

# Namibia Consumer Price Index

January 2019





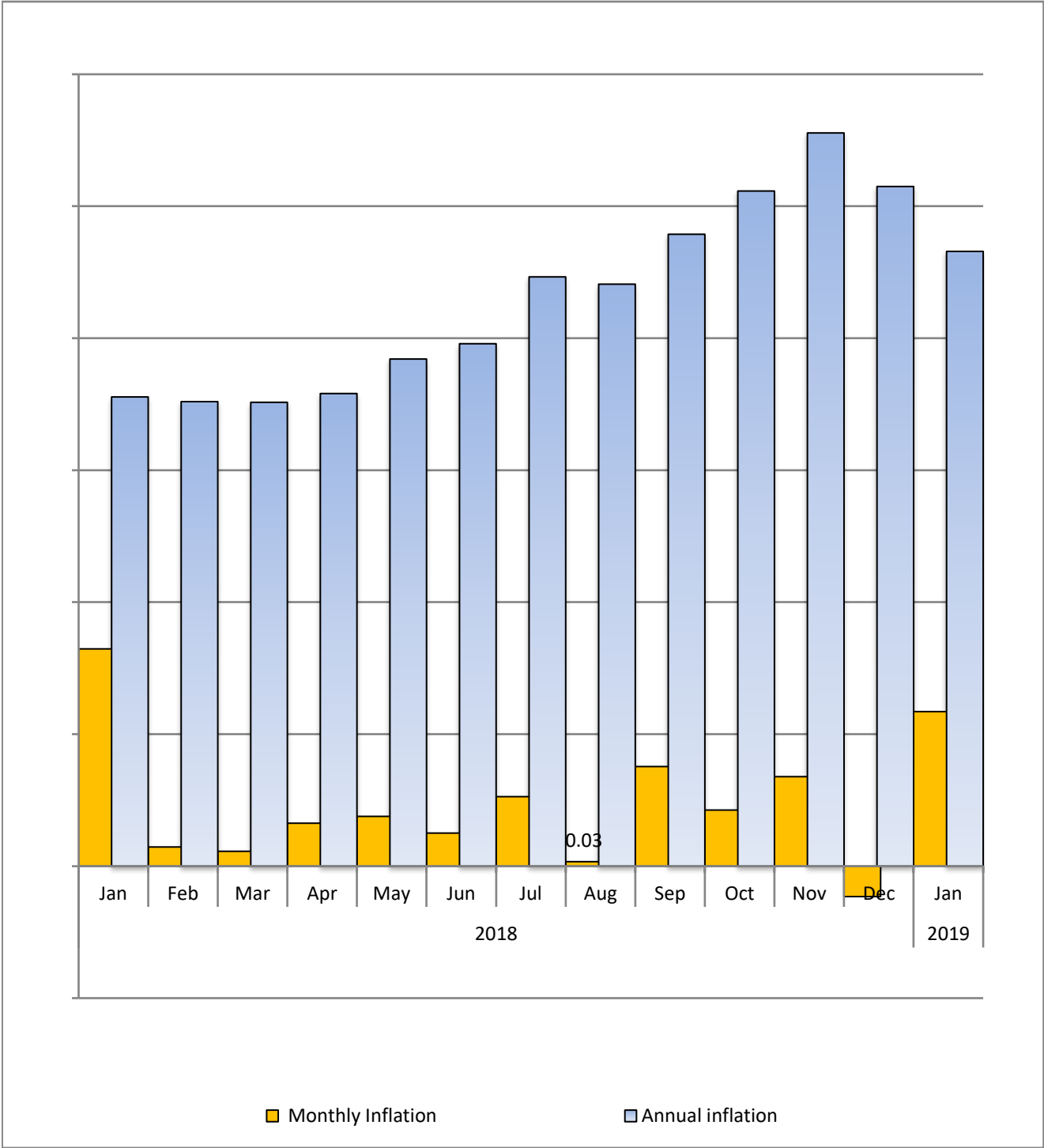
## Summary comments

The year 2019 opened with the annual inflation rate of 4.7 percent, a 1.1 percentage points higher than the 3.6 percent registered in January 2018. This increase resulted mainly from increases registered in: Food and non – alcoholic beverage (from 2.0 percent to 5.7 percent), Clothing and footwear (from -3.3 percent to -0.7 percent), Education (from 10.0 percent to 12.0 percent), Furnishings, household equipment and routine maintenance of the house (from -0.9 percent to 1.7 percent) and Alcoholic beverages and tobacco (from 4.2 percent to 6.4 percent). The twelve months average annual and average monthly inflation rates from February 2018 to January 2019 stood at 4.4 percent and 0.4 percent. The corresponding rates registered during the same period of the previous year stood at 5.8 percent and 0.3 percent respectively. On a fiscal year to date (April 2018 to January 2019) the average annual and average monthly inflation rates to date were estimated as 4.6 percent and 0.4 percent. On a monthly basis, the inflation rate increased to 1.2 percent up from -0.2 percent registered in the previous month.

Alex Shimuafeni  
**Statistician-General & CEO**

# Overall inflation rate

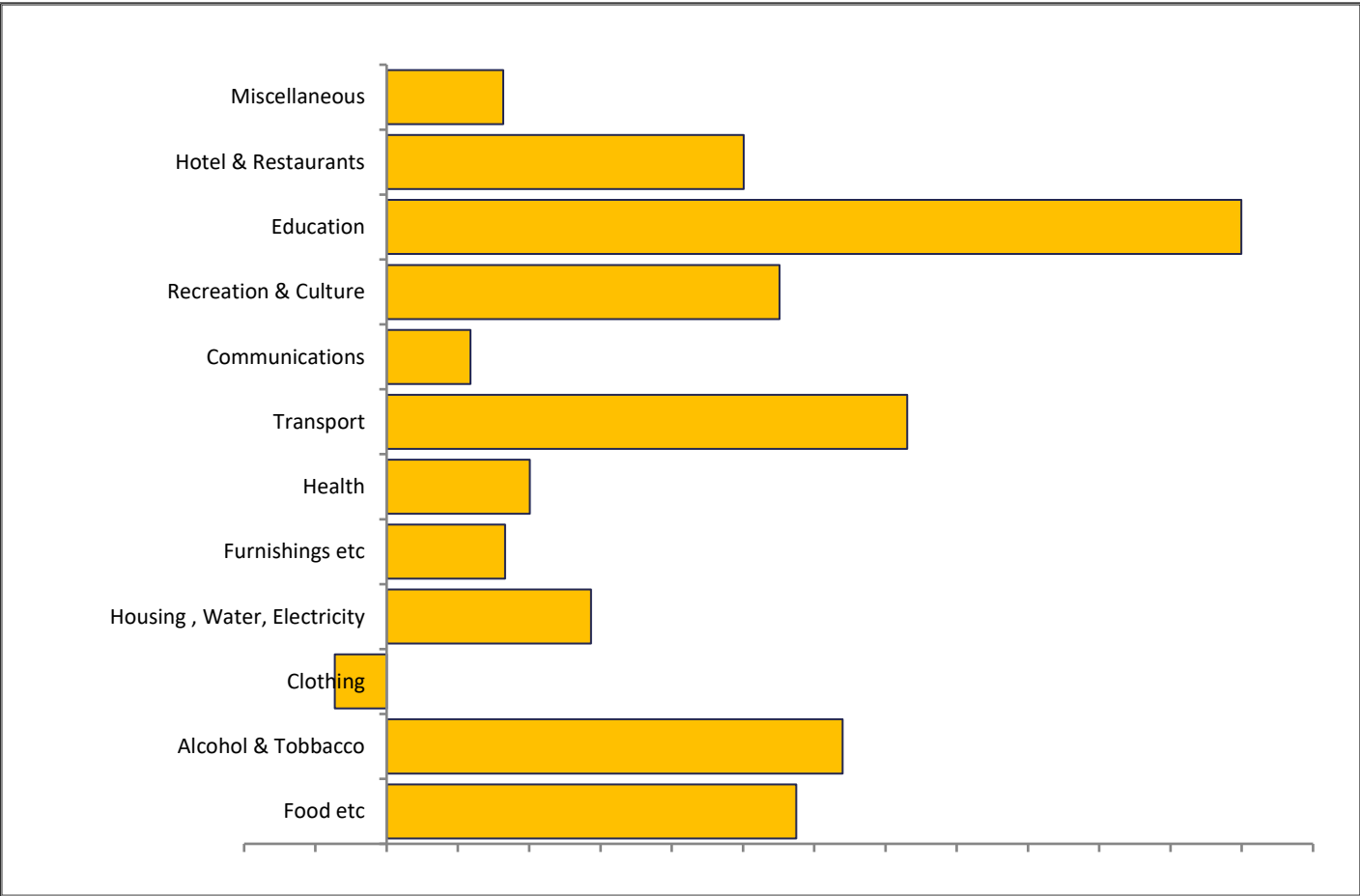
Chart 1: NCPI; Monthly and annual percentage changes; January 2019 (Dec 2012 = 100)



# Main drivers of inflation

During January 2019 annual price levels of Education (12.0 percent), Transport (7.3 percent), Alcoholic beverages and tobacco (6.4 percent) and Food and non-alcoholic beverages (5.7 percent) were the main drivers of the annual inflation rate.

**Chart 2: NCPI; annual percentage changes by all groups, January 2019 (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 is 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 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.

Category	Weights (%)
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, Cafés and Restaurants	1.39

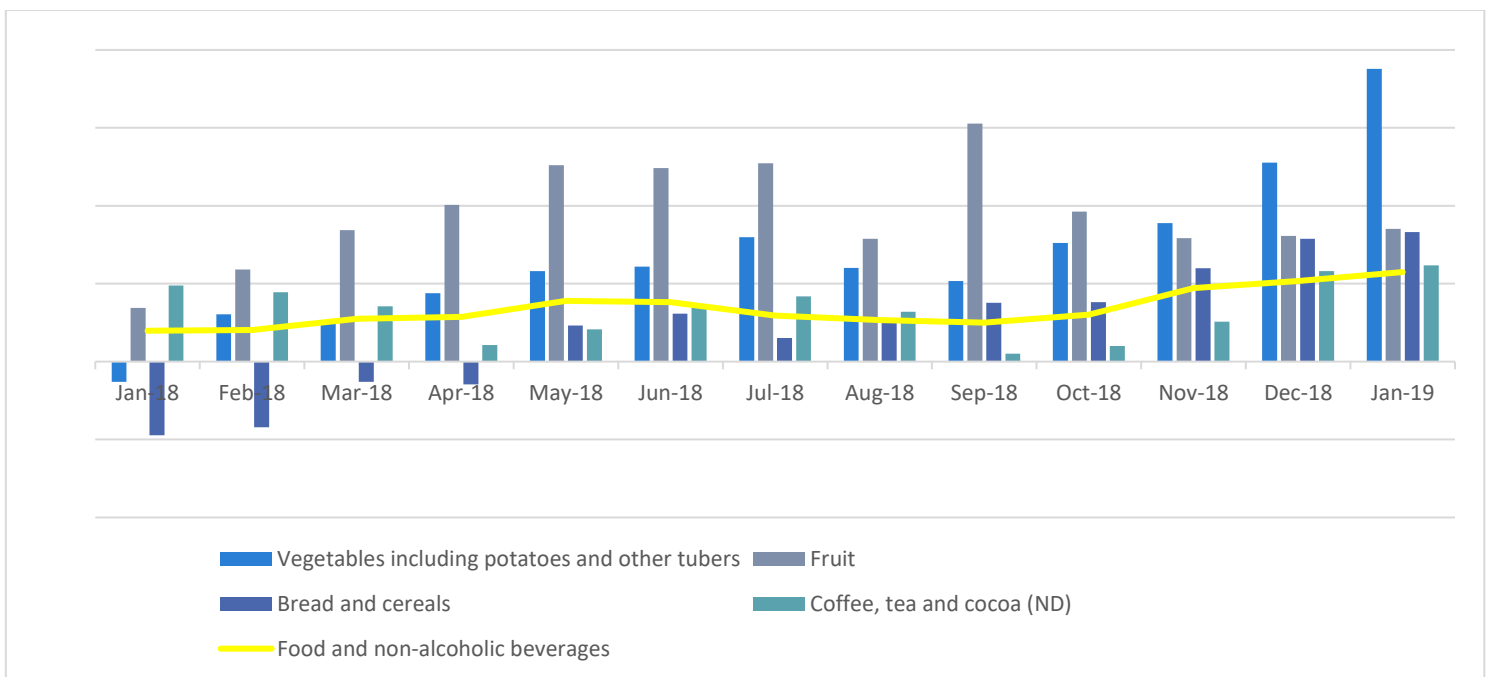
# Major groups

## Food and non-alcoholic beverages

The Food and non – alcoholic beverage annual inflation rate for January 2019 stood at 5.7 percent compared to 2.0 percent registered during the same period last year, resulting in an increase of 3.7 percentage points. The significant increase in this group emanated from annual price increases recorded in the sub-groups of Vegetables including potatoes and other tubers (from -1.3 percent to 18.8 percent), Fruits (from 3.5 percent to 8.5 percent), Bread and cereals (from -4.7 percent to 8.3 percent) and Coffee, tea and cocoa (from 4.9 percent to 6.2 percent)

The monthly inflation rate for this category increased to 1.7 percent from 0.5 per cent recorded a month earlier.

**Chart 3: NCPI; Annual inflation rates for selected food sub-categories; January 2019 (Dec 2012 = 100)**

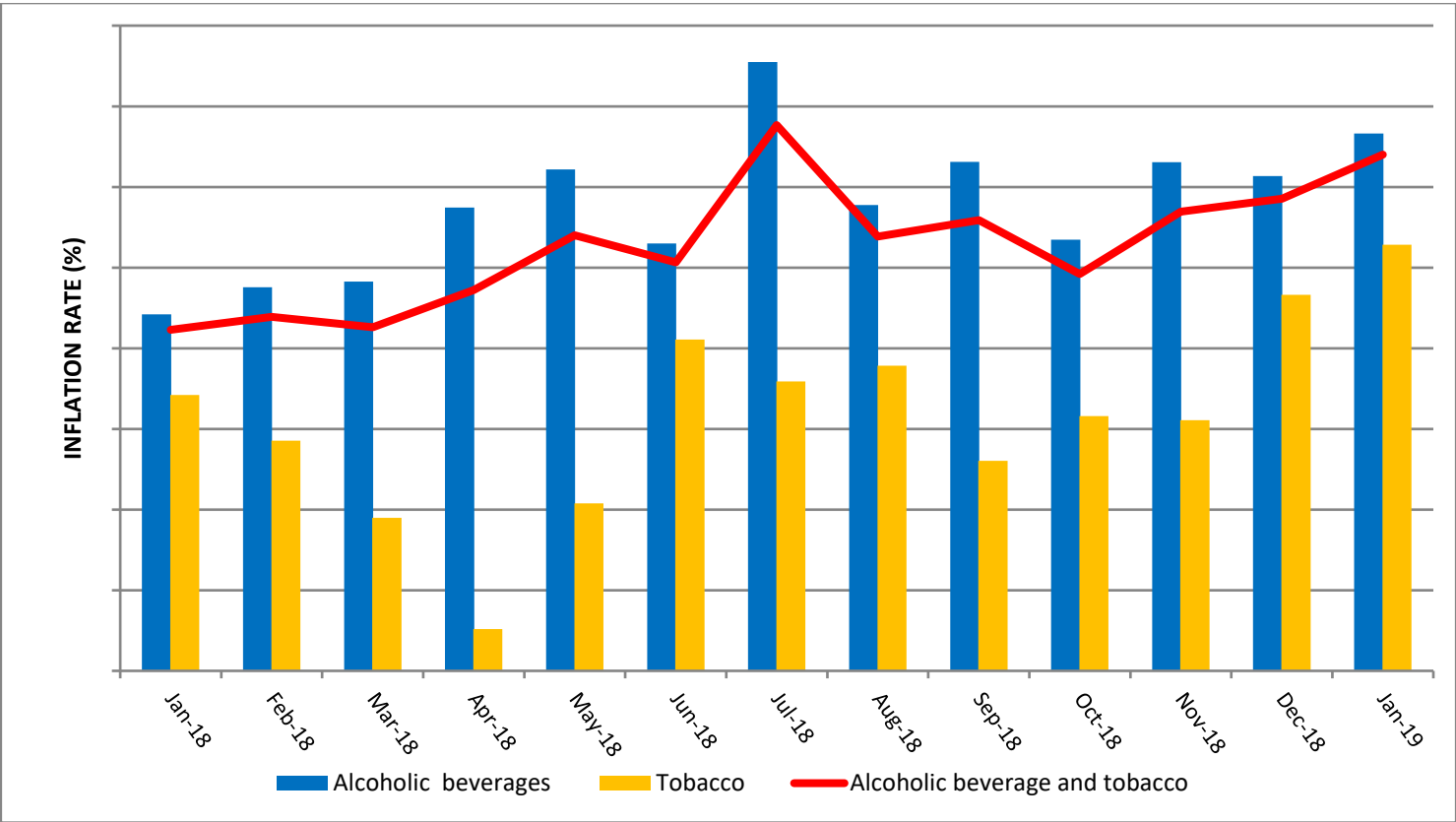


# Alcoholic beverages and tobacco

During January 2019 the annual inflation rate for Alcoholic beverages and tobacco stood at 6.4 percent, up from 4.2 percent registered in January of last year. The upward movement resulted from increases in the level of prices for both Alcoholic beverages and Tobacco sub-components.

The monthly inflation for this group increased to 0.7 percent during the month under review up from -0.6 percent recorded in December 2018.

**Chart 4: NCPI; Annual inflation rate for Alcoholic beverages and tobacco; January 2019 (Dec 2012 = 100)**

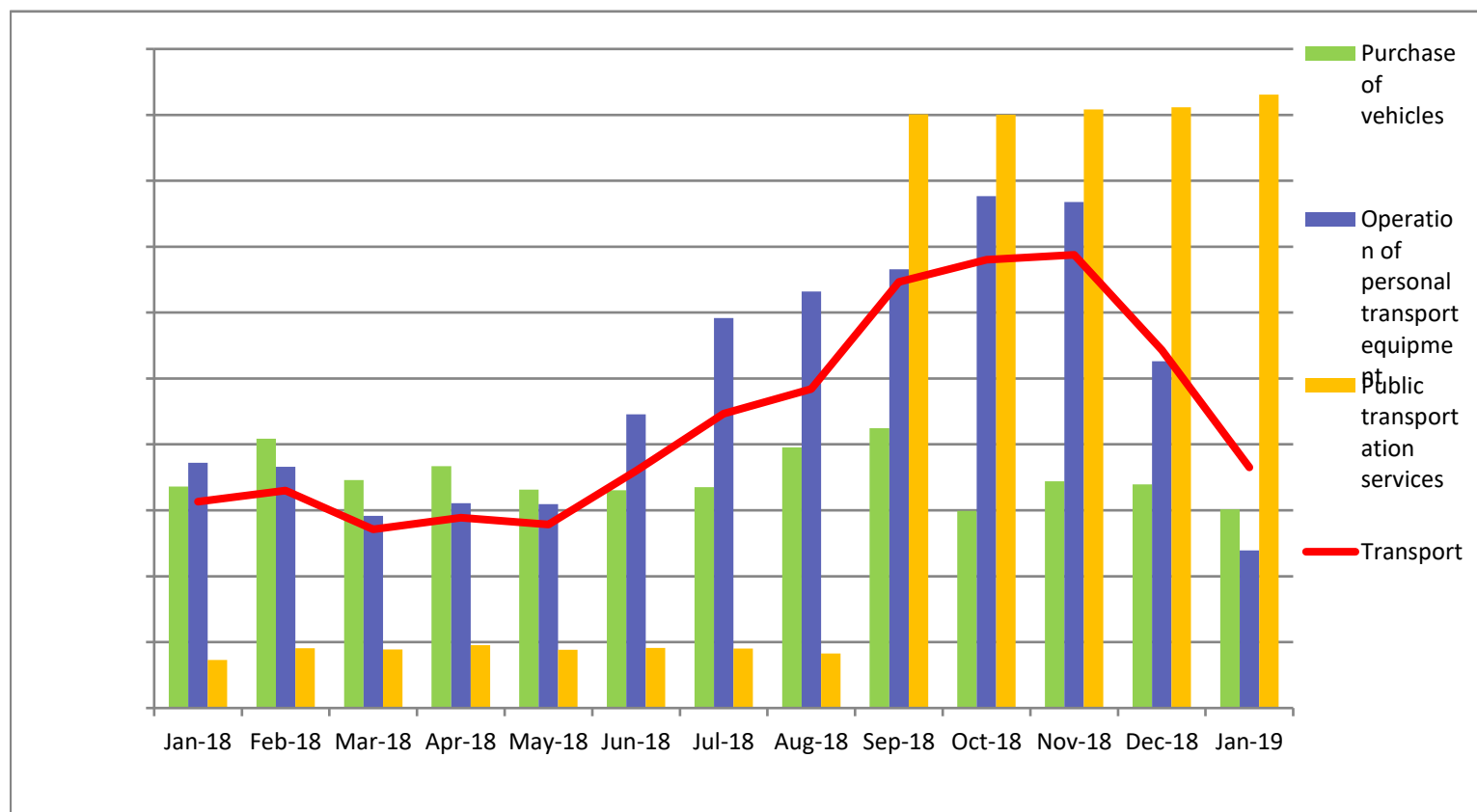


## Transport

For the month of January 2019, the annual inflation rate for Transport increased by 1.0 percentage point to 7.3 percent compared to 6.3 percent recorded during the same period of the previous year. This increase resulted from increases in the price levels of Public transportation services which increased from 1.5 percent to 18.6 percent.

The monthly inflation rate for this group declined from -1.8 percent to -2.6 percent.

**Chart 5: NCPI; Annual inflation rate for Transport; January 2019 (Dec 2012 = 100)**



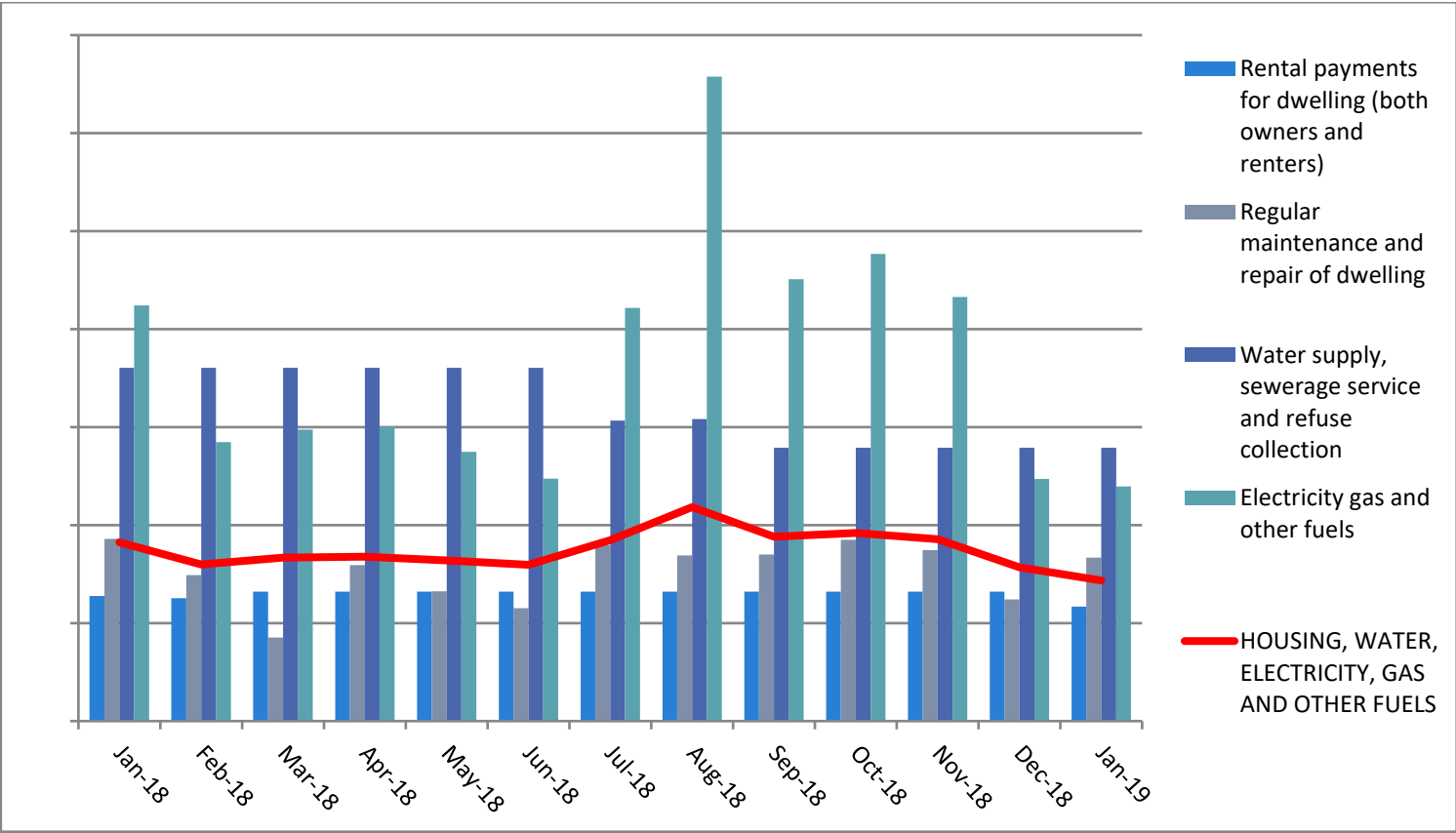


# Housing, water, electricity, gas and other fuels

The annual inflation rate for Housing, water, electricity, gas and other fuels for the month of January 2019 stood at 2.9 percent compared to 3.6 percent recorded during the same period a year earlier. This decrease originated from the declines registered in all sub-components of this group (Chart 6).

On a monthly basis, the inflation rate for this group increased to 1.9 percent from 0.0 percent recorded a month earlier.

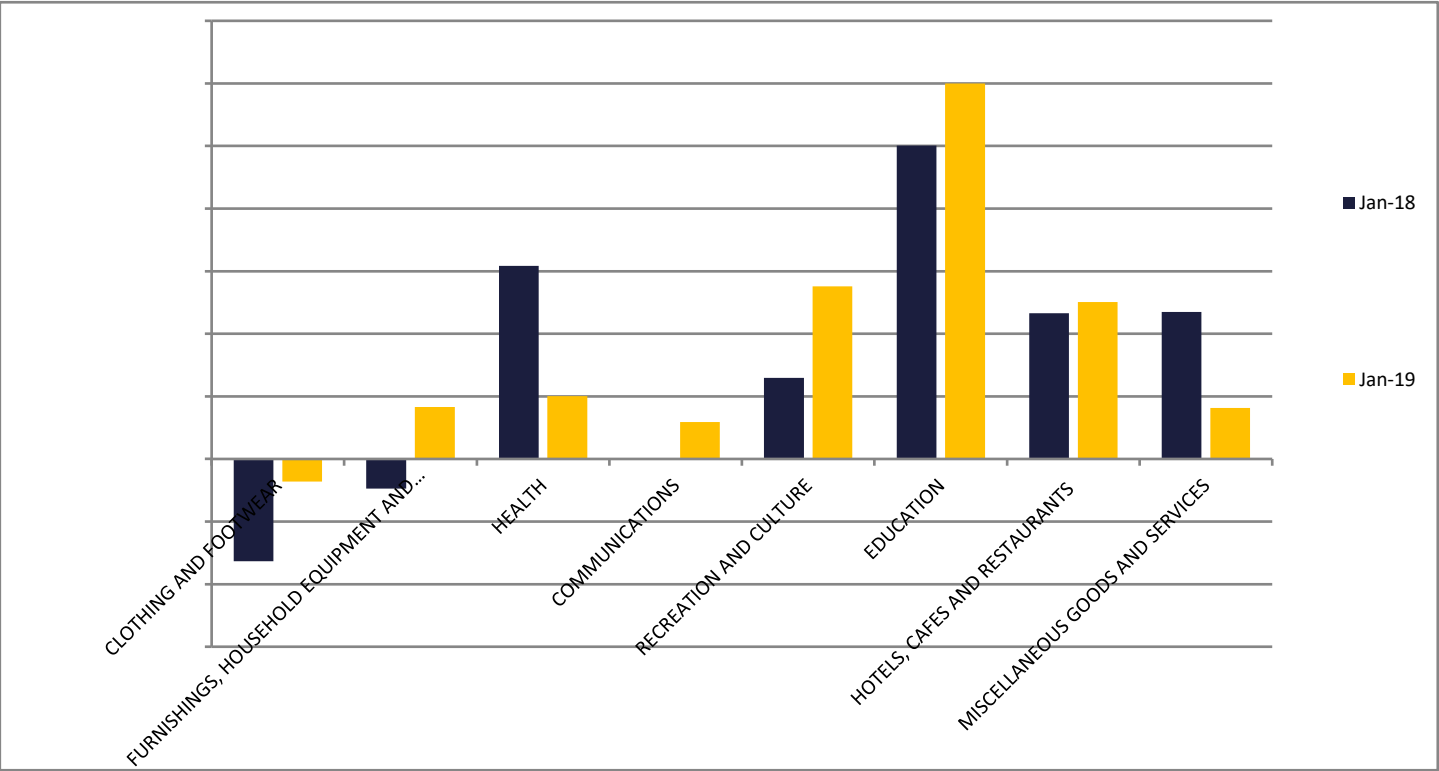
Chart 6: NCPI; Housing, water, electricity, gas and other fuels; January 2019 (Dec 2012 = 100)



# Minor groups

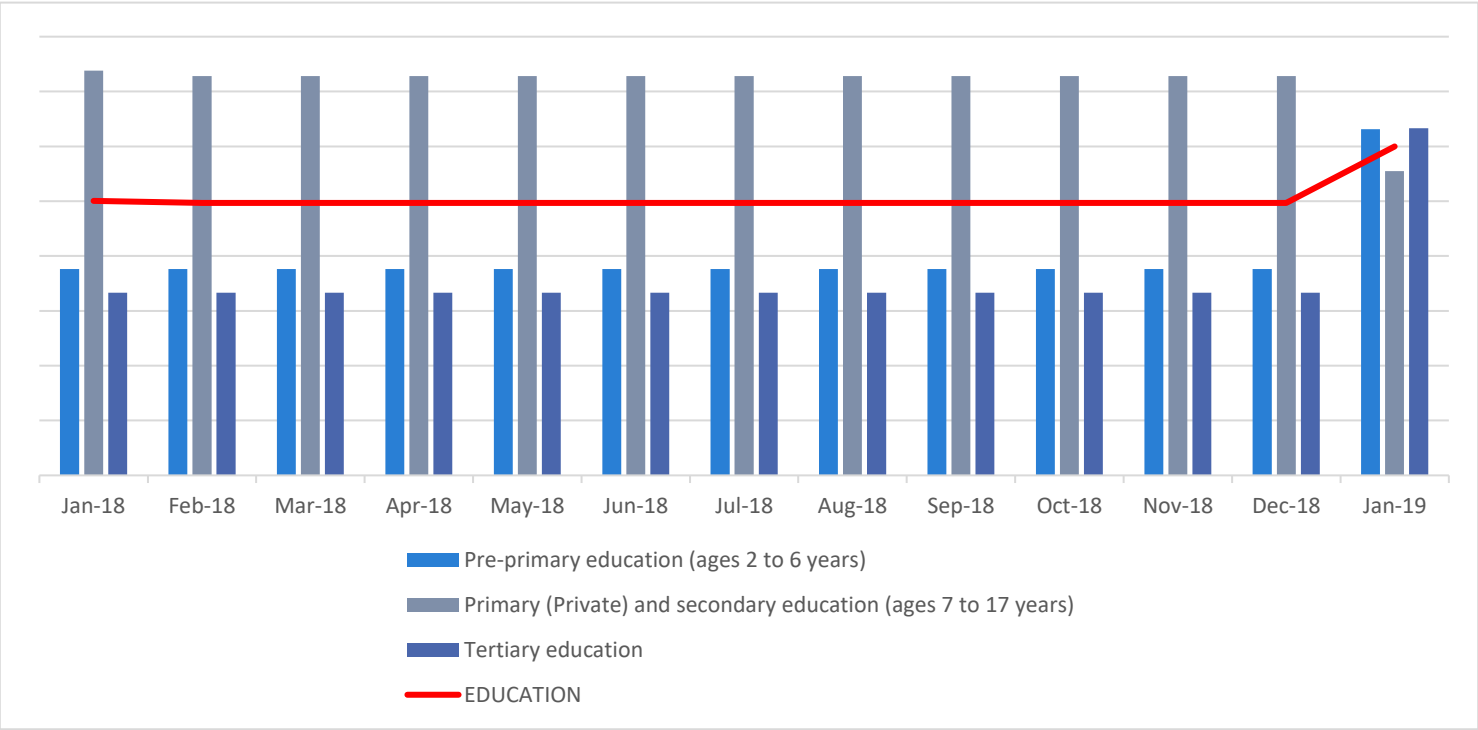
For the minor groups, high annual inflation rates were observed in the groups of Education (12.0 percent), Recreation and culture (5.5 percent), Hotels, cafés and restaurants (5.0 percent), Health (2.0 percent), Furnishing, household equipment and routine maintenance of the house (1.7 percent), Miscellaneous goods and services (1.6 percent), Communication (1.2 percent), while Clothing and footwear still registered the lowest annual inflation rate of -0.7 percent which resulted from decreases in the price levels of Children’s clothing (from 1.1 percent to -6.9 percent) and Other articles of clothing and clothing accessories ( from 2.6 percent to -3.9 percent).

Chart 7: NCPI; Annual inflation rates for minor groups; January 2019 (Dec 2012 = 100)



# BOX 2: CHART OF THE MONTH

Chart 8: NCPI; Education, January 2019 (Dec 2012 = 100)



The annual inflation rate for Education stood at 12.0 percent in January 2019 compared to 10.0 percent recorded in January 2018. This increase resulted from increases recorded in the price levels of all sub categories comprising the Education group. The index for Primary and Secondary Education has increased from 160.2 to 178.0 in January 2019 recording 17.8 percentage points compared to 20.4 percentage points in previous year.

The monthly inflation for this group stood at 12.0 percent, compared to 0.0 percent recorded a month earlier.

# Goods and Services inflation rates

For the month of January 2019 the Index for Goods and Services stood at 137.2 and 135.8 compared to the corresponding indices of 131.0 and 129.9 recorded during the same period last year. The monthly and annual inflation rates for Goods were 0.1 and 4.8 percent while those of Services stood at 2.7 and 4.5 percent respectively.

The corresponding rates recorded during the same period last year stood at 0.6 and 2.9 percent for Goods and - 3.0 and 4.4 percent for Services respectively.

Chart 9: NCPI; Goods and Services annual inflation rates; January 2019 (Dec 2012 = 100)

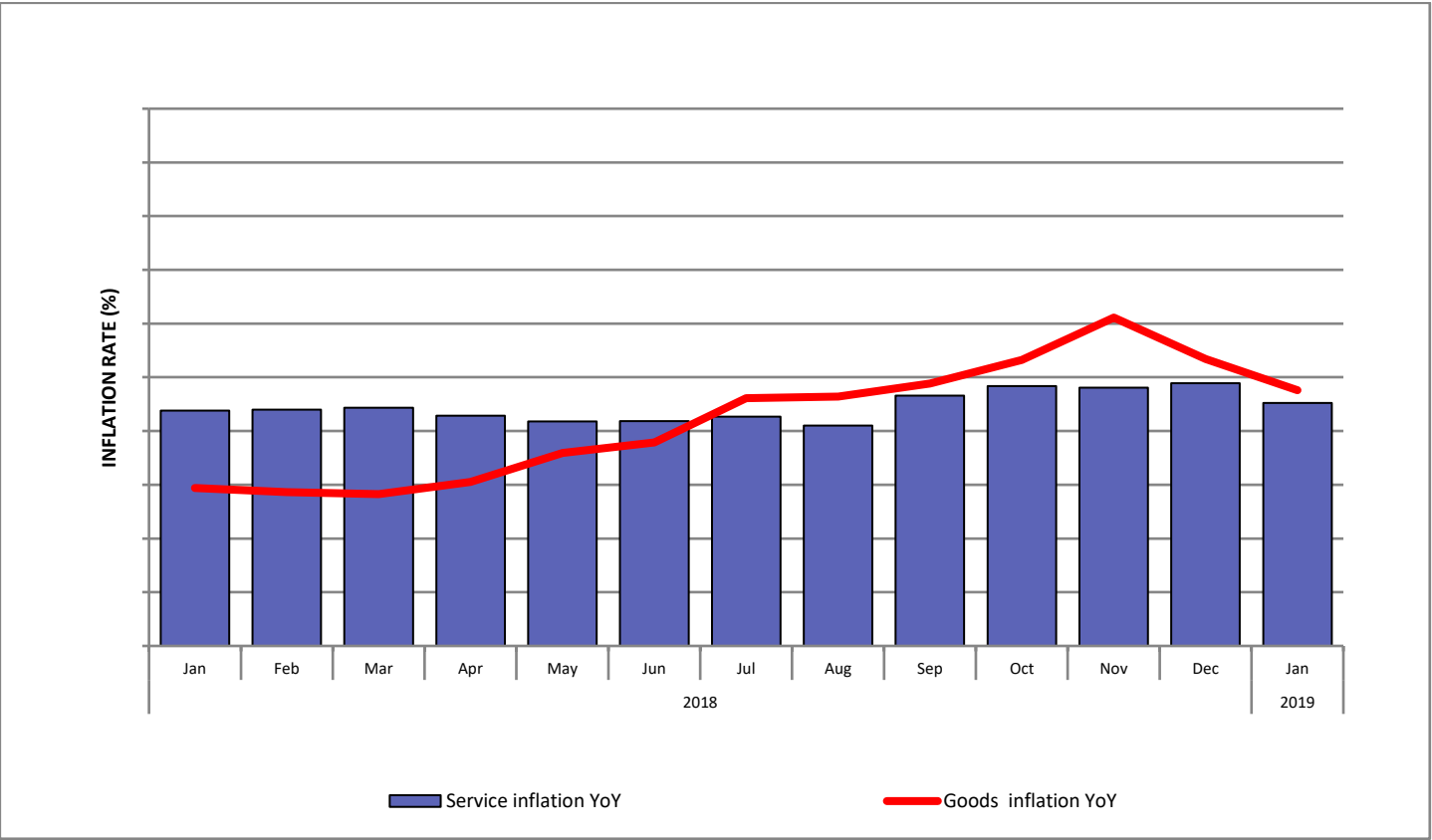


Table 1: NCPI: All-Items Index, monthly and annual percentage changes (Dec 2012 =100)			
Period	Index	m-o-m	y-o-y
Mar-16	118,1	0,8	6,5
Apr-16	118,8	0,6	6,6
May-16	119,4	0,5	6,7
Jun-16	119,8	0,3	6,7
Jul-16	120,6	0,6	7,0
Aug-16	120,8	0,2	6,8
Sep-16	121,0	0,2	6,9
Oct-16	121,6	0,5	7,3
Nov-16	121,9	0,2	7,3
Dec-16	122,1	0,2	7,3
<b>An. Av</b>	<b>119,8</b>	<b>0,6</b>	<b>6,7</b>
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
<b>An. Av</b>	<b>127,2</b>	<b>0,4</b>	<b>6,2</b>
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
Nov-18	135,4	0,7	5,6
Dec-18	135,0	-0,2	5,1
<b>An. Av</b>	<b>132,6</b>	<b>0,4</b>	<b>4,3</b>
Jan-19	136,6	1,2	4,7

Table 2: NCPI for January 2019 by main groups and sub-groups (Dec.2012=100)							
0, 0	ALL ITEMS	Weights	CPI			Inflation Rate	
			Jan-18	Dec-18	Jan-19	m-o-m	y-o-y
		100,00	130,5	135,0	136,6	1,2	4,7
01	GOODS	57,7	131,0	137,1	137,2	0,1	4,8
	SERVICES	42,3	129,9	132,3	135,8	2,7	4,5
01	FOOD AND NON-ALCOHOLIC BEVERAGES	16,45	140,1	145,6	148,1	1,7	5,7
	Food	14,78	141,0	147,0	149,6	1,8	6,1
	Bread and cereals	4,84	129,1	137,8	139,8	1,5	8,3
	Meat	3,53	150,1	152,9	155,5	1,7	3,6
	Fish	0,81	152,0	150,8	154,1	2,1	1,4
	Milk, cheese and eggs	1,17	143,3	142,9	144,3	1,0	0,7
	Oils and fats	0,78	130,2	135,1	135,2	0,1	3,8
	Fruit	0,33	159,5	168,4	173,0	2,7	8,5
	Vegetables including potatoes and other tubers	1,23	143,6	161,4	170,5	5,6	18,8
	Sugar, jam, honey, syrups, chocolate and confectionery	1,44	151,2	157,9	157,9	0,0	4,5
	Food products n.e.c.	0,65	139,3	138,3	141,8	2,5	1,8
	Non-alcoholic beverages	1,66	131,5	133,1	134,8	1,2	2,5
	Coffee, tea and cocoa	0,31	156,5	165,4	166,1	0,4	6,2
	Mineral waters, soft drinks and juices	1,35	125,7	125,7	127,5	1,5	1,4
02	ALCOHOLIC BEVERAGES AND TOBACCO	12,59	138,2	146,1	147,1	0,7	6,4
	Alcoholic beverages	9,99	141,0	149,3	150,4	0,7	6,7
	Tobacco	2,61	127,6	133,5	134,3	0,6	5,3
03	CLOTHING AND FOOTWEAR	3,05	104,0	103,1	103,3	0,2	-0,7
	Clothing	2,04	107,6	105,9	105,5	-0,3	-1,9
	Clothing materials	0,07	140,4	144,2	144,1	-0,1	2,7
	Ready-made clothing	1,93	106,1	104,3	104,0	-0,3	-2,0
	Men's clothing	0,58	111,1	113,7	111,7	-1,8	0,6
	Women's clothing	0,70	87,9	88,0	89,5	1,7	1,7
	Children's clothing	0,66	119,6	112,0	111,3	-0,6	-6,9
	Boys' clothing	0,24	107,5	109,4	108,2	-1,1	0,6
	Girls' clothing	0,33	130,1	114,3	114,2	-0,1	-12,2
	Infants' clothing	0,09	114,7	112,0	110,7	-1,2	-3,5

	Other articles of clothing and clothing accessories	0,05	120,1	115,2	115,4	0,2	-3,9
	Dry cleaning, repair and hire of clothing	0,00	126,8	128,3	131,1	2,2	3,4
	Footwear	1,01	96,9	97,4	98,7	1,3	1,9
	Adult footwear	0,80	92,1	92,5	94,0	1,7	2,1
	Children's footwear	0,20	114,1	114,7	114,6	-0,1	0,5
	Repair of footwear	0,01	134,1	140,6	145,3	3,4	8,3
04	<b>HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS</b>	<b>28,36</b>	<b>131,3</b>	<b>132,6</b>	<b>135,1</b>	<b>1,9</b>	<b>2,9</b>
	Rental payments for dwelling (both owners and renters)	23,28	126,7	126,7	129,7	2,3	2,3
	Regular maintenance and repair of dwelling	0,19	132,2	135,4	136,7	0,9	3,3
	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	149,9	156,8	157,0	0,1	4,8
05	<b>FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE</b>	<b>5,47</b>	<b>123,2</b>	<b>124,1</b>	<b>125,2</b>	<b>0,9</b>	<b>1,7</b>
	Furniture, furnishings, decorations, carpets, floor coverings, incl. repairs	1,78	100,5	98,4	99,5	1,1	-1,0
	Furniture and furnishings	1,69	99,1	97,1	98,1	1,0	-1,0
	Carpets and other floor coverings	0,07	113,1	108,0	108,8	0,8	-3,8
	Repair of furnishings and floor coverings	0,02	183,5	184,7	199,2	7,8	8,5
	Household textiles	0,73	130,7	130,9	131,4	0,4	0,5
	Heating and cooking appliances, refrigerators, washing machines and similar major household appliances, etc	0,92	123,9	126,0	127,3	1,0	2,7
	Glassware, tableware and household utensils	0,22	144,5	147,1	146,6	-0,3	1,5

		Tools and equipment for house and garden	0,43	124,3	125,7	127,8	1,7	2,8
		Goods and services for routine household maintenance	1,36	144,4	148,5	149,8	0,9	3,7
06	<b>HEALTH</b>		<b>2,01</b>	<b>131,2</b>	<b>132,2</b>	<b>133,9</b>	<b>1,3</b>	<b>2,0</b>
		Medical products, appliances and equipment	0,84	125,3	127,5	126,6	-0,7	1,1
		Outpatient Services, medical, dental and paramedical	0,98	142,3	142,3	146,5	3,0	3,0
		Hospital services	0,19	100,0	100,0	100,0	0,0	0,0
07	<b>TRANSPORT</b>		<b>14,28</b>	<b>122,4</b>	<b>134,8</b>	<b>131,3</b>	<b>-2,6</b>	<b>7,3</b>
		Purchase of vehicles	2,88	145,5	154,5	154,3	-0,2	6,0
		Operation of personal transport equipment	8,96	116,9	128,6	122,5	-4,7	4,8
		Public transportation services	2,44	115,1	134,6	136,5	1,4	18,6
08	<b>COMMUNICATIONS</b>		<b>3,81</b>	<b>106,9</b>	<b>108,2</b>	<b>108,2</b>	<b>0,0</b>	<b>1,2</b>
09	<b>RECREATION AND CULTURE</b>		<b>3,55</b>	<b>124,5</b>	<b>131,5</b>	<b>131,4</b>	<b>-0,1</b>	<b>5,5</b>
		Audio-visual, photographic and data processing equip. incl. repairs	1,16	110,1	117,2	119,2	1,7	8,3
		Other major durables for recreation and culture	0,08	133,3	131,9	131,2	-0,5	-1,6
		Other recreational items and equipment; flowers, gardens and pets	0,46	126,2	127,0	126,5	-0,4	0,2
		Recreation and cultural services	0,85	134,9	138,6	138,6	0,0	2,8
		Newspapers, books and stationery	0,89	128,0	139,4	137,4	-1,5	7,3
		Package holidays	0,11	154,5	179,4	175,0	-2,5	13,2
10	<b>EDUCATION</b>		<b>3,65</b>	<b>149,5</b>	<b>149,5</b>	<b>167,4</b>	<b>12,0</b>	<b>12,0</b>



	Pre-primary education (ages 2 to 6 years)	0,23	169,2	169,2	190,5	12,6	12,6
	Primary (private) and Secondary education (ages 7 to 17 years)	1,44	160,2	160,2	178,0	11,1	11,1
	Tertiary education	1,98	139,3	139,3	157,0	12,7	12,7
11	<b>HOTELS, CAFES AND RESTAURANTS</b>	<b>1,39</b>	<b>138,9</b>	<b>143,0</b>	<b>145,9</b>	<b>2,0</b>	<b>5,0</b>
	Catering	0,74	134,3	141,6	143,9	1,6	7,1
	Accommodation services	0,65	144,2	144,5	148,2	2,5	2,8
12	<b>MISCELLANEOUS GOODS AND SERVICES</b>	<b>5,39</b>	<b>129,0</b>	<b>130,1</b>	<b>131,1</b>	<b>0,8</b>	<b>1,6</b>
	Personal care	1,41	131,5	133,4	134,8	1,1	2,6
	Personal effects n.e.c.	1,03	123,0	122,7	123,9	0,9	0,7
	Insurance	0,74	113,3	113,3	101,8	-10,2	-10,2
	Financial services n.e.c.	0,94	157,0	157,0	168,1	7,1	7,1
	Other services n.e.c.	1,26	119,5	122,2	122,5	0,3	2,5