

Namibia Inflation Update

September 2026

Key Focus Points

- **Headline annual inflation accelerated to 5.4% in September 2026, from 5.0% in August and 3.5% a year earlier.**
- Transport remained by far the largest driver, contributing 2.2 percentage points (about 42%) of the 5.4% rate, as petrol and diesel prices rose 30.4% y/y following another pump price increase in September.
- Core inflation rose to 4.0% from 3.8% in August, while goods inflation (5.8%) pulled further ahead of services (4.7%).

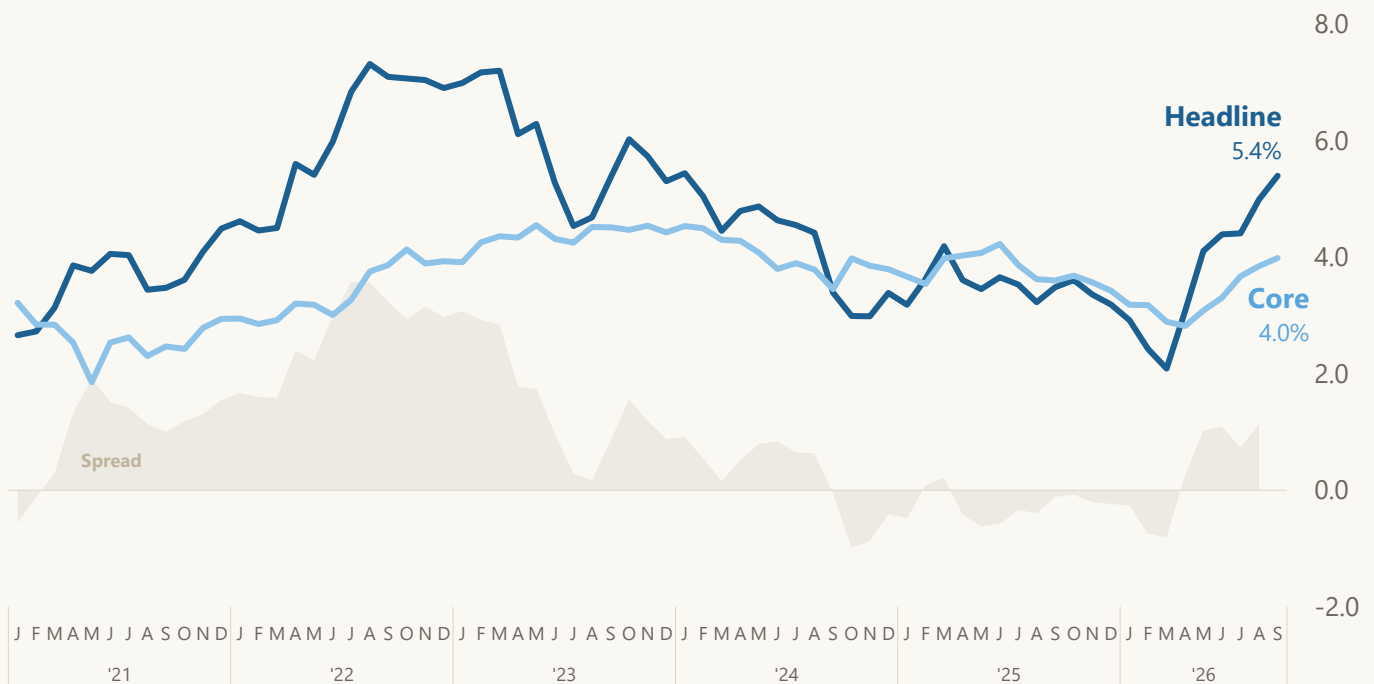
Overview

Namibia's headline annual inflation rate rose to 5.4% in September 2026, up from 5.0% in August and well above the 3.5% recorded in September 2025. On a monthly basis, prices rose by 0.4%, following a 0.6% increase in August and broadly flat prices (0.05%) a year ago. Transport (+1.9% m/m) again accounted for the bulk of the monthly increase, while most other divisions rose by 0.3% or less and recreation & culture, hotels and communications recorded small declines.

The acceleration remains concentrated in transport, where annual inflation rose to 14.9% from 13.2% in August after pump prices were raised again on 2 September (diesel +N\$1.60/litre and petrol +60c/litre, including a 30c/litre increase in the Road User Charge levy). Transport contributed 2.2 percentage points to headline inflation, followed by Housing & Utilities (1.0pp) and Food & Non-Alcoholic Beverages (0.8pp). Excluding the Transport basket influence, annual inflation would have been about 3.7%.

Inflation up to 5.4% in Sep '26, driven by fuel price increases

Annual inflation, headline vs. core, %



Source: Namibia Statistics Agency; IJG Securities

Housing & Utilities

This division is the largest in the basket at 28.4% of expenditure. Annual inflation in the division eased slightly to 4.2% in September from 4.3% in August, but remains above the 3.6% recorded a year ago. Electricity, gas & other fuels slowed to 3.8% from 4.1%, while rental payments (4.3%), maintenance & repairs (4.0%) and water, sewerage & refuse collection (4.1%) were broadly unchanged from August. On a monthly basis, the division rose by 0.1%, after a 0.4% decline in August.

Housing inflation eased to 4.2% in September as electricity and gas slowed to 3.8%

Basket/Item	Sep '25 (%)	Aug '26 (%)	Sep '26 (%)	vs Aug '26 (pp)	vs Sep '25 (pp)	Direction
Housing & Utilities	3.6	4.3	4.2	-0.1	+0.6	↓
Rent	3.7	4.3	4.3	0.0	+0.6	→
Maintenance & repairs	3.1	4.0	4.0	0.0	+0.9	→
Water, sewerage & refuse	4.0	4.1	4.1	0.0	+0.1	→
Electricity, gas & other fuels	3.0	4.1	3.8	-0.3	+0.7	↓

Source: Namibia Statistics Agency; IJG Securities

Food and Non-Alcoholic Beverages

Food & NABs recorded annual inflation of 4.0% in September, unchanged from August on a rounded basis and down from 4.9% a year earlier. Within the division, milk, cheese & eggs jumped to 7.0% from 3.5%, vegetables accelerated to 8.5% from 7.9%, and fruit rose to 14.4%. By contrast, meat inflation eased to 3.3% from 3.8%, fish to 3.2% from 3.7%, and bread & cereals to 3.0% from 3.3%, while coffee, tea & cocoa was steady at 3.5%.

Meat and the foot-and-mouth disease outbreak

Annual meat inflation slowed to 3.3% in September from 3.8% in August and 8.1% a year earlier. The disinflation over the past year was led by beef (2.6% vs 14.1% in September 2025), mutton & lamb (4.8% vs 12.6%) and sausages (0.3% vs 7.3%), with beef and mutton & lamb slowing further from August (3.7% and 5.6%). Liver & kidneys (11.8%), offals (7.3%), minced meat (7.0%) and ham (7.0%) were the fastest-rising items, while chicken eased to 3.5% from 4.0%. As the foot-and-mouth disease outbreak discussed below was only confirmed on 23 September, the September figures are unlikely to reflect much of its effect yet.

On 23 September 2026, foot-and-mouth disease (SAT1) was confirmed on a commercial farm in the Karasburg State Veterinary District in the ǀKharas Region, the first outbreak in Namibia's FMD-free commercial livestock zone in some 60 years. By 5 October, 127 cases had been confirmed on 15 farms. Government suspended the movement of cloven-hoofed animals and their products nationwide, halted slaughter at abattoirs and suspended imports and exports of these animals and their raw products. Meatco suspended slaughter and beef exports, and the EU, which takes more than 80% of Namibia's beef exports, temporarily suspended imports of fresh beef, sheep and goat meat. Containment measures include a buffer zone, vaccination in the containment area and new cordon fencing along the South African border.

We expect the outbreak to affect meat prices in two phases. In the short term, movement and slaughter restrictions are disrupting supply to butcheries (stock in parts of ǀKharas was reported to last only one to two weeks), while imports of cloven-hoofed animals and raw products are also suspended and South Africa is battling its own FMD outbreak. Together with precautionary buying, this is likely to push up retail prices of beef, mutton, lamb and processed meats such as mince and boerewors over the remainder of the year. In the medium term the effect could reverse: Namibia exports roughly two-thirds of its red meat, so if export markets remain closed once internal movement controls are eased, surplus cattle and meat would be diverted to the local market, weighing on producer and, with a lag, retail meat prices.

Transport

Transport inflation rose to 14.9% in September from 13.2% in August, compared with just 1.3% in September 2025, making it again the single largest driver of headline inflation. The operation of personal transport equipment accelerated to 20.1% from 17.1%, as petrol and diesel prices rose 30.4% y/y (August: 25.1%) after the September pump price increase. Spare parts & accessories (7.2%) and service & repair charges (6.2%) also remain elevated. Public transportation services rose 15.0%, led by air transport (22.1%), rail (15.7%) and taxi fares (15.4%), while purchase of vehicles remained subdued at 1.5%.

Goods & Services; Core Inflation

Goods inflation rose to 5.8% in September from 5.2% in August and 3.3% a year earlier, while services inflation was stable at 4.7% (September 2025: 3.8%). The widening gap reflects the fuel-driven nature of the current upswing, as fuel is classified as a good, although higher transport fares are also keeping services inflation elevated. The chart below compares goods and services inflation with core inflation.

Core inflation, which excludes food & non-alcoholic beverages and most energy items, rose to 4.0% in September from 3.8% in August and 3.6% a year earlier, about 1.4 percentage points below the 5.4% headline rate. Core inflation has now risen for five consecutive months from a low of 2.8% in April, suggesting that higher fuel costs are starting to feed into the broader price level through transport fares, freight-sensitive goods and services such as accommodation (8.5%). The gap between headline and core inflation remains a useful gauge of how much of the current impulse comes from volatile fuel and food prices rather than the underlying trend.

Our Take

September's rise to 5.4% confirms that the fuel price shock is still working its way through the CPI: transport alone contributed 2.2 of the 5.4 percentage points. The broader picture is, however, also deteriorating gradually, with core inflation up for five consecutive months to 4.0% and goods inflation at 5.8%. The petrol price increase of N\$1.50/litre from early October (diesel unchanged) means fuel will again add to inflation in October, while the FMD outbreak introduces upside risk to meat prices in the near term.

We expect headline inflation to continue its climb into the 5.5-6.5% range over the remainder of 2026 as fuel price increases will reflect in next month's print, and sticky international oil prices along with a weaker exchange rate undermine the Ministry's ability to rebuild its Fund buffers. This is on top of base effects, because inflation slowed towards the end of 2025. These base effects would be even more powerful in the first quarter of 2027, meaning early 2027 faces upside risk of inflation closer to 7%+. Food inflation would continue its modest climb, now including meat prices as a risk due to FMD-related supply disruptions, although a prolonged loss of export markets would ultimately weigh on domestic meat prices.

Contact Us

Department	Email Address
General	info@ijg.net
Compliance	compliance@ijg.net
Finance	finance@ijg.net
Corporate Finance & Advisory	advisory@ijg.net
Money Market Transactions	instructions.wealth@ijg.net
Wealth Management	wealth@ijg.net
Stockbroking	dealing@ijg.net
Private Equity	privateequity@ijg.net
Research & Data	research@ijg.net
Unit Trusts	info@prescient-ijg.net

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