

PRESS RELEASE

Update on 3rd Quarter GDP

Windhoek – 17 December, 2014

The Namibia Statistics Agency is pleased to present the economic statistics publications: GDP estimates for the third quarter of 2014 and the monthly sectoral statistics for October 2014.

THIRD QUARTER GDP ESTIMATES:

The Namibian economy is estimated to have slowed down in the third quarter by registering a growth of 2.3 per cent in 2014 compared to a strong growth of 14.8 per cent in 2013 in the corresponding quarter of 2013. The slow growth during the third quarter emanated from the secondary and primary industries that recorded declines, while tertiary industry expanded.

The slowdown in economic activities can be attributed to declines in the performance of sectors such as Mining and Quarrying (11.5 percent); Manufacturing (10.8 percent); and Fishing (25.8 percent), respectively.

The poor performance recorded in the Mining and quarrying sector is ascribed to the declines in the subsector of uranium, metal ores and other mining and quarrying. The uranium subsector is estimated to have recorded a poor growth of 47.5 per cent in real value added compared to a decline of 5.9 per cent in the corresponding quarter of 2013. This poor performance can be attributed to depressed market prices. Metal ores and other mining and quarrying are estimated to have decline by 7.3 per cent and 64.5 per cent in real value added. On the other hand, diamonds subsector is estimated to have marginally expanded by 0.6 per cent in real value added compared to the growth of 9.7 per cent of the preceding year.

Within the secondary industry, the manufacturing sector is estimated to have registered a decline in real value added by 10.8 per cent compared to an increase of 13.4 per cent of the preceding year. The poor performance is mainly reflected in the subsector of fabricated metals, diamond polishing and cutting and fish processing that are estimated to have declined by 38.8 per cent, 26.0 per cent and 17.3 per cent during the period under review. Furthermore, subsectors basic non-ferrous metals, beverages, chemical and chemical products and grain mill products are estimated to have contracted by 6.8 per cent, 2.9 per cent, 5.3 per cent, and 17.7 per cent, respectively.

On the other hand, construction sector is estimated to have expanded by a slower growth of 23.3 per cent compared to 55.5 per cent of the previous year. This slow growth emanated from a slowdown in general government construction. Water and Electricity is estimated to have expanded by a strong growth of 7.3 per cent in real value added compared to a decline of 5.4 per cent in the preceding year. The strong growth is due to reduction in intermediate consumption which is reflected in a 7.0 per cent decline in imports as a result of good rains in the catchment areas.

Despite the negative expansion in the primary and secondary industries, the economy showed resilience and was able to ride on the back of a strong and buoyant tertiary industry. Within the tertiary industry notable growths were posted by the following sectors:

The wholesale and retail sector is estimated to have expanded by a slow growth of 14.3 per cent in real value added compared to a strong growth of 21.2 per cent of the preceding year. The performance in this sector can be depicted in the subsector of clothing, vehicle and furniture that recorded slower sales growths. However, supermarket recorded stronger revenue growth of 28.7 per cent compared to 14.7 per cent of preceding year.

Hotels and restaurants, financial intermediation, transport and communications and real estate and business services all expanded marginally recording 1.2 per cent, 5.1 per cent, 0.9 per cent and 0.3 per cent, respectively.

Public administration and education sectors also expanded marginally recording growth of 0.2 per cent and 1.6 per cent whereas the health sector expanded by a strong growth of 41.4 per cent.

In a nutshell, the 2.3 per cent economic growth owes largely to construction, wholesale and retail, hotels and restaurants, health and water and electricity and water sectors that recorded growths of 23.3 per cent, 14.3 per cent, 1.2 per cent, 41.4 per cent and 7.3 per cent. The Agriculture sector rebounded back for the first time to expand by 1.7 per cent in real value added. This is a sign of recovery for the Agriculture sector from the impact of one of the most severe drought in recent memory.