

NCPI

September 2026

Executive summary

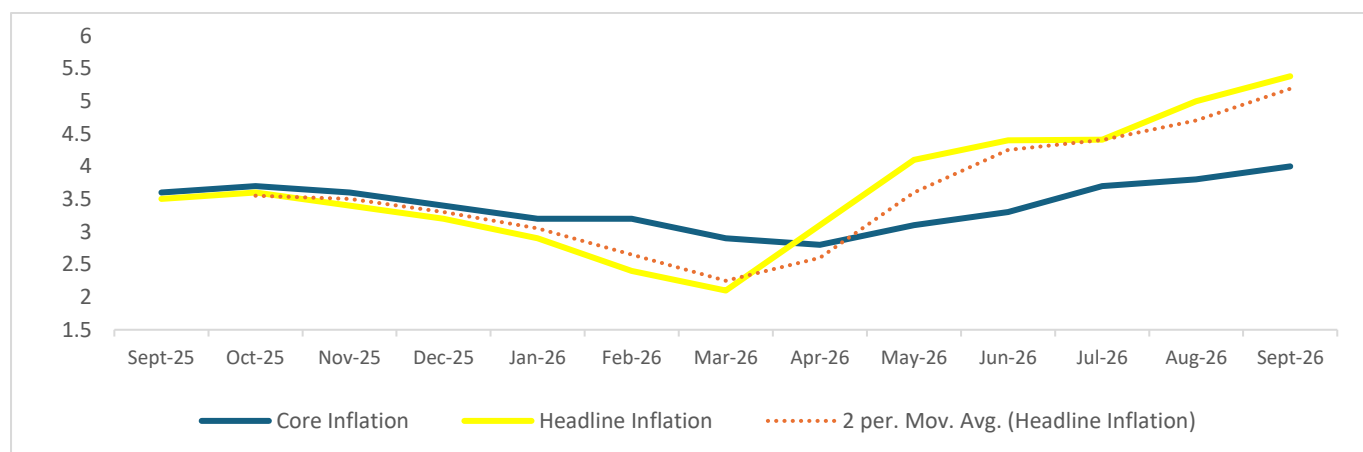
Namibia's headline inflation accelerated to 5.4% in September 2026, up from 5.0% in August 2026 and well above the 3.2% recorded in September 2025. Core inflation, which excludes volatile food and energy prices, increased to 4.0% from 3.8% in August, but remained below headline inflation. The gap between headline and core inflation indicates that the acceleration in consumer prices was driven largely by non-core components, particularly transport and housing-related costs.

Transport remained the largest contributor to headline inflation, accounting for 2.0 percentage points of the 5.4% annual inflation rate. Transport inflation rose sharply to 14.9% in September 2026 from 1.3% a year earlier, driven primarily by higher fuel prices and increases in public transportation costs. Housing, Water, Electricity, Gas and Other Fuels also recorded higher annual inflation of 4.2%, up from 3.6% in September 2025. In contrast, Food and Non-Alcoholic Beverages inflation moderated to 4.0% from 4.9%, reflecting slower price increases across key categories such as fish, meat, oils and fats, and coffee, tea and cocoa.

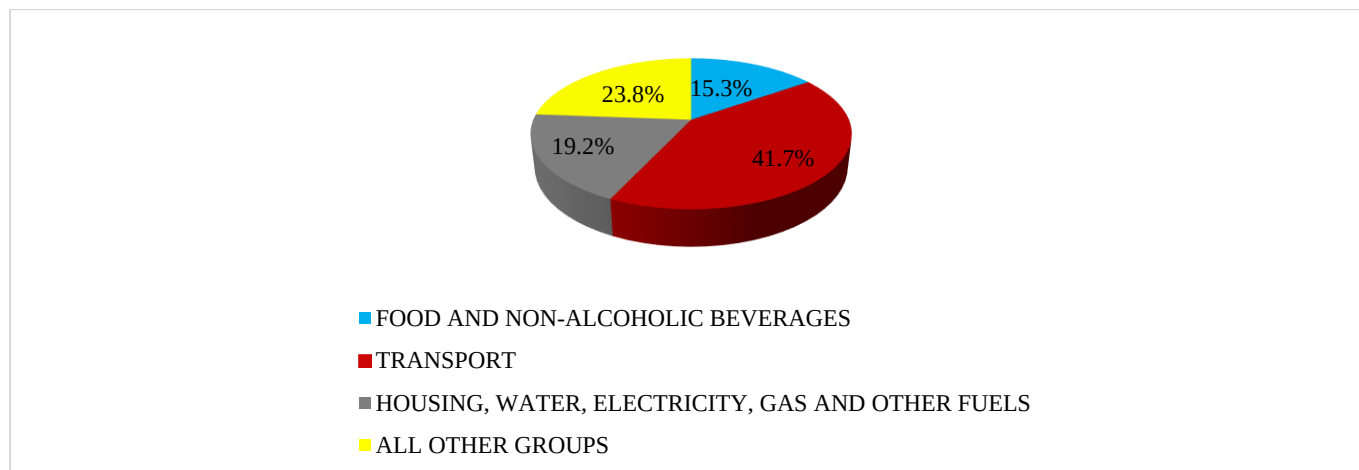
Zonal inflation remained uneven, with Zone 2 recording the highest annual inflation rate at 6.2%, followed by Zone 3 at 5.8%, while Zone 1 recorded the lowest rate at 4.3%. Zone 2 and Zone 3 therefore remained above the national average, largely reflecting stronger transport-related price pressures. An analysis of selected retail prices also showed notable differences across zones, with Zone 1 recording the highest petrol price at N\$25.76 per litre, while Zone 2 recorded the lowest at N\$25.57. For diesel, Zone 1 recorded the highest average price at N\$28.54 per litre, compared to N\$28.35 in Zone 2.

Overall, September 2026 inflation reflects continued cost-push pressures, with transport and housing-related costs remaining the main sources of upward pressure on consumer prices. However, the moderation in food inflation and the slower monthly increase in Transport inflation suggest some easing in selected short-term price pressures.

Figure 1: Core Inflation vs Headline Inflation, September 2025 to September 2026



Source: NSA & HEI Research

Figure 2: Main Contributors to the Annual Inflation Rate (September 2025 – September 2026)

Source: NSA & HEI Research

Transport

Transport remained the largest contributor to overall inflation in September 2026, accounting for 2.0 percentage points of the country's 5.4% annual inflation rate.

The category, which carries a 14.3% weight in the consumer basket, recorded an annual inflation rate of 14.9% in September 2026, up sharply from 1.3% in September 2025. The significant increase was primarily driven by higher prices for Operation of Personal Transport Equipment and Public Transportation Services. On a monthly basis, however, Transport inflation moderated to 1.9% in September 2026, down from 3.7% in August, indicating a slower pace of price increases during the month.

Sub-Category Analysis

1. Operation of Personal Transport Equipment

Operation of Personal Transport Equipment recorded the highest annual inflation rate within the Transport category, increasing sharply to 20.1% in September 2026 from 0.3% in September 2025.

- Petrol and Diesel: annual inflation increased substantially from -2.1% to 30.4%.
- License and Registration Fees: inflation increased from 0.0% to 8.7%.

The sharp increase in fuel prices was the primary driver of inflation within this sub-category, significantly raising the cost of operating private vehicles.

2. Public Transportation Services

Public Transportation Services recorded an annual inflation rate of 15.0% in September 2026, up markedly from 0.9% in September 2025. The increase was broad-based across the major forms of public transportation.

- Air Transportation: annual inflation increased from -0.2% to 22.1%.
- Taxi Transportation: inflation increased from 0.0% to 15.4%.
- Rail Transportation: inflation increased from 0.3% to 15.7%.
- Bus Transportation: inflation accelerated from 3.4% to 12.6%.

The broad-based increase indicates that higher transportation costs extended beyond private vehicle use, with significant price increases recorded across air, taxi, rail and bus transportation services.

3. Purchase of Vehicles

In contrast to the other major Transport sub-categories, Purchase of Vehicles recorded a relatively low annual inflation rate of 1.5% in September 2026, down from 4.4% in September 2025. The moderation was reflected across all sub-components within the category.

Overall, the sharp increase in transport inflation was primarily driven by higher fuel prices and their transmission into private vehicle operating costs and public transportation services. The persistence of these cost pressures highlights the largely supply-side and fuel-driven nature of transport inflation during September 2026, with higher fuel prices contributing to increased costs across both private and public transportation. However, the moderation in monthly Transport inflation from 3.7% in August to 1.9% in September suggests that the pace of transport-related price increases may be easing, despite annual inflation remaining elevated.

Housing, water, electricity, gas, and other fuels

Housing, Water, Electricity, Gas and Other Fuels, which accounts for 28.4% of the consumer basket, recorded an annual inflation rate of 4.2% in September 2026, up from 3.6% in September 2025.

The increase in annual inflation was mainly driven by higher price changes for Regular Maintenance and Repair of Dwellings, which accelerated from 3.1% to 4.0%, as well as Electricity, Gas and Other Fuels, which increased from 3.0% to 3.8%. Rental Payments for Dwellings (both owners and renters) also rose from 3.7% to 4.3%. On a monthly basis, the division recorded inflation of 0.1% in September, reversing the 0.4% deflation recorded in August. This suggests a modest re-emergence of short-term price pressures within housing and utility costs, following the decline recorded in the preceding month.

Food and Non-Alcoholic Beverages

Food and Non-Alcoholic Beverages, which accounts for 16.5% of the consumer basket, recorded an annual inflation rate of 4.0% in September 2026, down from 4.9% in September 2025. The moderation was broad-based across several key food categories, particularly fish, meat, oils and fats, and coffee, tea and cocoa, indicating a continued easing in food price pressures compared to the corresponding period of the previous year. On a monthly basis, the division recorded inflation of 0.1% in September 2026, unchanged from the previous month.

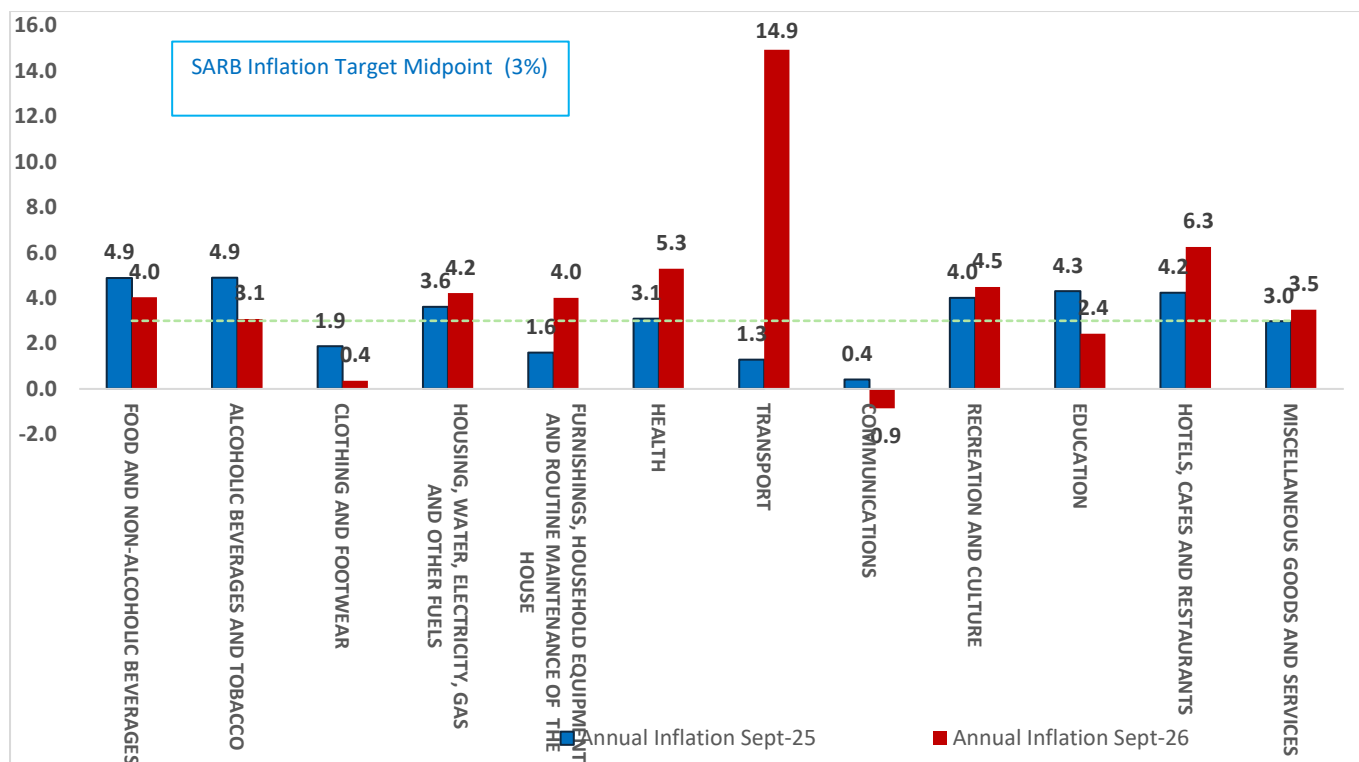
The slowdown was particularly evident in annual fish inflation, which declined from 9.2% in September 2025 to 3.2% in September 2026, mainly reflecting slower price increases for fresh, chilled and frozen fish, where annual inflation fell from 9.3% to 0.3%. Annual meat inflation also eased from 8.1% to 3.3%, supported by lower price increases for beef, mutton/lamb, sausages, minced meat and pork. Similarly, annual inflation for oils and fats slowed from 6.0% to 3.2%, mainly due to lower price increases for cooking oil, margarine and peanut butter. Annual inflation for coffee, tea and cocoa also moderated from 5.9% to 3.5%, driven primarily by slower price increases for coffee and chocolate drinks. These developments point to relatively contained food price pressures in September 2026, contributing to the moderation in overall consumer inflation.

Alcoholic Beverages and Tobacco

Alcoholic Beverages and Tobacco recorded a moderation in annual inflation in September 2026 compared to the corresponding period of the previous year. The moderation was driven by both major sub-categories, with alcoholic beverages recording annual inflation of 2.8%, down from 4.5% in September 2025, while tobacco inflation declined from 6.6% to 4.5%.

Figure 3: Contributors to the Annual Inflation Rate (September 2025 – September 2026)





Source: NSA & Hei Research

The slowdown in alcoholic beverage inflation was mainly reflected in lower annual price increases for Brandies, Beer/Ales/Ciders and Whiskies. Inflation for Brandies declined from 5.8% to 2.3%, while Beer/Ales/Ciders slowed from 4.3% to 1.9% and Whiskies from 3.5% to 2.2%. Similarly, tobacco inflation moderated to 4.5% from 6.6% in September 2025, with the slowdown recorded across all sub-components of the category. Overall, the moderation in both alcoholic beverage and tobacco inflation points to reduced price pressures within the category compared to the corresponding period of the previous year, although tobacco continued to record a higher inflation rate than alcoholic beverages.

Overall, the September 2026 inflation profile indicates that inflationary pressures were concentrated in transport and housing-related components, while food and other consumer categories experienced more moderate price increases. This suggests that the current inflation environment remains largely cost-push in nature, with higher fuel, transport and utility costs continuing to be the main sources of upward pressure on consumer prices.

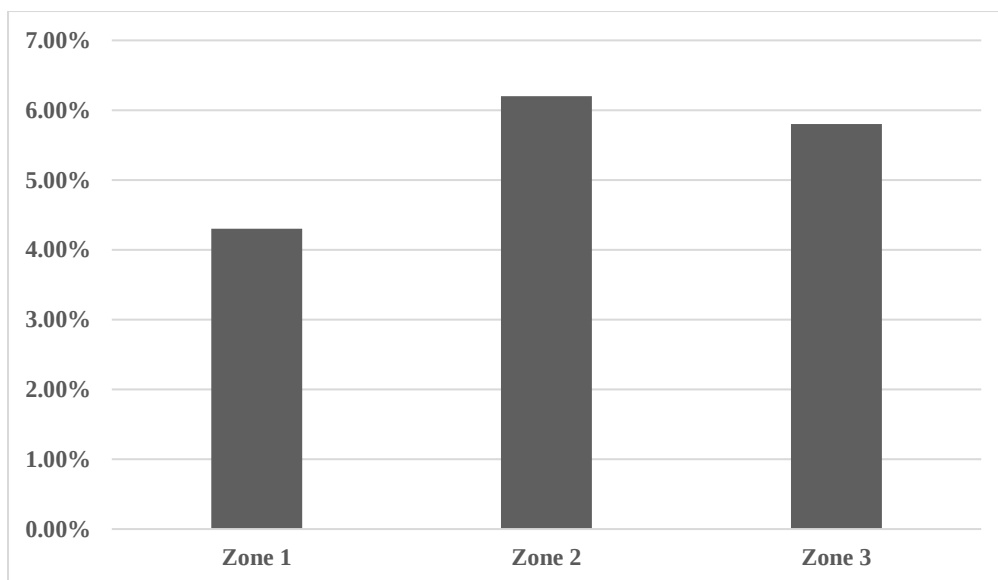
Zonal Analysis

Zone 2 recorded the highest annual inflation rate at 6.2% in September 2026, up from 3.2% in September 2025 and above the national average of 5.4%. The increase was primarily driven by Transport, which rose sharply from 0.1% to 16.1%, while additional pressure came from Health and Furnishings, Household Equipment and Routine Maintenance of the House.

Zone 3 recorded an annual inflation rate of 5.8%, up from 3.4% in September 2025 and also above the national average. The increase was mainly driven by Transport, which accelerated from 0.2% to 15.4%, while Housing, Water, Electricity, Gas and Other Fuels also increased from 3.3% to 6.6%. On a monthly basis, Zone 3 recorded inflation of 0.6%, down from 0.8% in August 2026.

In contrast, Zone 1 recorded the lowest annual inflation rate at 4.3%, up from 3.8% in September 2025 but below the national average. The increase was mainly reflected in Transport, which rose from 3.0% to 13.7%, and Hotels, Cafes and Restaurants, which increased from 2.7% to 8.7%. Overall, Transport remained the dominant source of inflationary pressure across all three zones, with higher transport-related price increases recorded in Zones 2 and 3.

Figure 4: Inflation Rate by Zone, September 2026



Source: NSA & Hei Research

Outlook

Looking ahead, the balance of risks to headline inflation remains tilted toward the upside, with transport likely to remain the main swing factor over the coming months. Although the pace of monthly transport price increases eased in September, the sharp rise in fuel-related costs is likely to continue feeding through to private and public transportation. For consumers, persistently elevated transport costs will place further pressure on disposable incomes and may also contribute to higher prices across other goods and services as businesses pass on rising distribution and operating costs.

Housing and utilities are also likely to remain a persistent source of upward pressure. While price increases in this division remain more gradual than those observed in transport, its large weight in the consumer basket means that continued increases in rentals, maintenance and utility costs could have a meaningful effect on headline inflation. Any further adjustments to administered prices before year-end would therefore present an additional upside risk.

Food provides a more favourable element to the outlook, although this may be subject to renewed short-term pressures. Food price increases have moderated across several key categories, particularly meat, fish and oils, while monthly increases remain subdued. However, the ongoing Foot and Mouth Disease outbreak could place upward pressure on meat prices in the near term if livestock movement restrictions and supply disruptions reduce the availability of affected products. If food supply conditions remain stable and the moderation in food prices is sustained, this could still provide some offset to the stronger pressures coming from transport and housing.

Core inflation has also continued to edge higher, suggesting that inflationary pressures are becoming more widespread. While the current inflation episode remains predominantly driven by transport and other cost-related factors, a continued rise in underlying inflation would make it increasingly difficult to view the recent acceleration as purely temporary.

Overall, the inflation outlook remains subject to significant upside risks, particularly from fuel and transport costs, while moderating food-price pressures provide some downside relief. The potential impact of Foot and Mouth Disease on food supply adds a further short-term risk to the inflation outlook. The extent to which these competing forces develop through the final quarter will determine whether headline inflation continues to rise or begins to stabilise.