

Namibia Inflation Forecast Report

Research & Financial Sector Development Department, Bank of Namibia



Updated - October, 2024

Inflation Overview

Domestic Inflation - Domestic annual headline inflation declined to 3.4 percent in September 2024, translating into a 1.0 percentage point decrease in the consumer price index (CPI) on a monthly basis. The biggest contributors towards the decline in annual inflation rate were, *Alcoholic Beverages and Tobacco* (0.6 percentage points), *Food and non-alcoholic beverages* (1.0 percentage points) and a reduction in *transport* (0.2 percentage points) categories.

Short Term Forecasts - The short-term inflation forecast is presented in Table 2, with annual inflation expected to decrease to 3.2 percent in October before inching up to 3.4 and 3.6 percent in November and December 2024, respectively.

Medium Term Forecasts - Through the medium term, our baseline estimates suggest that inflation will average 4.3 percent and 4.0 percent in 2024 and 2025 respectively (see Figures 1 and 2).

Table 1: International Price Forecast Summary

Category	2024 Q4	2025 Q1	2025 Q2	2025 Q3
Brent Crude (USD/barrel)	71.1	71.0	70.8	70.6
Maize (US Cents/bushel)	443.0	453.2	451.2	456.0
Wheat (US Cents/bushel)	606.3	618.4	632.5	647.5
Gold (USD/oz)	2685.4	2712.1	2738.9	2759.7
USD/ZAR	17.7	17.8	17.8	18.0
SA Inflation (Annual %)	3.6	3.7	3.8	4.3

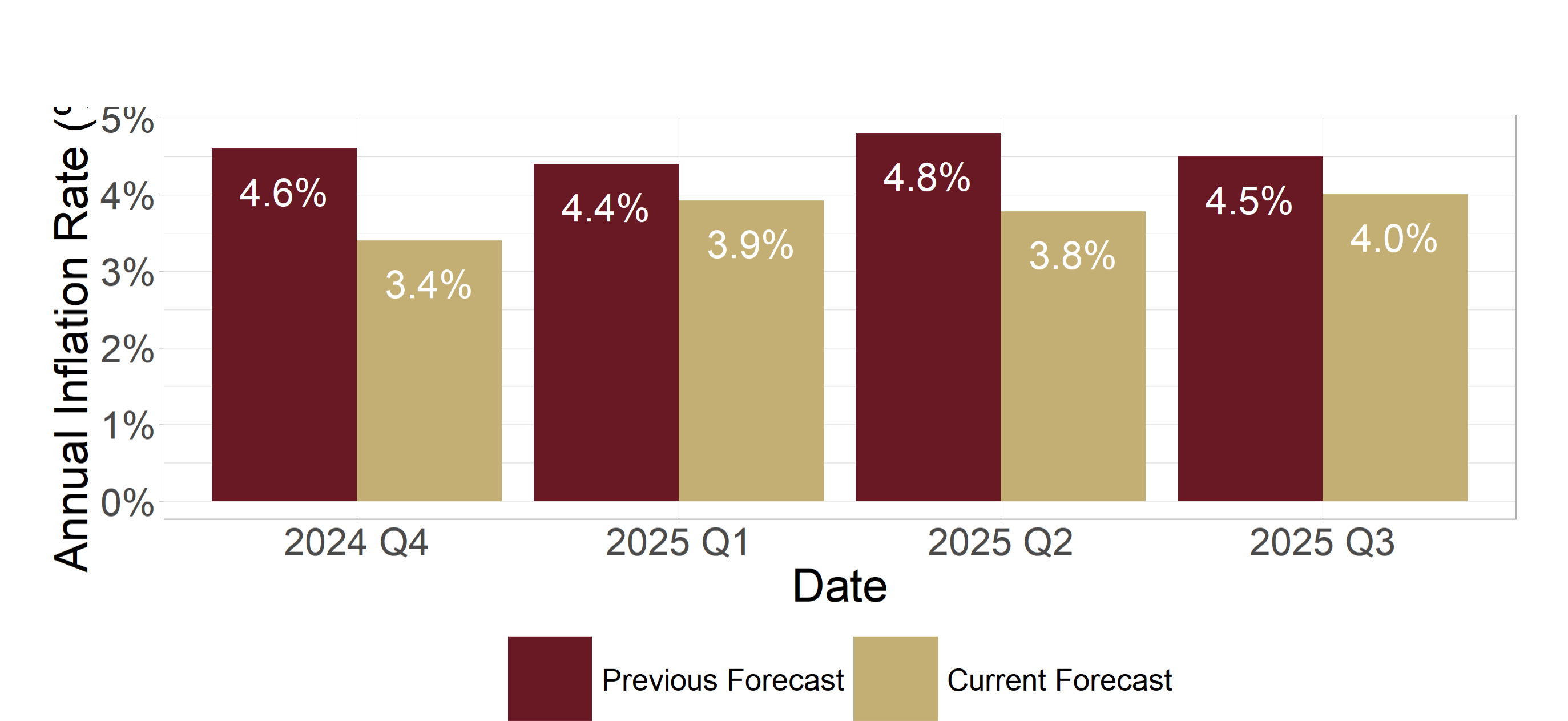
Note:
*Source - Bloomberg, SARB
**Forecasts as at 01 October 2024

Short and Medium Term Forecasts

Table 2: Monthly Inflation Forecast, by Component

Category	Weight	Sep 2024 (A)	Oct 2024 (F)	Nov 2024 (F)	Dec 2024 (F)	Trend
Food	16.4%	5.1%	5.5%	5.5%	5.4%	↗
Alcoholic B&T	12.6%	4.0%	4.6%	4.6%	4.3%	↗
Clothing	3.0%	2.4%	2.4%	2.7%	2.2%	↘
Housing	28.4%	3.7%	3.8%	3.9%	3.8%	↗
Furnishings	5.5%	3.1%	3.0%	2.9%	3.0%	↘
Health	2.0%	3.9%	3.8%	4.1%	3.8%	↘
Transport	14.3%	1.2%	-1.4%	0.1%	1.7%	↗
Communication	3.8%	-1.5%	-1.5%	-1.4%	-1.4%	↗
Recreation	3.6%	4.7%	5.4%	5.7%	5.6%	↗
Education	3.6%	1.7%	1.7%	1.7%	1.7%	→
Hotels	1.4%	5.7%	6.1%	5.8%	6.4%	↗
Misc	5.4%	2.9%	3.0%	3.0%	3.0%	↗
All Items	100.0%	3.4%	3.2%	3.4%	3.6%	↗

Figure 1: Quarterly Inflation Forecasts



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

Figure 2: Yearly Inflation Forecasts

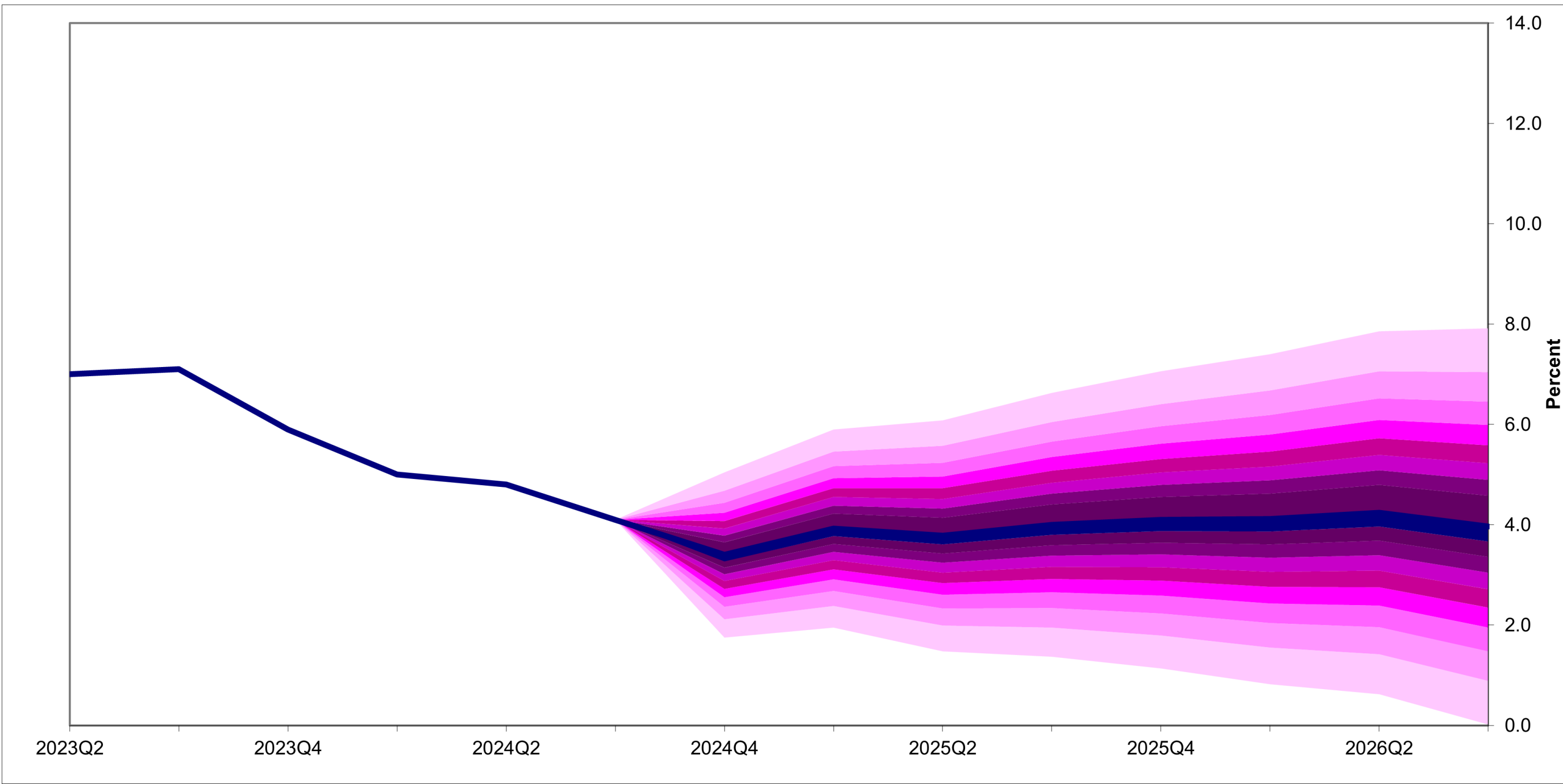
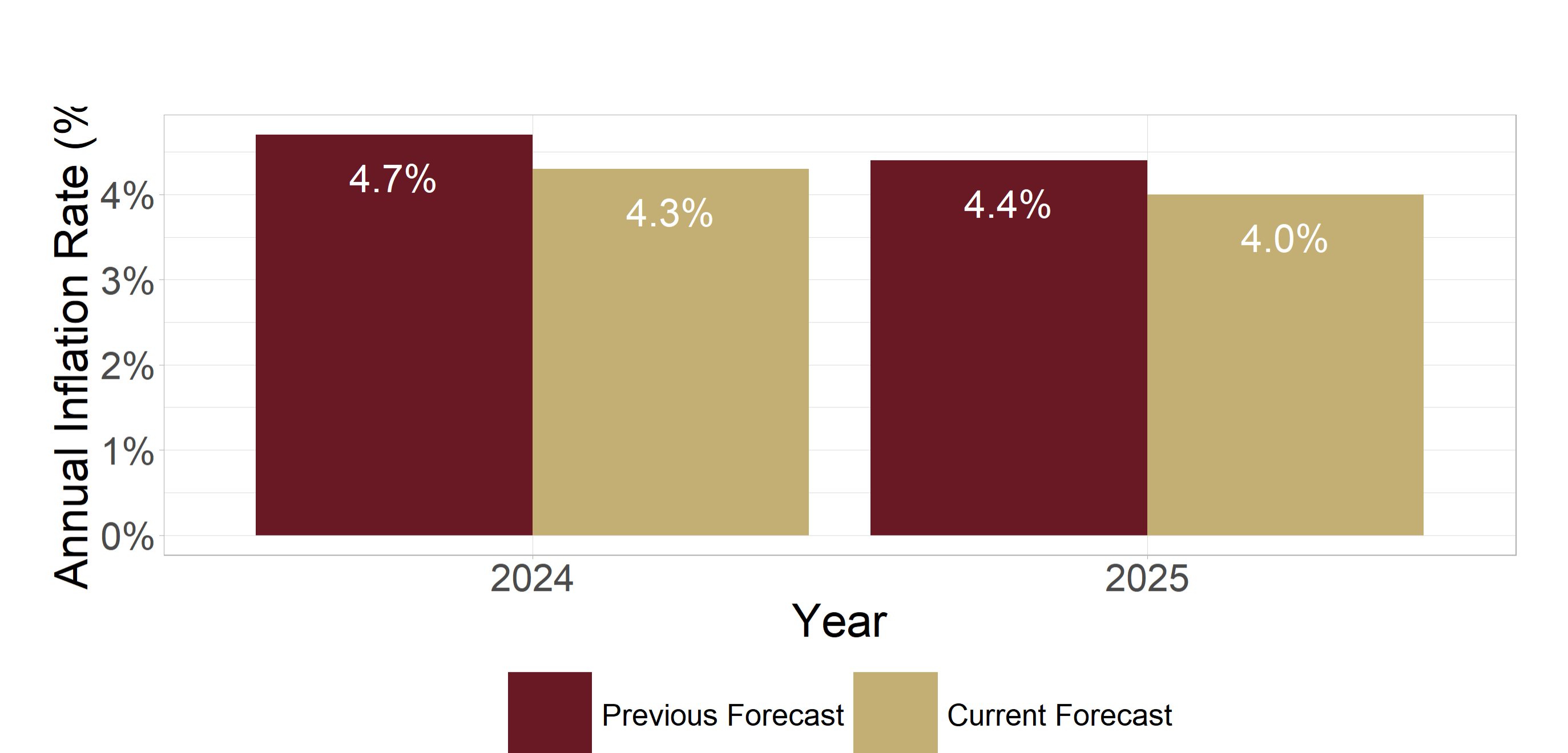


Figure 3: Inflation Forecast Fan Chart

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>