

IOA | 2019 | ACBR

AFRICA COUNTRY BENCHMARK REPORT



Angola Profile



Monumental Soviet-style architecture from Angola's Communist past looms over the inauguration of President João Lourenço in 2017, an event that symbolised a new era following the Dos Santos regime.





ANGOLA

Image courtesy of GovernmentZA GCIS



#41

ANGOLA

OVERVIEW ANALYSIS

Angola's position in the ACBR 2019 rankings as 40th amongst Africa's 54 countries represents the strides the nation must undertake in all quadrants. As evidenced by an overall score of 40.79 points compared to 37.45 in 2017, which prompted a rise in country position by four places, these strides are being made. Angola has improved their scores in all quadrants and has moved up the rankings in each of these. A new era in Angolan governance and economic development seems to be at hand as the administration of President João Lourenço takes over from the long-reigning autocrat Eduardo dos Santos. Lourenço has aggressively pursued anti-corruption measures against the dos Santos regime, while instituting economic reforms aimed at diversifying Angola's economy.

KEY OPPORTUNITIES

- Angola remains Africa's second-largest oil producer
- Government is serious about diversifying the economy
- Angola is well-positioned to produce media content for Portuguese-speaking Africans

KEY CONCERNS

- Lourenço's dismembering of the old dos Santos corruption machine will prove difficult
- Urban social services are poor and poverty is widespread in rural areas
- Agriculture employs most workers, but contributes little to GDP

COUNTRY HIGHLIGHTS

PREDOMINANT
RELIGION

Christianity

PREDOMINANT
LANGUAGE

Portuguese

POPULATION
WITHOUT
ELECTRICITY59.5%
(#31) ▲¹LITERACY
RATE71.1%
(#28) ▼²PRIMARY
ELECTRICITY
SOURCE

Hydroelectric

IMPORT/
EXPORTMachinery/
Crude OilEXTERNAL
DEBTUS\$ 27.34
billion
(#9) ▼³ACTIVE
CONFLICT

No

LAND
SIZE1,246,700 km²
(#7)INTERNET
PENETRATION13%
(#35) ▼⁴

10.2%



AGRICULTURE

61.4%



INDUSTRY

28.4%



SERVICES

48.1%



0-14

18.3%



15-24

28%



22-54

5.6%



55+



Term:
26/09/2017 - present
5 years (2 term limit)



Political Party:
MPLA



Recent Electoral Information:
23/09/2017
4 164 157 Votes
61.08%
Voter turnout: 76.13%



President
João Lourenço

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

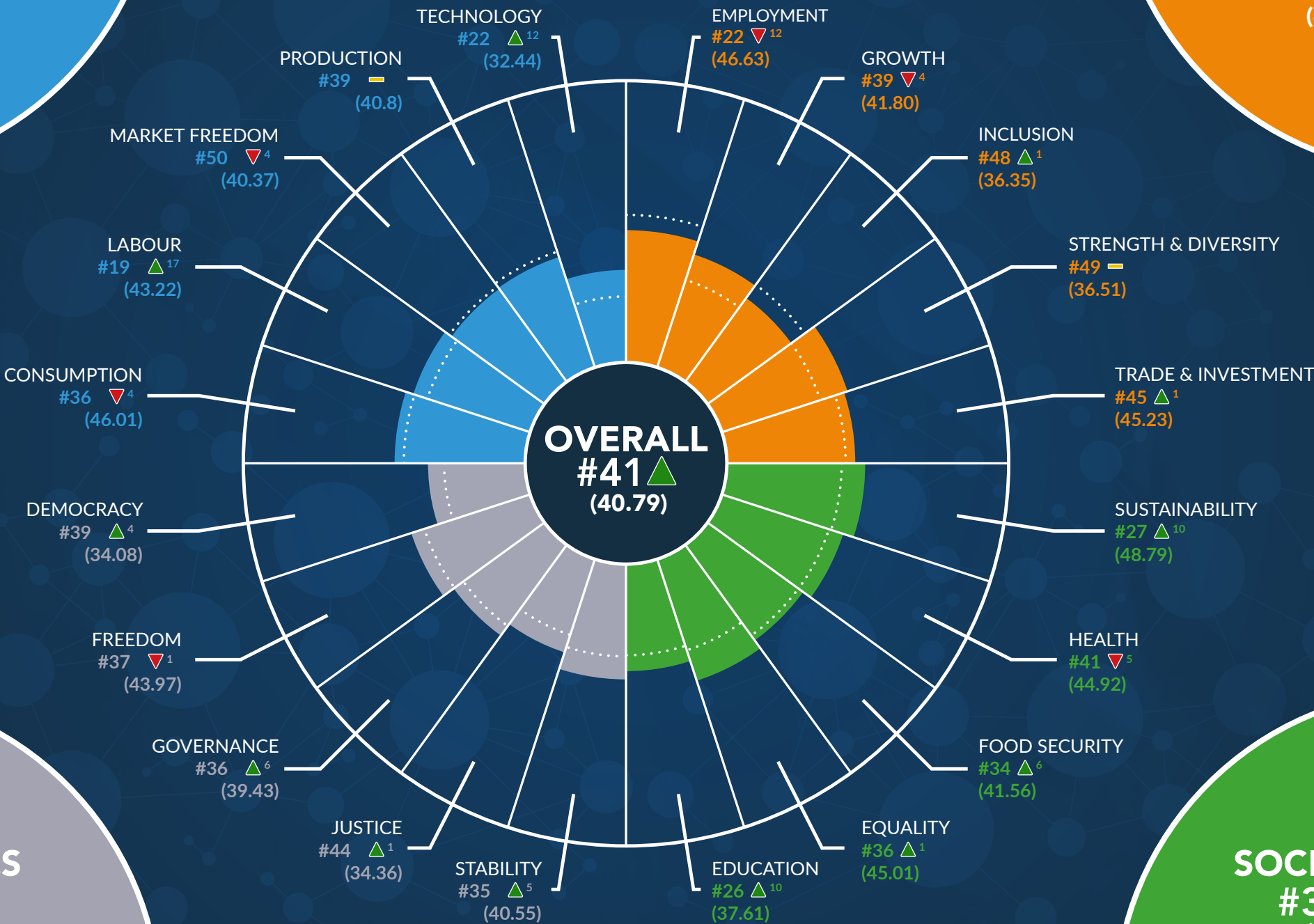
BUSINESS

 **#37**
(40.57)

ANGOLA PERFORMANCE OVERVIEW

ECONOMICS

#42 
(40.06)



OVERALL
#41 
(40.79)

POLITICS

 **#37**
(38.48)

SOCIETY

#31 
(44.07)

ANGOLA BUSINESS ANALYSIS



BUSINESS OVERVIEW

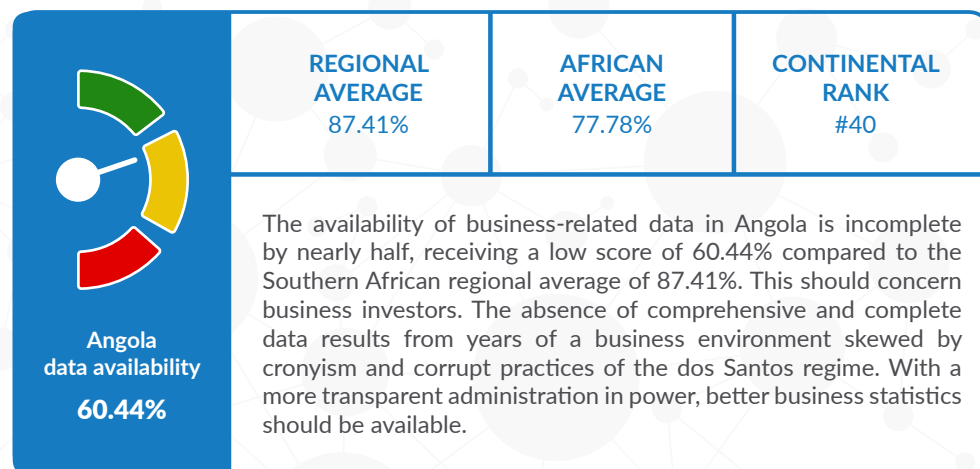
Africa's second-largest oil producer, Angola seeks to diversify their business and industry portfolios to shed dependency on the commodity, whose value is tied to fluctuating world oil prices. Agriculture has potential to grow beyond its present 10% share of GDP, particularly with Angola's long coast line and well-watered interior. Value-added business for agricultural products is needed. At present, half of Angola's food is imported, and business opportunities exist to serve the domestic food market.

Billions of US dollars have been utilised from overseas bilateral and institutional loans to rebuild and expand the nation's transportation and communications infrastructures in the 27 years since the

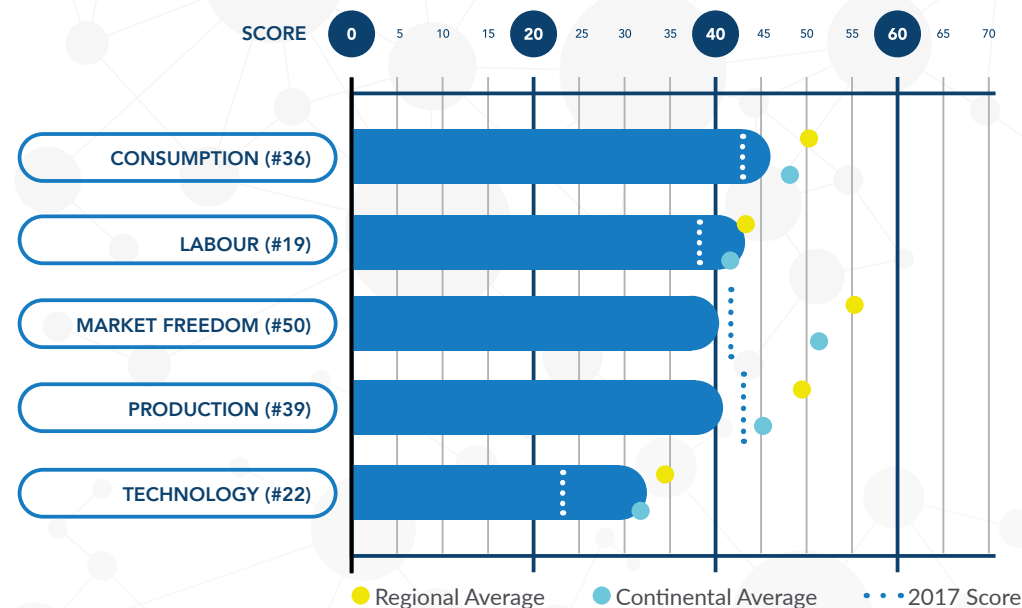
end of Angola's protracted civil war in 2002 that devastated all infrastructure. More work awaits, providing opportunities in construction, communications and electronics. More Angolans are not connected to the electricity grid than those who have power in their homes. Road and rail links are improving, and Angola hosts a major deep-water port at Luanda Harbour to serve the imports and exports of Zambia and the Democratic Republic of Congo.

Angola's position as 39th amongst countries in ACBR 2019, with a total score of 40.57, is a healthy improvement of 2.77 points and five ranks from when Angola's ranking stood at 44th based on a score of 37.8 in 2017.

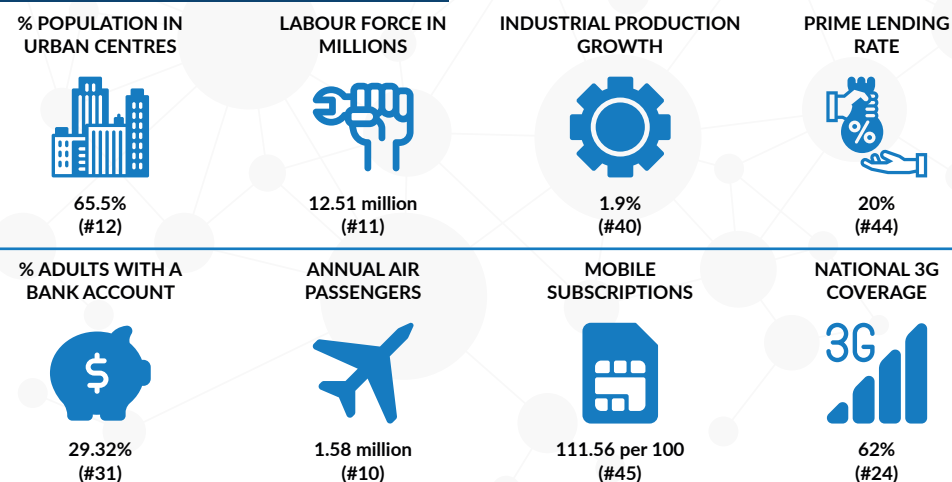
BUSINESS DATA COMMENTARY



BUSINESS SCORES & RANKINGS



BUSINESS STATISTICS



ANGOLA ECONOMIC ANALYSIS

#42

ECONOMIC OVERVIEW

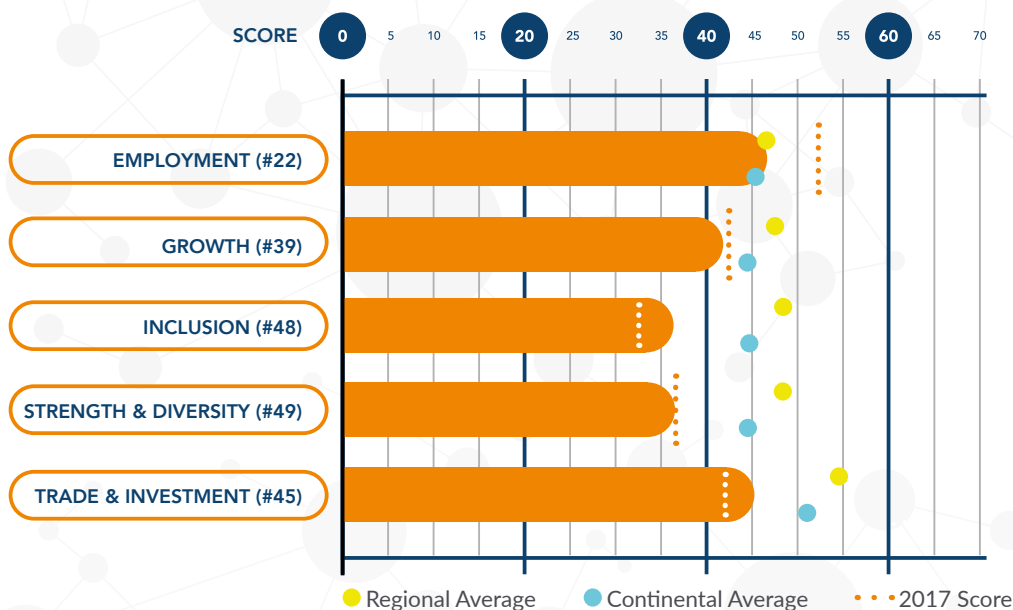
Behind oil, the second-largest contributor to Angola's GDP is government spending on public administration and defence, which is unsustainable because payments come from oil revenues. Construction is the third-largest contributor to GDP, but this also depends on government spending or the oil industry. A thriving private sector, which would be able to commission their own buildings and construction projects, will only be realised through economic diversity. The former robustness of GDP growth has not returned, dropping to 1.1% in 2016, rising to a mediocre 2.2% in 2018 and projected to grow to 2.7% in 2019.

Angola's economy shows a pressing need for investment in local human capital, from skills training to executive mentorship.

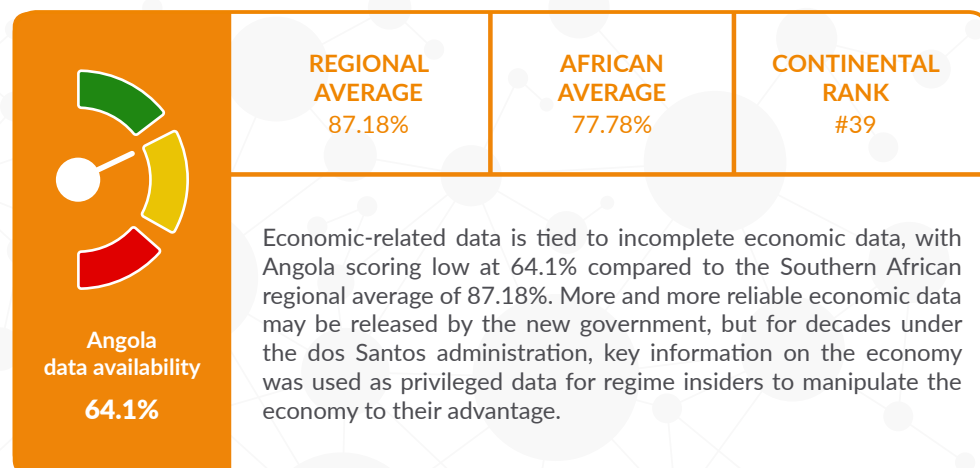
Years of state economic control and cronyism has robbed the economy of an essential entrepreneurial spirit to explore new business opportunities. Start-up funding by government and multinational lending institutions to new enterprises and the provision of other encouragements to build a new entrepreneurial class would buoy economic diversification. The arrival of the South Atlantic Cable from Brazil can make Angola Southern Africa's high-speed data portal.

Angola's ranking of 45th place comes from the low score they received in the Economics quadrant of 40.06. The low score resulted in a one country drop from 2017, when 41.16 points merited a 44th country position.

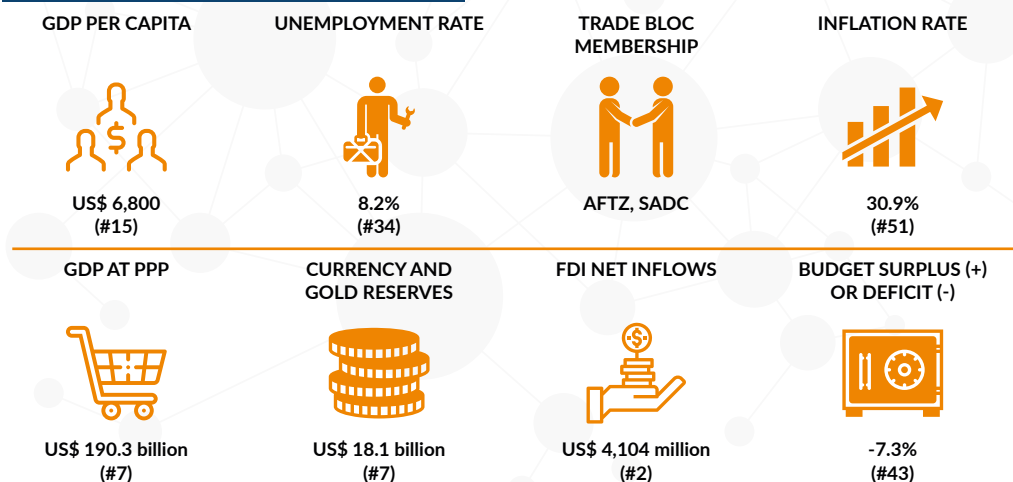
ECONOMIC SCORES & RANKINGS



ECONOMIC DATA COMMENTARY



ECONOMIC STATISTICS



ANGOLA POLITICAL ANALYSIS



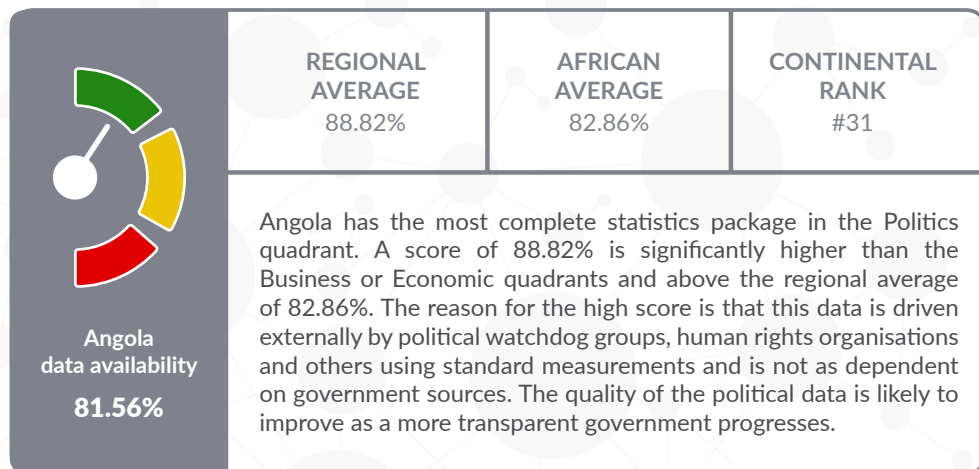
POLITICAL OVERVIEW

Of interest in 2018, the first year of Lourenço's administration, is whether true democracy can take hold in the post-dos Santos era or will the People's Movement for the Liberation of Angola (Portuguese: Movimento Popular de Libertação de Angola), with their military backing, forever remain in power?

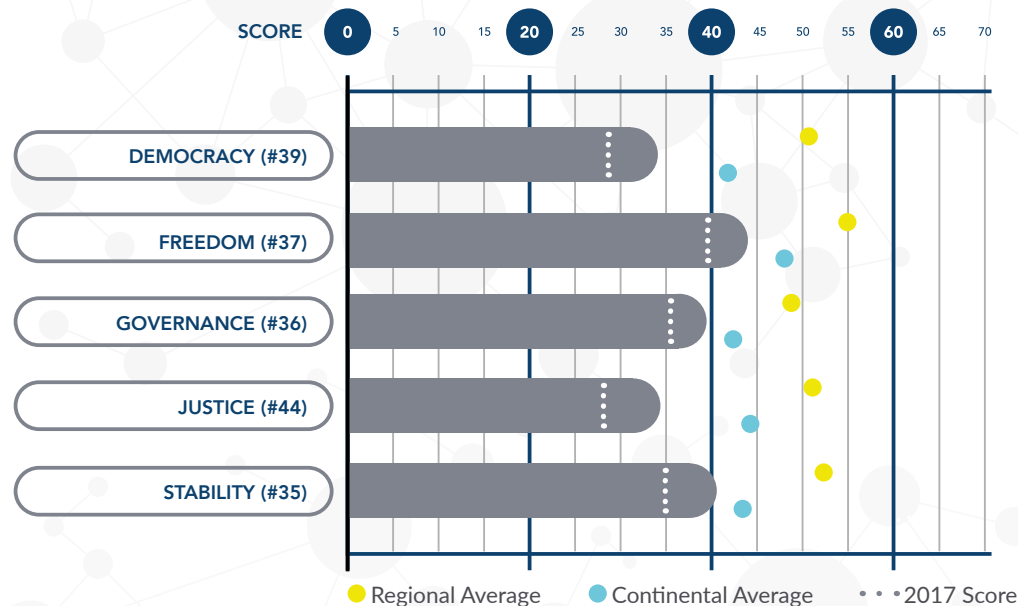
About 65% of Angolans are young adults and youth and are becoming increasingly vocal against continued joblessness and poverty, particularly given the country's wealth of oil resources. A sizable majority of refugees who fled Angola's civil war remain in other countries where opportunities are better, but they still communicate with families in Angola and largely consider Angola home.

Social media, modern communications and travel have ensured that Angolans were not isolated as they were during much of the dos Santos regime, and there were stirrings of discontent about the status quo before his departure in 2017. The country's youthful demographic will require government to make economic and governance reforms that will be of benefit to the majority of Angolans. This will be the primary challenge for Lourenço as a leader. Jailing dos Santos' cronies is playing out more as an act of political revenge than a nation-building exercise. Angola's scores in the Politics quadrant improved markedly in ACBR 2019, with 38.48 points resulting in a position of 38th place, up four ranks from 42nd in 2017 with a score of 32.86.

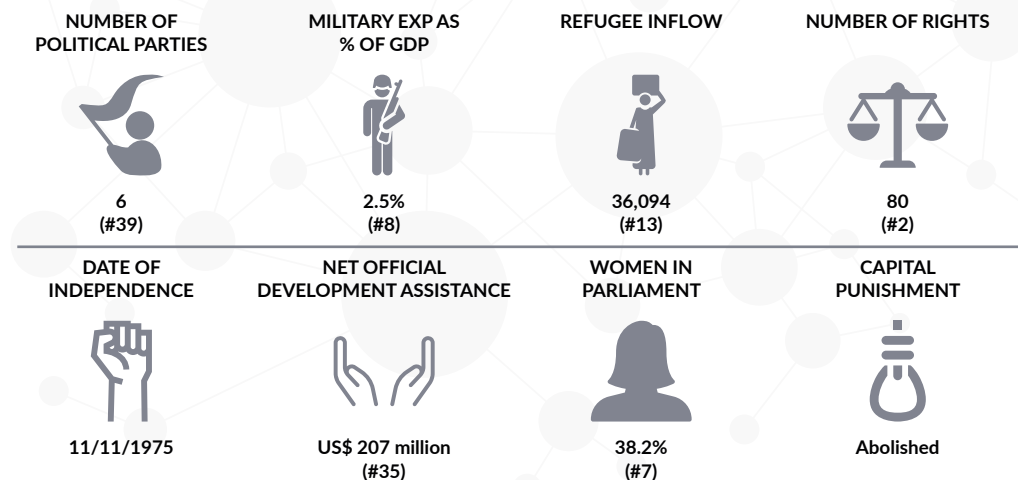
POLITICAL DATA COMMENTARY



POLITICAL SCORES & RANKINGS



POLITICAL STATISTICS



ANGOLA SOCIETAL ANALYSIS



SOCIETAL OVERVIEW

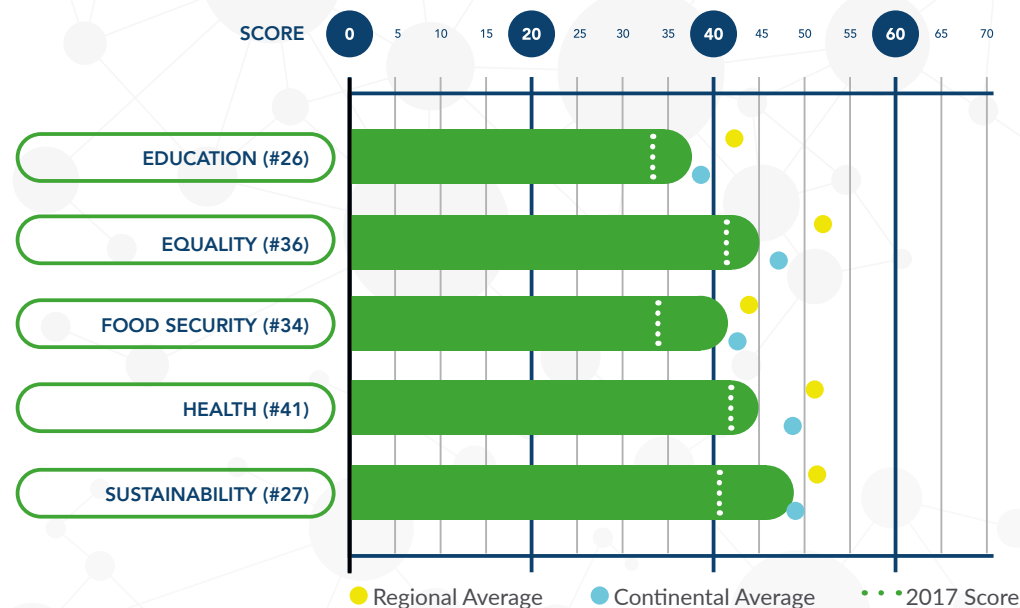
With a drop in government revenues due to declining oil revenues, social services were hit hard by budgetary shortfalls. Government failed their 2017 obligation to meet basic health requirements, according to United Nations (UN) markers. Deaths from malaria far exceeded previous years because healthcare facilities ran out of malaria medicines. Simultaneously, a serious yellow fever outbreak found vaccines unavailable in most of the nation.

Angola has one of the highest child mortality rates in the world, where one out of five children do not live to the age of five. Children comprised a majority of malaria deaths during the malaria medicine crisis.

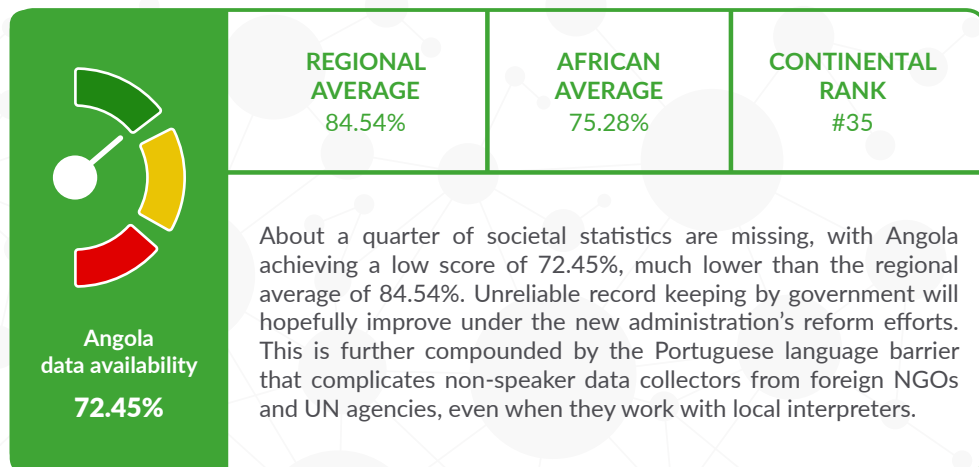
Angola's population is expanding at an annual growth rate of nearly 3%, which surpasses the economic growth rate of 2.2% and ensures an increase in the number of poor people. About 40% of Angolans live in poverty. Urban sanitation and transportation are strained by urban population increases averaging 5% annually. More than four out of 10 Angolans reside in urban areas – a percentage larger than any other Southern African country.

Angola has achieved their most impressive gains in the Society quadrant. A score of 44.07, compared to 37.99 in 2017, saw Angola catapult 10 country positions to 31st from 2017's 41st position.

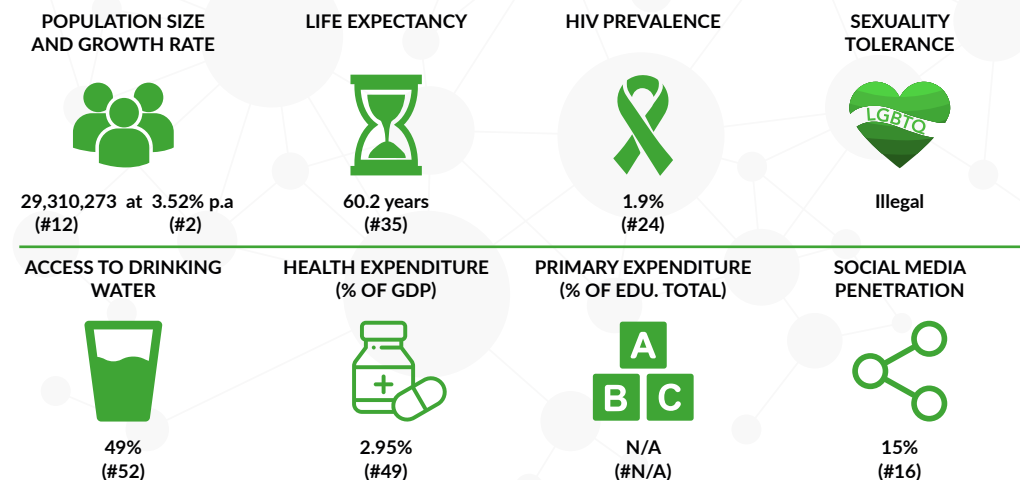
SOCIETAL SCORES & RANKINGS



SOCIETAL DATA COMMENTARY



SOCIETAL STATISTICS



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