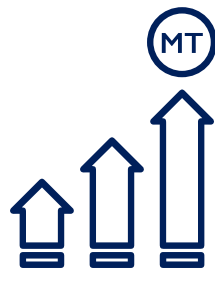


VISUAL SUMMARY

Economic Outlook and Inflation Forecasts Report - March 2023



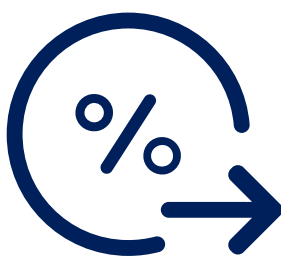
The ongoing tight financial conditions and the volatility of financial markets, amid uncertainties regarding the protracted Russia-Ukraine conflict, support forecasts of global economy growth below its historical average.



Domestically, despite the upturn in economic activity, further moderate economic growth is expected, mainly underpinned by the negative effect of recent climate shocks on agricultural activity and various infrastructures.



Notwithstanding the short-term acceleration of inflation, due to the rise in administered and food prices amidst climate shocks, single-digit inflation prospects for the medium term remain.



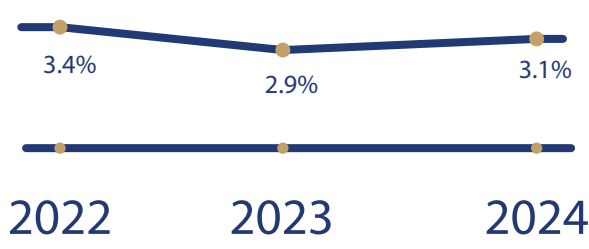
The BM has decided to keep the MIMO policy rate unchanged at 17.25%, in order to ensure that inflation remains at a single digit in the medium term.

Infographics

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Prospects for moderate global economy growth remain



The ongoing monetary tightening, coupled with the recent turmoil in the US and Europe banking system, support the maintenance of prospects for moderate global economic growth.



Albeit remaining high, inflation has slowed in the main global economies.



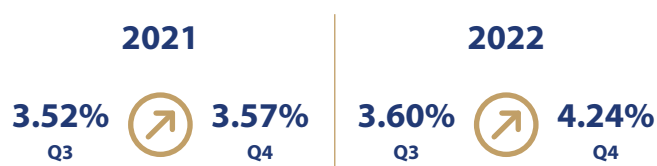
Food and oil prices should continue to decline in the global market.



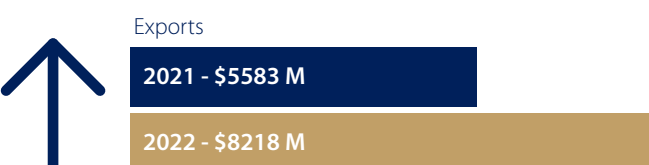
The US Dollar continues to appreciate against other currencies.



Domestic economy recovery



Improved external demand, coupled with the economy reopening, foster economic activity.



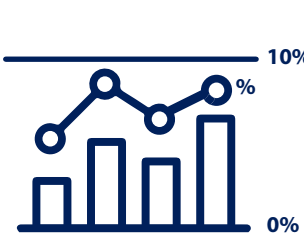
Substantial increase in exports, driven by improved external demand.



Slight rise in credit to the economy in line with the economy reopening.



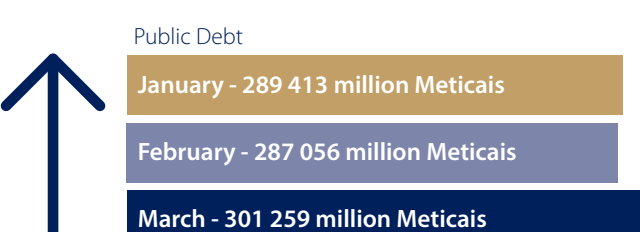
Single-digit inflation forecasts remain



The impact of the measures taken by the MPC, exchange rate stability and the downward trend of import commodity prices in the global market, support the maintenance of prospects for single-digit inflation in the medium term.



Risks and uncertainties associated with inflation forecasts have worsened



Increased pressure on domestic public debt.



Effect of climate shocks.



Volatility of global financial markets.



Protracted Russia-Ukraine conflict.



MIMO policy rate remains unchanged at 17.25%



In order to ensure ongoing single-digit inflation, the Banco de Moçambique has decided to keep the MIMO policy rate unchanged at 17.25%, having weighed the risks and uncertainties.