

# ANGOLA

WORLD RANK:

139

REGIONAL RANK:

29

ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

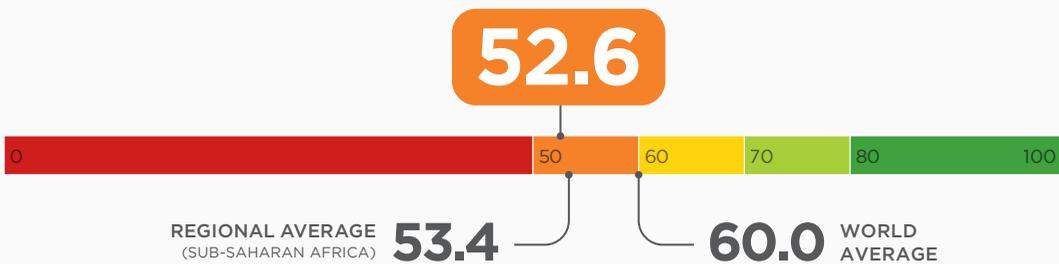


Angola's economic freedom score is 52.6, making its economy the 139th freest in the 2022 *Index*. Angola is ranked 29th among 47 countries in the Sub-Saharan Africa region, and its overall score is below the regional and world averages.

Over the past five years, Angola's economy has been shrinking with the largest contraction coming in 2020. Its five-year trend of expanding economic freedom is positive but beginning to stall. Led by increases in **property rights** and judicial freedom, Angola has recorded a 4.1-point overall gain of economic freedom since 2017 but nevertheless remains in the lower half of the "Mostly Unfree" category. Scores for **tax burden** and **government spending** are high, but **business freedom**, **labor freedom**, and **judicial effectiveness** exhibit weaknesses.

**IMPACT OF COVID-19:** As of December 1, 2021, 1,705 deaths had been attributed to the pandemic in Angola, and the government's response to the crisis ranked 46th among the countries included in this *Index* in terms of its stringency. The economy contracted by 4.0 percent in 2020.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +25.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
32.9 million

**GDP (PPP):**  
\$215.1 billion  
-4.0% growth  
in 2020  
5-year compound  
annual growth -1.9%  
\$6,932 per capita

**UNEMPLOYMENT:**  
7.7%

**INFLATION (CPI):**  
22.3%

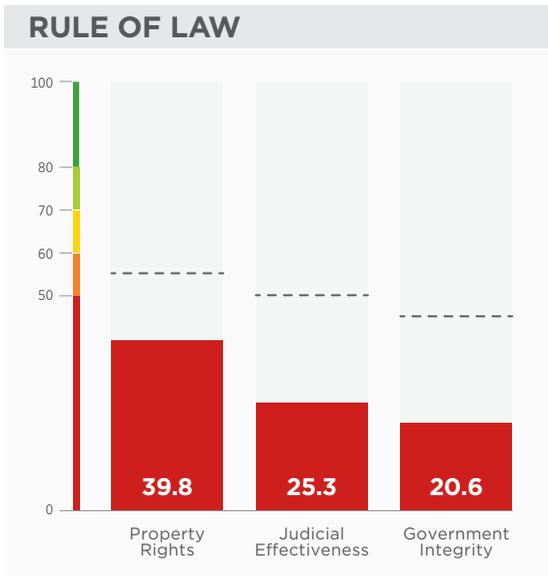
**FDI INFLOW:**  
-\$1,866.0 million

**PUBLIC DEBT:**  
127.1% of GDP

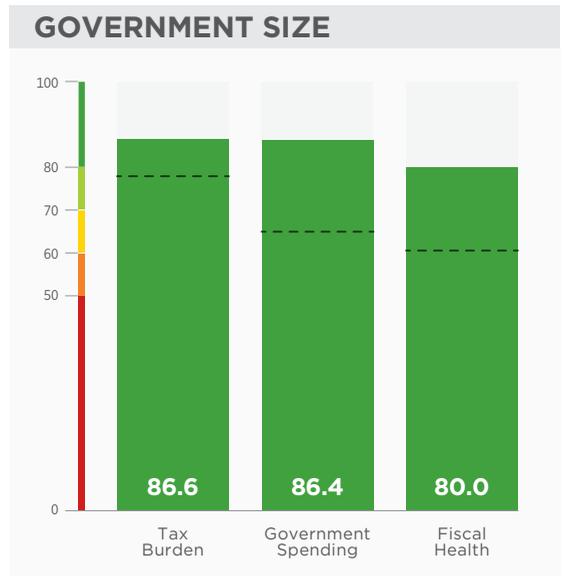
2020 data unless otherwise noted. Data compiled as of September 2021

**BACKGROUND:** When President José Eduardo dos Santos stepped down in 2017 after 38 years in power, former Defense Minister João Manuel Gonçalves Lourenço from dos Santos's ruling Popular Movement for the Liberation of Angola was elected to succeed him. Lourenço quickly moved to terminate the dos Santos family's control of lucrative state enterprises. Angola is one of Africa's largest oil producers, but because of production problems and the long global slump in oil prices, exports of crude oil have fallen to their lowest level in more than a decade. Despite the country's oil, diamonds, hydroelectric potential, and rich agricultural land, most Angolans remain poor and dependent on subsistence farming.

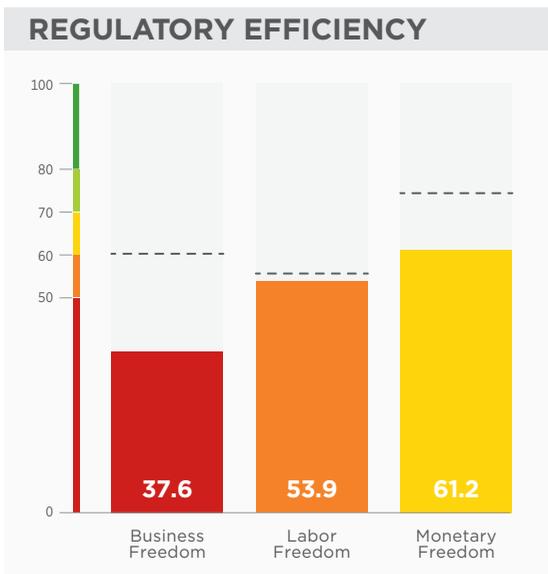
# 12 ECONOMIC FREEDOMS | ANGOLA



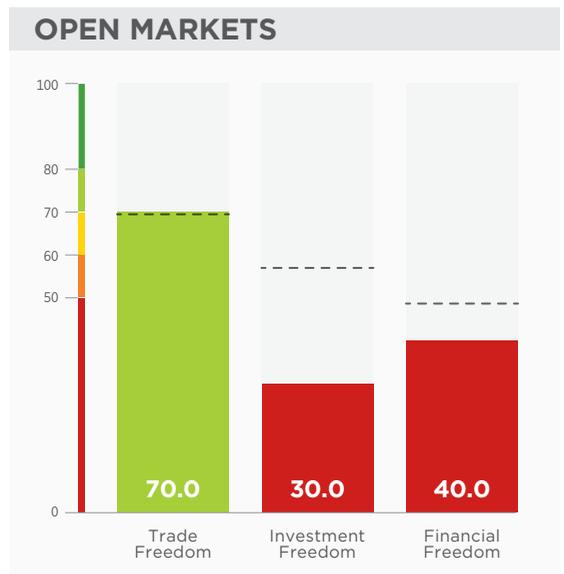
Protection of property rights is weakened by competing land claims, land grabbing, lack of reliable government records, and the unresolved status of traditional land tenure. The state reserves the right to expropriate land from any settlers, often without compensation. Corruption and political pressure undermine the inefficient judiciary's independence. Corruption, patronage, and bribery are entrenched and endemic.



The top individual income tax and corporate tax rates are now 25 percent. The overall tax burden equals 9.4 percent of total domestic income. Government spending has amounted to 21.3 percent of total output (GDP) over the past three years, and budget surpluses have averaged 0.4 percent of GDP. Public debt is equivalent to 127.1 percent of GDP.



Five years of recession have hurt efforts to diversify beyond oil and gas. The lack of technical skills among the labor force means that employers must invest heavily in training. Child labor and forced labor, including in the diamond mining and coal industries, are problems. The receipt of unmetered electricity by about 80 percent of residential customers has led to financial losses for the state-owned power company and reliance on government subsidies.



Angola has two preferential trade agreements in force. The trade-weighted average tariff rate is 7.5 percent, and nontariff barriers significantly undercut the benefits of trade. Sectoral restrictions and a nontransparent investment framework still limit foreign investment. Access to credit remains difficult despite some progress, and the capital market is underdeveloped. The central bank has introduced an electronic platform for foreign exchange transactions.