



Mozambique Inflation

Flash note

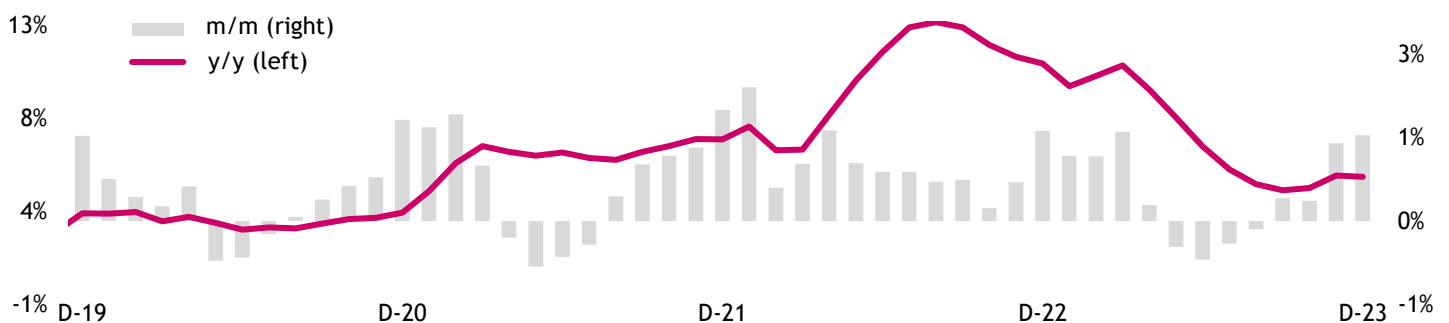
January 2024



Inflation remains stable in Dez-23

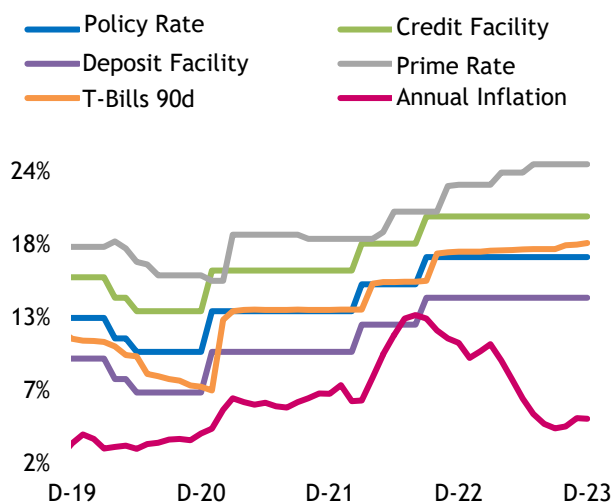
- Inflation reached 1.29% in December 2023, driven by prices in food (2.76%), energy (1.59%) and tourism (0.85%), according with National Statistical Institute.
- Inflation continued to fall. The year-on-year inflation was 5.3 percent (5.4 percent in Nov-23 and 10.9 percent in Dec-22), showing lower inflationary pressures reflecting exchange market stabilization and tight monetary policy adopted by the central bank.
- Annual inflation is expected to rise (temporarily) in upcoming months but will remain in single digit, according to IMF forecast (6.5 percent in Dec-24 from 5.3 in Dec-23). The drivers of rising inflation reflect temporary effects on energy and food prices. On energy side, new fuel prices spike from geopolitical shocks including continued attacks in the Red sea and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. In this context, food prices are expected to increase in January 2024, as VAT exemption will be no longer used for some commodities (sugar, oil, soap).

Inflation



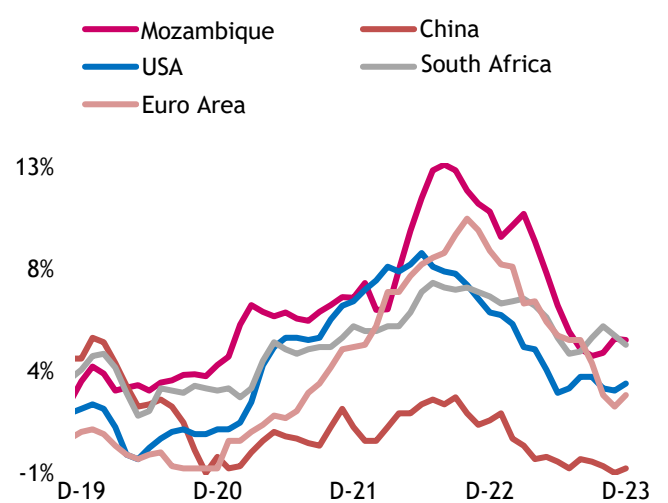
Inflation and Interest Rates

YoY



Consumer Price Index (CPI)

YoY



Source: National Statistical Institute, Central Bank