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Monitoring of graduated and graduating countries from the least developed country category:

Angola

Contents

Summary and the monitoring timeline

Angola: Scheduled to graduate on 12 February 2021. Income has been sustained at a high level and is expected to recover moderately in coming years from the contraction in 2018 2019. Human assets, while improving, are underdeveloped comparing to other countries with similar income levels. There is no update on the preparation of the smooth transition strategy.

Equatorial Guinea: Graduated on 4 June 2017. GDP is projected to continue to decline significantly due to the depletion of the existing oil reservoirs and limited new investment, but it will remain far above the LDC inclusion and graduation thresholds. HAI remains very low. After graduation became effective, the Government expressed interest on possible postponement of the graduation.

Vanuatu: Scheduled to graduate on 4 December 2020. The growth rate is projected to stay around 3 4 per cent. The HAI and EVI indicators show no major change in 2018 2019. While no indication of regress has been observed, the country remains highly vulnerable to external shocks, in particular natural disasters.

Table 1 Timeline for graduation and monitoring reports

Date	Angola	Equatorial Guinea	Vanuatu
June 2017		*Graduation*	
March 2018	Graduating	Graduated #1	Graduating
March 2019	Graduating	Graduated #2	Graduating

1. Angola

1.1. Development trend and forecast

The economic situation is improving in Angola, the second largest economy of the region. Angola is highly dependent on the oil sector (contributing to half of GDP, over 90 per cent of exports, and over 70 per cent of fiscal revenue), and its economic growth has been strongly affected by the low oil prices in the world market. Following the 2.6 percent contraction of GDP per capita growth in 2016, the economy slowly recovered in 2017 2018 (see Table 2), helped by rising oil prices. GDP is projected to grow at 2.4 percent in 2019 and 3.0 per cent in 2020.[1]

Table 2 Angola: macroeconomic indicators, 2012 2018

Indicator	2012	2013	2014	2015	2016	2017	2018
GDP (USD billions)[1]	128.1	136.7	145.7	116.2	101.1	126.5	114.5
GDP growth rate (per cent, constant price)[2]	8.5	5.0	4.8	0.9	2.6	0.7	1.0
Inflation rate (%)[2]	10.3	8.8	7.3	10.3	32.4	31.7	20.8
Government balance (per cent of GDP)[1]	4.1	0.3	5.7	2.9	4.5	6.1	0.8
Current account balance (USD billion)[1]	13.9	8.3	3.7	10.3	4.8	1.3	2.5
Exports of goods and services (USD billion)[3]	71.9	69.6	60.9	34.4	28.3	35.6	N.A.
Net ODA received (USD million)[4]	243.6	285.5	235.4	380.1	206.5	223.2	N.A.

Source: [1]IMF, World Economic Outlook Database, accessed 18 February 2019; [2]UN/DESA World Economic and Social Prospects 2019; [3]IMF, International Financial Statistics, accessed 18 February 2019; [4]DAC HdR5"

1.2. Development related to indicators in the LDC criteria

The GNI per capita of Angola is estimated as $3,942 in 2019, about three times higher

capital component score, which is relatively higher thanks to its dominant extractive sectors. Paradoxically, the country's structural change is significantly higher than other LDCs thanks to Angola's relatively higher GDP per capita driven largely by its exports but still lower than that of ODCs. Seemingly higher level of structural transformation vis a vis the average for LDCs only shows the low score for LDCs as a group. However, the country's performance is very weak even by LDCs standard on other important categories such as Information and Communication Technology (ICT), institutions and the private sector. Angola is almost at par with the rest of the LDCs group on transport and human capital components.[5]

Table 4 Productive Capacities Index (PCI): Angola, Equatorial Guinea and Vanuatu vis a vis LDCs and ODCs

Country	PCI	Natural Capital	ICT	Structural Change	Institutions	Energy	Private sector	Transport	Human Capital
Angola	43.3	50.1	42.2	46.8	39.8	43.8	34.1	47.6	42.1
Equatorial Guinea	42.9	47.0	43.6	46.7	36.1	44.8	41.4	47.6	35.8
Vanuatu	47.1	46.9	44.2	41.3	50.6	43.8	49.4	47.6	52.6
LDCs	45.1	53.1	43.1	43.1	42.9	42.4	45.3	47.7	43.0
ODCs									