Public Disclosure Authorized
Public Disclosure Authorized
Public Disclosure Authorized
Public Disclosure Authorized

ANGOLA
Economic
Update

From Transit to Transformation

LEVERAGING THE LOBITO CORRIDOR FOR ECONOMIC DIVERSIFICATION AND REGIONAL INTEGRATION

2nd EDITION

WORLD BANK GROUP

ANGOLA
Economic
Update

From Transit to Transformation

LEVERAGING THE LOBITO CORRIDOR FOR ECONOMIC DIVERSIFICATION AND REGIONAL INTEGRATION

2nd EDITION

WORLD BANK GROUP

© 2026 International Bank for Reconstruction
and Development / The World Bank
1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org

This work is a product of the staff of The World Bank with external contributions. The findings, interpretations, and conclusions expressed in this work do not necessarily reflect the views of The World Bank, its Board of Executive Directors, or the governments they represent.

The World Bank does not guarantee the accuracy, completeness, or currency of the data included in this work and does not assume responsibility for any errors, omissions, or discrepancies in the information, or liability with respect to the use of or failure to use the information, methods, processes, or conclusions set forth. The boundaries, colors, denominations, and other information shown on any map in this work do not imply any judgment on the part of The World Bank concerning the legal status of any territory or the endorsement or acceptance of such boundaries.

Nothing herein shall constitute or be construed or considered to be a limitation upon or waiver of the privileges and immunities of The World Bank, all of which are specifically reserved.

Rights and Permissions

The material in this work is subject to copyright. Because The World Bank encourages dissemination of its knowledge, this work may be reproduced, in whole or in part, for noncommercial purposes as long as full attribution to this work is given.

Any queries on rights and licenses, including subsidiary rights, should be addressed to World Bank Publications, The World Bank Group, 1818 H Street NW, Washington, DC 20433, usA; fax: 202-522-2625; e-mail: pubrights@worldbank.org.

Cover design, interior design and typesetting: Piotr Ruczynski, London, united Kingdom, prucz.co.uk

Contents

vii *Acknowledgments*

ix *Abbreviations and Acronyms*

ix *Country Codes*

1 **Executive Summary**

5 PART ONE

The State of the Economy

6 Recent Developments

6 Economic Activity

8 Labor Market

9 Inflation

11 Fiscal Policy

13 Monetary Policy

14 External Sector

16 Economic Outlook and Risks

21 PART TWO

Leveraging the Lobito Corridor Initiative for Economic Diversification and Regional Integration

22 Introduction

23 Lobito Corridor: Strategic Context, Current Status, and Potential

23 Strategic Context: Key Global Megatrends and Comparative Advantage

27 Current Status: Ongoing Measures and Investments

30 Potential: Transforming the Lobito Corridor into a Regional Development Platform

38 Policy Recommendations

41 *References*

43 ANNEX 1 Examples of Leading Corridors Programmatic and Operational Factors

44 ANNEX 2 Lobito Corridor Potential in Comparison with Other Development Corridors

45 ANNEX 3 Lobito Corridor Countries Merchandise Geography of Trade Profile (2023)

46 ANNEX 4 Scan of Border Management Environment Across Lobito Corridor Countries

Boxes

10 **BOX 1.1** Managing Dutch Disease: Lessons from International Experience

24 **BOX 2.1** The Lobito Corridor: A Historical Overview

31 **BOX 2.2** Actionable Clusters and Investment Synergies in the Lobito Corridor

38 **BOX 2.3** Agribusiness along the Lobito Corridor—Turning Connectivity into Bankable Value Chains

Figures

6 **FIGURE 1.1** Growth in 2025 was negatively affected by weak oil sector activity

6 **FIGURE 1.2** Angola's oil sector has struggled with falling output and unstable global prices

7 **FIGURE 1.3** ...but a robust non-oil sector helped offset declining hydrocarbon production

7 **FIGURE 1.4** Growth performance has been insufficient to reverse the decline in GDP per capita...

7 **FIGURE 1.5** ...which can be explained by the declining productivity

8 **FIGURE 1.6** The macroeconomic challenges have constrained access to basic infrastructure...

8 **FIGURE 1.7** ...and contribute to limited improvements in services delivery

8 **FIGURE 1.8** Despite the moderation in growth, labor market conditions improved...

8 **FIGURE 1.9** ...but most jobs are generated in the informal sector

9 **FIGURE 1.10** Improved labor market conditions helped strengthen consumer expectations

10 **FIGURE 1.11** Inflation continued to ease in 2025 but remains elevated

10 **FIGURE 1.12** ...eroding households' living conditions

12 **FIGURE 1.13** Fiscal balances deteriorated in 2025...

12 **FIGURE 1.14** Nevertheless, public debt declined

12 **FIGURE 1.15** Angola's EMBIG (Emerging Markets Bond Index Global)

13 **FIGURE 1.16** Authorities began easing the monetary stance

13 **FIGURE 1.17** ...which helped spark early signs of recovery in lending

15 **FIGURE 1.18** The current account surplus narrowed

15 **FIGURE 1.19** ...but the kwanza remained broadly stable...

15 **FIGURE 1.20** ...and external reserves slightly increased

15 **FIGURE 1.21** The REER saw a relative appreciation

22 **FIGURE 2.1** Angola's export structure remains highly concentrated...

22 **FIGURE 2.2** ...with the level of diversification deteriorating compared to peers

24 **FIGURE B2.1.1** Lobito Corridor, a cross-border, multimodal transport network that connects the mining regions in the Democratic Republic of Congo and Zambia

25 **FIGURE 2.3** Increasing global demand for cobalt and copper reinforces the corridor's strategic importance

25 **FIGURE 2.4** Democratic Republic of Congo and Zambia rank among Africa's and the world's most cobalt- and copper-rich countries

26 **FIGURE 2.5** Much of Angola's trade depends on demand from large economies

26 **FIGURE 2.6** The Lobito corridor can enhance regional and global economic integration by increasing trade efficiency

26 **FIGURE 2.7** Lobito Corridor as a strategic platform for regional and global markets integration

27 **FIGURE 2.8** Pledged and committed financing for the Lobito Corridor

27 **FIGURE 2.9** Planned financing structure for the Lobito Corridor

30 **FIGURE 2.10** Ongoing projects help set the foundation for improved logistics, private investment attraction, and sustainable development

31 **FIGURE B2.2.1** The tool identified clusters located in the municipalities of Huambo and Caála, and in Benguela based on the selected criteria (population, cropland, and accessibility)

33 **FIGURE 2.11** Successful corridor-based economic transformations follow a sequential and conditional path

34 **FIGURE 2.12** Logistics challenges may limit the corridor potential for diversification

34 **FIGURE 2.13** The corridor economies' high trade tariffs may constrain trade flows

35 **FIGURE 2.14** Global Quality Infrastructure Index (GQII)

35 **FIGURE 2.15** Angola Human Capital Index in comparison with Corridor Transformative Economies and Peer Countries

36 **FIGURE 2.16** Domestic credit to private sector in Angola vs in transformative corridor economies

Tables

18 **TABLE 1.1** Economic Trends and Forecasts, 2022 to 2028

19 **TABLE 1.2** Macroeconomic and Fiscal Projections for 2026 under Alternative Oil Price Scenarios

28 **TABLE 2.1** Although still emerging, the Lobito Corridor governance framework combines elements for regional coordination and national management

29 **TABLE 2.2** Angolan provinces connected by the Lobito Corridor present substantial production potential

31 **TABLE B2.2.1** Actionable Clusters in the Lobito Corridor based on Population, Cropland, and Accessibility

32 **TABLE 2.3** Transformative Corridors Ecosystem

37 **TABLE 2.4** Six African Industrial Policy Archetypes: Feasibility and Effectiveness Conditions based on Fernandes et al. (2026)

Acknowledgments

The Angola Economic update series aims at: providing rigorous and timely analysis to Angola's stakeholders in government, academia, media, private sector, international partners, and the wider population interested in the country's future economic development; connecting Angola with global and regional developments to help benchmark the country against international trends and relevant peer countries; providing a platform to facilitate knowledge-sharing of the World Bank Group's various analytical and lending activities in Angola, as well as those produced globally; and generating a community of economic stakeholders to engage with and support in their own efforts to analyze economic developments in Angola and formulate and discuss economic policies.

This Economic update was prepared by a multidisciplinary team led by Nelson Tisso Miezi Eduardo (Senior Economist) under the guidance of Cristina Savescu (Lead Economist), Jean-Pascal Nguessa Nganou (Lead Economist), Chadi Habib (Lead Economist), Bénédicte Baduel (Senior Country Economist). Chapters 1 and 2 were prepared by Nelson Eduardo (Senior Economist) and Fernanda Massarongo (Research Analyst) and with inputs from Sunita Varada (Senior Private Sector Specialist), Aguima Lompo (Consultant) and Hildebrando Pahula (Consultant).

The report was prepared under the overall guidance and supervision of Albert Zeufack (Division Director), Juan Carlos Alvarez (Country Manager), Hassan Zaman (Regional Practice Director), Abha Prasad (former Practice Manager) and Rafael Munoz (Practice Manager).

The team is grateful to peer reviewers Aiga Stokenberga (Senior Transport Economist) and Muhammad Waheed (Senior Economist) for their valuable comments and suggestions, to Charles Kunaka (Lead Transport Specialist) for his valuable suggestions, and to Nani A. Makonnen, Karima Laouali Ladjo (Senior Program Assistants), and Amada Rodrigues (Program Assistant) for their logistical and administrative support.

Abbreviations and Acronyms

AfCFTA	African Continental Free Trade Area
AFC	African Finance Corporation
AfDB	African Development Bank
AGT	Administração Geral Tributária
ARCCLA	Agência Reguladora de Certificação de Carga e Logística de Angola
BNA	Banco Nacional de Angola (Central Bank of Angola)
CB	Central Bank
COMESA	Common Market for Eastern and Southern Africa
CPI	Consumer Price Index
DMIC	Delhi–Mumbai Industrial Corridor
DPO	Development Policy Operation
EMBIG	Emerging Markets Bond Index Global
EU	European Union
EWEC	East-West Economic Corridor
FDI	Foreign Direct Investment
FX	Foreign Exchange
GDP	Gross Domestic Product
GQII	Global Quality Infrastructure Index
IFC	International Finance Corporation
INE	Instituto Nacional de Estatística (National Statistic Office)
INEFOP	Instituto Nacional de Emprego e Formação Profissional
JPY	Japanese Yen
Km	Kilometer
Kz	Kwanza
LAR	Lobito Atlantic Railway
LCTTFA	Lobito Corridor Transit Transport Facilitation Agency
LPI	Logistics Performance Index
Mb/d	Million barrels per day
MDC	Maputo Development Corridor
MIGA	Multilateral Investment Guarantee Agency
MINFIN	Ministry of Finance
MINPLAN	Ministry of Planning
MINTRANS	Ministry of Transport
MSME	Micro, Small and Medium Enterprise
NPL	Non-Performing Loan
NSW	National Single Window
OSBP	One Stop Border Post
PPP	Purchasing Power Parity
PPP	Public Private Partnership
PSO	Public Service Obligation
REER	Real Effective Exchange Rate
SADC	Southern Africa Development Community
SDCL	Sociedade de Desenvolvimento do Corridor de Lobito (Lobito Corridor Development Company)
SEZ	Special Economic Zone
SME	Small and Medium Enterprise
SPS	Sanitary and Phytosanitary
SSA	Sub-Saharan Africa
STEM	Science, Technology, Engineering, and Mathematics
TVET	Technical and Vocational Education and Training
US$	United States Dollar
VAT	Value-Added Tax
WB	World Bank
WBG	World Bank Group
WBES	World Bank Enterprise Surveys
WDI	World Development Indicators
Y-o-Y	Year-on-Year

Country Codes

AGO	Angola
CHL	Chile
CMR	Cameroon
DRC	Congo, Dem. Rep.
IDN	Indonesia
IND	India
LAO	Lao
MMR	Myanmar
MOZ	Mozambique
MYS	Malaysia
NGA	Nigeria
THA	Thailand
VNM	Việt Nam
ZAF	South Africa
ZMB	Zambia

Executive Summary

Part One: The State of the Economy

Following a robust growth in 2024, Angola's economy slowed in 2025. Real GDP grew by 3.1 percent in 2025, driven by the non-oil industry, as oil production continued its structural decline. Compounding this slowdown, deep socioeconomic challenges persist. Poverty remains high at almost 60 percent, with 6 out of 10 people surviving on less than us$4.2 equivalent to the cost of one kilogram of rice, per day. Moreover, a Gini index exceeding 0.51 ranks Angola among the most unequal economies in the world. The economy is at risk of diminished productivity over generations. The share of youth out of school climbed from 25 to 36.7 percent over the past decade, and 40 percent of children under five face chronic malnutrition. A prolonged decline in GDP per capita, persistent Dutch disease dynamics, and heavy dependence on a depleting oil resource base have contributed to narrowing Angola's fiscal room to address development challenges. Government revenues fell from 18.7 percent to just 14.8 percent of GDP in 2025. These challenges make economic diversification not merely a policy aspiration but an urgent imperative for sustainable and inclusive growth.

Low productivity and persistent high inflation continue to lock most of the population out of economic progress. Despite the challenging macroeconomic environment, unemployment, including among youth, fell, but declining productivity points to fragile job quality. Of the approximately 700,000 jobs added each year, roughly 80 percent are in the informal sector: precarious and low-productivity offering no pathway out of poverty. Inflation eased reflecting moderating food prices and exchange rate stability, but it remained high, averaging 20.2 percent in 2025—indicating that real incomes continue to erode. Fuel subsidy reforms and regulated price hikes sparked public protests. As inflation decelerated, the central bank started to decrease the policy rate from 19.5 percent in August 2025 to 17 percent by May 2026. On the fiscal side, Angola registered a primary deficit in 2025, for the first time since 2017. Nevertheless, total public debt continued to decline, helped by exchange rate stability. The country's trade position weakened, but soaring gold prices helped cushion international reserves, which remained above 7 months of import coverage.

Growth is projected to remain moderate in the medium term, averaging 2.7 percent in 2026–2028, below the annual population growth rate of 3.1 percent. Non-oil sectors supported by ongoing structural reforms, particularly agriculture are expected to lead output growth, while oil production continues to decline. Inflation is expected to ease toward 12.5 percent by 2027. Fiscal pressures are likely to persist; public debt is projected to decline, averaging around 49.1 percent of GDP in 2027. The external outlook will depend on the net effect of oil price movements, as higher prices simultaneously boost export revenues but raise import costs. Nevertheless, external buffers are expected to remain broadly adequate.

Addressing Angola's structural vulnerabilities—oil dependence, declining labor productivity, low human cap-

ital, and institutional fragilities - is central to achieving inclusive and resilient growth. Priority reforms include continuing to rationalize fuel subsidies with adequate protection for low-income households, strengthening domestic revenue mobilization, and investing in education, health, and connectivity infrastructure. Improving the business environment to stimulate private sector development and job creation, while navigating global oil price risks, will determine whether Angola can successfully transition to a diversified, competitive, and equitable economy. Framed by Angola's Development Plan (2023–27) as a strategic economic corridor, the development of the Lobito Corridor offers a unique transformative opportunity to accelerate Angola's economic diversification through improved connectivity, reduced logistics costs, and attraction of investments outside the extractive sector and urban centers. Yet, the materialization of this potential depends more on institutional reforms and less on infrastructure alone.

Part Two: Leveraging the Lobito Corridor for Diversification in Angola

Africa's infrastructure corridors have shown varied outcomes. While many have successfully promoted corridor-based economic transformation, others have delivered narrow enclave-based gains with limited spillovers, leaving nearby communities largely isolated. The Lobito Corridor could follow either of these two trajectories: be a catalyst for broader economic development or become a mere route for minerals between the Democratic Republic of Congo and Zambia to the Atlantic. Expected to cut mineral transit times sixfold, the Lobito Corridor sits at the intersection of three market shifts that create a strategic opportunity to use its infrastructure as a platform for successful economic diversification and job creation. First, private rail management under the Lobito Atlantic Railway consortium's 30-year agreement; second, increased copper and cobalt demand from the global energy transition, generating freight volumes that support corridor viability; and third, strengthened multilateral governance framework via the Lobito Corridor Transit Transport Facilitation Agency (LCTTFA) and regional integration frameworks (such as SADC and AfCFTA).

However, addressing infrastructure gaps and establishing basic corridor governance are necessary but not sufficient. Realizing the Lobito Corridor's potential to drive broad economic and spatial growth requires disciplined sequencing, deliberate investments that tackle the ecosystem market failures, targeted policies, and robust governance. Transformation unfolds conditionally. With Lobito in the rehabilitation and ramp-up phase, ensuring operational reliability—including trains reliability, port efficiency, and seamless logistics—is the immediate policy priority. This is the foundation upon which private investment, firm entry, agribusiness clustering, and spatial development depend. While this operational competence is secured, complementary interventions should focus on addressing key market failures, such as high logistics costs, limited last-mile connectivity, limited workforce supply, restricted credit, and regulatory fragmentation across Angola, Democratic Republic of Congo, and Zambia. Effective governance is essential at regional, national, and operational levels to harmonize cross-border policies, align agencies, and coordinate investments across this sequence. Secondary cities like Huambo, Caála, and Benguela must be proactively managed to foster industrial clusters, labor market depth, and resilient urban growth. ultimately, the corridor's success depends less on infrastructure alone than on carefully sequenced reforms, cross-sector coordination, and the institutional capacity to transform connectivity into diversified and competitive economic activity.

Chapter 2 of this Angola Economic update sets out why and how the Lobito Corridor can be positioned to translate improved connectivity into broad-based, inclusive economic transformation.

PART ONE

The State of the Economy

Key Messages

- **After performing well in 2024, Angola's economy lost momentum in 2025, growing at a slower pace of 3.1 percent, largely due to declining oil production.** Despite the strong performance of the non-oil sector, growth was not enough to reverse 15 years of falling income per person. Unemployment fell, but of the roughly 850 thousand jobs added in the second quarter of 2025, about 8 in 10 were informal, low-paid and precarious, which explains why poverty and inequality remained stubbornly high. More than half the population survives on 45.3 thousand kwanzas per month, which is just half the minimum wage of 100 thousand kwanzas. Although prices rose more slowly, helped by cheaper food and a more stable currency, they remained high as rises in government-controlled prices kept pushing costs up. Government revenues and export earnings weakened, as oil revenues hit a historic low. Despite this, higher gold prices helped maintain strong buffers, while currency stability supported a continued decline in public debt.
- **Growth is projected to remain modest over the medium term, averaging 2.7 percent between 2026 and 2028, driven mainly by the non-oil economy.** With income per person continuing to fall, the poverty rate is projected to remain high, with approximately 4 out of 10 people remaining in poverty through 2027. Inflation is expected to keep coming down gradually but remain in double digits, requiring keeping monetary policy mildly tight to anchor expectations amid elevated uncertainty. Higher global oil prices, combined with ongoing fuel subsidy reforms, are expected to improve government finances and strengthen the country's external position, supporting continued debt reduction and adequate external reserves. Nevertheless, risks remain significant, particularly from oil price swings, upcoming elections, and the possibility that subsidy reforms could be rolled back.
- **Declining income, rising prices, and the heavy dependence on a depleting resource underscore that Angola needs to diversify its economy, and urgently.** Angola's heavy reliance on oil creates a cycle of economic instability that holds back non-oil sectors. As a result, the country cannot generate broad-based productivity gains and sufficient fiscal resources to meaningfully invest in improving the lives of its people. With limited government resources to invest in development, the risk is the perpetuation of today's challenges: low productivity, poor jobs, inadequate services. Over the past decade, the share of young people out of school has climbed from 25 percent to nearly 37 percent, and 4 in 10 children under five are malnourished, undermining their future prospects. To break the cycle, Angola needs to reduce its reliance on oil and build an economy where more sectors can grow and create good jobs. The government's 5-year development plan for 2023–27 anchors the Lobito Corridor as a central engine for broader economic transformation. Realizing this ambition requires extending transport infrastructure beyond mineral traffic to unlock productive and territorial development.

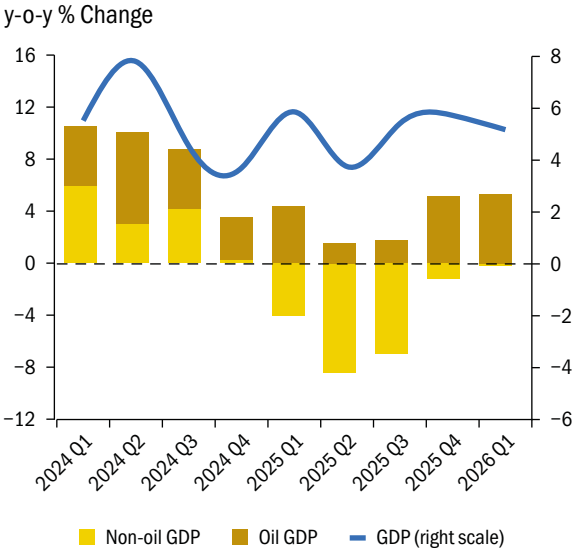
Recent Developments

Economic Activity

Following a robust recovery in 2024, Angola's economic growth moderated in 2025 as the oil sector struggled with falling output, while the non-oil sector maintained a strong performance.

After a strong recovery in 2024, Angola's economic growth slowed down in 2025 due to challenges in the oil sector. The country saw its fastest economic growth in a decade at 4.9 percent in 2024, but real GDP growth dropped to 3.1 percent in 2025. Growth exhibited an uneven quarterly pattern during the year: the first three quarters recorded very modest expansion, with second and third quarters posting the weakest growth since 2023, at 1.6 percent and 1.7 percent year-on-year, respectively. Momentum picked up sharply in the fourth quarter, when growth reached a remarkable 5.1 percent, helping lift overall GDP growth for the year (Figure 1.1).

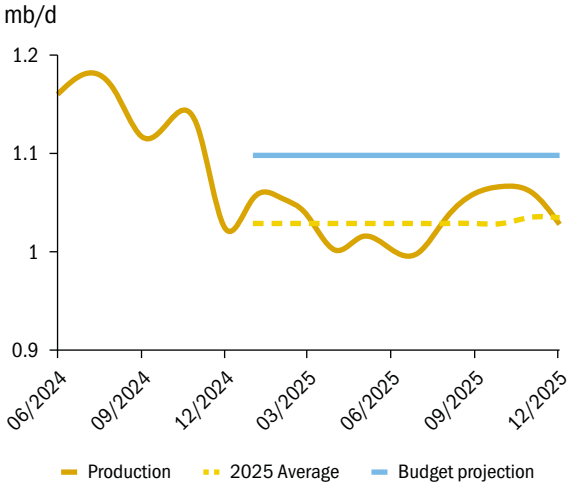
FIGURE 1.1 Growth in 2025 was negatively affected by weak oil sector activity



Source: National Institute of Statistics.

The slowdown was largely caused by a 5.2 percent contraction in the oil sector, the largest in two years. The decline in production was driven by challenges associated with aging fields, operational limitations, underinvestment, and infrastructure challenges. Oil production stayed low throughout 2025, averaging 1.03 million barrels per day (mb/d), 8 percent less compared to 2024 and notably below the government's budget forecast of 1.1 mb/d (Figure 1.2). The Brent crude benchmark averaged US$69.1 per barrel for the full year of 2025, slightly under the average of US$72.6 in 2024. Together, relatively lower oil prices and production significantly reduced export revenues, weakened fiscal space, and constrained investment capacity, thereby weighing on domestic demand and real economic activity.

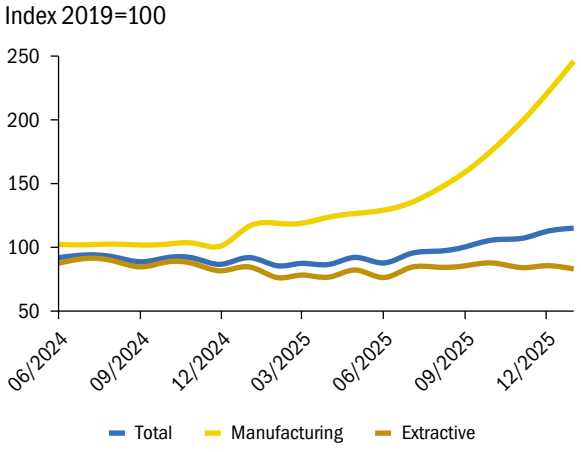
FIGURE 1.2 Angola's oil sector has struggled with falling output and unstable global prices



Source: National Institute of Statistics.

A robust non-oil sector helped to offset the declining hydrocarbon production. Non-oil activity grew by 5.1 percent in 2025, as agriculture, mining, and services continued to expand partially offsetting the drag from hydrocarbons. Service sector performance was particularly driven by the telecom sector, which saw a remarkable 38 percent growth compared to 2024, fueled by new market entrants, expanding 5G infrastructure, and surging mobile money penetration (Market Report Analytics 2026). The non-oil industrial production also remained strong (Figure 1.3). Manufacturing expanded by 96.6 percent in December 2025, driven largely by a surge in food, beverage and tobacco production (132.1 percent), alongside continued contributions from non-oil extractive activities. This suggests the early stages of value chain recovery, yet the broader manufacturing base remains limited and vulnerable to external shocks.

FIGURE 1.3 ...but a robust non-oil sector helped offset declining hydrocarbon production

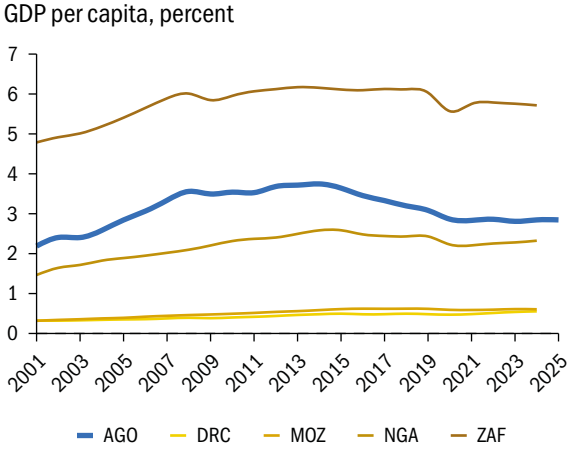


Source: National Institute of Statistics.

Growth performance has been insufficient to reverse the continued decline in the average Angolan's living standards. Angola has seen a 20 percent cumulative decline in GDP per capita over the past 15 years (Figure 1.4). With economic growth estimated at 3.1 percent in 2025, slightly below the average annual population growth of 3.2 percent between 2020 and 2024, GDP per capita is expected to remain largely flat in 2025, continuing a trend of economic expansion failing to keep up with population growth. Presently, real GDP per capita has returned to nearly its 2005 value. This hampers efforts to reduce poverty, currently affecting nearly 60 percent of the population (Figure 1.12), compounded by one of the highest levels of inequality in the world (Angola's Gini index stands at 0.51).

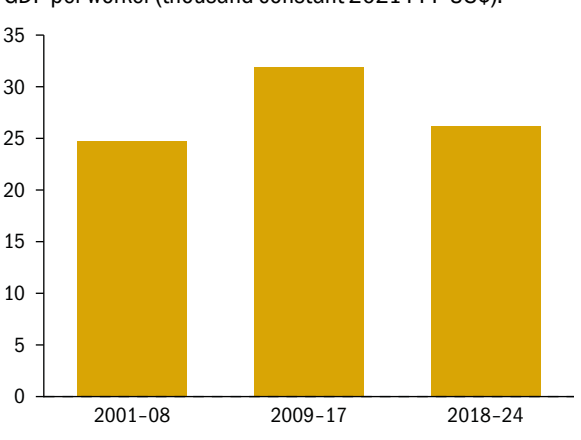
Angola's difficult economic conditions have weighted on people's lives, contributing to limited access to basic services for millions of people, as well as rising inequality. According to the 2024 population census, only 56 percent of households have access to improved drinking water and less than half of the population have access to electricity, with those living in rural areas faring far worse than those in cities (Figure 1.6).[1] The situation in education is worsening: almost 40 percent of young people aged 15 to 18 are out of school, from only 25 percent in 2014; and in rural areas, fewer than half of adults can read and write. Health care access is equally stretched, with only about 30 doctors per 10 thousand people. While some progress has been made in reducing child deaths and birth rates, the quality of maternal and child health services has declined: fewer mothers are receiving prenatal care (Figure 1.7), vaccination coverage stands at a low 29 percent, and four in ten children under five suffer from chronic malnutrition.

FIGURE 1.4 Growth performance has been insufficient to reverse the decline in GDP per capita...



Source: WDI, Census 2014 and Census 2024.

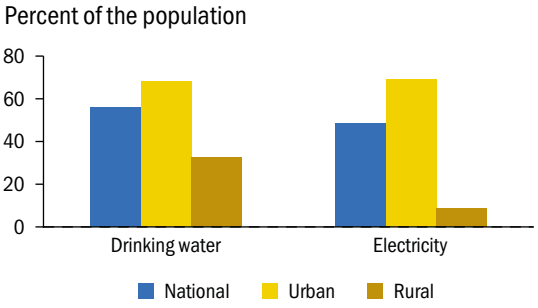
FIGURE 1.5 ...which can be explained by the declining productivity



Source: WDI, Census 2014 and Census 2024.

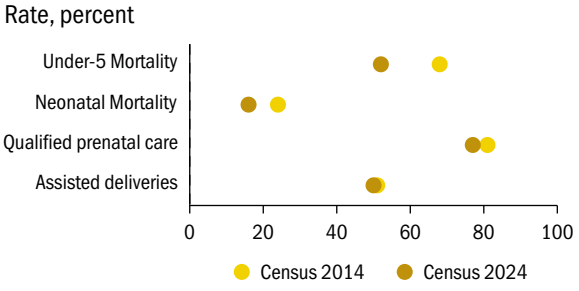
1 Only a third and 8.5 percent of the rural population have access to water and electricity, respectively.

FIGURE 1.6 The macroeconomic challenges have constrained access to basic infrastructure...



Source: WDI, Census 2014 and Census 2024.

FIGURE 1.7 ...and contribute to limited improvements in services delivery



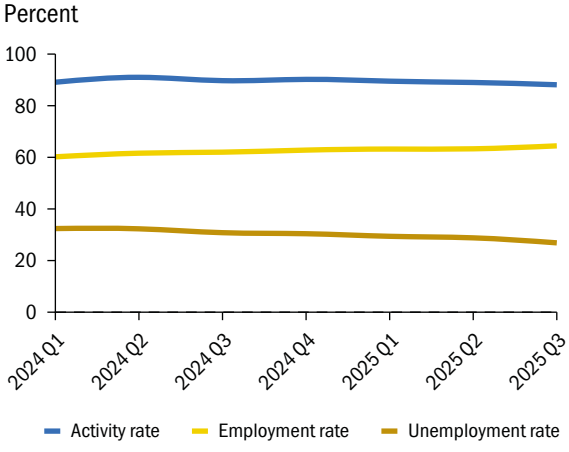
Source: WDI, Census 2014 and Census 2024.

Labor Market

Despite slower growth, labor market conditions improved modestly, albeit alongside declining productivity.

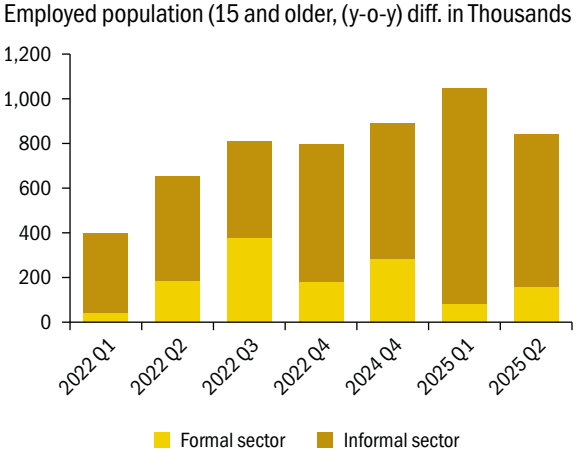
Despite the slower economic growth, relatively more people found work, but mostly in low-productivity and informal activities. Between the third quarter of 2024 and 2025,[2] the unemployment rate dropped from 30.4 to 26.9 percent (Figure 1.8), and youth unemployment fell from 56.6 to 48.7 percent. But the quality of those jobs tells a different story. Most new jobs are in the informal sector, in activities such as subsistence farming and street trade, with no contracts, no benefits, and little pay. Out of roughly 700,000 jobs added each year between 2022 and 2024, about eight in ten were informal (Figure 1.9). As a result, workers are producing less on average than they did a decade ago (Figure 1.5), because most are stuck in low-productivity activities. This reflects a deeper structural problem: Angola's economy is split between a highly profitable oil sector that generates little employment, and a large informal sector that absorbs most workers but offers few opportunities to get ahead.

FIGURE 1.8 Despite the moderation in growth, labor market conditions improved...



Source: National Institute of Statistics.

FIGURE 1.9 ...but most jobs are generated in the informal sector

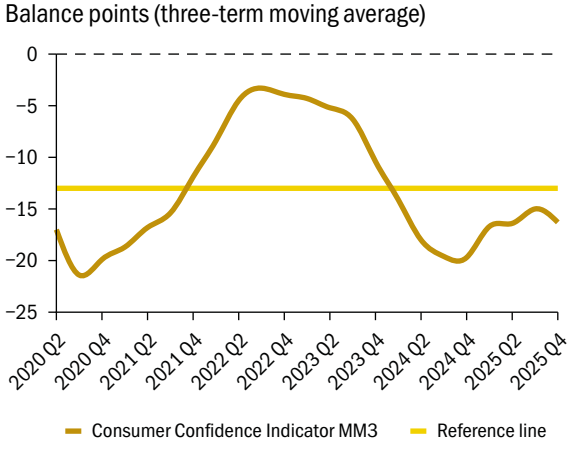


Source: National Institute of Statistics.

2 Due to a recent revision in the methodology for labor data, annual historical comparisons are not feasible for 2025 and 2024, thus we report third quarter data only for employment rate and second quarter for employment by subgroup (in Figure 1.9).

More people finding work and prices rising more slowly helped lift people's confidence about the economy through 2025. Compared to 2024, families felt more optimistic in 2025, particularly about jobs and the cost of living (Figure 1.10). However, this brighter mood has not yet translated into better living standards: inflation remains high enough that most households are not actually better off. And while people report being able to save a little, they still have a negative view of the country's overall situation and worry that prices could rise again.

FIGURE 1.10 Improved labor market conditions helped strengthen consumer expectations



Source: National Institute of Statistics.

Inflation

Slower growth in food prices and exchange rate stability supported a continued decline in inflation, but it remains high.

Prices continued to rise in 2025, but more slowly than before. Annual inflation — measured by the Consumer Price Index (CPI), which tracks how much everyday goods and services cost — dropped significantly. From 27.5 percent at the end of 2024 to 15.7 percent by December 2025, its lowest level in over two years (Figure 1.11). On average, inflation dropped from 28.2 percent in 2024 to 20.2 percent in 2025, largely due to food and energy prices rising more slowly than the year before (Figure 1.11). Additionally, exchange rate stability also helped soften the impact of fuel price increases and subsidy cuts on the overall cost of living.[3] Core inflation, which excludes food and energy, also dropped significantly, from 25.7 percent in December 2024 to 15.1 percent in December 2025 (Figure 1.11).

High prices, a shrinking economy, and scarce formal jobs have left most households worse off. These pressures contributed to rising poverty. It is estimated that about 60 percent of Angola's population — that is 6 out of 10 people—lives on less than US$4.2 per day based on international poverty benchmarks adjusted for local purchasing power.[4] This is equivalent to 1.5 thousand kwanzas in 2025, roughly the cost of purchasing 1kg of rice in the formal market (Figure 1.12).[5] In other words, over half the population survives with 45.3 thousand kwanzas per month, which is just half the minimum wage of 100 thousand kwanzas. Poverty is widespread across Angola, affecting both rural and urban areas; although particularly severe in rural areas, where 53 percent of the population relies on subsistence farming. urban residents account for one-third of those living on less than US$2.15 per day[6] and are especially vulnerable to food price shocks.

Angola's persistent high inflation[7] is rooted in its heavy dependence on oil. The economy produces little outside the oil sector, it relies heavily on imports, meaning that when oil revenues fall and the currency weakens, the cost of imported goods rises sharply. This was evident during the 2014–2016 oil price crash, when inflation jumped from 7 to 41 percent. Increased government spending tied to oil booms has also repeatedly fueled demand and pushed prices up. More recently, the phasing out of fuel subsidies pushed inflation from 10 to 20 per-

3 The Institute for Petroleum Derivatives Regulation announced a 50 percent adjustment in the price of diesel to 300 kwanzas per liter, effective March 24th, 2025, cutting the subsidy by an estimated 18 percent. Additionally, the diesel price was further adjusted by 33 percent in July 2025.

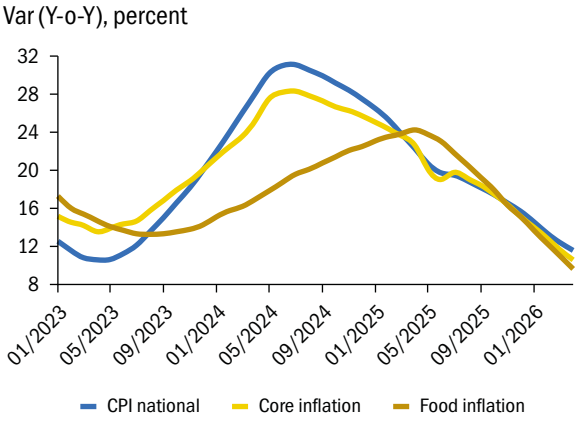
4 This number refers to the 2021 purchasing power parity, that is the poverty line is measured in 2021 international dollars, a common currency adjusted for what money can actually buy in each country, allowing fair poverty comparisons across the world.

5 The following platform was used for indicative prices: https://www.alimentaangola.co.ao

6 US$2.15 per day (2017 PPP prices) was defined by the World Bank as the international extreme poverty line replaced the US$1.90 poverty line in September 2022 (see details at https://www.worldbank.org/en/news/factsheet/2022/05/02/fact-sheet-an-adjustment-to-global-poverty-lines)

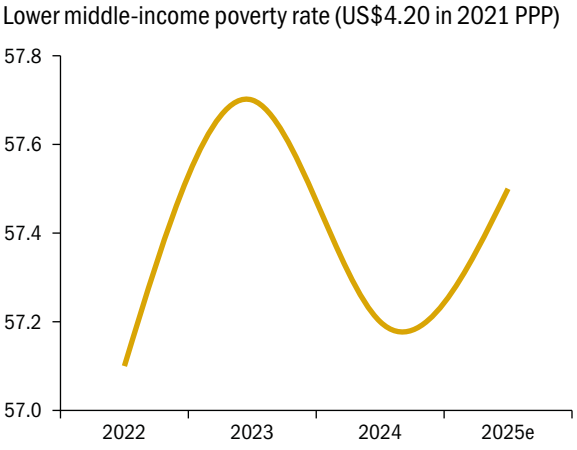
7 Despite the slowdown in the 2000s from a peak of nearly 425 percent to about 7 percent in 2014, annual average inflation stayed at 25.9 percent between 2002 and 2023 and has remained above 20 percent since.

FIGURE 1.11 Inflation continued to ease in 2025 but remains elevated



Source: National Institute of Statistics.

FIGURE 1.12 ...eroding households' living conditions



Source: National Institute of Statistics.

cent between May and December 2023. These dynamics are not unique to Angola but are typical of oil-dependent economies. However, countries like Malaysia, Indonesia, and Chile have shown that managing such pressures is possible, through diversifying the economy and using resource revenues more strategically, as discussed in Box 1.1.

Breaking this cycle requires moving beyond oil, but the oil wealth itself makes that difficult. When oil revenues are high, they tend to strengthen the currency, making Angolan goods more expensive abroad and undercutting the competitiveness of other sectors, a phenomenon known as Dutch disease (Box 1.1). Oil-driven booms also encourage high government spending, which then has to be cut sharply when prices fall, creating an unstable environment for private investment. Combined with infrastructure gaps, low skills, and weak institutions, this has kept productivity low and discouraged investment outside the oil sector. Developing the Lobito Corridor offers a concrete opportunity to reduce oil dependency and build a more diversified economy. By improving transport, trade, and logistics, the Corridor can help connect Angola's inland productive potential to markets and support broader economic diversification over the medium and long term.

BOX 1.1 Managing Dutch Disease: Lessons from International Experience

Resource dependence exposes economies to Dutch disease, which occurs when large inflows from commodities like oil or minerals lead to real exchange rate appreciation, reduced competitiveness of non-resource sectors, and concentrated investment in the resource industry.

Angola's economy shows many of these patterns. Oil revenues account for over 60 percent of government revenue and around 90 percent of exports, contributing to real exchange rate appreciation, limited development of manufacturing and agriculture, and macroeconomic volatility.

International experience demonstrates that Dutch disease is not inevitable but requires a combination of macroeconomic policies and structural measures. Malaysia and Indonesia used resource revenues to support industrialization, export diversification, and infrastructure investment, avoiding over-concentration in their commodity sectors. Chile successfully diversified by investing in mining value chains, agriculture, and services while controlling spending-induced currency appreciation. Although in a more advanced development stage when resource revenues inflows started to benefit the country, Norway offers a relevant lesson on resource management. The country, through the Government Pension Fund Global, insulated its domestic economy from oil revenue shocks, maintaining competitiveness in non-oil sectors.

Key lessons include the importance of fiscal discipline, monetary stability, and proactive industrial and infrastructure policies. To mitigate Dutch disease and support economic diversification, Angola should strengthen fiscal management of oil revenues, including the use of saving mechanisms or stabilization funds to smooth commodity cycles. Maintaining a competitive and flexible exchange rate will also be important to support the growth of non-oil exports. At the same time, sustained investment in infrastructure, human capital, and industrial poli-

cies can help develop competitive tradable sectors. Strategic initiatives such as the Lobito Corridor could further enhance trade, regional connectivity, and integration into global value chains. Together, these efforts should be complemented by counter-cyclical macroeconomic policies to reduce vulnerability to commodity price shocks and support more stable, diversified growth.

More broadly, for resource-rich countries in Sub-Saharan Africa, fully leveraging natural resource wealth requires a focused policy approach. First, strengthen governance and transparency in the extractive sector to ensure a stable regulatory environment and attract investment. Second, establish clear and consistent fiscal and social frameworks in law—rather than through ad hoc contracts—to enhance policy predictability. Third, adopt policies that ensure firms internalize environmental and social costs across the entire project lifecycle, from exploration to closure. Finally, maximize revenue collection across both high- and low-price cycles, while maintaining investment incentives by adequately compensating firms for risk.

Source: Author's elaboration based on World Bank 2025; Cust & Zeufack 2023.

Fiscal Policy

Lower oil revenue weakened the fiscal performance, but debt continued to fall.

Fiscal pressures intensified compared to 2024, reflecting the economy's exposure to oil price swings. In 2025, oil revenue — which represents 60 percent of total revenue — fell by 13.7 percent compared to 2024, reflecting lower international oil prices[8] and an 8 percent decline in production[9] due to aging fields and operational limitations. This decline outweighed gains in non-oil tax collection, causing total revenue to drop from 18.7 percent in 2024 to an estimated 14.8 percent of GDP in 2025. Although current expenditure fell, driven by cuts in subsidies, debt interest, and goods and services, these were not enough to offset revenue losses. Further, capital expenditure nearly doubled from 3.4 to 5.7 percent of GDP contributing to weaken fiscal balances. The fiscal deficit rose from 1.3 percent to 4.1 percent of GDP and the primary balance[10] shifted from a 3.4 percent surplus to 0.4 percent of GDP deficit (Figure 1.13; Figure 1.14). The non-oil primary deficit remained stable at 8.8 percent of GDP in 2025, unchanged from the previous year, but remained significantly above the long-term statutory target of 5 percent of GDP set by the iscal Responsibility Law (Republica de Angola, 2020).

The government's overall borrowing needs remained elevated, driven by debt repayments due and need to finance the fiscal deficit. The government's total borrowing needs in 2025 totaled 18.2 percent of GDP,[11] of which 17.8 percent were from debt repayments, mostly from domestic debt. Additional financing needs came from the primary deficit financing. The financing needs were primarily met through borrowing operations totaling 20.8 percent of GDP, complemented by limited proceeds from asset sales, including privatization under the *Programa de Privatizações* (PROPRIV). Domestic financing remained the main source, accounting for 13.9 percent of GDP, reflecting continued reliance on Treasury instruments and local markets. External financing amounted to 6.9 percent of GDP, sourced from international markets and multilateral and bilateral partners.

Angola returned to international financial markets in 2025, raising us$1.8 billion through Eurobond[12] issuances with five- and ten-year maturities. While this move supports government's short-term financing needs, large upcoming maturities mean that financial risks remain significant. The government also renewed a US$1 billion total-return swap contracted in 2024 for an additional two years, providing additional liquidity support.[13] Additionally, Angola tapped the Japanese capital market for the first time with a JPY40 billion (approximately US$258 million) issuance of Samurai bonds. The transaction was privately placed and guaranteed by the African Finance Corporation (AFC). The issuance comprises two tranches, each with a five-year maturity and a 2.6 percent coupon.

8 US$69.1 per barrel in 2025 compared to US$72.6 in 2024.

9 Production averaged 1.03 million barrels per day, below the budgeted 1.1 million.

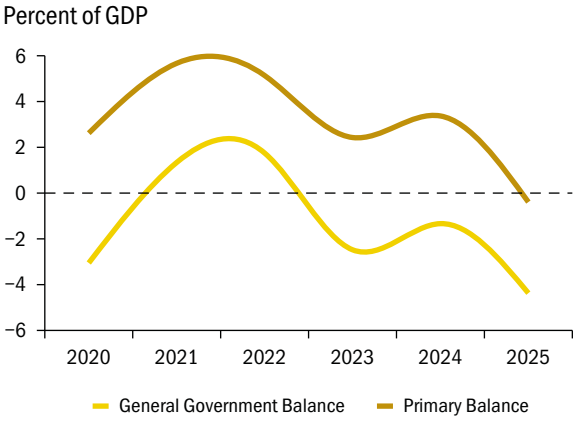
10 Government revenue minus spending, excluding debt interest payments.

11 It doesn't include and capital injections into public funds and enterprises, hence the total financing presented is higher that the financing needs.

12 Debt instruments sold to international investors.

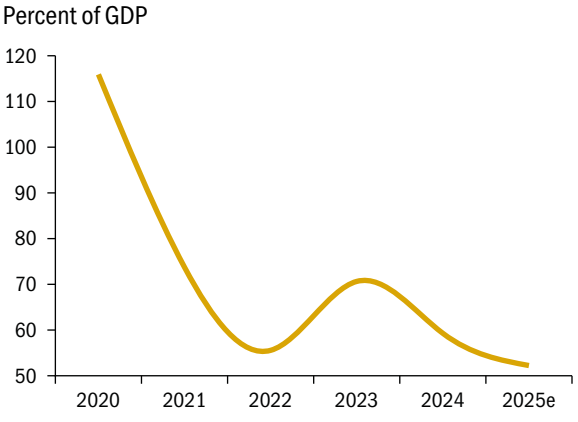
13 The total-return swap operation consisted of two loans worth US$600 million and US$ 400 million, with floating rate of 7.3 and 9.8 percent, which are added to the contingent liabilities in the Angola debt statistics.

FIGURE 1.13 Fiscal balances deteriorated in 2025...



Source: MINFIN.

FIGURE 1.14 Nevertheless, public debt declined

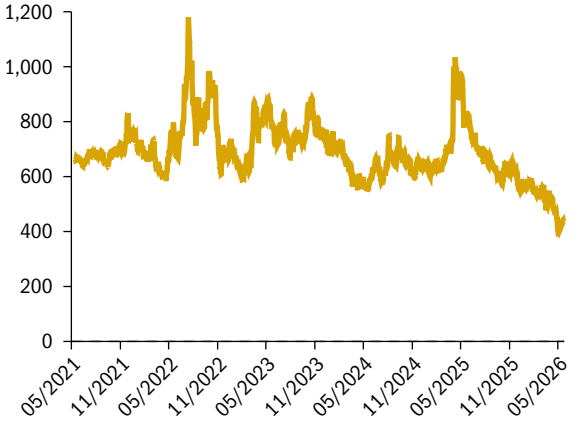


Source: MINFIN.

Although fiscal balances worsened, public debt continued to decline. Public debt declined further from 59 percent of GDP in 2024, to 52.3 percent of GDP in 2025 (Figure 1.14) mostly due to a reduction in external debt, reflecting stronger nominal growth and a stable exchange rate. The Government of Angola's debt management strategy has focused on reducing oil-backed loans, which represented approximately 13 percent of total debt as of September 2025, compared to around 35 percent in 2019. This is particularly significant because debt under loan-for-oil arrangements is denominated in U.S. dollars, requiring Angola to dedicate a larger share of its oil export revenues to debt repayment when oil prices decline, as was the case in 2025. Treasury bond yields remained broadly stable, with local-currency bonds ranging from 16 percent to 17.25 percent, with maturities between 1 to 5 years, and dollar-denominated bonds ranging from 4 percent to 5 percent, with maturities between 3 to 5 years. As global oil prices stabilized, Angola's Emerging Markets Bond Index Global (EMBIG) spread narrowed from an average of 637 basis points to 564 basis points in December 2025 (year-on-year) (Figure 1.15).

However, Angola's sovereign risk remains high. The risk of distress remains elevated. These risks stem from oil prices and production vulnerabilities, and a narrow creditor base in domestic markets. Currency exposure is a major risk, as about 80 percent of public debt is in foreign currency. External debt accounts for 71 percent of total public debt. Within domestic debt — approximately 18 percent is denominated in U.S. dollars, and less than one percent is denominated in kwanzas but indexed to the dollar. Liquidity and debt refinancing risks have grown as the fiscal situation weakens, and external debt matures in the coming years. The agreement with China to partly relax conditions of the escrow account[14] is a step in the right direction and has provided some liquidity buffer during the year. The economy maintained the B- credit rating under Fitch and S&P Global Ratings, with credit risk considered to remain high amid broadly stable macroeconomic conditions.

FIGURE 1.15 Angola's EMBIG (Emerging Markets Bond Index Global)



Source: Bloomberg.

14 Escrow account is a neutral bank account where funds are held by a third party (the escrow agent) until agreed conditions are met.

The 2026 General State Budget, approved by the National Assembly in December 2025, adopts a more prudent forecasting approach, but fiscal pressures remain significant. The budget is based on more conservative assumptions on oil prices and production compared to the 2025 budget, helping reduce the risk of overestimating revenues in a highly volatile environment. For the first time, non-oil revenues are projected to be higher than oil revenue.[15] While this seems to reflect more a cautious approach rather than a structural change, ongoing tax reforms, improved revenue administration, an expanded tax base, VAT modernization are expected to support non-oil revenues. Oil revenues, while still strategically important, are projected at 5.5 percent of GDP, based on an assumed average oil price of US$61 per barrel. On the expenditure side, the budget envisages lower overall spending in 2026, reflecting reductions in the goods and services and capital expenditure, while ensuring that priority spending is protected.

The 2026 budget places strong emphasis on social spending, with 46.3 percent of non-interest spending allocated to health, education, social protection, and housing. In addition, a 10 percent increase in public-sector salaries is projected. The budget's overall fiscal stance aims to balance pressing social needs with constrained revenue performance. Authorities have reiterated their commitment to fiscal discipline, emphasizing expenditure control and cautious budget execution amid constrained financing conditions.

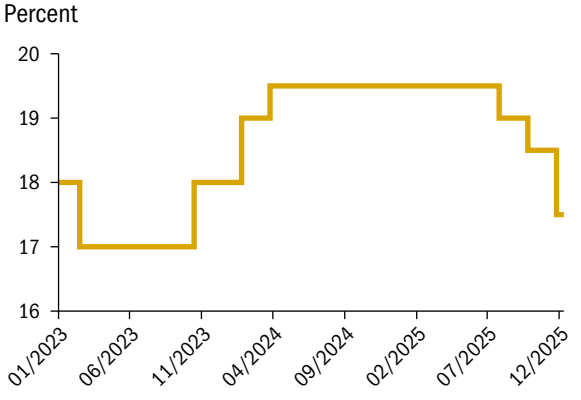
Monetary Policy

Amid a relatively slower growth in prices, authorities took steps to reduce borrowing costs, which helped spark early signs of recovery in lending to households and businesses.

Following a period of tight monetary policy from 2024 to mid-2025, the central bank began taking steps to reduce borrowing costs in September, as inflationary pressures started to subside. After raising its benchmark interest rate twice in 2024, bringing it to 19.5 percent, the National Bank of Angola (BNA) kept it unchanged through mid-2025, maintaining high borrowing costs to help bring inflation down. From September 2025, as inflation continued to slow, the BNA cut its interest rate twice in a row to 19 percent in September and 18.5 percent in November, before lowering the rate further to 17.0 percent in May 2026 (Figure 1.16). Similarly, from June 2025, the BNA also lowered the amount of money that banks are required to keep in reserve, from 21 percent to 18 percent in December, freeing up more funds for lending. These measures helped boost the overall money supply, the total amount of money circulating in the economy, which grew by 8.4 percent in December 2025, a slight increase of one percentage compared to the previous year.

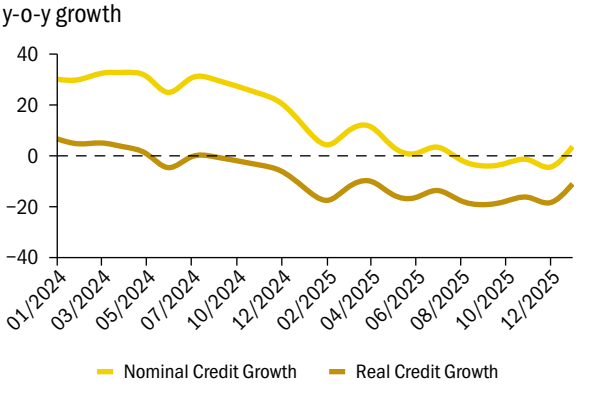
Credit to the private sector began to recover at the end of 2025, reflecting cheaper borrowing. Credit to the private sector grew by 10 percent in nominal terms at the end

FIGURE 1.16 Authorities began easing the monetary stance



Source: BNA.

FIGURE 1.17 ...which helped spark early signs of recovery in lending



Source: BNA.

15 The current oil price shock may reverse the expected trend of non-oil revenues exceeding oil revenues.

of 2025, down from 18 percent in the same period of 2024. Despite the apparent deceleration, the lending activity observed in December 2025 represented a recovery compared to September 2025, when the central bank first began cutting the policy rate. When adjusted for inflation, credit continued to decline, but the pace of decline slowed towards the end of the year, staying at 2.8 percent in December 2025, compared to 6 percent in September (Figure 1.17). Commercial banks grew their assets by 9.3 percent compared to 2024, supported by the early signs of recovery in lending. However, despite this improvement, lending to the private sector remains very low, at around 7 percent of GDP, well below the Sub-Saharan Africa average of 25 percent. This means Angolan businesses have far less access to credit than their regional peers. Within the private sector, most credit flows to the services sector, particularly commerce, while other productive industries such as manufacturing and agribusiness continue to receive very limited financing.

External Sector

Angola's trade position with the rest of the world weakened in 2025, as lower oil exports reduced the country's foreign earnings. For the first time since 2020, the current account recorded a deficit in the fourth quarter, at -2.7 percent of GDP, compared to a surplus of 1.8 percent in the same period a year earlier (Figure 1.18). This means that the country spent abroad more than it earned. For 2025, the current account surplus narrowed to 0.4 percent of GDP, from 5.5 percent in 2024, reflecting lower exports alongside resilient import demand. Total exports fell by 17 percent, driven by a reduction in oil exports, while imports grew by 9 percent, reflecting increased demand for both consumer and intermediate goods. The services balance remained broadly unchanged, recording a deficit of US$8.3 billion (around 7.5 percent of GDP), still largely driven by imports of transport, travel, construction, and oil-sector-related services.

Financial outflows declined significantly, reflecting lower oil revenues. The combined financial and capital account balance improved markedly, from -6.0 percent of GDP in 2024 to -0.3 percent of GDP in 2025. This improvement reflects a significant decline in net FDI outflows associated with lower oil income, sustained inflows underpinned by improved investor confidence, and a recovery in external financing in both oil and non-oil sectors.

Despite the lower current account surplus,[16] the kwanza remained broadly stable against the U.S. dollar. The official average exchange rate remained stable at 912 Kz/US$ (Figure 1.19). The new rule introduced in 2024 by the BNA - requiring commercial banks to resell 30 percent of foreign currency from oil and diamond back into the interbank market[17] — helped keep dollars flowing through the economy. (Figure 1.19). However, the availability of foreign currency remained limited. As a result, the informal market continued to fill the gap, primarily serving individuals and small businesses, with the parallel exchange rate trading at 13 percent higher relatively to the official rate, at end-2025. However, the real effective exchange rate (REER)[18] increased by 4.8 percent between December 2024 and end-2025 (Figure 1.20). This suggests a continued loss of competitiveness, as inflation in Angola remains significantly higher than in peer countries while the kwanza has remained relatively stable, potentially leading to a real exchange rate overvaluation.

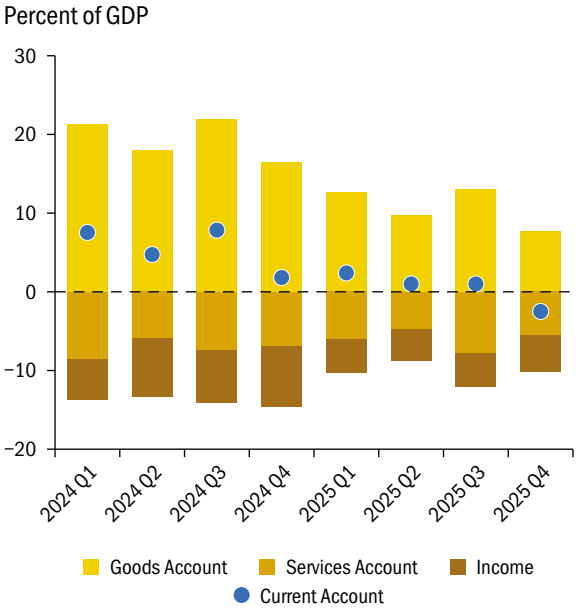
Rising gold prices shielded Angola's international reserves from pressures from the reduction in foreign currency holdings. The weaker current account balance means that the country was bringing in less currency from trade and other external income. Despite this, gross international reserves edged up slightly—rising by 0.8 percent compared to the previous year to reach US$15.9 billion by December, equivalent to about 8.2 months of imports (Figure 1.20). Reserves growth was supported by a 64.7 percent increase in gold holdings due to higher prices between 2024 and 2025 (Figure 1.20), which also offset the reduction in foreign currency holdings due to a US$1.6 billion in foreign-currency lending by the BNA to the government, and increased deposit mobilization by the commercial banks to support debt service and imports. Despite the positive trend in reserves, import coverage fell to its lowest since 2023 in Q3 2025 (Figure 1.20), driven by lower foreign currency reserves, largely explained by the BNA loan to the Treasury, and seasonal import growth.

16 This means Angola earned less from exports than in previous periods.

17 The market where banks trade currencies with each other.

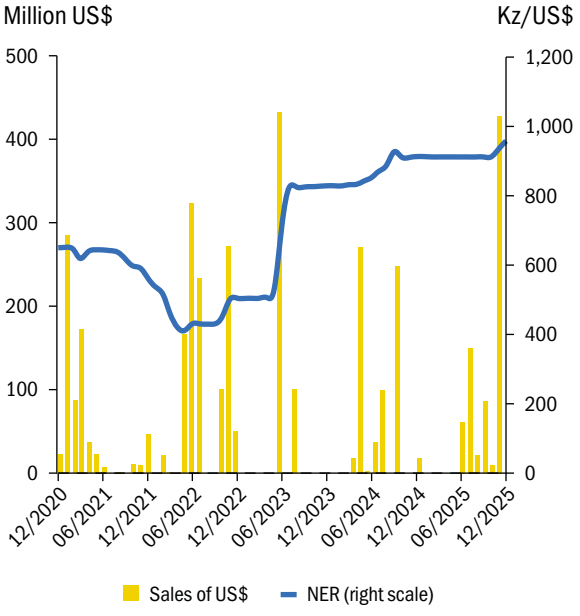
18 Measures Angola's currency competitiveness compared to its trading partners, after factoring inflation and nominal exchange rate.

FIGURE 1.18 The current account surplus narrowed



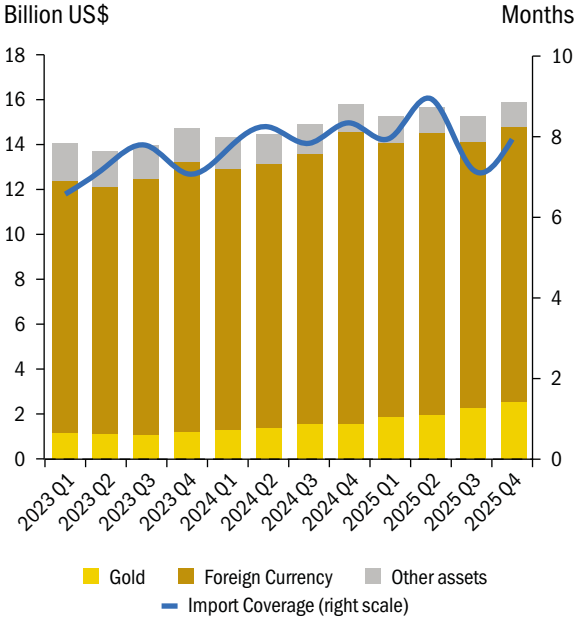
Source: BNA, and Bruegel.

FIGURE 1.19 ...but the kwanza remained broadly stable...



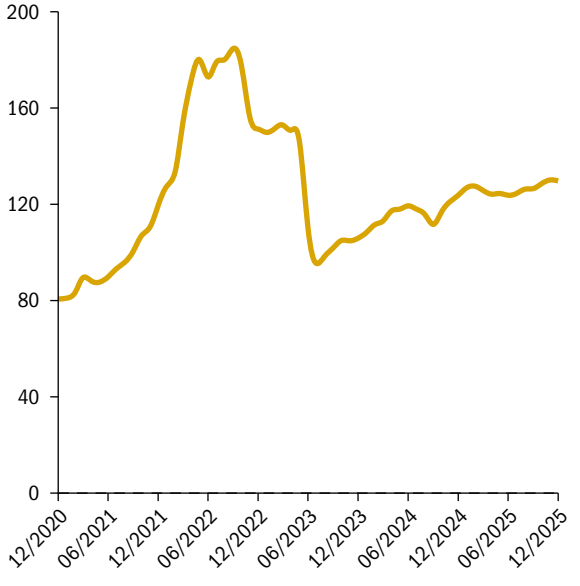
Source: BNA, and Bruegel.

FIGURE 1.20 ...and external reserves slightly increased



Source: BNA, and Bruegel.

FIGURE 1.21 The REER saw a relative appreciation



Source: BNA, and Bruegel.

Economic Outlook and Risks

Downside risks remain significant, including escalating geopolitical tensions, exchange rate and oil price volatility, tighter global financial conditions, and delays in structural reforms. Yet there are upsides.

Growth is projected to stay moderate at 2.4 percent in 2026, mainly supported by non-oil activities, as oil production continues to decline (Table 1.1). Growth stayed at 5.3 percent (year-on-year) in the first quarter of 2026 above 4.4 percent registered in the first quarter of 2025. The notable performance was driven mainly by the non-oil sector, with services and agriculture being the primary contributors, reflecting ongoing diversification efforts and public investment in infrastructure. Over the medium term, growth is expected to average around 2.7 percent, supported by continued expansion in agriculture and the gradual implementation of structural reforms aimed at improving the business environment, reducing state dominance in key sectors, and attracting private investment. However, because the growth rate remains below the population growth rate, real GDP per capita is expected to decline. This, combined with weak labor income growth, is projected to keep poverty rate high, reaching approximately 42.4 percent by 2027. This highlights the need for strengthened social protection and higher investment in human capital, which can be challenging under the current tight fiscal context.

Monetary policy is expected to remain slightly tight to keep inflation expectations under control. Annual inflation continued to moderate in 2026, staying at 10.1 percent in June, and is projected to decline further throughout the year, driven largely by relatively slower growth in food prices. Nevertheless, average inflation is anticipated to stay in double digits, averaging 13.7 percent in 2026–2027, partly reflecting the phased implementation of fuel subsidy reforms. In light of the current international environment, monetary authorities are likely to reverse the easing stance adopted in 2025. However, reserve requirements were slightly lowered from 18 percent to 17.5 percent, while the mandatory Foreign Exchange (FX) conversion from oil and diamond continues to be reinforced.

Despite gains in the first quarter of 2026, the external position is anticipated to continue to weaken in the medium-term. The current account surplus doubled to US$1.5 billion in the first quarter of 2026 compared to the same period of 2025, driven by higher oil exports earnings. Looking ahead, the surplus is projected to widen to 1.2 percent of GDP in 2026 before narrowing to 0.4 percent in 2027 as oil prices adjust from recent highs, reducing export revenues. In the short term, pressures on the external accounts will be partly offset by lower fuel import demand following subsidy reforms. In addition, to the extent that higher global oil prices increase the import bill, higher oil prices will support an improved current account. In the medium term, however, declining exports continue to exert pressure. Nonetheless, this outlook could change if the conflict in the Middle East is extended and continues to lead to higher oil export values. Gross international reserves are expected to remain at comfortable levels, above six months of imports, although elevated total external debt service — currently estimated at about 60 percent of gross international reserves (52 percent excluding the oil sector) — will continue to exert pressure on foreign exchange liquidity.

The fiscal deficit is projected to decline to about 3.2 percent of GDP in 2026–2027 mainly reflecting higher oil revenues. In the first quarter of 2026, oil prices averaged US$68 per barrel, above the budgeted US$61, boosting revenues despite weaker oil production. At the same time, lower spending -mainly due to reduced interest costs and subsidies—resulted in a fiscal surplus. For the rest of the year, based on the latest geopolitical developments in the Middle East, revenue is projected to be over 2 percentage points of GDP higher than initially budgeted, providing a critical buffer to mitigate mounting spending pressures. Over the medium-term, these fiscal pressures are expected to remain contained as the deficit stabilizes at 2.8 percent of GDP by 2028.[19] Consequently, public debt is expected to follow a downward path, declining from 63 percent to 49.5 percent of GDP by 2028, supported by exchange rate stability, prudent budgeting, and continued reform efforts. While the upcoming political cycle poses inherent risks to fiscal discipline, the institutionalization of ongoing transparency and management reforms remains the primary anchor for long-term macroeconomic stability and debt sustainability.

19 The projections incorporate the oil price shock, with the price being considered at US$94 per barrel (see tables 1.1 and 1.2).

For 2026, financing sources include the World Bank Group-approved Development Policy Operation (DPO)[20] package for Angola totaling approximately US$1.1 billion. The package—equivalent to about 1 percent of the country's GDP—combines a US$750 million loan, a US$240 million guarantee for a US$400 commercial loan. The operation supports reforms to strengthen fiscal sustainability, improve the business environment, and enable private-sector-led diversification, while creating the macroeconomic and institutional conditions needed to attract investments. In March 2026, Angola tapped international capital markets with a US$2.5 billion Eurobond, attracting US$5.2 billion in demand, reflecting strong investor appetite supported by improved external buffers and higher oil prices.[21] Concurrently, the authorities executed a US$1.75 billion buyback of bonds maturing in 2028.

Downside risks remain significant, including escalation of ongoing geopolitical tensions, exchange rate and oil price volatility, tighter global financial conditions, and delays in structural reforms. Angola's 2026 outlook is a "double-edged" reality across projected oil price scenarios (Tables 1.1). On one side, under the baseline scenario with oil prices at US$94 per barrel,[22] revenues would bolster to 16.0 percent of GDP from 14.8 percent in 2025, supporting a 1.1 percent primary surplus. The country's external position would strengthen meaningfully, with further gains possible under an alternative scenario where prices rise to US$115 per barrel (Tables 1.2). On the other side, Angola is a net importer of refined fuel products, meaning that higher oil prices are expected to drive up the cost of imports, push inflation higher, and eat into fiscal gains. These pressures tend to hit the poorest hardest, raising the risk of social tensions that could make it politically harder to press ahead with fuel subsidy reforms.[23] Furthermore, debt sustainability remains sensitive to global "risk-off" sentiments, despite the expected decline in the debt-to-GDP ratio (Table 1.1). High borrowing costs in global markets could make it expensive to refinance maturing bonds, putting pressure on reserves, the kwanza, and ultimately on the government's ability to fund schools, hospitals, and infrastructure.

To mitigate these risks, the authorities must sustain key reforms, including the fuel subsidy reform to prevent fiscal slippage and improve the allocation of spending. To prevent a deterioration in the debt profile, it is imperative to utilize the oil windfall to improve fiscal outcomes. In addition, active liability management, such as strategic debt buybacks can help manage persistently high financing requirements. Strengthening public financial management and broadening the non-oil tax base remain critical to ensuring that the 2026 fiscal consolidation targets are not solely dependent on commodity price cycles. Without these safeguards, the volatility induced by the Middle East conflict could trigger a pro-cyclical spending spiral, undermining medium-term stability and the credibility of the ongoing reform program. Mitigation measures to protect the most vulnerable Angolans could be envisaged. On the monetary side, the BNA must remain prepared to employ a data-dependent monetary tightening cycle to anchor inflation expectations.

Despite the challenges, Angola's macro-fiscal situation can support and benefit from development of the Lobito economic Corridor. The government's commitment to fuel subsidy reform can help to generate short-term fiscal space that can be used in complementary investments for the Corridor development. Although, initially, the reform may raise production and logistics costs across tradeable sectors, in the long run it can strengthen competitiveness of rail over diesel-dependent trucking, by increasing the cost advantage of the Benguela Railway which is set to be electricity-powered. The reduction in public debt and recent restructuring is also expected to free fiscal space, putting the government in a better position to support strategic public investment that can support diversification along the corridor. At the same time, as the Lobito Corridor ramps up operations, it holds the potential to generate substantial foreign exchange receipts, primarily through transit fees. Further, assuming that the corridor effectively catalyzes broader development, foreign currency will be generated through diversified exports, and private investment inflows. The next chapter discusses the conditions to support the materialization of the corridor potential.

20 DPO is a World Bank lending instrument that provides governments budget support contingent on agreed institutional reforms.

21 The issuance was in two tranches: US$1.5 billion (7-year, 9.375 percent coupon) and US$1 billion (11-year, 9.875 percent coupon).

22 For 2026, Angola has adopted a conservative benchmark price of US$61 per barrel. This implies that for every barrel sold, the State receives a US$39 premium over its official budgetary projections.

23 Fiscal subsidies expected to rise to 2 percent of GDP in 2026, from 1.4 in the previous year, if prices reach US$115 per barrel.

TABLE 1.1 Economic Trends and Forecasts, 2022 to 2028

	2022	2023	2024	2025e	2026f	2027f	2028f
National accounts and prices (annual percentage change)							
Real GDP growth, at constant market prices	**4.2**	**1.3**	**4.4**	**3.1**	**2.4**	**2.7**	**2.9**
Oil GDP	5.0	-2.4	2.8	-5.8	-5.0	0.0	0.0
Non-oil GDP	5.6	2.1	5.6	4.7	4.6	3.5	3.5
Agriculture	3.9	2.7	4.7	2.4	3.4	3.4	3.5
Industry	4.9	-0.2	5.6	-2.9	-1.0	1.4	1.8
Services	6.5	1.7	4.6	8.5	4.7	3.5	3.6
Inflation (CPI)	**21.4**	**13.6**	**28.2**	**20.2**	**14.9**	**12.5**	**11.5**
Labor market and Poverty							
Employment rate (%)[a]	64.6	64.7	64.8	64.8	64.8	64.8	64.8
International Poverty rate (US$3.00 in 2021 PPP)	42.2	42.8	42.3	42.3	42.4	42.4	42.4
Money and credit (% of GDP)							
Broad Money (M2)	-1.4	37.8	5.0	..	..	..	..
Credit to the private sector	-3.2	27.9	27.7	..	..	..	..
Balance of payments (% of GDP)							
Current account balance	8.3	3.8	5.5	0.4	1.2	0.4	0.5
Net foreign direct investment inflow	-4.7	-1.9	-1.0	-0.7	-1.2	-1.0	-1.0
Gross international reserves (billions of US$)	14.7	14.7	15.8	15.9	13.7	14.3	14.5
Fiscal accounts (% of GDP)							
Revenue	26.2	20.7	18.7	14.8	16.0	14.2	14.2
Expenditure	24.4	23.2	20.1	18.8	19.2	17.5	17.0
Fiscal balance	1.8	-2.5	-1.2	-4.1	-3.2	-3.3	-2.8
Primary balance	5.2	2.4	3.4	-0.4	1.1	1.1	1.5
Non-oil primary balance	-14.6	-12.6	-8.8	-8.8	-6.3	-6.5	-6.4
Debt	**55.6**	**70.6**	**59.3**	**52.3**	**50.1**	**49.1**	**49.7**

Source: World Bank | Note: e = estimate, f = forecast. This macro-framework is using the national accounts in base year 2015.
a. Working-age population, 15 years.

TABLE 1.2 Macroeconomic and Fiscal Projections for 2026 under Alternative Oil Price Scenarios

	Scenario: No reform Price = US$94	Scenario: No reform Price = US$115
National accounts and prices (annual percentage change)		
Real GDP growth, at constant market prices	**2.4**	**2.9**
Agriculture	3.4	3.4
Industry	-1.0	-1.0
Services	4.7	5.8
Inflation (CPI)	**14.9**	**18.2**
Balance of payments (% of GDP)		
Current account balance	1.2	1.4
Fiscal accounts (% of GDP)		
Revenue	16.0	17.7
Oil revenues (% of GDP)	9.0	10.7
Expenditures	19.2	19.5
Subsidies	1.7	2.0
Fiscal balance	-3.2	-1.8
Primary balance	1.1	2.5
Debt	**50.1**	**48.4**

Source: World Bank | Note: e = estimate, f = forecast. This macro-framework is using the national accounts in base year 2015.

PART TWO

Leveraging the Lobito Corridor Initiative for Economic Diversification and Regional Integration

Key Messages

- **The Lobito Corridor is currently structured as a cross-border mineral export route linking Angola, the Democratic Republic of Congo, and Zambia, but its strategic relevance extends far beyond mere transit.** It sits at the heart of a key emerging global supply chain by facilitating the movement of the critical minerals—copper and cobalt—that are driving the green transition. In addition, by substantially cutting transit times from Central Africa to the Atlantic coast from 45 days to approximately one week, the Corridor provides a rare opportunity to efficiently connect inland farmers and businesses to domestic, regional, and global markets. Through its multimodal structure, private-sector-driven management, cross-border operations, and strong international backing, the Corridor holds strategic importance not only as a mineral transportation route but also as an enabler of broader trade and value chains.
- **The Corridor has the potential to evolve into a platform for broader economic transformation.** By improving connectivity and establishing logistics systems, the Corridor could drive broader economic growth and help Angola reduce its dependence on oil. This transformation logic is grounded in the Corridor's ability to change economic geography: by sharply reducing transport times and costs and improving reliability, the Corridor expands the range of markets that businesses can reach and makes it more viable to produce goods in inland provinces. In a country where more than 75 percent of the agricultural production cannot reach markets, dependable rail and port services could open new economic opportunities and strengthen connections between rural producers, regional cities, and export markets.
- **However, the ambition of economic corridor-based transformation coexists with a weak business ecosystem that must be addressed if the Corridor is to achieve its transformative potential.** International experience underscores that connectivity alone is not sufficient. Translating a transport corridor into economic diversification is both a sequential and conditional process. Transport reliability and trade facilitation must come first and must be paired with a supportive business ecosystem. Unfortunately, for Angola, logistics constraints are significant and the complementary ecosystem is severely challenged: the country is bottom-six globally on logistics, the Human Capital Index is just 0.36—below the regional average—and quality infrastructure is barely half that of successful corridor economies. Against this background, four actions are critical to translate corridor connectivity into lasting diversification: sequencing investments and coordinating reforms across countries; addressing market failures the private sector cannot resolve alone; defining a targeted industrial policy framework; and establishing clear governance and coordination mechanisms.

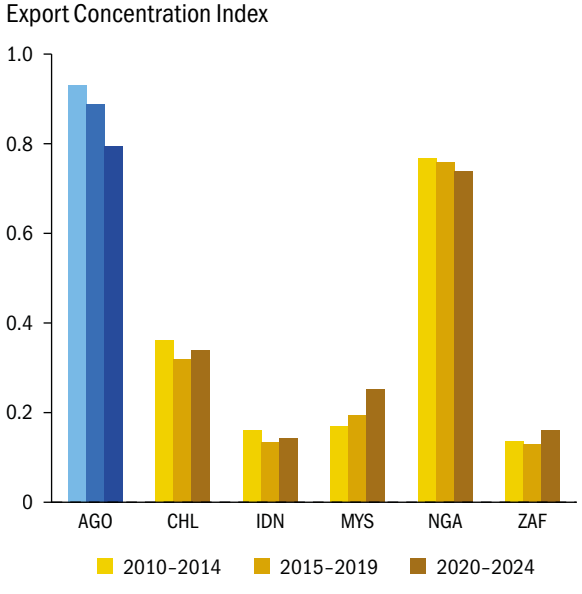
Introduction

Angola's economy remains heavily oil-dependent, though early signs of diversification are emerging. Despite recent reforms, the economic structure is highly concentrated (Figure 2.1 and Figure 2.2): the oil sector accounts for roughly 20 percent of GDP, 65 percent of government revenues, and over 95 percent of goods exports. This narrow base leaves the country vulnerable to global oil price fluctuations, undermining both macro-fiscal stability and private sector development. However, non-oil sectors have been gaining momentum and have become the main driver of economic growth in recent years (see Part One). In particular, agribusiness, mining, manufacturing, and trade are emerging as key growth engines.

Addressing key growth constraints could accelerate diversification. Angola can unlock its vast economic potential by accelerating structural reforms to ensure macroeconomic stability, boosting productivity and private sector competitiveness, and expanding access to basic infrastructure — electricity, transport, and digital connectivity — while investing in human capital to harness its demographic dividend. Given its natural endowments and favorable climate, agriculture also offers an immediate route to economic diversification.

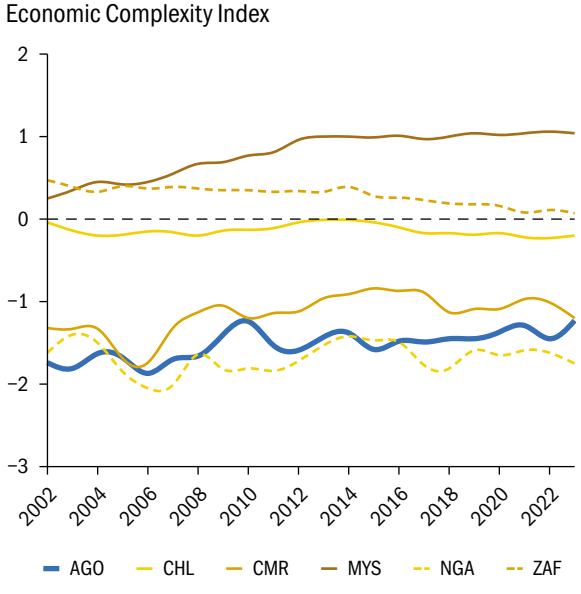
Angola's 2023–27 National Development Plan positions the Lobito Corridor as a strategic economic corridor that can support diversification, by redefining Angola's role as a logistics hub. The plan, which is in line with the Angola 2050 Development Strategy, puts the Lobito Corridor at the core of a strategy integrating transport infrastructure with regional trade, logistics, and spatial, and industrial development. The Corridor is set to provide a reliable rail-and-port system that connects inland provinces with high production potential to the port of Lobito. This approach aims to address the country's key constraints: poor market access, weak value chains, and inadequate logistics, that currently raise costs and deter investment. To materialize its ambition the national development plan bundles the corridor development with measures to deepen regional coordination and systems interoperability. This integrated approach recognizes that the Corridor's cross-border reach, multimodal infrastructure, and private sector participation can catalyze investment across sectors and regions, while enabling greater value addition for Angola and its neighbors. By facilitating the smoother movement of goods, energy, and people, the Corridor could redefine Angola's role as a regional logistics hub and deepen integration into regional and global markets. The question is what practical elements are required to materialize this ambition.

FIGURE 2.1 Angola's export structure remains highly concentrated...



Source: The Observatory of Economic Complexity.

FIGURE 2.2 ...with the level of diversification deteriorating compared to peers



Source: The Observatory of Economic Complexity.

This section adopts a structured analytical framework to assess how to harness the full transformative potential of the Lobito Corridor. The analysis builds on the standard corridor logic observed in international experiences where corridors successfully moved beyond extractive enclave dynamics. under this logic, impacts are sequential: improvements in transport efficiency enhance trade and logistics performance, which in turn catalyze productive investment and ultimately support spatial development. However, the realization of this potential is not automatic. It depends on the identification of the key market failures shaping the ecosystem around the corridor, and on the careful selection of targeted and feasible policy interventions aligned with those constraints (World Bank 2026a). Moreover, the corridor's tripartite nature introduces an additional layer of complexity, requiring sustained coordination across member countries, alongside strengthened institutional capacity to manage multiple, simultaneous market gaps. Taken together, this framework clarifies that realizing the corridor's potential depends not only on connectivity improvements, but on the alignment of policies, institutions, and investments needed to translate these gains into diversified, competitive, and export-oriented economic activity.

Lobito Corridor: Strategic Context, Current Status, and Potential

Strategic Context: Key Global Megatrends and Comparative Advantage

The Lobito Corridor is a cross-border, multimodal transport network that connects the mining regions in the Democratic Republic of Congo and Zambia to the port of Lobito in Angola, on the Atlantic Ocean. The corridor is anchored on three core components: the 1,739 km[24] Benguela Railway, which runs east-west from Kolwezi and Luau in Democratic Republic of Congo to Angola; the Port of Lobito, providing maritime access to international markets; and cross-border linkages between Democratic Republic of Congo and Zambia (Lobito Corridor Investment Promotion Authority (LCIPA) 2024). The Corridor's rail line is not yet fully operational, key sections of the rail within Democratic Republic of Congo require refurbishment, and a new investment would be needed for the railway link to Zambia. In 2022, a 30-year concession was granted for the Angolan portion of the corridor, to enable private sector participation and is currently being executed by the Lobito Atlantic Railway (LAR). The consortium is responsible for rehabilitating and operating both the Benguela Railway and the mineral terminal at the Port of Lobito infrastructure. Further, plans are being shaped up for the rehabilitation of additional sections in Democratic Republic of Congo and Zambia.

The corridor offers the most efficient export route for critical minerals, making it a key enabler of regional integration and global value chains. Between the 1930s and 1970s, the Lobito Corridor was Central Africa's main mineral exports route, until damages in the Benguela railway caused by Angola's civil war pushed cargo to alternative routes (Box 2.1). Currently, most minerals from Democratic Republic of Congo are transported over long distances to ports in Tanzania, South Africa, and Namibia. The Lobito Corridor offers a route that can reduce transit times from Central Africa to the Atlantic from 45 days to approximately one week (Figure 2.6), and dramatically lower trade costs for critical minerals by offering lower congestion potential, and the possibility of more efficient rail-port integration.

KEY GLOBAL MEGATRENDS

The Lobito Corridor sits at the intersection of five major global megatrends that amplify its strategic importance. First, the global energy transition is driving surging demand for critical minerals, especially copper and cobalt, placing the Corridor at the center of emerging green value chains. Between 2018 and 2024, copper consumption increased from 24.5 million tons to almost 27 million tons, and cobalt demand increased by 60 percent to nearly 200 kilotons (Figure 2.3). Second, geopolitical realignment is accelerating supply chain diversification and sourcing from trusted partners, increasing strategic interest in reliable, transparent, and lower-risk export routes from Africa's Copperbelt.[25] Third, Africa's demographic dividend, and the jobs imperative, raises the stakes for translating corridor

24 1,289km corresponds to the Angolan section in rehabilitation out of the total 1,344km extension and 450km corresponds to the Democratic Republic of Congo section.

25 United States and the European Union are actively supporting its development as part of their critical minerals supply chain strategies.

BOX 2.1 The Lobito Corridor: A Historical Overview

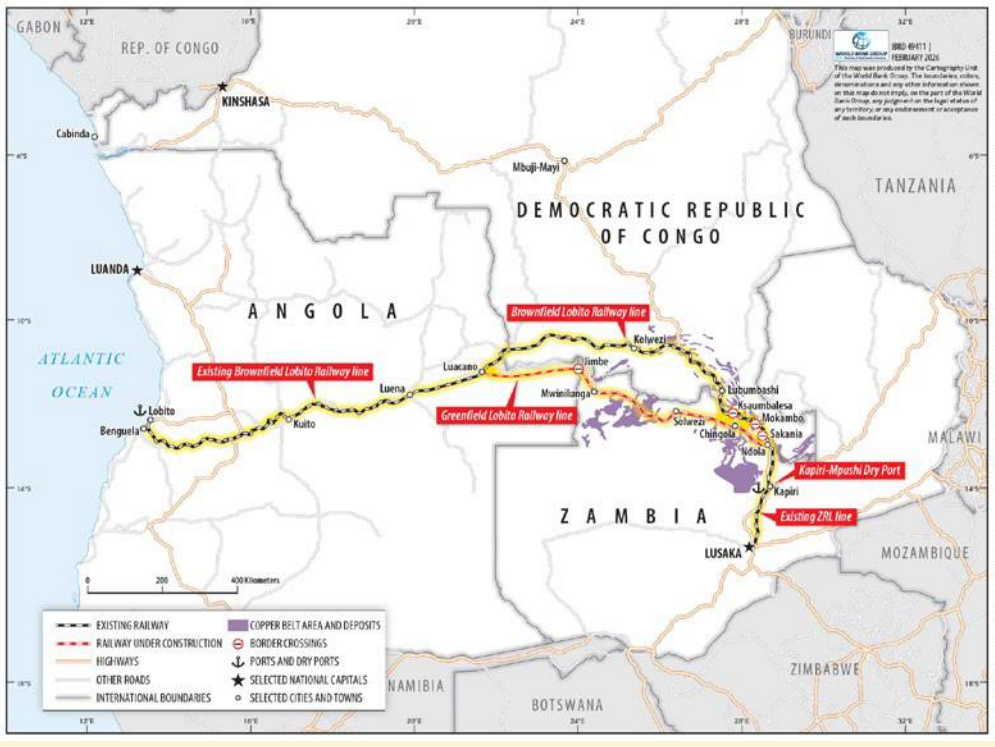
The Lobito Corridor, originally known as the Benguela Railway project, was once one of South-Central Africa's most important shipping terminals (World Bank 2024a; Lobito Corridor Investment Promotion Authority 2024). Its primary function was to connect the mineral-rich interior of Central Africa, present-day Democratic Republic of Congo and Zambia, to the Atlantic Ocean. The Corridor reached its peak in the 1970s, when the Benguela Railway was Angola's largest employer with approximately 13 thousands workers, and the Port of Lobito handled an estimated 60 percent of Zaire's (now Democratic Republic of Congo) copper exports, and 45 percent of Zambia's copper exports. The Lobito port traffic exceeded three million tons, more than half of Angola's total shipping tonnage, driven by agricultural exports and the trans-shipment of minerals including copper, cobalt, zinc, and magnesium.

The outbreak of civil war in 1975 led to destruction of most of the corridor's infrastructure. By the end of hostilities in 2002, only 34 kilometers of track along the coast remained operational, representing less than three percent of the total network.

A new era of reconstruction began in 2006–2014, when the Chinese government funded a US$2 billion rehabilitation of the Benguela Railway, restoring the full 1,344-kilometer line from Lobito to Luau on the Democratic Republic of Congo border. In 2022, Angola awarded a 30-year concession for the railway to the Lobito Atlantic Railway consortium (Trafigura, Mota-Engil, and Vecturis). In 2023, African Global Logistics (AGL) took over management of the port's container and multi-purpose terminals.

Today, Lobito Corridor is being repositioned as the Western-backed Atlantic gateway to Africa's Copperbelt. The Benguela railway is currently undergoing further rehabilitation. Strong support has come from the United States and the European Union as part of broader geopolitical efforts to provide an alternative to China's Belt and Road Initiative. The Corridor development is accompanied by complementary investments from private sector, development partners, and the Government of Angola. It forms part of a broader national strategy to reduce dependence on oil and foster growth in agriculture, mining, and private sector-led industries.

FIGURE B2.1.1 Lobito Corridor, a cross-border, multimodal transport network that connects the mining regions in the Democratic Republic of Congo and Zambia

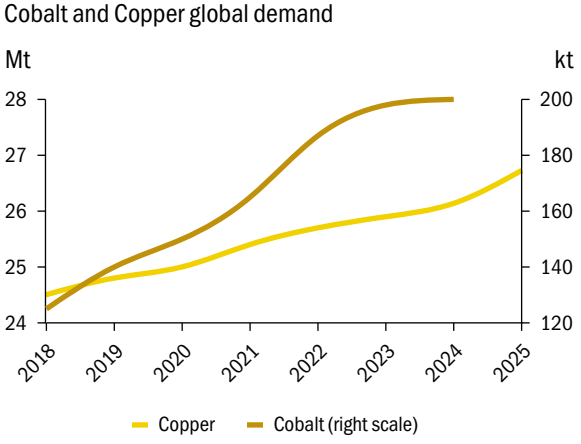


Source: World Bank.

Source: Author's elaboration based on Lobito Corridor Investment Promotion Authority (2024); World Bank 2006; World Bank 2014a and 2014b; World Bank 2023a; World Bank 2024.

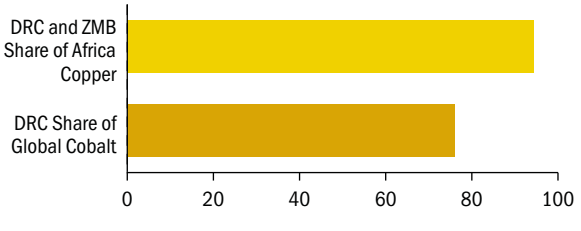
investments into broad-based job creation activities rather than a narrow extractive transit model. Fourth, climate change makes resilient infrastructure not just desirable but economically necessary, as better-built roads, railways, and ports mean fewer disruptions and lower long-term costs. Fifth, digital technology and connectivity can amplify the corridor's catalytic role by lowering trade frictions and improving reliability, through digital customs and single-window systems, cargo tracking, interoperable data sharing, and digital payments, which improve efficiency.

FIGURE 2.3 Increasing global demand for cobalt and copper reinforces the corridor's strategic importance



Source: Cobalt Institute (2025) & Copper Council.
Note: Mt = million tons; Kt = kilotons.

FIGURE 2.4 Democratic Republic of Congo and Zambia rank among Africa's and the world's most cobalt- and copper-rich countries



Source: Cobalt Institute (2025) & Copper Institute.

THE CORRIDOR COMPARATIVE ADVANTAGE

The private-sector-led approach enhances the Lobito Corridor's investment attractiveness, while deepening regional integration opens doors for larger and more connected markets. The LAR consortium's 30-year concession over the Benguela Railway brings private capital and commercial discipline to infrastructure management, catalyzing broader investment interests across various productive sectors. Simultaneously, advancements in regional integration, through Southern African Development Community (SADC) and African Continental Free Trade Area (AfCFTA) and corridor countries' tripartite governance framework, strengthen institutional coordination and facilitate the seamless movement of goods, energy, and people. Effectively, this helps to expand market access and supports the corridor's potential as a regional economic platform.

By connecting Angola, the Democratic Republic of Congo, and Zambia, the Corridor lays the groundwork for integrating three economies into a single, functional market, enabling regional value chains and bigger investment scale. The corridor provides a much faster route to the Atlantic for Democratic Republic of Congo and Zambia. If these three countries' cross-border systems, including customs procedures, transit regimes, standards, and service markets, become seamless, the effective market for investors shifts from national to regional.[26] This opens the door to regional value chains, investment decisions based on a larger integrated market, and more complex production and processing activities, particularly in mining and agriculture, that would not be viable at the national level alone. In that sense, the corridor's transformative potential is a combination of both enhanced connectivity and enabling production systems that operate across borders and serve regional and global markets.

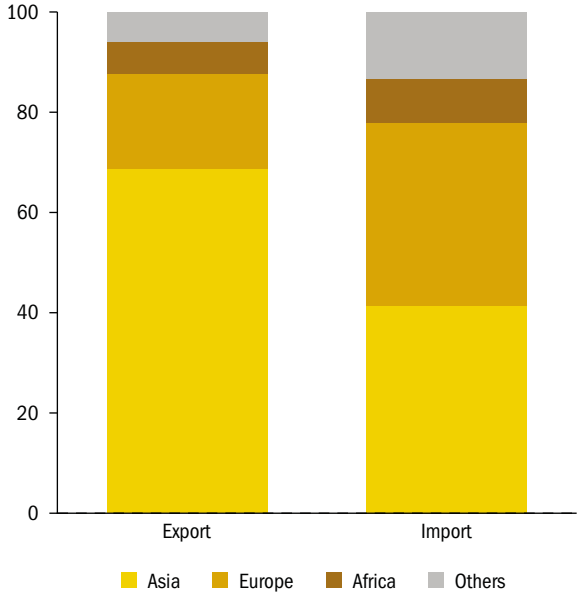
The Lobito Corridor addresses one of Angola's most binding constraints,[27] weak logistics reliability and limited market access (World Bank 2025). The Lobito Corridor can provide reliable, commercially operated rail and port transport system linking inland provinces to the port of Lobito. Benguela, Huambo, Bié, and Huila provinces possess notable strengths in agriculture, forestry, and agro-industry, but face major challenges like poor mar-

26 Cross border systems refer to the rules and systems used by countries to help with the smooth circulation of people, goods and services across borders.

27 Binding constraints refers to the most important limit that actually holds development back.

FIGURE 2.5 Much of Angola's trade depends on demand from large economies

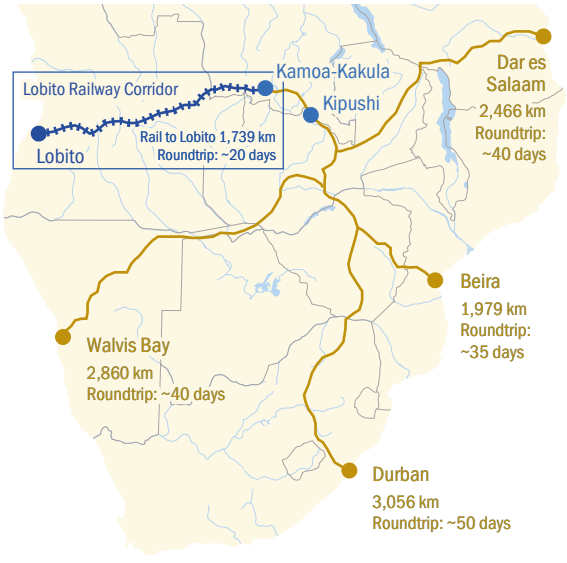
Angola Total Trade by Region, percent



Source: Chabala & Hofmeyr 2025.

FIGURE 2.6 The Lobito corridor can enhance regional and global economic integration by increasing trade efficiency

Average Travel time from Democratic Republic of Congo and Zambia



Source: Chabala & Hofmeyr 2025.

ket access, and weak value-chain links that raise logistics costs and make investment unviable. More than 75 percent of the country's agricultural production, including in these regions, cannot reach markets (World Bank 2020). The corridor's multimodal network can provide the needed linkage between producers and domestic cities and international markets via the port. And, if reliable rail-plus-port service materializes, logistics parks, storage, repair services, construction materials, agro-logistics, and certain industrial services can become more bankable around corridor towns and junctions.

The Lobito Corridor has the capacity to capture and diversify regional trade flows and establish itself as a key gateway. While current utilization remains modest, around 20 thousand tons per year, with 240 thousand tons secured under existing contracts, LAR aims to scale rail capacity to 1.5 million tons this decade, with potential expansion up to 4.6 million tons per year. This substantial unused capacity offers space for additional and more diversified cargo, positioning the corridor to serve as a key gateway for regional trade and to maximize its economic and logistical impact.

FIGURE 2.7 Lobito Corridor as a strategic platform for regional and global markets integration

COMPETITIVE ADVANTAGE

- Strategic location: shortest travel time from DRC & Zambia mines to global markets
- Multimodal transport infrastructure
- Favorable connectivity to population/urban center

STRATEGIC OPPORTUNITIES

- Growing global demand for copper and cobalt
- Private Investment mobilization
- Investments to unlock agriculture & manufacturing potential along the corridor
- Complementary investments in infrastructure & human capital

ECONOMIC & POLICY CONTEXT

- Progress of Angola trade regional Integration (AfCFTA, SADC)
- Set up of a coordination platform
- Broadband market improved competition
- Progress in land tenure

Source: Author's elaboration.

Current Status: Ongoing Measures and Investments

OPERATIONS

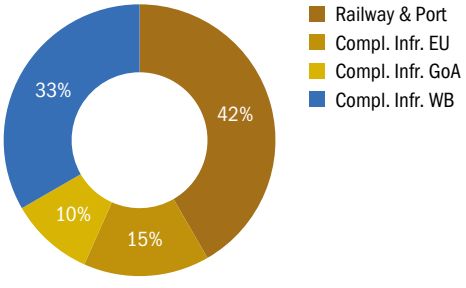
The Benguela railway is already operational and primarily transporting mineral cargo, though still in a ramp-up phase. The core Angolan section of the Benguela Railway, corresponding to about 1,344 km, has been operational since 2024. Ongoing upgrades cover track, signaling, rolling stock, and port infrastructure supported by a us$753 million financing package secured in 2025–2026 to enhance capacity and reliability. Freight operations are already active and scaling: around 200 thousand tons of international cargo and 65 thousand tons of domestic cargo were transported in 2025, more than doubling the previous year's volumes. Continued growth in cargo is expected as contracts with mining companies come into effect. The corridor currently handles copper, cobalt, and mining inputs, with total cargo volume projected to reach three million tons by 2033. [28]Further works in the Democratic Republic of Congo and Zambia are required for the corridor to reach full capacity and enable regional integration.[29]

The LAR concession operates mainly for freight and commercial purposes, focusing on mineral exports without any public service obligations (PSO). The 30-year concession granted to the LAR covers the operation, maintenance, and modernization of the core rail line and port interface, focus is commercially oriented to freight with no PSOs included. Although publicly available data on tariffs remains limited, the rail is structurally more cost-efficient than trucking for bulk. However, ensuring competitiveness will depend more on reliability, border coordination, and logistics integration than on headline prices.

FINANCING STRUCTURE

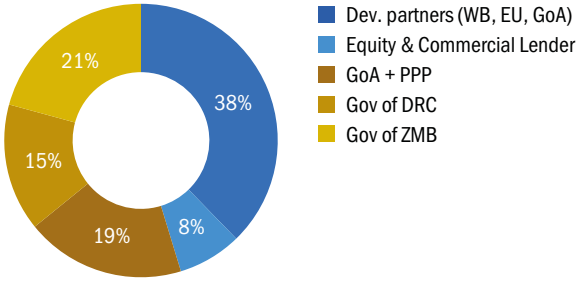
Financing for ongoing works is being mobilized at scale, with strong private sector participation and complementary investments reinforcing the Corridor's credibility. The current financing structure blends public and private capital, including support from multilateral and bilateral partners and public — private partnerships. Approximately us$6 billion has been pledged and committed to advance corridor development. Of this, about us$5 billion is directed toward operationalizing the Benguela Railway in Angola and the Democratic Republic of Congo under the LAR consortium. In addition, us$1 billion has been earmarked for the Zambian extension[30] (Figure 2.9). Complementary investments also target electrification, digital systems, feeder transport infrastructure, agriculture value chains, and logistics systems.

FIGURE 2.8 Pledged and committed financing for the Lobito Corridor



Source: Author's elaboration based on U.S. International Development Finance Corporation (DFC); Lobito Atlantic Railway; Development Bank of Southern Africa (DBSA); European Union (Global Gateway); Partnership for Global Infrastructure and Investment (PGII); and publicly available project disclosures and media reports.
Note: GoA = Government of Angola; WB = World Bank; EU = European Union.

FIGURE 2.9 Planned financing structure for the Lobito Corridor



Source: Author's elaboration based on U.S. International Development Finance Corporation (DFC); Lobito Atlantic Railway; Development Bank of Southern Africa (DBSA); European Union (Global Gateway); Partnership for Global Infrastructure and Investment (PGII); and publicly available project disclosures and media reports.
Note: GoA = Government of Angola; WB = World Bank; EU = European Union.

28 These projections are under revision.

29 More details can be seen at https://www.lobitoatlantic.com/about-the-project/

30 Caution regarding the Zambian segment: it is unclear whether financing has been formally pledged. Latest reports indicate limited interest in advancing the Zambian portion of the rail line, with priorities shifting toward improving or creating road connections to Angola.

The Corridor core infrastructure limits upfront public debt exposure to the GoA, but the success of the corridor will depend on sustained public investment, which carries direct public debt implications. The financing base is notably diverse, including the World Bank, united States government, European union, Development Bank of Southern Africa, Africa Finance Corporation, and private investors, helping to crowd in capital and strengthen confidence in the corridor's long-term viability. The financing structure combines private equity from the LAR consortium, commercial loans to the consortium, PPP, and sovereign debt. Public debt impact is minimal now as Lobito Corridor mainly uses private equity, but contingent guarantees, government co-investments, or delayed rehabilitation could increase Angola's fiscal risk if private financing falls short.

GOVERNANCE, TRADE FACILITATION AND LOGISTICS

In 2024, the three corridor member countries established a governance framework for harmonized trade facilitation and regional cooperation. The Lobito Corridor Transit and Transport Facilitation Agency (LCTTFA) brings together Angola, the Democratic Republic of Congo, and Zambia to harmonize transit operations, policies, and border procedures. The LCTTFA Permanent Secretariat, established in Lobito, provides the overarching tripartite governance platform for corridor-wide coordination on trade and transport among Angola, the Democratic Republic of Congo, and Zambia. In 2025, the three corridor countries agreed to set a joint governance mechanism, known as the Engine Room, to coordinate infrastructure development, policy reforms, and investment initiatives. In Angola, the Cargo and Logistics Regulatory Agency (ARCCLA), under the Ministry of Transport (MINTRANS) currently leads corridor planning and development, including the development of a Master Plan for the corridor. ARCCLA coordinates closely with MINTRANS, Ministry of Planning (MINPLAN), and provincial governments. More recently, the Angolan government, issued a decree to create the Lobito Corridor Development Company (Sociedade de Desenvolvimento do Corridor de Lobito, SDCL), that will oversee the corridor management and development. Together, these arrangements aim to align cross-border and sectoral investments, provide a platform for public-private dialogue, and integrate corridor planning with national and regional development strategies (Table 2.1).

In addition, several measures are underway to advance trade facilitation and border integration along the Lobito Corridor. Angola's formal accession to the SADC Free Trade Agreement in 2025,[31] accompanied by implementation of the SADC electronic Certificate of Origin,[32] represents a foundational step toward broader regulatory

TABLE 2.1 Although still emerging, the Lobito Corridor governance framework combines elements for regional coordination and national management

Level	Entity	Function	Requirement	Current Situation
Regional Level	LCTTFA	Regional coordination	Legal authority, clear/agreed coordination role by all three countries, clear action plan, oversight of implementation, and dispute resolution.	Limited implementation capacity, operational plan under development, corridor treaty provisions pending implementation.
National Level	ARCCLA	National development	Strong ownership, strategic planning capacity.	Governance spread across several bodies, with unclear roles and unbalanced empowerment to lead strategic decisions.
Implementation	SDCL	Corridor management	Clear delivery mandate, financial and operational autonomy, robust accountability mechanism.	Detailed by laws providing structure, governance, and operational principles still pending; private sector capital mobilization still limited.

Source: Author's elaboration.

31 Angola's accession to the SADC FTA was approved in 2025, with implementation set to start in January 2026. https://www.sadc.int/latest-news/angola-prepared-implement-sadc-electronic-certificate-origin

32 The SADC electronic Certificate of Origin is a digital document that certifies goods meet regional origin rules, enabling preferential tariffs and faster, paperless customs clearance within SADC.

alignment with its corridor partners. At the bilateral level, the Democratic Republic of Congo — Zambia trade agreement signed in 2017 laid the legal groundwork for a One Stop Border Post (OSBP) at Kasumbalesa; while the AfDB-financed Jimbe OSBP project represents a parallel effort to formalize the Angola–Zambia border under a harmonized, co-located control regime.

ECONOMIC POTENTIAL OF THE CORRIDOR PROVINCES

The provinces along the Lobito Corridor are characterized by significant agricultural potential, natural resources, and growing urban centers, but relatively modest human development outcomes (Table 2.2). In Angola, about 9 million people, 26 percent of the country's total population, live in the area of influence of the Lobito Corridor. High poverty rates and low human development outcomes underscore the need for inclusive investment in basic services, skills, and livelihoods so that growth translates into broad-based poverty reduction. Together, the provinces of Huambo, Benguela, Moxico, Moxico Leste, and Bie account for a substantial share of Angola's agricultural production, particularly cereals, legumes, and oilseeds. Benguela adds strong fisheries and port-based activity. Huambo and Bié present a wide range of economic activities, including high-value agriculture, agro-processing and mining, while Moxico has strong cross-border trade. Despite this potential, these provinces remain constrained by limited market access, weak logistics, and underdeveloped value chains.

STRATEGIC PROJECTS IN THE LOBITO CORRIDOR

The infrastructure investments along the Corridor are complemented by strategic interventions aiming to amplify productive and spatial impact and ensure inclusive benefits. A World Bank-supported portfolio of about us$3 billion addresses critical gaps in infrastructure, human capital, and institutional capacity to promote agricultural and private sector development in corridor adjacent regions (Figure 2.10). In Benguela, Huambo, and Bié, upgrades to water and electricity services are improving reliability for firms and households, with almost 200 thousand new electricity connections and 3.4 million people expected to benefit from improved water and sanitation. Human capital investments are prioritizing digital skills and productive inclusion for over one million vulnerable people.[33] Investments in irrigation, rural

TABLE 2.2 Angolan provinces connected by the Lobito Corridor present substantial production potential

Province	Pop. (Mil.)	Poverty rate	HDI	Economic activity	Productive Infrastructure	Total Rooms	FDI 2023/4 Mil. US$	Economic Opportunities
Benguela	2.2	44%	0.56	11% of national cereals; strong fisheries, salt	Catumbela Industrial Pole (expansion)	4,525	367	Port logistics, manufacturing, fisheries, tourism
Huambo	2	52%	0.56	28% cereals; 20% legumes/oil seeds	Caála Logistics Platform; Avocado cluster	2,190	2.5	High-value agriculture, agro-processing, services, human capital
Bié	1.5	53%	0.53	14% cereals; 18% legumes/ oilseeds	Cunje Industrial Pole	262	2.1	Agriculture, agro-industry, forestry, urban centers
Moxico	0.8	43%	0.53	forestry & land resources	Luau Logistics Platform	472	5.7	Mining, forestry, large-scale agriculture, cross-border trade
National	**20% of total**	**54%***				**26% of total**	**9866.8**	

Source: Author's compilation based on data from INE, AIPEX investment dataset extracted table; Plano Nacional de Fomento ao Turismo—PLANATUR, 2024, Diário Oficial Governo de Angola,and Anuário Estatístico do Turismo,2022–2023, INE.

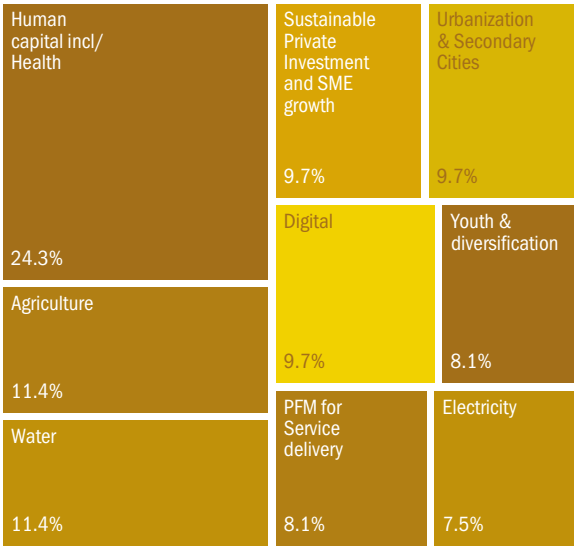
* Nationally calculated poverty line.

33 Kwenda Safety Net and youth Employment Opportunities Project

roads, and logistics are supporting agricultural development, while private sector promotion includes de-risking instruments, support to small and medium enterprises, and trade facilitation reforms.[34] underpinning these efforts, a corridor monitoring tool and the forthcoming Lobito Corridor Master Plan will strengthen adaptive management, accountability, and evidence-based decision-making (see Box 2.2).

FIGURE 2.10 Ongoing projects help set the foundation for improved logistics, private investment attraction, and sustainable development

Distribution of World Bank US$3 Billion Project Portfolio Linked to the Lobito Corridor



Source: World Bank.

The Angola AgriConnect Compact seeks to further reinforce the corridor's productive potential across select agricultural value chains and secondary cities. The AgriConnect[35] project links smallholder farmers to markets, finance, and infrastructure, and promotes agribusinesses, focusing on high-potential crops to boost jobs and income. By anchoring agro-processing, storage, logistics, and related services closer to production areas, AgriConnect positions secondary cities as agribusiness hubs, reinforcing rural-urban linkages and reducing overconcentration in capitals, similar to what was observed along Mozambique's Maputo Development Corridor. Ongoing investments along the Lobito Corridor reinforce this agenda through institutional support and infrastructure for agro-processing, warehousing, and cold storage. In Huambo, a US$130 million project coordinates the development of maize, soybeans, vegetables, coffee, and beans value chains,[36] while a complementary project supports the Caála Logistics platform, including cold storage and market integration infrastructure critical for agricultural value chain development.[37]

Potential: Transforming the Lobito Corridor into a Regional Development Platform

KEY LESSONS FROM INTERNATIONAL CORRIDOR EXPERIENCES

International experience illustrates the importance of ecosystem complementarity for corridor based economic transformation. The Maputo Development Corridor (MDC) in Mozambique combined road, rail, port, and cross-border infrastructure with targeted industrial and logistics nodes, enabling both export competitiveness and domestic value chains. Similarly, India's Delhi–Mumbai Industrial Corridor (DMIC) paired freight infrastructure supports industrial clusters and new urban nodes, fostering manufacturing-led growth (see annex 1 for details on these corridors). The DMIC's multiple industrial nodes operate as a self-sustaining cluster with world-class connectivity and services, reducing logistics costs, attracting investment, and promoting regional development.

Experience shows that, to maximize corridor impact, successful economies relied on two strategies: (i) focusing support on entire industries rather than specific firms and (ii) let the private sector lead the way to guide disciplined scaling. The MDC focused on industrial ac-

34 Diversifica Mais project

35 AgriConnect is a World Bank Group initiative to help smallholders move from subsistence to surplus by building the right ecosystem: improved cooperatives, market links, and access to finance and digital tools. It is backed by a pledge to double WBG financing to US$9 billion a year and mobilize another US$5 billion. It is supported by partners including AfDB, IFAD, IDB, Bayer, and Google.

36 Commercial Agriculture Development Project (PDAC—P159052) and Accelerating Economic Diversification and Job Creation projects (P178035).

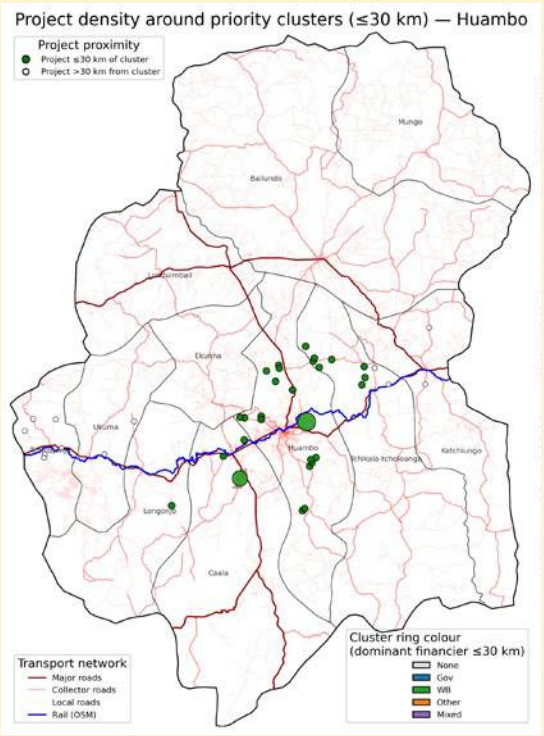
37 Angola Accelerating Economic Diversification and Job Creation Project (P178035)

BOX 2.2 Actionable Clusters and Investment Synergies in the Lobito Corridor

The World Bank's Lobito Corridor Spatial Analysis tool shows how the Lobito Corridor can support the growth of towns and economic hubs at key points along the route. The spatial tool* can zoom in on potential clusters based on modifiable criteria, such as how many people live there, how much farmland is nearby, and how easy it is to travel to and from the area. Using these criteria, the tool highlights two promising clusters along the corridor. The first is Huambo, covering an area of about 27 km², with roughly 17 km² of farmland, more than 70 percent of the area connected to electricity, and around 32 thousand residents. This makes it a strong location for food processing, light manufacturing, and local trade. The second is in Caála, covering about 26 km² and containing 18 km² of farmland, the largest concentration of cropland among all the clusters identified. This positions Caála as a prime candidate for agricultural business, logistics, and investment in supply chains connected to the corridor. Four additional clusters were identified in Benguela, together covering a total area of 432 km², of which 317 km² is farmland, representing a significant opportunity for agricultural and economic development in the region.

The identified clusters are also surrounded by a large number of strategic projects, making them ideal locations to coordinate investments and maximize the benefits of the corridor. Within a 30-kilometre radius, 23 World Bank projects have been identified around Caála and 26 around Huambo. These include investments in rural roads, energy, farming, logistics, and the construction or repair of key infrastructure. By directing additional investments into these clusters, it becomes possible to connect and coordinate different projects so that they reinforce each other, turning the corridor from simply a transport route into a driver of broader and lasting economic growth.

FIGURE B2.2.1 The tool identified clusters located in the municipalities of Huambo and Caála, and in Benguela based on the selected criteria (population, cropland, and accessibility)



Source : https://worldbank.github.io/AGO_corridor_analysis/docs/index.html

TABLE B2.2.1 Actionable Clusters in the Lobito Corridor based on Population, Cropland, and Accessibility

Province	Municipality	km²	Population	cropland km²	% electrified	% rural	Avg travel time (Minutes)	World Bank Projects (<=30km)
Huambo	Huambo	27	31,776	17	72%	53%	11	26
	Caála	26	n/A	18	n/A	42%	20	23
Benguela	Cubal	274	n/A	136	8%	44%	21	n/A
	Ganda	103	n/A	57	11%	42%	22	n/A
	Cubal	28	n/A	17	n/A	24%	53	n/A
	Caimbambo	27	3,134	7	6%	41%	30	n/A

*Monitoring platform available from https://worldbank.github.io/AGO_corridor_analysis/docs/index.html

tivities and key towns along the corridor. The East-West Economic Corridor (EWEC) prioritized trade facilitation. And, the DMIC allocated resources, in specific clusters to build competitiveness. For the Lobito Corridor, these lessons point to one direction: prioritizing high-potential value chains — such as mining logistics, agro-processing, and port services — while allowing private actors to respond to demand signals. At the same time, infrastructure, policy, and institutional investments must be scaled efficiently to unlock the corridor's full transformative potential.

Additionally, operational conditions were fundamental for the effective management of the corridor and sustained performance (Table 2.3). Effective governance, i.e. adequate structure for decision making, and monitoring systems to track progress are fundamental, particularly in cross-countries corridors, where coordination between governments can be complex. While governance models differ depending on the size of the corridor, capital needs, and political context, best practices point to a few common ingredients: a dedicated body responsible for coordination, clearly defined roles for each stakeholder, a strong system for monitoring progress, and meaningful engagement with all parties involved. In practice, three main models have been used: (i) a centralized Special Purpose Vehicle, used in the DMIC, where a single dedicated organization manages the corridor from top to bottom. It is suited to large, capital-intensive corridors needing strong coordination and land/infrastructure planning. (ii) The networked coordination where multiple countries work together without one central authority, effective for multi-country corridors where sovereignty constraints limit centralization like in the case of the EWEC. And, (iii) a hybrid model, combining central coordination with strong sectoral and subnational ownership.

AN ANALYTICAL FRAMEWORK FOR THE LOBITO CORRIDOR DEVELOPMENT

Despite functioning primarily as a mineral and logistics route, the Lobito Corridor can offer a strong ground for broad economic transformation and regional integration. If paired with measures to improve logistics and enhance trade policies and regulations, the development of the Lobito Corridor can promote domestic and regional integration, turning connecting regions into production and trade hubs. This is particularly relevant considering the increasing uncertainty in international markets, regarding the demand from large economies.

However, despite ongoing efforts, the ecosystem surrounding the Lobito Corridor remains insufficient to support its transformation from a narrow enclave into a driver of broad-based economic development. Given the corridor's cross-border nature, the economic potential of the surrounding provinces, and Angola's challenging macroeconomic and business environment, four key factors must be addressed to unlock its potential for economic diversification and regional integration. These include ensuring sequencing of outcomes, addressing market failures, defining an appropriate industrial policy framework, and establishing robust governance and institutional coordination mechanisms.

I. SEQUENCING

Successful corridor-based economic transformation occurs when improved connectivity translates into a sequence of four mutually reinforcing outcomes: transport efficiency leads to enhanced trade and logistics, then businesses start to invest, and over time, entire

TABLE 2.3 Transformative Corridors Ecosystem

Component	Function	Country example
Main transport infrastructure	Operational efficiency at scale: availability, frequency, predictability, and transparent tariffs.	Maputo Development Corridor (MDC) (Mozambique—South Africa), The East-West Economic Corridor (EWEC) (Asia)
Complementary ecosystem	Enablers for transformation: trade facilitation, infrastructure, and deeper factor markets.	MDC links logistics and industrial nodes to boost exports and value chains.
Operational conditions	Effective governance enables cross-country coordination, and monitoring supports performance.	MDC: cross-border coordination, strong private participation, and institutional support for logistics and investment. CAREC: robust systems tracking time, cost, and reliability across borders.

Source: Author's elaboration based on World Bank (2026b), World Bank (2018).

regions begin to grow and develop (World Bank 2022). Beyond infrastructure and logistics gains, transformative corridors become more than a transit enclave. They drive structural economic and spatial change by attracting investment, strengthening sectoral linkages, boosting productivity, generating employment, and fostering productive agglomeration.

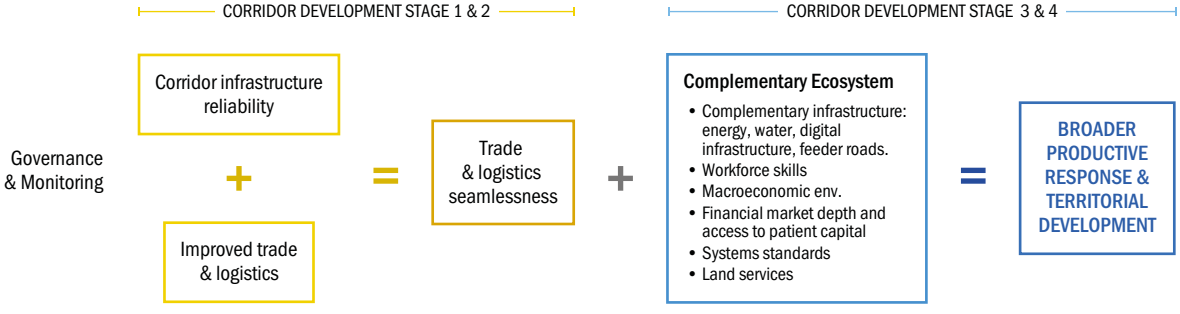
Corridor success begins with transport performance, but transformation requires progression to effective trade and logistics seamlessness—this is called stage 1 and 2 (Figure 2.11). While faster, cheaper, and more reliable freight movement provides the foundation, transport efficiency alone often leaves corridors as narrow transit routes with limited spillovers. True impact emerges when predictable border processes, interoperable systems, and coordinated institutions reduce uncertainty, allowing firms to rely on the corridor. As failures often occur at institutional rather than physical interfaces, trade facilitation and regulatory alignment are as critical as infrastructure.

The defining shift toward transformation occurs when smoother trade and logistics trigger real economic activity, moving the corridor into its final and most impactful stage: broad territorial development (Figure 2.11). Successful corridors attract a wide range of industries beyond their main commodity, such as farming, food processing, light manufacturing, construction materials, logistics, warehousing, and services. Firm entry rises around corridor nodes, land values increase, and investors feel more confident because uncertainty is reduced. At this point, the corridor stops functioning merely as a transport route and becomes a platform for wide-ranging economic transformation. However, experience shows that this shift is not automatic, the ecosystem must be favorable to induce and businesses actively supported, or the process can take decades. The East-West Economic Corridor in Asia illustrates this well: despite more than two decades of development and success as a trade facilitation platform, it has struggled to evolve into a truly dynamic economic engine, as improved connectivity was not matched by sufficient targeted support to productive sectors.

II. MARKET FAILURES

The infrastructure of a corridor alone is not enough—the surrounding ecosystem determines the outcomes that are generated by improved connectivity (Figure 2.11). In successful experiences, the corridor infrastructure is generally embedded in a deliberate package of complementary investments and reforms. These include trade facilitation, adequate macroeconomic environment, strong workforce skills, complementary transport infrastructure, investor support, access to finance, standard systems, among others (World Bank 2026a). Where these supporting elements were missing, corridors generate enclaves rather than structural change. Thus, ecosystem investments and reforms alongside infrastructure development are fundamental to support broader productive and spatial response. International experience shows that building an enabling ecosystem involves tackling three categories of market failures:[38] coordination, information and discovery, and limited factor markets.

FIGURE 2.11 Successful corridor-based economic transformations follow a sequential and conditional path



Source: Author's elaboration based on World Bank (2014, 2018), World Bank (2026b).

38 Market failures occur when businesses and investors, acting independently, cannot solve problems that would benefit everyone, such as building shared infrastructure that others can use for free, leaving critical investments unmade.

i. Coordination failures

In the case of Lobito, measures to improve trade and logistics are not moving as fast as needed to translate connectivity into transformation. Uneven implementation capacity risks slowing coordination between infrastructure upgrades and trade facilitation, while regulatory bottlenecks and border inefficiencies continue to constrain competitiveness despite digitalization initiatives such as the National Single Window (NSW). Angola, Democratic Republic of Congo, and Zambia all face significant logistics constraints, with Angola ranking sixth lowest globally on the Logistics Performance Index (LPI) (Figure 2.12).[39] High ad valorem tariffs across the three countries further limit two-way and non-mineral trade (Figure 2.13) (Annex 3). Only Zambia is in the SADC Free Trade Area; Angola is not a member of COMESA (Common Market for Eastern and Southern Africa) (Annex 4) and only formally acceded to the Free Trade Area in 2025, but its tariff offer implementation is still in progress. Differing regulatory regimes, customs procedures, and guarantee systems across the three countries constrain transit interoperability, adding several days to transit times at borders and modal transfer points.

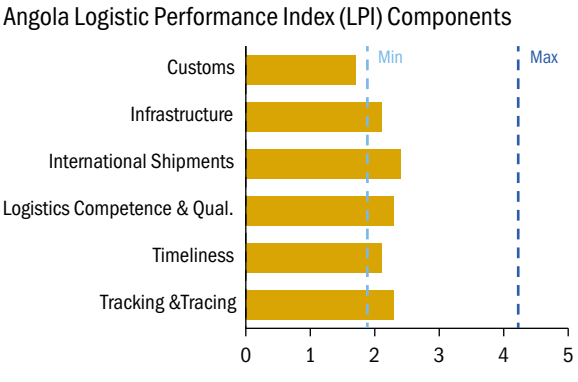
ii. Information and Discovery Failures

Along the Lobito Corridor, businesses and investors often do not have the information they need to make confident decisions, particularly in inland Angola. Firms face significant uncertainty about production costs, infrastructure reliability, and access to markets, which discourages investment and limits the development of new economic activities. As a reference, about 70 percent of total agricultural production value cannot reach markets, and of the share that can, only 37 percent reaches markets in under two hours (World Bank 2022). These gaps leave high-potential areas underused, not because opportunity is absent, but because the risks feel too unclear to act on.

Additionally, many Angolan producers struggle to meet the quality standards required to sell their goods internationally. Angola scores 47.4 on the Global Quality Infrastructure Index, well below the 65 to 90 range achieved by fast-growing East Asian economies, reflecting years of underinvestment in quality systems and certification (Figure 2.14). The implications are tangible. Agricultural exports to the EU, including the avocado cluster identified as a lead value chain, require sanitary and phytosanitary (SPS) certification that Angola's plant health system cannot yet fully provide. Without internationally recognized certification, producers from Huambo cannot enter EU markets, regardless of agronomic quality or preferential margins under trade agreements.

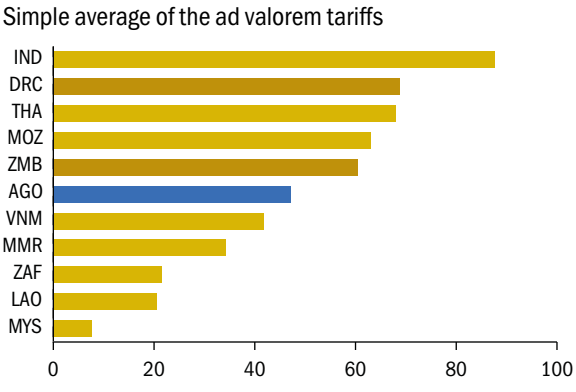
Angola's business environment also presents significant barriers to private sector development and economic diversification along the corridor. Setting up and running a business remains difficult: administra-

FIGURE 2.12 Logistics challenges may limit the corridor potential for diversification



Source: Author's elaboration based on the LPI https://lpi.worldbank.org/international/global.

FIGURE 2.13 The corridor economies' high trade tariffs may constrain trade flows

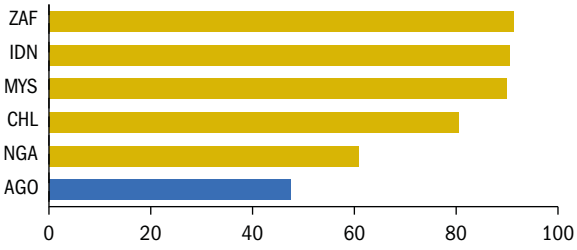


Source: The World Trade Organization (WTO).

39 LPI is a World Bank tool that scores countries from 1 to 5 on the ease and efficiency of moving goods across borders.

tive requirements are burdensome, licensing processes are lengthy, and regulatory efficiency is weak. According to the World Bank's 2024 World Bank Enterprise Surveys (WBES), 73 percent of firms report engaging with tax officials, and delays in obtaining permits are worse than in comparable countries in the region. Access to finance remains a critical bottleneck, with private credit to GDP falling from 24 percent in 2015 to about 7.3 percent in 2024 and financial sector depth ranking among the lowest globally (WEF 2019). Structural barriers further hinder firm entry and growth (World Bank 2025). This includes restrictive regulations, limited competition, a large state footprint, and widespread informality — with 52 percent of firms citing competition from unregistered enterprises. Together, these constraints raise costs, deter investment, and limit private sector-led diversification that Lobito Corridor investments and reforms aim to unlock.

FIGURE 2.14 Global Quality Infrastructure Index (GQII)



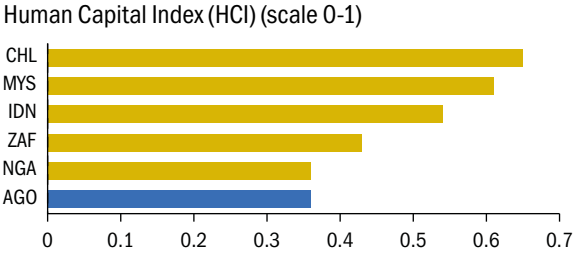
Source: Global Quality Infrastructure Index (GQII) Program.

Angola's macroeconomic environment adds another layer of difficulty on top of the sector-specific barriers. As discussed in part I, the economy's exposure to oil price cycles drives volatility in fiscal revenues, foreign exchange availability, and the broader investment climate. These conditions are fundamentally incompatible with the multi-year private investment commitments that corridor industrialization requires. Kwanza volatility and periodic FX rationing deter capital-intensive productive investment, while incomplete FX market transparency and underdeveloped domestic capital market makes it difficult for firms to price contracts or hedge exposures.

iii. Limited Factor Markets

Skills complementarity is binding at the Lobito Corridor in ways specific to its sectoral ambitions. The corridor's comparative advantage, concentrated in agribusiness processing, light manufacturing, and logistics, requires technical competencies that Angola's current skills system is not producing at scale or with sufficient market alignment.[40] Angola's Human Capital Index stands at just 0.36 (Figure 2.15), below the Sub-Saharan African average of 0.40, and drops to 0.22 when adjusted for utilization.[41] The Technical and Vocational Education and Training (TVET)[42] system has not closed this gap: poor alignment with labor market needs results in weak employment outcomes, with evidence from Huíla showing only 10 percent of TVET graduates securing formal jobs while nearly half remain unemployed. Existing World Bank interventions, including the Youth Employment Opportunities Project, the TEST project, and *Diversifica Mais*, are well-aligned with corridor priorities but remain too limited in scope and duration to shift labor market outcomes at scale. International experience consistently shows that skills systems only complement industrial policy when co-designed with firms and scaled to match labor demand. Given the Corridor's population of roughly 9 million, Angola's skills initiatives require substantial expansion to influence firm location decisions and support structural transformation.

FIGURE 2.15 Angola Human Capital Index in comparison with Corridor Transformative Economies and Peer Countries



Source: World Bank.

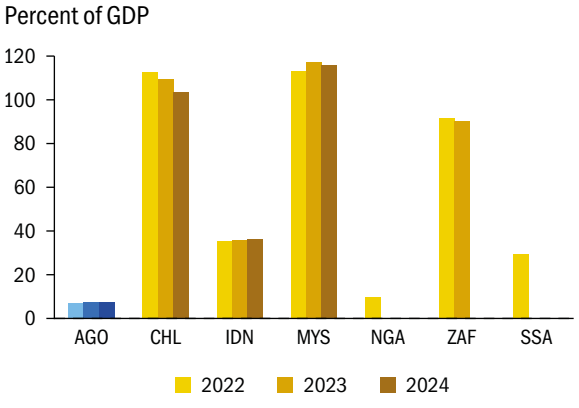
40 Based on international experiences these skills should include supply chain management, customs and trade compliance, technical processing and maintenance, quality assurance and certification, and digital/data management skills.

41 The Human Capital Index measures how much of their potential a child born today can expect to reach by adulthood, based on the quality of education and health services in their country. The index adjusted to utilization also accounts for whether people are actually able to use their skills and education once they enter the workforce.

42 TVET refers to education and training programs that equip people with practical, hands-on skills for specific trades and industries, such as construction, mechanics, agriculture, or manufacturing.

Angola's financial sector reflects a fundamental mismatch between the long-term investment horizons required for industrial transformation and the short-term nature of existing credit structures. Private sector credit stands at roughly 7.3 percent of GDP, well below the sub-Saharan Africa average of 30 percent and far behind East Asian comparator (Figure 2.16). Financial services remain concentrated in Luanda, leaving corridor provinces such as Benguela, Huambo, Bié, and Moxico underserved. High banking costs, strict account requirements, limited financial literacy, and weak rural digital infrastructure further constrain access. This poses a direct challenge for the Lobito Corridor's potential industrial ambitions, as sectors such as agro-processing, light manufacturing, and logistics require five- to ten-year financing horizons, asset-based lending, and greater risk tolerance, features largely absent from the current system.

FIGURE 2.16 Domestic credit to private sector in Angola vs in transformative corridor economies



Source: World Bank.

III. INDUSTRIAL POLICY ARCHETYPE: POLICY SELECTION FRAMEWORK

To harness the full transformative potential of the Corridor, various complementary policy options can be deployed. But selectivity is critical to avoid fiscal overreach and misallocation of scarce public resources. The policy toolkit is wide: Special Economic Zones (SEZs), agglomeration clusters and industrial conglomerates, targeted subsidies for specific productive sectors, fiscal incentives such as tax holidays and duty exemptions, and investment promotion frameworks are all available instruments. However, evidence of their effectiveness is mixed. SEZs, for instance, have delivered transformative results in East Asia, notably in China, Việt Nam, and in Africa, in Mauritius. However, they have frequently underperformed in most African countries when not grounded in genuine comparative advantage or when over-reliant on fiscal incentives alone. Studies consistently show that infrastructure provision and regulatory simplification drive SEZ success far more than tax holidays, which can erode tax bases without meaningfully attracting additional investment. Similarly, broad sector subsidies risk generating rent-seeking behavior rather than sustainable productivity gains.

Angola, and other countries along the Lobito Corridor, must therefore be highly selective. Policy intervention should be anchored in rigorous assessment of real competitive strengths. The incentives selected should focus on rewarding investment volume, employment generation, and value-chain linkages rather than export performance alone. The corridor provides the connective infrastructure, durable economic transformation will depend on whether governments can pair it with disciplined, evidence-based industrial policy that builds genuine productive capacity.

A framework for industrial policy selection, from the Africa Economic update 2026, can support the selection of the adequate policy instrument for the Lobito Corridor. The framework combines feasibility dimensions — including fiscal space, implementation capacity, and market scale — with effectiveness dimensions: ecosystem readiness, product space, and resource endowment. The approach helps to identify the binding constraints shaping policy choices. Applying the six dimensions to Sub-Saharan Africa produced six identifiable country archetypes or distinct implementation contexts that each call for a different instrument package (Table 2.4).

The framework argues that for Lobito Corridor to be a catalyst of transformative development, the policy priority should be addressing binding constraints. The policy selection framework classifies the Lobito Corridor as a corridor anchor/resource pathway hybrid archetype (Table 2.4).[43] That is, strong resource endowments and

43 More details of the archetypes can be found in World Bank (2026a).

TABLE 2.4 Six African Industrial Policy Archetypes: Feasibility and Effectiveness Conditions based on Fernandes et al. (2026)

Archetype	Fiscal space	Implementation capacity	Market scale	Ecosystem readiness	Product space	Resource endowment
1 Frontier builders	Low	Low	Low	Low	Low	Low
2 Capable constrained	Low	Med–Hi	Low	Med	Low–Med	Low
3 Resource pathway	Low–Med	Low–Med	Low	Low	Low	High
4 Large market	Med	Med	Large	Med	Med	Low–Med
5 Diversified industrial	Med–Hi	High	Large	High	High	Low–Med
6 Corridor anchors	Med	Med	Med–Lg	Low–Med	Low–Med	High

Low Low-Med Med Med-Hi/Med-Lg High/Large

Source: World Bank (2026a).

expanded market scale through regional integration coexist with weak ecosystem readiness, particularly in energy reliability, logistics, skills, and quality infrastructure, and uneven implementation capacity. In such cases, firm-specific industrial policy instruments are unlikely to deliver results. Policy should instead prioritize addressing binding constraints, such as standards and quality systems, logistics coordination, and regional integration. This would prepare the way for the more targeted industrial interventions to become effective over time.

IV. GOVERNANCE AND INSTITUTIONAL COORDINATION

Governments and corridor governance bodies should deliberately design and enforce mechanisms that ensure the corridor serves broader development objectives, along with performance incentives mechanisms. Where market forces alone are insufficient to guarantee adequate service frequency and equitable access, particularly at key nodes for non-mineral cargo, PSO-type arrangements should be considered. Such mechanisms would ensure that the corridor serves broader development objectives, including agricultural and manufacturing trade, and not only the high-volume mineral flows that anchor the commercial viability. However, ensuring shared usage of transport and logistics comes with practical challenges. Mineral exports are the economic backbone of the Corridor, requiring dedicated, high-capacity, and highly reliable operations. By contrast, agricultural and manufacturing users typically generate lower-volume, more fragmented, and geographically dispersed demand. Balancing these different operational requirements is not automatic and may require dedicated capacity, differentiated service models, or governance mechanisms to avoid mineral traffic crowding out broader economic uses.

Priority should be given to strengthening the governance architecture underpinning cross-border coordination with systematic monitoring. The LCTTFA should be empowered with clear legal enforcement authority, adequate financial autonomy, and enhanced institutional capacity. Close collaboration with national partners is essential for regular monitoring of corridor performance and for consistently fulfilling facilitation commitments. The SDCL represents a welcome step toward a more robust governance framework and should be built upon, with clear guardrails governing corridor investments and a results framework anchoring them to measurable development outcomes. The Engine Room should be empowered to organize national projects into a coherent, corridor-wide investment program, sequencing investments strategically and deploying risk-sharing instruments in a coordinated manner. For private capital to follow, financing mobilization must be anchored in credible policy and regulatory reforms across trade facilitation, land access, and the broader investment climate.

BOX 2.3 Agribusiness along the Lobito Corridor—Turning Connectivity into Bankable Value Chains

Angola's 2023–27 National Development Plan explicitly identifies agribusiness as a priority sector for economic diversification, emphasizing higher agricultural productivity, expanded agro-processing, and increased non-oil exports. The provinces of Huambo, Benguela, and Bié, linked by the Lobito Corridor, produce much of Angola's cereals, legumes, oilseeds, and high-value crops (Table 2.3), but over 75 percent cannot reach markets due to poor logistics, weak connectivity, and lack of certification systems. While the corridor improves access, effective agribusiness growth requires building an ecosystem that turns rail access into viable value chains.

This report considers that corridor-driven transformation framework is sequential and conditional: transport reliability is essential before productive investment, which depends on a supportive ecosystem. For agribusiness, this requires addressing multiple gaps at once. Feeder roads linking rural areas to rail stations and logistics hubs are necessary for smallholders and SMEs to access the main line. Essential infrastructure—like cold storage, packhouses, and compliance facilities - needs wider investment beyond early examples such as the Caála Logistics initiative. Quality certification, especially SPS standards for EU exports, remains a major constraint for value chains along the corridor.

Spatial analysis highlights Huambo and Caála as top agribusiness investment nodes. Huambo covers 27 km² with high electrification and potential for light industry and commerce. Caála, at 26 km² with abundant cropland, is ideal for agro-processing and logistics, backed by its industrial pole in the National Development Plan. Cunje (Bié) and Catumbela (Benguela) serve as additional value chain development nodes along the corridor.

The WBG's AgriConnect global framework provides a concrete platform to build the agribusiness ecosystem the corridor needs to deliver lasting productive transformation. It combines foundational infrastructure - including irrigation, aggregation facilities, rural roads, and last-mile energy connections - with private sector de-risking instruments such as matching grants and credit guarantees. Coordinated policy reforms spanning extension services, quality standards, and value chain regulations complete the package. Together, these pillars offer Angola a structured pathway to connect smallholder farmers to markets, unlock commercial investment in priority value chains, and build the agribusiness ecosystem conducive to lasting productive transformation. Complementary investments in digital skills, STEM education, and INEFOP vocational training in corridor provinces (discussed in paragraphs 57 and 58) are aligning the workforce with emerging value chain demands. Taken together, these initiatives offer a coherent architecture for turning the Lobito Corridor's agribusiness potential into measurable gains in marketed volumes, value addition, and jobs.

Source: Author's elaboration based on Angola National Development Plan 2023–27 and using the analytical framework discussed in this report.

Policy Recommendations

This section discusses policy recommendations to secure the Lobito Corridor's transformative potential, with emphasis on: (i) actions to support operational efficiency and logistics seamlessness, (ii) building the complementary ecosystem, and (iii) addressing urgent knowledge gaps.

The economic and policy context, and international experience, position Lobito to evolve beyond a mineral route into a platform for broad-based transformation. However, realizing this potential is both sequential and conditional. It depends on first, achieving core operational fundamentals — namely transport reliability, trade facilitation, and logistics efficiency. And, second, it requires establishing a complementary ecosystem and setting adequate policy architecture. Improved transparency and access to corridor data will further reduce uncertainty and enhance investor confidence.

Short-term policy priority: Ensuring operational reliability and seamless logistics

The priority is to get the basics right: operational reliability and seamless logistics. The Lobito Corridor is in its early stages of rebuilding and expansion. The priority is making sure it works reliably to attract investors with available and well-maintained trains, quick port turnarounds, clear tariffs, efficient dispute resolution, and predictable schedules. Trade facilitation is as important as infrastructure: countries along the corridor should modernize and align customs systems, simplify border procedures, and coordinate across agencies, so that gains in transport efficiency are not lost to border waiting time.

For efficient operability, coordination among member countries is fundamental. Operationalizing the LCTTFA through a tri-national framework that harmonizes standards, enables mutual recognition, and establishes interop-

erable data-sharing systems is essential. Given institutional asymmetries — particularly the Democratic Republic of Congo's fragmented governance — a sequenced approach combining capacity-building with binding coordination mechanisms is needed to translate corridor integration into export-ready production systems.

Setting up the conditions to ensure shared use of transport and logistics infrastructure is crucial. This should be designed from the outset to accommodate diverse traffic, through dedicated capacity, access rules, and service differentiation, since retrofitting multi-user access, particularly in rail systems such as the Lobito Corridor, is significantly more complex and often unfeasible ex-post.

Medium and long-term policy focus: Setting the complementary ecosystem and addressing binding constraints

INFORMATION AND DISCOVERY FAILURES

Deliberate investments in complementary infrastructure are essential for the corridor to go beyond an extractive enclave. Governments and development partners should prioritize last-mile feeder roads that connect productive hinterlands to the main corridor, logistic services, electrification programs that reduce energy costs, digital infrastructure that enables logistics efficiency, financial inclusion, and market access. These investments are the mechanism through which the corridor generates structural spillovers, supports value chains, and creates opportunities beyond the immediate transport spine.

To support an improved business environment, Corridor municipalities should introduce fast-track permitting with binding service standards: clear checklists, time limits, and reduced discretion for licenses and construction permits. Tax regimes and registration for small firms should be simplified, inspections rationalized, and entry barriers in logistics and warehousing removed to open contestable activities to private participation.

The government should upgrade SPS certification capacity, such as laboratories, inspection protocols, and accreditation, and deploy services closer to production clusters so corridor-linked firms can meet international standards. First-mover compliance costs should be co-financed through matching grants covering certification, traceability, and food safety systems. Shared, commercially operated post-harvest infrastructure at key nodes would make compliance accessible to SMEs.

Given Angola's medium-term economic risks, actions are needed to address macroeconomic uncertainty, competitiveness, and debt volatility to support investment confidence, including: i) Enhancing exchange rate stability by improving FX market transparency and predictability to cushion external shocks and support competitiveness; ii) Transitioning to an inflation-targeting framework to anchor expectations and reduce uncertainty and the risk premium embedded in investment decisions; iii) Closely monitoring fiscal risks from large infrastructure projects; integrating corridor investments into the Medium-Term Fiscal Framework and aligning financing with the medium-term debt strategy; iv) Strengthening public investment management to prioritize high-impact projects, sequence them for affordability and conduct robust risk analysis to inform investors and support crowding-in of private capital.

LIMITED FACTOR MARKETS

The government should adopt a proactive sequencing strategy by providing early, targeted support to non-mineral sectors, through skills, finance, and firm-level capability programs, so that improved connectivity translates into diversified economic activity, avoiding the delayed outcomes observed in the East — West Economic Corridor.

Angola should substantially scale its investments in skills, anchoring expansion in two principles drawn from international experience. First, training programs must be co-designed with private sector firms to ensure alignment with actual labor demand — skills systems only complement industrial policy when employers are partners in design, not passive recipients of graduates. Second, programs must reach sufficient scale to be meaningful: isolated pilot initiatives, however well-conceived, will not produce a demographic dividend. The *Instituto Nacional de Emprego e Formação Profissional* (INEFOP) centers in Lobito provinces, Science, Technology, Engineering, and Mathematics (STEM) capacity investments, and MSME-linked training under *Diversifica Mais* should

be expanded in coverage, duration, and funding, with clear targets tied to corridor workforce needs and firm growth objectives.

Angola should develop a corridor-focused long-term finance instruments that shifts the system from short-tenor to 5–10 years, asset-backed lending for agro-processing, light manufacturing, and logistics. This requires scaling leasing and movable-collateral finance, deploying partial credit guarantees to crowd banks into longer maturities, and expanding provincial delivery channels, such as agent banking, digital finance, and simplified account opening, across Benguela, Huambo, Bié, and Moxico.

Knowledge and institutional gaps

Alongside infrastructure, the Government of Angola should focus on developing granular data. Information gap regarding key operational dimensions[44] creates information asymmetry and deters investment. Building, maintaining, and funding a systematic data platform should be a policy priority. This can be achieved quickly through coordination among LCTTFA, the tax administration (*Administração Geral Tributária* — AGT), port and rail operators, partnerships with local universities, and by leveraging existing assets like the 2024 census and geological survey.

44 Such as trade flows, logistics costs, times.

References

Alam, Muneeza, Matias Herrera Dappe, Martin Melecky, and Ran Goldblatt. 2019. *Wider Economic Benefits of Transport Corridors: Evidence from International Development Organizations*. Washington, DC: World Bank Group. (Accessed December 1, 2025.)

Arnold, John. 2006. *Best Practices in Corridor Management of International Trade Corridors*. Washington, DC: World Bank.

Asian Development Bank (ADB). 2015. The Greater Mekong Subregion Economic Cooperation Program: Strategic Framework 2012–2022. Manila: Asian Development Bank.

Asian Development Bank (ADB). 2018. Economic Corridor Development in the Greater Mekong Subregion. Manila: Asian Development Bank.

Banco Nacional de Angola (BNA). (2022). Aviso n.º 10/2022 de 06 de abril: Concessão de crédito ao sector real da economia. Diário da República Iª Série n.º 60.

Chabala, E. D. Wala, and Judy Hofmeyr. 2025. "A game changer in flux: recent developments and risks in the Lobito corridor". May 5, 2025. Africa Policy Research Institute.

Cobalt Institute. 2025. *Cobalt Market Report 2024*.

Cust, James; Zeufack, Albert G. 2023. *Africa's Resource Future: Harnessing Natural Resources for Economic Transformation during the Low-Carbon Transition.* Africa Development Forum.

DMIC Development Corporation (DMICDC). Various years. *Delhi–Mumbai Industrial Corridor: Concept Papers, Development Plans, and Progress Reports*. New Delhi: DMIC Development Corporation Ltd.

Fernandes, A. M., and T. Reed. 2026. "Industrial Policy for Development: An Empirical Assessment." Policy Research Report, World Bank, Washington, DC.

GAUFF Engineering. Reabilitação da Estrada EN100 Caxito–N'Zeto." Available at: https://www.gauff.net/pt/referencias/angola/caxito-nzeto/

Lobito Corridor Investment Promotion Authority. 2024. *The Lobito Corridor: What It Is and Why It Matters.*

Market Report Analytics. 2026. "Innovation Trends in Angola Telecom Market: Market Outlook 2025–2033." https://www.marketreportanalytics.com/reports/angola-telecom-market-91674?tab=summary

MIGA. 2024. Lobito-Luau Railway Corridor Project: Summary of Proposed Guarantee. Washington, DC: World Bank Group.

Rao, Kishore. 2025. *Building the Governance Foundations for the Lobito Corridor. Global Economic Corridor Experience and Pathways for Angola*. Washington, DC: World Bank.

República de Angola. 2020. *Lei n.º 26/20, de 20 de Julho: Lei da Responsabilidade Fiscal*. Luanda: República de Angola.

Trade.gov. 2025. "Angola, Rail Transportation Sector." Trade.gov Market Intelligence.

Ver Angola. 2025. "Consortium Says Speed Is an Advantage of the Lobito Corridor in Transporting Minerals." April 3, 2025.

World Bank. 2000. *The Maputo Development Corridor: A Case Study of Private Sector Participation*. Public–Private Infrastructure Advisory Facility (PPIAF) Case Study. Washington, DC: World Bank.

World Bank. 2006. Angola—Lobito Benguela urban Environmental Rehabilitation Project. Washington, DC: World Bank.

World Bank. 2012. *Africa Can Help Feed Africa: Removing Barriers to Regional Trade in Food Staples*. Washington, DC: World Bank.

World Bank. 2014a. Angola—Diagnostic Trade Integration Study. Washington, DC: World Bank.

World Bank. 2014b. Zambia—Diagnostic Trade Integration Study. Washington, DC: World Bank.

World Bank. 2018. *Transport Corridors and Their Wider Economic Benefits: A Critical Review of Literature*. Washington, DC: World Bank.

World Bank. 2020. *Angola Road Sector Public Expenditure Review*. Washington, DC: World Bank.

World Bank. 2021a. *Angola Transport Strategy.* Washington, DC: World Bank.

World Bank. 2021b. *Angola: Electricity Sector Improvement and Access Project* (P166805). Washington, DC: World Bank.

World Bank. 2022. *Trade and Climate Change: How Trade Can Promote Green, Resilient, and Inclusive Development*. Washington, DC: World Bank.

World Bank. 2023a. *Project Information Document - Angola: Accelerating Economic Diversification and Job Creation Project* (Diversifica Mais, P178035). Washington, DC: World Bank.

World Bank. 2023b. Angola: Human Resources Capacity for universal Health Coverage Project (P180631). Washington, DC: World Bank.

World Bank. 2024a. *Overcoming the Barriers to Green, Resilient, Inclusive, and Efficient Regional Trade Corridors in Southern Africa.* Washington, DC: World Bank Group.

World Bank. 2024b. Angola Country Economic Memorandum: Charting a Path to Diversification and Inclusive Growth. Washington, DC: World Bank Group.

World Bank. 2024c. Angola Economic update: Recent Developments and Policy Priorities. Washington, DC: World Bank Group.

World Bank. 2024d. Angola: Secondary Cities Support Program (P181160). Washington, DC: World Bank.

World Bank. 2025. Angola Country Economic Memorandum: Moving Beyond Oil—Laying the Foundations for Growth and Jobs (P40033711). Washington, DC: World Bank.

World Bank. 2026a. *Africa Economic Update 2026*. Washington, DC: World Bank.

World Bank. 2026b. Briefing Note on Trade Integration, Facilitation, Transport and Logistics Services. Washington, DC: World Bank. February 2026.

World Bank. n.d. Good Jobs for Angolan Youth: Opportunities, Challenges and Policy Directions. Policy brief. Washington, DC: World Bank Group.

World Bank. n.d. Angola: Climate Resilience and Water Security Project (RECLIMA, P177004). Washington, DC: World Bank.

World Bank. n.d. Angola: Commercial Agriculture Development Project (PDAC, P159052). Washington, DC: World Bank.

World Bank. n.d. Angola: Digital Acceleration Project (P180693). Washington, DC: World Bank.

World Bank. n.d. *Angola: Enhancing the Social Protection System for Human Capital and Resilience Project* (P181495). Washington, DC: World Bank.

World Bank. n.d. *Angola: Second Water Sector Institutional Development Project* (PDISA2, P151224). Washington, DC: World Bank.

World Bank. n.d. *Angola: Smallholder Agricultural Transformation Project* (MOSAP3, P177305). Washington, DC: World Bank.

World Bank. n.d. *Angola: Strengthening the National Social Protection System Project* (Kwenda, P169779). Washington, DC: World Bank.

World Bank. n.d. Angola: Youth Employment Opportunities Project (P505158). Washington, DC: World Bank.

World Economic Forum. 2019. *The Global Competitiveness Report 2019*. Geneva: World Economic Forum.

ANNEX 1

Examples of Leading Corridors Programmatic and Operational Factors

	PROGRAMATIC FACTORS			ENABLING FACTORS			
	Bundled Intervention	**Integrated Infrastructure**	**Spatial Development**	**Governance Model**	**Dedicated Financing**	**Monitoring Systems**	**Indicators of Performance**
East–West Economic Corridor (EWEC)	Transport infrastructure + trade facilitation, tourism, urban development, agriculture and SMEs	Coordinated road, border crossings, logistics platforms	Border towns and urban nodes along the corridor	Multilateral coordination with national committees[1]	ADB loans, national budgets, and donor financing	Corridor and border performance monitoring	
Delhi–Mumbai Industrial Corridor (DMIC)	Freight infrastructure + Manufacturing-led industrialization, urban development, logistics	Dedicated freight rail, expressways, ports, linking Delhi NCR—Mumbai	Node-based planning with industrial clusters and smart cities	Central SPV coordinating with states & ministries; PPPs	Dedicated public funding, PPPs, and large-scale FDI	Phased project monitoring and performance indicators	Expected 3–4 million new jobs in nodes
Maputo Development Corridor	Transport infrastructure + Regional trade facilitation, logistics and industrial development	Road, rail, port, and border infrastructure[2]	Industrial parks and logistics nodes around the main infrastructure.[3]	PPP coordination platform with bilateral South Africa –Mozambique coordination	Significant private investment supported by PPPs	Performance tracking on traffic volumes, logistics efficiency	~15,000 direct jobs & Cargo throughout ~32 (2025); rail freight ~11.7
Northern Corridor (East Africa)	Trade facilitation, logistics, and regional integration	Integrated port-rail-road-pipeline systems[4]	Primary and secondary growth nodes (Nairobi, Kampala, Kigali)	Intergovernmental NCTTCA coordinating member states	Member states contributions, donor support, private investment	Regular corridor performance reports	~50,000 direct & indirect jobs along corridor Freight volumes 11.5 (quarterly),

Source: Author's elaboration based on Rao (2025), Asian Development Bank (ADB) (2018) and (2015); DMIC Development Corporation (DMICDC) (various years); World Bank (2000).

Note: 1 Under the GMS framework (ADB-led); 2 Road & rail connecting Maputo port, Matola, Ressano Garcia Border, South African industrial hubs; 3; 4 Integrated rail, road, port network linking Mombasa, Nairobi, Kampala, Kigali.

ANNEX 2

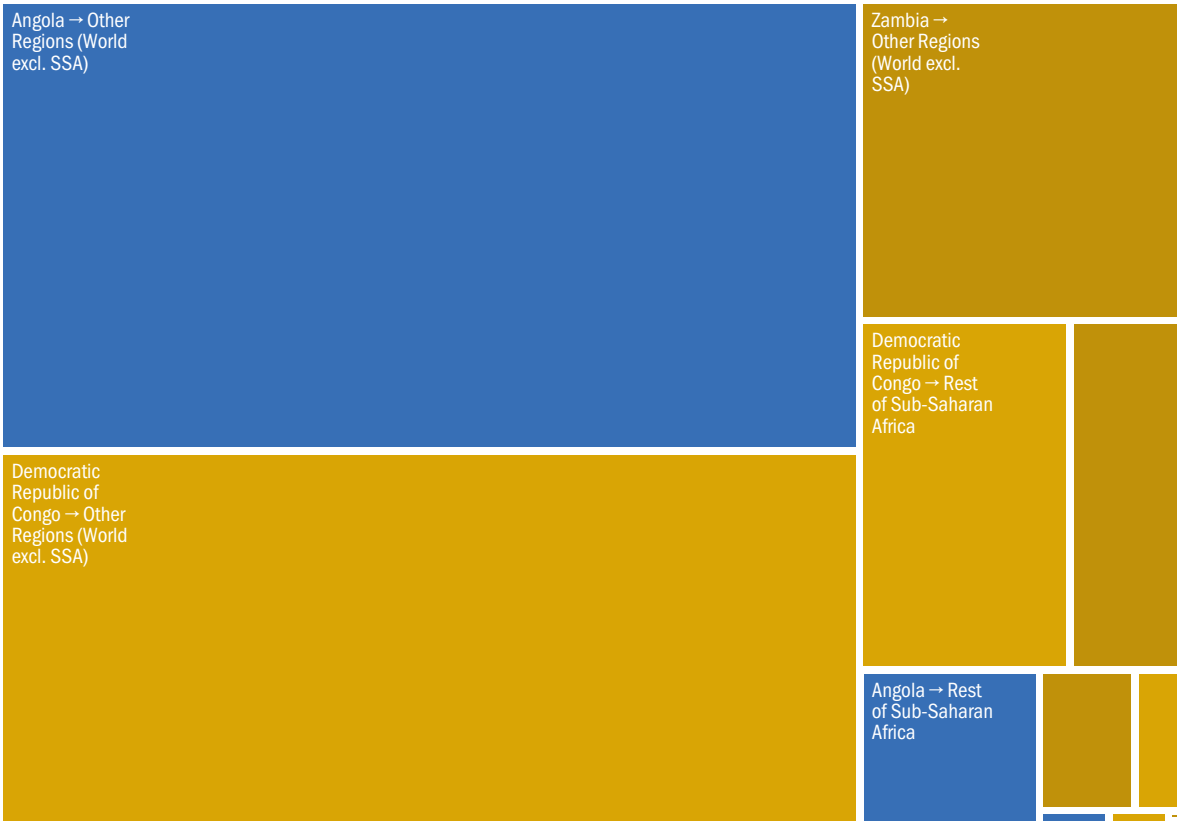
Lobito Corridor Potential in Comparison with Other Development Corridors

Corridor	Countries Covered	Destination Markets	Main Infrastructure	Transit Time (Indicative)	Trade Volume/ Potential (billion)	Main Products / Commodities
Lobito	Angola, Democratic Republic of Congo, Zambia	US, Europe, Asia (Atlantic)	Railway, road, Port of Lobito	7–8 days (Lobito–Luau/ Democratic Republic of Congo border)	$100B	Copper, cobalt, manganese
Beira	Mozambique, Zimbabwe, Malawi, Zambia	Indian Ocean, Asia	Road, railway, Port of Beira	10–20 days port ↔ hinterland	$6–8B	Tobacco, sugar, maize, fuel
Nacala	Mozambique, Malawi, Zambia	Asia, Middle East	Rail, Port of Nacala	20–32 days imports/ exports	$10–12B	Coal, soybeans, cotton
Northern	Kenya, Uganda, Rwanda, Democratic Republic of Congo, South Sudan	Global (via Mombasa)	Road, rail, oil pipeline	4–7 days (Mombasa–Kigali)	$22B	Coffee, tea, oil, manufac-tured goods
Central	Tanzania, Rwanda, Burundi, Democratic Republic of Congo	Global (via Dar es Salaam)	Rail, road, port	3–5 days (Dar–Kigali/ Kampala)	$15B	Minerals, coffee, fertilizers
Maputo	South Africa, Mozambique	Global (via Maputo)	Highway, rail, port	Varies	$20B	Automotives, coal, citrus, steel
Abidjan –Lagos	Côte d'Ivoire, Ghana, Togo, Benin, Nigeria	Regional, EU, Asia	Highway, logistics, borders	Highly variable	>$50B	Petroleum, cocoa, textiles, cement
Tazara	Tanzania, Zambia, Democratic Republic of Congo, Malawi, Zimbabwe, Botswana, Namibia	Asia, Middle East, Europe via Dar es Salaam Port	Railway, Port and Road network	5–7 days rail and 2–3-day road (Dar es Salaam → Kapiri Mposhi) 6–9 days (Democratic Republic of Congo Copperbelt)	3-5M	Copper, cobalt, manganese, tobacco, agricultural prod-ucts, cement, Fuel, fertiliz-ers, machinery, construction materials, consumer goods

Source: Author's compilation based on data from: Angola corridor performance reports; Africa—Press export tonnage update; D+C Development and Cooperation analysis of Lobito's competitive advantage; U.S. Presidency (UCSB) remarks on corridor capacity; MIGA (2024); TTCANC corridor performance benchmarks; SATCP Nacala/Beira logistics reports; ACIS Mozambique (2013); Engineering News updates on Lobito Atlantic Railway; Trade.gov Angola (2025); and Ver Angola (2025).

ANNEX 3

Lobito Corridor Countries Merchandise Geography of Trade Profile (2023)



Source: World Bank 2026b.

ANNEX 4

Scan of Border Management Environment Across Lobito Corridor Countries

Requirement	Angola	Democratic Republic of Congo	Zambia
Customs IT System	ASYCUDA World	ASYCUDA World	ASYCUDA World
Transit Guarantee	National bond required (2 – 5% of cargo value)	National bond required (2 – 5% of cargo value)	National bond required (2 – 5% of cargo value)
SADC RCTG Participation	No	No	Pilot (North-South Corridor only)
COMESA RCTG Participation	Not eligible (non-member)	Yes (not operational on Lobito route)	Yes (not operational on Lobito route)
COMESA Yellow Card	Not participating	Participating	Participating
SADC FTA Status	Accession approved (Jan 2026)	Participating member	Participating member
Border Operating Hours	12 – 16 hours/day (Luau)	12 – 16 hours/day	12 – 16 hours/day (Kasumbalesa)
Average Clearance Time	24 – 48 hours	24 – 72 hours	24 – 72 hours
Physical Inspection Rate	High (limited scanning)	High (limited scanning)	High (limited scanning)

Source: World Bank 2026b.

WORLD BANK GROUP