

Namibia CPI

September 2024



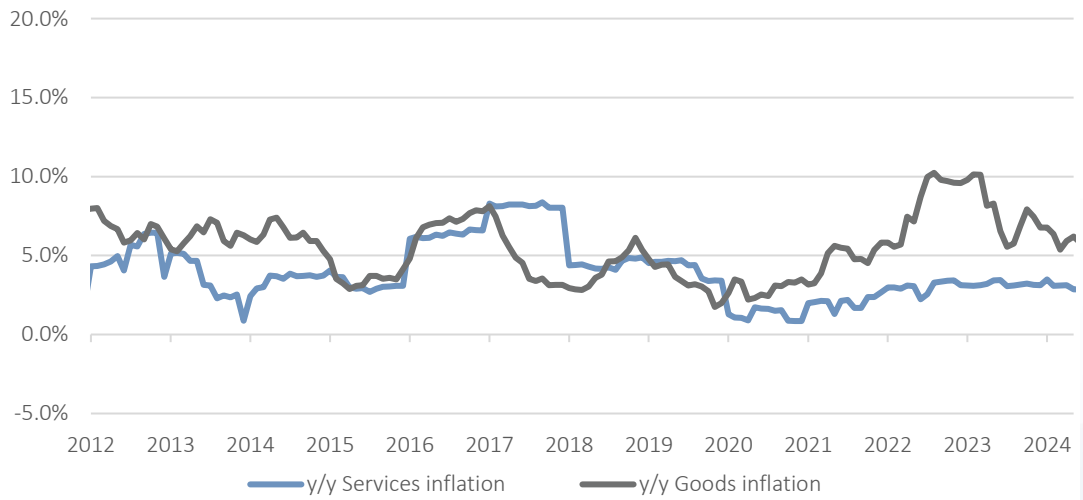
Overview

Category	Weight	Sep-24 m/m %	Aug-24 y/y %	Sep-24 y/y %	Direction
Food	16.4%	0.3%	5.2%	5.1%	↘
Alcohol & Tobacco	12.6%	0.3%	4.6%	4.0%	↘
Clothing	3.0%	0.1%	2.2%	2.4%	↗
Housing & Utilities	28.4%	-0.1%	4.1%	3.7%	↘
Furniture	5.5%	0.0%	3.4%	3.1%	↘
Health	2.0%	0.2%	3.6%	3.9%	↗
Transport	14.3%	-1.9%	6.1%	1.2%	↘
Communications	3.8%	-0.3%	-1.1%	-1.5%	↘
Recreation	3.6%	0.0%	5.4%	4.7%	↘
Education	3.6%	0.0%	1.7%	1.7%	→
Hotels	1.4%	-0.7%	7.6%	5.7%	↘
Miscellaneous	5.4%	0.3%	2.9%	2.9%	→
All Items	100%	-0.2%	4.4%	3.4%	↘

Source: Namibia Statistics Agency, IJG Securities

The Namibian annual inflation rate slowed to 3.4% y/y in September, following the 4.4% y/y increase in prices recorded in August. On a month-on-month basis, prices fell 0.2% following a 0.3% price increase recorded in August. On an annual basis, prices in eight of the twelve basket categories rose at a slower rate in September than in August. Two categories remained unchanged, while the rate of price increases in only two categories accelerated for the month of September. Prices for goods rose by 3.5% y/y while prices for services increased by 3.2% y/y.

Goods vs Services Inflation (y/y %)



Source: Namibia Statistics Agency, IJG Securities

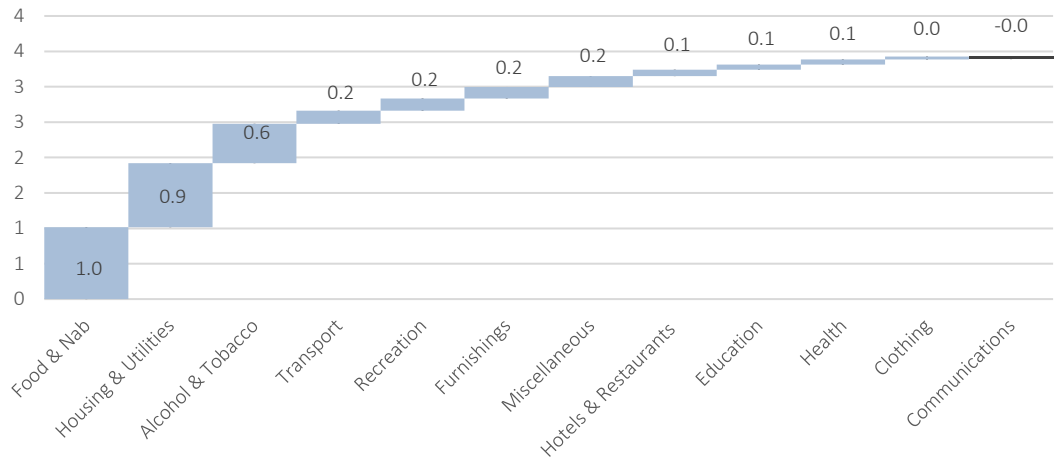


Inflation Contributors

Food & non-alcoholic beverages, the second largest basket item in weighting, accounted for 1.0 percentage points of the total annual inflation figure. Housing and utilities contributed 0.9 percentage points, followed by alcohol and tobacco, which contributed 0.6 percentage points.

Although fuel prices were 0.6% lower on average in September 2024 than they were in September 2023, the **transport** category still had an inflationary impact, contributing 0.2 percentage points. We can expect the transport category to have a disinflationary impact in October, given that fuel prices are now 13.2% lower on average than they were a year ago.

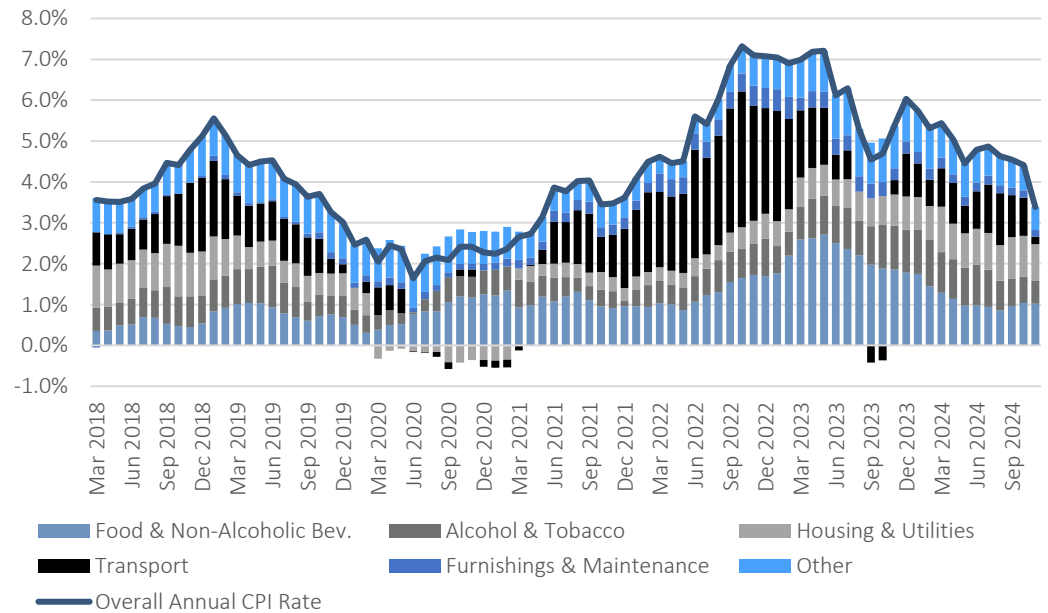
Contribution to the Annual Inflation Rate (percentage points)



Source: Namibia Statistics Agency, IJG Securities

The **recreation** and **furnishings** basket categories contributed 0.17 and 0.16 percentage points, respectively, in September.

Historic NCPI Contribution Breakdown



Source: Namibia Statistics Agency, IJG Securities

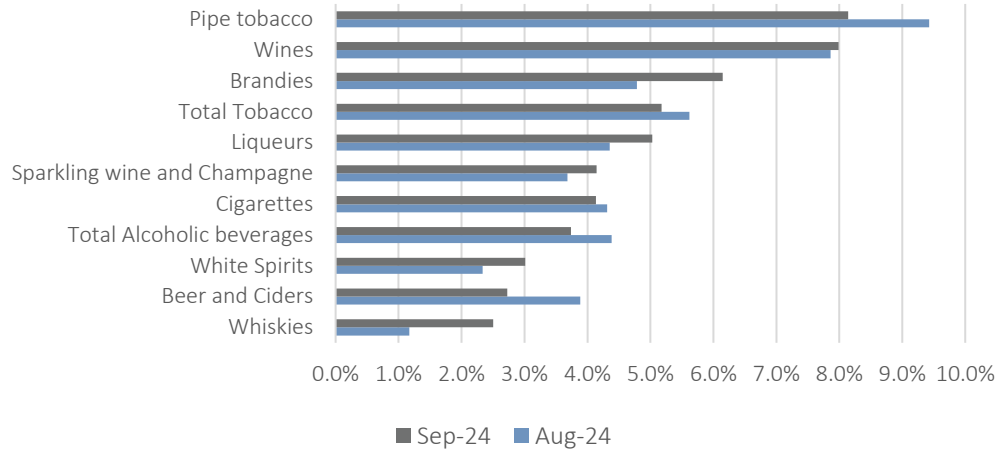




Alcohol & Tobacco

The **alcohol and tobacco** category posted inflation of 0.3% m/m and 4.0% y/y in September, with a steady increase month-on-month and slowing from the 4.6% y/y recorded in August. Prices of tobacco rose by 5.2% y/y, while alcohol beverage prices rose by 3.7% y/y.

Alcohol & Tobacco Inflation (y/y)

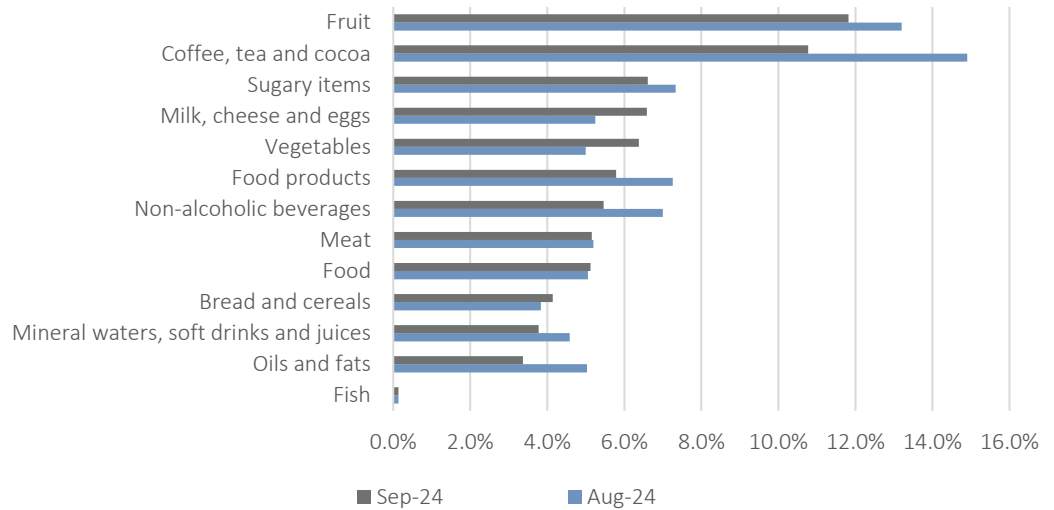


Source: Namibia Statistics Agency, IJG Securities

Food & Non-Alcoholic Beverages

Prices in this category rose by 5.1% y/y, slower than the 5.2% recorded in August. Most of the sub-categories of **food and non-alcoholic** beverages showed monthly decreases, while four of the sub-categories showed relatively low monthly increases. The largest annual increases were observed in the prices of vegetables which increased by 11.8% y/y and coffee, tea and cocoa which increased by 10.8% y/y. The graph below shows the annual increase per sub-category in August and September.

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



Source: Namibia Statistics Agency, IJG Securities

Housing, Water & Electricity

Price inflation for the **housing and utilities** category came in at 3.7% y/y, but remained relatively flat month-on-month, marginally decreasing by 0.1%. Annual inflation for rental payments remained unchanged at 4.2% in September and will likely remain at this level for the rest of the year. The regular maintenance and repair of dwellings subcategory recorded an increase in prices of 1.4% y/y, which is lower than the 4.3% y/y registered the previous month. Electricity, gas and other fuels posted inflation of 2.4% y/y (from 4.4% in August), the lowest reading since July 2022.



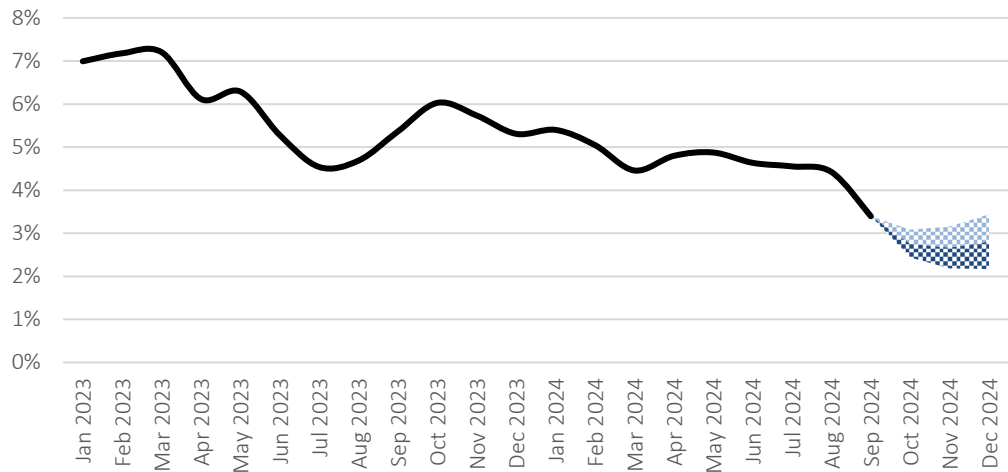
0,0005	4,85%
0,0003	13,04%
0,0001	50,00%
0,0003	14,29%
0,0005	12,50%

Conclusion & Forecast

Namibia's annual inflation slowed significantly in September, driven by lower price increases across most basket categories, particularly in housing, utilities, and fuel. Food and non-alcoholic beverages remain significant contributors, but their monthly price movements are moderating. With fuel prices now notably lower, the transportation basket should have a disinflationary effect in October, possibly leading to yet a lower annual inflation print. Overall, inflation is likely to remain subdued in the near term as price pressures ease across key categories.

IJG's inflation model is currently forecasting the annual Namibian inflation rate to average between 4.0% 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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