

VISUAL SUMMARY

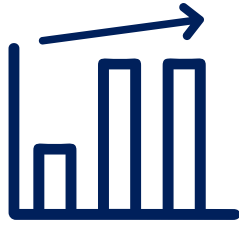
Economic Outlook and Inflation Forecasts Report - November 2024



The world economic outlook continues to point to continued economic growth and slowing inflation.



Domestic inflation ticked up, but the forecast for single-digit inflation over the medium term remains in place.



Economic activity grew by 3.7% in the third quarter, following 4.5% in the previous quarter. Moderate economic growth is expected to continue in the medium term.



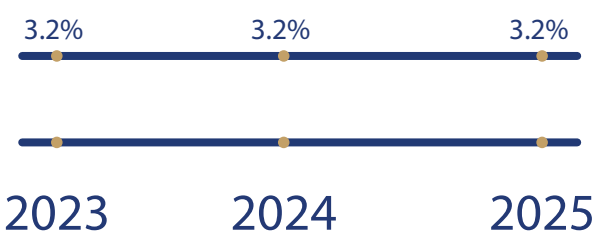
The Banco de Moçambique Monetary Policy Committee (MPC) decided to reduce the MIMO policy rate from 13.50% to 12.75%.

Infographics

Economic Outlook and Inflation Forecasts Report - November 2024



Global economic activity, with an impact on Mozambique's exports, continued to grow.



Global economic activity continued to grow, albeit at a slower pace, and the outlook for 2024 and 2025 points to continued economic growth at 2023 levels.



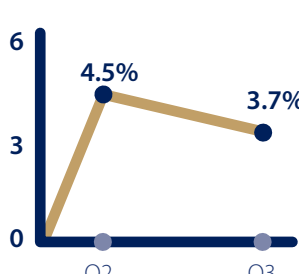
Inflation ticked up for the majority of Mozambique's key trading partners, despite the slowdown in China and South Africa. In the medium term, the outlook for slowing inflation remains in place.



The prices of the main products exported and imported by Mozambique, which drive the supply of foreign exchange and domestic inflation, have reduced.



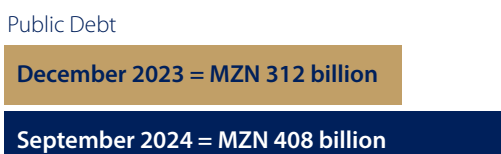
The domestic economy grew



Economic activity grew by 3.7% in the first quarter, up from 4.5% in the previous quarter, reflecting the performance of the extractive industry and agriculture.



In the medium term, economic activity is expected to grow moderately, despite the prevalence of uncertainties regarding the impacts of post-election tension and climate shocks on agricultural production and various infrastructures.



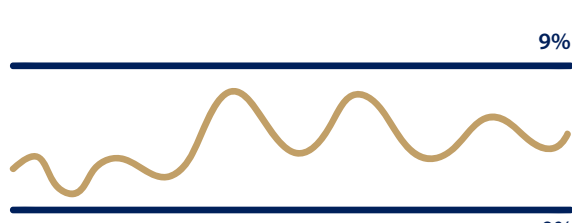
Domestic public debt, potentially impacting the economy's money supply, has increased.



Gross international reserves stand at USD 3,738 million, which is sufficient to ensure approximately 5 months of imports of goods and services, excluding megaprojects.



Single-digit inflation forecasts remain in place, supporting the stability of the purchasing power of the population

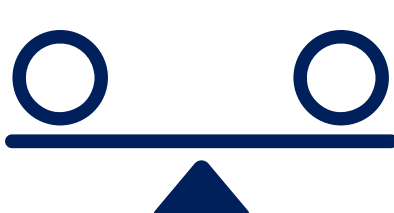


The prevailing exchange rate stability and the impact of the measures being taken by the MPC support the maintenance of single-digit inflation forecasts over the medium term.

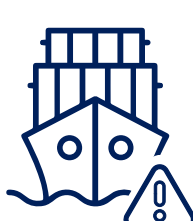


The assessment of the risks and uncertainties associated with inflation projections remains favorable

Factors likely to support inflation stability include:



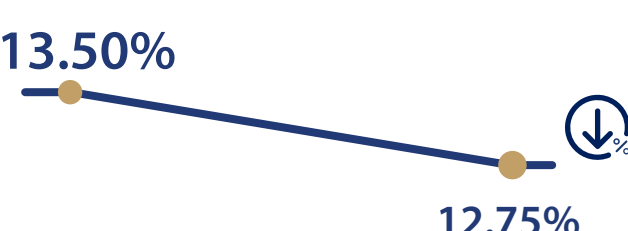
Metical stability.



The favorable behavior of global market commodity prices.



MIMO policy rate, which drives the cost of credit, reduced to 12.75%



This decision is underpinned by the continued consolidation of prospects for single-digit inflation over the medium term, despite uncertainties regarding the duration of the post-election tension and its impact on the prices of goods and services.