



Summary of the Economic Report of Angola 2011

The report is prepared by Universidade Católica de Angola, Centro de estudos e Investigação Científica-CEIC

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Preliminary note:

The Catholic University of Angola presented on the 6th of June 2012 the 10th Economic Report referring to the year 2011. On the occasion, the importance of scientific investigation in Angola was strengthened once again.

General economic activity

THE CHALLENGE IS TO DIVERSIFY THE ECONOMY AS TO LOWER THE DEPENDENCE OF CRUDE PETROLEUM

- The total value of GDP in 2011 was 98.1 billion dollars, which positioned Angola in 60th place worldwide.
- In 2011, average growth of the GDP was 8% (compared to 4.5% in 2010).
- The contributing figures to GDP are, among others, the following: Crude Petroleum 50%, Diamonds and other Minerals 1%, Public spending 9.8%, Processing industry 17.2%.
- The construction sector (including public works) counted for 12.8% of the GDP.
- The overall importance of crude petroleum as the most contributing factor to GDP is maintained, thus measures are being taken to diversify the economy.
- The strong growth of the processing industry in 2010 and 2011 is probably due to high demand of building materials for new construction sites and rehabilitation works.
- In 2011, Angolans consumed more drinks (61%) than food (24%), compared to the year 2001 with a share of 32% for drinks and 65% for food).

National budget

THE NATIONAL BUDGET CONTRIBUTES TO REGIONAL ASYMMETRIES

- The financial year resulted in a surplus of 8.3% of the GDP, significantly more than the estimated 3.4% which prognoses had foreseen.
- According to the public spending statistics, in 2011 the Health sector received approximately 5%, Education 8.2% and Agriculture 1.4%. Total spending in 2011 summed up to 2,230,109 AKZ per capita.
- 63% of the total population of the country is concentrated in only five provinces (Luanda, Huíla, Benguela, Huambo and Kwanza Sul), 30% live in the province Luanda.
- Luanda receives approximately 20 times more budget per capita than the rest of the country on average.
- The wealth distribution is very unbalanced with 20% of the richest citizens holding 60% of the country's fortunes.



Labour market and productivity

THE LACK OF QUALIFIED HUMAN RESSOURCES CONTINUES TO PREVENT INTENSIVE JOB CREATION

- In 2011, the unemployment rate was 24.8% (no significant change to 2010)
- Employment rates in the diamond industry are very low with only 0.9% of the total employment in 2011.
- Productivity is still low: Average productivity per capita rose from 12,500 USD in 2010 to 13,500 USD in 2011
- In 2011, 110,071 new jobs were created, among these 36,455 in the public sector (with 20,013 in education, 12,022 in health and 4,420 in the remaining sectors)

Population, living conditions and poverty

POLICIES NEED TO FOCUS ON SUSTAINABLE DEVELOPMENT

- A large share of the population remains socially excluded, which means unemployment, low living conditions, difficult access to public goods and services of education, health, water, basic sanitation and housing.
- Compared to the international living condition figures, Angola, in comparison, dropped one place from 171th to 172th (among 183 economies).
- The real number of citizens of the country is still unknown, thus it is difficult to elaborate government policies on a solid based.
- The CEIC institute estimates the demographic growth to be between 2.7% and 2.9% and the average fecundity to be 5.8%.
- Basic education is obligatory until grade 6, nevertheless, illiteracy rates remain high. Furthermore, in 2011 six new universities have been opened in the whole country.
- Salaries of public servants lose their purchasing power. Between 2004 and 2011, the accumulated loss summed up to almost 17%.
- The number of economically active citizens is estimated to be almost 10 million.
- According to statistics of IBEP, in 2011, the official unemployment rate is 36.6%.
- CEIC recommends the following measures to alleviate poverty: Strengthen the education and training system, change the ratio between capital and technology, and resolve the problems regarding land properties.