

0.0005	4.85%
0.0003	13.04%
0.0001	50.00%
0.0003	14.29%
0.0005	12.50%

Overview

Category	Weight	Jul-25 m/m %	Jun-25 y/y %	Jul-25 y/y %	Direction
Food	16.4%	0.0%	6.4%	6.1%	↘
Alcohol & Tobacco	12.6%	-0.2%	6.9%	6.0%	↘
Clothing	3.0%	0.1%	1.8%	2.0%	↗
Housing & Utilities	28.4%	0.4%	4.1%	3.6%	↘
Furniture	5.5%	-0.2%	2.9%	2.6%	↘
Health	2.0%	0.2%	3.1%	3.2%	↗
Transport	14.3%	0.0%	-2.2%	-1.2%	↗
Communications	3.8%	-0.1%	0.0%	0.0%	→
Recreation	3.6%	0.4%	2.5%	3.4%	↗
Education	3.6%	0.0%	4.3%	4.3%	→
Hotels	1.4%	0.0%	5.3%	5.1%	↘
Miscellaneous	5.4%	-0.3%	3.5%	3.2%	↘
All Items	100%	0.1%	3.7%	3.5%	↘

Source: Namibia Statistics Agency, IJG Securities

The Namibian annual inflation rate moderated from 3.7% y/y in June to 3.5% y/y in July. Four of the twelve CPI basket categories recorded a quicker annual increase in July than in June, six recorded a slower pace, and two categories recorded steady inflation.

Services prices increased by 0.3% m/m and 3.8% y/y in June, down from 4.1% y/y recorded in June, while the prices of goods moderated slightly by 0.1% m/m. Annual goods inflation rose by 3.3% y/y, down from 3.4% y/y in June. Services inflation has marked its second consecutive moderation since May, while annual goods inflation remains steady.

Goods vs Services Inflation (y/y %)



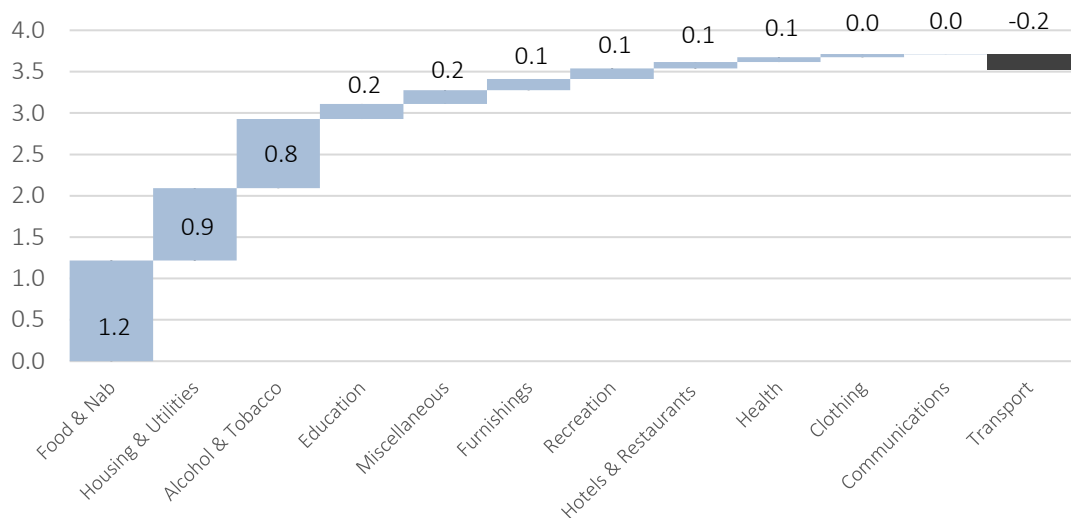
Source: Namibia Statistics Agency, IJG Securities

Inflation Contributors

As it has been the case since the beginning of this year, **food and non-alcoholic beverages** were the largest contributor to the annual inflation rate in July, accounting for 1.2 percentage points of the total 3.5% annual inflation rate. The **housing & utilities** category contributed 0.9 percentage point, while the **alcohol & tobacco** category was the third largest contributor, accounting for 0.8 percentage point to the annual inflation rate. Prices in the alcohol & tobacco category moderated to 6.0% y/y, down 0.9 percentage points compared to June.

Monthly **transport** inflation remained steady in July, but remained in negative territory on an annual basis, contracting by 1.2% y/y. Consequently, the transport category exerted downward pressure on overall inflation, reducing the annual rate by 0.2 percentage points.

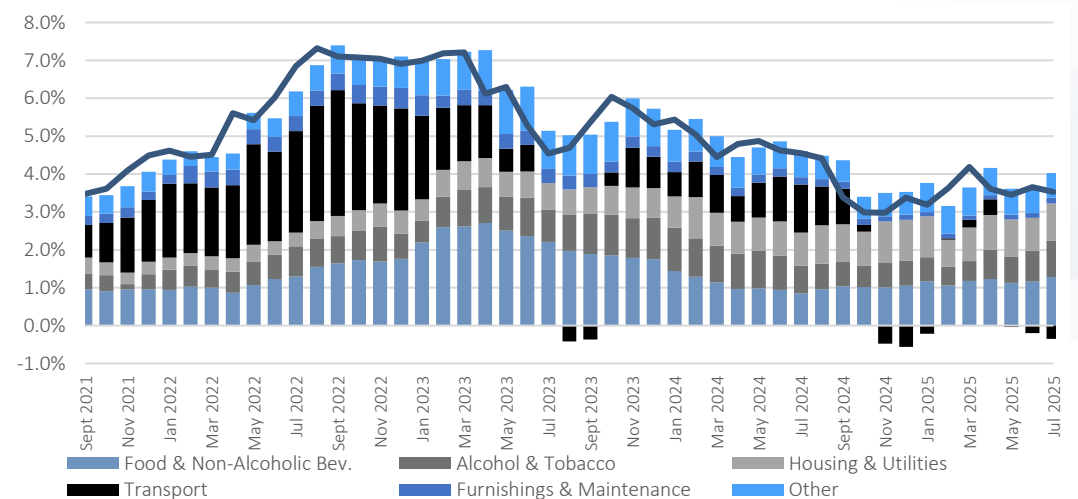
Contribution to the Annual Inflation Rate (percentage points)



Source: Namibia Statistics Agency, IJG Securities

The **miscellaneous, education** and **furnishing** categories each contributed 0.2 percentage points to the overall annual inflation rate. Inflation for miscellaneous goods and services moderated to 3.2% y/y from 3.5% y/y in June, driven by softer personal care and financial services prices in July. Miscellaneous goods and services prices are extending its deflation trend since March 2025. Furnishing inflation slowed to 2.6% y/y, down from 2.9% y/y in June, with prices within the furniture, furniture & fittings and kitchen appliances subcategories decelerating.

Historic NCPI Contribution Breakdown



Source: Namibia Statistics Agency, IJG Securities

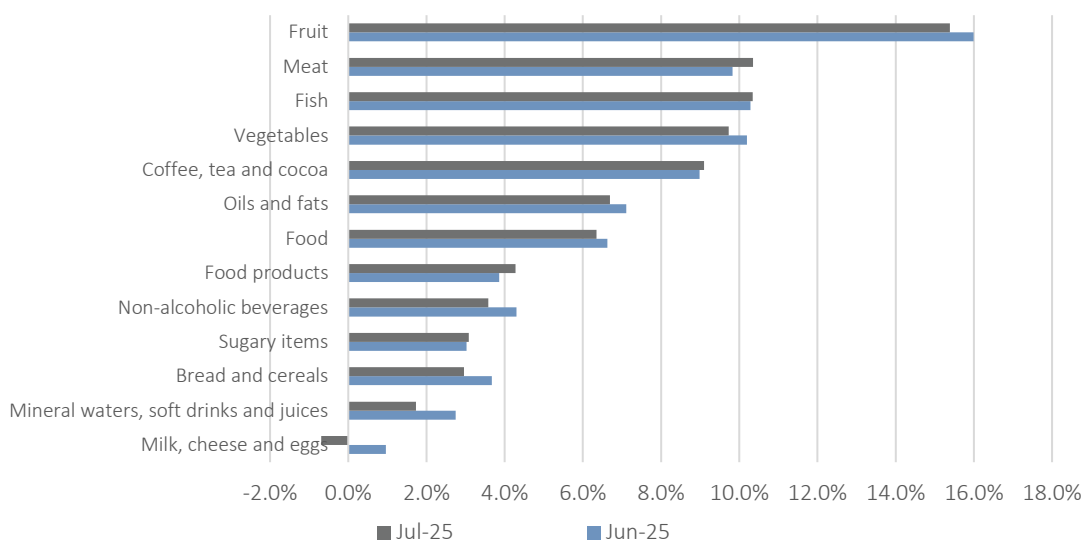
4.85%
13.04%
50.00%
14.29%
12.50%

Food & Non-Alcoholic Beverages

Prices in the food & non-alcoholic beverages category remained steady on a monthly basis but accelerated on an annual basis to 6.1% y/y in July. Prices in five of the thirteen sub-categories recorded increases on a year-on-year basis. The upward pressure within the food basket was largely driven by meat, fish, food products and coffee, tea and cocoa. The largest price increase was observed in the prices of meat which increased by 6.2% y/y, while prices of non-alcoholic beverages and the bread and cereals category rose at a slower pace to 3.6% y/y and 3.0% y/y, respectively.

The graph below depicts the year-on-year price changes in the sub-categories for June and July.

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



Source: Namibia Statistics Agency, IJG Securities

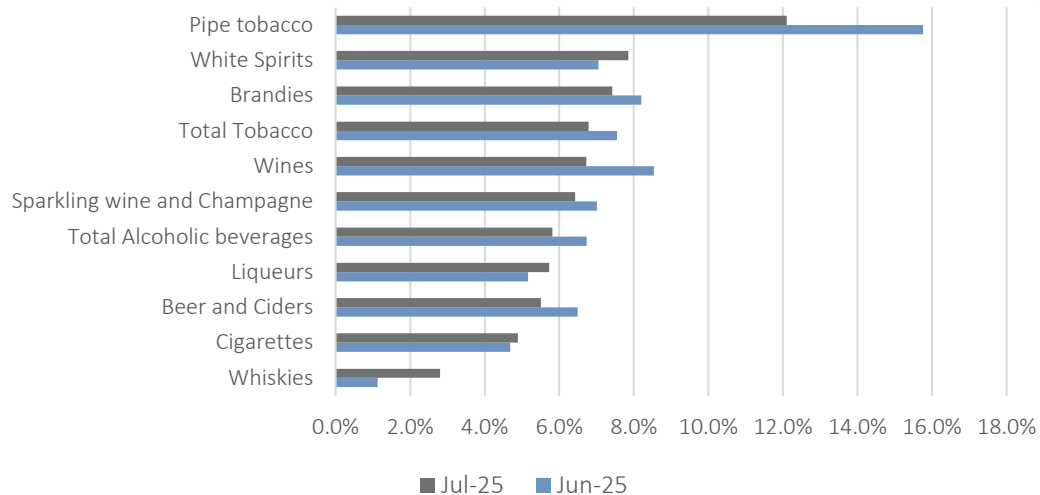
Housing, Water & Electricity

Housing & utilities inflation eased slightly to 3.6% y/y, down from 4.1% y/y in June, with prices increasing by 0.3% m/m. Inflation for the electricity, gas, and other fuels subcategory eased slightly to 1.4% y/y. Inflation for the rental payments for dwellings cooled to 4.0% y/y from 4.6% y/y in June. Inflation for the regular maintenance and repair of dwellings and municipal services (including water supply, sewage, and refuse collection) rose to 3.3% y/y and 4.6% y/y, respectively.

Alcohol & Tobacco

Inflation within the alcohol & tobacco category decelerated to 6.0% y/y, down from 6.9% y/y in June, driven by softer inflation in both the alcoholic beverages and tobacco subcategories. Prices for alcoholic beverages increased at a rate of 5.8% y/y, down from 6.7% y/y in June, while prices for tobacco products softened to 6.8% y/y, down from 7.6% y/y in June. Downward pressures were observed in the pipe tobacco and wines subcategories which saw the greatest price disinflation.

Alcohol & Tobacco Inflation (y/y)



Source: Namibia Statistics Agency, IJG Securities

Conclusion & Forecast

Namibia's annual inflation rate softened in June, decelerating to 3.5% y/y. On a year-to-date basis, inflation has averaged 3.6% y/y and trending between a range of 3.2% y/y and 4.1% y/y. The inflation rate of both the food and non-alcoholic beverages category, as well as alcohol and tobacco category increased at a slower pace than in June.

Based on IJG's inflation model, Namibia's annual inflation rate in 2025 is expected to range between 3.3% and 3.85, with a baseline forecast of 3.6%.



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