News Release

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Standard Bank

Standard Bank Mozambique PMI®

Sales growth returns in October, driving output and employment gains

Key findings

Business activity rises for fourth month running

New orders increase after slight fall in September

Firms expand their staffing and purchases

Private sector conditions in Mozambique improved for the first time in three months in October, supported by a renewed increase in new business and greater uplifts in both activity and employment. Purchases of inputs also rose, but inventories slipped further.

Input price pressures accelerated in October, with businesses reporting the sharpest increase in costs since April. However, this appeared to have little effect on selling prices, which increased at a slower pace than in September. Meanwhile, confidence in future activity decreased slightly, reaching its lowest level since February.

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 index rose to 50.4 in October, up from 49.4 in September. Moving above the 50.0 neutral mark, the index signalled the first improvement in the health of the Mozambican private sector since July, although the rate of improvement was only marginal.

Central to the upturn was a fresh rise in new business intakes, which was also the joint-strongest in just over a year, matching July's rate. Survey respondents frequently attributed this growth to winning new clients amid a broad strengthening of market demand.

As order books improved, Mozambican firms expanded their output for the fourth consecutive month. The pace of activity growth accelerated from September, reaching its fastest since July.

Increases in output and sales were mainly driven by the construction and services sectors in October. Notable gains in these segments of the private sector somewhat masked more subdued performances observed in manufacturing, wholesale & retail and agriculture.

The improvement in business conditions prompted a more growth-focused approach to hiring and procurement.

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sa, >50 = improvement since previous month

Sources: Standard Bank, S&P Global PMI.
Data were collected 9-28 October 2025.

Comment

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

"The Standard Bank Mozambique PMI rose to 50.4 (seasonally adjusted) in October, from 49.4 in September.

"Most PMI sub-indices were at 50 or above, denoting month-on-month (m/m) expansions in economic activity in October and implying that the private sector recovery continues.

"However, inventories declined in October for six months running, implying that private sector companies are still struggling to replenish stocks. Further, the foreign exchange (FX) market still has hefty FX supply-demand imbalances, affecting private sector companies' ability to replenish stocks, considering Mozambique's high reliance on imports.

"Nevertheless, USD/MZN stability is still supporting a benign inflationary environment despite the increased risks. Even though the PMI recorded an increase in input price pressures in October, there was limited passthrough to selling prices (which grew at a softer pace than in September).

"PMI outcomes above the 50pt benchmark imply month-on-month economic growth. Mozambique's economy had negative GDP growth during Q4:24, Q1:25 and Q2:25. We see GDP growth turning positive only from Q4:25, supported by robust base effects.

"Despite increased risks to macroeconomic stability emanating from entrenched fiscal and FX liquidity pressure, the October PMI shows business sentiment as still positive. The PMI future business expectations sub-index remains above 50, mostly likely supported by progress in liquified natural gas (LNG) projects."

Employment levels rose for the fifth consecutive month and at the joint-fastest rate since July 2024 (alongside August). Purchasing activity accelerated as firms highlighted increased input requirements and purchases related to new product launches. Inventories were reduced still, but at the slowest pace observed in six months.

Backlogs of work notably rose for the first time since June, although capacity pressures remained relatively mild. This came amid another strong improvement in supply chain performance in October, with lead times shortening at the second-fastest rate in a year-and-a-half.

Regarding prices, October data showed a faster rate of input cost inflation in the Mozambican private sector economy. The pace of increase accelerated for the second straight month, but it remained modest overall. October saw an increase in purchase prices amid strengthening material demand, alongside an uptick in staff wages. Despite this, output prices rose at a slower rate than in September.

Looking ahead, business confidence towards future activity declined in October to its lowest level in eight months. Nevertheless, overall sentiment remained strongly positive, with survey respondents citing plans for business development and hopes of gaining new customers and contracts in the coming 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.

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

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.
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