

Namibia Inflation Forecast Report

Research & Financial Sector Development, Bank of Namibia



Updated - February, 2024

Inflation Overview

Domestic Inflation - Domestic annual headline inflation increased to 5.4 percent in January 2024, translating into a 1.3 percent rise in consumer prices on a monthly basis. The biggest contributors towards the annual inflation rate were the *Food and Non-Alcoholic Beverages* (1.3 percentage points), *Housing, Water, Electricity, gas and other fuels* (1.1 percentage points), *Alcoholic Beverages and Tobacco* (1.0 percentage points) and *Transport* (0.9 percentage points) categories.

Short Term Forecasts - The short-term inflation forecast is presented in Table 2, with annual inflation expected to slow to 5.2 percent and 5.1 percent in February and March 2024 respectively, before increasing to 5.3 percent in April 2024.

Medium Term Forecasts - Through the medium term, our baseline estimates suggest that inflation will average 4.8 percent and 4.5 percent in 2024 and 2025 respectively (see Figures 1 and 2).

Table 1: International Price Forecast Summary

Category	2024 Q1	2024 Q2	2024 Q3	2024 Q4
Brent Crude (USD/barrel)	80.0	78.2	77.0	75.9
Maize (US Cents/bushel)	436.3	450.9	464.0	475.7
Wheat (US Cents/bushel)	603.0	609.2	620.7	635.0
Gold (USD/oz)	2034.5	2065.3	2094.7	2117.5
USD/ZAR	18.8	18.5	18.4	18.3
SA Inflation (Annual %)	5.3	5.1	5.1	4.4

Note:

*Source - Bloomberg, SARB

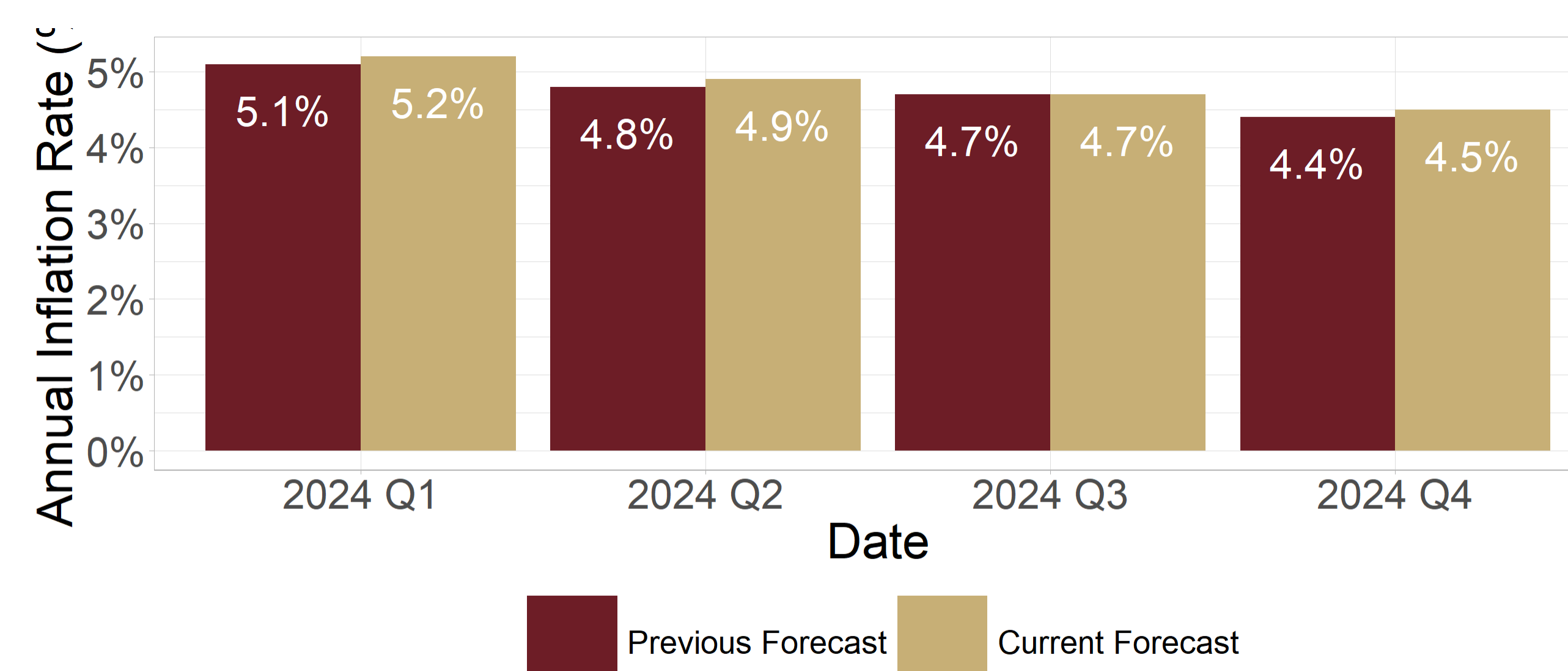
**Forecasts as at 08 February 2024

Short and Medium Term Forecasts

Table 2: Monthly Inflation Forecast, by Components

Category	Weight	Jan 2024 (A)	Feb 2024 (F)	Mar 2024 (F)	Apr 2024 (F)	Trend
Food	16.4%	6.5%	6.3%	5.9%	6.0%	↘
Alcoholic B&T	12.6%	7.3%	6.8%	6.4%	7.2%	↘
Clothing	3.0%	1.5%	1.4%	1.6%	1.5%	↗
Housing	28.4%	4.5%	4.4%	4.4%	4.5%	↗
Furnishings	5.5%	5.0%	4.1%	4.3%	4.3%	↘
Health	2.0%	3.5%	3.2%	3.3%	3.4%	↘
Transport	14.3%	6.1%	5.9%	5.9%	6.8%	↗
Communication	3.8%	0.1%	0.4%	0.3%	0.5%	↗
Recreation	3.6%	10.6%	10.0%	9.5%	7.6%	↘
Education	3.6%	1.3%	1.3%	1.3%	1.3%	↗
Hotels	1.4%	6.6%	6.5%	6.2%	6.4%	↘
Misc	5.4%	4.1%	4.1%	3.9%	3.9%	↘
All Items	100.0%	5.4%	5.2%	5.1%	5.3%	↘

Figure 1: Quarterly Inflation Forecasts



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

Figure 2: Yearly Inflation Forecasts

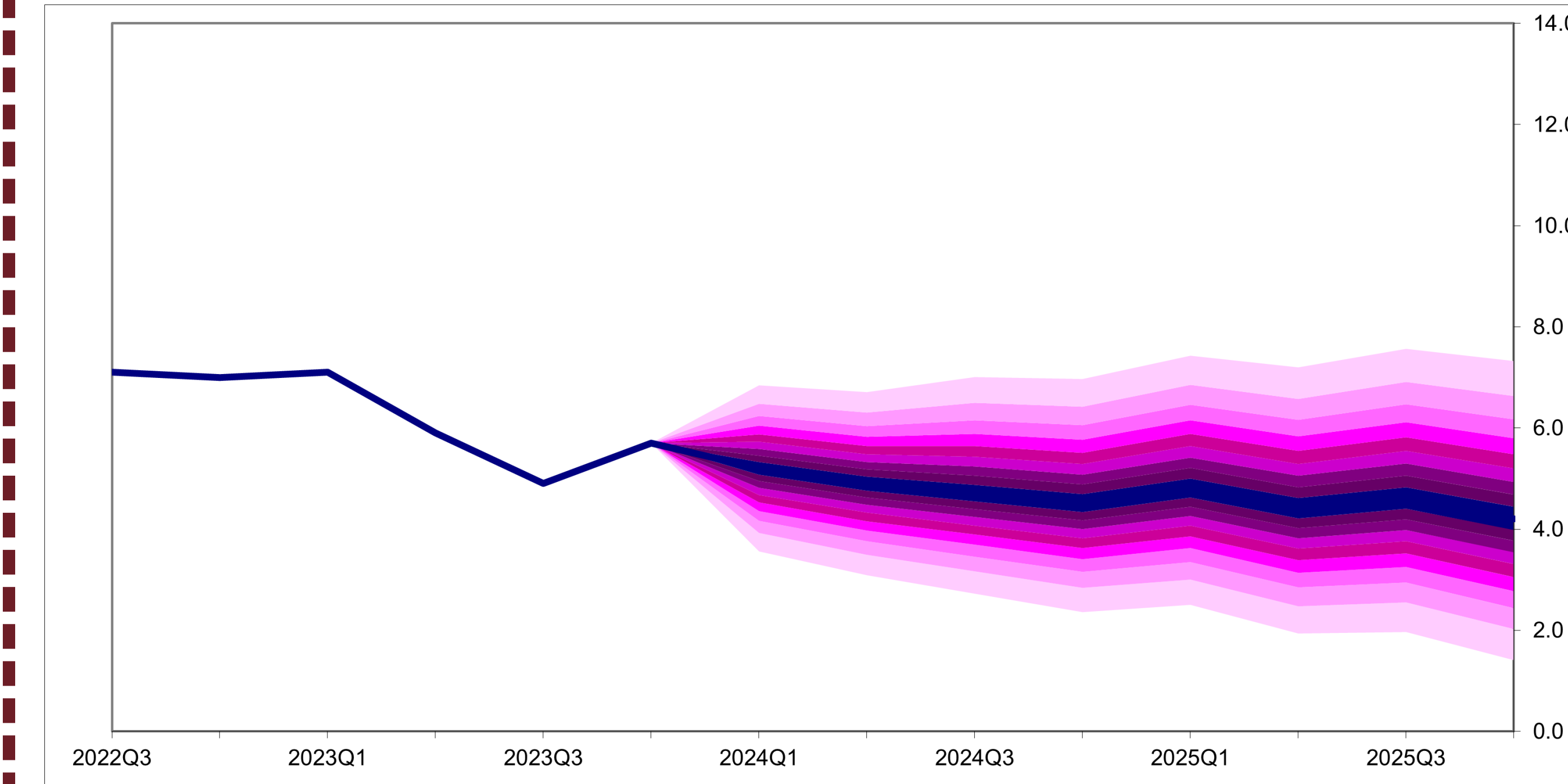
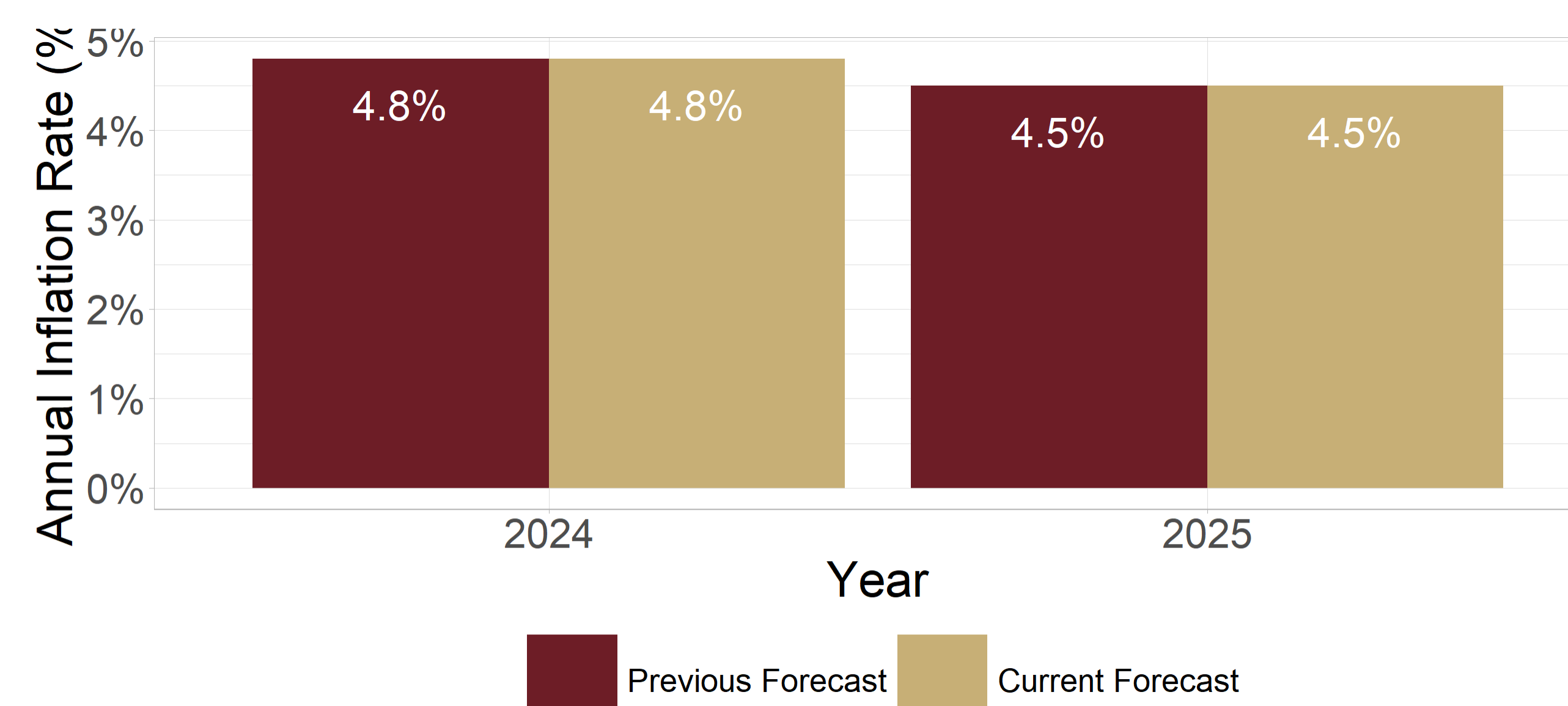


Figure 3: Inflation Forecast Fan Chart

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.

Contact

Enquiries related to this publication should be directed to:

The Director: Research and Financial Sector Development
 P.O. Box 2882
 Windhoek
 Namibia
 Tel: +264 61 283 5056
 Fax: +264 61 283 5231
 E-mail: research@bon.com.na
 Website: <http://www.bon.com.na>