



**Monetary Policy Committee**  
**COMMUNIQUÉ NO. 6/2021**  
**Maputo, November 17, 2021**

**Policy rate unchanged at 13.25%**

**The Monetary Policy Committee (MPC) of the Banco de Moçambique has decided to keep the policy rate, MIMO, unchanged at 13.25%. This decision is supported by the maintenance of inflation prospects at a single digit, notwithstanding the prevalence of high risks and uncertainties stemming, especially, from rising food and liquid fuel prices, and supply chain constraints in the international market.**

**Risks and uncertainties associated with inflation projections remain high.** Domestically, stand out the impact of the upward shift in fuel prices, and the prevalence of uncertainties as to the duration and magnitude of the impact of the COVID-19 pandemic on the economy. In the external environment, uncertainties remain concerning the pandemic's developments, increasing oil prices and ongoing supply chain constraints, leading to high costs in the transport of containers and delays in the delivery of goods.

**Inflation is expected to remain at a single digit, in the short and medium term.** Annual inflation stood at 6.4% in October, following 6.0% in September, driven by rising food and liquid fuel prices, in a context of lower depreciation of the Metical against the US Dollar. However, core inflation, which excludes the prices of administered goods and services and fruits and vegetables, remains practically unchanged. For the short and medium term, inflation is expected to remain at a single digit, despite the prospects of rising prices for transport domestically, and food and oil in the international market.

**Economic growth prospects for 2021 and 2022 are strengthened.** In annual terms, the gross domestic product grew by 3.4% in the third quarter of 2021, driven by the expansion of all sectors of economic activity. For the short and medium term, a steady increase in economic activity is expected, also backed by foreign demand and the implementation of gas projects in the Rovuma basin. However, the resumption of sustainable economic growth will continue to require deepening structural reforms in the economy, towards strengthening institutions, improving the business environment, attracting investments and creating jobs.

**Domestic public debt remains high.** At the end of September 2021, domestic public debt, excluding loan and lease agreements and overdue liabilities, increased by MZN 1.8 billion to MZN 218.6 billion, in a context of ongoing prospects of budgetary pressure related to public spending for containing the spread of COVID-19, humanitarian assistance and rebuilding areas subjected to terrorist attacks in Cabo Delgado.

The Banco de Moçambique reaffirms its commitment to preserving the value of the Metical, which translates into low and stable inflation.

The next ordinary meeting of the MPC is scheduled for January 26, 2022.

**Rogério Lucas Zandamela**  
**Governor**