

Standard Bank Mozambique PMI[®]

August sees activity growth soften from two-year high

Key findings

Headline PMI drops below 50 due to relaxed supply chains and lower stocks

Output, new orders and employment rise further

Faster increases in purchase and staff costs

Businesses in Mozambique continued to see an increase in private sector activity half-way through the third quarter of the year, according to the latest PMI[®] survey data, alongside higher sales intakes and rising staff capacity. The rate of activity growth did however lose momentum from its two-year high in July. Meanwhile, supplier delivery times shortened markedly, and stocks fell further, despite input purchases increasing for the first time since April. Selling prices rose during August, amid faster increases in both purchase costs and salary expenses.

The headline figure derived from the survey is the Purchasing Managers' Index[™] (PMI[®]). Readings above 50.0 signal an improvement in business conditions on the previous month, while readings below 50.0 show a deterioration.

The headline PMI dipped below the 50.0 neutral mark in August, falling to 49.9 from 50.7 in July, to signal a slight decline in the health of the private sector. However, just two out of the five sub-components of the PMI acted as a negative influence, as stocks of purchases continued to fall, and supplier delivery times shortened. Meanwhile, output, new business and employment all increased.

The upturn in output was the second in a row in August, but the pace of growth weakened notably from July's two-year high. Stronger activity was apparent in the construction and agriculture sectors, although this was largely offset by contractions in manufacturing, services and wholesale & retail.

Output growth was broadly linked to an increase in new order volumes. Panellists cited that improved client demand and larger buying quantities had boosted sales. However, the rate of expansion was down considerably from July and slight overall.

Higher sales intakes resulted in a further increase in employment in August. The uplift was the third in a row and the strongest in just over a year. Parallel to this, businesses expanded their purchasing activity for the first time in four months, which helped them to lower their backlogs from July's level.

Supplier delivery times improved at a particularly sharp rate during the latest survey period. The degree to which lead times

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sa, >50 = improvement since previous month



Sources: Standard Bank, S&P Global PMI.
Data were collected 12-26 August 2025.

Comment

Fáusio Mussá, Chief Economist - Mozambique at Standard Bank commented:

"The Standard Bank Mozambique PMI slipped to 49.9 (seasonally adjusted) in August, from 50.7 in July. PMI outcomes below 50pt denote month-on-month (m/m) contractions in the private sector economy.

"In August, there were m/m contractions in two of the 12 sub-components of the PMI; namely, the stock of purchases, and backlogs of work. However, there was m/m growth in output, new orders, employment, and supplier delivery times.

"Business sentiment has improved, with the PMI future business expectations sub-index up, with 42% of respondents forecasting growth in the next 12 months. This may well reflect positive expectations around progress on liquified natural gas projects (LNG), which should boost output.

"We'd expect the improvement in sentiment to seal the recent deal between Qatari investment firm, Al Mansur Holdings, and the government of Mozambique — committing USD20bn in investment in priority sectors, including agriculture, infrastructure, tourism, and oil and gas.

"The Qatari foreign direct investment (FDI) materializing should help ease foreign exchange (FX) supply-demand imbalances as well as help to meet some of the government's development spending needs. However, the timelines of such FDI are not clear yet.

"The PMI implies some price pressure as companies protect sales margins from growing input costs. Some of these input costs could well reflect the impact of ongoing FX backlog pressures. This implies upside risks for inflation, even in the context of the metical remaining stable to the US dollar, and growth underperformance."



quickened was the strongest in a year-and-a-half. Inventory levels meanwhile fell for the fourth month in succession.

Mozambican firms increased their selling prices in August after keeping them stable over the course of July. Some firms reportedly looked to pass through rising input costs to their customers. However, the extent to which charges rose was marginal.

At the same time, firms registered sharper upticks in their purchase costs and staff wages. The rise in the former was the quickest for a year, as respondents noted that increased input requirements had put pressure on prices. Meanwhile, salaries were raised at the fastest pace since May 2024.

Looking ahead, companies in Mozambique retained a positive view about future activity during August. The degree of confidence improved slightly, with 42% of survey respondents forecasting growth. Firms foresaw increasing sales as the main driver of higher activity going forwards, whilst mentions of new customer wins, hiring activity and improving supply availability were also noted.

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Survey methodology

The Standard Bank Mozambique PMI[®] is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. The sectors covered by the survey include agriculture, mining, manufacturing, construction, wholesale, retail and services. Data were first collected March 2015.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index[™] (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

About PMI

Purchasing Managers' Index[™] (PMI[®]) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

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PMI[®]

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About Standard Bank

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