

# Namibia Inflation Update

June 2026



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

## Key Points

- **Namibia posted its highest annual inflation rate (4.4%) since August 2024 (4.4%).**
- Inflationary pressure beyond fuel prices remains mild.
- Prices are not rising as fast as they did in 2022.
- Bank charges, which are irregularly captured by NSA, rose 4.1% MoM as the item was repriced.

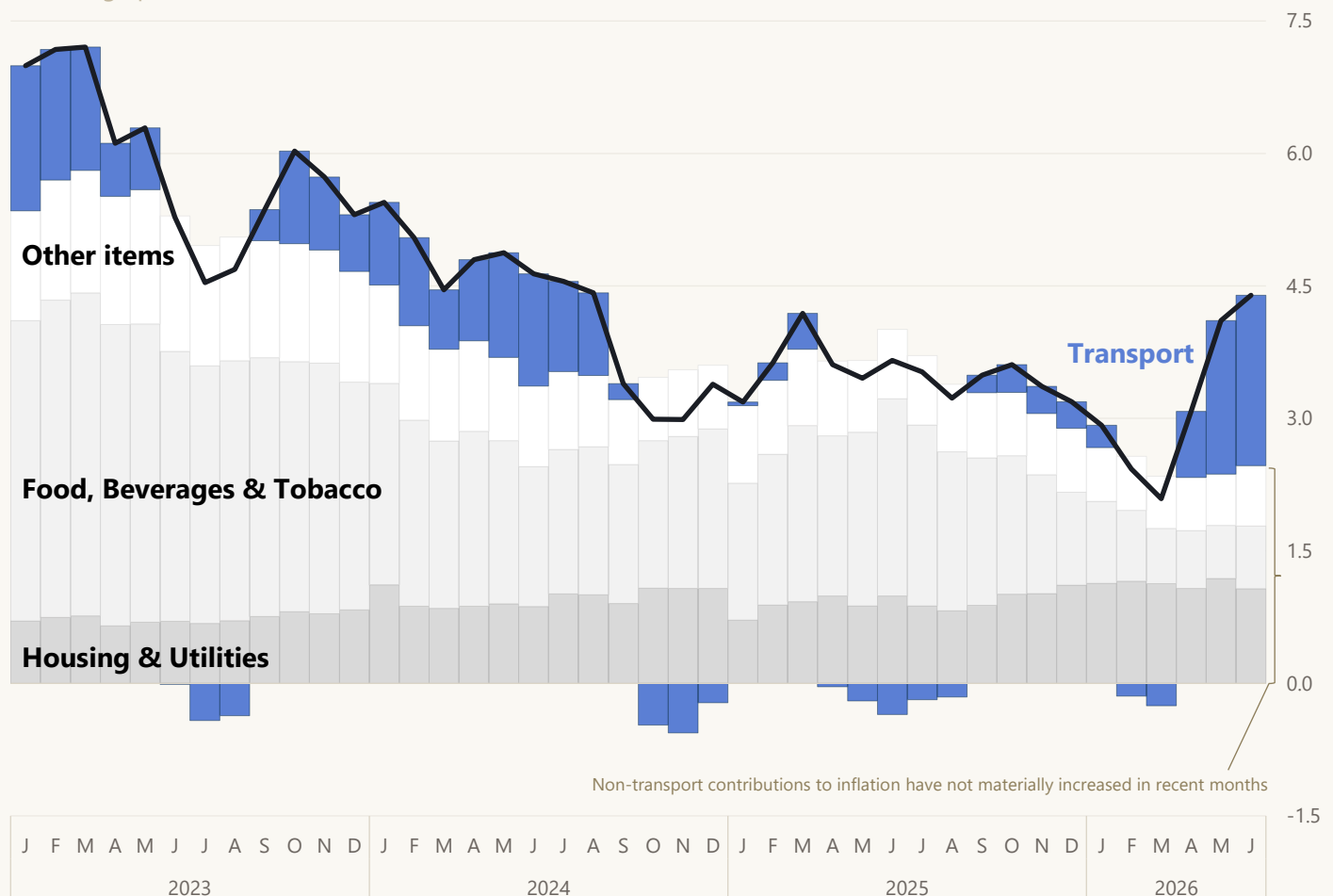
## Overview

Namibia's 4.4% annual inflation rate is an acceleration from the 4.1% recorded in the previous month, although the acceleration was primarily due to a base effect within the petrol/diesel line (fuel prices were reduced in June 2025, so June 2026 is being compared to a lower index value than in May).

The data does not indicate any clear sign of second-round inflation effects stemming from higher fuel prices. The only somewhat notable increase in contribution to inflation is observed in bank charges, which increased by 4.1% MoM, although this item is irregularly captured by NSA.

## No clear second-round inflation effects at this stage

Percentage point contribution to annual inflation rate



Source: Namibia Statistics Agency; IJG Securities

## IJG - Namibia Inflation Update, June 2026

Petrol and diesel prices entered the month of June unchanged from their all-time high prices in May. The Walvis Bay pump prices in June were as follows:

- Petrol = N\$23.48/L
- Diesel 50ppm = N\$28.26/L
- Diesel 10ppm = N\$28.36/L

Despite no change, the petrol/diesel inflation item still accelerated from 24.1% in May to 27.1% in June because of a base effect (June 2026 is compared to June 2025, when prices were decreased).

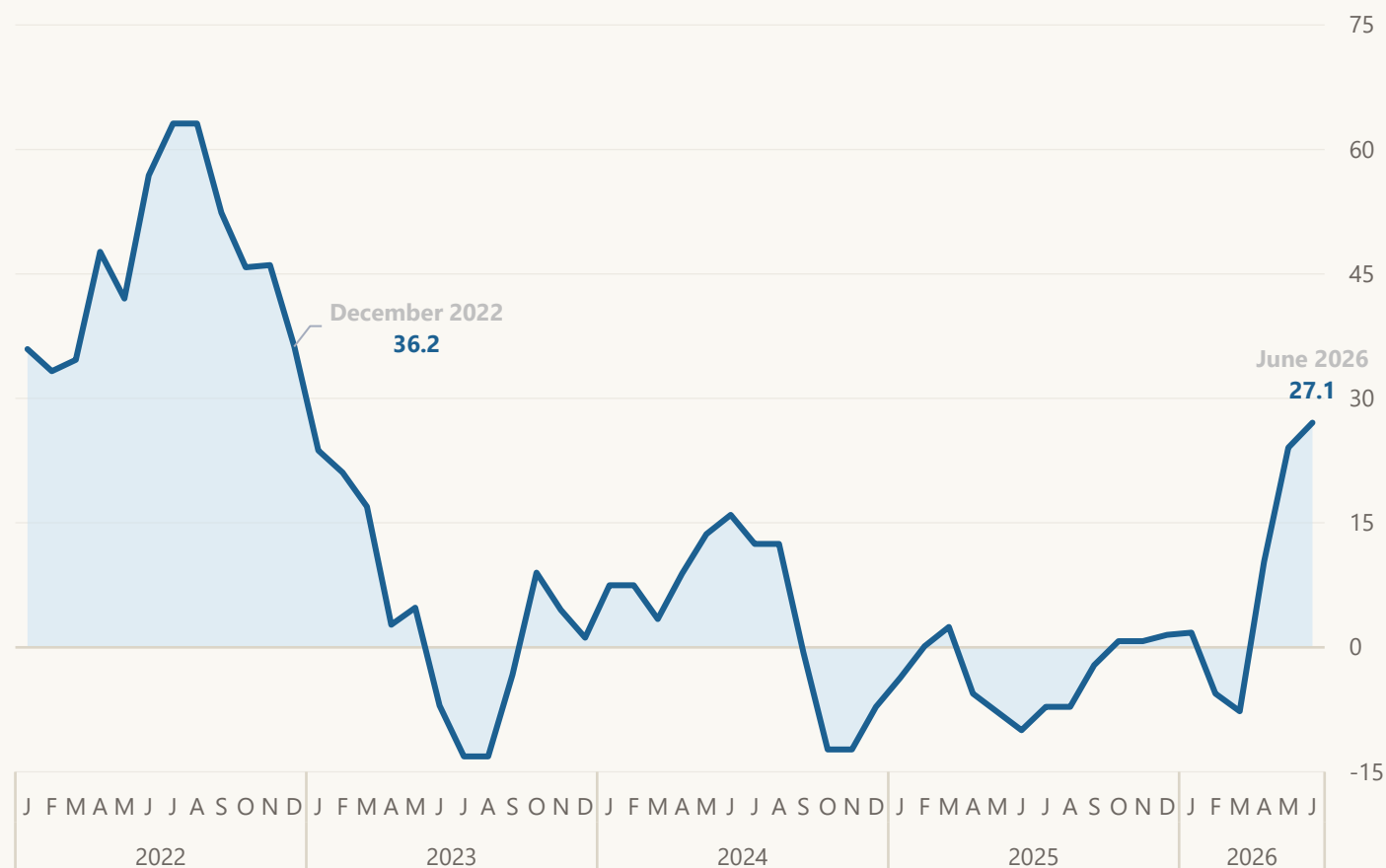
The Ministry of Industries, Mines and Energy recorded over-recoveries of ~N\$1.25/L for petrol and just over N\$4.90/L for the two diesel products during the June period.

The Ministry opted to immediately pass on most of the over-recoveries to consumers, decreasing the pump price of petrol and diesel by N\$1/L and N\$4/L in July, respectively. The remaining surplus is used to rebuild buffers.

This should result in an annual inflation rate of 15.3% for the petrol/diesel item line. However, the fuel price announcement was delayed – this time only on 1 July, with the new prices effective 3 July. Assuming a normal adjustment, the annual inflation rate subsequently means that the percentage point contribution of petrol/diesel would decrease from 1.4 to 0.8 percentage points.

### Petrol/diesel inflation highest since Dec 2022, but should fall to ~15.3% in July

Petrol/diesel annual inflation, %



Source: Namibia Statistics Agency; IJG Securities

## IJG - Namibia Inflation Update, June 2026

The consumer price index basket has increased by 3.6% since the start of the year. At this stage of the year, this is the highest print since 2022 (where June YTD inflation was 4.4%), and the second-highest since 2017 (June YTD: 4.1%).

2026 inflation year-to-date is behaving very different to that observed in 2022 following the energy and supply chain crisis post-Russia-Ukraine invasion.

For starters, petrol/diesel inflation in 2026 has not been as wild as it has been in 2022. June fuel prices stood 26.5% higher than they did at the start of the year, compared to 32.8% higher at this same stage in 2022.

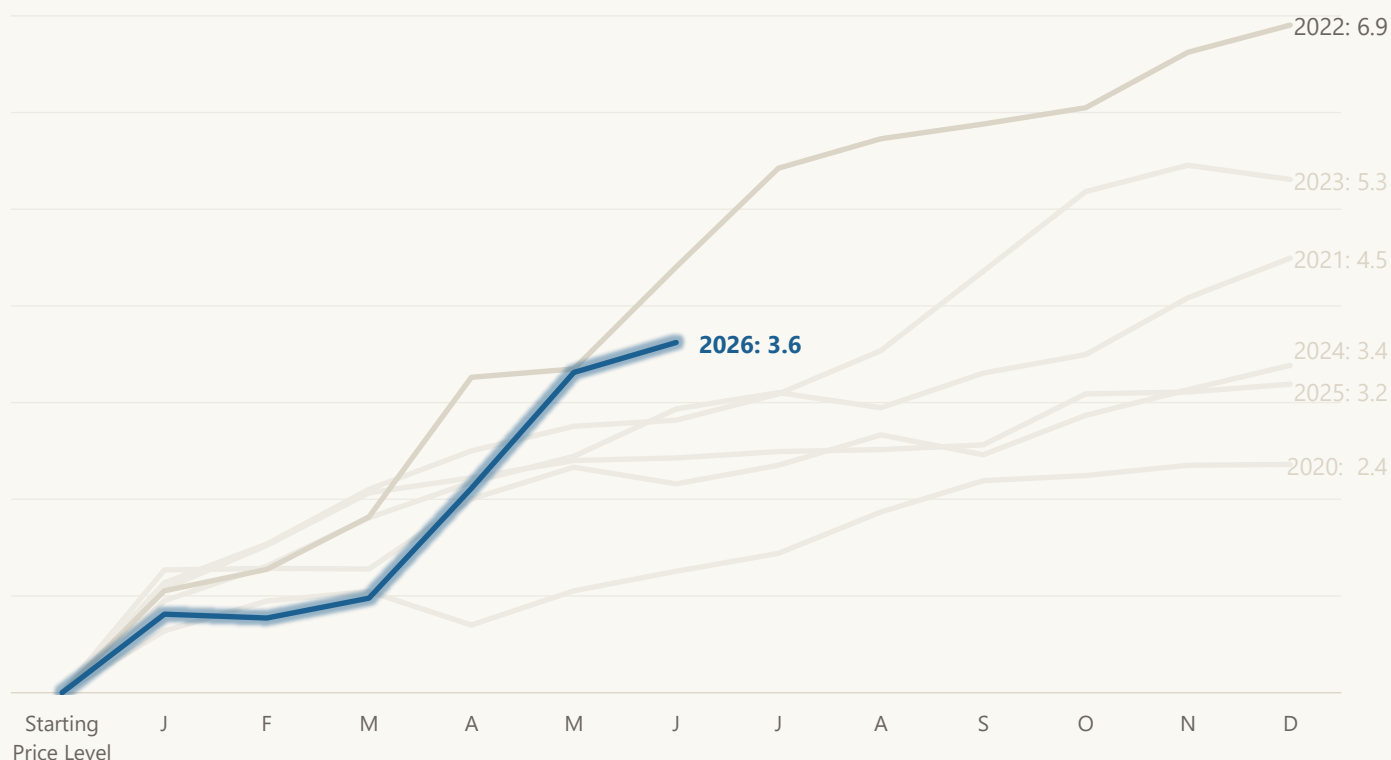
Food inflation year-to-date is also significantly cooler - 3.1% at this stage versus 5.7% in 2022. On a global level, food prices rose about 15% in the comparable two-month window after the Russia-Ukraine invasion, which was about 3x the increase seen so far in the current conflict. Global grain and oilseed supplies are robust with favourable grain supply forecasts and the Middle East is a major food importer rather than an export of staple grains, unlike Russia/Ukraine in 2022.

Most baskets and items are not increasing in price anywhere near what they were in 2022, with comfortably lower inflation rates. Only four of the twelve baskets currently stand higher at this stage of the year. This includes:

- **Housing & Utilities**, because rent is increasing at a faster rate in 2026 due to limited housing supply.
- **Health**, because medical products and services (medical aid) started the year with higher price adjustments.
- **Recreation & Culture**, because newspapers, books and stationery inflated by 3.3% MoM in June.
- **Miscellaneous Goods & Services**, because the price of bank charges were captured even though this is typically only captured in July.

## Prices are not rising as fast as they did in 2022

Inflation year-to-date, %



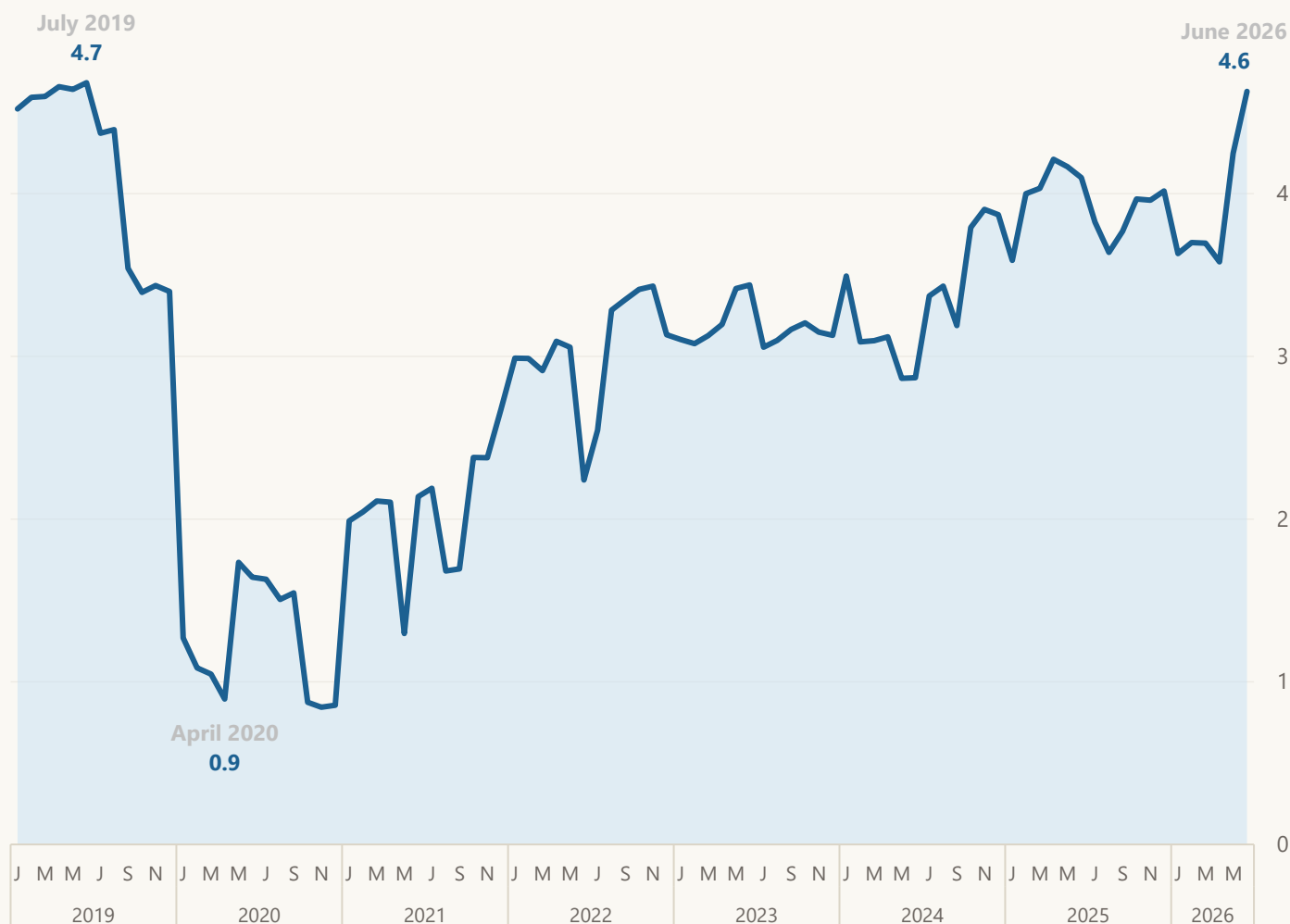
Source: Namibia Statistics Agency; IJG Securities

The data does not indicate any clear sign of second-round inflation effects stemming from higher fuel prices, except for public transportation prices which increased by 10.8% MoM in May. This is due to the Ministry of Works and Transport announcing that taxi and bus fares would increase by 15% effective 18 May 2026, motivated by the escalating fuel costs. The last approved fair adjustment before this was in 2021.

Public transportation inflation, along with the early price capturing of bank charges which came to a 4.1% MoM increase, was enough to push services inflation to its highest rate in nearly seven years.

## Increase in bank charges, public transport pushes services inflation to highest level since July 2019

Services annual inflation, %



Source: Namibia Statistics Agency; IJG Securities

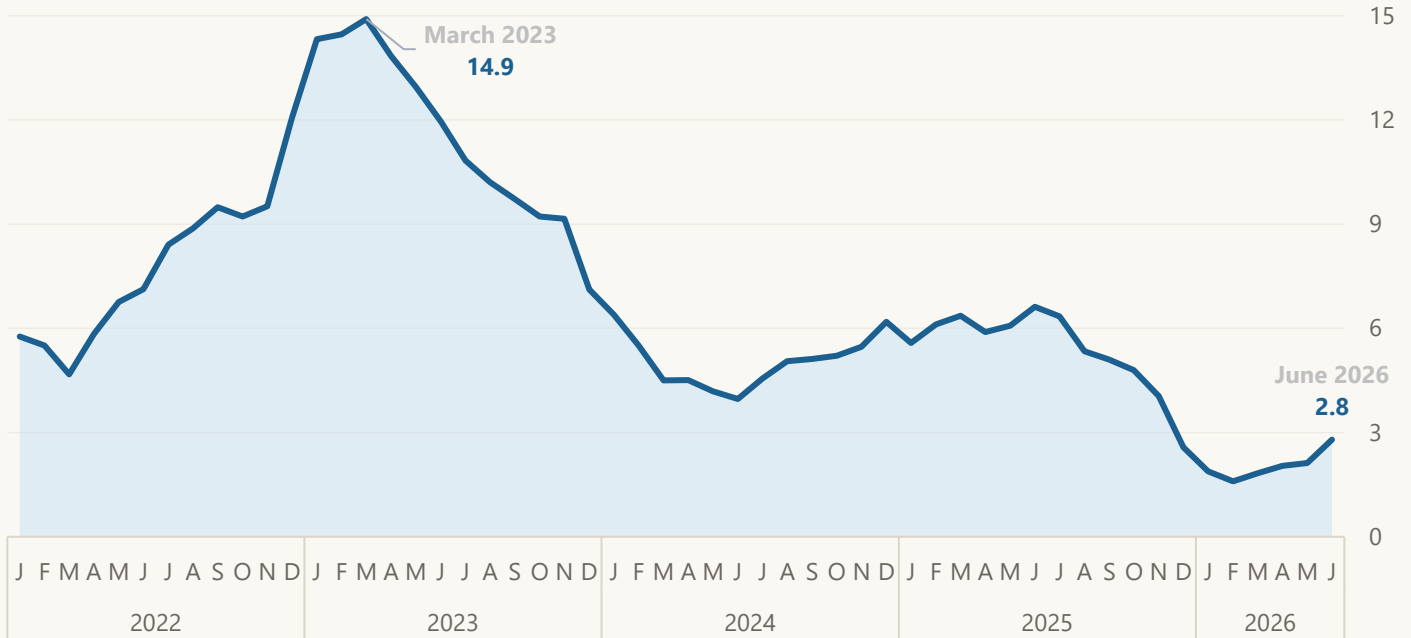
Food inflation accelerated to 2.8% YoY (prev. 2.1%), with monthly inflation of 0.7% (prev. 0.3%). However, food price movements varied considerably, and although the 0.7% monthly inflation rate is above average since the current basket has been in place, it is not a print that is notably high.

Several key items – meat, dairy & eggs, vegetables – all saw decelerations. The primary driver behind the increase in the total food basket is due to bread & cereals, which increased from a deflationary -0.7% in the previous month to 1.5% in

June. The item only increased by just 1.3% MoM, but given its large weight within the food basket (it is responsible for one-third of the total food basket), minor movements have a significant influence on total food inflation.

### Food inflation ticking up again, albeit modest

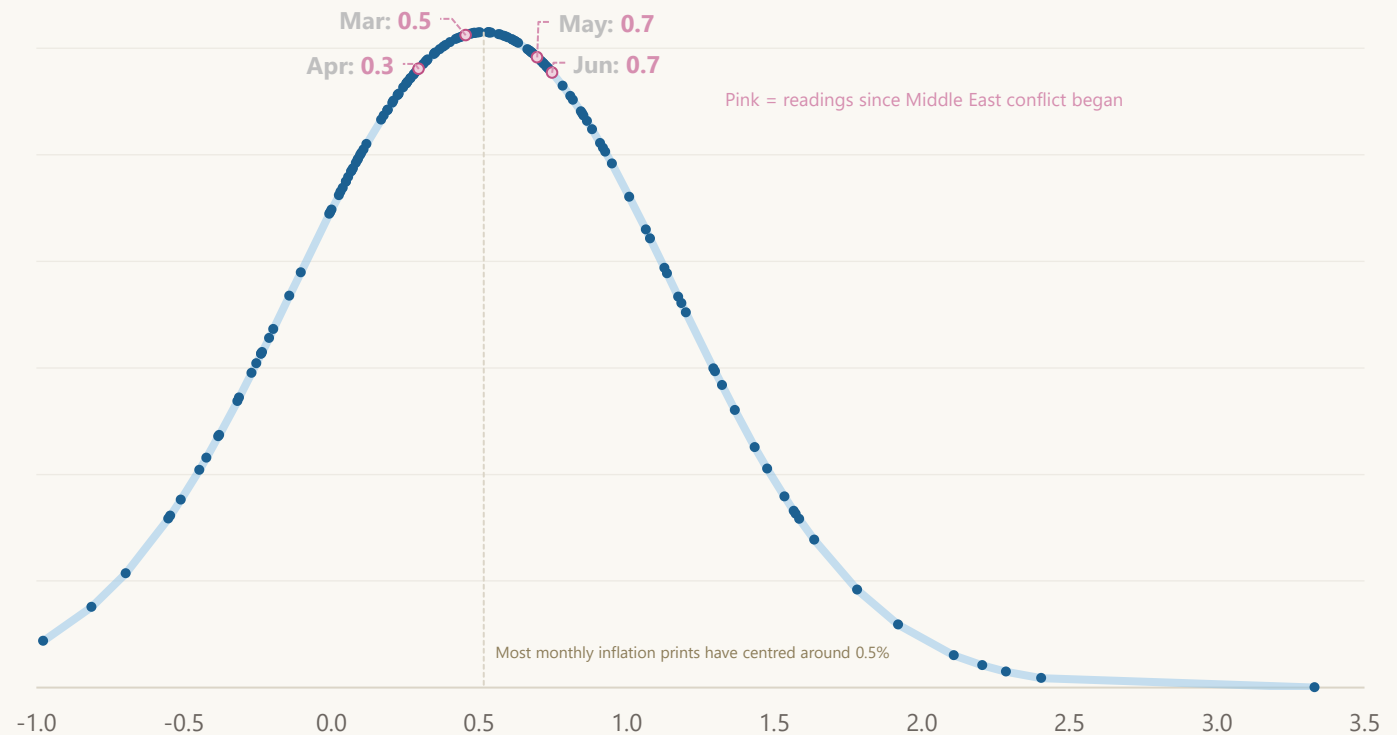
Food annual inflation, %



Source: Namibia Statistics Agency; IJG Securities

### Monthly food inflation in May and June above average

Distribution of monthly food inflation\*, %



Source: Namibia Statistics Agency; IJG Securities

\*Under the current inflation basket (Jan 2013 onwards)

Alcoholic Beverages & Tobacco inflation decelerated to 0.7% YoY, continuing a gradual decline since January this year and marking the lowest inflation print since October 2021 (-0.1%).

The low print is primarily supported by a deceleration in beer/ales/ciders, which posted deflation of -0.3%, the second such occasion on record (previously October 2021 = -1.0%). The item also posted monthly deflation, of -0.2%. This is despite SACU-wide excise duties on beer and ciders increasing by 3.4% earlier this year.

Retail deflation is happening despite the tax increase, which suggests that local production economics have improved or competitive discounting has been taking place. Both alcoholic beverage production and imports have increased in the first four months of the year compared to the first four months of last year (May and June data yet to release).

This is the second-heaviest item in the inflation basket, with a weight of 7.0 out of 100 – greater than the weight of petrol/diesel (5.0) and makes up 70% of the alcoholic beverages basket. Thus, its impact on headline inflation is highly influential.

### Deflation in beer/ales/ciders

Beer/ales/ciders annual inflation, %



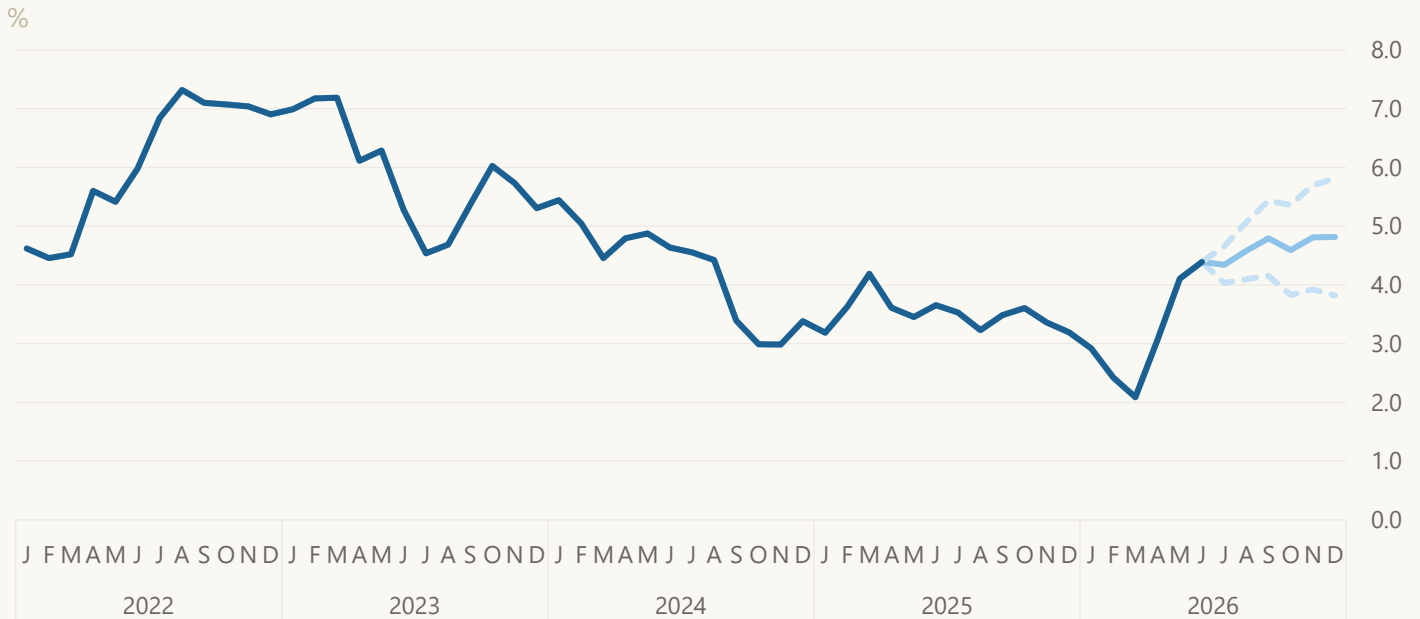
Source: Namibia Statistics Agency; IJG Securities

## Our Take

June's 4.4% print is a two-year high that is still driven almost entirely by the increase in fuel prices with limited second-round effects. The fuel price cut in July means that petrol/diesel inflation is expected to decelerate from 27.1% in June to ~15.3% in July, which is worth 0.6 percentage points off headline inflation.

July's fuel price cuts are embedded into our latest inflation model, with the base case scenario assuming no further fuel price adjustments. The inflation forecast has the remainder of the year averaging 4.7%, with a low-high of 4.0%-5.3%.

## Inflation forecast



Source: Namibia Statistics Agency; IJG Securities

## June 2026 Inflation Rates

Category	Weight (%)	Annual Inflation (%)				Contribution	
		Feb '26	Mar '26	Apr '26	May '26	p.p.	%
Food & Non-Alcoholic Beverages	16.4	1.7	2.0	2.0	2.5	0.5	11.8
Alcohol & Tobacco	12.6	1.9	1.8	1.4	1.3	0.2	4.3
Clothing & Footwear	3.0	-0.1	0.1	0.0	0.4	0.0	0.2
Housing & Utilities	28.4	4.6	4.4	4.9	4.4	1.1	24.4
Household Goods & Services	5.5	3.4	3.1	2.7	2.0	0.1	2.4
Health	2.0	4.5	4.8	4.7	4.4	0.1	1.9
Transport	14.3	-1.7	5.0	11.5	12.9	1.9	43.9
Communications	3.8	-1.4	-1.3	-1.0	-0.9	0.0	-0.5
Recreation & Culture	3.6	3.9	3.8	3.8	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	3.7	4.9	4.8	5.5	0.1	2.0
Miscellaneous Goods & Services	5.4	1.2	1.1	1.1	2.2	0.1	2.6
<b>All Items</b>	<b>100.0</b>	<b>2.1</b>	<b>3.1</b>	<b>4.1</b>	<b>4.4</b>	<b>4.4</b>	<b>100.0</b>

Source: Namibia Statistics Agency; IJG Securities

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