



MONETARY POLICY COMMITTEE
COMMUNIQUE No. 5/2026
Maputo, September 30, 2026

The Monetary Policy Committee (MPC) of the Banco de Moçambique decided to keep the monetary policy interest rate, MIMO, unchanged at 9.25% and to change the reserve requirement regime as of the next reserve maintenance period.

This decision primarily reflects the persistence of elevated risks and uncertainties related to the impact of climate shocks and protracted geopolitical tensions in the Middle East and Europe, with potential implications for international fuel and food prices, amid a still subdued recovery in economic activity.

Under the new reserve requirement regime, to remain in effect for 18 months, banks will be allowed to deduct from their local currency reserve requirements an amount equivalent to new lending to firms that support import substitution and/or export growth. The applicable interest rate will be the MIMO rate, with an additional margin of 150 basis points, depending on the purpose of the financing.

Inflation is expected to rise in the near term before declining to single digits over the medium term. In August 2026, annual inflation moderated to 6.5%, from 7.5% in July, while core inflation, excluding fruits and vegetables and administered prices, also declined. In the near term, inflation is expected to increase, reflecting, among other factors, imported price pressures from major trading partners and higher fruit and vegetable prices associated with the end of the winter season, amid exchange rate stability and subdued domestic demand. Over the medium term, inflation is projected to decline to single digits, mainly on account of prospects of lower international fuel and food prices, assuming an easing of tensions in the Middle East.

The outlook for moderate economic growth remains unchanged. Real Gross Domestic Product (GDP) grew by 1.7% year-on-year in the second quarter of 2026, following growth of 0.1% in the first quarter. This performance was supported by the primary sector, mainly agriculture and extractive industries, as well as the services sector. Over the medium term, these sectors, together with the implementation of projects in strategic areas, are expected to continue supporting moderate growth in economic activity.

The foreign exchange market continues to record high volumes of foreign currency purchases and sales, supported by the implementation of liquefied natural gas projects in the Rovuma Basin and the performance of the extractive industry, against a backdrop of exchange rate stability.

Between January and August 2026, foreign currency purchases by commercial banks increased by USD 724 million compared with the same period in 2025, reaching USD 5.73 billion. During the same period, foreign currency sales by banks to their clients increased by USD 593 million, reaching a total of USD 5.65 billion. Between January and September 2026, the Metical depreciated by an average of 0.06% against the US Dollar and 14.64% against the South African Rand in commercial bank transactions with customers, while appreciating by 3.92% against the Euro.

The accumulation of domestic and external debt arrears continues to constrain the normal functioning of the financial market. Arrears in the servicing of domestic and external public debt persist, including obligations to domestic financial institutions and multilateral creditors, with, among other effects, weak demand for government securities, rigidity in interbank money market interest rates, and elevated country-risk perceptions. Indeed, domestic public debt, excluding loan and lease agreements and overdue liabilities, stood at MZN 546.5 billion, an increase of MZN 71.9 billion relative to December 2025 and constituting a source of increased banking system liquidity.

Risks and uncertainties to the inflation projections remain elevated. Domestically, uncertainty persists regarding the magnitude of the effects of imported inflation, developments in public debt and the impact of climate shocks. Externally, uncertainties remain regarding the duration and magnitude of the effects of geopolitical tensions in the Middle East and Europe on trade flows, global supply of goods, and international fuel and food prices.

The MPC reaffirms its commitment to maintaining price stability. In this context, in addition to monetary policy measures, the implementation of fiscal consolidation measures and structural reforms remains vital to strengthening market confidence, improving the business environment, mobilising external financing, increasing production and supporting job creation.

The MPC will continue to monitor domestic and international macroeconomic developments, as well as prevailing risks, and may convene extraordinary meetings and take the necessary corrective measures.

The next MPC meeting is scheduled for November 25, 2026.

Felisberto Dinis Navalha
Governor