

Namibia Inflation Forecast Report

Research & Financial Sector Development Department, Bank of Namibia



Updated - April, 2025

Inflation Overview

Domestic Inflation - Domestic annual headline inflation rose to 4.2 percent in March 2025, translating into a 0.6 percentage point increase in the consumer price index (CPI) on a monthly basis. The biggest contributors towards the increase in annual inflation rate were, *Alcoholic Beverages and Tobacco* (1.8 percentage points), *Transport* (1.3 percentage points), *Housing, Water, Electricity, Gas, and Other Fuels* (0.2 percentage point), while *Food and non-alcoholic beverages* contributed 0.3 percentage point.

Short Term Forecasts - The short-term inflation forecast is presented in Table 2, with annual inflation expected to decline to 4.0 percent in April 2025 before rising to 4.1 and 4.5 percent in May 2025 and June 2025, respectively.

Medium Term Forecasts - Through the medium term, our baseline estimates suggest that inflation will average 4.2 percent and 4.5 percent in 2025 and 2026 respectively (see Figures 1 and 2). Inflation has been revised upward from the February MPC largely due to a weaker exchange rate.

Table 1: International Price Forecast Summary

Category	2025 Q2	2025 Q3	2025 Q4	2026 Q1
Brent Crude (USD/barrel)	64.9	63.8	63.3	63.2
Maize (US Cents/bushel)	477.2	449.4	453.1	464.4
Wheat (US Cents/bushel)	549.0	571.9	595.2	611.7
Gold (USD/oz)	3086.5	3117.9	3154.7	3179.1
USD/ZAR	18.5	18.5	18.5	18.3
SA Inflation (Annual %)	3.1	3.9	4.3	4.3

Note:

*Source - Bloomberg, SARB

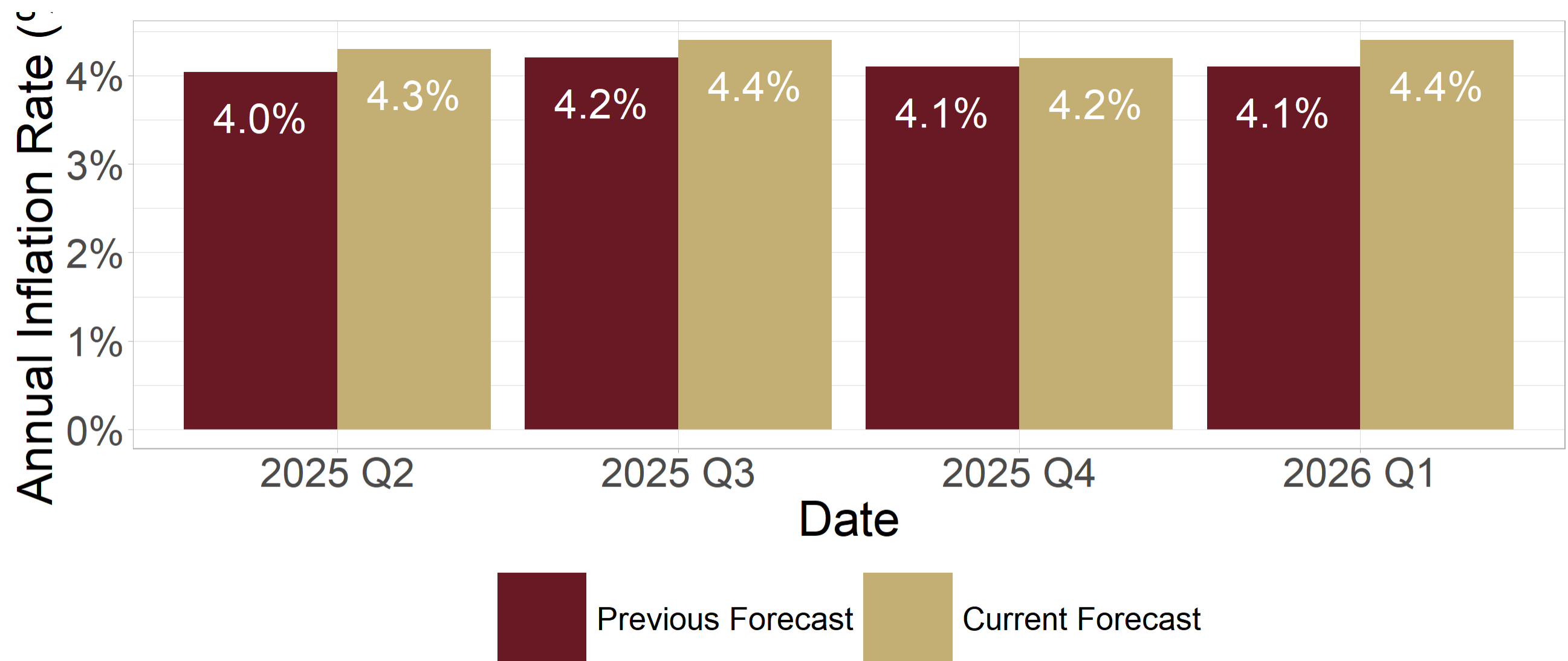
**Forecasts as at 10 April 2025

Short and Medium Term Forecasts

Table 2: Monthly Inflation Forecast, by Component

Category	Weight	Mar 2025 (A)	Apr 2025 (F)	May 2025 (F)	Jun 2025 (F)	Trend
Food	16.4%	6.2%	6.1%	6.1%	6.5%	↗
Alcoholic B&T	12.6%	5.5%	5.3%	5.4%	6.2%	↗
Clothing	3.0%	2.3%	2.2%	2.1%	2.2%	↘
Housing	28.4%	3.8%	3.9%	4.0%	4.1%	↗
Furnishings	5.5%	2.1%	2.2%	2.3%	2.5%	↗
Health	2.0%	3.5%	3.2%	3.1%	3.2%	↘
Transport	14.3%	2.6%	2.0%	1.9%	3.0%	↗
Communication	3.8%	-0.1%	-0.5%	-0.2%	0.1%	↗
Recreation	3.6%	4.3%	4.1%	4.9%	4.8%	↗
Education	3.6%	4.3%	4.3%	4.3%	4.3%	↗
Hotels	1.4%	6.8%	6.7%	6.4%	6.5%	↘
Misc	5.4%	3.8%	3.4%	3.5%	4.0%	↗
All Items	100.0%	4.2%	4.0%	4.1%	4.5%	↗

Figure 1: Quarterly Inflation Forecasts



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

Figure 2: Yearly Inflation Forecasts

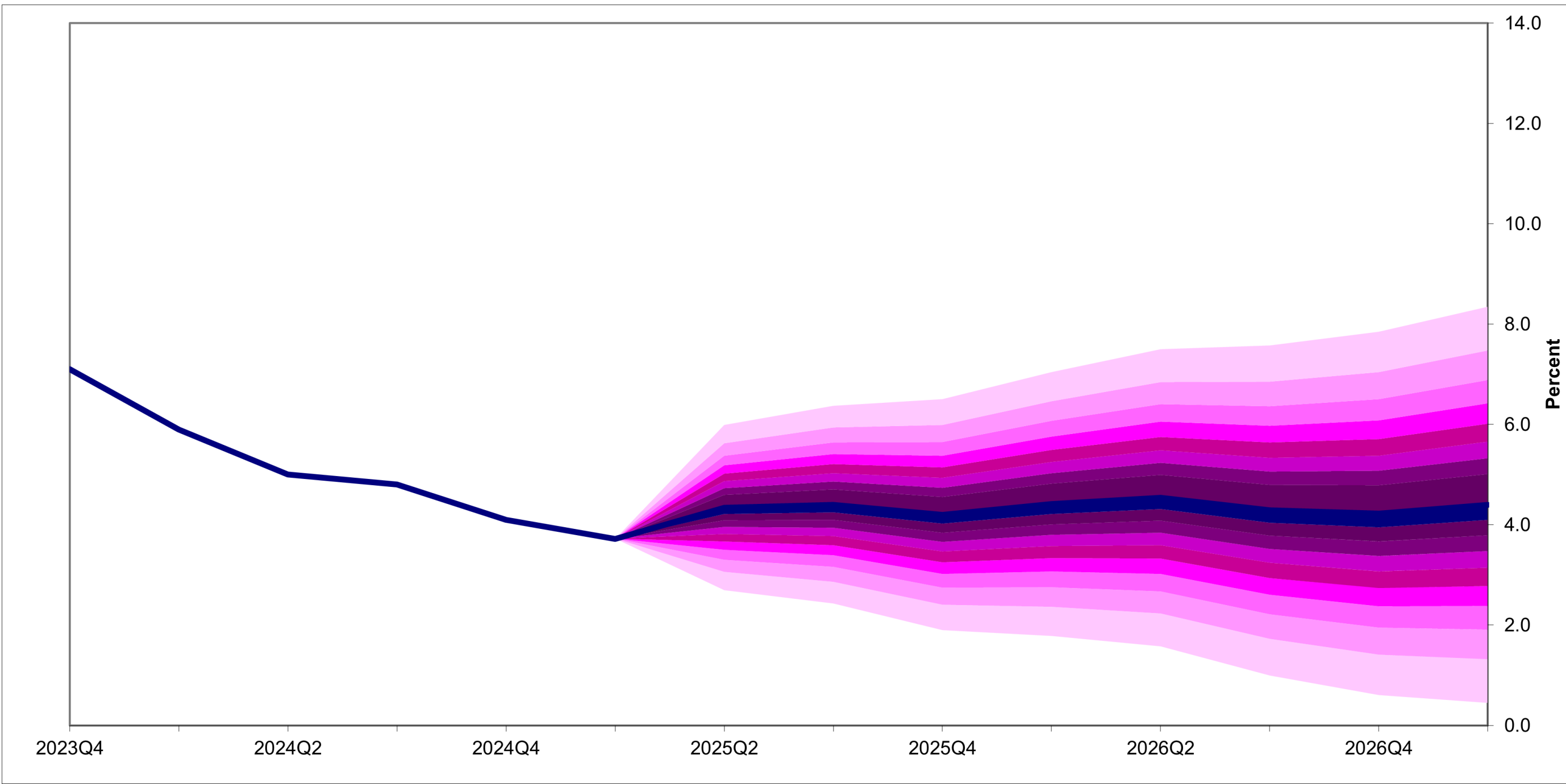
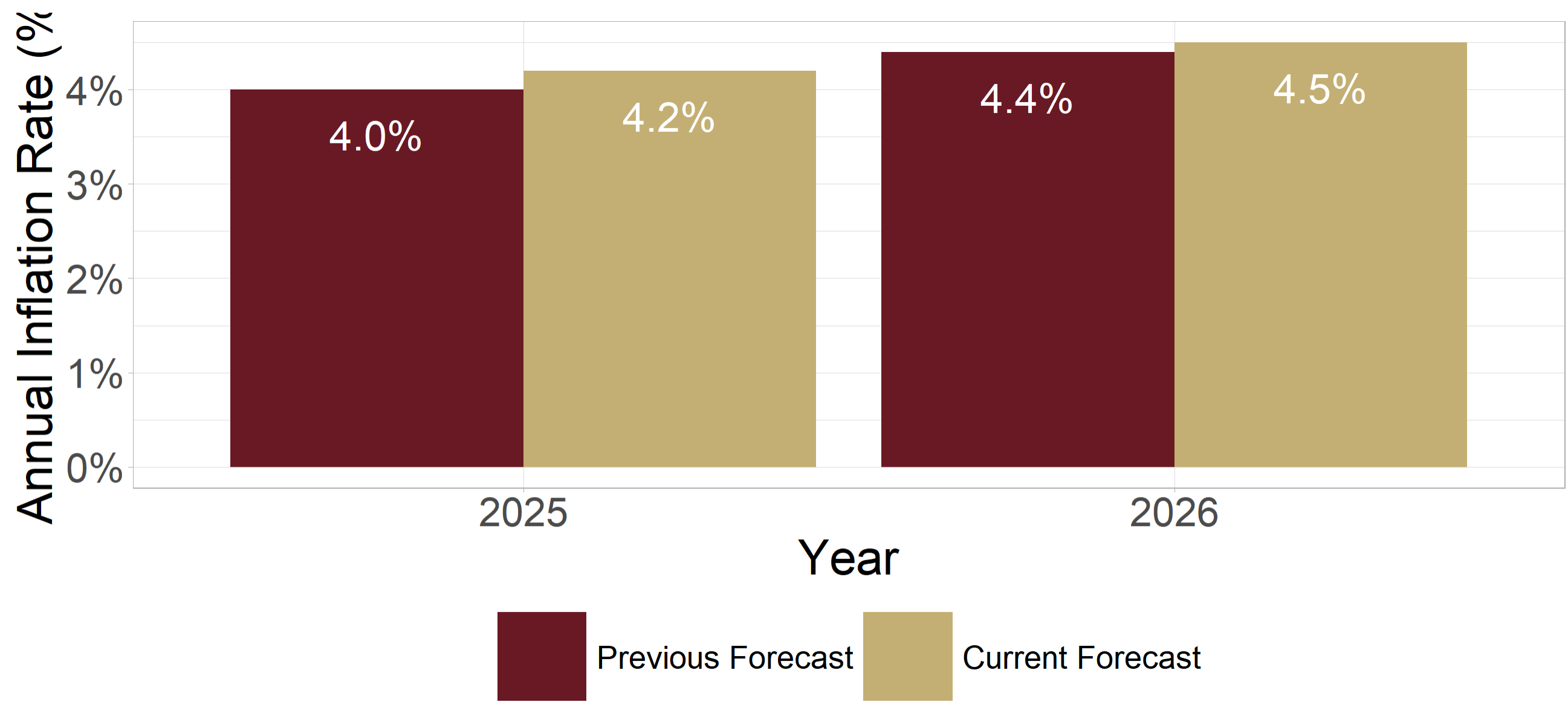


Figure 3: Inflation Forecast Fan Chart

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>