Namibia Inflation Update

July 2026

Key Points

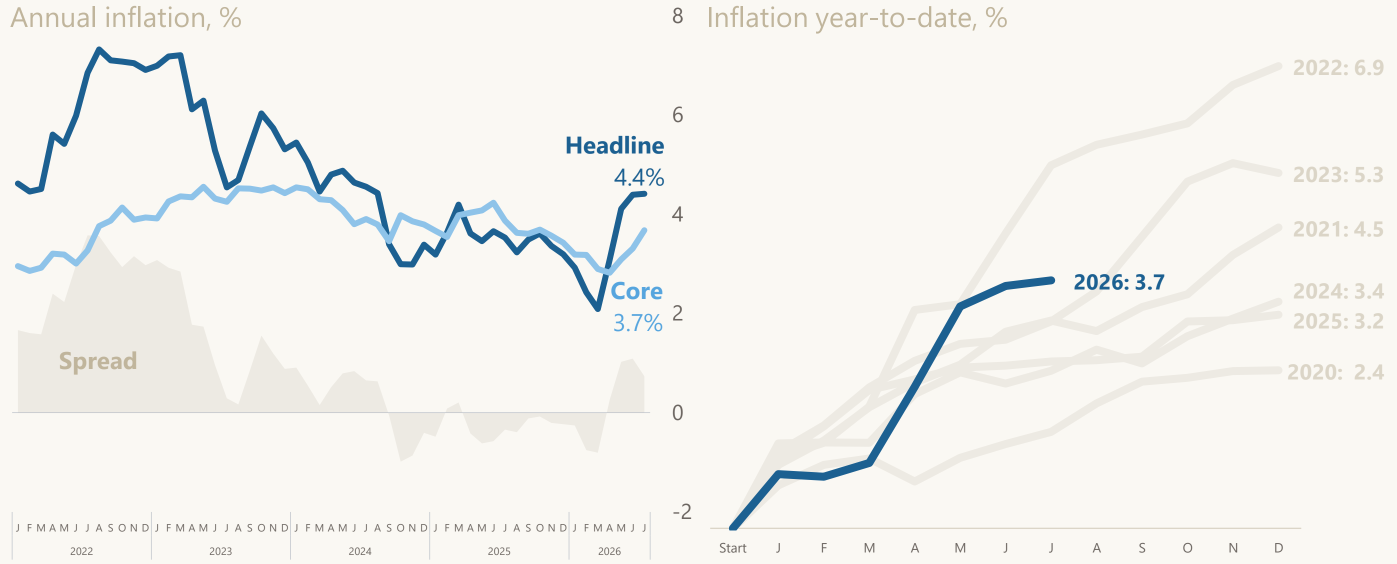
- **Namibia posted an annual inflation rate of 4.4% in July, matching June's figure.**
- Fuel prices were cut in July, which was the most influential move of the month.
- Core inflation spiked to 3.7% from 3.3% in June, primarily led by municipal tariff increases.
- Food prices increased fairly sharply, with an indication that second-round effects have arrived.

Overview

Headline inflation repeated a 4.4% figure primarily due to the fuel price relief of N$1/L for petrol and N$4/L for diesel in July. In the absence of this cut, ceteris paribus, headline inflation would have been 5.0%. Core inflation ticked up to 3.7%, largely due to administered price adjustments.

Prices have risen 3.7% since the start of the year. This compares to 5.4% at this stage in 2022.

Headline inflation stable in July; core inflation catching up



Source: Namibia Statistics Agency; IJG Securities

Food, beverages and tobacco

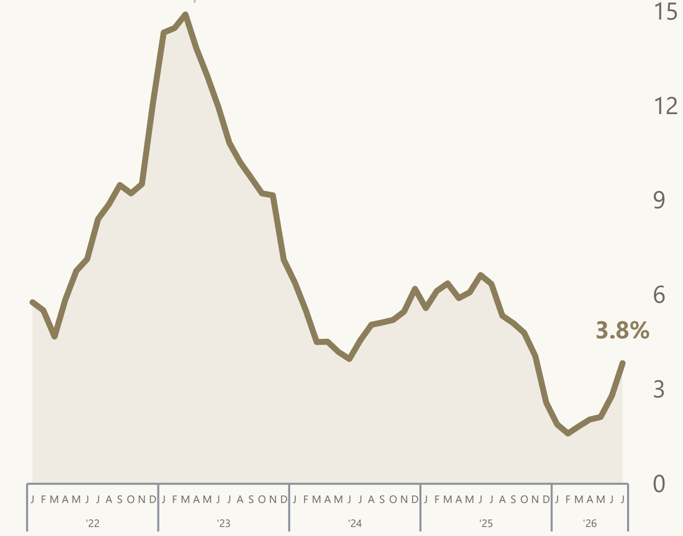
Food inflation climbed to 3.8%, from 2.8% in the previous month. Monthly food inflation was 1.0% - on the high end, and appears broad-based, with most items seeing notably higher monthly adjustments than usual. This was most particular in bread and cereals (the heaviest item in the food basket, accounting for nearly a third), which jumped to 3.0% from a deflationary position two months prior.

Total food and non-alcoholic beverages climbed by 1.1% MoM, the largest increase since Jan 2024 (1.5%), and excluding Jan adjustments (which are predictably the highest monthly adjustments of the year), this is the highest since May 2022 (1.5%).

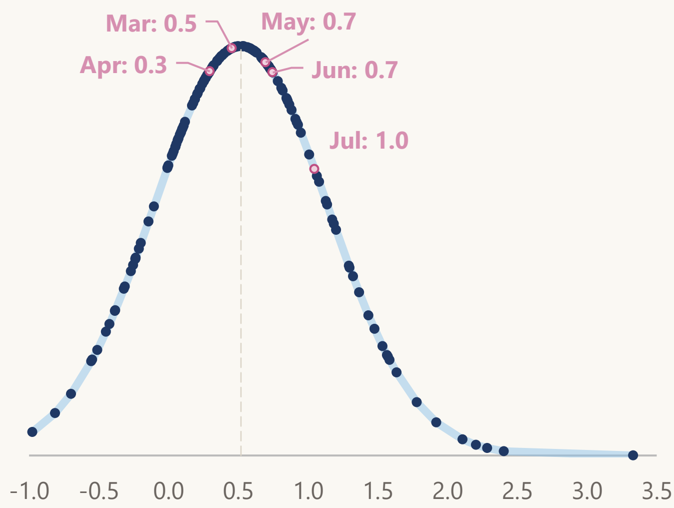
This is enough confirmation to infer that second-round effects of higher fuel prices have arrived. However, this still does not appear as aggressive as in 2022. At this stage of the year, food prices have increased by 4.2%, compared to 6.5% in 2022 (and 5.3% in 2023).

First abnormal increase in food prices

Annual inflation, food



Distribution of monthly food inflation*, %



Source: Namibia Statistics Agency; IJG Securities

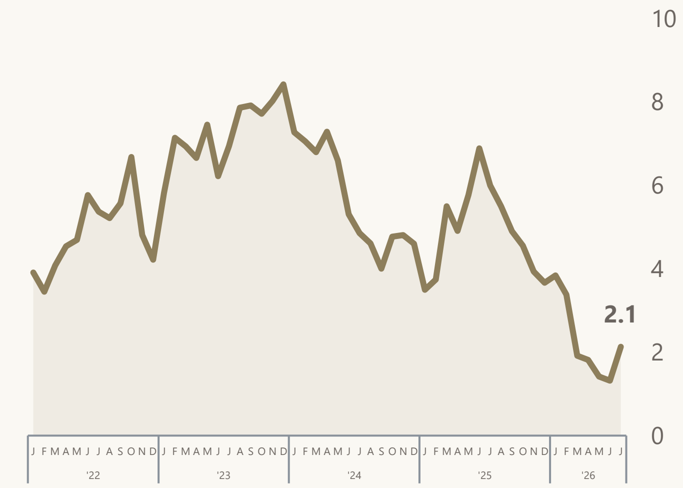
*Under the current inflation basket (Jan 2013 onwards)

Globally, the FAO Food Price Index rose 0.6% MoM in July, and 1.0% YoY. Key highlights:

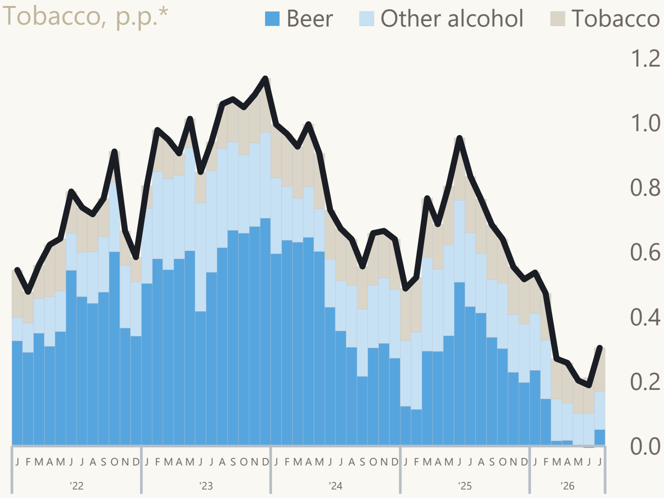
- Cereals (+3.4% MoM): Wheat up 5.8% on Black Sea disruptions and heat damage; maize up 3.6% on dry US Corn Belt weather; barley down 1.9%; rice flat.
- Vegetable oils (+2.0% MoM): Highest since June 2022, palm and soy oil up on strong demand, sunflower/rapeseed down on larger expected 2026/27 supply.
- Meat (-2.8% MoM): First decline of 2026. Poultry, pork and beef all fell on ample supply/weak demand; ovine hit a record high on tight Oceania supply.
- Dairy (-0.7% MoM, -24.8% y/y): Fifth straight monthly drop. SMP, WMP and butter fell on oversupply/weak Chinese demand; cheese rose on tight EU supply.
- Sugar (+5.6% MoM): Rose on EU drought and El Niño risk to Asian output, plus stronger Brazilian ethanol demand.

Alcohol posted an inflation rate of 1.4%, up from 0.7% in June. The most notable increase was in brandy, which climbed to 4.3% from 1.9% the month prior. However, the most influential item is beer given its weight (almost 70% of the alcohol basket), which was rarely deflationary in the prior month (-0.3% YoY), to post 0.6% in July.

Annual inflation, Alc. & Tobacco



Contribution to headline inflation, Alc. & Tobacco, p.p.*



Source: Namibia Statistics Agency; IJG Securities

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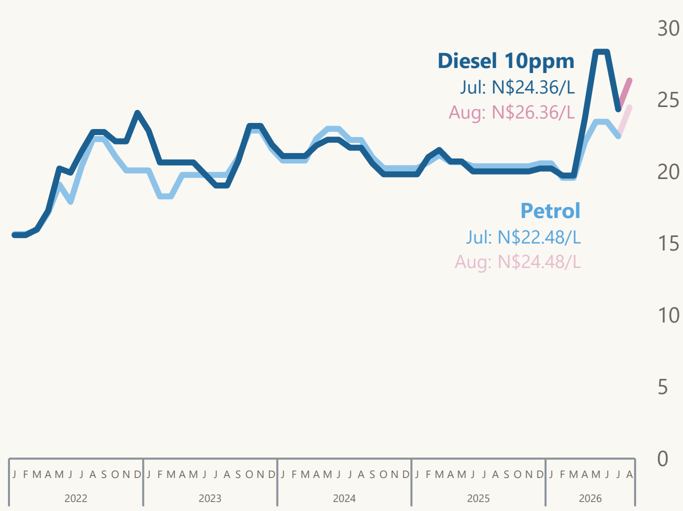
Transport

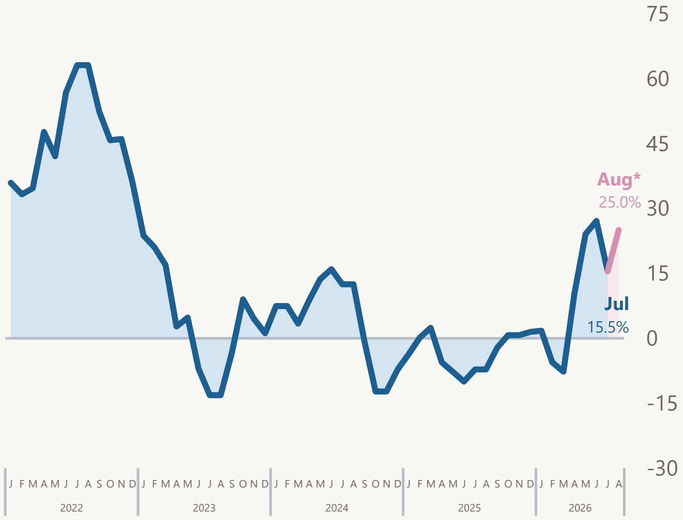
The transport basket decelerated from 12.9% in June to 9.3% in July, mostly because of the fuel price cuts under the month. Its contribution to the annual inflation rate therefore dropped from 1.9 percentage points in June to 1.4 in July. Petrol/diesel contributed 0.8 percentage points to headline inflation in July. It posted an annual inflation rate of 15.5% in July, slightly above our nowcast of 15.3%, as the NSA strangely recorded a petrol price decline of 98c/L in Zone 3 (as opposed to a blanket adjustment as is typically done each month, which was N$1/L for petrol).

Government resolved to reinstate the 50% levy reductions on fuel, subsequently increasing fuel prices by N$2/L. This will bring the petrol/diesel annual inflation rate to 25.0%, assuming no abnormalities, and its contribution will increase to 1.3 percentage points.

Fuel prices, Walvis Bay landing price, NAD/L



Annual inflation, petrol/diesel

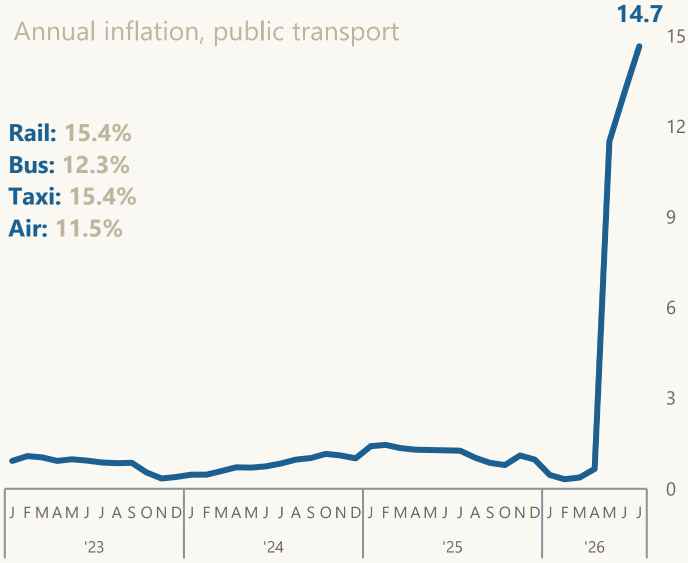


Source: Ministry of Industries, Mines and Energy; Namibia Statistics Agency; IJG Securities

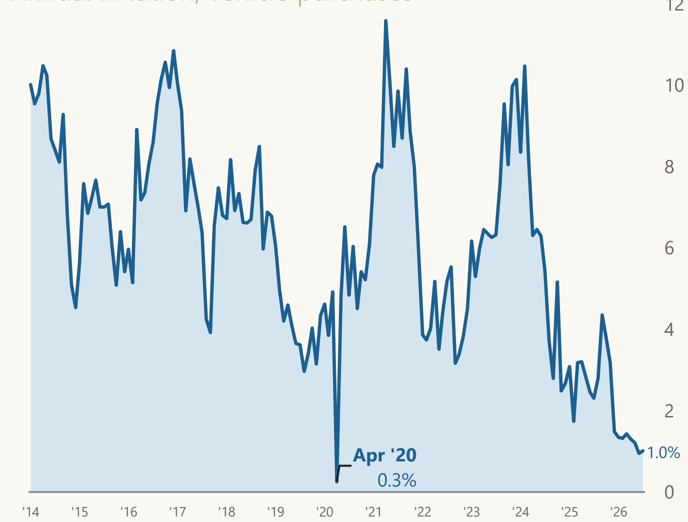
*nowcast

Public transport inflation further accelerated, from 13.1% in June to 14.7% in July. This is mainly due to minor adjustments following the public transport tariff increase of 15% effective 18 May. Meanwhile, vehicle purchases inflation stood at 1.0%, repeating last month's figure, which is its lowest since April 2020 (post-COVID). Demand for diesel cars in particular have likely slowed since the conflict.

Annual inflation, public transport



Annual inflation, vehicle purchases



Source: Namibia Statistics Agency; IJG Securities

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Housing

Housing & utilities contributed 1.2 percentage points to headline inflation (or 26.8%) as the basket accelerated to 4.8% YoY, despite a deceleration in rent (by far the largest item in the NCPI basket, weighing 23.3%).

Administered prices were adjusted in July. The most notable adjustment was by the City of Windhoek, announcing a 4% average increase in water, rates and taxes, sewerage, waste management, refuse removal and fire brigade levies. The announcement was made on 16 July but was made effective on 1 July (reflected on accounts from 31 July). This neatly brought the 'water supply, sewerage service and refuse' item to 4.0% MoM and YoY in Zone 2 (Khomas).

NamPower saw a bulk electricity tariff (paid by distributors, not households directly) of 3.7% on average, cut down from their original 8.4% application after the Ministry of Industries, Mines and Energy stepped in with a combined N$90mn from the Long Run Marginal Cost Fund and National Energy Fund. This is effective 1 August, so only applies in next month's print.

Inflation Rates

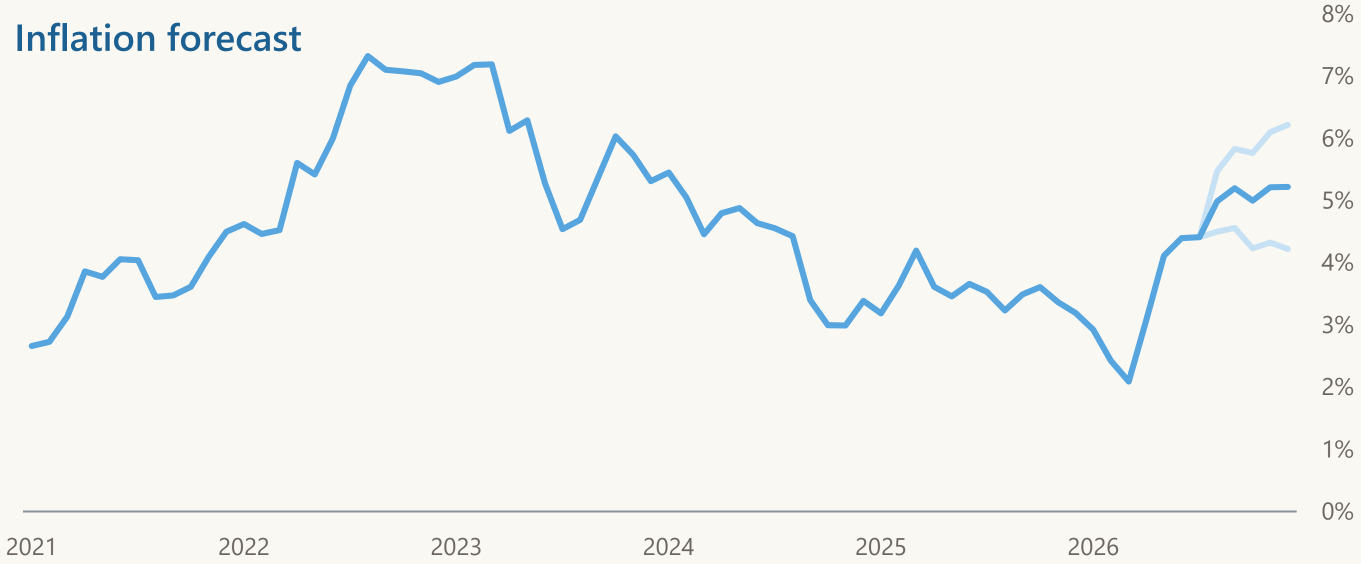
Basket/Item	Annual			Monthly			Year-to-date	
	Jul '25	Jun '26	Jul '26	Jul '25	Jun '26	Jul '26	2025	2026
Housing & Utilities	**3.6**	**4.4**	**4.8**	**0.4**	**0.0**	**0.8**	**2.2**	**2.5**
Rent	4.0	4.7	4.5	0.5	0.0	0.3	2.6	2.4
Maintenance & repairs	3.3	3.6	4.3	0.0	0.5	0.7	2.0	3.3
Water, sewerage & refuse	4.6	1.3	3.3	0.4	0.0	2.3	0.4	2.3
Electricity, gas & other fuels	1.4	4.0	6.9	-0.1	-0.1	2.7	0.9	3.3
Household Goods & Services	**2.6**	**2.0**	**2.6**	**-0.2**	**-0.2**	**0.4**	**2.0**	**2.9**
Furniture & furnishings	-1.1	-1.6	0.0	-0.3	-0.4	1.3	-0.9	0.5
Carpets & other floor coverings	3.5	0.2	-0.7	0.7	-1.3	-0.2	1.3	-1.8
Repair of furnishings & floor coverings	1.4	0.4	0.4	0.0	0.0	0.0	1.0	0.4
Household textiles	4.1	-0.6	0.5	-0.2	-1.2	0.9	3.9	-0.1
Appliances	2.2	-1.3	-1.2	-0.3	0.0	-0.3	0.0	0.3
Glassware, tableware & utensils	0.3	-0.5	-0.9	0.2	0.3	-0.1	0.7	1.5
Tools & equipment for house & garden	1.1	2.3	2.5	-0.3	0.5	-0.1	0.6	1.6
Goods & services for routine maintenance	5.1	7.4	7.7	-0.2	-0.1	0.1	4.6	7.7

Source: Namibia Statistics Agency; IJG Securities

Our Take

It is safe to say that second-round inflation effects have arrived given the non-normal increase in food prices across the board, 3-4 months post-shock. Core inflation is clearly trending upwards, although some of this is due to adjustments in administered prices (which were rather mild in the grand scheme of things). Elsewhere, there were no real surprises in this month's inflation release, as other items and baskets trended in a fairly normal manner.

We have inflation averaging 4.1% for the year.



Source: Namibia Statistics Agency; IJG Securities

Inflation Rates

Category	Weight (%)	Annual Inflation (%)				Contribution	
		Apr '26	May '26	Jun '26	Jul '26	p.p.	%
Food & Non-Alcoholic Beverages	16.4	2.0	2.0	2.5	3.7	0.7	16.9
Alcohol & Tobacco	12.6	1.8	1.4	1.3	2.1	0.3	6.9
Clothing & Footwear	3.0	0.1	0.0	0.4	0.4	0.0	0.2
Housing & Utilities	28.4	4.4	4.9	4.4	4.8	1.2	26.8
Household Goods & Services	5.5	3.1	2.7	2.0	2.6	0.1	3.1
Health	2.0	4.8	4.7	4.4	4.8	0.1	2.1
Transport	14.3	5.0	11.5	12.9	9.3	1.4	31.6
Communications	3.8	-1.3	-1.0	-0.9	-1.0	0.0	-0.5
Recreation & Culture	3.6	3.8	3.8	5.6	5.6	0.2	4.7
Education	3.6	2.4	2.4	2.4	2.4	0.1	2.3
Hotels, Cafes & Restaurants	1.4	4.9	4.8	5.5	6.2	0.1	2.2
Miscellaneous Goods & Services	5.4	1.1	1.1	2.2	3.2	0.2	3.8
All Items	**100.0**	**3.1**	**4.1**	**4.4**	**4.4**	**4.4**	**100.0**

Source: Namibia Statistics Agency; IJG Securities

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