

FLASH NOTE

Nº 03.2026 | 24 March 2026

Angola's economy grew 3.1% in 2025

Oil economy contracted 1.2% YoY in the last quarter of the year

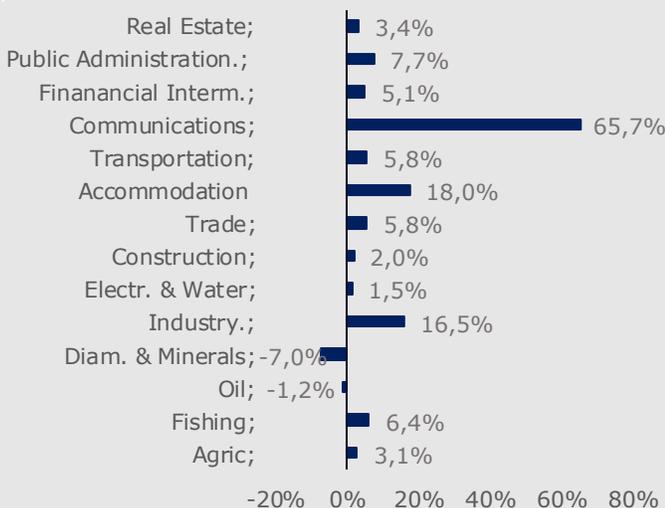
A. DESCRIPTION

1| In 2025, Angola's economy grew by 3.1% (-1.8 percentage points compared to the growth recorded in the previous year). The oil GDP contracted by 5.2% year-on-year, a significant deterioration compared to the 3.4% growth recorded in 2024. In contrast, the non-oil GDP maintained a positive trajectory, growing by 5.4%.

2| In Q4 2025, Angola's economy grew by 5.7% compared to the same period of the previous year. The non-oil economy grew by 7.5% YoY, representing an acceleration of about 2.2 percentage points (pp) compared to the previous quarter. The oil economy contracted again, this time by around -1.2% YoY, subtracting 0.3pp from the overall economic growth rate. Among the non-oil sectors, only the Diamonds and Minerals sector contracted this quarter, by -7.0% YoY. Communications (+65.7% YoY), Accommodation (+18.0%), and Industry (+16.5% YoY) recorded the highest growth and together contributed 2.1pp to the overall economic growth rate.

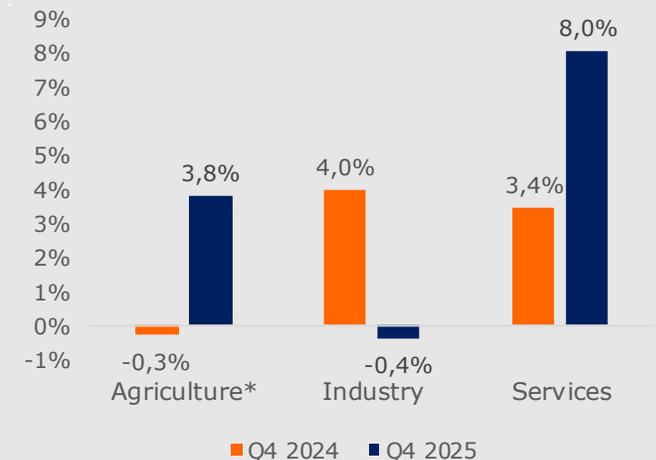
Non-oil sectors of the economy are growing consistently

Year-on-Year variation



Services register significant growth in Q4

Yoy variation



* Agriculture and Forestry, Fishing and Aquaculture

Source: INE

B. ANALYSIS

1| The non-oil economy accelerated in Q4 2025 to around 7.5% YoY, reaching the highest growth level of the last 10 quarters. The main highlight of the quarter was the communications sector, which once again recorded strong acceleration, now up by 8.4pp, reaching 65.7% YoY and contributing 1.1pp to the overall economic growth rate. According to data recently released by the local Institute of Statistics (INE), following the update of the national accounts, the communications sector recorded YoY quarterly growth above 30% throughout all four quarters of 2025.

The Diamonds and Minerals sector contracted by 7.0% YoY this quarter, subtracting 0.3pp from the overall economic growth rate. This marks the first year-on-year decline after nine consecutive quarters of growth, suggesting a normalization process in the sector's activity after a prolonged period of expansion.

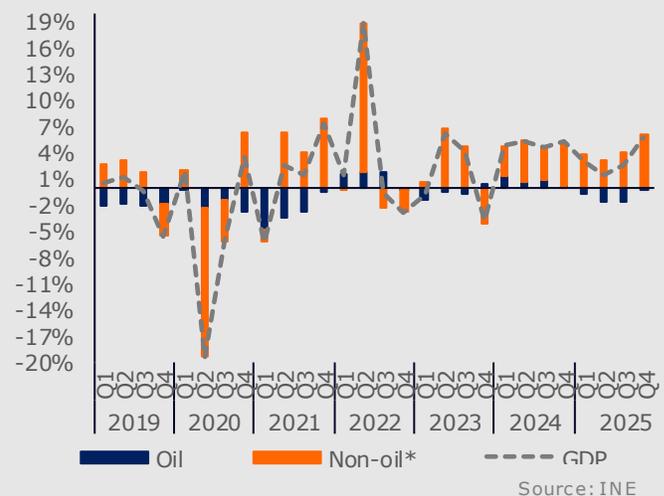
The trade sector also posted a relevant expansion, growing 5.8% YoY and contributing 0.8pp to overall economic growth. Among the other sectors with the largest contribution to GDP growth were Transport, Other Services, and Public Administration, which together accounted for 31.6% of the total.

2| The oil economy's GDP contracted for the fourth consecutive quarter, now by around -1.2% YoY, the most moderate contraction since the first quarter of the year. This performance is associated with a slight decline in production: after contracting by around 10% YoY in the second and third quarters of the last year, when average production stood at 1.02 mbd, the magnitude of contraction eased in the final quarter. In the last three months, the contraction was smaller, around 4.0% YoY, with average production increasing slightly to 1.05 mbd.

This performance mainly reflects new production, including operations in CLOV Phase 3, the Begônia Project, and the FPSO Agogo. However, these developments are still not sufficient to reverse the gradual decline in production, which continues at around 10% per year.

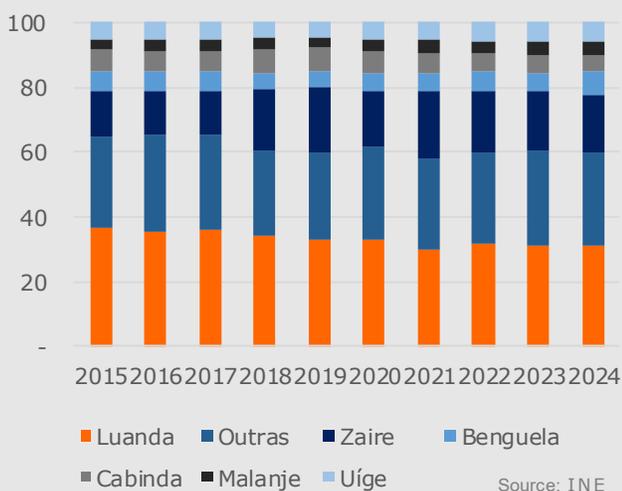
The oil sector is falling again, but now with less intensity

YoY variation; Contribution to year-on-year change



Luanda accounts for approximately 30% of the country's production

Percentage



Between January and December, oil production averaged 1.03 mbd, representing a contraction of about 8.0% compared to 2024. Associated gas production grew by 2.5% YoY, with a stronger performance in Q4, when it accelerated by 15.5pp to 17.8%. According to data from the Ministry of Finance, 376.2 million barrels were exported in 2025, averaging 1.03 mbd—the lowest level since the beginning of the statistical series in 2011. Compared to 2024, export data also indicate a decline of around 9.0% YoY, reflecting significant constraints in the oil sector. This decline was driven both by reduced production, as noted above, and by lower prices, which averaged USD 69.6 per barrel, a decrease of about 13.0% YoY.

3| Recent data from local Institute of Statistics (INE) provides an overview of GDP distribution by province between 2015 and 2024. Luanda, the country's capital, is the province with the

largest economic weight, accounting for about 31.0% of domestic output in 2024. It is followed by the provinces of Zaire and Benguela, with approximately 17.7% and 7.5%, respectively. Regarding the contribution of key sectors, Luanda represents about 51.8% of the services sector, followed by Benguela province. On the industrial side, Zaire and Luanda stand out the most, with

49.9% and 20.3%, respectively. The high share of Zaire is largely due to oil activity concentrated in the municipality of Soyo, one of the country's main energy hubs. In the agriculture sector, the provinces with the greatest weight are Uíge, with about 15.9%, and Cuanza Sul, with 11.5%.

C. CONCLUSION

1| Angola's economy recorded strong growth in the fourth quarter, bringing overall GDP growth to 3.1% in 2025. For 2026, our expectation is for real economic growth of around 3.3%, largely driven by the non-oil sector, which is projected to grow by about 4.6%, while the oil sector may contract by approximately 1.9%.

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