

NAMIBIA CONSUMER PRICE INDEX

FEBRUARY 2014



NAMIBIA CONSUMER PRICE INDEX BULLETIN
FEBRUARY 2014

Mission, Vision and Core Values

MISSION STATEMENT

“In a coordinated manner, we produce and disseminate relevant, quality and timely statistics that are fit-for-purpose in accordance with international standards and best practice”

VISION STATEMENT

“Be a high performance institution in statistics delivery”

CORE VALUES

Performance
Integrity
Service focus
Transparency
Accuracy
Partnership

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Preface

The Namibia Consumer Price Index (NCPI) encompasses all the expenditures on goods and services that Namibian private households make. It is compiled by comparing the prices of the goods and services of the month under review with the price of those goods and services in December 2012. More than 9000 prices of goods and services are collected on a monthly basis from more than 900 retail outlets in 8 localities.

The item indices are calculated as unweighted geometric averages of price ratios while the higher-level indices are calculated as weighted arithmetic averages of the item indices by using chained Laspeyres index number formulae. The NCPI weights represent the expenditure share of each commodity in the 2009/10 Namibia Household Income and Expenditure Survey. The Consumer Price Index is published about 15 days after the end of the reference month to which it relates.

The NCPI is used as the basis to calculate the rate of inflation as experienced by households in their role as consumers. The inflation rate measures the change in the NCPI of the month under review to the previous month (month-on-month change) as well as to the same month in the previous year (year-on-year change). The NCPI and the inflation rates are vital for purposes of economic policy-making, especially the conduct of monetary policy.

The inflation rate is used in a wide variety of public and private contracts for the purpose of adjusting payments (such as wages, rents, interest and social security benefits). It therefore, has substantial and wide-ranging financial implications for governments and businesses, as well as for households.



John Steytler
Statistician-General

Summary Comments

All Items Index

The All Items Index for February was estimated at 106.6 recording an increase of 0.7 percentage points as compared to January 2014 which was 105.9. This increase resulted from monthly increases recorded in all the groups comprising the Namibia CPI with the exception of Alcoholic beverages and Tobacco and Education which recorded no change.

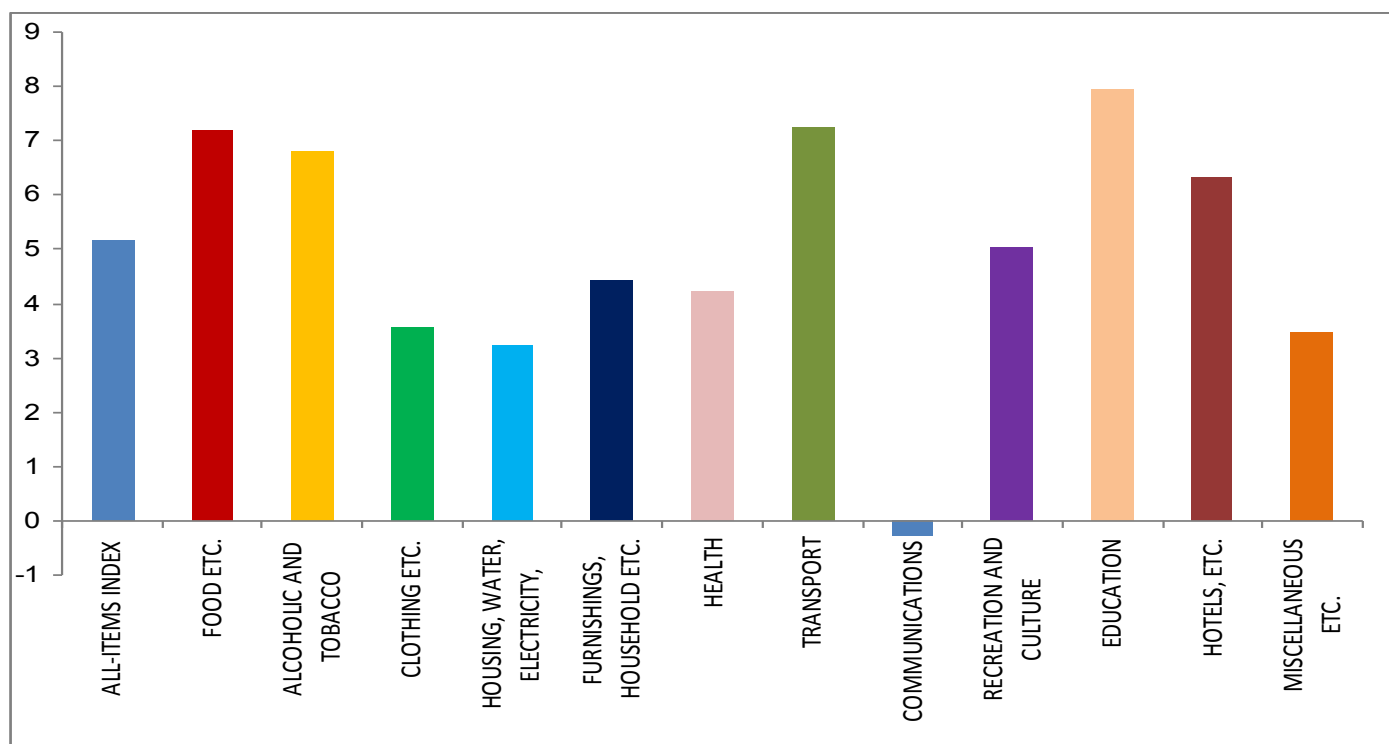
The All Items Index increased to 106.6 in February 2014 from 101.4 in February 2013, recording an increase of 5.2 percentage points. For the month of February 2014, the highest indices were witnessed in the components of Education 112.3, Hotels, cafes and restaurants 110.4, Alcoholic beverages and tobacco 108.5 while the Food and Non alcoholic beverages and Transport categories registered 108.2 each. On the other hand, the Communication component continued recording the lowest Index of 99.7.

Monthly and annual inflation rates based on the All Items Index

The monthly inflation rate for February 2014 stood at 0.7 percent which showed an increase of 0.3 percentage points when compared to the same period a year earlier. The months of January 2014, February 2014 and July 2013 registered the highest monthly inflation rates of 0.9 and 0.7 percent for the period February 2013 to February 2014. Similarly, the months of May 2013 and December 2013 continued to witness the lowest monthly inflation rates of 0.1 percent.

The annual inflation rate for February 2014 was estimated at 5.2 percent as compared to 5.8 percent recorded during the same period last year. During the period February 2013 to February 2014 the annual inflation rate fluctuated between 4.4 and 6.2 percent. The months of January and June 2013 recorded the highest annual inflation rates of 6.2 percent with the lowest inflation rate of 4.4 percent recorded in November 2013.

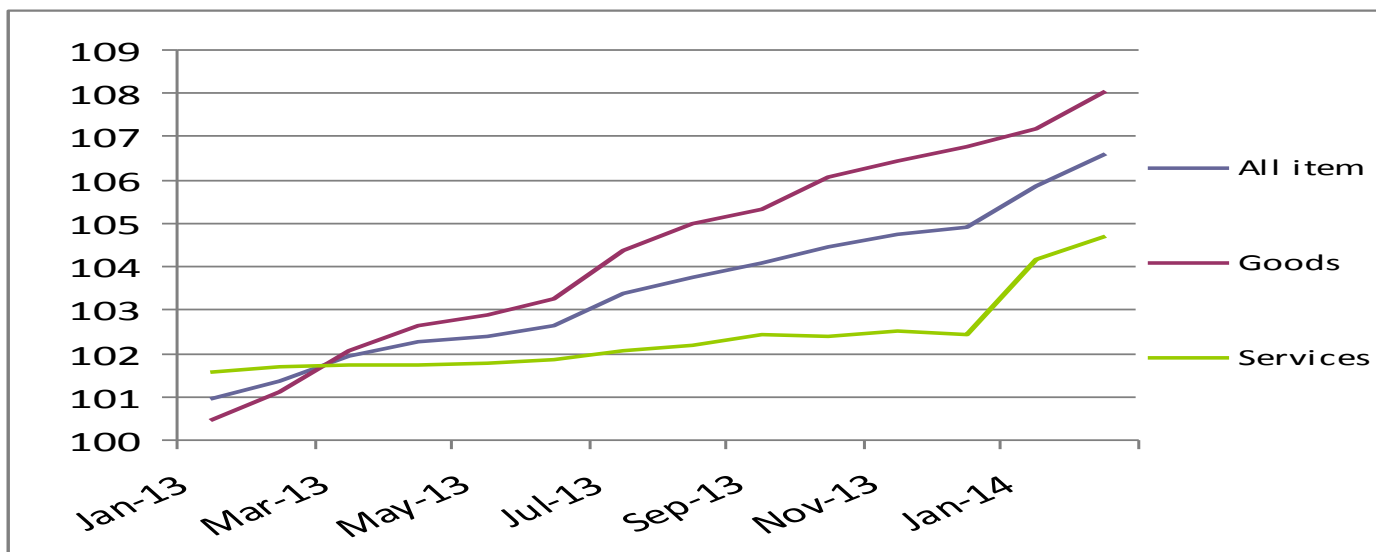
Chart 1: NCPI; February 2014 annual changes by main groups (Dec 2012=100)



Goods and Services

The Index for Goods and Services for the month of February 2014 stood at 108.1 and 104.7 as compared to the corresponding indices of 101.1 and 101.7 recorded during the same period a year earlier.

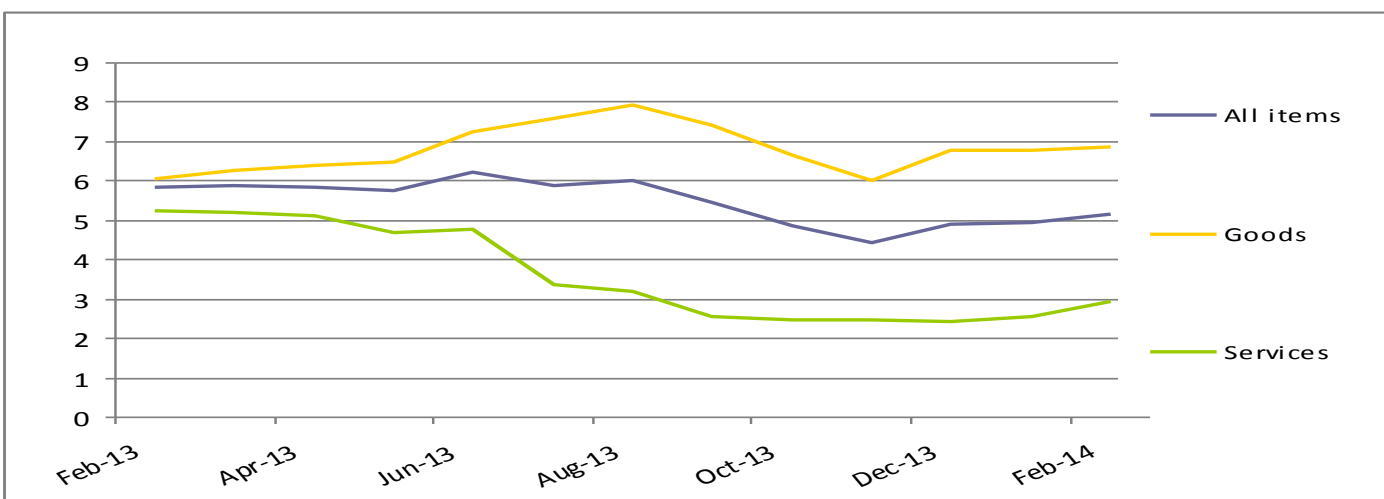
Chart 2: NCPI; All Items, Goods and Services (Dec 2012=100)



Monthly and annual inflation rates for goods and services

For the month of February 2014, the monthly and annual inflation rates for Goods were estimated at 0.8 and 6.9 percent while those of Services stood at 0.5 and 3.0 percent, indicating that prices of Goods continue to accelerate faster than those of Services in February 2014 on an annual basis. Corresponding rates recorded during the same period last year were 0.6 and 6.1 percent and 0.1 and 5.3 percent respectively.

Chart 3: NCPI; Annual inflation rates; All items, goods and Services (Dec 2012=100)



The monthly inflation for Goods rate is higher as compared to that of Services because of increases in the monthly prices in the Transport category specifically in the operation of personal transport equipment subcomponent.

Annual inflation rates for the major groups

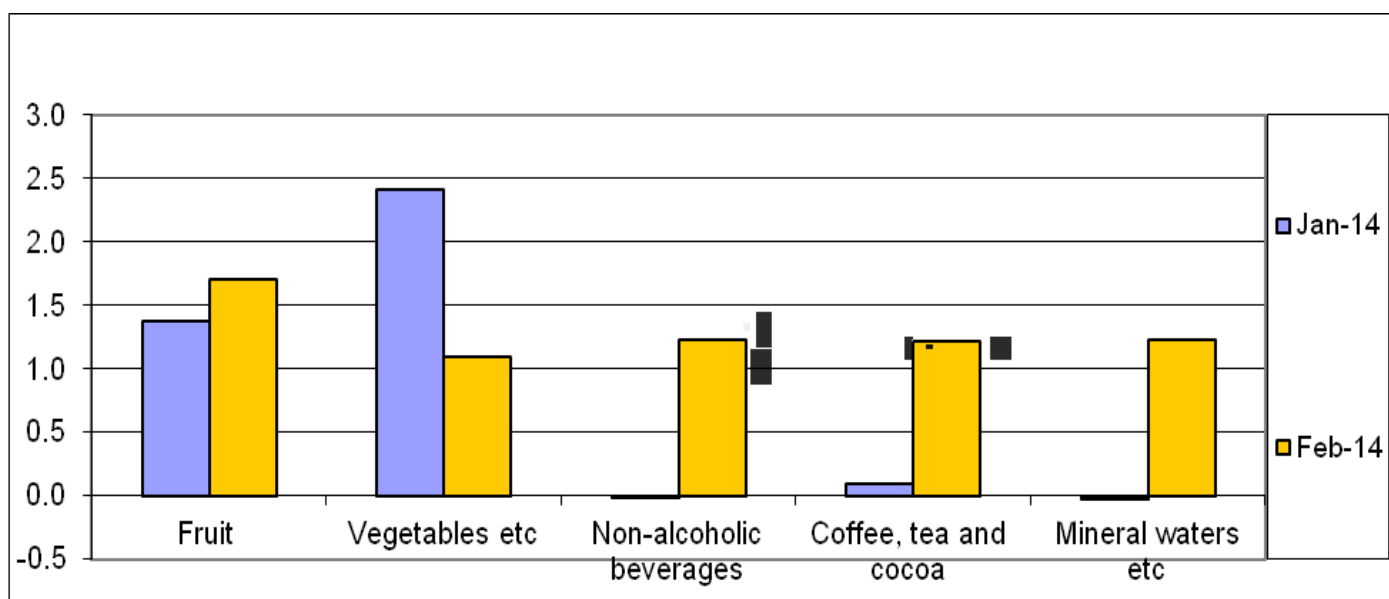
The annual inflation rates for the major groups comprising the NCPI were Transport (7.6 percent), Food and Non-alcoholic beverages (7.2 percent), Alcoholic beverages and tobacco (6.8 percent), Housing, water, electricity, gas and other fuels (3.3 percent). Corresponding rates recorded during the same period a year earlier were estimated as; Transport 4.6 percent, Food and Non-alcoholic beverages 7.0 percent, Alcoholic beverages and Tobacco 8.4 percent, Housing, water, electricity, gas and other fuels 6.8 percent.

Food and Non alcoholic beverages

The Food and Non alcoholic beverages index for the month of February 2014 stood at 108.2 compared to 107.3 recorded in January 2014, resulting in an increase of 0.9 percentage points. These increases were shown in the subcomponents of Fruit (1.7 percent), Non-alcoholic beverages, Coffee, tea and cocoa, Mineral water, soft drinks and juices which all recorded (1.2 percent) and Vegetables including potatoes and other tubers (1.1 percent).

The corresponding rates observed a month earlier were 1.4, 2.4, 0.0, 0.1 and 0.0 as illustrates in chart 4 below.

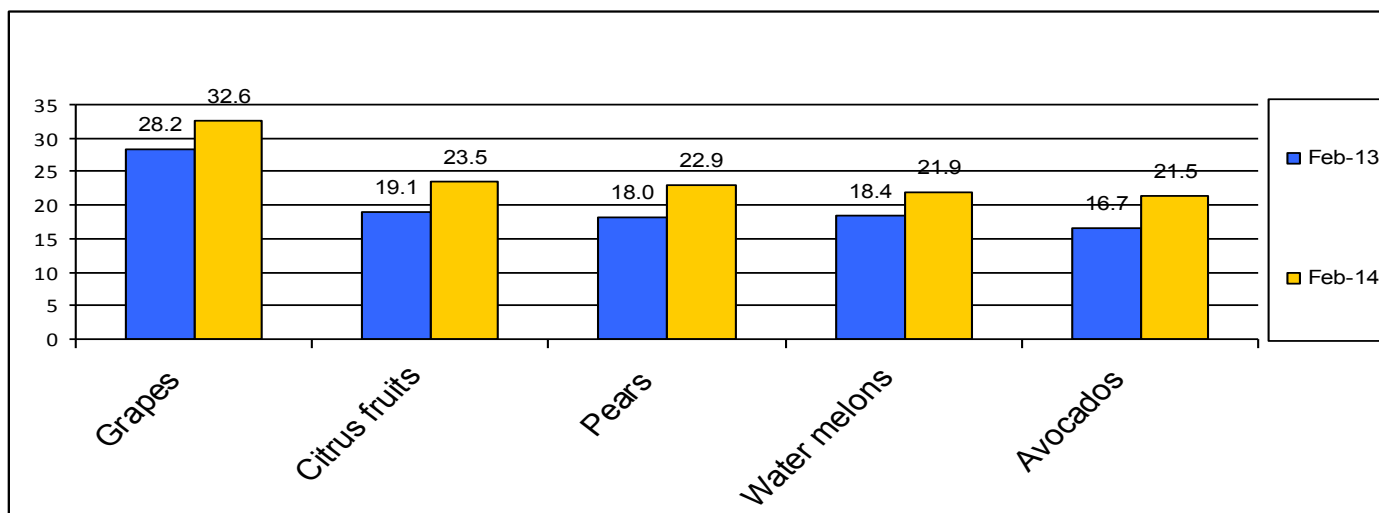
Chart 4: NCPI; Food and Non alcoholic beverages monthly percentage changes (Dec 2012=100)



Average prices for Fruit with higher prices

The Fruit subcategory recorded the highest monthly prices increases in the Food and non alcoholic beverages category for the month of February 2014 with grapes recording the highest average prices increasing from (N\$28.19 to N\$32.62), followed by citrus fruits which increased from (N\$19.08 to N\$23.50), pears increased from (N\$18.04 to N\$22.92), water melons from (N\$18.43 to N\$21.94) and lastly avocados from (16.68 to N\$ 21.46). The weights associated to the presented fruit subcategories are: Grapes (0.0196), Citrus fruits (0.0490), Pears (0.0053), Water melons (0.0146) and Avocado (0.0197).

Chart 5: NCPI; average prices for fruits with higher prices (Feb 13 and Feb 14)



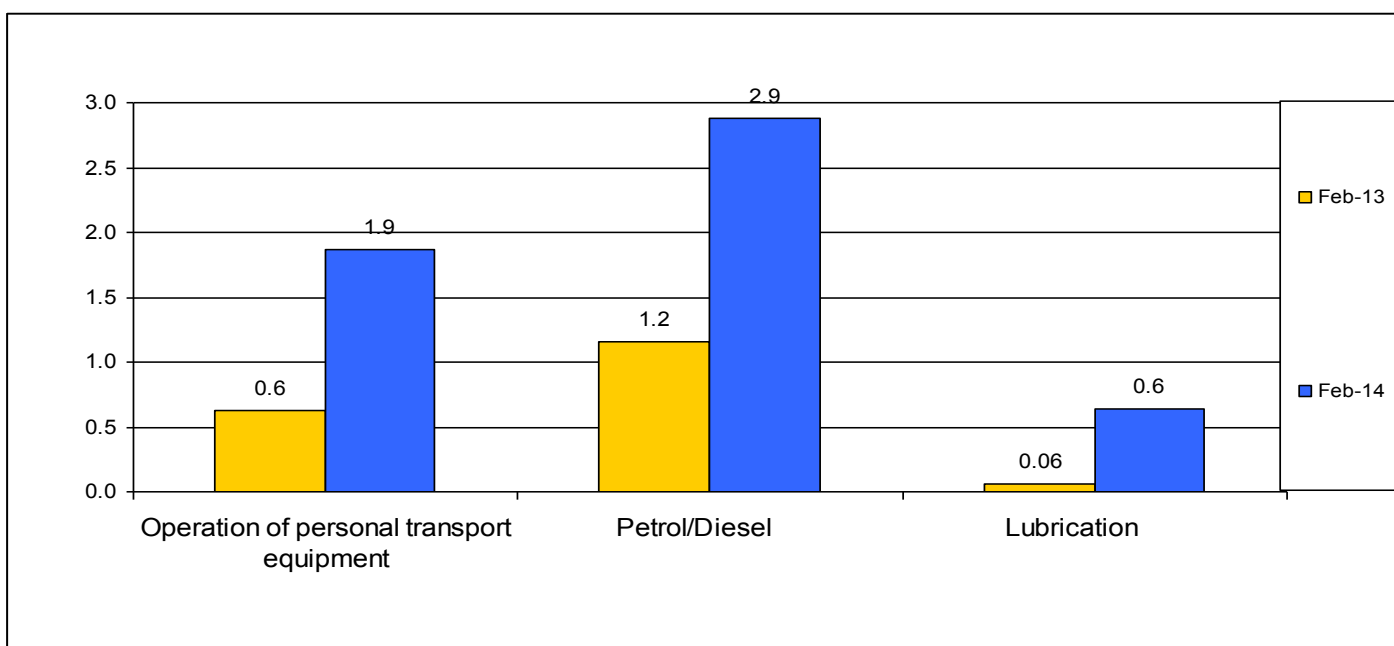
Contribution to overall inflation rate

The Food and Non alcoholic beverages category contributed 22.6 percent to the overall annual inflation rate for February 2014 followed by Transport, which contributed 20.7 percent, and Housing, water, electricity with 17.7 and lastly Alcoholic beverage contribution stood at 16.5 percent while all other groups’ contribution stood at 22.5 percent. Education

Transport

During the month of February 2014, the Transport group recorded a monthly inflation rate of 1.2 percent as compared to 0.8 percent recorded during the same period a year earlier. In February 2014 the monthly inflation rate for the operation of personal transport equipment, petrol/diesel and lubrications stood at 1.9, 2.9 and 0.6 percent as compared to 0.6, 1.2 and 0.1 percent recorded a month earlier respectively. Fuel inflation is expected to increase in the subsequent month due to the general price increase as per the announcement by the Ministry of Mines and Energy.

Chart 6: NCPI chart of the month



The detailed results of the Namibia CPI for the month of February 2014 are displayed in Tables 1-10.

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

Period	CPI	m-o-m	y-o-y
Jan-12	95.1	1.1	6.8
Feb-12	95.8	0.8	7.5
Mar-12	96.3	0.5	7.2
Apr-12	96.6	0.3	6.6
May-12	96.8	0.2	6.3
Jun-12	96.6	-0.2	5.8
Jul-12	97.6	1.0	6.3
Aug-12	97.9	0.3	6.1
Sep-12	98.7	0.8	7.0
Oct-12	99.6	0.9	7.1
Nov-12	100.3	0.7	7.5
Dec-12	100.0	-0.3	6.4
An. Av	97.6	0.5	6.7
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

Table 2: NCPI; Month on month and year on year changes by main groups and subgroups (Dec 2012=100)

	Weights	CPI			Inflation Rate	
		Feb-13	Jan-14	Feb-14	m-o-m	y-o-y
0.0 ALL ITEMS	100.00	101.4	105.9	106.6	0.7	5.2
GOODS	57.7	101.1	107.2	108.1	0.8	6.9
SERVICES	42.3	101.7	104.2	104.7	0.5	3.0
01 FOOD AND NON-ALCOHOLIC BEVERAGES	16.45	100.9	107.3	108.2	0.8	7.2
Food	14.78	100.9	107.8	108.6	0.7	7.7
Bread and cereals	4.84	100.5	105.1	105.8	0.7	5.3
Meat	3.53	99.9	111.3	112.2	0.7	12.2
Fish	0.81	101.4	102.8	103.3	0.5	1.9
Milk, cheese and eggs	1.17	101.3	109.0	109.6	0.6	8.2
Oils and fats	0.78	101.8	104.7	105.1	0.4	3.2
Fruit	0.33	104.5	111.9	113.8	1.7	9.0
Vegetables including potatoes and other tubers	1.23	101.4	113.3	114.5	1.1	12.9
Sugar, jam, honey, syrups, chocolate and confectionery	1.44	101.2	107.2	108.0	0.8	6.7
Food products n.e.c.	0.65	102.5	105.9	106.4	0.4	3.8
Non-alcoholic beverages	1.66	100.9	102.9	104.1	1.2	3.2
Coffee, tea and cocoa	0.31	101.4	104.4	105.7	1.2	4.2
Mineral waters, soft drinks and juices	1.35	100.8	102.5	103.8	1.2	2.9
02 ALCOHOLIC BEVERAGES AND TOBACCO	12.59	101.6	108.5	108.5	0.0	6.8
Alcoholic beverages	9.99	102.1	109.3	109.2	-0.1	7.0
Tobacco	2.61	99.8	105.3	105.8	0.5	5.9
03 CLOTHING AND FOOTWEAR	3.05	100.8	104.0	104.4	0.4	3.6
Clothing	2.04	100.7	103.7	104.3	0.6	3.6
Clothing materials	0.07	100.0	107.7	107.7	0.0	7.7
Ready-made clothing	1.93	100.7	103.6	104.2	0.6	3.5
Men's clothing	0.53	101.1	106.6	106.7	0.2	5.6
Women's clothing	0.58	100.8	103.4	104.4	1.0	3.6
Children's clothing	0.66	100.3	101.2	101.8	0.5	1.5
Boys' clothing	0.19	100.6	104.3	108.3	3.8	7.7
Girls' clothing	0.26	100.1	98.8	97.0	-1.8	-3.1
Infants' clothing	0.09	100.0	101.7	101.5	-0.3	1.5
Other articles of clothing and clothing accessories	0.04	101.8	102.3	103.8	1.5	2.0
Dry cleaning, repair and hire of clothing	0.00	100.3	100.7	101.0	0.2	0.6
Footwear	1.01	101.1	104.6	104.7	0.1	3.6
Adult footwear	0.80	100.9	103.7	104.0	0.3	3.1
Children's footwear	0.20	101.7	107.8	107.3	-0.5	5.5
Repair of footwear	0.01	101.6	108.0	108.0	0.0	6.3
04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	28.36	101.6	104.0	104.9	0.9	3.3
Rental payments for dwelling (both owners and renters)	23.28	101.7	102.9	103.7	0.8	1.9
Regular maintenance and repair of dwelling	0.19	100.7	104.9	105.9	1.0	5.2
Water supply, sewerage service and refuse collection	1.03	100.0	112.1	112.1	0.0	12.1
Electricity gas and other fuels	3.86	101.2	108.4	110.0	1.5	8.7
05 FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE, ETC	5.47	101.5	105.4	106.1	0.7	4.4
Furniture, furnishings, decorations, carpets, floor coverings, incl. repairs	1.78	100.8	103.3	103.5	0.2	2.6
Furniture and furnishings	1.69	100.8	103.4	103.4	0.0	2.5
Carpets and other floor coverings	0.07	100.5	102.5	106.1	3.5	5.5
Repair of furnishings and floor coverings	0.02	101.8	103.3	103.2	0.0	1.4
Household textiles	0.73	102.5	108.6	112.0	3.1	9.2
Heating and cooking appliances, refrigerators, washing machines and similar major household appliances, etc	0.92	101.7	107.5	107.9	0.4	6.1
Glassware, tableware and household utensils	0.22	101.9	106.8	107.1	0.3	5.1
Tools and equipment for house and garden	0.43	100.8	103.1	103.5	0.3	2.7
Goods and services for routine household maintenance	1.36	102.0	105.3	105.6	0.3	3.5

Table 2: NCPI; Month on month and year on year changes by main groups and subgroups (Dec 2012=100)

		Weights	CPI			Inflation Rate	
			Feb-13	Jan-14	Feb-14	m-o-m	y-o-y
06	HEALTH	2.01	102.1	106.2	106.4	0.2	4.2
	Medical products, appliances and equipment	0.84	101.9	106.5	106.2	-0.3	4.2
	Outpatient Services, medical, dental and paramedical	0.98	102.7	107.2	107.8	0.6	5.0
	Hospital services	0.19	100.0	100.0	100.0	0.0	0.0
07	TRANSPORT	14.28	100.9	106.9	108.2	1.2	7.3
	Purchase of vehicles	2.88	101.2	110.7	110.8	0.1	9.5
	Operation of personal transport equipment	8.96	100.4	106.9	108.9	1.9	8.4
	Public transportation services	2.44	102.0	102.5	102.5	0.0	0.5
08	COMMUNICATIONS	3.81	100.0	99.5	99.7	0.2	-0.3
09	RECREATION AND CULTURE	3.55	101.3	105.2	106.4	1.1	5.1
	Audio-visual, photographic and data processing equip. incl. repairs	1.16	102.0	104.1	105.5	1.4	3.4
	Other major durables for recreation and culture	0.08	102.4	109.8	109.9	0.1	7.3
	Other recreational items and equipment; flowers, gardens and pets	0.46	100.6	105.8	106.9	1.0	6.2
	Recreation and cultural services	0.85	100.0	103.2	103.3	0.0	3.3
	Newspapers, books and stationery	0.89	100.6	104.2	106.1	1.8	5.5
	Package holidays	0.11	110.7	133.7	137.3	2.7	24.0
10	EDUCATION	3.65	104.0	112.3	112.3	0.0	8.0
	Pre-primary education (ages 2 to 6 years)	0.23	112.6	122.2	122.2	0.0	8.6
	Primary (private) and Secondary education (ages 7 to 17 years)	1.44	103.8	109.4	109.4	0.0	5.4
	Tertiary education	1.98	103.2	113.3	113.3	0.0	9.8
11	HOTELS, CAFES AND RESTAURANTS	1.39	103.8	109.4	110.4	0.9	6.3
	Catering	0.74	100.7	106.5	107.0	0.5	6.2
	Accommodation services	0.65	107.4	112.8	114.2	1.3	6.4
12	MISCELLANEOUS GOODS AND SERVICES	5.39	100.7	103.9	104.2	0.3	3.5
	Personal care	1.41	100.7	104.3	105.2	0.9	4.5
	Personal effects n.e.c.	1.03	100.8	105.0	105.4	0.4	4.5
	Insurance	0.74	102.1	105.3	105.3	0.0	3.2
	Financial services n.e.c.	0.94	100.0	102.5	102.5	0.0	2.5
	Other services n.e.c.	1.26	100.4	102.8	102.7	0.0	2.3



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