

MEDIA RELEASE

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Update on Economic Statistics
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The NSA is pleased to be releasing the Namibia Consumer Price Index for May 2020, GDP for the First Quarter of 2020, and the Sectoral Reports for April 2020.

NCPI for May 2020

1. During the month of May 2020 the annual inflation rate slowed to 2.1 percent when compared to 4.1 percent recorded in May 2019, registering a decline of 2.0 percentage points. The annual inflation rate for April 2020 stood at 1.6 percent.
2. The slowdown in the annual inflation rate between May 2019 and May 2020 was mainly attributed to the following categories:
 - a. Housing, water, electricity, gas and other fuels which declined from 1.9 percent recorded in May 2019 to a deflation of 0.6 percent obtained in May 2020. The decline was mainly as a result of decreases experienced in the price levels of Rental payments which declined by 4.6 percentage points and Regular maintenance and repair of dwelling which declined by 3.4 percentage points.
 - b. Education component that dropped from 12 percent registered in May last year to 7 percent recorded in May of the present year. This was reflected in all categories from pre-primary to tertiary education.

- c. Hotels, cafes and restaurants declining from 4.7 percent to 0.8 percent witnessed in May 2020. The decrease in the price levels of this component emanated mainly from Accommodation services (from 5.1 percent to -4.1 percent).
3. During the period under review, the Food and non-alcoholic beverages annual inflation rate stood at 4.7 percent in May 2020 compared to 4.4 percent registered during the same period last year, an increase of 0.3 percentage points. The increase in this group emanated mainly from price increases in Meat (from -0.4 percent to 6.5 percent), Oils and fats (from -0.2 percent to 6.4 percent), Fish (from -1.4 percent to 7.2 percent), Fruits (from 8.8 percent to 16.5 percent), Coffee, tea and cocoa (from 2.7 percent to 7.9 percent) and Food products n.e.c (from 1.7 percent to 4.0 percent).
4. For the month of May 2020, the annual inflation rate for the Alcoholic beverages and tobacco group stood at 2.2 percent compared to 5.5 percent registered in May 2019, resulting in a decrease of 3.3 percentage points. The downward movement of inflation rate in this category during this period was due to the price decreases in Alcoholic beverages from 7.6 percent to 1.6 percent.
5. The annual inflation rates for Goods was estimated at 2.3 percent, while for Services stood at 1.7 percent respectively, during the month of May 2020.
6. On a monthly basis, the inflation rate stood at 0.4 percent in May 2020 compared to a deflation of 0.3 percent registered in April 2020.
7. Looking at our Zonal inflation rate for May 2020, Zone 1 (Kavango East, Kavango West, Kunene, Ohangwena, Omusati, Oshana, Oshikoto, Otjozondjupa, and Zambezi) recorded the highest annual inflation rate of 2.3 percent while Zone 2

8. (Khomas) and 3 (//Karas, Erongo, Hardap and Omaheke) both registered inflation rates of 1.9 percent.

Sectoral Reports for April 2020

9. The NSA also does produce sectoral reports that provides short term indication on sector performances. These reports are more frequent than the quarterly GDP as they are produced on a monthly basis.
10. Six reports are produced and covers Beverages, Buildings completed, Electricity, Livestock, Tourism and Transport indicators. Today all these reports for April 2020 will be released with the exception of the Livestock report of which data was received late and will be released on 25 June 2020. The indicators are presented in the form of indices.
11. The composite index of beverages consisting of alcoholic and non-alcoholic beverages recorded a decline of 65.6 percent month on month and 70.7 percent on yearly basis.
12. The Composite Index of Building Plans Completed (Walvis Bay, Swakopmund, Windhoek and Ongwediva) for April 2020 was down by 98.1 percent when compared to April 2019.
13. The Electricity Sources Composite Index that is composed of own generation (production) and imported electricity dropped by 21.9 percent on a monthly basis and up by 15.8 percent year on year.
14. The monthly Index for Rooms' Occupancy rate reduced by 91.9 percent on a monthly basis and 96.3 percent over the year.
15. The Composite Cargo Index that consisting of Rail, Road, Air and Sea Cargo for April 2020 declined by 38.8 percent on a monthly basis and 21.9 percent on annual basis.

16. All the April 2020 indices recorded a drop compared to the same month of 2019. This is attributable to COVID-19 impact that resulted mainly from the state of emergency measures that was put in place during the period under review.

GDP for the first quarter of 2020

17. The domestic economy remained suppressed in the first quarter of 2020, recording a contraction of 0.8 percent compared to a decline of 3.3 percent recorded in the corresponding period of 2019.
18. In nominal terms (Current prices), GDP shrunk to N\$43.7 billion from N\$44.1 billion recorded in the corresponding quarter of 2019, showing a reduction of N\$380 million in the size of the quarterly GDP.
19. The recovery in the domestic economy during the first quarter of 2020 when compared to the same quarter of last year is due to Education, Health, 'Electricity and water' and Fishing sectors that registered positive growths of 5.8 percent, 2.3 percent, 1.6 percent and 3.1 percent, respectively.
20. Furthermore, improved performance was recorded in 'Information and communication' and Construction sectors that posted growth rates of 6.2 percent, and 19.8 percent, respectively.
21. Sectors such as 'Agriculture and forestry', 'Mining and quarrying', 'Transport and storage' and Manufacturing posted declines in real value added of 13.0 percent, 3.3 percent, 7.0 percent, and 8.3 percent, respectively. The contraction in the 'Agriculture and forestry' was predominantly driven by the persistent drop of the

‘Livestock farming’ subsector that was estimated to have registered a decline of 21.5 percent in real value added, during the quarter under review relative to a contraction of 7.8 percent recorded in the same quarter of 2019.

22. Further declines were observed in ‘Wholesale and retail trade’ and ‘Hotels and restaurants’, ‘Administrative and support services’ and Public administration sectors that registered contractions of 0.5 percent, 4.1 percent, 5.0 percent and 2.5 percent respectively.
23. 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 our statistics 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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