



NCPI

Namibia Consumer Price index

October 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

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Annual Inflation slightly slowed down

The annual inflation rate slightly slowed down to 5.1 percent in October 2018 from 5.2 percent recorded in October of last year. On a monthly basis it went down from 0.8 percent registered in last month to 0.4 percent.



Summary Comments

For October 2018, the annual inflation rate slightly slowed to 5.1 percent compared to 5.2 percent registered in October of the previous year, resulting in a slowdown of 0.1 percentage points. The slowdown in the annual inflation rate resulted from decelerations registered in Housing, water, electricity, gas and other fuels (from 8.6 percent to 3.8 percent); Hotels, cafes and restaurants (from 6.9 percent to 3.5 percent); Furnishing, household equipment and routine maintenance of the house (from 2.0 percent to 0.9 percent); Alcoholic beverages and tobacco (from 5.7 percent to 4.9 percent); Health (from 5.8 percent to 4.8 percent) and Food and non - alcoholic beverages (from 3.7 percent to 3.0 percent).

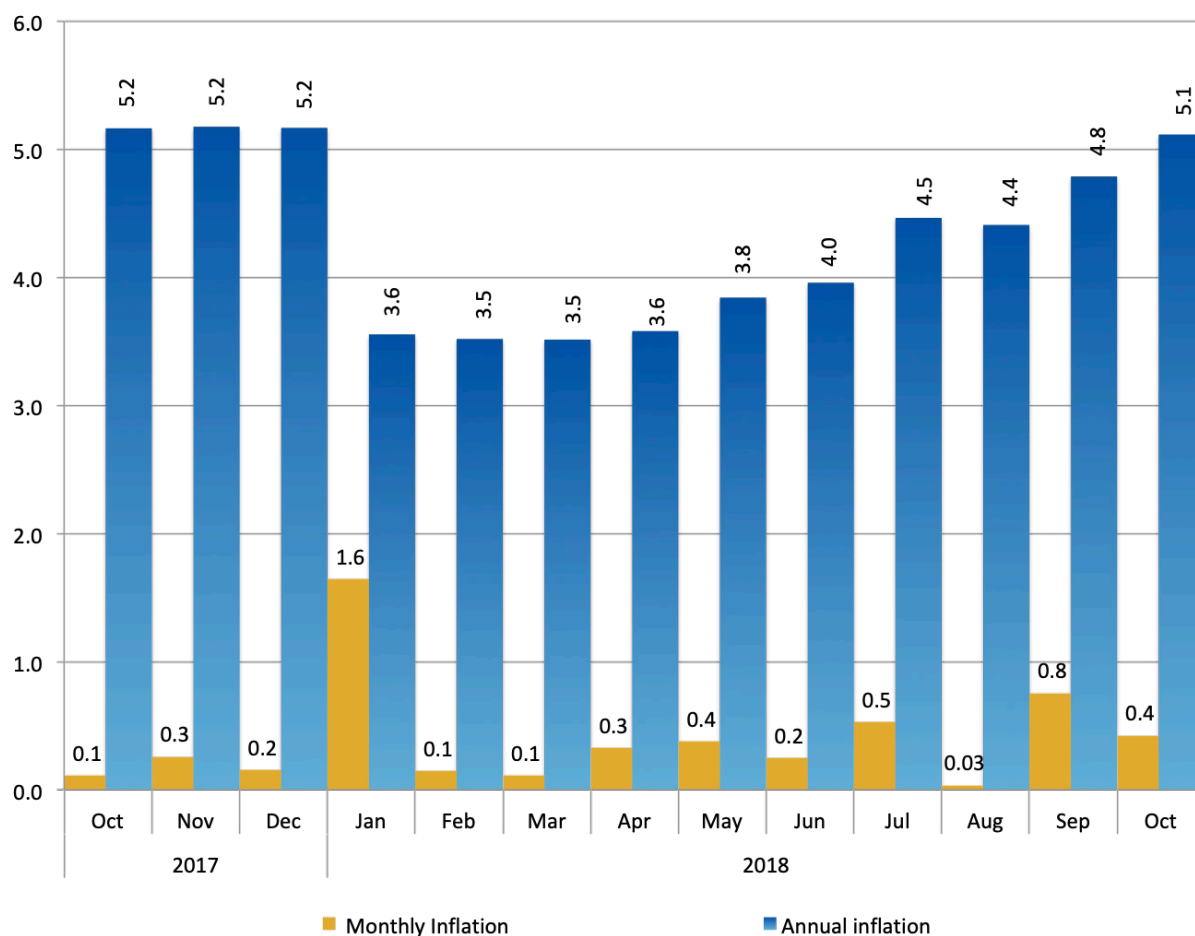
The average annual and average monthly inflation rates from January 2018 to October 2018 stood at 4.1 percent and 0.5 percent, respectively. Corresponding rates recorded during the same period a year earlier were estimated as 6.4 percent and 0.4 percent, respectively.

On a monthly basis, the inflation rate stood at 0.4 percent compared to 0.8 percent recorded in the previous month.

Alex Shimuafeni
Statistician-General & CEO

Overall Inflation Rate

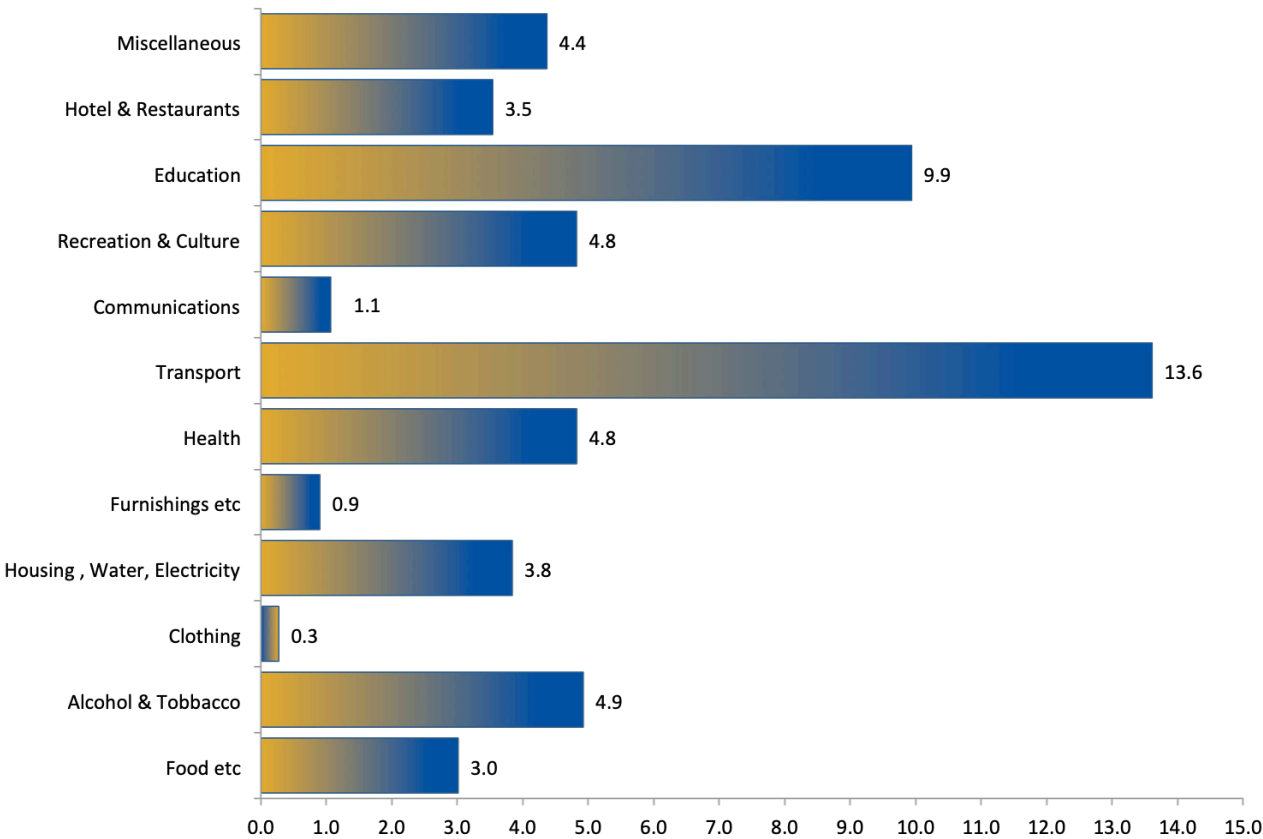
Chart 1: NCPI; Monthly and annual percentage changes; October 2018 (Dec 2012 = 100)



Main Drivers of Inflation

During October 2018, the main drivers of annual inflation rate were Transport (13.6 percent); Education (9.9 percent); Alcoholic beverages and tobacco (4.9 percent); Recreation & culture and Health each recorded (4.8 percent); Miscellaneous goods and services (4.4 percent).

Chart 2: NCPI; annual percentage changes by all groups, October 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.

	Housing, Water, Electricity, Gas and Other Fuels	28.36%
	Food and Non-Alcoholic Beverages	16.45%
	Transport	14.28%
	Alcoholic Beverages and Tobacco	12.59%
	Furnishings, Household Equipment	5.47%
	Miscellaneous Goods and Services	5.39%
	Communication	3.81%
	Education	3.65%
	Recreation and Culture	3.55%
	Clothing and Footwear	3.05%
	Health	2.01%
	Hotels, Cafes and Restaurants	1.39%

Major Groups

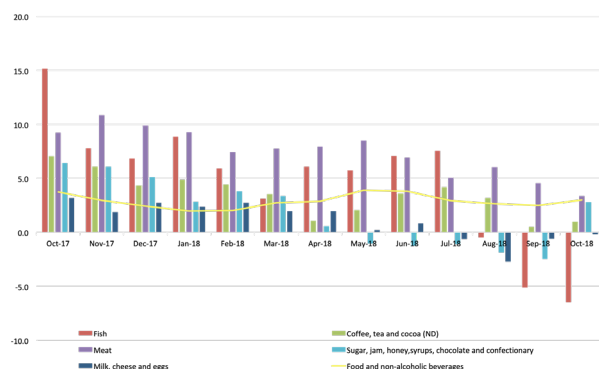


Food and non-alcoholic beverages

The Food and non-alcoholic beverages annual inflation rate for October 2018 stood at 3.0 percent compared to 3.7 percent registered during the same period last year, resulting in a slowdown of 0.7 percentage points. The slowdown emanated from decreases recorded in the sub-groups of Fish (15.2 percent to -6.5 percent); Coffee, tea and cocoa from (7.1 percent to 1.0 percent); Meat (from 9.2 percent to 3.4 percent); Sugar, jam, honey, syrups, chocolate, confectionery (from 6.4 percent to 2.8 percent); and Milk, cheese and eggs (from 3.2 percent to -0.2 percent).

The monthly inflation rate for this category increased to 0.6 percent from 0.3 percent recorded a month earlier.

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

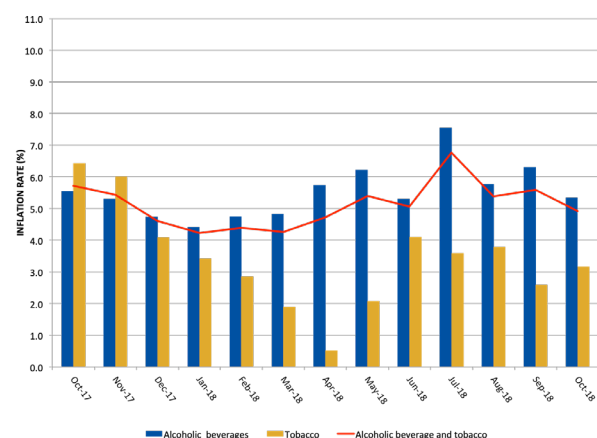


Alcoholic beverages and tobacco

In October 2018, the annual inflation rate for Alcoholic beverages and tobacco stood at 4.9 percent, showing a decrease of 0.8 percentage points compared to 5.7 percent registered in October of the preceding year. The decrease resulted from declines in the level of prices of both Alcoholic beverages and Tobacco sub-components which decreased from 5.5 and 6.4 percent recorded in the same period a year earlier to 5.3 and 3.2 percent obtained in the current period respectively.

The monthly inflation rate for this group decreased to 0.3 percent during the month under review from 0.8 percent recorded in September 2018.

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



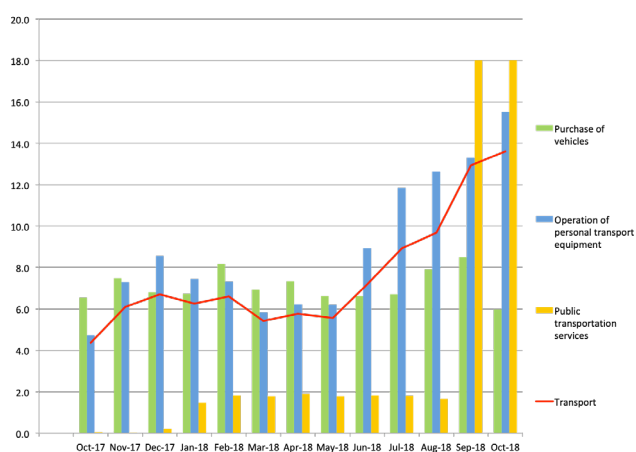


Transport

During the month of October 2018, the annual inflation rate for the Transport group stood at 13.6 percent compared to 4.4 percent registered in October 2017, resulting in a significant increase of 9.2 percentage points. The increase resulted from increases witnessed in the price levels of the sub components of Public transport services which increased from (0.0 percent to 18.0 percent) and Operation of personal transport equipment which increased from (4.7 percent to 15.5 percent).

On a monthly basis, the inflation rate for transport decreased to 1.2 percent, compared to 3.7 percent recorded a month earlier.

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



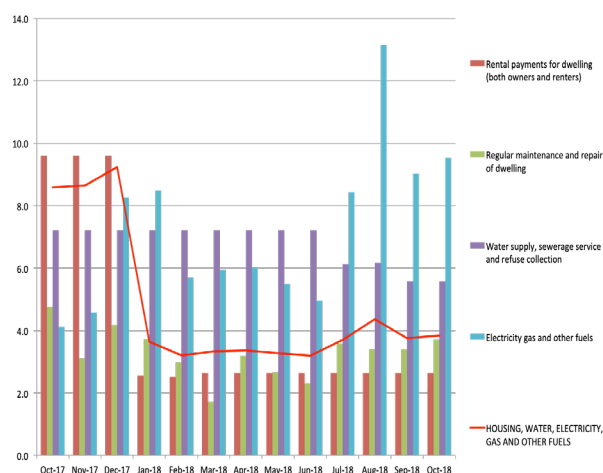
Housing, water, electricity, gas and other fuels

The annual inflation rate for Housing, water, electricity, gas and other fuels group stood at 3.8 percent in October 2018 compared to 8.6 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 9.5 percent from 4.1 percent recorded last year.

On a monthly basis, the inflation rate for this group remained unchanged at 0.0 percent.

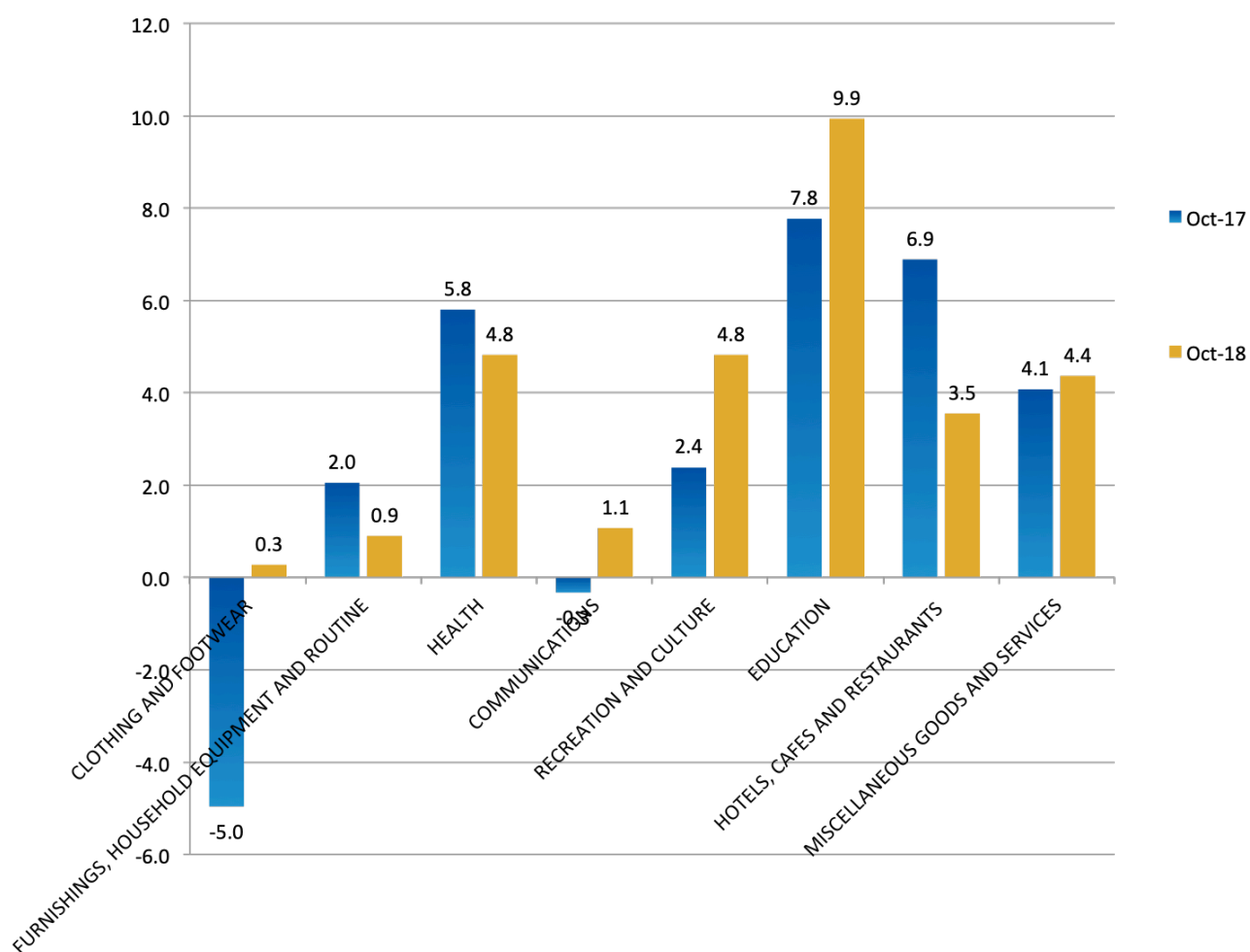
Chart 6: NCPI; Housing, water, electricity, gas and other fuels; October 2018 (Dec 2012 = 100)



Minor Groups

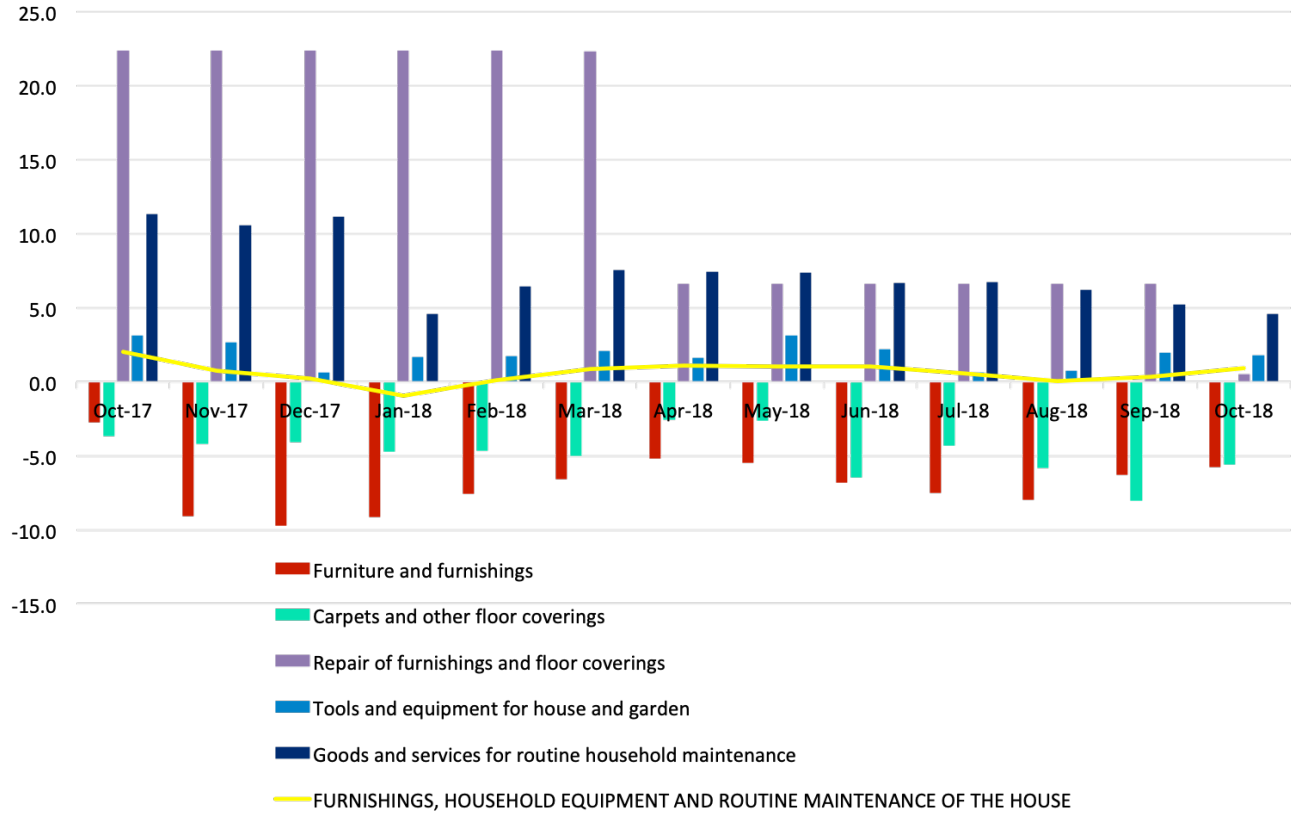
For the minor groups, high annual inflation rates were observed in the groups of Education (9.9 percent); Health and Recreation and culture each recorded (4.8 percent); Miscellaneous goods and services (4.4 percent), Hotels, cafés and restaurants (3.5 percent); Communications (1.1 percent) and Furnishing, household equipment and routine maintenance of the house (0.9 percent), while Clothing and footwear registered the lowest annual inflation rate of 0.3 percent.

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



Box 2: Chart of the Month

Chart 8: NCPI; Furnishings, household equipment and routine maintenance of the house; October 2018 (Dec 2012 = 100)



The annual inflation rate for the Furnishings, household equipment and routine maintenance of the house group for October 2018 stood at 0.9 percent compared to 2.0 percent recorded in October of last year. This showed a decrease of 1.1 percentage points. The decrease resulted from decreases observed in the price levels of Repair of furnishings and floor coverings (from 22.4 percent to 0.5 percent); Goods and services for routine household maintenance (from 11.3 percent to 4.6 percent); Furniture and furnishings (from -2.7 percent to -5.8 percent); Carpets (from -3.7 percent to -5.6 percent) and Tools and equipment for house and garden (from 3.1 percent to 1.8 percent).

The monthly inflation rate for this category decreased to -0.3 percent from 0.2 percent recorded a month earlier.

Goods and Services Inflation

For October 2018 the Index for Goods and Services stood at 136.1 and 132.2 respectively, compared to the corresponding indices of 129.2 and 126.1 recorded during the same period last year. For the month of October 2018, the monthly and annual inflation rates for Goods were 0.6 and 5.3 percent, while for Services were estimated at 0.2 and 4.8 percent respectively.

The corresponding rates recorded during the same period in the previous year stood at 0.2 and 3.1 percent for goods while for services it was recorded as 0.0 and 8.0 percent respectively.

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

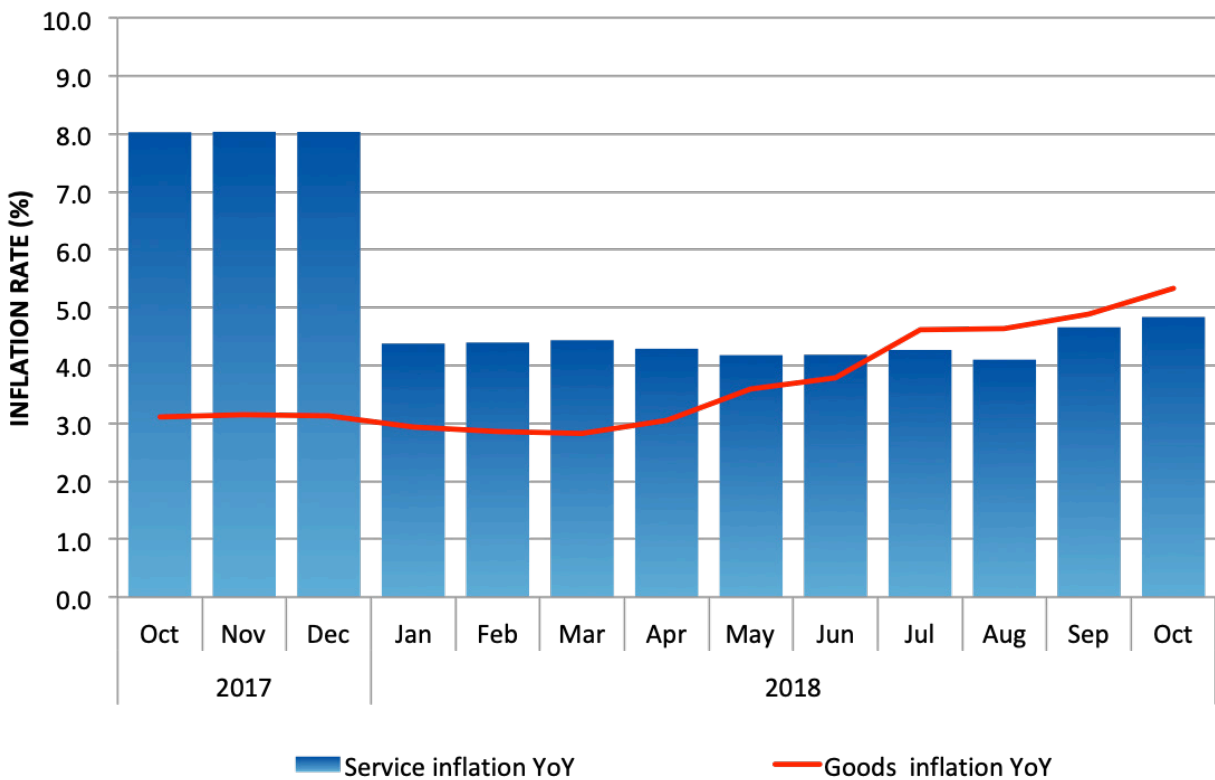


Table 1: NCPI: All-Items Index, monthly and annual percentage changes (Dec 2012 =100)

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
Oct-18	134.4	0.4	5.1

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

	Weights	CPI			Inflation Rate	
		Oct-17	Sep-18	Oct-18	m-o-m	y-o-y
ALL ITEMS	100.00	127.9	133.9	134.4	0.4	5.1
GOODS	57.7	129.2	135.3	136.1	0.6	5.3
SERVICES	42.3	126.1	132.0	132.2	0.2	4.8
FOOD AND NON-ALCOHOLIC BEVERAGES	16.45	138.5	141.8	142.7	0.6	3.0
Food	14.78	139.5	142.8	143.7	0.6	3.0
Bread and cereals	4.84	129.2	133.3	134.2	0.7	3.8
Meat	3.53	143.0	149.4	147.9	-1.0	3.4
Fish	0.81	161.7	152.3	151.3	-0.7	-6.5
Milk, cheese and eggs	1.17	142.1	142.9	141.8	-0.8	-0.2
Oils and fats	0.78	129.6	133.2	135.4	1.7	4.5
Fruit	0.33	145.5	160.0	159.5	-0.3	9.6
Vegetables including potatoes and other tubers	1.23	142.7	149.7	153.6	2.6	7.6
Sugar, jam, honey, syrups, chocolate and confectionery	1.44	152.8	149.9	157.0	4.8	2.8
Food products n.e.c.	0.65	137.4	140.1	140.0	-0.1	1.9
Non-alcoholic beverages	1.66	129.7	133.0	133.3	0.3	2.8
Coffee, tea and cocoa	0.31	160.3	159.9	161.9	1.2	1.0
Mineral waters, soft drinks and juices	1.35	122.7	126.7	126.8	0.0	3.3
ALCOHOLIC BEVERAGES AND TOBACCO	12.59	138.6	144.9	145.4	0.3	4.9
Alcoholic beverages	9.99	140.9	148.2	148.5	0.2	5.3
Tobacco	2.61	129.6	132.5	133.7	0.9	3.2
CLOTHING AND FOOTWEAR	3.05	103.0	102.6	103.3	0.7	0.3
Clothing	2.04	106.7	105.6	105.9	0.2	-0.7
Clothing materials	0.07	139.2	145.1	145.1	0.0	4.2
Ready-made clothing	1.93	105.3	104.0	104.3	0.3	-1.0
Men's clothing	0.58	108.9	113.6	113.7	0.1	4.5
Women's clothing	0.70	87.0	89.0	89.2	0.2	2.6
Children's clothing	0.66	119.7	109.8	110.4	0.5	-7.8
Boys' clothing	0.24	107.7	110.3	110.1	-0.2	2.3
Girls' clothing	0.33	131.2	110.6	111.9	1.2	-14.7
Infants' clothing	0.09	110.8	107.3	107.2	-0.1	-3.2
Other articles of clothing and clothing accessories	0.05	118.6	118.2	116.8	-1.2	-1.6
Dry cleaning, repair and hire of clothing	0.00	125.3	128.4	128.3	0.0	2.4
Footwear	1.01	95.5	96.5	98.0	1.6	2.6
Adult footwear	0.80	89.4	90.9	93.1	2.5	4.1
Children's footwear	0.20	117.6	116.1	114.7	-1.2	-2.4
Repair of footwear	0.01	134.1	140.6	140.6	0.0	4.8
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	28.36	127.7	132.6	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	131.9	136.7	136.7	0.0	3.7
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	142.8	156.3	156.4	0.1	9.5

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

	Weights	CPI			Inflation Rate	
		Oct-17	Sep-18	Oct-18	m-o-m	y-o-y
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	5.47	122.9	124.4	124.0	-0.3	0.9
Furniture, furnishings, decorations, carpets, floor coverings, incl. repairs	1.78	104.7	100.1	98.7	-1.4	-5.7
Furniture and furnishings	1.69	103.4	98.9	97.4	-1.5	-5.8
Carpets and other floor coverings	0.07	114.7	107.7	108.3	0.5	-5.6
Repair of furnishings and floor coverings	0.02	183.5	183.5	184.5	0.5	0.5
Household textiles	0.73	126.4	129.8	130.7	0.7	3.4
Heating and cooking appliances, refrigerators, washing machines and similar major household appliances, etc	0.92	123.1	125.9	125.8	-0.1	2.2
Glassware, tableware and household utensils	0.22	141.7	145.7	146.6	0.6	3.4
Tools and equipment for house and garden	0.43	124.0	126.7	126.2	-0.4	1.8
Goods and services for routine household maintenance	1.36	141.4	147.9	147.9	0.0	4.6
HEALTH	2.01	126.0	131.9	132.0	0.1	4.8
Medical products, appliances and equipment	0.84	123.0	126.8	127.2	0.3	3.4
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	118.6	133.2	134.8	1.2	13.6
Purchase of vehicles	2.88	143.5	152.3	152.1	-0.1	6.0
Operation of personal transport equipment	8.96	112.0	126.8	129.4	2.0	15.5
Public transportation services	2.44	113.8	134.3	134.3	0.0	18.0
COMMUNICATIONS	3.81	106.8	106.1	108.0	1.7	1.1
RECREATION AND CULTURE	3.55	124.7	131.0	130.7	-0.2	4.8
Audio-visual, photographic and data processing equip. incl. repairs	1.16	110.2	115.8	116.1	0.3	5.3
Other major durables for recreation and culture	0.08	134.2	134.5	131.9	-2.0	-1.8
Other recreational items and equipment; flowers, gardens and pets	0.46	126.1	126.7	125.9	-0.6	-0.1
Recreation and cultural services	0.85	134.8	138.6	138.6	0.0	2.8
Newspapers, books and stationery	0.89	127.6	138.2	138.4	0.1	8.4
Package holidays	0.11	161.0	188.3	178.8	-5.0	11.0
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	139.6	143.2	144.5	0.9	3.5
Catering	0.74	133.6	139.2	139.8	0.5	4.6
Accommodation services	0.65	146.4	147.8	149.9	1.4	2.4
MISCELLANEOUS GOODS AND SERVICES	5.39	124.6	129.0	130.1	0.8	4.4
Personal care	1.41	129.0	132.0	132.9	0.6	3.0
Personal effects n.e.c.	1.03	122.1	122.5	123.4	0.8	1.1
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	122.2	2.2	6.2



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