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NCPI

October 2026

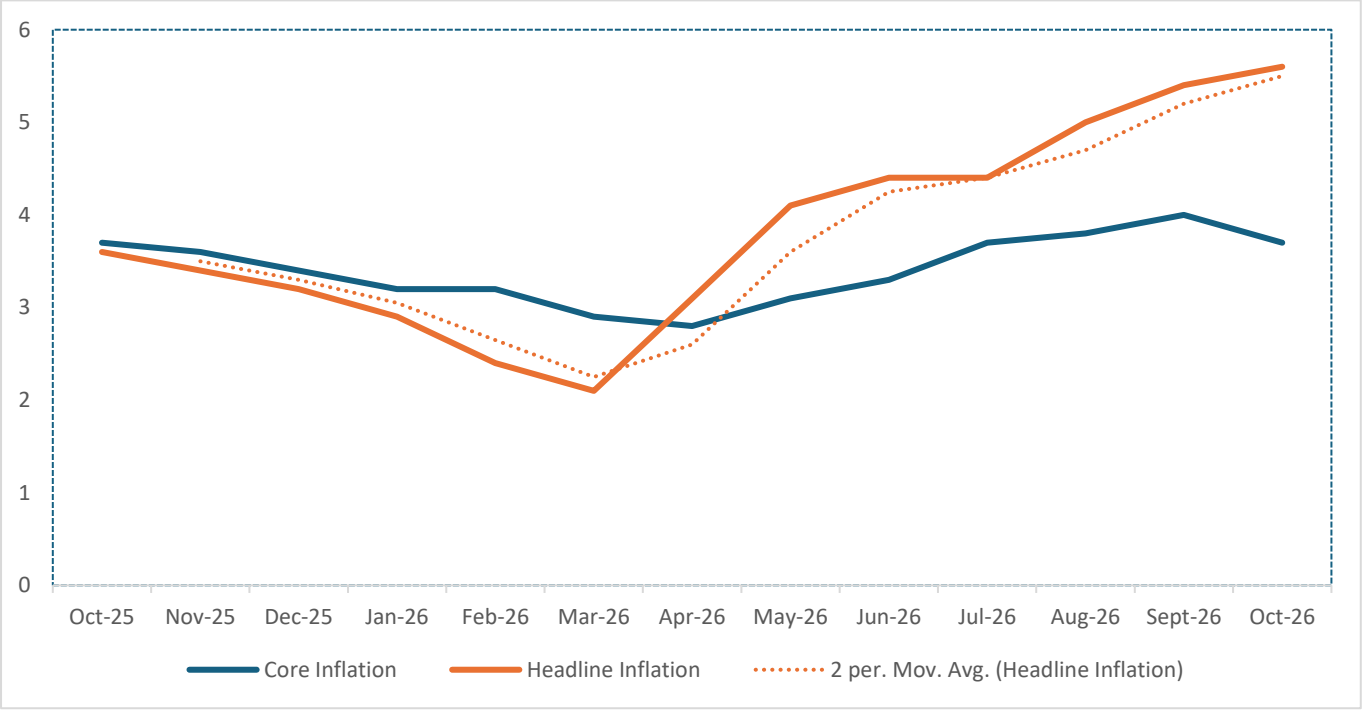
Executive summary

Namibia's headline inflation increased to 5.6% in October 2026, up from 5.4% in September 2026 and 3.6% in October 2025. On a month-on-month basis, inflation increased by 0.7% in October 2026, compared to 0.4% in September 2026. Transport, Food and Non-Alcoholic Beverages, and Housing were the main contributors to headline inflation, collectively accounting for approximately 78.8% of the overall inflation rate. Meanwhile, core inflation, which excludes volatile food and energy prices, stood at 3.7% in October 2026, down from 4.0% in September 2026.

The Zonal inflation rates show that Zone 2 (Khomas region) recorded inflation of 6.2% well above the national average, reflecting stronger price increases than any other region. By comparison, Zone 3 (//Kharas, Erongo, Hardap and Omaheke regions) recorded annual inflation of 6.1%, while Zone 1 (Kavango East, Kavango West, Kunene, Ohangwena, Omusati, Oshana, Oshikoto, Otjozondjupa and Zambezi regions), recorded the lowest rate at 4.3%.

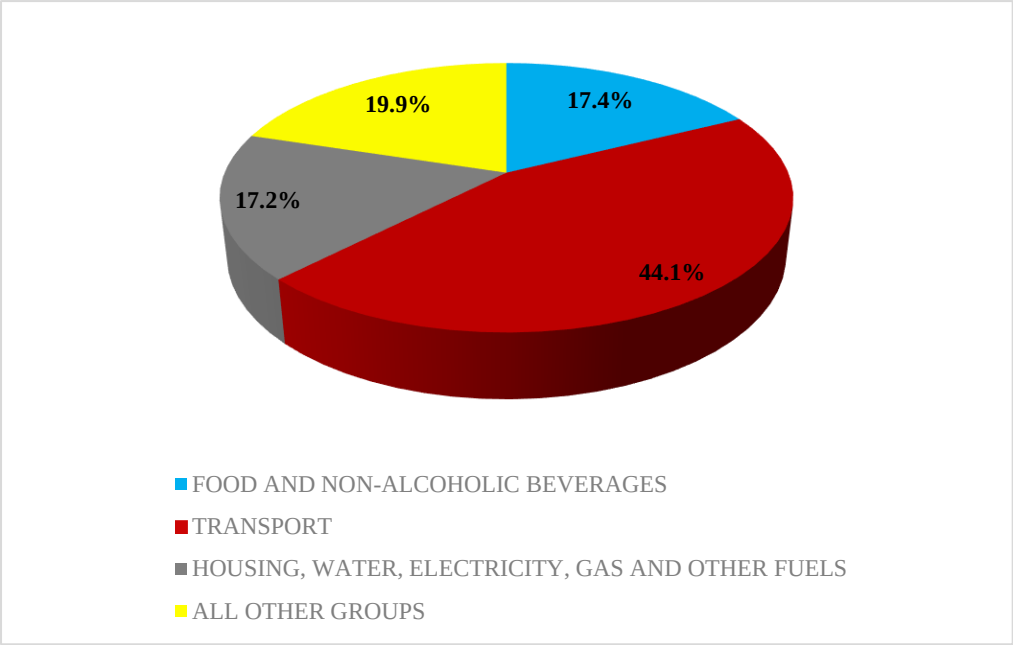
An analysis of average retail prices across the three zones revealed variations in the prices of selected products. Zone 3 recorded the highest average prices for beef stew and beef mince, while Zone 1 recorded the highest price for biltong. Zone 2, on the other hand, recorded the highest prices for apples and fresh tomatoes. Fuel prices remained relatively uniform across the three zones.

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



Source: NSA & HEI Research

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



Source: NSA & HEI Research

Transport

Transport, which accounts for approximately 14.3 % of the consumer basket, recorded an annual inflation rate of 16.5% in October 2026, a sharp increase from the 2.1% recorded in October 2025. The category contributed 2.46 percentage points, representing 44.1% of the total inflation rate. This positioned transport as the main driver of headline inflation, reflecting the substantial increase in both private and public transportation services.

- **Operation of Personal Transport Equipment**

The Operation of Personal Transport Equipment sub-category recorded the highest inflationary pressure within the Transport category, with annual inflation accelerating to 22.7% in October 2026, compared to 1.7% in October 2025. This increase was largely driven by higher fuel-related costs, alongside rising expenditure on vehicle maintenance and repairs. Petrol and diesel inflation increased from 0.8% in October 2025 to 34.1% in October 2026. Similarly, inflation for spare parts and accessories accelerated from 1.1% to 8.6% over the same period, while services and repair charges increased from 6.2% to 7.4%.

- **Public Transportation Services**

The Public Transportation Services sub-category recorded an annual inflation rate of 15.0% in October 2026, a sharp increase from 0.8% recorded in October 2025. This was largely driven by Air Transportation, which recorded inflation of 22.9%, followed by Rail Transportation at 15.7%, followed by Taxi Transportation at 15.4% and Bus Transportation at 12.7%. The persistently elevated inflation in this sub-category reflects continued price pressures across public transport services.

- **Purchase of Vehicles**

The Purchase of Vehicles sub-category recorded an annual inflation rate of 1.4% in October 2026, down from 3.8% in October 2025, indicating a moderation in price increases. This was primarily driven by the subdued inflation in the prices of motor cars, motorcycles, and bicycles, which eased from 3.8% to 1.4%. The moderation in vehicle purchase prices helped contain inflationary pressures within the Transport category.

Housing, water, electricity, gas, and other fuels

The Housing, Water, Electricity, Gas and Other Fuels category, which accounts for approximately 28.36% of the consumer basket, contributed 0.96 percentage points to overall inflation, representing 17.2% of the total inflationary contribution. The increase was primarily driven by water supply, sewerage and refuse collection, which recorded an annual inflation rate of 6.1%, compared to 0.4% in October 2025. Inflation for gas rose to 3.2%, while coal and charcoal recorded an increase of 6.1%. Rental payments and Electricity charges, however, moderated from 4.8% to 3.6% and 3.9% to 1.7%, respectively.

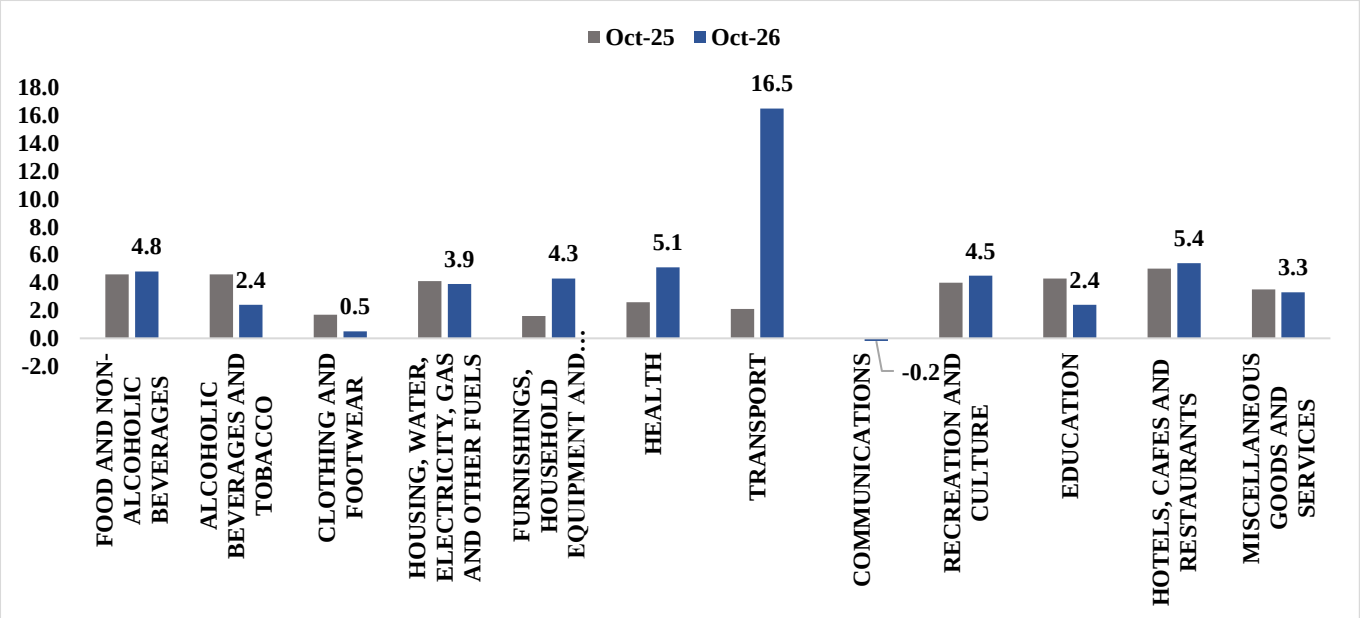
Food and Non-Alcoholic Beverages

The Food and Non-Alcoholic Beverages category recorded an annual inflation rate of 4.8% in October 2026, compared to 4.0% in September 2026 and 3.8% in October 2025. Given that the category represents approximately 16.45% of the consumer basket, the increase in food prices had a considerable bearing on headline inflation, adding 0.97 percentage points and accounting for 17.4% of the total inflationary contribution. The increase was largely driven by higher prices for meat, vegetables, milk, cheese and eggs. Meat prices recorded an annual inflation rate of 5.9%, down from 7.7% in October 2025. Minced meat and beef recorded particularly notable increases of 12.5% and 8.5%, respectively. Similarly, vegetables recorded inflation of 10.5%, while milk, cheese and eggs increased by 7.8%. Fruit prices remained elevated, although inflation moderated slightly from 14.4% to 13.5%. These developments highlight the continued pressure on household food expenditure, particularly for essential food items.

Alcoholic Beverages and Tobacco

The Alcoholic Beverages and Tobacco category, which accounts for 12.59% of the consumer basket, contributed 0.34 percentage points to overall inflation, accounting for 6.1% of the total contribution. This was mainly driven by tobacco prices, which recorded an annual inflation rate of 4.1%, while alcoholic beverages increased by 2.0%. However, inflation for beer, ales and ciders remained relatively low at 0.8%, moderating the overall price increases within the category.

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



Source: NSA & HEI Research

The moderation in inflation was driven by both major sub-categories. Within Food and Non-Alcoholic Beverages, macaroni, spaghetti and noodles recorded a price decrease of 0.2%, while cabbage declined by 1.5%. Pumpkins and squashes also recorded a decline of 5.3%, while green peppers and paprika declined by 0.1%. Furthermore, communication prices recorded a slight overall negative contribution of -0.2% to inflation, helping to partially offset increases in other categories.

Overall, the increase reflects rising price pressures, particularly in Transport, Food and Non-Alcoholic Beverages, and Furnishings, Household Equipment and Routine Maintenance of the House. Transport recorded the highest annual inflation rate of 16.5%, followed by Hotels, Cafes and Restaurants at 5.4% and Health at 5.1%.

Zonal Analysis

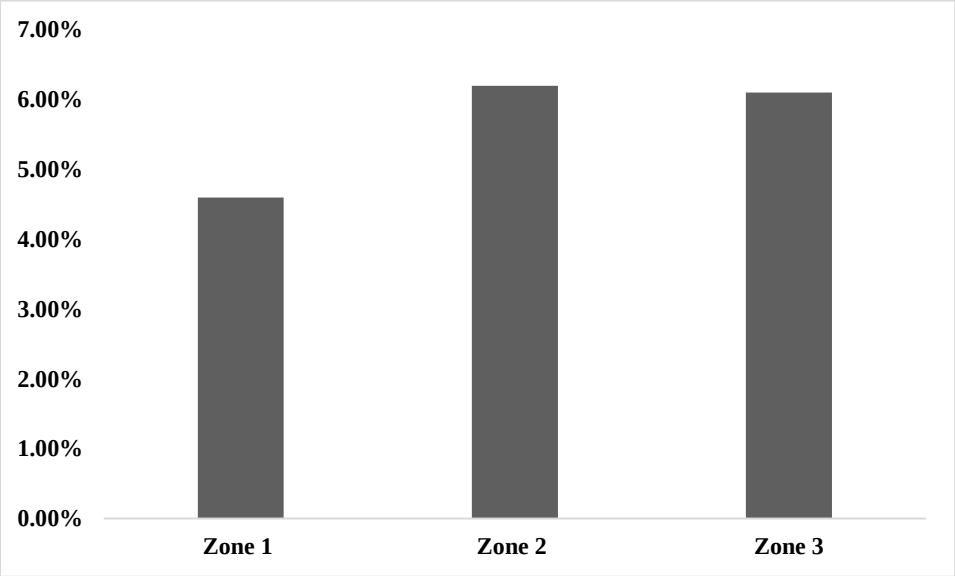
Zone 2, covering the Khomas Region, continued to record the highest annual inflation rate among the three zones, at 6.2% in October 2026, unchanged from September 2026. The main inflationary pressures emanated from transport, which increased to 18.3%, and food and non-alcoholic beverages, which accelerated to 5.4%. Furnishings and household equipment also recorded relatively high inflation of 9.5%.

Zone 3 recorded an annual inflation rate of 6.1% in October 2026, compared to 5.8% in September. The acceleration was largely driven by food and non-alcoholic beverages, which increased from 3.6% to 5.2%, alongside transport inflation, which rose to 16.3%. Housing and utilities remained another notable source of price pressure, recording inflation of 6.5%.

In contrast, Zone 1 recorded an annual inflation rate of 4.6% in October 2026, up from 4.3% in September. The increase was primarily associated with higher inflation in transport, which accelerated to 15.1%, and food and non-alcoholic beverages, which increased to 4.3%. Housing, water, electricity, gas and other fuels also recorded an increase, reaching 2.8%. This increase was mainly driven by an increase in Regular maintance and repair of dwelling and Electricity and agas and other fuels.

An analysis of average retail prices for selected products in October 2026 revealed notable price variations across the zones. Consumers in Zone 3 paid the highest price for beef stew per kilogram at N$137.49, followed by Zone 1 at N$127.92, while Zone 2 recorded the lowest price at N$102.96. Similarly, Zone 2 consumers paid the highest price for fresh tomatoes per kilogram at N$44.56, compared to N$39.77 in Zone 3 and N$31.44 in Zone 1. Furthermore, biltong was most expensive in Zone 1 at N$545.63 per kilogram, followed by Zone 2 at N$491.28, while Zone 3 recorded the lowest price at N$448.04. In contrast, petrol prices were relatively uniform across the zones, ranging from N$27.07 per litre in Zone 2 to N$27.26 in Zone 1.

Figure 4: Inflation Rate by Zone, October 2026



Source: NSA & HEI Research

Outlook

Looking ahead, inflation is expected to remain subject to upward pressures, particularly reflecting the continued impact of higher fuel and transportation costs. Although international fuel prices have shown some moderation, higher shipping and vessel-waiting costs, coupled with exchange-rate pressures, could sustain elevated domestic fuel import costs. This is likely to keep transportation and distribution expenses relatively high, with potential spillover effects on the prices of other goods and services.

Furthermore, food prices could remain a potential source of inflationary pressure in the coming months, particularly given the potential impact of regional agricultural conditions on the availability and cost of food imports. Factors such as irregular rainfall and drought conditions in major agricultural-producing regions could affect crop yields and constrain the availability of key food commodities, potentially increasing Namibia's dependence on food imports. Given the country's reliance on imported food products, particularly from South Africa, disruptions in regional supply and fluctuations in exchange rates could translate into higher domestic food prices. Furthermore, rising transportation costs could increase the cost of distributing both imported and locally produced food, adding further upward pressure on retail prices.

Nevertheless, the trajectory of inflation in the coming months will largely depend on whether elevated fuel prices continue to translate into higher transportation, distribution and retail costs. Although core inflation remains relatively moderate, transport inflation presents a risk of further price adjustments across other consumer goods and services. In particular, higher diesel prices could increase the cost of transporting agricultural produce to retail outlets, while rising refrigeration and storage costs could further push up food prices, potentially sustaining headline inflation at elevated levels in the near term.

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