

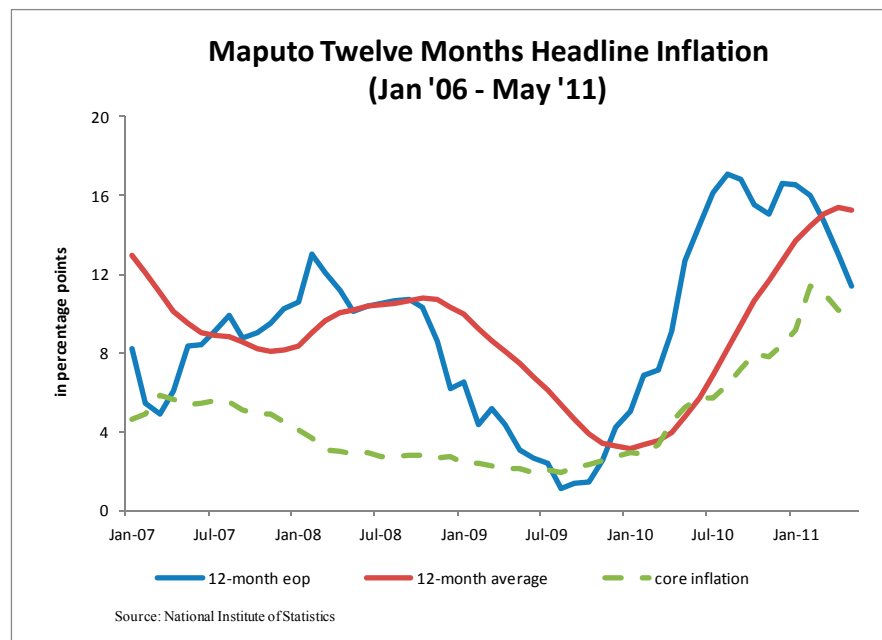


Office of the Resident Representative
Maputo - Mozambique

Maputo headline inflation – May 2011

Main facts:

- The Maputo headline inflation recorded 0.5 percent in May. As a result, end of period inflation (in twelve months) has further decreased to 11.4 percent (from 13 percent in April). The average started to reverse its uptrend from 15.4 percent in April to current 15.2 percent.
- The main inflation driver was fuel prices due to the late April's price adjustment. However, the impact of that adjustment was offset by general decreases in food item prices as well as by stability in many other product category prices.
- Recent downward trend has already driven core inflation¹ to the single digits (9.9 percent coming from 10.2 percent in April).



¹ This core inflation measures excludes food, energy and fuels consumption from the total inflation.

- Pictured below is the accumulated contribution of product categories to total price increases through May 2011:

**Product categories with major contribution to total
price increases from January to May 2011**

Item	Contribution (in %)	Trend (month-on-month)
Food items and non-alcoholic beverages	1.56	↓
Alcoholic beverages and tobacco	0.08	↑
Clothing and footwear	0.17	↑
Housing and utilities*	0.56	↑
Household goods and services	0.08	↑
Health expenses	-0.01	↑
Transport	0.31	↑
Communications	0.00	↑
Leisure, entertainment and culture	0.08	↑
Education expenses	0.75	-
Restaurants, hotels and cafes	0.11	↑
Miscellaneous goods and services	0.20	↑
Total	3.89	↑

* Water, electricity, gas and other household fuels.