

Standard Bank Mozambique PMI[®]

Business activity declines amid weaker demand and supply shortages

Key findings

Output contracts for first time since June 2025

Customer demand softens, driving reduction in new orders

Delivery times lengthen amid fuel shortages

The Mozambique PMI[®] signalled a decline in business conditions for the first time in seven months during April, as lower sales, fuel shortages and other supply constraints caused domestic firms to reduce their activity levels.

The contraction in output contributed to a second consecutive monthly fall in input purchases, which in turn provided some relief to business costs. Wage pressures strengthened, however, as hiring efforts continued.

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 slipped below the 50.0 no-change mark, falling from 50.2 in March to 49.8 in April. The reading signalled a slight deterioration in private sector business conditions.

Business activity was scaled back for the first time since last June, although the rate of contraction was only marginal. Survey panellists associated the downturn with lower client spending, material and fuel shortages, and operational disruptions.

Companies also received fewer new orders, amid reports of subdued market conditions and a tapering of client demand. Whilst relatively modest, the drop in new business was the quickest observed for ten months.

According to many panellists, fuel shortages caused by the war in the Middle East led to delays in input deliveries. Consequently, vendor performance worsened for the first time since February 2025, albeit only fractionally.

Companies responded to weaker sales and the deterioration in supply lines by lowering their purchases of raw materials and other components. This marked the second decrease in as many months, although the pace of decline softened. Stocks of inputs dropped for the first time in five months.

In contrast, Mozambican firms continued to hire staff in order to build capacity. Job numbers rose for the eleventh month in a row, although the uptick was relatively subdued. Hiring activity contributed to an increase in wage costs across the private

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sa, >50 = improvement since previous month



Sources: Standard Bank, S&P Global PMI.
Data were collected 9-27 April 2026.

Comment

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

"The Standard Bank Mozambique PMI slipped to 49.8 (seasonally adjusted) in April, from 50.2 in March, as most of the PMI sub-indices, including output, new orders and stock purchases, dropped below 50, reflecting supply shortages and subdued demand. PMI outcomes below the 50pt benchmark signify economic activity contracting month-on-month."

"We had forecast a contraction in GDP for Q2:26, factoring in aluminium smelter Mozal, accounting for 15% of goods and services exports in 2025, 2% of foreign exchange (FX) supply, and over 3% of GDP, being put under care and maintenance for an indefinite period since mid-March after failing to renew an electricity supply agreement."

"Nevertheless, the PMI employment sub-index has been above 50 since June 2025. This may mean that, from a jobs perspective, this economy is still recovering after the 2024 post-election fallout, recently further assisted by liquified natural gas (LNG) investment resuming."

"Despite the headwinds from the Middle East and disrupted onshore fuel supply, the April PMI signals improved business sentiment. The PMI future business expectations sub-index has increased for two months running, reflecting respondents' expectations that output, sales and profits should increase in the next 12 months, most likely supported by LNG projects advancing."

"With the Middle East conflict causing a typical negative supply shock, there now is a higher risk of Mozambique's GDP growth undershooting our 2026 forecast of 1.1% y/y. Further, inflation too may breach our year-end forecast of 6.4% y/y."



sector.

Total expenses were nevertheless constrained in April, reportedly due to a reduction in purchases, with input costs falling for the first time since May 2025. That said, the pace of decrease was fractional, as some companies noted higher prices for items such as fuel.

Mozambican firms raised their output prices for the ninth successive month in April. The rate of inflation picked up since March but was relatively subdued. Higher purchase prices, supply-side disruptions and efforts to improve profitability supported increased charges, according to survey members.

Output expectations improved for the second month running, moving further above the over nine-year low observed in February. Companies predicting output to increase over the next 12 months cited higher investment spending, job creation, sales pipelines and hopes for stronger profits.

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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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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.

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