Angola

Combined Agenda 2063 scenario

Jakkie Cilliers

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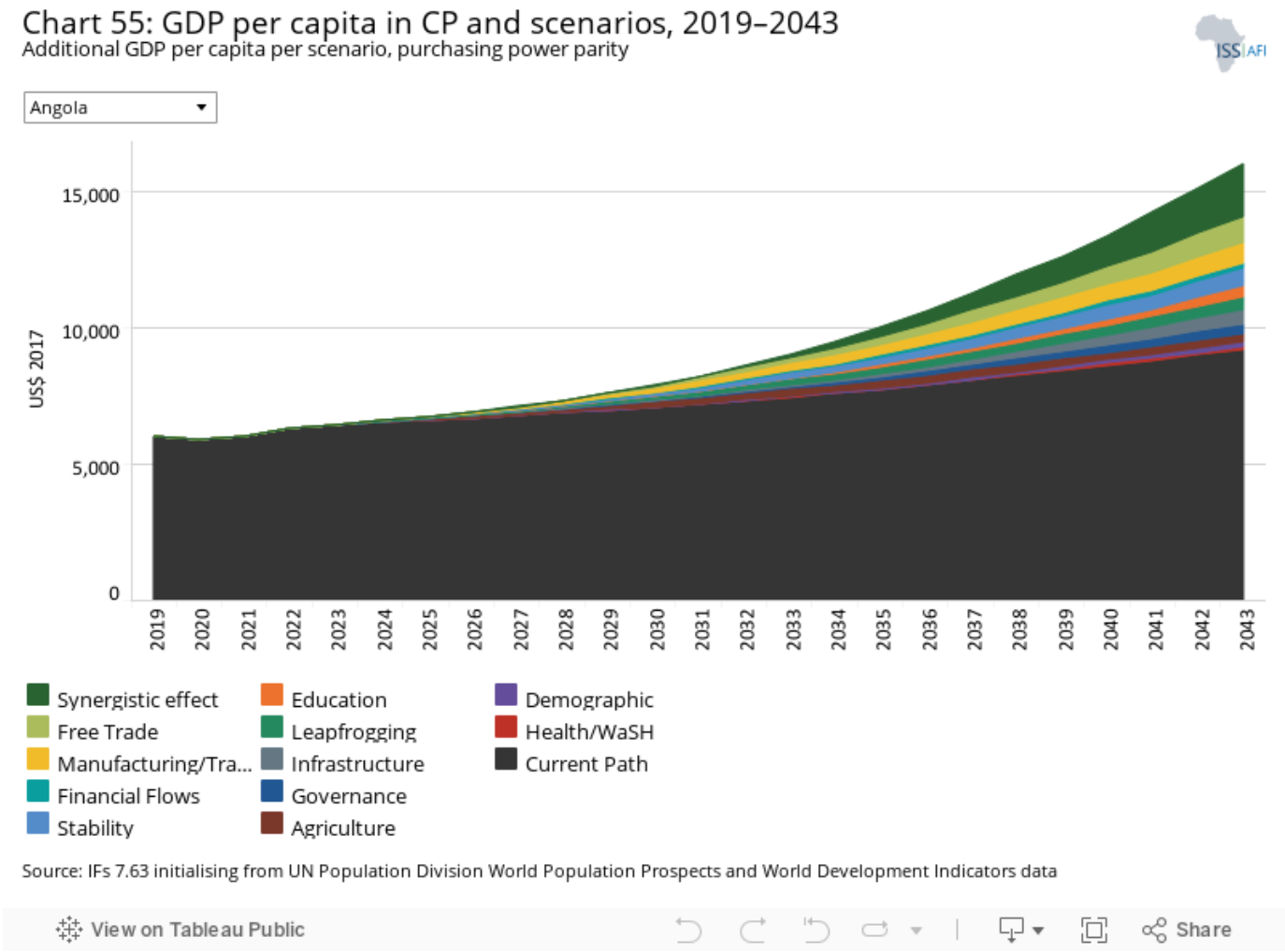
Combined Agenda 2063 scenario



The Combined Agenda 2063 scenario consists of the combination of all 11 sectoral scenarios presented above, namely the Stability, Demographic, Health/WaSH, Agriculture, Education, Manufacturing/Transfers, Leapfrogging, Free Trade, Financial Flows, Infrastructure and Governance scenarios. The cumulative impact of better education, health, infrastructure, etc. means that countries get an additional benefit in the integrated IFs forecasting platform that we refer to as the synergistic effect. Chart 55 presents the contribution of each of these 12 components to GDP per capita in the Combined Agenda 2063 scenario as a stacked area graph.

Each scenario explored thus far impacts average incomes in Angola to different degrees. Of all the scenarios, Free Trade increases GDP per capita the most dramatically, raising average incomes by approximately US$940 in 2043. In the Stability scenario, incomes also grow substantially more quickly than on the Current Path given its impact on positive investor confidence, increased investment flows and large reductions in defence expenditure from 3.1% of GDP in 2019 to 1.5% of GDP in 2043

Of course, the combined impact of all the scenarios together is significantly greater than each of the scenarios individually. And, when combining scenarios in IFs, the phrase “the sum is greater than its parts” applies. The synergistic effect of the combined scenarios is projected to add an additional US$1 969 to GDP per capita in 2043. This finding speaks to the beneficial effect of concerted, cross-cutting government approaches to seemingly intractable problems, such as extreme poverty.

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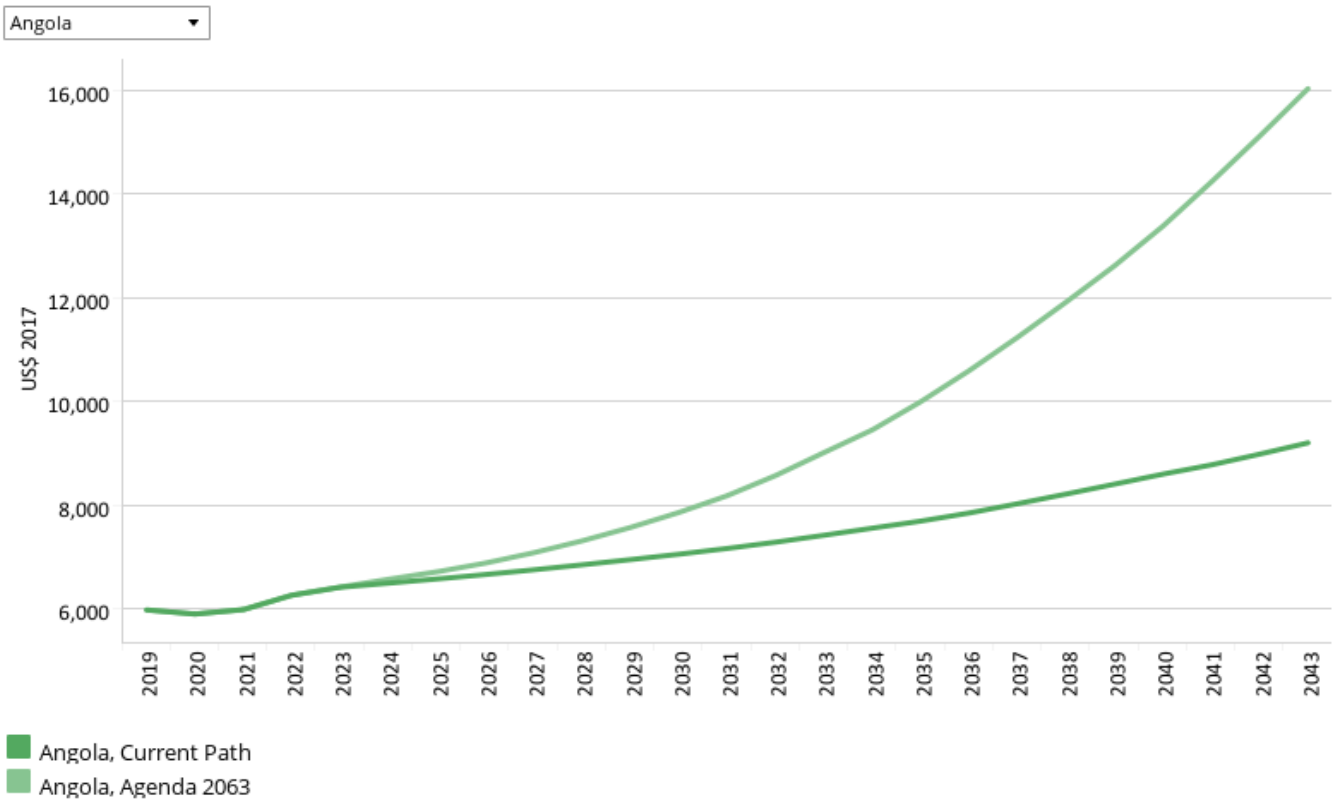
Chart 56: GDP per capita in CP and Combined scenario, 2019–2043

Purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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Whereas Chart 55 presents a stacked area graph on the contribution of each scenario to GDP per capita as well as the additional benefit or synergistic effect, Chart 56 presents only the GDP per capita in the Current Path forecast and the Combined Agenda 2063 scenario.

The GDP per capita increases dramatically in the Combined Agenda 2063 scenario, whereas they grow fairly slowly on the Current Path. In the Combined Agenda 2063 scenario, the GDP per capita increases to US$7 864 by 2030, marking an over 11.4% increase over 2019 (US$7 061). By 2040, the GDP per capita will more than double from 2019 levels and reach a projected US$16 023 in 2043. Such a dramatic increase in the GDP per capita in Angola would transform livelihoods in the country.

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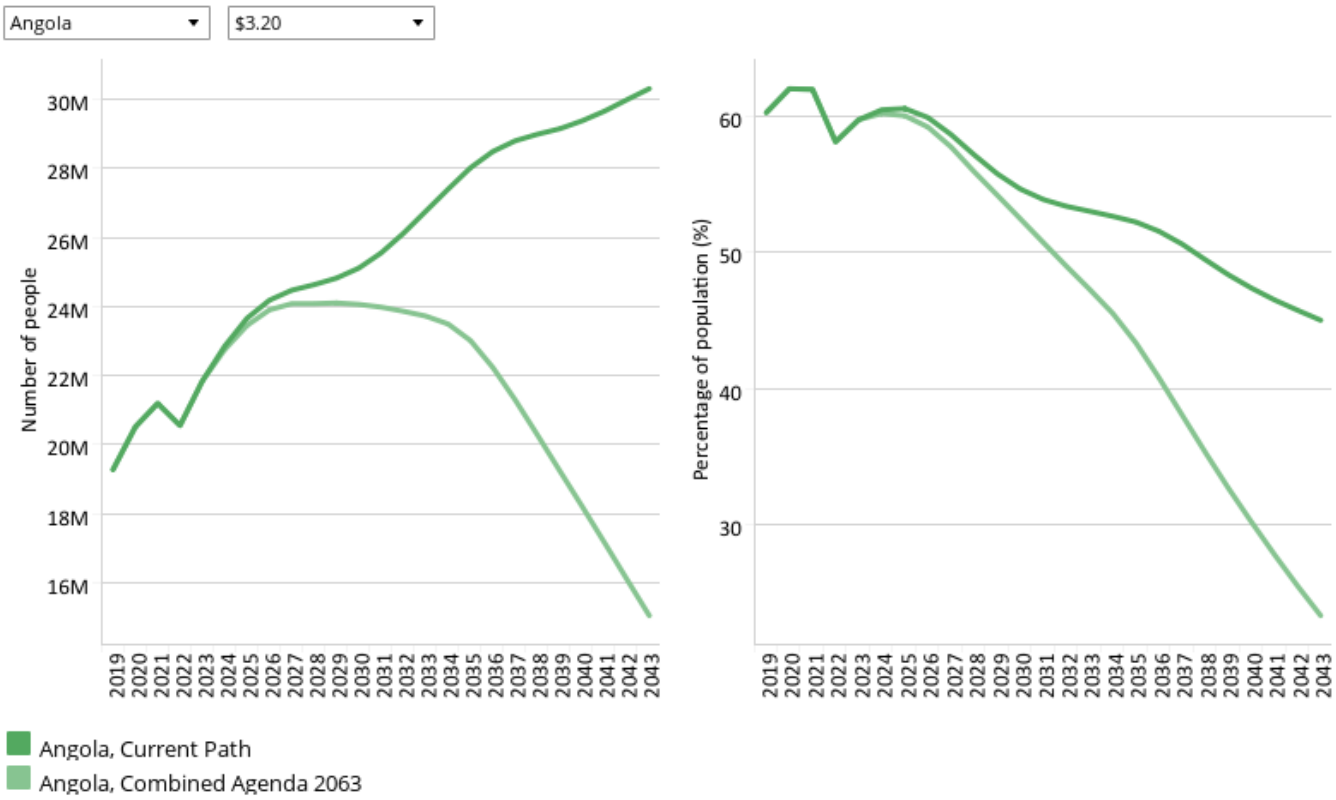
Chart 57: Poverty in CP and Combined scenario, 2019–2043

Millions of people and % of total population



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

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Poverty remains a pervasive and widespread challenge across Angola. In the Current Path forecast, the number of Angolans living under the extreme poverty line of US$3.20 per day will continue to grow at least through 2043, at which point over 30 million people are projected to be extremely poor. Meanwhile, Angola's poverty rate remains high on the Current Path: the share of Angolans living in extreme poverty will not fall below 50% until the late 2030s. This is a dire projection that calls for immediate action from the Angolan government to provide basic goods, services, and economic opportunities to its citizens.

The future is far more optimistic in the Combined Agenda 2063 scenario. In this scenario, the number of extremely poor people in Angola increase to approximately 24 million people in the late-2020s before falling to roughly 18.2 million in 2040 and 15 million in 2043. Meanwhile, the share of Angolans living in extreme poverty falls to roughly 18% by 2040 and 15% by 2043.

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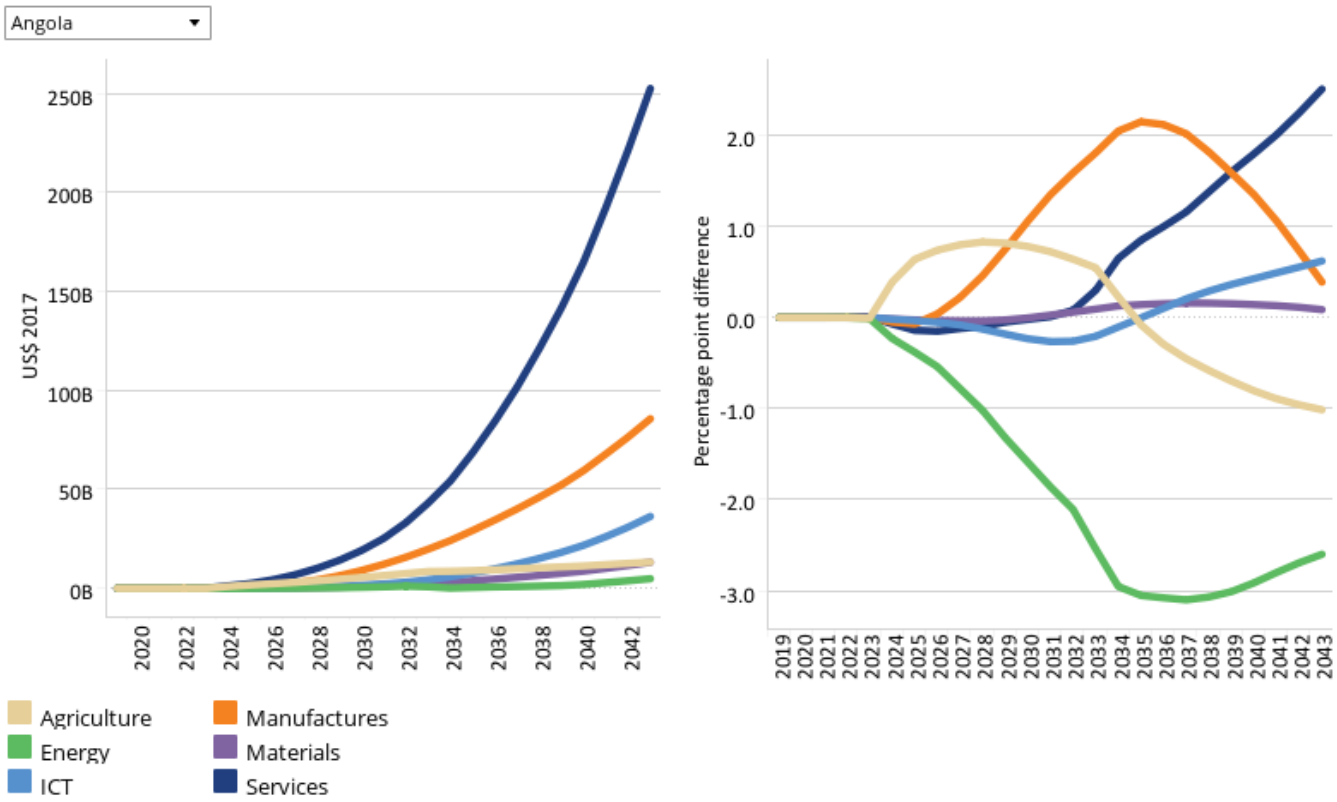
Chart 58: Value added by sector in CP and Combined scenario, 2019–2043

Absolute and % point difference GDP



Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

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See Chart 8 to view the Current Path forecast of the sectoral composition of the economy.

The value added of the sectors of Angola's economy varies between the Current Path forecast and the Combined Agenda 2063 scenario. The two main ways to measure differences in sectors' contribution to GDP are in 1) percentage points and 2) absolute value (dollars).

From the perspective of percentage points, service, ICT and manufactures are the sectors that experience the greatest increase in their contributions to the Angolan economy in the Combined Agenda 2063 scenario compared to the Current Path. Conversely, the energy sector experiences the most significant reduction in its contribution to GDP in percentage terms. By the mid-2030s, the energy sector experiences a roughly three percentage point reduction in its contribution to the economy.

However, because the Angolan economy grows far more quickly in the Combined Agenda 2063 scenario than on the Current Path, the value added of all sectors in absolute terms is greater in the Combined Agenda 2063 scenario. Of all the sectors, services and manufactures experience the most significant increase in their absolute contribution to the economy. In 2040, services are projected to contribute US$126 billion more to the economy in the Combined Agenda 2063 scenario than on the Current Path; manufactures, nearly US$41 billion more.

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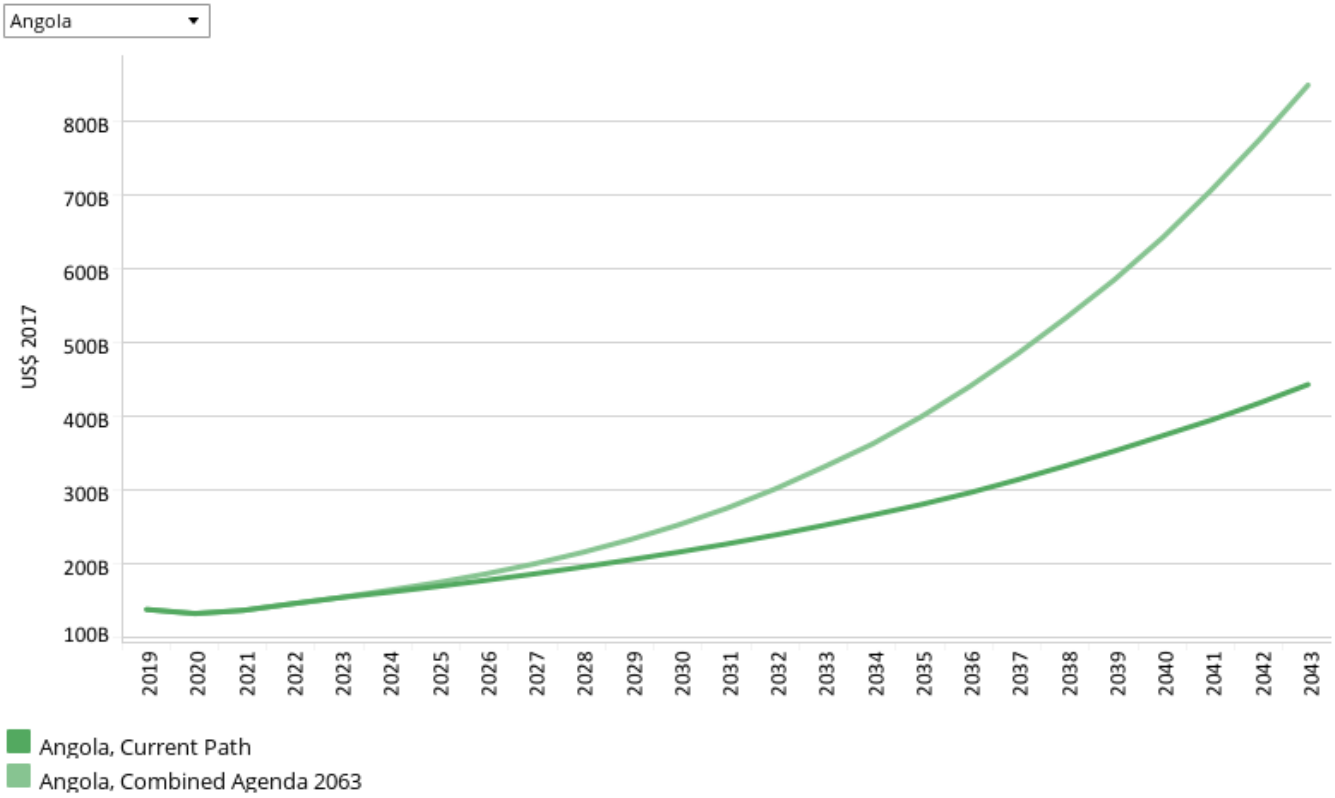
Chart 59: GDP in CP and Combined scenario, 2019–2043

Billions US$ 2017, market exchange rates



Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

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Owing to the many wide-ranging improvements modelled in the Combined Agenda 2063 scenario, the Angolan economy grows at a significantly faster rate than on the Current Path. By 2030, the Angolan economy is projected to be nearly US$37 billion greater in the Combined Agenda 2063 scenario than on the Current Path. In 2043, the Angolan economy is projected to reach US$849 billion, representing a near doubling over the Current Path forecast for that year (US$443.3 billion).

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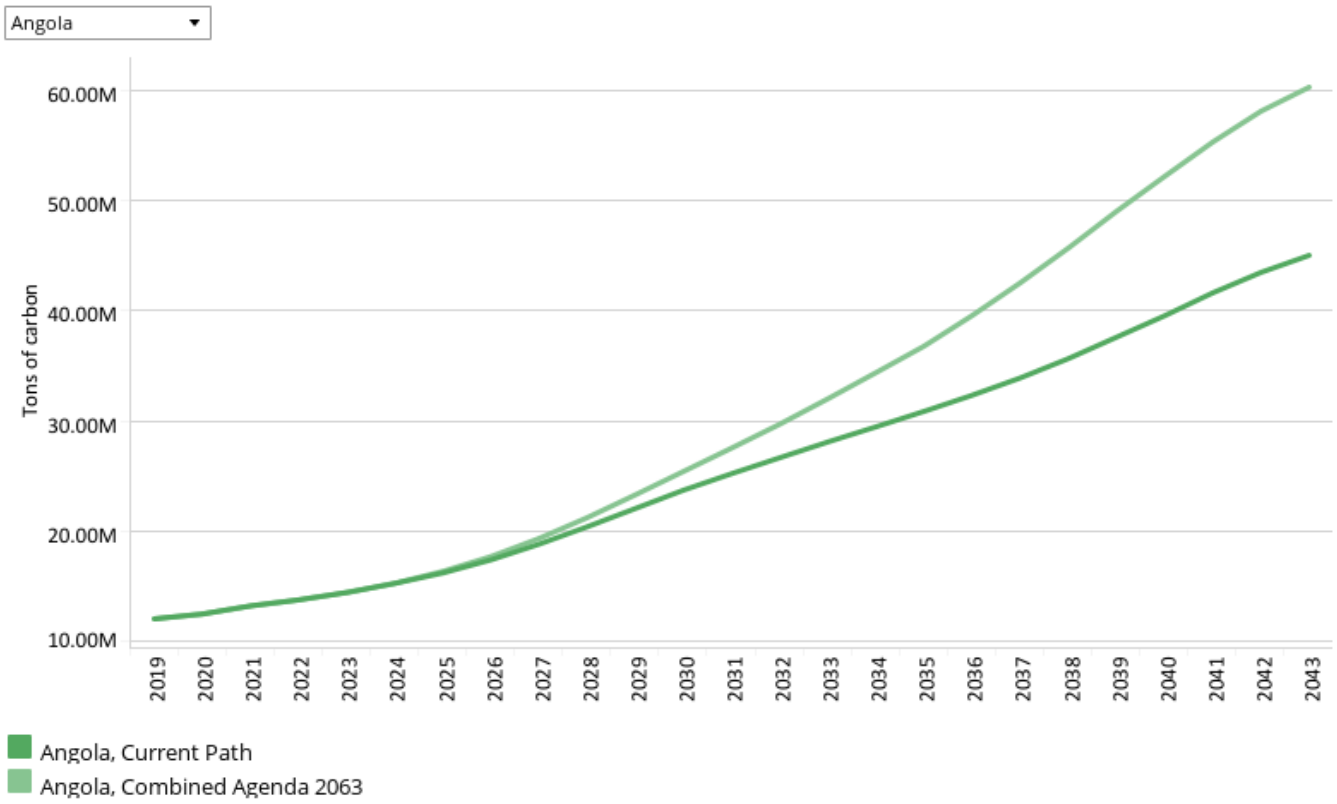
Chart 60: Carbon emissions in CP and Combined scenario, 2019–2043

Million tons of carbon (note, not CO_2 equivalent)



Source: IFs 7.63 initialising from Carbon Dioxide Information Analysis Center data

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In the Current Path forecast, Angola's carbon emissions — most of which are produced by the energy sector — will reach 45.1 million tons of carbon in 2043. In the other scenarios, Angola's emissions diverge only modestly from the Current Path, and in all scenarios, carbon emissions double by 2030 and exceed 40 million tons of carbon by 2043. While the expected growth of industry and manufacturing in Angola contributes to this projected increase in emissions, demographic growth plays an important role: generally speaking, as populations and economies grow, so too does demand for carbon-intensive goods and services, such as vehicles.

Angola's carbon emissions increase dramatically in the Combined Agenda 2063 scenario. The manufacturing, agricultural activity and infrastructure development modelled in the Combined Agenda 2063 scenario, while bringing about improvements in the quality of life for millions of Angolans, will all increase carbon emissions. In addition to increasing the rate and severity of climate change at the global level, carbon emissions severely, and often irreparably, damage local health outcomes. The Angolan government is participating in the global effort to reduce greenhouse gas emissions. As the nation works to improve the quality of life of its citizens, it must pursue less carbon-intensive growth and seek out environmentally conscious solutions. As part of the Paris Climate Accords, Angola pledged to reduce its greenhouse gas emissions by 35% by 2030 by promoting renewable energy, among other measures.

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About the authors

Dr Jakkie Cilliers is the ISS's founder and former executive director of the ISS. He currently serves as chair of the ISS Board of Trustees and head of the African Futures and Innovation (AFI) programme at the Pretoria oce of the ISS. His 2017 best-seller Fate of the Nation addresses South Africa's futures from political, economic and social perspectives. His three most recent books, Africa First! Igniting a Growth Revolution (March 2020), The Future of Africa: Challenges and Opportunities (April 2021), and Africa Tomorrow: Pathways to Prosperity (June 2022) take a rigorous look at the continent as a whole.

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Scenarios and forecasting can help Africa identify and respond to opportunities and threats. The work of the African Futures & Innovation (AFI) program at the Institute for Security Studies aims to understand and address a widening gap between indices of wellbeing in Africa and elsewhere in the world. The AFI helps stakeholders understand likely future developments. Research findings and their policy implications are widely disseminated, often in collaboration with in-country partners. Forecasting tools inspire debate and provide insights into possible trajectories that inform planning, prioritisation and effective resource allocation. Africa's future depends on today's choices and actions by governments and their non-governmental and international partners. The AFI provides empirical data that informs short- and medium-term decisions with long-term implications. The AFI enhances Africa's capacity to prepare for and respond to future challenges. The program is headed by Dr Jakkie Cilliers.

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