Quarter 2 TRADE
STATISTICS BULLETIN
2019
Mission Statement

“Leveraging on partnerships and innovative technologies, to produce and disseminate relevant, quality, timely statistics and spatial data that are fit-for-purpose in accordance with international standards and best practice”

Vision Statement

“Be a high performance institution in quality statistics delivery”

Core Values

Integrity

Excellent Performance

Accuracy

Team Work

Accountability

Transparency
Preface

Foreign trade statistics plays an important role in many economies and Namibia is no exception. It is an account of all transactions of merchandise between domestic residents and the rest of the world. The account measures the value and quantity of goods which add or subtract from the stock of material resources of a country by entering (imports) or leaving (exports) its economic territory. Therefore, trade statistics remains one of the major contributing indicators of the performance of Namibia’s economy and its competitiveness on the world market.

Quarter-on-quarter (Q-on-q) merchandise trade statistics are used extensively in the compilation of the country’s national accounts and the balance of payments. Furthermore, these statistics are also used by various government institutions in preparation of trade negotiations such as: (a) defining and implementing anti-dumping policies, (b) macroeconomic and monetary policies and (c) establishing new markets and evaluating the progress of existing markets. Statistics on international trade of merchandise are used comprehensively by decision makers at national, regional and international level, while investors use this information in market research and to define their commercial strategy.

In the context of Namibia, the government’s trade policy is aimed at developing, promoting and diversifying the country’s exports as well as reducing its reliance on foreign goods.

The Directorate of Customs and Excise in the Ministry of Finance is responsible for the collection of revenues. Computerization of procedures at Customs and Excise continues to enhance the timely dissemination and analysis of trade statistics through prompt transfer of captured trade data at points of entries nationwide to the Namibia Statistics Agency (NSA).

Therefore, this report outlines the q-on-q developments of Namibia’s trade in merchandise with the rest of the world during the second quarter of 2019 compared to the same quarter of 2018.

Alex Shimuafeni

Statistician-General & CEO
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# List of acronyms

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<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>BRIC</td>
<td>Brazil, Russia, India and China</td>
</tr>
<tr>
<td>CIF</td>
<td>Cost, Insurance and Freight</td>
</tr>
<tr>
<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
</tr>
<tr>
<td>DRC</td>
<td>Democratic Republic of Congo</td>
</tr>
<tr>
<td>EAC</td>
<td>East African Community</td>
</tr>
<tr>
<td>EFTA</td>
<td>European Free Trade Association</td>
</tr>
<tr>
<td>EPZ</td>
<td>Export Processing Zone</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FOB</td>
<td>Free on Board</td>
</tr>
<tr>
<td>ROW</td>
<td>Rest of World</td>
</tr>
<tr>
<td>SACU</td>
<td>Southern African Customs Union</td>
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<tr>
<td>SADC</td>
<td>Southern African Development Community</td>
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</table>
Introduction

The mandate of the Namibia Statistics Agency (NSA) is to produce and disseminate relevant, quality and timely statistics including statistics relating to imports and exports of merchandise. This report presents a summary of trade statistics in terms of imports and exports of merchandise during the second quarter of 2019.

Foreign trade statistics derived from records of trade flows across international borders are invaluable for the formulation of trade, commercial, fiscal and monetary policies of any country. The basic information for the compilation of trade statistics is collected and captured based on import and export declarations made by traders to Customs at various Customs offices across the country.
Key developments

Revisions

Revised trade statistics is due to availability of new information from data sources. Revisions on trade data are made every month when new monthly data files are uploaded onto the database with additional information of previous months. In some instances, revisions are negligible while in others they are significant.

Table 1. Revisions

<table>
<thead>
<tr>
<th>Flow</th>
<th>Value (N$ Millions)</th>
<th>Revised q1-2019</th>
<th>As reported in q1-2019</th>
<th>Discrepancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Export</td>
<td></td>
<td>21,887</td>
<td>21,440</td>
<td>-447</td>
</tr>
<tr>
<td>Total Imports</td>
<td></td>
<td>27,362</td>
<td>24,390</td>
<td>-2,972</td>
</tr>
<tr>
<td>Trade balance</td>
<td>-5,475</td>
<td>-2,950</td>
<td></td>
<td>2,525</td>
</tr>
</tbody>
</table>

Table 1 shows revisions made to export and import values of q1-2019. The value of both exports and imports were revised upwards with exports rising from N$21,440 million to N$21,887 million and Imports increasing from N$24,390 million to N$27,362 million.

The upward revision on exports was largely driven by copper, fish and vessels & boats while imports were mostly led by copper, oils & mineral fuels, motor vehicles & parts, ores and industrial machinery resulting in the revisions leading to the widening of the deficit from N$2,950 million to N$5,475 million.
**Trade balance**

The overall value of exports and imports for q2-2019 were estimated at N$23,468 million and N$27,247 million respectively, hence, total trade (export plus imports) amounted to N$50,715 million from N$49,250 million recorded in the previous quarter and N$48,869 million registered in the corresponding period of 2018. Chart 1 shows Namibia persistent trade deficit over a period of ten quarters, from q1-2017 to q2-2019.

**CHART 1: Trade balance; q1-2017 to q2-2019**
The trade balance, measured as the difference between exports and imports for q2-2019 amounted to a deficit of N$3,779 million from a revised N$5,475 million deficit in q1-2019 and N$1,138 million registered in q2-2018. Subsequently, the annual merchandize trade balance showed a remarkable decline of 232 percent. The current dip was mainly driven by a 9 percent increase in imports over the course of the year as opposed to exports whose growth deteriorated by 1.7 percent. On the contrary, the quarterly gap between exports and imports improved, narrowing by 31 percent owing to a simultaneous raise (7%) in the value exports and a decline (0.4%) in the value of imports. Namibia recorded its largest deficits in q2-2019 with South Africa and Zambia as shown in Chart 3. Despite the deficit observed in q2-2019, surpluses were recorded with countries such as China, Belgium, Botswana, Spain, and Bahamas as reported in Chart 2.

As reported in Chart 1, the highest deficits of N$9,288 million and N$8,317 million were observed in q1-2018 and q3-2017 respectively. Whereas the lowest deficits valued at N$1,138 million and N$2,613 million were witnessed in q2-2018 and q4-2018 respectively. Furthermore, Chart 1 reveals an unsteady trend in the deficit, with the most significant growth of 775 percent recorded in q2-2016. The average growth of the deficit over a ten-quarter period stood at 52 percent. The persistent deficit is mostly driven by Namibia’s high demand for high-valued manufactured commodities and industrial machinery from the rest of the world as opposed to exporting mainly low value primary commodities such as raw minerals.
Exports to key markets

During the period under review, Namibia mostly exported to five countries namely; China, South Africa, Belgium, Botswana and Spain (Chart 4). These countries are the same reported in the previous quarter except that Botswana slipped one place down to the fourth position while Belgium moved up one place to occupy the third position. Together, these countries made up the largest share of the value of all goods exported to the rest of the world, with 58.2 percent of the value of all goods exported destined to these markets. Subsequently, overall exports to these markets grew by 10.7 percent to register N$13,657 million after recording N$12,335 million in the corresponding quarter a year ago. China lodged on top of the list as the largest export destination, accounting for 20.1 percent of all goods exported and South Africa in the second place accounting for 16.6 percent. Belgium and Botswana accounted for 7.8 percent each while Spain’s contribution to domestic exports stood at 5.9 percent.

Further analysis of Chart 4 shows that exports to China experienced the largest growth of 48.9 percent (N$1,548 million) to N$4,713 million up from N$3,165 million witnessed in the corresponding quarter of 2018. Spain followed with 36.2 percent growth, up from N$1,023 million recorded in q2-2018 to N$1,393 million in the current quarter. Moreover, exports growth to South Africa stood at 7.2 percent, up from N$3,625 million recorded in q2-2018 to N$3,885 million in q2-2019. Whereas, the largest decline was recorded with Botswana (26.9%) and Belgium (9.0%). Exports to Botswana slipped to N$1,825 million after recording N$2,498 million in the corresponding quarter of 2018. Similarly, exports to Belgium fell to N$1,841 million from N$2,024 million recorded in q2-2018.

The growth in exports to China was mainly owed to minerals (copper, ores and; natural minerals & stones) while to Spain, the growth was propelled by fish, ores and zinc. The growth
to South Africa was reflected in the value of live animals, fish and beverages. On the other hand, the decline experienced in exports to Botswana was witnessed in the value of precious stones & metals and; oils & mineral fuels. Despite the current growth in exports when compared to the same quarter of 2018, a comparison to the prior quarter paints a different picture. Exports slipped by N$783 million (5.4%) from N$14,440 million recorded in q1-2019. The decline was mainly observed in the value of exports to China (13.3), Belgium (5%) and Botswana (24.1%).
Imports from key markets

In q2-2019, Namibia’s reliance on foreign goods was mostly sustained by South Africa, Zambia, China, Bulgaria and Chile who provided the most needed import requirements for the domestic economy (Chart 5). Together, these countries accounted for the largest share of Namibia’s total imports, with 74.8 percent of the value of all imports of goods into Namibia. Subsequently, the value of imports from these markets strengthened, rising by 14.8 percent to register N$20,394 million, running ahead of q2-2018’s estimated value of N$17,772 million. By the same token, overall imports edged up by N$1,570 million (8.3%) from N$18,824 million in the previous quarter.

South Africa accounted for the largest share (47.3%) of the value of all imports into Namibia during the period under review, as a result South Africa was ranked as Namibia’s largest import market during q2-2019, followed by Zambia which contributed 16.4 percent of total domestic imports from the rest of the world. Further, China’s contribution stood at 4.8 percent of total imports and hence ranked the third largest source of imports for the domestic economy while Bulgaria and Chile accounted for a share of 4 percent and 2.4 percent respectively.

Namibia recorded the largest growth of imports from Chile with a shipment of ores valued at N$653 million, when compared to the preceding quarter, imports of ores grew by 18.2 percent from N$554 million. Further growth in imports was observed from Bulgaria in which imports rose by N$467 million to N$1,087 million (75.5%), up from N$619 million recorded in the same quarter a year ago. Another significant growth was recorded with Zambia were domestic imports from that country rose by N$455 million (11.3%) to N$4,482 million up from N$4,026 million registered in the corresponding period of 2018. Finally, a 9.1 percent growth was also observed from South Africa after registering imports worth N$12,876 million up from N$11,805 million recorded in the same period of last year. Although the
increase in the growth of imports was realized from four out of five key markets, a decline was recorded with China were Namibia’s demand for Chinese goods slipped to N$1,296 million in the current period from N$1,319 million recorded in the corresponding period of last year, representing 1.8 percent decline.

The growth experienced in imports from Bulgaria was mainly attributed by ores which rose by 76 percent to register N$1,086 million in the current period after registering N$618 million in the corresponding period a year earlier. While animal feeds and copper were responsible for the high growth in imports from Zambia. Imports of animal feeds rose by 92.9 percent to register N$68 million in q2-2019 from the N$35 million recorded in q2-2018. Imports of copper rose to N$4,209 million in the current quarter from N$3,958 million in q2-2018, representing 10.6 percent growth. Additionally, pharmaceuticals were among the top three commodities imported from Zambia. On the other hand, the rise in imports from South Africa was mainly owed to high domestic demand for plastics (56.5%), oils & mineral fuels (62.8%) and; motor vehicles & parts (19.2%). Similarly, domestic demand for plastics and; oils & mineral fuels from South Africa rose by 43.2 percent and 56.5 percent respectively while importation of oils & mineral fuels slipped by 14.9 percent when compared to the previous quarter.

The falling domestic demand for Chinese goods was mainly attributed to electrical machinery and articles of iron or steel which dropped by 63.9 percent and 39.3 percent respectively. By contrast, the domestic demand for the same commodities from China rose by 91.5 percent and 15.8 percent respectively.
Trade with Export Processing Zone (EPZ)

Trade flow between Namibia and the Export Processing Zone (EPZ) was mostly dominated by exports, accounting for 92 percent of the total trade with EPZ. Overall exports to the EPZ stood at N$1,603 million, falling from N$1,819 million recorded in q2-2018, this translates to a decline of 11.9 percent. In comparison to the previous quarter, exports improved from N$1,061 million, indicating growth of 51.2 percent. The category of precious stones and metals accounted for more than 99 percent of total exports to EPZ (See Table 2).

Table 2. Trade flow with the EPZ

<table>
<thead>
<tr>
<th>Commodity</th>
<th>q2-2019 Value (N$)</th>
<th>q1-2019 Value (N$)</th>
<th>q2-2018 Value (N$)</th>
<th>%Δy/y</th>
<th>%Δq/q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Precious stones &amp; metals</td>
<td>1,603</td>
<td>1,058</td>
<td>1,746</td>
<td>▼ 8</td>
<td>▲ 51</td>
</tr>
<tr>
<td>Industrial machinery</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>#DIV/0!</td>
<td>▼ 69</td>
</tr>
<tr>
<td>Others</td>
<td>1</td>
<td>0</td>
<td>73</td>
<td>▼ 99</td>
<td>▼ 43</td>
</tr>
<tr>
<td>Total</td>
<td>1,778</td>
<td>1,071</td>
<td>1,825</td>
<td>▼ 12</td>
<td>▲ 51</td>
</tr>
</tbody>
</table>

Imports from the EPZ, on the other hand, amounted to N$142 million in q2-2019, which is 8 percent of the total trade with the EPZ. Imports from the EPZ rose by 117.1 percent after recording N$65 million in q2-2018 (See Table 2). The increase experienced y-on-y was largely attributed to the significant upswing domestic demand of inorganic chemicals from EPZ. Similarly, q-on-q imports grew by 376.8 percent after recording N$30 million in the previous quarter.
Top export products

Copper (N$6,028 million), precious stones & metals (N$4,545 million); ores (N$2,904 million), fish (N$2,693 million) as well as vessels and boats (N$1,721 million) were the leading commodities exported by the local economy in q2-2019. Together, these commodities made up 76.2 percent of the total exports. Despite a significant contribution coming from these commodities, the annual overall export value of these commodities declined, falling by N$1,667 million (8.5%) to N$ 17,891 million from N$ 19,557 million in q2-2018.

The observed decline in domestic exports was largely driven by low foreign demand of two out of the top five export products, with the most noticeable decrease reflected in the value of vessels and boats (68.4%) followed by precious stones & metals (13.4%) (Chart 6). The decrease in the value of precious stones & metals from N$5,247 million in q2-2018 to the current N$4,545 million is attributed to low demand of products under this category mainly by Botswana. In the case of vessels and boats, the decline from N$5,438 million in q2-2018 to the current N$1,721 million is ascribed to low demands of foreign vessels leaving the country after temporary importation into Namibia for exploration, fishing research etc. On the contrary, the other three top five export products such as copper, ores and fish which is the only food item on the list that registered a positive growth. Exports of copper grew by N$1,721 million (40%) over the one-year period after recording N$4,307 million in q2-2018. This growth was mostly due to high foreign demand of copper in particular by the Chinese. Additionally, exports of ores rose by N$923 million (46.6%) from N$1,981 million in q2-2018, following high international demand from China, France, Canada, Spain and South Africa (See Table 13). Fish remains a major foreign exchange earner, hence, export of fish grew by N$109 million (4.2%) during the period of review, after registering N$2,585 million in the
corresponding quarter a year ago. The current growth was mainly reflected in the value of exports destined to Spain, Namibia largest fish export market (Table 13).

On a quarterly basis, export figures showed a 7 percent growth mainly reflected in the value of commodities such as; copper, fish as well as vessels and boats.

**Fish exports**

During the period under review, fish continued to prove its significance as one of Namibia’s major export revenue earner, ranking fourth among the top five major export commodities, and the only food item amongst minerals and a vessel (Chart 7). Fish accounted for 11.5 percent of all the goods exported to the rest of the world.

The revenue generated from export of fish increased from N$2,585 million recorded in q2-2018 to the current N$2,693 million. Spain, South Africa, Zambia and DRC emerged as the main drivers behind the increase in fish exports.

CHART 7: Fish exports
Over the past twenty quarters, fish exports grew at an average of 4 percent, equivalent to N$2,153 million, reaching an all-time high of N$2,693 million in q2-2019 and a record low of N$1,304 million in q4-2014 (See Table 10).

Q-on-q, the strongest growth in fish exports were recorded in q1-2016 (57%), q1-2015 (42%) and q1-2017 (40%). On the other hand, some quarters recorded significant declines, with the most noticeable declines observed in q4-2014 (33%), q4-2015 (29%), q4-2016 (22%) and most recently in q4-2018 (22%).

**Top re-export products**

Copper, vessels and boats; precious stones and metals; industrial machinery as well as motor vehicles and parts emerged as Namibia’s largest re-exports by value (Chart 8), however, the combined re-export value of the aforementioned commodities dropped by N$1,663 billion (14.6%) to N$9,750 million when compared to N$11,413 million registered in the corresponding quarter of last year. Subsequently, these commodities together accounted for 86.9 percent of Namibia’s total re-export value (N$11,218 million), down from 88.5 percent and 89.3 percent recorded in q1-2019 and q2-2018 respectively. The current drop in the value of these commodities resulted in an overall decline (12.3%) of domestic re-exports. Additionally, when compared to the previous quarter, re-exports of the same commodities improved, rising by N$1,094 million (12.6%) from the amount of N$8,656 million recorded in the previous quarter.

The decline in re-exports was revealed in the value of vessels and boats as well as vehicles and parts thereof (Chart 8). Re-exports of commodities under the category of vessels and boats dropped by N$3,718 million (68.4%) to register N$1,719 million after recording N$5,437
million in q2-2018. Like in the case of exports, the decline is attributed to low demand of foreign vessels leaving the country after temporary importation, mainly for exploration and research. Similarly, re-exports of motor vehicles and parts declined by N$26 million (8.1%) to register N$292 million when compared to N$317 million witnessed in q2-2018. The current decline was mainly driven by falling external demand of vehicles by Zambia and Botswana. Similarly, re-exports of motor vehicles and parts declined by N$26 million (8.1%) to register N$292 million when compared to N$317 million witnessed in q2-2018. The current decline was mainly driven by falling external demand of vehicles by Zambia and Botswana.

Other than vessels and vehicles, the rest of the top five re-export products recorded positive growths, with the largest growth (90.6%) recorded in re-exports of industrial machinery to register N$370 million compared to N$194 million recorded in q2-2018. This growth follows heightened foreign demand of commodities under this category by South Africa, DRC and Zambia. Furthermore, re-export of copper grew by N$1,737 million (44%) to register N$5,685 million from the N$3,948 million recorded in q2-2018, this was mainly due to high demand of copper by China. Finally, the category of precious stones and metals rose by N$168 million (11.1%) to register N$1,684 million after registering N$1,516 million recorded in the corresponding quarter a year earlier, mainly on account of increased demand of products of this category by the United Arab Emirates, Belgium and the USA.
Top import products

Copper, mineral fuels and oils; motor vehicles and parts; ores and industrial machinery emerged as prominent commodities imported into Namibia (Chart 9). These commodities accounted for a combined share of 50.7 percent of the value of all goods imported, up from 40.9 percent and less than 52 percent recorded in q2-2018 and q1-2019 respectively. Overall imports of the aforementioned commodities increased by N$3,593 million (35.1%) to register N$13,815 million compared to N$10,222 million recorded in q2-2018, subsequently rising the overall value of imports by 9 percent to register N$27,247 million from N$25,004 million recorded in q2-2018. An opposite trend was observed when compared to the previous quarter, where imports of the aforementioned commodities fell by 2.9 percent after registering N$14,224 million in q1-2019.

The recent increase in imports was mainly attributed to high domestic demand of all top five import products, with the most noticeable growth witnessed in the import value of ores which rose by 196 percent from N$719 million recorded in q2-2018 to the current N$2,130 million. The growth experienced in ores is owed to high domestic demand of this commodity for further processing, mostly imported from Bulgaria, Chile and Peru. Namibia saw the second largest growth in mineral fuels and oils which rose by 77.3 percent to register N$2,999 million, when compared to an amount of N$1,692 million recorded in q2-2018, as domestic demand of mineral fuels and oils from South Africa and India grew. Furthermore, importation of motor vehicles and parts grew, rising from N$2,045 million recorded in q2-2018 to N$2,329 million, which translates to a 13.9 percent growth. Similarly, the growth reflected in motor vehicles and parts is owed to high domestic demand of commodities under this category mainly sourced from South Africa. Finally, import of industrial machinery also increased, rising by 11.9

CHART 9. Top five import products
percent from N$1,751 million in q2-2018 to N$1,960 million observed in q2-2019, whereas importation of copper rose from N$4,015 million registered in q2-2018 to the current N$4,397 million, representing a 9.5 percent growth. The upswing experience in industrial machinery was mostly reflected in the value of imports from China and South Africa, whereas importation of copper was mostly from Zambia. The copper imported from Zambia is mostly re-exported to China, this also explains the upswing in the value of re-exported copper. Additionally, the rise in imports of mineral fuels and oils collaborates with the increase in industrial machinery as most fuel is a factor input for machinery.

On a quarterly basis, Namibia recorded a growth in the import value of copper, vehicles and parts and industrial machinery; whereas the import value of mineral fuels and oils along with ores declined.
Trade by economic regions

Exports

The European Union (EU) dominated Namibia’s export market compared to other economic regions during the period under review (Chart 10). Despite the EU raking the largest export market for Namibia, the EU’s absorption of domestic exports weakened, falling by 44.8 percent to register N$5,835 million from N$10,578 million recorded in q2-2018. On the contrary, an improvement of 13.1 percent was observed when compared to the previous quarter in which the value of exports was estimated to be N$5,159 million. Moreover, the EU absorbed 24.9 percent of Namibia’s total exports, the largest share compared to all other economic regions. In comparison, the 24.9 percent share which is less than 44.3 percent recorded in q2-2018 and more than 23.6 percent accounted for in q1-2019.

The Southern Africa Customs Union (SACU) ranked second as the largest export market for Namibia in q2-2019. However, the current value of goods exported to the SACU market declined, falling to N$5,723 billion after recording N$6,124 million in q2-2018, translating to a decrease of 6.5 percent. Similarly, when compared to the previous quarter exports to that region fell from N$6,072 million registered in q1-2019, representing a decrease of 5.7 percent. In terms of export share, SACU accounted for 24.4 percent of the total exports, down from 25.7 percent and from 27.7 percent recorded in q2-2018 and q1-2019 respectively.

The BRIC group (Brazil, Russia, India and China) ranked third as the largest export market for the domestic economy. Domestic exports absorbed by BRIC positioned itself ahead of last year’s pace, registering N$4,880 million from N$3,275 million recorded in the corresponding period a year ago, indicating a 49.0 percent increase. On the other hand, when compared to
the previous quarter exports to that market weakened, from an estimated amount of N$5,510 million in q1-2019, indicating a decrease of 11.4 percent. BRIC contribution to Namibia overall exports revenue rose to 20.8 percent compared to a share of 13.7 percent recorded in q2-2018, but fell from 25.2 percent share in q1-2019.

The SADC-Non-SACU region ranked fourth as an important export destination for the local economy. Hence, exports to that market rose, registering N$1,919 million after recording N$1,675 million in q2-2018, translating into a 14.5 percent increase. Nevertheless, a quarterly comparison paints a different picture, showing that exports to that market weakened, falling by 25.3 percent after recording N$2,570 million in q1-2019. Additionally, SADC-Non-SACU contribution to Namibia total export revenue stood at 8.2 percent, up from 7.0 percent in q2-2018 and down from 11.7 percent in q1-2019.

Another important export destination for the domestic economy was the Common Market for Eastern and Southern Africa (COMESA), absorbing N$1,828 million worth of domestic exports compared to N$1,435 million recorded in q2-2018, which translates into a 27.4 percent growth, but compared to the previous quarter exports to that market weakened, falling by 23.4 percent compared to the amount of N$2,386 million. In terms of contribution, COMESA accounted for 7.8 percent of Namibia’s total export revenue in q2-2019, up from 6.0 percent of q2-2018 and down from 10.9 percent recorded in q1-2019.
Imports

Similar to the case of exports, the Southern Africa Customs Union (SACU) emerged as Namibia’s largest trade partner in terms of imports (Chart 11), after recording N$13,551 million worth of imports in q2-2019. Overall imports from SACU improved by 1.9 percent when compared to N$13,300 million recorded in q2-2018. Furthermore, imports from that region also rose by 6.8 percent after registering N$12,692 million in q1-2019. In addition, 49.7 percent of Namibia’s total import requirements in q2-2019 were supplied by SACU, down from 53.2 percent in q2-2018 and up from 46.4 percent in q1-2019.

COMESA was the second largest source of imports for the domestic economy. The import bill from that market was estimated at N$4,613 million in the quarter under review. This represents a 10.6 percent increase when compared to N$4,170 million recorded in the same quarter of last year. Likewise, a 4.9 percent increase was also observed when compared to the amount of N$4,397 million recorded in the previous quarter.

Subsequently, COMESA accounted for 16.9 percent of Namibia’s overall import bill in q2-2019, up from 16.7 percent and 16.1 percent accounted for in q2-2018 and q1-2019 respectively.

SADC-Non-SACU occupied the third position as a key source of imports for the domestic market. Imports from that market rose by 9.1 percent, registering N$4,531 million in q2-2019 after recording N$4,152 million in q2-2018. When compared to the previous quarter, imports from that market also rose from N$4,448 million, representing a 1.9 percent increase. SADC-Non-SACU accounted for a share of 16.6 percent of Namibia’s overall import bill in q2-2019, equivalent to what was accounted for in the same quarter last year and slightly up from 16.3 percent witnessed in the preceding quarter.

Another important source of imports for the local economy was the EU which ranked fourth on the list of economic regions from where Namibia imported most of its import requirements. Though the EU was the fourth largest import partner, imports from that region fell, registering N$2,214 million compared to N$3,122 million recorded in q2-2018 translating
into a 29.1 percent decrease. When compared to the previous quarter, imports from that region rose from N$2,153 million in q1-2019, representing a 2.8 percent increase. The EU accounted for 8.1 percent of the overall import bill in q2-2019, down from 12.5 percent registered in q2-2018 and up from 7.9 percent witnessed in q1-2019.

BRIC also played a vital role in supporting the domestic economy demand for imports. Overall imports from that region amounted to N$1,978 million in q2-2019 after recording N$1,844 million in q2-2018, indicating an increase of 7.3 percent. Similarly, a 30.5 percent increase was registered when compared to N$1,515 million recorded in q1-2019. BRIC accounted for 7.3 percent of total imports, slightly down from 7.4 percent registered in q2-2018 and up from 5.5 percent witnessed in the previous quarter.
Trade by mode of transport

Exports

In q2-2019, Namibian goods to the tune of N$13,829 million left its boarders via sea, this amount was equivalent to 58.9 percent of the value of all commodities exported by the domestic economy to the rest of the world, down from 61.1 percent and up from 56.6 percent recorded in q2-2018 and q1-2019 respectively. The export value of N$13,829 billion denoted a decline of N$ 753 million (5.2%) compared to N$14,582 million recorded in q2-2018 (Chart 12). However, when compared to the previous quarter an opposite trend was observed, exports increased by N$1,431 million, representing a 11.5 percent increase after recording N$12,398 million in q1-2019. The large volume of trade by sea is mostly owed to minerals (copper and ores-uranium), fish and; vessels and boats.

Road was the second most used means of transporting domestic exports to the rest of the world (Chart 12), this was largely attributed to high export volume of Live animals, fish, beverage and Industrial machinery. The value of goods exported via road increased by N$1,109 million (29%) to register N$4,925 million after recording N$3,816 million in q2-2018. By the same token, a comparison to the previous quarter revealed that exports rose by N$392 million (8.7%) from N$4,533 million registered in q1-2019. The share of exports stood at 21 percent, up from 16 percent and 20 percent registered in q2-2018 and q1-2019 respectively.

Air ranked third as the most used means of transporting exports. Precious stones and metal (diamonds) emerged at the top of the list as the most air lifted commodity, due the risk involved in transporting them. The recent figure of exports by air amounted to N$4,714 million, which translates into a decline of 11.9 percent after registering N$5,349 million in q2-2018. When compared to the previous quarter, exports decreased by N$242 million (4.9%) compared to N$4,956 million recorded in q1-2019. In terms of contributions, air accounted for
20.1 percent of the value of all goods exported, down from 22.4 percent in q2-2018, and 22.6 percent in q1-2019.

**Imports**

The bulk of commodities imported into Namibia were transported by means of road (Chart 13), with copper, vehicles and industrial machinery accounting for the largest share of total imports by means of roads. Imports by road increased by N$1,377 million (9%) to N$17,476 million compared to N$16,099 million registered in q2-2018. When compared to the previous quarter, imports also rose, this time by N$1,860 million (12%) after recording N$15,616 million in q1-2019. The value of goods imported by road remained high compared to other mode of transports in the period under review, contributing 64.1 percent down from 64.4 percent in the corresponding period a year ago, but up compared to 57.1 percent registered in the previous quarter.

Namibia saw large volumes of goods transported by sea in q2-2019, making this mode of transport vital for the country’s advancement in international trade and subsequently ranking it second as the most used means of transporting goods into Namibia. Ores (copper & zinc); oils and mineral fuels and; motor vehicles and parts contributed the largest shares to the value of all goods transported in the country by sea. Following its ranking, imports rose by 18.4 percent (N$1,376 million) to register N$8,840 million after recording N$7,464 million in the corresponding quarter of 2018. On the other hand, imports slipped by N$1,466 million (14.2%) when compared to N$10,306 million registered in the previous quarter. Finally, Sea accounted for 32.4 percent of the value of all goods imported into Namibia up from 29.9 percent and down from 37.7 percent in q2-2019 and q1-2019 respectively.

The transportation of goods by means of air transport was also significant in q2-2019 after it ranked third in terms the total value of goods imported via airports. As in the case of exports, precious stones and metals accounted for the largest share of total imports by means of air.
Nevertheless, the value of goods imported via air was negligible compared to the value of imports by road and sea transportation. Furthermore, imports weakened, dropping by N$506 million (35.8%) to register N$907 million compared to N$1,413 million recorded in the corresponding quarter a year ago. In comparison to the previous quarter, imports continued its weak trend, falling by N$508 million (35.9%) after it recorded N$1,415 million in q1-2019. In terms of contributions, air accounted for 3.3 percent of the total import bill, down when compared to 5.6 percent and 5.2 percent in q2-2018 and q1-2019 respectively.
Conclusion

Namibia saw the overall value of exports falling from an amount of N$23,866 million recorded in q2-2018 to an N$23,468 million in q2-2019, but rising from N$21,887 million when compared to the previous quarter. On the other hand, the value of imports stood at N$27,247 million, representing a 9 percent growth after recording N$25,004 million in the same quarter a year earlier. When compared to the previous quarter, imports fell by 0.4 percent from N$27,362 million in q1-2019. The simultaneous decline in exports and growth in imports resulted in a negative trade balance to the tune of N$2,243 million, however this is a remarkable improvement of 232 percent when compared to an amount of N$1,138 million recorded in q2-2018.

China rose to the top as the largest export destination for domestic goods after absorbing 20.1 percent of all the goods exported by the Namibia. South Africa ranked second with a market share of 16.6 percent of Namibia’s total exports, while Belgium and Botswana each absorbed 7.8 percent share of total domestic exports. Furthermore, Spain only absorbed 5.9 percent of total exports, this was the least share accounted for within the top five export markets. On the other hand, imports were mainly sourced from South Africa, which supplied the largest share of 47.3 percent of total import to Namibia, followed by Zambia and China with 16.47 and 4.8 percent respectively. Other significant markets such as Bulgaria and Chile contributed 4 percent and 2.4 percent respectively.

The analysis on commodities revealed that exports were mostly led by copper (25.7%), precious stones and metals (19.4%), ores (12.4%), fish (11.5%) and vessels (7.3%). Similarly, three out of the aforementioned commodities also featured on the re-export list in the exception of ores and fish. Re-exports were mainly led by copper (50.7%), precious stones and metals (15.3%), vessels and boats (15%). Motor vehicles and parts and; industrial machinery followed contributing 3.3 percent and 2.6 percent respectively. On the other hand, imports were dominated by copper (16.1%), oils and mineral fuels (11%), motor vehicles and parts (8.5%), ores (7.8%) and finally, industrial machinery (7.2%).

Namibia’s exports were mostly absorbed by African regional groupings and the EU, with the EU absorbing the largest share of 24.9 percent, SACU with 24.4 percent, BRIC with 20.8 percent, SADC-Non-SACU with 8.2 percent, and COMESA with 7.8 percent while EFTA absorbed 0.7 percent. Equally, imports were also sourced from the same economic regions with SACU taking the lead by 49.7 percent of total imports, COMESA with 19.9 percent, SADC-
Non-SACU with 16.6 percent, EU with 8.1 percent, BRIC with 7.3 percent and EFTA with 0.7 percent.

Recent figures showed that Namibia’s goods were mostly exported by sea, road and air, with sea emerging as the most used means of transport by traders, accounting for 58.9 percent share of total exports, followed by road with 21 percent, while air freight occupied third position as the most used means of transport with a share of 20.1 percent of total exports. On the other hand, most commodities imported into Namibia were transported by road and sea contributing 64.1 percent and 32.4 percent to the total import bill respectively. Air accounted for a mere 3.3 percent of the value of all goods imported.
List of Terms and Definitions

Cost Insurance and freight (CIF): The transaction value of the goods, the value of services performed to deliver goods to the border of the exporting country and the value of the services performed to deliver the goods from the border of the exporting country to the border of the importing country.

Export Processing Zone (EPZ): An Export Processing Zone (EPZ) is a Customs area where one is allowed to import machinery, equipment and material for the manufacture of export goods under security, without payment of duty. The imported goods are subject to customs control at importation, through the manufacturing process, to the time of sale/export, or duty payment for home consumption.

Free on board (FOB): The transaction value of the goods and the value of services performed to deliver goods to the border of the exporting country

Re-export: The export of foreign goods previously imported from the ROW

Trade Balance: The commercial balance or net exports (sometimes symbolized as NX), is the difference between the monetary value of exports and imports of output in an economy over a certain period.

Trade Deficit: Is an economic measure of a negative trade balance in which a country's imports exceeds its exports.

Trade Surplus: Is an economic measure of a positive trade balance in which a country's exports exceeds its imports.