

# NCPI

## March 2024



### 1. Executive Summary

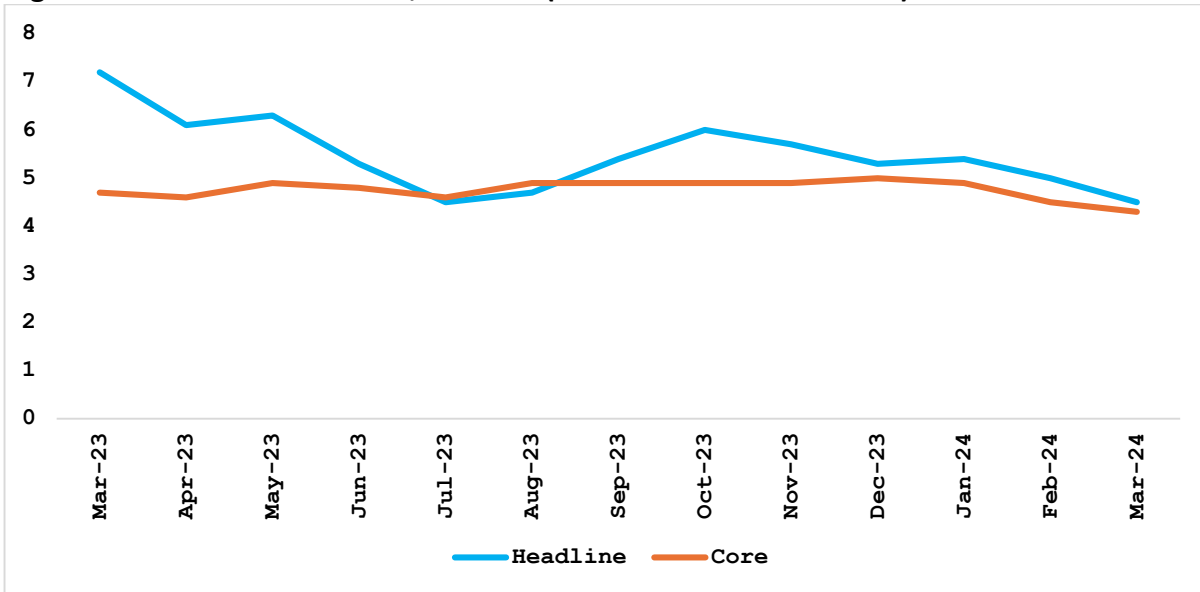
- In March 2024, the annual inflation rate declined to 4.5%, compared to the 7.2% recorded in March 2023, on a monthly basis inflation also slowed compared to the 5.0% recorded in February 2024. (Figure 1)
- This is the lowest inflation print in the past 7 months (October 2023 - March 2024)
- The main contributors to the annual inflation were food and non-alcoholic beverages, transport, and miscellaneous goods and services. (Figure 1)

### 2. Analysis

- Food and non-alcoholic beverages which accounts for 16.5% of the NCPI basket, registered an annual inflation rate of 4.9% in March 2024, compared to 14.6% witnessed during March 2023. The main attributors to the slow increase in the annual inflation rate of this subcategory was mainly observed in the price levels of maize meal/grain (from 33.9% to -11.9%) followed by bread, cake flour (from 25.9% to -5.5%) (Figure 2)
- The annual inflation rate for the Transport category, which accounts for 14.3% of the consumer basket stood at 4.3% during March 2024, compared to 9.2% recorded in March 2023. The slow increase in the annual inflation rate for this component was reflected in the subcomponents of 'Operation of personal transport equipment' (from 12.5% to 3.9%) and 'public transportation services' (from 1.0% to 0.6%)
- Miscellaneous goods and services, accounting for 5.39% of the consumer basket, recorded an annual change of 3.4% during March 2024, compared to the 7.3% recorded in March 2023. This was driven by a decline in demand for insurance services which declined to 4.3% compared to 15.8% recorded in March 2023

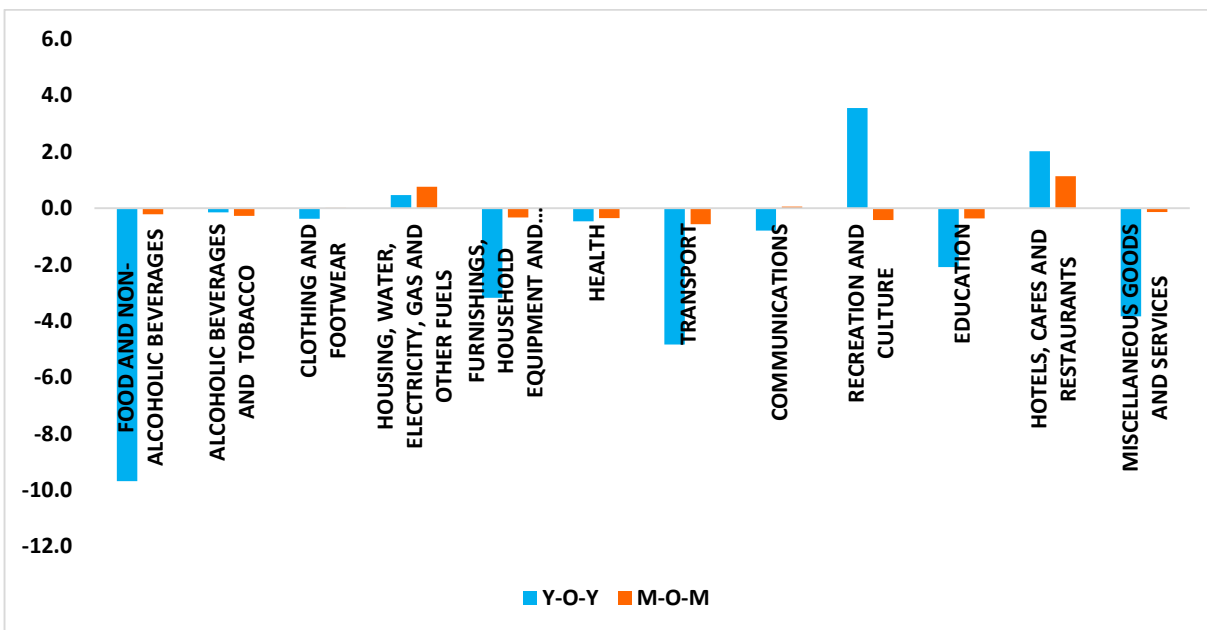
- Core inflation fell to 4.3% compared to 4.5% in February 2024 and 4.7% recorded in March 2023. With headline inflation now at 5.0%, translating into a 0.5% difference between core and headline inflation (See Figure 1)

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



Source: NSA & HEI Research

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



Source: NSA & HEI Research

### **3. NCPI Outlook**

With the winter season approaching and the recent developments from the Ministry of Mines and Energy regarding the fuel price increase, we are expecting to see a rise in the prices of commodities such as petrol, paraffin and diesel. Consequently, we foresee an overall rise in the "transport" and "housing, water, electricity, gas, and other fuels" category, contributing to a monthly increase in inflation for April 2024.

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