

# Namibia Inflation Forecast Report

Research & Financial Sector Development Department, Bank of Namibia



Updated - June, 2024

## Inflation Overview

## Short and Medium Term Forecasts

Table 2: Monthly Inflation Forecast, by Component

Category	Weight	May 2024 (A)	Jun 2024 (F)	Jul 2024 (F)	Aug 2024 (F)	Trend
Food	16.4%	4.7%	5.1%	5.4%	5.6%	↗
Alcoholic B&T	12.6%	6.6%	6.8%	6.5%	6.4%	↘
Clothing	3.0%	2.4%	2.7%	2.4%	2.0%	↘
Housing	28.4%	3.7%	3.6%	4.2%	4.0%	↗
Furnishings	5.5%	4.1%	4.2%	4.1%	4.1%	↘
Health	2.0%	4.3%	4.3%	4.1%	4.0%	↘
Transport	14.3%	7.7%	8.4%	7.8%	6.9%	↘
Communication	3.8%	0.2%	-0.0%	0.0%	-0.3%	↘
Recreation	3.6%	6.2%	5.9%	6.0%	6.1%	↘
Education	3.6%	1.7%	1.7%	1.7%	1.7%	↗
Hotels	1.4%	7.9%	7.9%	8.4%	6.9%	↘
Misc	5.4%	3.2%	3.1%	4.0%	3.9%	↗
<b>All Items</b>	<b>100.0%</b>	<b>4.9%</b>	<b>5.1%</b>	<b>5.2%</b>	<b>5.0%</b>	↗

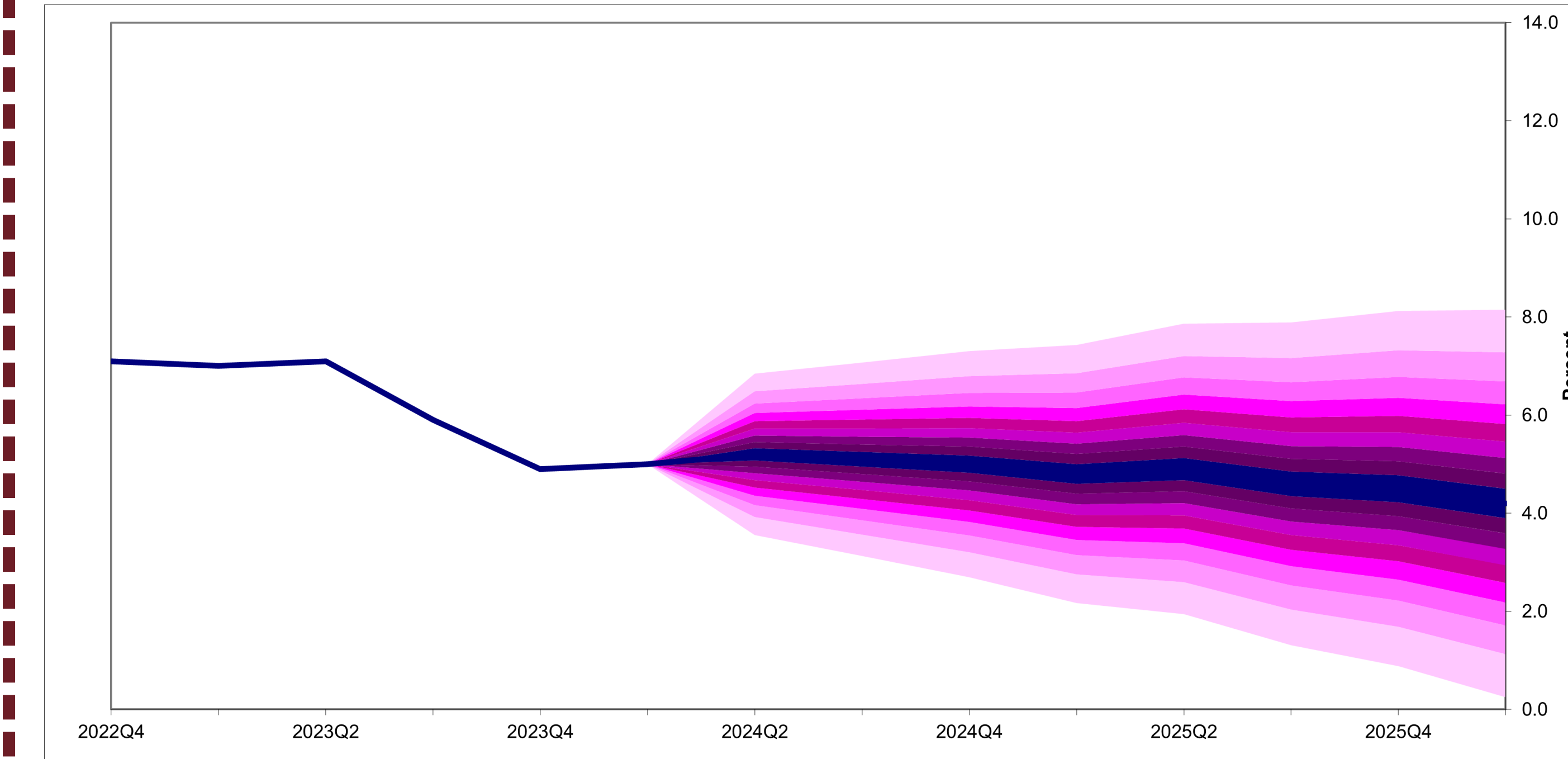


Figure 3: Inflation Forecast Fan Chart

**Domestic Inflation** - Domestic annual headline inflation increased to 4.9 percent in May 2024, translating into a 0.3 percentage point increase in the consumer price index (CPI) on a monthly basis. The biggest contributors towards the annual inflation rate were the *Transport* (1.2 percentage points), *Food and Non-Alcoholic Beverages* (0.9 percentage points), *Alcoholic Beverages and Tobacco* (0.9 percentage points), and *Housing, water, electricity, gas and other fuels* (0.9 percentage points) categories

**Short Term Forecasts** - The short-term inflation forecast is presented in Table 2, with annual inflation expected to increase to 5.1 percent in June and 5.2 percent in July before slowing to 5.0 percent in August 2024.

**Medium Term Forecasts** - Through the medium term, our baseline estimates suggest that inflation will average 4.9 percent and 4.5 percent in 2024 and 2025 respectively (see Figures 1 and 2).

Table 1: International Price Forecast Summary

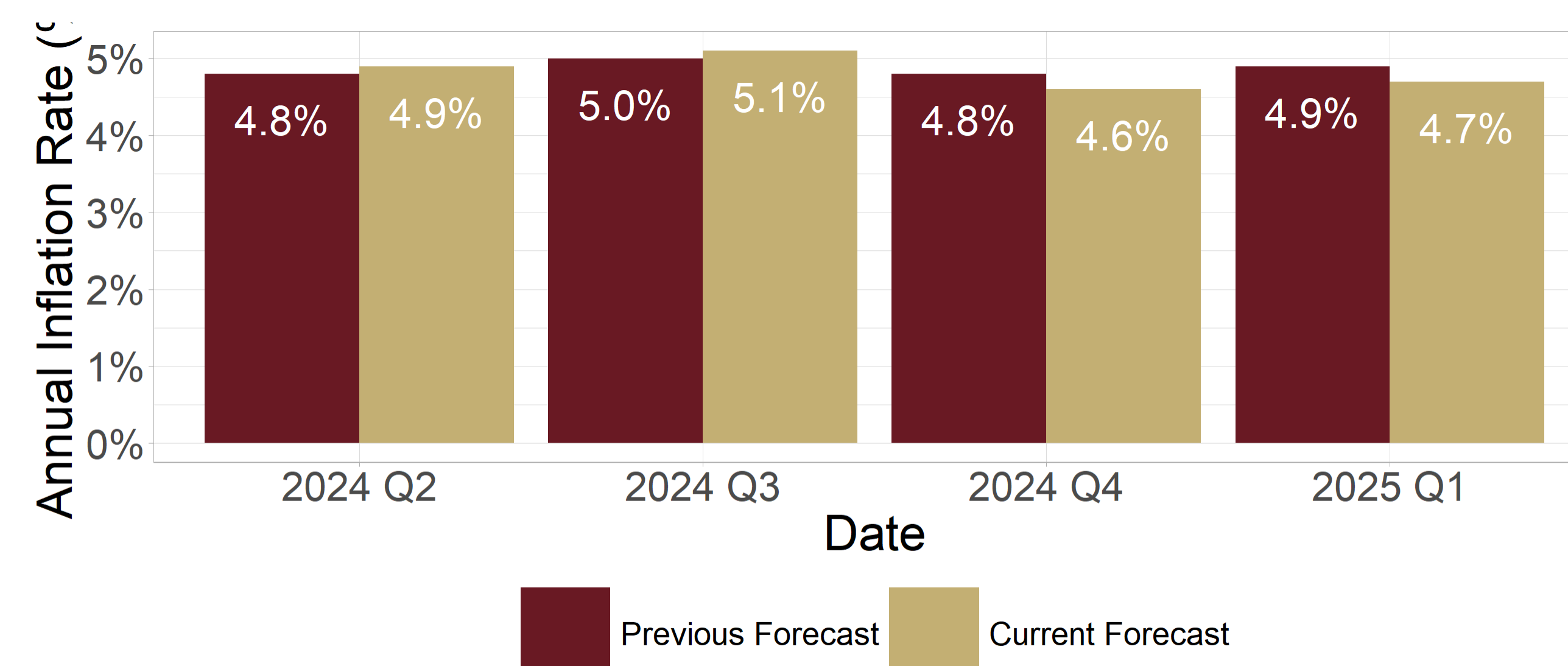
Category	2024 Q2	2024 Q3	2024 Q4	2025 Q1
<b>Brent Crude (USD/barrel)</b>	85.4	83.0	81.4	80.1
<b>Maize (US Cents/bushel)</b>	458.1	472.6	487.5	499.1
<b>Wheat (US Cents/bushel)</b>	678.3	721.4	744.9	757.4
<b>Gold (USD/oz)</b>	2350.8	2388.1	2421.4	2457.2
<b>USD/ZAR</b>	18.9	18.8	18.6	18.8
<b>SA Inflation (Annual %)</b>	5.1	5.2	4.7	4.6

Note:

\*Source - Bloomberg, SARB

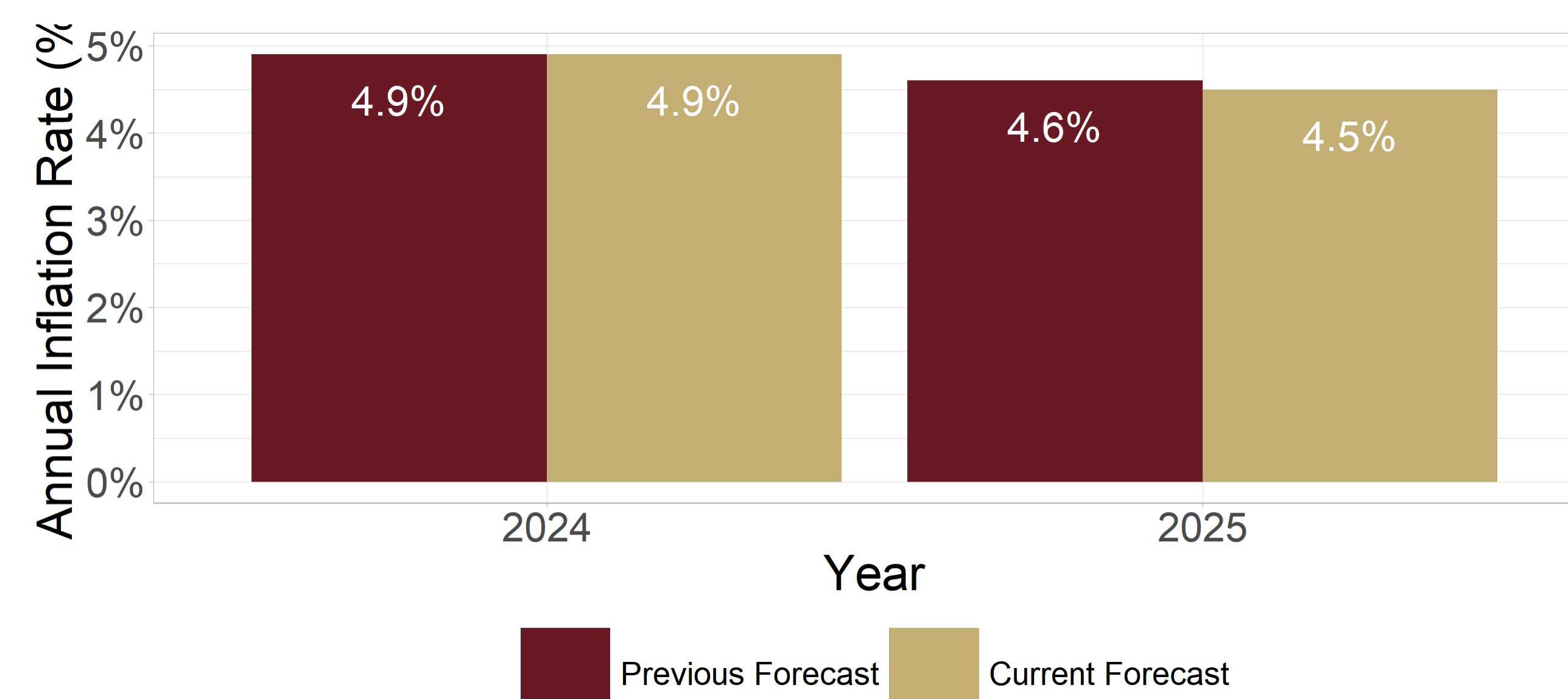
\*\*Forecasts as at 03 June 2024

Figure 1: Quarterly Inflation Forecasts



\*Quarterly forecasts may not directly correspond to the components forecasts in Table 2

Figure 2: Yearly Inflation Forecasts



## 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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