

Info Angola

General Information

Official Name

República de Angola

Capital

Luanda - Population of approximately 3.2 million (estimate based on an aerial survey of the province conducted in 2000; there has been no national population census since 1970).

Chief of State and Head of Government

President José Eduardo Dos Santos

National Currencies and current exchange rates

A new currency, the kwanza (Kz), was introduced in December 1999, replacing the readjusted kwanza (Kzr), at a rate of Kzr1m:Kz1; Exchange rate on 7 November 2002 was 1US\$= 51,83069 (buying) and 1US\$=51,98871 (selling).

National Day and other important days

1 January (New Year's Day), 4 February (Anniversary of Start of Independence War), 1 May (May Day), 17 September (National Heroes' Day), 2 November (Remembrance Day), 11 November (Independence Day), 25 December (Christmas Day).

Form of State and System of Government

Unitary republic. Transitional government, nominally a multiparty democracy with a strong presidential system

Ethno- Linguistic groups

Dividing Angola's population in terms of ethnic groups must be done with care as a result of the historically high rate of mobility as well as the fluidity of Angola's various peoples. In most cases, 'ethnic' differentiation is based on linguistic as well as regional criteria. Therefore, the often used distinction between Ovimbundu (central plateau); Mbundu (Luanda and its hinterland) and Bakongo (Northern Provinces of Uige and Zaire) is to a large extent artificial. Bearing this in mind, one could say that the Umbundu speaking Ovimbundu- are largely concentrated in the fertile central highlands approximately 37% of the population and have traditionally supported UNITA. The Bakongo constitute approximately 13% of the total population and were pivotal in the creation of one of the earliest nationalist movements, the FNLA. Finally, the and bundu live largely in Luanda and its hinterland (Provinces of Bengo, Malange and Kwanza Norte) and constitute approximately 25% of the population. Around 3-5% of the population are mixed-race *mestiços*..

Languages

The official language, and the language for all documentation, is Portuguese. French, Spanish and English are occasionally used in business.

Vernacular languages: principally Ovimbundu, Kimbundu, Kikongo and Chokwe.

Religions

There is no recent survey of religious affiliation in Angola. At the end of the colonial period it was estimated that the Roman Catholic Church had around 40% of the population as members, mostly concentrated in densely populated areas where the Portuguese had most influence. Evangelical Churches, which include Protestant, Baptist and Methodist faiths represented roughly 10% and African indigenous beliefs around 50%. However, this situation has changed dramatically, with an observable increase in the adherence of many Angolans to both Protestant denominations as well as Christian sects (i.e. the Brazilian Igreja Universal do Reino de Deus).



ANGOLA

Population

POPULATION

Angola's population is some 13.1m million with a growth rate of approximately 2.9%. Protracted internal strife for more than twenty years has left thousands dead and many thousands orphaned, widowed and disabled from the direct and indirect effects of war. The concentration of IDP's in urban areas under government control has been the primary cause of rapid urbanization of some 60%, and a dramatic humanitarian situation in urban areas. Indicators show that the incidence of poverty in Angola is among the worst in the world - not only in terms of income levels, but also in terms of the provision of public services such as health and education. Disparities in income have continued to increase sharply since the mid-1990's, the richest 10% enjoying a marked increase in wealth and the poorest 10% a dramatic decrease in wealth during this period. Inadequate nutrition, contaminated water, and rapid urbanisation in a context of virtually no urban planning or urban infrastructure, have created an environment in which the risk of disease is high. Angola is currently ranked 161 out of 173 countries on the UNDP's Human Development Index. Children under 15 years comprise over half of Angola's population, and 20% are under the age of five. It is the youth who have borne the brunt of displacement and growing impoverishment, suffering catastrophic loss in terms of family members. More than one million children are believed to have no access at all to education or health facilities.

Refugees and Internally Displaced People's (IDPs)

The pervasiveness of the conflict has resulted in a near continuous movement of people in cyclical waves of displacement. During the period from 1992 to 1994 between 1.3 million and 2 million Angolans fled their homes, mostly to provincial centres and to Luanda. By the end of 1997, humanitarian agencies estimated that over 1 million were still displaced, despite the limited resettlement that had occurred after the two peace agreements. After hostilities erupted again in 1998, an additional 3 million people, (mostly young families, unaccompanied children, and the elderly) were forced from their homes, moving almost continuously as both Unita and the Government of Angola carried out deliberate acts against civilians, including forced displacement. IDPs were widespread throughout all 18 provinces, with the largest concentrations (running along a vertical axis from Uige south toward Huila) in the provinces of Malanje, Huambo, Huila and Bie. During the four year period prior to the April 2002 ceasefire, most of Angola was inaccessible to aid agencies.

It was only with the ending of the conflict that as access expanded rapidly the catastrophic condition of much of the population and the magnitude of the problem became evident, thousands of IDPs emerging from the bush, often in appalling conditions having suffered extended periods of hunger and subjected to harassment, looting and physical assault. In many areas, catastrophic malnutrition rates of more than 45% were recorded among the newly arrived populations. The process of placing 80,000 Unita soldiers and their families under the DDRRR process in 34 "gathering areas" began in July and ended in March 2003 when the camps were closed.

A year after the ceasefire significant progress had been made with 42% of demobilized soldiers and their dependents (153,000) having left the gathering areas. Some 1.7m IDPs had resettled or returned to their areas of origin, although only 15% moved under an organized plan and 30% were living in areas where the preconditions conformed to the Norms or regulamento. Nevertheless, the rapid return of vast numbers initially worsened an already dire humanitarian situation. Many IDPs have returned to areas that are without infrastructure, or basic services. An abjectly poor population, they lack sufficient food stocks, seeds, tools and livestock, unable to resume normal agricultural production in the near future. They not only face hunger and disease, but the added risk of landmines. The overall humanitarian situation continues to improve, and by April 2003, Angola had about 2.48 million IDPs, of which 280,000 remained at the camps or transit centres. Over 300,000 people in 24 areas were estimated to be in critical need because of inaccessibility to humanitarian agencies, mainly as a result of poor road conditions and mine infestations. Landmine removal is one of the most significant crises facing the country as there are up to 15 million landmines along roads, walkways and in farming areas. There are more 70,000 mine-disabled people in the country.

Prior to the ceasefire in April 2002 there were a large number of Angolan refugees in the neighbouring countries of Zambia (218,000), Democratic Republic of Congo (187,000), and Namibia (31,000). A year later some 130,000 refugees had returned spontaneously, settling mainly in Kuando-Kubango, Moxico, Uige and Zaire. Under a formal repatriation operation due to begin June 2003, a further! 80,000 refugees are expected to return during the course of the year. People will only be taken to settle in those areas with the necessary basic conditions. The extension of basic services to most return sites remains slow, but is likely to improve over the medium-term.

The humanitarian operation in Angola is substantial. The most expensive in the world at the time, during 2002 there were 10 UN Agencies, 100 international NGOs and more than 420 national NGOs, either active or registered in 13 sectors, providing assistance to two million Angolans.

Health

The health situation in Angola continues to worsen. Public health services are so severely debilitated as to be effectively non-existent, with most healthcare provision of only the most basic services outside of the main centres having been left to NGOs and church groups. According to the 2001 UNICEF report "World Situation of Infants", 176,000 under-five children died during 2000 alone, mainly from war-related causes, placing Angola second on the list in the world. Angola has one of the highest maternal mortality rates in the world, averaging two deaths per 100 births. The status of children is particularly catastrophic - 42% of children under five are underweight, and 30% die before the age of five. Life expectancy is one of the lowest in the world: 42 years for men and 40 for women. Access to basic services is extremely poor with 38% of the population having access an improved water source and 44% having access to improved sanitation.

There are six key epidemic diseases - malaria, measles, tuberculosis, meningitis, cholera, antenatal tetanus, and yellow fever. In April 2003 Angola launched the biggest health campaign in the country's history, aiming to inoculate seven million children against measles. Sleeping sickness is a major cause of death in the north-west. Almost 85% of women give birth without assistance.

Allocations to the health sector are exceptionally low - 5.8% of the 2002 budget was allocated to health and sanitation. Outside of Luanda there are few functioning healthcare facilities with the exception of those provided by foreign aid organizations. Water supply and sanitation are very poor, with little investment in the huge shanty towns around the main cities. In 2001 the World Health Organization re-established a partnership with the government to support local health authorities with the opening of seven epidemiological centres to track, investigate and facilitate quick responses to the key epidemic diseases and co-ordinate polio campaigns.

HIV/AIDS

HIV/AIDS threatens to overshadow these traditional health problems, and as in the rest of Southern Africa, is likely to become the single most serious threat to the health and well-being of Angolans. The development of the disease will place further strain on health services, further impoverish households, and create yet more orphans. Although exact figures are not available (UN Aids estimates at the end of 2001 were put at 5.5%), and the incidence of the pandemic is probably grossly under-reported, especially outside of Luanda, close on 8,000 children are thought by UNAIDS to be infected with the virus and an estimated 98,000 of under 15s have lost a mother or both parents to the disease.

Education

In the twenty years following independence in 1970, adult literacy grew from 12% to 42%. However, with the outbreak of war in 1975 over 80% of schools were closed (destroyed or abandoned), those that subsequently re-opened closed again in late 1998 following renewed fighting. The ongoing instability has resulted in declining standards - 58% percent of people over 15 are illiterate and school enrolment as a percentage of the total school age population stands at a mere 25%. Some teaching at under-staffed and under-equipped schools takes place in the provinces, though most of these schools are in an advanced state of disrepair. There is a general scarcity of teachers. It is only in Luanda that children stand a chance of getting an adequate education, but here too there are severe constraints - less than half the teachers are adequately trained, there is a serious lack of classroom space, and teacher/pupil ratios can be as high as 1:80. Failure rates are high, and few children enter high school. Only 5-10% of children are registered at birth, lack of documentation limiting access to education, health facilities and employment. Aside from this, in a country that has an official poverty rate of 67%, few parents can afford schooling. The government has reported that 70% of children between six and 14 years old run the risk of being illiterate.

The government has consistently spent below 15% of its budget on the social sector, and in some years below 10%, and most of this goes to salaries and administration in the health and education sectors. The 2002 budget allocated just 1.5% of spending to primary, secondary and tertiary education.

Food security

Major food crops: roots, tubers, maize, plantains. Some 75% of national food requirements are imported.

The April ceasefire came too late to make a difference to the area planted to foodcrops In the 2002/3 season, cereal production decreasing by 6% over the previous year. The country was not as badly affected by the drought experienced as most other parts of Southern Africa. The cereals import requirement is estimated to be 725,000 tonnes, of which 504,000 tonnes will be commercial imports and the balance emergency food aid. Seeds and tools for agricultural production are in great need as displaced populations begin returning to their areas of origin in time for the start of the 2003 agricultural season. Food security will continue to be a concern throughout 2003. More than 2 million highly vulnerable Angolans will require life-saving assistance throughout the year.

Last updated May 2003

Economy

Before independence in 1975 Angola had a diversified and prosperous economy, though it was characterized by huge inequalities. The main agricultural exports, coffee, sisal and cotton, were produced on European dominated commercial farms, the mining sector was strong, producing diamonds, iron ore and oil, and there was a relatively large and diverse manufacturing sector. Today, after more than 25 years of nearly continuous warfare, the Angolan economy is in disarray and per capita output among the worlds lowest. In fact, for the last three decades, what was once a diversified economy has been gradually destroyed as a consequence of almost uninterrupted war as well as bad policy choices at central level that have resulted in escalating macro-economic instability. According to the EIU, Angola has 2.1% of real GDP growth and a consumer price annual inflation of 325%.

Subsistence agriculture provides the main livelihood for 85% of the population, many of whom are now facing threats of growing food insecurity as cereal production has declined to an all time low. In 1999 agriculture accounted for a mere 7% of GDP. The oil sector, mostly offshore and insulated from the war, has boomed and is now vital to the economy, contributing about 61% to GDP (1999) and producing 90% of exports. Angola is currently the seventh largest exporter of petroleum to the USA.

Agriculture, forestry and fishing

In 1975 Angola was self-sufficient in all food crops, the fourth-largest coffee grower in the world, a major producer of sisal and cotton and possessor of the richest fishing grounds in southern Africa. The flight of Portuguese settlers, the collapse of the marketing and distribution networks and the 26-year civil war have since reversed this picture. The recent upsurge in fighting across Angola continues to affect agricultural production negatively. The commercial agriculture sector has collapsed, except in some coastal areas where irrigation is used, and marketable surpluses from the subsistence sector have declined sharply owing to the continued insecurity. Negligible quantities of coffee are produced as the main coffee growing areas are suffering from on-going conflict, while the cultivation of sisal and cotton has virtually ceased. Traditional crops include cassava and beans in the north, maize in the centre, and millet and sorghum in the south.

Subsistence agriculture provides the main livelihood for 85% of the population, many of whom are now facing threats of growing food insecurity as cereal production has declined to an all time low. Preliminary estimates for 2001 have showed that agriculture, forestry and fisheries accounted for a mere 8% of GDP. The oil sector, mostly located offshore and insulated from the war, has boomed and is now vital to the economy, contributing about 53.6% to GDP (estimate for 2001) and producing 90% of exports. Angola is currently the seventh largest exporter of petroleum to the USA.

Manufacturing

Manufacturing contributed 3.5 per cent of GDP in 1999. Production is centred on food processing, brewing, sugar, textiles and tobacco products. Also important are light manufacture, electrical goods (eg radio production), construction materials, steel production, motor vehicles, detergents, bicycles and chemicals. Activity is concentrated in Luanda, Lobito and Huambo. Output has been sluggish due to shortages of foreign exchange, poor management and a low-paid labour force. About 60 per cent of total production is accounted for by nationalised industries. The government has embarked upon a privatisation programme involving some 200 state-owned enterprises in a variety of industrial sectors. The industrial sector grew 5.2 per cent in 1998, down from 8.1 per cent in 1997. Manufacturing declined from 8 per cent in 1997 to -10 per cent in 1998.

Mining & Hydrocarbons

The mining and hydrocarbons sectors together accounted for 70 per cent of GDP in 1999, employing around 4 per cent of the workforce.

Oil

Angola's economic performance is largely determined by the level of oil production which accounts for over 90 per cent of exports. Sub-saharan Africa's second-largest oil producer after Nigeria, Angola is considered one of the world's most exciting oil exploration prospects. The oil sector in particular has benefited immensely from a number of new discoveries placing Angola in the coveted position of having the largest reserve growth in the world and first place among the world's top 15 oil finders. A vast number of oil companies are involved in Angola's oil business, and side by side with the 'supermajors' (Total Fina Elf, Chevron, Exxon Mobil, British Petroleum, Texaco and Shell), we find a large number of 'independents' (ENI, C-T, BHP, Ranger, Conoco, Ocean, ROC, PetroGal, among others) as well as a number of NOCs (National Oil Companies). Production forecasts for 2001 are of 755,000 barrels per day, for 2005 1.4 billion barrels per day and for 2008, 1.8 billion barrels per day, placing Angola among the world's top producers of oil. Coupled with an important number of new discoveries, the opening of the Girassol field has substantially increased

production levels. In addition, the projected construction of a new refinery in the coastal city of Benguela with a forecasted production of 200 million barrels per day has created new opportunities and excitement around this very lucrative and dynamic field. Furthermore, the government's intention of developing natural gas exploration with the construction of a LNG (liquefied natural gas) terminal in Luanda has made LNG a very attractive business opportunity for foreign investors. Consequently, of the non-OPEC nations, Angola had the greatest number of new discoveries for the period 1990-99 (1.35bn barrels in 1999 alone), and a reserves replacement rate of 397%. Oil fields are located mainly in the northern enclave of Cabinda, the remaining offshore area is divided into 13 blocks, eight of which are allocated to foreign operators.

Gas

Liquefied natural gas exports began in 1983, most of which was sold to Brazil. Natural gas reserves are estimated at over 50bn cu metres.

Diamonds

Diamonds (mostly of gemstone quality) are the country's second-largest foreign exchange earner, most production coming from alluvial diamonds which are scattered over large areas. The industry, however, remains mired in uncertainty. Angola is the fourth-largest diamond producer in the world, producing some US\$500m of rough diamonds in 1999, and US\$739m in 2000. Of this, Unita is estimated to have earned US\$150m in 1999 and US\$75m in 2000 (from illegal diamond mining & used to finance arms purchases), while the informal sector diamond diggers earned US\$240m in 1999. In January 2000 the government launched a major shake-up of the diamond industry in an apparent effort to bring diamond sales from the large informal market - which accounts for 60% of all diamond exports - under central government control/into official channels and to prevent Unita leaking diamonds through government-held areas. These changes had some success in raising official revenue: by mid-2000 revenue had increased to an average of US\$4m per month, up from an extremely small base of around US\$10m per year. The Angolan armed forces now control the richest mining sites, and Unita forces have been pushed into secondary diamond areas. Unita is thought to have mined only US\$75-150m worth in 2000, while official output has risen sharply with production reaching US\$740m of rough diamonds, nearly 10% of world supply.

In late 2001 a UN monitoring panel reported that more than US\$1mn worth of diamonds were leaving Angola illegally daily. Of these, UNITA was thought to be responsible for between 25-30%, the rest smuggled from areas taken over by government troops.

Government finance and fiscal policy

After independence the government introduced a Marxist type centrally planned economy, nationalising property and extending state control across most sectors. Attempts at economic reforms in the face of serious imbalances were made in the late 1980s and mid-1990, but foundered. Faced with deteriorating economic and social conditions the government adopted a number of bold measures during 1999, giving into long-standing IMF demands and which were set to result in a substantial shift in economic policy. The government established a national emergency programme of humanitarian assistance to people displaced by the war and introduced measures to improve transparency in the management of government funds. In fact, the growing revenues of the oil sector have not trickled down to the society as a whole, having been used to finance the war effort in detriment of all other areas. Controversy surrounding extra-budgetary spending and lack of transparency in public finances and particularly in the oil business have prompted strong international pressure from bilateral donors as well as the 'Bretton Woods Institutions' (World Bank and IMF) for greater transparency in public finances. The government of Angola finally agreed to a nine-month SMP (staff monitored programme) in April 2000 which was subsequently extended to June 2001. The programme sets out wide-ranging market reforms, intended to establish macroeconomic stability, promote poverty reduction and dismantle the state controls and economic distortions that have facilitated widespread corruption and inefficiency. The main focus of the reforms is to bring an end to extra-budgetary expenditure and unauthorised payments, lower import tariffs, promote parastatal privatisation, overhaul the tax structure, complete an audit of the oil sector and increase social sector spending. A central assumption of the agreement is that economic gains and poverty reduction can only be made if there is financial transparency and the government is serious about its commitments. By mid-2001 reports indicated some progress on the SMP, although implementation was seen to be very uneven, with concerns being raised in particular around the failure to establish fiscal and monetary controls. While the findings of the SMP reflect possibly the central challenge facing Angola, the pace of state reform has been disappointingly slow and macro-economic stability as well as greater transparency have not been attained. In fact, the government has increasingly distanced itself from the IMF after this organization's negative assessment of the government's performance last February (particularly the government's refusal to establish fiscal and monetary controls and transparency in official payments).

Foreign Aid and Donors

Regional and International economic grouping/alliances:

- African Union