

NCPI

Namibia Consumer Price index

September 2018



Mission Statement

“Leveraging on partnerships and innovative technologies, to produce and disseminate relevant, quality, timely statistics and spatial data that are fit-for-purpose in accordance with international standards and best practice”



Vision Statement

“To be a high performance institution in quality statistics delivery”



Core Values

- ✓ Integrity
- ✓ Excellent Performance
- ✓ Accuracy
- ✓ Team Work
- ✓ Accountability
- ✓ Transparency

Contents

- 4 Summary Comments**
- 5 Overall Inflation Rate**
- 6 Main Drivers of Inflation**
- 7 Box 1: NCPI Basket Weights**
- 8 Major Groups**
- 10 Minor Groups**
- 11 Box 2: Chart of the Month**
- 12 Goods and Services Inflation**

Annual Inflation slowed down

For September 2018 the annual inflation stood at 4.8 percent as compared to 5.6 percent recorded in September 2017. On a monthly basis it increased to 0.8 percent from 0.03 percent registered in August 2018.



Summary Comments

The annual inflation rate slowed to 4.8 percent in September 2018 from the 5.6 percent registered in September of the previous year, resulting in a slowdown of 0.8 percentage points. The slowdown in the annual inflation rate resulted from Communications which declined (from 4.3 percent to -1.2 percent), Housing, water, electricity, gas and other fuels (from 8.9 percent to 3.8 percent); Furnishing, household equipment routine maintenance of the house (from 3.6 percent to 0.3 percent); Hotels, cafes and restaurants (from 6.2 percent to 3.6 percent); Food and non - alcoholic beverages (from 4.2 percent to 2.5 percent) and Clothing and footwear (from -1.7 percent to -3.2 percent).

The twelve month average annual and average monthly inflation rates for the period October 2017 to September 2018 stood at 4.3 percent and 0.4 percent, while the calendar year averages from January 2018 to September 2018 were estimated at 4.0 percent and 0.5 percent respectively.

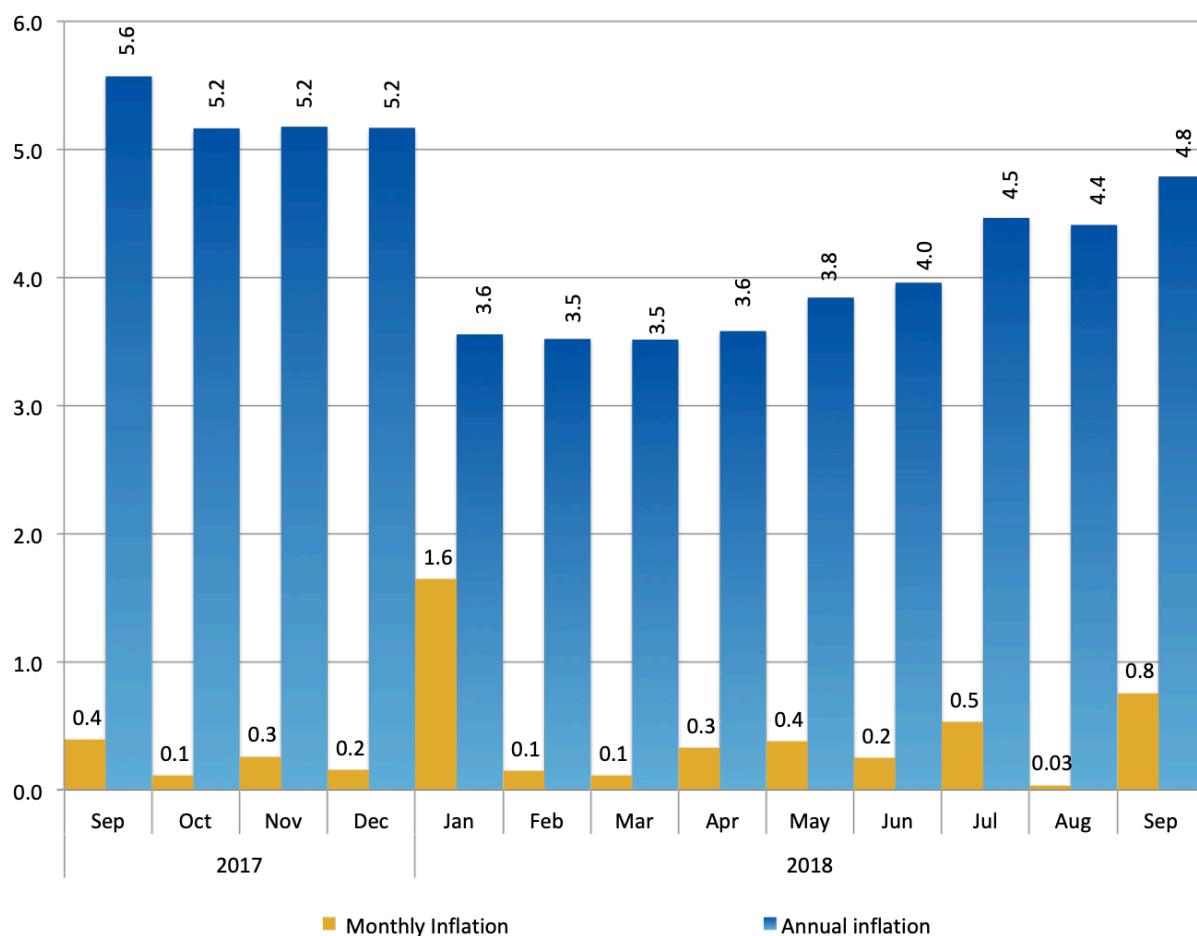
On a monthly basis, the inflation rate stood at 0.8 percent compared to 0.03 percent recorded during the previous month.

A handwritten signature in gold ink, which appears to read 'Alex Shimuafeni', is positioned above the printed name and title.

Alex Shimuafeni
Statistician-General & CEO

Overall Inflation Rate

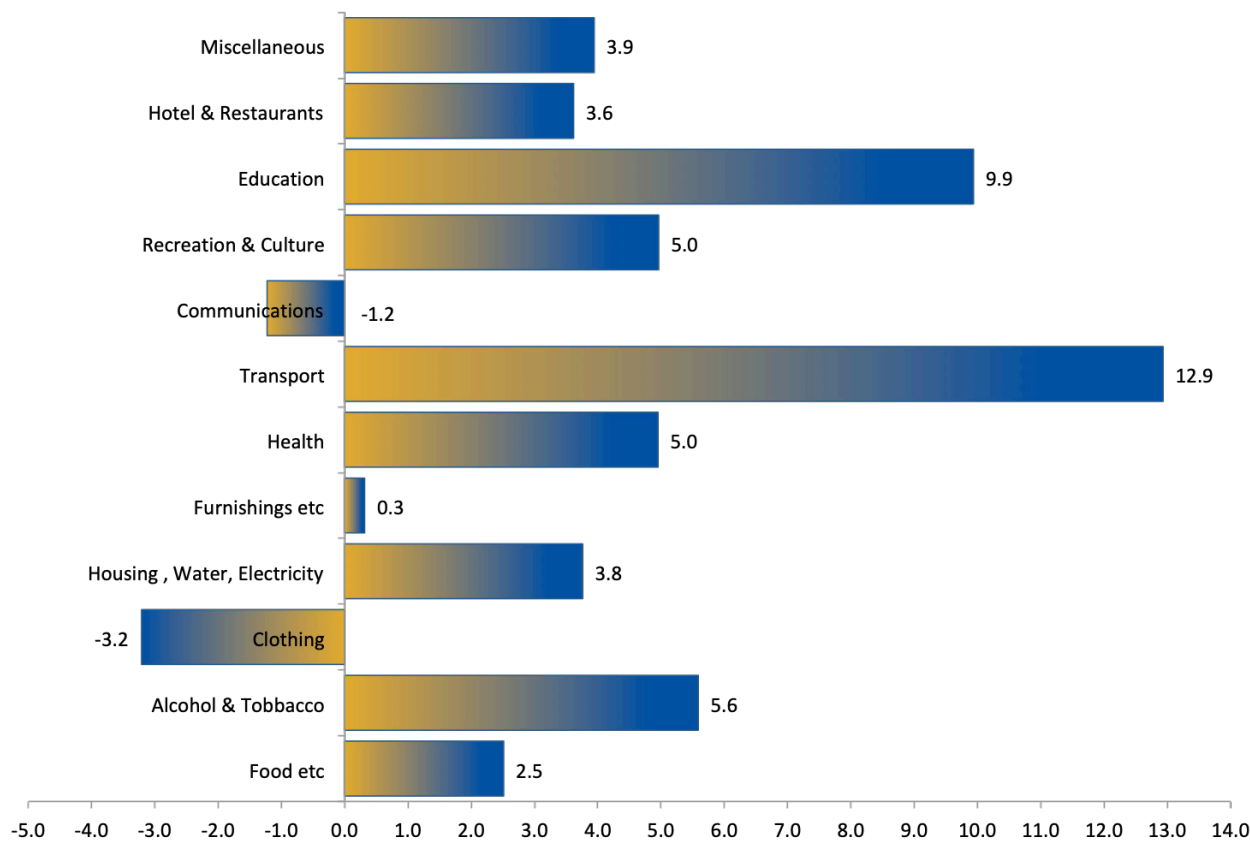
Chart 1: NCPI; Monthly and annual percentage changes; September 2018 (Dec 2012 = 100)



Main Drivers of Inflation

In September 2018, the main drivers of annual inflation rate were Transport (12.9 percent); Education (9.9 percent); Alcoholic beverages and tobacco (5.6 percent); Recreation and culture and Health each recorded (5.0 percent); Miscellaneous goods and services (3.9 percent), Housing, Water, Electricity, gas and other fuels (3.8 percent) and Hotels, cafes and restaurants (3.6 percent).

Chart 2: NCPI; annual percentage changes by all groups, September 2018 (Dec 2012 = 100)

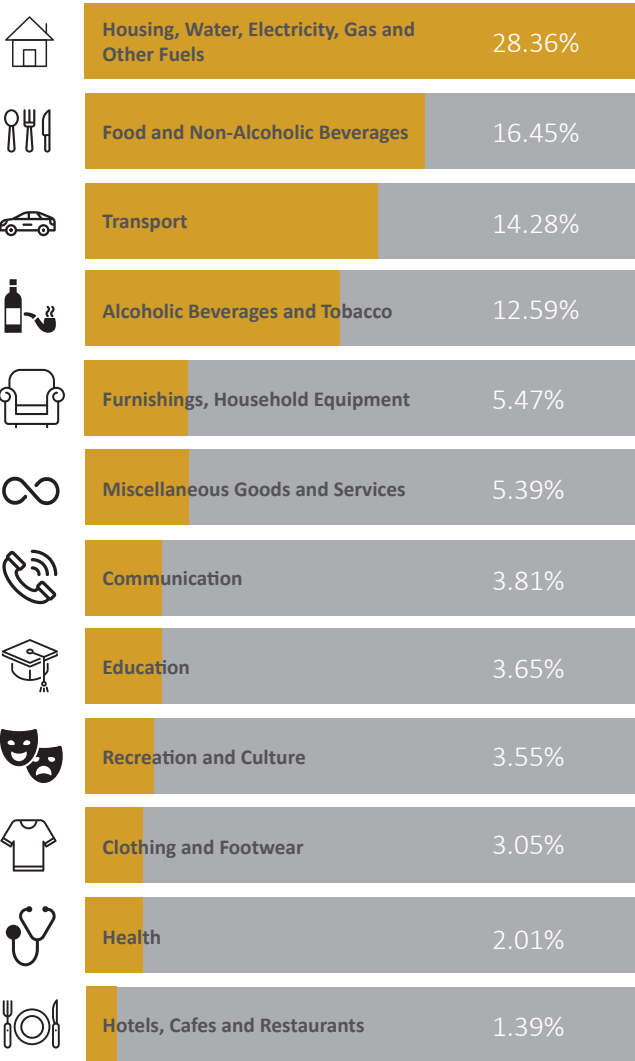


Box 1: NCPI Basket Weights

Inflation is calculated based on a basket of goods and services, containing a representative sample of the goods and or services commonly consumed in a country, and weighted in accordance with the relative percentage of expenditure allotted to each of the said goods at household level. The price of these goods and services are then tracked over time, to illustrate the change in the cost of living over time. As spending patterns change, new products and services are added to the basket, and the basket reweighted so as to better capture the current spending patterns of the consumer at the current point in time.

As such, the inflation basket is generally reconstituted every five years. In Namibia, the basket was last rebased in 2013, using household expenditure data collected in the 2009/10 Household Income and Expenditure Survey. The basket now contains over 350 items, grouped into 12 categories and 55 sub-categories, for which prices are collected on a monthly basis from more than 900 retail outlets.

Namibian inflation however, is largely determined by three categories of the overall NCPI basket, namely: (i) *Housing, water, electricity, gas and other fuels*, (ii) *Food and non-alcoholic beverages* and (iii) *Transport*, which cumulatively make up just under 60 percent of the total inflation basket. Additionally, following the rebasing of the NCPI basket in 2013, “*Alcoholic beverages and tobacco*” make up an additional 12.6 percent of the basket, meaning that the four largest categories represent well over 70 percent of the total basket. As such, a large increase in inflation in these categories has a greater impact on the overall inflation than do increases in the lower weighted categories. Thus, it is rare to see major increases in overall inflation attributed to the lower weighted categories, despite the fact that these categories may have seen relatively high inflation in their own right.



Major Groups

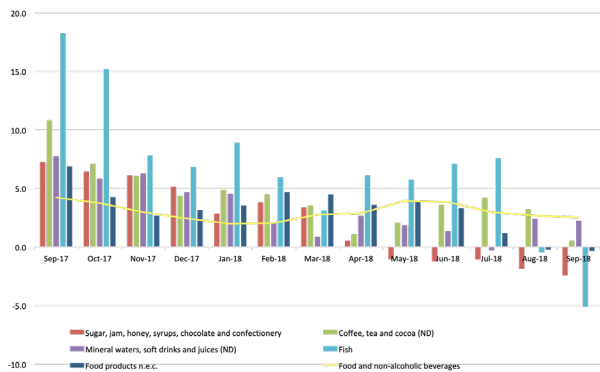


Food and non-alcoholic beverages

The annual inflation for this category stood at 2.5 percent for September 2018 compared to 4.2 percent registered during the same period last year, resulting in a slowdown of 1.7 percentage points. The slowdown emanated from decreases recorded in the sub-groups of Fish (18.2 percent to -5.1 percent); Coffee, tea and cocoa from (10.8 percent to 0.5 percent); Sugar, jam, honey, syrups, chocolate, confectionery (from 7.2 percent to -2.5 percent); Food products n.e.c (from 6.9 percent to -0.3 percent) and Mineral waters, soft drinks and juices (from 7.7 percent to 2.2 percent).

The monthly inflation rate for this category increased to 0.3 percent from -0.1 percent recorded a month earlier.

Chart 3: NCPI; Annual inflation rates for selected food sub-categories; September 2018 (Dec 2012 = 100)

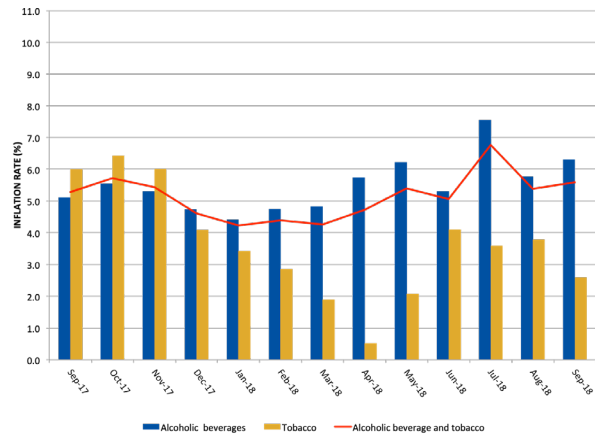


Alcoholic beverages and tobacco

The annual inflation rate for Alcoholic beverages and tobacco stood at 5.6 percent in September 2018 showing an increase of 0.3 percentage points compared to 5.3 percent registered in September of last year. The upward movement resulted from an increase in the level of prices of Alcoholic and beverages sub-component which increased from 5.1 percent recorded in the same period a year earlier to 6.3 percent obtained in the current period.

The monthly inflation for this group increased to 0.8 percent during the month under review from -0.3 percent recorded in August 2018.

Chart 4: NCPI; Annual inflation rate for Alcoholic beverages and tobacco; September 2018 (Dec 2012 = 100)



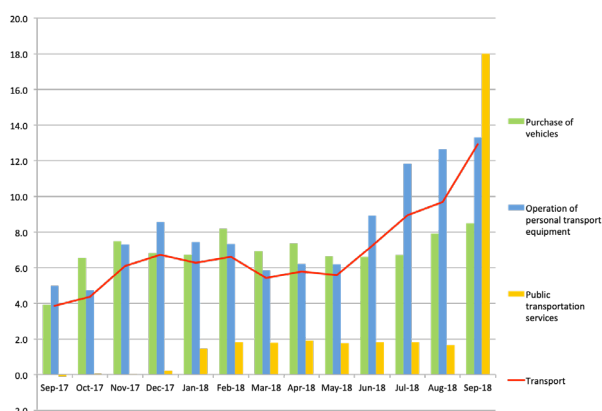


Transport

During the month of September 2018, the annual inflation rate for the Transport group stood at 12.9 percent compared to 3.9 percent recorded in September 2017, resulting in an increase of 9.0 percentage points. The increase resulted from increases in the price levels of all sub components of this group of which Public transport services recorded (18.0 percent from -0.1 percent), Operation of personal transport equipment (13.3 percent from 5.0 percent) and Purchase of vehicles (8.5 percent from 3.9 percent). The increase in the Public transport services was due to significant increases in the annual and monthly inflation rates for taxi transportation fare which increased drastically to 21.2 percent recorded in September 2018. The last taxi fare increase was effected in March 2015 when the annual inflation rate stood at 10.6 percent.

On a monthly basis, the inflation rate for transport increased to 3.7 percent, compared to 0.8 percent recorded a month earlier

Chart 5: NCPI; Annual inflation rate for Transport; September 2018 (Dec 2012 = 100)



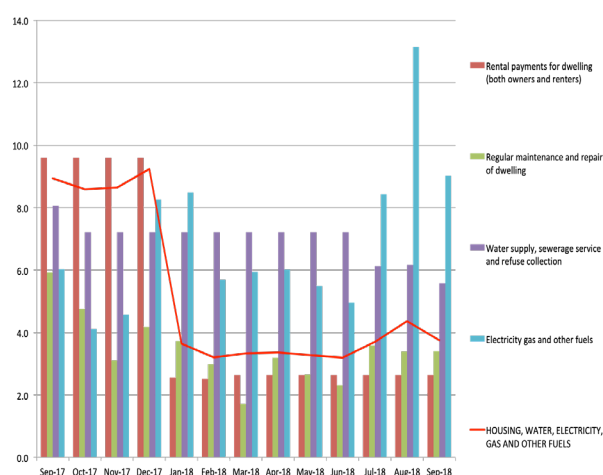
Housing, water, electricity, gas and other fuels

The annual inflation rate for Housing, water, electricity, gas and other fuels group stood at 3.8 percent for September 2018 compared to 8.9 percent recorded during the same period a year earlier.

The slowdown in this group emanated from annual price slowdown registered in all the sub-groups comprising the Housing, water, electricity, gas and other fuels component except for the electricity, gas and other fuel subcomponent which increased to 9.0 percent from 6.0 percent recorded a year earlier.

On a monthly basis, the inflation rate for this group slowed down to 0.0 percent compared to 0.1 percent recorded during the previous month.

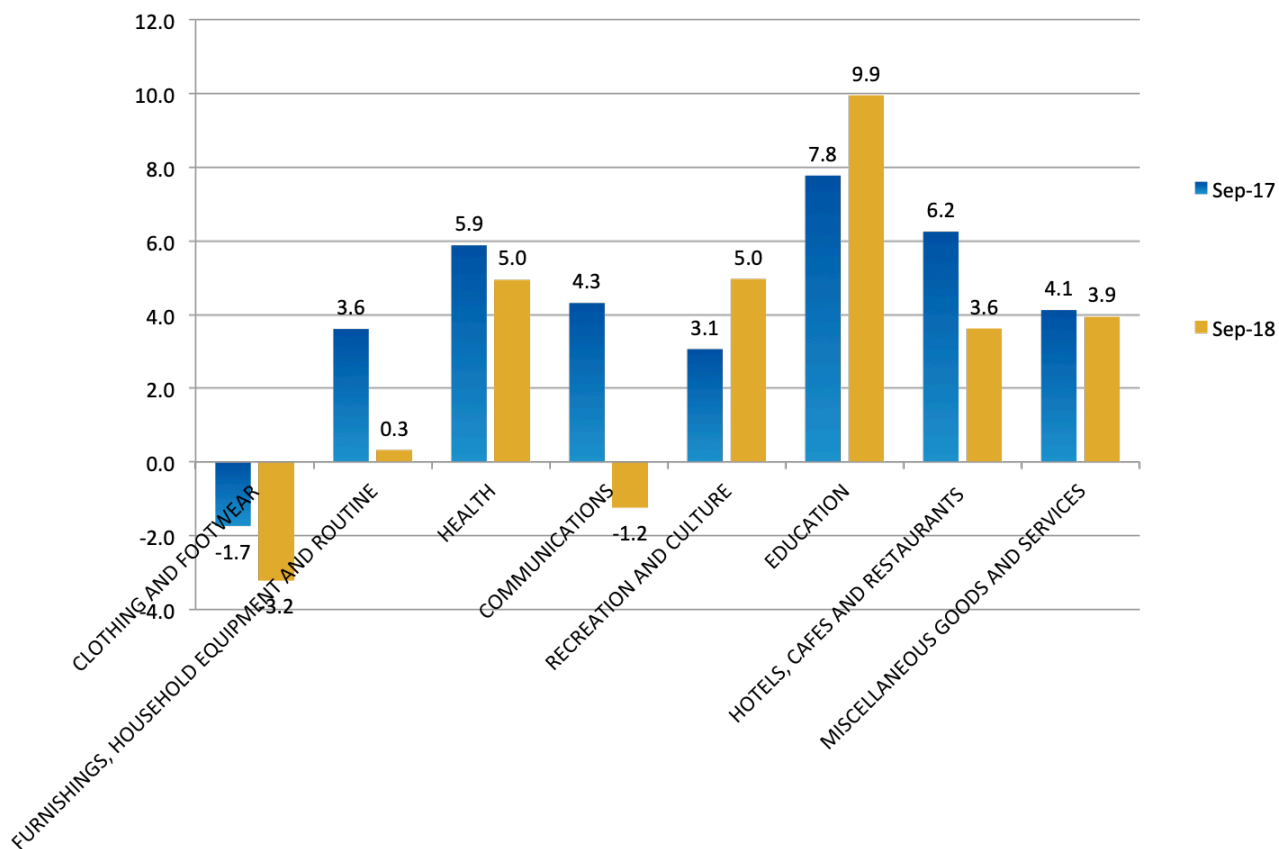
Chart 6: NCPI; Housing, water, electricity, gas and other fuels; September 2018 (Dec 2012 = 100)



Minor Groups

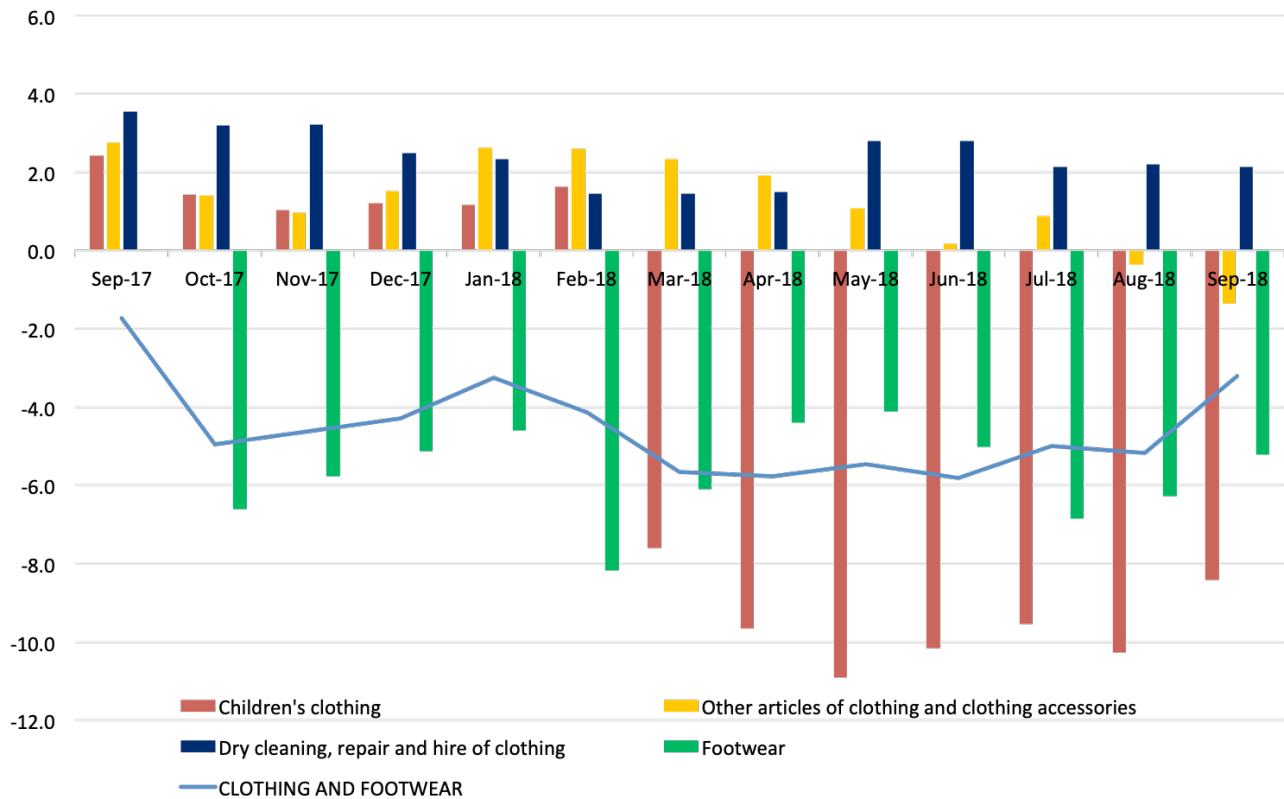
For the minor groups, high annual inflation rates were observed in the groups of Education (9.9 percent); Health and Recreation and culture each recorded (5.0 percent); Miscellaneous goods and services (3.9 percent), Hotels, cafés and restaurants (3.6 percent); Furnishing, household equipment etc. (0.3 percent); Communication (-1.2 percent). On the other hand Clothing and footwear registered the lowest annual inflation rate of -3.2 percent.

Chart 7: NCPI; Annual inflation rates for Minor groups; September 2018 (Dec 2012 = 100)



Box 2: Chart of the Month

Chart 8: NCPI; Clothing and Footwear; September 2018 (Dec 2012 = 100)



The Clothing and footwear group annual inflation rate for the month of September 2018 stood at -3.2 percent as compared to -1.7 percent recorded in September of last year. This shows a drastic decrease of -1.5 percentage points. The decrease resulted from decreases witnessed in the price levels of Children’s Clothing (from 2.4 percent to -8.4 percent), Other articles of clothing and accessories from (2.8 percent to -1.4 percent); Dry cleaning, repair and hire of clothing (from 3.5 percent to 2.1 percent) and Footwear (from 0.0 percent to -5.2 percent).

The monthly inflation rate for this category increased to 0.8 percent from -0.4 percent recorded a month earlier.

Goods and Services Inflation

The September 2018 Index for Goods and Services stood at 135.3 and 132.0 respectively, compared to the corresponding indices of 129.0 and 126.1 recorded during the same period last year. For the month of September 2018, the monthly and annual inflation rates for Goods were 0.7 and 4.9 percent, while Services were estimated at 0.9 and 4.7 percent respectively.

The corresponding rates recorded during the same period in the previous year stood at 0.4 and 3.6 percent for goods while for services it was recorded as 0.3 and 8.4 percent respectively.

Chart 9: NCPI; Goods and Services monthly and annual inflation rates; September 2018 (Dec 2012 = 100)

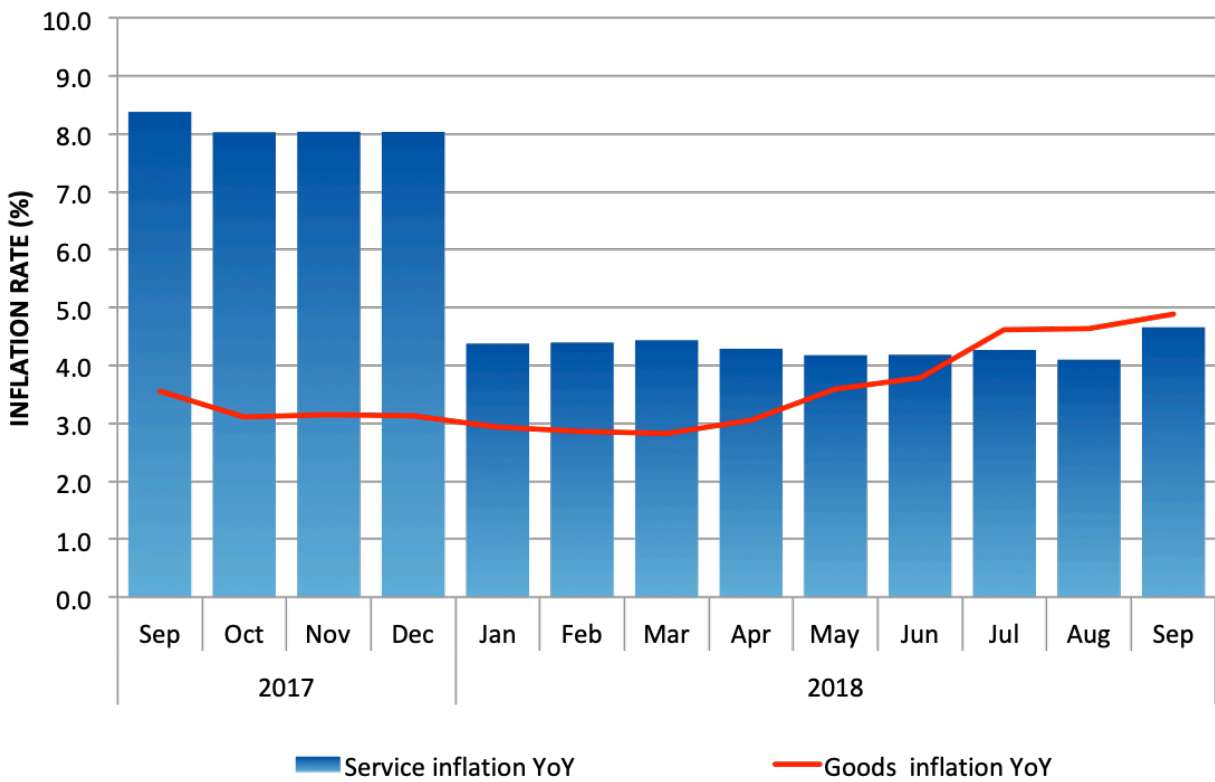


Table 1: NCPI: All-Items Index, monthly and annual percentage changes (Dec 2012 =100)

Period	Index	m-o-m	y-o-y
Jan-16	116.5	2.4	5.3
Feb-16	117.2	0.6	6.1
Mar-16	118.1	0.8	6.5
Apr-16	118.8	0.6	6.6
May-16	119.4	0.5	6.7
Jun-16	119.8	0.3	6.7
Jul-16	120.6	0.6	7.0
Aug-16	120.8	0.2	6.8
Sep-16	121.0	0.2	6.9
Oct-16	121.6	0.5	7.3
Nov-16	121.9	0.2	7.3
Dec-16	122.1	0.2	7.3
An. Av	119.8	0.6	6.7
Jan-17	126.1	3.2	8.2
Feb-17	126.3	0.2	7.8
Mar-17	126.4	0.1	7.0
Apr-17	126.8	0.3	6.7
May-17	126.9	0.1	6.3
Jun-17	127.1	0.1	6.1
Jul-17	127.1	0.04	5.4
Aug-17	127.3	0.1	5.4
Sep-17	127.8	0.4	5.6
Oct-17	127.9	0.1	5.2
Nov-17	128.2	0.3	5.2
Dec-17	128.4	0.2	5.2
An. Av	127.2	0.4	6.2
Jan-18	130.5	1.6	3.6
Feb-18	130.7	0.1	3.5
Mar-18	130.9	0.1	3.5
Apr-18	131.3	0.3	3.6
May-18	131.8	0.4	3.8
Jun-18	132.1	0.2	4.0
Jul-18	132.8	0.5	4.5
Aug-18	132.9	0.0	4.4
Sep-18	133.9	0.8	4.8

Table 2: NCPI for September 2018 by main groups and sub-groups (Dec.2012=100)

	Weights	CPI			Inflation Rate	
		Sep-17	Aug-18	Sep-18	m-o-m	y-o-y
ALL ITEMS	100.00	127.8	132.9	133.9	0.8	4.8
GOODS	57.7	129.0	134.4	135.3	0.7	4.9
SERVICES	42.3	126.1	130.9	132.0	0.9	4.7
FOOD AND NON-ALCOHOLIC BEVERAGES	16.45	138.4	141.3	141.8	0.3	2.5
Food	14.78	139.2	142.3	142.8	0.4	2.6
Bread and cereals	4.84	128.4	133.7	133.3	-0.3	3.8
Meat	3.53	142.9	148.9	149.4	0.3	4.6
Fish	0.81	160.5	148.4	152.3	2.6	-5.1
Milk, cheese and eggs	1.17	143.8	142.0	142.9	0.7	-0.6
Oils and fats	0.78	128.1	131.9	133.2	1.0	4.0
Fruit	0.33	138.8	157.6	160.0	1.6	15.3
Vegetables including potatoes and other tubers	1.23	142.3	150.3	149.7	-0.4	5.2
Sugar, jam, honey, syrups, chocolate and confectionery	1.44	153.6	147.9	149.9	1.3	-2.5
Food products n.e.c.	0.65	140.6	139.3	140.1	0.6	-0.3
Non-alcoholic beverages	1.66	130.5	133.1	133.0	-0.1	1.8
Coffee, tea and cocoa	0.31	159.1	163.5	159.9	-2.2	0.5
Mineral waters, soft drinks and juices	1.35	123.9	126.1	126.7	0.5	2.2
ALCOHOLIC BEVERAGES AND TOBACCO	12.59	137.3	143.7	144.9	0.8	5.6
Alcoholic beverages	9.99	139.4	146.3	148.2	1.2	6.3
Tobacco	2.61	129.2	133.8	132.5	-1.0	2.6
CLOTHING AND FOOTWEAR	3.05	106.0	101.8	102.6	0.8	-3.2
Clothing	2.04	108.1	104.7	105.6	0.9	-2.3
Clothing materials	0.07	139.2	136.5	145.1	6.3	4.2
Ready-made clothing	1.93	106.8	103.3	104.0	0.7	-2.6
Men's clothing	0.58	108.8	112.6	113.6	0.9	4.4
Women's clothing	0.70	90.8	89.0	89.0	0.1	-1.9
Children's clothing	0.66	119.9	108.7	109.8	1.0	-8.4
Boys' clothing	0.24	109.2	108.9	110.3	1.3	1.0
Girls' clothing	0.33	130.2	109.5	110.6	1.0	-15.1
Infants' clothing	0.09	112.0	107.2	107.3	0.1	-4.2
Other articles of clothing and clothing accessories	0.05	119.8	119.4	118.2	-1.0	-1.4
Dry cleaning, repair and hire of clothing	0.00	125.7	128.4	128.4	0.0	2.1
Footwear	1.01	101.8	95.7	96.5	0.8	-5.2
Adult footwear	0.80	97.5	89.8	90.9	1.2	-6.7
Children's footwear	0.20	117.1	117.0	116.1	-0.7	-0.9
Repair of footwear	0.01	134.1	140.6	140.6	0.0	4.8
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	28.36	127.8	132.5	132.6	0.0	3.8
Rental payments for dwelling (both owners and renters)	23.28	123.5	126.7	126.7	0.0	2.6
Regular maintenance and repair of dwelling	0.19	132.2	136.8	136.7	-0.1	3.4
Water supply, sewerage service and refuse collection	1.03	165.1	174.3	174.3	0.0	5.6
Electricity gas and other fuels	3.86	143.4	156.0	156.3	0.2	9.0

Table 2: NCPI for September 2018 by main groups and sub-groups (Dec.2012=100)

	Weights	CPI			Inflation Rate	
		Sep-17	Aug-18	Sep-18	m-o-m	y-o-y
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	5.47	124.0	124.1	124.4	0.2	0.3
Furniture, furnishings, decorations, carpets, floor coverings, incl. repairs	1.78	106.6	98.7	100.1	1.5	-6.2
Furniture and furnishings	1.69	105.5	97.4	98.9	1.6	-6.3
Carpets and other floor coverings	0.07	117.2	107.8	107.7	0.0	-8.1
Repair of furnishings and floor coverings	0.02	172.2	183.5	183.5	0.0	6.6
Household textiles	0.73	129.6	129.8	129.8	0.0	0.2
Heating and cooking appliances, refrigerators, washing machines and similar major household appliances, etc.	0.92	124.1	126.7	125.9	-0.7	1.4
Glassware, tableware and household utensils	0.22	141.4	144.9	145.7	0.5	3.0
Tools and equipment for house and garden	0.43	124.3	126.3	126.7	0.4	2.0
Goods and services for routine household maintenance	1.36	140.5	148.3	147.9	-0.3	5.2
HEALTH	2.01	125.7	131.7	131.9	0.12	5.0
Medical products, appliances and equipment	0.84	122.2	126.4	126.8	0.3	3.8
Outpatient Services, medical, dental and paramedical	0.98	133.5	142.3	142.3	0.0	6.6
Hospital services	0.19	100.0	100.0	100.0	0.0	0.0
TRANSPORT	14.28	118.0	128.5	133.2	3.7	12.9
Purchase of vehicles	2.88	140.3	151.0	152.3	0.8	8.5
Operation of personal transport equipment	8.96	111.9	124.8	126.8	1.6	13.3
Public transportation services	2.44	113.8	115.7	134.3	16.1	18.0
COMMUNICATIONS	3.81	107.5	105.8	106.1	0.3	-1.2
RECREATION AND CULTURE	3.55	124.8	130.0	131.0	0.7	5.0
Audio-visual, photographic and data processing equip. incl. repairs	1.16	110.8	114.9	115.8	0.8	4.5
Other major durables for recreation and culture	0.08	134.2	134.5	134.5	0.0	0.2
Other recreational items and equipment; flowers, gardens and pets	0.46	126.9	128.0	126.7	-1.0	-0.2
Recreation and cultural services	0.85	134.8	138.5	138.6	0.0	2.8
Newspapers, books and stationery	0.89	127.7	137.3	138.2	0.7	8.2
Package holidays	0.11	154.8	168.6	188.3	11.6	21.6
EDUCATION	3.65	135.9	149.5	149.5	0.0	9.9
Pre-primary education (ages 2 to 6 years)	0.23	157.3	169.2	169.2	0.0	7.5
Primary (private) and Secondary education (ages 7 to 17 years)	1.44	139.8	160.2	160.2	0.0	14.6
Tertiary education	1.98	130.6	139.3	139.3	0.0	6.7
HOTELS, CAFES AND RESTAURANTS	1.39	138.2	143.0	143.2	0.2	3.6
Catering	0.74	133.1	138.3	139.2	0.6	4.5
Accommodation services	0.65	144.0	148.3	147.8	-0.3	2.7
MISCELLANEOUS GOODS AND SERVICES	5.39	124.1	129.2	129.0	-0.1	3.9
Personal care	1.41	127.0	132.7	132.0	-0.5	4.0
Personal effects n.e.c.	1.03	122.5	122.4	122.5	0.1	0.0
Insurance	0.74	109.7	113.3	113.3	0.0	3.2
Financial services n.e.c.	0.94	145.5	157.0	157.0	0.0	7.9
Other services n.e.c.	1.26	115.0	119.5	119.5	0.0	4.0



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