



Mozambique Inflation

Flash note

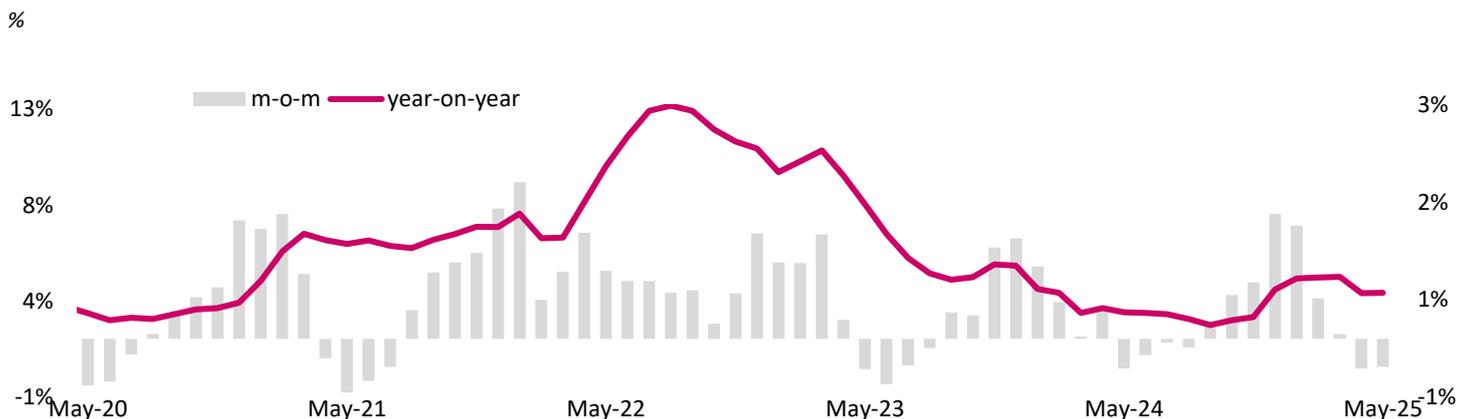
June 2025



Prices remains low and stable

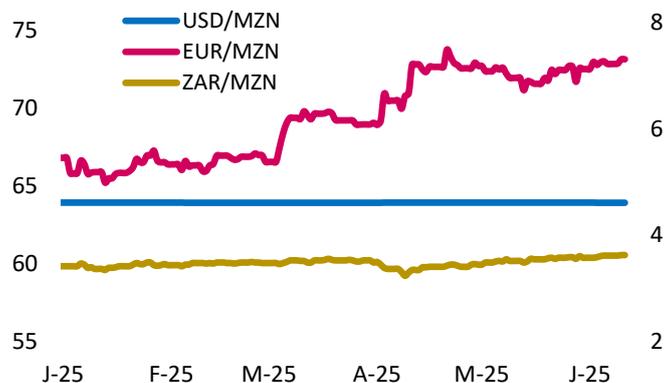
- From January to May 2025, the national inflation increased to 1.28% year-to-date, according to National Institute of Statistics (INE). The food and non-alcoholic beverages and restaurants, hotels and similar sectors were the most prominent, contributing about 0.55 pp and 0.41 pp, respectively.
- On a year-on-year basis, inflation remained low and stable at 4%, within the target set by the monetary authority, which allowed for a reduction in interest rates to stimulate consumption, attract private investment and improve the business environment. The lower inflationary pressure mainly results from improved weather conditions and the stability of the nominal exchange rate (USD/MZN), despite internal challenges associated with an increasing demand for foreign currency from importers.
- Inflation forecasts point to 4.9% in 2025 and 5.4% in 2026, according to the International Monetary Fund. These projections incorporate a downward revision, reflecting the decline in international prices of fuels, food, and energy. Therefore, benchmark interest rates must evolve in line with inflation. Thus, anchoring inflation expectations around the central bank's target depends on a monetary policy consistent with this approach.

National Inflation



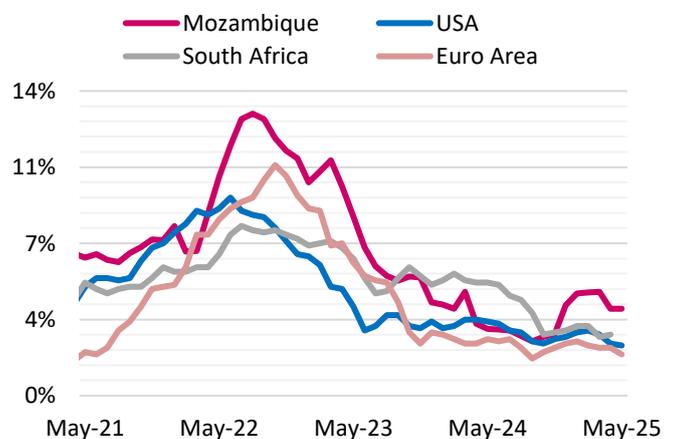
Exchange Rates

USD, ZAR, EUR



Consumer Prices Index (CPI)

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Source: INE, BdM, Trading Economics