

Office of The Statistician General

26 MARCH 2014, Windhoek

PRESS STATEMENT

DR. JOHN STEYTLER

STATISTICIAN GENERAL: NAMIBIA STATISTICS AGENCY

1. The Namibia Statistics Agency is pleased to present the rebased preliminary 2013 Annual National Accounts, as well as the January 2014 Trade Statistics Bulletin. We are also pleased to announce that the National Accounts has been rebased to the year 2010 prices and structure of the Namibian economy. Before elaborating on the results of the 2013 National Accounts, let me say a few words about the rebasing exercise and the importance of accurate statistics for informed policy and decision making purposes.
2. The rebasing of the Annual National Accounts is a necessary exercise that the NSA has just completed to ensure that the data collected, analysed and published is as relevant, up to date and usable as possible. The preliminary Annual National Accounts for 2013 have been rebased to the 2010 base year. Rebasing is the process that results in replacing the old base year with a more up-to-date base year. As time progresses, the base year that is used to measure and gauge data collected becomes less accurate. This in turn means that measuring the progress and evolution in the economy and subsequently statistics do not inform policy makers of the changes in the structure of the economy. That is why this exercise is so vital.
3. As Namibia continues to develop and mature as a nation, it is vital that developments on all fronts are measured. The country's economy has changed drastically in the last ten years which is an extra reason for the rebasing of the National Accounts. Some sectors are disproportionately represented and others underrepresented, leading to inaccurate data. The NSA is tasked with carrying out this research and sharing the relevant and trustworthy statistics that are the bellwether of Namibia's progress. The NSA prides itself on its forward thinking attitude and learning and implementing statistical 'best practises' from the international community. Namibia has tasked itself with rebasing its

Board of Directors

Mr Paul Hartmann (Chairperson), Ms Florentia Amuenje, Ms Florette Nakusera,
Mr Sikongo Haihambo, Ms Anna Matebele, Mr Martin Mwinga, Dr John Steytler

JS

national accounts every five years. Rebasing is no mean feat, this exercise requires co-operation with all of the nation's economic stakeholders.

4. Rebasing of national accounts presents an up to date structure of the economy, improves compilation methods, increases the scope of coverage of industries and reclassifies companies into their respective industries according to international recommendations and best practices. What is more, the rebasing of our National Accounts places Namibia at the very forefront of statistical accuracy in Africa and globally when it comes to the National Accounts. Something that our nation should be proud of. The new rebased figures produce more accurate and up to date information, as well as an increased scope of coverage. It simply boils down to the fact that; good statistics lead to good policy on both a macro and micro-economic level.
5. Let me now turn to the outturn of the rebased exercise before highlighting how the economy performed during 2013.
6. When rebasing takes place, the normal result is that there is a revision of a nation's Gross Domestic Product (GDP). As this is the norm, GDP's have been revised backwards up to the year 2007. These revisions by the NSA as stated earlier are due to:
 - Change in methodology
 - A much greater Scope of coverage
 - Reclassification of companies
 - Benchmarking programme
 - New data sources
7. The revised growth rates show that with the exception of 2009, the economy generally performed better during the period 2008-2012 compared with previous estimates. The growth rate for 2012 had been revised upward with 1.7 percentage points to 6.7 percent from our previous estimate of 5.0 percent. It also shows that for three consecutive years during the period 2010 to 2012 the economy posted solid growth rates of 6 percent and above. To put it into perspective the average growth rate for these three years was 5.7 percent prior to the rebasing and has increased to 6.4 percent after the rebasing. Consequently, by the end of 2012 the size of the economy in current dollar terms has increased to N\$110 billion compared to N\$107.3 billion prior to the rebasing exercise.
8. The rebasing exercise has resulted in new weightings in different sectors. This means that although every sector contributes to the overall GDP of our country, some carry more weight, or are more important, if you will. The rebasing has especially impacted the primary industry sectors that declined by 1.9 percentage points. The decrease in the primary industry weight is led by the mining sector that shed off 1.2 percentage points compared to the 2004 base year. The tertiary and secondary industries are the

beneficiaries of the decline in the primary industry, each receiving 1.9 and 0.5 percentage points respectively. However within the mining sector there had been a significant shift in the with respect to the contribution of Uranium and Diamond mining to total mineral output. Prior to the rebasing Uranium account for only 4.7 percent of mineral output; its share has now increased to 25.4 percent. The share of diamond mining on the other hand, has reduced from 83.0 percent to 53.7 percent.

9. Let me now turn to the performance of the economy in 2013.
10. Notwithstanding one of the most severe droughts in recent memory, as well as sluggish global economic environment the Namibian economy is estimated to have recorded a respectable growth rate of 4.4 percent in 2013. To put this growth into perspective according the latest estimates by the International Monetary Fund, the world economy is estimated to have expanded by only 3.0 percent in 2013 while the growth estimate for Africa's largest economy is estimated at only 1.8 percent, less than half the pace of the Namibian growth rate.
11. It is also important to note that in 2013 growth was led by the secondary and primary industries that expanded by 8.7 percent and 6.4 percent respectively over the previous year.
12. Within the tertiary industries notable growth rates were posted by the following sectors:
 - The transport and communication sector recorded an increase of 8.3 percent. The performance of this sector was influenced by the subsector of transport that recorded an increase of 13.8 per cent whilst the storage subsector declined by 4.9 per cent.
 - Hotels and restaurants, financial intermediations and public administration and Health sectors all recorded a healthy growth of respectively 10.6 per cent, 14.1 per cent, 8.9 per cent and 8.8 per cent.
 - Other sectors that performed relatively well are Wholesale and retail, Real estate and business services registering marginal growth of 4.3 per cent and 3.9 per cent, respectively.
13. The secondary industries growth was mainly driven by a booming construction sector that is estimated to have expanded by 35 percent on the back of increased investment in the mineral sector and public infrastructure. Investment in infrastructure, housing, mining construction are all indicators of an overall healthy economy that is forward looking and developing and evolving positively. It should be noted though that although there is significant growth and investment, it is still often foreign companies that do the majority of the investing. Namibia and Namibians need to invest more in ourselves and

our nation if we want to continue this growth and maintain economic independence. This economic independence is vital for a young nation.

14. Unfortunately the primary industries did not perform that well, as all aggregated primary sectors recorded declines which resulted in an overall contraction of these industries of 9.3 percent. The decline in this industry was led by the agricultural sector that declined by 26.9 percent owing to [as already mentioned earlier] one of the worst droughts in recent memory. Both the fishing and the mining sectors contracted by 2.6 percent and 1.2 percent, respectively.
15. With respect to the external sector Namibia continues to be a net importer of goods and services over the period of 2008 to 2013, leading to the recording of trade deficits throughout the reporting period except in 2007. The value of the imported goods stood at N\$ 63.7 billion in 2013 compared to N\$ 53.4 billion recorded in 2012. Imports of services increased to N\$ 7.7 billion in 2013 from N\$ 5.7 billion in 2012. The export value of goods for 2013 amounts to N\$ 47.9 billion, compared to N\$ 42.3 billion in 2012. The value of services exported declined marginally to N\$ 5.5 billion in 2013 from N\$ 5.6 billion in one year earlier. The overall results of the above said developments is that the external balance of goods and services deteriorated from a deficit of N\$ 11.2 billion in 2012 to a deficit of N\$ 18.1 billion in 2013.
16. The increase in our country's trade deficit is worrying; as such dependence on importing hurts Namibia's economic independence. Through more investment, entrepreneurship and national economic development our nation can and should release itself from the burden of importing the number of goods and services that it does. Plenty of products that are presently imported can be manufactured or assembled right here by Namibians. The same can be said for services that are imported; they can and should be carried out by our own people. We need to be constantly challenging ourselves, our Namibian companies and stimulating entrepreneurship to increase our output and raise our targets.
17. Overall the economy is still robust, but it does need constant attention. Although the country is making great strides and weathering adversity well, whether in the form of drought or global economic downturn, we must remain active. We need to reduce our import dependency and do more to promote our exports especially value added exports. To do this we need to investment more in our own country, its businesses, manufacturing and infrastructure. The NSA will play its part and together with the relevant stakeholders and statistical data we will keep our eye on the ball and continue to develop Namibia's economy and GDP.

18. The NSA would like to conclude by thanking all its stakeholders, national and international for helping us achieve the rebasing of the Nation Accounts. It allows Namibia to take huge strides forward from an economic perspective. Our own employees are to be commended as are the organisations and institutes as well as the government that have helped us achieve this very important milestone and assisted us in acquiring the necessary raw data.

For more information:

Mr. lipumbu Sakaria

Tel: 061 431 3221

E-mail: isakaria@nsa.org.na

About NSA:

The Namibia Statistics Agency (NSA) is a statutory body established in terms of the Statistics Act, 2011 (Act No.9 of 2011). The Agency is mandated, among others, to constitute the central statistical authority of the State and to collect, produce, analyze and disseminate official and other statistics in the country.