

Namibia Inflation Forecast Report

Research & Financial Sector Development Department, Bank of Namibia



Updated - February, 2025

Inflation Overview

Domestic Inflation - Domestic annual headline inflation declined to 3.2 percent in January 2025, translating into a 0.2 percentage point decrease in the consumer price index (CPI) on a monthly basis. The biggest contributors towards the decline in annual inflation rate were, *Housing, Water, Electricity, Gas, and Other Fuels* (0.7 percentage points), *Food and non-alcoholic beverages* (1.1 percentage points), while the category *Alcoholic Beverages and Tobacco* contributed 0.5 percentage points.

Short Term Forecasts - The short-term inflation forecast is presented in Table 2, with annual inflation expected to rise to 3.4 percent in February 2025 and further to 3.6 and 3.7 percent in March 2025 and April 2025, respectively.

Medium Term Forecasts - Through the medium term, our baseline estimates suggest that inflation will average 4.0 percent and 4.4 percent in 2025 and 2026 respectively (see Figures 1 and 2).

Table 1: International Price Forecast Summary

Category	2025 Q1	2025 Q2	2025 Q3	2025 Q4
Brent Crude (USD/barrel)	76.0	73.9	72.5	71.3
Maize (US Cents/bushel)	492.3	502.9	471.2	466.4
Wheat (US Cents/bushel)	568.8	584.8	605.8	625.9
Gold (USD/oz)	2815.3	2871.6	2902.4	2934.9
USD/ZAR	18.7	18.5	18.5	18.2
SA Inflation (Annual %)	3.2	3.5	4.1	4.6

Note:

*Source - Bloomberg, SARB

**Forecasts as at 31 January 2025

Short and Medium Term Forecasts

Table 2: Monthly Inflation Forecast, by Component

Category	Weight	Jan 2025 (A)	Feb 2025 (F)	Mar 2025 (F)	Apr 2025 (F)	Trend
Food	16.4%	5.3%	5.4%	5.5%	5.6%	↗
Alcoholic B&T	12.6%	3.5%	3.6%	4.0%	4.1%	↗
Clothing	3.0%	2.7%	2.4%	2.1%	2.0%	↘
Housing	28.4%	2.9%	3.0%	3.1%	3.2%	↗
Furnishings	5.5%	2.3%	2.5%	2.4%	2.4%	↗
Health	2.0%	3.9%	3.5%	3.7%	3.5%	↘
Transport	14.3%	0.3%	1.0%	2.0%	2.2%	↗
Communication	3.8%	-0.4%	-0.3%	-0.3%	-0.7%	↘
Recreation	3.6%	4.8%	4.6%	5.0%	5.1%	↗
Education	3.6%	4.7%	4.7%	4.7%	4.7%	↗
Hotels	1.4%	8.2%	7.8%	7.0%	7.1%	↘
Misc	5.4%	3.1%	3.3%	3.5%	3.4%	↗
All Items	100.0%	3.2%	3.4%	3.6%	3.7%	↗

Figure 1: Quarterly Inflation Forecasts

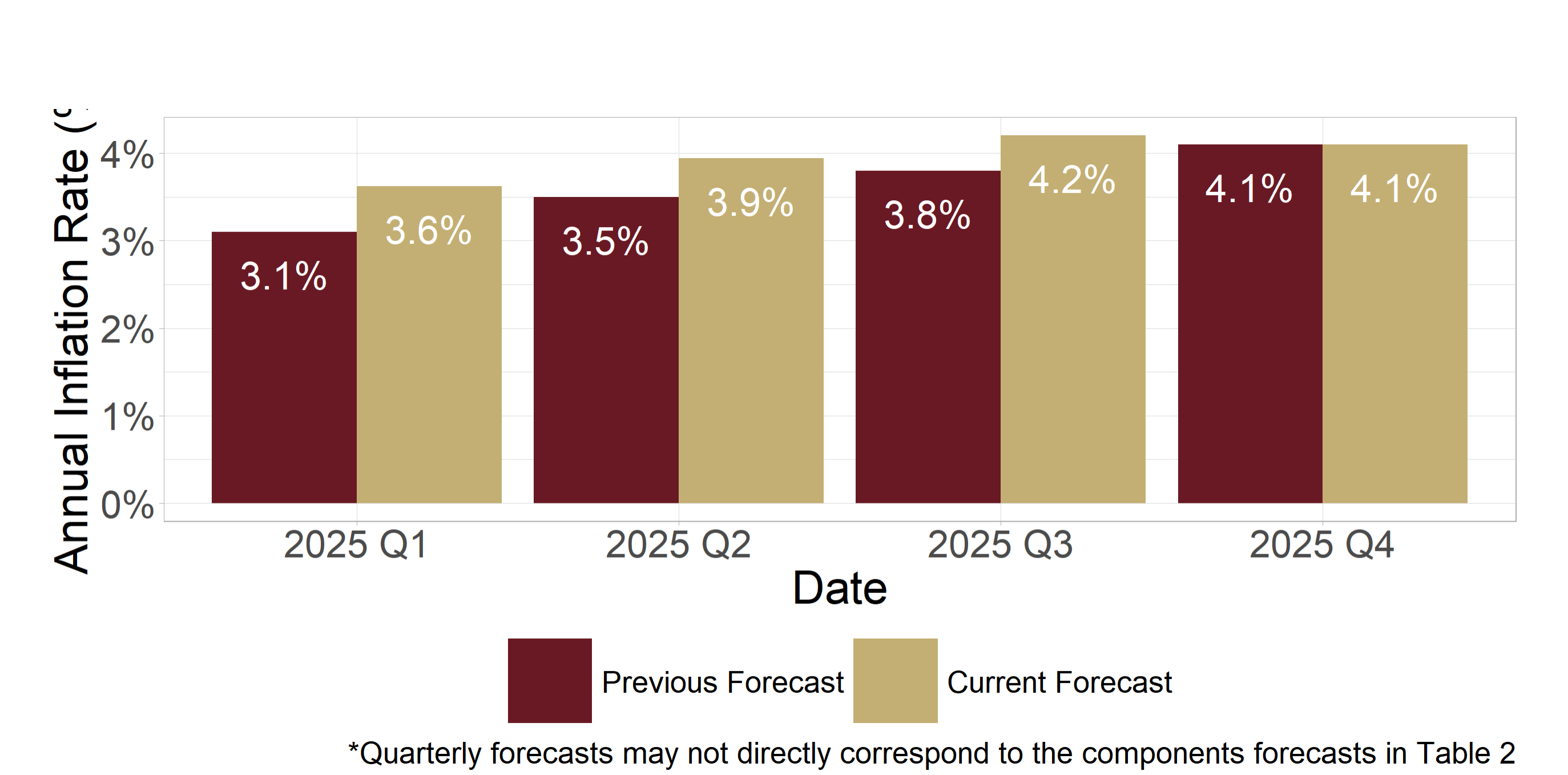


Figure 2: Yearly Inflation Forecasts

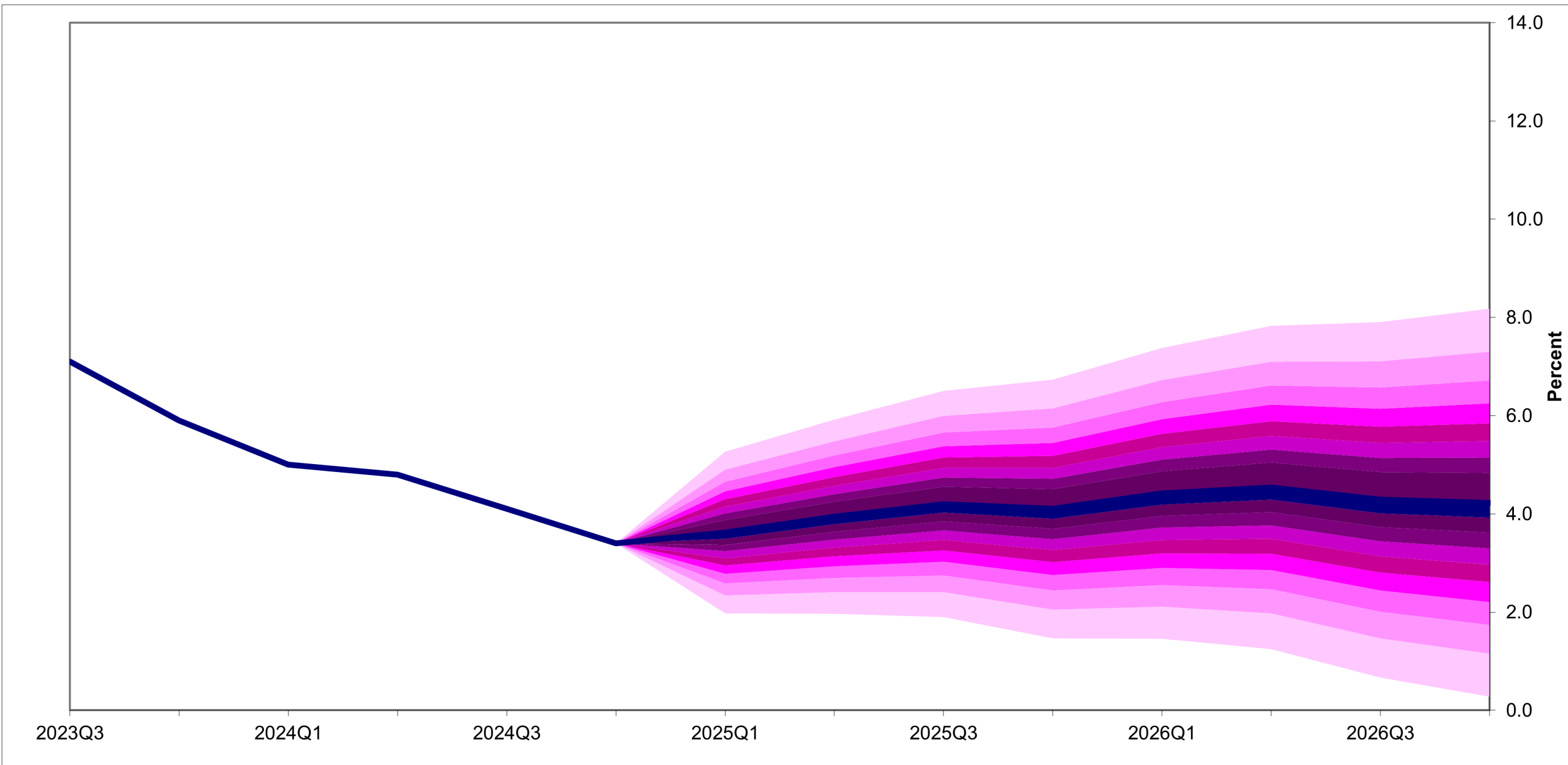
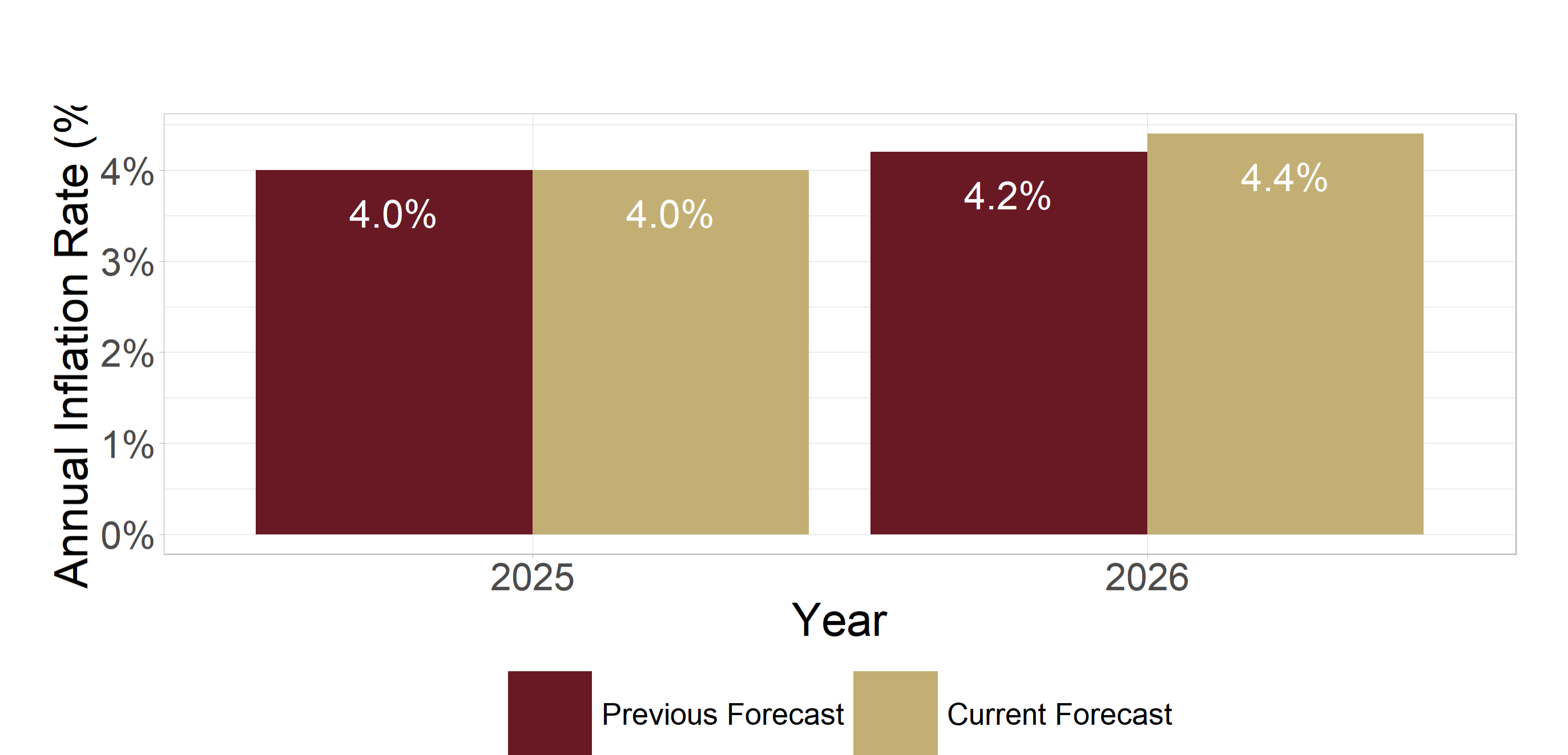


Figure 3: Inflation Forecast Fan Chart

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

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>