

NCPI

November 2025

1. Executive summary

Namibia's annual inflation slowed slightly to 3.4% in November 2025, down from 3.6% in October 2025, but higher than the 3.0% recorded in November 2024. Core inflation, which excludes volatile items such as food, non-alcoholic beverages, and energy remained unchanged at 3.6%, though slightly above the headline rate. The increase was primarily driven by higher price pressures in the transport, education and communications categories, which recorded notable upward movements.

Despite these increases, inflationary pressures moderated across most other major categories. Food and non-alcoholic beverages, alcoholic beverages and tobacco, clothing and footwear, furnishings and household equipment, health, recreation and culture, and hotels, cafés and restaurants all recorded lower annual inflation rates compared to November 2024, easing some of the upward pressure on the consumer basket.

The Zonal inflation rates for the month of November 2025 revealed that Zone 1 (Kavango East, Kavango West, Kunene, Ohangwena, Omusati, Oshana, Oshikoto, Otjozondjupa, and Zambezi regions) recorded the lowest annual inflation rate at 3.3%. Zone 2, consisting solely of the Khomas Region, registered an inflation rate of 3.4%, while Zone 3, covering the southern and western regions including ǀKharas, Erongo, Hardap, and Omaheke, also recorded 3.4%. These figures show that inflationary pressures were relatively contained across all zones, with Zone 1 experiencing slightly lower price growth compared to Zones 2 and 3.

2. Analysis

Transport

The transport category, which accounts for 14.3% of the consumer basket, recorded an annual inflation rate of 2.0% in November 2025, a significant increase from the -3.5% registered in November 2024. This was driven primarily by the operation of personal transport equipment, which rose from -6.6% in November 2024 to 1.8% in November 2025. Fuel inflation moved from -12.3% into positive territory at 0.8%, reflecting the stabilisation of petrol and diesel prices after a year of deflation. Additional upward pressure came from higher lubrication costs, increasing from 6.0% to 7.1%, and a substantial rise in service and repair charges, which accelerated from 1.4% to 6.0%, signalling increased vehicle maintenance costs.

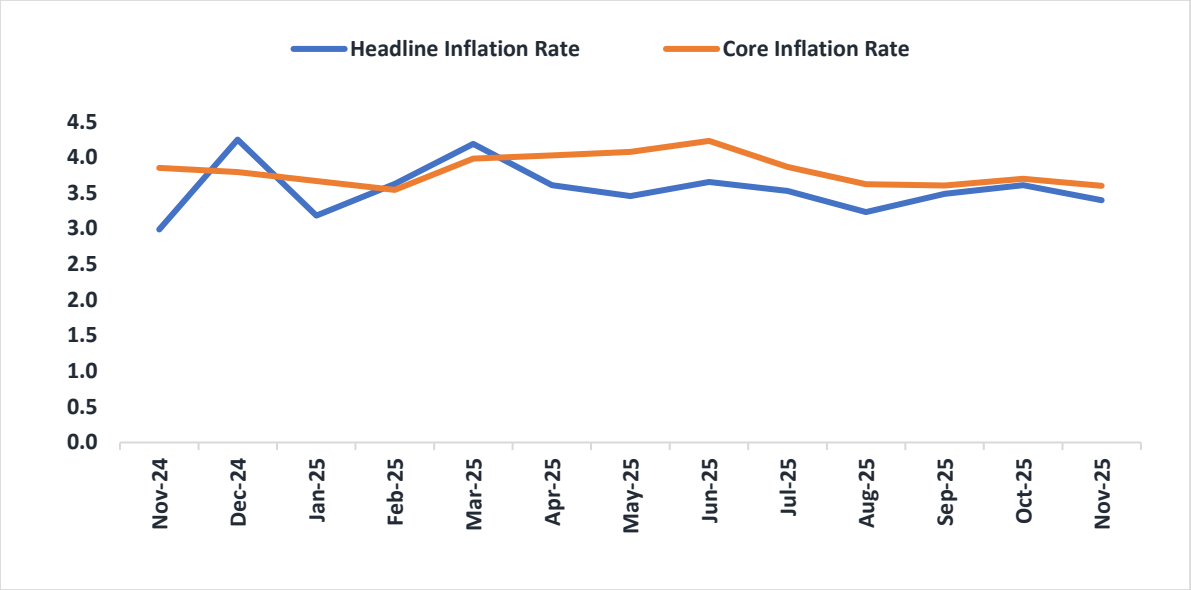
The purchase of vehicles subgroup also contributed to the upward momentum, rising from 2.5% to 3.2%. All components within this subgroup recorded higher inflation over the year: motor cars increased from 2.4% to 3.1%, motor cycles from 4.8% to 5.4%, and bicycles from 4.8% to 5.0%. These developments point to sustained demand for new vehicles combined with higher import and distribution costs.

Education

The education category, which comprises of 3.7% of Namibia’s Consumer Price Index basket, recorded an annual inflation rate of 4.3% in November 2025 an upward trend from the 1.7% in November 2024. The substantial increase in education inflation was driven mainly by higher fees in pre-primary and private primary and secondary education, both of which recorded large upward adjustments.

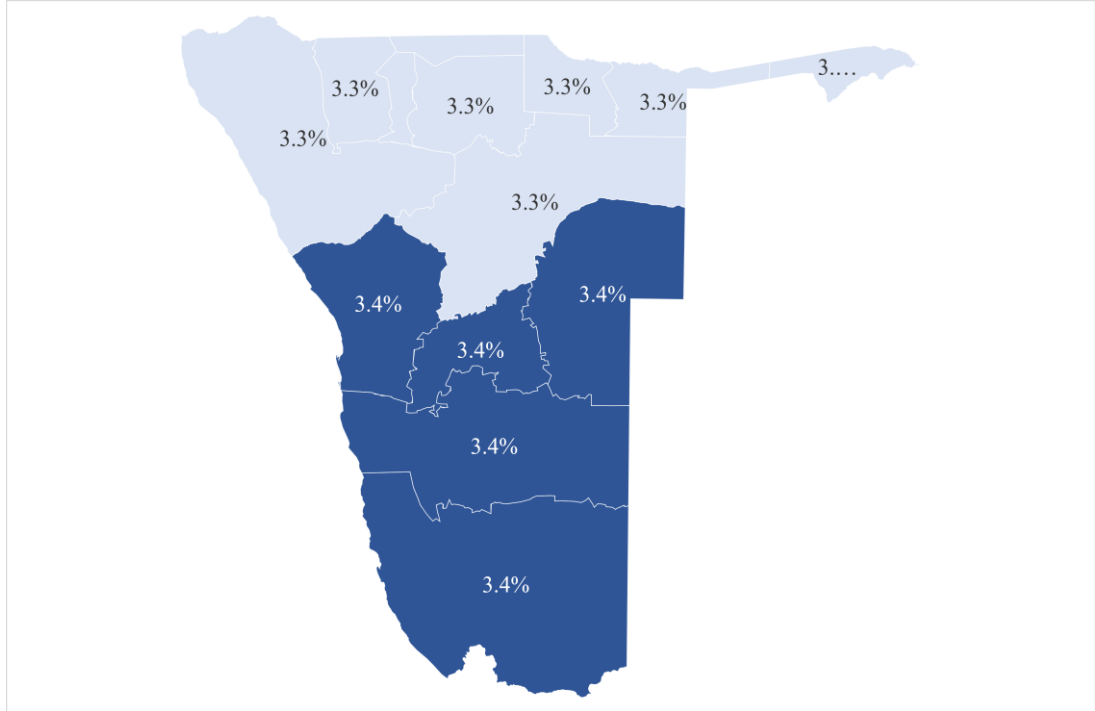
Pre-primary education inflation rose sharply from 2.4% in November 2024 to 7.7% in November 2025, reflecting elevated costs associated with early childhood learning services and related support expenses. Similarly, private primary and secondary education inflation accelerated from 1.7% to 6.8%, indicating widespread fee reviews across institutions and rising operational costs within the sector.

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



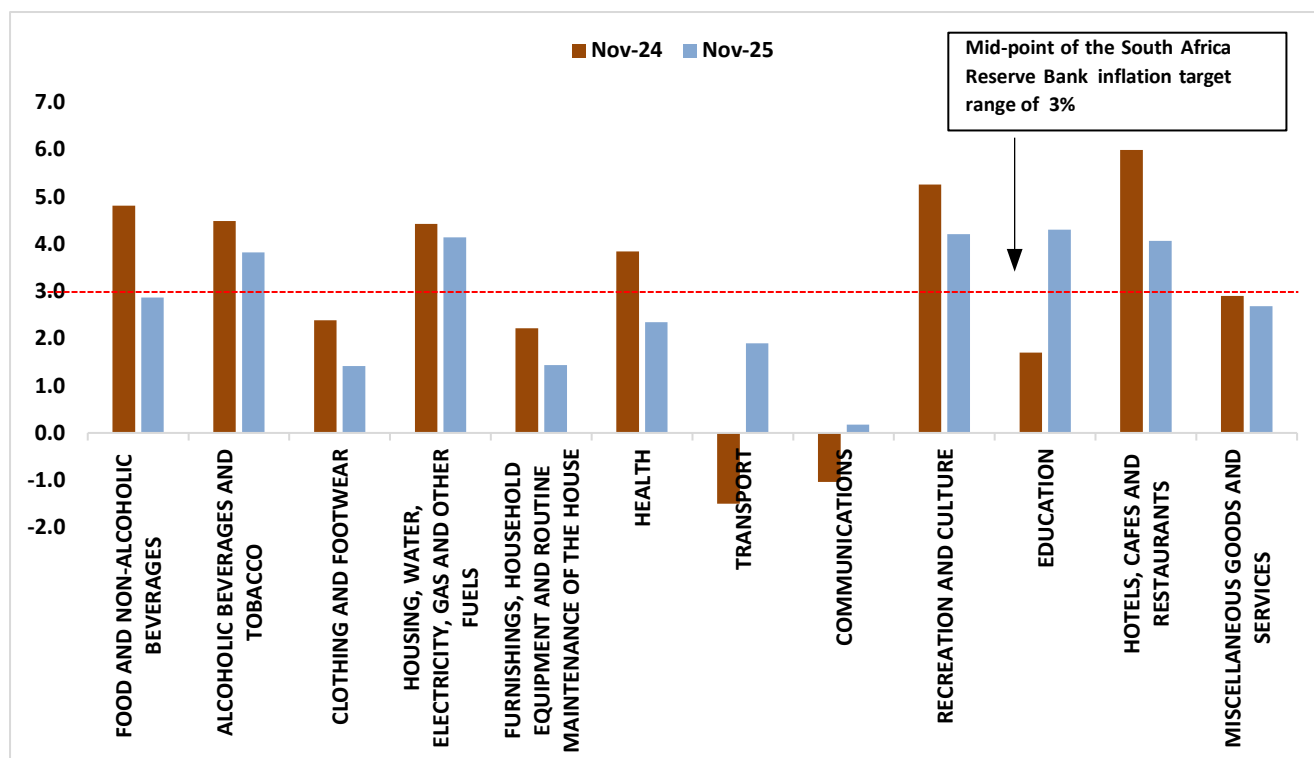
Source: NSA & HEI RESEARCH

Figure 2: Inflation Rate by Zone, November 2025



Source: NSA & HEI RESEARCH

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



Source: NSA & HEI RESEARCH

3. Outlook

Namibia's inflation is expected to remain broadly stable in the short term, supported by easing price pressures across most major categories. The year-to-date average inflation rate for January to November 2025 stands at 3.5%, notably lower than the 4.3% recorded over the same period in 2024, reflecting improved food, clothing, health, and household-related inflation dynamics. The Bank of Namibia projects average inflation of around 3.6% for 2025, consistent with the moderate price environment observed to date.

However, selected categories will continue to exert upward pressure on overall inflation. Transport inflation is expected to remain elevated due to higher vehicle purchase costs, normalised fuel prices, and increased maintenance expenses. Education inflation is also likely to remain high in early 2026 as annual fee adjustments across private institutions take effect.

Seasonal spending during December and early January may temporarily raise prices in hotels, cafés, restaurants and selected services, although these pressures are likely to remain contained. Regional inflation across Zones 1, 2, and 3 is expected to stay closely aligned, reflecting similar underlying cost structures across the country.

Monetary policy is expected to remain steady, with the Bank of Namibia maintaining a cautious stance to safeguard the currency peg to the South African Rand. The decision to keep the repo rate unchanged helps preserve a narrow interest rate differential with South Africa, reinforcing stability in domestic prices. This anchoring effect supports confidence that inflation will remain contained, despite pockets of upward pressure in key service-related categories.