

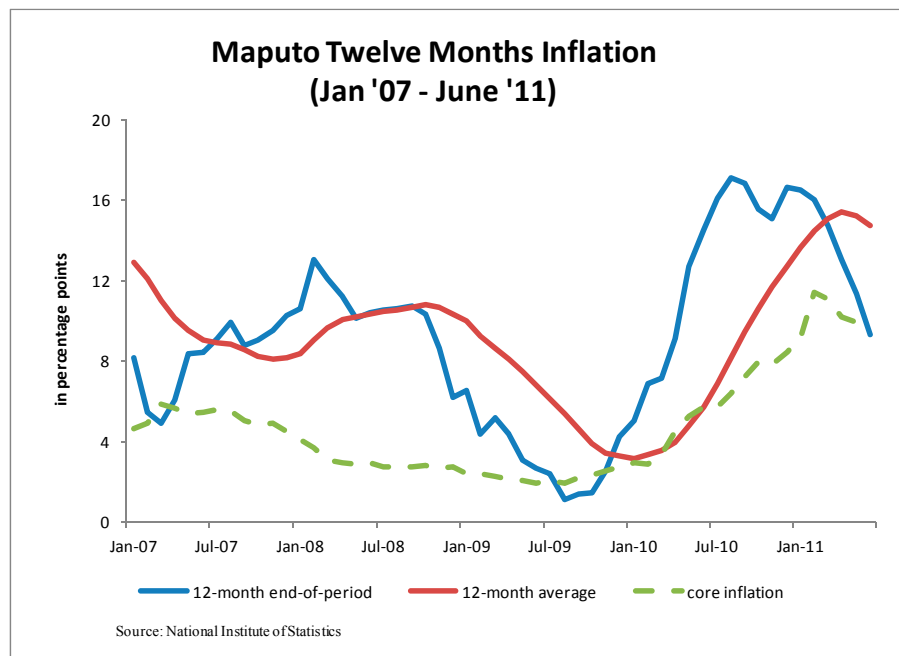


Office of the Resident Representative  
Maputo - Mozambique

## Maputo inflation – June 2011

### Main facts:

- The Maputo headline CPI is now in the single digits (9.3 percent end of period) on account of a negative inflation observed in June (-0.6 percent). The average maintained recent downtrend and stationed at 14.8 percent (after 15.2 percent in May). This result comes not as a surprise as prices in June do not tend to show any upticks and the continued strengthening of the Metical.
- The main downward drivers were food items (especially vegetables such as tomato, lettuce and collard greens), transport items (mainly second hand vehicles and car wash services), IT & telecommunications equipment and accessories (e.g. computers and cell phones). Clearly falling prices of all these items, and to a certain extent foodstuff, seems to be connected to the lingering exchange rate appreciation.
- Core inflation<sup>1</sup> also dropped to 9.5 percent, coming from 9.9 percent the previous month.



<sup>1</sup> 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 June 2011:

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

<b>Item</b>	<b>Contribution (in %)</b>	<b>Trend (month-on-month)</b>
Food items and non-alcoholic beverages	1.03	↓
Alcoholic beverages and tobacco	0.07	↓
Clothing and footwear	0.21	↑
Housing and utilities*	0.59	↑
Household goods and services	0.11	↑
Health expenses	-0.01	-
Transport	0.20	↓
Communications	-0.03	↓
Leisure, entertainment and culture	0.06	↓
Education expenses	0.75	-
Restaurants, hotels and cafes	0.12	↑
Miscellaneous goods and services	0.22	↑
<b>Total</b>	<b>3.31</b>	<b>↓</b>

\* Water, electricity, gas and other household fuels.