Economic Research Unit
Contact: +244 222 696 462
E-mail: dfi.gee@bfa.ao

FLASH NOTE

Nº 01.2022 | 24 Jan 2022

2022 State Budget less conservative but still prudent

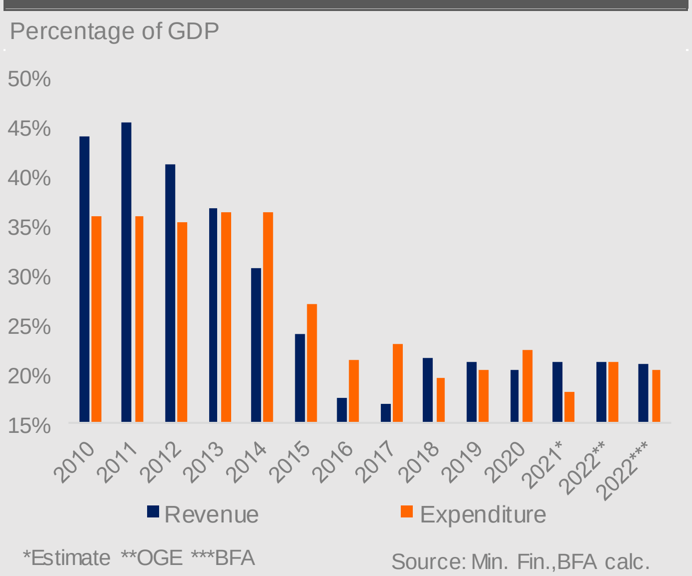
Budget likely to show surplus again, despite VAT reduction on food products

A. DESRIPTION

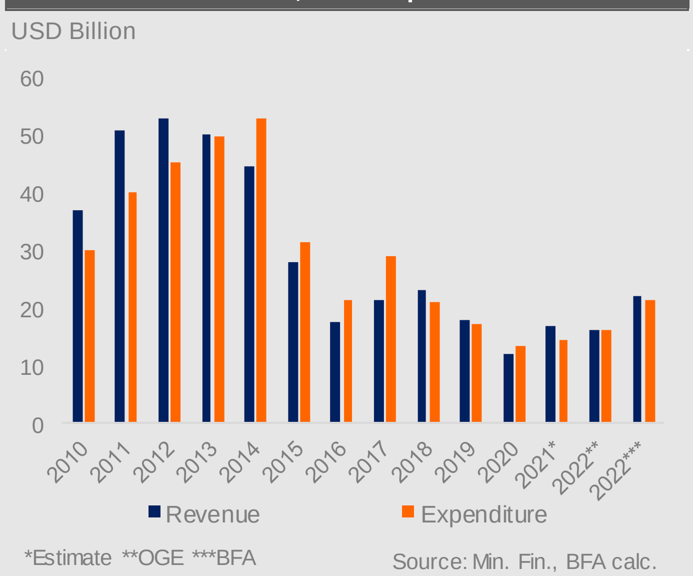
1| The State Budget (OGE) for 2022, approved by the Angolan parliament on December 14th, provides for budget revenues of AOA 11.6 trillion (Tn) and expenditures also budgeted for AOA 11.6Tn. According to our calculations, in Dollars, the Executive expects budget revenue and expenditure of around USD 16.3 billion (Bn), which will result in a balanced budget. In 2021, Angola managed to post a fiscal surplus again, a cycle of positive balances that had started in 2018 and was interrupted by the year with the most serious impact of the pandemic, in 2020.

2| With regard to revenues, an increase of AOA 1.16Tn is expected, corresponding to +11.1% compared to the expected execution for 2021. As a percentage of GDP, revenues are expected to rise slightly from 21.2% in the 2021 budget execution, to 21.3% in 2022, values close to the average of recent years. In Dollars, our calculations on the Executive's exchange rate expectations place the Government's revenue projection close to USD 16.3Bn (-2.3% yoy), a slight decrease after a very significant recovery in 2021, with the rise in Brent price; despite the growth comparing against last year, it is less than 1/3 of what was collected 10 years earlier (USD 53.0Bn in 2012). **On the oil tax revenue side, a very slight increase is expected, of AOA 0.08Tn (+1.2% yoy).** According to the Government's forecast and BFA's calculations, when expressed in Dollars, oil tax revenues are expected to fall by around 10.9% yoy to USD 8.58Bn. This evolution is due to a Brent price assumption lower than the average of the previous year (USD 59.0 in the 2022 Budget against USD 67.1 in 2021); unlike in other years, a slight rise in oil production is expected to 1.15 million barrels per day (mbd), compared to production estimated at 1.13 mbd by the Government.

As a percentage of GDP, revenue and expenditure will remain around 20% of GDP



Measured in Dollars, revenue is expected to return to values close to 2018, as is expenditure



BFA
Economic Research Unit
Contact: +244 222 696 462
E-mail: dfi.gee@bfa.ao

State Budget (AOA billion)	2021 OGE	2021 Execution	2022 OGE	2022 BFA est.	2022/21 variation OGE	2022/21 variation BFA
Receitas	**7.922**	**10.475**	**11.637**	**12.238**	**11,1%**	**16,8%**
Current Revenues	7.922	10.462	11.637	12.238	11,2%	17,0%
Taxes	7.123	9.976	10.730	11.254	7,6%	12,8%
Oil taxes	4.059	6.043	6.118	6.633	1,2%	9,8%
Non-oil taxes	3.063	3.933	4.612	4.621	17,3%	17,5%
Social contributions	328	328	336	412	2,3%	25,7%
Donations	1	1	1	1	0,0%	0,0%
Other current income	471	157	571	571	262,9%	262,9%
Capital Income	0	13	0	0	-100,0%	-100,0%
Expenditure	**8.861**	**8.992**	**11.636**	**11.898**	**29,4%**	**32,3%**
Current expenses	7.350	7.218	9.623	9.683	33,3%	34,2%
Employee compensation	2.472	2.484	2.675	2.942	7,7%	18,5%
Goods and services	1.382	1.512	2.392	2.392	58,1%	58,1%
Interest Rates	2.602	2.328	3.021	2.633	29,8%	13,1%
External	1.570	1.108	1.753	1.365	58,3%	23,2%
Internal	1.032	1.220	1.268	1.268	3,9%	3,9%
Current transfers	894	894	1.536	1.717	71,7%	92,0%
Capital expenditure	1.511	1.774	2.013	2.215	13,5%	24,8%
Current Balance	**573**	**3.244**	**2.015**	**2.555**	**-1229**	**-689**
Primary Balance	1.664	3.811	3.022	2.973	-788	-837
as a % of GDP	4,0%	7,7%	5,5%	5,1%	-2,17	-2,62
Non-oil primary balance	**-2.395**	**-2.232**	**-3.096**	**-3.660**	**-864**	**-1428**
as a % of GDP	-5,7%	-4,5%	-5,7%	-6,3%	-1,16	-1,75
Budget Balance	**-938**	**1.483**	**2**	**341**	**-1.482**	**-1.142**
as a % of GDP	-2,2%	3,0%	0,0%	0,6%	-3,00	-2,42

Source: Min. Fin.,BFA calc.

Non-oil tax revenue is expected to increase by AOA 0.67Tn to AOA 4.6Tn, according to the Executive. This is an increase of 17.3% compared to the execution estimated by the Government for 2021. As a percentage of GDP, the collection of non-oil taxes should represent 8.4%, 0.5pp above 2021, but below the recent high registered in 2020 (8.7% of GDP). The rise takes place despite the fall in the VAT rate for various goods, in particular goods that are part of the basic consumption basket.

3| On the expenditure side, an increase of 29.4% is expected compared to the execution estimated for 2021, at around AOA 2.64Tn. As a percentage of GDP, this is a significant recovery, to 21.3% (18.2% in 2021); excluding the pandemic year (in which the much lower GDP statistically raised the ratio), expenditure stood at an average of 19.4% of GDP in 2018, 2019 and 2021. We estimate the Government's expenditure expectation, in Dollars, at around USD 16.3Bn, an increase compared to USD 14.3Bn spent in 2021; even so, this is a value far below the 2011-2014 values (average of USD 47.1Bn) and between 2015-2017 (average of USD 27.3Bn).

The largest increase in absolute value of expenditure will be on the Current Transfers side, which is expected to increase by almost 72% to AOA 1.53Tn, corresponding to 13.2% of

Economic Research Unit
Contact: +244 222 696 462
E-mail: dfi.gee@bfa.ao

budget expenditures. Spending on Goods & Services is expected to increase by close to 58.1%, and should total 20.6% of expenditure. Regarding public wages, a growth of 7.7% is expected (below the expected average inflation of 22.4%), to AOA 2.67Tn, corresponding to 23.0% of budget expenditure. Capital expenditure is expected to rise 13.5% to AOA 2.01Tn. **On the other hand, interest expenses will rise again by about 30% to AOA 3.02Tn, which will represent about 26.0% of budget expenditures.**

4| Overall, the 2022 Budget forecasts a zero budget balance for 2022, which we expect to be only slightly conservative. We expect a positive balance of AOA 0.1-0.5Tn, based on a higher Brent price than expected by the Government, but also on a more positive exchange rate performance for the Kwanza than the government assumption, which in turn is not so positive for fiscal performance, due to the prevalence of oil revenues in Dollars.

Box 1 – Budget execution in 2021 even more positive than expected

1| In 2021, the General State Budget provided for budget revenues of AOA 7.92Tn and expenditures budgeted for AOA 8.86Tn. On the oil tax revenue side, an 18.6 % increase was expected compared to 2020 to AOA 4.06Tn. These expectations were based on the price of Brent at around USD 39 and an average daily production of 1.22 million barrels per day (mbd). On the non-oil tax revenue side for 2021, the Budget forecasted a 9.4% increase to AOA 3.06Tn. According to preliminary data published by Minfin, budget execution for 2021 will have performed better than initially estimated. Total revenue will have been around AOA 10.48Tn, above the Government's expectation (AOA +2.55Tn) and slightly higher than our own expectation (AOA +0.90Tn); spending was AOA 131Bn higher than initially expected, settling at AOA 8.99Tn – AOA 190 million higher than our own expectation.

The government accounts will have had a positive budget balance of AOA 1.48Tn, much higher than the expected deficit of AOA 0.94Tn, but also higher than the surplus of 0.52B forecasted by BFA. When we evaluate the budget execution data as a percentage of GDP, revenues represented around 21.2% while on the expenditure side, these represented around 21.2%. In Dollars, according to our calculations, revenues stood at USD 16.7Bn, with expenses of USD 14.3Bn, making for a positive budget balance of USD 2.37Bn.

2| Revenues collected by the Government were 32.2% higher than expected in the Budget with higher tax collection than projected (AOA +2.85Tn). On the oil tax side, collections were 48.9% higher than expected; non-oil taxes were 28.4% higher than projected. In both cases, the BFA forecasts expected higher values than projected, but not as high. These significant increases in tax revenue are related to two factors: on the one hand, the positive effect of the price of oil on international markets - USD 70.9 compared to USD 39 of the 2021 Budget; and on the other hand, the exchange rate appreciation in 2021 (17.1% against the Dollar and 26.7% against the Euro) which resulted from a surplus in the supply of foreign exchange in the domestic market, and brought growth in the non-oil sector. With regard to social contributions, these remained in line with the Executive's forecast (AOA 328 Bn), with other current revenues representing only 1/3 of the estimated (AOA 157Bn vs AOA 471Bn in the 2021 OGE).

3| In terms of expenditure, the Government almost met the expenditure limit, spending 102% of what it had planned. As a percentage of GDP, expenditure in 2021 will have represented around 18.2%, the lowest value since at least 2010. Compared to expectations, there was 10.6% less interest expenditure (AOA 2.6Tn vs AOA 2,3Tn). This drop was essentially due to the 29% reduction in interest payments to external entities, which is related to the extension of the suspension of the G20 and Paris Club debt service to include the 2nd half of 2021, something that was not foreseen at

Economic Research Unit
Contact: +244 222 696 462
E-mail: dfi.gee@bfa.ao

the beginning of the year. On the other hand, expenditures on goods and services were 9.4% higher than planned, representing 3.1% of GDP, the highest value since 2018. Capital expenditures also exceeded forecasts, by 17.4% (AOA 1.77Tn vs AOA 1.15Tn).

4| As a result of this execution, the Ministry of Finance expects to have recorded a budget surplus of 3.0% of GDP, the highest value since 2012 and well above the 2.2% deficit forecast in the 2021 Budget – BFA's forecast was a 1.7% surplus. The primary balance more than doubled, from AOA 1.65B in 2020 to 3.8B in 2021, expected to be around 7.7% of GDP (2.9 pp above 2020 and the highest value since 2011); the Budget forecast was 4.0%, while BFA's was 7.6%, very much in line with execution. When we analyze the non-oil primary balance (which corresponds to the balance without accounting for interest expenses and oil revenues), in 2021 it stood at AOA -2.23B, around -4.5% of GDP – this indicator has been falling for the 4th consecutive year, being at an all-time low and for the first time below the recently created medium-term limit of -5% of GDP. Note that this balance recorded an average of -20.6% between 2010-2017.

B. ANALYSIS

1| From our perspective, this Budget seems slightly conservative. The outlook on the price of a barrel of Brent oil is quite cautious, at USD 59. Even with the recent concern about the impact of the Omicron variant at the end of 2021 and beginning of 2022, the price traded in December at an average close to USD 75, and it is now above USD 80. At the moment, Bloomberg's composite forecast is USD 73 for 2022. Therefore, we assume as a premise for our forecast an average of USD 72 in 2022.

Forecast Scenario	OGE	Est. BFA
Hypotheses		
Oil price (USD)	59,0	72,0
Oil production (mbd)	1,15	1,17
GDP growth (%)	2,4	3,9
Forecasts		
AOA Billion		
Revenue	**11.637**	**12.238**
Oil taxes	6.118	6.633
Non-oil taxes	4.612	4.620
Expenditure	**11.636**	**11.898**
Budget Balance	**2**	**340**
as a % of GDP	0	0,6

Source: Min. Fin., BFA calc.

2| With regard to production volume, the Government's forecast for 2021 seems only slightly conservative. While last year the assessment of the future of oil production was hampered by great uncertainty regarding the investments to be made by oil operators, this year some investments have already started and others with strong indications that they should indeed occur. In this sense, our expectation is for oil production close to 1.17 mbd, slightly above the 1.15 mbd expected by the Executive. In 2021, production will have been close to 1.15 mbd, above the 1.13 mbd estimated by the Executive – we accounted for around 1.12mbd in exported production last year, with an estimate of around 0.03 mbd in locally refined production. For 2022, we therefore expect an increase of 0.021 mbd in average production, with new production in some blocks supporting this growth, namely:

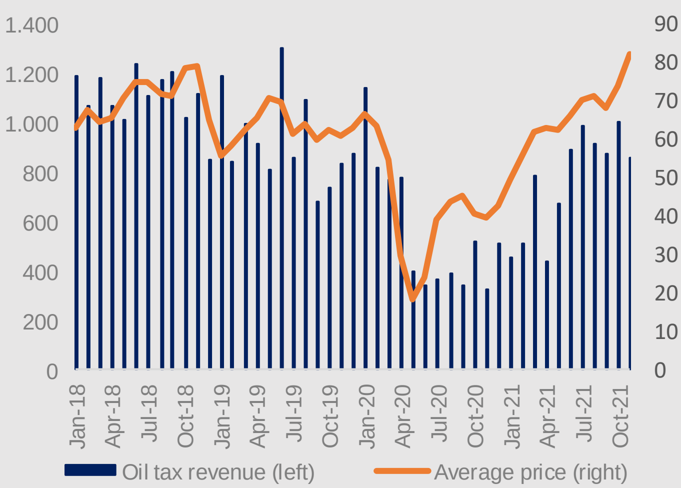
- Additional 0.030mbd in Block 17, operated by Total Energies, an increase of 9%, with the effect of Zinia Phase 2 (which started in May 2021) and CLOV Phase 2 (which started this month);
- Additional 0.016mbd in Block 18, operated by BP, an increase of 39% due to the start of production in the Platina Field, at the end of November this year;
- Additional 0.009mbd in Block 15/06, operated by Eni, an increase of 10%, with the start of production in the Cuica marginal area, in August this year, together with some more investments in 2022.

In other blocks, there will be decreases, despite some investments (in Block 0 and Block 32) that will only mitigate the fall that occurs naturally in the course of production.

3| The Government's macroeconomic scenario anticipates a return to positive growth in both the oil and non-oil economy, although a little less optimistic compared to our own forecasts. On the oil economy side, the Executive expects growth of 1.6%, a forecast that coincides with our expectations, given the various increases mentioned above.

As of June 2021, oil tax revenue has returned to higher levels

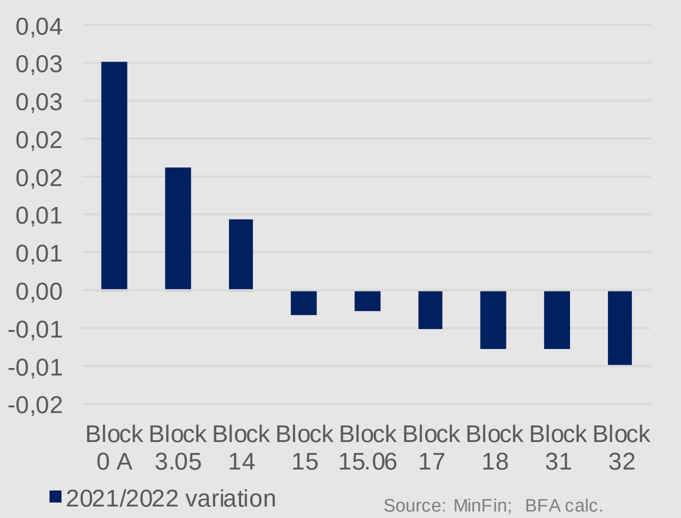
USD million USD



Source: Min. Fin.

Blocks 17, 18 and 06/15 will bring the main production increases in 2022

Millions of barrels daily



Source: MinFin; BFA calc.

With regard to the non-oil economy, the Executive expects a slowdown, from 5.2% in 2021 to 3.1% in 2022. As shown in the table, the expectation is for less intense growth in Agriculture, Fisheries, Energy, Trade; on the other hand, it is expected that Construction and the Mining sector will return to positive growth, accompanied by an acceleration of the Manufacturing Industry. From our point of view, we think the non-oil economy is likely to slow less, from an estimated 6.2% in 2021 to a projected increase of between 4.5%-5.0% in 2022. The difference in perspective relates to the Construction sector: as can be seen in the graph below, along with the Transport sector, Construction was the sector most affected by the pandemic, being still quite far from normal activity; In this sense, we believe that there is still plenty of room for a significant recovery, together with the positive effect of the increase in public investment planned for 2022 – the holding of elections next year is not unrelated to this fact, and we predict that investment should exceed the budgeted.

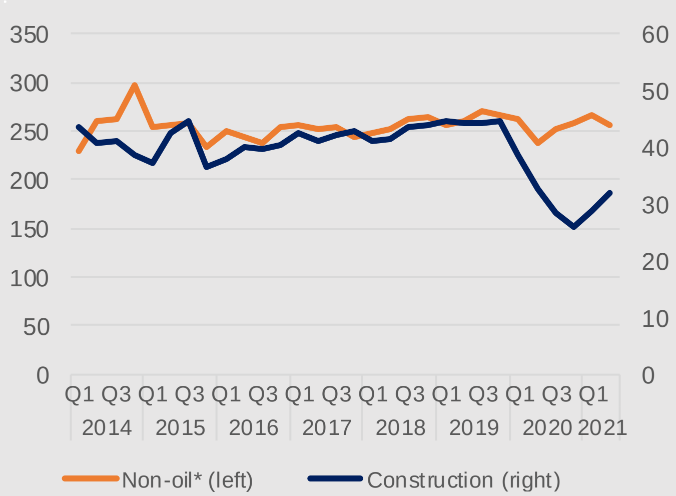
Sector GDP	2021	2022
	Estimates	
	OGE 2022	
GDP	0,2	2,5
Oil + Gas	-10,6	1,6
Non Oil GDP	5,2	3,1
Agriculture	4,6	4,3
Fisheries	33,0	4,0
Mineral Extraction	-9,6	10,0
Manufacturing Industry	2,0	5,0
Construction	-10,0	2,4
Energy	5,0	4,0
Trade	6,8	2,3
Others	1,9	1,5

Source: Fin. Min

It is also worth mentioning two factors that should be very positive for the economy in 2022. On the one hand, despite the permanence of Covid-19, it is clear that the harmful effects are gradually decreasing with each wave, and it seems to become clear that the effects will be smaller on a global level; this trend will contribute to maintaining the price of oil at high levels, and to the more persistent lifting of restrictions, which will also extend to Angola as the vaccination campaign advances – to date, 22.7% of the population received the 1st dose, equivalent to about 46-47% of the adult population.

Construction saw a sharper drop than the economy in general and is expected to recover in 2022

Seasonal GDP at constant prices



* Proxy: GDP minus oil GDP

Source: INE

On the other hand, and also due to the high price of oil, we anticipate a year of exchange rate stability, including pressures for currency appreciation in the first half of the year; together with the decrease in pressures on the global logistics chain, this will bring about a deceleration of inflation, which may even be faster than expected; both of these realities, together, and in a more sustained manner, could bring reinforced confidence to economic agents, something that has been lacking in recent years.

For the economy as a whole, the Ministry of Finance forecasts a 2.4% growth, while we expect an increase in economic activity between 3.7%-4.2%.

4| Despite the more optimistic scenario on our part, we do not expect such a significant slack as in previous years. We anticipate oil tax revenue of AOA 6.63Tn, just AOA 0.51Tn above what the government expected. This more optimistic view results from a positive effect from higher Brent (AOA +1.90Tn), a negative effect from a stronger than expected exchange rate for Minfin (AOA -1.27Tn), a slightly positive effect from a higher production (+0.06Tn) with a combined effects residual paper (AOA +0.18Tn) **In isolation, each Dollar more in the average price of Brent in 2022 results in an additional AOA 0.14Tn of oil tax revenue.**

Oil Revenue for each Price Level

Brent price (USD)	Est. Revenue (AOA Bn)
60	5.084,9
62	5.325,2
64	5.572,3
66	5.826,5
68	6.088,0
70	6.356,8
72	6.633,3
74	6.917,7
76	7.210,2
78	7.511,0
80	7.820,4

Sources: Fin. Min., BFA calc.

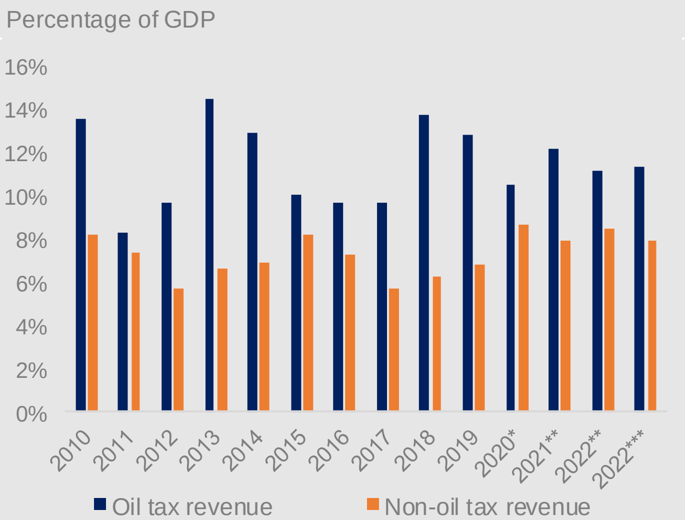
5| In non-oil revenue, the Government expects to collect around AOA 4.61Tn, an increase of 17.3% compared to the 2021 execution. As a percentage of GDP, this should represent 8.4% (+0.5pp compared to 2021). The Executive thus expects a growth in non-oil taxes below average inflation (22.4% according to the Budget), mainly as a result of the decrease in VAT on a series of goods, especially food (possibly together with the extension of the exemption of customs duties in some food products). Our expectations do not differ much, as we expect average inflation to be just a little lower (21.4%) and growth in the non-oil economy a little higher; Furthermore, it seems to us that the difference between the growth of nominal non-oil GDP (25.5% in the Government's forecast, 26.2%

in that of the BFA) and the increase in non-oil tax revenue is entirely justified - we expect an increase of around 18.0%, compared to 17.3% for the Executive.

It should be noted that, despite the absence of statistics on VAT collection for different goods, foodstuffs make up around 50% of expenditures according to the INE basket for calculating inflation. Assuming that half of the VAT collected is on goods for which the tax rate will be reduced, and calculating that the rate of decreases averages 57% (from 14% to an average of 6%), the reduction in the total VAT collection, without any other effect, is 28.6%.

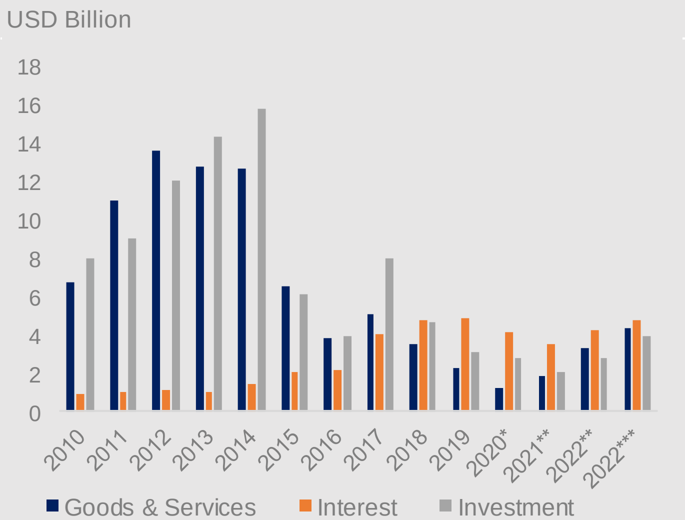
6| Total revenues are estimated at AOA 11.64Tn by the Executive, corresponding to a year-on-year increase of 11.1% (below the average inflation expected for 2022). By our calculations, we estimate a higher level of revenue, around AOA 12.26Tn, essentially due to the higher collection of oil taxes, already explained above.

Oil tax revenue remains well below pre-2015 levels



Non-oil tax revenue Source: Fin. Min., BFA calc.

Interest expenses rise again, measured in Dollars; investment may be highest since 2018



Gov. estimate **Budget Source: Fin. Min, BFA calc.

7| On the expenditure side, the Government expects an increase of 29.4% to AOA 11.64Tn; representing 21.3% of GDP. When expressed in Dollars, the forecast results in a rise of 13.8% to USD 16.3Bn. Our expenditure estimate is only slightly higher than the Executive's, at around AOA 11.72 Tn**.**

8| Within the various expenditure components, the largest increase will be registered in current transfers, which are expected to increase by 71.7% compared to 2021, to AOA 1.54 Tn. Much of the increase is due to higher spending on subsidies, which is likely due to the widening gap between the market price and the subsidized price of fuel, which has been sustained outside of the Budget by Sonangol; in Dollars, it will be around USD 2.15Bn. From our perspective, the increase will be even greater, to close to AOA 1.72Tn. On the other hand, there will be a further significant increase in purchases of goods and services, which will rise by 58.1% (to AOA 2.39Tn), after rising 56.6% in 2021: in Dollars, this is an increase to USD 3.36Bn, well above the USD 1.68Bn in 2020 and USD 2.41Bn spent in 2021 – still well below the USD 13.01Bn average for 2011-14. **Spending on employee compensation is expected to rise around 7.7% according to the Budget (below the average inflation of 22.4% expected for the period by the Executive):** assuming a similar number of civil servants and overtime (which may not necessarily occur), these figures may mean that the average income of civil servants should increase below average inflation – in this sense, and taking into account some political will to recover purchasing power on the part of civil servants, our expectation is that the increase could be more than 10%, possibly around inflation at the end of 2022.

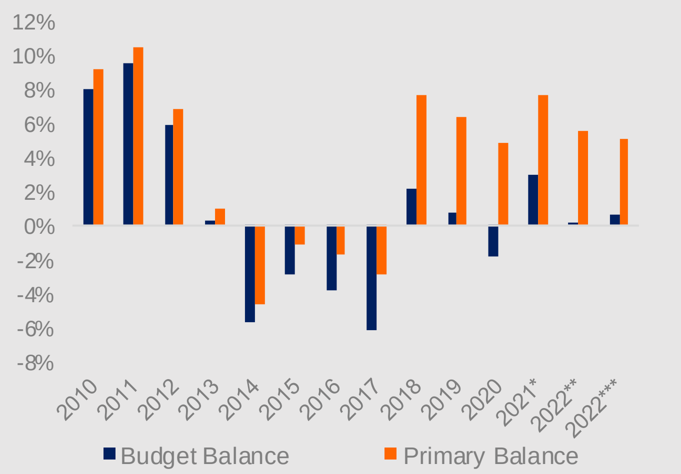
9| With regard to investment spending, the Government expects an increase of 13.5% compared to the 2021 budget execution, to AOA 2.0Tn. In Dollars, the amount to be disbursed in investment should stabilize at USD 2.82Bn, just 0.2% below the amount executed in 2021. As a percentage of GDP, investment remains close to minimum levels, at 3.7% (3.6% in 2021), less than half of that recorded in 2011 (8.1%). Here, too, we are expecting expenses to exceed budgeted, so we assume investment expenditure close to AOA 2.21Tn, an increase of 24.8% compared to 2021.

10| Interest expenses will increase again in 2022, although they should still be below the USD 4.72Bn reached in 2019 - the Government expects around AOA 3.02Tn, which translates to USD 4.24Bn: this is 26% of budget expenditure, slightly above the 23% expected to be spent on salary payments; specifically, the Executive expects an increase of 58.3% in foreign interest and 3.9% in domestic interest. From our perspective, with the Kwanza more appreciated than the Government expects, Thus, in conjunction with our forecast for the remuneration of civil servants, we expect that around 22% of budget expenditure will be in interest, compared to the 25% we expect in salary payments.

11| Thus, the Executive foresees a balanced Budget, while BFA foresees a positive budget balance of AOA 300-350 Bn, representing 0.5-0.6% of GDP. Looking at the primary balance (which excludes interest expenses), the Executive anticipates a surplus of 5.5% of GDP, down from the maximum of 7.7% last year; BFA estimates the primary balance to be 5.1%, slightly above the recent low in 2020 (4.7%) – since 2018 the Executive has shown consecutive positive primary balances, something that did not occur between 2014-2017.

Surplus will be low but primary balance will remain significant in 2022

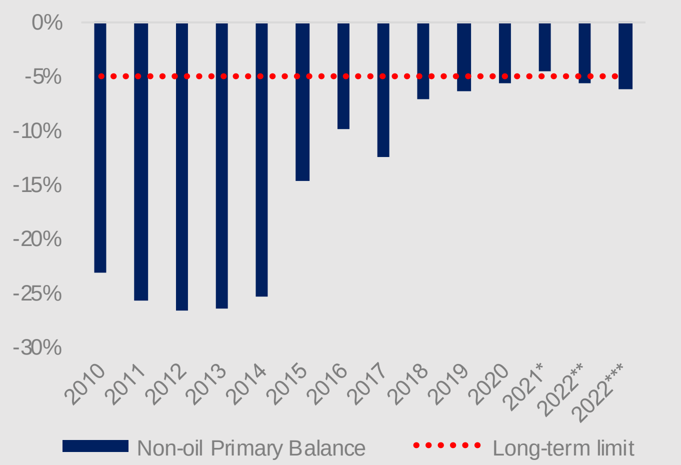
Percentage of GDP



*Estimate **Budget ***BFA Source: Fin. Min, BFA calc.

No extra expense, Non-oil Primary Balance can meet long-term limit in 2021

Percentage of non-oil GDP



*Estimate **Budget ***BFA Source: Fin. Min, BFA calc.

12| In the case of the non-oil Primary Balance, the Government expects it to deteriorate to -5.7% of GDP, compared to -4.5% recorded in 2021. Furthermore, the Executive will fail by 0.7% in the medium term objective of achieving a non-oil primary balance above -5% of GDP; 2021 was the first year in which this objective was achieved, after several years of improvement – the ratio registered an average of 25.6% between 2010-2014, 12.4% between 2015-2017 and 6.5% between 2018- 2020 BFA expects a slightly worse non-oil primary balance in 2022, around 6.0-6.5%.

Economic Research Unit
Contact: +244 222 696 462
E-mail: dfi.gee@bfa.ao

14| Looking at expenditure by sectors, the Social sector (Education, Health, Social Protection, Housing) should concentrate 37.4% of budget expenditure, a decrease compared to the 39.3% budgeted in 2021. Expenditure on Defense & Security will also decrease, by weight, from 19.1% to 16.7%. However, General Expenses should increase significantly in their weight, from 25.3% in the 2021 Budget to 30.5% in 2022 - this is also an increase compared to 2020 (23.6%), 2019 (21, 7%) and 2018 (19.6%). The remaining expenses (Economic Affairs, Environmental Protection, Culture) will also have a reduced weight, from 16.2% in 2021 to 15.4% in 2022.

CONCLUSION

1| The 2021 Budget is at this point a relatively conservative planning exercise, although less so than in other years; even assuming a Brent price significantly lower than the average of market forecasts (-19%), the revenue estimate is not far below our expectation (which assumes an average Brent price of USD 72). In practice, the Executive assumes a conservative price, but also assumes an unusual depreciation (which increases the value of oil tax revenues in Kwanzas) without the negative effects of this depreciation on the economy. The result in terms of revenue is a budget with less slack than in other years. We also expect spending to go above budget (with the exception of the interest component, where the opposite should occur), which should result in a modest surplus, between 0.5%-0.6% of GDP. However, if the global recovery from the pandemic is faster, and average oil prices definitely remain above USD 80 per barrel, then we could be talking about a much more significant slack, in oil and non-oil revenues (due to the effect on the economy), which will allow for less debt and/or higher spending.

2| This Budget is a clear (albeit slight) application of an expansionary fiscal policy, to try to stimulate the economy, which can be seen by the movement of the Non-oil Primary Balance, which worsens from -4.5% to -5.7% in the Government's expectation (-6.2% in our estimate). The main reflections of this are the decrease in VAT for a series of food items, the increase in expenditure on current transfers (mainly subsidies) and the increase in spending on goods & services; if the budget limit is actually exceeded, the increase in the remuneration of civil servants will also be an example of this.

3| The most worrying sign regarding expenditure comes from the large increase in General expenditure, when spending is assessed by sector. These are expenses that, for the most part, do not seem to be allocated to specific programs; in this sense, it becomes more difficult to monitor them, and also more difficult for the State's planning itself.

C. ANNEX

State Budget	2021		2022		Variation 2022/21	
(USD Billion)	Budget	Execution	Budget	BFA est.	OGE	BFA
Revenue	**10,81**	**16,79**	**16,33**	**22,07**	**-2,7%**	**31,5%**
Current Revenue	10,81	16,76	16,33	22,07	-2,6%	31,6%
Taxes	9,72	15,99	15,05	20,29	-5,8%	26,9%
Oil Taxes	5,54	9,68	8,58	11,95	-11,4%	23,4%
Non-oil Taxes	4,18	6,30	6,47	8,34	2,7%	32,3%
Social Contributions	0,45	0,53	0,47	0,74	-10,4%	41,6%
Donations	0,00	0,00	0,00	0,00	-	-
Other current revenue	0,64	0,25	0,80	1,03	217,8%	308,1%
Capital Revenue	0	0	0	0	-	-
Expenditure	**13,34**	**14,41**	**16,32**	**21,44**	**13,3%**	**48,8%**
Current Expenditure	10,70	11,57	13,50	17,45	16,7%	50,9%
Wages	3,94	3,98	3,75	5,30	-5,7%	33,2%
Goods & Services	1,86	2,42	3,36	4,31	38,4%	77,8%
Interest	3,55	3,73	4,24	4,74	13,6%	27,2%
External	2,14	1,78	2,46	2,46	38,6%	38,6%
Internal	1,41	1,95	1,78	2,28	-9,0%	16,9%
Current Transfers	1,22	1,43	2,15	3,09	50,3%	115,8%
Capital Expenditure	2,06	2,84	2,82	3,99	-0,6%	40,4%
Current Balance	**0,78**	**12,84**	**2,83**	**10,14**	**-10,01**	**-2,70**
Primary Balance	2,27	15,08	4,24	11,79	-0,72	-0,22
in % of GDP	4,0%	7,7%	5,5%	5,1%	-2,17	-2,60
Non-oil Primary Balance	**-3,27**	**-8,83**	**-4,34**	**-14,45**	**4,49**	**(5,62)**
in % of non-oil GDP	-5,7%	-4,5%	-5,7%	-6,3%	-1,2%	-1,7%
Budget Balance	**-1,28**	**5,87**	**0,00**	**1,38**	**(5,87)**	**(4,49)**
in % of GDP	-2,2%	3,0%	0,0%	0,6%	-3,00	-2,40

Sources: Fin. Min., BFA calc.

Economic Research Unit
Contact: +244 222 696 462
E-mail: dfi.gee@bfa.ao

Figures are expressed using the comma as thousands separator and the point as decimal separator and using the term "billion" to signify 10^9