

## VISUAL SUMMARY

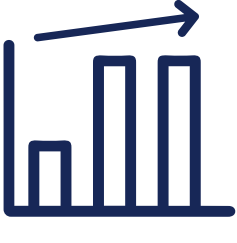
Economic Outlook and Inflation Forecasts Report - March 2024



The recent economic outlook points to continued global economic growth at 2023 levels and slowing inflation in 2024 and 2025.



Domestic inflation slowed in February, but a slight increase is expected in the near term, still within the single-digit band over the medium term.



Excluding LNG production, economic activity continued to recover in the fourth quarter of 2024, and this recovery trend is expected to persist over the medium term.



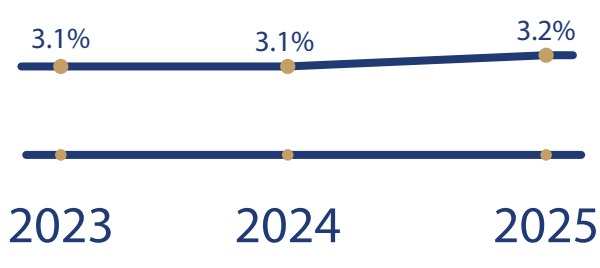
The Monetary Policy Committee (MPC) of the Banco de Moçambique decided to reduce the MIMO monetary policy rate for the 2nd time in a row from 16.50% to 15.75%.

## Infographics

Economic Outlook and Inflation Forecasts Report - March 2024



### Global economic growth remains slow



Economic activity in the fourth quarter of 2023 improved for Mozambique's major trading partners. For 2024 and 2025, the outlook points to continued global economic growth at 2023 levels.



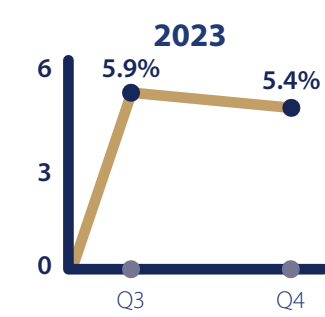
The trend of slowing annual inflation in advanced and emerging economies continues and should persist over the medium term.



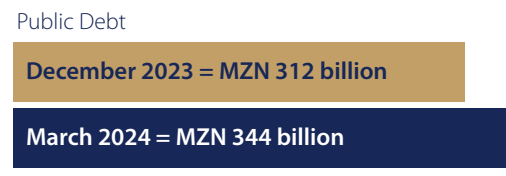
The prices of the main commodities traded by the country decreased, except for oil, which increased due to OPEC+ supply cuts and the risks and uncertainties associated with the Middle East crisis and the Russia-Ukraine conflict.



### Good performance of domestic economy



Economic activity accelerated by 5.4% spurred by the good performance of most economic activity sectors and is expected to keep expanding moderately over the medium term, driven by the performance of the extractive industry.



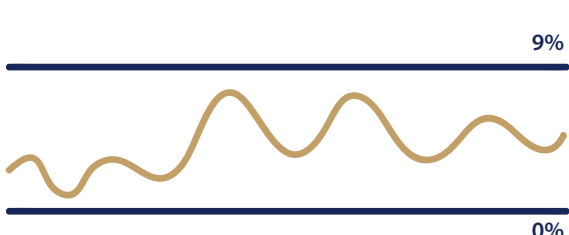
Domestic public indebtedness has increased.



Gross international reserves remain at comfortable levels at USD 3,614 million, which is sufficient to ensure approximately 4.8 months of imports of goods and services, excluding megaprojects.



### Single-digit inflation forecasts remain



The prevailing exchange rate stability and the impact of the measures being taken by the MPC support the maintenance of single-digit inflation forecasts over the medium term.



### The risks and uncertainties associated with inflation forecasts are more favorable over the medium term.

The factors likely to restrain inflation include:



Fiscal consolidation efforts; and



Milder impact of geopolitical conflicts on the logistics supply chain and on commodity prices in the global market.



### MIMO policy rate reduced to 15.75% for second time in a row



This decision is underpinned by the consolidation of prospects of single-digit inflation over the medium term, in a context where the assessment of the risks and uncertainties associated with inflation projections remain favorable.