

FLASH NOTE

Nº 11.2025 | December 11, 2025

Economy grows 1.8% yoy in Q3

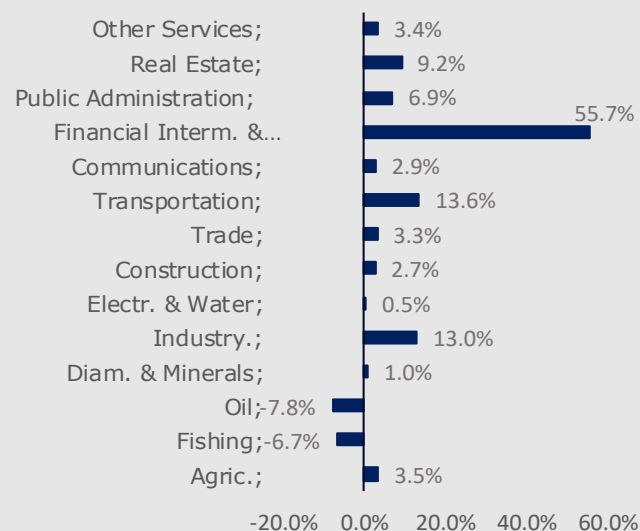
Communications records highest growth level in the last twelve years

A. DESCRIPTION

1| In Q3 2025, Angola's economy grew by 1.8% compared to the same quarter of the previous year. The non-oil economy grew by 4.5% yoy, marking an acceleration of approximately 1.0 percentage points (pp) compared to Q2. The oil sector contracted for the fourth consecutive quarter, now by around -7.8% yoy, and once again contributed a negative -1.7pp to the overall growth rate of the economy.

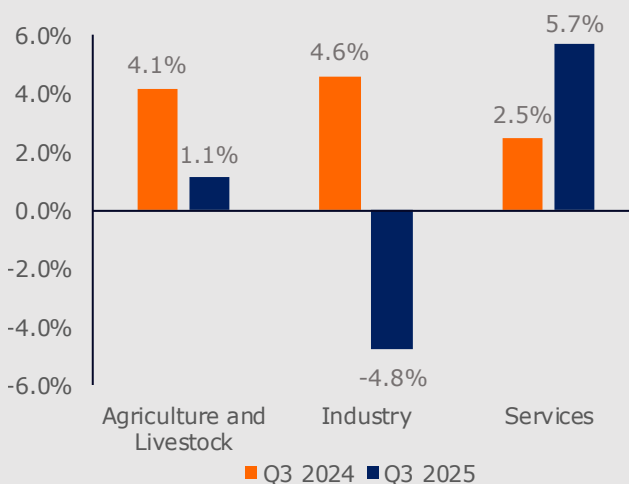
Non-oil sectors of the economy growing consistently

yoy variation



Agriculture and livestock sector* slows down, influenced by a decline in fishing

yoy variation



*Agriculture and Livestock, Forestry, Fishing and Aquaculture

Source: INE

2| Almost all sectors of the non-oil economy continue to grow consistently. Communications (+55.7% yoy), Accommodation and Food Services (+13.6% yoy), and Industry (+6.5% yoy) were the fastest-growing, collectively contributing 1.0pp to the overall economic growth rate. Fishing was the only sector of the non-oil economy to contract this quarter, with a decline of -6.7% yoy.

B. ANALYSIS

1| The non-oil economy continued to accelerate in Q3 2025, despite indicators suggesting a potential slowdown. Due to seasonal effects, we expected sectors such as Agriculture, Accommodation & Food Services, and Electricity & Water to slow down on a quarterly basis; however, only the latter met these expectations. Conversely, among the sectors we expected to lead, such as Construction, Transport, Financial Intermediation & Insurance, and Public Administration, only the last two showed significant growth, while the others experienced relatively modest growth.

The main highlight of the quarter was the communications sector, which accelerated by 17.5pp, reaching 55.7% yoy, contributing 0.9pp to the overall economic growth rate. According to INE, this performance is attributed to the increase in revenues from telephone and cable services. Based on the data we've been monitoring; the sector has not recorded yoy growth rates above 50% since 2011.

Diamonds slowed down by 5.8pp to 1.0% yoy in this quarter. In fact, we had anticipated the first Yoy decline after eight quarters, driven by the continued loss of momentum in the sector. Overall, the diamond sector is returning to growth rates closer to what are considered normal levels, reflecting a gradual stabilization of its dynamics.

As for the rest, the sectors that contributed most to GDP growth were Public Administration, Industry, and Trade, which together accounted for 28.0% of the total. Public Administration grew by 9.2% yoy, contributing 0.8pp individually to the overall growth rate, while Trade and Industry grew by 3.3% and 13.0% yoy, respectively.

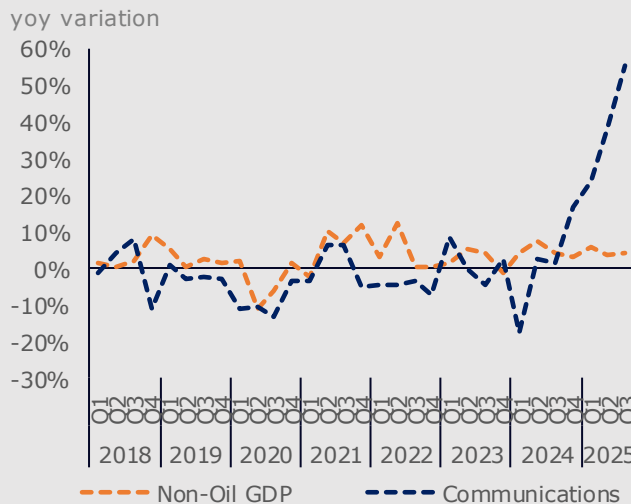
2| The GDP of the oil sector contracted for the fourth consecutive quarter, now by around 7.8% yoy. This performance of the oil economy is due to the continued decline in production: oil activity has been consistently decreasing since the end of 2024, mainly driven by the natural decline of oil fields and the absence of new projects of sufficient scale to offset the losses. Between January and October, average production was only 1.03 mbd, below the 1.11 mbd recorded in the same period last year. The month of July was particularly weak, reaching the lowest level since March 2023, with production falling below 1.0 mbd. In contrast, October was the strongest month, with a production of 1.07 mbd.

Although some previously monitored data suggested that this decline might be temporary, the latest information indicates that production could continue to fall in the coming quarters. Even new start-ups have not been enough to halt the trend:

The CLOV Phase 3 project, a deepwater satellite project in Block 17, has started operations, with an estimated production of 30,000 barrels per day.

- Production has begun at the Begonia Project, Block 17/06, with a production potential of 30,000 barrels per day. However, according to ANPG data, it has not yet reached its full production potential.
- The FPSO AGOGO has started production in Block 15/06.

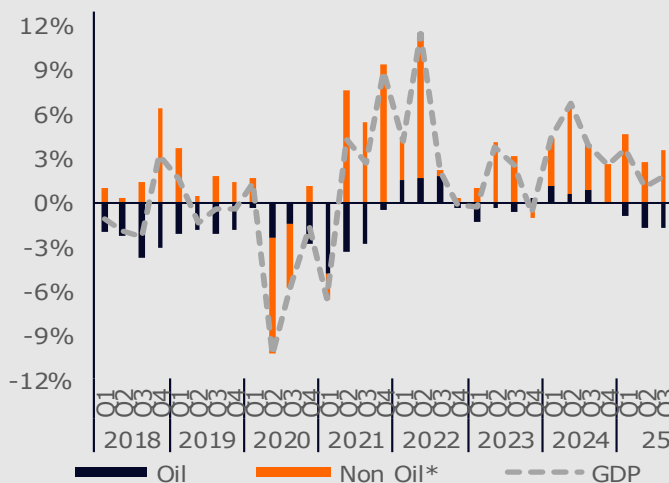
Communications grew significantly in Q3



Source: INE; BFA Calc.

Oil sector contracts again

yoy variation; Contribution to yoy change



* Proxy: GDP minus Oil GDP

Source: INE

Export data also indicate a significant decline of around 8.4% yoy, driven both by the production performance mentioned above and by the reduction in the average price, which has been around USD 70.8 since the beginning of the year, reflecting a drop of approximately 12.7% yoy. This drop in exports ultimately reduces oil revenues and, inevitably, tends to impact on the performance of the non-oil economy, which is still dependent on the oil sector.

C. CONCLUSION

1| Angola's economy grew again in the third quarter, despite various cyclical indicators suggesting a possible slowdown. This result primarily reflects the positive performance of specific sectors, such as Communications, which offset the loss of momentum observed in other segments of the economy.

2| The economy has shown mixed performance, still demonstrating fragility in several sectors, with particular emphasis on the oil sector. For this sector specifically, we anticipate a contraction of around 0.9% yoy in the last quarter of the year, driven by decline in production, which is expected to negatively impact on economic growth.

This publication is exclusively for private use. The information contained in this publication was obtained from sources considered reliable, but its accuracy cannot be fully guaranteed. Any recommendations given herein are intended exclusively for internal use and may be changed without prior notice. The opinions expressed herein are entirely the responsibility of its authors; they reflect only the authors' points of view and may not follow the position of BFA in the markets in question. BFA or any of its affiliates, through its employees, cannot be held responsible for any direct or potential loss resulting from the use of this publication or its contents. BFA and its employees may hold positions in any assets referred to in this publication. Reproduction of part or all this publication is permitted, subject to the indication of the source. Figures are expressed using the comma as thousands separator and the point as decimal separator and using the term "billion" to signify 10^9 .