

Namibia Consumer Price Index

March, 2016



Namibia Statistics
Agency

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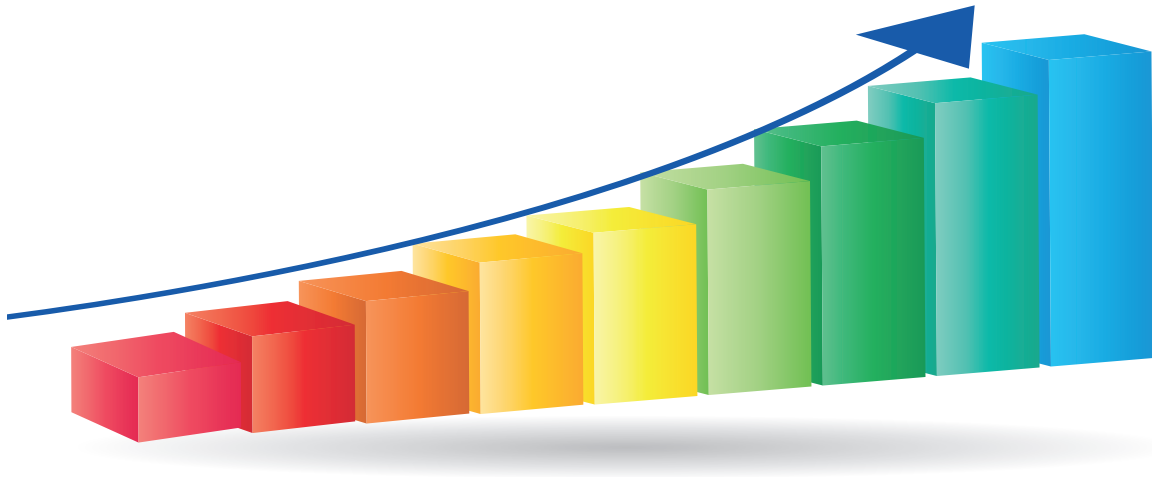
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Headline inflation

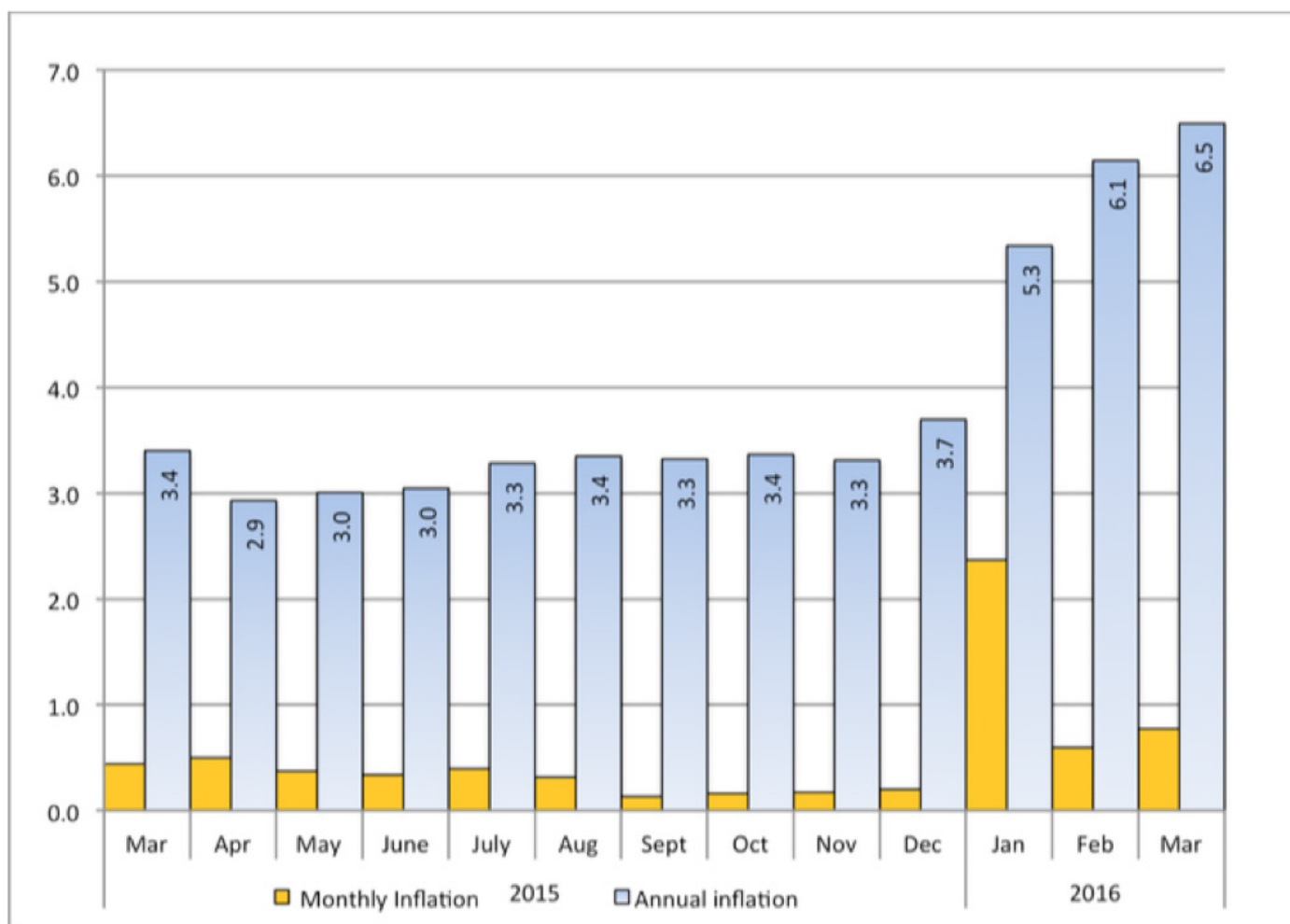
Annual inflation rate for March 2016 was estimated at 6.5 percent, an increase from 3.4 percent recorded in March 2015. On a monthly basis the inflation rate stood at 0.8 percent compared to 0.6 percent registered in February 2016.

Summary

The month of March 2016 witnessed the highest annual and monthly inflation rates of 6.5 and 0.8 percent since January 2013 and February 2015 when the rates stood at 6.2 and -0.2 percent respectively. The annual increases were observed in most of the groups comprising the Namibia CPI with the exception of Miscellaneous goods and services, as well as Furnishing, household equipment and routine maintenance of the house which slowed to 3.4 and 4.0 percent from 6.4 and 4.2 percent registered in March 2015 while the Clothing and footwear group declined to 0.8 percent from 1.3 percent recorded in March the previous year.

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Statistician - General

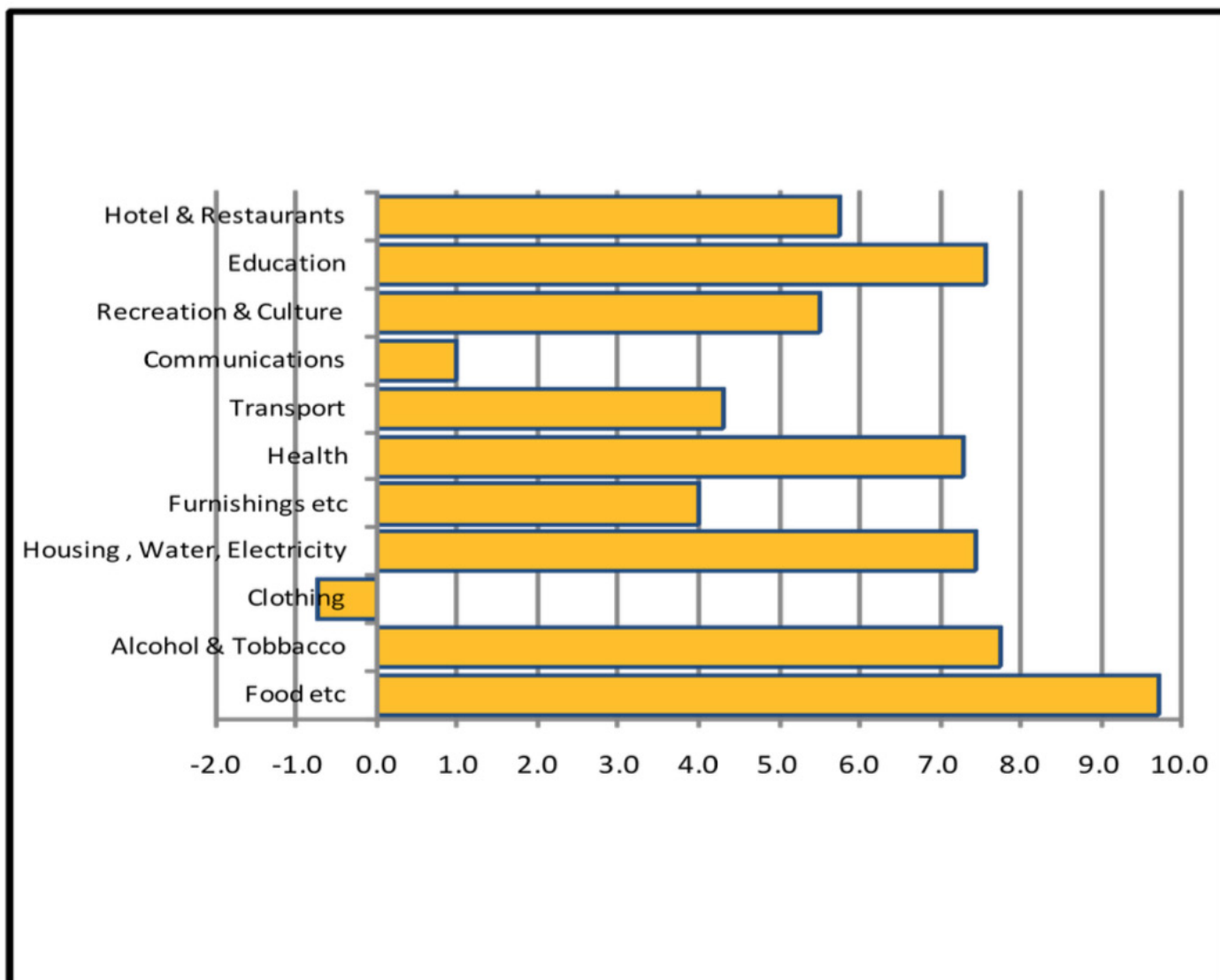
Chart 1: NCPI; Monthly and Annual percentage changes (Dec 2012 = 100)



Main Drivers of Inflation

During the month of March 2016, the main drivers of the annual inflation rate were recorded in the groups of Food and non-alcoholic beverages 9.7 percent, Alcoholic beverages and tobacco 7.8 percent, Education 7.6 percent, Housing, water electricity, gas and other fuels 7.5 percent and Health 7.3 percent.

Chart 2: NCPI; March 2016 annual percentage changes by main groups (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 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 to December 2012 base, "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.

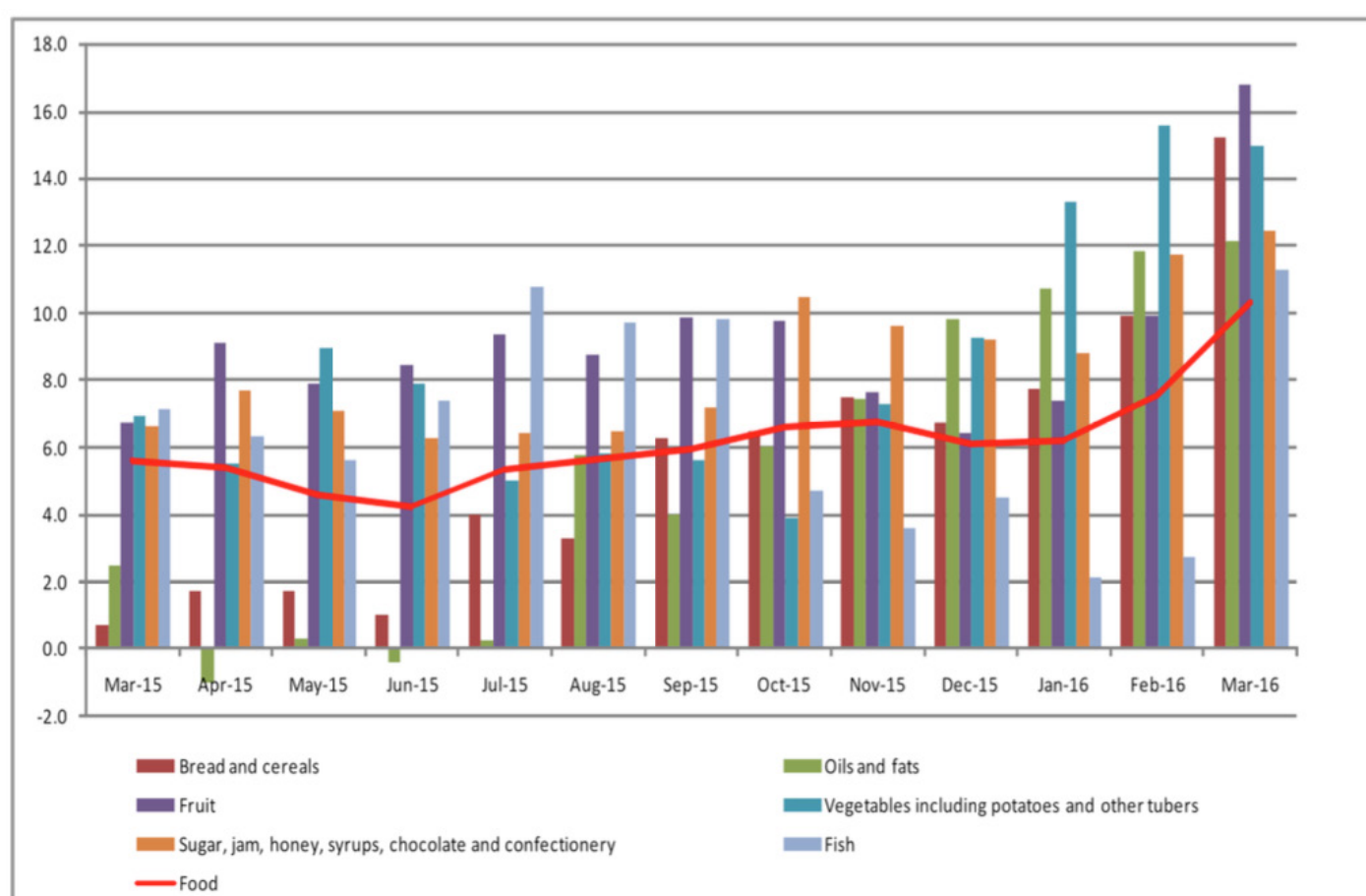
Category	Weighting (%)
Housing, Water, Electricity, Gas and Other Fuels	28.36
Food and Non-Alcoholic Beverages	16.45
Transport	14.28
Alcoholic Beverages and Tobacco	12.59
Furnishings, Household Equipment...	5.47
Miscellaneous Goods and Services	5.39
Communications	3.81
Education	3.65
Recreation and Culture	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 category of inflation is usually a key driver of inflation in Namibia due to the fact that it tends to be fairly volatile, usually above average inflation. The annual inflation for this category increased to 9.7 percent from 5.5 obtained in March of the preceding year an increase of 4.2 percentage points. The increase in food prices were recorded in the sub-groups indices of fruit 16.8 percent, bread and cereals 15.2 percent, vegetables including potatoes and other tubers 15.0 percent, Sugar, jam, honey, syrups chocolate and confectionery 12.5 percent, oils and fats 12.1 percent and Fish 11.3 percent.

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

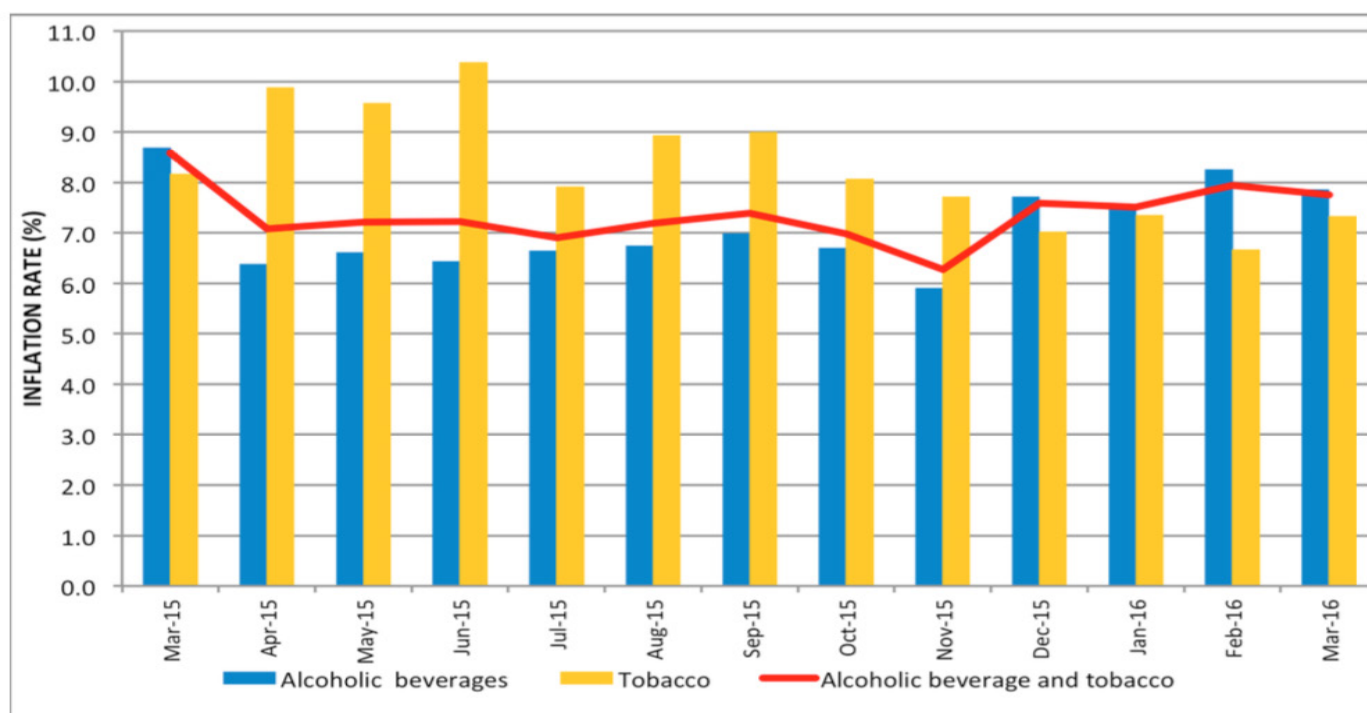


Alcoholic beverages and tobacco

For March 2016, the annual inflation rate for Alcoholic beverages and tobacco slowed from 8.6 percent recorded in March 2015 to 7.8 percent registered in March of the current year. This resulted from the decreases in the level of prices of the Tobacco subcomponent of the group which decelerated from 8.2 percent in March last year to 7.3 percent in March 2016.

On a monthly basis, the inflation rate for this group stood at 1.4 percent during the month under review as compared to the 0.6 percent recorded a month earlier.

Chart 4: NCPI; Annual inflation rate for Alcohol beverage and tobacco (Dec 2012 = 100)



Transport

The annual inflation rate for the Transport group stood at 4.3 percent in March 2016, a decrease of 0.4 percentage points when compared to 4.7 percent recorded in the previous month. This decrease came about as a result of a decrease in the level of prices of goods and services in the category of Operation of personal transport equipment.

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

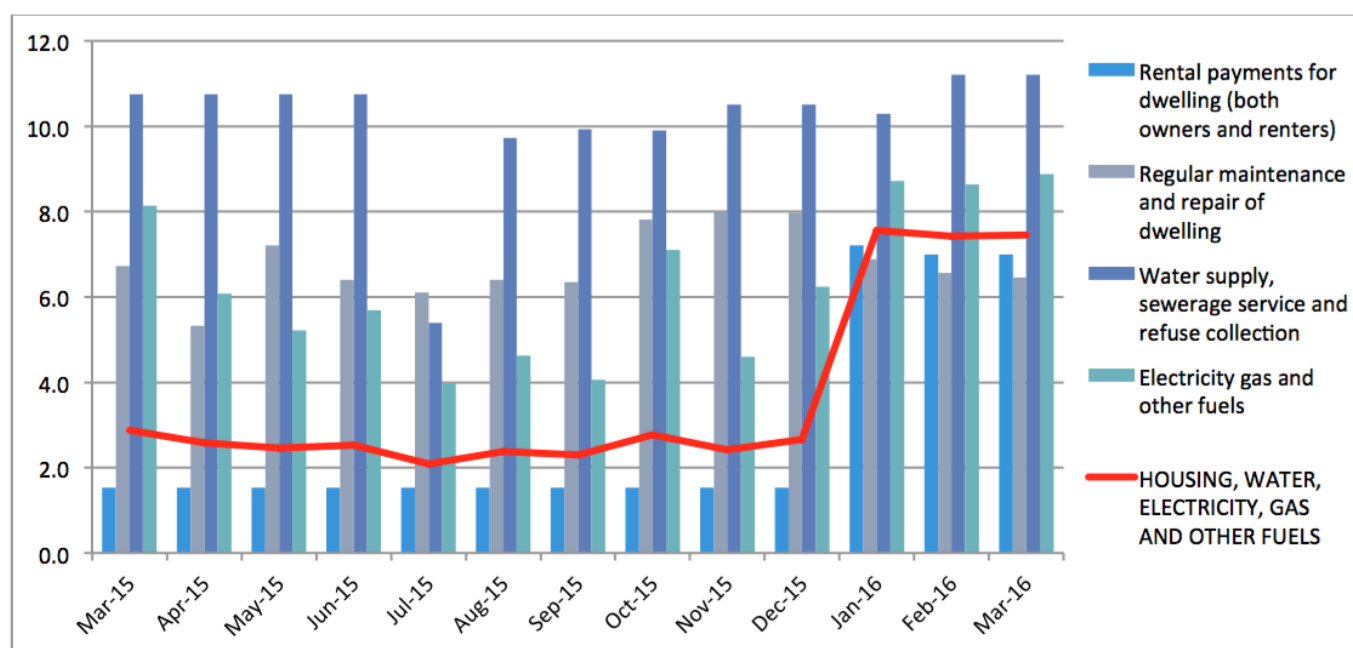


Housing, water, electricity, gas and other fuels

The annual inflation rate for Housing, water, electricity, gas and other fuels stood at 7.5 percent in March 2016 as compared to 2.9 percent recorded during the same period in 2015.

The movement of the index for this category between March 2015 and May 2016 resulted from annual price increases in the water supply, sewerage service and refuse collection subcomponent which increased to 11.2 percent annually from 10.8 percent recorded in March 2015 as well as rental payment for dwelling (both owners and renters) which increased to 7.0 percent from 1.5 percent recorded in March 2015.

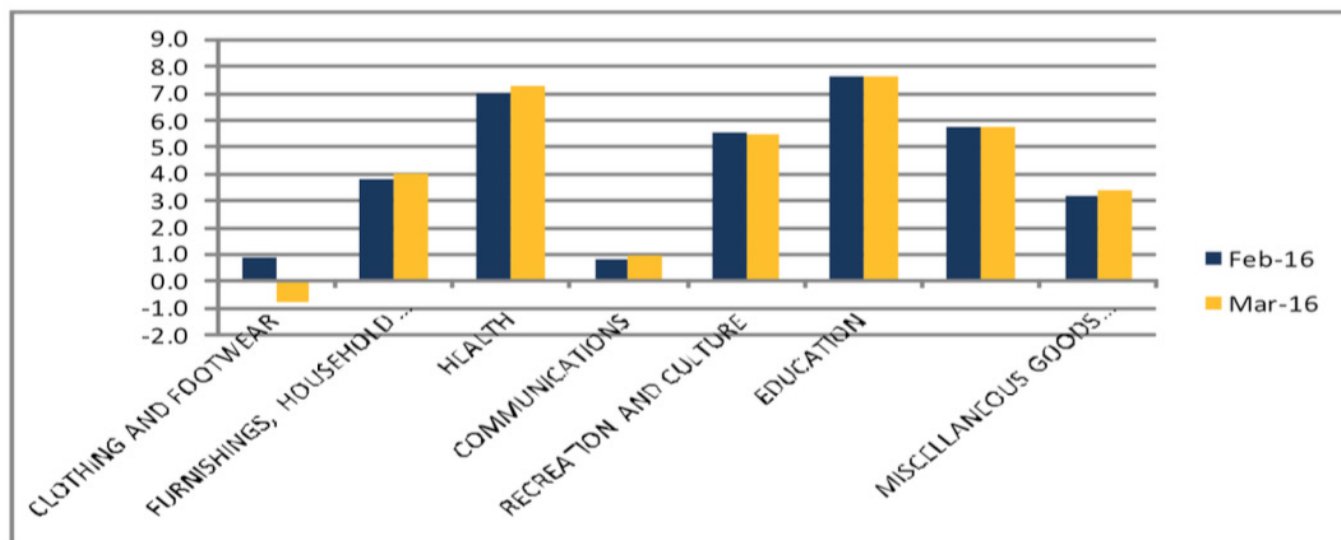
Chart 6: NCPI; Housing, water, electricity, gas and other fuels (Dec 2012 = 100)



Minor Groups

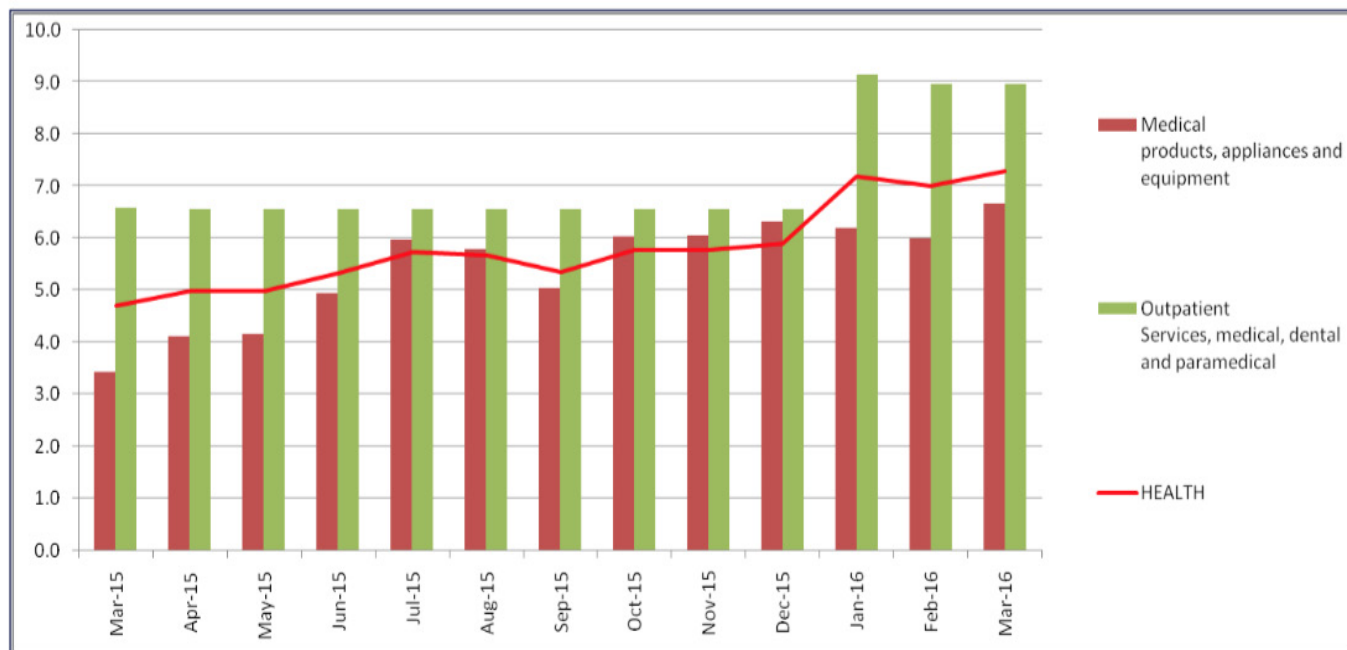
For the minor groups, high annual inflation rates were observed in the groups of Education 7.6 percent, Health 7.3 percent, Hotels, cafés and restaurants 5.7 percent; Recreation and culture 5.5 percent; Furnishing, house hold equipment etc. 4.0 percent; Miscellaneous goods and services 3.4 percent, Communications as well as Clothing and footwear registered the lowest annual inflation rates of 1.0 and -0.8 percent respectively.

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



BOX 2: CHART OF THE MONTH

Chart 8: NCPI; Annual inflation rate for Health (Dec 2012 = 100)



The Health component annual inflation rate was estimated at 7.3 percent in March 2016 as compared to 4.7 percent recorded during the same period last year. This increase originated from the increase in the prices of Outpatient services, medical, dental and paramedical 9.0 percent and Medical products, appliances equipment 6.7 percent.

GOODS AND SERVICES INFLATION

The Index for Goods and Services stood at 120.3 and 115.2 in March 2016 compared to the corresponding indices of 112.7 and 108.6 recorded during the same period a year earlier. During the month of March 2016, the monthly and annual inflation rates for Goods were 1.4 and 6.8 percent while those for Services stood at 0.0 and 6.1 percent. Corresponding rates recorded during the same period in the previous year stood at 0.7 and 3.2 per cent and 0.1 and 3.6 percent respectively.

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

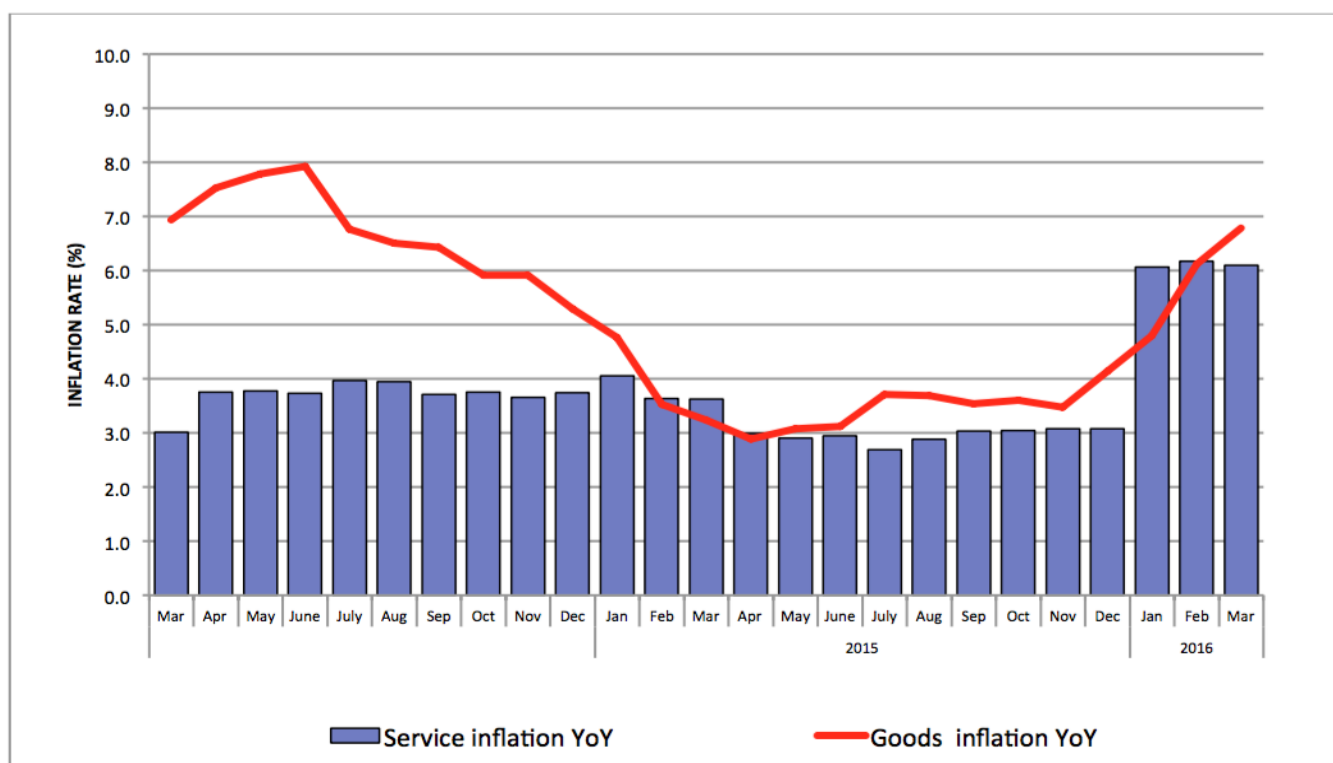


Table 1: Namibia CPI: All-Items Index, monthly and annual percentage changes (Dec 2012 =100)

Period		Index	M - O - M	Y - O -Y
2013	Jan	100.9	0.9	6.2
	Feb	101.4	0.4	5.8
	Mar	101.9	0.6	5.9
	Apr	102.3	0.3	5.9
	May	102.4	0.1	5.8
	Jun	102.7	0.2	6.2
	Jul	103.4	0.7	5.9
	Aug	103.8	0.4	6.0
	Sep	104.1	0.3	5.4
	Oct	104.5	0.4	4.9
	Nov	104.7	0.2	4.4
	Dec	104.9	0.1	4.9
	An. Av	103.1	0.4	5.6
2014	Jan	105.9	0.9	4.9
	Feb	106.6	0.7	5.2
	Mar	107.3	0.6	5.2
	Apr	108.3	1.0	5.9
	May	108.6	0.3	6.1
	June	108.9	0.3	6.1
	July	109.1	0.2	5.6
	Aug	109.4	0.3	5.4
	Sep	109.6	0.2	5.3
	Oct	109.7	0.1	5.0
	Nov	109.9	0.2	5.0
	Dec	109.8	-0.2	4.6
	An. Av	108.6	0.4	5.4
2015	Jan	110.6	0.8	4.5
	Feb	110.4	-0.2	3.6
	Mar	110.9	0.4	3.4
	Apr	111.5	0.5	2.9
	May	111.9	0.4	3.0
	Jun	112.3	0.3	3.0
	Jul	112.7	0.4	3.3
	Aug	113.1	0.3	3.4
	Sep	113.2	0.1	3.3
	Oct	113.4	0.2	3.4
	Nov	113.6	0.2	3.3
	Dec	113.8	0.2	3.7
	An. Av	112.3	0.3	3.4
	Jan-16	116.5	2.4	5.3
	Feb -16	117.2	0.6	6.1
	Mar -16	118.1	0.8	65

Table 2: NCPI for March 2016 by main groups and sub-groups (Dec.2012=100)									
				Weights	CPI			Inflation Rate	
					Mar-15	Feb-16	Mar-16	m-o-m	y-o-y
0.0	ALL ITEMS			100.00	110.9	117.2	118.1	0.8	6.5
	GOODS			57.7	112.7	118.7	120.3	1.4	6.8
	SERVICES			42.3	108.6	115.2	115.2	0.0	6.1
01	FOOD AND NON-ALCOHOLIC BEVERAGES			16.45	116.1	123.6	127.4	3.1	9.7
	Food			14.78	116.8	124.7	128.9	3.3	10.3
		Bread and cereals		4.84	110.8	121.0	127.6	5.5	15.2
		Meat		3.53	122.9	126.3	127.8	1.2	4.0
		Fish		0.81	112.2	115.0	124.9	8.6	11.3
		Milk, cheese and eggs		1.17	127.1	129.0	130.2	0.9	2.4
		Oils and fats		0.78	108.4	119.6	121.6	1.6	12.1
		Fruit		0.33	123.5	134.9	144.2	6.9	16.8
		Vegetables including potatoes and other tubers		1.23	123.2	138.6	141.7	2.2	15.0
		Sugar, jam, honey, syrups, chocolate and confectionery		1.44	116.1	125.7	130.6	3.9	12.5
		Food products n.e.c.		0.65	112.5	119.9	118.8	-0.9	5.6
	Non-alcoholic beverages			1.66	109.6	114.0	114.5	0.5	4.5
		Coffee, tea and cocoa		0.31	119.0	123.4	126.2	2.3	6.1
		Mineral waters, soft drinks and juice		1.35	107.5	111.8	111.8	0.0	4.1
02	ALCOHOLIC BEVERAGES AND TOBACCO			12.59	118.8	126.2	128.0	1.4	7.8
		Alcoholic beverages		9.99	119.6	127.4	129.0	1.3	7.9
		Tobacco		2.61	115.5	121.6	124.0	2.0	7.3
03	CLOTHING AND FOOTWEAR			3.05	106.7	107.1	105.9	-1.1	-0.8
	Clothing			2.04	107.0	107.6	107.4	-0.1	0.4
		Clothing materials		0.07	114.1	115.3	116.7	1.1	2.2
		Ready-made clothing		1.93	106.7	107.2	107.0	-0.2	0.3
		Men's clothing		0.53	113.5	109.8	110.3	0.4	-2.8
		Women's clothing		0.58	101.3	103.1	101.5	-1.5	0.2
		Children's clothing		0.66	106.3	109.3	109.8	0.5	3.3
		Boys' clothing		0.19	112.1	110.5	110.9	0.4	-1.1
		Girls' clothing		0.26	103.8	111.2	111.7	0.5	7.6
		Infants' clothing		0.09	100.3	99.6	100.3	0.7	0.0
		Other articles of clothing and clothing accessories		0.04	109.6	111.4	113.4	1.8	3.4
		Dry cleaning, repair and hire of clothing		0.00	107.1	109.8	110.1	0.3	2.8
	Footwear			1.01	106.1	106.1	102.7	-3.2	-3.2
		Adult footwear		0.80	104.2	103.9	100.6	-3.2	-3.5
		Children's footwear		0.20	113.3	114.5	110.5	-3.4	-2.4
		Repair of footwear		0.01	111.5	114.4	116.8	2.1	4.7
04	HOUSING, WATER, ELECTRICITY, GAS AND OTHER SERVICES			28.36	107.9	115.9	116.0	0.0	7.5
		Rental payments for dwelling (both owners and renters)		23.28	105.3	112.7	112.7	0.0	7.0
		Regular maintenance and repair		0.19	114.6	120.4	122.0	1.3	6.5
		Water supply, sewerage service and refuse collection		1.03	124.2	138.1	138.1	0.0	11.2
		Electricity gas and other fuels		3.86	119.1	129.4	129.7	0.2	8.9

05	FURNISHINGS, HOUSEHOLD EQUIPMENT AND REPAIRS				5.47	110.5	114.0	114.9	0.8	4.0
				Furniture, furnishings, decorations, carpets, etc	1.78	104.0	102.9	104.0	1.0	0.0
				Furniture and furnishings	1.69	103.6	102.0	103.0	0.9	-0.6
				Carpets and other floor coverings	0.07	110.3	114.9	118.7	3.2	7.6
				Repair of furnishings and floor coverings	0.02	122.3	143.0	143.0	0.0	16.9
				Household textiles	0.73	116.4	119.3	119.8	0.5	2.9
				Heating and cooking appliances, refrigerators, washing machines and similar major household appliances, etc	0.92	111.4	120.0	120.4	0.3	8.1
				Glassware, tableware and household utensils	0.22	116.1	125.0	123.4	-1.3	6.3
				Tools and equipment for household maintenance	0.43	108.8	113.7	115.1	1.2	5.8
				Goods and services for routine household maintenance	1.36	114.9	119.9	121.3	1.2	5.6
06	HEALTH				2.01	109.5	117.1	117.5	0.4	7.3
				Medical products, appliances and services	0.84	105.2	111.2	112.2	0.9	6.7
				Outpatient Services, medical, dental and paramedical	0.98	115.1	125.4	125.4	0.0	9.0
				Hospital services	0.19	100.0	100.0	100.0	0.0	0.0
07	TRANSPORT				14.28	105.4	110.3	109.9	-0.3	4.3
				Purchase of vehicles	2.88	119.1	125.4	129.7	3.4	8.9
				Operation of personal transport equipment	8.96	98.6	104.3	102.4	-1.8	3.9
				Public transportation services	2.44	114.1	114.2	114.2	0.0	0.1
08	COMMUNICATIONS				3.81	100.0	100.9	101.0	0.1	1.0
09	RECREATION AND CULTURE				3.55	111.3	116.5	117.5	0.8	5.5
				Audio-visual, photographic and data processing equip. incl. repairs	1.16	107.8	110.5	112.1	1.5	4.0
				Other major durables for recreation and culture	0.08	115.9	127.7	128.2	0.4	10.7
				Other recreational items and equipment; flowers, gardens and pets	0.46	111.2	116.1	116.7	0.5	5.0
				Recreation and cultural services	0.85	112.9	117.9	117.9	0.0	4.4
				Newspapers, books and stationery	0.89	109.1	113.1	115.0	1.7	5.4
				Package holidays	0.11	150.3	187.4	183.5	-2.1	22.1
10	EDUCATION				3.65	117.3	126.2	126.2	0.0	7.6
				Pre-primary education (ages 2 to 6 years)	0.23	130.4	147.6	147.6	0.0	13.2
				Primary (private) and Secondary education (ages 7 to 17 years)	1.44	113.0	124.7	124.7	0.0	10.4
				Tertiary education	1.98	118.8	124.1	124.7	0.5	5.0
11	HOTELS, CAFES AND RESTAURANTS				1.39	117.0	122.9	123.7	0.6	5.7
				Catering	0.74	113.6	120.6	120.6	0.0	6.1
				Accommodation services	0.65	120.8	125.6	127.3	1.4	5.3

12	MISCELLANEOUS GOODS AND SERVICES				5.39	111.8	115.3	115.6	0.3	3.4
				Personal care	1.41	109.8	114.4	116.2	1.5	5.8
				Personal effects n.e.c.	1.03	114.6	117.8	117.6	-0.2	2.6
				Insurance	0.74	108.8	107.5	107.4	-0.2	-1.3
				Financial services n.e.c.	0.94	113.9	123.2	123.2	0.0	8.2
				Other services n.e.c.	1.26	112.2	112.7	112.7	0.0	0.5

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