



## The Angolan Economy

### Census 2014 and State of the Union Address

#### Research

October 2014

#### Current Angolan population stands at 24.4 million

Preliminary results from the Census 2014 showed that the number of people living in Angola stands at 24.4 million. This figure compares with 5.6 million estimated in the Census 1970. This means that the number of people living in the country is now 4.3 times higher than the population living 44 years ago. Census data also showed that there are (1) more women (51.6%) than men (48.4%) residing in Angola, (2) more people living in urban (62.3%) areas than in rural (37.7%) parts of the country and (3) 19 people for every squared km in Angola.

#### Economics

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#### Province of Luanda has (by far) the largest population

The census showed that the number of residents in the province of Luanda increased nearly 12 times in the last 44 years from 561,145 in the Census 1970 to 6.5 million today. There are more women (51%) than men (49%) living in this province. Its three largest municipalities (Luanda, Viana and Belas) each have more than one million inhabitants (or a total of 4.7 million people). These municipalities have a combined population that exceeds the sum of the residents in the second (Huila) and third (Benguela) largest provinces of the country.

#### President dos Santos delivers State of the Union Address

In his annual State of the Union Address to Parliament, the president spoke about several topics including (1) the need to diversify away from the oil sector, (2) several structural projects aimed at improving the competitiveness levels of the country and (3) the importance of attracting domestic and foreign investment to increase local production. He also mentioned that the lower than expected oil production this year would mean that real GDP growth would stand slightly below the initial forecast of 6.7%, despite a stronger expansion in non-oil GDP. However, Mr. dos Santos sees economic growth picking up with the recovery in oil production from 2015 onwards.

#### Angola nominated for UN's Security Council

President dos Santos stated that Angola has taken the necessary measures to prevent and control the outbreak of the Ebola epidemic. He also spoke about the increased role that the country has played in promoting dialogue and peace in Central Africa and the Great Lakes region. The president believes that it is therefore no surprise that the country has received the backing of the international community when it was recently nominated as a non-permanent member of the UN's Security Council for the period 2015-16.

## CENSUS 2014

The Angolan authorities recently disclosed the preliminary results of the Census 2014 done earlier in May of this year. This was the first census carried out in the last 38 years of Angola's independence and takes places at a time when the country is going through a reconstruction period following the end of its civil war 12 years ago.

The preliminary results of the Census 2014 show that the number of people living in Angola reached 24.4 million this year. This figure compares with 5.6 million residents estimated in the Census 1970. This means that the number of people living in Angola is now 4.3 times higher than the population living 44 years ago.

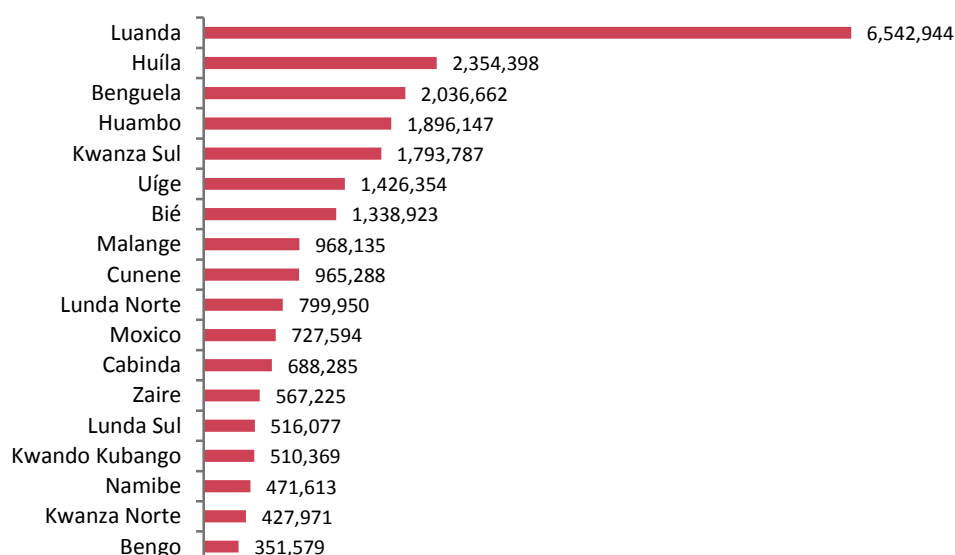
The province of Luanda is by far the one with the largest population (6.5 million residents), accounting for 26.8% of the total population. Also, the seven biggest provinces of the country (Luanda, Huíla, Benguela, Huambo, Kwanza Sul, Uíge and Bié) all have more than one million inhabitants. These seven provinces represent a combined 71.3% of the Angolan population whereas the seven smallest provinces only account for 14.5% of the total. One can also say that Luanda is 19 times more populated than Bengo (the least populated province) and three times more populated than Huíla (the second most populated province).

*Angolan authorities released preliminary results of the Census 2014*

*The number of people living in Angola reached 24.4 million in 2014*

*The province of Luanda is the most populated with 6.5 million inhabitants, or 26.8% of the total population of the country*

## ANGOLAN POPULATION – BY PROVINCE



Source: Census 2014.

Moreover, preliminary census data showed that there are 19 people for every squared km in Angola. Unsurprisingly, Luanda is the most densely populated province of the country (347.4 people per squared km), followed by Cabinda (94.4), Huambo (56.9), Benguela (51.9), Kwanza Sul (32.3), Huíla (29.9) and Uíge (22.8).

*Preliminary census results also show that there are 19 people for every squared km in Angola*

On the other hand, there are more women (51.6%) living in Angola relatively to men (48.4%). Census data showed that there are an estimated 94 men for every 100 women. Lunda Norte is the only province in Angola where the number of men is bigger than the number of women. It means that there are 105.7 men for every 100 women. As a reference, Zaire (98.8), Bengo (98.4), Lunda Sul (96.7), Uíge (96.1), Luanda (96.0) and Cabinda (96.0) have a close balance between men and women, but still the female gender dominates.

*There are relatively more women than men living in Angola*

## ANGOLAN POPULATION – GENDER BY PROVINCE

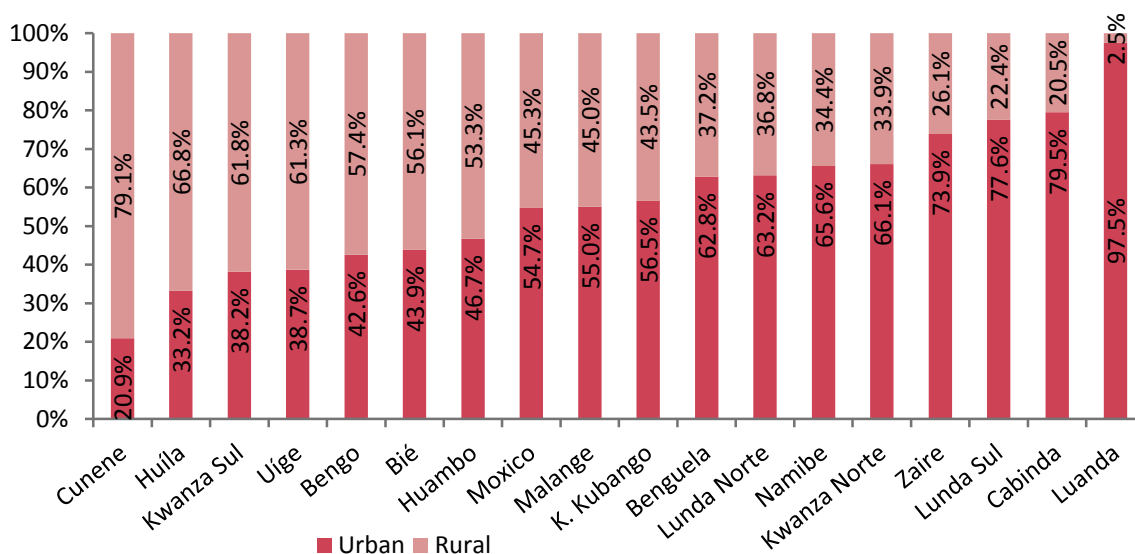


Source: Census 2014.

The majority of the Angolan population lives in urban areas (62.3%) as opposed to the rural parts of the country (37.7%). Cunene is the province where more people live in rural areas (79.1%) whereas in the province of Luanda most of the population resides in urban areas (97.5%).

*More people live in urban areas than in the countryside*

## ANGOLAN POPULATION – URBAN/RURAL POPULATION BY PROVINCE



Source: Census 2014.

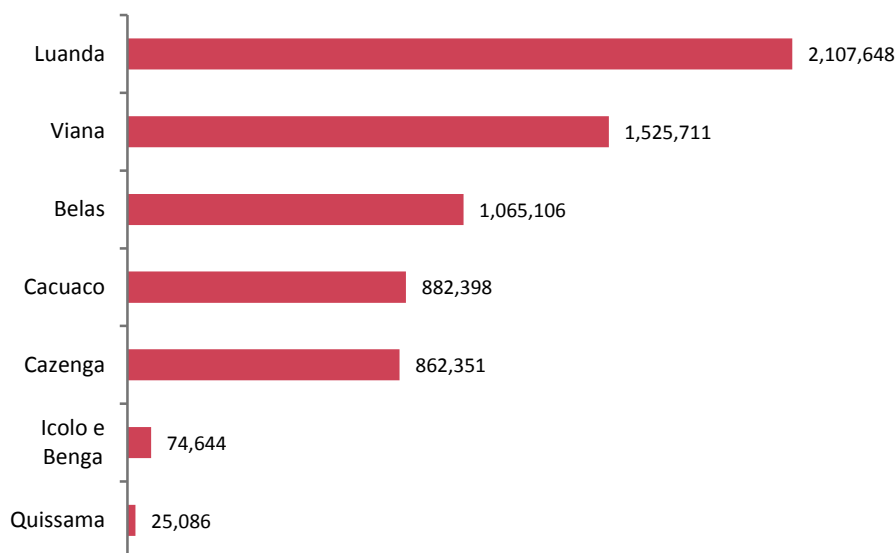
Looking now individually at the province of Luanda, the preliminary results of the Census 2014 showed that the number of its residents increased nearly 12 times in the last 44 years from 561,145 in the Census 1970 to the 6.5 million people today. There are more women (51%) than men (49%) living in this province. Its three largest municipalities (Luanda, Viana and Belas) each have more than one million inhabitants (or a combined 4.7 million people), accounting for 71.8% of the total population of the province, while the two least populated (Icolo e Bengo and Quissama) have less than 75,000 residents each.

*The population of the province of Luanda has increased 12 times in the last 44 years to 6.5 million people*

One can also say the following about Luanda, Viana and Belas: (1) they have a combined population that exceeds the sum of the residents of the second (Huila) and third (Benguela) largest provinces of the country (4.7 million vs. 4.4 million) and (2) they have more residents than the total population of the eight least populated provinces of Angola (4.7 million vs. 4.3 million).

*The three largest municipalities of the province of Luanda have 4.7 million people*

#### ANGOLAN POPULATION – MUNICIPALITIES OF THE PROVINCE OF LUANDA



Source: Census 2014.

Meanwhile, following the release of these preliminary census results, the Angolan authorities stated that they expect to conclude the analysis and validation of the data in all of the questionnaires by March/April of next year and issue the report with the final results of the Census 2014 by the end of 2015.

*The Angolan authorities expect to issue the final results of the census by the end of 2015*

#### STATE OF THE UNION ADDRESS BY THE ANGOLAN PRESIDENT

The President of Angola, Mr. José Eduardo dos Santos, delivered his annual state of the union address to Parliament on October 15<sup>th</sup>. Some of the key topics mentioned by Mr. dos Santos included (1) the preliminary results of the Census 2014, (2) the latest macroeconomic data and a revised GDP forecast for this year, (3) the need to diversify the Angolan economy away from the oil sector, (4) structural projects that will improve competitiveness, (5) the importance of attracting domestic and foreign investment to increase local production, (6) poverty levels are falling, (7) legislation for municipal and general elections, (8) Ebola epidemic and (9) Angola's increased role in the peace process in Central Africa and the Great Lakes region.

*The Angolan president delivered its state of the union address on October 15<sup>th</sup>*

On the economic front, the president highlighted that the inflation rate reached its lowest level ever of 7.7% in 2013 and that it stood at 6.9% at the end of the first semester of this year. On the other hand, the exchange rate has remained stable. Moreover, Mr. dos Santos noted that the fiscal revenues derived from the oil sector have fallen slightly in 2013 as well as this year due to the drop of 10% in the expected oil production (1.85 mbpd). This requires greater discipline on the expenditure side and, at the same time, stronger efforts in fiscal collection in the non-oil sector. The president expects the current fiscal reform underway in the country to improve tax collection efficiency going forward, despite the lower tax rates that the reform entails.

*Sound macro indicators despite the lower oil production and prices having an impact on GDP growth and fiscal revenues*

Also on the oil front, Mr. dos Santos noted that oil prices have gradually fallen since June of this year to US\$ 81-85 per barrel, a level that is below the reference price of US\$ 98 per barrel included in the 2014 budget. As a result of the lower production and oil prices, Mr. dos Santos forecasts oil-related GDP to fall 3.5% this year. Non-oil GDP is expected to expand by 8.2% in the period, which should prove to be insufficient to offset the lower oil GDP. This means that

*The real GDP growth forecast of 6.7% for 2014 is slightly lower than initially expected*

real GDP is expected to stand slightly below the initial forecast of 6.7% in 2014. The president foresees GDP picking up with the recovery in oil production in 2015 and beyond though.

Meanwhile, the president called the attention of the members of Parliament to the need of diversifying the Angolan economy away from the oil sector. The biggest challenge facing the country's economy relates to growth and, in order to reach a sustainable growth path, several measures need to be implemented. These include (1) the rehabilitation, modernization and development of the economic and social infrastructures, (2) the implementation of public and private investment and (3) the investment in the qualification of human resources, including an objective labor and remuneration policy.

There are currently 11 structural projects being implemented in the country that aim to create the building blocks to make the Angolan economy more competitive so that it can start to produce more and better products and services from the second semester of 2016 onwards. This would allow the Angolan economy to better compete with the other economies in the region and distribute its wealth amongst its citizens.

Some of the projects mentioned by the president include the rehabilitation and construction of roads, ports, airports and transport terminals in Luanda and in other provinces of the country. The projects also involve the telecommunications and utility sectors like energy and water so that these are more easily available to the local population.

Mr. dos Santos also emphasized the need to attract domestic and foreign investment for the productive sector so that Angola is able to increase local production in the non-oil sector and become less reliant on imports. Some of the key sectors for the country include cement, textile, drinks, sugar, cereals and animal foods, and egg, meat and fish industries.

The president stated that independent studies suggested that poverty levels in Angola have fallen considerably in recent years and that the percentage of the local population living with less than US\$ 2 per day had fallen from 92% in 2000 to 54% in 2014. He also mentioned that the latest United Nations report on human development indicated that Angola was the third country in the world (behind Rwanda and Ethiopia) that had seen the most improvement in the UN's Human Development Index since 2002. Mr. dos Santos added that life expectancy at birth stood at 51.9 years in 2013 (vs. 45.2 in 2000) while the literacy rate reached 73% in the same period, far above the levels below 50% more than a decade ago.

Another issue raised by the Angolan President had to do with legislation for the forthcoming municipal and general elections, with the latter expected to take place in 2017. Mr. dos Santos stated that the negotiations and the discussions about the legislative diplomas to legitimize the municipal elections as well as its voting registry process will still take some time. As a result, the president did not provide a definitive date as to when the municipal elections would take place. This delay raised some criticism from the opposition parties in the local press, as they said that the president was delaying the municipal elections for technical reasons.

Finally, Mr. dos Santos said a few words about the Ebola epidemic and assured that Angola has taken the necessary measures to prevent and control its outbreak. He also spoke about the increased role that Angola has played in promoting dialogue and peace in Central Africa and the Great Lakes region. According to the Angolan President, it is no surprise that most of the international community has backed the candidacy of Angola as a non-permanent member of the UN's Security Council for the period 2015-16.

*Unsurprisingly, the president alerted for the need of diversifying the local economy away from the oil sector*

*Several structural projects are being implemented to help improve the competitiveness of the Angolan economy*

*Roads, airports, ports, telecommunications and energy are some of the areas that require improvements*

*The need to attract domestic and foreign investment to improve local production levels*

*Poverty levels have fallen in the last decade while Angola was the third country showing the best improvement in the UN's Human Development Index since 2002*

*The president suggested that the exact date for the municipal elections is still uncertain, raising some criticism from the opposition parties*

*Angola has received the support of the international community in its candidacy for non-permanent member of the UN's Security Council*

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