

Namibia CPI

December 2024



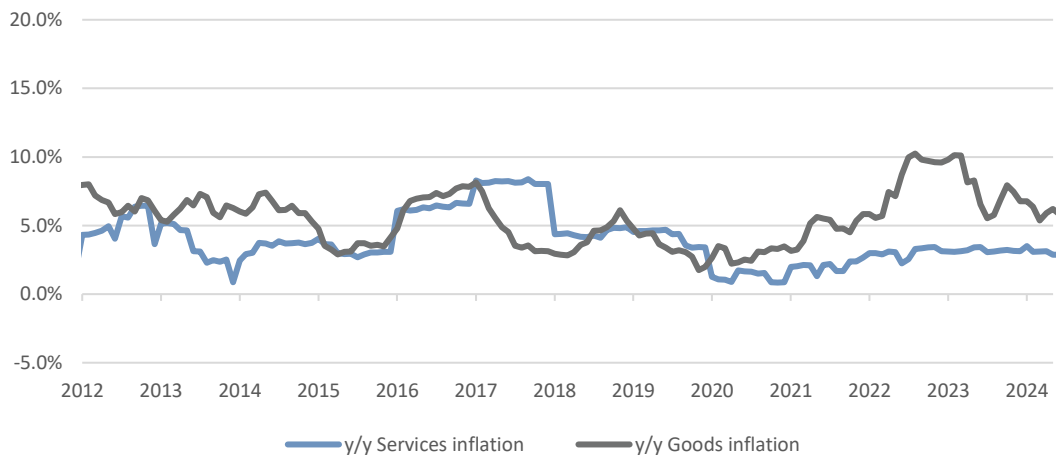
Overview

Category	Weight	Dec-24 m/m %	Nov-24 y/y %	Dec-24 y/y %	Direction
Food	16.4%	1.0%	5.4%	5.9%	↗
Alcohol & Tobacco	12.6%	0.1%	4.8%	4.6%	↘
Clothing	3.0%	0.2%	2.7%	2.5%	↘
Housing & Utilities	28.4%	0.0%	4.4%	4.4%	→
Furniture	5.5%	0.0%	2.5%	2.2%	↘
Health	2.0%	0.3%	4.4%	4.2%	↘
Transport	14.3%	0.1%	-3.5%	-1.4%	↗
Communications	3.8%	-0.1%	-1.1%	-1.2%	↘
Recreation	3.6%	-0.4%	5.5%	4.8%	↘
Education	3.6%	0.0%	1.7%	1.7%	→
Hotels	1.4%	0.7%	5.6%	6.7%	↗
Miscellaneous	5.4%	0.1%	3.1%	3.0%	↘
All Items	100%	0.2%	3.0%	3.4%	↗

Source: Namibia Statistics Agency, IIG Securities

Namibia's annual inflation rate rose by 3.4% y/y in December 2024, down from 5.3% y/y recorded in December 2023. The Namibia Consumer Price Index (NCPI) increased by 0.2% m/m, slightly lower than the 0.3% rise observed in November. On an annual basis, inflation slowed across seven of the twelve basket categories in December compared to November, while three categories saw an acceleration. Prices of goods increased by 3.1% y/y, while service prices rose by 3.9% y/y.

Goods vs Services Inflation (y/y %)



Source: Namibia Statistics Agency, IIG Securities

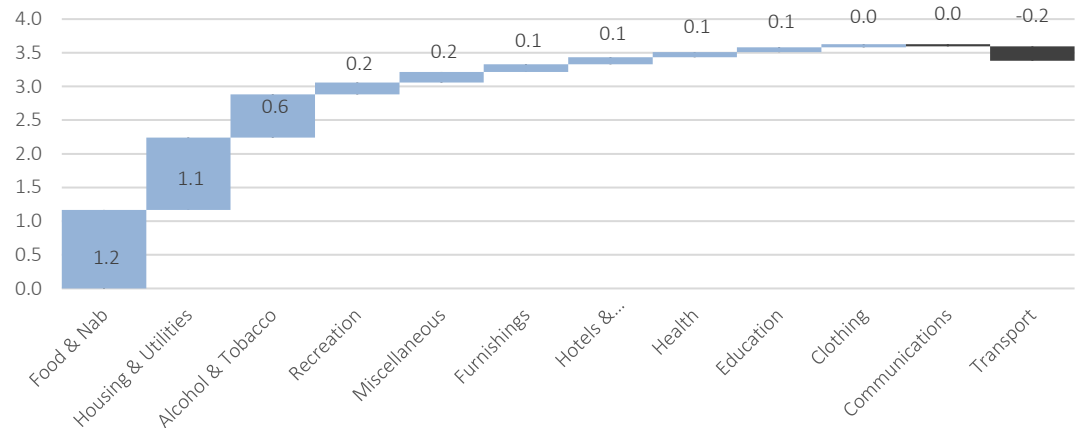


Inflation Contributors

Housing and utilities, the largest component of the inflation basket by weight, contributed 1.07 percentage points to the overall annual inflation rate. **Food and non-alcoholic beverages** added 1.17 percentage points, while **alcohol and tobacco** accounted for 0.64 percentage point.

In December, fuel prices were on average 8.0% lower y/y compared to December 2023, leading to a deflationary impact of -0.22 percentage point in the **transport** category. This disinflationary trend is expected to persist in January, as fuel prices are currently averaging 4.4% lower than the same period last year.

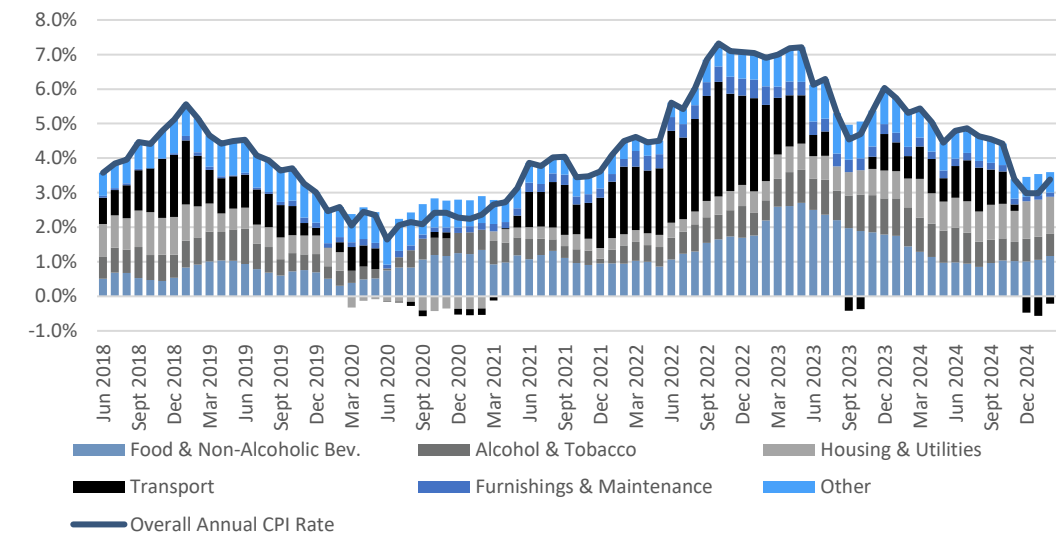
Contribution to the Annual Inflation Rate (percentage points)



Source: Namibia Statistics Agency, IJG Securities

In December, the **recreation** and **miscellaneous** categories contributed 0.18 and 0.16 percentage points, respectively.

Historic NCPI Contribution Breakdown



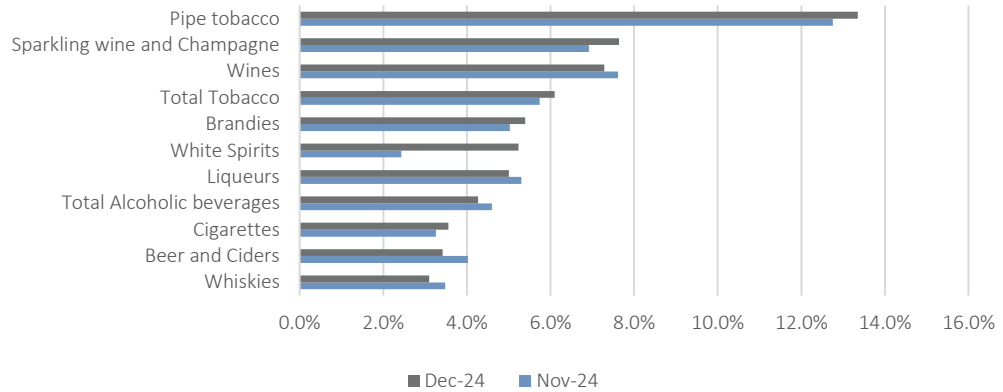
Source: Namibia Statistics Agency, IJG Securities



Alcohol & Tobacco

In December, the **alcohol and tobacco** category recorded an inflation rate of 0.1% m/m and 4.6% y/y, down from 4.8% y/y in November 2024. Tobacco prices increased by 6.1% y/y, while alcoholic beverage prices rose by 4.3% y/y.

Alcohol & Tobacco Inflation (y/y)



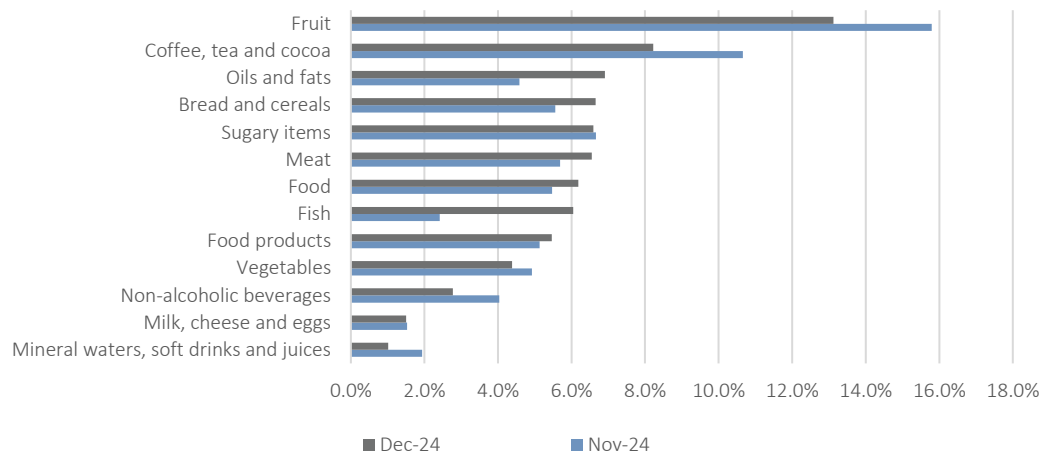
Source: Namibia Statistics Agency, IIG Securities

Food & Non-Alcoholic Beverages

Prices in this category rose by 5.9% y/y in December, up from 5.3% y/y in November. The annual increase was primarily driven by higher prices for fish (6.6% y/y), oils and fats (6.9% y/y), and bread and cereals (6.7% y/y).

The graph below illustrates the annual increases across sub-categories for November and December.

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



Source: Namibia Statistics Agency, IIG Securities

Housing, Water & Electricity

The **housing and utilities** category recorded an annual inflation rate of 4.4% y/y, remaining flat on a monthly basis. Rental payments increased by 5.1% y/y, while the regular maintenance and repair of dwellings sub-category saw a 4.6% y/y rise. Water supply and sewage services posted a 4.4% y/y increase, and prices for electricity, gas, and other fuels rose by 1.4% y/y.



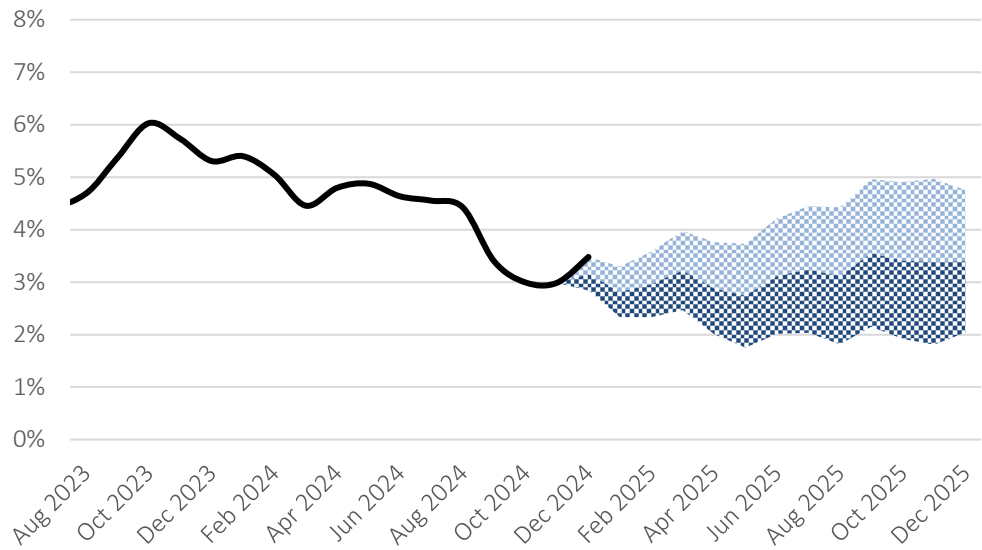
0,0005	4,85%
0,0003	13,04%
0,0001	50,00%
0,0003	14,29%
0,0005	12,50%

Conclusion & Forecast

Namibia's inflation eased on an annual basis in 2024 compared to the previous year, on the back of reduced transport costs and subdued rental inflation. Looking ahead to 2025, inflationary pressures may intensify as farmers begin restocking their herds in response to a favourable start to the rainy season. By retaining cattle, they may reduce supply in the short term, potentially driving up meat prices. While moderate fuel prices may continue to provide some relief, and result in subdued inflation due to base effects, rising food costs could offset these gains. Overall, inflation risks are tilted to the upside in 2025, particularly in the food category.

IJG's inflation model is currently forecasting the annual Namibian inflation rate to average between 2.5% and 4.5% in 2025, with our base case leaning towards the higher end of the range.

Annual Inflation Forecast (% y/y)



Source: Namibia Statistics Agency, IJG Securities

IJG Holdings

Mathews Hamutenya	Group Chairman		Tel: +264 (61) 256 699
Mark Späth	Group Managing Director	mark@ijg.net	Tel: +264 (81) 958 3510
Helena Amutenya	Group Financial Director	helena@ijg.net	Tel: +264 (81) 958 3528
Leonie De Klerk	Group Compliance Officer	leonie@ijg.net	Tel: +264 (81) 958 3533
Tashiya Josua	Financial Manager	tashiya@ijg.net	Tel: +264 (81) 958 3511
Benita Windisch	Financial Manager	benita@ijg.net	Tel: +264 (81) 958 3539
Lynnet Sasele	Financial Accountant	lynnet@ijg.net	Tel: +264 (81) 958 3536
Counney Kemp	Group PA	madeline@ijg.net	Tel: +264 (81) 958 3500

IJG Securities

Leon Maloney	Equity & Fixed Income Dealing	leon@ijg.net	Tel: +264 (81) 958 3512
Maria Amutenya	Settlements & Administration	maria@ijg.net	Tel: +264 (81) 958 3515
Zane Feris	Sales and Research	zane@ijg.net	Tel: +264 (81) 958 3543
Robin Sherbourne	Economist	robin@ijg.net	Tel: +264 (81) 958 3500

IJG Wealth Management

Andri Ntema	Managing Director	andri@ijg.net	Tel: +264 (81) 958 3518
Wim Boshoff	Head Wealth Manager	wim@ijg.net	Tel: +264 (81) 958 3537
Aretha Thiert	Wealth Manager	aretha@ijg.net	Tel: +264 (81) 958 3540
Katja Greeff	Wealth Manager	katja@ijg.net	Tel: +264 (81) 958 3538
Wetu Ishitile	Junior Wealth Manager	wetu@ijg.net	Tel: +264 (81) 958 3500
Maunda Rautenbach	Head of Operations	maunda@ijg.net	Tel: +264 (81) 958 3529
Lorein Kazombaruru	Wealth Administration	lorein@ijg.net	Tel: +264 (81) 958 3521
Francoise van Wyk	Wealth Administration	francoise@ijg.net	Tel: +264 (81) 958 3513
Calvin Mwinga	Wealth Administration	calvin@ijg.net	Tel: +264 (81) 958 3514

IJG Capital

Jakob de Klerk	Managing Director	jakob@ijg.net	Tel: +264 (81) 958 3517
Mirko Maier	Senior Manager: Investments	mirko@ijg.net	Tel: +264 (81) 958 3531
Fares Amunkete	Senior Manager: Investments	fares@ijg.net	Tel: +264 (81) 958 3527
Peterson Mbise	Manager: Investments	peterson@ijg.net	Tel: +264 (81) 958 3532
Veripi Ngapurue	Senior Associate	veripi@ijg.net	Tel: +264 (81) 958 3500
Jacinda Lima	Associate	jacinda@ijg.net	Tel: +264 (81) 958 3500

IJG Investment Managers & IJG Unit Trusts

Chidera Onwudinjo	Portfolio Manager	chidera@ijg.net	Tel: +264 (81) 958 3523
Danie van Wyk	Portfolio Manager	danie@ijg.net	Tel: +264 (81) 958 3534

IJG Advisory

Herbert Maier	Managing Director	herbert@ijg.net	Tel: +264 (81) 958 3522
Jolyon Irwin	Director	jolyon@ijg.net	Tel: +264 (81) 958 3500
Hugo van den Heever	Corporate Advisor	hugo@ijg.net	Tel: +264 (81) 958 3542
Lucas Martin	Corporate Advisory Associate	lucas@ijg.net	Tel: +264 (81) 958 3541

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