NAMIBIA’S INTERNATIONAL MERCHANDISE STATISTICS SUMMARY AND TRADE INDICATORS 2021

Produced by: Namibia Statistics Agency
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“Be a high performance institution in quality statistics delivery”

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Integrity
Excellent Performance
Accuracy
Team Work
Accountability
Transparency
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TRADE DATA REVISIONS

BOX 1: REVISED MERCHANDISE TRADE STATISTICS

International Merchandise Trade Statistics (IMTS), like many published statistics, are subject for revisions as new information becomes available. Thus, the trade statistics published are subject for revision on a monthly basis as additional information becomes available.

This notice serves to inform our Stakeholders and the general public that the NSA have made amendments to the scope of merchandise trade statistics as outlined in the International Merchandise Trade Statistics (IMTS) 2010 manual. The amendments are as a result of one-year research and consultation with United Nations Department of Statistics (UNSD), NamRA and Clearing Agents.

The transactions that was reviewed are related to copper ores and blister; and manganese of which are temporary imported into Namibia for warehousing or storage purpose only, further transactions related to vessels were also reviewed that are temporary imported. All these commodities are subsequently, re-exported in the same state to the rest of the world. These transactions formed part of Namibia trade statistics since 2016.

The research revealed that these specific transactions do not add to or subtract from the stock of material resources of Namibia by entering (imports) or leaving (exports) its economic territory, thus are to be excluded from trade statistics that is compiled in line with the IMTS guidelines. These transactions are part of transit transactions that are excluded from the compilation of trade statistics.

Table 1 below reflects the revisions on aggregate level for both trade flows.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Old Level - Exports</td>
<td>76,510</td>
<td>65,888</td>
<td>86,102</td>
<td>87,693</td>
<td>87,407</td>
<td>93,435</td>
</tr>
<tr>
<td>Revised Level - Exports</td>
<td>66,533</td>
<td>56,957</td>
<td>65,597</td>
<td>69,030</td>
<td>63,652</td>
<td>68,320</td>
</tr>
<tr>
<td>Difference</td>
<td>9,977</td>
<td>8,930</td>
<td>20,505</td>
<td>18,663</td>
<td>23,754</td>
<td>25,115</td>
</tr>
<tr>
<td>% Change</td>
<td>-13.0%</td>
<td>-13.6%</td>
<td>-23.8%</td>
<td>-21.3%</td>
<td>-27.2%</td>
<td>-26.9%</td>
</tr>
<tr>
<td>Old Level - Imports</td>
<td>110,226</td>
<td>91,412</td>
<td>105,467</td>
<td>108,770</td>
<td>107,540</td>
<td>125,642</td>
</tr>
<tr>
<td>Revised Level - Imports</td>
<td>105,502</td>
<td>87,459</td>
<td>90,240</td>
<td>90,000</td>
<td>81,325</td>
<td>97,591</td>
</tr>
<tr>
<td>Difference</td>
<td>4,725</td>
<td>3,953</td>
<td>15,228</td>
<td>18,770</td>
<td>26,215</td>
<td>28,051</td>
</tr>
<tr>
<td>% Change</td>
<td>-4.3%</td>
<td>-4.3%</td>
<td>-14.4%</td>
<td>-17.3%</td>
<td>-24.4%</td>
<td>-22.3%</td>
</tr>
</tbody>
</table>
1. Namibia Trade Pattern for 2021

1.1 Total trade and trade balance

In 2021, the value of merchandise total trade (export + import) for Namibia improved substantially by 14.4 percent to reach N$165.9 billion when compared to N$145 billion recorded during 2020. Exports increased by 7.3 percent to reach N$68.3 billion from N$63.7 billion in 2020, while merchandise imports increased noticeably by 20.0 percent to reach N$97.6 billion against N$ 81.3 billion registered during 2020 (Chart 1). Thus for the year 2021, Namibia recorded a trade deficit of N$ 29.3 billion compared to a deficit of N$ 17.7 billion that was registered in 2020.

Chart 1: Namibia’s Export, Import & Trade balance, 2017-2021

1.2 Exports by products and destination markets

Pearls and precious stones (diamonds) dominated the export basket in 2021 accounting 19.4 percent of the total followed by uranium (15.2%), fish (14.8%), non-monetary gold (9.5%) and copper blisters (7.9%) as reflected in Chart 2. This composition of the export basket was also mirrored in 2020.
The main export destinations in 2021 were South Africa (20.1%), China (17.9%), Botswana (12.6%), Zambia (7.3%), and Spain (6.3%), as reflected in Chart 3.
1.3 Imports by products and source markets

Chart 4, reveals that Petroleum oils topped the list of products that Namibia sourced from the rest of the world in 2021 accounting for 12.7 percent of the total import followed by copper ores and concentrates (5.4%); motor vehicles for transport of goods (3.1%), pearls and precious stones (diamonds) (2.8%) and vessels (2.4%).

*Chart 4: Namibia’s top ten (10) import products*

In 2021, Namibia sourced 49.1 percent of her products from South Africa followed by China (7%), India (4.7%), Peru (3.7%) and USA (2.6%).
Chart 5: Namibia’s top ten (10) import markets (% of total import), 2021
2. Trade Performance

2.1 Growth Rate of Total Trade, Exports and Imports

The growth rate in trade is one of the most common indicators used when assessing the progress of an economy in the area of trade and is measured as the annual percentage change in the value of trade flow i.e. export, import or both between two periods.

*Chart 6: Namibia’s growth rates for total trade, exports & imports, 2017-2021*

The above chart depicts the annual growth rates in exports, imports and total trade (exports +imports) for Namibia, with the rest of world for the period 2017 -2021. Both trade flows followed a downward trend as from 2018 and picked up in 2021, with exports increasing by 7.3 percent while imports grew by 20 percent.

3. Trade and economy

3.1 Trade dependence index (TDI)

The trade dependence index (also often called the openness index) is a measure of the importance of international trade in the overall economy. It gives an indication of the degree to which an economy depends on trade. It is the value of total trade as a percentage of GDP. Mathematical definition:
where \( i \) is the country under study, \( X \) is total exports, \( M \) is total imports and GDP is gross domestic product (of country \( i \)).

**Table 2: Namibia’s trade dependence index, 2017-2021**

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP (N$ M)</th>
<th>EXPORTS (N$ M)</th>
<th>IMPORTS (N$ M)</th>
<th>TDI%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>171,570</td>
<td>56,957</td>
<td>87,459</td>
<td>42.1</td>
</tr>
<tr>
<td>2018</td>
<td>181,067</td>
<td>65,597</td>
<td>90,240</td>
<td>43.0</td>
</tr>
<tr>
<td>2019</td>
<td>181,229</td>
<td>69,030</td>
<td>90,000</td>
<td>43.9</td>
</tr>
<tr>
<td>2020</td>
<td>173,896</td>
<td>63,652</td>
<td>81,325</td>
<td>41.7</td>
</tr>
<tr>
<td>2021</td>
<td>180,836</td>
<td>68,320</td>
<td>97,591</td>
<td>45.9</td>
</tr>
</tbody>
</table>

The measure of trade dependence for Namibia stood at 45.9 percent in 2021, indicating that Namibia’s economy has been largely dependent on international trade. As we can see from the table above, the indicator has remained fairly constant (hovering around 40% mark) over the past five-year period.

### 3.2 Import penetration rate

The import penetration rate shows the degree to which domestic demand is satisfied by imports. It is defined as the ratio of total imports to domestic demand, as a percentage. Mathematical definition:

\[
\text{Import Penetration Rate} = \frac{\sum_{s} M_{sd}}{\text{GDP}_{d} - \sum_{s} X_{ds} + \sum_{s} M_{sd}} \times 100
\]

where \( d \) is the country under study, \( s \) is the set of all other countries, \( X \) is total bilateral exports, \( M \) is total bilateral imports and GDP is gross domestic product (of country \( d \)).

**Table 3: Namibia’s import penetration rate, 2017-2021**

<table>
<thead>
<tr>
<th>Years</th>
<th>GDP (N$ M)</th>
<th>IMPORTS (N$ M)</th>
<th>EXPORTS (N$ M)</th>
<th>DOMESTIC DEMAND (N$ M)</th>
<th>IMPORT PENETRATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>171,570</td>
<td>87,459</td>
<td>56,957</td>
<td>196,885</td>
<td>0.44</td>
</tr>
<tr>
<td>2018</td>
<td>181,067</td>
<td>90,240</td>
<td>65,597</td>
<td>200,080</td>
<td>0.45</td>
</tr>
<tr>
<td>2019</td>
<td>181,229</td>
<td>90,000</td>
<td>69,030</td>
<td>202,199</td>
<td>0.45</td>
</tr>
<tr>
<td>2020</td>
<td>173,896</td>
<td>81,325</td>
<td>63,652</td>
<td>191,569</td>
<td>0.42</td>
</tr>
<tr>
<td>2021</td>
<td>180,836</td>
<td>97,591</td>
<td>68,320</td>
<td>210,107</td>
<td>0.46</td>
</tr>
</tbody>
</table>

The index reveals that over a period of five years (2017-2021), imports on average have accounted for about 44.1 percent of aggregate demand in Namibia. Imports satisfied 46.4 percent of the aggregate demand in Namibia in 2021, while the remaining proportion of demand was satisfied by domestic production, this was the highest ratio recorded in five years. This has been trendy constantly over the past five years as indicated in table 3 above.
3.3 Export propensity Index

The export propensity shows the overall degree of reliance of domestic producers on foreign markets. Higher values imply greater dependence on foreign markets.

Mathematical definition: \( \frac{\sum X_{ds}}{GDP_d} \times 100 \), where \( d \) is the country under study, \( s \) is the set of all other countries, \( X \) is total bilateral exports, and GDP is gross domestic product (of country \( d \)).

Table 4: Namibia’s export propensity index, 2017-2021

<table>
<thead>
<tr>
<th>Years</th>
<th>GDP(m)</th>
<th>Exports(m)</th>
<th>Export Propensity %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>171,570</td>
<td>56,957</td>
<td>33.2</td>
</tr>
<tr>
<td>2018</td>
<td>181,067</td>
<td>65,597</td>
<td>36.2</td>
</tr>
<tr>
<td>2019</td>
<td>181,229</td>
<td>69,030</td>
<td>38.1</td>
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<tr>
<td>2020</td>
<td>173,896</td>
<td>63,652</td>
<td>36.6</td>
</tr>
<tr>
<td>2021</td>
<td>180,836</td>
<td>68,320</td>
<td>37.8</td>
</tr>
</tbody>
</table>

For the period under review, Namibia’s producers channeled 37.8 percent of their production to the foreign market (Table 4). This ratio has been fairly constant over the past five years averaging 36.4 percent, although it has increased overtime from 2017 to 2021.

4. Namibia trade with Southern Customs Union (SACU)

Namibia is part of the oldest Customs Union that was established formally in 1910. The Union comprises of five Member States, namely Botswana, Eswatini, Lesotho, Namibia and South Africa.

Over the last five years Namibia total trade (export + import) within SACU has been on a downward trend compared to the rest of the world. In 2017, SACU accounted for 53.1 percent of Namibia’s trade and this has declined to 43 percent in 2021 (chart 7). Exports to SACU amounted to N$ 22.4 billion from N$20.3 billion recorded in 2020, while the import bill stood at N$ 49 billion up from N$42.3 billion in 2020.
4.1 Trade with Botswana

Namibia trade with Botswana has been plentifully growing and this excellence in growth is reflected in the country’s trade balance which has been consistently growing (Chart 8). In 2021 alone, Namibia export to Botswana increased by 14.1 percent to N$ 8.6 billion from N$7.6 billion recorded in 2020. Whereas the imports from Botswana have been diminishing from N$ 982 million down to N$ 754 million in 2021. Namibia mostly imported medicinal and pharmaceutical products that accounted for 40.4 percent followed by equipment for distributing electricity (16.3%), live animals (6.8%), coal (5.2%) and medicaments (3.4%) in 2021. While Namibia exported mostly pearls and precious semiprecious stones (Diamond) accounting for 77.8 percent followed by petroleum oils (15.5%); lime, cement and fabricated construction materials (1.4%); fish (0.9%) and motor cars (0.8%).
4.2 Trade with Lesotho

The chart below indicates that Namibia’s trade with Lesotho, has been relatively low on both trade flows (exports and imports). For instance, in 2021 exports to Lesotho stood at N$5 million whereas imports amounted to N$8 million.

Namibia imports from Lesotho comprises mostly of clothing that accounted for 90.1 percent followed by clothing accessories (5.8%), motor cars (2.0%), and footwear (1.7%) in 2021. While Namibia exported mostly manufactures of base metals accounting for 41.9 percent followed by electric power machinery (27.5%); pumps for liquids (9.9%); rotating electric plant and parts (7.7%) and fuel woods (4.6%).
4.3 Trade with Eswatini

Namibia has been recording trade deficit against Eswatini for the past five years as the country import from Eswatini has been relatively high as opposed to very minimal exports. During 2021, the country’s total import bill from Eswatini amounted to N$327 million against export earnings of N$7 million.

*Chart 10: Namibia’s trade with Eswatini*

Imports from Eswatini comprises mostly of essential oils, perfume and flavor materials that accounted for 27.3 percent followed by sugar, molasses and honey (21.8%), miscellaneous chemical products (17.2%), wood, simply worked, and railway sleepers of wood (10.3%) as well as manufactured tobacco (5.5%) in 2021. While exports were dominated by medicaments accounting for 60.6 percent followed by tractors (25.9%); manufactures of base metals (6.1%); and meat and edible offal (5.0%).

4.4 Trade with South Africa

Namibia’s merchandise exports to South Africa have been running fairly constant over the five-year period while imports from South Africa have been gradually decreasing from N$ 48.2 billion in 2017 to less than N$ 50 billion in the remainder of the period. For the last five years Namibia did not record any trade surplus as her imports have been on average three times greater that of the exports (chart 11).
Namibia’s import from South Africa was led by vessels that accounted for 4.7 percent followed by motor vehicles for the transport of goods and special-purpose motor vehicles (4.3%); alcoholic beverages (3.0%); motor cars (2.8%); and petroleum oils (2.6%) in 2021. While Namibia exported mostly non-monetary gold accounting for 47.3 percent followed by live animals (10.3%); fish (7.8%); alcoholic beverages (6.3%) and precious stones (diamonds) (3.0%).
Conclusions

In 2021, the value of merchandise exports of Namibia increased substantially by 14.4 percent to reach N$165.9 billion when compared to N$145 billion recorded during 2020. Exports increased by 7.3 percent to reach N$68.3 billion from N$63.7 billion in 2020, while merchandise imports increased noticeably by 20 percent to reach N$97.6 billion against N$ 81.3 billion registered during 2020. The merchandise trade balance recorded a deficit of N$ 29.3 billion. Merchandise exports in Namibia were moderately concentrated amongst few partners, similarly imports were also moderately concentrated. The top 10 export partners accounted for 84.4 percent of exports while the top 10 import partners accounted for 76.0 percent of imports.

The measure of trade dependence for Namibia stood at 45.9 percent in 2021, indicating that Namibia’s economy has been largely dependent on international trade. The import penetration index calculations for 2021 revealed that imports satisfied 46.4 percent of the aggregate demand in Namibia in 2021. Export propensity for the period under review, indicates that Namibia’s producers channeled 37.8 percent of their production to the foreign.

In 2021, Namibia’s total trade within SACU improved, growing by 14 percent to N$ 71.4 billion which is 43.7 percent of Namibia overall trade with the rest of the world. Exports to SACU amounted to N$ 22.4 billion from N$20.3 billion recorded in 2020, while the import bill stood at N$ 49 billion up from N$42.3 billion in 2020.