THE WAVERLEY SERIES

ANGOLA

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

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ANGOLA — AT A GLANCE

Capital	Luanda
Population	≈ 37–41 million (2025–26 est., sources vary)
Real GDP growth	3.1% (2025); IMF projects 2.3% for 2026, revised up from 2.1%, amid planned monetary tightening
GDP per capita	≈ USD 4,100 (nominal, 2026)
Inflation	IMF: 20.2% (2025), forecast to ease to 12.9% (2026) — still elevated but on a declining trend from a 28% peak in 2024
Fiscal deficit	≈ 4.0–4.1% of GDP (2025)
Public debt	Approaching the ceiling set under Angola's own Fiscal Sustainability Law, per IMF's 2026 Article IV consultation
Currency	Angolan kwanza (AOA), floating since 2023 central-bank reforms; trading near 920/USD through September 2026
Key exports	Crude oil, diamonds, refined petroleum products, liquefied natural gas
Principal partners	China, United States, Portugal, India, European Union; DFC, AfDB, World Bank, IMF
Governing framework	National Development Plan; Privatisation Programme (PROPRIV) 2023–2026; post-IMF Extended Arrangement (programme concluded); US–EU-backed Lobito Corridor partnership

Angola enters the final quarter of 2026 in the middle of one of its busiest diplomatic and dealmaking stretches in years. The Angola Oil & Gas conference in Luanda produced eleven new upstream agreements within a single week, a state visit from Oman's Sultan delivered more than $1.5 billion in fresh agreements, and President João Lourenço travelled to New York for a full slate of bilateral meetings on the sidelines of the UN General Assembly, all while the Lobito Corridor railway posted its first major cargo milestones since reaching financial close. Investors weighing Angola today are weighing a genuinely broadening, multi-partner investment story against still-elevated inflation, a fiscal position bumping against the country's own statutory debt ceiling, and a privatisation programme that keeps postponing its single largest prize.

1. INVESTMENT & FDI

A record week of upstream dealmaking has reinforced Angola's positioning as one of Africa's most active FDI destinations, even as the flagship privatisation continues to slip.

Angola's National Oil, Gas & Biofuels Agency (ANPG) executed eleven upstream agreements in a single week at the Angola Oil & Gas (AOG) 2026 conference in Luanda, including a $10 billion commitment from TotalEnergies, though analysts caution the agreements carry differing legal weight and that the real test lies in whether signed commitments convert into produced barrels against an underlying 8–10% annual production decline. Angola separately expects an upstream investment pipeline of roughly $70 billion over the next five years, a figure officials attribute to a decade of policy overhaul, including the creation of a dedicated upstream regulator and a specialised fiscal framework for mature assets introduced under the 2024 Incremental Production Decree.

- **AOG 2026 deal wave:** eleven upstream agreements were signed at the September conference, headlined by TotalEnergies' $10 billion commitment, though not all carry binding work obligations, a distinction investors should weigh before pricing exposure to the announcements.
- **Five-year investment pipeline:** Angola expects approximately $70 billion in upstream investment over the next five years, underpinned by the Incremental Production Decree's reduced Petroleum Production Tax and Petroleum Income Tax rates for mature assets.
- **Privatisation narrows and slips:** the PROPRIV programme's target list has been reduced from 49 to 10 companies for near-term completion, with Sonangol's long-planned 30% IPO postponed again, this time toward a 2027 target, even as national carrier TAAG remains on track for privatisation.
- **Diversifying investor interest:** Philip Morris held investment-exploration talks with Foreign Minister Téte António in September, part of what state media has framed as an intensifying economic-diplomacy push to diversify Angola's investor base beyond its traditional oil and mining partners.

2. TRADE & BUSINESS

Oil exports remain dominant even as Lobito Corridor cargo volumes point to a genuine second export artery finally taking shape.

Sonangol's 2025 operating revenue fell 13% to $9.1 billion as average prices for Angolan crude declined 14% to $69.09 a barrel, even as the company forecast preliminary net income exceeding $750 million for the year. Alongside the oil trade, the Lobito Corridor is beginning to generate its own measurable freight volumes: Lobito Atlantic Railway (LAR) moved at least 27,000 tonnes of diversified cargo in July, a first for the concessionaire, and aims to reach approximately 400,000 tonnes by year-end, roughly half of it copper and cobalt shipped from the Democratic Republic of Congo.

- **Oil revenue under pressure:** Sonangol's operating revenue fell 13% in 2025 to $9.1 billion on softer crude prices, even as the company still projects net income above $750 million for the year.
- **Lobito Corridor freight ramp-up:** LAR's 27,000-tonne July shipment was its first significant diversified-cargo movement, with a 400,000-tonne year-end target, half of it DRC copper and cobalt, signalling the corridor's transition from construction project to functioning trade route.
- **Port of Lobito scaling in step:** the port handled 931,000 tonnes of cargo in the first half of 2026, mostly minerals, with a full-year forecast around 2 million tonnes against a railway design capacity of 4.6 million tonnes — rolling stock, not port capacity, remains the binding constraint on throughput.
- **Currency stability:** the kwanza traded close to 920 per US dollar through September 2026, having weakened only marginally over the preceding month under the central bank's floating exchange-rate regime introduced as part of its 2023 reforms.

3. MAJOR ECONOMIC DEVELOPMENTS

Growth is slowing as intended, monetary tightening is biting, and the diversification narrative faces genuine tests both in the data and on the ground.

The IMF projects Angola's real GDP growth will slow to 2.3% in 2026 from 3.1% in 2025, a deliberate consequence of the Banco Nacional de Angola's extended period of tight monetary policy and its foreign-exchange reforms, even as first-quarter 2026 growth ran hotter at 5.3% year-on-year on national figures. Central bank governor José de Lima Massano has described the reforms as 'irreversible,' pointing to a non-oil sector that now represents roughly 80% of GDP, though the IMF's own May 2026 Article IV consultation struck a more cautious note, warning that the medium-term outlook remains subdued given the structural decline in oil revenues, and that public debt is approaching the ceiling set under Angola's Fiscal Sustainability Law.

- **Growth deliberately slowing:** the IMF's 2.3% 2026 growth projection, down from 3.1% in 2025, reflects the intended effect of sustained monetary tightening and currency reform rather than a loss of underlying momentum, according to the Fund's own assessment.
- **Inflation still elevated but declining:** consumer price inflation is projected by the IMF at 12.9% for 2026, down sharply from 20.2% in 2025 and a 28% peak in 2024, though still well above levels consistent with macroeconomic stability.
- **Fiscal deficit and debt ceiling pressure:** lower oil revenues and expenditure overruns produced an overall fiscal deficit of roughly 4.1% of GDP in 2025, and the IMF has explicitly flagged that gross financing needs are climbing as public debt nears the ceiling under Angola's Fiscal Sustainability Law.
- **A costly first half of the year:** 2026 has also brought genuine hardship: floods between late March and mid-April killed 71 people and displaced nearly 2,000 more, and a May landslide at an unlicensed gold mine in Bengo province killed 28 artisanal miners, a stark reminder of the governance gap between Angola's still-largely informal small-scale mining sector and the formal investment climate the government is courting.

4. MAJOR PROJECTS & INFRASTRUCTURE

The Lobito Corridor remains Angola's flagship infrastructure story, with financial close reached, first drawdowns disbursed, and a Zambia extension now under construction.

The US International Development Finance Corporation (DFC) announced financial close on $786.4 million for the Lobito Corridor railway in July 2026, funding 1,555 wagons and 35 locomotives for the Angolan side of the route alongside dedicated training centres in Huambo and Lobito. Lobito Atlantic Railway received its first roughly $300 million drawdown from the broader $753 million DFC/DBSA financing package in June, which chief executive Nicolas Fournier has described as funding a 'very aggressive ramp-up' in capacity, with cargo volumes expected to double in 2027.

- **Financial close and disbursement:** DFC's $786.4 million financial close, alongside the initial $300 million drawdown from the $753 million DFC/DBSA package, moves the corridor from a financing story to an execution story, with 1,555 wagons and 35 locomotives now funded for delivery.
- **Zambia extension (Phase 2):** roughly 800 kilometres of greenfield rail from Luacano in Angola to Chingola in Zambia began construction in February 2026, with initial sections targeted for operation between 2028 and 2029; the African Development Bank estimates the extension will require $1.6 billion and has committed to leading fundraising efforts.
- **Downstream refining capacity:** following the 2025 start of operations at the Cabinda refinery, Angola is targeting 2027 for bringing the 200,000 barrel-per-day Lobito refinery online, while preparations continue for a 100,000 barrel-per-day facility at Soyo, both explicitly seeking foreign investment to reach completion.

5. CONFERENCES, FORUMS & EXHIBITIONS

Luanda hosted back-to-back sector gatherings this quarter, from oil and gas dealmaking to Atlantic trade diplomacy.

- **Angola Oil & Gas (AOG) 2026:** the flagship upstream conference and exhibition returned to Luanda from 9–10 September, with a pre-conference technical day on 8 September, producing the eleven-agreement deal wave described in Section 1.
- **Brazil-Angola Economic Forum:** held in Luanda on 3 September as part of the 17th Brazil Week in Angola, bringing together entrepreneurs, investors and institutions to identify concrete opportunities across agriculture, agribusiness, energy, infrastructure, industry, logistics, finance and technology.
- **Intermodal Africa 2026:** convened in Luanda, positioning the city's port and logistics infrastructure as a platform for regional maritime trade dialogue across southern and Central Africa.

6. BUSINESS & INVESTMENT EVENTS

Direct government-to-investor engagement has intensified this month, from a Gulf state visit to UN General Assembly diplomacy.

- **Oman state visit:** Sultan Haitham bin Tariq's visit to Luanda on 17–18 September produced agreements and memoranda valued at more than $1.5 billion, with the Sultan calling for trade volumes to grow to better reflect the strength of the bilateral relationship; the visit builds on the recent opening of Oman Africa Bank in Luanda and the entry of Omani companies into Angola's mineral mining sector.
- **Philip Morris investment talks:** the tobacco group's executives met Foreign Minister Téte António on 19 September to explore investment opportunities and a possible local office, part of the government's broader economic-diplomacy push.
- **UN General Assembly engagement:** Foreign Minister António joined President Lourenço's delegation in New York, meeting European Council President António Costa on 21 September to discuss investment, economic diversification and the Lobito Corridor, ahead of the president's own General Assembly address.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

Angola is simultaneously deepening ties with Washington, Brussels, Muscat and Beijing, positioning itself as a multi-aligned Atlantic partner.

Angola's diplomatic posture continues to reflect a deliberate strategy of engaging multiple major partners in parallel rather than favouring any single bloc, a pattern consistent with its 2026 chairmanship-linked diplomacy and its role in mediating regional security discussions between the Democratic Republic of Congo and Rwanda.

- **United States:** the Lobito Corridor remains the centrepiece of US engagement, reinforced by the Minerals Security Partnership's technical-assistance grant supporting the Pensana rare-earths project sited along the corridor route.
- **European Union:** the EU-Angola Sustainable Investment Facilitation Agreement, the EU's first agreement of its kind, entered into force in September 2024, and Angola's SADC Free Trade Area status has opened a path toward eventual EU-SADC Economic Partnership Agreement accession.
- **Oman and the Gulf:** the September state visit formalised agreements exceeding $1.5 billion across oil, mining, food security, maritime and air transport, extending a relationship already visible in Oman Africa Bank's presence in Luanda and Omani investment in Angolan mineral mines.
- **China:** Angola and China maintain a comprehensive strategic cooperative partnership, underpinned by a bilateral investment protection agreement, including a dispute-settlement mechanism, that entered into force in 2023.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

Angola's diversification claims will ultimately be tested by whether formal private-sector and digital-economy growth can absorb activity still concentrated in the informal and artisanal sectors.

Angola's digital economy continues to expand at a genuinely rapid pace, with an ICT market valued at roughly $920 million growing at a 6.2% compound annual rate, 29 million mobile connections, and a National Cloud infrastructure project worth $89 million that launched in the first half of 2026, alongside continued disbursement under the World Bank's $300 million IDEA digital-transformation project. Set against this formal-sector growth, Angola's informal artisanal mining sector remains a significant and largely unregulated source of livelihoods, with authorities estimating roughly 7,000 illegal gold miners operating in Bengo province alone.

- **Digital economy momentum:** a $920 million ICT market, 29 million mobile connections and an $89 million National Cloud launch together point to genuine formal-sector diversification beyond oil and mining, supported by the World Bank's ongoing $300 million IDEA project.
- **Informal mining sector risk:** the estimated 7,000 illegal gold miners operating in Bengo province alone, and the fatal May landslide described in Section 3, illustrate the scale of economic activity still occurring outside formal, licensed and insurable structures.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Upstream oil, downstream refining, rare earths and Gulf-backed mining all offer concrete near-term entry points for new capital.

- **Upstream agreements from AOG 2026:** the eleven agreements signed in September, headlined by TotalEnergies' $10 billion commitment, represent the most immediate, if not yet fully binding, new capital-deployment opportunities in the sector.
- **Refining capacity seeking investment:** both the 200,000 barrel-per-day Lobito refinery, targeted for 2027, and the 100,000 barrel-per-day Soyo facility remain explicitly open to foreign investment to reach completion.
- **Rare earths along the corridor:** the Pensana rare-earths project, backed by a US-led Minerals Security Partnership technical-assistance grant and sited directly on the Lobito Corridor route, offers a concrete critical-minerals entry point distinct from Angola's oil and diamond base.
- **Gulf-backed mineral mining:** the Oman state visit's mining-sector commitments open a further, newly formalised route for foreign entry into Angola's mineral resources beyond its traditional Western and Chinese investor base.
- **TAAG privatisation:** with Sonangol's IPO postponed, the national carrier TAAG remains on track within the narrowed PROPRIV asset list, representing the clearer near-term privatisation opportunity among Angola's remaining crown-jewel state assets.

SUMMARY ASSESSMENT

Angola in September 2026 presents a genuinely broadening investment story. A single week of upstream dealmaking at AOG 2026, a $1.5 billion Omani state visit, active EU and US engagement on the Lobito Corridor, and rare-earths investment along the same route together suggest a country successfully diversifying both its investor base and its economic structure beyond oil dependence. The corridor itself has moved decisively from financing story to operating asset, with real tonnage now moving and a Zambia extension under construction.

Set against that: inflation remains elevated even as it declines, public debt is bumping against Angola's own statutory ceiling, the flagship Sonangol privatisation keeps slipping toward an uncertain 2027 target, and a fatal artisanal mining accident in May underlined how much of the country's real economic activity still sits outside formal, regulated structures. Growth is slowing largely by design, as the central bank prioritises inflation control over headline expansion, a trade-off the IMF has generally endorsed but one that will test the durability of both government and investor patience.

For investors, the coming months offer concrete signals to watch: whether the AOG 2026 agreements convert into binding work commitments and produced barrels, whether Lobito Corridor cargo volumes reach their 400,000-tonne year-end target, and whether the Sonangol IPO timeline holds through 2027 or slips again. Each will indicate whether Angola's genuinely multi-partner diplomatic momentum is translating into the durable, diversified capital base the government has spent a decade trying to build.