

# Namibia Inflation Forecast Report

Research & Financial Sector Development Department, Bank of Namibia



Updated - August, 2025

## Inflation Overview

**Domestic Inflation** - Domestic annual headline inflation decrease to 3.5 percent in July 2025, translating into a 0.2 percentage point decrease in the consumer price index (CPI) on a monthly basis. The biggest contributors towards the decrease in annual inflation rate were, *Food and non alcoholic beverages* (1.2 percentage points), *Alcoholic beverages and tobacco* (0.8 percentage points), and *Housing* contributing 0.9 percentage point, respectively.

**Short Term Forecasts** - The short-term inflation forecast is presented in Table 2, with annual inflation expected to rise to 3.6 percent in August 2025 before rising further to 3.9 and 4.0 percent in September 2025 and October 2025, respectively.

**Medium Term Forecasts** - Through the medium term, quarterly inflation forecast were revised slightly over the forecasting horizon, as a result of administered price and oil price assumptions. Overall, the baseline estimates suggest that inflation will average 3.8 percent and 4.2 percent in 2025 and 2026 respectively (see Figures 1 and 2), reflecting a downwards revision of 0.1 percentage point in both 2025 and 2026 from the June 2025 MPC meeting.

Table 1: International Price Forecast Summary

Category	2025 Q3	2025 Q4	2026 Q1	2026 Q2
Brent Crude (USD/barrel)	72.5	70.5	69.6	69.1
Maize (US Cents/bushel)	398.5	415.6	431.5	443.1
Wheat (US Cents/bushel)	529.0	547.9	565.4	578.6
Gold (USD/oz)	3310.5	3340.7	3381.5	3416.7
USD/ZAR	17.8	17.7	17.5	17.5
SA Inflation (Annual %)	3.6	3.7	3.5	3.6

Note:

\*Source - Bloomberg, SARB

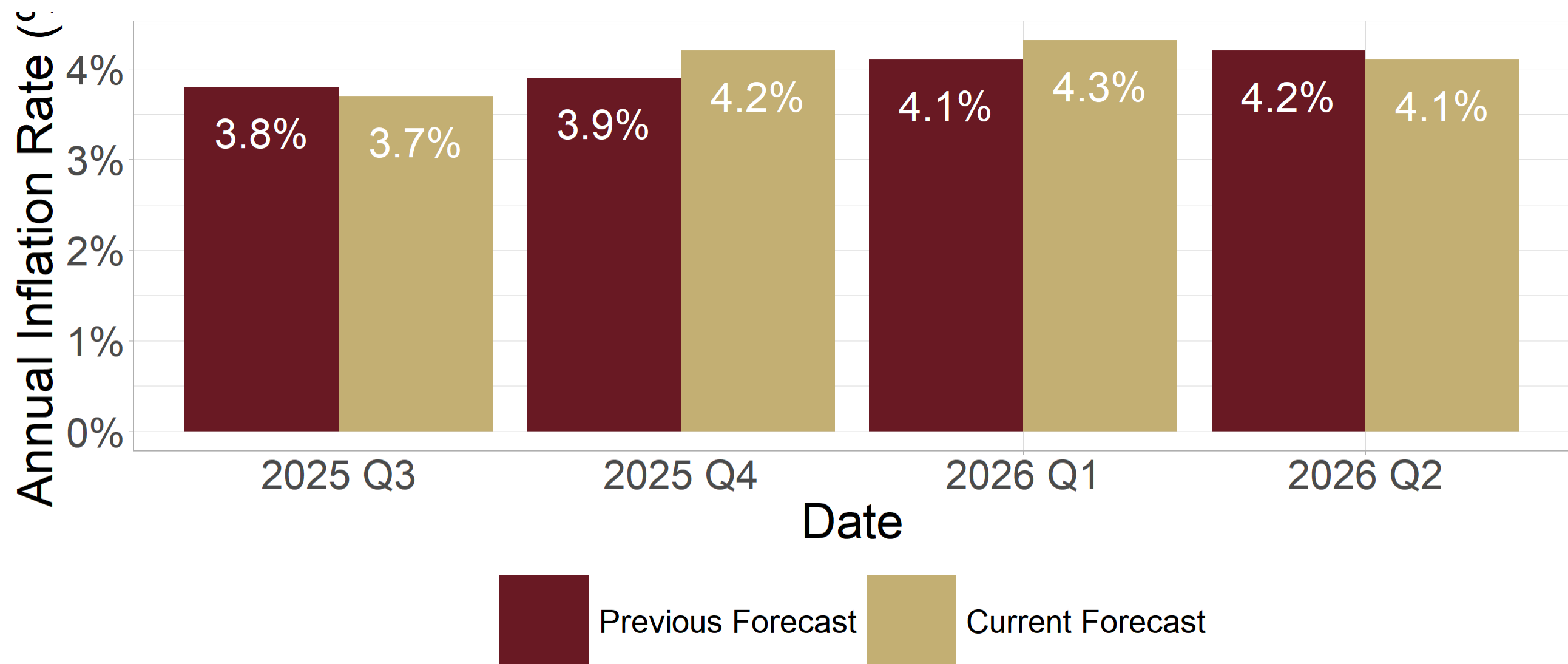
\*\*Forecasts as at 31 July 2025

## Short and Medium Term Forecasts

Table 2: Monthly Inflation Forecast, by Component

Category	Weight	Jul 2025 (A)	Aug 2025 (F)	Sep 2025 (F)	Oct 2025 (F)	Trend
Food	16.4%	6.1%	6.0%	5.9%	5.9%	↘
Alcoholic B&T	12.6%	6.0%	5.8%	5.9%	6.0%	↘
Clothing	3.0%	2.0%	2.0%	2.0%	2.0%	↗
Housing	28.4%	3.6%	3.9%	4.0%	3.9%	↗
Furnishings	5.5%	2.6%	2.8%	3.4%	3.7%	↗
Health	2.0%	3.2%	3.4%	3.4%	3.4%	↗
Transport	14.3%	-1.2%	-1.1%	-0.1%	0.5%	↗
Communication	3.8%	0.0%	0.2%	0.6%	0.5%	↗
Recreation	3.6%	3.4%	3.6%	4.0%	3.8%	↗
Education	3.6%	4.3%	4.3%	4.3%	4.3%	↘
Hotels	1.4%	5.1%	4.8%	5.7%	5.8%	↗
Misc	5.4%	3.2%	3.4%	3.4%	3.3%	↗
All Items	100.0%	3.5%	3.6%	3.9%	4.0%	↗

Figure 1: Quarterly Inflation Forecasts



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

Figure 2: Yearly Inflation Forecasts

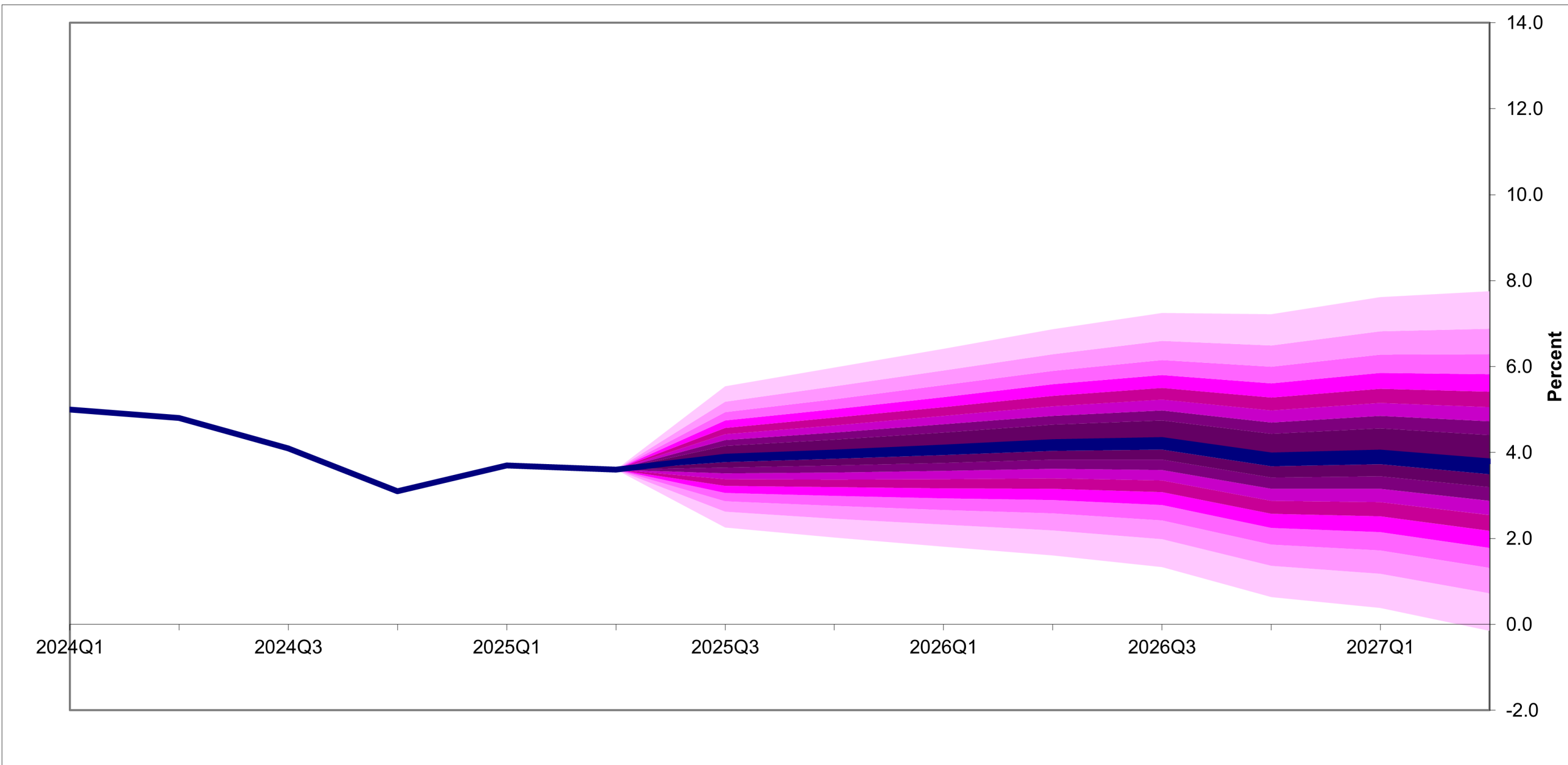
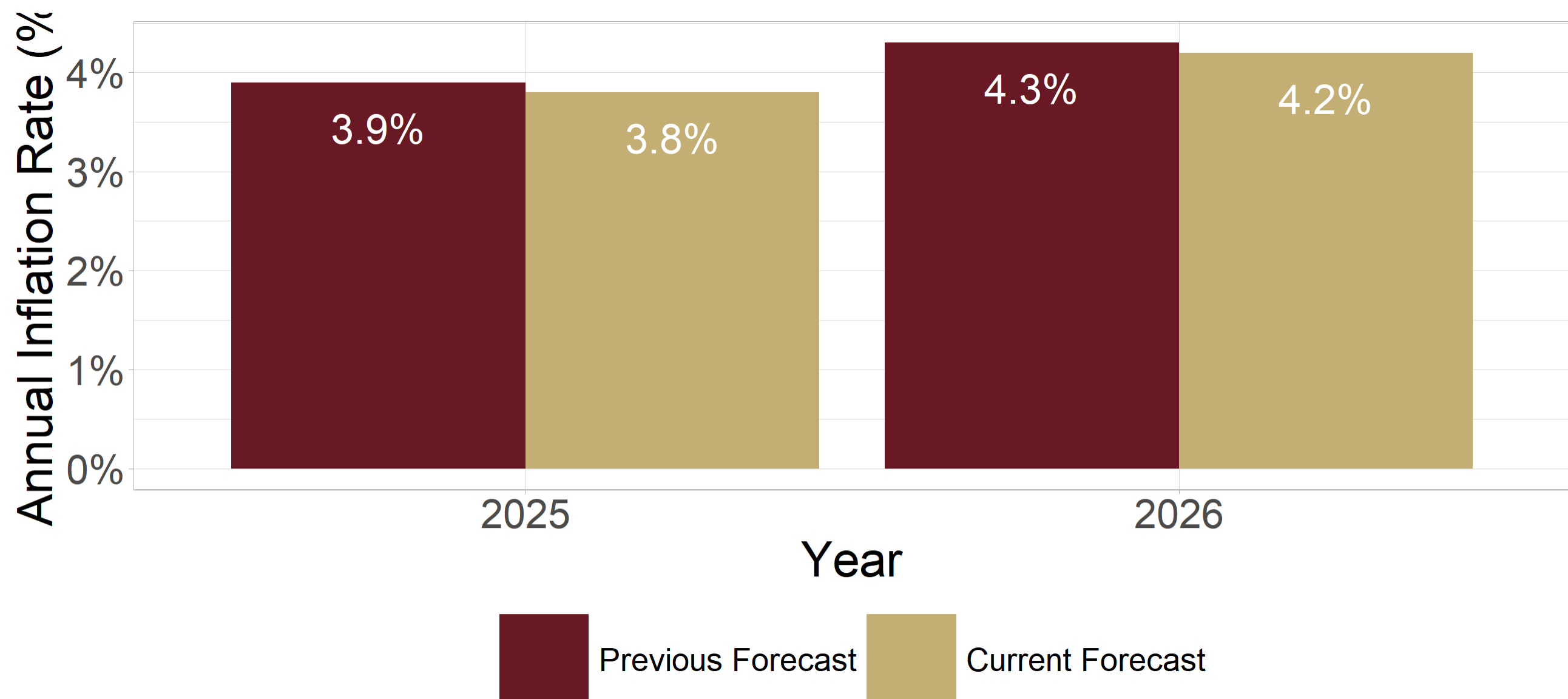


Figure 3: Inflation Forecast Fan Chart

## 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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