

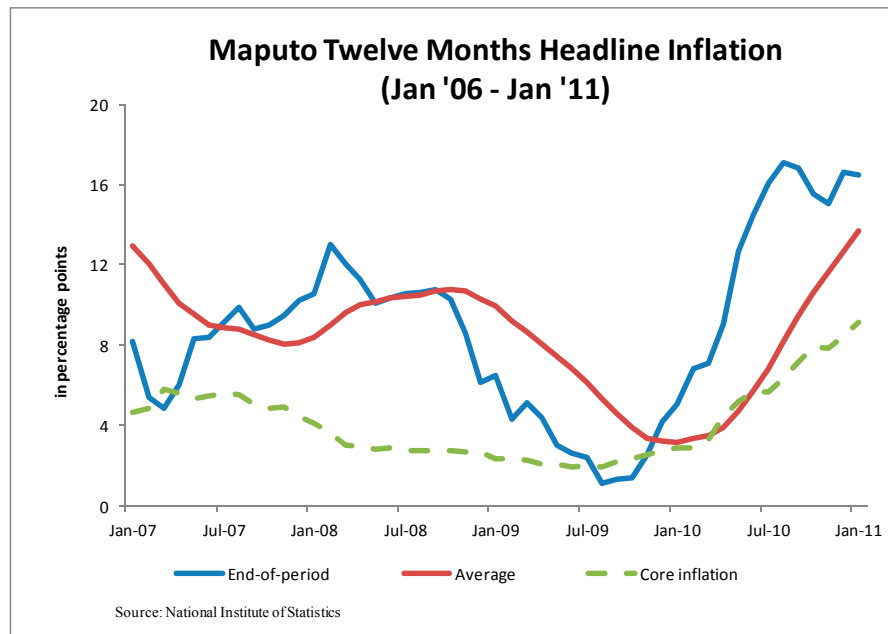


Office of the Resident Representative
Maputo - Mozambique

Maputo headline inflation – January 2011

Main facts:

- The new rebased series of the Maputo headline CPI (base period = December 2010) gained 2.1 percent in January, bringing twelve months inflation slightly down (but still above the single digits) to 16.5 percent and average up to 13.7 percent.
- The main inflation driver continued to be food items, particularly fresh products (e.g. tomatoes, frozen fish, collard greens and lettuce), which accounted to nearly 80 percent of total price increases.
- Core inflation¹ has maintained its uptrend by gaining another 1 percent in January, thus reaching 9.2 percent in twelve months terms.



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

Contribution of single products to total price increases:

Products with major positive contribution to		Products with major negative contribution	
Item	Contribution (in percent)	Item	Contribution (in percent)
Rice	1.452	Second-hand cars	-0.065
Coconuts	1.104	Fresh "reno" potatoes	-0.040
Tomato	0.877	Dried fish (except bacalhau)	-0.014
Couve	0.772	Men's suits	-0.012
Living chicken	0.772	Camisas ou blusas para senhora	-0.010
"Carapau"fish", fresh, refrigerated or frozen	0.733	Dresses	-0.007
Lettuce	0.542	Multimedia computers	-0.005
Water bills	0.487	Telecommunications services	-0.004
Fresh fish, refrigerated or frozen	0.485	Private secondary education (pre-university)	-0.002
Pumpkin leaves	0.443	Ladies's suits	-0.001
Kerosene	0.421	Radio receivers	-0.001
Gasoline	0.417	New cars	0.000
Others	8.273	Others	0.000
Total	16.779	Total	-0.161

New inflation series highlights:

- In future, food items will have lower impact on the inflation rates while energy and fuel prices alongside education and communications will play a bigger role in explaining consumer prices behavior.
- The weighting for the category food and non-alcoholic beverages has seen a substantial reduction from 51.85 percent to 39.5 percent (-12.3 percentage points), followed by health products and services (-1.6 percentage points).
- Categories with major weight increases were: energy, fuels and utilities combined (+4.9 percentage points), personal care products (+3.1 percentage points), education (+1.7 percentage points), communications (+1.7 percentage points).