

Namibia Consumer Price Index Bulletin - **NCPI**

August 2023

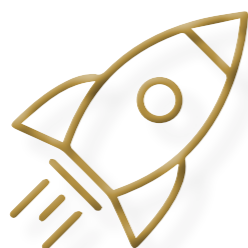


Namibia Statistics
Agency



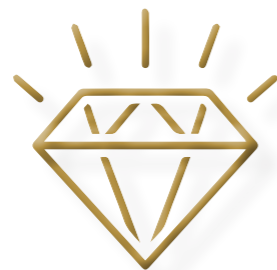
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- Accuracy*
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LIST OF ACRONYMS

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 August 2023, the annual inflation rate stood at 4.7 percent compared to 7.3 percent witnessed in August 2022. The main contributors to the annual inflation rate in August 2023 were Food and non-alcoholic beverages with a contribution of 1.9 percentage points, Alcoholic beverages and tobacco contributed 1.1 percentage points and Housing, water, electricity gas, other fuels contribution stood at 0.7 percentage points while, all other divisions contribution stood at 1.4 percentage points. On a month-on-month basis, the inflation rate for August 2023 was 0.4 percent, in comparison to the 0.3 percent registered during the preceding month.

At the Zonal level for the month of August 2023, **Zone 1** (Kavango East, Kavango West, Kunene, Ohangwena, Omusati, Oshana, Oshikoto, Otjozondjupa, and Zambezi regions) exhibited the highest annual inflation rates of 5.3 percent, followed by **Zone 2** (Khomas region) with an annual inflation rate of 4.5 percent while **Zone 3** (//Kharas, Erongo, Hardap, Omaheke regions) recorded the least annual inflation rate of 4.0 percent.

Analysis of the average retail prices of selected products for the month of August 2023 revealed that consumers in **Zone 2** paid the highest price for **White bread (standard loaf)** at N\$14.55 followed by **Zone 1** at N\$14.24, while consumers in **Zone 3** paid the least price of N\$13.82. For **Brown sugar (1 kg)**, consumers in Zone 3 paid the least price of N\$18.83 while the highest price was paid by consumers residing in Zone 2 at N\$20.69.

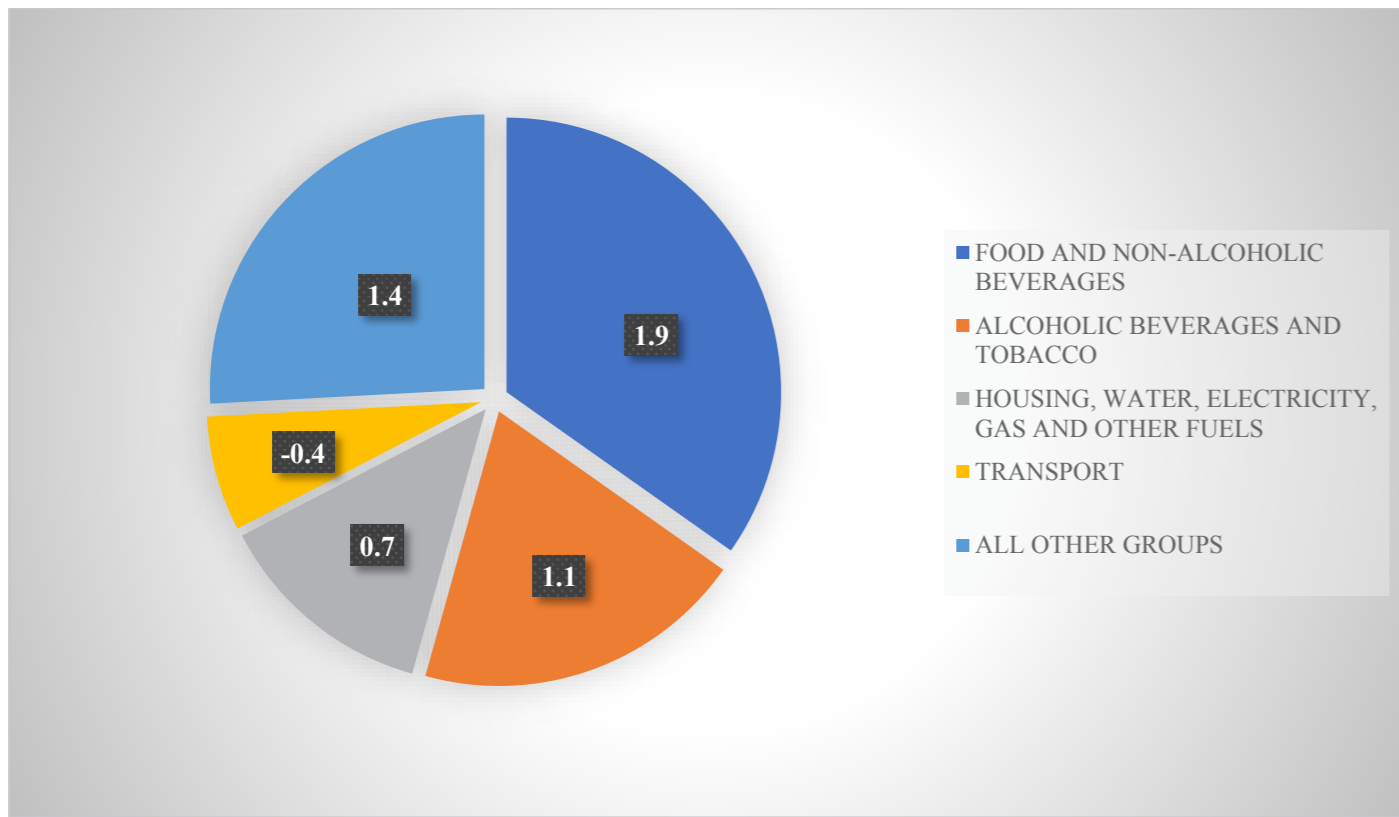
I would like to extend my gratitude and appreciation to all stakeholders who assisted in the production of this bulletin. Further, I would like to urge our readers and users of this bulletin to send to us any comments that may enhance statistical production and contribute to the improvement of this bulletin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

Alex Shimuafeni
Statistician-General & CEO

Major divisions contribution to the annual inflation rate

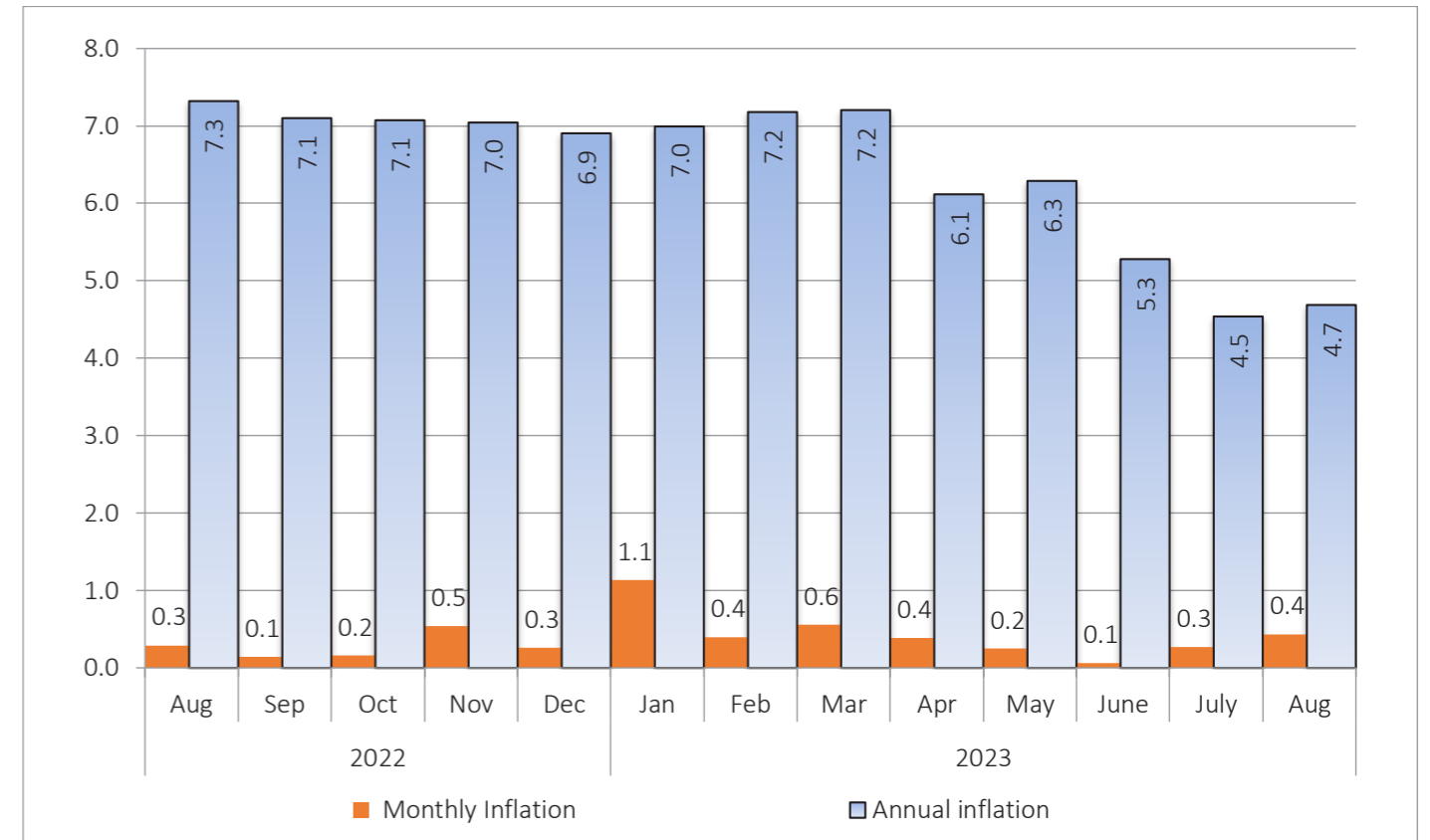
The major contributors to the annual inflation rate of 4.7 percent in August 2023 were Food and non-alcoholic beverages (1.9 percentage points); Alcoholic beverages and tobacco (1.1 percentage point); and Housing, water, electricity, gas, and other fuels (0.7 percentage points).

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



On a monthly basis, the inflation rate for the reviewed period stood at 0.4 percent as opposed to the 0.3 percent observed in the preceding month. The increase in the monthly inflation rate emanated mainly from Hotels, cafes and restaurants (from 0.1% to 1.9%); Food and non-alcoholic beverages (from -0.2% to 0.3%) and Miscellaneous goods and services (from -0.3% to 0.3%).

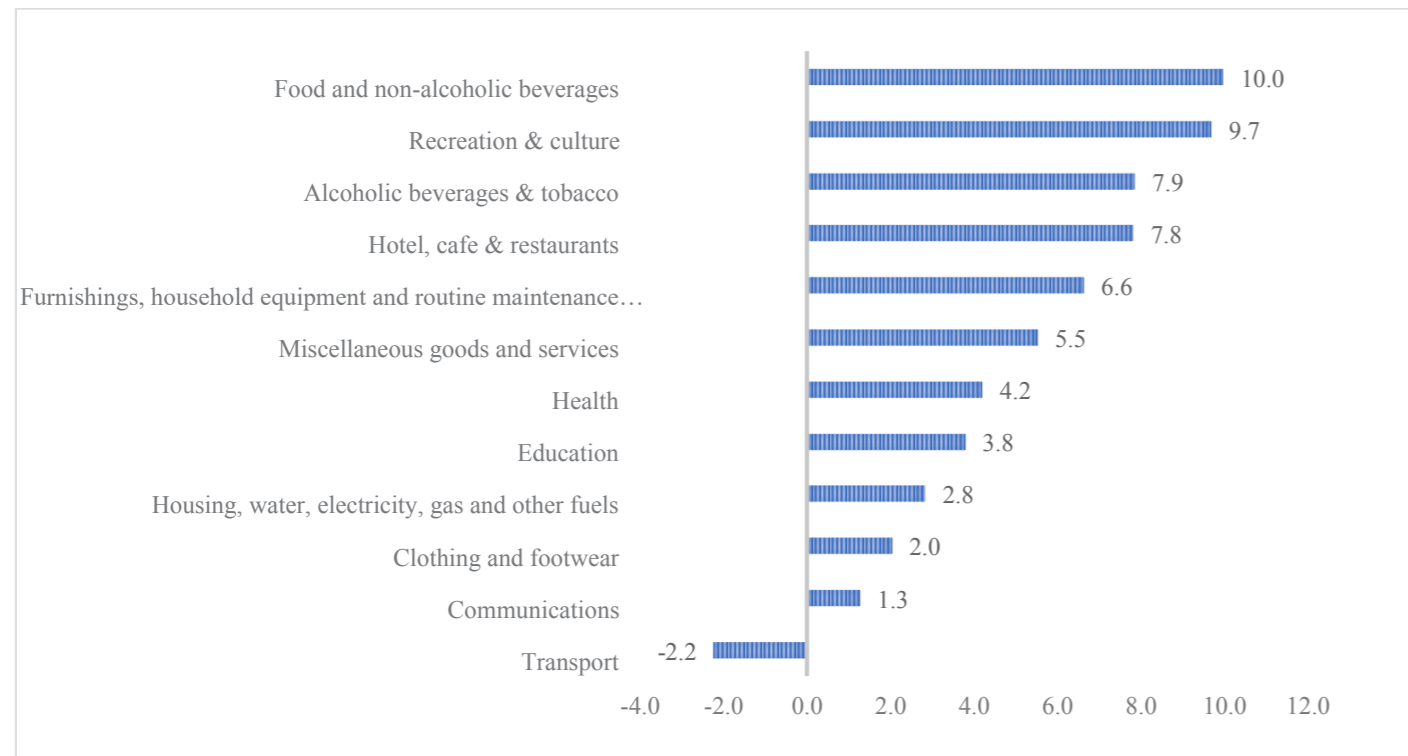
Chart 2: Monthly and annual percentage change (August 2022- August 2023)



Annual inflation rate by All Divisions

Divisions with the highest inflation rate during August 2023 were Food and non-alcoholic beverages (10.0%); Recreation and culture (9.7%); Alcoholic beverages and tobacco (7.9%); Hotels, cafés and restaurants (7.8%); Furnishings, household equipment and routine maintenance of the house (6.6%); and Miscellaneous goods and services (5.5%).

Chart 3: Annual percentage change by division, August 2023

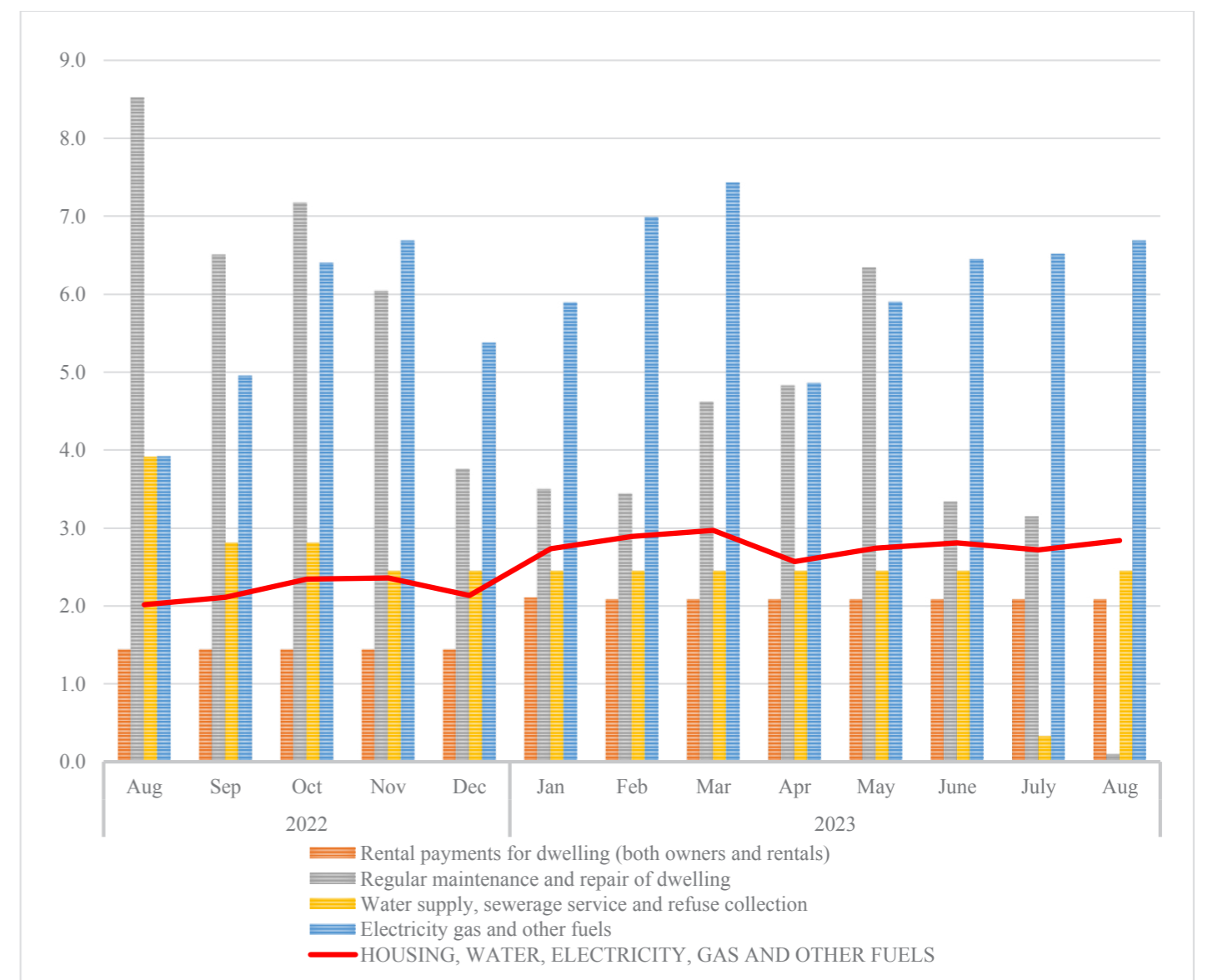


Major divisions annual inflation rates

Housing, water, electricity, gas and other fuels

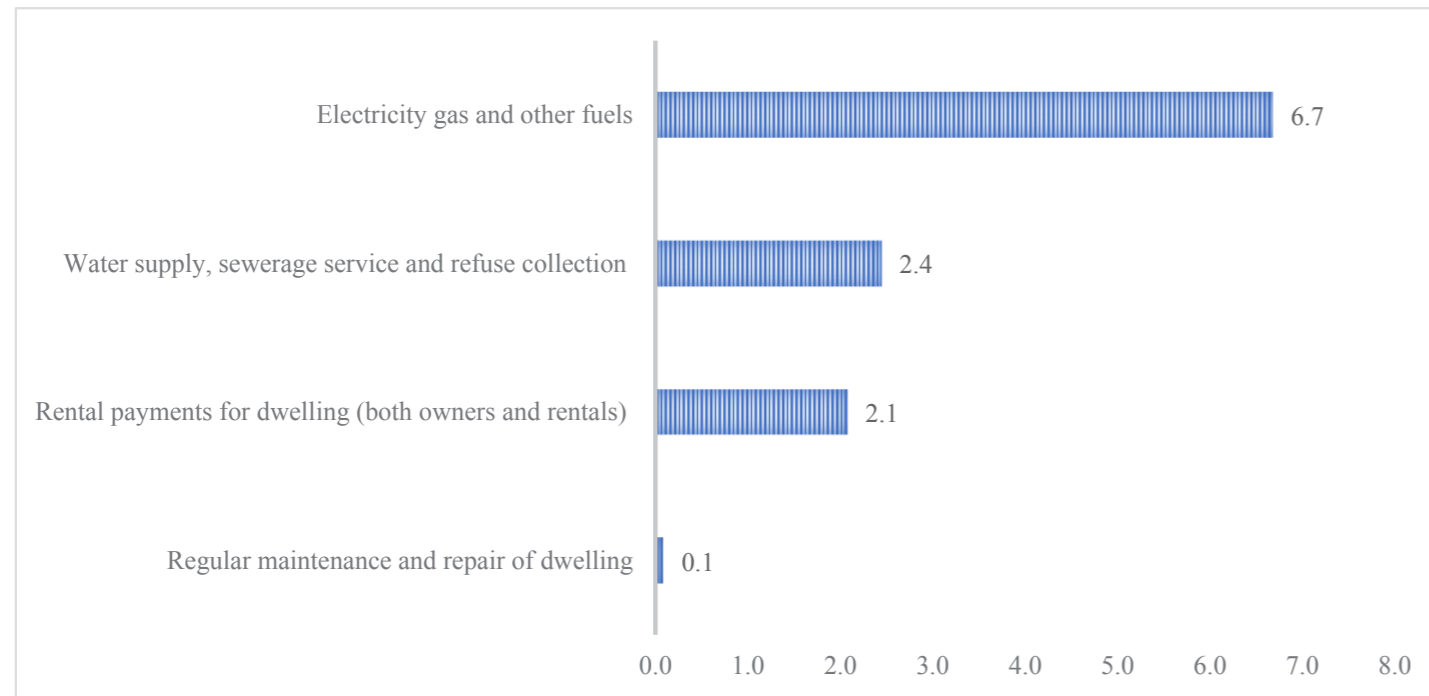
The annual inflation rate for Housing, water, electricity, gas, and other fuels component which accounts for 28.4 percent of the consumer basket, registered an increase of 2.8 percent during August 2023 compared to 2.0 percent witnessed in August 2022. Month-on-month, this component increased by 0.4 percent.

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



The increase in the annual inflation of this category was mainly reflected in the subgroups of Electricity, gas, and other fuels which registered (6.7% compared to 3.9% in August 2022) and Rental payments for dwelling (2.1% compared to 1.4% in August 2022).

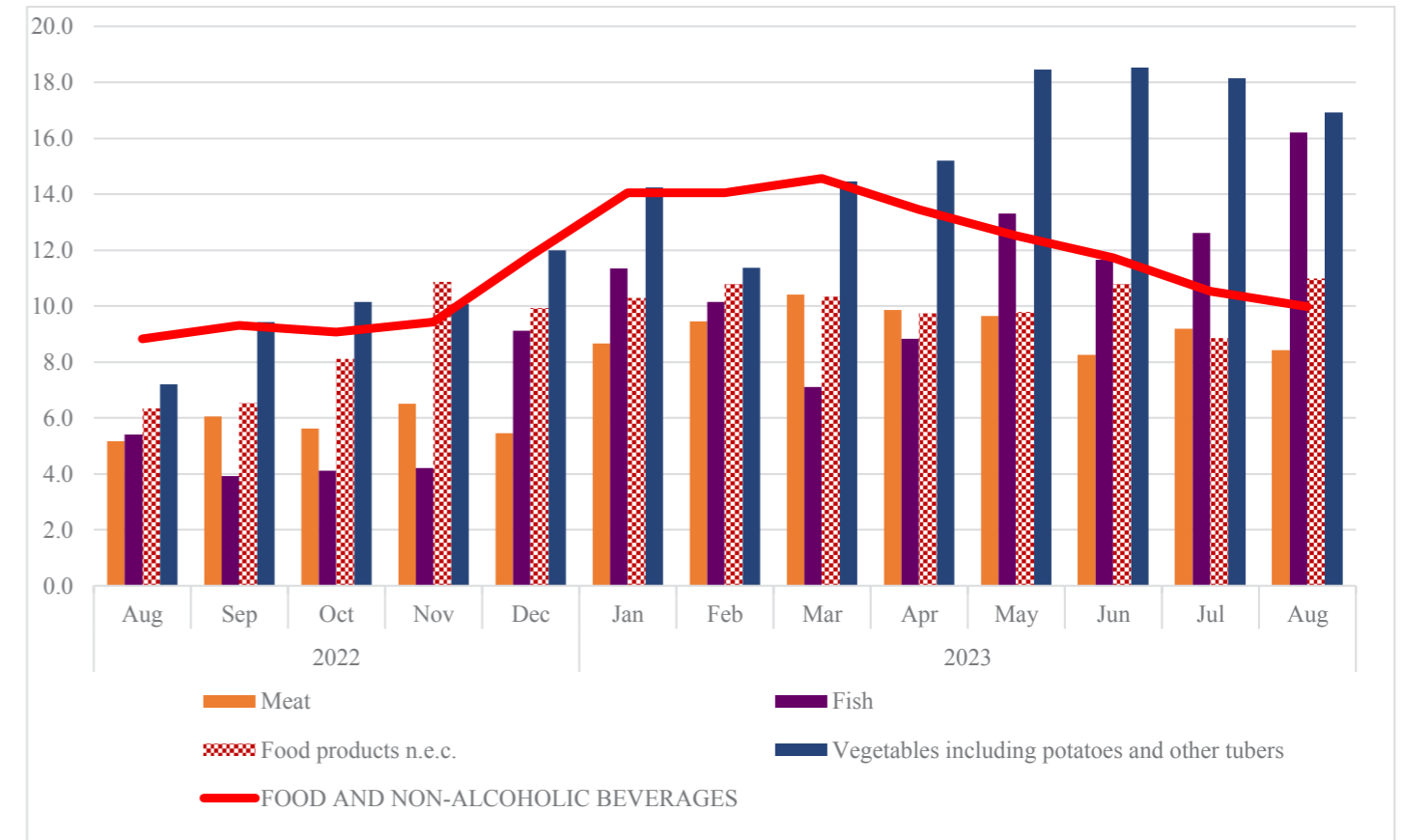
Chart 5: Annual inflation rate (%) for Housing, water, electricity, gas, and other fuels for August 2023



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 10.0 percent during August 2023, compared to 8.8 percent registered during the corresponding period of 2022. On a monthly basis, inflation rate for this category stood at 0.3 percent during August 2023 compared to -0.2 percent recorded during the preceding month.

Chart 6: Annual inflation rates (%) for Food and non-alcoholic beverages and selected food sub-categories (August 2022 – August 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%) 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** prices increased by 16.9 percent in August 2023 compared to 7.2 percent recorded a year ago. The increase in the annual inflation rate for this subcategory was mainly observed in Cabbage (from -22.4% to 50.4%), Spinach (from -36.8% to 9.5%); Onions (from 7.9% to 44.5%); Beetroot (from -9.8% to 24.7%), and Broccoli, cauliflower (from 6.1% to 38.1%).

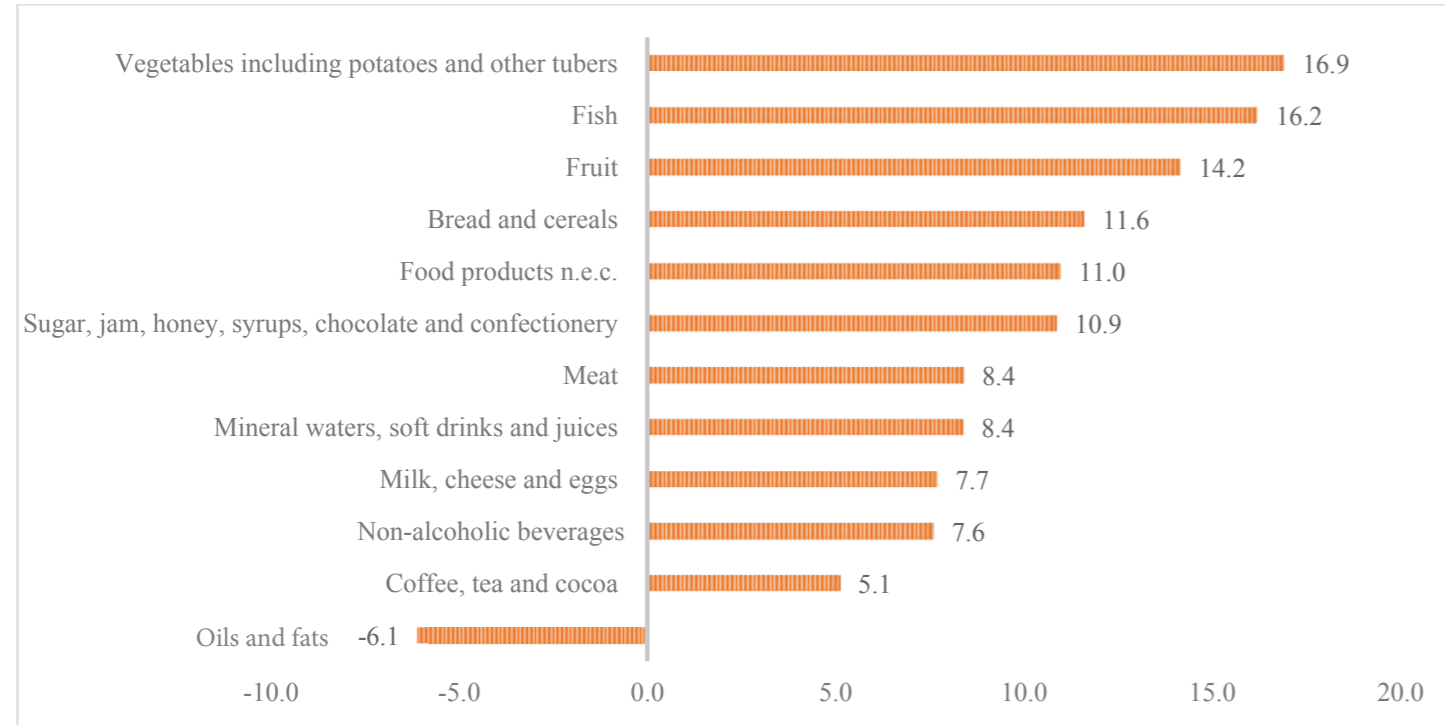
Fish were 16.2 percent more expensive in August 2023. The largest rise was reflected in Fresh, chilled, and frozen fish (from 7.7% to 18.7%) and Dried, smoked, salted fish and sea food (from -4.8% to 12.9%).

The Food products n.e.c recorded an annual inflation rate of 11.0 percent during August 2023 compared to 6.3 percent registered during the same period a year earlier. The increases were reflected mainly in the prices of Spices and condiments (from 1.7% to 11.3%), Ready-made frozen food (from 2.7% to 9.9%), Mayonnaise/

mustard/salad dressings (from 9.7% to 16.6%) and Vinegar from (from 5.5% to 12.0%).

On average prices for **Meat** rose by 8.4 percent during August 2023 compared to 5.2 percent recorded during the same period a year earlier. Bacon recorded the highest change (from -1.1% to 23.2%), Pork (from 1.9% to 23.5%) and Ham (from 3.4% to 23.8%).

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

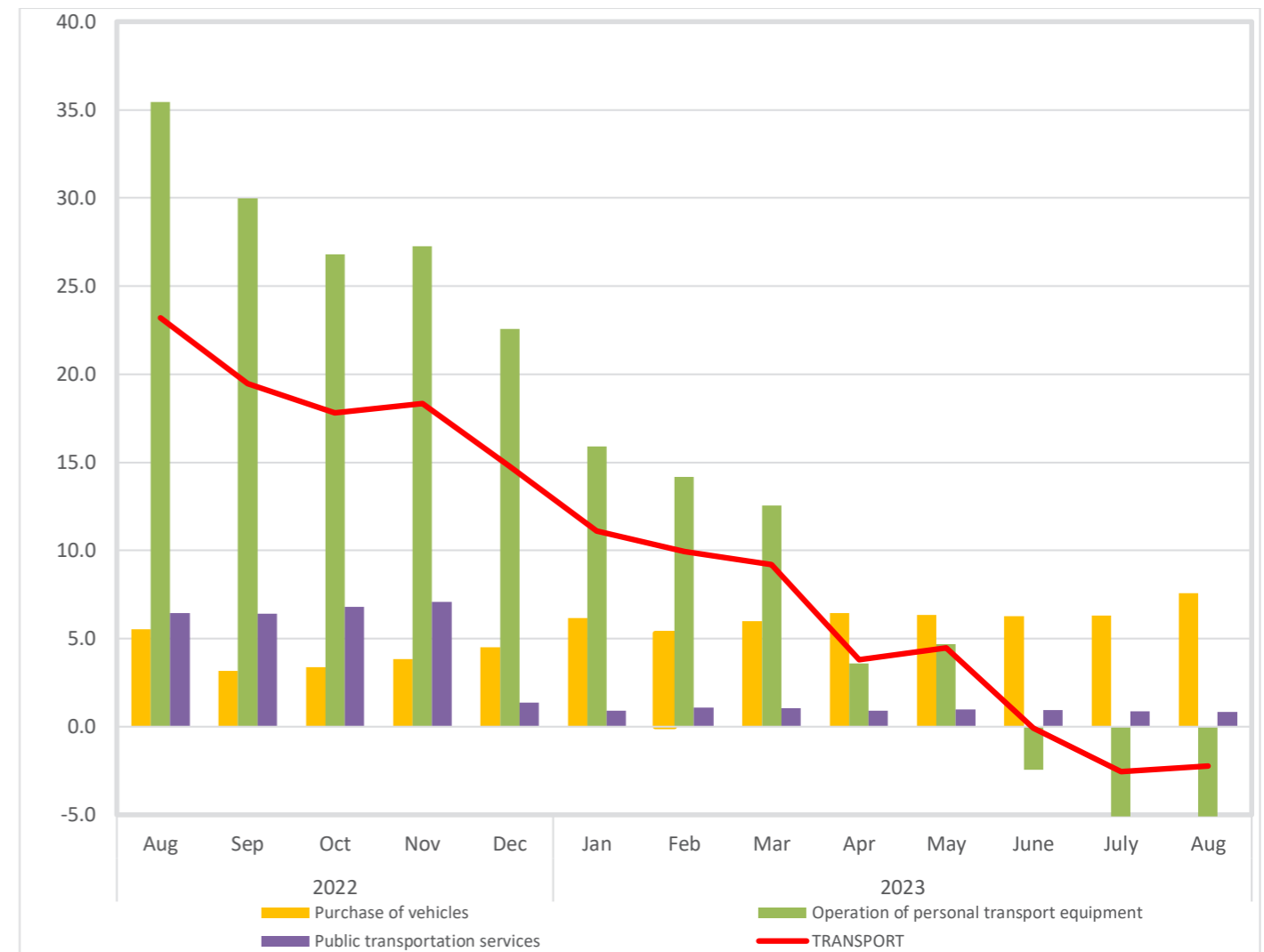


Transport

The Transport category which accounts for 14.3 percent of the consumer basket registered a decline of 2.2 percent during August 2023 compared to 23.2 percent recorded in August 2022. The decline in the annual inflation rate for this component was reflected mainly in the subcomponent of Operation of personal transport equipment which recorded a deflation of 6.1 percent compared to an increase of 35.4 percent obtained in August 2022.

Month-on-month, this category remained unchanged at 0.5 percent compared to the prior month.

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



Annual inflation rate for Operation of personal transport equipment recorded a deflation of 6.1 percent in August 2023 compared to an increase of 35.4 percent recorded in August 2022. The downward trend was witnessed in the subcategories of Petrol/Diesel (from 63.1% to -13.1%), Driving lessons, license, and tests (from 12.2% to 7.7%), Services and repair charges (from 4.8% to 1.8%).

Annual inflation rate for Public transportation services stood at 0.8 percent in August 2023 compared to 6.4 percent registered during the same period of the preceding year. The increase in the inflation rate of this subcomponent emanated mainly from Furniture removal and transport of goods (from 4.1% to 25.9%) and Rail transportation (from 0.0% to 2.9%).

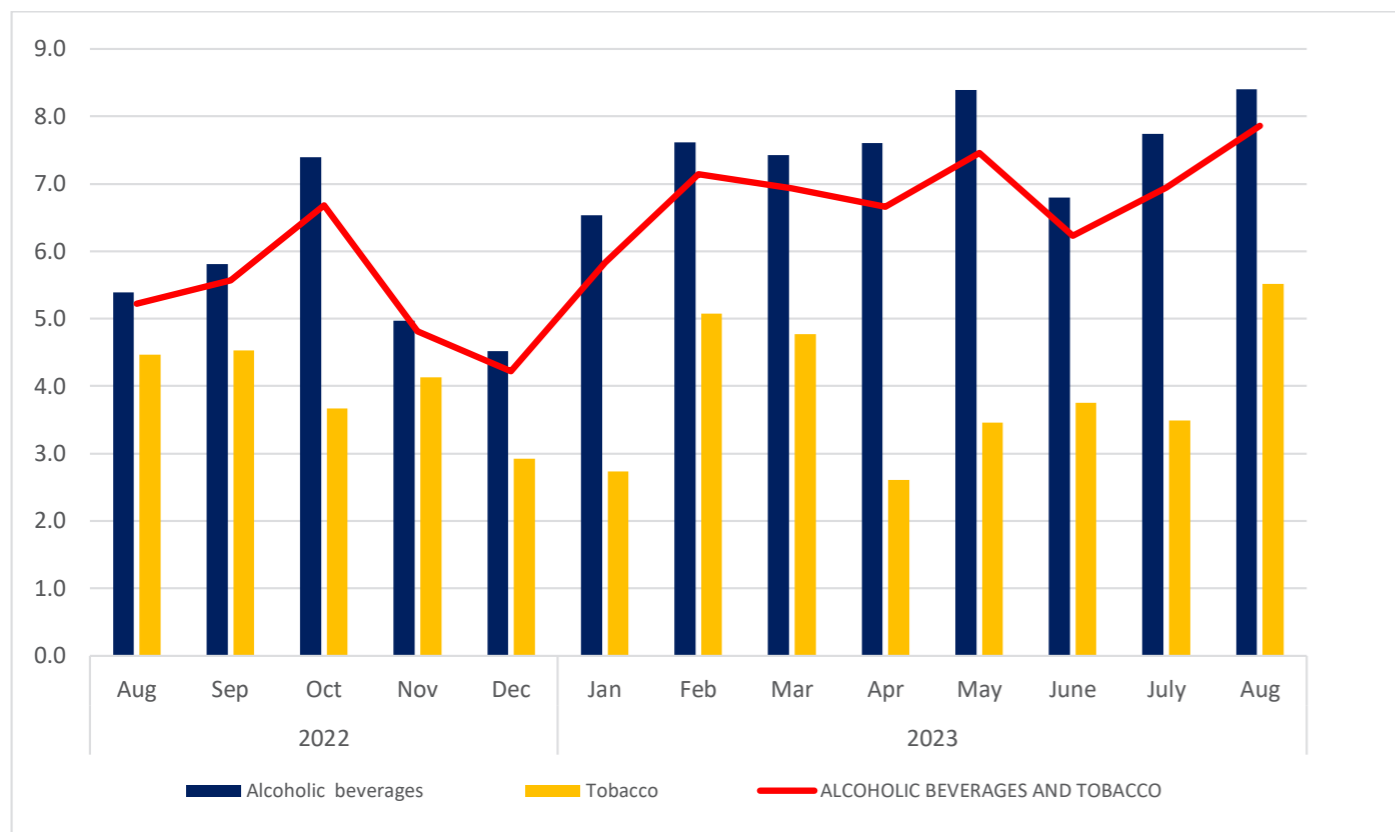
Purchase of vehicles registered annual inflation rate of 7.6 percent during August 2023 compared to 5.5 percent recorded in August 2022. The increase in the annual inflation rate for this category was mainly observed in Motor cars (from 5.5% to 8.0%) and Bicycles (from 3.1% to 3.3%).

Alcoholic beverages and tobacco

Year-on-year inflation rate for Alcoholic beverages and tobacco stood at 7.9 percent in August 2023 compared to 5.2 percent registered in August of the preceding year. The increase in the annual inflation rate for this category resulted from an increase witnessed in the subcategory of Alcoholic beverages which registered an increase of 8.4 percent compared to 5.4 percent in August 2022.

Month-on-month, inflation rate for this category increased by 0.5 percent compared to 1.1 percent registered a month earlier.

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



Annual inflation rate for Alcoholic beverages stood at 8.4 percent in August 2023, compared to 5.4 percent recorded in August 2022. The main products which pushed up the inflation rate for this subcomponent were Sparkling wines/Champagnes (from 2.5% to 11.8%); Wines (from 2.0% to 6.8%) and Whiskies (from 2.9% to 7.5%).

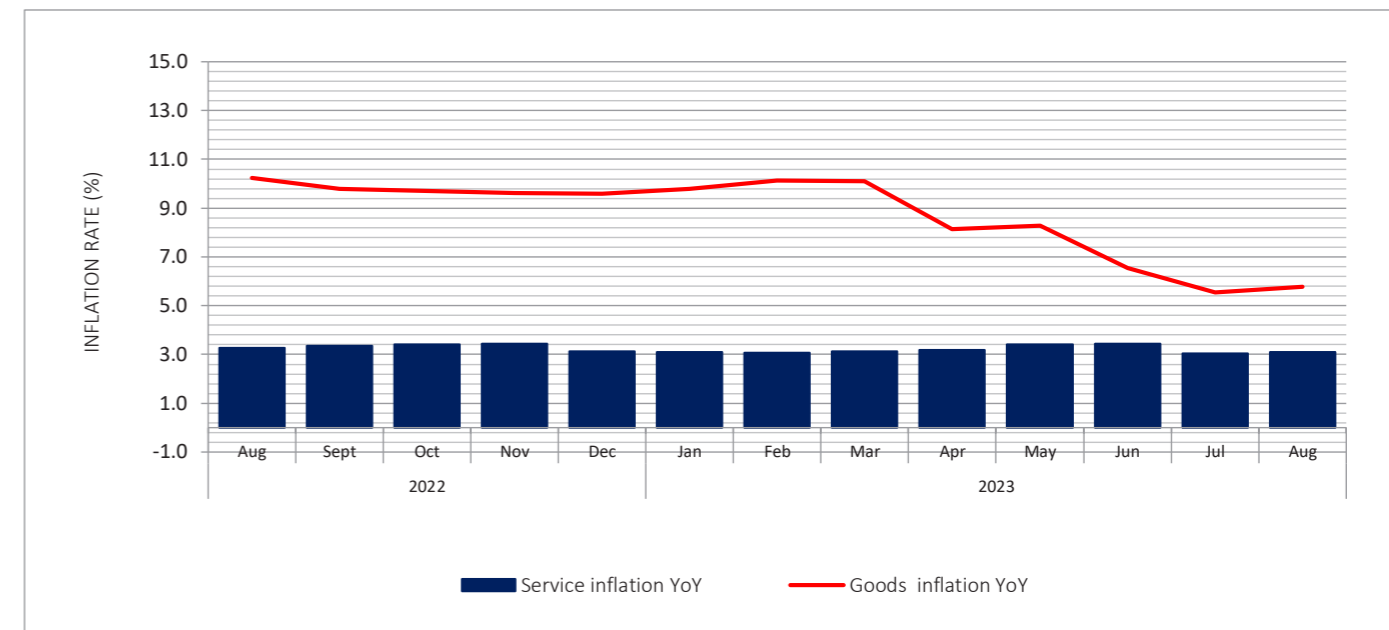
Annual inflation rate for Tobacco stood at 5.5 percent during the period under review compared to 4.5 percent recorded in August 2022. The increase in the prices for this subcategory was reflected in Pipe tobacco (8.4%).

Goods and Services inflation rates

Goods annual percentage changes stood at 5.8 percent in August 2023 compared to 10.2 percent witnessed a year ago, while annual inflation rate for Services stood at 3.1 percent in August 2023 compared to 3.3 percent recorded in August 2022.

Month-on-month, inflation rates for Goods and Services were estimated at 0.6 percent and 0.2 percent in August 2023 compared to 0.4 percent and 0.0 percent registered during the prior month, respectively.

Chart 10: Goods and services annual inflation rates (%) (August 2022 – August 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 (%) – August 2022 – August 2023

	Zone 1	Zone 2	Zone 3
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
July - 23	4.7	4.6	4.2
Aug - 23	5.3	4.5	4.0

Zone 1 - Year-on-year inflation rate stood at 5.3 percent during the period under review compared to 6.8 percent registered during August 2022. The slowdown in the annual inflation rate resulted mainly from the prices of Transport (from 21.9% to -1.4%); Hotels, cafes, and restaurants (from 7.2% to 1.3%) and Clothing and footwear (from 3.7% to 2.2%).

On a monthly basis, the inflation rate increased by 1.0 percent compared to 0.2 percent registered a month earlier.

Zone 2 – Year-on-year inflation rate for the period under review stood at 4.5 percent, a slowdown when compared to 7.9 percent recorded during the same period of 2022. The slowdown emanated mainly from the price levels of Transport (from 22.9% to -2.3%), Furnishing, household equipment and routine maintenance of the house (from 16.0% to 7.1%), Alcoholic, beverages tobacco (from 5.5% to 3.5%), Hotels, cafes, and restaurants (from 11.4% to 10.9%) and Housing, water, electricity, gas and other fuels (from 3.7% to 2.5%).

On a monthly basis, the inflation rate stood at 0.0 percent in August 2023 compared to 0.4 percent recorded during the preceding month.

Zone 3 – Year-on-year inflation rate stood at 4.0 percent in August 2023 compared to 7.2 percent recorded during same period last year. The slow increase in the annual inflation rate resulted mainly from decreases witnessed in the prices of Transport (from 25.8% to -3.4%).

On a monthly basis, the inflation rate for August 2023 was unchanged at 0.2 percent registered last month.

Zonal average prices N\$ on selected products

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

Item	Unit of measurement	Zone 1	Zone 2	Zone 3
White bread	Each	14.24	14.55	13.82
Brown bread	each	13.82	14.33	13.66
Chicken, frozen assorted pieces	1.5kg	84.99	80.55	85.14
Eggs	Pack of 6	13.66	22.15	21.35
Citrus Fruits	Per kg			
Oranges, loose	Per kg	17.82	27.09	25.49
Grapefruit: loose	Per kg	25.97	26.91	20.32
Lemons: loose	Per kg	26.59	25.99	19.80
Pure Sunflower oil	750ml	32.38	32.32	31.03
Brown sugar	1kg	18.99	20.69	18.83
Honey	500g	51.66	96.84	89.16
Beef	Per kg			
Stewing Beef	Per kg	60.98	83.95	89.61
Rump steak	Per kg	164.47	178.02	174.83
Fillet steak	Per kg	249.97	240.00	242.60
Beef brisket	Per kg	91.97	97.75	105.02
Beer (local)	330ml	13.03	13.58	12.80
Petrol	Per litre	20.28	20.20	20.18
Diesel	Per litre	19.56	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 August 2023

Period		Index	m-o-m	y-o-y
2022	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
	July	163.3	0.3	4.5
	Aug	164.0	0.4	4.7

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

Zones	Period	Zone 1			Zone 2			Zone 3		
		Index	m-o-m	y-o-y	Index	m-o-m	y-o-y	Index	m-o-m	y-o-y
2022	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
	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
	July	161.6	0.2	4.7	160.0	0.4	4.6	171.6	0.2	4.2
	Aug	163.1	1.0	5.3	160.0	0.0	4.5	171.9	0.2	4.0

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:

- 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.

Annex D: Forthcoming report

Report	Expected release date
September	10 October 2023

***Namibia Consumer
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