Importance of National Accounts Revision
Overview

- Revision of national accounts
- Performance of the economy 2018
- Third Quarter GDP 2019
REVISION OF NATIONAL ACCOUNTS
Revision of National Accounts

• Process included:
  – *Re-referencing*
  – *Re-benchmarking*
  – *Adoption of SNA 2008*
  – *Adoption of ISIC rev 4*
  – *Develop QGDP at current prices*
  – *New data sources*
  – *Updated data*
Revision of National Accounts

Re-referencing

- This process involve moving the base year price & volumes from 2010 to 2015

- Why?
  - Price structure changes
  - Structure of economy changes
  - Changes in consumption
  - Acquisition of capital assets changes commodities
Revision of National Accounts
Re-benchmarking

- This process involves aligning the quarterly value added to the annual.
- New data serves as a baseline for extrapolation.
- Why?
  - High frequency indicators
  - Depict the direction of economy.
Revision of National Accounts
Adoption of SNA 2008

– Allocation of FISIM to respective sector
– Research and developments
– Mineral exploration and valuation
– Weapons systems – GFCF
– Output of Central Bank
  • Supervision
  • Monetary policy
  • Financial intermediation
Revision of National Accounts
International Standard Industrial Classification revision 4

High-level concordance

ISIC Rev.3.1
A Agriculture, hunting and forestry
B Fishing
C Mining and quarrying
D Manufacturing
E Electricity, gas and water supply
F Construction
G Wholesale and retail trade; restaurants
H Hotels and restaurants
I Transport, storage and communications
J Financial intermediation
K Real estate, renting and business activities
L Public administration
M Education
N Health and social work
O Other community, social, personal services
P Activities of private households
Q Extraterritorial organisations and bodies

ISIC Rev.4
A Agriculture, forestry and fishing
B Mining and quarrying
C Manufacturing
D Electricity, gas, steam and air conditioning services
E Water supply; sewerage, waste management
F Construction
G Wholesale and retail trade; restaurants
H Transport and storage
I Accommodation and food service activities
J Information and communication
K Financial and insurance activities
L Real estate activities
M Professional, scientific and technical activities
N Administrative and support service activities
O Public administration
P Education
Q Human health and social work activities
R Arts, entertainment and recreation
S Other service activities
T Activities of households
U Activities of extraterritorial organisations and bodies
Revision of National Accounts
QGDP-CP/SNA 2008/BPM6/GFS

- Value Added Tax data
- Harmonization between BoP & NA
- Harmonization between GFS & NA
- Correspondence between HS 2017 & ISIC rev 4
- Correspondence between BEC rev 4 & ISIC rev 4
- New data sources/review data sources
- Review errors and omissions
Revision of National Accounts

WHY?

✓ Enables policy makers, analysts investors etc to obtain a more accurate picture of economic structure

✓ Improve accuracy of economic aggregates

✓ Better understanding of that structure

✓ Inform policy decisions and program design
## Revision of National Accounts

### Quick overview of results

<table>
<thead>
<tr>
<th></th>
<th>OLD SERIES</th>
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<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2014</td>
<td>2015</td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
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<tr>
<td>Primary industries</td>
<td>24,009</td>
<td>26,221</td>
<td>26,488</td>
<td>29,773</td>
<td>34,076</td>
<td>40,789</td>
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<tr>
<td>Secondary industries</td>
<td>20,588</td>
<td>23,601</td>
<td>25,227</td>
<td>28,672</td>
<td>30,043</td>
<td>29,369</td>
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<tr>
<td>Tertiary industries</td>
<td>70,317</td>
<td>80,354</td>
<td>88,655</td>
<td>96,576</td>
<td>105,017</td>
<td>110,843</td>
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<tr>
<td>Total Nominal GDP</td>
<td>122,792</td>
<td>138,763</td>
<td>150,083</td>
<td>166,006</td>
<td>180,605</td>
<td>192,138</td>
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</table>

<table>
<thead>
<tr>
<th></th>
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<td>2016</td>
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<td>2018</td>
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<tr>
<td>Primary industries</td>
<td>20,742</td>
<td>23,179</td>
<td>21,932</td>
<td>24,645</td>
<td>25,961</td>
<td>28,348</td>
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<tr>
<td>Secondary industries</td>
<td>19,258</td>
<td>22,793</td>
<td>27,130</td>
<td>28,442</td>
<td>29,941</td>
<td>31,400</td>
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<tr>
<td>Tertiary industries</td>
<td>67,844</td>
<td>77,857</td>
<td>84,692</td>
<td>91,145</td>
<td>100,456</td>
<td>103,872</td>
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<tr>
<td>Total Nominal GDP</td>
<td>117,479</td>
<td>134,920</td>
<td>145,997</td>
<td>157,596</td>
<td>170,074</td>
<td>177,795</td>
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</table>

### Percentage change between old series and new series

<p>| | | | | | | |</p>
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<thead>
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</thead>
<tbody>
<tr>
<td>Primary industries</td>
<td>-13.6%</td>
<td>-11.6%</td>
<td>-17.2%</td>
<td>-17.2%</td>
<td>-23.8%</td>
<td>-30.5%</td>
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<tr>
<td>Secondary industries</td>
<td>-6.5%</td>
<td>-3.4%</td>
<td>7.5%</td>
<td>-0.8%</td>
<td>-0.3%</td>
<td>6.9%</td>
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<tr>
<td>Tertiary industries</td>
<td>-3.5%</td>
<td>-3.1%</td>
<td>-4.5%</td>
<td>-5.6%</td>
<td>-4.3%</td>
<td>-6.3%</td>
</tr>
<tr>
<td>Total Nominal GDP</td>
<td>-4.3%</td>
<td>-2.8%</td>
<td>-2.7%</td>
<td>-5.1%</td>
<td>-5.8%</td>
<td>-7.5%</td>
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</tbody>
</table>
Revision of National Accounts

Quick overview of results

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</tr>
</thead>
<tbody>
<tr>
<td>Total Nominal GDP per capita OLD</td>
<td>55,914</td>
<td>62,006</td>
<td>65,805</td>
<td>71,419</td>
<td>76,245</td>
<td>79,605</td>
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<tr>
<td>Total Nominal GDP per capita NEW</td>
<td>53,327</td>
<td>59,869</td>
<td>63,667</td>
<td>67,492</td>
<td>71,546</td>
<td>73,341</td>
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</tbody>
</table>

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**Graph:**
- **Blue Bar:** Total Nominal GDP per capita OLD
- **Yellow Bar:** Total Nominal GDP per capita NEW

Revision NA
## Revision of National Accounts

### Quick overview of results

<table>
<thead>
<tr>
<th>Year</th>
<th>Primary Industry</th>
<th>Secondary Industry</th>
<th>Tertiary Industry</th>
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<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Share to GDP New</td>
<td>16.0</td>
<td>17.7</td>
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<tr>
<td></td>
<td>Share to GDP Old</td>
<td>21.2</td>
<td>15.3</td>
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</tbody>
</table>

### Graphs

- **Primary Industry**
- **Secondary Industry**
- **Tertiary Industry**

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Revision NA

https://nsa.org.na
ECONOMIC PERFORMANCE 2018
Economic Performance

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>2014</td>
<td>5.8</td>
</tr>
<tr>
<td>2015</td>
<td>4.5</td>
</tr>
<tr>
<td>2016</td>
<td>-0.3</td>
</tr>
<tr>
<td>2017</td>
<td>-0.1</td>
</tr>
<tr>
<td>2018</td>
<td>0.3</td>
</tr>
</tbody>
</table>
Economic Performance
Key drivers

• Performance observed in:
  • Secondary Industries
    ➢ Manufacturing
    ➢ Water and Electricity
  • Primary Industries
    ➢ Agriculture
Economic Performance
Key drivers

- Manufacturing sector:
  - Y/y posted positive growth of 0.3% compared to decline of 1.5%

- Attribute:
  - Y/y beverage sector shot up 4.7% from decline of 4.2%
Economic Performance

Key drivers

- **Construction:**
  - Y/y posted negative growth of 5.4% compared to decline of 23.1%

- **Attribute:**
  - Increase allocation to capital expenditure by general government
Economic Performance

Key drivers

- **Agriculture & fishing sector:**
  - Y/y posted negative growth of 2.0% compared to growth of 6.9%
  - Y/y Mining & quarrying posted strong growth of 16.0% compared to 14.2%

- **Attribute:**
  - Crop & livestock farming posted declines
  - Uranium & diamond production are up
Economic Performance

Key drivers

- **Performance observed in:**

- **Tertiary Industries:**
  - *Share to GDP 58.7%*
  - Posted decline of 1.6% compared to 0.1%
  - Almost all sectors posted decline except
  - Only P. Admin, Education ‘Hotels & Restaurants’ and Real Estate activities registered positive growth
Key drivers

• **Conclusion**
  
  • Marginal growth of 0.3% for 2018 relative to a contraction of 0.1% in 2017
  
  • Growth driven by Secondary and Primary industries performance
  
  • Tertiary industry took a turn for the worse
THIRD QUARTER GDP 2019
• Y/y nominal GDP stood at N$ N$45 825 million relative to N$46 197 million
• Drop of N$ 372 million
• Shows a decline of 0.8%
Poor Growth is observed in:

- Mining & quarrying sector
- Water & Electricity sector
- Transport sector
Poor performance were also observed:
- Administrative & support services
- Education
- Health

Attribute to:
- Reduced demand for goods and service
- Consumer remain weary of spending
- Business confidence are down
- Lots of uncertainty in the economy
Q3GDP19

Key performers in economy

- Improve performance were also observed:
  - Information and communication
  - Financial service activities
  - Real Estate activities
  - Construction

- Attribute to:
  - Increase activities in calls made
  - Increase loans to HH & businesses
  - More plots become available & occupied
Q3GDP19
Key performers in economy

▪ Summary:
  ▪ Q3 GDP 2019 contracted by 0.8%
  ▪ Leading sector to poor growth
    ▪ Mining & quarrying sector
    ▪ Transport and storage sector
    ▪ Water & Electricity

▪ Improve performance:
  ▪ Construction
  ▪ Real Estate activities
  ▪ Manufacturing
  ▪ Hotels & Restaurant
Thank you for Listening!