

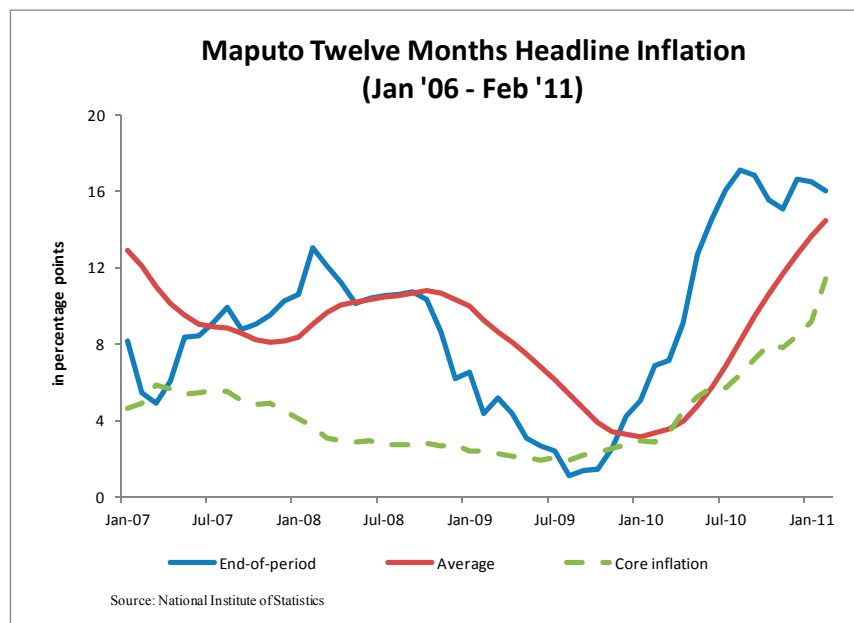


Office of the Resident Representative
Maputo - Mozambique

Maputo headline inflation – February 2011

Main facts:

- The Maputo headline inflation in February was 1.2 percent, in line with seasonal patterns. This result was responsible for bringing end of period inflation down to 16 percent (from 16.5 percent in January). The average inflation, on the contrary, remained on the rise, having landed at 14.4 percent after 13.7 recorded in the previous month.
- The main inflation driver was publicly-owned universities' tuition fees (at end-December 2010, the main local university had announced an average seven-fold increase in its fees to be effective this semester).
- Second round effects from international commodity (e.g. food and fuel) price inflation coupled with last year's exchange rate pass-through continued to trigger an increase in the core inflation¹ measure, which climbed to 11.4 percent (coming from 9.4 percent in January this year).



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

- Although food price inflation has slightly fallen in February, the accumulated contribution of product categories to total price increases through February 2011 continues to show their large dominance in the CPI basket:

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

Item	Contribution (in %)
Food items and non-alcoholic beverages	2.10
Alcoholic beverages and tobacco	0.05
Clothing and footwear	0.01
Housing and utilities*	0.16
Household goods and services	0.03
Health expenses	-0.01
Transport	-0.02
Communications	0.01
Leisure, entertainment and culture	0.05
Education expenses	0.75
Restaurants, hotels and cafes	0.07
Miscellaneous goods and services	0.11
Total	3.32

* Water, electricity, gas and other household fuels.