PRESS STATEMENT
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Namibia Consumer Price Index and Zonal CPIs; April 2019

The Namibia Statistics Agency hereby releases the Consumer Price Index and Zonal CPIs estimates for the month of April 2019.

Background

The Namibia Consumer Price Index (NCPI) with a national coverage has been published since January 2005. The current weights used in the NCPI calculation index are based on the results of the Namibia Household Income and Expenditure Survey conducted in 2009/10. During the NCPI rebasing exercise in 2005 the then Central Bureau of Statistics (CBS) decided to group the country in three zones, namely Zone 1 covering the regions in the northern part, Zone 2 covering the capital, and Zone 3 covering the southern part. More than 7000 price quotes are collected from 8 localities (Oshakati, Katima Mulilo and Otjiwarongo in Zone 1, Windhoek in Zone 2, Gobabis, Mariental, Keetmashoop and Swakopmund in Zone 3). The localities identified for price collection were selected based on a mixed criterion of:
(I) the relative importance of the locality as determined by its relative share exceeding 30 percent of the total household expenditure at national level;
(II) geographic distribution of economic activities; and
(III) regional capitals.

The decision to release the Zonal CPIs resulted from the demand of the various CPI users to monitor the price movements at the Zonal levels and timed to release the Zonal CPIs results to coincide with the beginning of 2019/20 Financial Year.

The importance of producing the Regional CPIs or Town CPIs is to understand the price movement behaviors and to know the level of the local cost of living. These are future plans which cannot be implemented currently due to the level of the country developments which cannot allow such process to be executed.

April 2019 Price Movements

Based on the April 2019 price movements, the annual inflation rate increased to 4.5 percent compared to 3.6 percent recorded in April 2018, registering an increase of 0.9 percentage points. On a monthly basis, the inflation rate stood at 0.4 percent compared to 0.2 percent registered a monthly earlier.

The increase in the annual inflation rate emanated from increases recorded in most of the groups comprising the Namibia CPI with the exception of Health which dropped (from 5.6 percent to 2.5 percent), Miscellaneous goods and services (from 4.4 percent to 2.2 percent),
Housing, water, electricity, gas and other fuels; (from 3.4 percent to 2.2 percent) and Furnishing, household equipment and routine maintenance of the house (from 1.1 percent to 1.0 percent).

For the month of April 2019, the Food and non-alcoholic beverages annual inflation rate stood at 5.3 percent compared to 2.9 percent registered during the same period last year. The increase in this component emanated from increases recorded in the price levels of Bread and cereals (from -1.5 percent to 9.0 percent); Vegetables including potatoes and other tubers (from 4.4 percent to 10.9 percent), Sugar, jam, honey, syrups, chocolates and confectionery (from 0.6 percent to 5.2 percent) and Coffee, tea and cocoa (from 1.1 percent to 4.8 percent).

For April 2019 the Indices for Goods and Services stood at 138.0 and 136.2 respectively, compared to the corresponding indices of 132.1 and 130.2 recorded during the same period last year. For the month of April 2019, the monthly and annual inflation rates for Goods stood at 0.5 and 4.4 percent, while for Services were estimated at 0.1 and 4.6 percent respectively.

The highest contributors to the April 2019 annual inflation rate were Alcoholic beverages and tobacco (22.6 percent), Transport (21.4 percent), Food and non-alcohol beverages (20.8 percent), Housing, water, electricity and other fuel (13.5 percent), and the rest of the groups contributed 21.7 percent all together.
Zonal Consumer Price Index; April 2019

Zone 1 CPI

The annual inflation rate for Zone 1 CPI increased to 3.8 percent in April 2019 from 3.7 percent registered in April of the previous year. The increase in the annual inflation rate resulted from a rise in the price levels of Clothing and footwear (from -7.3 percent to -0.8 percent); Recreation and culture (from 1.2 percent to 5.5 percent); Transport (from 5.3 percent to 7.3 percent); Food and non-alcoholic beverages (from 2.0 percent to 4.7 percent); Alcoholic beverages and tobacco (from 6.0 percent to 7.1 percent) and Communications (from -0.1 percent to 1.9 percent) respectively.

On a monthly basis, the inflation rate for April 2019 stood at 0.1 percent a decrease from 0.2 recorded a month earlier.

Zone 2 CPI

The annual inflation rate increased from 3.0 percent to 5.0 percent in April 2019. The increase resulted from increases in all the groups comprising the Zone 2 CPI basket with the exception of Health which slowed (from 5.2 percent to 2.4 percent) and Miscellaneous goods and services (from 4.3 percent to 2.0 percent).

On a monthly basis, the inflation rate stood at 0.8 percent compared to 0.3 percent recorded during the previous month.
Zone 3 CPI

The annual inflation rate stood at 4.8 percent which showed no change when compared to 4.8 percent recorded in April 2018. However, increases in the inflation rate were recorded in the price levels of Food and non-alcoholic beverages (from 4.0 percent to 6.2 percent), Alcoholic beverages and tobacco (from 3.9 percent to 6.9 percent), Clothing and footwear (from 0.8 percent to 5.1 percent), Furnishing household and routine maintenance of the house (from 1.9 percent to 2.0 percent), Transport (from 5.4 percent to 7.7 percent), Recreation and culture (from 2.5 percent to 4.3 percent) and Education (from 7.6 percent to 9.4 percent).

On a monthly basis, the inflation rate stood at 0.1 percent which showed no change when compared to the previous month.

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