

## Standard Bank Mozambique PMI<sup>®</sup>

### Fuel shortages continue to hit spending and supply chains across Mozambique

#### Key findings

Sales volumes fall for second month running in May

Delivery times lengthen, while purchasing activity declines

Business expectations reach lowest level in nearly a decade

Mozambique's private sector remained in contractionary territory in May, as businesses faced continued challenges from domestic fuel shortages. Customer spending declined, while output and supply chains were disrupted at some firms. The toll on operating conditions led to a loss of business confidence, with sentiment reaching its lowest level since November 2016.

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

The Mozambique PMI recorded at 49.9 in May 2026, fractionally higher than April's 49.8 but remaining just below the critical 50.0 neutral threshold. This reading indicated a marginal deterioration in the health of the private sector, marking the second consecutive month of contraction.

The demand environment remained tough for Mozambican firms throughout May, with new orders declining for the second consecutive month, albeit at a mild pace. Fuel shortages featured prominently in company reports, constraining both business capacity and customer purchasing power.

The deterioration in order books translated into reduced output, with companies reporting back-to-back monthly cuts to activity for the first time since January 2025. The contraction rate remained marginal, however, and was driven by the services, agriculture and wholesale & retail sectors. By contrast, construction and manufacturing firms increased output in response to higher sales.

Employment continued to rise in May, extending the job creation streak to 12 months. However, the pace of hiring slowed and was relatively subdued as reduced sales prompted some firms to trim staffing numbers. Backlogs of work accumulated slightly and for the first time since October 2025, driven by supplier disruptions and delayed client payments, although weak incoming orders reportedly freed up capacity at some businesses.

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sa, >50 = improvement since previous month



Sources: Standard Bank, S&P Global PMI.  
Data were collected 12-26 May 2026.

#### Comment

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

“The Standard Bank Mozambique PMI rose to 49.9 (seasonally adjusted) in May, from 49.8 in April, remaining below the 50 mark for the second month running. PMI outcomes below the 50pt benchmark signify a month-on-month deterioration in the health of the private sector economy.

“Output, new orders and quantity of purchases sub-indices remained below 50, impacted by fuel shortages, fuel price adjustments and recurrent foreign exchange (FX) liquidity pressures, all subduing aggregate demand.

“The employment sub-index remains above the 50-mark since June 2025 suggesting that jobs continued to grow, which may well reflect some recovery from the post-election fallout, and progress on onsite construction at the onshore liquified natural gas (LNG) plant in Afungi.

“Nevertheless, business sentiment has deteriorated further, with the PMI future business expectations sub-index printing a near decade low.

“The Middle East conflict has seen local fuel prices at the pump adjusting higher in May, which increases inflation risks. Inflation last reported at 4.4% y/y in April, should continue to climb, impacted by fuel price adjustments.

“Notably, monetary policy has shifted towards a tightening bias. Even though the MIMO policy rate was kept on hold at 9.25% in May, the cash required reserves ratio for local deposits was lifted by 10 percentage points to 39%. Policy rate hikes are likely in the second half of the year, as the risk of a double digit inflation in the short-term increases.”



Input cost pressures remained subdued in May, with overall input prices rising only slightly as supply chain issues and weak demand constrained spending. Purchase costs increased at the quickest rate in three months, driven primarily by fuel price pressures, though the pace remained moderate by historical standards. Output price inflation softened to its weakest level in ten months as firms balanced the need to pass on cost increases against weak customer demand.

Meanwhile, supply chain performance continued to deteriorate in May, albeit only slightly, as fuel shortages were widely cited as the primary cause of vendor delays. Purchasing activity contracted at an accelerated pace, with firms reducing fuel buying amid shortages and cutting back on other inputs due to weak purchasing power.

Finally, business confidence softened sharply in May, falling to its lowest level since November 2016. Only 24% of respondents anticipated output growth over the coming year, against a long-run average of 51%, with most of the remainder expecting no change.

## Contact

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

David Owen  
Principal Economist  
S&P Global Market Intelligence  
T: +44 1491 461 002  
[david.owen@spglobal.com](mailto:david.owen@spglobal.com)

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

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

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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](mailto: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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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.

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