

Namibia Consumer Price Index Bulletin - *NCPI*

June 2023

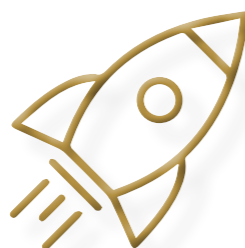


Namibia Statistics Agency



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Mission Statement

“Leveraging on partnerships and innovative technologies, to produce and disseminate relevant, quality, timely statistics and spatial data that are fit-for-purpose in accordance with international standards and best practice”



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Excellent Performance
Accuracy
Teamwork
Accountability
Transparency*

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LIST OF ACRONYMS

CPI	:Consumer Price Index
NCPI	:Namibia Consumer Price Index
NHIES	:Namibia Household Income and Expenditure Survey

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.

During the month of June 2023, annual inflation rate stood at 5.3 percent compared to 6.0 percent recorded in June 2022. Month-on-month, the inflation rate stood at 0.1 percent compared to 0.2 percent registered during the preceding month.

At the Zonal level for the month of June 2023, **Zone 2** (Khomas) recorded the highest annual inflation rates of 5.4 percent while **Zone 1** (Kavango East, Kavango West, Kunene, Ohangwena, Omusati, Oshana, Oshikoto, Otjozondjupa, and Zambezi) and **Zone 3** (||Kharas, Erongo, Hardap, Omaheke) recorded annual inflation rates of 5.2 percent each.

Analysis of the average retail prices of selected products for the month of June 2023 revealed that consumers in **Zone 2** paid the highest price for **Chicken, frozen assorted pieces 1.5 kg** at N\$87.68 followed by **Zone 3** at N\$86.34, while consumers in **Zone 1** paid the lowest price of N\$77.74. For **White bread (standard loaf)**, consumers in **Zone 3** paid the lowest price at N\$13.82 while the highest price was paid by consumers residing in **Zone 2** at N\$14.88.

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.

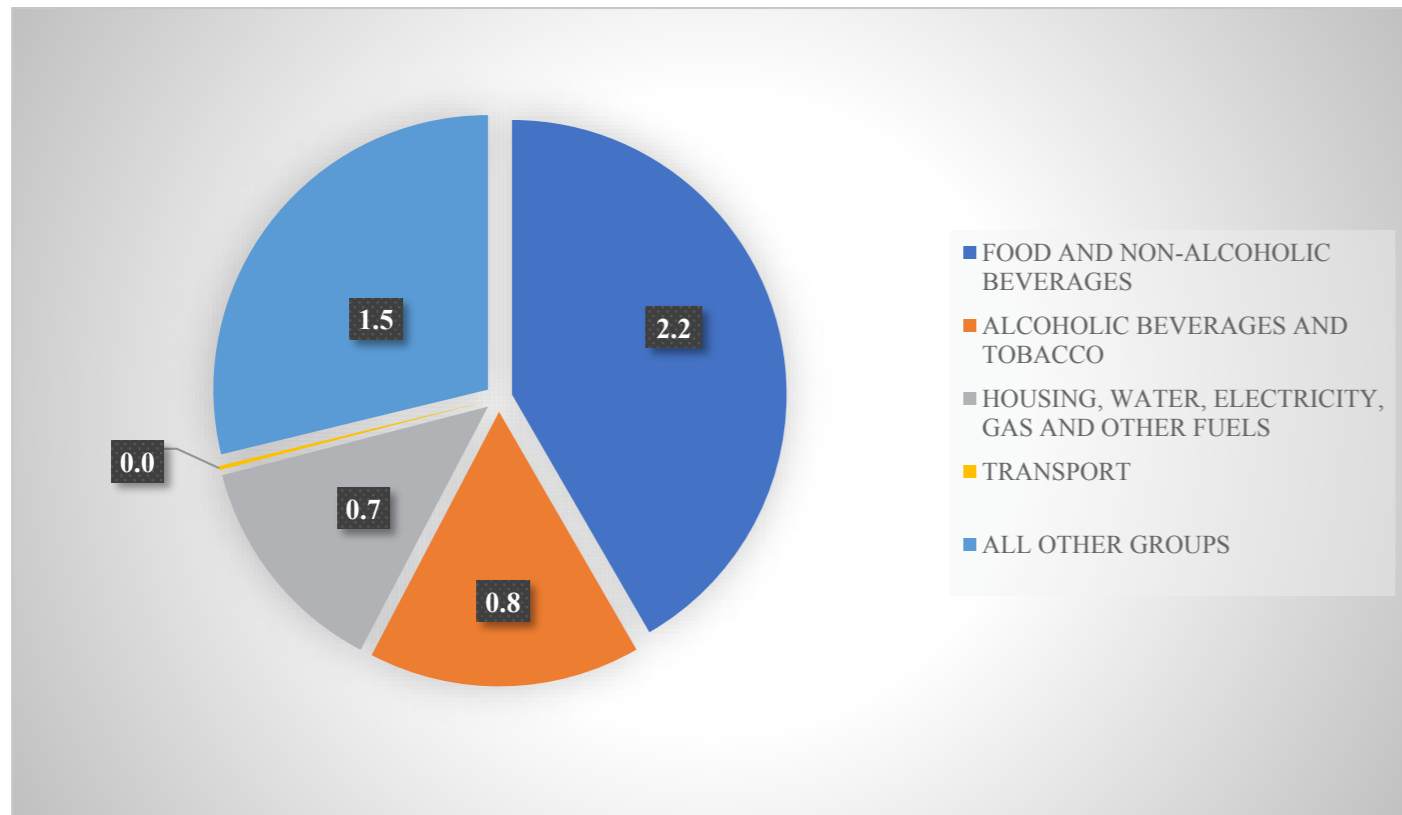
Please take note that the forthcoming report for July 2023 will be released on 10 August 2023.

Alex Shimuafeni
Statistician-General & CEO

Major divisions contribution to the annual inflation rate

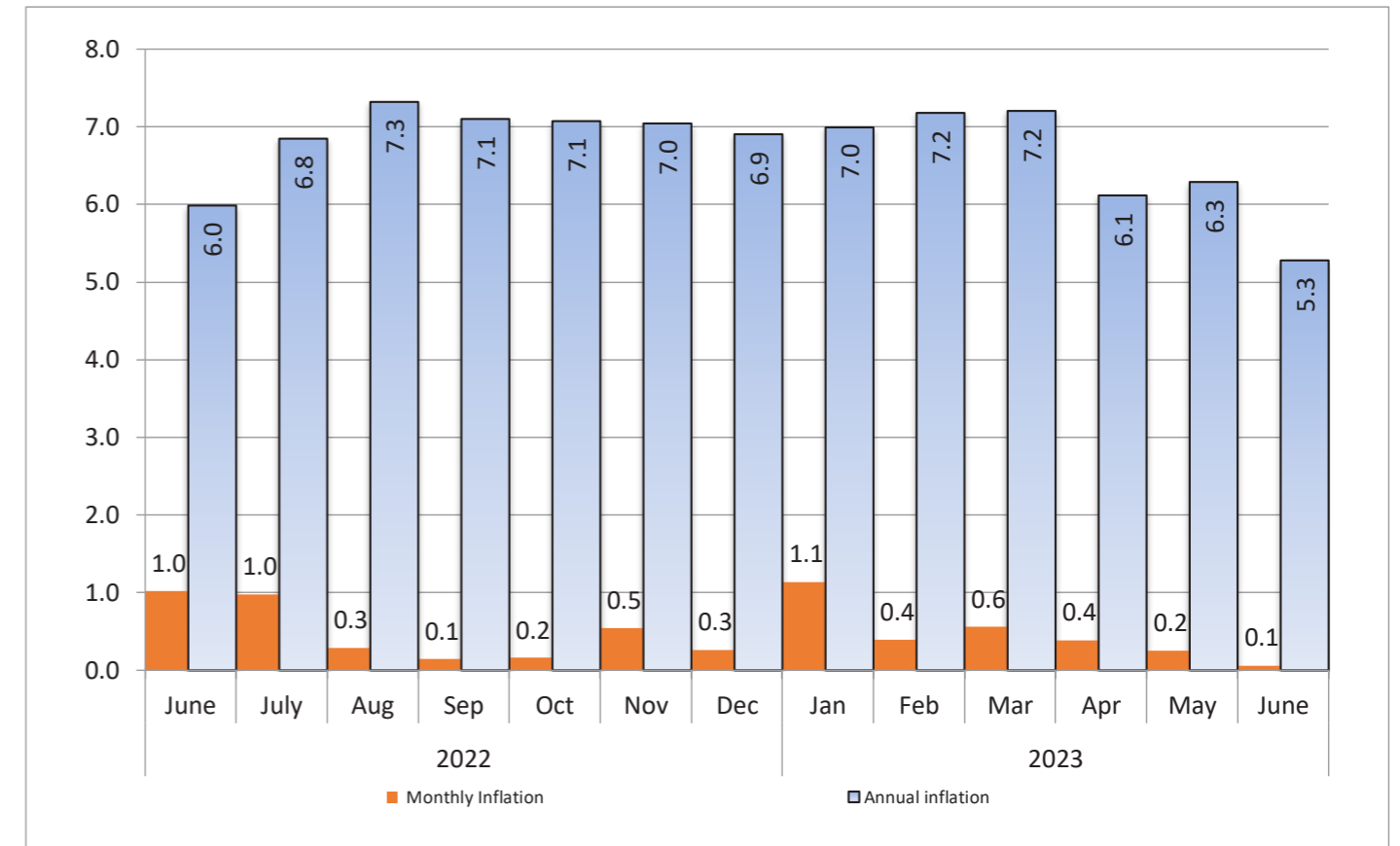
The major NCPI high weighted divisions contributions to the annual inflation rate of 5.3 percent in June 2023 were Food and non-alcoholic beverages (2.2 percentage points); Alcoholic beverages & tobacco (0.8 percentage points); Housing, water, electricity, gas, and other fuels (0.7 percentage points) while Transport contributed (0.0 percentage points).

Chart 1: NCPI groups contribution to annual inflation rate (%), June 2023



On a monthly basis, inflation rate was estimated at 0.1 percent during the period under review compared to 0.2 percent witnessed during the previous month. The slow growth in the inflation rate emanated mainly from Recreation and culture (2.4% to 0.5%); Food and non-alcoholic beverage (0.7% to 0.0%); Hotels, cafes and restaurants (0.7% to 0.1%).

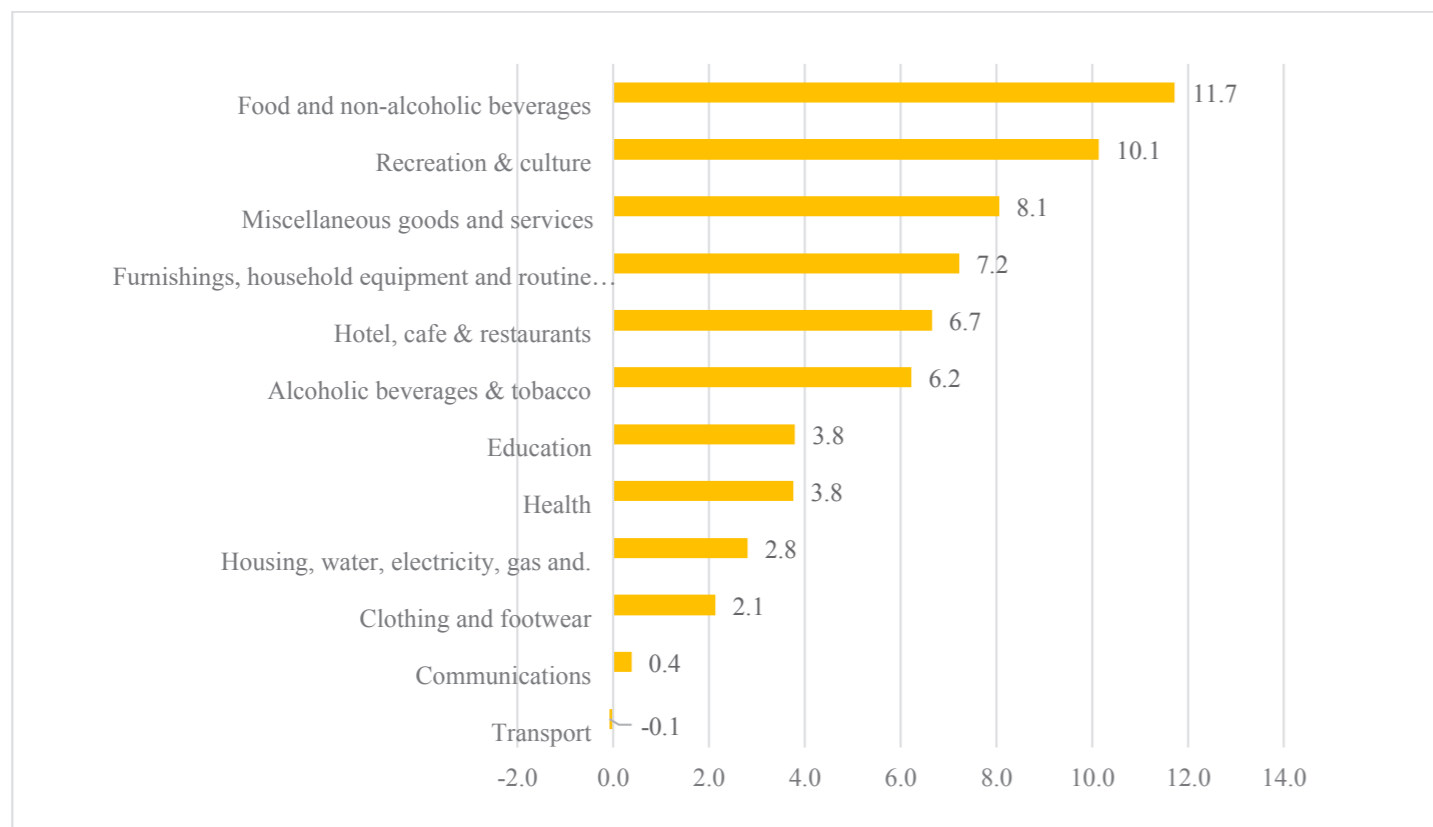
Chart 2: Monthly and annual percentage change (June 2022- June 2023)



Annual inflation rate by All Divisions

Divisions with the highest changes in the price levels during June 2023 were Food and non-alcoholic beverages (11.7%); Recreation and culture (10.1%); Miscellaneous goods and services (8.1%); Furnishings, household equipment and routine maintenance of the house (7.2%); and Hotels, cafes and restaurants (6.7%).

Chart 3: Annual percentage change by division, June 2023

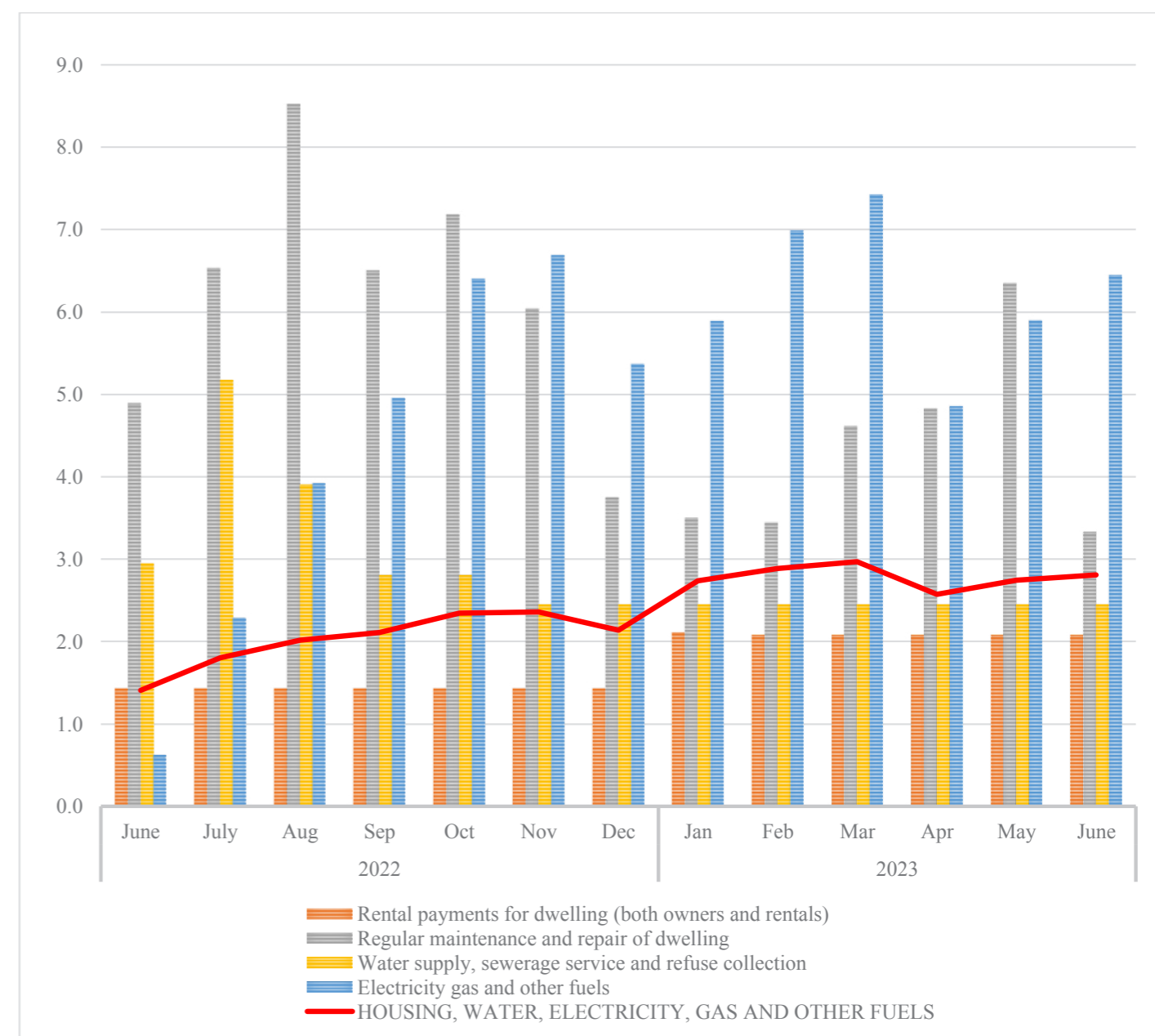


Major divisions annual inflation rates

Housing, Water, Electricity, Gas and other Fuels

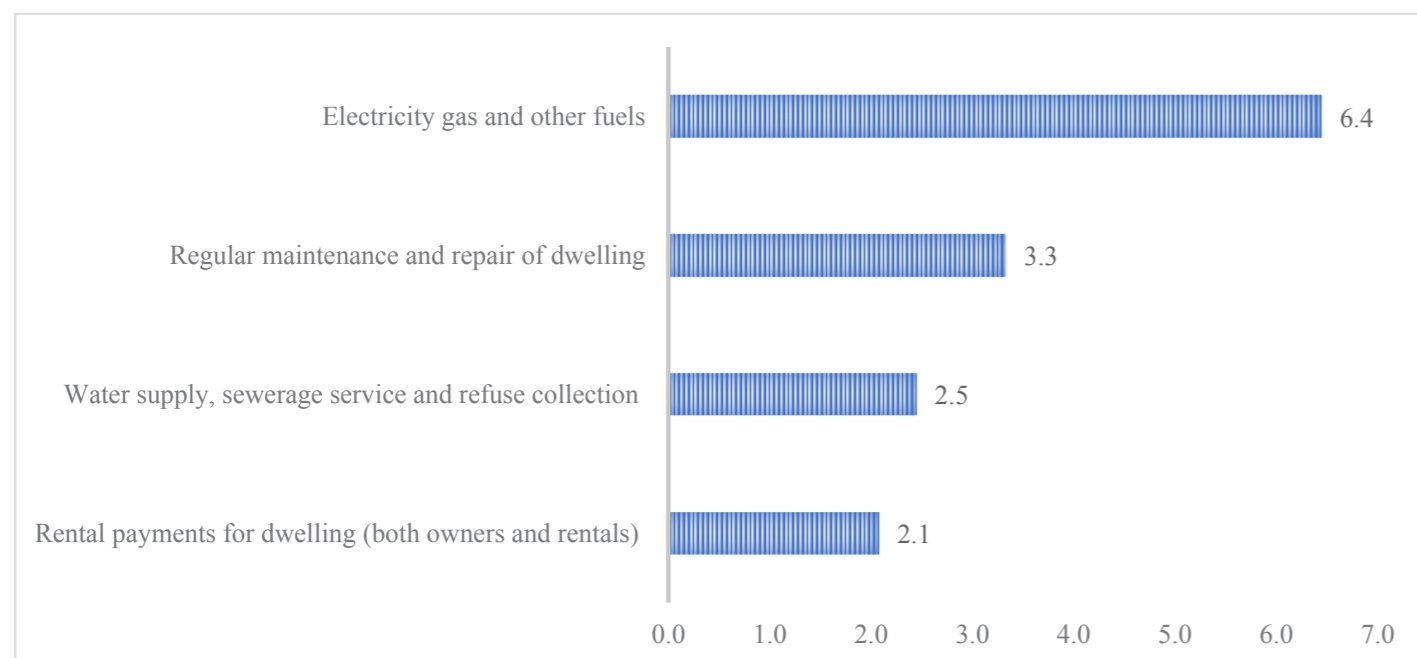
Food and non-alcoholic beverages which accounts for 16.5 percent of the NCPI basket, registered annual inflation rate of 11.7 percent during June 2023, compared to 7.0 percent obtained during the corresponding period of 2022. On a monthly basis, inflation rate for this category stood at 0.0 percent during June 2023 compared to 0.7 percent recorded during the preceding month.

Chart 4: Annual inflation rates (%) for Housing, water, electricity, gas, and other fuels (June 2022- June 2023)



The increase in the annual inflation rate of this category was mainly reflected in the subgroups of Electricity, gas, and other fuels which increased from (0.6% to 6.4%) and Rental payments of dwelling from (1.4% to 2.1%).

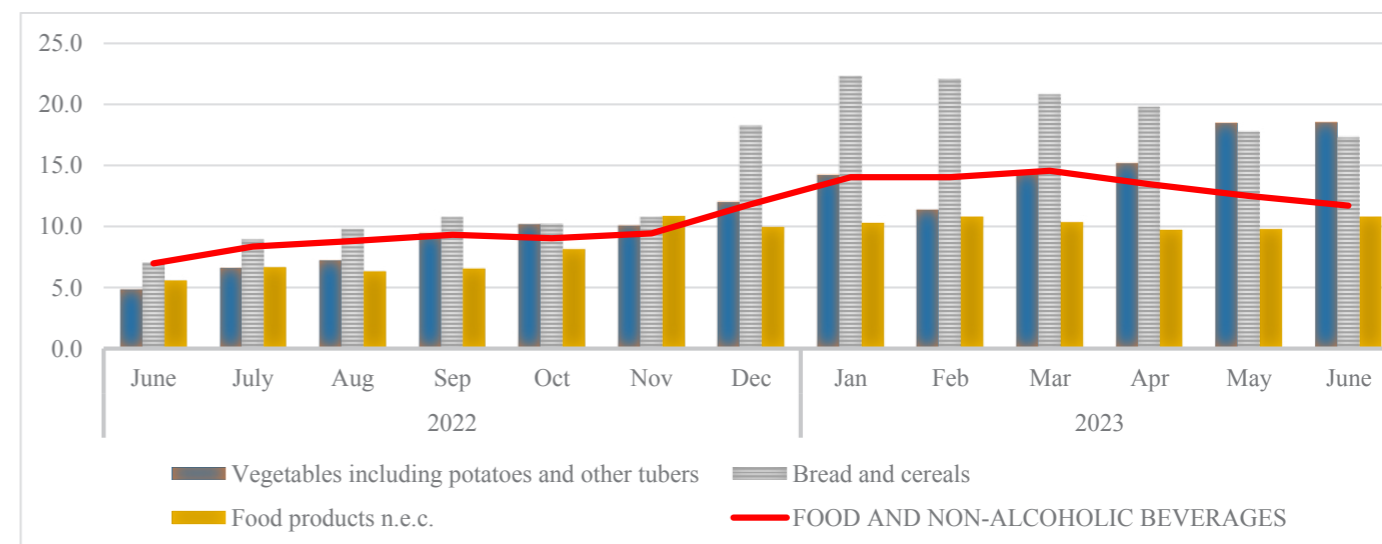
Chart 5: Annual inflation rate (%) for Housing, water, electricity, gas, and other fuels for June 2023



Food and non-alcoholic beverages

Food and non-alcoholic beverages which accounts for 16.5 percent of the NCPI basket, registered annual inflation rate of 11.7 percent during June 2023, compared to 7.0 percent obtained during the corresponding period of 2022. On a monthly basis, inflation rate for this category stood at 0.0 percent during June 2023 compared to 0.7 percent recorded during the preceding month.

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



The Food sub-category accounts for 14.8 percent of the consumer basket in the NCPI. Within the Food sub-component, 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.

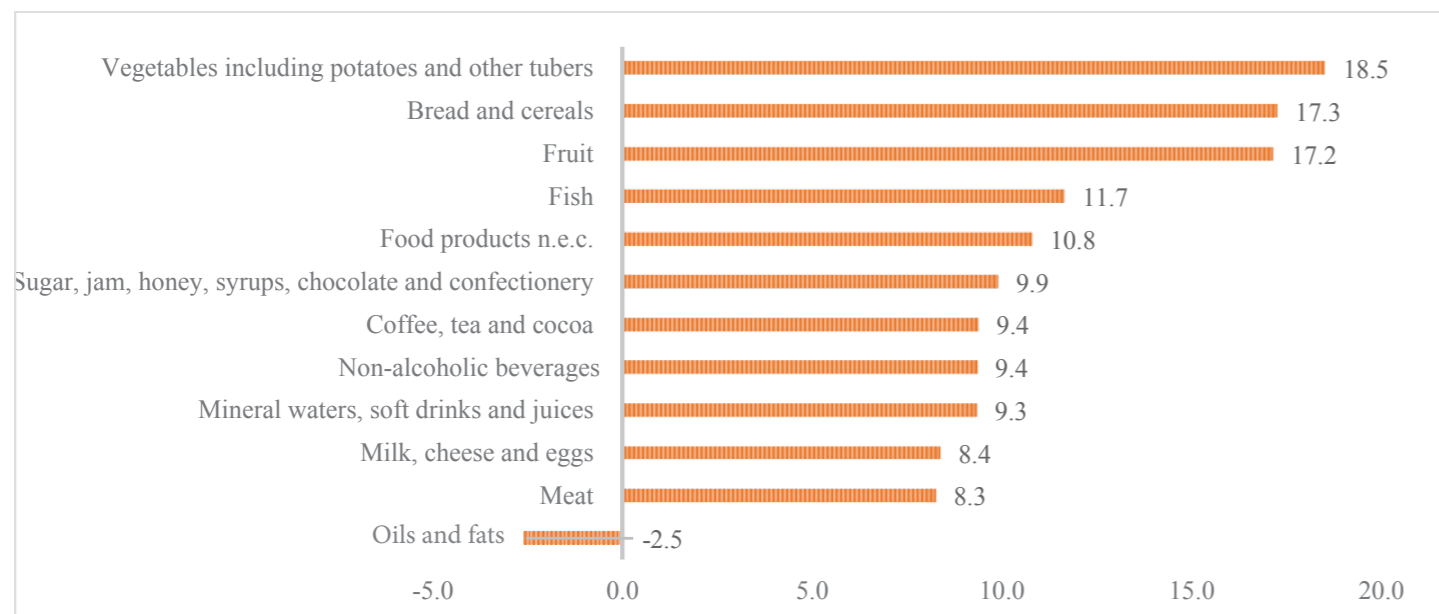
On average, Vegetables recorded an increase in prices of 18.5 percent in June 2023 compared to 4.8 percent recorded a year ago. The increase in the annual inflation rate for this subcategory was mainly observed in Cabbage (from -33.2% to 48.8%), Broccoli, Cauliflower (from 2.4% to 34.6%); Onions (from 9.2% to 41.0%) and Beetroot (from -1.1% to 22.5%).

Bread and cereals were 17.3 percent more expensive in June 2023. The largest rise was reflected in Maize, meal/grain (from 7.9% to 23.4%); Rice (from -3.8% to 10.0%); Mealie rice/malt (from 6.8% to 18.4%); and Macaroni, spaghetti and noodles (from 8.6% to 18.8%).

The Food products n.e.c recorded an inflation rate of 10.8 percent during June 2023 compared to 5.6 percent recorded during the same period a year earlier. The increase was reflected mainly in the price levels of Mayonnaise/mustard/ salad dressings (from 10.2% to 23.3%); Ready-made frozen food (from 1.1% to 11.2%); and Spices and condiments (from 0.8% to 10.0 %).

On average prices for Meat rose by 8.3 percent during June 2023 compared to 4.5 percent recorded during the same period a year earlier. Pork recorded the highest change (from 1.6% to 21.8%) followed by Ham (from 5.1% to 18.8%), Bacon (from 3.4% to 16.6%), Sausages (from 1.7% to 11.5%), and Chicken, birds subcategory (from 4.2% to 13.5%).

Chart 7: Annual inflation rates (%) for the main subcategories of Food and non-alcoholic beverages (June 2023)

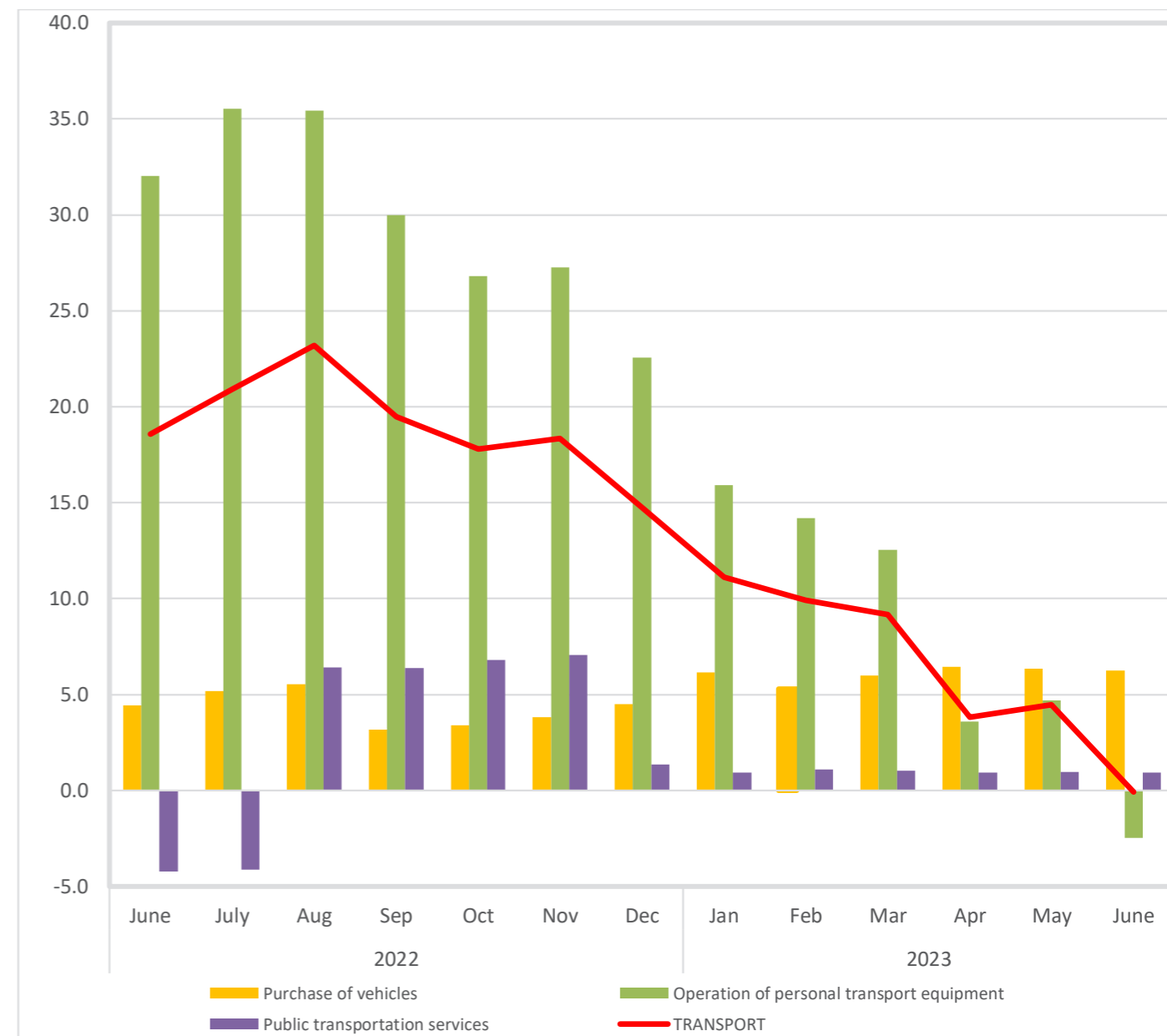


Transport

The Transport category which accounts for 14.3 percent of the consumer basket registered a decrease of 0.1 percent during June 2023 compared to 18.6 percent recorded in June 2022. The decline in the annual inflation rate for this component was reflected mainly in the subcomponent of Operation of personal transport equipment which declined by 2.5 percent compared to 32.0 percent obtained in June 2022.

Month-on-month, this category registered a deflation rate of 0.4 percent in June 2023 compared to a deflation of 0.6 percent registered during the preceding month.

Chart 8: Annual inflation rates (%) for Transport (June 2022 - June 2023)



Operation of personal transport equipment registered a deflation of -2.5 percent in June 2023 compared to an increase of 32.0 percent recorded in June 2022. The deflation in the subcategory was mainly reflected in Petrol/Diesel (from 56.9% to -7.0%).

Annual inflation rate for public transportation services stood at 0.9 percent in June 2023 compared to a decline of 4.2 percent registered during the same period of 2022. The increase in the inflation rate emanated mainly from Furniture removal and transport of goods (from 3.3% to 26.9%); Bus transportation (from -5.7% to 1.9%); and Taxi transportation (from -4.5% to 0.0%).

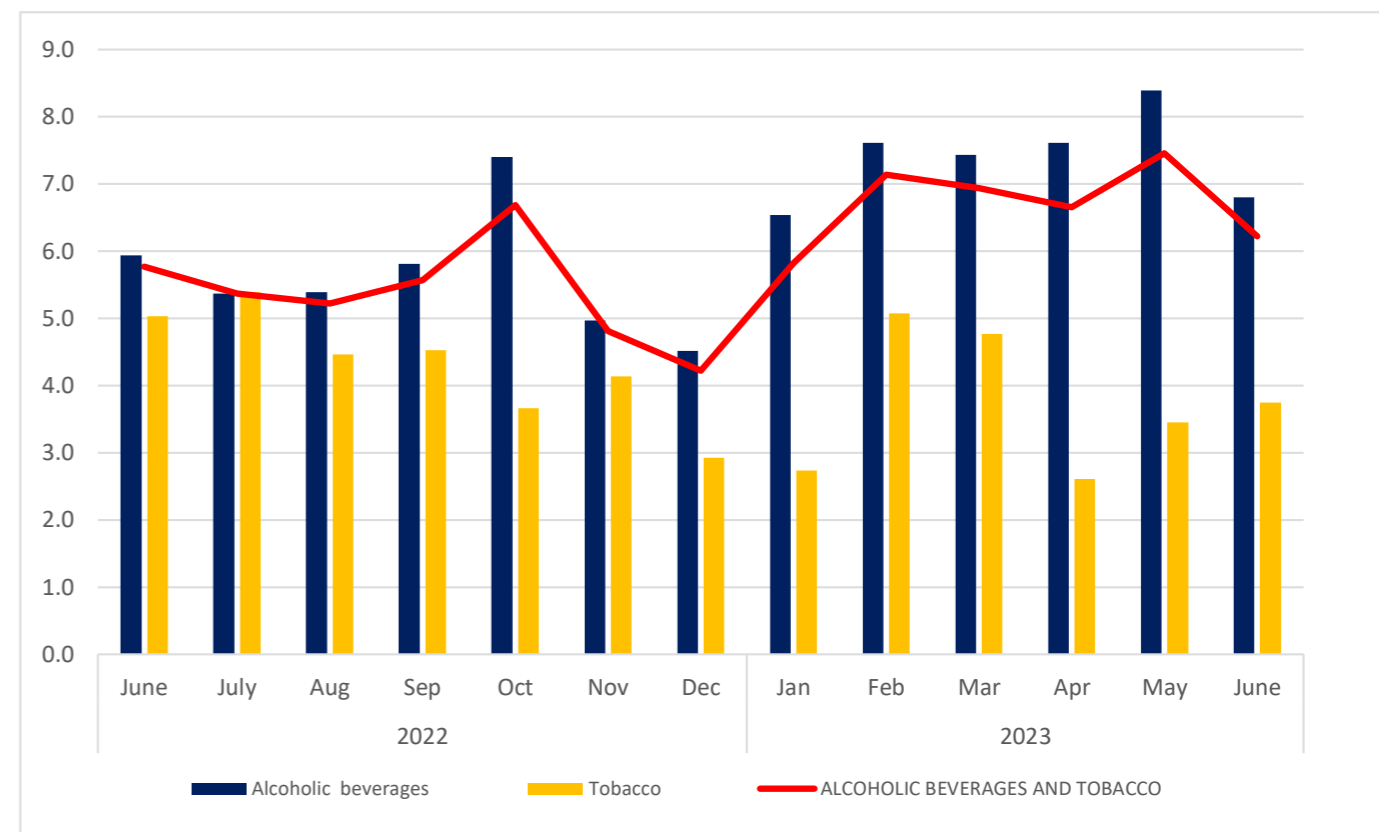
Purchase of vehicles registered annual inflation rate of 6.3 percent during June 2023 compared to 4.4 percent recorded in June 2022. The increase in the annual inflation rate for this category was mainly observed in Bicycles with a rate of 3.9 percent from 0.6 percent.

Alcoholic beverages and tobacco

Year-on-year inflation rate for Alcoholic beverages and tobacco stood at 6.2 percent in June 2023 compared to 5.8 percent registered in June 2022. The increase in the annual inflation rate for this category resulted from an increase witnessed in the subcategory of Alcoholic beverages which recorded 6.8 percent from 5.9 percent.

The monthly inflation rate for this division recorded stood at 0.2 percent compared to 0.7 percent registered a month earlier.

Chart 9: Annual inflation rates (%) for Alcoholic beverages and tobacco (June 2022 – June 2023)



Annual inflation for Alcoholic beverages was 8.4 percent in May 2023, compared to 4.3 percent recorded in May 2022. The main products that pushed up the rate in May 2023 were Sparkling wines /Champagnes (11.0%); White spirits (25.7%); Wines (7.9%) and Beer (7.9%).

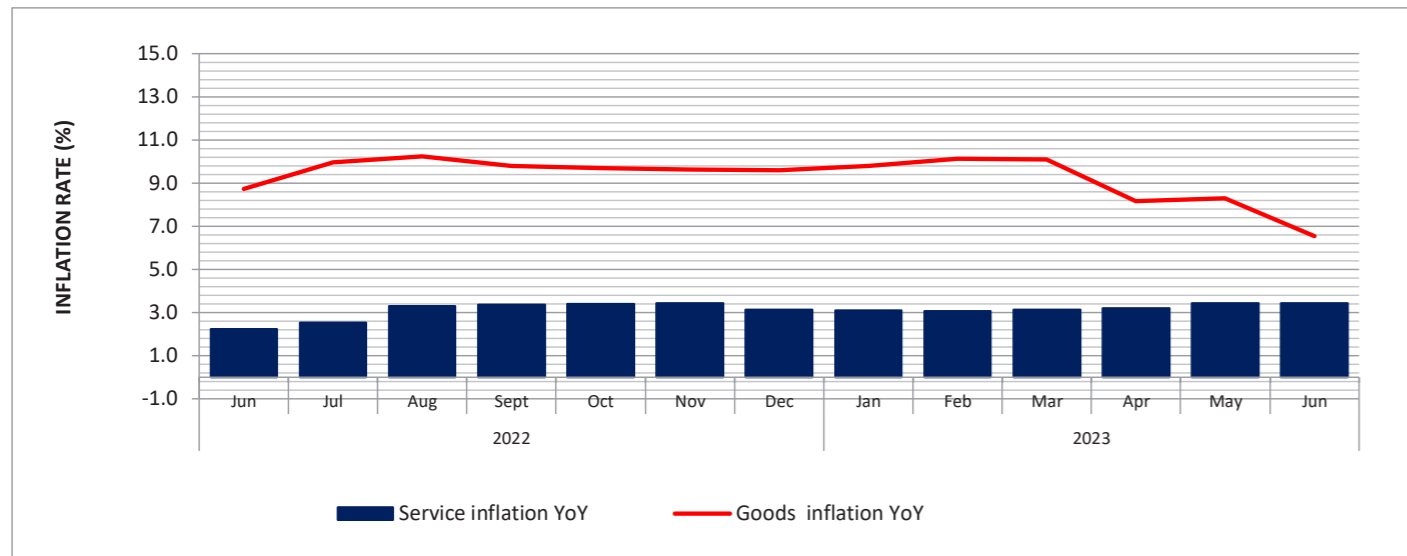
Annual inflation for Tobacco stood at 3.5 percent during the period under review compared to 6.3 percent recorded in May 2022. Cigarettes turned out to be 3.5 percent more expensive in May 2023 compared to May 2022, while Pipe tobacco was 3.4 percent more expensive than a year ago.

Goods and Services inflation rates

On average, goods recorded inflation rate of 6.5 percent in June 2023 compared to 8.7 percent recorded a year ago, while annual inflation rate for Services stood at 3.4 percent in June 2023 compared to 2.2 percent recorded in June 2022.

Month-on-month inflation rates for Goods and Services were estimated at 0.1 percent and 0.0 percent in June 2023 compared to 0.3 percent and 0.2 percent registered during the previous month, respectively.

Chart 10: Goods and services annual inflation rates (%) (June 2022 – June 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 (Karas) and Zone 3 (//Karas, Erongo, Hardap and Omaheke).

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

	Zone 1	Zone 2	Zone 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
Jan - 23	7.4	6.5	7.1
Feb - 23	7.6	6.7	7.3
Mar - 23	7.7	6.6	7.2
Apr - 23	6.3	5.9	6.0
May - 23	6.3	6.2	6.3
June - 23	5.2	5.4	5.2

Zone 1- Year-on-year inflation rate was estimated at 5.2 percent compared to 5.6 percent registered during June 2022. The slowdown in the annual inflation rate resulted mainly in the price levels of Transport (from 17.4% to -0.5%) and Hotels, cafes and restaurants (from 6.3% to 1.5%).

On monthly basis, inflation rate remained unchanged at 0.0 percent during the period under review compared to a month earlier.

Zone 2 – Year-on-Year inflation rate stood at 5.4 percent compared to 6.7 percent recorded during the same period of 2022. The slowdown in price levels of this component during June 2023 was observed in Transport (from 18.9% to 0.6%); Furnishings, households equipment and routine maintenance of the house (from 15.0% to 7.3%); and Alcoholic beverages and tobacco (from 7.1% to 3.3%).

On monthly basis, the inflation rate was 0.1 percent in June 2023 compared to 0.4 percent recorded in May 2023.

Zone 3- Year-on-Year inflation rate stood at 5.2 percent in June 2023 compared to 5.6 percent recorded during same period last year. The slowdown in price levels of this component during June 2023 was reflected in prices of Transport (from 20.2% to -0.4%) and Clothing and footwear (from 0.5% to -0.9%).

On monthly basis, the inflation rate for June 2023 stood at 0.0 percent compared to 0.4 percent registered last month.

Zonal average prices N\$ on selected products

Table 2: Average prices in N\$ on selected products– June 2023

Item	Unit of measurement	Zone 1	Zone 2	Zone 3
White bread	Each	14.24	14.88	13.82
Brown bread	each	13.82	14.76	13.57
Chicken, frozen assorted pieces	1.5kg	77.74	87.68	86.34
Eggs	Pack of 6	19.47	22.13	21.15
Citrus Fruits	Per kg			
Oranges, loose	Per kg	35.32	34.62	32.60
Grapefruit: loose	Per kg	44.97	40.88	32.66
Lemons: loose	Per kg	26.45	31.64	26.10
Pure Sunflower oil	750ml	32.58	34.79	34.33
Brown sugar	1kg	18.96	20.43	18.83
Honey	500g	110.72	92.09	99.05
Beef	Per kg			
Stewing Beef	Per kg	86.99	88.75	91.61
Rump steak	Per kg	159.40	174.74	169.40
Fillet steak	Per kg	232.97	237.50	229.25
Beef brisket	Per kg	83.78	107.25	108.69
Beer (local)	330ml	11.49	12.80	12.68
Petrol	Per litre	20.33	20.20	20.18
Diesel	Per litre	19.60	19.48	19.48

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, even though these categories may have seen relatively high inflation.

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 June 2023

Period		Index	m-o-m	y-o-y
2022	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	161.7	0.6	7.2
	Apr	162.4	0.4	6.1
	May	162.8	0.2	6.3
	June	162.9	0.1	5.3

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	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	165.3	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
	Apr	161.2	0.3	6.3	158.6	0.6	5.9	170.6	0.2	6.0
	May	161.2	0.0	6.3	159.2	0.4	6.2	171.3	0.4	6.3
	June	161.2	0.0	5.2	159.4	0.1	5.4	171.3	0.0	5.2

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 //Kharas, 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:

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

Namibia Consumer Price Index Bulletin

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