

# MONTHLY UPDATE

IN TRANSFORMATION  
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# ANGOLA



## MAIN STORIES

India Might Loosen  
Dubai's Grip on  
Angola's Diamonds

Debt Remains  
a Worry

Fitch Solutions'  
Views

## HIGHLIGHTS

- Angola is turning to India in its search for new markets for its diamonds.
- According to Fitch Solutions, the 2.2% of GDP fiscal deficit forecast in Angola's 2021 draft budget is achievable, although there are downside risks to non-oil revenue collection targets. A depreciating Angolan kwanza and stagnating GDP growth will contribute to keeping the sovereign at risk of default, even as debt re-profiling efforts have lowered near-term debt-servicing costs.
- Angola will need a new International Monetary Fund (IMF) programme starting in 2022, according to the Economist Intelligence Unit (EIU). Real GDP will contract by 0.1% in 2021, following a 3.2% decline in 2020 as oil production falls, the EIU adds.
- Angolan authorities escalated a crackdown on dissent in recent months by using disproportionate and unnecessary force, including unlawful killings, to disperse protests and tackle breaches of state of emergency regulations imposed to stem the spread of Covid-19, according to Amnesty International.
- Angola considers the OPEC projections for growth in demand for crude oil of around 5.9 million barrels per day, a welcome turnaround in a market devastated by Covid-19.
- State-owned Angolan National Diamond Trading Company (Sodiam) says it has received interest from five global tender and auction houses related to the development of these services in the soon to be established Angolan Diamond Bourse (ADB).
- Following an international tender process and subsequent announcement last month of DP World's selection by the evaluation committee set up by the Angolan Ministry of Transport,

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DP World and the Angolan Government have now entered into formal discussions on the concession agreement.

- The United Nations Development Programme (UNDP) Human Development Report (HDR) shows that Angola's Human Development Index (HDI) value for 2019 is 0.581, which put the country in the medium human development category, positioning it at 148 out of 189 countries and territories.
- By 6 January 2021, Angola had registered 17 756 Covid-19 cases, 410 deaths and 11 376 recoveries. More than 174 000 tests had been done.
- The Lourenço administration 'methodically pursues' a strategy to weaken its Congolese neighbour and hold onto its oil, including the Chevron and ExxonMobil blocks.



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