

# Angola: Fuel subsidy reforms spark civil unrest | Credendo

## Event

On 4 July, as part of the Angolan government's fuel subsidy reforms, diesel prices were increased by 33%. As a result, within a month, demonstrations erupted and a taxi drivers' strike caused widespread violent protests that disrupted public transportation and commercial activities in the capital Luanda. Confrontations with security forces turned violent and at least 22 people were killed, while hundreds were arrested. The resulting rising anti-government sentiment amid economic headwinds further increases the risk for civil unrest.

## Impact

International oil price projections dropped to around USD 60-65 per barrel for 2025 and 2026, while Angola's domestic output has dropped. Angola is among the world's most oil-dependent economies, with oil revenues representing more than 95% of its export returns and more than 60% of government revenues. As the country's budgetary accounts are based on a USD 70 per barrel oil price assumption, revenue shortfalls considerably strain Angola's fiscal position. Besides the impact of the dismantling of the fuel subsidy system on the cost of living, rising education fees and general weakening socioeconomic conditions are firing civil anger. Moreover, these social unrest over austerity measures and opposition repression are coinciding with major external debt repayments approaching in 2025 and 2026, raising further pressure on the government. Credendo continues to classify Angola in the second highest medium- to long-term political risk classification (6/7), reflecting the socio-economic and financial vulnerabilities caused by the country's over-reliance on the oil sector.

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