

## **MEDIA RELEASE**

(2020 Economic performance, Government Wage Index & Sectorals)

**31 March 2021**

**For immediate release**

## **RELEASE OF ECONOMIC STATISTICS**

The Namibia Statistics Agency

1. As customary, it is again an honour to the NSA to release the economic statistics to the nation. Today I am very pleased that I will be releasing these statistics in the Omaheke region as we continue to strive to make statistical information available and accessible to the regions. We chose Omaheke as a start of our aim to be releasing from different Regions as the capital of Omaheke Region (Gobabis) is the closest to our Head Office.
2. The availability and accessibility of good quality statistical information is an integral part of the policy design and evaluation process; the development of research agendas and the decision-making processes of governments, organizations and communities. As policy and research agendas change, so too does the demand for statistical information.

Today I will be releasing economics statistics that relates to:

3. Government Wage Index for Q4:2020 - The Government Wage Index measures the level of prices that government employees charge in exchange for their labour services they provide;
4. Preliminary national accounts for 2020 – this report contains estimates of National Income, Savings, GDP and External Transactions that speaks to the overall performance of our economy; and
5. Sectoral reports on Beverage, Electricity and Transport- these reports provides short term indicators to gauge the performance of the selected sectors.

## **6. GOVERNMENT WAGE INDEX FOR Q4:2020**

7. The government wage index declined by 0.7 percent when compared with the fourth quarter of 2019. The decline in the index is mainly attributed to the contractions observed in the ‘Public Administration and Defence’ and Health sectors.
8. The index for Public administration and defence declined by 1.0 percent in the period under review when compared to the corresponding quarter of 2019. The declined is ascribed to the reduction observed in the number of employees in the sector compared to the corresponding quarter of 2019 as the government froze the recruitment process of vacant positions.
9. Similarly, the index for Health declined by 1.6 percent when compared to the corresponding quarter of 2019 due to a reduction in the number of health personnel in higher pay scales.

10. However, the index for Education remained buoyant, recording a marginal increase of 0.1 percent during the period under review when compared to the corresponding quarter of 2019. This growth is attributed to an increase in the numbers of teachers within the public education sector.

## **PRELIMINARY NATIONAL ACCOUNTS FOR 2020**

11. The year 2020 was a challenging year to the economy due to the outbreak of the COVID 19 pandemic. On the 13th of March 2020, the Government declared a state of emergency from the 27th of March 2020 to the end of September 2020 to be implemented in stages, starting with stage 1. Thus, the country went under a stage 1 lock down with effect from 27 March 2020 in order to minimize the spread of the virus, and this resulted in the closure of most of the businesses that were deemed not to be providing essential services. Following the first lock down, Namibia progressed in different stages of easing the lock down up until the fourth stage.

12. For the year 2020, the domestic economy recorded a contraction of 8.0 percent relative to a decline of 0.6 percent registered in 2019. This is the highest contraction that Namibia has recorded looking at the time series of 1981 – 2020 (of which -1.6% in 1993 is the second largest decline). The contraction was due to the impact of COVID 19 measures that was put in place to curb the spread of the virus.

13. The Secondary industries (Manufacturing etc.) were impacted more than the other industries, posting a decline of 14.4 percent in 2020 compared to an increase of 1.7 percent registered in 2019. This was followed by the Primary industries (Mining, Agriculture etc.) with a

contraction of 6.1 percent, albeit a recovery when compared to a steeper decline of 6.9 percent in 2019. While the Tertiary industries (Services sector etc.) recorded a decline of 5.6 percent from a growth of 1.2 percent recorded in 2019.

14. The poor performance in the Secondary industries was observed in the Manufacturing sector (-19.6%) and Construction sector (-11.8%). Within the Manufacturing sector, the subsectors that recorded the highest declines were the Basic non-ferrous metals (example: Zinc and Copper) (-46.8%), Meat processing (-40.8%) and Beverages (36.5%).

15. The poor performance in the Primary industries was mainly reflected in the Mining sector that declined by 14.9 percent while the Agriculture, forestry and fishing sector recorded an increase of 5.9 percent in real value added in 2020 compared to a decline of 3.2 percent registered in the preceding year. The positive performance for the sector emanated from 'Crop farming and forestry' subsector which posted a growth of 76.5 percent in real value added in 2020, compared to a decline of 32.0 percent observed in 2019.

16. This is attributed to the good rainfall resulting in bumper harvest for cereal crops. While the Livestock subsector posted a decline of 10.2 percent during the period under review, due to the reduced number of animals marketed as a result of the COVID 19 restrictions. Furthermore, the Fishing subsector shrunk by 9.4 percent as reflected in lower volumes of fish landed in 2020 when compared to the previous year.

17. With regards to the Tertiary industries, the poor performance was observed in most of the sectors with exception of the following sectors that recorded positive growths: 'Information and

communication' (17.4%); 'Real estate activities' (2.8%); 'Education' (0.1%); and Health (4.8%). The sectors that were most affected in this industries were: Hotels and restaurants (-33.1%); Transport and storage (-22.4%); Administrative and support services (-14.5%); wholesale and retail trade (-11.7%); and Financial and insurance services (-11.7%).

18. In real terms, the final consumption expenditure declined by 7.2 percent in 2020 compared to an increase of 1.4 percent in 2019. This was reflected in both private consumption (-9.3%) and general government consumption (-1.5%). Similarly, the gross fixed capital formation (investment) also registered a decline of 15.9 percent in 2020.

19. The nominal GDP in 2020 stood at N\$176.3 billion in 2020, down by N\$5.2 billion from 2019, this was reflected in the Primary, Secondary and Tertiary industries. Similarly, final consumption expenditure contracted to N\$168.1 billion from N\$173.6 billion, a decline of N\$5.5 billion in nominal terms, and mostly household contributing to the contraction.

20. What were the biggest sectors in Namibia that contributed the highest to the GDP in 2020? The following sectors contributed the highest to the nominal GDP: Public administration and defence (11.6%); Manufacturing (11%); Education (10.9%); Mining (10.1%); Wholesale and retail trade (9.6%); Agriculture, forestry and fishing (9%).

21. In conclusion, I would like to state that what we have observed on the impact of COVID 19 pandemic on the Namibian economy is also mirrored at the Global level. According to the World Economic

Outlook report, January 2021, the global economy is estimated to have contracted by 3.5 percent in 2020, compared to a positive growth of 2.8 percent registered in 2019.

22. On the continental level, Africa's GDP is estimated to have shrank by 2.1 percent in 2020 (Africa Economic Outlook 2021, ADB). While from the latest numbers released on our neighbors, the South African economy declined by 7.0 percent in 2020.

## SECTORAL REPORTS

23. The Electricity Sources Composite Index that is composed of own generation (production) and imported electricity declined by 13.8 percent in February 2021 when compared to the preceding month. This was reflected in the local production of electricity capacity that stood at 66 648 MWh in February 2021 compared to 98 191 MWh produced in January 2021. This decline is attributable to two events, namely; cloudy conditions which caused a reduction in the production by Solar IPPs (Independent Power Producers) and low water levels that reduced the production at Ruacana Power station. For the month of February 2020, Namibia imported 238 395 MWh of electricity.

24. The Composite Cargo Index that consists of Rail, Road, Air and Sea Cargo recorded a decline of 5.0 percent compared to an increase of 12.5 percent registered in January 2021. The decline recorded on monthly basis is mainly reflected in cargo transported via Road, Sea landed and Sea transhipped.

25. The Composite Index for beverages consisting of alcoholic and non-alcoholic beverages declined by 50.4 percent month on month in

February 2021, from a drop of 17.5 percent recorded in January 2021. This was reflected in the total beverage production for February 2021 which declined to 179 882 hectolitres, from 362 938 hectolitres produced in January 2021 and 259 152 hectolitres in the corresponding month of 2020.

## CONCLUSION

26. In conclusion I would also like to emphasize the importance of accurate and timely delivery of data from our stakeholders in private and public sectors to the Namibia Statistics Agency (NSA), on which the compilation of statistics depends on.
27. In the same vein, I would like to remind the public about the Covid-19 Impact assessment telephonic survey that is currently underway. I am urging the members of the public who are selected in the sample to participate as it is a legal requirement to participate in surveys. I have heard of some of our enumerators being insulted and called all sorts of names. If this does not stop we will be forced to apply the provisions of the Act.
28. Finally, let me thank our data providers and stakeholders, without whose collaboration this publication would not have been possible. It is my hope, that information contained in the Preliminary National Accounts 2020 would go a long way to guide in policy advice and interventions as well for investors to look for business/economic opportunities.

29.To access the publications released today and others please visit our website at [www.nsa.org.na](http://www.nsa.org.na) or download our statistical app onto your mobile phone to have all statistics at your fingertips.

I thank you



**ALEX SHIMUAFENI**

**STATISTICIAN - GENERAL & CEO**

## About Us

**Namibia Statistics Agency is mandated with collecting, producing, analyzing and disseminating official statistics. Find us at [www.nsa.org.na](http://www.nsa.org.na)**

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