

Namibia Inflation Forecast Report

Research & Financial Sector Development, Bank of Namibia



Updated - December 2023

Inflation Overview

Domestic Inflation - Domestic annual headline inflation rose to 6.0 percent in October 2023, translating into a 0.8 percent rise in consumer prices on a monthly basis. The biggest contributors towards the annual increase in prices were the *Food and Non-Alcoholic Beverages* (1.8 percentage points), *Alcoholic beverages & Tobacco* and *Transport* (1.0 percentage points each respectively), and *Housing, Water, Electricity, gas and other fuels* (0.8 percentage points) categories.

Short Term Forecasts - The short-term inflation forecast is presented in Table 2, with annual inflation expected to moderate to 5.8 percent in November 2023, 5.7 percent in December 2023 and 5.9 percent in January 2024.

Medium Term Forecasts - Through the medium term, our baseline estimates suggest that inflation will average 5.9 percent and 4.8 percent in 2023 and 2024 respectively (see Figures 1 and 2).

Table 1: International Price Forecast Summary

Category	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Brent Crude (USD/barrel)	83.3	79.4	78.6	77.7
Maize (US Cents/bushel)	467.8	486.7	501.3	508.9
Wheat (US Cents/bushel)	581.2	605.1	622.5	642.8
Gold (USD/oz)	2054.5	2149.6	2179.6	2209.3
USD/ZAR	18.8	18.5	18.5	18.5
SA Inflation (Annual %)	5.3	5.2	5.1	5.0

Note:

*Source - Bloomberg, SARB

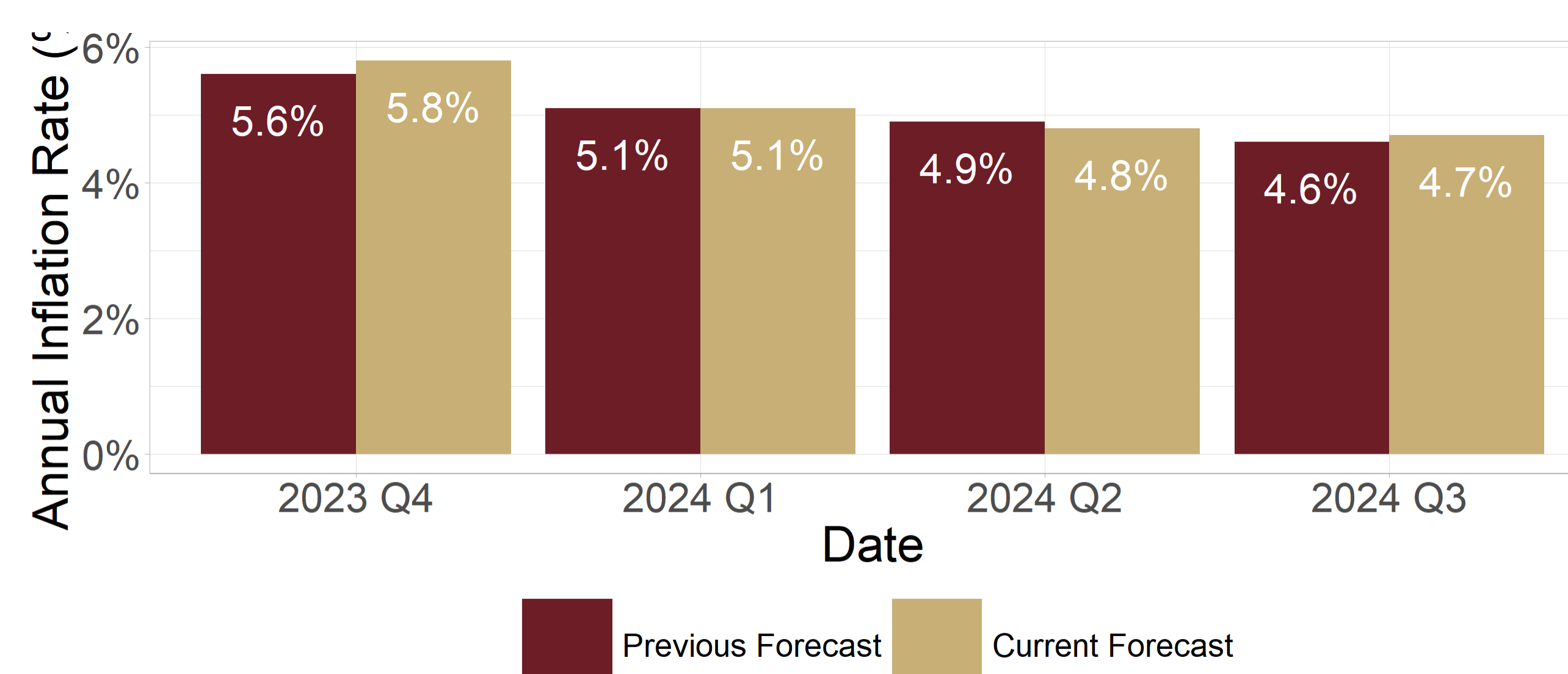
**Forecasts as at 04 December 2023

Short and Medium Term Forecasts

Table 2: Monthly Inflation Forecast, by Components

Category	Weight	Oct 2023 (A)	Nov 2023 (F)	Dec 2023 (F)	Jan 2024 (F)	Trend
Food	16.4%	9.4%	8.9%	8.3%	7.8%	↘
Alcoholic B&T	12.6%	7.7%	7.8%	7.6%	7.3%	↘
Clothing	3.0%	1.9%	1.5%	1.3%	1.0%	↘
Housing	28.4%	3.3%	3.3%	3.2%	4.1%	↗
Furnishings	5.5%	5.6%	5.3%	5.3%	5.6%	↘
Health	2.0%	3.2%	3.7%	3.9%	3.4%	↗
Transport	14.3%	6.6%	5.7%	5.8%	6.3%	↘
Communication	3.8%	0.8%	0.7%	0.8%	0.8%	↗
Recreation	3.6%	10.4%	10.3%	10.0%	10.6%	↗
Education	3.6%	3.8%	3.8%	3.8%	4.3%	↗
Hotels	1.4%	7.5%	7.7%	7.8%	7.2%	↘
Misc	5.4%	5.4%	5.1%	4.8%	5.3%	↘
All Items	100.0%	6.0%	5.8%	5.7%	5.9%	↘

Figure 1: Quarterly Inflation Forecasts



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

Figure 2: Yearly Inflation Forecasts

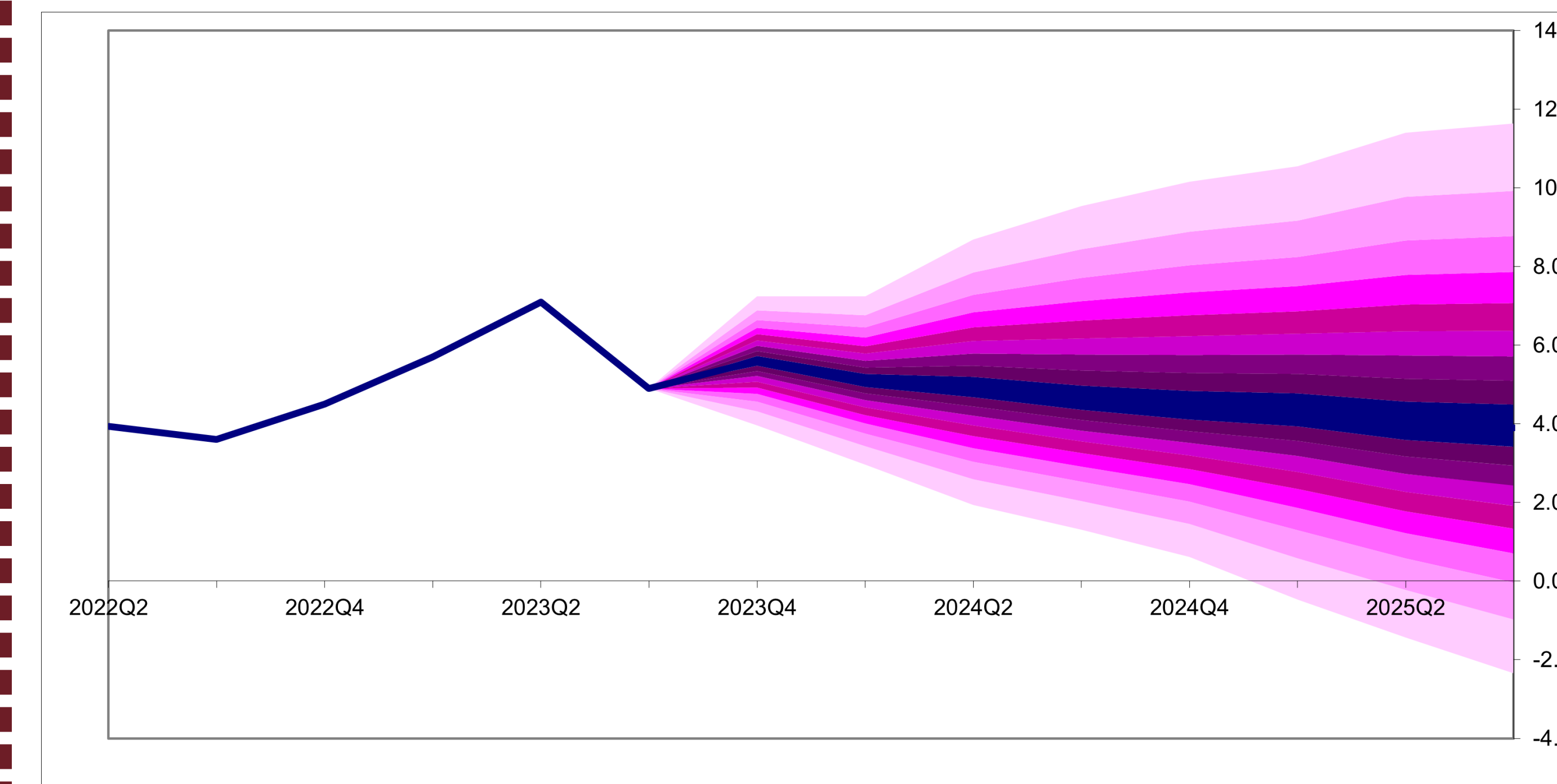
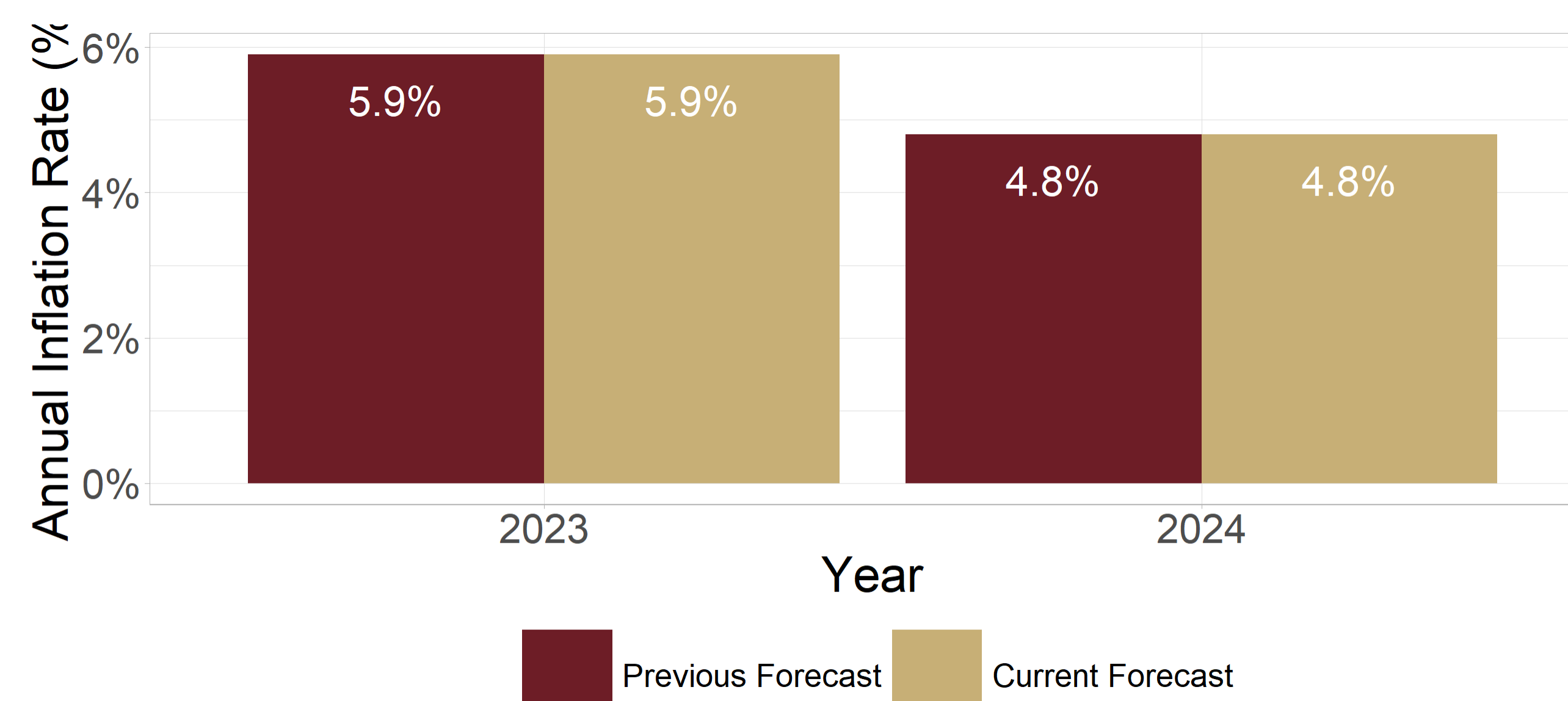


Figure 3: Inflation Forecast Fan Chart

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.

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