



# Angola's graduation from LDC status

## Potential consequences

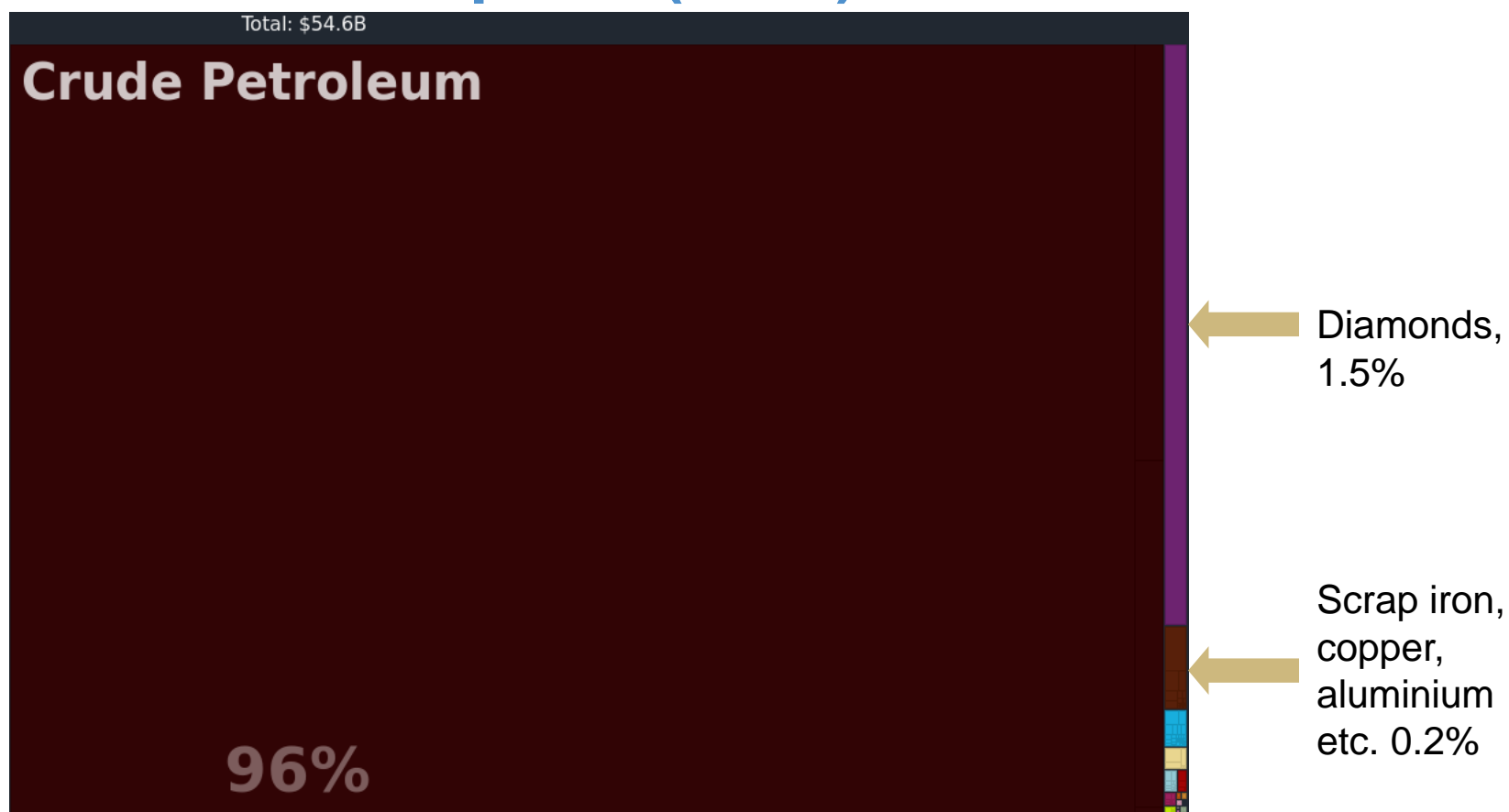
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Africa, Least developed Countries and  
Special Programmes

## Graduation in context

- Angola first found eligible for graduation in 2012 (income only)
- LDC average GDP per capita is \$1640 (2014)
- Angola's GDP per capita is \$6054
- Economy is the 2<sup>nd</sup> largest of all LDCs, and 5<sup>th</sup> largest in Africa
- Despite high absolute and relative wealth compared to other LDCs, there are still challenges

## Structure of exports (2014)



Source: The Observatory of Economic Complexity (MIT)



## Market access

- Angola is one of the least-diversified economies - but its main export benefits from great market access
- Oil exports also concentrated in few markets:
  - 41% to China
  - 15% to EU
  - 7.7% to United States
  - 7.6% to India

## Non-LDC preferential schemes

- Preferential access to the United States via the African Growth and Opportunities Act (until 2025)
- Angola will lose access to EU's 'Everything But Arms' - after a transition period of three years (to 2024)
- Continued preferential access to EU through the Generalised Scheme of Preferences (GSP) is uncertain - Angola is upper-middle-income country
- Other countries - e.g. Australia, Canada, New Zealand

## SADC Free Trade Area

- Currently Angola trades very little with the Southern African Development Community - 2.5% of exports
- Despite signing the Protocol on Trade in 2002, has not moved towards joining the SADC FTA
- Opportunities for increased access to regional markets are available

## TRIPS

- TRIPS sets out basic standards for the treatment of intellectual property between WTO members
- LDCs are not required to implement the agreement, except for a few basic provisions (articles 3,4,5)
- There is no extra transition period for graduating countries - WTO members are expected to implement the agreement at graduation
- In any case, the transition period for all LDCs ends July 2021

## Enhanced Integrated Framework

- Multi-donor programme that aims to integrate LDCs into the global trade system
- A Diagnostic Trade Integration Study (DTIS) can be followed up with technical cooperation projects
- The EIF contains transition provisions - access maintained for at least three years after graduation, and possibly five



## Current implementation in Angola

- Angola's participation in the Enhanced Integrated Framework has been limited
- A Diagnostic Trade Integration Study was completed in 2006
- Currently, no technical cooperation projects being carried out
- EIF can be utilised until 2024

## Final considerations

- Currently Angola sees relatively little benefit from LDC status
- Moving out of the LDC category can contribute to changing perceptions
- Graduation does not need to be the focus for the country - an ongoing strategy for sustainable development is essential

# Thankyou for your attention

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