

Namibia Consumer Price Index Bulletin

March 2023





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PREFACE



This report examines the monthly inflation rate performance in Namibia as measured by the Namibia Consumer Price Index (NCPI). The inflation rate measures the change in the Consumer Price Index (CPI) for the month under review compared to the previous month (month-on-month changes) as well as to the corresponding month in the previous year (year-on-year changes). The inflation rate is vital for purposes of economic policymaking, especially the conduct of monetary policy and to consumers in general. The Consumer Price Index is published about 15 days after the end of the reference month to which it relates.

In March 2023, the annual inflation rate increased by 7.2 percent compared to 4.5 percent recorded in March 2022. On a monthly basis, the inflation rate increased by 0.6 percent compared to 0.4 percent recorded a month earlier. The main contributors to the annual inflation rate were Food and non-alcoholic beverages (2.7 percentage points); Transport (1.4 percentages points), Alcoholic beverages & tobacco (0.9 percentage points), Housing, water, electricity, gas and other fuels (0.8 percentage points); Miscellaneous goods and services; and Furnishing household equipment and routine maintenance of the house (each contributed 0.4 percentage points).

The Zonal inflation rates for the month of March 2023 revealed that, Zone 1 (Kavango East, Kavango West, Kunene, Ohangwena, Omusati, Oshana, Oshikoto, Otjozondjupa, and Zambezi) recorded the highest annual inflation rate of 7.7 percent, followed by Zone 3 (Karas, Erongo, Hardap, Omaheke) recording an annual inflation rate of 7.2 percent while Zone 2 (Khomas), recorded the lowest annual inflation rate of 6.6 percent. On a monthly basis, the Zone 1 and 3 registered an inflation rate of 0.6 percent each and Zone 2 recorded 0.4 percent.

Analysis of the average retail prices of selected products for the month of March 2023 shows that consumers in Zone 2 paid the highest price for Pure sunflower oil (750 ml) at N\$37.41 followed by Zone 3 at N\$36.81, while consumers in Zone 1 paid the lowest price of N\$36.05. For Stewing beef, consumers in Zone 1 paid the lowest price at N\$89.99/Kg, while the highest price was recorded in Zone 3 at N\$94.57/Kg. For Eggs (pack of 6), consumers in Zone 1 paid the lowest price at N\$21.15, while the highest was paid by Zone 2 consumers at N\$23.04.

I would like to extend my gratitude and appreciation to all stakeholders who assisted in the production of this bulletin. Further, I would like to urge our readers and users of this bulletin to send to us any comments that may enhance statistical production and contribute to the improvement of this bulletin at info@nsa.org.na

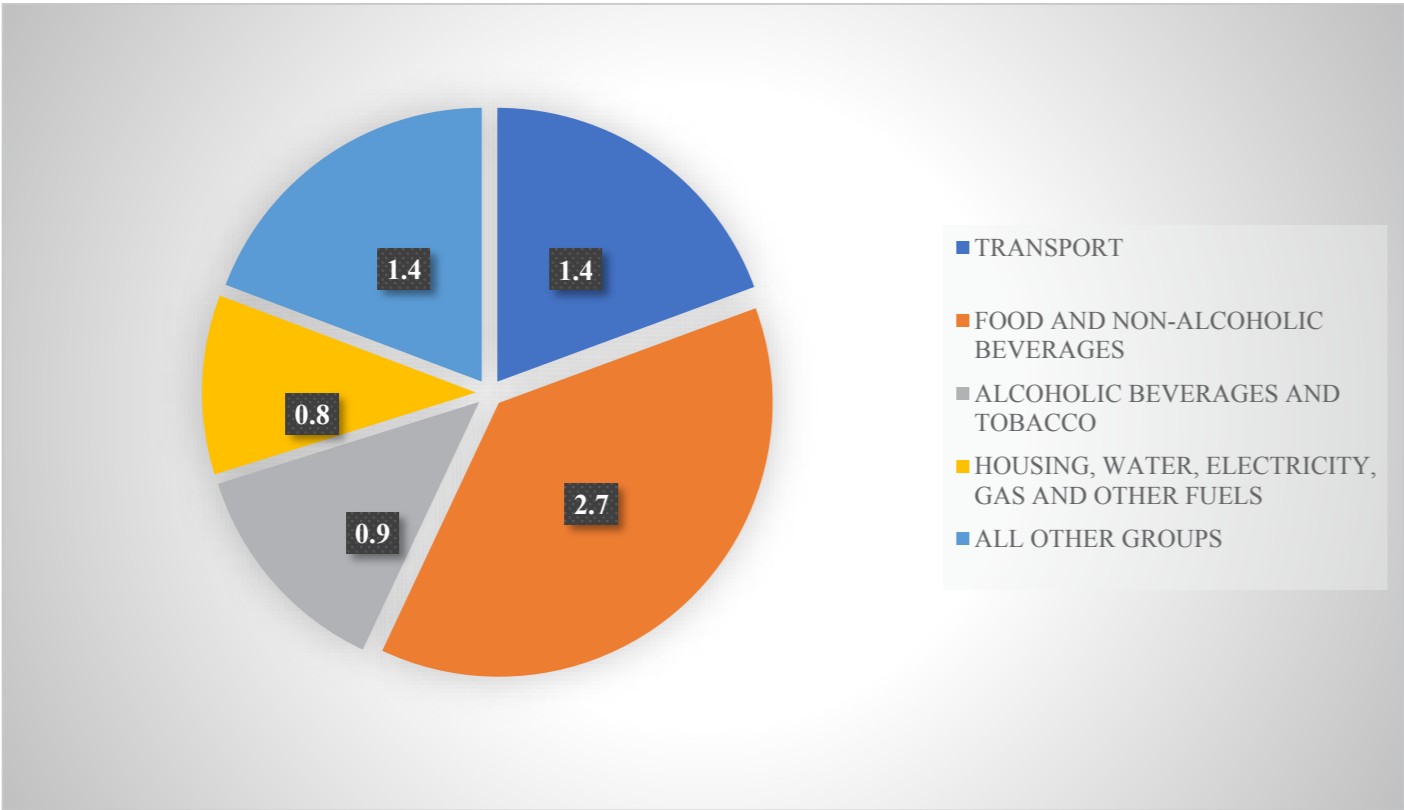
Please take note that the forthcoming report for April 2023 will be released on 11 May 2023.

Alex Shimuafeni
 Statistician-General & CEO

Overall inflation rate

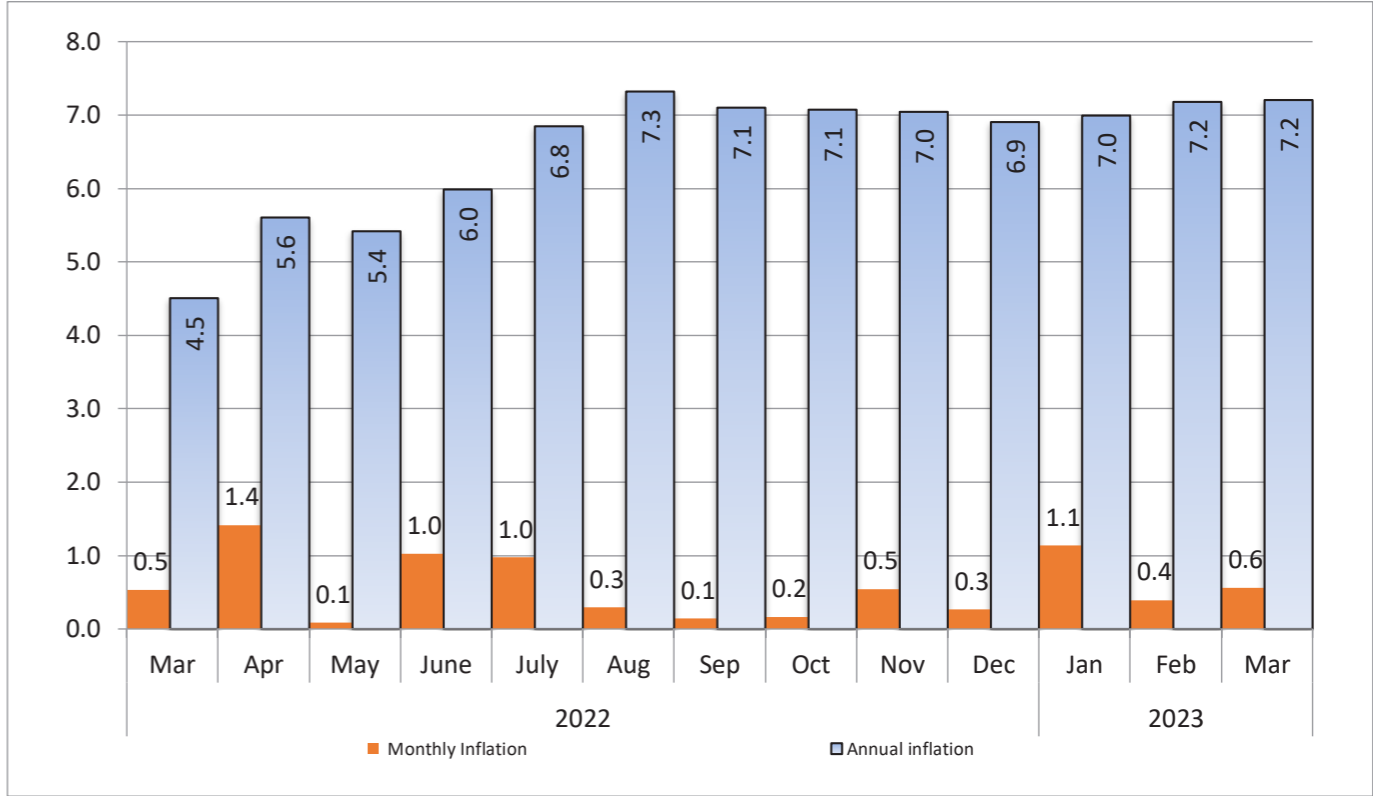
The annual inflation rate for March 2023 stood at 7.2 percent, up from 4.5 percent recorded in March 2022. The main contributors to the annual inflation rate for March 2023 were Food and non-alcoholic beverages (2.7 percentage points); Transport (1.4 percentage points); Alcoholic beverages & tobacco (0.9 percentage point); Housing, water, electricity, gas, and other fuels (0.8 percentage points); Furnishings, household equipment and routine maintenance of the house; and Miscellaneous goods and services each contributed 0.4 percentage points.

Chart 1: NCPI groups contribution to annual inflation rate for March 2023 (%)



On a monthly basis, price levels in Namibia increased by 0.6 percent during the period under review compared to 0.4 percent recorded during the previous month. The increase in the monthly inflation rate was reflected mainly in Transport (from 0.0% to 1.9%); Hotels cafe and restaurants (from 0.0% to 0.6%) and Miscellaneous goods and services (from 0.2% to 0.3%).

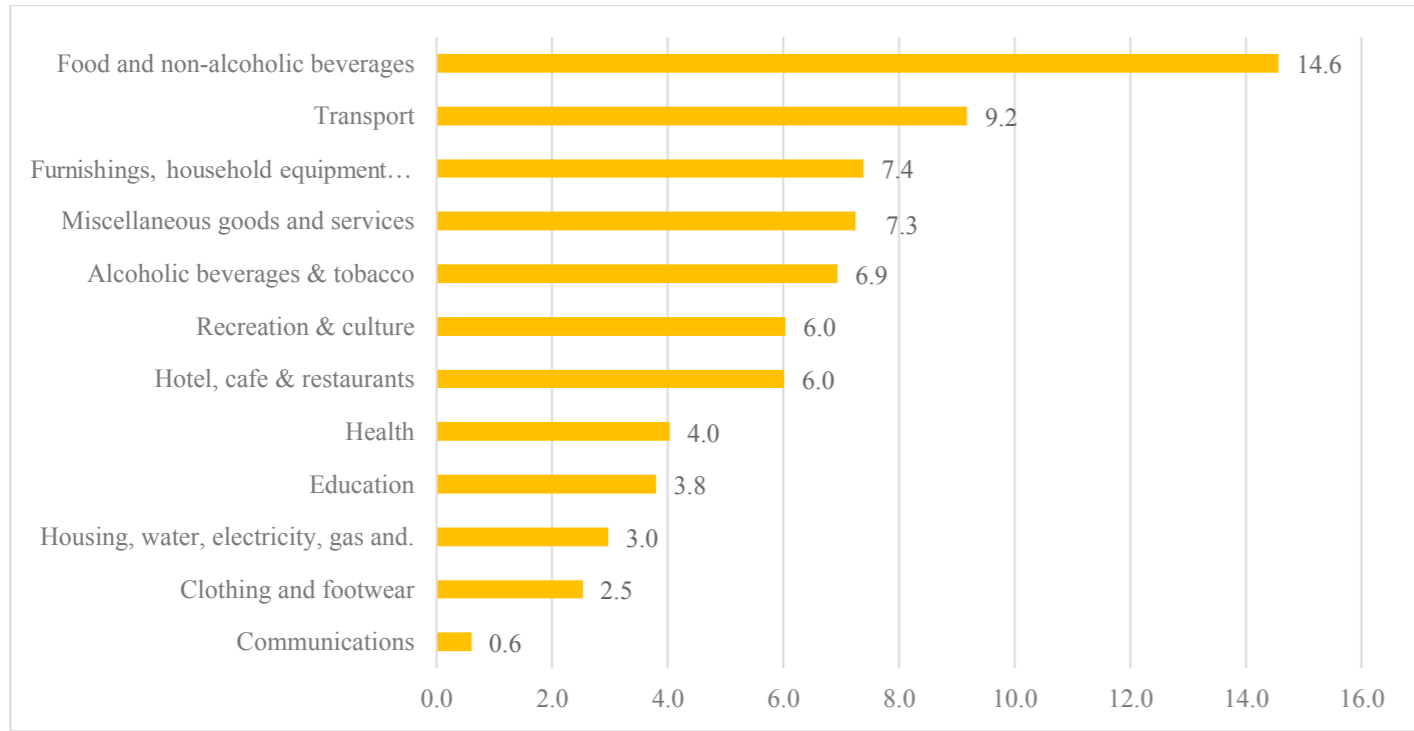
Chart 2: Monthly and annual percentage change (March 2022- March 2023)



Annual inflation rate by main categories

The highest changes in the annual inflation rate were mainly witnessed in the categories of Food and non-alcoholic beverages (14.6%); Transport (9.2%); Furnishings, household equipment and routine maintenance of the house (7.4%); Miscellaneous goods and services (7.3%); Alcoholic beverages and tobacco (6.9%); Hotels, cafes and restaurants and Recreation and culture each increased by 6.0% percent.

Chart 3: Annual percentage change by groups for March 2023

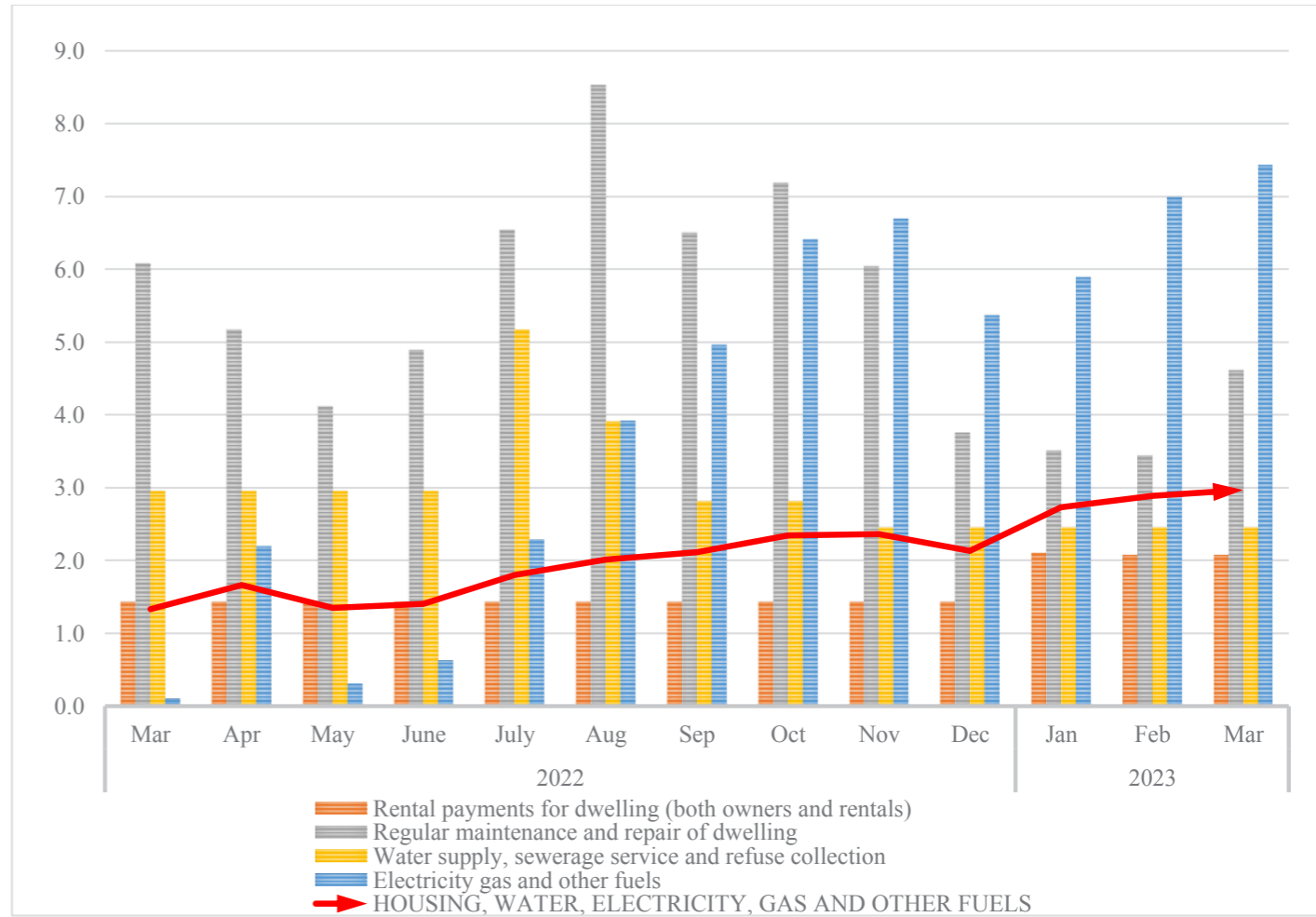


Selected main categories' annual inflation rates

Housing, water, electricity, gas, and other fuels

The annual inflation rate for Housing, water, electricity, gas and other fuels component which accounts for 28.4 percent of the consumer basket, increased by 3.0 percent during March 2023 compared to 1.3 percent registered in March 2022.

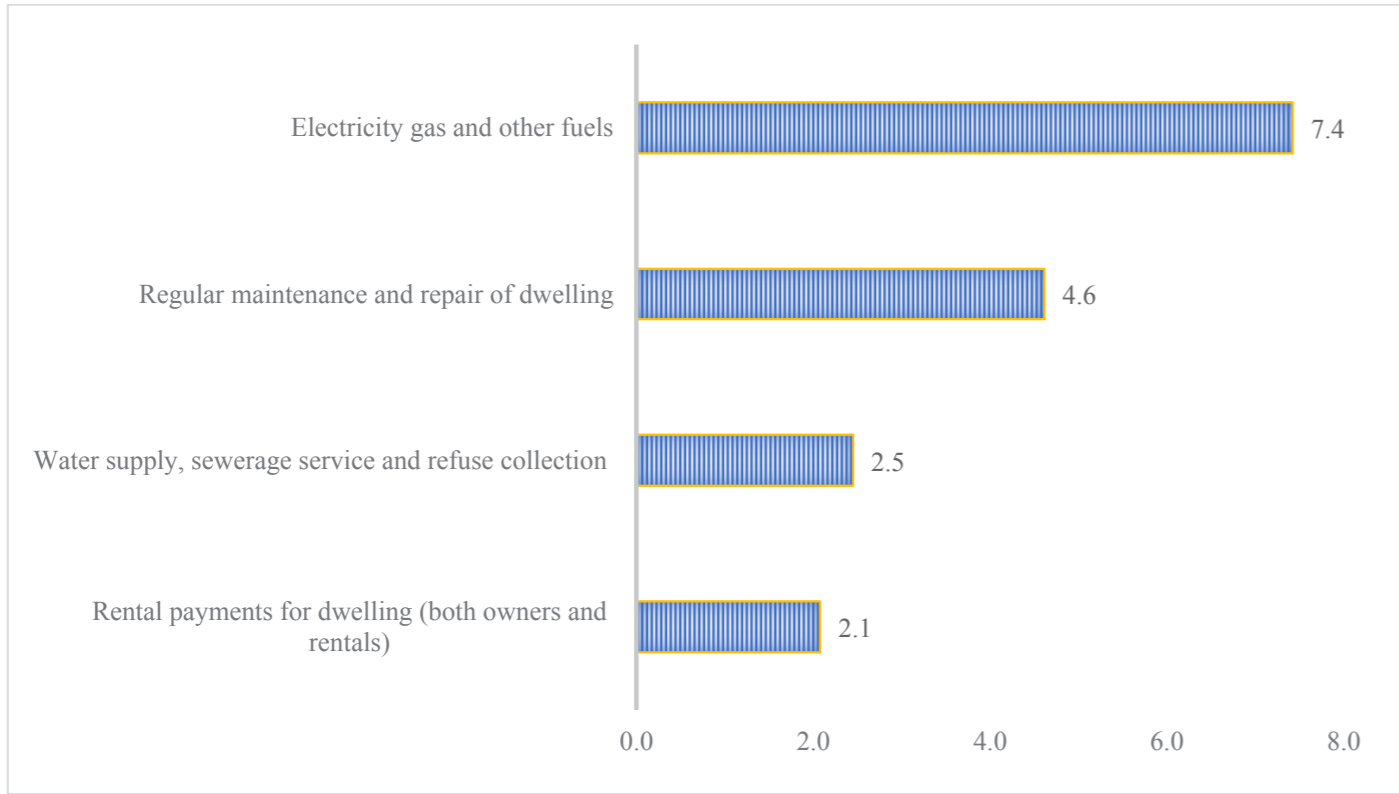
Chart 4: Annual inflation rate for Housing, water, electricity, gas, and other fuels (March 2022- March 2023)



The increase in the price levels of this category was reflected in the subgroups of electricity, gas and other fuels (from 0.1% to 7.4%) and Rental payment for dwelling (from 1.4% to 2.1%).

The monthly inflation for this component stood at 0.1 percent compared to 0.2 percent recorded a month earlier.

Chart 5: Annual inflation rate for Housing, water, electricity, gas, and other fuels for March 2023

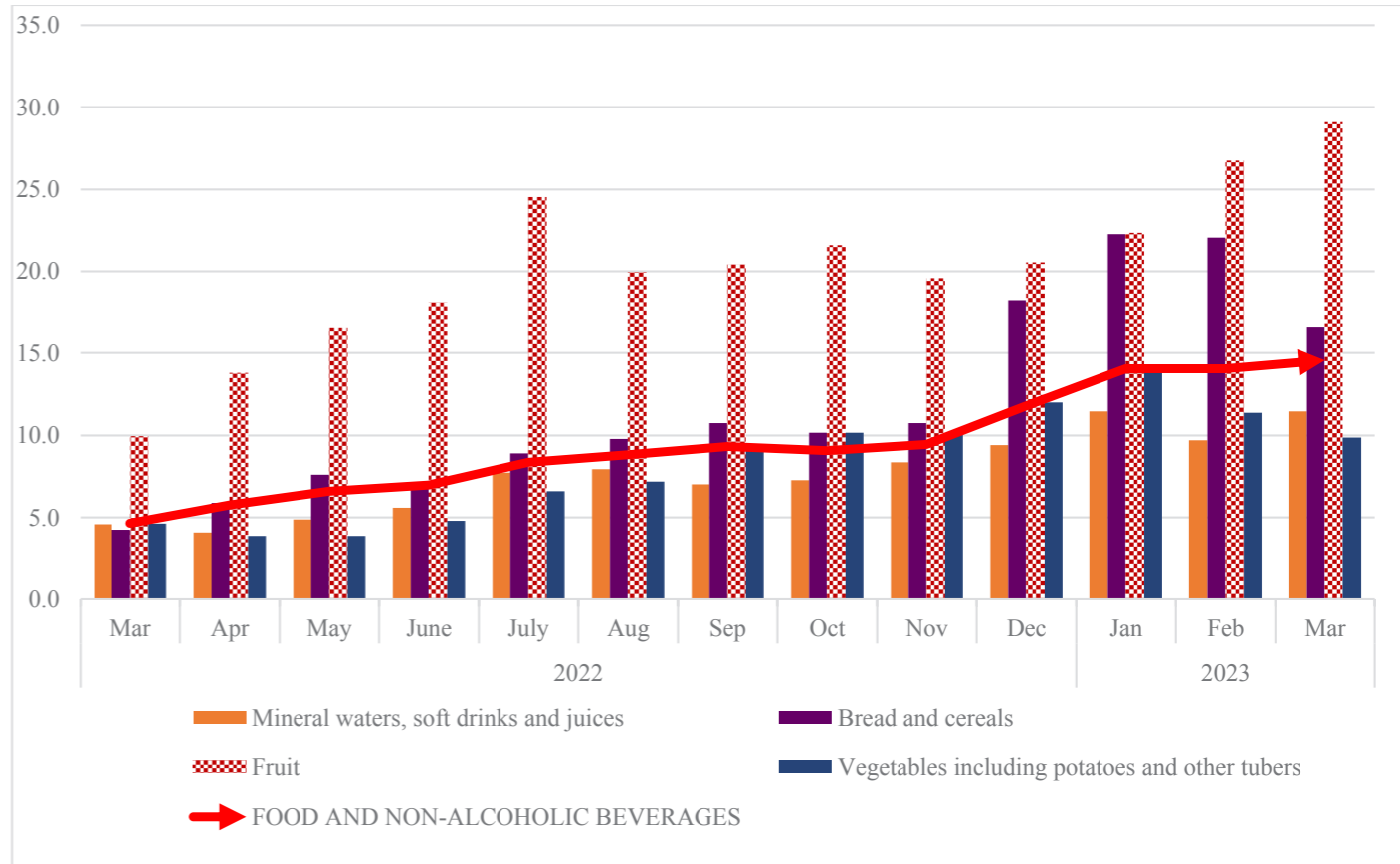


Food and non-alcoholic beverages

Food and non-alcoholic beverages which accounts for 16.5 percent of the NCPI basket, registered an annual inflation rate of 14.6 percent during the period under review, compared to 4.6 percent during corresponding period of 2022.

On a monthly basis, price levels for this category increased by 0.9 percent during March 2023 compared to 1.0 percent recorded during the preceding month.

Chart 6: Annual inflation rates for Food and non-alcoholic beverages and selected food sub-categories (March 2022 - March 2023)



Food sub-category accounts for 14.8 percent of the consumer basket in the NCPI. Within the food sub-category, bread, and cereals accounts for the highest weight of food items that consumers purchase, having a weight of 4.8 percent followed by Meat (3.5%); Sugar, jam, honey, syrups, chocolate and confectionery (1.4%); Vegetables; and milk, cheese and eggs (1.2%) each.

The price levels of **Vegetables** increased by 14.5 percent in March 2023 compared to an annual inflation rate of 4.6 percent recorded during March 2022. The increase in the annual inflation rate for this subcategory was mainly observed in the price levels of Green pepper/Paprika (from -3.1% to 39.8%); Beetroot (-3.5% to 34.2%), Carrots (from -8.5% to 27.9%); Cucumber (from -11.1% to 21.8%) and Cabbage (from -20.5% to 14.5%).

Bread and **cereals** prices increased by 20.8 percent during March 2023 compared to 4.2 percent recorded same period of the previous year. The growth in the annual inflation rate for this sub-category resulted mainly from increases in the price levels of Maize, meal/grain which increased significantly reaching a high of 33.9 percent during the month under review compared to 3.0 percent registered in March 2022; Bread, cake flour also increased (from 11.9% to 25.9%); Macaroni, spaghetti, and noodles rose (from 6.3% to 20.3%) and Bread (from 5.8% to 18.5%).

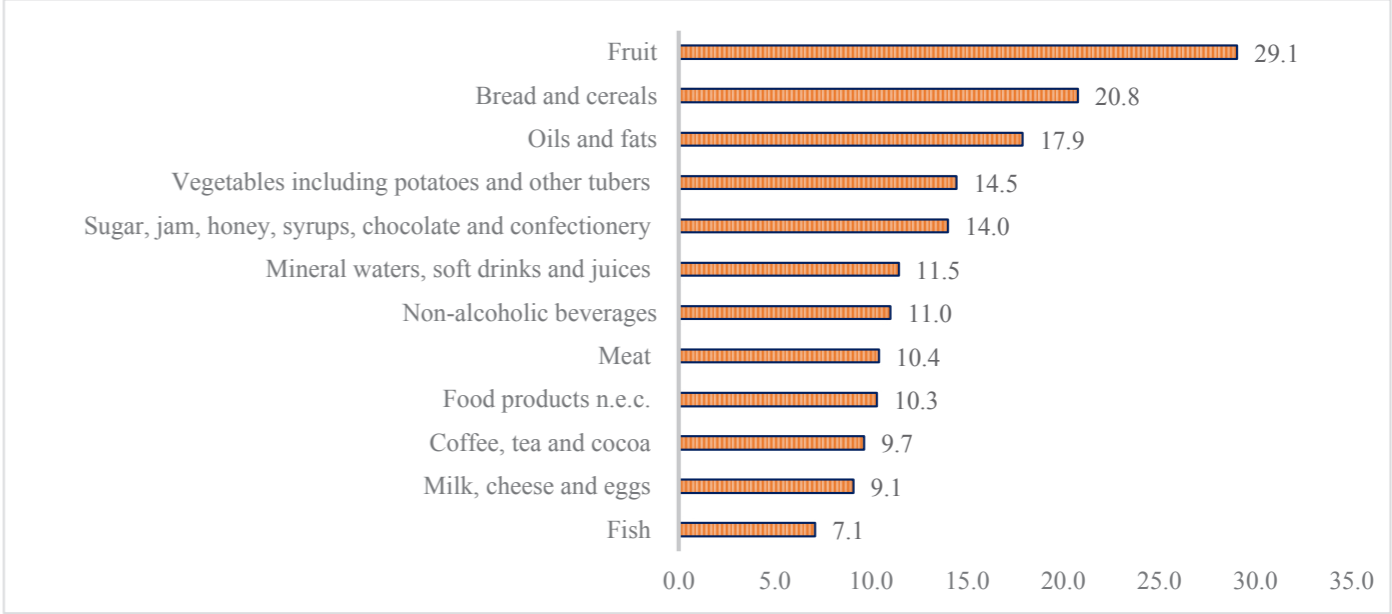
The price levels of **Fruit** went up by 29.1 percent during March 2023 compared to 10.0 percent recorded during the same period a year earlier. The increase was reflected mainly in the price levels of Avocado (from 32.9% to 92.3%); Citrus fruits (from 5.1% to 24.2%); Watermelons (from -2.3% to 20.5%); and Grapes (from -17.9% to 13.1%).

Mineral waters, soft drinks and juices increased by 11.5 percent during the period under review compared to an increase of 4.6 percent registered during the same period of 2022. The increase was observed in all levels of this category.

Price for **Sugar, jam, honey, syrups, chocolate and confectionery** increased by 14.0 percent during the period under review, when compared to an increase of 2.3 percent registered during the same period last year. The increases in the annual inflation rate for this category was mainly observed in the price levels of Chocolate (from -0.3% to 24.1%); Sugar (from 1.9% to 15.0%) and Ice cream (from 3.5% to 14.5%).

The price levels of **Meat** increased by 10.4 percent during the period under review, compared to 4.4 percent registered during the same period last year. The rise in the annual inflation rate for Meat was mainly observed in the price levels of Ham (from 6.4% to 18.5%); Chicken and birds (from 4.6% to 17.3%); Bacon (from 3.5% to 16.3%); Pork (from 3.5% to 16.2%) and Sausages (from 2.5% to 14.6%).

Chart 7: Annual inflation rate for the main subcategories of Food and non-alcoholic beverages (March 2023)

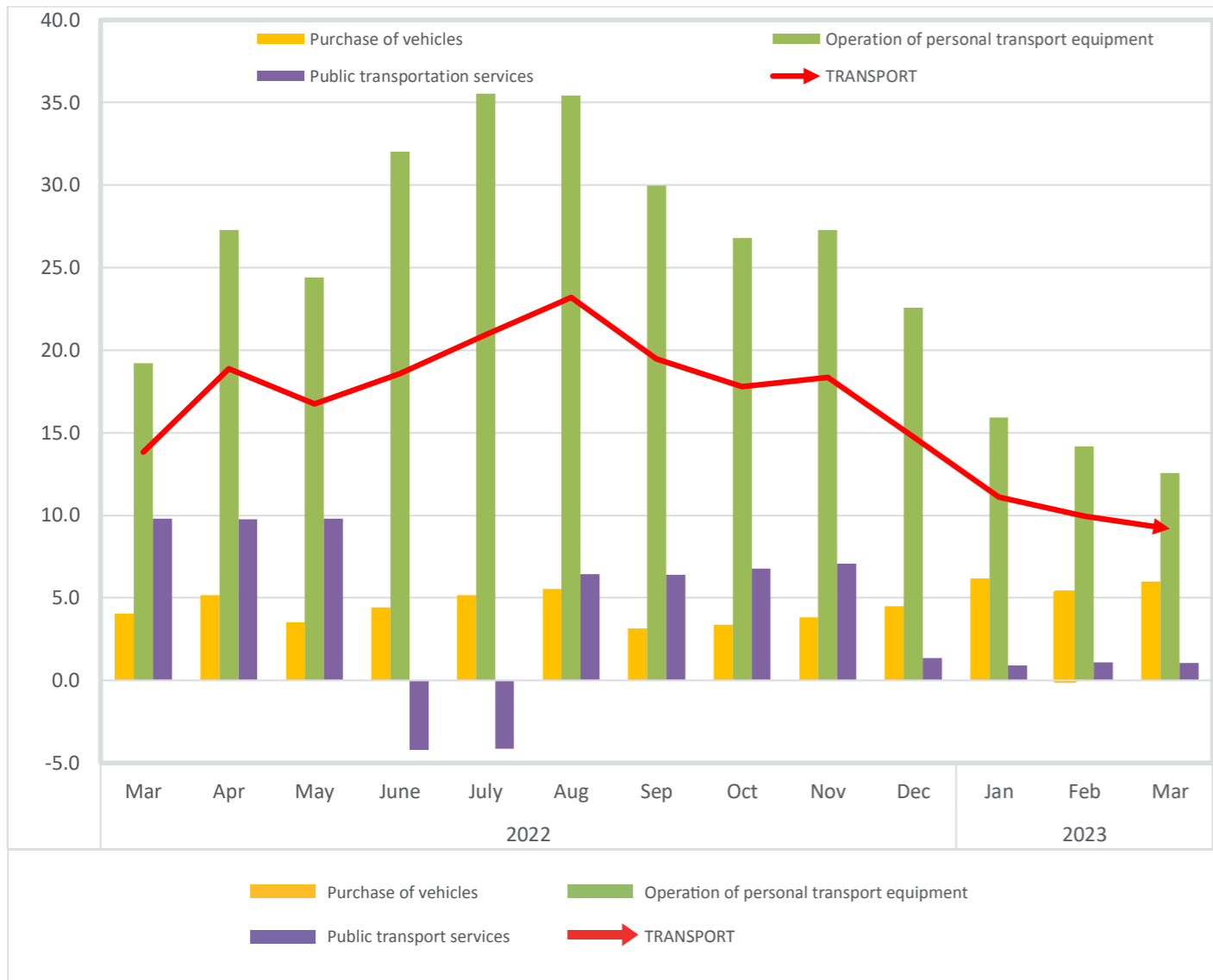


Transport

The annual inflation rate for the Transport category which accounts for 14.3 percent of the consumer basket increased by 9.2 percent in March 2023 compared to 13.8 percent recorded in March 2022. The increases in the Transport component were reflected in the price levels of Purchase of vehicles which rose by 6.0 percent compared to 4.0 percent registered in March 2022.

Transport monthly inflation rate increased by 1.9 percent in March 2023 compared to 0.0 percent recorded in February 2023.

Chart 8: Annual inflation rate for Transport (March 2022 - March 2023)



Purchase of vehicles registered an inflation rate of 6.0 percent during March 2023 compared to 4.0 percent recorded in March 2022. The increase was mainly observed in price increases obtained from Motor cars (from 3.9% to 6.3%).

Prices for Operation of personal transport equipment increased by 12.5 percent in March 2023 compared to 19.2 percent recorded in March 2022. The increase was mainly reflected in price increases recorded in Parking fees (from 0.0% to 25.7%) and Lubrications (from 3.4% to 12.7%).

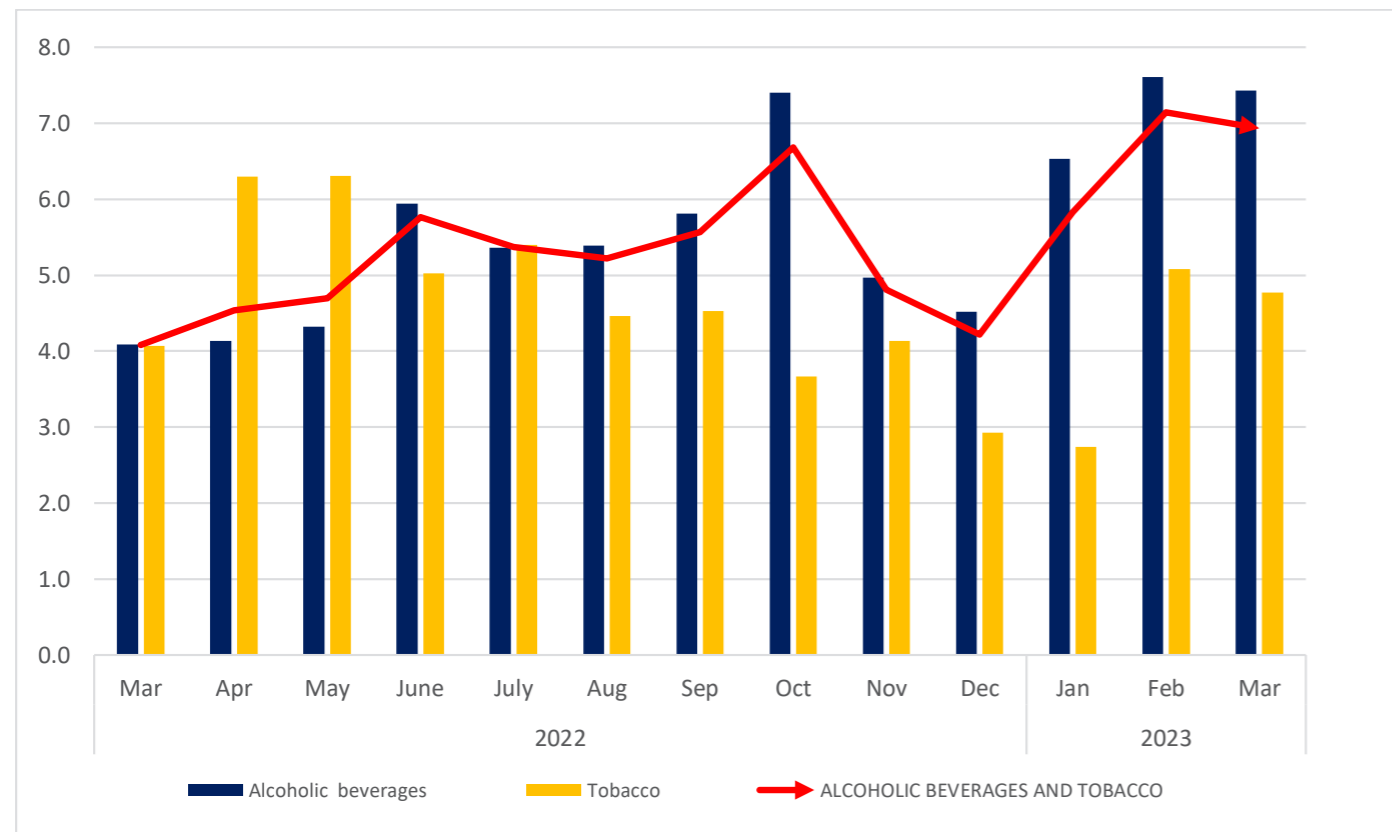
Prices for Public transportation services registered a slight increase of 1.0 percent in March 2023 compared to 9.8 percent registered during the same period of 2022. The increase emanated mainly from price escalations registered in the price levels of Furniture removal and transport of goods which increased (from 3.9% to 26.1%) and Air transportation (from 7.3% to 12.1%).

Alcoholic beverages and tobacco

The annual inflation rate for the Alcoholic beverages and tobacco group stood at 6.9 percent in March 2023 compared to 4.1 percent registered in March 2022. The upward movement in the annual inflation rate in this category during this period was due to the increases witnessed in all subgroups of this category.

The monthly inflation rate for this group increased by 0.2 percent compared to 0.4 registered a month earlier.

Chart 9: Annual inflation rate for Alcoholic beverages and tobacco (March 2022 - March 2023)



Prices for Alcoholic beverages grew by 7.4 percent in March 2023, compared to an inflation rate of 4.1 percent recorded in March 2022. The increase in the price levels of this subcomponent resulted mainly from subcategories of White spirits which increased (from 14.2% to 28.3%); Sparkling wines /Champagnes (3.5% to 8.2%); Wines (from 1.1% to 5.3%) and Liqueurs (from -4.7% to 0.0%).

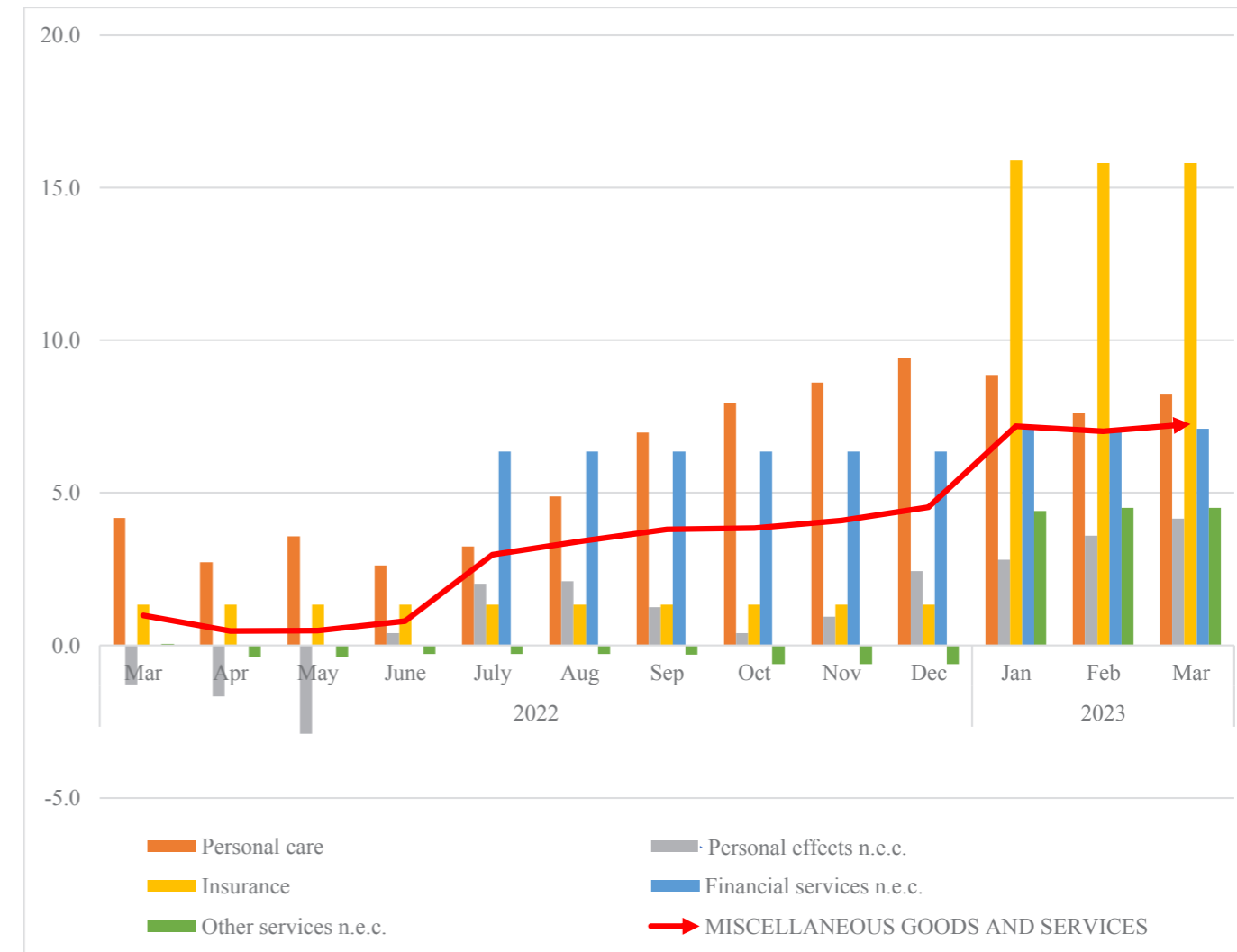
Tobacco prices for this class recorded a growth of 4.8 percent during the period under review compared to 4.1 percent recorded in March 2022. The increases registered in the inflation rate for this category was reflected in subcategory of Cigarettes which recorded 5.8 percent in comparison to 4.0 percent recorded in March 2022.

Miscellaneous goods and services

The annual inflation rate for this category stood at 7.3 percent in March 2023 compared to 1.0 percent recorded in March 2022. The upward movement was reflected in the price increases registered in all the subgroups of this category.

On a monthly basis, inflation rate increased by 0.3 percent in March 2023 compared to an increase of 0.2 percent recorded in the previous month.

Chart 10: Annual inflation rate for Miscellaneous goods and services (March 2022 - March 2023)

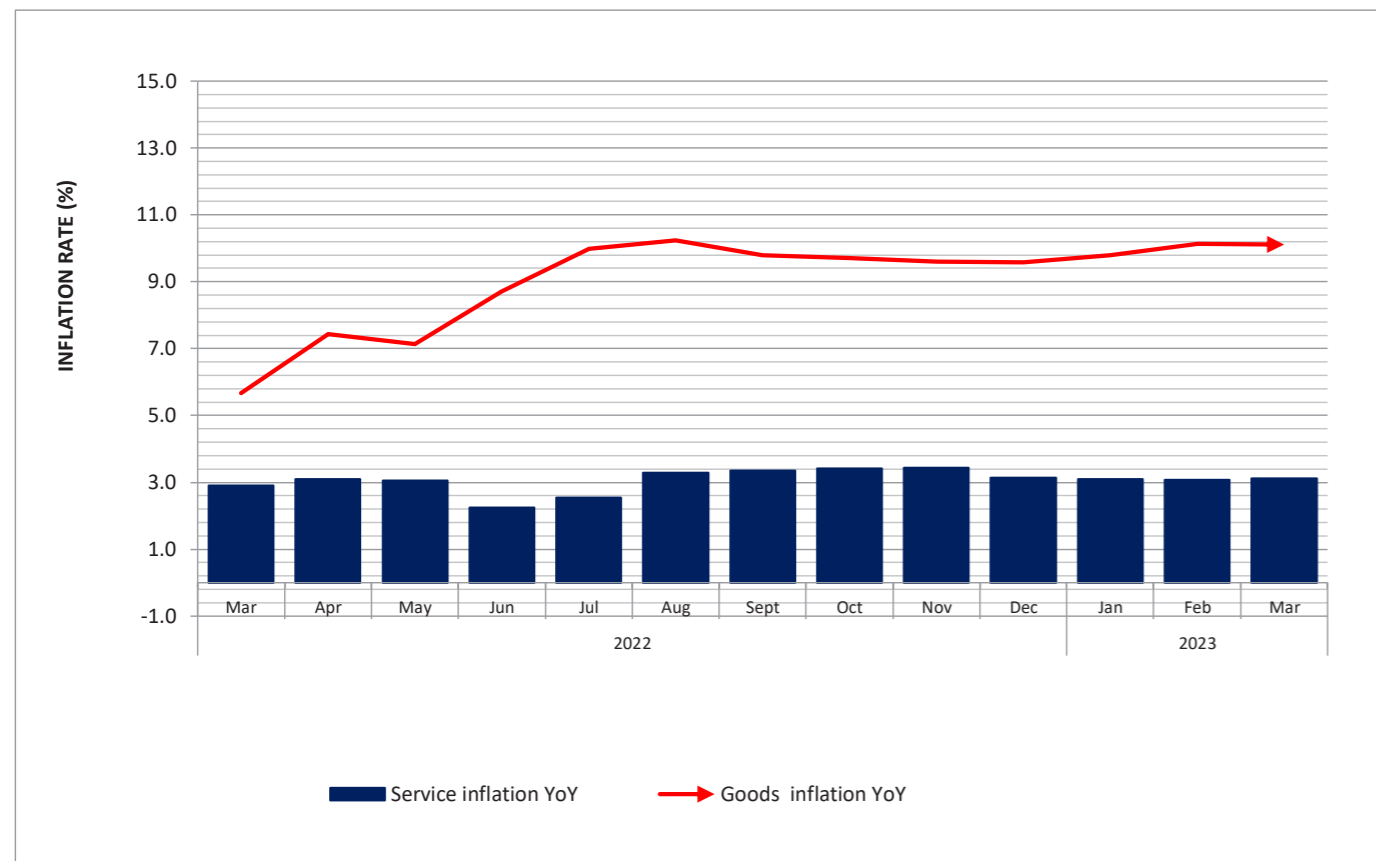


Goods and Services inflation rates

During the month of March 2023, the annual inflation rate for Goods increased by 10.1 percent compared to 5.7 percent registered during the same period last year. The annual inflation rate for Services rose by 3.1 percent in March 2023 compared to 2.9 percent recorded in March 2022.

The monthly inflation rate for Goods and Services rose by 0.9 percent and 0.0 percent in March 2023 compared to 0.7 percent and 0.0 percent registered during the previous month, respectively.

Chart 11: Goods and services annual inflation rates (%) (March 2022 – March 2023)



Inflation rates by Zones

The NCPI is designed to cover the entire economic territory of the country and includes national, urban, and rural households of all income groups as derived from the Namibia Household Income and Expenditure Survey (NHIES). For the compilation of the National CPI, all administrative regions of the country were grouped into three Zones, with each zone considered as one geographic area as follows: **Zone 1** (Kavango East, Kavango West, Kunene, Ohangwena, Omusati, Oshana, Oshikoto, Otjozondjupa, and Zambezi); **Zone 2** (Khomas) and **Zone 3** (||Kharas, Erongo, Hardap and Omaheke).

Table 1: Zonal annual inflation rates (%) – March 2022 - March 2023

	Zone 1	Zone 2	Zone 3
Jan-22	4.1	5.3	4.4
Feb - 22	3.9	5.3	4.1
Mar - 22	3.8	5.3	4.4
Apr-22	5.1	6.3	5.3
May-22	4.8	6.3	5.1
Jun-22	5.6	6.7	5.6
Jul-22	6.2	7.7	6.6
Aug-22	6.8	7.9	7.2
Sept-22	6.6	7.8	6.9
Oct-22	6.5	7.8	6.8
Nov-22	6.4	7.9	6.9
Dec-22	6.5	7.6	6.4
Average 2022	5.5	6.8	5.8
Jan - 23	7.4	6.5	7.1
Feb - 23	7.6	6.7	7.3
Mar - 23	7.7	6.6	7.2

Zone 1 - The annual inflation rate increased by 7.7 percent during the period under review compared to 3.8 percent recorded during March 2022. The increase in the annual inflation rate resulted mainly from increases registered in the price levels of Food and non-alcoholic beverages (from 4.1% to 15.3%); Alcoholic beverages and tobacco (from 2.6 % to 8.9 %); Miscellaneous goods and services (from 0.7% to 5.2%) and Clothing and footwear (from -3.0% to 4.8%).

On a monthly basis, the inflation rate increased by 0.6 percent during March 2023 compared to 0.5 percent recorded a month earlier.

Zone 2 - The annual inflation rate for March 2023 increased by 6.6 percent compared to 5.3 percent recorded during the same period of 2022. The increase was mainly as result of increases in the price levels of Food and Non-alcoholic beverages (from 5.7% to 14.5%); Recreation and culture (from 4.4% to 9.1%); Miscellaneous goods and services (from 0.3% to 6.9%); Health (from 2.9% to 6.3%); and Clothing and footwear (from -3.8% to 2.4%).

On a monthly basis, the inflation rate remained unchanged at 0.4 percent.

Zone 3 - The annual inflation rate increased by 7.2 percent in March 2023 from 4.4 percent recorded same period last year. The increase in the annual inflation rate resulted mainly from increases in the price levels of Food and non-alcoholic beverages (from 4.5% to 13.2%); Miscellaneous goods and services (from 2.4% to 10.8%); (Furnishing, household equipment and routine maintenance of the house (from 4.8% to 8.4%) and Housing, water, electricity, gas and other fuels (from -0.3% to 3.3%).

On a monthly basis, the inflation rate for March 2023 increased by 0.6 compared to 0.3 percent recorded last month.

Zonal average prices on selected products

More than 9000 prices of goods and services are collected monthly from more than 900 retail outlets in 8 localities. The Analysis of the average retail prices of selected products for the month of March 2023 shows that consumers in Zone 2 paid the highest price for Pure sunflower oil (750 ml) at N\$37.41 followed by Zone 3 at N\$36.81, while consumers in Zone 1 paid the lowest price of N\$36.05. For Stewing beef, consumers in Zone 1 paid the lowest price at N\$89.99/Kg, while the highest price was recorded in Zone 3 at N\$94.57/Kg. For Eggs (pack of 6), consumers in Zone 1 paid the lowest price at N\$21.15, while the highest was paid by Zone 2 consumers at N\$23.04.

Table 2: Average prices on selected products – March 2023

Item	Unit of Measurement	Zone 1	Zone 2	Zone 3
White bread	Each	13.37	14.44	13.66
Brown bread	each	13.90	14.19	13.49
Chicken, frozen assorted pieces	1.5kg	111.93	80.55	82.31
Eggs	Pack of 6	21.15	23.04	21.39
Citrus Fruits	Per kg			
Oranges, loose	Per kg	29.05	35.82	33.10
Grapefruit: loose	Per kg	36.02	41.61	44.30
Lemons: loose	Per kg	35.43	40.54	29.18
Pure Sunflower oil	750ml	36.05	37.41	36.81
Brown sugar	1kg	19.49	19.39	17.66
Honey	500g	98.54	86.45	81.28
Beef	Per kg			
Stewing Beef	Per kg	89.99	90.19	94.57
Rump steak	Per kg	148.97	173.24	181.56
Fillet steak	Per kg	232.97	308.98	245.86
Beef brisket	Per kg	100.40	107.25	112.60
Beer (local)	330ml	11.74	12.00	12.50
Petrol	Per litre	20.28	20.50	20.18
Diesel	Per litre	21.16	21.08	21.08

BOX 2: NCPI basket weights

Inflation is calculated based on a basket of goods and services, containing a representative sample of the goods and or services commonly consumed in a country, and weighted in accordance with the relative percentage of expenditure allotted to each of the said goods at household level. The price of these goods and services are then tracked over time, to illustrate the change in the cost of living over time. As spending patterns change, new products and services are added to the basket, and the basket is reweighted to better capture the current spending patterns of the consumer at the current point in time.

As such, the inflation basket is generally reconstituted every five years. In Namibia, the basket was last rebased in 2013, using household expenditure data collected in the 2009/10 Household Income and Expenditure Survey. The basket now contains over 350 items, grouped into 12 categories and 55 sub-categories, for which prices are collected monthly from more than 900 retail outlets.

Namibian inflation is largely determined by three categories of the overall NCPI basket, namely: (i) Housing, water, electricity, gas, and other fuels, (ii) Food and non-alcoholic beverages and (iii) Transport, which cumulatively make up just under 60 percent of the total inflation basket. Additionally, following the rebasing of the NCPI basket in 2013, “Alcoholic beverages and tobacco” make up additional 12.6 percent of the basket, meaning that the four largest categories represent well over 70 percent of the total basket. As such, a large increase in inflation in these categories has a greater impact on the overall inflation than increases in the lower weighted categories. Thus, it is rare to see major increases in overall inflation attributed to the lower weighted categories, despite the fact that these categories may have seen relatively high inflation in their own right.

Category	Weight %
Housing, Water, Electricity, Gas and Other Fuels	28.4
Food and Non-Alcoholic Beverages	16.5
Transport	14.3
Alcoholic Beverages and Tobacco	12.6
Furnishing, Household Equipment...	5.5
Miscellaneous Goods and Services	5.4
Communications	3.8
Education	3.7
Recreation and Culture	3.6
Clothing and Footwear	3.1
Health	2.0
Hotels, Cafés, and Restaurants	1.4

BOX 3: Zonal NCPI weights

	NCPI MAIN GROUPS	Weights		
		ZONE 1	ZONE 2	ZONE 3
1	Food and non-alcoholic beverages	20.4	12.3	16.5
2	Alcoholic beverages and tobacco	13.1	11.0	14.3
3	Clothing and footwear	3.9	2.4	2.6
4	Housing, water, electricity, gas, and other fuels	25.8	32.7	25.5
5	Furnishings, household equipment and routine maintenance of the house	5.8	5.2	5.3
6	Health	1.6	2.3	2.2
7	Transport	14.7	13.0	15.6
8	Communications	3.5	3.8	4.4
9	Recreation and culture	2.2	4.8	3.7
10	Education	3.2	4.5	3.1
11	Hotels, cafes and restaurants	0.9	2.0	1.1
12	Miscellaneous goods and services	4.8	5.8	5.6
	All items	100.0	100.0	100.0

Annexure

Annex A: NCPI: All Items Index, monthly and annual percentage changes March 2023

Period		Index	m-o-m	y-o-y
2022	Jan	149.7	1.1	4.6
	Feb	150.1	0.2	4.5
	Mar	150.9	0.5	4.5
	Apr	153.0	1.4	5.6
	May	153.1	0.1	5.4
	Jun	154.7	1.0	6.0
	Jul	156.2	1.0	6.8
	Aug	156.7	0.3	7.3
	Sep	156.9	0.1	7.1
	Oct	157.1	0.2	7.1
	Nov	158.0	0.5	7.0
	Dec	158.4	0.3	6.9
	An. Av	154.6	0.6	6.1
2023	Jan	160.2	1.1	7.0
	Feb	160.8	0.4	7.2
	Mar	161.70	0.6	7.2

Annex B: NCPI Zonal All - Items Index, Monthly and Annual inflation rates (Dec 2012=100)

Zones		Zone 1			Zone 2			Zone 3		
Period		Index	m-o-m	y-o-y	Index	m-o-m	y-o-y	Index	m-o-m	y-o-y
2022	Jan	147.9	0.5	4.1	146.8	2.0	5.3	157.5	0.4	4.4
	Feb	148.4	0.3	3.9	147.2	0.2	5.3	157.7	0.1	4.1
	Mar	149.1	0.5	3.8	147.8	0.5	5.3	158.8	0.7	4.4
	Apr	151.5	1.6	5.1	149.7	1.3	6.3	160.9	1.3	5.3
	May	151.6	0.0	4.8	149.9	0.1	6.3	161.1	0.1	5.1
	Jun	153.3	1.1	5.6	151.2	0.9	6.7	162.8	1.1	5.6
	Jul	154.4	0.7	6.2	152.9	1.1	7.7	164.6	1.1	6.6
	Aug	155.0	0.4	6.8	153.2	0.1	7.9	165.2	0.4	7.2
	Sept	155.2	0.1	6.6	153.4	0.1	7.8	165.5	0.2	6.9
	Oct	155.5	0.2	6.5	153.6	0.2	7.8	165.7	0.1	6.8
	Nov	156.3	0.5	6.4	154.5	0.5	7.9	166.6	0.5	6.9
	Dec	156.8	0.3	6.5	154.9	0.3	7.6	166.9	0.2	6.4
	An. Av	152.9	0.5	5.5	151.3	0.6	6.8	162.8	0.5	5.8
2023	Jan	158.9	1.4	7.4	156.3	0.9	6.5	168.8	1.1	7.1
	Feb	159.6	0.5	7.6	157.0	0.4	6.7	169.2	0.3	7.3
	Mar	160.6	0.6	7.7	157.7	0.4	6.6	170.3	0.6	7.2

Annex C: Background of the Zonal Consumer Price Index

The NCPI is designed to cover the entire economic territory of the country and includes national, urban and rural households of all income groups as derived from the Namibia Household Income and Expenditure Survey (NHIES). For the compilation of the National CPI, all administrative regions of the country were grouped into three Zones, with each zone considered as one geographic area as follows.

Zone 1 covers the expenditure patterns of the regions in the northern part of the country namely Kavango East, Kavango West, Kunene, Ohangwena, Omusati, Oshana, Oshikoto, Otjozondjupa and Zambezi. Prices are collected from the following towns: Katima Mulilo (76 retail outlets covering mainly the Central Business District); Oshakati (107 retail outlets covering mainly Game Shopping Center, Yetu Shopping Center, Oshana Mall, Marula Mall and Ongwediva); and Otjiwarongo (114 retail outlets covering mainly the Central Business District, Orwetoveni, and the Industrial Area).

Zone 2 covers the expenditure patterns of Khomas region, and the price collection covers Windhoek (218 retail outlets covering mainly Khomasdal, Katutura, Northern Industrial Area, Southern Industrial Area, Pioneers Park, Hochland Park, Prosperita, Klein Windhoek, Eros, and Kleine Kuppe).

Zone 3 covers the expenditure patterns of //Karas, Erongo, Hardap, and Omaheke regions with prices being collected from Keetmanshoop (86 retail outlets covering mainly Central Business District, West Dene and Tseiblagte); Swakopmund (108 retail outlets covering Central Business District, Mondesa, Tamariskia, Industrial Area); Mariental (61 retail outlets covering mainly Central Business District and Ombili); as well as Gobabis (59 retail outlets mainly covering the Central Business District), respectively.

The localities identified for price collection were selected based on a mixed criterion of:

- the relative importance of the locality as determined by its relative share exceeding 30 percent of the total household expenditure at national level.
- geographic distribution of economic activities; and
- Regional capitals.

Namibia Consumer Price Index Bulletin

MARCH 2023



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