Namibia Consumer Price Index

SEPTEMBER, 2015



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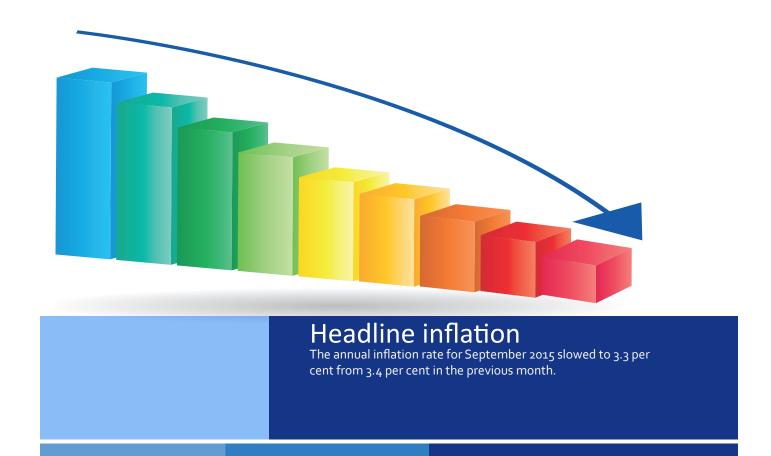
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Summary

The annual inflation rate for September 2015 stood at 3.3 percent as compared to 3.4 percent recorded a month earlier. The slowdown in the annual inflation is attributed to the decrease in the price levels of the categories of "Transport"; "Clothing and footwear"; "Housing, water, electricity, gas and other fuels"; "Furnishings, household equipment etc.;"; "Health"; and "Hotels, cafés and restaurants" which respectively decreased to -2.2; 0.1; 2.3; 3.4; 5.4; and 5.9 percent, from -1.4; 0.3; 2.4; 3.5; 5.7; and 6.2 percent recorded in August 2015.

The average annual and average monthly inflation rates for the period January to September 2015 were estimated at 3.4 and 0.3 percent, while the corresponding rates registered during the same period a year earlier (2014) stood at 5.5 and 0.5 percent respectively.

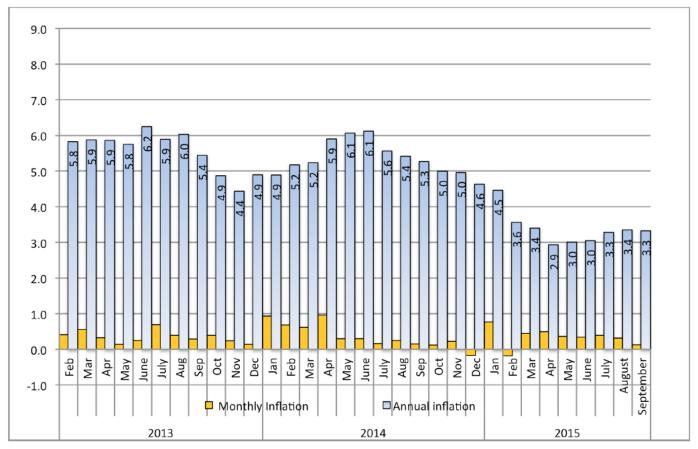
The monthly inflation rate for September 2015 slowed to 0.1 percent from 0.3 percent recorded in the previous month.

Mr. Sikongo Haihambo Acting Statistician General

Overall Inflation

During the period September 2014 to September 2015, the annual inflation rate fluctuated between 5.3 and 2.9 percent with the highest annual inflation rate of 5.3 percent observed in September 2014 and the lowest of 2.9 percent regsitered in April 2015 (Chart 1).

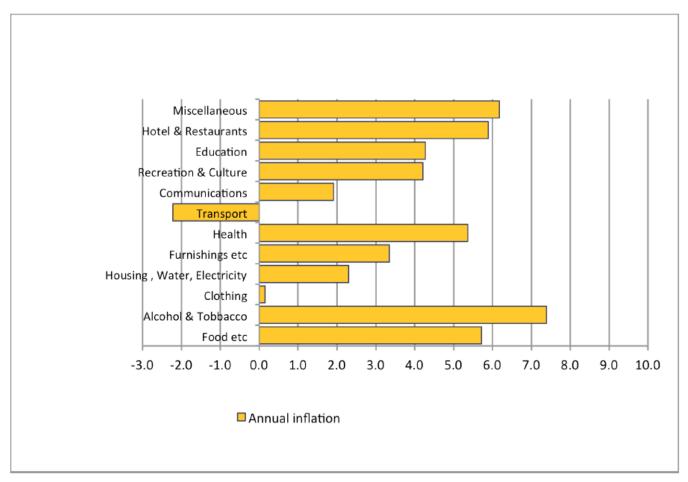
Chart 1: NCPI; Monthly and Annual percentage changes (Dec 2012 = 100)



Main Drivers of Inflation

During the month of September 2015, there was a slowdown in the annual inflation rate which is attributed to the Transport sector that showed a decline from -1.4 to -2.2 percent; the Health sector declined from 5.7 to 5.4 percent; Hotels, cafés and restaurants decreased from 6.2 to 5.9 percent; Clothing and footwear decreased from 0.3 to 0.1 percent; Housing, water, electricity, gas and other fuels declined from 2.4 to 2.3 percent; and finally, Furnishings, household equipment etc. decreased from 3.5 to 3.4 percent respectively (Chart 2).

Chart 2: NCPI; September 2015 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 goodsand or services commonly consumed in a country, and weighted in accordance to 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 changes, new products and services are added to the basket, and the basket reweighted so as to better capture the currentspending 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

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
Communications	3.81
Educations	3.65
Recreation and Culture	3.55
Clothing and Footwesr	3.05
Health	2.01
Hotels, Cafes and Restaurants	1.39

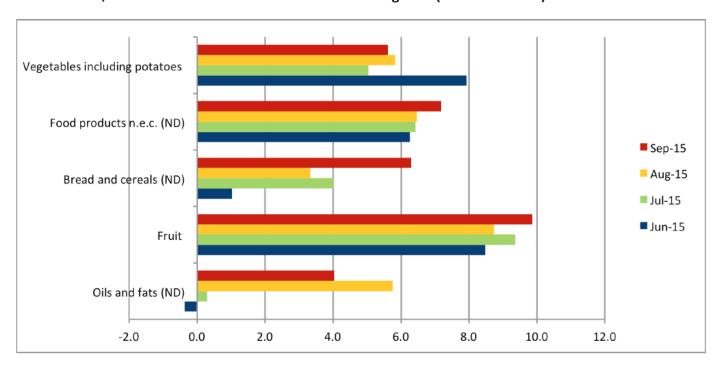
Major Groups

Food and non alcoholic beverages

For the month of September 2015, the annual inflation rate for Food and non-alcoholic beverages category stood at 5.7 percent, a 0.2 percentage point increase from 5.5 percent recorded in August 2015. This increase emanated from the sub-categories of Fruit, 9.9 percent; Bread and cereals, 6.3 percent; Vegetables including potatoes, 5.6 percent; Coffee, tea and cocoa, 4.7 percent and Oils and fats 4.0 percent.

The monthly inflation rate for this category stood at 0.4 percent as compared to 0.5 percent recorded in the previous month.

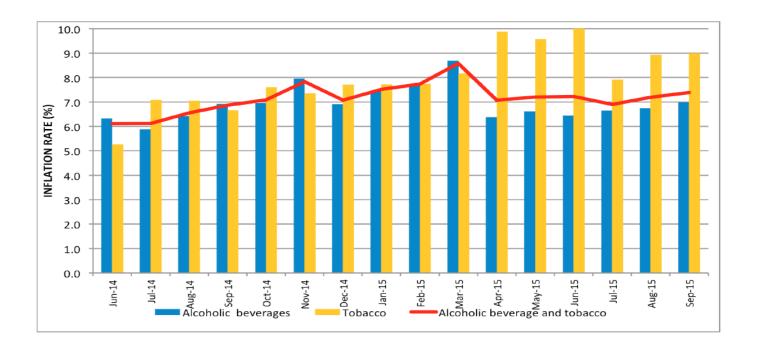
Chart 3: NCPI; Annual inflation for selected food sub-categories (Dec 2012 = 100)



Alcoholic beverages and Tobacco

In September 2015, the annual inflation rate for the group of Alcoholic beverages and tobacco stood at 7.4 percent, an increase of 0.2 percentage points over the 7.2 percent recorded last month. Alcoholic beverages increased from 6.8 percent to 7.0 percent while that of Tobacco increased from 8.9 percent to 9.0 percent. The monthly inflation for this group stood at 0.5 percent during the month under review as compared to the 0.9 percent recorded last month.

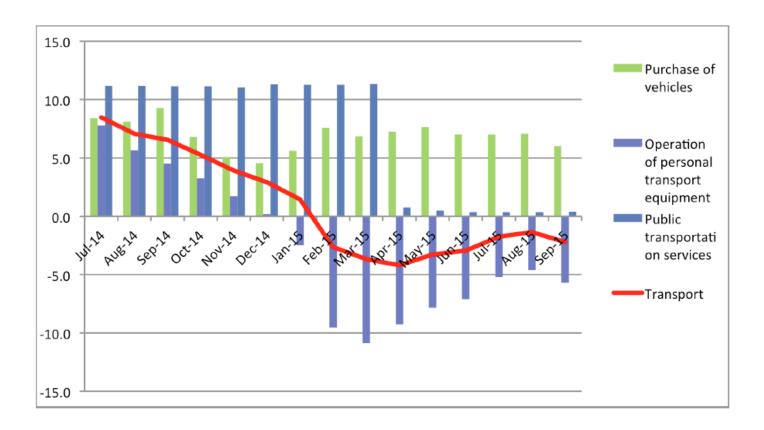
Chart 4: NCPI; Annual inflation for Alcoholic beverages and tobacco (Dec 2012 = 100)



Transport

The annual inflation rate for the group of Transport was recorded at -2.2 percent in September 2015, representing a decrease of 3.6 percentage point over the month of August 2015 which recorded a rate of -1.4 percent. This decrease was brought about by a decline in the level of prices of goods and services in the category of Operation of personal transport equipment which went down to -5.7 percent from -4.6 percent recorded in the previous month.

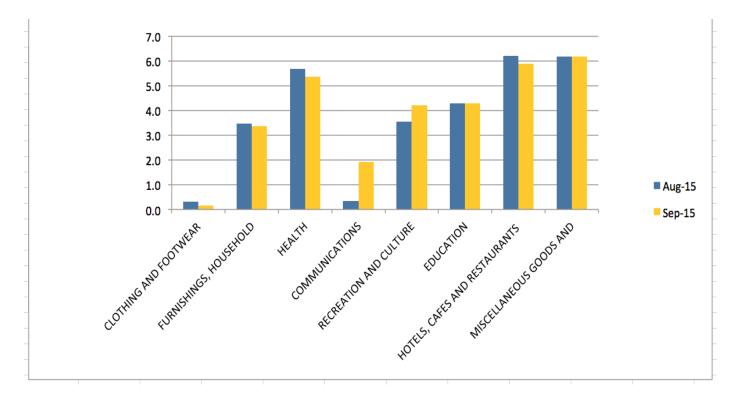
Chart 5: NCPI; Annual inflation for Transport (Dec 2012 = 100)



Minor Groups

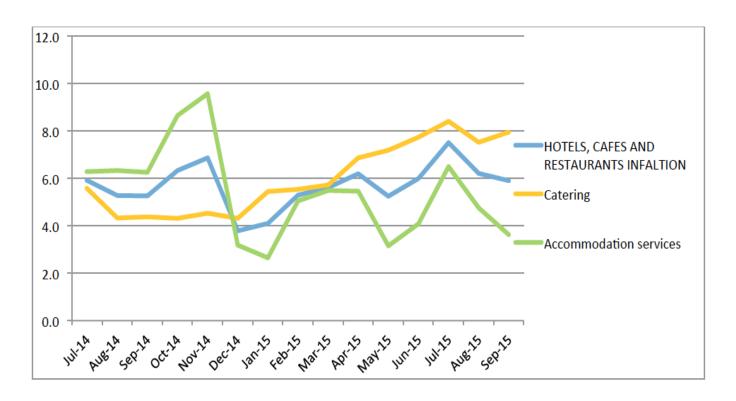
For the minor groups, high annual inflation rates were observed in the groups of Miscellaneous goods and services (6.2 percent); Hotels, cafés and restaurants (5.9 percent); Health (5.4 percent), while Education and Recreation and culture recoded a rate of 4.3 and 4.2 percent respectively. Communication and Clothing as well as footwear groups registered the lowest annual inflation rates of 1.9 and 0.1 percent each.

Chart 6: NCPI; Annual inflation for Minor groups (Dec 2012 = 100)



BOX 2: CHART OF THE MONTH

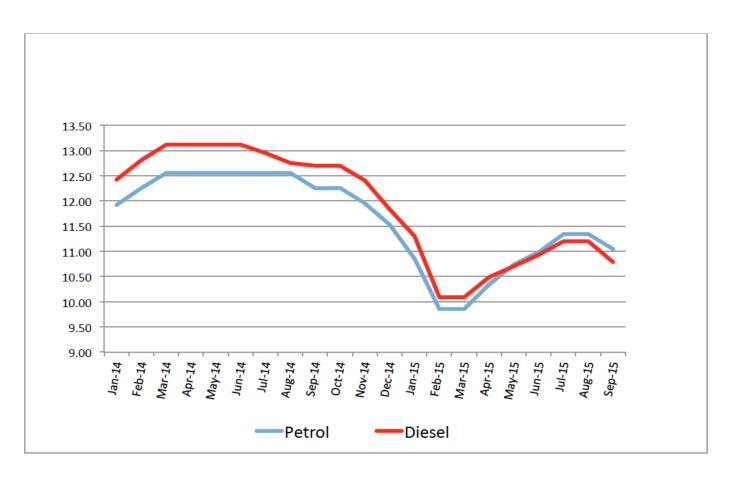
Chart 7: NCPI; Annual inflation for Hotels, Cafes and Restaurants (Dec 2012 = 100)



Hotels, cafés and restaurants

For the month of September 2015, the annual inflation rate for the group "Hotels, cafes and restaurants" dropped to 5.9 percent from 6.2 percent recorded in the previous month. This drop emanated from the decreasing level of accommodation prices, which declined from 4.8 percent to 3.6 percent.

Chart 8: NCPI; Average fuel prices movement per liter: January 2014 to September 2015



Between June 2014 and February 2015, generally prices of petrol and diesel recorded a decreasing trend; however this trend was reversed in April 2015 when an increase in this sub-component was recorded and it declined again in September 2015 when the prices dropped (Chart 8).

GOODS AND SERVICES INFLATION

During the month of September 2015, the monthly and annual inflation rates for Goods were 0.1 and 3.5 percent while Services stood at 0.1 and 3.0 percent respectively. Corresponding rates recorded during the same period in the previous year stood at 0.3 and 6.4 percent as well as 0.0 and 3.7 percent respectively.

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

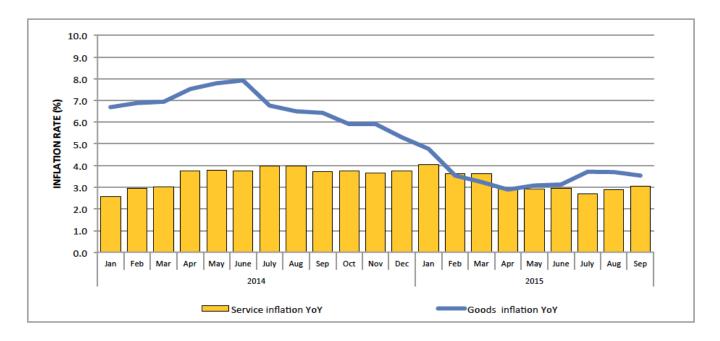


Table 1: NCPI: All-Items Index, monthly and annual percentage changes (Dec 2012 = 100)

Period	Index	m-o-m	у-о-у
Tenou	macx	•	1-1
Jan-13	100.9	0.9	6.2
Feb-13	101.4	0.4	5.8
Mar-13	101.9	0.6	5.9
Apr-13	102.3	0.3	5.9
May-13	102.4	0.1	5.8
Jun-13	102.7	0.2	6.2
Jul-13	103.4	0.7	5.9
Aug-13	103.8	0.4	6.0
Sep-13	104.1	0.3	5.4
Oct-13	104.5	0.4	4.9
Nov-13	104.7	0.2	4.4
Dec-13	104.9	0.1	4.9
An. Av	103.1	0.4	5.6
Jan-14	105.9	0.9	4.9
Feb-14	106.6	0.7	5.2
Mar-14	107.3	0.6	5.2
Apr-14	108.3	1.0	5.9
May-14	108.6	0.3	6.1
Jun-14	108.9	0.3	6.1
Jul-14	109.1	0.2	5.6
Aug-14	109.4	0.3	5.4
Sep-14	109.6	0.2	5.3
Oct-14	109.7	0.1	5.0
Nov-14	109.9	0.2	5.0
Dec-14	109.8	-0.2	4.6
An. Av	108.6	0.4	5.4
Jan-15	110.6	0.8	4.5
Feb-15	110.4	-0.2	3.6
Mar-15	110.9	0.4	3.4
Apr-15	111.5	0.5	2.9
May-15	111.9	0.4	3.0
Jun-15	112.3	0.3	3.0
Jul-15	112.7	0.4	3.3
Aug-15	113.1	0.3	3.4
Sep-15	113.2	0.1	3.3

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