UPDATE ON ECONOMIC STATISTICS
20 June 2019, Windhoek

The Namibia Statistics Agency hereby releases the first Quarter GDP for 2019.

The Domestic Economy remains suppressed in the First Quarter of 2019

1. The domestic economy performance remains suppressed in the first quarter of 2019, recording a contraction of 2.0 percent compared to the decline of 0.5 percent recorded in the corresponding period of 2018.

2. Year on year Real GDP for the first quarter of 2019 stood at N$ 27 026 million (or N$ 27.026 billion) compared to N$ 27 589 million (or N$ 27.589 billion), showing the sum of real value added for sectors shrunk by N$ 563 million. The deterioration in the economy is observed across major sectors with more than half of the sectors posting declines in real value added.

3. The key drivers for the contraction is the Construction, Wholesale & retail trade, Agriculture & forestry as well as Hotels & restaurants that recorded declines of 27.8 percent, 6.7 percent, 6.7 percent and 8.7 percent, respectively.

4. The reduction in the Agriculture & forestry sector emanated from declines recorded in both the livestock and crop farming subsectors. Although a recovery, the livestock subsector posted a decline of 0.3 percent growth in real value compared to a steeper decline of 8.3 percent recorded in the corresponding quarter of 2018.
5. Furthermore, moderate declines were observed in the sectors of Public administration and defence (1.2 percent); Transport and communication (0.5 percent); and the Mining and quarrying sector (1.1 percent).

6. During the period under review, macroeconomic aggregates such as inflation showed an upward tick, posting a 4.5 percent relative to the 3.5 percent recorded in the preceding quarter of 2018. This is an increase of a one percentage point, however declining by 0.7 percentage point on a quarter by quarter basis. The rise in inflation is due to increase in the category of food and alcoholic beverages as well as transport.

7. However, improved performance is observed in the Education and Health sectors, which posted growths in real value added of 1.3 percent and 2.4 percent respectively in first quarter of 2019 compared to declines of 5.0 percent and 5.8 percent of the corresponding quarter for 2018. This is attributable to the easing of fiscal consolidation by central government.

8. For the first time since quarter 2 of 2011, the economy recorded a positive trade surplus due to imports that declined at a faster pace compared to exports. On average, imports of goods for final and intermediate consumption decelerated faster, whilst the imports of capital goods decelerated modestly (the methodology for compiling trade statistics for national accounts takes into account change of ownership between residence and non-residence, whereas international merchandise trade records goods crossing the border).

9. Revisions are part of good quarterly national accounts compilation best practices because they provide users with more accurate data.
The Q4 of 2018 GDP has been revised downwards by 0.2 percentage points from -1.7 percent released in March 2019 to -1.9 percent.

10. This revision is mainly due to updated data received from data sources. Highest growth rate revisions were recorded in the fishing, mining, agriculture and utility sectors.

11. In conclusion, despite an accommodative monetary policy which kept the repo at 6.75 basis point during the period under review, the economy remains suppressed in the first quarter of 2019. Trade surplus is an indication of weak consumer demanding fewer goods from abroad.

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 compilation of quarterly GDP depends. Finally, I wish to express my appreciation to all the data providers; both institutions and individuals, without whose assistance the publication would not have been possible.

I thank you

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