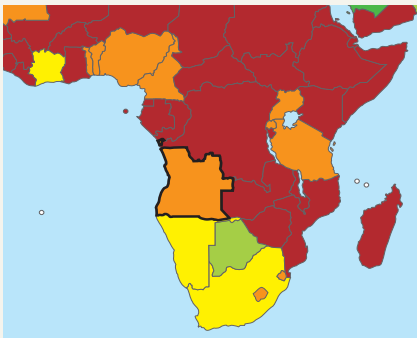


Basic facts (2025)

Population: 39 million

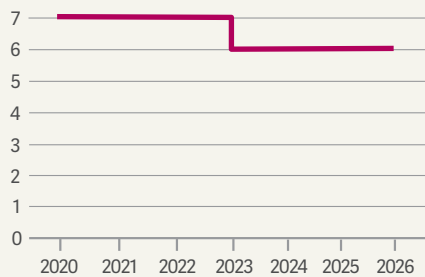
GDP, nominal: USD 142 billion

GDP/capita: USD 3 614



The country risk categories are arranged on a scale from 0 to 7. The lower the figure, the better the country's creditworthiness

Country classification history



Source: EKN

Strengths

- + Extensive natural resources generate export revenues
- + Current account surplus
- + Adequate foreign exchange reserves

Weaknesses

- High public debt servicing costs
- Oil-dependent economy vulnerable to oil price declines and the global climate transition
- Weak institutional capacity and widespread corruption

Background

Angola's economy is heavily dependent on the oil sector, which accounts for approximately one-third of GDP, almost all foreign exchange earnings, and around two-thirds of government revenues. High oil prices, combined with a post-war reconstruction period following the end of the civil war in 2002, led to very strong economic growth in the early 2000s. As a result, Angola occupies a mid-range position in Sub-Saharan Africa in terms of GDP per capita.

This positive trend came to an end with the oil price declines of 2015 and 2020, which resulted in economic contraction, high exchange rate volatility, and significantly weakened public finances. During the same period, EKN downgraded Angola by two steps, from country risk class 5 to 7. It was not until June 2023 that the country returned to risk class 6, supported by higher oil prices and reforms.

Under President Lourenço and Finance Minister Vera Daves, a currency reform has been implemented, and privatisation of the state-dominated economy has begun. Since 2018, an import substitution programme (PRODESI) has been introduced with some success, alongside measures aimed at reducing corruption. Agriculture and diamonds are viewed as future growth sectors. In addition, VAT and a new fiscal framework have been introduced.

The economy's high sensitivity to oil price fluctuations, declining oil production, and the global shift towards renewable energy constitute significant credit risks. Over the past decade, oil production has gradually declined from 1.8 million barrels per day to just over one million. Angola is a high-cost oil producer and has limited institutional capacity to manage a structural transition.

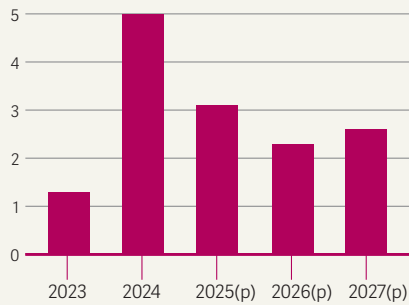
A large agricultural sector and low income levels make the country highly vulnerable to physical climate risks such as storms and wildfires. Water scarcity also poses a risk, particularly in the southern and south-eastern regions. This affects hydropower, which is a key component of the country's energy supply. In the ND-GAIN Index (2025), which measures countries' vulnerability to climate change and their capacity to mitigate risks, Angola ranks 160th out of 187 countries.

The country's institutions are among the weakest globally, as reflected in its low scores in the World Bank's Worldwide Governance Indicators (WGI). This implies limited capacity to manage high levels of public and external debt, as well as external shocks.

Angola's sovereign wealth fund, Fundo Soberano de Angola, and its macroeconomic framework have limited capacity to absorb oil price fluctuations. The fund, equivalent to just over three per cent of GDP and 30 per cent of foreign exchange reserves, is too small to play a decisive role during oil price downturns. There are also insufficient fiscal resources to make meaningful use of it. As a result, significant volatility in public finances and foreign currency availability will remain a structural feature of the economy for the foreseeable future. Nearly three-quarters of government debt is denominated in foreign currency, meaning exchange rate depreciation has a substantial impact on public debt in kwanza terms.

In per capita terms, average incomes are declining. Over the past decade, real

Real GDP growth (constant prices, % per annum)



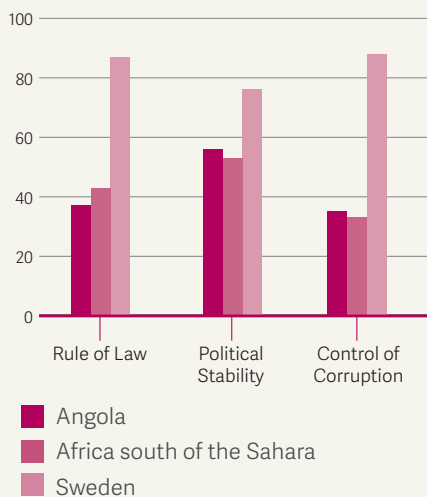
Source: IMF WEO, Macrobond

GDP per capita growth has averaged -2.4 per cent per year. Only limited changes are expected in terms of economic diversification, extremely high unemployment, income inequality, and very weak institutions in the coming years.

Oil exports buffer Middle East conflict

From a macroeconomic and fiscal perspective, Angola is vulnerable to external shocks. However, due to high oil prices resulting from the closure of the Strait of Hormuz, Angola is among the least affected economies on the continent. According to the IMF's April 2026 forecast, goods exports are expected to increase by 20 per cent, driven by high prices and a modest recovery in oil production. Consequently, the current account surplus is projected to strengthen to 2.2 per cent of GDP during the year, despite rising import prices for refined oil products.

Business environment



Ranking from 0 (worst) to 100 (best)

Source: The World Bank, Macrobond

Unlike net oil importers in the region, the central bank expects inflation to decline. At the end of May, the Banco Nacional de Angola lowered its full-year 2026 inflation forecast to 11.5 per cent and reduced the policy rate to 17 per cent. Domestic oil production, combined with some refining capacity, limits the risk of fuel shortages in the event of a renewed closure of the Strait of Hormuz. Approximately 30 per cent of domestic demand for refined petroleum products is met through local production. It should be noted that the IMF's projections are based on the assumption that the conflict in the Middle East will be short-lived, and that the forecast was made in early March 2026, only a few weeks into the conflict.

High oil prices also have a positive impact on fiscal revenues. The state budget assumes an oil price of USD 61 per barrel, implying that the budget deficit is expected to narrow to -2.4 per cent of GDP in 2026. Public debt is therefore expected to amount to just over 50 per cent of GDP in the coming years, slightly below the regional average. The kwanza has stabilised at a new level since October 2024, contributing to greater predictability in public finances. Risks include extensive fuel subsidies and potentially rising government financing costs.

Swedish export to Angola

	MSEK
2025	442
2024	432
2023	660
2022	751
2021	527

Source: SCB

Although fuel subsidies have decreased compared to the period 2022–2024, they still amount to approximately one per cent of GDP. This will lead to higher fiscal costs if oil prices remain elevated. High fuel prices are a sensitive domestic political issue and have repeatedly led to large-scale protests and blockades, particularly in Luanda.

Angola's interest costs on public debt are high, corresponding to around 25 per cent of government revenues, with a large share externally financed. External debt service obligations have begun to decline but remain substantial at approximately USD 11 billion in 2026. If the crisis in the Middle East escalates into a severe global crisis, Angola's access to financing is likely to deteriorate, potentially leading to difficulties in refinancing external debt.

However, in March and May 2026, Angola successfully issued Eurobonds totalling USD 4 billion, demonstrating continued access to international capital markets. All issuances were oversubscribed, with the most recent priced at 8.3 and 9.5 per cent, broadly in line with issuances in 2025.

Growth is expected to remain stable but modest in the coming years. According

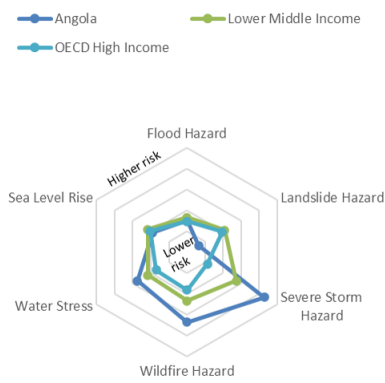
EKN:s exposure

	MSEK
Guarantees	7 357
Offers	4 757

Risk profile Human Rights



Risk profile Climate Risks



The foregoing chart information was obtained from Verisk Maplecroft*

to the IMF's April forecast, growth will average 2.5 per cent per year in 2026–2027. Growth is primarily driven by agriculture, which is currently under pressure from high fertiliser prices following the Middle East crisis. The fishing industry and other non-oil sectors also contribute to growth. The diamond industry presents a longer-term diversification opportunity but is currently challenged by competition from synthetic diamonds. Angola is also investing in increased metal production; for example, production began in 2025 at the country's first large-scale copper mine, Tetelo Mine. A major concern in spring 2025—US import tariffs on Angola—has been reduced to 15 per cent and is not expected to significantly affect growth.

Domestic politics will play an increasingly important role in country risk ahead of the presidential election scheduled for mid-2027. President João Lourenço (in office since 2017) has served two terms and is expected to appoint a successor for the ruling MPLA. The opposition party UNITA received nearly half of the votes in the most recent election and represents a serious political challenge to the MPLA. This may lead to increased repression and political manoeuvring in the run-up to the election, as well as unrest during the electoral period.

Overall, no major changes are expected in Angola's country risk trajectory. From a risk perspective, Angola is assessed to be in the weaker segment of country risk class 6.

Business environment

The business and regulatory environment in Angola is generally very challenging due to high inflation, high labour costs, extensive bureaucracy, widespread corruption, and weak institutions. The legal system is weak and characterised by corruption and political influence. However, some improvements have been observed under President Lourenço, and the trend in the WGI has been broadly positive over the past decade. Improvements are most notable in corruption control, where Angola's score increased from 18/100 to 35/100 between 2015 and 2024.

Since 2024, Angola has been on the FATF (Financial Action Task Force) grey list, indicating structural deficiencies in its anti-money laundering and counter-terrorist financing framework. This listing may reduce the willingness of Swedish and international banks to process payments from Angola.

Regarding access to foreign currency, there is now an exchange market in which the Ministry of Finance, oil companies, banks, and insurance companies can trade. An import licence is required to secure foreign currency, but otherwise the regulatory framework is relatively liberal. The euro dominates over the US dollar, partly due to ties with Portugal and partly because few banks maintain correspondent banking relationships in the United States. Angola has not yet ratified Article VIII of the IMF Articles of Agreement, meaning the kwanza is not convertible abroad; all conversion must take place domestically.

Foreign exchange reserves correspond to nearly eight months of import cover, which is a comfortable level. However, government external debt payments are generally prioritised over the private sector, which periodically results in limited foreign currency liquidity for banks and companies when the Ministry of Finance reduces its market sales. The foreign exchange market is also fragmented. Larger banks with significant exposure to the oil sector generally have better access to

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foreign currency than smaller banks with limited exposure. As a result, EKN continues to observe recurring payment delays in transactions with Angolan buyers.

In its business assessments, EKN considers the risk of adverse impacts on human rights. The focus is on potential impacts arising from operations in the countries where exported goods are used.

Key issues include working conditions, child and forced labour, excessive use of force by security forces, indigenous rights, and land rights. According to Maplecroft's human rights index for these dimensions, Angola exhibits a significantly higher risk profile compared to OECD high-income countries. It also ranks higher risk than peer countries at similar income levels across several indicators.

EKN's policy

EKN is open to sovereign risk exposure but applies a restrictive approach due to significant existing exposure to public sector risks. For other public sector risks (such as authorities, municipalities, and cities), letters of credit, bank guarantees, or sovereign guarantees are required. For banks and corporates, elevated premium levels apply for longer tenors.

EKN's commitment and experience

Demand for sovereign risk transactions remains high in Angola. The total guarantee exposure is almost exclusively sovereign. At present, there are five guarantees and two offers involving public buyers (within power and transport). Exposure is limited by a benchmark ceiling. Currently, this ceiling is exceeded, but EKN expects some capacity to support new transactions over the next few years.

On the private side, exposure mainly consists of deliveries to buyers in the transport sector. EKN's payment experience is very good, both for public and private counterparties. A small number of foreign currency-related delays and claims exist, mainly involving buyers in the pulp and paper industry.

Angola has restructured its Paris Club debt twice, in 1989 and 2006, without receiving any formal debt relief. The 2006 agreement was repaid ahead of schedule. Other OECD ECAs also continues to report positive payment experience for Angola.