

# Namibia Inflation Forecast Report

## Research & Financial Sector Development Department, Bank of Namibia



Updated - December, 2025

### Inflation Overview

**Domestic Inflation** - Domestic annual headline inflation increased to 3.6 percent in October 2025, translating into a 0.1 percentage point increase from the previous month. The biggest contributors towards the increase in annual inflation rate were *Housing* (0.5) percentage point, *Transport* (0.8 percentage point), and *Hotels* (0.7) percentage points.

**Short Term Forecasts** - The short-term inflation forecast is presented in Table 2, with annual inflation expected to slow to 3.5 percent in November and 3.4 percent in December 2025, before rising to 3.6 percent in January 2026.

**Medium Term Forecasts** - Through the medium term, the quarterly inflation forecast remained initially unchanged from the October MPC meeting, but lower in the second half of 2026 on account of a stronger exchange rate assumptions and a favourable oil price outlook. Overall, the baseline estimates suggest that inflation will average 3.6 percent and 3.8 percent in 2025 and 2026 respectively, reflecting a downwards revision of 0.2 percentage point in 2026. (see Figures 1 and 2).

Table 1: International Price Forecast Summary

Category	2025 Q4	2026 Q1	2026 Q2	2026 Q3
Brent Crude (USD/barrel)	63.8	62.3	62.3	62.3
Maize (US Cents/bushel)	428.7	439.2	448.1	451.0
Wheat (US Cents/bushel)	529.7	542.5	554.1	571.6
Gold (USD/oz)	4035.0	4097.0	4141.3	4184.0
USD/ZAR	17.1	17.08	16.98	17.0
SA Inflation (Annual %)	3.9	3.8	3.8	3.4

*Note:*  
\*Source - Bloomberg, SARB  
\*\*Forecasts as at 02 December 2025

### Short and Medium Term Forecasts

Table 2: Monthly Inflation Forecast, by Component

Category	Weight	Oct 2025 (A)	Nov 2025 (F)	Dec 2025 (F)	Jan 2025 (F)	Trend
Food	16.4%	4.6%	4.1%	4.0%	4.0%	↘
Alcoholic B&T	12.6%	4.6%	4.4%	4.1%	4.5%	↘
Clothing	3.0%	1.7%	1.4%	1.4%	1.4%	↘
Housing	28.4%	4.1%	4.0%	4.0%	4.7%	↘
Furnishings	5.5%	1.6%	1.6%	1.5%	1.5%	↘
Health	2.0%	2.6%	2.5%	2.4%	3.1%	↘
Transport	14.3%	2.1%	2.5%	2.3%	2.0%	↘
Communication	3.8%	0.0%	-0.1%	0.0%	-0.4%	↗
Recreation	3.6%	4.0%	3.9%	4.2%	4.0%	↘
Education	3.6%	4.3%	4.3%	4.3%	4.3%	→
Hotels	1.4%	5.0%	5.3%	5.4%	4.6%	↗
Misc	5.4%	2.8%	2.9%	3.0%	3.3%	↗
All Items	100.0%	3.6%	3.5%	3.4%	3.6%	↘

Figure 1: Quarterly Inflation Forecasts

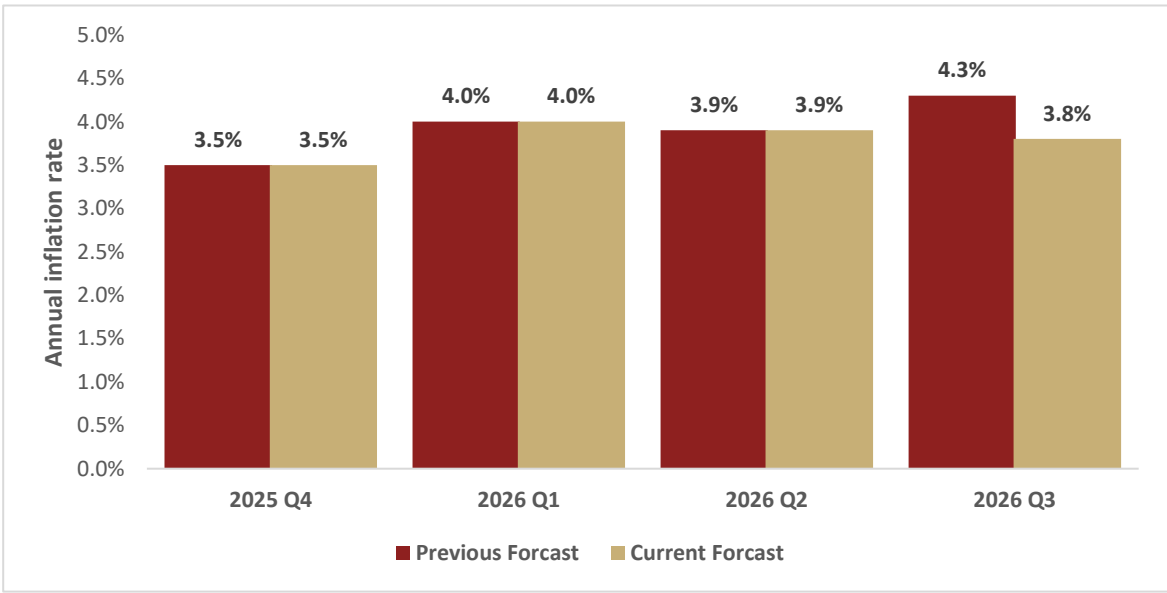


Figure 2: Yearly Inflation Forecasts

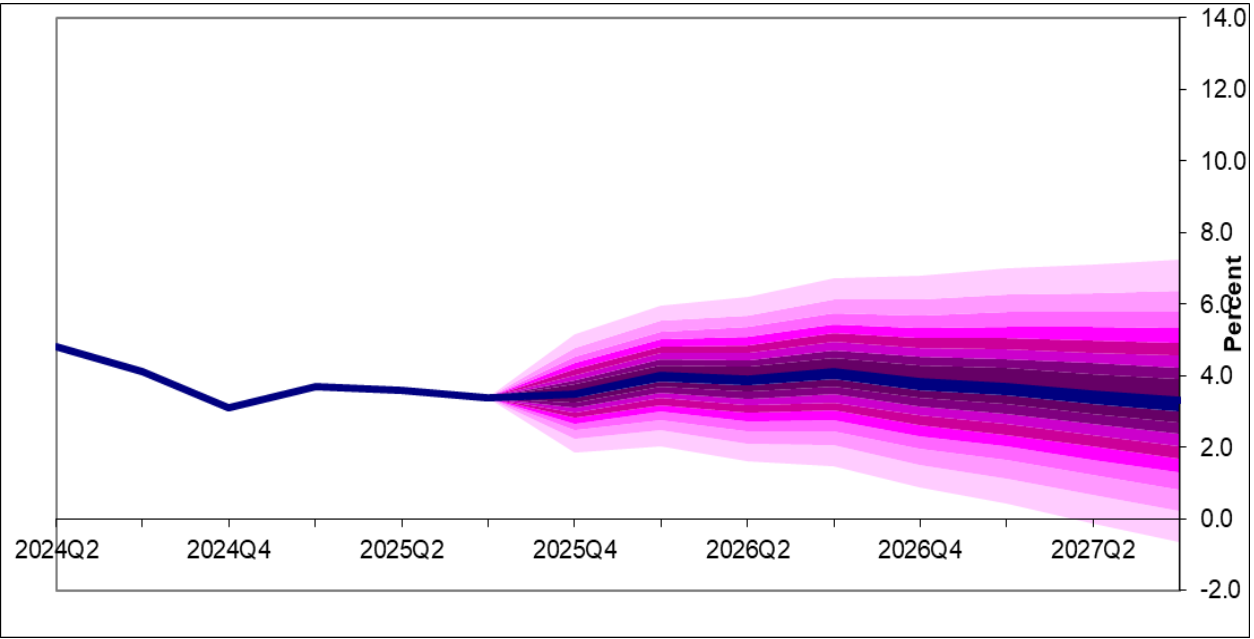
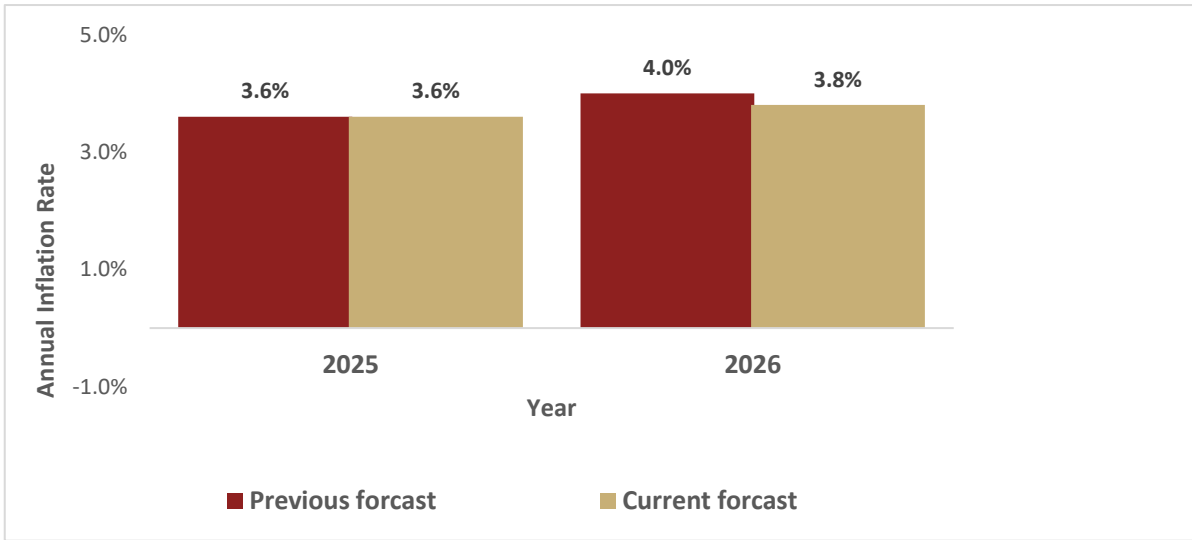


Figure 3: Inflation Forecast Fan Chart

### 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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