

Namibia Inflation Forecast Report

Research & Financial Sector Development Department, Bank of Namibia



Updated - October, 2025

Inflation Overview

Domestic Inflation - Domestic annual headline inflation increased to 3.5 percent in September 2025, translating into a 0.3 percentage point increase in the consumer price index (CPI) on a monthly basis. The biggest contributors towards the increase in annual inflation rate were, *Transport* (2.3 percentage point), and *Housing* (0.2 percentage point,)respectively.

Short Term Forecasts - The short-term inflation forecast is presented in Table 2, with annual inflation expected to slow to 3.3 percent in October and November 2025, before rising to 3.4 percent in December 2025.

Medium Term Forecasts - Through the medium term, quarterly inflation forecast were revised slightly downward over the forecasting horizon, as a result of stronger exchange rate assumptions and downward revisions in oil price outlook. Overall, the baseline estimates suggest that inflation will average 3.6 percent and 4.0 percent in 2025 and 2026 respectively, reflecting a downwards revision of 0.2 percentage point in both 2025 and 2026 from the August 2025 MPC meeting. (see Figures 1 and 2).

Table 1: International Price Forecast Summary

Category	2025 Q4	2026 Q1	2026 Q2	2026 Q3
Brent Crude (USD/barrel)	63.0	62.8	63.0	63.1
Maize (US Cents/bushel)	413.9	429.1	439.8	443.1
Wheat (US Cents/bushel)	499.9	515.6	531.5	553.7
Gold (USD/oz)	4121.4	4167.8	4212.6	4256.1
USD/ZAR	17.3	17.4	17.4	17.2
SA Inflation (Annual %)	4.0	3.9	3.9	3.4

Note:
*Source - Bloomberg, SARB
**Forecasts as at 14 October 2025

Category	Weight	Sep 2025 (A)	Oct 2025 (F)	Nov 2025 (F)	Dec 2025 (F)	Trend
Food	16.4%	4.9%	4.8%	4.7%	4.6%	↘
Alcoholic B&T	12.6%	4.9%	4.5%	4.3%	4.2%	↘
Clothing	3.0%	1.9%	1.7%	1.7%	1.6%	↘
Housing	28.4%	3.6%	3.5%	3.6%	3.5%	↘
Furnishings	5.5%	1.6%	1.5%	1.3%	1.4%	↘
Health	2.0%	3.1%	3.1%	2.9%	2.9%	↘
Transport	14.3%	1.3%	2.0%	2.0%	2.3%	↗
Communication	3.8%	0.4%	0.3%	0.3%	0.6%	↗
Recreation	3.6%	4.0%	3.4%	3.0%	3.2%	↘
Education	3.6%	4.3%	4.3%	4.3%	4.3%	→
Hotels	1.4%	4.2%	4.4%	4.5%	4.6%	↗
Misc	5.4%	3.0%	2.8%	2.8%	3.0%	↗
All Items	100.0%	3.5%	3.3%	3.3%	3.4%	↘

Figure 1: Quarterly Inflation Forecasts

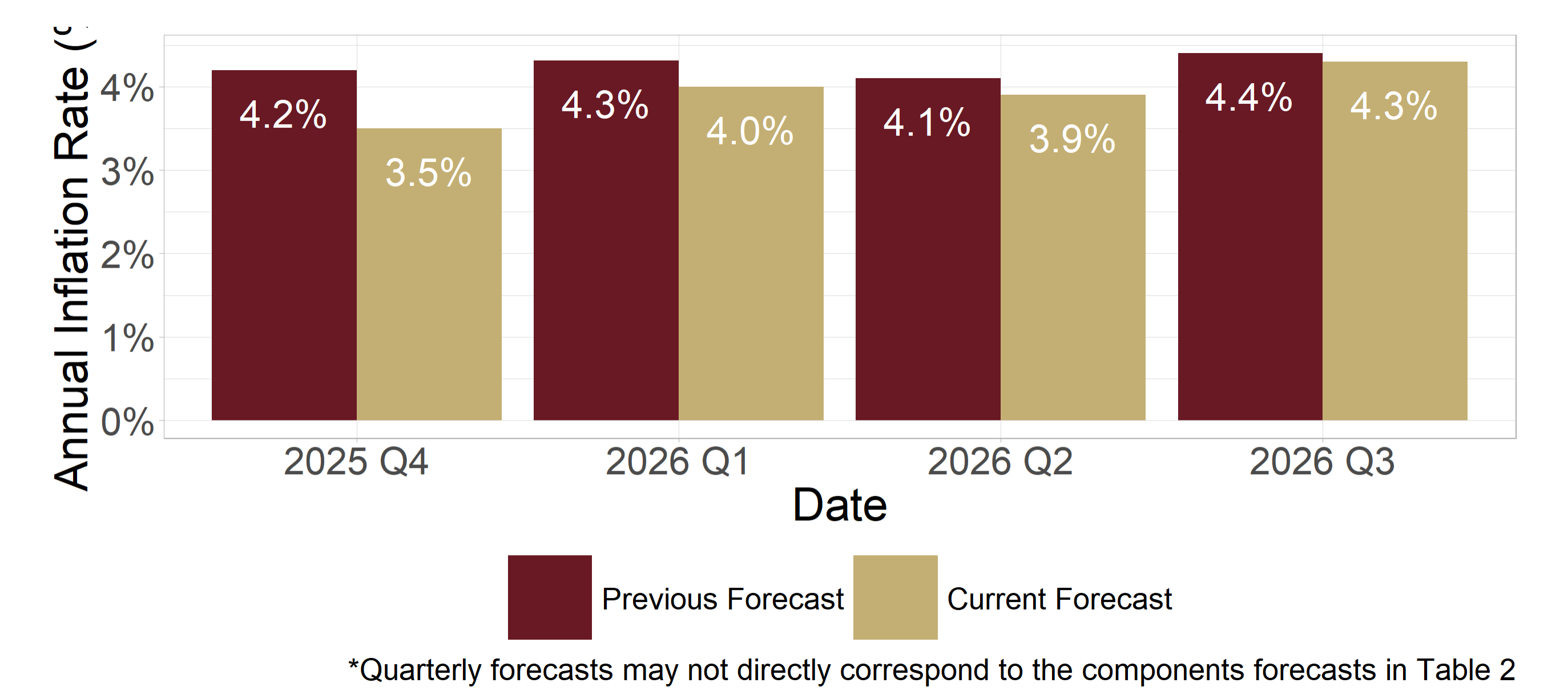


Figure 2: Yearly Inflation Forecasts

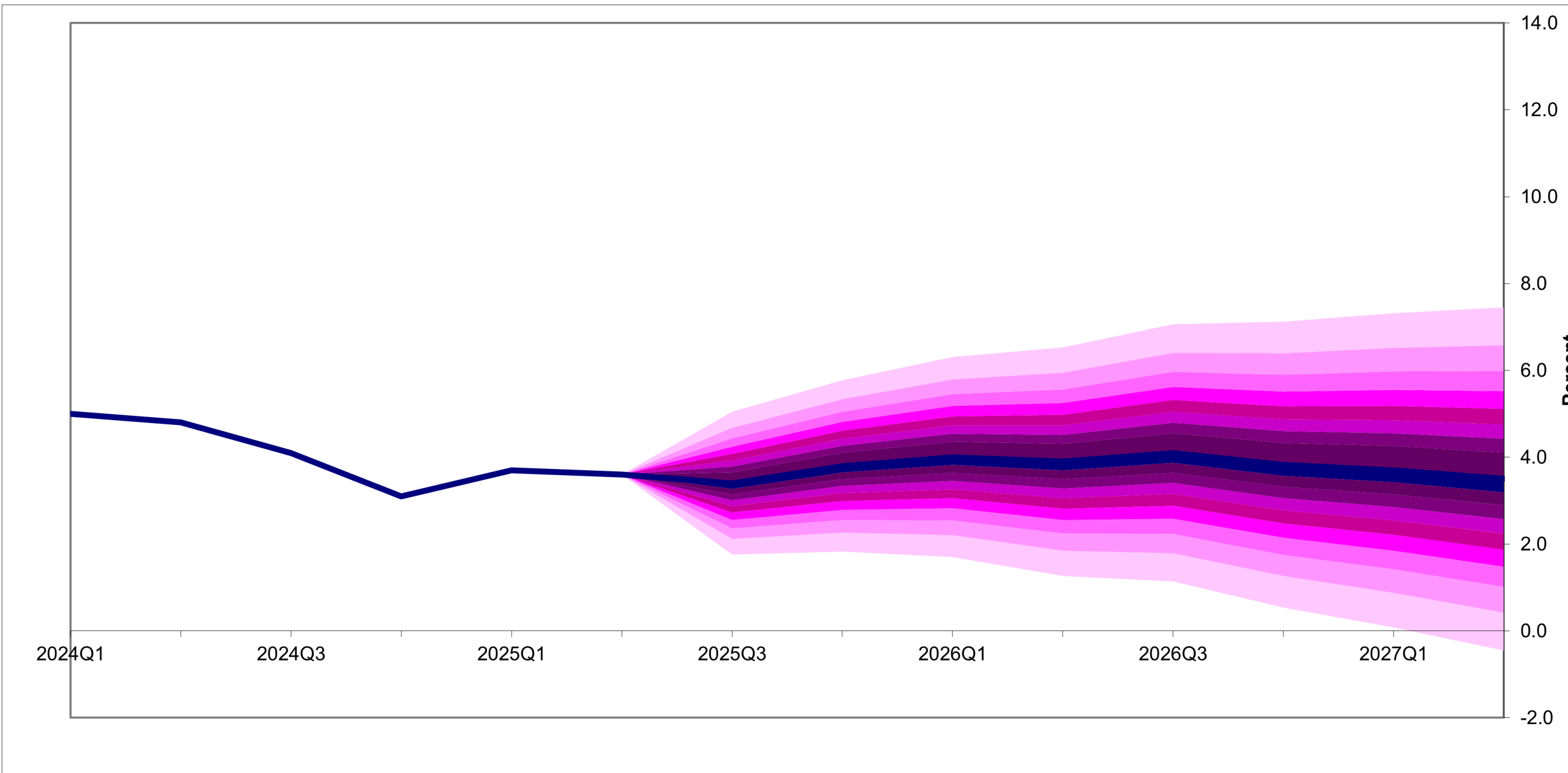
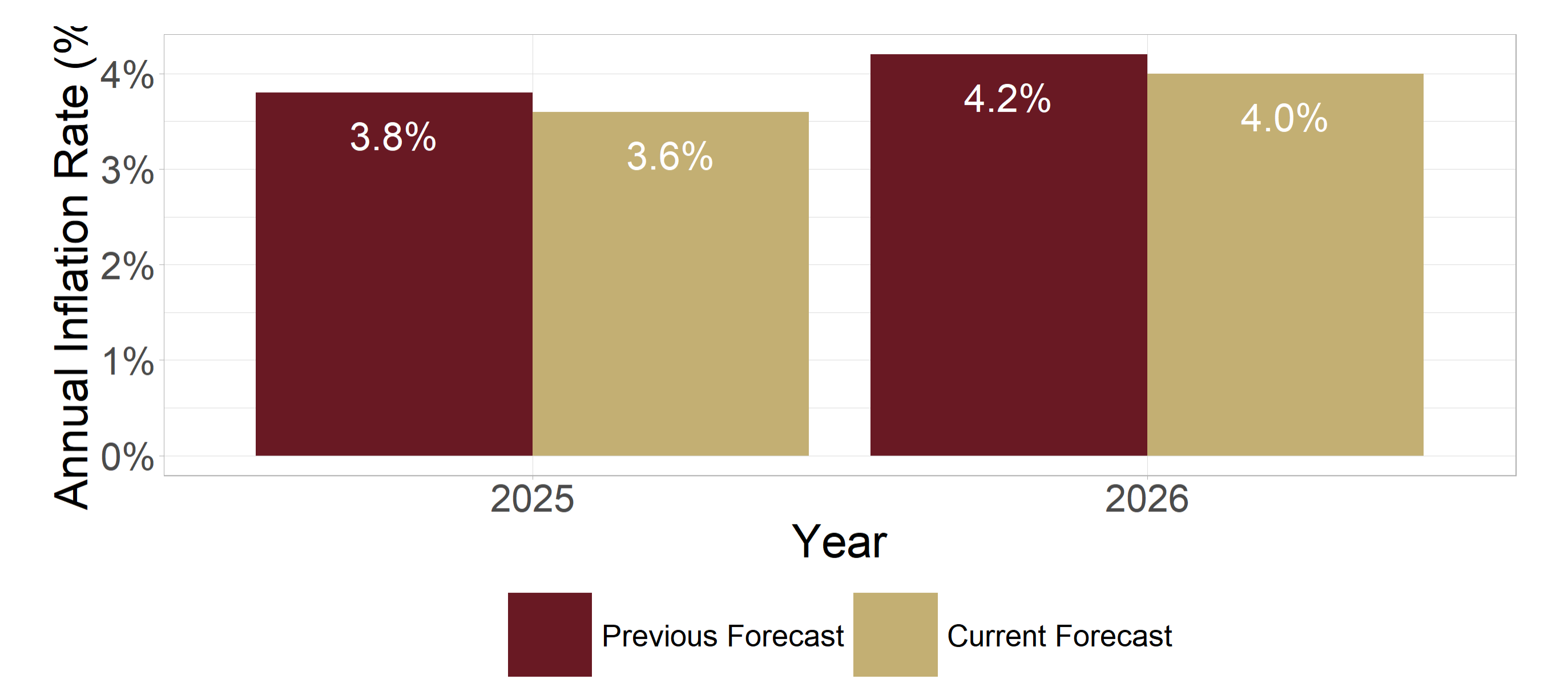


Figure 3: Inflation Forecast Fan Chart

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.

Contact

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Short and Medium Term Forecasts

Table 2: Monthly Inflation Forecast, by Component