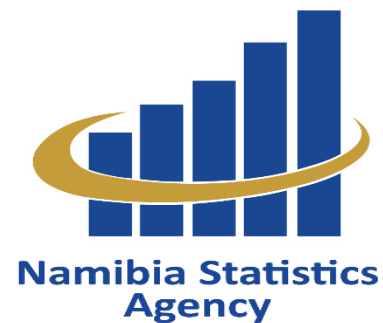


PRICE MOVEMENTS IN NAMIBIA; FEBRUARY 2022

1 April 2022



Outline

1. Introduction
2. Weights and Price Quotations
3. Uses of CPI
4. NCPI Key Highlights of February 2022
5. Purchasing Power of N\$

INTRODUCTION

Definitions

Consumer Price Index

The Consumer Price Index (CPI) measures the average change in prices over time that consumers pay for a basket of goods and services.

Producer Price Index

The Producer Price Index (PPI) measure the rate of average change in the prices of goods and services as they leave the place of production or as they enter the production process.

Difference Between CPI and PPI

The **Consumer Price Index (CPI)** and the **Producer Price Index (PPI)** are economic indicators that measure inflation.

Consumer Price Index (CPI)

- CPI measures the change in prices for the goods and services purchased by the consumers.
- Excludes business activities and export.
- Includes imports and VAT.

Producer Price Index (PPI)

- PPI measures the changes in prices received by the business for the goods and services produced.
- It includes domestic and export prices.
- Basic prices collected excluding any taxes, transport and trade margins that the purchaser may have to pay.

Composition of NCPI and NPPI

NCPI	NPPI
FOOD AND NON-ALCOHOLIC BEVERAGES	Mining of uranium and thorium ores
ALCOHOLIC BEVERAGES AND TOBACCO	Mining of other non-ferrous metal ores
CLOTHING AND FOOTWEAR	Other mining and quarrying n.e.c.
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	Processing and preserving of meat
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	Manufacture of malt liquors and malt
HEALTH	Manufacture of soft drinks; production of mineral waters and other bottled waters
TRANSPORT	Manufacture of cement, lime and plaster
COMMUNICATIONS	Manufacture of basic precious and other non-ferrous metals
RECREATION AND CULTURE	Electric power generation, transmission and distribution
EDUCATION	Water collection, treatment and supply
HOTELS, CAFES AND RESTAURANTS	
MISCELLANEOUS GOODS AND SERVICES	

Price Collection Methodology of CPI

- Personal visit to the establishments/retail outlets
- Monthly, quarterly, annually and when announced by relevant authorities.
- Data collection begins on the first two week of every month for 10 days
- Electronic price collection was recently introduced (using tablets)

NCPI Geographical Coverage

- NCPI is grouped into three (3) zones:
 - **Zone 1**, Katima Mulilo, Oshakati and Otjiwarongo
 - **Zone 2**, Windhoek
 - **Zone 3**, Gobabis, Swakopmund, Mariental and Keetmanshoop

Base Period

- The period for which the value of the CPI is set to 100
- December 2012=100
- Index for February 2022= 150.1
- Annual inflation rate for February 2022= 4.5%
- Monthly inflation for February 2022= 0.2%

NCPI WEIGHTS AND PRICE QUOTATIONS

Price quotations collected by main groups (% of total price quotations)

	Zone 1	Zone 2	Zone 3	National
Food and non-alcoholic beverages	12.9	15.9	23.9	52.7
Alcoholic beverages and tobacco	2.2	1.8	3.1	7.2
Clothing and footwear	1.8	3.3	1.9	7
Housing , water, electricity, gas and other fuels	0.9	0.7	1.1	2.6
Furnishings, household equipment and routine maintenance of the house	3	3.4	4.3	10.7
Health	0.7	0.6	1.4	2.7
Transport	1	0.9	1.5	3.4
Communication	0.5	0.4	0	0.9
Recreation and culture	1.4	1.6	2.5	5.5
Education	0.1	0.2	0.3	0.6
Hotels, cafes and restaurants	0.3	0.7	1.2	2.2
Miscellaneous goods and services	1.6	1.4	1.4	4.4
Total	26.5	31	42.5	100

NCPI Weights: NHIES 1993/94 and 2009/10

	NCPI Weights 1993/ 94				NCPI Weights 2009/ 10			
	Zone 1	Zone 2	Zone 3	National	Zone 1	Zone 2	Zone 3	National
FOOD AND NON-ALCOHOLIC BEVERAGES	41,7	16,56	28,6	29,6	20,45	12,28	16,52	16,45
ALCOHOLIC BEVERAGES AND TOBACCO	4,4	2,17	3,0	3,3	13,12	11,01	14,29	12,59
CLOTHING AND FOOTWEAR	7,0	3,86	3,9	5,1	3,88	2,45	2,63	3,05
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	12,8	28,03	22,8	20,6	25,79	32,74	25,53	28,36
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	6,3	4,45	6,2	5,6	5,78	5,23	5,33	5,47
HEALTH	1,6	1,41	1,6	1,5	1,61	2,32	2,19	2,01
TRANSPORT	10,9	20,56	12,7	14,8	14,69	13,02	15,64	14,28
COMMUNICATIONS	0,7	1,01	1,0	0,9	3,49	3,78	4,40	3,81
RECREATION AND CULTURE	2,3	2,68	2,5	2,5	2,24	4,85	3,65	3,55
EDUCATION	6,3	9,27	7,9	7,4	3,17	4,49	3,09	3,65
HOTELS, CAFES AND RESTAURANTS	1,2	2,09	1,7	1,6	0,94	2,02	1,12	1,39
MISCELLANEOUS GOODS AND SERVICES	5,0	8,92	8,1	7,1	4,85	5,81	5,61	5,39
ALL ITEMS	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00

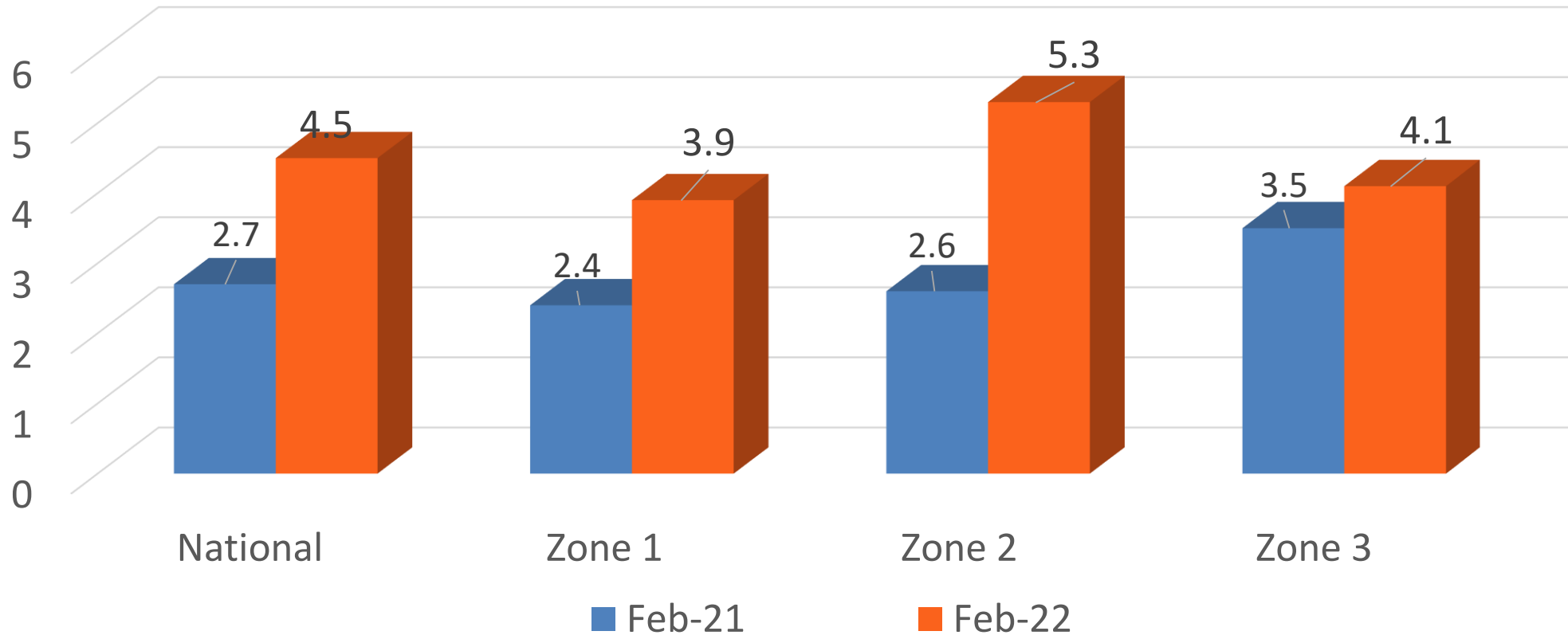
USES OF NCPI

Uses of NCPI

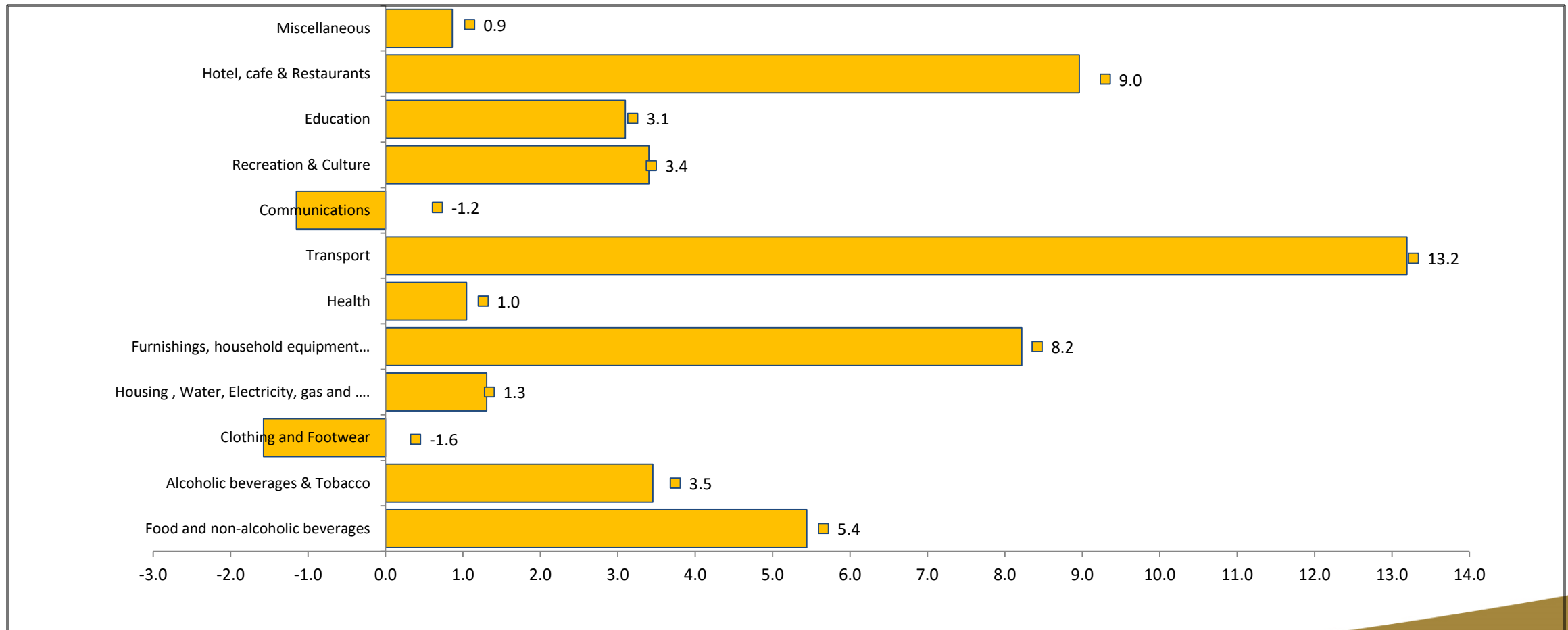
- CPI's are commonly used as a proxy for the general rate of inflation.
- It plays a major role in formulating the monetary and fiscal policy of government.
- It is often used, among other indicators, to assess the effectiveness of government economic policy.
- Traditionally, the CPI is commonly used for adjustment of wages, pensions and social security benefits to compensate for erosion of purchasing power as prices increase.
- Furthermore, many financial arrangements make use of the CPI. For instance, payments associated with private contracts, insurance premiums, rent, etc. are often indexed on the CPI.
- Deflation of National Accounts

NCPI KEY HIGHLIGHTS OF FEBRUARY 2022

Annual Inflation Rate February 2022



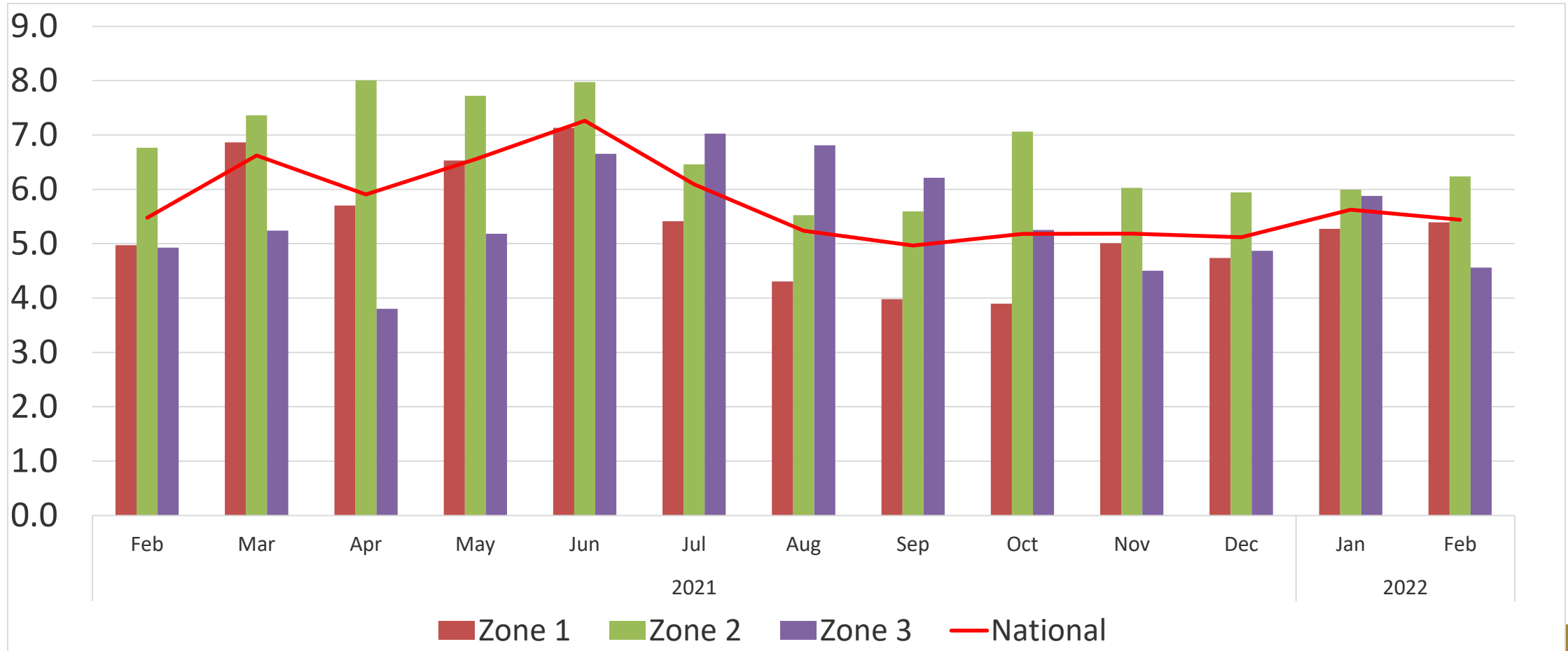
Annual Percentage Change by Groups for February 2022



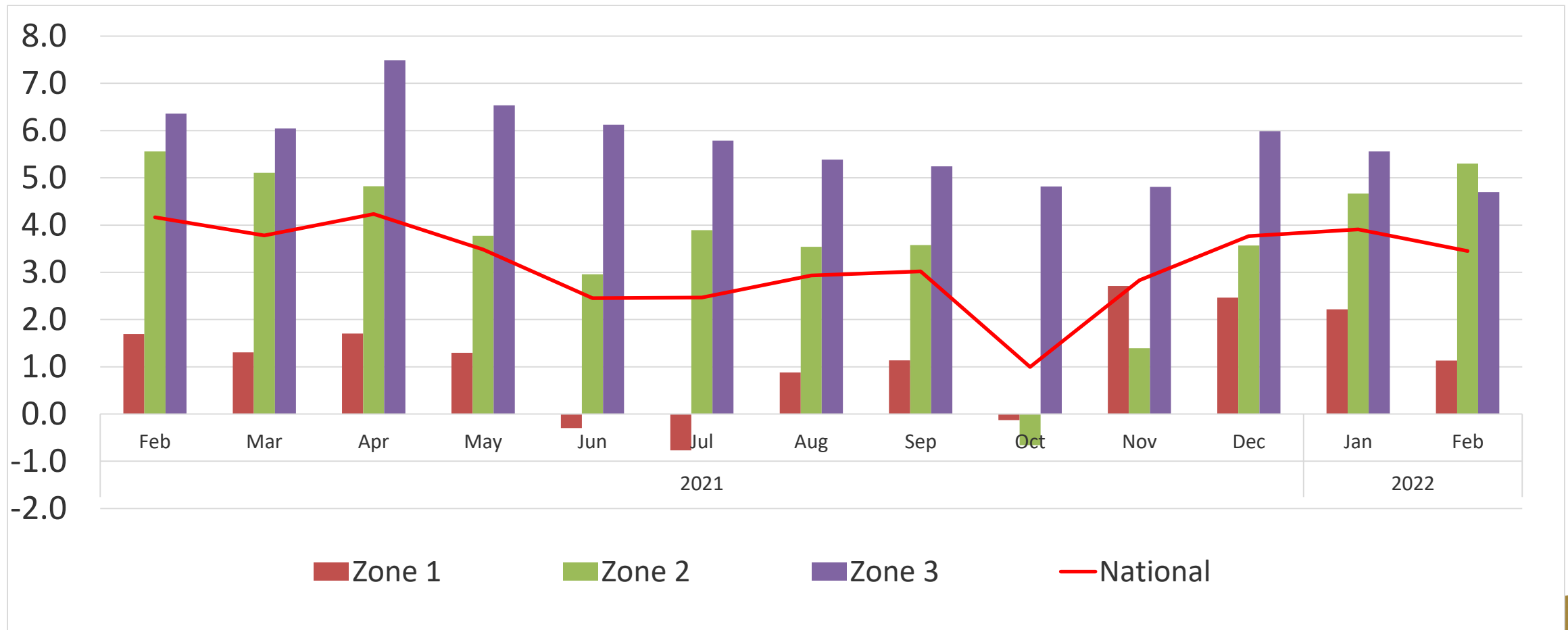
Group Contribution to the annual inflation rate:

COICOP Groups	% points of total change for Zone 1	% points of total change for Zone 2	% points of total change for Zone 3	% points of total change for National CPI
FOOD AND NON-ALCOHOLIC BEVERAGES	1.2	0.9	0.8	1.0
ALCOHOLIC BEVERAGES AND TOBACCO	0.2	0.7	0.7	0.5
CLOTHING AND FOOTWEAR	0.0	0.0	0.0	0.0
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	0.3	0.7	-0.1	0.3
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	0.3	0.6	0.2	0.5
HEALTH	0.0	0.0	0.0	0.0
TRANSPORT	2.0	1.9	2.0	2.0
COMMUNICATIONS	0.0	0.0	0.0	0.0
RECREATION AND CULTURE	0.0	0.2	0.1	0.1
EDUCATION	0.1	0.1	0.2	0.1
HOTELS, CAFES AND RESTAURANTS	0.1	0.3	0.0	0.1
MISCELLANEOUS GOODS AND SERVICES	0.0	0.0	0.1	0.0
ALL ITEMS	3.9	5.3	4.1	4.5

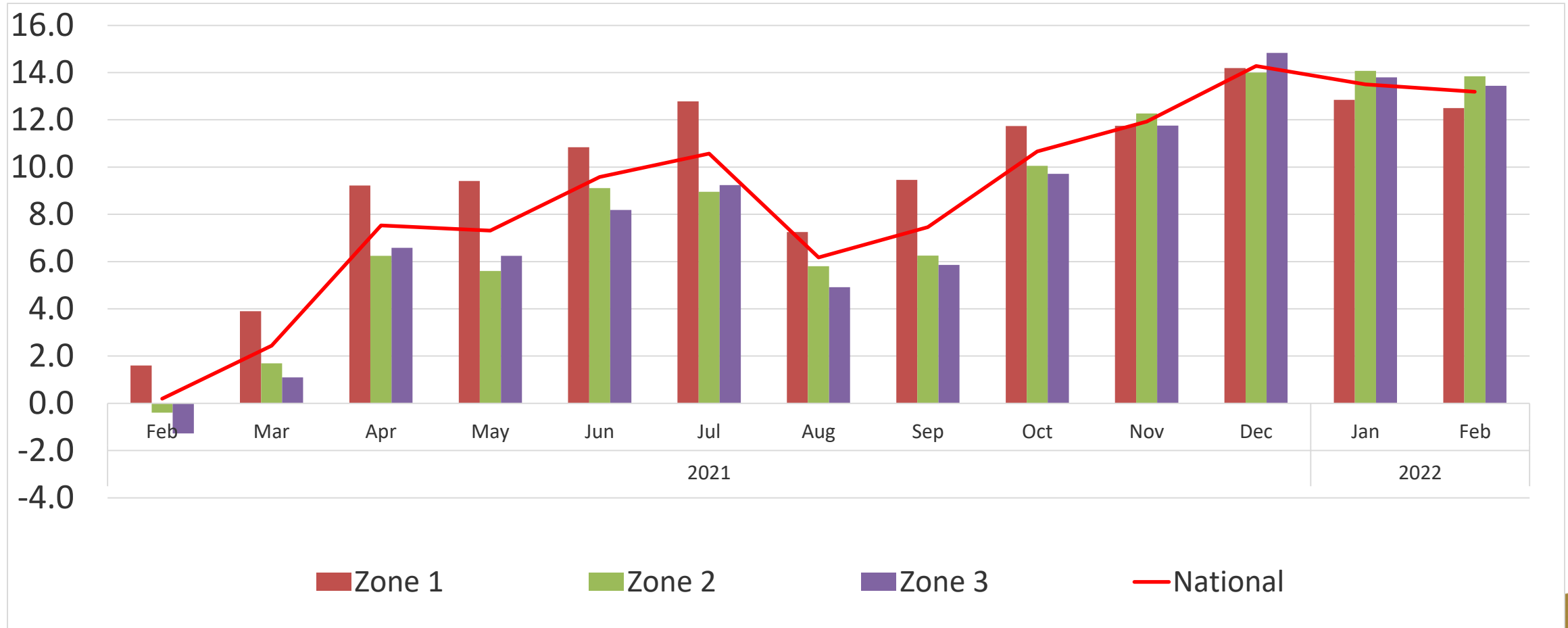
National and Zonal Food and Non-alcoholic beverages Annual Inflation Rates: February 2021-February 2022



National and Zonal Alcohol and Tobacco Annual Inflation Rates: February 2021-February 2022



National and Zonal Transport Annual Inflation Rates: February 2021-February 2022



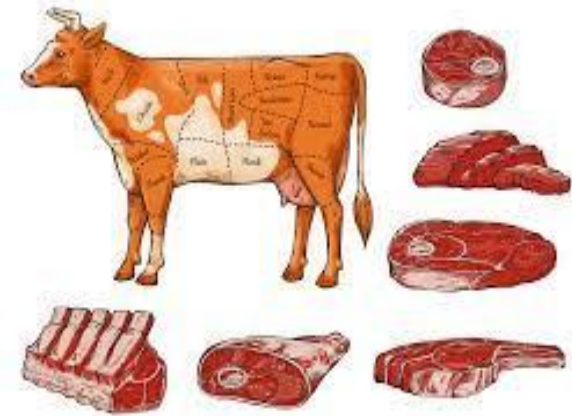
Average prices for selected items in Swakopmund for 2013 and 2021



Petrol:	Diesel:
N\$11.27 (2013)	N\$ 11.61 (2013)
N\$ 13.54 (2021)	N\$ 14.07 (2021)



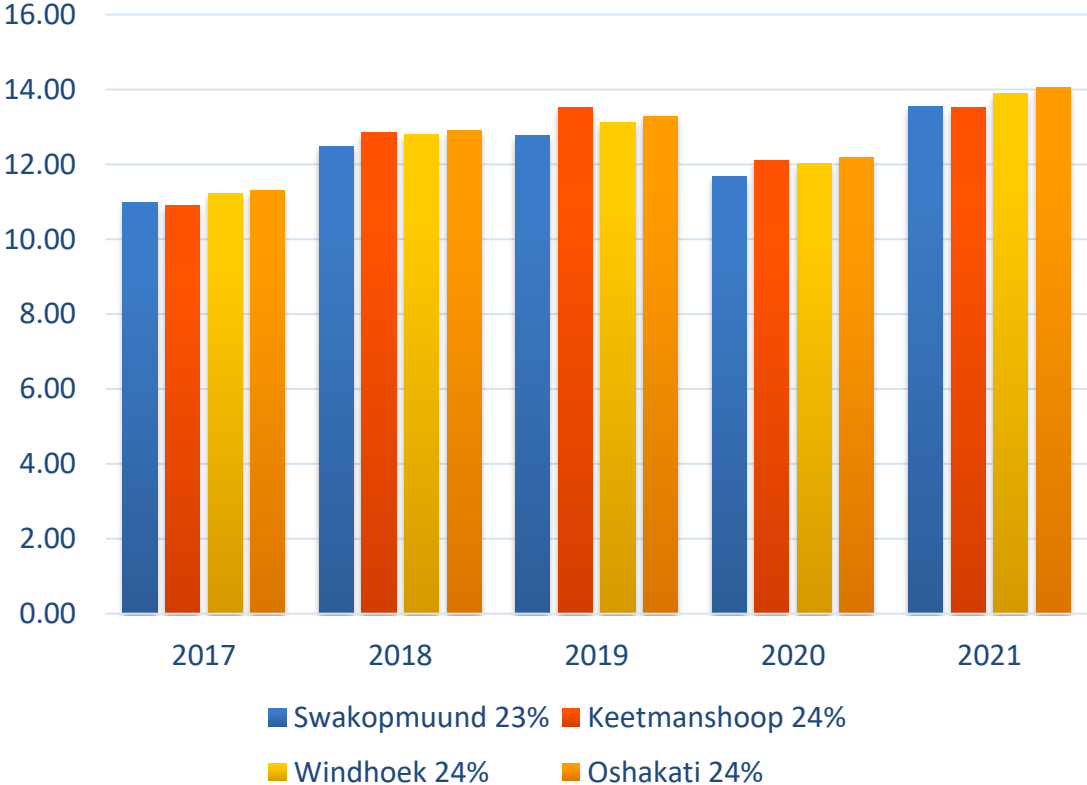
Cooking oil: 750 ml
N\$ 15.62 (2013)
N\$ 24.41 (2021)



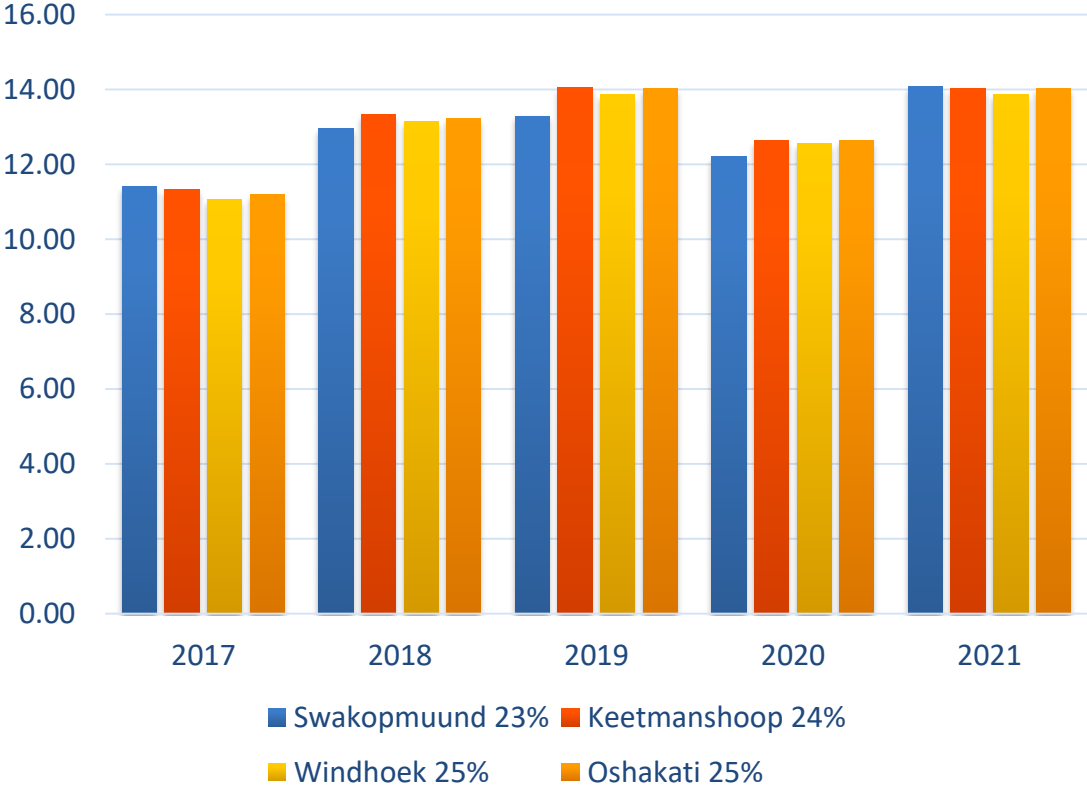
Beef: Per kg
N\$ 83.47 (2013)
N\$ 123.61 (2021)

Average prices for Petrol and Diesel 2017-2021

Petrol 1 liter

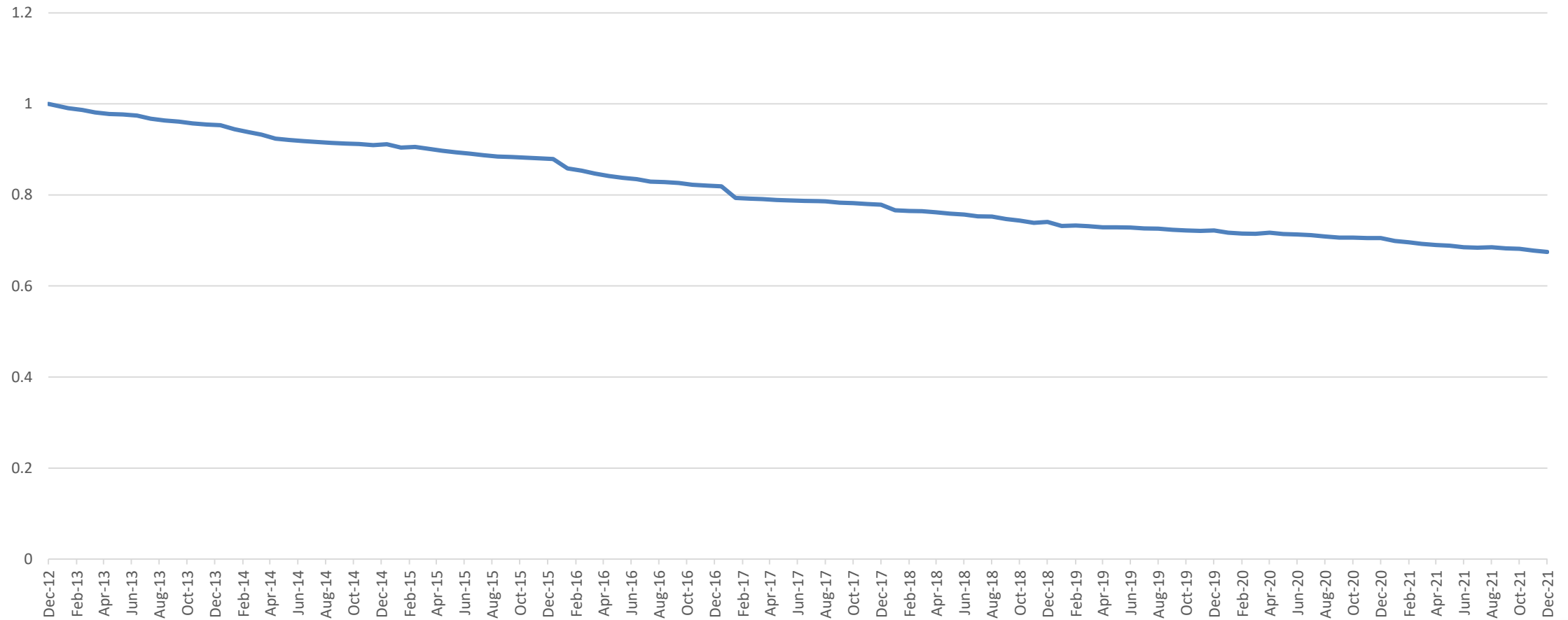


Diesel 1 liter



PURCHASING VALUE OF N\$

Purchasing value of N\$ from December 2012=100 to December 2021



Evolution of Purchasing Value of N\$ from December 2002 to 2021



N\$100.00
2002



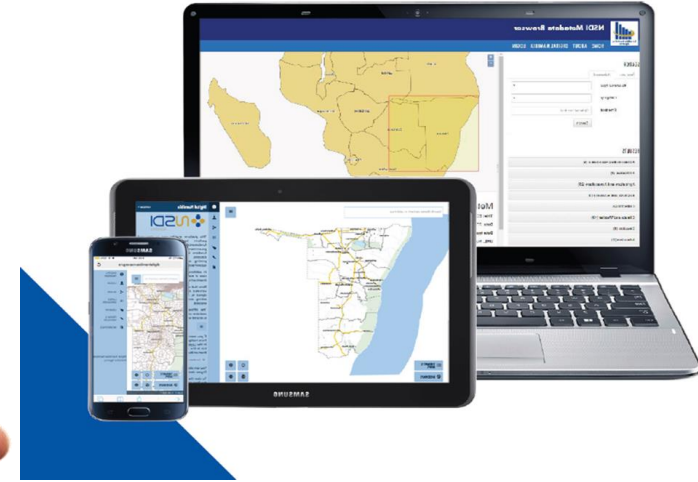
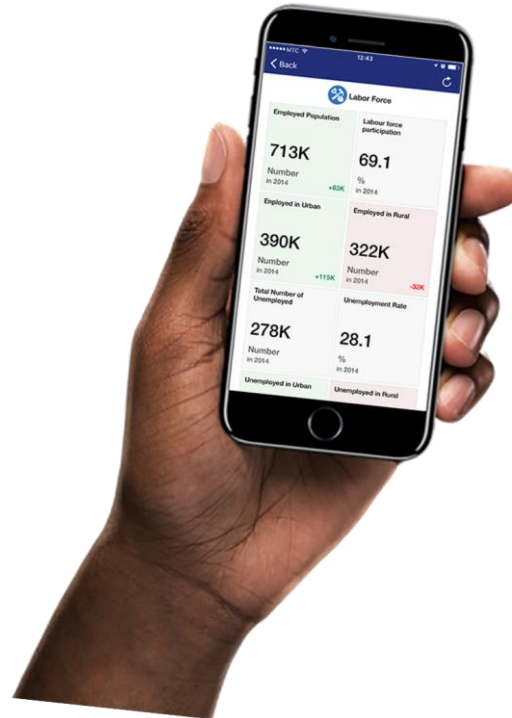
N\$100.00
2021



N\$100.00
2021

THANK YOU!

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