

Namibia Inflation Forecast Report

Research & Financial Sector Development, Bank of Namibia



Updated - November, 2022

Inflation Overview

Domestic Inflation - Domestic annual headline inflation remained 7.1 percent in October 2022, which translates into a monthly inflation rate of 0.2 percent. The biggest contributors towards the annual prices were the Food & Non-Alcoholic Beverages (9.1 percentage points), Transport (17.8 percentage points) and Alcoholic beverages and tobacco (6.7) categories.

Short Term Forecasts - The short-term inflation forecast is presented in Table 2, with annual inflation expected to decrease by 0.1 percentage points from 7.1 percent to 7.0 percent in November 2022 before decreasing further to 6.7 percent in December 2022 and thereafter inching up to 6.9 percent in January 2023.

Medium Term Forecasts - The medium term forecast shows that, our baseline forecasts for annual headline inflation are 6.1 percent in 2022 and revised down to 4.9 from 5.2 percent in 2023. (see Figures 1 and 2).

Table 1: International Price Forecast Summary

Category	2022 Q4	2023 Q1	2023 Q2	2023 Q3
Brent Crude (USD/barrel)	93.0	89.0	88.0	91.0
Maize (US Cents/bushel)	658.0	659.0	656.0	622.0
Wheat (US Cents/bushel)	823.0	841.0	852.0	854.0
Gold (USD/oz)	1740.0	1791.0	1816.0	1843.0
USD/ZAR	18.4	18.3	17.8	17.5
SA Inflation (Annual %)	6.8	6.8	6.0	4.4

Note:

*Source - Bloomberg, SARB

**Forecasts as at 21 November 2022

Short and Medium Term Forecasts

Table 2: 3 Month Inflation Forecasts, by Components

Category	Weight	Oct 2022(A)	Nov 2022(F)	Dec 2022(F)	Jan 2022(F)	Trend
Food	16.4%	9.1%	9.1%	8.9%	9.4%	↗
Alcoholic B&T	12.6%	6.7%	5.9%	5.4%	5.1%	↘
Clothing	3.0%	0.8%	0.8%	0.9%	0.3%	↘
Housing	28.4%	2.3%	2.3%	2.3%	2.5%	↗
Furnishings	5.5%	9.6%	10.0%	10.0%	6.8%	↘
Health	2.0%	3.3%	2.6%	2.7%	3.7%	↗
Transport	14.3%	17.8%	17.6%	16.6%	17.0%	↘
Communication	3.8%	0.1%	-0.2%	0.1%	0.2%	↗
Recreation	3.6%	5.2%	5.0%	5.5%	4.8%	↘
Education	3.6%	3.1%	3.1%	3.1%	4.1%	↗
Hotels	1.4%	10.6%	10.9%	10.5%	6.8%	↘
Misc	5.4%	3.8%	3.7%	3.6%	7.7%	↗
All Items	100.0%	7.1%	7.0%	6.7%	6.9%	↘

Figure 1: Quarterly Inflation Forecasts

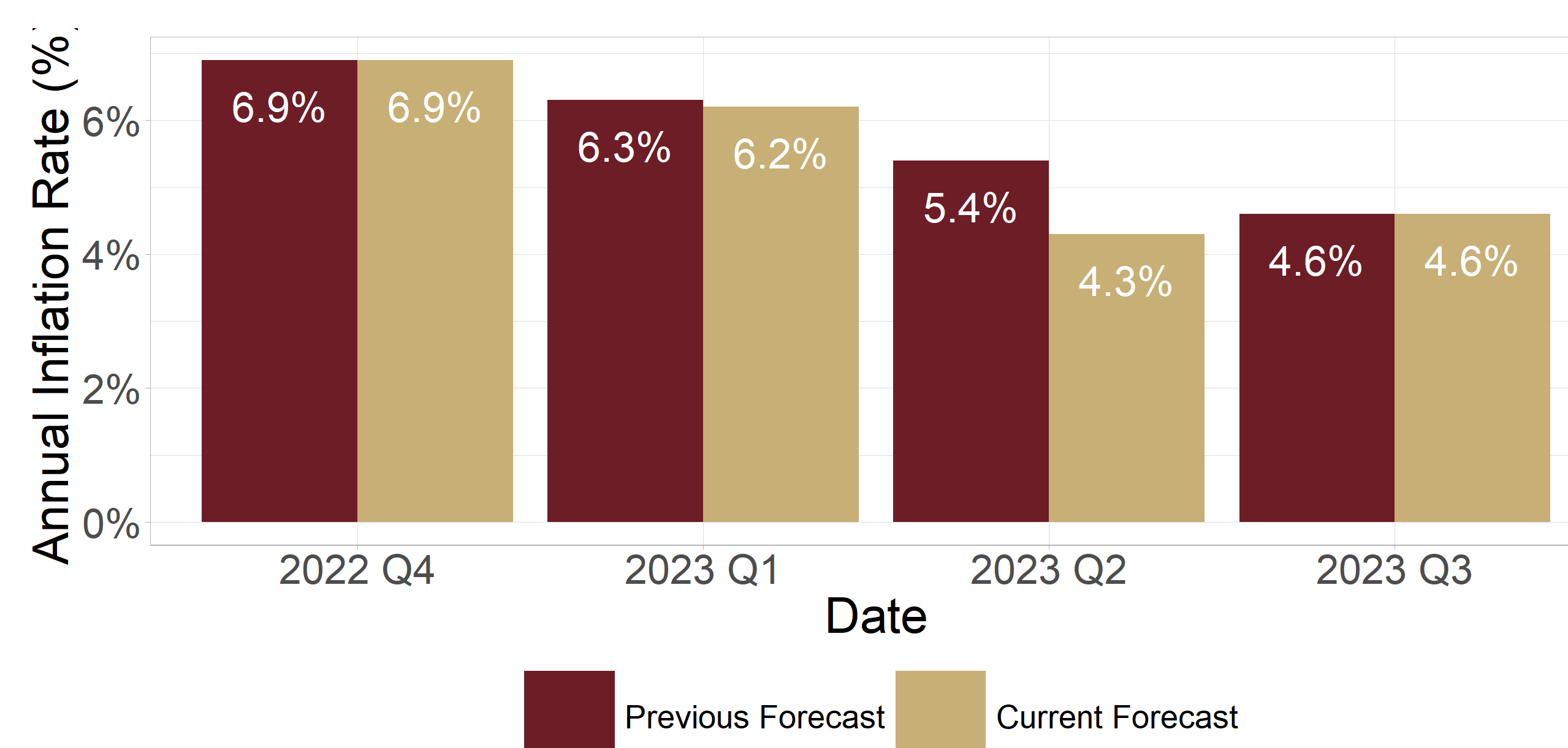


Figure 2: Yearly Inflation Forecasts

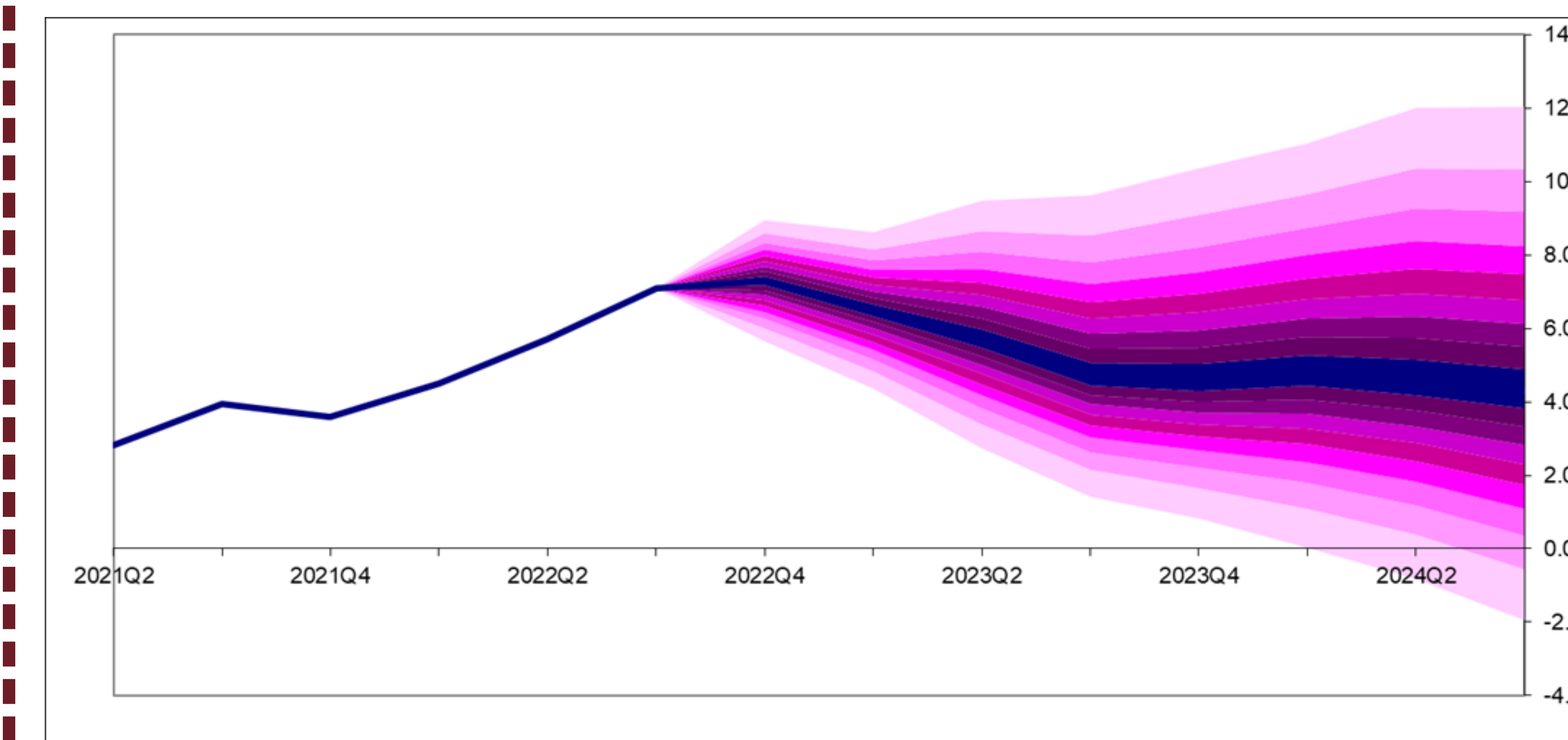
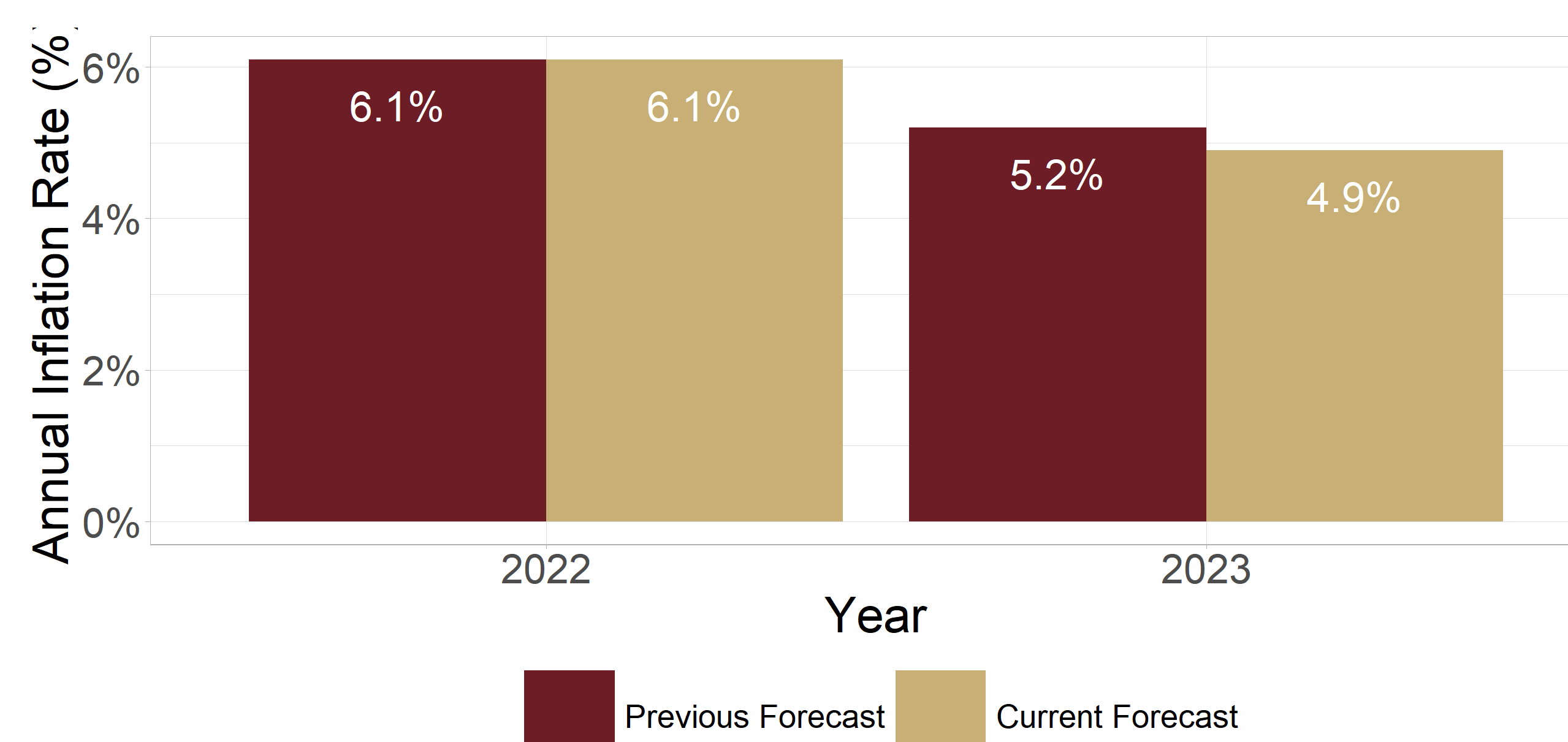


Figure 3: Inflation Forecast Fan Chart

Disclaimer

While best efforts were taken to ensure the accuracy of the data and information in this report, the Bank cannot take any responsibility for consequences resulting from the use of this information.

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