

# NCPI

## February 2024



### 1. Executive Summary

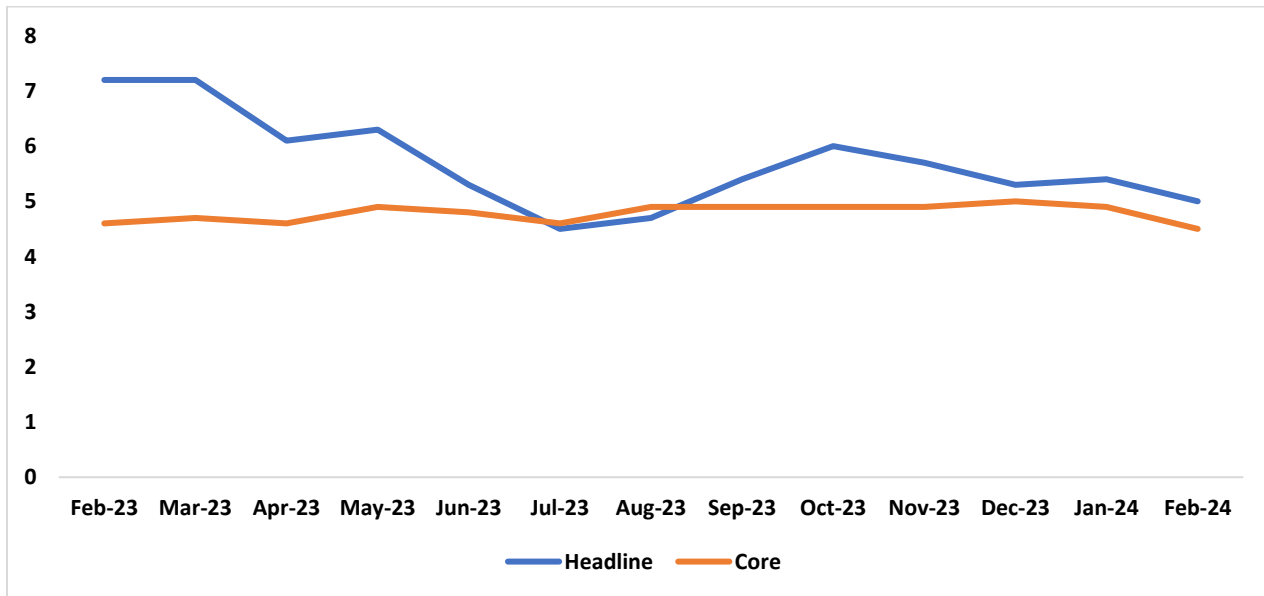
- In February 2024, the annual inflation rate declined to 5.0%, compared to the 7.2% recorded in February 2023, on a monthly basis inflation also slowed compared to the 5.4% recorded in January 2024 (Figure 1)
- This is the lowest inflation print in the past 6 months (October 2023 - February 2024)
- The main contributors to the annual inflation were; ‘recreation and culture’ (10.7%); ‘alcoholic beverages and tobacco’ (7.1%); ‘hotels, cafés and restaurants’ (7.0%); transport (6.5%); and ‘food and non-alcoholic beverages’ (5.8%) (Figure 2)
- On a monthly basis, price levels in Namibia flattened to 0.0% from the 1.3% recorded in January 2024

### 2. Analysis

- The annual inflation rate for the Transport category, which accounts for 14.3 % of the consumer basket stood at 6.5 % during February 2024, compared to 9.9 % recorded in February 2023. The slow increase in the annual inflation rate for this component was reflected in the subcomponents of operation of personal transport equipment (from 14.2% to 6.6%) and public transportation services (from 1.1% to 0.5%)
- On a monthly basis, the transport group inflation rate increased to 0.4 % in February 2024 from -1.3 % recorded in previous month
- Food and non-alcoholic beverages which accounts for 16.5 % of the NCPI basket, registered an annual inflation rate of 5.8 % in February 2024, compared to 14.0 % recorded in February 2023, mainly contributed by the fall of bread and cereals prices on average declined by 0.4 % in February 2024, compared to 22.0 % increase witnessed during the same month of the previous year. The decrease in the annual inflation rate for this subcategory was mainly observed in the price levels of maize, meal/grain (from 35.9% to -8.3%); bread, cake flour (from 26.4% to -2.6%); ‘macaroni, spaghetti, and noodles’ (from 19.9% to -2.1%); mealie rice/malt (from 18.3% to 1.8%) and bread (from 19.1% to 5.4%)
- On a monthly basis, the Food and non-alcoholic beverages inflation rate rose to 0.3 % in February 2024, slower than 1.5 % that was recorded in January 2024

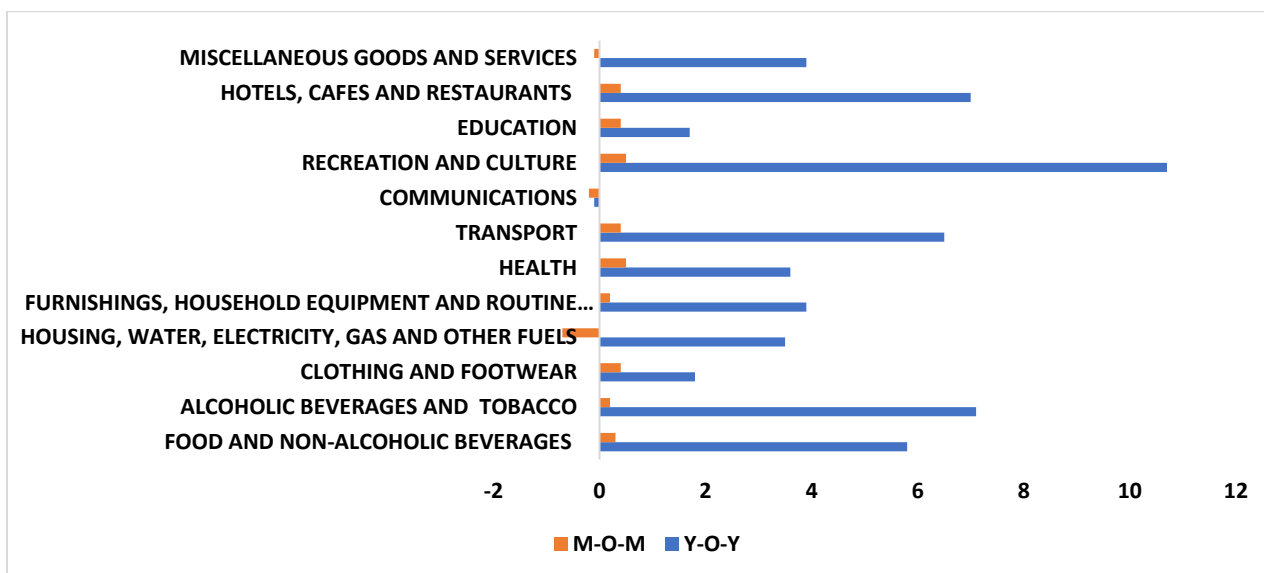
- Recreation and culture, accounting for 3.6% of the consumer basket, recorded an annual change of 10.7% during February 2024, compared to the 5.2 % recorded in February 2023. This was driven by an increase in packaged holiday prices, which soared to 90.9% from 12.2% recorded in February 2023
- Core inflation fell to 4.5% compared to 4.9% recorded in January 2024 and 4.6% recorded in February 2023. With headline inflation now at 5.0%, translating into a 0.5% difference between core and headline inflation (See Figure 1)

**Figure 1: Annual Inflation Rate, Namibia (February 2023 – February 2024)**



Source: NSA & HEI Research

**Figure 2: Sub-Categorical analysis (%) change Year on Year (January 2023 – January 2024)**



Source: NSA & HEI Research

### **3. NCPI Outlook**

We anticipate that the trend of weakening inflation will continue. However, uncertainties and external factors such as fluctuations in oil prices and the global demand for commodities could contribute to fluctuations in inflation rates throughout the year, necessitating close monitoring and adaptability in response to changing economic conditions.

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