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1. Executive summary

Namibia's annual headline inflation rose to 3.6% in October 2025, up from 3.0% in October 2024 and 3.5% in September 2025. Core inflation, which excludes volatile items such as food, non-alcoholic beverages, and energy-related products to better capture underlying price movements, increased marginally to 3.7% from 3.6% in September 2025. Key contributors to the inflationary trend included transport and education, underscoring persistent price pressures in essential goods and services.

Inflation in Namibia varied across the three officially designated geographic zones. Zone 1, encompassing the northern and central regions, including Kavango East and West, Kunene, and Oshana, recorded the highest inflation rate at 3.7%, up from 3.5% in the previous period. Zone 2, consisting solely of the Khomas Region, registered an inflation rate of 3.5%, a slight increase from 3.4%. Zone 3, covering the southern and western areas such as ǁKharas and Erongo, saw inflation rise to 3.6% from 3.4%. These figures indicate that all zones experienced upward inflationary pressures, with Zone 1 remaining the most affected.

2. Analysis

Transport

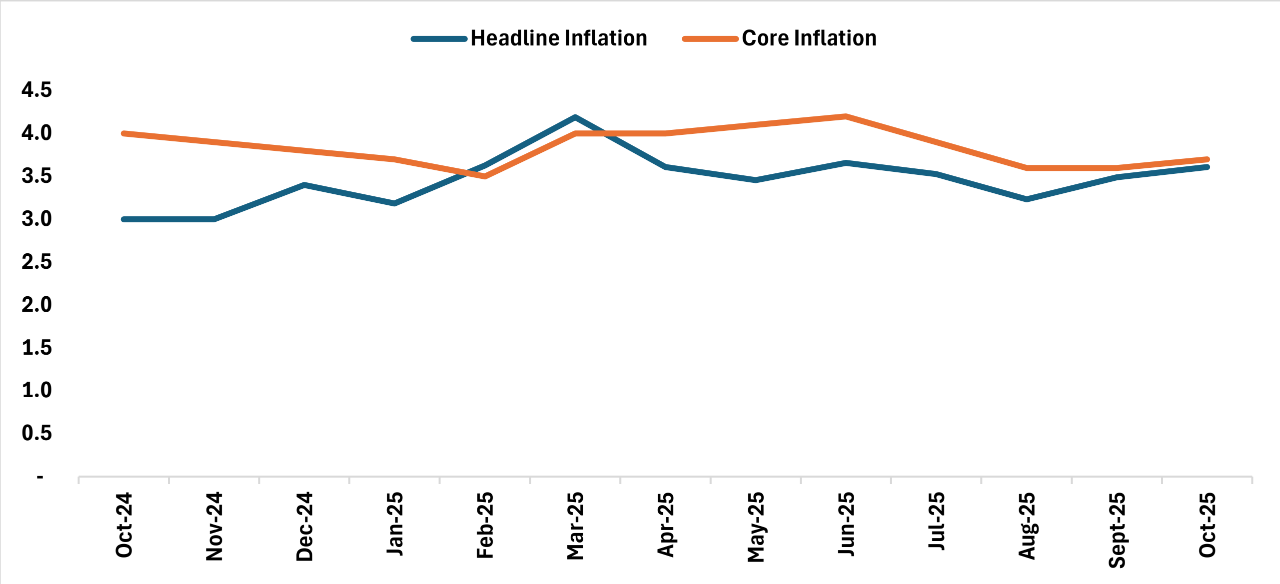
The transport category, representing 1.39% of the consumer basket, recorded an annual inflation rate of 2.1% in October 2025, up from -2.9% in October 2024. The increase was largely driven by the operation of personal transport equipment, which rebounded from -6.6% to 1.7%, reflecting a shift from deflation to modest price increases. Lubrication costs rose from 5.9% to 7.4%, and service and repair charges accelerated from 0.6% to 6.2%, highlighting higher maintenance-related expenses. Petrol and diesel, previously in deflation at -12.3%, increased slightly to 0.8%, indicating fuel price stabilization.

Vehicle purchases declined in inflation from 5.2% to 3.8%, and public transportation services experienced a minor decrease from 1.2% to 0.8%. The transport category saw mixed inflationary pressures, with rising maintenance and operation costs offset by subdued or declining prices in other subgroups.

Education

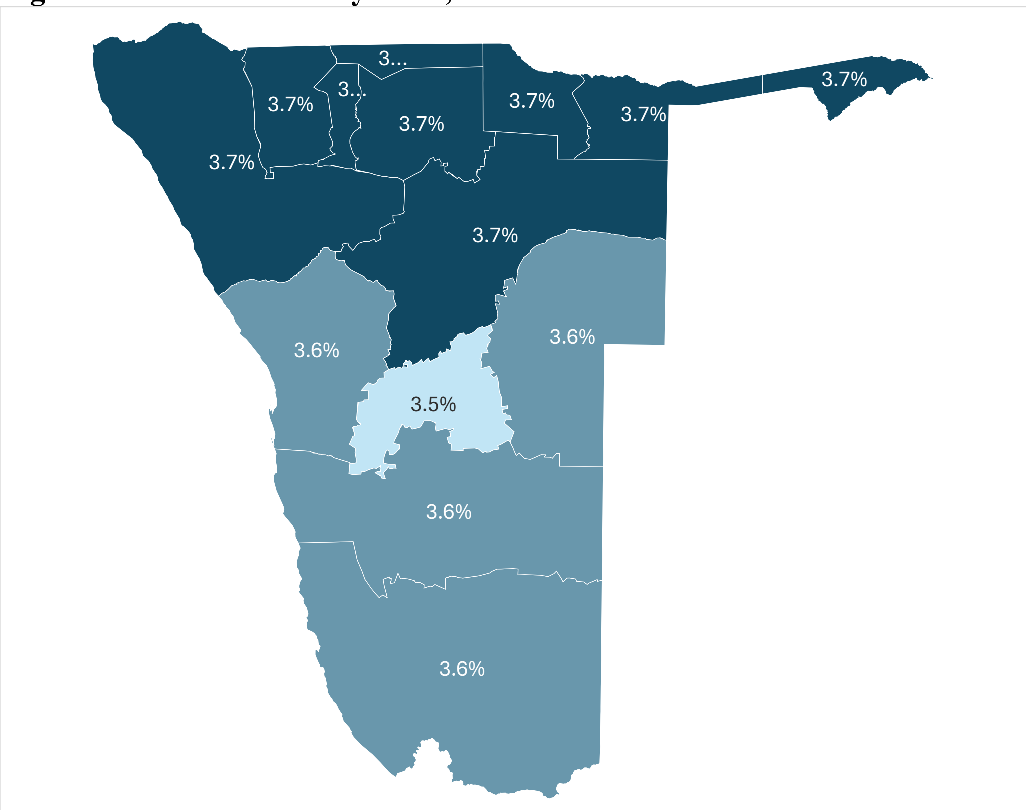
The education category, which makes up 3.65% of the consumer basket, recorded an annual inflation rate of 4.3% in October 2025, up from 1.7% in October 2024, indicating a notable rise in education-related costs. The largest increases were observed in pre-primary education (ages 2 to 6 years), which surged from 2.4% to 7.7%, and in private primary and secondary education (ages 7 to 17 years), rising from 1.7% to 6.8%. In contrast, tertiary education costs remained stable at 1.6%, showing no change from the previous year. The increase in education inflation was primarily driven by rising fees for early childhood and private school education, reflecting higher tuition costs and associated expenses.

Figure 1: Annual Inflation Rate, October 2024 – October 2025



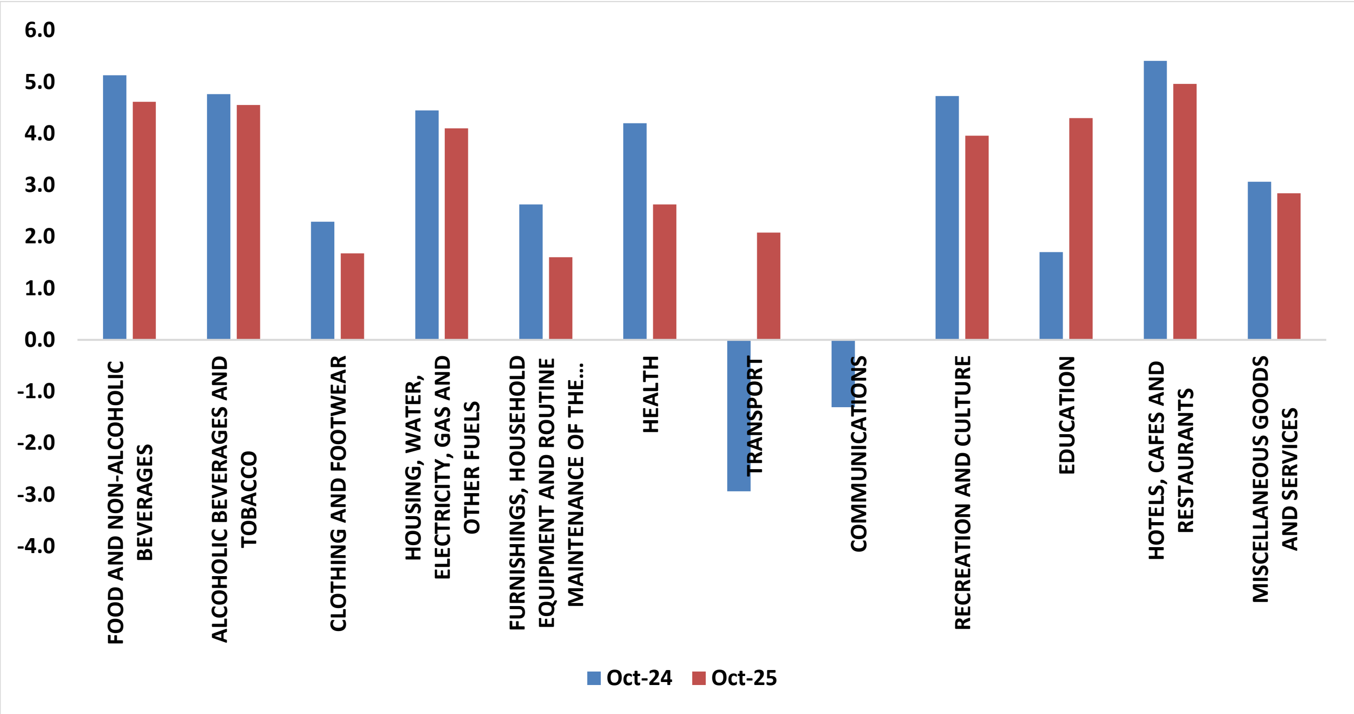
Source: NSA & HEI RESEARCH

Figure 2: Inflation Rate by Zone, October 2025



Source: NSA & HEI RESEARCH

Figure 3: Main Contributors to the Annual Inflation Rate (Below and Above the Target Range), October 2024 – October 2025



Source: NSA & HEI RESEARCH

3. Outlook

Namibia's headline inflation is expected to maintain a moderate upward trajectory supported by persistent price pressures in key sectors such as transport and education. With annual headline inflation at 3.6% and core inflation slightly higher at 3.7%, the underlying trend suggests continued, but contained, increases in the cost of essential goods and services. Transport-related costs are likely to remain a key driver, particularly in maintenance, service, and operation of personal transport equipment, as well as lubrication and vehicle servicing. While fuel prices have stabilized, they may continue to influence transport inflation depending on global oil price developments.

Seasonal factors ahead of the festive period may also push prices higher in hotels, cafes, and restaurants, as early holiday travel and leisure activities increase demand. Domestic transport costs often rise in November as consumer mobility picks up. Education-related inflation will continue to contribute moderately, as schools remain open, sustaining steady demand for supplies, fees, and associated activities. Food items and household essentials may also see slight price increases as consumers prepare for the holidays.

Overall, November inflation is expected to reflect steady demand in education, rising transport and leisure costs, and early holiday-related spending, resulting in a gradual increase in overall price levels.