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Balance of Payments (millions
of US dollars)

The exchange rate depreciation combined with COVID-19 related supply disruptions (both domestic and international), and the modification of the new value-added tax (VAT) pushed inflation upwards in 2020 and 2021. Inflation continues to remain high at 21.7 per cent in 2022 but has shown signs of easing in the last months of the year but requires further tightening of the monetary policy to control inflation in 2023. Similarly, food inflation which remained above 30 per cent for most parts of 2020 and 2021 is also on a downward trend as seen in Figure 2.

Figure 2. Food Price Inflation in Angola 2020-2022 (%)

Source: [FAO](#), accessed on 01/02/2023

LDC criteria and supplementary indicators

For 2023, the latest three-year average (2019-2021) GNI per capita of Angola is estimated at \$2,322, which, contrarily to previous years, now places the country below the income-only graduation threshold of \$2,444 which was established at 2021 triennial review. With regard to Human Assets Index (HAI), even though it has been on an upward trend since 2019, its current level (54.04) is still below LDC graduation threshold (66). A closer look at the indicators used to compute HAI shows a high prevalence of stunting and the widening gap in gender parity for gross secondary school enrolment. The Economic and Environmental Vulnerability Index (EVI) is currently estimated at 44.5 and does not meet the LDC graduation threshold of 32 or below. As discussed above, the lack of export diversification, environmental vulnerability and high impact from climate change contributes to the high score for the EVI in Angola.

Data gap

The World Bank's Statistical Performance Indicator (SPI) for Angola is 54.9 (based on the latest available data, referring to 2019), which places the country at the second quintile, higher than the Sub-Saharan African average (51.3) and lower than the lower middle-income country average (56.7).² Up to date data required for monitoring are, however, readily available relative to other Sub-Saharan African LDCs.

Smooth transition, national plan and country specific factors

The participation rate of Angola in monitoring is 56 per cent (five out of nine occasions). It submitted annual report three times in 2017, 2022 and 2023, out of seven occasions in 2017-2023. It attended consultation meetings in 2022 and 2023.

The Government of Angola submitted a progress report on the process and preparation for LDC graduation and the development of the smooth transition strategy (STS). The government has not as yet developed an STS, but has received from UNCTAD some preliminary assessments to guide the country in developing the STS. The Government intends to anchor the STS to the newly drafted National Development Plan, 2023-2027 with a focus on the following three priority areas:

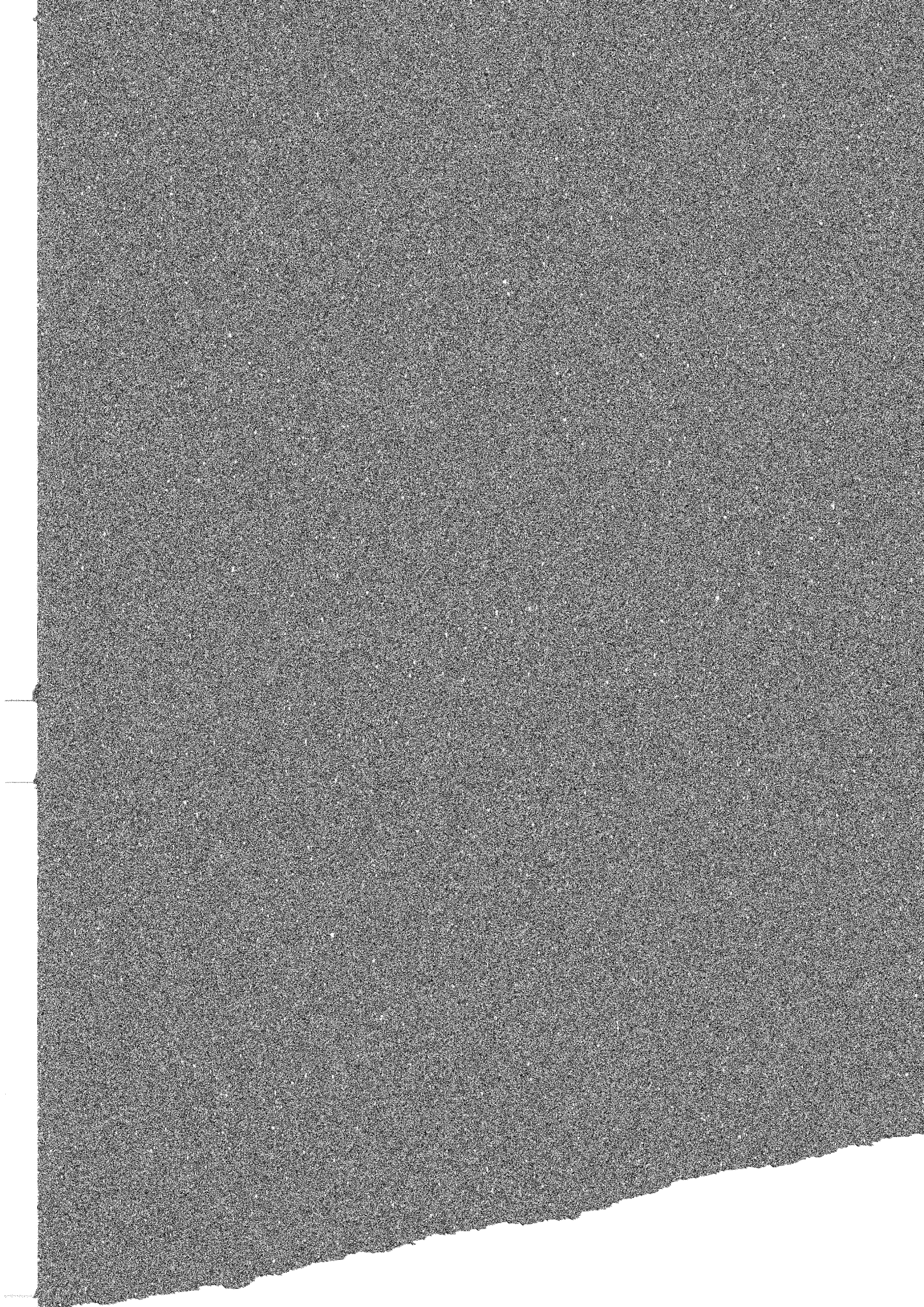
- (i) development of human capital (with emphasis on education, health, employment, entrepreneurship and vocational training);
- (ii) expansion and modernisation of infrastructures (with emphasis on mobility, transportation and logistics, housing, water and energy)
- (iii) diversification of the economy (with emphasis on improving the business environment, agriculture, livestock, fisheries, tourism and the manufacturing industry).

The government has been closely working with the UN Resident Coordinator's Office and has received

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Annex 2: Government report on Smooth Transition





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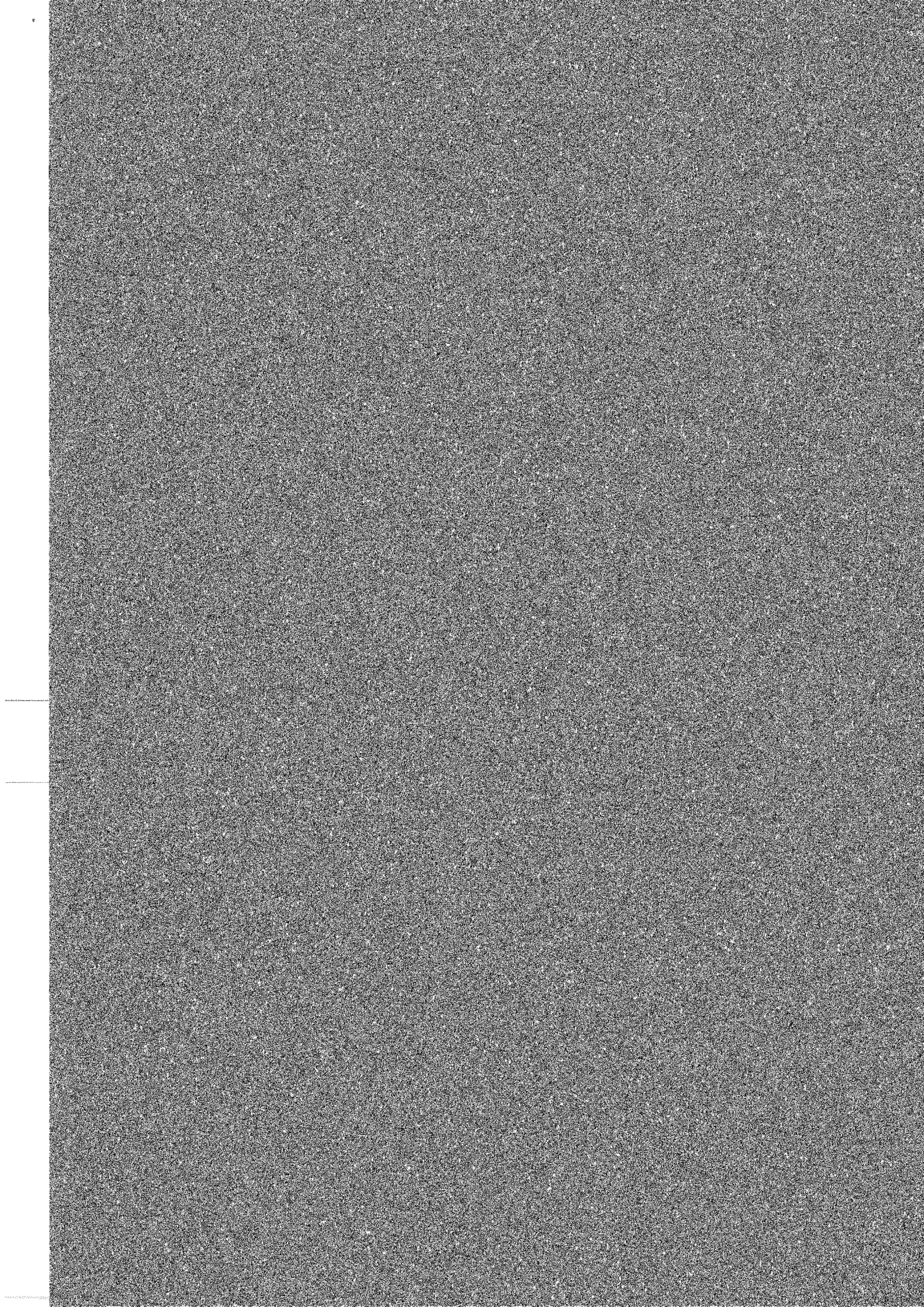
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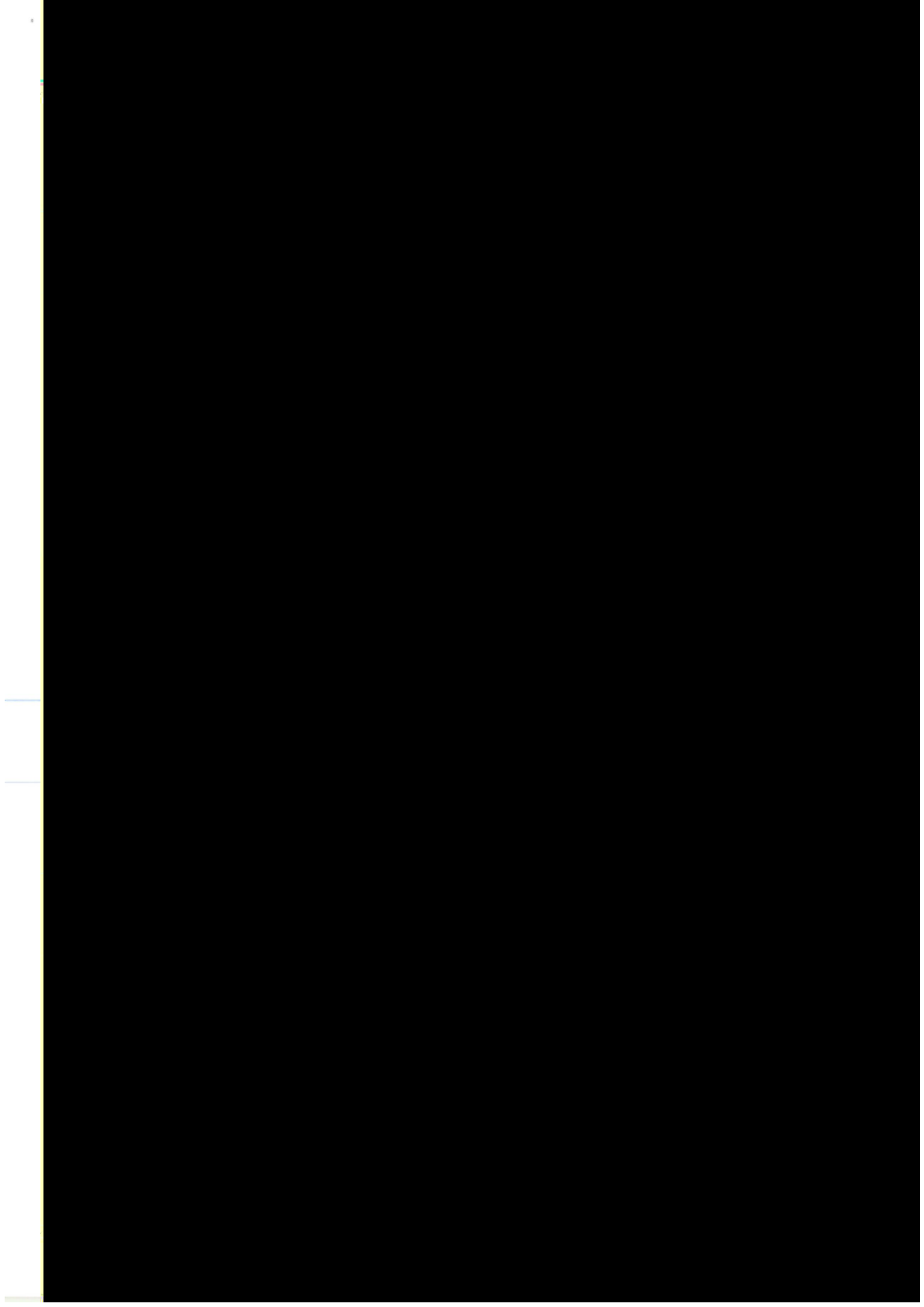
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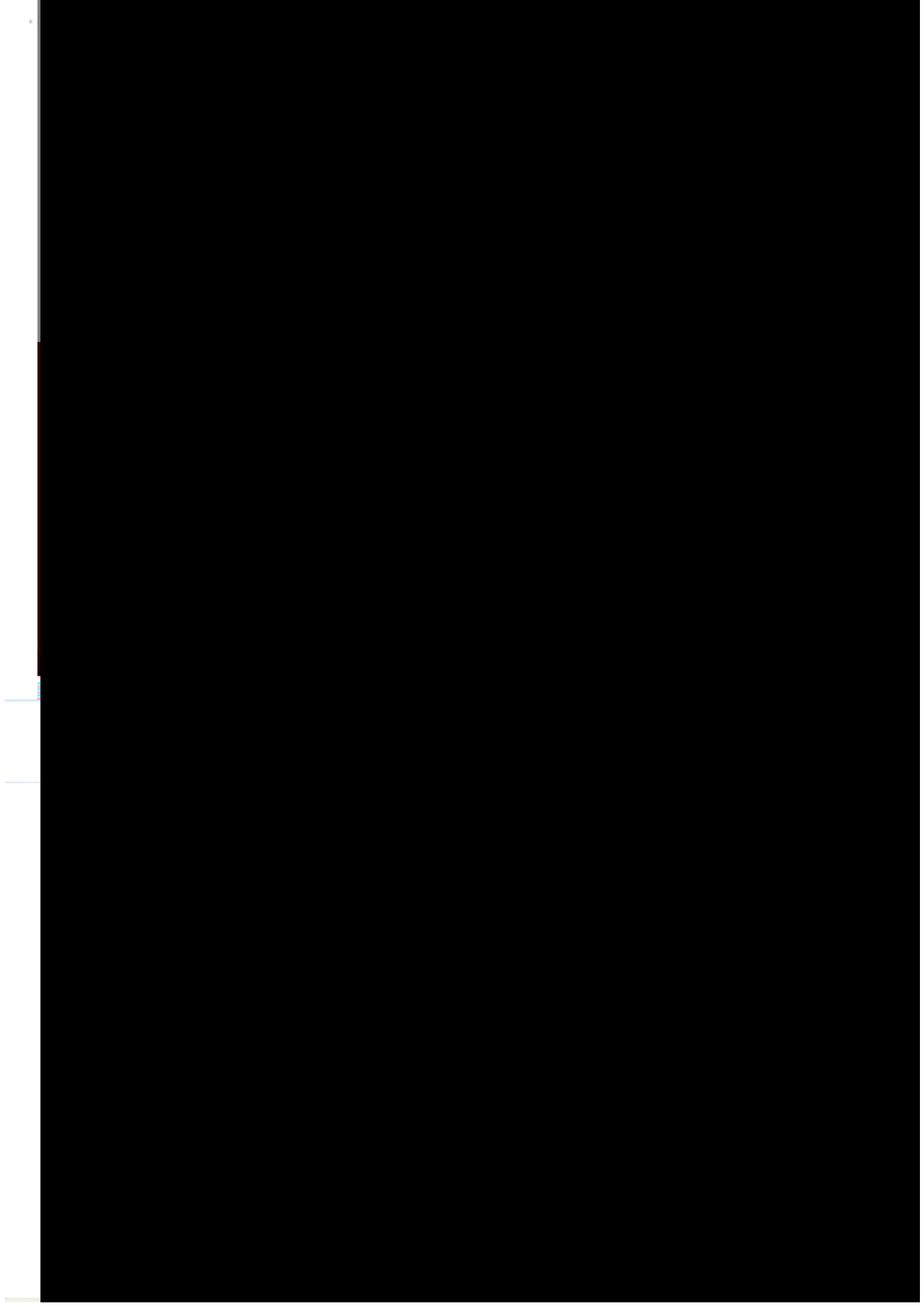
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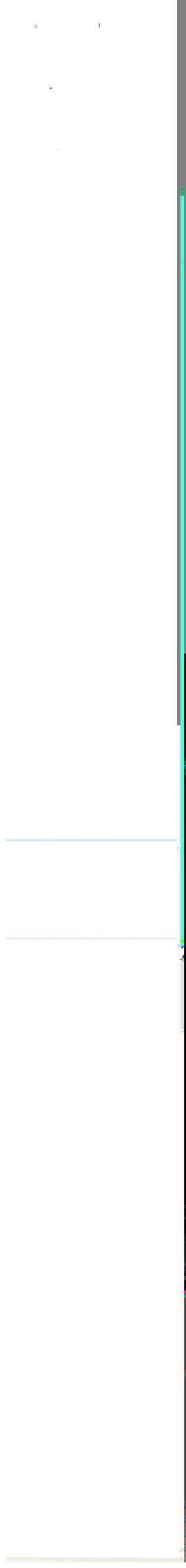
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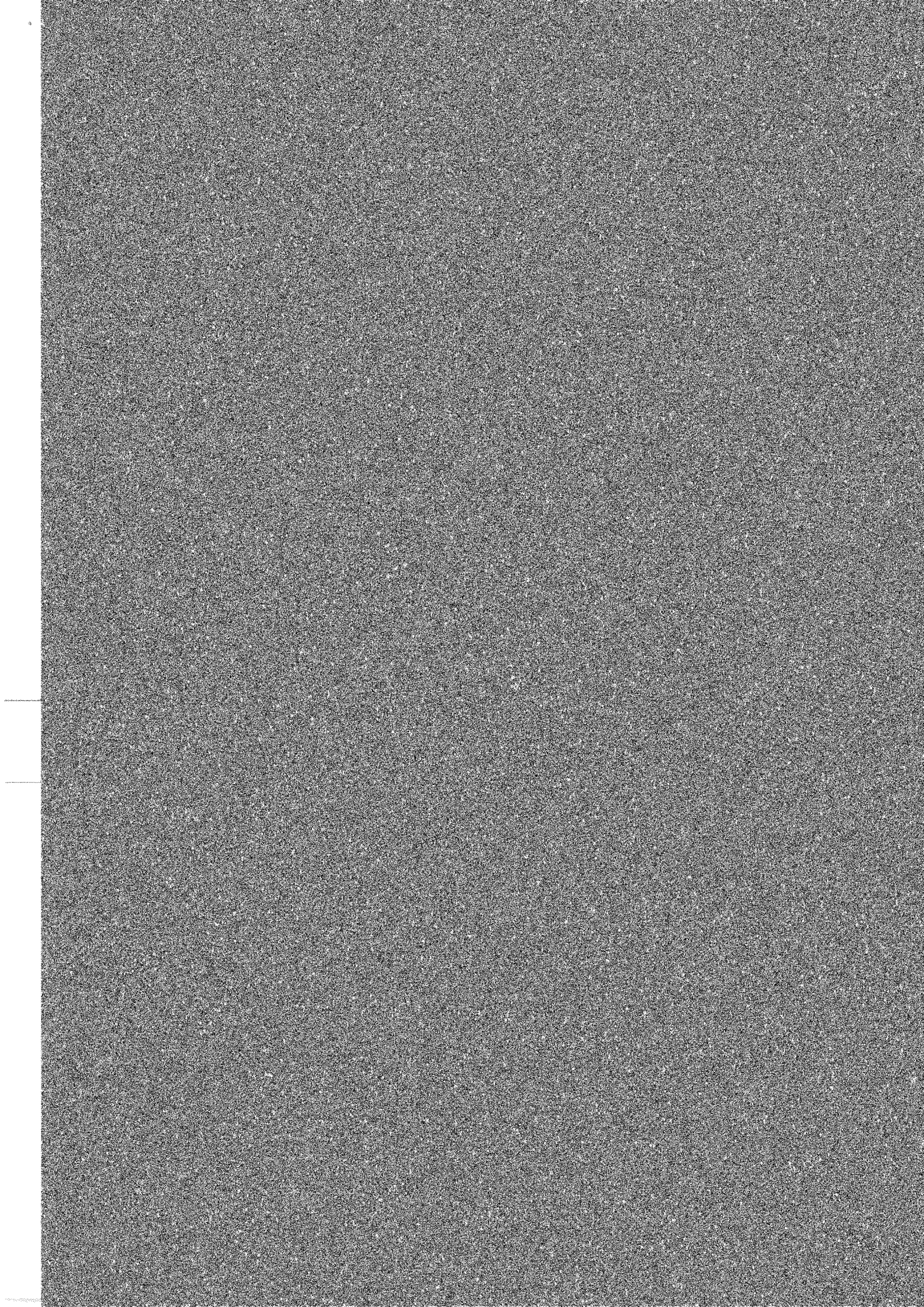
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