

# Namibia Consumer Price Index

**APRIL 2020**



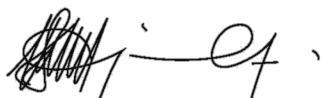
## PREFACE

This report examines the monthly inflation rate performance in Namibia as measured by the Consumer Price Index. The Namibia Consumer Price Index (NCPI) is used as the basis to calculate the rate of inflation as experienced by consumers. More than 9000 prices of goods and services are collected on a monthly basis from more than 900 retail outlets in 8 localities. The NCPI weights represent the expenditure share of each commodity in the 2009/10 Namibia Household Income and Expenditure Survey (NHIES). The Consumer Price Index is published about 15 days after the end of the reference month to which it relates.

The current corona virus epidemic has caused some price collection challenges in April 2020. As a measure to prevent the spread of the virus, a lockdown was introduced on 27 March 2020 until 04 May 2020. The implementation of this measure had an impact on the routine compilation of Namibia Consumer Price Indexes (NCPI). In particular, the collection of prices became increasingly difficult due to the increased numbers of missing items in sampled outlets, the temporary closure of retail outlets, and restrictions on movement. Thus the prices of goods and services which could not be collected or only be collected to a very limited extent had to be updated using imputation techniques described in *Consumer Price Index Manual: Concepts and Methods*. This is important so that the CPI continues to provide a reliable estimate of price change. The CPI is a critical input to economic policy making, particularly during periods of economic uncertainty.

In April 2020, the annual inflation rate slowed to 1.6 percent from 4.5 percent recorded in April 2019 while on a monthly basis, the inflation dropped to -0.3 percent from 0.1 percent recorded in March 2020. The slow growth in the annual inflation was largely attributed by Alcoholic beverages and tobacco (from 7.5 percent to 0.4 percent); Housing, water, electricity, gas and other fuels category (from 2.2 percent to -0.5 percent); and Transport (from 7.1 percent to -0.1 percent).

The Zonal inflation rates for the month of April 2020 revealed that, in **Zone 1** (Kavango East, Kavango West, Kunene, Ohangwena, Omusati, Oshana, Oshikoto, Otjozondjupa, and Zambezi) inflation stood at 2.1 percent on annual basis while on the monthly basis it was at -0.4 percent. In **Zone 2** (Khomas) the inflation stood at 0.8 percent on annual basis while inflation declined by - 0.4 percent month on month. In **Zone 3** (//Karas, Erongo, Hardap and Omaheke) inflation rate was 2.2 percent year on year and -0.2 percent month on month.



**Alex Shimuafeni**

**Statistician-General & CEO**

## Annual and monthly Inflation rates slowed

Annual inflation rate slowed to 1.6 percent in April 2020 from 4.5 percent recorded during the same period last year while the monthly inflation declined to -0.3 percent in April 2020 from 0.1 percent recorded in March 2020.

### The impact of COVID-19 on April 2020 NCPI

The outbreak of COVID-19 (Coronavirus) and measures implemented to limit its spread have impacted the routine compilation of Namibia Consumer Price Index (NCPI). In particular, the collection of prices became increasingly difficult during the national lockdown period as Price Agents could not visit business outlets as standard practice. The prices of goods and services which could not be collected or only collected to a very limited extent had to be updated using a twin-approach imputation technique based on international recommendations. Therefore, in our case, a class mean imputation method was applied to the groups in which some prices were collected, while the groups that had no price data, the All Items Index was used for the imputation (refer to Annex 3 for more information).

#### Box 1: Key highlights

- The annual inflation rate stood at **1.6 percent**
- The annual inflation rate for Goods estimated at **2.2 percent**
- The annual inflation rate for Services stood at **0.9 percent**
- The average annual inflation rate for April 2019 to April 2020 stood at **3.1 percent**.
- The twelve-month average annual inflation rate for May 2019 to April 2020 estimated at **2.9 percent**

#### Box 2: Contributions of the different groups to the annual percentage change in NCPI

Groups	Contributions (%)	
	March 2020	April 2020
Food and non-alcoholic beverages	0.5	0.8
Alcoholic, beverages, tobacco & narcotics	0.3	0.1
Clothing and footwear	0.0	0.0
Housing, water, electricity, gas & other fuels	-0.1	-0.1
Furnishings, household equipment	0.2	0.1
Health	0.0	0.1
Transport	0.6	0.0
Communication	0.0	0.0
Recreation and Culture	0.2	0.2
Education	0.3	0.3
Restaurants and hotels	0.0	0.0
Miscellaneous goods and services	0.3	0.3
All items	<b>2.4</b>	<b>1.6</b>



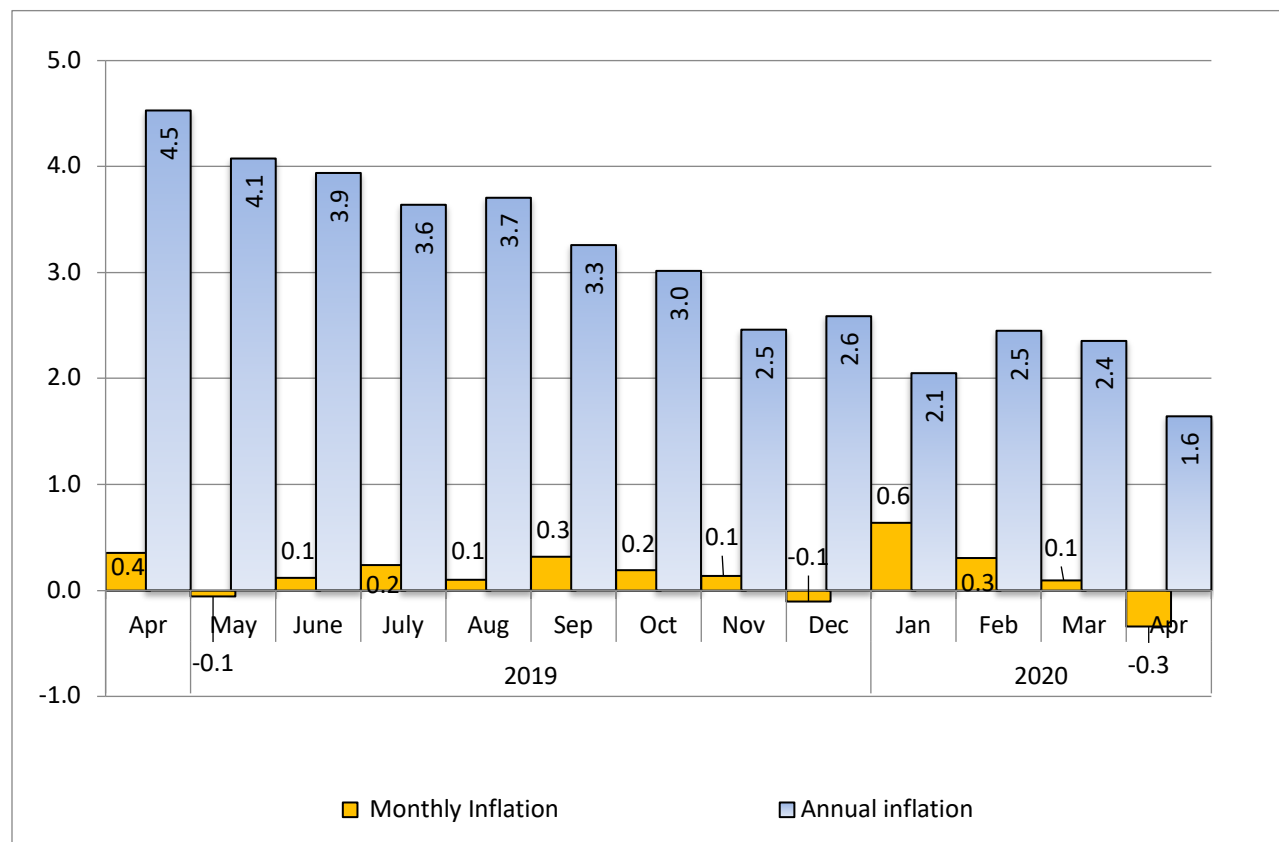
## Overall inflation rate

The fallout from the coronavirus has had a large disinflationary effect on prices in April due to the large demand shock, and plunge in oil prices. The annual inflation slowed down to 1.6 percent, down from 4.5 percent recorded in April 2019, making it the lowest inflation rate recorded in the last decade for Namibia. The slowdown in the annual inflation rate between April 2019 and April 2020 emanated mainly from Housing, water, electricity, gas and other fuels, which accounts for 28.4 percent of the overall basket of NCPI, that declined by -0.5 percent compared to an increase of 2.2 percent recorded in April 2019. Another category that contributed to the deceleration of the inflation was the Transport category that accounts for 14.3 percent of the overall NCPI basket which slowed down to -0.1 percent from 7.1 percent obtained in April 2019. The Food and non-alcoholic beverages fell to 4.2 percent from 5.3 percent recorded in April 2019 that accounts for 16.5 percent of the overall basket of NCPI.

For the period April 2019 and April 2020, the lowest annual inflation rate was registered in April 2020 at 1.6 percent while the highest rate of 4.5 percent was witnessed in April 2019.

The monthly inflation rate declined to -0.3 percent in April 2020 compared to 0.1 percent recorded in the preceding month.

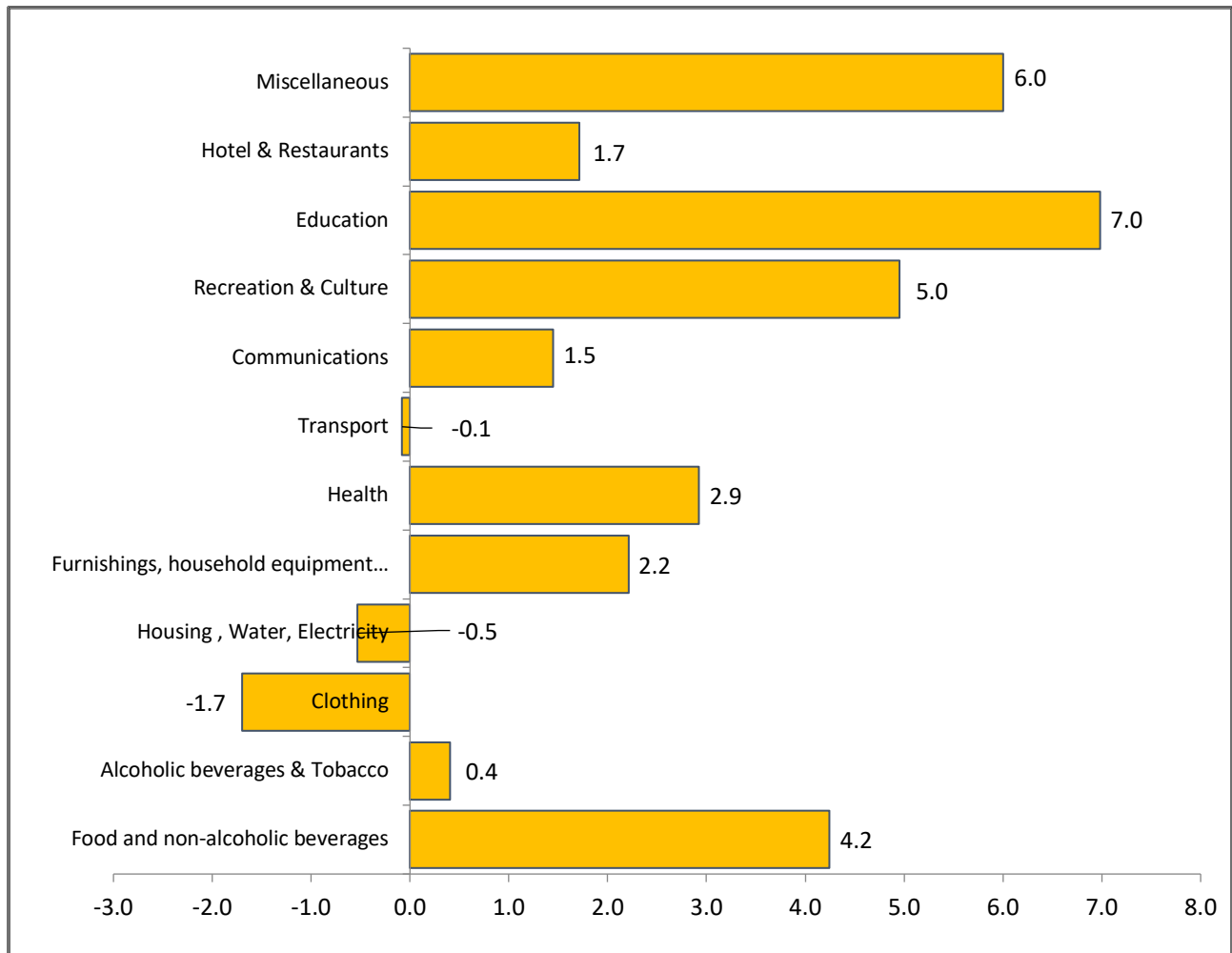
**Chart 1: Monthly and annual percentage changes; April 2020 (Dec 2012 = 100)**



## Annual inflation rate by main categories

The Education category recorded the highest rise in annual inflation with a rate of 7.0 percent between April 2019 and April 2020, followed by Miscellaneous goods and service at 6.0 percent, Recreation and culture at 5.0 percent and Food and non-alcoholic beverages stood at 4.2 percent. While, Clothing and footwear; and Housing, water, electricity, gas and other fuels; and Transport categories recorded deflation of -1.7 percent, -0.5 percent and -0.1 percent respectively.

**Chart 2: Annual percentage changes by all groups, April 2020 (Dec 2012 = 100)**



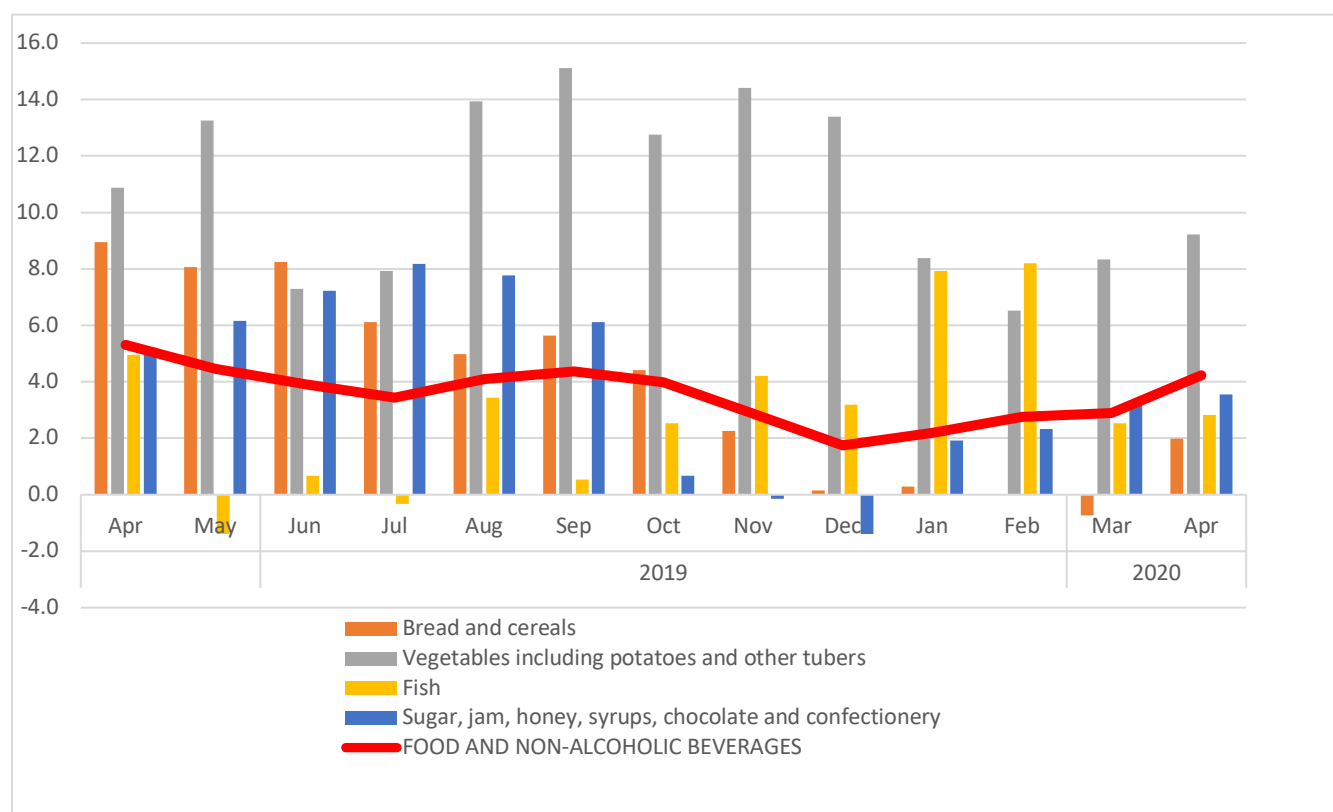
# Selected main categories' annual inflation rates

## Food and non-alcoholic beverages

The annual inflation rate for this category stood at 4.2 percent in April 2020 compared to 5.3 percent registered during the same period last year, a decrease of 1.1 percentage points. The decline in this group emanated mainly from price decreases of Bread and cereals (from 9.0 percent to 2.0 percent), Vegetables including potatoes and other tubers (from 10.9 percent to 9.2 percent), Fish (from 5.0 percent to 2.8 percent) and Sugar, jam, honey, syrups, chocolate and confectionery (from 5.2 percent to 3.6 percent).

The monthly inflation rate for this category increased to 1.1 percent from 0.1 percent recorded a month earlier.

**Chart 3: Annual inflation rates for selected food sub-categories; April 2020 (Dec 2012 = 100)**

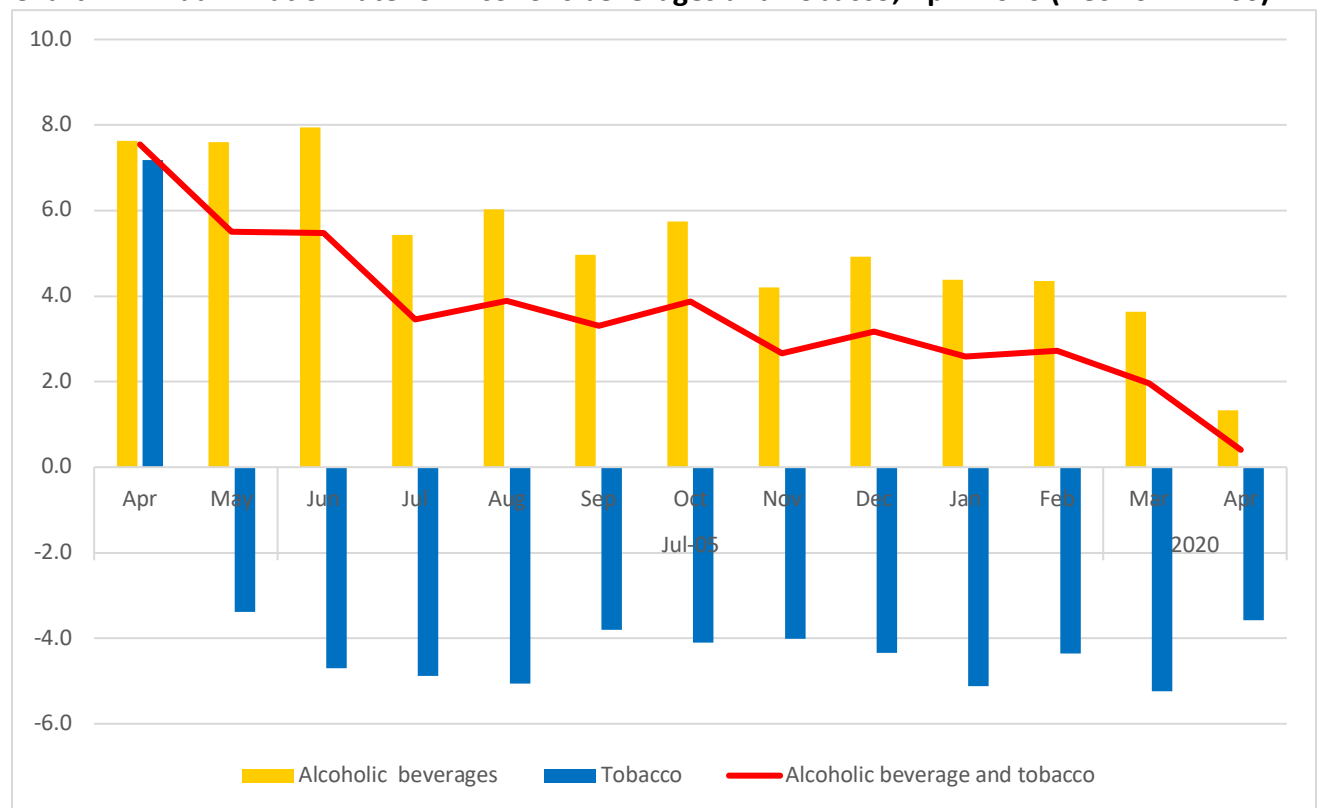


## Alcoholic beverages and tobacco

The annual inflation rate for the Alcoholic beverages and tobacco group stood at 0.4 percent in April 2020 compared to 7.5 percent registered in April 2019, resulting in a decrease of -7.1 percentage points. The downward movement of inflation rate in this category during this period was due to the price declines in both sub-categories comprising this group Alcoholic beverages from 7.6 percent to 1.3 percent and the tobacco from 7.2 percent to -3.6 percent. During the stage 1 state of emergency no retail outlets trading Alcoholic beverages were allowed to operate.

The monthly inflation rate for this group was stagnant compared to an increase of 0.1 percent registered a month earlier.

**Chart 4: Annual inflation rate for Alcoholic beverages and Tobacco; April 2020 (Dec 2012 = 100)**



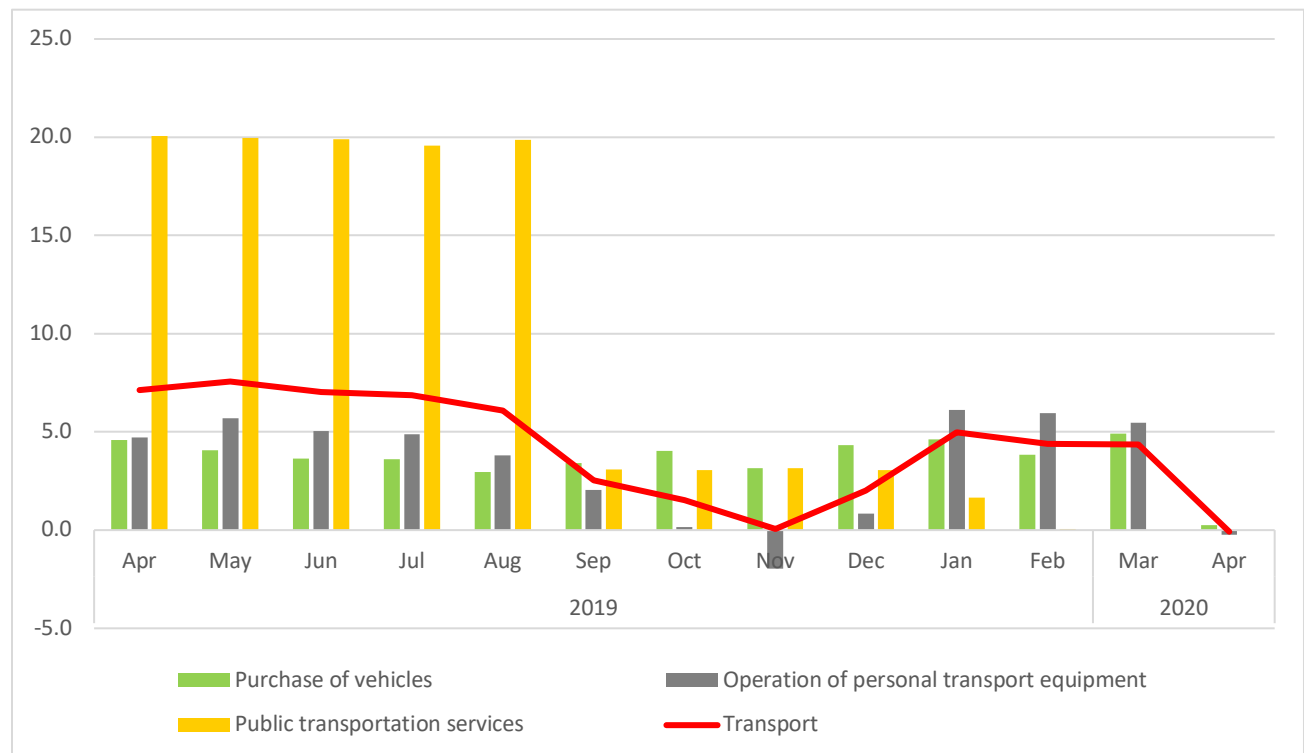


## Transport

In April 2020, the annual inflation rate for the Transport category stood at -0.1 percent, resulting in a decrease of 7.2 percentage points from 7.1 percent recorded in April 2019. The decrease was mainly reflected in the price levels of Public transportation services (from 20.1 percent to 0.0 percent), Operation of personal transport equipment (from 4.7 percent to -0.2 percent) and Purchase of vehicles (from 4.6 percent to 0.3 percent).

On a monthly basis, Transport recorded a decline of -3.6 percent compared to -0.3 percent recorded in March 2020.

**Chart 5: Annual inflation rate for Transport; April 2020 (Dec 2012 = 100)**

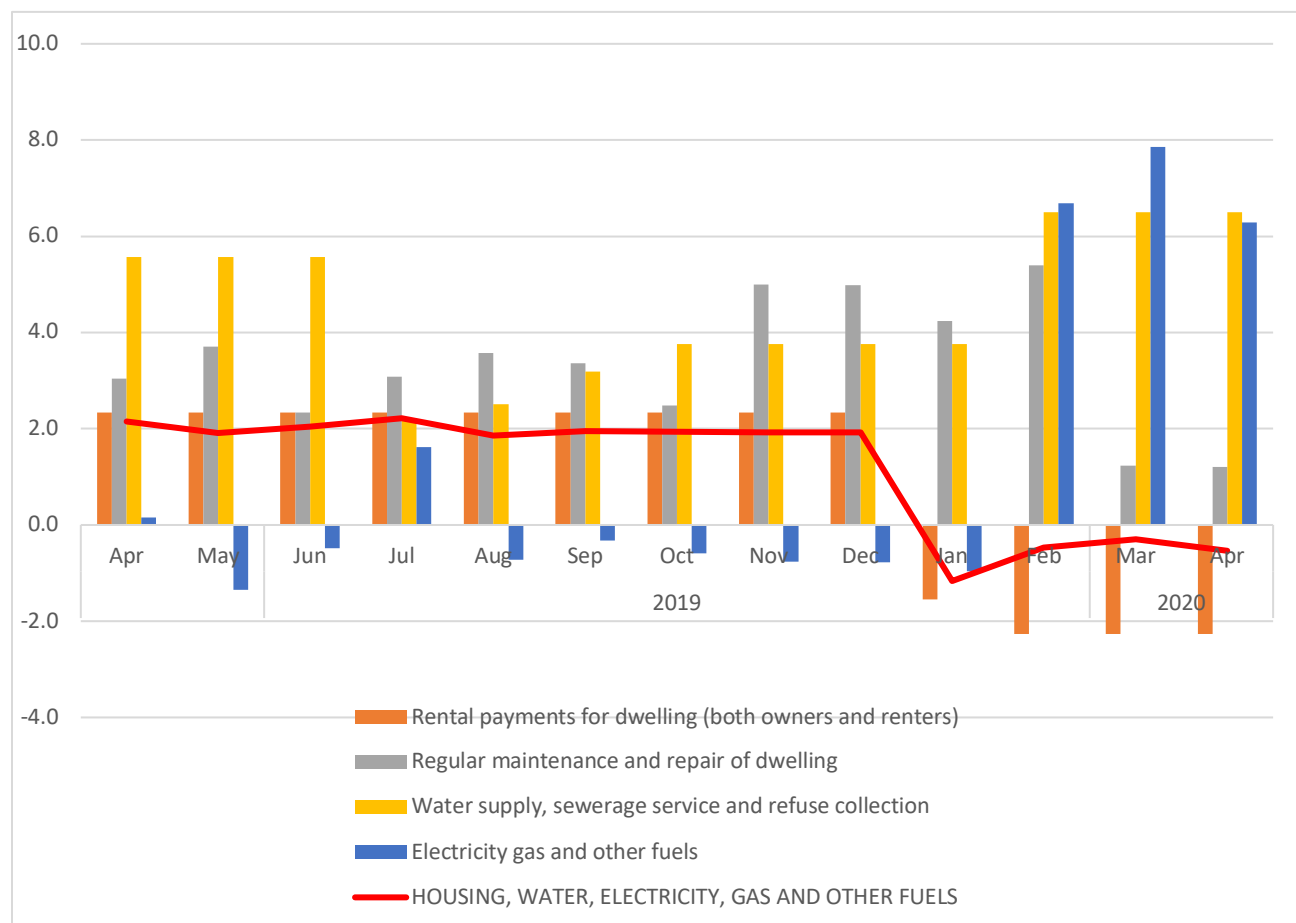


## Housing, water, electricity, gas and other fuels

The Housing, water, electricity, gas and other fuels category registered a decline of -0.5 percent in April 2020 compared to 2.2 percent recorded during the same period of 2019. The deflation was mainly reflected in the Rental payments which declined by 4.6 percent.

On a monthly basis, the inflation rate for this category decreased to - 0.2 percent compared to an increase of 0.4 percent recorded last month.

**Chart 6: Annual inflation rate for Housing, water, electricity, gas and other fuels; April 2020  
(Dec 2012 = 100)**

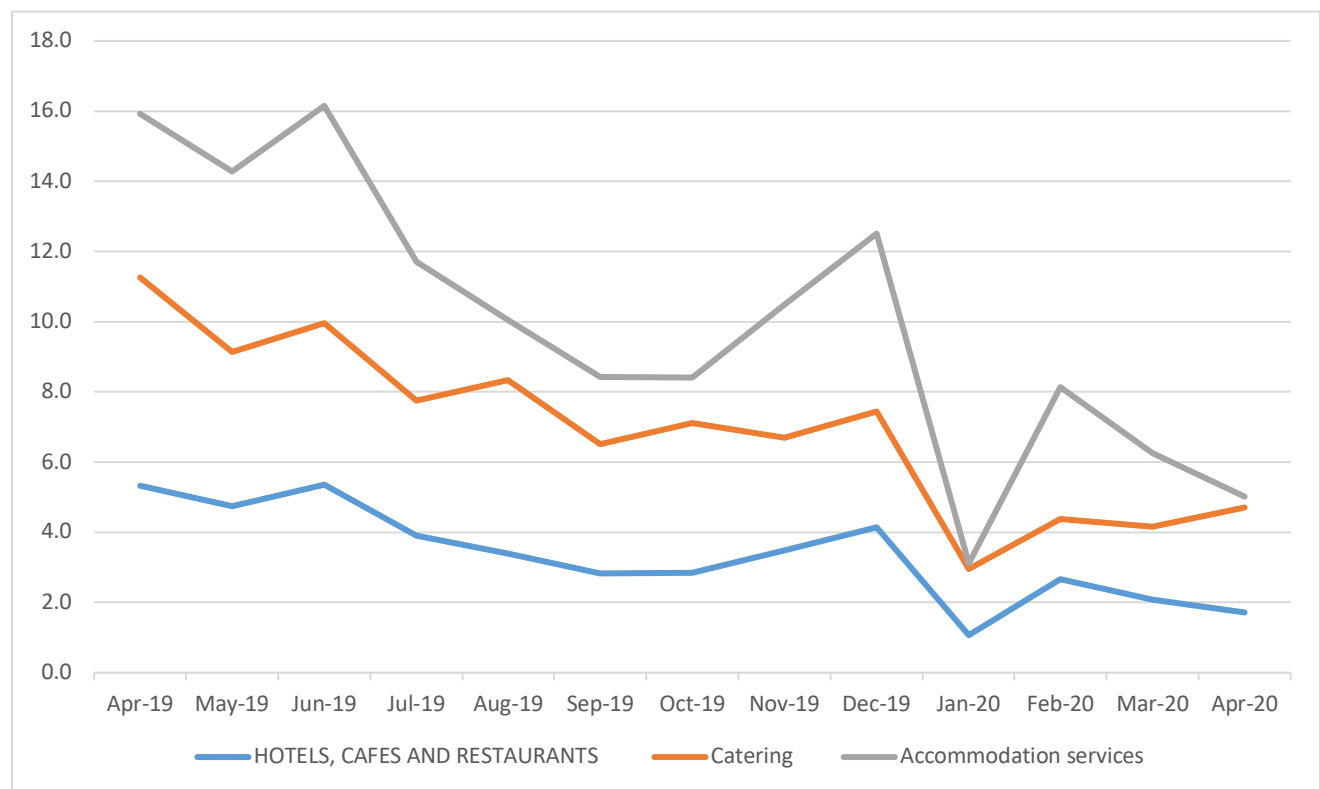


## Hotels, cafes and restaurants

In April 2020, the annual inflation rate for this category slowed to 1.7 percent compared to 5.3 percent obtained during the same period a year earlier. The decrease in the price levels of this component emanated mainly from Accommodation services (from 4.7 percent to 0.3 percent) and Catering (from 5.9 percent to 3.0 percent). The decline in this group emanated from limited services provided by the outlets due to the state of emergency.

The monthly inflation rate for this group increased to 0.2 percent in April 2020 compared to a decline of -0.4 percent recorded a month earlier.

**Chart 7: Annual inflation rate for Hotels, cafes and restaurants; April 2020 (Dec 2012 = 100)**



## Clothing and footwear

During the month of April 2020, the annual inflation rate for Clothing and footwear category stood at -1.7 percent compared to 0.6 percent recorded in April last year. The decrease was mainly attributed from price decreases in Girls' clothing (from 4.4 percent to -2.8 percent), Boys' clothing (from 1.9 percent to -4.7 percent) and Children's clothing (from 2.1 percent to -3.0 percent).

The group monthly inflation rate stood at -0.5 percent, compared to 0.1 percent registered during the preceding month.

**Chart 8: Annual inflation rates for Clothing and footwear, April 2020 (Dec 2012 = 100)**

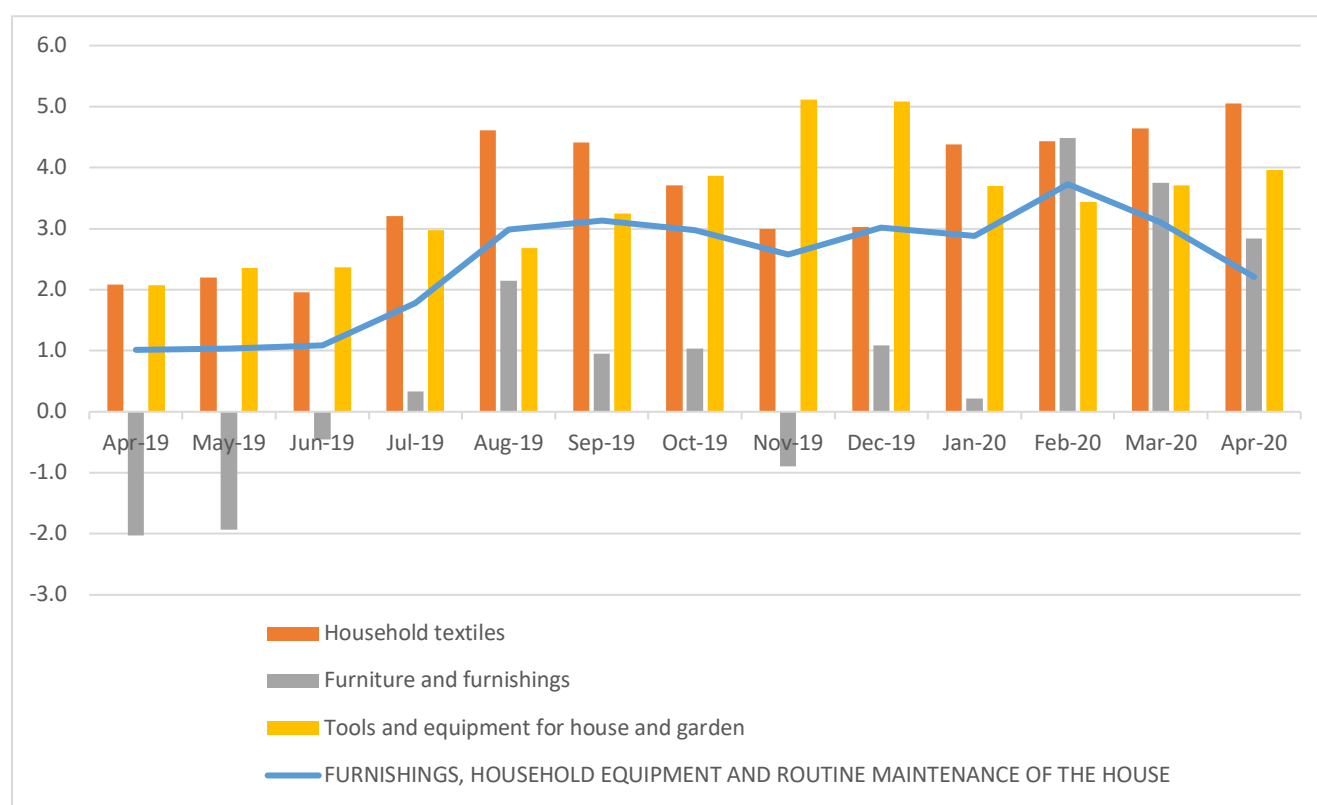


## Furnishings, household equipment & routine maintenance

The annual inflation rate for this category stood at 2.2 percent in April 2020, up from 1.0 percent recorded during the same period last year. The upward movement emanated mainly from increases recorded in the price levels of Household textiles (from 2.1 percent to 5.1 percent), Tools and equipment for house and garden (from 2.1 percent to 4.0 percent), Furniture and furnishings (from -2.0 percent to 2.8 percent), Carpets and other floor coverings (from -4.3 percent to 0.5 percent), Furniture, furnishings, decorations, carpets, floor coverings, incl. repairs (from -1.9 percent to 2.7 percent).

On a monthly basis this category recorded a deflation of -0.4 percent in April 2020 compared to -0.7 percent registered a month earlier.

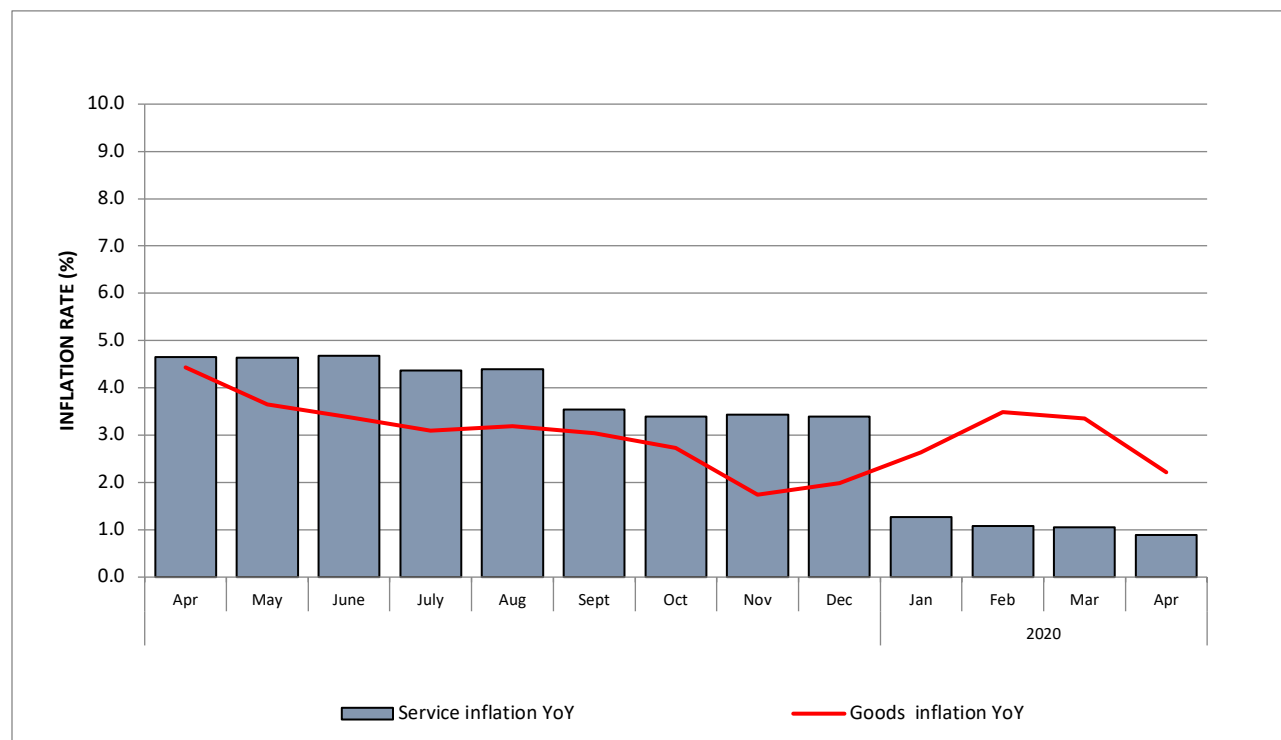
**Chart 9: Annual inflation rate for Furnishings, household equipment and routine maintenance of the house, April 2020 (Dec 2012 = 100)**



## Goods and Services inflation rates

For the month of April 2020, the Index for Goods and Services stood at 141.0 and 137.5 compared to the corresponding indices of 138.0 and 136.3 recorded during the same period last year. The monthly and annual inflation rates for Goods were -0.6 percent and 2.2 percent, compared to 0.5 percent and 4.4 percent recorded during the same period last year. Similarly, the monthly and annual inflation rate for Services was 0.0 percent and 0.9 percent compared to 0.2 percent and 4.7 percent respectively.

**Chart 10: Goods and Services annual inflation rates; April 2020 (Dec 2012 = 100)**





## BOX 3: 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 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

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

<b>Period</b>	<b>Index</b>	<b>m-o-m</b>	<b>y-o-y</b>
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
Feb-19	136.5	-0.1	4.4
Mar-19	136.8	0.2	4.5
Apr-19	137.2	0.4	4.5
May-19	137.2	-0.1	4.1
Jun-19	137.3	0.1	3.9
Jul-19	137.7	0.2	3.6
Aug-19	137.8	0.1	3.7
Sep-19	138.2	0.3	3.3
Oct-19	138.5	0.2	3.0
Nov-19	138.7	0.2	2.5
Dec-19	138.5	-0.1	2.6
<b>An. Av</b>	<b>137.6</b>	<b>0.2</b>	<b>3.7</b>
Jan-20	139.4	0.6	2.1
Feb-20	139.8	0.3	2.5
Mar-20	140.0	0.1	2.4
Apr-20	139.5	-0.3	1.6

**Table 2: NCPI for April 2020 by main groups and sub-groups (Dec.2012=100)**

		Weight s	CPI			Inflation Rate	
			Apr-19	Mar-20	Apr-20	m-o-m	y-o-y
<b>ALL ITEMS</b>		<b>100.00</b>	<b>137.2</b>	<b>140.0</b>	<b>139.5</b>	<b>-0.3</b>	<b>1.6</b>
<b>GOODS</b>		<b>57.7</b>	<b>138.0</b>	<b>141.9</b>	<b>141.0</b>	<b>-0.6</b>	<b>2.2</b>
<b>SERVICES</b>		<b>42.3</b>	<b>136.3</b>	<b>137.5</b>	<b>137.5</b>	<b>0.0</b>	<b>0.9</b>
<b>FOOD AND NON-ALCOHOLIC BEVERAGES</b>		<b>16.45</b>	<b>148.4</b>	<b>153.0</b>	<b>154.6</b>	<b>1.1</b>	<b>4.2</b>
Food		14.78	149.7	154.6	156.0	0.9	4.2
	Bread and cereals	4.84	139.1	139.5	141.9	1.7	2.0
	Meat	3.53	151.8	158.6	158.2	-0.2	4.2
	Fish	0.81	159.7	161.9	164.2	1.4	2.8
	Milk, cheese and eggs	1.17	148.3	154.6	154.9	0.2	4.5
	Oils and fats	0.78	133.7	139.0	142.0	2.1	6.2
	Fruit	0.33	183.0	208.6	205.2	-1.6	12.1
	Vegetables including potatoes and other tubers	1.23	173.9	184.4	189.9	3.0	9.2
	Sugar, jam, honey, syrups, chocolate and confectionery	1.44	159.4	165.1	165.1	0.0	3.6
	Food products n.e.c.	0.65	143.0	148.0	149.1	0.8	4.3
	Non-alcoholic beverages	1.66	135.9	138.7	142.2	2.5	4.6
	Coffee, tea and cocoa	0.31	167.2	175.8	180.7	2.8	8.0
	Mineral waters, soft drinks and juices	1.35	128.7	130.1	133.3	2.4	3.5
<b>ALCOHOLIC BEVERAGES AND TOBACCO</b>		<b>12.59</b>	<b>151.0</b>	<b>151.7</b>	<b>151.7</b>	<b>0.0</b>	<b>0.4</b>
	Alcoholic beverages	9.99	154.8	157.7	156.9	-0.5	1.3
	Tobacco	2.61	136.6	128.5	131.7	2.5	-3.6

<b>CLOTHING AND FOOTWEAR</b>	<b>3.05</b>	<b>102.7</b>	<b>101.5</b>	<b>101.0</b>	<b>-0.5</b>	<b>-1.7</b>
Clothing	2.04	105.2	104.2	103.6	-0.6	-1.5
Clothing materials	0.07	146.1	145.3	144.8	-0.3	-0.9
Ready-made clothing	1.93	103.6	102.5	101.9	-0.6	-1.6
Men's clothing	0.58	111.1	107.4	107.1	-0.2	-3.6
Women's clothing	0.70	88.9	90.7	90.4	-0.3	1.7
Children's clothing	0.66	111.3	109.3	108.0	-1.2	-3.0
Boys' clothing	0.24	110.4	108.3	105.2	-2.9	-4.7
Girls' clothing	0.33	112.9	110.0	109.8	-0.2	-2.8
Infants' clothing	0.09	110.0	112.0	111.6	-0.4	1.5
Other articles of clothing and clothing accessories	0.05	115.2	115.8	115.5	-0.3	0.3
Dry cleaning, repair and hire of clothing	0.00	130.2	129.9	129.9	0.0	-0.2
Footwear	1.01	97.7	96.0	95.6	-0.4	-2.1
Adult footwear	0.80	92.8	88.5	88.1	-0.4	-5.0
Children's footwear	0.20	114.2	123.0	122.5	-0.4	7.3
Repair of footwear	0.01	145.3	148.5	148.5	0.0	2.2
<b>HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS</b>	<b>28.36</b>	<b>133.9</b>	<b>133.5</b>	<b>133.2</b>	<b>-0.2</b>	<b>-0.5</b>
Rental payments for dwelling (both owners and renters)	23.28	129.7	126.8	126.8	0.0	-2.3
Regular maintenance and repair of dwelling	0.19	139.2	141.0	140.9	-0.1	1.2
Water supply, sewerage service and refuse collection	1.03	174.3	185.7	185.7	0.0	6.5
Electricity gas and other fuels	3.86	148.5	159.8	157.8	-1.2	6.3

<b>FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE</b>	<b>5.47</b>	<b>125.8</b>	<b>129.1</b>	<b>128.6</b>	<b>-0.4</b>	<b>2.2</b>
Furniture, furnishings, decorations, carpets, floor coverings, incl. repairs	1.78	97.9	100.7	100.6	-0.1	2.7
Furniture and furnishings	1.69	96.4	99.3	99.2	-0.1	2.8
Carpets and other floor coverings	0.07	108.7	109.3	109.2	-0.1	0.5
Repair of furnishings and floor coverings	0.02	200.3	200.2	200.2	0.0	-0.1
Household textiles	0.73	132.7	138.5	139.4	0.7	5.1
Heating and cooking appliances, refrigerators, washing machines and similar major household appliances, etc	0.92	126.2	126.3	125.0	-1.0	-1.0
Glassware, tableware and household utensils	0.22	152.4	151.3	151.0	-0.2	-1.0
Tools and equipment for house and garden	0.43	128.6	133.4	133.7	0.3	4.0
Goods and services for routine household maintenance	1.36	153.0	158.2	156.6	-1.0	2.4
<b>HEALTH</b>	<b>2.01</b>	<b>134.9</b>	<b>138.6</b>	<b>138.8</b>	<b>0.2</b>	<b>2.9</b>
Medical products,	0.84	129.1	134.7	135.3	0.4	4.8

	appliances and equipment						
	Outpatient Services, medical, dental and paramedical Hospital services	0.98	146.5	149.3	149.3	0.0	1.9
		0.19	100.0	100.0	100.0	0.0	0.0
<b>TRANSPORT</b>		<b>14.28</b>	<b>133.0</b>	<b>137.8</b>	<b>132.9</b>	<b>-3.6</b>	<b>-0.1</b>
	Purchase of vehicles	2.88	156.9	162.1	157.3	-3.0	0.3
	Operation of personal transport equipment	8.96	123.7	129.7	123.4	-4.9	-0.2
	Public transportation services	2.44	138.9	138.8	138.8	0.0	0.0
<b>COMMUNICATIONS</b>		<b>3.81</b>	<b>108.1</b>	<b>109.3</b>	<b>109.7</b>	<b>0.4</b>	<b>1.5</b>
<b>RECREATION AND CULTURE</b>		<b>3.55</b>	<b>133.7</b>	<b>139.5</b>	<b>140.3</b>	<b>0.6</b>	<b>5.0</b>
	Audio-visual, photographic and data processing equip. incl. repairs	1.16	120.3	124.9	125.6	0.6	4.4
	Other major durables for recreation and culture	0.08	131.6	133.1	134.1	0.7	1.9
	Other recreational items and equipment; flowers, gardens and pets	0.46	127.0	135.0	135.9	0.6	7.0
	Recreation and cultural services	0.85	139.8	142.0	142.9	0.7	2.2



	Newspapers, books and stationery	0.89	142.2	150.0	150.9	0.6	6.1
	Package holidays	0.11	188.0	209.8	211.8	0.9	12.6
<b>EDUCATION</b>		<b>3.65</b>	<b>167.3</b>	<b>179.0</b>	<b>179.0</b>	<b>0.0</b>	<b>7.0</b>
	Pre-primary education (ages 2 to 6 years)	0.23	190.5	201.2	201.2	0.0	5.6
	Primary (private) and Secondary education (ages 7 to 17 years)	1.44	177.8	194.3	194.3	0.0	9.3
	Tertiary education	1.98	157.0	165.3	165.3	0.0	5.3
<b>HOTELS, CAFES AND RESTAURANTS</b>		<b>1.39</b>	<b>147.5</b>	<b>149.8</b>	<b>150.0</b>	<b>0.2</b>	<b>1.7</b>
	Catering	0.74	143.8	147.5	148.1	0.4	3.0
	Accommodation services	0.65	151.8	152.4	152.2	-0.1	0.3
<b>MISCELLANEOUS GOODS AND SERVICES</b>		<b>5.39</b>	<b>131.8</b>	<b>139.3</b>	<b>139.7</b>	<b>0.3</b>	<b>6.0</b>
	Personal care	1.41	136.7	139.1	140.4	1.0	2.7
	Personal effects n.e.c.	1.03	125.0	127.4	127.6	0.1	2.1
	Insurance	0.74	101.7	106.9	106.9	0.0	5.1
	Financial services n.e.c.	0.94	168.1	186.1	186.1	0.0	10.7
	Other services n.e.c.	1.26	122.7	133.8	133.8	0.0	9.0

# Zonal CPIs

## Zone 1 CPI (Northern Part of Namibia)

For the month of April 2020, the Zone 1 All Items Index was estimated at 139.0, up from 136.1 registered in April 2019. The annual inflation rate fell to 2.1 percent in April 2020 from 3.8 percent recorded in April last year, a decrease of 1.7 percentage points. The decrease in the annual inflation rate resulted mainly from declines in the price levels of Transport (from 7.3 percent to -0.3 percent); Alcoholic beverages and tobacco (from 7.1 percent to 1.0 percent); Clothing and footwear (from -0.8 percent to -3.3 percent) Communications (from 1.9 percent to -1.7 percent); and Health (from 3.8 percent to 2.6 percent).

On a monthly basis, the inflation rate for April 2020 stood at -0.4 percent compared to 0.0 percent recorded last month.

Table 1: Zone 1 CPI: All-Items Index, monthly and annual percentage changes (Dec 2012 =100)				
Period		Monthly Index	Monthly inflation rate	Annual inflation rate
<b>2018</b>	Feb	130.4	-0.1	3.2
	Mar	130.7	0.2	3.4
	Apr	131.1	0.4	3.7
	May	131.9	0.6	4.3
	Jun	131.9	0.0	4.0
	Jul	132.8	0.7	4.6
	Aug	132.7	-0.1	4.8
	Sep	133.7	0.8	5.3
	Oct	134.1	0.3	5.2
	Nov	135.6	1.1	5.9
	Dec	134.7	-0.7	4.8
	<b>An. Av</b>	<b>132.5</b>	<b>0.4</b>	<b>4.4</b>
<b>2019</b>	Jan	136.1	1.0	4.2
	Feb	135.8	-0.2	4.1
	Mar	136.0	0.2	4.1
	Apr	136.1	0.1	3.8
	May	136.3	0.1	3.3
	Jun	136.5	0.2	3.5
	Jul	137.1	0.5	3.3
	Aug	137.3	0.1	3.5
	Sep	137.7	0.3	3.0
	Oct	137.8	0.1	2.8
	Nov	138.5	0.5	2.2
	Dec	138.1	-0.3	2.5
	<b>An. Av</b>	<b>136.9</b>	<b>0.2</b>	<b>3.4</b>
<b>2020</b>	Jan	139.7	1.2	2.7
	Feb	139.6	-0.1	2.8
	Mar	139.5	0.0	2.6
	Apr	139.0	-0.4	2.1

## Zone 2 CPI (Windhoek Area)

The Zone 2 All Items Index for April 2020 increased to 135.8 from 134.7 recorded in April 2019 recording an annual inflation rate of 0.8 percent compared to 5.0 percent registered in April a year earlier. The decrease was mainly witnessed in Education (from 15.2 percent to 6.4 percent), Hotels, cafes and restaurants (from 9.6 percent to 1.4 percent), Alcoholic beverages and tobacco (from 7.9 percent to -3.2 percent), Transport (from 6.5 percent to 0.5 percent), Food and non-alcoholic beverages (from 5.7 percent to 1.5 percent), Housing, water electricity, gas and other fuels (from 3.3 percent to -1.1 percent).

On a monthly basis, the inflation rate stood at -0.4 percent compared to 0.2 percent recorded during the previous month.

<b>Table 2: Zone 2 CPI: All-Items Index, monthly and annual percentage changes (Dec 2012 =100)</b>				
Period		Monthly Index	Monthly inflation rate	Annual inflation rate
2018	Mar	127.8	0.2	3.1
	Apr	128.3	0.4	3.0
	May	128.6	0.2	2.9
	Jun	129.1	0.4	3.2
	Jul	129.9	0.6	3.9
	Aug	129.9	0.0	4.4
	Sep	130.9	0.8	4.4
	Oct	131.5	0.4	5.0
	Nov	132.1	0.5	5.1
	Dec	131.9	-0.2	5.0
	<b>An. Av</b>	<b>129.6</b>	<b>0.4</b>	<b>3.9</b>
2019	Jan	133.7	1.4	4.9
	Feb	133.3	0.0	4.4
	Mar	133.7	0.3	4.6
	Apr	134.7	0.8	5.0
	May	133.9	-0.6	4.1
	Jun	133.9	0.0	3.7
	Jul	133.8	-0.1	3.0
	Aug	133.8	0.0	3.1
	Sep	134.5	0.5	2.7
	Oct	134.7	0.2	2.5
	Nov	134.7	-0.1	1.9
	Dec	134.8	0.1	2.2
2020	<b>An. Av</b>	<b>134.1</b>	<b>0.2</b>	<b>3.5</b>
	Jan	135.1	0.2	1.0
	Feb	136.1	0.8	2.1
	Mar	136.3	0.2	2.0
	Apr	135.8	-0.4	0.8

## Zone 3 CPI (Eastern, Southern & Western Parts of Namibia)

The Zone 3 All Items Index for April 2020 stood at 146.5 compared to 143.3 recorded during same period last year. The annual inflation rate fell to 2.2 percent in April 2020 from 4.8 percent in April 2019, a decrease of 2.6 percentage points. The decline was mainly from decreases recorded in Transport (from 7.7 percent to -0.5 percent), Clothing and footwear (from 5.1 percent to -0.4 percent), Education (from 9.4 percent to 5.2 percent), Recreation and culture (from 4.3 percent to 0.4 percent), Housing, water electricity, gas and other fuels (from 2.8 percent to -0.3 percent). Alcoholic beverages and tobacco (from 6.9 percent to 4.4 percent) and Food and non-alcoholic beverages (from 6.2 percent to 5.4 percent).

On a monthly basis, the inflation rate for April 2020 stood at -0.2 percent compared to 0.2 percent recorded last month.

<b>Table 3: Zone 3 CPI: All-Items Index, monthly and annual percentage changes (Dec 2012)</b>				
<b>Period</b>		<b>Monthly Index</b>	<b>Monthly inflation rate</b>	<b>Annual inflation rate</b>
<b>2018</b>	Mar	136.5	0.1	4.9
	Apr	136.7	0.1	4.8
	May	137.1	0.3	5.1
	Jun	137.6	0.4	5.6
	Jul	137.9	0.2	5.6
	Aug	138.3	0.3	5.1
	Sep	139.1	0.6	5.2
	Oct	139.8	0.5	5.9
	Nov	140.5	0.5	6.0
	Dec	140.8	0.2	6.1
	<b>Av</b>	<b>138.0</b>	<b>0.5</b>	<b>5.3</b>
<b>2019</b>	Jan	142.3	1.0	4.9
	Feb	142.9	0.4	4.9
	Mar	143.1	0.1	4.9
	Apr	143.3	0.1	4.8
	May	144.0	0.5	5.1
	June	144.4	0.2	4.9
	July	144.9	0.3	5.1
	Aug	145.2	0.2	4.9
	Sep	145.2	0.03	4.4
	Oct	145.5	0.20	4.1
	Nov	145.5	-0.01	3.6
	Dec	145.4	-0.1	3.2
<b>2020</b>	<b>Av</b>	<b>144.3</b>	<b>0.3</b>	<b>4.6</b>
	Jan	146.1	0.5	2.7
	Feb	146.5	0.3	2.5
	Mar	146.7	0.2	2.5
	Apr	146.5	-0.2	2.2

# Annex 1: Background of the Zonal Consumer Price Index

Since January 2005, the then Central Bureau of Statistics (CBS) under the National Planning Commission (NPC) published a monthly Consumer Price Index known as the Namibia Consumer Price Index (NCPI) for replacing the Interim Consumer Price Index (ICPI), which has been in existence since 1993. The Index was known as the Interim Consumer Prices Index-Windhoek and refers to the expenditure patterns of the households, which resided in Windhoek. The weights and items were derived from a Household Expenditure Survey covering 800 households conducted during October and November 1985.

The NCPI is designed to cover the entire economic territory of the country and includes national, urban and rural households of all income groups as derived from the Namibia Household Income and Expenditure Survey (NHIES). For the compilation of the National CPI, all administrative regions of the country were grouped into three Zones, with each zone considered as one geographic area as follows.

**Zone 1** covers the expenditure patterns of the regions in the northern part of the country namely Kavango East, Kavango West, Kunene, Ohangwena, Omusati, Oshana, Oshikoto, Otjozondjupa and Zambezi. Prices are collected from the following towns: Katima Mulilo (76 retail outlets covering mainly the Central Business District); Oshakati (107 retail outlets covering mainly Game Shopping Center, Yetu Shopping Center, Oshana Mall, Marula Mall and Ongwediva); and Otjiwarongo (114 retail outlets covering mainly the Central Business District, Orwetoveni, and the Industrial Area).

**Zone 2** covers the expenditure patterns of Khomas region and the price collection covers Windhoek (218 retail outlets covering mainly Khomasdal, Katutura, Northern Industrial Area, Southern Industrial Area, Pioneers Park, Hochland Park, Prosperita, Klein Windhoek, Eros and Kleine Kuppe).

**Zone 3** covers the expenditure patterns of //Karas, Erongo, Hardap, and Omaheke regions with prices being collected from Keetmanshoop (86 retail outlets covering mainly Central Business District, West Dene and Tseiblagte); Swakopmund (108 retail outlets covering Central Business District, Mondesa, Tamariskia, Industrial Area); Mariental (61 retail outlets covering mainly Central Business District and Ombili); as well as Gobabis (59 retail outlets mainly covering the Central Business District), respectively.

The localities identified for price collection were selected based on a mixed criterion of:

- (i) the relative importance of the locality as determined by its relative share exceeding 30 percent of the total household expenditure at national level;
- (ii) geographic distribution of economic activities; and
- (iii) regional capitals.



## Annex 2: Zonal NCPI weights

	NCPI MAIN GROUPS	Weights		
		ZONE 1	ZONE 2	ZONE 3
1	Food and non-alcoholic beverages	20.4	12.3	16.5
2	Alcoholic beverages and tobacco	13.1	11.0	14.3
3	Clothing and footwear	3.9	2.4	2.6
4	Housing, water, electricity, gas and other fuels	25.8	32.7	25.5
5	Furnishings, household equipment and routine maintenance of the house	5.8	5.2	5.3
6	Health	1.6	2.3	2.2
7	Transport	14.7	13.0	15.6
8	Communications	3.5	3.8	4.4
9	Recreation and culture	2.2	4.8	3.7
10	Education	3.2	4.5	3.1
11	Hotels, cafes and restaurants	0.9	2.0	1.1
12	Miscellaneous goods and services	4.8	5.8	5.6
	<b>All items</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Additional detailed information on Zonal CPIs see excel tables as Annex.**

***Note:** The Zonal CPIs time series are available since the NCPI inception in 2002.*

### Annex I: Zone 1

- (i) **Table 1: CPI Zone 1: All-Items Index, monthly and annual percentage changes**
- (ii) **Table 2: CPI Zone 1 Indices**
- (iii) **Table 3: CPI Zone 1 Monthly Percentage Changes**
- (iv) **Table 4: CPI Zone 1 Annual Percentage Changes**

### Annex II: Zone 2

- (v) **Table 1: CPI Zone 2: All-Items Index, monthly and annual percentage changes**
- (vi) **Table 2: CPI Zone 2 Indices**
- (vii) **Table 3: CPI Zone 2 Monthly Percentage Changes**
- (viii) **Table 4: CPI Zone 2 Annual Percentage Changes**

### Annex III: Zone 3

- (ix) **Table 1: CPI Zone 3: All-Items Index, monthly and annual percentage changes**
- (x) **Table 2: CPI Zone 3 Indices**
- (xi) **Table 3: CPI Zone 3 Monthly Percentage Changes**
- (xii) **Table 4: CPI Zone 3 Annual Percentage Changes**

## Annex 3: COVID 19 impact on NCPI compilation

The outbreak of COVID-19 (Coronavirus) and measures implemented to limit its spread have impacted the routine compilation of Namibia Consumer Price Index (NCPI).

**What is the mode of data collection for NCPI?** The NSA collects price data for the compilation of the Namibia Consumer Price Index (NCPI) during the first two weeks of each month, and the mode of data collection is through personal visits to the different outlets. Due to the COVID-19 outbreak, the NSA suspended all field work related activities including physical data collection for April 2020 and therefore, embarked on the price collection via emails, telephones and internet.

**What happens if NSA cannot collect NCPI data?** The percentage of prices in the NCPI sample which was unavailable, either because the outlet is closed or the item is out of stock, increased during the national lockdown. When NSA cannot obtain a price either because of data-collection limitations or the item being unavailable, it is generally considered as “temporarily missing.” The CPI program has specific procedures for handling temporarily missing prices as described in the *Consumer Price Index Manual: Concepts and Methods*. The imputation techniques described in the Manual do not introduce bias into the index. Imputations are self-correcting, which means that once a price can be collected, the index returns to the correct level. This is important so that the CPI continues to provide a reliable estimate of price change. The CPI is a critical input to economic policy making, particularly during periods of economic uncertainty.

During the month of April, NSA applied the class mean imputation method to the groups in which some prices were collected, while the groups that had no price data, the All Items Index was used for the imputation. For example, if all prices for oranges were missing, the index for citrus fruits was used as the basis for making the imputation. If all citrus fruits were missing, the index for fruits was used as the basis for making the imputation. If all fruits were missing, the index for fruits and vegetables was used.

### NCPI price collection for April 2020

COICOP CODE	NCPI BASKET	Total # of price quotations to be collected	Total # of collected price quotations	Missing # of prices quotations	% of collected price quotations
01	FOOD AND NON-ALCOHOLIC BEVERAGES	4,092	393	3,699	9.6%
02	ALCOHOLIC BEVERAGES AND TOBACCO	506	5	553	1.0%
03	CLOTHING AND FOOTWEAR	1,038	10	1,028	1.0%
04	HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	238	85	153	35.7%
05	FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	1,378	101	1,277	7.3%
06	HEALTH	242	87	155	36.0%
07	TRANSPORT	357	190	167	53.2%
08	COMMUNICATIONS	210	149	61	71.0%
09	RECREATION AND CULTURE	550	42	508	7.6%
10	EDUCATION	70	67	3	95.7%
11	HOTELS, CAFES AND RESTAURANTS	206	89	117	43.2%
12	MISCELLANEOUS GOODS AND SERVICES	622	176	446	28.3%
	ALL ITEMS	9,561	1,394	8,167	

# Namibia Consumer Price Index

**APRIL 2020**



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