



The Angolan Economy

Budget Proposal for 2016

Research

November 2015

Slower economic activity ahead

The Angolan government recently presented to Parliament its budget proposal for 2016. The document is currently being discussed and is expected to be approved in the not too distant future. The local authorities remain cautious about their outlook for 2016. Real GDP growth is projected to decelerate to 3.3% (from an estimated 4% in 2015) as a result of a weaker performance in the oil sector. Overall, activity in the oil sector is expected to expand at 4.8% while growth in non-oil related activity is forecasted to stand at 2.6%, supported by an improved performance in agriculture. These figures compare with projected rates of 7.8% and 2.4%, respectively, in 2015.

Economics

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A new reality amid lower oil prices

The budget proposal incorporates what we believe to be a conservative average oil price forecast of US\$ 45 per barrel next year. And, as a result, the authorities are aware that in the current low oil price environment it remains crucial to rationalize public expenditure levels. At the same time, it is imperative to accelerate the efforts to increase non-oil related revenues. This starts with reducing the public wage bill to levels more consistent with a new revenue reality. Nominal wages need to be adjusted based on projected inflation and real wage growth depend on improvements in productivity levels. In addition, public investment projects need to be better prioritized and their execution more carefully monitored.

Fuel subsidy reform to continue

The government also expects to continue its fuel subsidy reform agenda started in September 2014. The lower international oil prices together with the three domestic fuel price increases since the reform began have reportedly led to the elimination of subsidies on most fuels while the ones still subsidized are done at much lower levels than in the recent past. The plan is to reportedly eliminate fuel subsidies completely by 2020. At the same time, the local authorities aim to improve social assistance to the poor in order to lower the impact of the gradual elimination of fuel subsidies.

Projected budget deficit of 5.5% of GDP

Looking at the figures in the budget proposal, the government expects revenues to reach AOA 3,515 billion and expenditures to stand at AOA 4,296 billion. This is roughly US\$ 26 billion and US\$ 31.8 billion, respectively, at today's exchange rate. It also translates to a projected budget deficit of 5.5% of GDP, which compares with a deficit of 4.2% expected in 2015. The local authorities are still planning to finance the majority of their expenses with fiscal receipts (55% of the total), namely taxes. However, they also expect to significantly increase the amount of borrowing in international markets in 2016. All in all, the government is expecting public debt levels to reach 49.7% of GDP next year, well above the 40.5% of GDP forecasted in 2015. These levels are sustainable for the time being. Yet, this higher debt trajectory does not come without risks, as we believe Angola remains vulnerable to potential future shocks, namely in the form of persistently low oil prices and a slowdown in some of its main trading partners (particularly China and Brazil).

MACROECONOMIC OUTLOOK

The economic environment in Angola has been quite challenging in 2015. Unsurprisingly, the sharp drop in oil prices has had a major impact on the local economy, with the government projecting in the recently disclosed 2016 budget proposal a deceleration in real GDP growth to 4% from 4.8% in 2014. This slowdown in economic activity is attributable to a hard landing in the non-oil sector this year. The government foresees a very modest increase of 2.4% in non-oil related activity (from 8.2% growth in 2014), the lowest rate since the end of the civil war. Lower private consumption and public spending levels in an existing backdrop of more limited availability of foreign exchange in the local economy have all led to a significant adjustment in the industry, construction and services sectors.

On the other hand, the technical problems that hit oil production in 2014 have been mostly resolved. This has allowed average daily oil production to recover to 1.8 million barrels per day this year (vs. 1.67 million in 2014). The government expects growth in the oil sector to post a marked recovery to 7.8% this year (from a contraction of 2.6% in 2014). Meanwhile, the nearly 30% depreciation of the kwanza against the dollar this year has been gradually translated into higher consumer prices, as Angola still imports a very large part of the products it consumes. Inflation has also been aggravated by the multiple increases in fuel prices this year, as the local authorities continue with their fuel subsidy reform. The government expects inflation to climb to 13.8% (from 7.5% in 2014), above the central bank's target of 7-9%.

Looking ahead, the authorities remain cautious about their outlook for 2016. Real GDP growth is expected to slow even further to 3.3% on the back of a weaker performance in the oil sector. The government is still assuming a recovery in oil production to 1.89 million barrels per day and an average oil price of US\$ 45 per barrel, which in our view may be on the conservative side. This projection compares with an average oil price of US\$ 53 this year and an assumption of US\$ 40 in the 2015 revised budget. Overall, activity in the oil sector is expected to improve 4.8% in 2016 while growth in the non-oil sector is forecasted to stand at 2.6%. The inflation rate is anticipated to slow to 11%, as a further tightening in monetary policy conditions and a slower depreciation rate of the kwanza should help contain increases in consumer prices.

The Angolan economy has been hit by the sharp drop in oil prices, with real GDP growth expected to slow to 4% this year from 4.8% in 2014

Non-oil related activity has slowed markedly while growth in the oil sector is recovering after a weak performance in 2014

The local authorities are cautious about the growth outlook for 2016, with real GDP growth expected at 3.3%

BUDGET 2016 FORECASTS					GROWTH FORECASTS				
	2013	2014	2015	2016		2013	2014	2015	2016
Inflation	7.7%	7.5%	13.8%	11.0%	Total	6.8%	4.8%	4.0%	3.3%
Annual oil production (million barrels)	626.3	610.2	657.7	689.4	Agriculture	42.3%	11.9%	2.5%	4.6%
Daily oil production (million bpd)	1.72	1.67	1.80	1.89	Fishing	2.4%	19.1%	2.0%	0.2%
Average oil price (US\$ per barrel)	107.7	96.9	53.0	45.0	Diamonds and other	3.3%	1.0%	3.2%	1.0%
Gross domestic product:					Manufacturing	8.6%	8.0%	3.5%	3.1%
Nominal value (AOA billion)	12,056	12,462	12,746	14,218	Construction	8.1%	8.0%	3.5%	3.1%
Oil sector	4,818	4,304	3,250	3,302	Energy	34.4%	17.3%	12.0%	20.0%
% of total	40.0%	34.5%	25.5%	23.2%	Commerce	7.0%	8.0%	2.2%	2.4%
Non-oil sector	7,239	8,158	9,496	10,916	Other	0.7%	6.0%	1.1%	0.0%
% of total	60.0%	65.5%	74.5%	76.8%					
Real GDP growth	6.8%	4.8%	4.0%	3.3%					
Oil sector	-0.9%	-2.6%	7.8%	4.8%					
Non-oil sector	10.9%	8.2%	2.4%	2.6%					
Exchange rate (US\$/AOA)	96.6	98.3	126.0	-					

Source: Angolan authorities.

Source: Angolan authorities.

EXECUTION OF THE 2015 BUDGET

The Angolan authorities have included the estimates for the execution of this year's budget in the 2016 budget proposal. According to the document recently presented to Parliament, total revenues are estimated to reach AOA 3,241 billion this year, representing a 26% fall from the AOA 4,403 billion recorded in 2014. This forecasted annual drop comes on the back of much lower tax revenues (-31% YoY), namely from the oil sector (-46% YoY). It should not come as a surprise considering the impact of significantly lower international oil prices than in 2014. On the other hand, non-oil tax revenues are estimated to see an annual improvement of nearly 7% while non-tax revenues are forecasted to jump by 38% from the previous period. This evolution shows the significant efforts already being undertaken to strengthen non-oil taxation, including (1) enlarging the tax base, (2) creating a single revenue administration agency, (3) increasing tax inspections and (4) better enforcing real estate taxation.

Total estimated revenues are expected to fall by 26% YoY this year, as proceeds from the oil sector see a significant fall in the period

Despite this expected annual drop in revenues, the estimated revenue performance for this year is significantly better than what the government had envisaged earlier this year in its revised 2015 budget document. The local authorities now anticipate higher tax revenues (+14%) and a significantly better contribution from non-tax revenues (+94%). In particular, oil revenues are projected to stand well above earlier forecasts, reflecting additional proceeds from a higher average oil price than foreseen in the revised budget (US\$ 53 per barrel this year vs. US\$ 40 in the revised budget). Overall, this means that total revenues for 2015 are now expected to stand 20% higher than previously thought.

Revenues are projected to stand 20% above the figure forecasted in the revised budget 2015 document

GOVERNMENT REVENUES AOA BILLION						Change		
	2012	2013	2014	2015 (1)	2015 (2)	2015 (1) / 2014	2015 (2) / 2014	2015 (1) / 2015 (2)
Tax Revenues	4,826	4,602	4,098	2,821	2,476	-31.2%	-39.6%	13.9%
Oil Revenues	4,103	3,630	2,970	1,616	1,039	-45.6%	-65.0%	55.5%
Of which: Concessionary Rights	2,800	2,446	1,994	1,068	800	-46.4%	-59.9%	33.5%
Non-oil Revenues	723	972	1,128	1,205	1,437	6.8%	27.4%	-16.1%
Of which: Income Taxes	325	502	545	683	626	25.4%	14.9%	9.1%
Non-tax Revenues	228	247	305	419	217	37.7%	-28.9%	93.6%
Total Revenues	5,054	4,849	4,403	3,241	2,693	-26.4%	-38.8%	20.4%

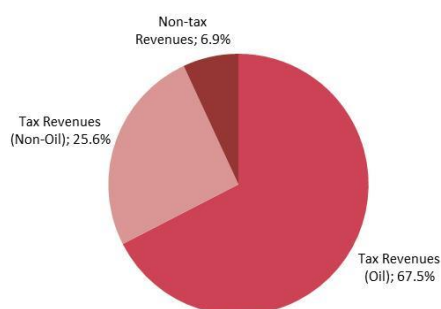
(1) Estimate; (2) Revised Budget.

Source: Angolan authorities and Eaglestone Securities.

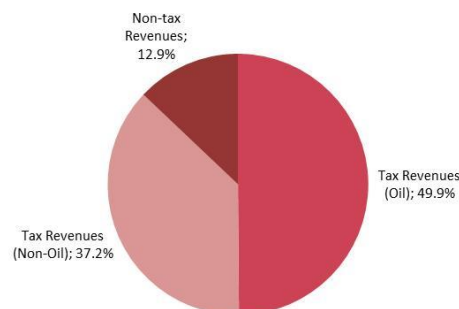
The pie charts below show a somewhat different picture in terms of the revenue breakdown projected for this year when compared with 2014. Although tax revenues from the oil sector are expected to continue to represent the largest share of total revenues (about half of the total), we clearly see an increase in the share of non-oil tax revenues and non-tax revenues.

The share of non-oil tax revenues and non-tax revenues is expected to increase this year

BREAKDOWN OF TOTAL REVENUES (2014)



BREAKDOWN OF TOTAL REVENUES (2015 (1))



Source: Angolan authorities.

(1) Estimate. Source: Angolan authorities.

Regarding expenditures, the government now foresees total spending reaching AOA 3,776 billion this year, or almost 28% lower than the executed figure for 2014. The local authorities expect spending to fall across the board, with the exception of wages, which are projected to increase 7% YoY. This is reportedly due to the hiring of previously selected civil servants for some key sectors, including education and health. However, when comparing the estimated figures for this year with the ones projected in the revised 2015 budget, the local authorities are now expecting to spend less on wages and on goods and services. This means about 8% less in terms of current expenditures.

Expenditures are expected to fall across the board this year, with the exception being spending on wages

Capital expenditures are projected to stand well above the forecast included in the revised budget. Most of this spending is expected to come in the second half of 2015 after the local government secured in recent months additional loans from several international institutions.

Authorities are expected to increase public investment in the second half of 2015

GOVERNMENT EXPENDITURES AOA BILLION						Change		
	2012	2013	2014	2015 (1)	2015 (2)	2015 (1) / 2014	2015 (2) / 2014	2015 (1) / 2015 (2)
Current Expenditures	3,184	3,437	3,667	2,640	2,862	-28.0%	-21.9%	-7.8%
Wages	1,031	1,155	1,319	1,413	1,488	7.1%	12.8%	-5.0%
Goods and Services	1,297	1,228	1,248	411	692	-67.0%	-44.5%	-40.6%
Interests	105	99	150	261	231	74.6%	54.5%	13.0%
Transfers	752	955	950	554	451	-41.7%	-52.5%	22.9%
Subsidies	548	710	668	230	154	-65.6%	-76.9%	49.0%
Capital Expenditure	1,145	1,379	1,555	1,137	637	-26.9%	-59.1%	78.5%
Total Expenditures	4,329	4,816	5,222	3,776	3,499	-27.7%	-33.0%	7.9%

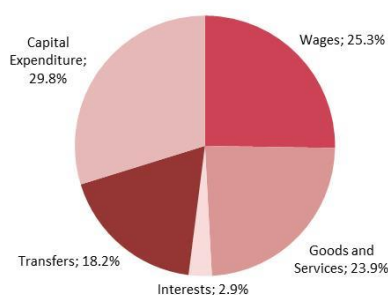
(1) Estimate; (2) Revised Budget.

Source: Angolan authorities and Eaglestone Securities.

As seen below, the composition of public spending is also expected to significantly change this year when compared with 2014. The only exception is capital expenditures, which are still projected to represent about 30% of the total. There is also a marked increase in the share of spending on wages for the reason mentioned above. This comes in sharp contrast with the expenditure on goods and services, as its share in total spending more than halves from 2014.

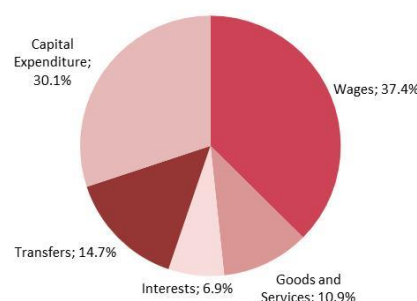
The composition of public spending is expected to change significantly in 2015

BREAKDOWN OF TOTAL EXPENDITURES (2014)



Source: Angolan authorities.

BREAKDOWN OF TOTAL EXPENDITURES (2015 (1))



(1) Estimate. Source: Angolan authorities.

The executed budget figures of the last few years show a gradual downward trend in terms of total revenues as a percentage of GDP. This drop is expected to be more pronounced this year, where total revenues are estimated to account for only 25.4% of GDP (vs. 35.3% in 2014). Oil related revenues are forecasted to represent 12.7% of GDP, a significant fall from the 23.8% recorded in 2014, but ahead of the figure projected in the revised budget. Expenditures are also expected to account for a lower share of GDP (29.6% vs. 41.9% in 2014).

The share of revenues and expenditures as a percent of GDP is expected to fall in 2015 when compared with recent years

Overall, the Angolan government is projecting a budget deficit of 4.2% of GDP in 2015. This is lower than the 6.6% recorded last year and better than the 6.3% envisaged in the revised budget for 2015.

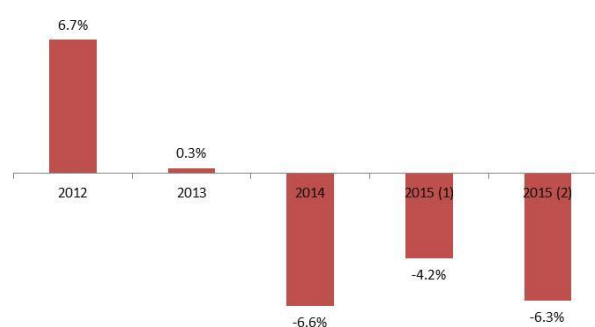
The projected budget deficit for 2015 currently stands at 4.2% of GDP

TOTAL REVENUES AND EXPENDITURES (% OF GDP)



(1) Estimate. (2) Revised Budget. Source: Angolan authorities.

BUDGET BALANCE (% OF GDP)



(1) Estimate. (2) Revised Budget. Source: Angolan authorities.

GOVERNMENT ACCOUNTS IN 2016

The budget proposal for next year presented by the Angolan government incorporates a modest increase in oil prices to US\$ 45 per barrel in 2016. The authorities are therefore aware that in the current low oil price environment it remains crucial to rationalize public expenditure levels and, at the same time, accelerate the efforts to increase non-oil related revenues. This starts with reducing the public wage bill to levels more consistent with the new revenue reality under these lower oil prices. Nominal wages need to be adjusted based on the projected inflation and real wage growth depend on improvements in productivity levels. Moreover, public investment projects need to be better prioritized and their execution more carefully monitored.

The Angolan authorities recognize the need to rationalize public expenditure and improve non-oil revenue

The government also expects to continue its fuel subsidy reform agenda started in September 2014. The lower international oil prices together with the three domestic fuel price increases since the reform began have reportedly led to the elimination of subsidies on most fuels while the ones still subsidized are done at much lower levels than in the recent past. The plan is to reportedly eliminate fuel subsidies completely by 2020. At the same time, the local authorities aim to improve social assistance to the poor in order to lower the impact of the gradual elimination of fuel subsidies.

They also expect to continue with the fuel subsidy reform agenda started in September 2014

GOVERNMENT SUBSIDIES						
AOA BILLION	2012	2013	2014	2015 (1)	2015 (2)	2016
Expenditures	4,329	4,816	5,222	3,776	3,499	4,296
Current Expenditures	3,184	3,437	3,667	2,640	2,862	3,480
Subsidies	548	710	668	223	154	370
% of Total Expenditures	12.7%	14.7%	12.8%	5.9%	4.4%	8.6%
% of GDP:						
Expenditures	39.8%	39.9%	41.9%	29.6%	27.5%	30.2%
Current Expenditures	29.3%	28.5%	29.4%	20.7%	22.5%	24.5%
Subsidies	5.0%	5.9%	5.4%	1.7%	1.2%	2.6%

(1) Estimate; (2) Revised Budget.

Source: Angolan authorities and Eaglestone Securities.

Looking at the figures included in the 2016 budget proposal, the government expects revenues to reach AOA 3,515 billion and expenditures AOA 4,296 billion. This is roughly US\$ 26 billion and US\$ 31.8 billion, respectively, at today's exchange rate. This leads to a projected budget deficit of AOA 781 billion, or 5.5% of GDP. This budget deficit forecast compares with 4.2% of GDP projected for this year and 6.3% in the revised 2015 budget, as described below.

The projected budget deficit for 2016 stands at 5.5% of GDP, above the 4.2% deficit expected this year

GOVERNMENT ACCOUNTS							Change			
	2012	2013	2014	2015 (1)	2015 (2)	2016	2015 (1) / 2014	2015 (1) / 2015 (2)	2016 / 2015 (1)	2016 / 2015 (2)
Revenues	5,054	4,849	4,403	3,241	2,693	3,515	-26.4%	20.4%	8.4%	30.5%
% of GDP	46.5%	40.2%	35.3%	25.4%	21.1%	24.7%				
Tax Revenues	4,826	4,602	4,098	2,821	2,476	3,235	-31.2%	13.9%	14.7%	30.7%
Oil Revenues	4,103	3,630	2,970	1,616	1,039	1,690	-45.6%	55.5%	4.5%	62.6%
% of Total Tax Revenues	85.0%	78.9%	72.5%	57.3%	42.0%	52.2%				
Non-oil Revenues	723	972	1,128	1,205	1,437	1,545	6.8%	-16.1%	28.2%	7.6%
Of which: Income Taxes	325	502	545	683	626	693	25.4%	9.1%	1.5%	10.7%
Non-tax Revenues	228	247	305	419	217	279	37.7%	93.6%	-33.4%	29.0%
Expenditures	4,329	4,816	5,222	3,776	3,499	4,296	-27.7%	7.9%	13.8%	22.8%
% of GDP	39.8%	39.9%	41.9%	29.6%	27.5%	30.2%				
Current Expenditures	3,184	3,437	3,667	2,640	2,862	3,480	-28.0%	-7.8%	31.8%	21.6%
Wages	1,031	1,155	1,319	1,413	1,488	1,497	7.1%	-5.0%	6.0%	0.6%
Goods and Services	1,297	1,228	1,248	411	692	995	-67.0%	-40.6%	141.9%	43.8%
Interests	105	99	150	261	231	307	74.6%	13.0%	17.8%	33.1%
Transfers	752	955	950	554	451	680	-41.7%	22.9%	22.7%	50.8%
Subsidies	548	710	668	230	154	370	-65.6%	49.0%	61.0%	139.9%
Capital Expenditure	1,145	1,379	1,555	1,137	637	816	-26.9%	78.5%	-28.2%	28.1%
Public Investment	1,145	1,376	1,547	1,118	622	816	-27.7%	79.7%	-27.1%	31.1%
Primary Fiscal Balance	1,869	1,411	736	601	-170	34	-18.3%	n.m.	-94.3%	n.m.
% of GDP	17.2%	11.7%	5.9%	4.7%	-1.3%	0.2%				
Overall Fiscal Balance	725	32	-819	-536	-807	-781	-34.6%	-33.6%	45.9%	-3.1%
% of GDP	6.7%	0.3%	-6.6%	-4.2%	-6.3%	-5.5%				
Non-oil Primary Balance	-3,273	-3,499	-3,640	-1,891	-1,615	-2,164	-48.1%	17.1%	14.4%	34.0%
% of non-oil GDP	-55.5%	-48.3%	-44.6%	-19.9%	-17.0%	-19.8%				
Non-oil Total Balance	-3,378	-3,598	-3,789	-2,152	-1,846	-2,471	-43.2%	16.6%	14.8%	33.9%
% of non-oil GDP	-57.3%	-49.7%	-46.4%	-22.7%	-19.4%	-22.6%				

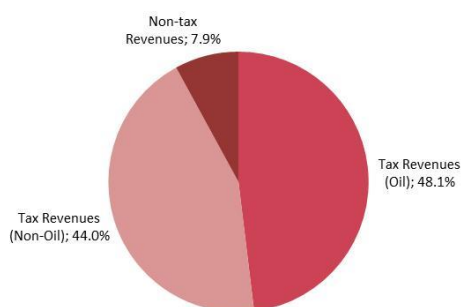
(1) Estimate; (2) Revised Budget.

Source: Angolan authorities and Eaglestone Securities.

The budgeted figures show that total revenues are expected to see an 8% increase from the estimated proceeds in 2015. Revenues are also expected to account for 24.7% of GDP, slightly less than the 25.4% this year. Tax revenues (92% of total revenues) are projected to rise 15% YoY, with most of this improvement coming from a stronger contribution in non-oil tax receipts. Taxes from the oil sector are forecasted to improve moderately and represent slightly less than half of total tax proceeds. It is also worth noting that the forecasted revenues in next year's proposed budget stand more than 30% above the revenues projected in the revised budget for 2015.

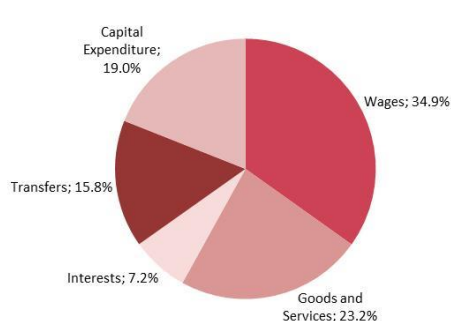
Revenues are expected to improve in 2016, namely tax receipts from the non-oil sector

BREAKDOWN OF TOTAL REVENUES (2016)



Source: Angolan authorities.

BREAKDOWN OF TOTAL EXPENDITURES (2016)



Source: Angolan authorities.

Meanwhile, the government expects to spend nearly 14% more next year than it did in 2015. Expenditures are forecasted to represent 30.2% of GDP, slightly more than the 29.6% foreseen this year. Current expenditures should see a material increase including spending on goods and services (142% YoY), interests and transfers. On the other hand, salaries are likely to rise at a rate below inflation in 2016 and remain at about the same level as the one projected in the 2015 revised budget. However, wages are still likely to represent more than a third of total spending and 10% of GDP next year, which in our view remains excessively high in the government's fiscal accounts.

Wages are still expected to represent more than a third of total expenditures while spending on goods and services is projected to increase significantly in 2016

Also worth highlighting is the projected public investment level for 2016. It represents a very modest 5.7% of GDP. This is a much lower level than in recent years, as detailed in the table below. The local authorities plan to cut public spending by an additional 27% in 2016 after the 28% annual fall already estimated for this year.

Public investment is expected to record another close to 30% annual drop in 2016

GOVERNMENT ACCOUNTS	% of GDP					
	2012	2013	2014	2015 (1)	2015 (2)	2016
Revenues	46.5%	40.2%	35.3%	25.4%	21.1%	24.7%
Tax Revenues	44.4%	38.2%	32.9%	22.1%	19.4%	22.8%
Oil Revenues	37.7%	30.1%	23.8%	12.7%	8.2%	11.9%
Non-oil Revenues	6.6%	8.1%	9.1%	9.5%	11.3%	10.9%
Of which: Income Taxes	3.0%	4.2%	4.4%	5.4%	4.9%	4.9%
Non-tax Revenues	2.1%	2.0%	2.4%	3.3%	1.7%	2.0%
Expenditures	39.8%	39.9%	41.9%	29.6%	27.5%	30.2%
Current Expenditures	29.3%	28.5%	29.4%	20.7%	22.5%	24.5%
Wages	9.5%	9.6%	10.6%	11.1%	11.7%	10.5%
Goods and Services	11.9%	10.2%	10.0%	3.2%	5.4%	7.0%
Interests	1.0%	0.8%	1.2%	2.0%	1.8%	2.2%
Transfers	6.9%	7.9%	7.6%	4.3%	3.5%	4.8%
Capital Expenditure	10.5%	11.4%	12.5%	8.9%	5.0%	5.7%
Public Investment	10.5%	11.4%	12.4%	8.8%	4.9%	5.7%

(1) Estimate; (2) Revised Budget.

Sources: Angolan authorities and Eaglestone Securities.

In terms of expenditures by activity, the Angolan government plans to spend a total of AOA 6,429 billion next year, about 18% more than in 2015. The government remains focused on the social sector of the economy (including education, health, social protection and housing), which is projected to receive just over 30% of total expenditures. The amount of spending allocated to the education and health sectors is expected to reach 7.7% and 5.3% of the total, respectively, in 2016. This compares with 8.9% and 5%, respectively, estimated for the current

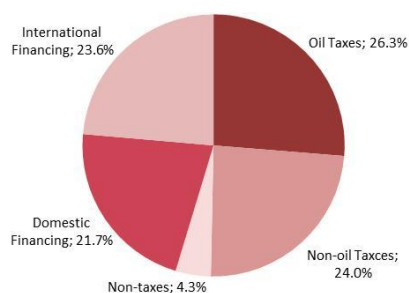
About a third of total expenditures is expected to continue to be allocated to the social sector, but a significant amount is still planned for spending on defense

year. Spending for these two sectors combined remains once again below the expenditures planned for defense, security and social order (14.4%).

The Angolan authorities are still planning to finance the majority of these expenditures with fiscal receipts (55% of the total), namely taxes. However, they expect to significantly increase the amount of borrowing in international markets in 2016. According to the budget proposal, overseas financing is projected to more than double to AOA 1,518 billion, representing nearly 24% of total financing. This is significantly higher than the 14% estimated for 2015 and the average of just 7% in the period 2012-14. All in all, this also means that the government is expecting public debt levels to significantly increase next year to 49.7% of GDP (vs. 40.5% of GDP projected this year).

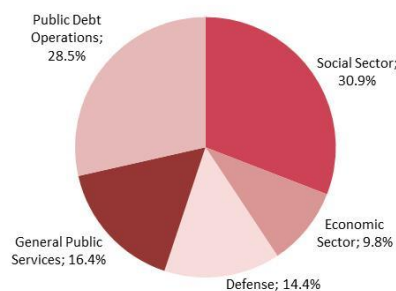
The government plans to significantly increase the amount of borrowing in international markets next year

BREAKDOWN OF FINANCING (2016)



Source: Angolan authorities.

BREAKDOWN OF EXPENDITURES BY ACTIVITY (2016)



Source: Angolan authorities.

PUBLIC DEBT			
US\$ BILLION	External Debt	Domestic Debt	Total Public Debt
2012	12.4	12.4	24.8
2013	15.7	14.9	30.6
2014	20.2	19.1	39.3
2015 (1)	23.4	17.6	41.0
2015 (2)	24.6	22.4	47.0
2016	30.8	18.4	49.2

(1) Estimate; (2) Revised Budget.
Source: Angolan authorities.

BREAKDOWN OF PUBLIC DEBT



(1) Estimate. (2) Revised Budget. Source: Angolan authorities.

ANNEX – ECONOMIC FORECAST SUMMARY

ECONOMIC FORECAST SUMMARY								
	2009	2010	2011	2012	2013	2014	2015F	2016F
Gross Domestic Product (annual growth)								
Real GDP	2.4%	3.4%	3.9%	5.2%	6.8%	4.8%	3.7%	3.5%
Oil Sector	-5.1%	-2.9%	-5.6%	4.3%	-0.9%	-2.6%	7.0%	3.9%
Non-oil sector	8.3%	7.6%	9.7%	5.6%	10.9%	8.2%	2.4%	3.4%
Gross Domestic Product (current prices, AOA bn)	5,989	7,580	9,780	11,011	11,985	12,713	12,227	14,658
Gross Domestic Product (current prices, US\$ bn)	75.5	82.5	104.1	115.3	124.2	129.3	102.0	98.8
Population (million)	21.0	21.7	22.3	23.0	23.7	24.4	25.1	25.9
Gross Domestic Product per capita (US\$)	3,589	3,807	4,666	5,018	5,245	5,304	4,062	3,820
Investment (% of GDP)								
Total Investment	15.2%	14.4%	12.9%	14.9%	14.8%	15.0%	10.4%	11.3%
Gross National Savings	5.2%	23.5%	25.5%	26.9%	21.5%	13.5%	2.8%	5.8%
External Sector								
Exports of Goods & Services (annual growth)	-2.6%	-3.3%	-5.4%	3.8%	0.1%	-3.5%	13.2%	3.0%
Imports of Goods & Services (annual growth)	6.4%	-21.3%	10.0%	8.6%	9.0%	7.0%	-19.8%	-2.9%
Current Account Balance (% of GDP)	-10.0%	9.1%	12.6%	12.0%	6.7%	-1.5%	-7.6%	-5.6%
Oil Sector								
Production (million bpd)	1.80	1.76	1.66	1.73	1.72	1.67	1.79	1.85
Price (US\$ per barrel)	60.9	77.9	110.9	111.6	107.7	104.0	53.0	60.0
Consumer Price Inflation								
Consumer Prices (period average)	13.7%	14.5%	13.5%	10.3%	8.8%	7.3%	10.3%	14.2%
Consumer Prices (end of period)	14.0%	15.3%	11.4%	9.0%	7.7%	7.5%	13.9%	13.0%
General Government (% of GDP)								
Revenues	34.6%	43.5%	48.8%	46.5%	40.2%	35.3%	25.4%	24.7%
Expenditures	41.9%	40.0%	40.2%	39.8%	39.9%	41.9%	29.6%	30.2%
Fiscal Balance	-7.4%	3.5%	8.7%	6.7%	0.3%	-6.6%	-4.2%	-5.5%
Gross Debt	49.9%	38.8%	31.4%	28.7%	36.2%	42.2%	57.4%	53.0%
Foreign Investment and Reserves								
Net Foreign Direct Investment (US\$ mn)	2,199	-4,568	-5,116	-9,639	-13,164	-5,106	1,785	2,000
Net International Reserves (US\$ mn)	12,622	17,327	26,321	30,828	31,154	27,276	22,700	20,100
Net International Reserves (in months of imports)	3.4	5.4	6.4	7.1	6.6	6.2	6.0	5.8
Exchange Rate								
Exchange Rate (period average, AOA/US\$)	79.8	92.2	94.1	95.6	96.5	98.4	122.5	155.0
Exchange Rate (end of period, AOA/US\$)	89.6	92.9	95.5	95.7	97.6	102.9	145.0	155.0

Source: Angolan authorities, World Bank, IMF and Eaglestone Securities.

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Disclosures

Eaglestone was founded in December 2011 with the aim to be a committed partner for the development of businesses located primarily in Sub-Saharan Africa and to support the development of renewable energy projects on a global basis.

The company has three business activities - financial advisory services, asset management and brokerage - and currently has offices in Amsterdam, Cape Town London, Lisbon, Luanda and Maputo

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