

Standard Bank Mozambique PMI[®]

Sustained upturn leads to increased hiring at Mozambican firms

Key findings

Employment numbers rise at fastest pace since April 2023

Solid uplifts in output and new business

Input stocks expand for first time in eight months

The Mozambique PMI[®] signalled the best improvement in private sector conditions for ten months in December, driven by the strongest increase in workforce numbers in over two-and-a-half years. Rising levels of new business and output supported firms in their decisions to hire, purchase more inputs and, for the first time since last April, increase their stocks. However, the rate of input cost inflation remained at one of its highest levels in 2025.

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 PMI ticked up slightly from 50.8 in November to 50.9 in December, indicative of an improvement in the health of the sector for the third month in succession. Although the overall upturn was marginal, it was also the greatest recorded since last February, as stronger workforce growth, renewed stockpiling and a softer easing of supply chain pressures counteracted a slower uplift in sales.

Notably, the rate of increase in employment across the private sector economy was the fastest recorded since April 2023. Efforts to boost workforces were observed across all major sectors, with firms often highlighting increased staff requirements due to an improvement in customer demand.

New order volumes rose for the third successive month in December, and the upturn was stronger than the series trend, despite losing pace from November's 17-month high. Companies signalled that the receipt of new work enabled an increase in output, which has now risen in each of the past six months. The overall uplift in business activity was moderate, with the most pronounced rises seen among service providers and wholesale & retail companies.

Improving economic conditions allowed Mozambican firms to be more liberal with their inventory strategies in December, securing higher stocks for the first time in eight months. This coincided with a solid increase in purchasing activity that was the most marked since last April. Businesses often looked to

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sa, >50 = improvement since previous month



Sources: Standard Bank, S&P Global PMI.
Data were collected 4-18 December 2025.

Comment

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

"The Standard Bank Mozambique PMI rose to 50.9 (seasonally adjusted) in December, from 50.8 in November, closing the fourth quarter of 2025 in positive territory.

"In December, most PMI sub-indices came at the level of 50 or above, denoting that the private sector economic activity continues to recover. PMI outcomes above the 50pt benchmark mean month-on-month growth in economic activity.

"Even though input costs rose at one of its highest levels in 2025, we see limited passthrough from cost increases to higher sales prices. Therefore, even considering festive season price pressures, we estimate inflation to have eased further in December, to 4.1% y/y, supported by favourable base effects, from 4.4% y/y in November.

"We retain our 2026 year end inflation forecast at 5.6% y/y, supported by prospects of the USD/MZN pair remaining stable.

"Looking ahead, the PMI suggests some recovery in the business outlook, with the PMI future business expectations sub-index up for the month, after declining in the previous two months. Most likely respondents' factor in prospects of liquified natural gas (LNG) projects progress supporting growth.

"For 2026, we forecast GDP growth at 1.1% y/y, denoting a slow recovery from our estimates of a 0.7% growth in 2025. Mozal likely shutting down at the end of the first quarter of 2026 adds pressure to an economy that remains affected by fiscal and foreign exchange (FX) liquidity pressure."



purchase inputs in order to facilitate higher sales. Once again, suppliers reacted positively to business purchases, as they reduced lead times sharply and often delivered items ahead of schedule, according to survey comments.

Meanwhile, Mozambican companies saw another increase in their input costs during December. Stronger demand and reports of material price increases meant that total purchasing costs rose to the greatest extent in 16 months, while wage expenses grew at the fastest rate in two-and-a-half years. Although some firms lifted their selling charges as a response to these input cost pressures, the overall increase in charges was only mild.

When looking towards 2026, Mozambican businesses showed robust optimism. The 12-month outlook was the strongest since last September and better than the average seen in 2025. Firms reported that forecasts of increased sales, capacity gains from staff additions, new products and efficiency improvements would all help to improve output over the next 12 months.

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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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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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