

Standard Bank Mozambique PMI[®]

Business conditions stagnate in January

Key findings

PMI drops to neutral level of 50.0

Output rises fractionally amid slower uplift in new orders

Expectations slip to 14-month low

The Mozambique PMI[®] signalled a stalling of business conditions in the private sector at the start of 2026, as order book growth slowed, causing total activity to rise only slightly. Delivery times continued to shorten, indicating a lack of pressure on supply chains. Firms also showed less confidence about the outlook, contributing to a softer pace of job creation.

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.

After improvements in business conditions were seen throughout the final quarter of 2025, January saw the PMI drop to the neutral value of 50.0, down from 50.9 in December. This was partly due to a sustained reduction in suppliers' delivery times, which broadly indicates relaxed supply chains. The PMI was also driven lower by softer upturns in output, new business and staffing.

Output levels grew for the seventh consecutive month, but the pace of expansion was fractional and the weakest in this sequence. While several companies noted the receipt of client requests, weaker sales growth at other companies and some reports of currency shortages underpinned the slowdown.

Firms signalled only a marginal increase in new order volumes in January, the softest observed in four months. Nevertheless, the rise was strong enough to spur an expansion in purchasing activity, which is on its longest phase of growth since mid-2022.

One impact of the increase in purchases was on price pressures. In January, Mozambican firms commonly noted that their expenses had risen due to a demand-driven uptick in supplier prices. Notably, overall purchase costs rose at the joint-fastest pace in nearly three years. Firms were also affected by higher staff costs, although the latest increase was only modest.

Positively, Mozambican firms continued to receive inputs in a timely manner. Vendor performance was markedly better, with the rate of improvement ticking up to a 23-month record. This enabled some firms to shore up their inventories.

Standard Bank Mozambique PMI

sa, >50 = improvement since previous month



Sources: Standard Bank, S&P Global PMI.
Data were collected 12-27 January 2026.

Comment

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

"The Standard Bank Mozambique PMI fell to the neutral level of 50 (seasonally adjusted) in January, from 50.9 in December.

"This suggests a temporary pause in the private sector economy recovery, which has been impacted by heavy rains and floods that hit Mozambique in January. PMI outcomes above the 50pt benchmark mean month-on-month growth in economic activity.

"The PMI also signals a deterioration in the business outlook in January, with the PMI future business expectations sub-index down to its lowest level since November 2024.

"The recent relaunch in Afungi, in Cabo Delgado, of the area1 project led by TotalEnergies, with LNG production targeted to begin in 2029 may support growth recovery, but it will take time before this translates into larger contributions to the fiscus and to foreign exchange (FX) supply.

"Our year-end inflation forecasts, of 4.6% y/y in 2026 and 5.6% y/y in 2027, after closing 2025 at a recent low of 3.2% y/y, suggests that this season's heavy rains and floods may lift food inflation - accounting for nearly one third of the CPI basket - towards double digits, only temporarily, after closing 2025 at 6.6% y/y. As agricultural output recovers, food inflation should return to single digits.

"This is consistent with our views of the status quo in the FX market prevailing this year, which implies USD/MZN stability. In addition, subdued aggregate demand may also contribute for overall inflation to remain in single digits. After all, we see a slow growth recovery this year, with GDP growth at 1.1% y/y, up from our estimates of 0.7% y/y in 2025."



For an eighth month in a row, companies scaled up their workforce numbers, although the pace of growth did soften slightly from December's 32-month high.

Meanwhile, output prices set by private sector companies increased over the course of January. The uplift was the strongest recorded since September 2022, but modest overall. Where a rise was recorded, firms mentioned that this was largely due to increasing cost burdens. The construction sector was an exception here, with firms in this segment noting reductions in both input costs and prices charged to customers.

Regarding future activity, roughly a third of surveyed businesses projected growth over the 12-month horizon in January. These positive reactions were often due to planned business growth, higher demand and staff recruitment. However, the degree of sentiment softened from December and was at its lowest level since November 2024.

Contact

Fáusio Mussá
Chief Economist, Mozambique
Standard Bank
T: +258 215 01 012
fausio.mussa@standardbank.co.mz

David Owen
Senior Economist
S&P Global Market Intelligence
T: +44 1491 461 002
david.owen@spglobal.com

Inercio Pene
Public Relations & Communication
Standard Bank
T: +258 843 124 994
inercio.pene@standardbank.co.mz

Kriti Khurana
Corporate Communications
S&P Global Market Intelligence
T: +91-971-101-7186
kritikhurana@spglobal.com
press.mi@spglobal.com

If you prefer not to receive news releases from S&P Global, please email press.mi@spglobal.com. To read our privacy policy, click [here](#).

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.

www.spglobal.com/marketintelligence/en/mi/products/pmi

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.

About Standard Bank

Standard Bank is established in Mozambique since 1894, actively participating in the development of the country by financing the national economy and placing its vast expertise in the areas of energy, infrastructure and mineral resources available to the national business community and in attracting foreign investment.

Over the past five years, Standard Bank has invested more than US 200 million in credit lines for infrastructure projects for the transport of coal, storage of liquid fuels, expansion and construction of airports and roads, as well as projects in the areas of telecommunications and mineral resources.

Standard Bank is a solid and profitable bank with branches in all of the country's provinces and a wide range of products and services for large, small and medium-sized businesses and individuals. The bank reverts part of its profits to the communities where it is inserted, through the implementation of social projects in the areas of health, education and sports.

Member of the Standard Bank Group, the largest African bank in terms of geographic dispersion, results and assets, with presence in 20 countries on the African continent, as well as 6 global financial centres, Standard Bank Mozambique has the financial and human resources to serve and connect clients throughout world.

www.standardbank.co.mz

About S&P Global

S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. www.spglobal.com