

GROSS DOMESTIC PRODUCT FIRST QUARTER OF 2021



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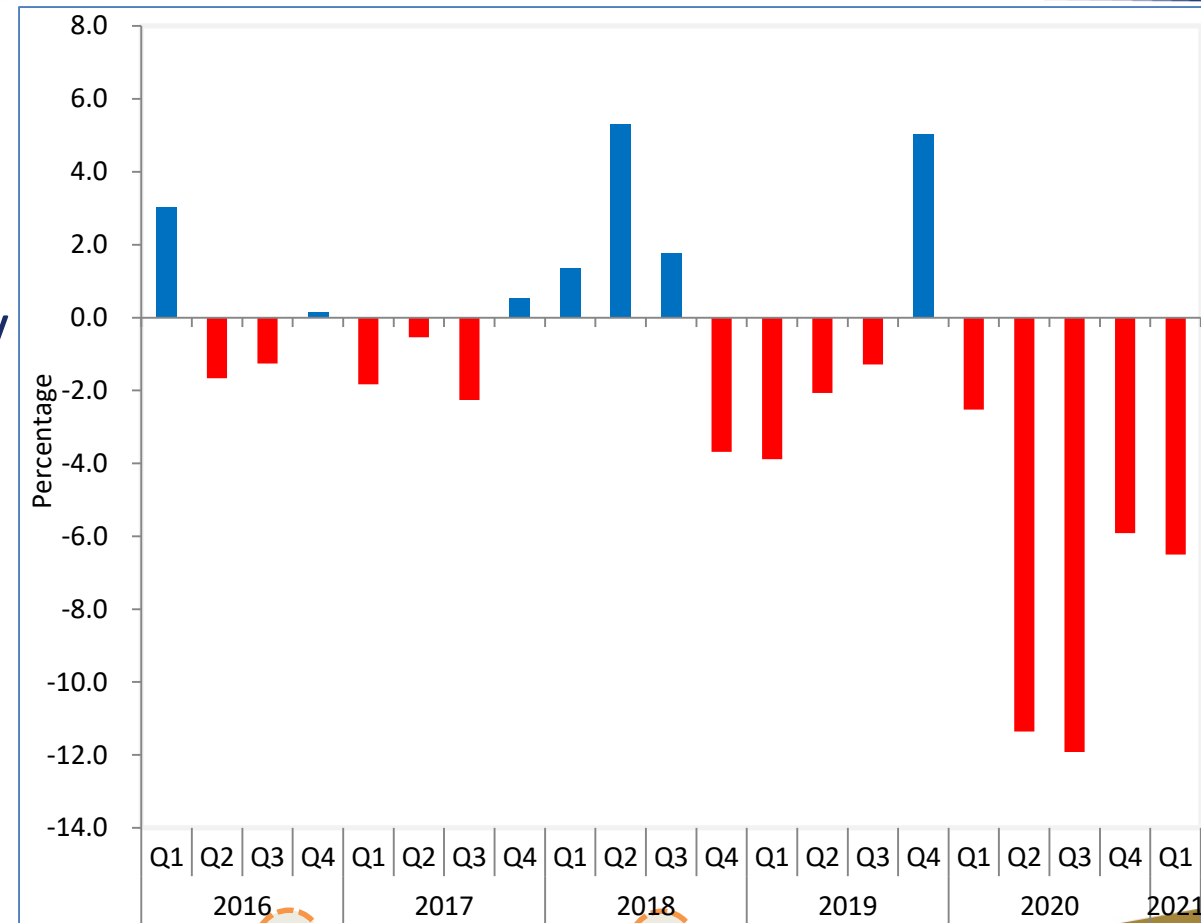
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ECONOMIC PERFORMANCE OVERVIEW

Economic Performance

GDP Growth

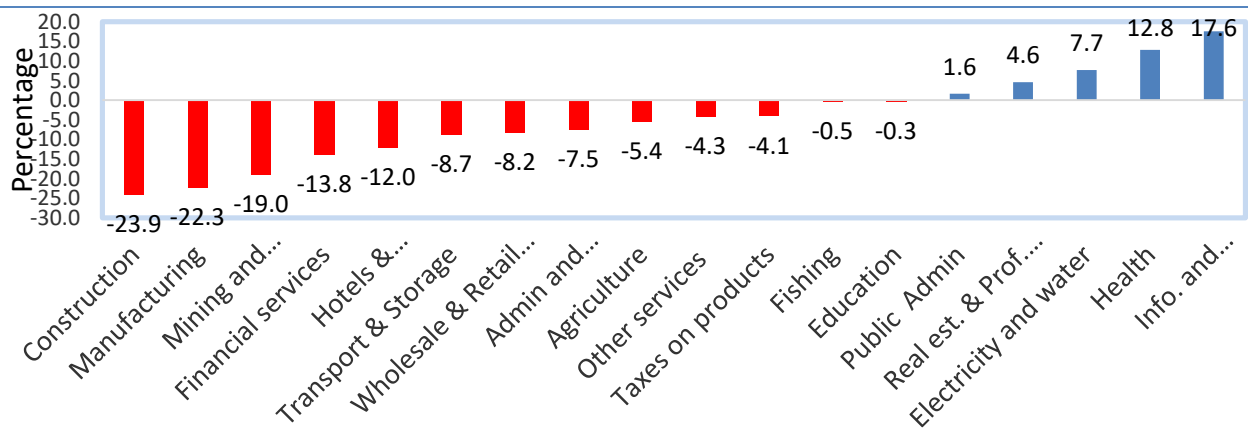
- Domestic economy slides into deeper recession when compared to corresponding quarter of 2020.
- Year-on-year Real GDP growth contracted by **↓ 6.5%** in 1Q21 compared to **↓ 2.5%** in 1Q20
- RGDP stood at N\$ 31.9 billion compared to 34.2 billion in 1Q20. RGDP declined by N\$2.2 billion
- Nominal GDP stood at N\$ 45.9 billion compared to N\$ 45.3 billion in 1Q20



Economic Performance

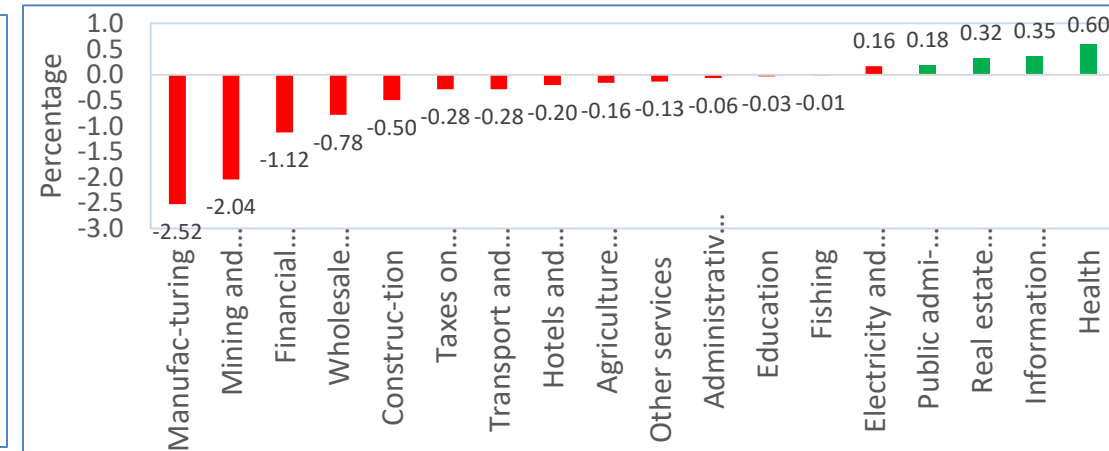
Key drivers

- Poor performance across major sectors of economy:
 - “Construction” lead the pack with 23.9%
 - “Manufacturing” registered 22.3%
 - “Mining & quarrying” recorded 19.0%
 - “Financial Services” recorded 13.8%
 - “Hotels & Restaurants” recorded 12.0%



Sectoral share to GDP growth rate

- From large to smallest contributor to GDP decline of 6.5 %
 - ✓ Manufacturing sector contributed 2.52%
 - ✓ Mining and Quarrying 2.04%
 - ✓ Financial Services 1.12%



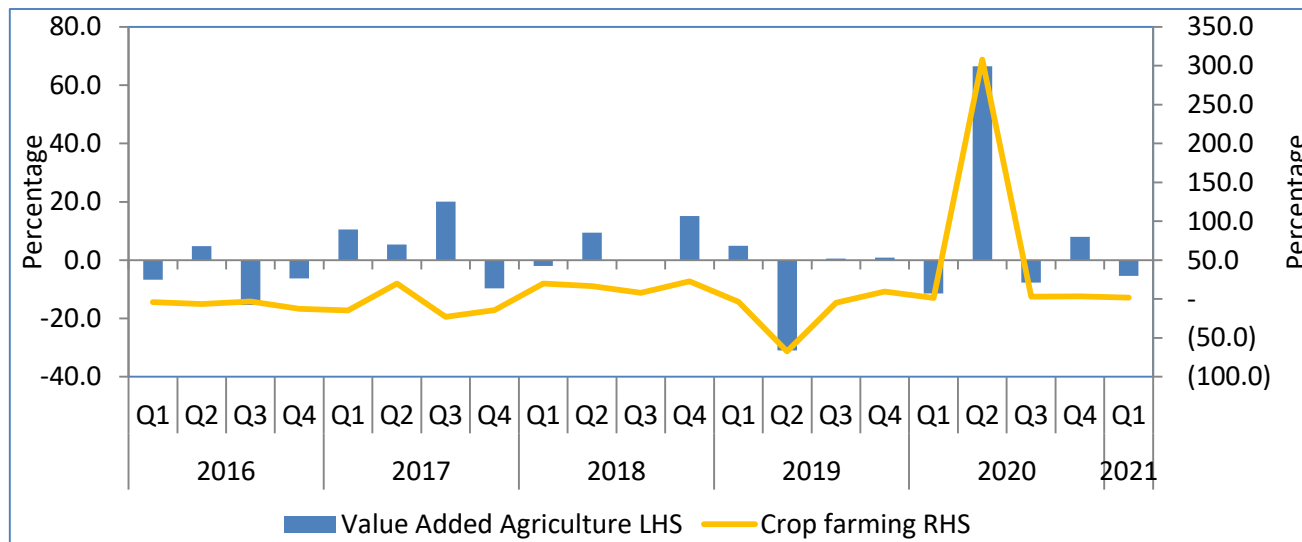
PRIMARY INDUSTRY OVERVIEW

Primary Industry overview

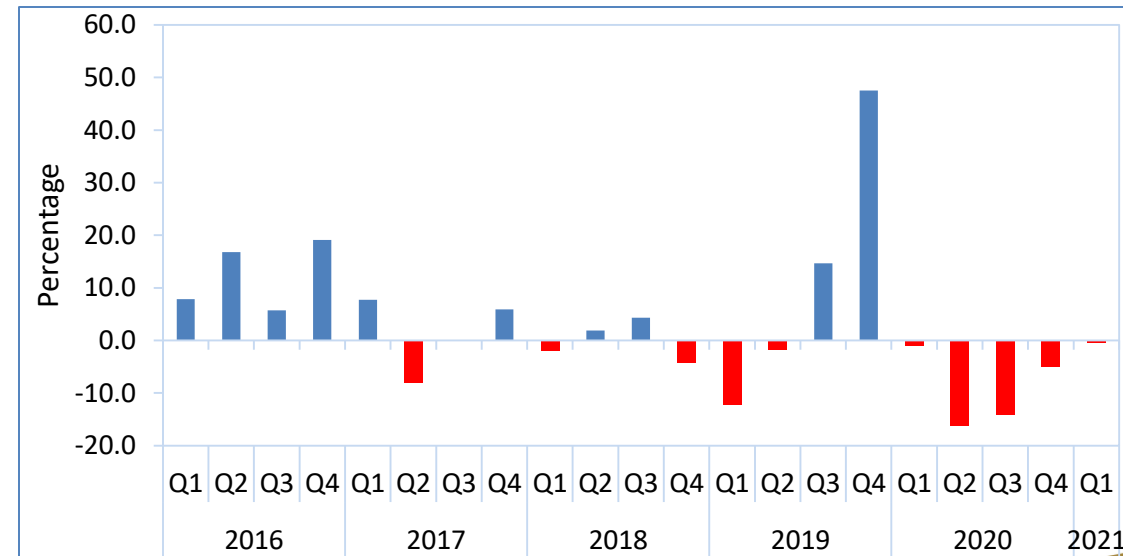
Agriculture and forestry

Fishing sector

- Agriculture and forestry sector posted a decline in real value added of 5.4% compared to 11.5% in 1Q20
- **Key driver to weak performance:**
 - Livestock subsector ↓7.5% vs ↓15.0% in 1Q20
Reduced Cattle and Sheep for slaughter



- Fishing sector registered a decline of 0.5% in real value added compared to a decline of 1.0% in 1Q20



Primary industry



Primary Industry overview

Mining and quarrying

- Mining and quarrying slumped to a decline of 19.0% in real value added compared to sluggish decline of 2.9% 1Q20

- **Key drivers:**

- ✓ **Diamond mining subsector**

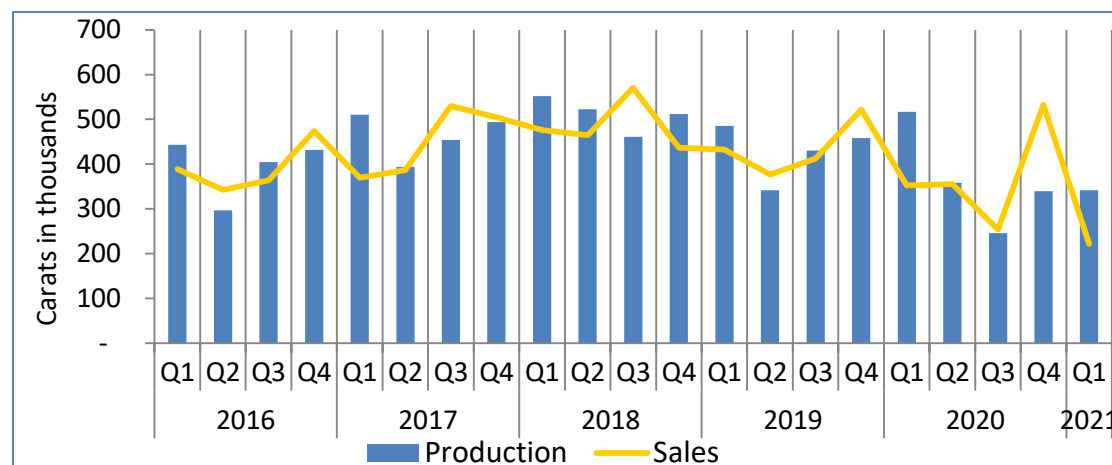
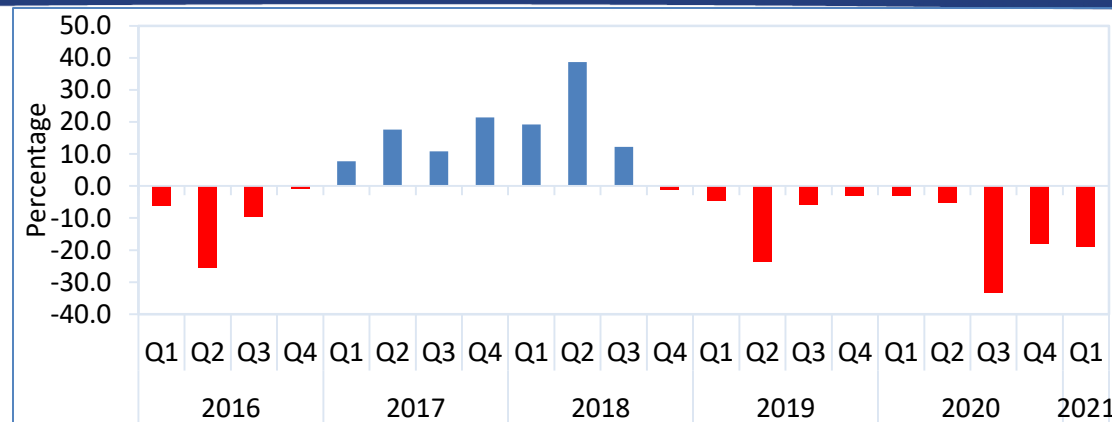
- Registered  33.8% in real value added compared to  6.4% in 1Q20
- Reduced production due to maintenance of a vessel

- ✓ **Metal ores subsector**

- Posted  44.5% in real value added compared to decline of 6.0%  in 1Q20
- Reduced production of gold  35.5% and zinc  37.4%

- ✓ **Other mining and quarrying subsector**

- Recorded  14.0% compared  2.8% in 1Q20
- Poor performance due to reduce production of marble, granite & salt



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Primary Industry

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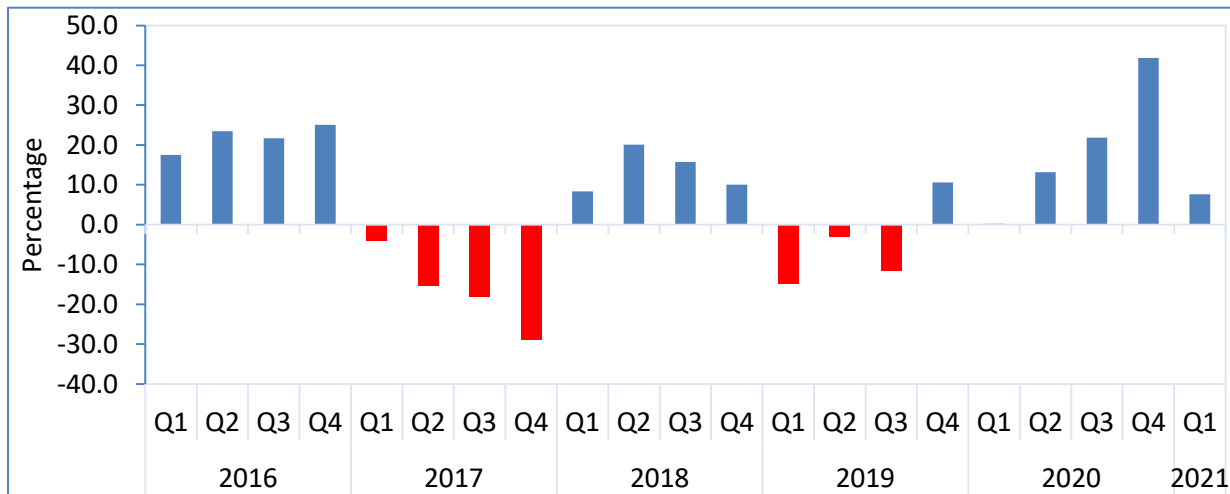
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SECONDARY INDUSTRY OVERVIEW

Secondary Industry overview

Electricity and Water sector

- Electricity and water sector posted positive growth of 7.7% compared to a decline of 0.3% in 1Q20
- Key driver to strong performance:**
 - Water subsector ↑ 21.3% vs ↓ 22.6% in 1Q20, while
 - Electricity subsector recorded a ↑ 0.3% positive growth vs ↑ 19.4% in 1Q20



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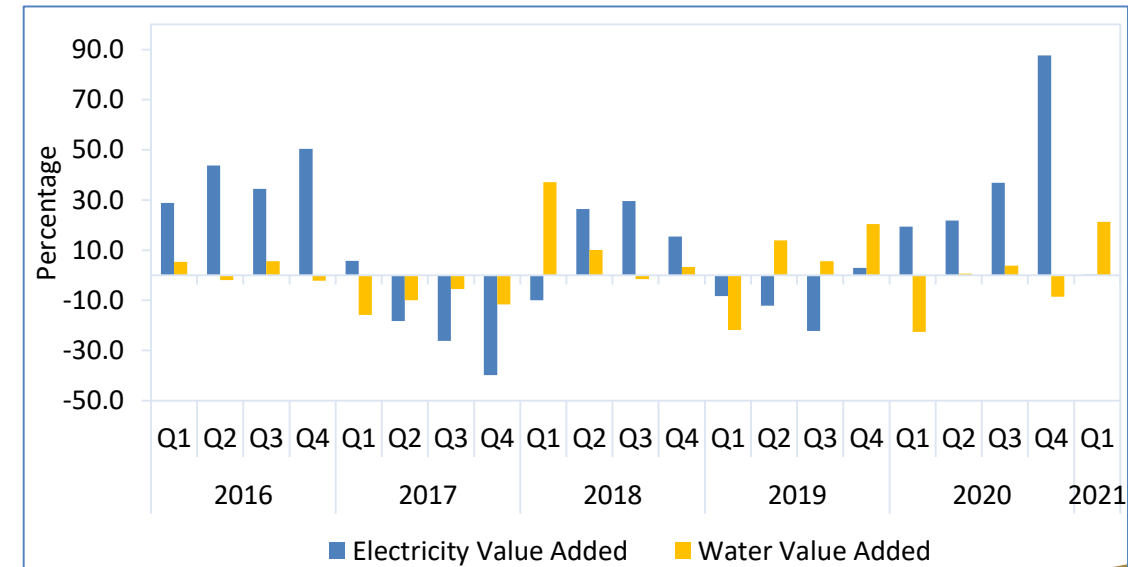
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Secondary Industry

Electricity and water supply sub-sector

- Both Electricity and water sub-sectors posted positive performance of 0.3% and 21.3% in real value added
- Key driver to strong performance:**

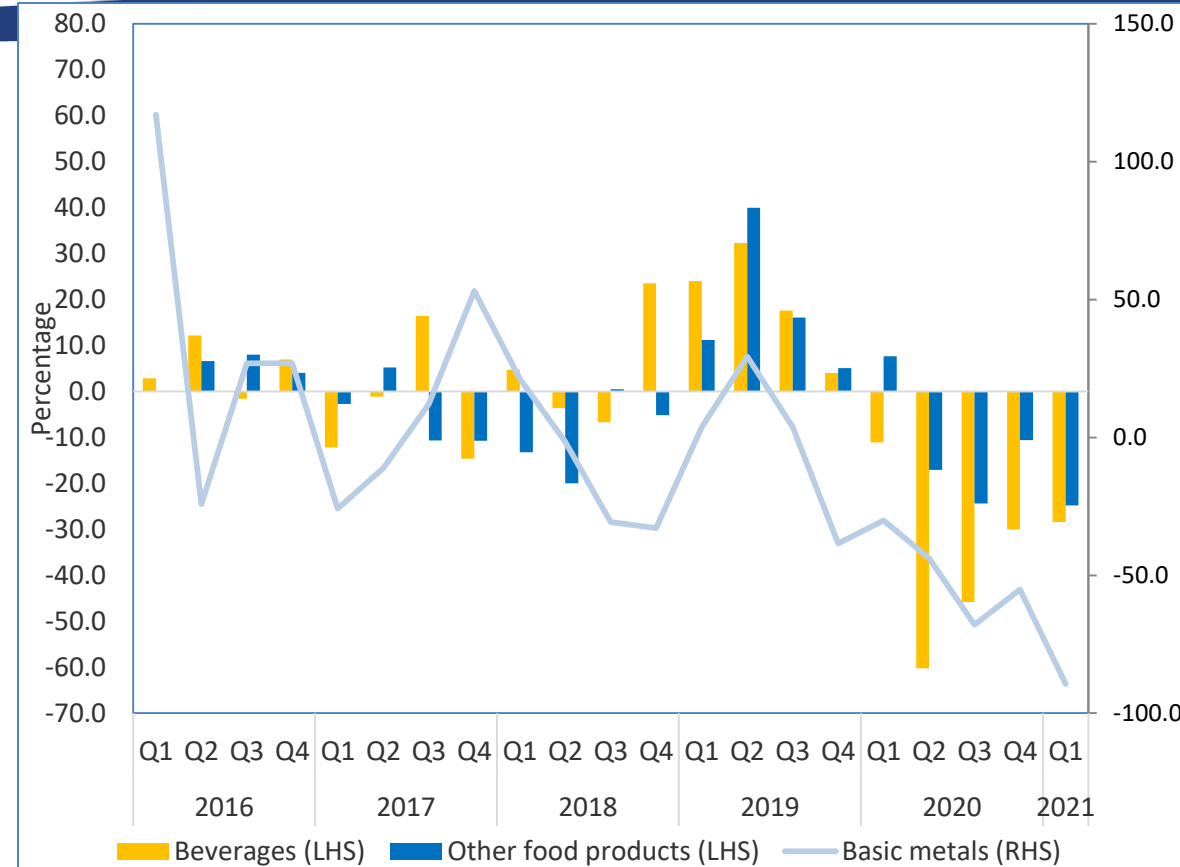
✓ Increase in irrigation programs



Secondary Industry overview

Manufacturing

- Manufacturing sector declined by 22.3% in real value added compared to decline of 7.8% in 1Q20.
- **Key drivers:**
 - ✓ Basic metals subsector
 - Posted **↓** 89.3% in real value added compared **↓** 30.0% in 1Q20
 - ✓ Beverages subsector
 - Recorded **↓** 28.4% in real value added compared to **↓** 11.1% in 1Q20
 - ✓ “other foods products subsector
 - Recorded **↓** 24.8% compared a **↑** 7.7% in 1Q20



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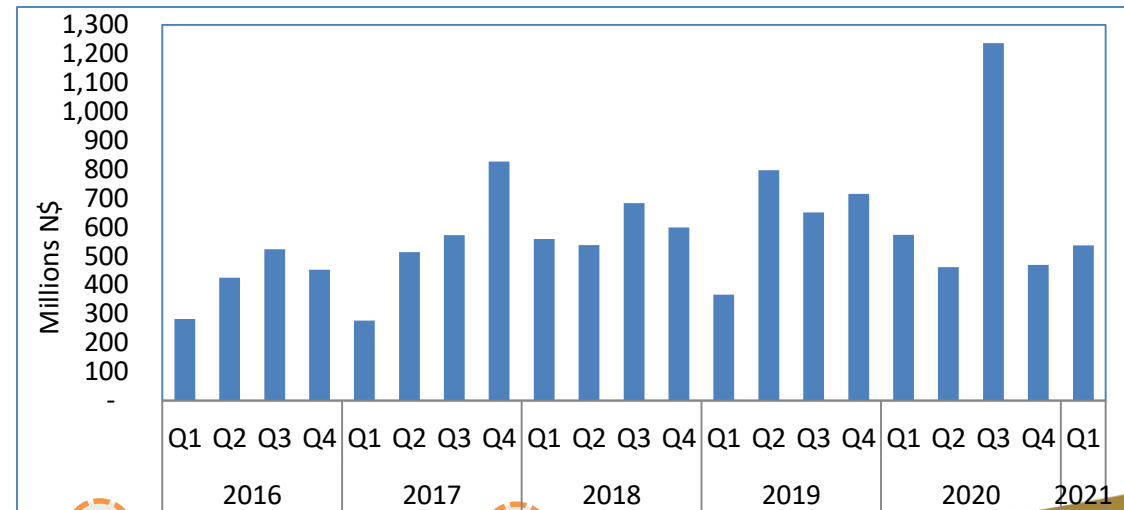
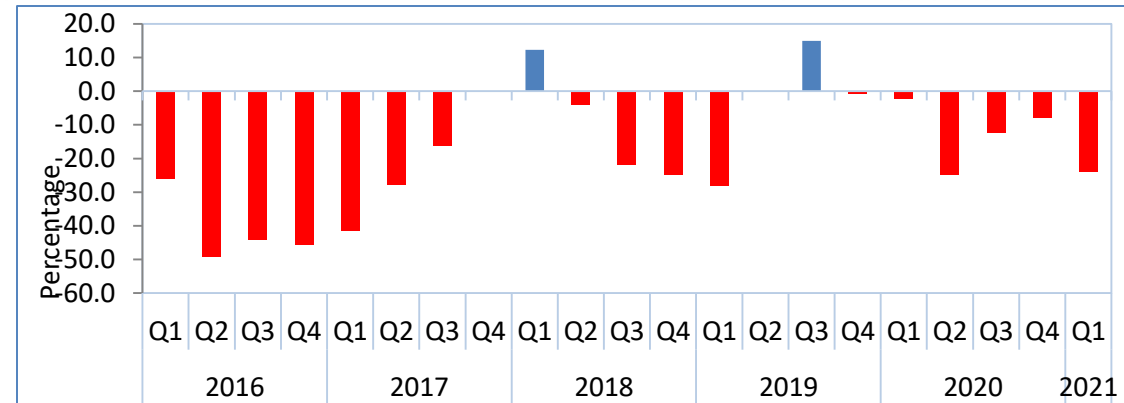
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Secondary Industry overview

Construction

- The Construction sector recorded a decline of 23.9% compared to a decline of 2.3% in 1Q20.
- **Key drivers:**
 - ✓ Government construction
 - In real terms, government construction posted a ↓ 32.6% relative to ↑ 3.5% in 1Q20
 - Government expenditure on construction related projects slowed down
 - ✓ Buildings completed
 - In real terms, buildings completed ↓ 6.4% relative to ↑ 56.7% in 1Q20



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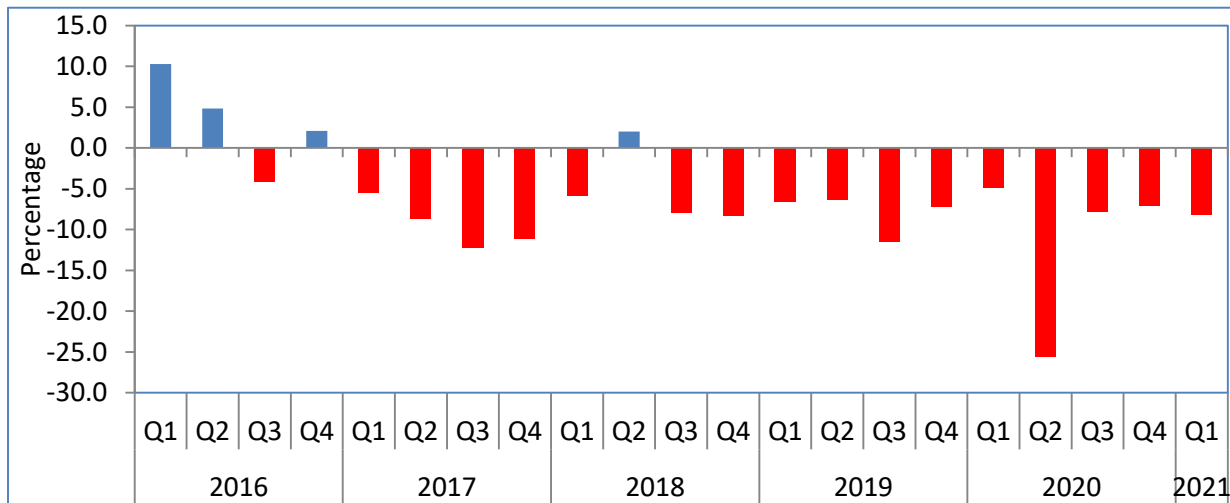
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TERTIARY INDUSTRY OVERVIEW

Tertiary Industry overview

Wholesale and retail sector

- Wholesale and retail sector recorded a decline of 8.2% in real value added relative to a contraction of 4.9% in 1Q20
- Key driver to weak performance:**
 - In nominal terms, Clothing posted ↓ 23.5%
 - In nominal terms, Supermarket Revenue subsector ↓ 0.4%
 - Subdued demand for consumptive goods



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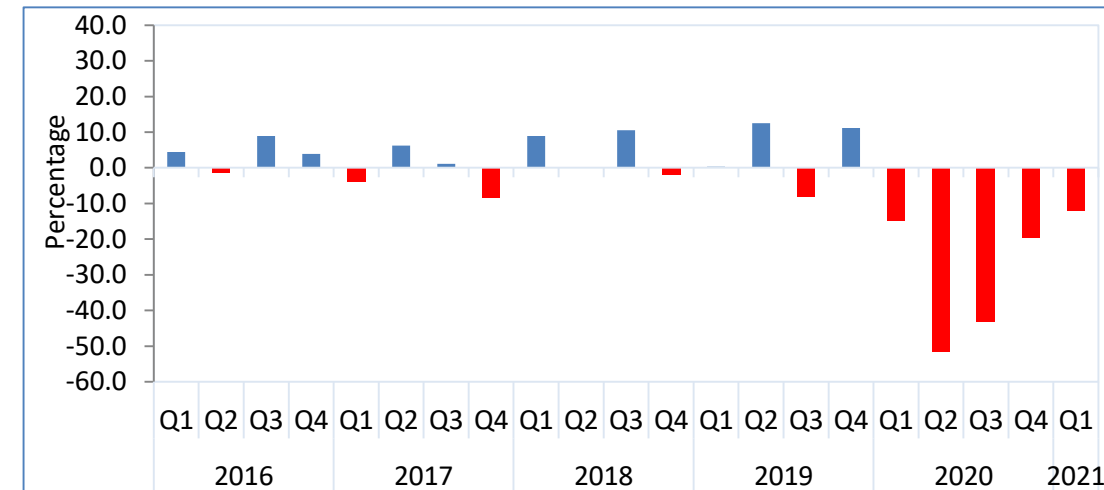
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Tertiary Industry

Hotels and restaurants sector

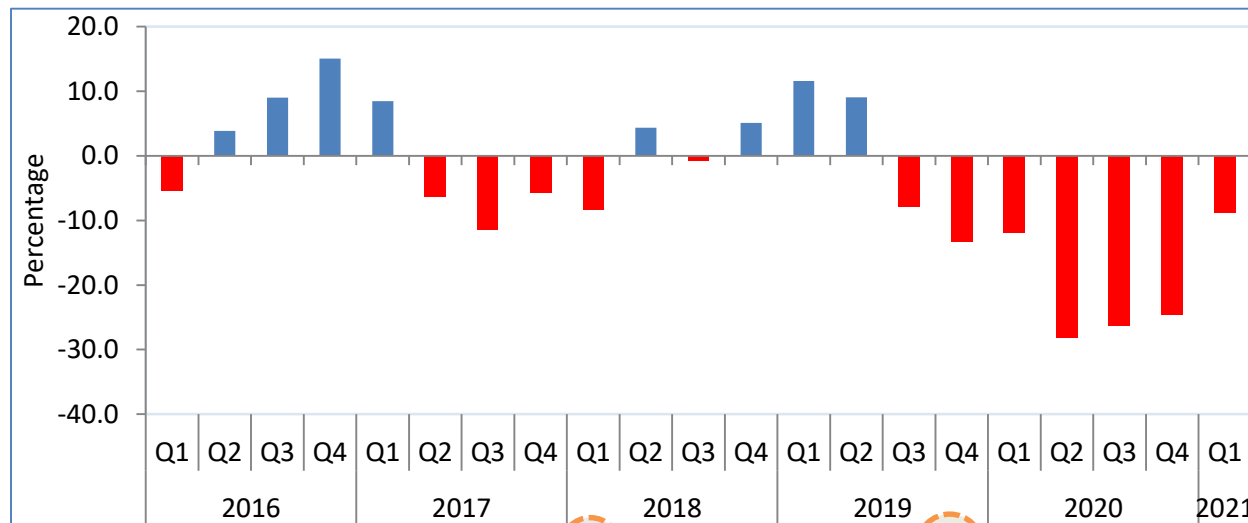
- Hotels and restaurants sectors posted decline in real value added of 12.0% compared to decline of 15.0% in 1Q20
- Key driver to weak performance:**
 - ✓ Reduced demand domestically and internationally, travel restrictions imposed by other states
 - ✓ Reduced conferencing activities



Tertiary Industry overview

Transport and storage sector

- Transport and storage sector recorded a decline of 8.7% in real value added relative to a contraction of 11.9% in 1Q20
- **Key driver to weak performance:**
 - All sector subsector of transport except “Port services” posted declines
 - ‘Port services’ subsector posted a positive growth of 7.3% in real value added compared to a decline of 11.0%



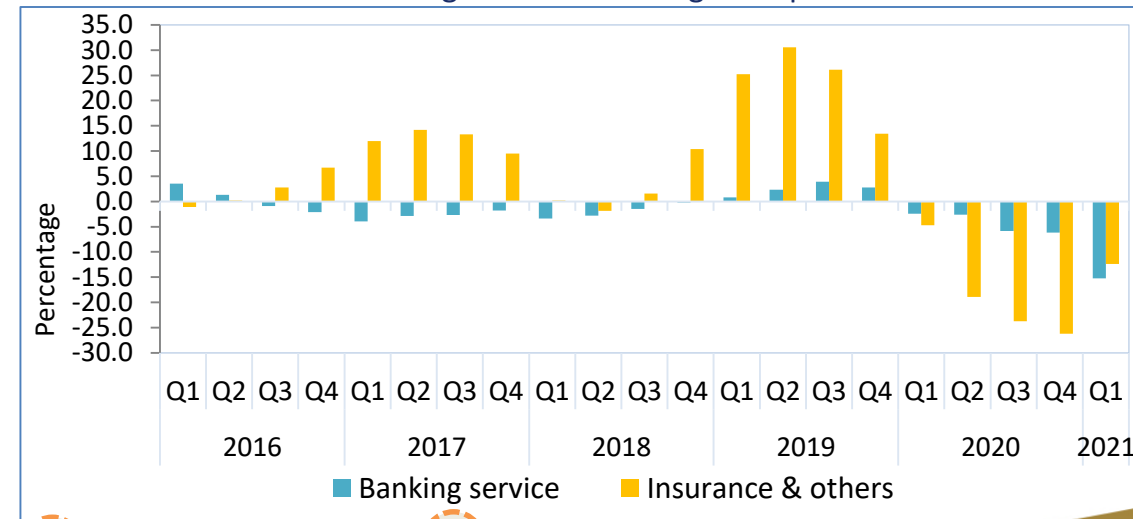
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Financial service activities sector

- Financial services contracted by 13.8% in real value added relative to a decline of 3.6% in 1Q20.
- **Key driver to weak performance:**
 - ✓ Banking subsector posted decline of 15.2%
 - Due to reduced demand for loan to Businesses and Households
 - ✓ Insurance & others subsector recorded decline of 12.4%
 - Shortcoming in short and long term policies



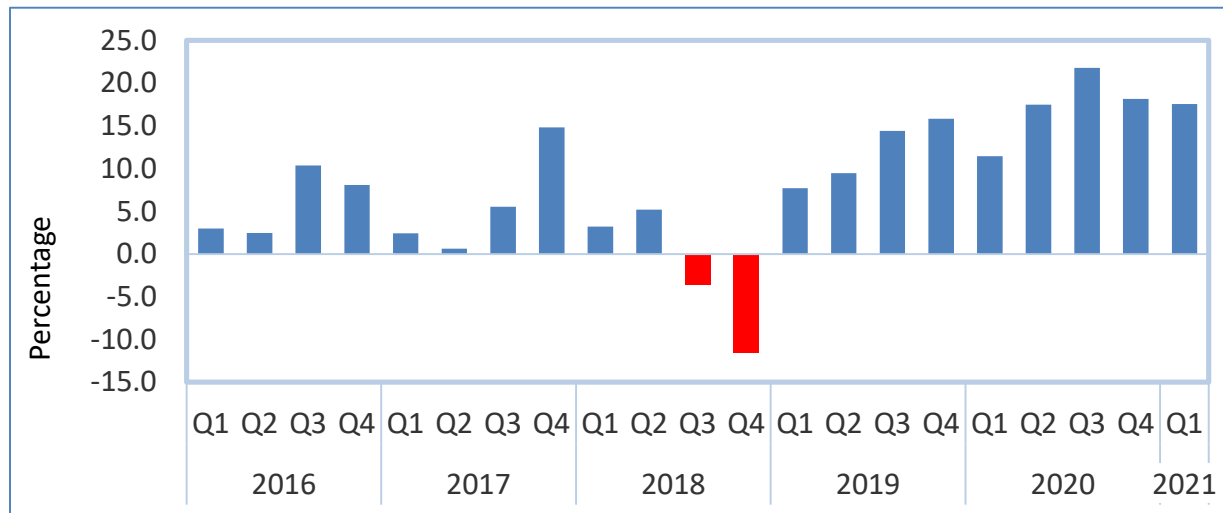
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Tertiary Industry

Tertiary Industry overview

Information and Communication sector

- Information and communications sector recorded a strong growth of 17.6% in real value added relative to a growth of 11.5% in 1Q20
- Key driver to improve performance:**
 - ✓ Improve performance in the number of minutes used



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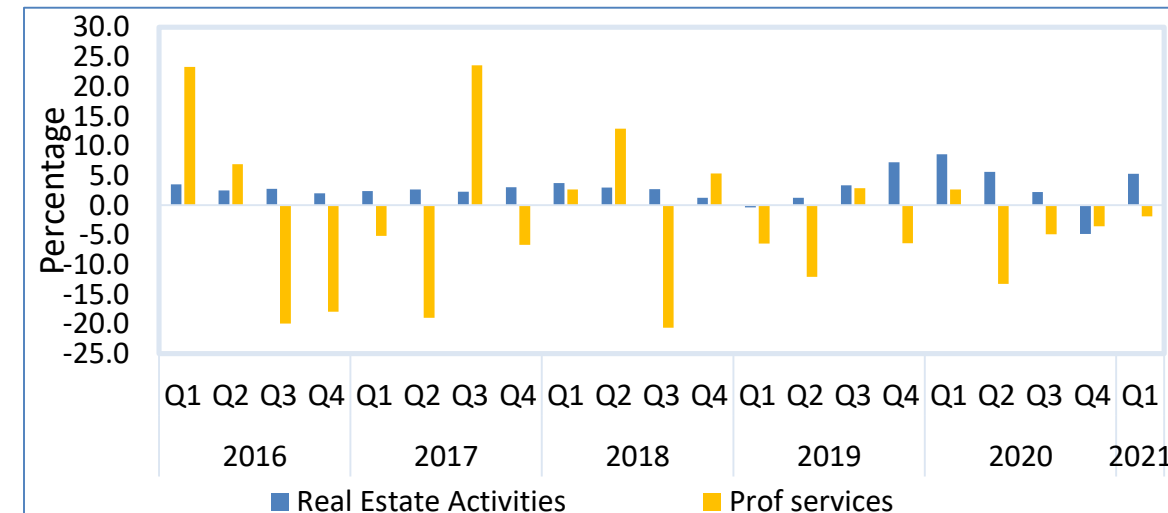
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“Real Estate” and “Prof. services” activities

- Real estate and professional service activities posted a slow growth of 4.6% in real value added compared to a growth of 7.9% in 1Q20.
- Key driver to weak performance:**
 - ✓ Real estate activities subsector posted a slow growth of 5.3%



Tertiary Industry

Tertiary Industry overview

Public administration, Health and Education

Conclusion

- The sector Public administration and defense recorded a growth of 1.6% in real value added relative to a decline of 3.0% in 1Q20
- Health sector remains in a positive trajectory with 12.8% in real value added relative to a marginal growth of 0.8% in 1Q20
- **Key driver to weak performance:**
 - Increase number of health personnel
 - Increasing demand for Health Services
- Education sector posted a decline of ↓0.3% in real value added relative to growth of ↑4.6% in 1Q20
- **Key driver to weak performance:**
 - Poor performance from tertiary subsector that declined by ↓9.9%

- ❑ Economy slides into deeper recession, posting a contraction of 6.5% relative to a 2.5% decline in 1Q20
- ❑ Poor performance observed across major sectors except for “Information and communications”, “Public administration and defense”, “Electricity and water” and Health sectors posting positive performances.
- ❑ The worse declines are observed in construction sector (23.9 percent), followed by manufacturing sector (22.3 percent).
- ❑ Furthermore, the following sectors posted declines: mining and quarrying (19.0 percent), financial services activities (13.8 percent), ‘hotels and restaurants’ (12.0 percent), ‘transport and storage’ (8.7 percent) and wholesale and retail sector (8.2 percent).

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Tertiary
Industry

1Q21 GDP



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