruction. The Government is mainly focusing on renovating the existing domestic and international airport structures and expanding capacity to gain more competitiveness in the region. Construction of the New Luanda International Airport, which will have capacity to handle traffic that is five times higher than the current capital airport (Ministério das Finanças, 2015c), is a flagship example of the

Government's commitment to the latter. However, a change in the contractual agreement between the Government and the China International Fund (the contractor) has caused delays in finalizing the new Bom Jesus airport. The country, therefore, needs to mitigate any side effects of this unexpected setback, which may work as a decelerator for the expected rate of economic growth, a signal of financial predicament, and as a result – a deterrent to external investors.

5.1.2. Energy and water

Availability and reliability of energy and water supply in Angola varies greatly, with the rural areas being at a deep disadvantage. After 27 years of civil war, energy generation in 2002 was only 72 per cent higher than the 1974 level. By 2014, the Government managed to raise the number to 9,500 MW. The newly established energy system is divided by the responsibilities of generation, transmission and distribution among three public enterprises, granting to the state a de facto monopoly over all the processes[22]. Due to high government subsidies on energy (about 70 per cent of the generation cost), energy is sold below its real cost, not giving incentives to private capital to enter the generation market. At the same time, only 35 per cent of the population has access to the State energy supply and the country suffers from annual energy shortages between December and May (Ministério das Finanças, 2015c). To

Box 7: **Urban infrastructure – Chinese-built new cities in Angola**

Housing, along with energy and water supply, is one of the priorities of social policies of President Dos Santos. Based on the President's pledge of "one million new houses built", the Government of Angola intends to alleviate the housing shortages, aggravated by the fast-growing population, rapid urbanization and years of underinvestment in urban infrastructure. Building new satellite towns around major urban centres, the so-called *novas centralidades*, is the most prominent feature of the country's urbanization strategy, the first of its kind on the African continent. In total, 100,000 hectares of land around Luanda, Benguela, Namibe, Lubango and Malange, have been reserved for the new housing infrastructure (Benazeraf and Alves, 2014).

A flagship example is the Nova Cidade de Kilamba. Inaugurated in 2011, the $3.5 billion pilot project was financed by the Chinese oil-backed credit line and constructed by the State-owned China International Trust and Investment Corporation in just under three years. The largest of the satellite cities is located 30 kilometres south from the Luanda city centre. It spans 5,000 hectares and has more than 700 residential multistorey buildings (5,000 housing units are being constructed) complemented by commercial units, kindergartens, primary and secondary schools, as well as the supporting electricity and water infrastructure (South African Institute of international Affairs, 2014; Redvers, 2012; Portal Oficial da Rapública de Angola, 2013).

Despite initial reports of problems to attract potential inhabitants due to elevated prices, the "ghost town" gained popularity following the President's intervention in early 2013, which entailed urging affordability and facilitated access to credit. The prices were then revised with the smallest T3 unit going down from $125,000 to $70,000, bringing a wave of new clients. As of July 2015, the city was home to 80,000 inhabitants, with a capacity estimated to house 150,000-200,000 (Buire, 2015).

22 However, only power generation is not a natural monopoly, and thus subject to possible competition from the private sector.

overcome this yearly pattern and increase rural electrification,[23] the Government is envisaging large investments in hydropower projects,[24, 25] financed internally and through bilateral credit lines. Improving access to safe water is a parallel priority, with "Agua para todos" being a flagship programme[26]. Therefore, sustainable funding is key to ensuring that the set goals can be achieved.

5.1.3. Telecommunications

The projects in telecommunication are the final element of the Government's gargantuan attempt to transform the country's infrastructure landscape. Angola ranks relatively low in the SADC region in terms of fixed and mobile subscriptions (tenth and eleventh, respectively) as well as Internet usage (sixth) (SADC, 2016). Notwithstanding, the dynamism of the sector in the country, supported by large investments, heralds positive changes. On one hand, the new fibre optic network of 7,000 kilometres connects 18 provincial capitals, increasing the number of fixed subscriptions and Internet use. On the other hand, the $300 million-worth project[27] involving the construction of a satellite system will boost the mobile network from 2017, making Angola the second African country (after Nigeria) to operate telecommunication services from its own satellite (Ministério das Finanças, 2015c). In addition, Angola Cables, a company owned by major telecommunications operators in the country, connects national and regional operators and aims to bolster interconnectivity between Africa and the rest of the world through its submarine optic fibre. By the third quarter of 2018, the company plans to launch the South Atlantic Cable System (SACS), the first undersea cable connection between Africa and Latin America, which is believed to bring a lot of demand, possibly placing Angola at the forefront of African telecommunication services, attracting both domestic and external investors (Angola Cables, 2016).

5.2 Policy implications

The country's multi-faceted and redoubled effort to transform its infrastructure opens the whole spectrum of related challenges and threats. Above all, the concept of becoming "a regional hub" carries a high level of uncertainty in view of the regional competition, in particular from its coastal neighbours, the Democratic Republic of the Congo and Namibia, whereas the scope of the projects and their financial implications generate a risk of defaulting on debt obligations. There is, thus, a wide range of policies that the State should consider in order to assure the sustainability of this colossal undertaking. Below are the policy focus areas that could be explored further:

23 The Government plans to increase the electrification rate to 60 per cent by 2025 (Ministério das Finanças, 2015c).

24 Examples are: Capanda (completed in 2007, capacity of 520 MW), Cambambe (conclusion expected in 2016, capacity of 960 MW) or Laúca (start of operations anticipated in 2017, expected capacity of 2,070 MW by 2019) (Ministério das Finanças, 2015c).

25 It is estimated that the potential hydroelectric capacity of the country is at least 10 times higher than the installed capacity.

26 The Government estimates that the number of Angolans with access to safe water facilities in rural areas rose from 0.5 million in 2010 to 5.2 million in 2014 (Ministério das Finanças, 2015c).

27 Financing comes from investors from the Russian Federation.

- From the overall perspective, the infrastructure projects should be assessed based on whether they are inward-looking and take into account future needs of the country. They should meet demand as well as the country's capacity upon completion. In that regard, feasibility studies and a realistic assessment of the country ability to maintain the commissioned infrastructure should be an ongoing process. The aspect of defence of strategic infrastructure, such as ports, should also complement the analysis to ensure the secure operationalization does not come at the cost of lower efficiency.

- In addition, the complementarities and optimal use of the newly emerging and rehabilitated infrastructure should be ensured in order to make Angola more efficient and competitive. For instance, a bad condition of roads, if not developed simultaneously, may serve as a discouraging factor in using the modernized ports. As a result, facilitating a business climate for investors attracted by the existing infrastructure should be a parallel step.

- On the institutional side, it is crucial that adequate oversight is guaranteed by law, in terms of the sectoral regulations, such as the energy and telecommunication markets, and fair and transparent execution of all the construction projects. In particular, public procurement, granting of contracts and modalities of infrastructure utilization should be immune to corruptive practices. At the same time, incentives should be granted to ensure that not-profit driven State companies managing the projects operate in the most efficient manner.

- Moreover, the State should carefully design policies to ensure and monitor the sustainable flow of financing in the view of the scale of the infrastructural undertakings. On one hand, the continuity of political will and diversification of funding sources should be constantly reinforced to limit dependence on large bilateral credit lines that may put the country vulnerable to economic developments in specific countries, such as Brazil or China. The development of an infrastructure fund as part of the Sovereign Wealth Fund could be an example. On the other hand, the balanced split of expenses should be channelled in the budget. Other sectors of the economy and social development should not be neglected to propel faster completion of infrastructure projects. Also, future commitments on loan repayments need to be taken into consideration as a part of the financial sustainability strategy.

- The State should simultaneously ponder ways of multiplying employment opportunities for Angolan workers, engaging more domestic companies and advocating for local content regulations in relation to the infrastructure projects. Possibilities of opening markets to competition, such as energy generation, or self-regulation, cutting subsidies to attract private companies, could be explored.

- Finally, on the social side, policies should focus on ensuring that the gains from the new infrastructure will be well distributed across the society, focusing on the most disadvantaged groups of poor and rural population, as well as the hinterland, bringing more development opportunities and decreasing spatial inequalities in the country. A programme of rural electrification or promotion of sectors benefiting from new infrastructure serve as examples. Also, any negative social impact should be mitigated through well targeted policies of compensation and economic involvement of the local population.

6. National data quality evaluation

Methodological note: The quality of national data sources for key indicators in the country profiles was evaluated. The results are presented in colour codes, with green indicating that the data source is "good"; yellow; "satisfactory" and red, "needs improvement".

The evaluation focused on the transparency and accessibility of the national data sources, while taking into consideration of the periodicity of the published data based on the timeliness and frequency of the data updates in accordance with international standards. It measured the comparability of the data series based on length, definition and standard units of measurement. Also reviewed were the accessibility of the database to the general public, the format of the data and the ease in which the data can be downloaded and shared. Data citations together with references to primary or secondary sources, was also assessed. Finally, the evaluation checked the completeness of metadata for data release and the clarity of documentation and notes.

Demography	Value	Evaluation
Population (million)	25.8 (2014)	1
Urban Population (%)	62.6 (2014)	1
Population growth rate (average annual %)	3.5 (2014)	1
Child (0-14 years, %)	47.3 (2014)	1
Adult (15-65 years, %)	50.4 (2014)	1
Aged (65+ years, %)	2.3 (2014)	1
Crude death rate (deaths per 1000 population)	36.1 (2014)	1
Crude birth rate (births per 1000 population)	9.1 (2014)	1

Key macroeconomic and sectoral performance	Value	Evaluation
Real GDP growth rate (%)	4 (2015)	1
Inflation rate (%)	14.3 (2015)	1
Current account balance (million US$)	-10,272.8 (2015)	4

Economic trends and performance indicators	Value	Evaluation
Total exports (million US$)	33,181.1 (2015)	4
Total imports (million US$)	20,692.5 (2015)	4
Outward flow of direct investment (million US$)	18,874.6 (2014)	4
Inward flow of direct investment (million US$)	16,543.2 (2014)	4

Education and employment	Value	Evaluation
Literacy rate of 15-24 year-olds (%)	77 (2014)	1
Unemployment rate (%)	24.2 (2014)	1
Youth unemployment rate (20-24, %)	35.4 (2014)	1
Population below poverty line	36.6 (2009)	2
Share of poorest quintile in national consumption (%)	5.4 (2009)	2

Health	Value	Evaluation
Prevalence of underweight children under-five years of age (%)	15.6 (2007)	3
Under five mortality rate (per 1000 live births)	186.6 (2014)	2
Infant mortality rate per (per 1000 live births)	111.9 (2014)	2
Proportion of births attended by skilled health personnel	34.8 (2012)	1
HIV prevalence among population aged 15-49 years (%)	2.1 (2012)	1
Incidence and death rates associated with malaria out of all the reported deaths caused by a disease (%)	45.7 (2012)	1

Data Sources Code Index

1. Instituto Nacional de Estatística
2. Ministério do Planeamento e do Desenvolvimento Territorial
3. Ministério da Saúde
4. Banco Nacional de Angola

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