Namibia Inflation Update

August 2026

Key Focus Points

- **Headline annual inflation accelerated to 5.0% in August 2026, from 4.4% in July and 3.2% a year earlier.**
- Transport was by far the largest driver, contributing 2.0 percentage points of the total change as fuel prices increased by NAD2/L during the month.
- Core inflation rose to 3.8%, below the headline rate, with administered prices and public transportation services as the main factors.
- Khomas (Zone 2) recorded the highest regional inflation rate at 5.9%, while the northern regions (Zone 1) recorded the lowest, at 4.0%.

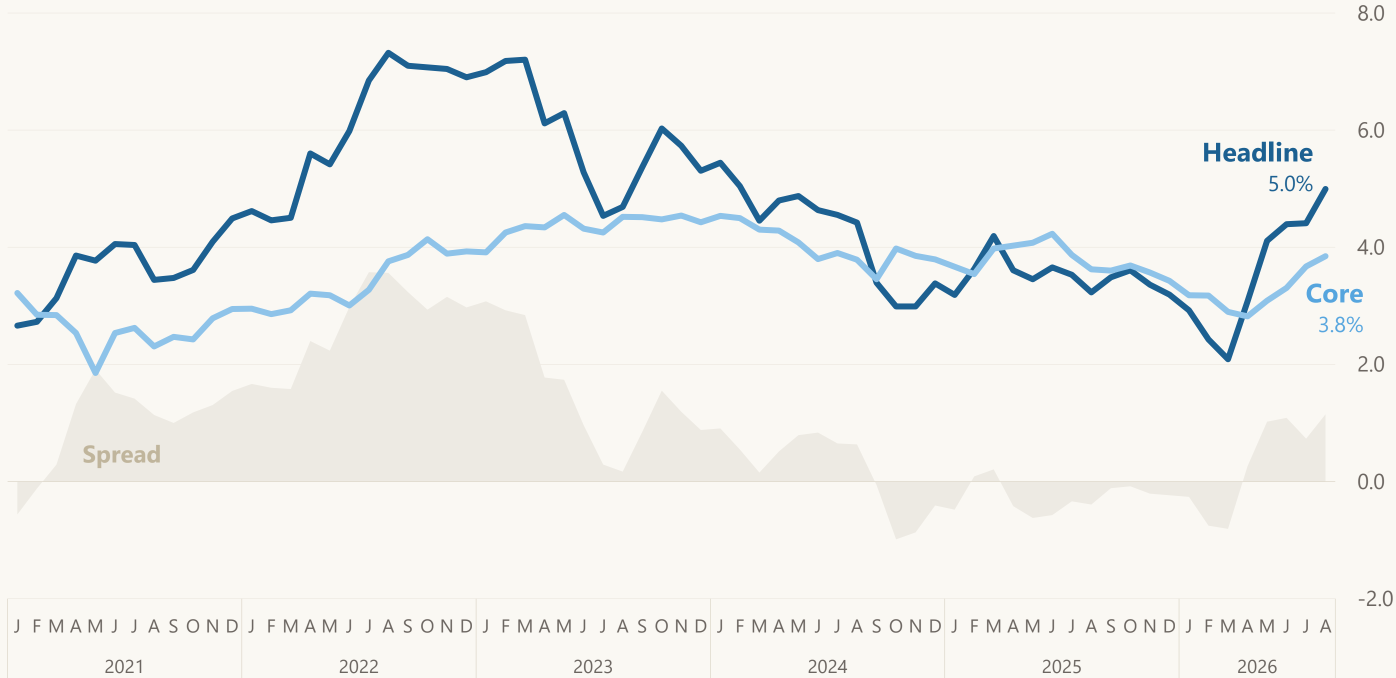
Overview

Namibia's headline annual inflation rate stood at 5.0% in August 2026, up from 4.4% in July and above the 3.2% recorded a year earlier. On a monthly basis, prices rose 0.6%, compared to a modest 0.1% increase in July. Core inflation, which strips out food and fuel, came in at 3.8%, below the headline figure, suggesting the acceleration is concentrated in a set of volatile categories rather than broad-based across the basket.

The reacceleration was driven overwhelmingly by transport, where fuel prices rebounded sharply after government reinstated part of the fuel levy that had been cut earlier in the year, compounded by persistent disruption to crude oil flows in the Middle East. Housing & Utilities and Food & Non-Alcoholic Beverages were the next largest contributors, though both moderated versus a year ago. Regionally, Khomas (Zone 2) again outpaced the rest of the country, reflecting heavier exposure to transport and administered municipal tariffs.

Inflation spikes to 5.0% in August; highest since Feb 2024

Annual inflation, %



Source: Namibia Statistics Agency; IJG Securities

Housing & Utilities

This division is the largest in the basket at 28.4% of expenditure. It recorded annual inflation of 4.3% in August, up from 3.4% a year ago. The increase was led by electricity, gas and other fuels, which rose to 4.1% from 1.6%; regular maintenance and repair of dwellings, from 2.0% to 4.0%; and rental payments, 3.7% to 4.3%. On a monthly basis, the division recorded deflation of 0.4%, reversing July's 0.8% increase.

Housing & utilities, annual and monthly inflation (%)

Basket/Item	Annual			Monthly		
	Aug '25	Jul '25	Aug '26	Aug '25	Jul '25	Aug '26
Housing & Utilities	**3.4**	**4.8**	**4.3**	**0.1**	**0.8**	**-0.4**
Rent	3.7	4.5	4.3	0.2	0.3	0.0
Maintenance & repairs	2.0	4.3	4.0	0.3	0.7	0.1
Water, sewerage & refuse	4.0	3.3	4.1	0.0	2.3	0.8
Electricity, gas & other fuels	1.6	6.9	4.1	0.1	2.7	-2.6

Source: Namibia Statistics Agency; IJG Securities

Food & Non-Alcoholic Beverages

Food & Non-Alcoholic Beverages recorded annual inflation of 4.0% in August, down from 5.2% a year earlier. Food inflation remains below headline inflation, and still moderate by historical standards, but is worth watching and expected to increase over the coming years due to second-round effects from oil disruptions and El Nino risks. The most notable change was in meat, which rose 3.8%; fish, up 3.7%; and coffee, tea & cocoa, which eased to 3.5%.

Transport

Transport swung from 1.0% deflation in August 2025 to inflation of 13.2% in August 2026, the largest driver of this month. The 'operation of personal transport equipment' basket jumped from a deflation of 2.8% to inflation of 17.1%. Petrol and diesel prices moved from -7.2% to 25.1%, following the partial reversal of the fuel levy cut and NAD2/L fuel increase. Public transportation services accelerated from 1.0% to 14.9%, led by rail (15.6%), taxi (15.4%) and air transport (17.0%), while purchase of vehicles remained subdued at 1.9%.

Alcoholic Beverages & Tobacco

This division recorded annual inflation of 2.6% in August, down from 5.5% a year ago. Alcoholic beverages slowed across the board, with beer, brandy, liqueurs and white spirits all posted softer increases than a year earlier, while tobacco eased to 5.0% from 6.6%.

Goods, Services & Core Inflation

Goods inflation rose to 5.2% in August, from 3.0% a year earlier, while services inflation increased to 4.7% from 3.4%. Both measures now sit close to the headline rate, indicating the current bout of inflation is not confined to either tradeable goods (fuel, food) or services (transport fares, rents) alone.

Core inflation, which excludes food & non-alcoholic beverages and most energy items, stood at 3.8% in August, below the 5.0% headline rate. The gap between the two measures, currently 1.2 percentage points, is a useful gauge of how much of the current inflation impulse is coming from volatile, mainly fuel- and food-related items versus the more persistent underlying trend.

Our Take

Again, the change in inflation to 5.0% is largely due to the fuel price increase rather than a broad-based inflation problem, as transport alone accounted for 2.0 of the 5.0 percentage points with the geopolitical tension underlying this well known. That said, second-round effects are becoming apparent in food and other consumer goods. The 4.0% annual increase in food prices is likely to increase as food distribution costs increase. Core inflation at 3.8% suggests the underlying trend remains more comfortably contained for now.

We expect headline inflation to remain in the 4.5 to 5.5% range over the coming months with changes in fuel prices staying the main swing factor. Housing & Utilities inflation is likely to firm gradually as municipal tariff hikes filter through the base, providing some delayed inflation pressure, while food and consumer goods should increase more rapidly.

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