

# NCPI

Namibia Consumer Price index

**December 2018**



### Mission Statement

“Leveraging on partnerships and innovative technologies, to produce and disseminate relevant, quality, timely statistics and spatial data that are fit-for-purpose in accordance with international standards and best practice”

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### Vision Statement

“To be a high performance institution in quality statistics delivery”

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### Core Values

- ✓ Integrity
- ✓ Excellent Performance
- ✓ Accuracy
- ✓ Team Work
- ✓ Accountability
- ✓ Transparency

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## Annual inflation rate continues to slow down

The annual inflation rate for December 2018 stood at 5.1 percent as compared to 5.2 percent registered in December 2017. On a monthly basis it decreased to -0.2 percent from 0.7 percent recorded in November 2018.



## Summary Comments

The annual inflation rate for December 2018 stood at 5.1 percent compared to 5.2 percent registered in December 2017, resulting in a slowdown of 0.1 percentage points, while on a monthly basis it stood at -0.2 percent compared to 0.7 percent registered in the preceding month. The slowdown in the annual inflation rate resulted from Housing, water, electricity, gas and other fuels (from 9.2 percent to 3.1 percent); Hotels, cafés and restaurants (from 5.5 percent to 4.3 percent); Health (from 5.2 percent to 4.8 percent) and Miscellaneous goods and services which dropped (from 4.7 percent to 4.0 percent).

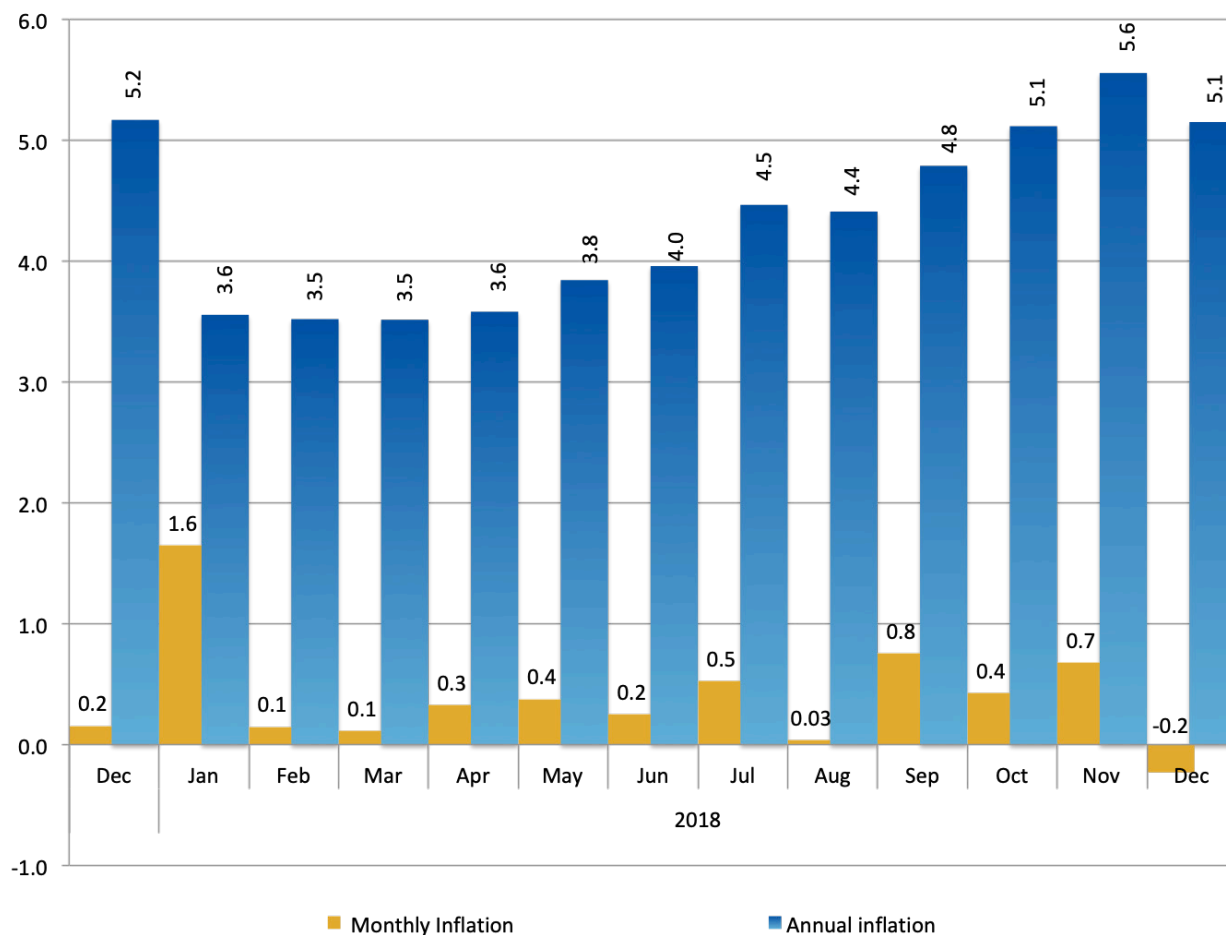
The December 2018 All Items Index increased to 135.0 up from 128.4 recorded in December 2017. The average annual and average monthly inflation rate for the year 2018 stood at 4.3 and 0.4 percent as compared to 6.2 and 0.4 percent registered a year earlier.

Monthly price levels were affected by decreases in the prices of goods and services in the categories of Transport (-1.8 percent), Alcoholic beverages and tobacco (-0.6 percent), Hotels, cafes and restaurants (-0.4 percent), and Furnishings, household equipment and routine maintenance of the house (-0.4 percent).

Alex Shimuafeni  
Statistician-General & CEO

# Overall Inflation Rate

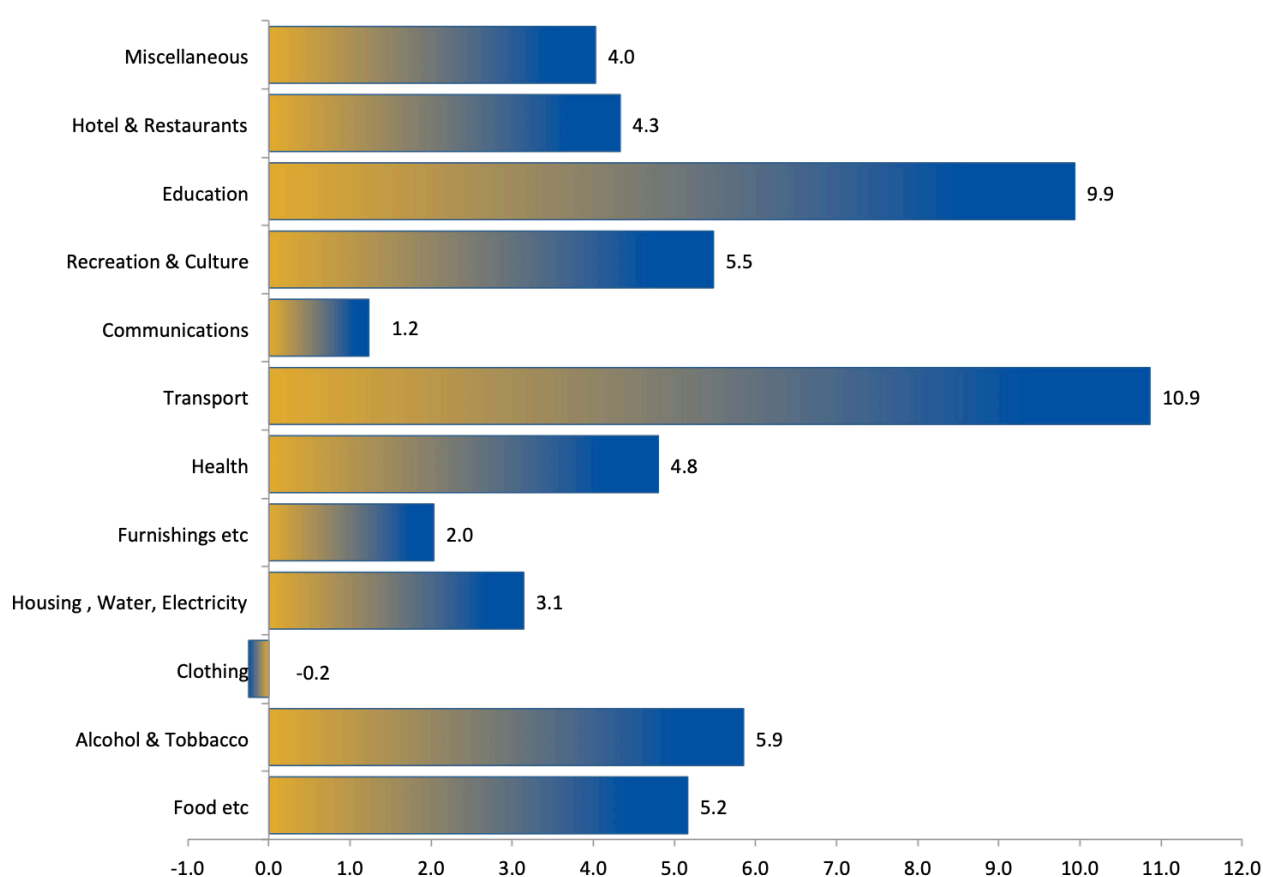
Chart 1: NCPI; Monthly and annual percentage changes; December 2018 (Dec 2012 = 100)



# Main Drivers of Inflation

The main drivers of annual inflation rate during the month of December 2018, were Transport (10.9 percent); Education (9.9 percent); Education (9.9 percent); Alcoholic beverages and tobacco (5.9 percent); Recreation and culture (5.5 percent); Food and non-alcoholic beverages (5.2 percent) and Health (4.8). The average annual inflation rate for the period April to December 2018 stood at 4.5 percent while the corresponding rate recorded during the same period of 2017 was estimated as 5.7 percent.

**Chart 2: NCPI; annual percentage changes by all groups, December 2018 (Dec 2012 = 100)**















# Box 1: NCPI Basket Weights

Inflation is calculated based on a basket of goods and services, containing a representative sample of the goods and or services commonly consumed in a country, and weighted in accordance with the relative percentage of expenditure allotted to each of the said goods at household level. The price of these goods and services are then tracked over time, to illustrate the change in the cost of living over time. As spending patterns change, new products and services are added to the basket, and the basket reweighted so as to better capture the current spending patterns of the consumer at the current point in time.

As such, the inflation basket is generally reconstituted every five years. In Namibia, the basket was last rebased in 2013, using household expenditure data collected in the 2009/10 Household Income and Expenditure Survey. The basket now contains over 350 items, grouped into 12 categories and 55 sub-categories, for which prices are collected on a monthly basis from more than 900 retail outlets.

Namibian inflation however, is largely determined by three categories of the overall NCPI basket, namely: (i) *Housing, water, electricity, gas and other fuels*, (ii) *Food and non-alcoholic beverages* and (iii) *Transport*, which cumulatively make up just under 60 percent of the total inflation basket. Additionally, following the rebasing of the NCPI basket in 2013, “*Alcoholic beverages and tobacco*” make up an additional 12.6 percent of the basket, meaning that the four largest categories represent well over 70 percent of the total basket. As such, a large increase in inflation in these categories has a greater impact on the overall inflation than do increases in the lower weighted categories. Thus, it is rare to see major increases in overall inflation attributed to the lower weighted categories, despite the fact that these categories may have seen relatively high inflation in their own right.

	Housing, Water, Electricity, Gas and Other Fuels	28.36%
	Food and Non-Alcoholic Beverages	16.45%
	Transport	14.28%
	Alcoholic Beverages and Tobacco	12.59%
	Furnishings, Household Equipment	5.47%
	Miscellaneous Goods and Services	5.39%
	Communication	3.81%
	Education	3.65%
	Recreation and Culture	3.55%
	Clothing and Footwear	3.05%
	Health	2.01%
	Hotels, Cafes and Restaurants	1.39%

# Major Groups

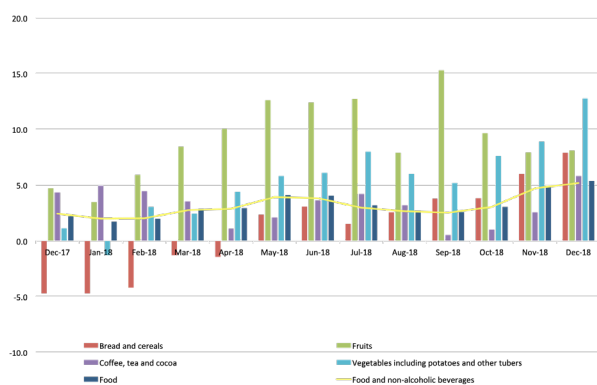


## Food and non-alcoholic beverages

The annual inflation rate for this category stood at 5.2 percent in December 2018 compared to 2.4 percent registered during the same period the previous year, an increase of 2.8 percentage points. The upward movement in this group emanated from increases recorded mainly in the subcomponents of Vegetables including potatoes and other tubers (from 1.1 percent to 12.8 percent), Fruit (from 4.7 percent to 8.1 percent), Bread and cereals (from -4.7 percent to 7.9 percent), Food (from 2.2 percent to 5.4 percent), Coffee, tea and cocoa (from 4.3 percent to 5.8 percent) and Oils and fats (from -1.6 percent to 4.3 percent).

The monthly inflation rate for this category, slowdown to 0.5 percent compared to 1.5 percent registered in the preceding month.

**Chart 3: NCPI; Annual inflation rates for selected food sub-categories; December 2018 (Dec 2012 = 100)**

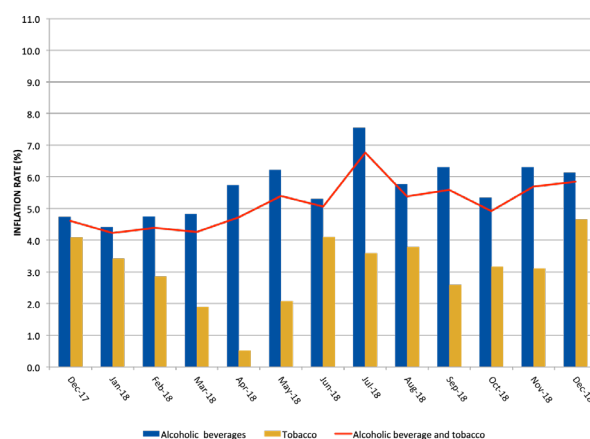


## Alcoholic beverages and tobacco

The annual inflation rate for the Alcoholic beverages and tobacco group stood at 5.9 percent in December 2018 compared to 4.6 percent registered in December 2017, resulting in an increase of 1.3 percentage points. The upward movement of inflation in this category was due to the increase in the price levels of both sub-components of Alcoholic beverages and tobacco.

The monthly inflation rate for this category stood at -0.6 percent compared to 1.0 percent registered a month earlier.

**Chart 4: NCPI; Annual inflation rate for Alcoholic beverages and tobacco; December 2018 (Dec 2012 = 100)**





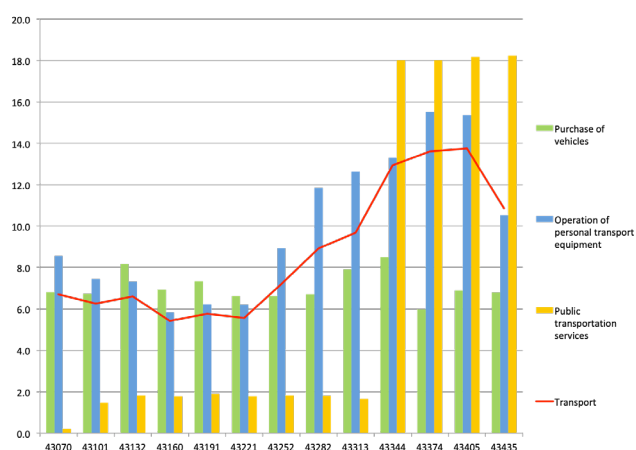


## Transport

The annual inflation rate for the Transport component stood at 10.9 percent in December 2018, resulting in an increase of 4.2 percentage points when compared to a rate of 6.7 percent recorded in December 2017. This increase was a result of increases in the price levels of Public transportation services sub-component, which increased from 0.2 percent to 18.2 percent while Operation of personal transport equipment increased from 8.6 percent to 10.5 percent.

The monthly inflation rate for Transport stood at -1.8 percent compared to 1.9 percent recorded a month earlier, resulting in –a decline of 3.7 percentage points.

**Chart 5: NCPI; Annual inflation rate for Transport; December 2018 (Dec 2012 = 100)**

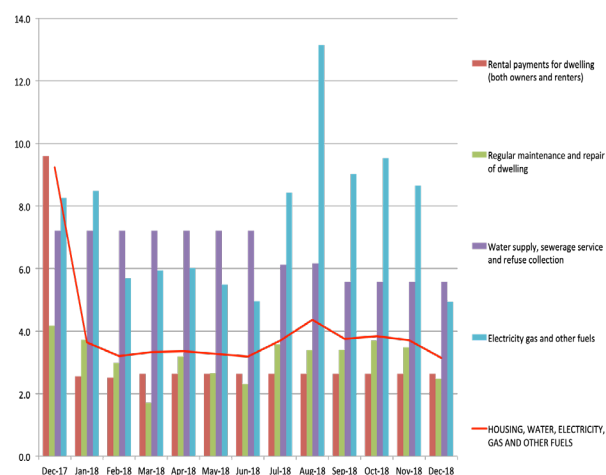


## Housing, water, electricity, gas and other fuels

The annual inflation rate for Housing, water, electricity, gas and other fuels category was 3.1 percent compared to 9.2 percent recorded during the same period a year earlier. The decrease in this category was due to the declines in the price levels of all the Housing, water, electricity, gas and other fuels sub-components.

On a monthly basis, the inflation rate for this group remained unchanged at 0.0 percent.

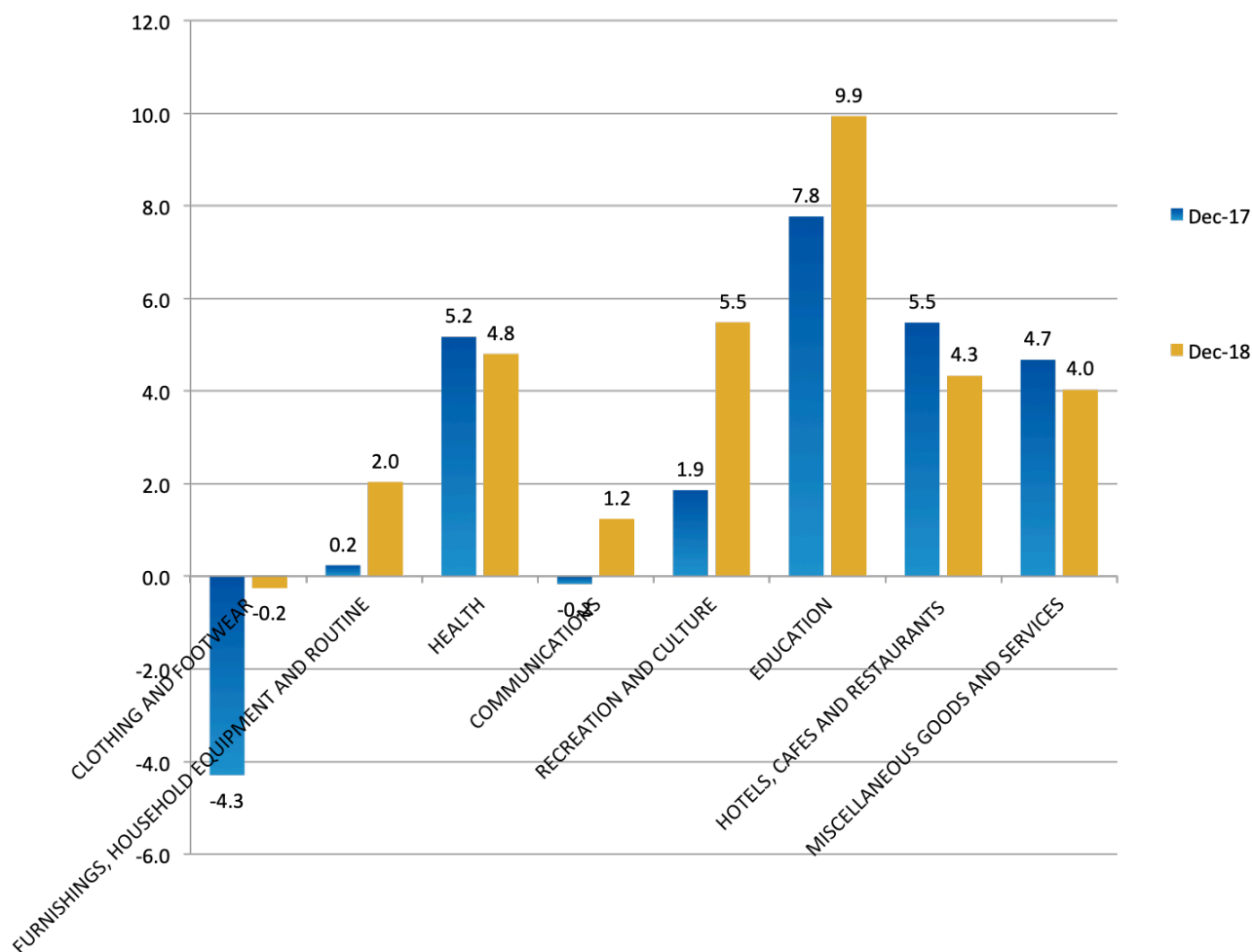
**Chart 6: NCPI; Housing, water, electricity, gas and other fuels; December 2018 (Dec 2012 = 100)**



# Minor Groups

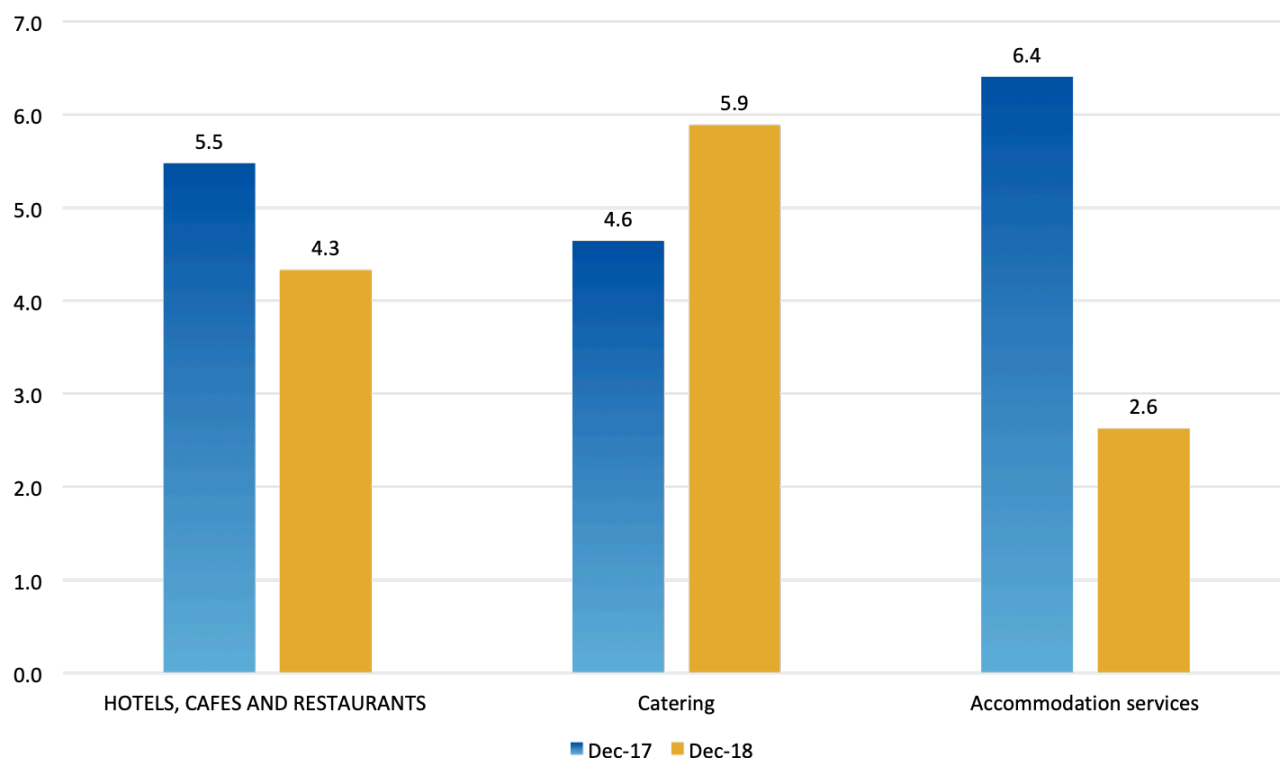
During December 2018, high annual inflation rates were observed in the groups of Education (9.9 percent), Recreation and culture (5.5 percent) Health (4.8 percent), Hotels, cafes and restaurants (4.3 percent) and Miscellaneous goods and services (4.0 percent) while Clothing and footwear continued to register the lowest annual inflation rate of -0.2 percent.

**Chart 7: NCPI; Annual inflation rates for minor groups; December 2018 (Dec 2012 = 100)**



## Box 2: Chart of the Month

Chart 8: NCPI; Hotels, cafés and restaurants; December 2018 (Dec 2012 = 100)



For the month of December 2018, the annual inflation for Hotels, cafes and restaurants stood at 4.3 percent compared to 5.5 percent recorded in December 2017. The sub group of catering increased to 5.9 percent from 4.6 percent while the Accommodation services decreased to 2.6 percent from 6.4 percent.

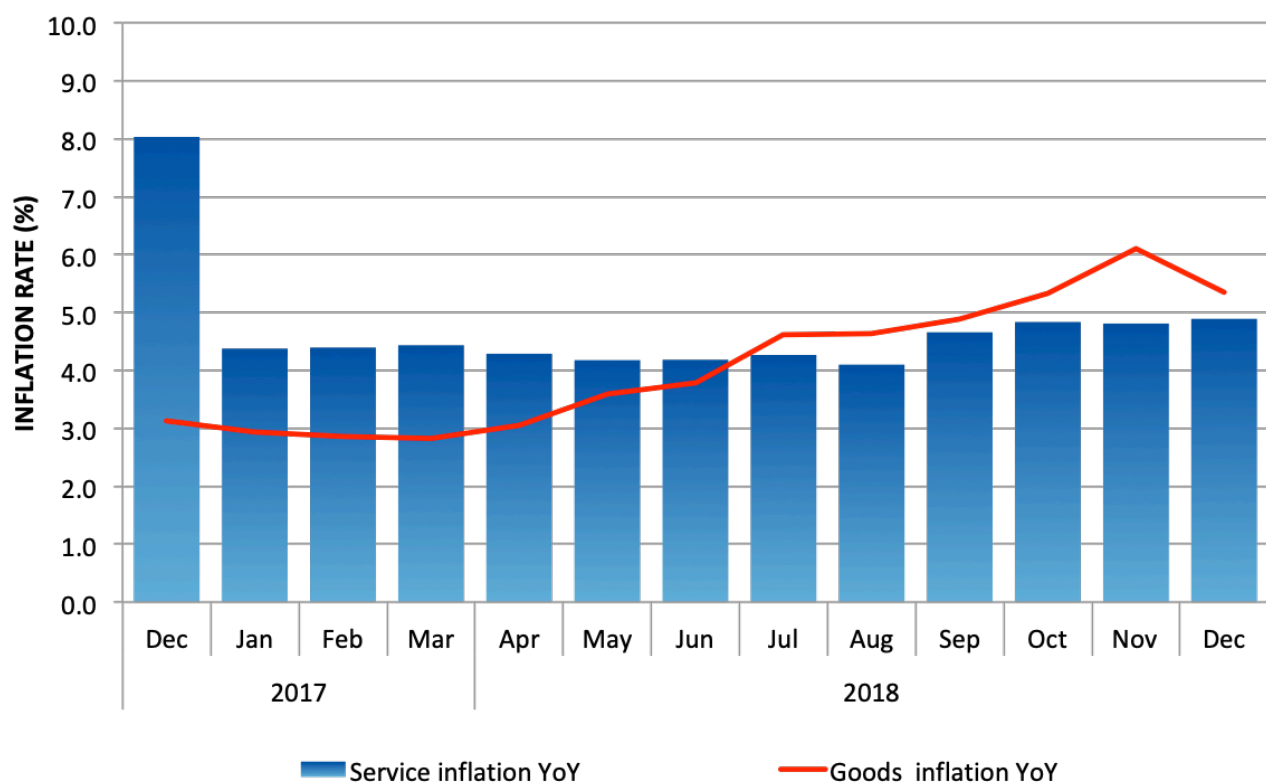
The monthly inflation rate for this group increased to -0.4 percent compared to -0.7 percent recorded a month earlier.

# Goods and Services Inflation Rates

In December 2018, the Index for Goods and Services stood at 137.1 and 132.3 compared to the corresponding indices of 130.2 and 126.1 recorded during the same period last year. The monthly and annual inflation rates for Goods were -0.4 percent and 5.3 percent while those for Services stood at 0.05 percent and 4.9 percent respectively.

The corresponding rates recorded during the same period last year stood at 0.3 percent and 3.1 percent for Goods and -0.03 and 8.0 percent for Services.

**Chart 9: NCPI; Goods and Services annual inflation rates; December 2018 (Dec 2012 = 100)**



**Table 1: NCPI: All-Items Index, monthly and annual percentage changes (Dec 2012 =100)**

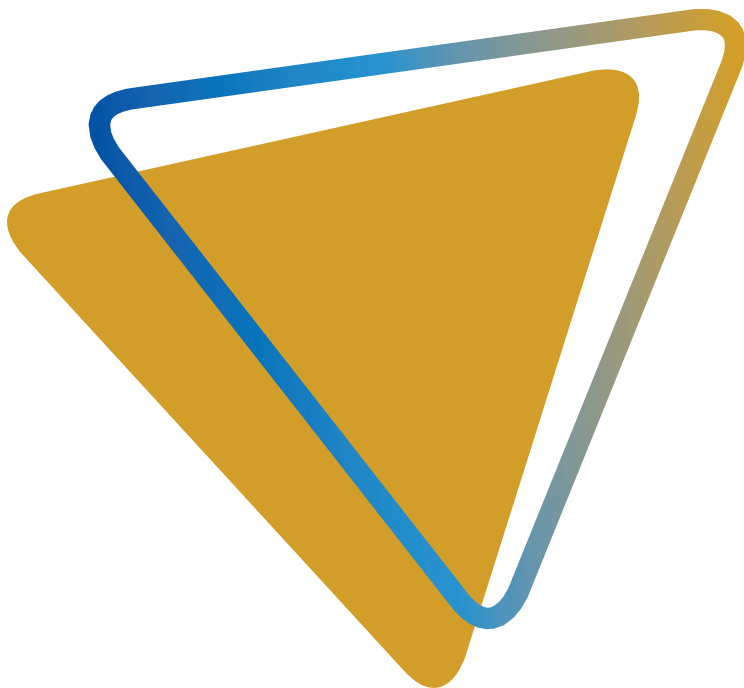
Period	Index	m-o-m	y-o-y
Feb-16	117,2	0,6	6,1
Mar-16	118,1	0,8	6,5
Apr-16	118,8	0,6	6,6
May-16	119,4	0,5	6,7
Jun-16	119,8	0,3	6,7
Jul-16	120,6	0,6	7,0
Aug-16	120,8	0,2	6,8
Sep-16	121,0	0,2	6,9
Oct-16	121,6	0,5	7,3
Nov-16	121,9	0,2	7,3
Dec-16	122,1	0,2	7,3
<b>An. Av</b>	<b>119,8</b>	<b>0,6</b>	<b>6,7</b>
Jan-17	126,1	3,2	8,2
Feb-17	126,3	0,2	7,8
Mar-17	126,4	0,1	7,0
Apr-17	126,8	0,3	6,7
May-17	126,9	0,1	6,3
Jun-17	127,1	0,1	6,1
Jul-17	127,1	0,04	5,4
Aug-17	127,3	0,1	5,4
Sep-17	127,8	0,4	5,6
Oct-17	127,9	0,1	5,2
Nov-17	128,2	0,3	5,2
Dec-17	128,4	0,2	5,2
<b>An. Av</b>	<b>127,2</b>	<b>0,4</b>	<b>6,2</b>
Jan-18	130,5	1,6	3,6
Feb-18	130,7	0,1	3,5
Mar-18	130,9	0,1	3,5
Apr-18	131,3	0,3	3,6
May-18	131,8	0,4	3,8
Jun-18	132,1	0,2	4,0
Jul-18	132,8	0,5	4,5
Aug-18	132,9	0,0	4,4
Sep-18	133,9	0,8	4,8
Oct-18	134,4	0,4	5,1
Nov-18	135,4	0,7	5,6
Dec-18	135,0	-0,2	5,1
<b>An. Av</b>	<b>132,6</b>	<b>0,4</b>	<b>4,3</b>

**Table 2: NCPI for December 2018 by main groups and sub-groups (Dec.2012=100)**

	Weights	CPI			Inflation Rate	
		Dec-17	Nov-18	Dec-18	m-o-m	y-o-y
<b>ALL ITEMS</b>	<b>100,00</b>	<b>128,4</b>	<b>135,4</b>	<b>135,0</b>	<b>-0,2</b>	<b>5,1</b>
<b>GOODS</b>	<b>57,7</b>	<b>130,2</b>	<b>137,7</b>	<b>137,1</b>	<b>-0,4</b>	<b>5,3</b>
<b>SERVICES</b>	<b>42,3</b>	<b>126,1</b>	<b>132,2</b>	<b>132,3</b>	<b>0,0</b>	<b>4,9</b>
<b>FOOD AND NON-ALCOHOLIC BEVERAGES</b>	<b>16,45</b>	<b>138,5</b>	<b>144,8</b>	<b>145,6</b>	<b>0,5</b>	<b>5,2</b>
Food	14,78	139,5	146,0	147,0	0,7	5,4
Bread and cereals	4,84	127,7	136,5	137,8	1,0	7,9
Meat	3,53	147,7	151,3	152,9	1,0	3,5
Fish	0,81	150,3	151,5	150,8	-0,4	0,3
Milk, cheese and eggs	1,17	142,3	143,9	142,9	-0,7	0,4
Oils and fats	0,78	129,5	134,5	135,1	0,5	4,3
Fruit	0,33	155,8	165,5	168,4	1,8	8,1
Vegetables including potatoes and other tubers	1,23	143,1	157,2	161,4	2,7	12,8
Sugar, jam, honey, syrups, chocolate and confectionery	1,44	150,8	158,7	157,9	-0,4	4,7
Food products n.e.c.	0,65	136,4	139,2	138,3	-0,6	1,4
Non-alcoholic beverages	1,66	128,9	134,5	133,1	-1,0	3,3
Coffee, tea and cocoa	0,31	156,3	163,0	165,4	1,5	5,8
Mineral waters, soft drinks and juices	1,35	122,5	127,9	125,7	-1,8	2,6
<b>ALCOHOLIC BEVERAGES AND TOBACCO</b>	<b>12,59</b>	<b>138,0</b>	<b>146,9</b>	<b>146,1</b>	<b>-0,6</b>	<b>5,9</b>
Alcoholic beverages	9,99	140,7	150,5	149,3	-0,8	6,1
Tobacco	2,61	127,6	133,3	133,5	0,1	4,7
<b>CLOTHING AND FOOTWEAR</b>	<b>3,05</b>	<b>103,3</b>	<b>102,5</b>	<b>103,1</b>	<b>0,5</b>	<b>-0,2</b>
Clothing	2,04	106,6	105,3	105,9	0,5	-0,7
Clothing materials	0,07	139,2	144,5	144,2	-0,1	3,6
Ready-made clothing	1,93	105,2	103,7	104,3	0,6	-0,8
Men's clothing	0,58	109,0	112,7	113,7	0,9	4,4
Women's clothing	0,70	87,5	88,2	88,0	-0,2	0,6
Children's clothing	0,66	119,1	110,8	112,0	1,0	-6,0
Boys' clothing	0,24	107,6	109,0	109,4	0,4	1,7
Girls' clothing	0,33	129,3	113,7	114,3	0,6	-11,6
Infants' clothing	0,09	113,8	107,4	112,0	4,3	-1,6
Other articles of clothing and clothing accessories	0,05	119,1	116,3	115,2	-0,9	-3,2
Dry cleaning, repair and hire of clothing	0,00	125,3	128,3	128,3	0,0	2,4
Footwear	1,01	96,8	96,9	97,4	0,6	0,7
Adult footwear	0,80	91,9	92,4	92,5	0,1	0,7
Children's footwear	0,20	114,2	112,2	114,7	2,2	0,4
Repair of footwear	0,01	134,1	140,6	140,6	0,0	4,8
<b>HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS</b>	<b>28,36</b>	<b>128,6</b>	<b>132,6</b>	<b>132,6</b>	<b>0,0</b>	<b>3,1</b>
Rental payments for dwelling (both owners and renters)	23,28	123,5	126,7	126,7	0,0	2,6
Regular maintenance and repair of dwelling	0,19	132,1	136,4	135,4	-0,7	2,5
Water supply, sewerage service and refuse collection	1,03	165,1	174,3	174,3	0,0	5,6
Electricity gas and other fuels	3,86	149,4	156,8	156,8	0,0	4,9

**Table 2: NCPI for December 2018 by main groups and sub-groups (Dec.2012=100)**

	Weights	CPI			Inflation Rate	
		Dec-17	Nov-18	Dec-18	m-o-m	y-o-y
<b>FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE</b>	<b>5,47</b>	<b>121,6</b>	<b>124,7</b>	<b>124,1</b>	<b>-0,4</b>	<b>2,0</b>
Furniture, furnishings, decorations, carpets, floor coverings, incl. repairs	1,78	99,2	100,5	98,4	-2,0	-0,8
Furniture and furnishings	1,69	97,8	99,3	97,1	-2,2	-0,7
Carpets and other floor coverings	0,07	112,3	108,0	108,0	0,0	-3,9
Repair of furnishings and floor coverings	0,02	183,5	184,7	184,7	0,0	0,6
Household textiles	0,73	129,6	131,4	130,9	-0,4	1,0
Heating and cooking appliances, refrigerators, washing machines and similar major household appliances, etc	0,92	123,5	126,2	126,0	-0,1	2,0
Glassware, tableware and household utensils	0,22	144,2	145,7	147,1	0,9	2,0
Tools and equipment for house and garden	0,43	123,0	125,4	125,7	0,2	2,2
Goods and services for routine household maintenance	1,36	141,3	148,0	148,5	0,3	5,1
<b>HEALTH</b>	<b>2,01</b>	<b>126,1</b>	<b>132,2</b>	<b>132,2</b>	<b>0,0</b>	<b>4,8</b>
Medical products, appliances and equipment	0,84	123,3	127,5	127,5	-0,1	3,4
Outpatient Services, medical, dental and paramedical	0,98	133,5	142,3	142,3	0,0	6,6
Hospital services	0,19	100,0	100,0	100,0	0,0	0,0
<b>TRANSPORT</b>	<b>14,28</b>	<b>121,6</b>	<b>137,3</b>	<b>134,8</b>	<b>-1,8</b>	<b>10,9</b>
Purchase of vehicles	2,88	144,7	155,4	154,5	-0,6	6,8
Operation of personal transport equipment	8,96	116,3	132,3	128,6	-2,8	10,5
Public transportation services	2,44	113,9	134,5	134,6	0,1	18,2
<b>COMMUNICATIONS</b>	<b>3,81</b>	<b>106,9</b>	<b>108,3</b>	<b>108,2</b>	<b>0,0</b>	<b>1,2</b>
<b>RECREATION AND CULTURE</b>	<b>3,55</b>	<b>124,7</b>	<b>131,1</b>	<b>131,5</b>	<b>0,3</b>	<b>5,5</b>
Audio-visual, photographic and data processing equip. incl. repairs	1,16	109,8	116,4	117,2	0,7	6,8
Other major durables for recreation and culture	0,08	133,3	132,0	131,9	-0,1	-1,1
Other recreational items and equipment; flowers, gardens and pets	0,46	125,7	127,1	127,0	0,0	1,1
Recreation and cultural services	0,85	134,8	138,6	138,6	0,0	2,8
Newspapers, books and stationery	0,89	128,3	138,6	139,4	0,6	8,7
Package holidays	0,11	161,7	181,0	179,4	-0,9	10,9
<b>EDUCATION</b>	<b>3,65</b>	<b>135,9</b>	<b>149,5</b>	<b>149,5</b>	<b>0,0</b>	<b>9,9</b>
Pre-primary education (ages 2 to 6 years)	0,23	157,3	169,2	169,2	0,0	7,5
Primary (private) and Secondary education (ages 7 to 17 years)	1,44	139,8	160,2	160,2	0,0	14,6
Tertiary education	1,98	130,6	139,3	139,3	0,0	6,7
<b>HOTELS, CAFES AND RESTAURANTS</b>	<b>1,39</b>	<b>137,0</b>	<b>143,5</b>	<b>143,0</b>	<b>-0,4</b>	<b>4,3</b>
Catering	0,74	133,7	141,1	141,6	0,4	5,9
Accommodation services	0,65	140,8	146,3	144,5	-1,2	2,6
<b>MISCELLANEOUS GOODS AND SERVICES</b>	<b>5,39</b>	<b>125,0</b>	<b>129,4</b>	<b>130,1</b>	<b>0,5</b>	<b>4,0</b>
Personal care	1,41	130,1	132,8	133,4	0,5	2,5
Personal effects n.e.c.	1,03	122,5	123,3	122,7	-0,5	0,2
Insurance	0,74	109,7	113,3	113,3	0,0	3,2
Financial services n.e.c.	0,94	145,5	157,0	157,0	0,0	7,9
Other services n.e.c.	1,26	115,2	119,5	122,2	2,3	6,1



**Namibia Statistics Agency**  
P.O. Box 2133, FGI House, Post  
Street Mall,  
Windhoek, Namibia



**Tel:** +264 61 431 3200  
**Fax:** +264 61 431 3253



**Email:** [info@nsa.org.na](mailto:info@nsa.org.na)  
[www.nsa.org.na](http://www.nsa.org.na)



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