

Namibia CPI

May 2026

0.0005	4.85%
0.0002	13.04%
0.0001	50.00%
0.0003	14.29%
0.0005	12.50%

May 2026 Inflation Rates

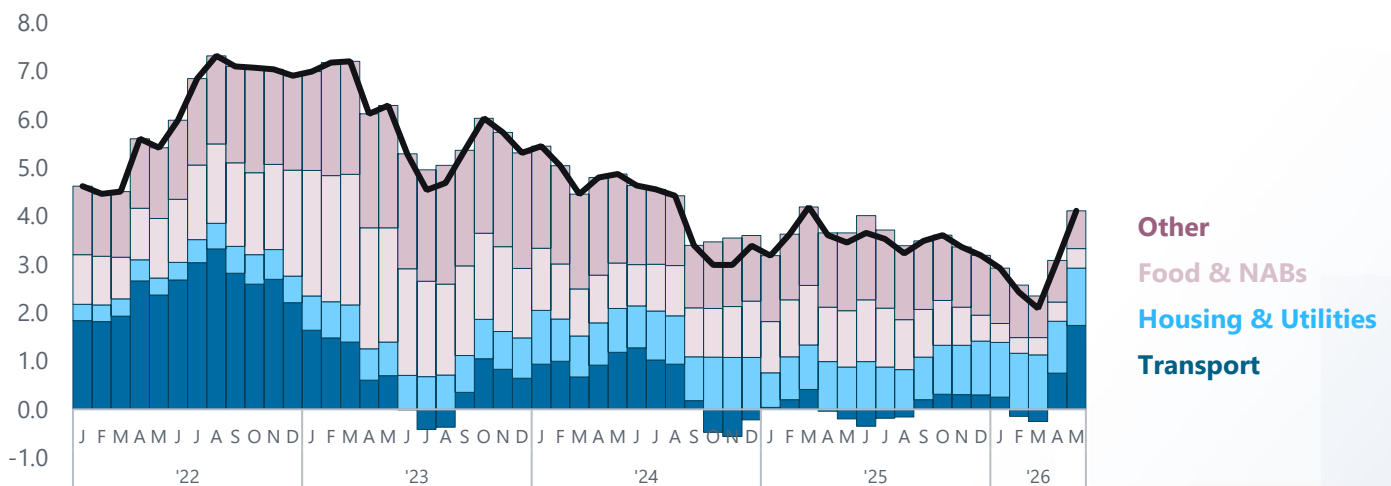
Category	Weight (%)	Annual Inflation (%)				Contribution	
		Feb '26	Mar '26	Apr '26	May '26	p.p.	%
Food & Non-Alcoholic Beverages	16.4	1.6	1.7	2.0	2.0	0.4	9.8
Alcohol & Tobacco	12.6	3.4	1.9	1.8	1.4	0.2	4.9
Clothing & Footwear	3.0	0.3	-0.1	0.1	0.0	0.0	0.0
Housing & Utilities	28.4	4.7	4.6	4.4	4.9	1.2	28.9
Household Goods & Services	5.5	3.5	3.4	3.1	2.7	0.1	3.4
Health	2.0	4.0	4.5	4.8	4.7	0.1	2.1
Transport	14.3	-1.0	-1.7	5.0	11.5	1.7	42.3
Communications	3.8	-1.6	-1.4	-1.3	-1.0	0.0	-0.6
Recreation & Culture	3.6	3.9	3.9	3.8	3.8	0.1	3.4
Education	3.6	2.4	2.4	2.4	2.4	0.1	2.5
Hotels, Cafes & Restaurants	1.4	4.8	3.7	4.9	4.8	0.1	1.8
Miscellaneous Goods & Services	5.4	1.3	1.2	1.1	1.1	0.1	1.5
All Items	100.0	2.4	2.1	3.1	4.1	4.1	100.0

Source: Namibia Statistics Agency; IJG Securities

Namibia's annual inflation rate jumped to 4.1% in May 2026, up from 3.1% in April and a five-month disinflation low of 2.1% in March. The monthly inflation rate came in at 1.2% after an already high 1.1% in April. The print ends what was, through early 2026, one of the gentler inflation episodes in recent Namibian history, as petrol & diesel inflation more than doubled its contribution to the annual inflation rate. In May, petrol rose by a further N\$1.40/L while diesel 10ppm and 50ppm both rose by N\$4.63/L due to sustained pressure from international oil prices, freight and insurance costs, fuel procurement premiums, and exchange rate fluctuations amidst the events in the Middle East.

Transport, Housing & Utilities driving >70% of inflation

Percentage point contribution to annual inflation rate



Source: Namibia Statistics Agency; IJG Securities

The annual inflation rate of goods increased to 4.0%, with monthly inflation coming in at 1.6% (prev. 1.7%). In addition to the direct contribution of fuel price increases, food prices saw a notable monthly increase of 0.7% (prev. 0.3%). There were no material increases in other goods. The cumulative two-month fuel price shock amounts to N\$3.90/L for petrol and a significant N\$8.63/L for diesel, and given that diesel is the freight fuel, the pass-through into food and other goods prices is likely to continue accelerating through Q3.

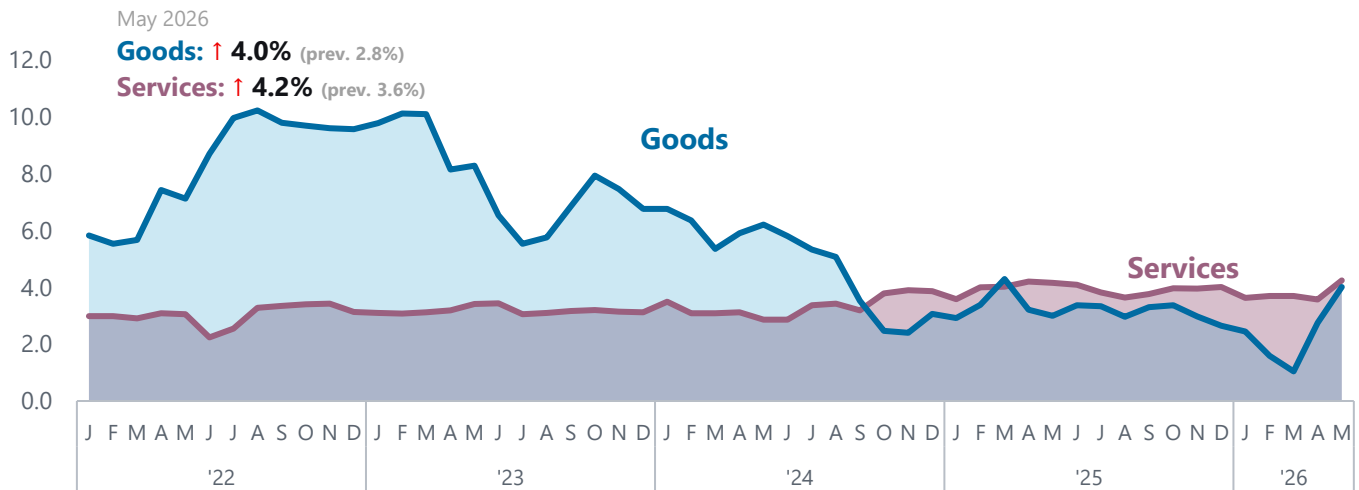




As for services, annual inflation reached 4.2%, marking the highest rate since August 2019, while recording a monthly inflation rate of 0.6% (prev. 0.3%). The acceleration was almost entirely due to a 15% increase in public transport fares, effective 18 May following the approval by the Ministry of Works and Transport, which was aimed at minimising the effects of ongoing geopolitical tension and rising international oil prices. The Namibia Public Passenger Transport Association had requested a 30% fare increase.

Public transport price hikes push services inflation to highest post-pandemic

Annual inflation rate, goods and services (%)

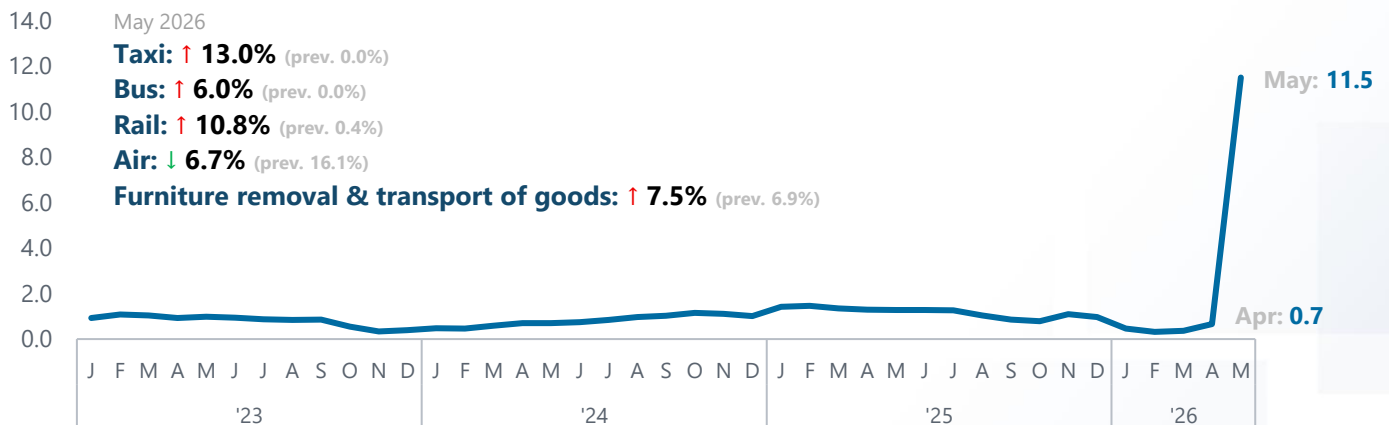


Source: Namibia Statistics Agency; IJG Securities

The increase saw the minimum taxi fare raised from N\$13 to N\$15, and given the concentrated weight of taxis within the public transport basket (77%), its price rise was the dominant contributor to the total public transport inflation rate. The 15% increase, however, is insufficient to offset the weighted average fuel price increase of 30% since the start of the Middle East conflict on 28 February.

First public transport tariff increase in four years

Annual inflation rate, public transport (%)



Source: Namibia Statistics Agency; IJG Securities

Food posted an annual inflation rate of 2.0%, repeating last month's figure. Although favourable base effects contributed to the suppressed rate, the monthly inflation rate came to 0.7%, and no material increases were observed in the past two months. In other words, the pass-through impact from higher fuel prices appears delayed.



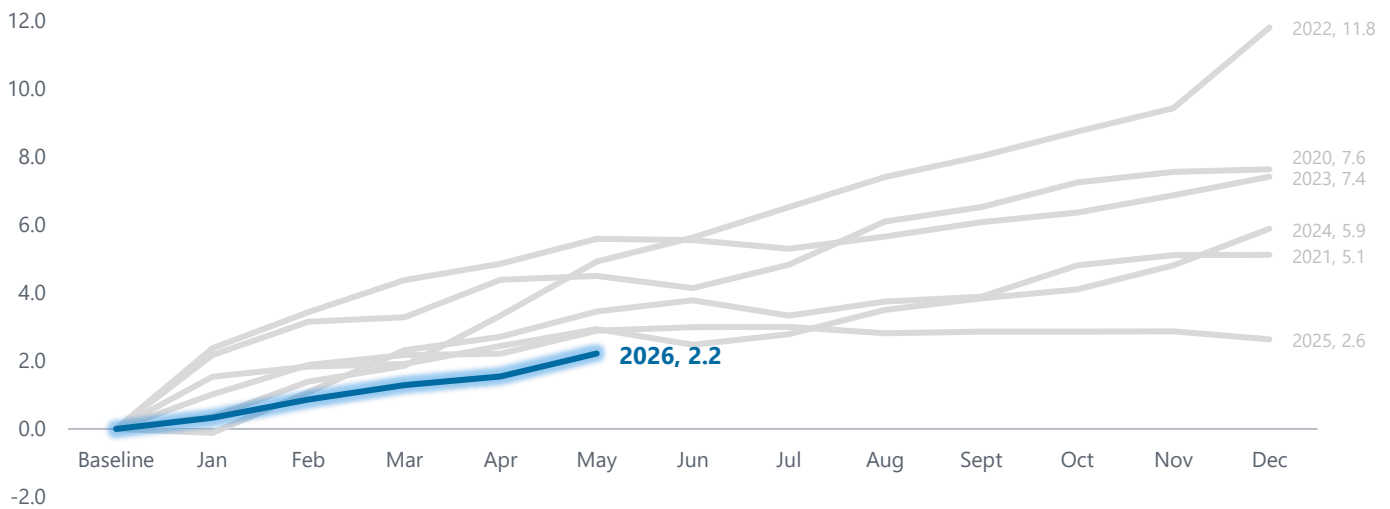


Globally, food prices were also stable, with the FAO Food Price Index down 0.2% MoM in May. The index stands 1.7% higher than prices pre-Middle East conflict, although global food inflation already had ongoing momentum before this conflict as prices rose by 5.1% year-to-date.

As the fertiliser and freight cost channel from diesel accumulates and logistics companies running on diesel price higher freight into their food distribution contracts, the 2-3 month lag from the diesel price increase into domestic food logistics costs means the June-August period will reveal how much of the fuel shock embeds itself in food. Still, a base effect from high inflation prints in June and July 2025 will mean that some of this increase will appear artificially suppressed.

Food inflation year-to-date still below recent years

Price change year-to-date, food basket (%)

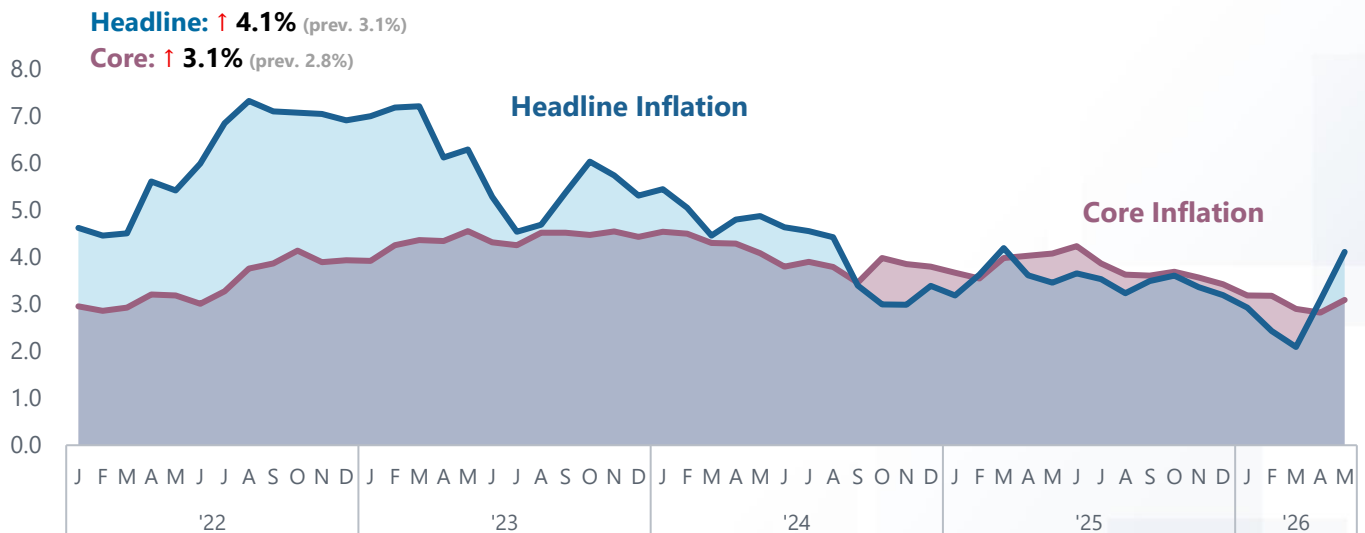


Source: Namibia Statistics Agency; IJG Securities

Core inflation, which excludes all food items and petrol/diesel, rose to 3.1% from 2.8% in the previous month, with monthly inflation increasing by 0.4%, repeating last month's print. This was mainly driven by the sizeable acceleration in public transport inflation, although alcoholic beverages and tobacco also made a meaningful contribution as monthly inflation came to 0.5% (previously 0.4%). No other material changes were observed in the core basket.

Core inflation accelerates for the first time since October

Annual inflation rate, headline and core inflation (%)



Source: Namibia Statistics Agency; IJG Securities





Conclusion & Forecast

It appears that the first pass-through inflationary impact of fuel prices went to public transportation, although by the administrative decision to increase public transport fares by 15%. Second-round effects in goods and other services have been limited thus far, with no material increases observed beyond normalcy.

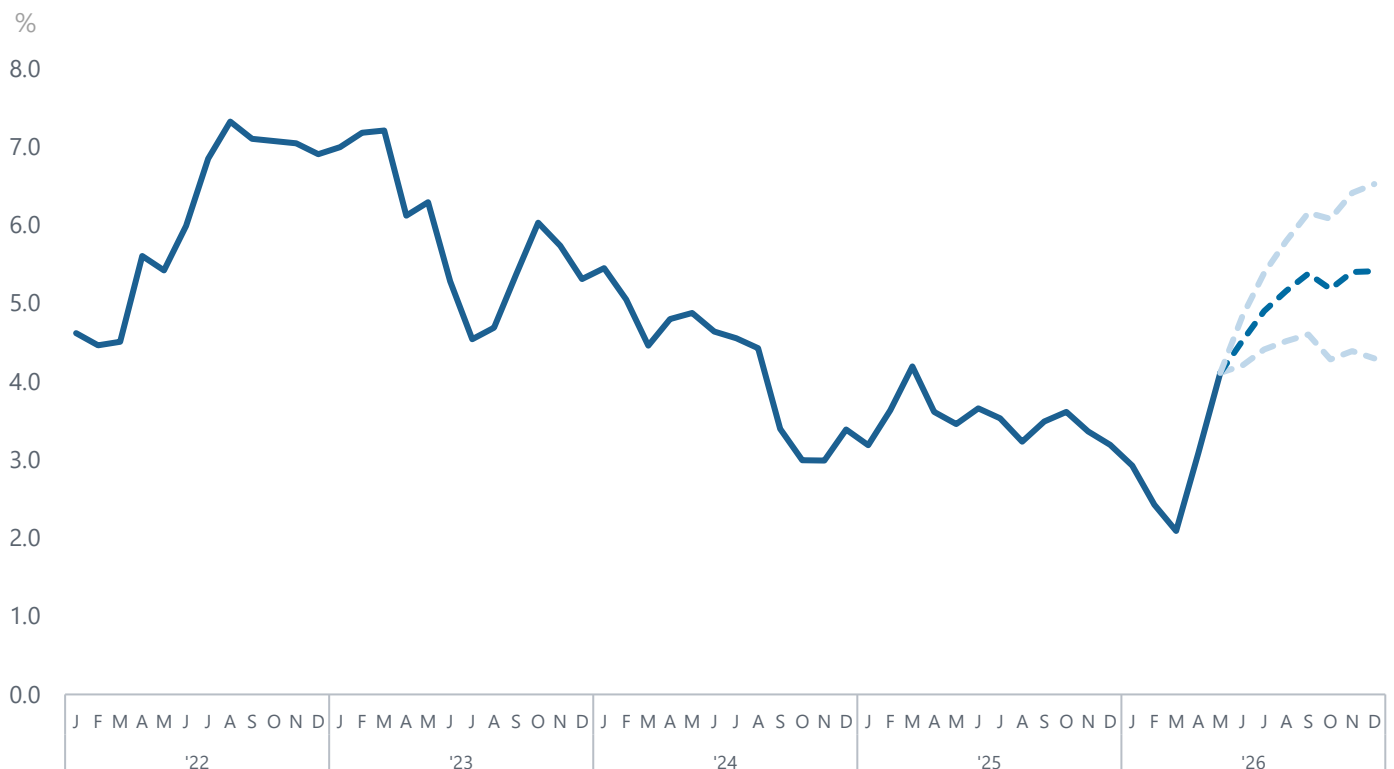
Even though fuel prices were unchanged for June, petrol/diesel annual inflation will increase to 27.1% from 24.1% because of a base effect (prices in June 2025 were reduced, thus June 2026 will be compared to a lower base). This means that the percentage point contribution of petrol/diesel will increase from 1.3 p.p. to 1.4 p.p. in June.

Furthermore, the temporarily reduced fuel levies are expected to end next month. Should the government not extend the temporary relief, and assuming no offset from a lower landed fuel cost in June, petrol/diesel prices will increase by a few N\$/L. Assuming a modest N\$2/L increase in both fuel types, the petrol/diesel contribution will increase to 1.9 p.p.

We expect Q3 to show strong second-round effects from the rise in fuel prices. Food is expected to be the first category hit, followed by other non-durable imported goods, then durables, and finally services. Some service items, such as education, insurance, financial services, etc., are only adjusted annually/biannually. Therefore, while some items may have risen in practice, NSA will not capture these rises until July and January.

We expect inflation to end the year as high as 6.5%, with a base case of 5.4%. On an average annual basis, we expect 2026 inflation to average 4.2%, with a range of 3.8% to 4.7%. Note that this is heavily skewed by the low inflation rate Namibia has printed from January to May. When assessing only 2H 2026, we expect inflation to range from 4.4% to 6.1%, with a base case of 5.2%. Potential risks include sizeable increases in Namibian fuel prices, with the levy decision to be seen, and potential surprises in rental price adjustments.

Inflation Forecast



Source: Namibia Statistics Agency; IJG Securities





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