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

FLASH NOTE

Nº 10.2026 | September 2nd, 2026

Economic activity expands 8.7% YoY

Oil economy interrupts period of continuous declines and grows 5.6% YoY

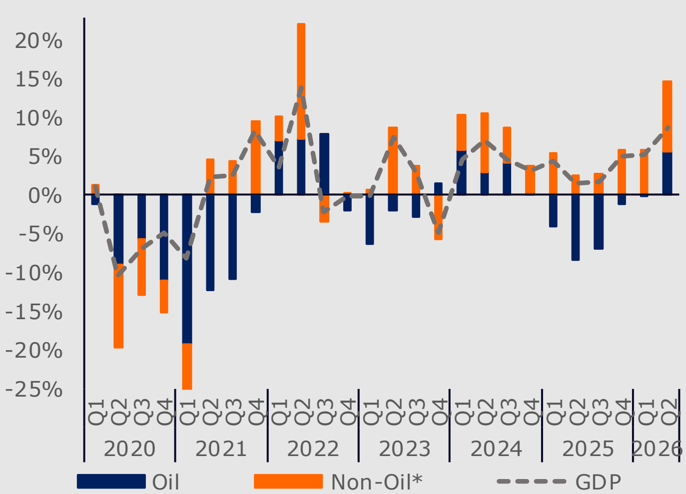
A. DESCRIPTION

1| In the second quarter of 2026, the GDP of the Angolan economy grew by 8.7% (+7.2 percentage points when compared to the same quarter of the previous year). The oil economy, which had been experiencing declines since Q1 2025, grew by 5.64% YoY. Non-oil GDP maintained a positive trajectory, growing by 9.2% (+5.3pp YoY).

2| The non-oil economy grew consistently in all its sectors. The non-oil economy grew consistently in all its sectors. With emphasis on "Diamond and Mineral Mining" (+16.5% YoY), "Communications" (+14.3 YoY) and "Accommodation and Catering" (+12.6% YoY), which contributed with about 1.0pp at the general level.

GDP grows 8.7% YoY; Oil sector grows after 5 quarters of decline

Yoy Variation; Contribution to year-on-year change

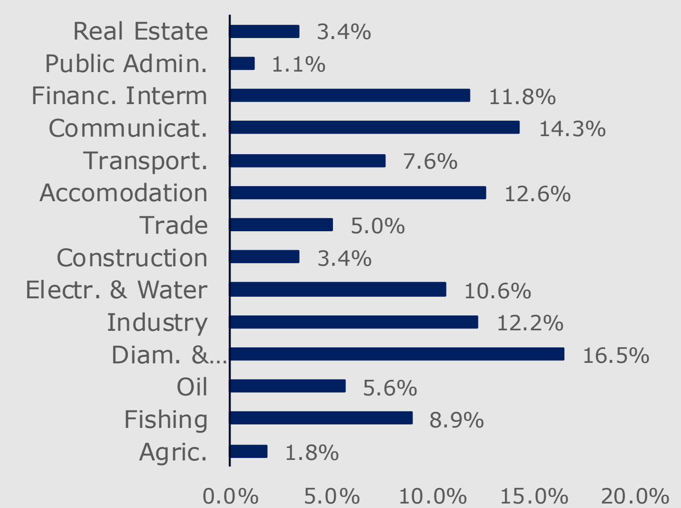


* Proxy: PIB subtracted from Oil GDP

Source: INE

Economic activity grows in all sectors throughout Q2

YoY Variation



B. ANALYSIS

1| The non-oil economy accelerated again in Q2, reaching the highest growth recorded since Q2 2022, a period in which it expanded by 15.9%. Among the main highlights, Diamond and Mineral Mining once again asserted itself as the sector with the highest growth. After a period of more moderate expansion since the beginning of 2025, the sector recorded a more significant acceleration in this quarter, growing 14.3% YoY - an improvement of 12.1pp compared to Q1 and 9.2pp compared to the same period last year. This performance reinforces the cyclical nature of the diamond sector, which tends to alternate between periods of contraction and strong growth. According to data from the Budget Execution Report (REOGE), diamond production in the second quarter of 2026 reached around 4.1 million carats, representing a growth of approximately 18.0% YoY. According to the document, this performance

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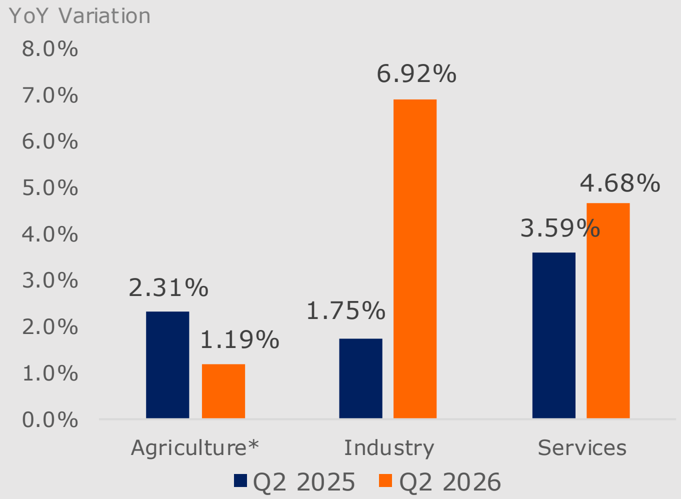
essentially reflects internal operational improvements and adjustments in extraction capacity. Despite the increase in production, the sector recorded a significant reduction in trading prices, which went from USD 109.52 to USD 78.01 per carat, year-on-year. REOGE also states that this price evolution reflects the current adverse conditions in the international diamond market, associated with the reduction in world demand, the growing replacement of natural diamonds by synthetic diamonds and the accumulation of stocks along the marketing chain. This context occurs in a period of relative slowdown in world economic activity, contributing to greater pressure on prices and, consequently, on trends in the sector.

The industrial sector is the main driver of economic activity growth



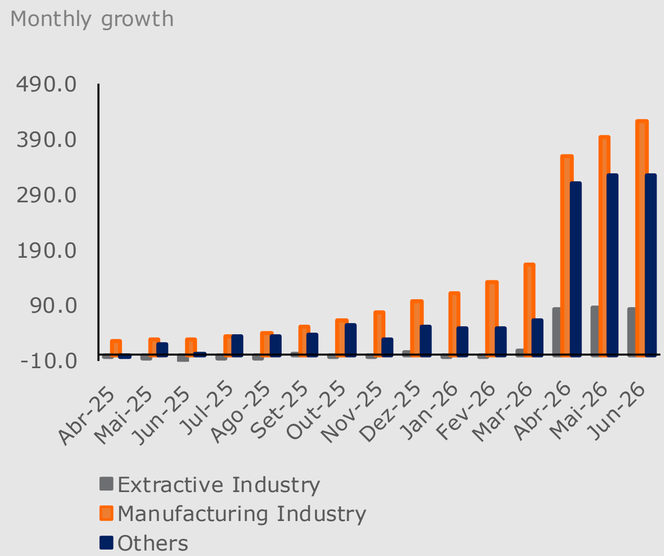
*Agriculture and Forestry, Fishing and Aquaculture

Source: INE

The communications sector also stood out for its performance, registering an expansion of 14.3% YoY and added about 0.5pp to the growth rate. Despite being one of the most prominent sectors in this quarter, growth was well below the average of 43.9% recorded over the last 6 quarters.

The Industry and Trade sectors recorded growth of 12.2% and 5.0% YoY, respectively, contributing, together, with 1.5 p.p.to the expansion of economic activity. The dynamism of industrial activity had already been signaled by the Industrial Production Index, which registered a growth of around 59.6% YoY in Q2. According to INE data, this performance was particularly driven by the Manufacturing Industry, with emphasis on the food, beverage and tobacco production segments. The greater dynamics of the manufacturing industry is a very positive development as it reflects an increase in domestic production and a possible indication of a reduction in dependence on imports. In turn, the growth in Trade may be associated, in part, with the greater dynamism of industrial activity and the better performance of the other sectors, but also with the improvement in the conditions of foreign exchange supply, which has favoured import capacity and, consequently, commercial activity.

Industrial Production Index already reflected growth in the Industrial GDP



2| The performance of the non-oil economy over the first two quarters of the year has been significantly more favourable than initially projected. At the beginning of the year, the International Monetary Fund projected an expansion of 2.3% for the Angolan economy and 2.4% for non-oil GDP. The BNA presented a more favourable scenario, 3.5% for GDP and 4.5% for non-oil. On our side, the initial estimate was 3.3%, supported by a growth projection of 4.6% for the non-oil sector. However, the current macroeconomic fundamentals are much better than those observed at the time these forecasts were constructed. Currently, there are higher tax revenues, a greater supply of goods and services, a fall in inflation and, therefore, a reduction in interest rates. This context may allow the economy to grow at a faster pace than initially projected.

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3| Oil economy interrupts the period of continuous declines and grows 5.6% YoY. The evolution of the sector reflects a positive trend that was recorded throughout the quarter under review. Between April and June, oil production stood at 1.04 million barrels per day, an expansion of 3.5% when compared to the 1.00mbd recorded in the same period of the previous year. Also, gas production stood at 2.54 million cubic feet (+1.4% YoY). According to ANPG data, the main operational block, block 17, was responsible for about 30.5% of the production in the quarter followed by Block 15/06, with 15.5% and 12.5%, respectively.

Although these data are more favorable compared to the past, they do not reflect a reversal of the sector's dynamics, since recent investments and the gradual entry of new projects still seem insufficient to reverse the downward structural trend of the oil industry. For Q3, particularly, we already expect the scheduled shut down for maintenance of the Angola LNG plant to have a negative, albeit moderate, impact on the sector's performance. According to the ANPG, the maintenance started in July and was expected to last 32 days, implying not only a strong reduction in LNG production, but also an estimated reduction of about 49 thousand barrels per day in oil production from the Sanha Complex and the Sanha FPSO. According to our calculations, considering the duration of the shutdown, the effect could represent a loss of about 1.5 million barrels. **However, the interruption will cause pressure only in the short term and the accumulated impact should be limited, considering the temporary nature of the maintenance and the contribution of the remaining producing blocks.**

C. CONCLUSION

1|The Angolan economy recorded very significant growth in the last quarter, reflecting the dynamism of non-oil activity, but also the more favorable performance of the oil sector. The growth of the oil sector is a positive indicator. However, this evolution should be interpreted with some caution, as the main structural constraints of the sector remain unchanged, at least in the short term, with challenges related to the natural decline in production and the need for new investments to sustain growth remaining.

2| Current dynamics of the Angolan market favor greater growth in economic activity, especially non-oil. The improvement in monetary and exchange rate conditions proves to be sufficient to generate a increase of economic activity. In this context, if current growth levels are maintained throughout the second half of the year, GDP growth in 2026 is likely to significantly exceed the projections made at the beginning of the year.

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