

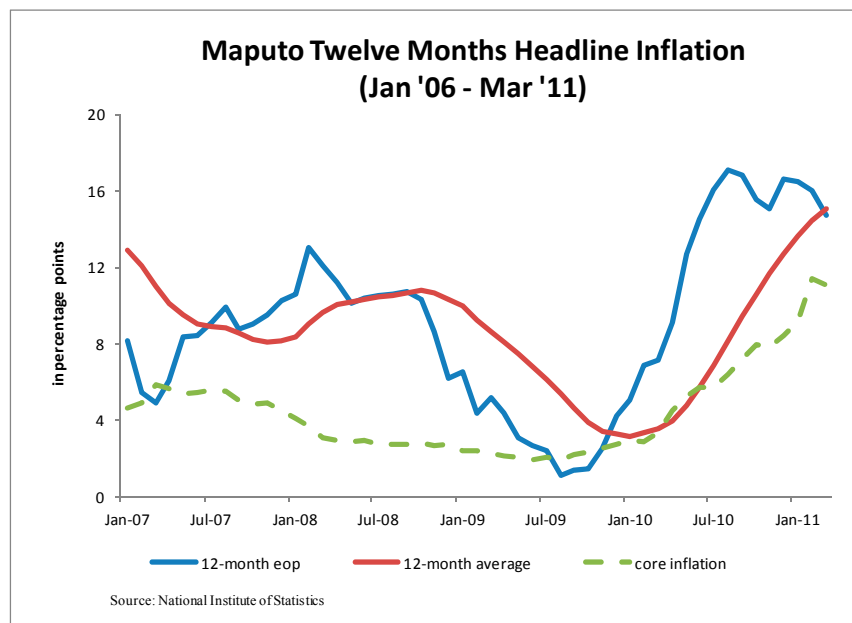


Office of the Resident Representative
Maputo - Mozambique

Maputo headline inflation – March 2011

Main facts:

- The Maputo headline inflation in February was virtually zero (0.1 percent), thus deviating from past seasonal patterns (around 1percent). This result has brought 12-month end of period down to 14.8 percent (against 16 percent in February) whilst average headline inflation continued to rise (15.1 now from 14.4 percent in February).
- The main driver of inflation was the category housing maintenance, water, electricity, cooking gas and other fuels. For the time being, not sure whether the major source of pressure in the CPI is utility services (e.g. electricity, water or cooking gas) or informal energy sources such as charcoal. Food items (mainly vegetables), in turn, have seen drops in their prices.
- Core inflation measure¹ slightly reversed previous uptrend (11.1 against previous 11.4 percent) reflecting price declines or stability in several other products (e.g. tobacco, clothing, housing maintenance, health care, telecommunication equipment and services, home appliances).



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 March 2011:

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

Item	Contribution
Food items and non-alcoholic beverages	1.81
Alcoholic beverages and tobacco	0.06
Clothing and footwear	0.04
Housing and utilities*	0.35
Household goods and services	0.05
Health expenses	-0.01
Transport	0.05
Communications	-0.01
Leisure, entertainment and culture	0.07
Education expenses	0.75
Restaurants, hotels and cafes	0.09
Miscellaneous goods and services	0.13
Total	3.37

* Water, electricity, gas and other household fuels.