

Namibia CPI

October 2024



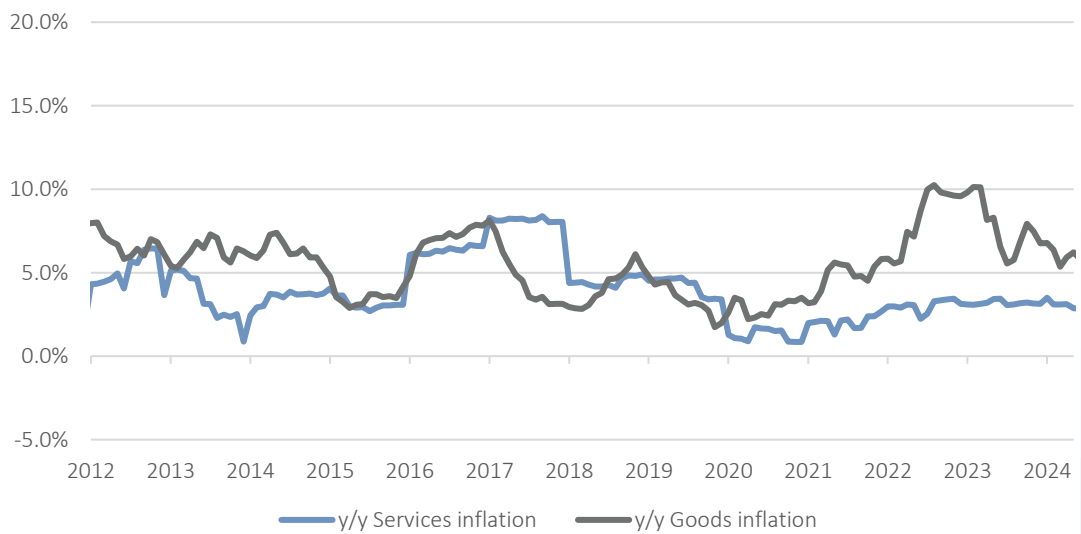
Overview

Category	Weight	Oct-24 m/m %	Sep-24 y/y %	Oct-24 y/y %	Direction
Food	16.4%	0.3%	5.2%	5.1%	↘
Alcohol & Tobacco	12.6%	1.0%	4.0%	4.8%	↗
Clothing	3.0%	0.1%	2.4%	2.3%	↘
Housing & Utilities	28.4%	1.0%	3.7%	4.4%	↗
Furniture	5.5%	0.2%	3.1%	2.6%	↘
Health	2.0%	0.5%	3.9%	4.2%	↗
Transport	14.3%	-0.7%	1.2%	-2.9%	↘
Communications	3.8%	0.5%	-1.5%	-1.3%	↗
Recreation	3.6%	0.6%	4.7%	4.7%	→
Education	3.6%	0.0%	1.7%	1.7%	→
Hotels	1.4%	0.4%	5.7%	5.4%	↘
Miscellaneous	5.4%	0.2%	2.9%	3.1%	↗
All Items	100%	0.4%	3.4%	3.0%	↘

Source: Namibia Statistics Agency, IIG Securities

Namibia's annual inflation rate further slowed to 3.0% y/y in October, from 3.4% y/y in September. Prices in the overall NCPI rose by 0.4% m/m. On an annual basis, overall prices in five of the twelve basket recorded slower rates of inflation in October, than in September. Recreation and education remained steady. Prices for goods rose by 2.5% y/y and prices for services increased by 3.8% y/y.

Goods vs Services Inflation (y/y %)



Source: Namibia Statistics Agency, IIG Securities

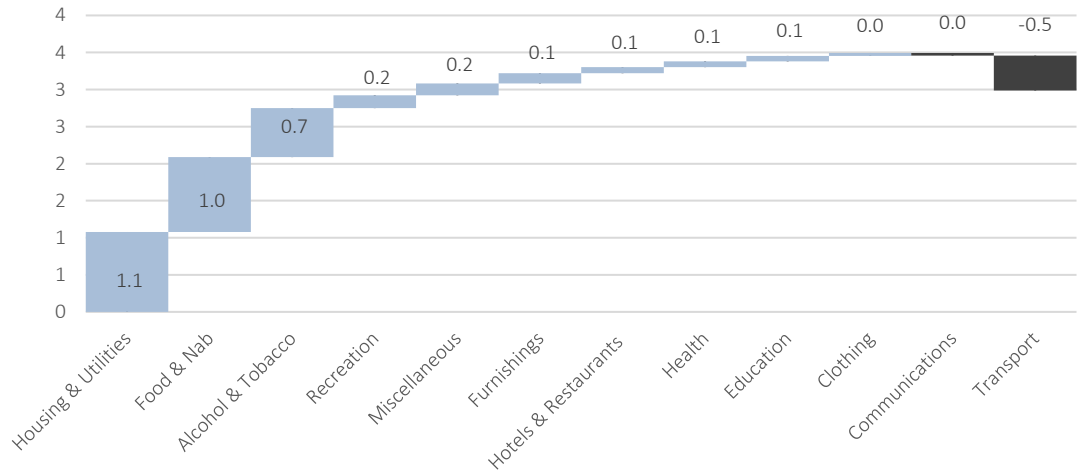


Inflation Contributors

Housing and utilities, the largest basket item in weighting, accounted for 1.08 percentage points of the total annual inflation figure. **Food and non-alcoholic beverages** added 1.01 percentage points, followed by **alcohol and tobacco**, which contributed 0.66 percentage point.

Fuel prices in October were, on average, 13.2% lower year-on-year compared to October 2023. This decline resulted in the **transport** category exerting a deflationary impact of -0.47 percentage point. A similar disinflationary effect is expected for November, as fuel prices remain 13.2% lower on average compared to the previous year.

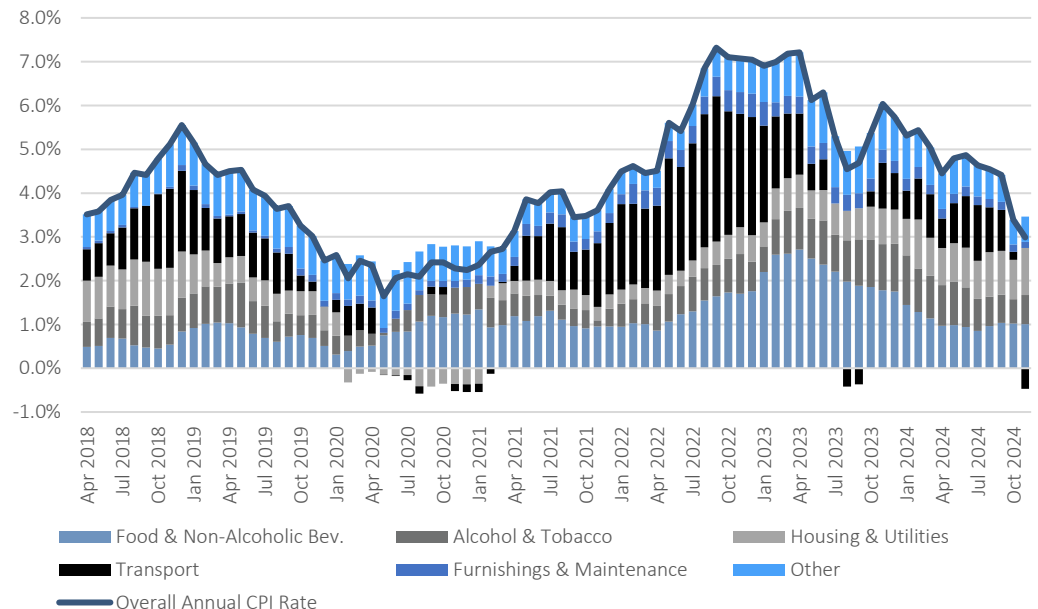
Contribution to the Annual Inflation Rate (percentage points)



Source: Namibia Statistics Agency, IJG Securities

The **recreation** and **furnishings** basket categories contributed 0.17 and 0.14 percentage points, respectively, in October.

Historic NCPI Contribution Breakdown



Source: Namibia Statistics Agency, IJG Securities

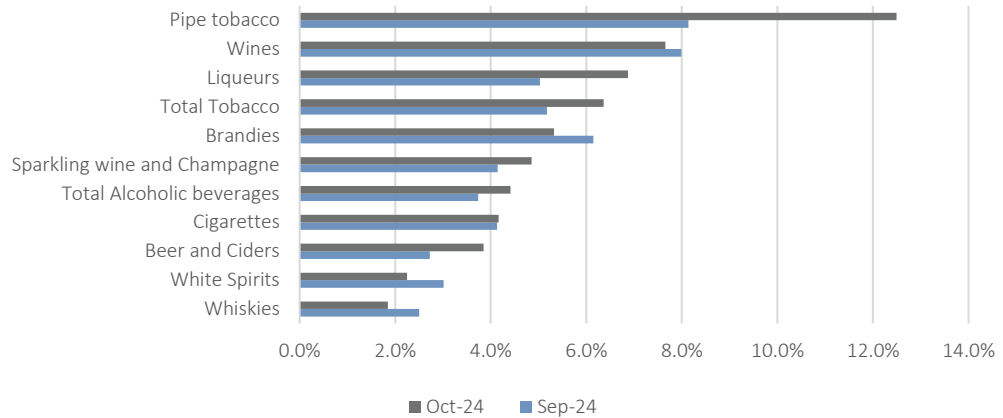




Alcohol & Tobacco

The **alcohol and tobacco** category posted inflation of 1.0% m/m and 4.8% y/y in October, accelerating from the 4.0% y/y observed in September 2024. Tobacco prices increased by 6.4% y/y, while alcoholic beverage prices rose by 4.4% y/y.

Alcohol & Tobacco Inflation (y/y)

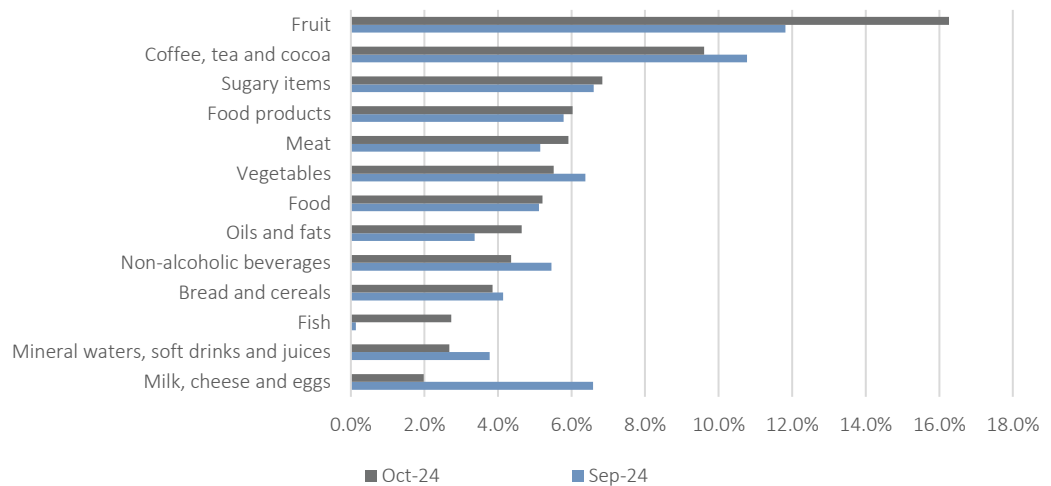


Source: Namibia Statistics Agency, IIG Securities

Food & Non-Alcoholic Beverages

Prices in this category rose by 5.1% y/y, consistent with the 5.1% y/y recorded in September. Most of the sub-categories of **food and non-alcoholic** beverages showed monthly increases, while six of the sub-categories showed monthly decreases. The largest annual increases were in fruit prices, which surged by 16.3% y/y, and coffee, tea and cocoa prices, which rose by 9.6% y/y. The graph below illustrates the annual increases across sub-categories for September and October.

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



Source: Namibia Statistics Agency, IIG Securities

Housing, Water & Electricity

Price inflation for the **housing and utilities** category came in at 1.0% m/m and 4.4% y/y. Annual inflation for rental payments rose by 4.2%, marking the fourth change in rental inflation figures this year, despite typically adjusting only once annually. The regular maintenance and repair of dwellings sub-category saw a price increase of 2.7% y/y, up from 1.4% y/y in the previous month. Water supply and sewage services recorded an annual price increase of 4.8% y/y, the highest rate since July 2022.



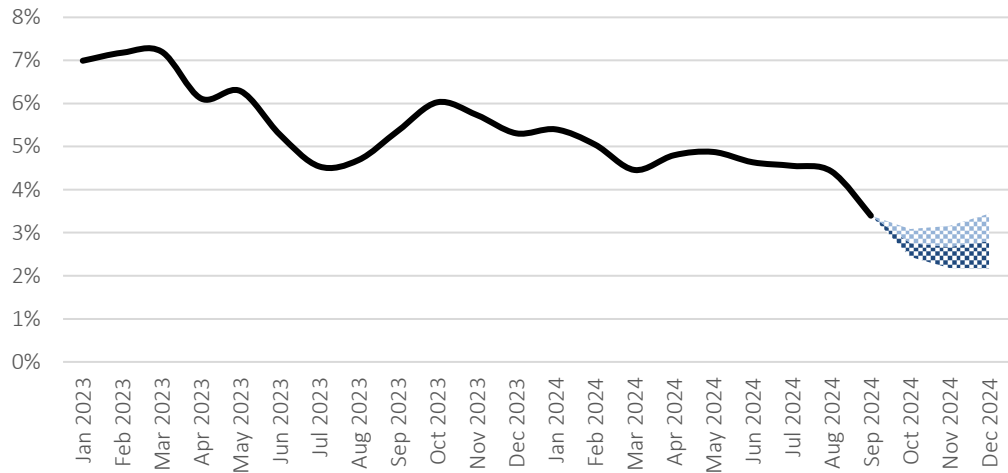
0,0005	4,85%
0,0003	13,04%
0,001	50,00%
0,0003	14,29%
0,0005	12,50%

Conclusion & Forecast

Namibia's annual inflation rate eased to 3.0% y/y in October, driven by slower price increases in several major categories and a deflationary impact from fuel prices. However, persistent inflationary pressures remain in housing, utilities, and food. With fuel prices continuing to exert a disinflationary effect, CPI is likely to remain subdued in the near term. Key risks include potential increases in food and utility costs, which could offset further gains from declining transport prices.

IJG's inflation model is currently forecasting the annual Namibian inflation rate to average between 4.2% and 4.3% in 2024, with our base case being 4.2%.

Annual Inflation Forecast (% y/y)



Source: Namibia Statistics Agency, IJG Securities



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