Namibia CPI
March 2025

Overview

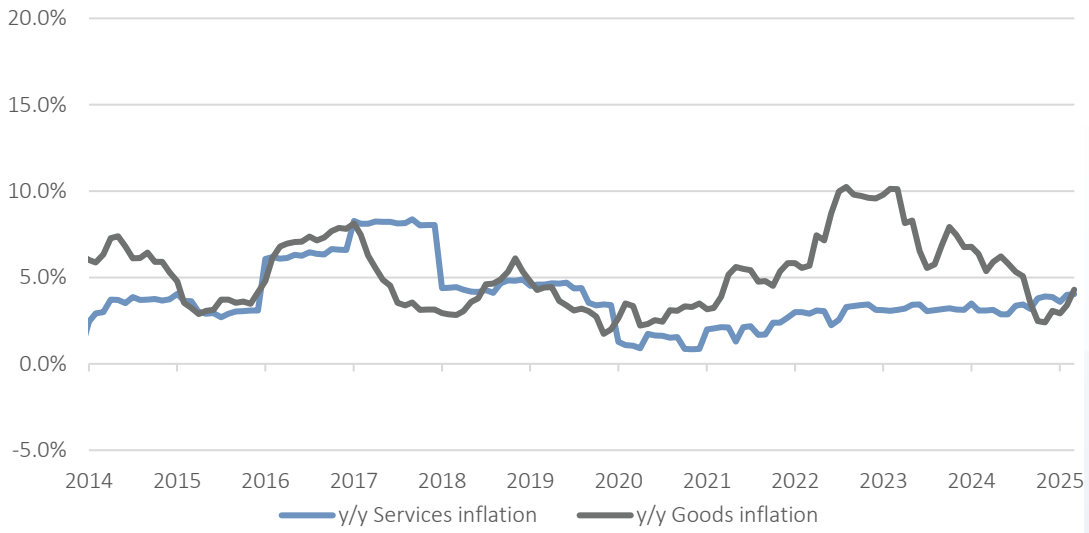
Category	Weight	Mar-25 m/m %	Feb-25 y/y %	Mar-25 y/y %	Direction
Food	16.4%	0.3%	5.9%	6.2%	↗
Alcohol & Tobacco	12.6%	1.6%	3.7%	5.5%	↗
Clothing	3.0%	0.3%	2.4%	2.3%	↘
Housing & Utilities	28.4%	0.2%	3.6%	3.8%	↗
Furniture	5.5%	-0.1%	2.1%	2.1%	→
Health	2.0%	0.2%	3.5%	3.5%	→
Transport	14.3%	1.2%	1.3%	2.6%	↗
Communications	3.8%	-0.1%	-0.1%	-0.1%	→
Recreation	3.6%	0.1%	4.2%	4.3%	↗
Education	3.6%	0.0%	4.3%	4.3%	→
Hotels	1.4%	0.8%	7.6%	6.8%	↘
Miscellaneous	5.4%	0.3%	3.3%	3.8%	↗
All Items	**100%**	**0.5%**	**3.6%**	4.2%	↗

Source: Namibia Statistics Agency, IJG Securities

The consumer price index (CPI) accelerated to 4.2% y/y in March, up from 3.6% y/y in February. While hotel and clothing prices softened, the increase was largely driven by higher costs in food and non-alcoholic beverages, alcohol and tobacco, transport and miscellaneous goods and services. Housing and utilities, along with recreation, also edged slightly higher. Conversely, categories such as furniture, health costs, communications and education remained stable.

On a monthly basis, services prices rose by 0.1% m/m, bringing annual inflation to 4.0% y/y, its highest level to date. Meanwhile, goods prices increased by 0.8% m/m and 4.3% y/y, marking their highest annual rate since August 2024.

Goods vs Services Inflation
(y/y %)

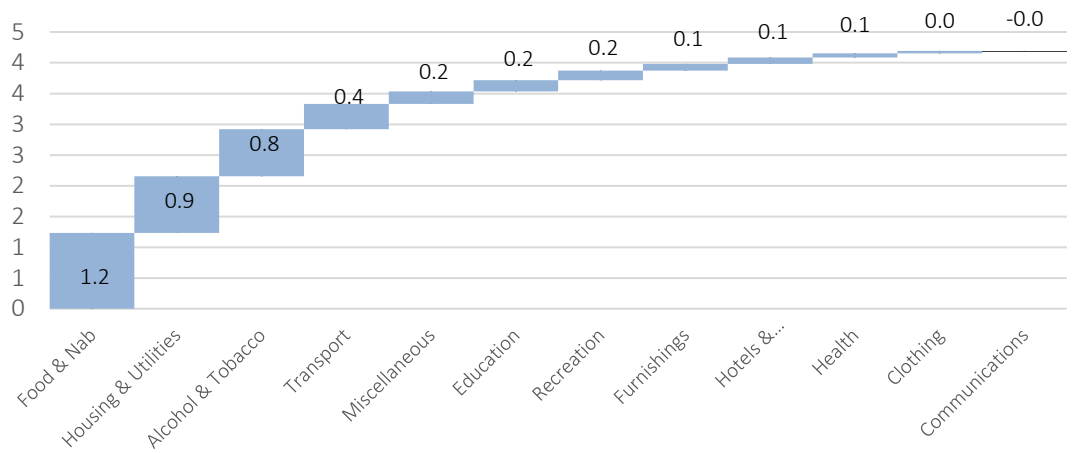


Source: Namibia Statistics Agency, IJG Securities

Inflation Contributors

Food and non-alcoholic beverages saw the greatest contribution to the rise in CPI, contributing a total of 1.2 percentage points to the overall 4.2% y/y inflation. **Housing and utilities**, with a substantial basket weight of 28.4%, accounted for the second-largest contribution to total inflation, adding 0.9 percentage points. The **alcohol and tobacco category**, with a basket weight of 12.6%, remained the third-largest contributor to the overall CPI and contributed 0.8 percentage points. The **transport category** maintained its upward inflationary trend, rising by 1.2% m/m and 2.6% y/y. In addition, the transport category contributed 0.4 percentage points to the overall annual inflation rate.

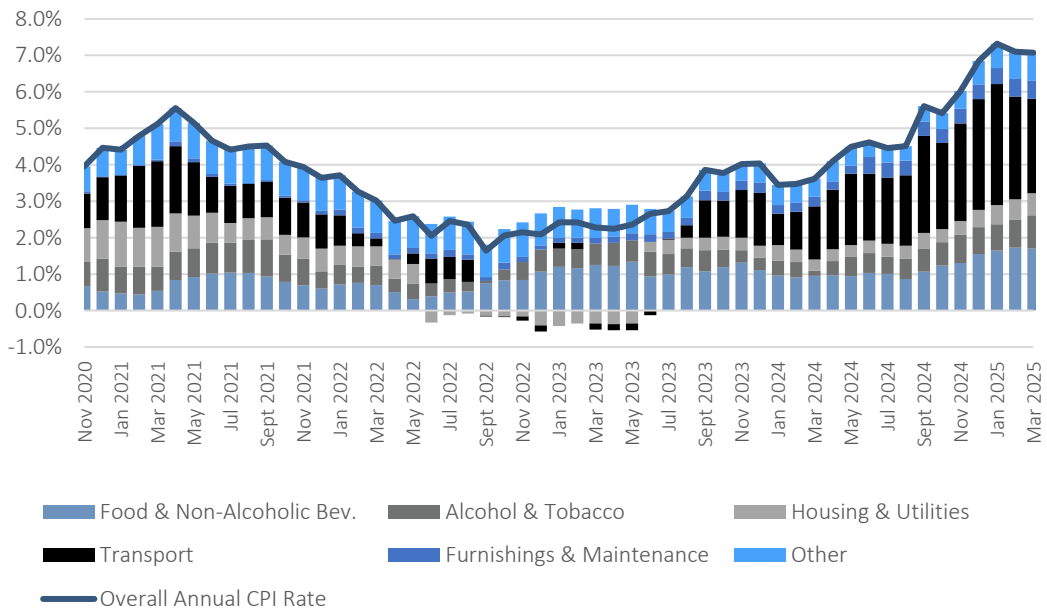
Contribution to the Annual Inflation Rate
(percentage points)



Source: Namibia Statistics Agency, IJG Securities

The **miscellaneous**, **education** and **recreation** categories each added 0.2 percentage points to the overall inflation of 4.2% y/y. Both the miscellaneous and recreation categories documented a monthly increase in inflation, rising 0.3% m/m and 0.1% m/m, respectively. Miscellaneous goods and services documented a 3.8% y/y increase in inflation, largely due to higher prices in the personal care and effects subcategories, while miscellaneous insurances remained benign in March. The recreation and culture category saw higher prices in package holidays, as well as the newspapers, books and stationery subcategory.

Historic NCPI Contribution Breakdown

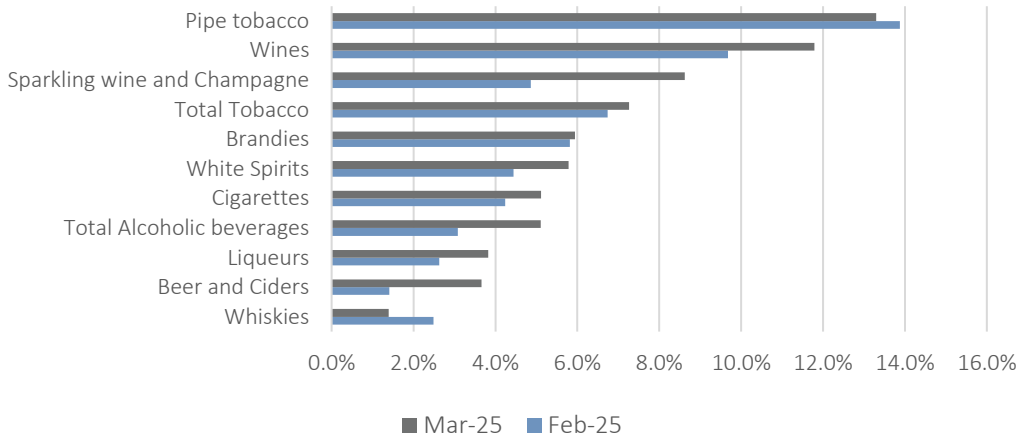


Source: Namibia Statistics Agency, IJG Securities

Alcohol & Tobacco

The **alcohol and tobacco** category saw a 1.6% m/m and 5.5% y/y increase in annual inflation, bringing its twelve-month average to 5.0% y/y, the highest since May 2024. Inflationary pressures were observed in seven out of the nine subgroups in this category, with notable increases in sparkling wine and champagne, which ticked up by 8.6% y/y. The sparkling wine and champagne subgroup reached its highest annual inflation rate since February 2024. Pipe tobacco, however, reversed its prior inflationary uptrend, decreasing from 13.9% y/y in February to 13.3% y/y in March. Overall, alcohol prices rose 5.1% y/y, while tobacco prices increased by 7.3% y/y in March.

Alcohol & Tobacco Inflation (y/y)



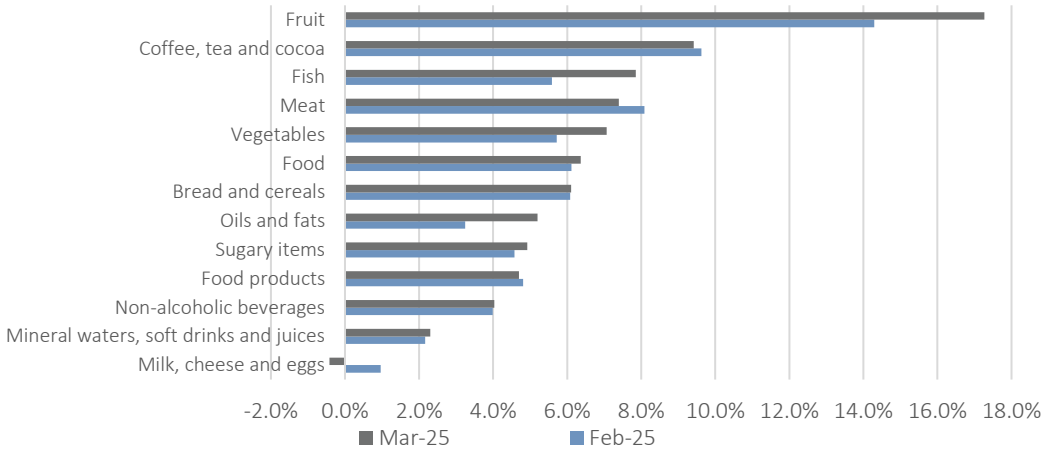
Source: Namibia Statistics Agency, IJG Securities

Food & Non-Alcoholic Beverages

Food and non-alcoholic beverages prices rose by 0.3% m/m and 6.2% y/y, bringing the twelve-month average to 5.2% y/y. There was little variation between processed and unprocessed foods inflation, with prices for unprocessed foods such as meat (7.4% y/y) and milk, cheese and eggs (-0.4%), as well as processed foods such as food products (4.7% y/y) and coffee, tea and cocoa (9.4% y/y) showing marginal deflation. Inflationary pressures were observed in eight of the thirteen subcategories. The fruit subgroup saw the largest annual increase, rising 17.3% y/y, followed by the fish subgroup, which saw the second-highest increase at 2.3% m/m and 7.9% y/y. The vegetables subgroup also contributed to the accelerated annual inflation in this category, rising by 7.1% y/y.

The graph below depicts the year-on-year changes in sub-categories for February and March.

Food and Non-Alcoholic Beverages Inflation (y/y %)



Source: Namibia Statistics Agency, IJG Securities

Housing, Water & Electricity

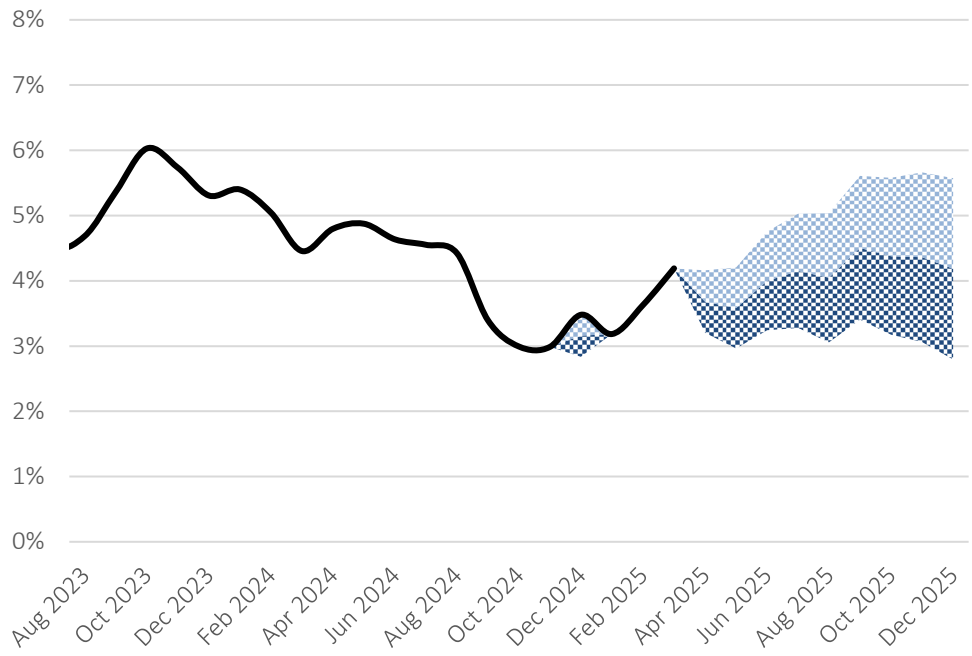
The housing, water, electricity, gas and other fuels category increased by 0.2% m/m and 3.8% y/y, slightly below its twelve-month average of 3.9% y/y but higher than February's annual rate. Inflation in the rental payments for dwellings and municipal services (covering water supply, sewage services and refuse collection) subcategories remained steady at 4.2% y/y. The regular maintenance and repair of dwellings subcategory documented a modest uptick, rising 3.9% y/y from 3.8% y/y in February. Meanwhile, the electricity gas and other fuels subcategory accelerated to 1.8% y/y, up from 1.0% y/y the previous month.

Conclusion & Forecast

Namibia's annual inflation rose to 4.2% y/y in March, marking a considerable advance from the 3.6% y/y recorded in February. This acceleration was primarily due to higher prices in core categories such as food and non-alcoholic beverages, housing and utilities, and alcohol and tobacco. In addition, the transport category documented a notable increase annual inflation which further contributed to the surge in NCPI. The prices for both goods and services inched up higher. Given the current turbulent economic environment, upward inflationary pressures remain a concern.

Based on IJG's inflation model, Namibia's average annual inflation rate for 2025 is projected to fluctuate within a range of 3.3% to 4.7%, with a baseline forecast of 4.0%.

Annual Inflation Forecast (% y/y)



Source: Namibia Statistics Agency, IJG Securities



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