



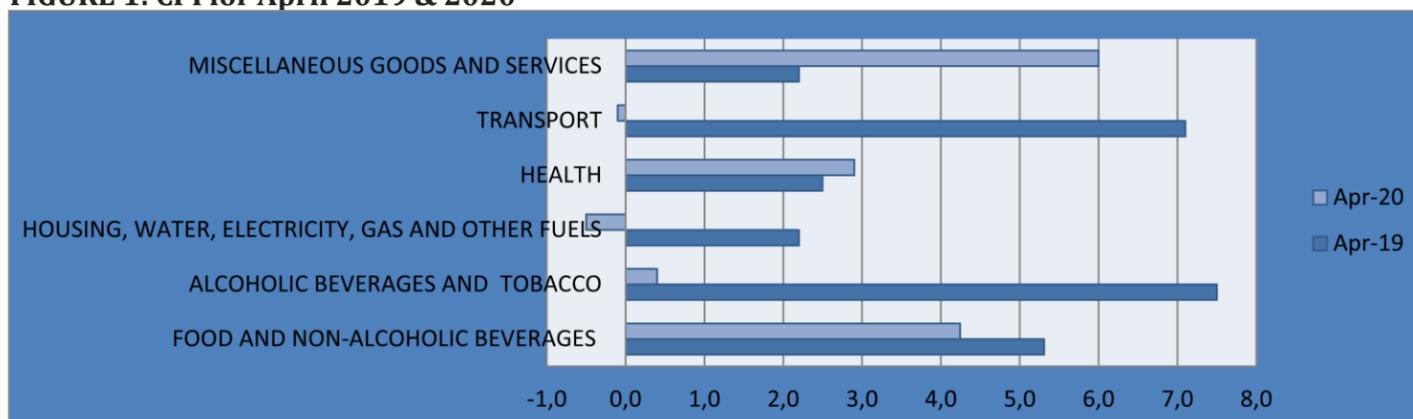
Snapshot...

Consumer Price Index April 2020

CONSUMER PRICE INDEX APRIL 2020

The annual inflation for April 2020 recorded a rate of 1.6 percent, 2.9 percent points lower than the 4.5 percent registered in April 2019. On monthly basis, inflation declined to -0.3 percent from 0.1 percent. The slowdown was propelled by *Alcoholic Beverages and tobacco; Housing, water, gas and other fuels category and Transport*.

Annual inflation for *Alcohol beverages and tobacco* group slowed to 0.4 percent from 7.5 percent registered in April 2020. The monthly inflation rate for this group was stagnant compared to an increase of 0.1 percent registered a month earlier. The slowdown in this category was driven by state of emergency where no retail outlets trading alcoholic beverages were allowed to operate.

FIGURE 1: CPI for April 2019 & 2020

Source: NSA 2020

Housing, water, electricity, gas and other fuels category registered a decline of -0.5 percent in April 2020 compared to 2.2 percent recorded during the same period of 2019. The deflation was mainly reflected in the Rental payments which declined by 4.6 percent.

Prices in this category of *Transport* shrunk to -0.1 percent compared to 7.1 percent recorded in April 2019. The slowdown was mainly reflected in the price levels of Public transportation services (from 20.1 percent to 0.0 percent). Operation of personal transport equipment contracted (from 4.7 percent to -0.2 percent), the contraction was prompted by fall in prices for petrol and diesel that fell by N\$1.70 and N\$1.20 respectively. Purchase of vehicles contracted (from 4.6 percent to 0.3 percent). The decline in the subcomponent purchase of vehicles was largely influenced by the lockdown, as only 50 new vehicles were sold in April 2020, compared to 926 new vehicles that were sold in April 2019.

The main driver for April inflation where: *Health, Miscellaneous good and services*. Inflation for *health* category recorded annual inflation of 2.9 percent form 2.5 percent recorded during the same period in 2019. The marginal increase in this category was reflected in subcomponent Medical products, appliances and equipment which recorded a increase of 4.8 percent compared to 2.4 percent recorded during the same period the previous year.

Miscellaneous good and services recorded annual inflation of 6.0 percent, 3.8 percent lower than 2.2 percent recorded in April 2019. The slowdown in these categories emanated from decreases in the price levels of the entire sub-components group.

Food and non-alcoholic beverages annual inflation rate stood at 4.2 percent in April 2020 compared to 5.3 percent registered during the same period last year. The decline in this group emanated mainly from price decreases of Bread and cereals (from 9.0 percent to 2.0 percent), Fish (from 5.0 percent to 2.8 percent) and Sugar, jam, honey, syrups, chocolate and confectionery (from 5.2 percent to 3.6 percent). The monthly inflation rate for this category increased to 1.1 percent from 0.1 percent recorded a month earlier.

The Covid-19 epidemic has caused some price collection challenges in April 2020. As a measure to prevent the spread of the virus, a lockdown was introduced on 27 March 2020 until 04 May 2020. The implementation of this measure had an impact on the routine compilation of Namibia Consumer Price Indexes (NCPI).

To date, the average annual inflation is standing at 2.1 percent for the four (4) months of the year compared to 4.5 percent recorded for the same period during 2019.