PRESS STATEMENT BY DR JOHN STEYTLER
ANNUAL NATIONAL ACCOUNTS 2002-2012
18 JULY 2013

Background

1. The Namibian National Accounts are compiled in line with international standards set by the United Nations System of National Accounts 1993 (SNA 1993). In Namibia, a comprehensive set of annual national accounts are released twice a year, namely the preliminary estimates released in March each year, and the annual estimates which are the subject matter of today’s release.

Economic performance in 2012 as per the National Accounts release

2. The domestic economy is estimated to have recorded a slower growth of 5.0 per cent during 2012 compared to 5.7 per cent registered in 2011. This performance was attributed to the performance of the secondary industries that recorded a growth of 3.9 per cent in value added compared to 4.7 per cent registered in 2011. The weaker performance of the secondary industries was is due to the construction sector that registered a slower growth of 12.5 per cent in 2012, compared to 19.3 per cent in the previous year.

3. The slower growth was mainly reflected in construction works carried out by the electricity and water and the mining sectors that recorded declines of 41.0 per cent and 9.2 per cent, respectively. However, construction works carried out by general government and buildings completed recorded increases of 19.1 per cent and 19.8 per cent in 2012.

4. The manufacturing sector, a priority sector under NDP4, is estimated to have recorded a constant growth of 1.2 per cent in both years 2012 and 2011. Growth in this sector can mainly be attributed to the subsector ‘other food products & beverages’ that recorded an increase of 6.5 per cent in real value added following a decline of 5.4 per cent a year earlier. The sub-sector ‘other manufacturing’ also showed a stronger performance with an increase of 4.7 per cent in real value added for 2012 from a growth of 3.3 per cent in 2011, which was influenced by stronger growth in output of textiles, plastic products
and diamond processing. The sub-sector ‘Fish processing on shore’ on the other hand performed poorly recording a decline in real value added of 27.2 per cent in 2012 compared to a growth of 16.5 per cent registered in 2011.

5. The primary and tertiary industries recorded increases in real value added of 12.8 per cent and 6.4 per cent, respectively. During the year under review the primary industries’ growth was mainly driven by the fishing and mining sectors that registered growth rates of 16.9 per cent and 12.0 per cent, respectively. Agriculture and forestry recorded a growth rate of 11.8 per cent while growth in the tertiary sector was largely due to the wholesale & retail trade as well as the health sector which recorded 12.1 and 11.8 per cent respectively.

6. The real value added of fishing and fish processing on board recorded an increase of 16.9 per cent in 2012 as compared to 8.5 per cent recorded in 2011. The growth can be attributed to demersal fisheries that recorded an increase in output of 29.3 per cent in 2012 compared to a decline of 5.5 per cent registered in 2011. Midwater fisheries output recorded a slower growth of 17.4 per cent in 2012, compared to a much stronger growth of 36.9 per cent registered in 2011.

7. Growth in real value added of the mining and quarrying sector is estimated to have rebounded significantly to 12.0 per cent in 2012 from a decline of 7.9 per cent registered in 2011. The increase was reflected in stronger performance of both subcomponents, diamond mining and other mining subsectors (uranium, copper, zinc and quarrying of stones) that recorded growth rates of 9.0 per cent and 22.0 per cent, respectively. The increase within the sector ‘other mining’ was influenced by subcomponents ‘Uranium and metal ores mining’ that registered growth in real value added of 34.5 per cent and 27.2 per cent, respectively.

8. The growth in the tertiary industries resulted mainly from the sub-sectors ‘Wholesale and retail trade, financial intermediation, real estate and business services’. Wholesale and retail trade in 2012 is estimated to have recorded a strong growth of 12.1 per cent in real value added compared to the 3.3 per cent registered in 2011. This growth was mainly experienced in the furniture and wholesale subsectors that recorded a growth in revenue of 12.8 per cent in 2012 compared to 11.7 per cent registered in 2011.

9. Real value added for financial intermediation is estimated to have increased by 6.6 per cent in 2012 compared to 4.2 per cent registered in 2011. This positive performance was reflected in the insurance subsector that expanded by 9.5 per cent compared to 3.7 per

Page 2 of 4
cent in 2011. The banking subsector registered a growth of 3.7 per cent during the period under consideration compared to 4.8 per cent in 2011.

10. The sector ‘Real estate, renting and business services’ is estimated to have registered a growth in real value added of 6.4 per cent during 2012 compared to the 4.3 per cent registered in 2011. This growth is mainly attributed to increased value addition in the subsector ‘real estate’ that expanded by 6.8 per cent during the period under review. The other business services subsector has recorded a positive growth of 5.5 per cent compared to 11.1 per cent recorded in 2011.

11. Transport and communication, an NDP4 priority sector, is estimated to have recorded a slower growth of 4.2 per cent compared to 4.9 per cent recorded in 2011. This was mainly due to transport and storage sub-sector which is estimated to have grown by 3.5 per cent compared to 6.5 per cent in 2011. Additionally, the hotels and restaurants sector registered a decline of 1.2 per cent during 2012.

Expenditure on GDP

12. Final consumption expenditure remains the main contributor to GDP by the expenditure approach recording 85.7 per cent in 2012 compared to 86.9 per cent recorded in 2011. This component registered a growth rate of 9.9 per cent in 2012.

13. There has been a recovery in the ratio of gross savings to GDP in 2012 compared to 2010 when the savings ratio was temporarily lower than the investment rate. In 2012 the ratio of gross savings to GDP stood at 27.8 per cent, while the ratio of Gross Fixed Capital Formation or investment to GDP stood at 21.9 per cent. The fact that domestic savings do not fund appropriate investment outlets is a matter of concern as it may negatively impact on the country’s future growth prospects.

14. The mining and quarrying sector contributed the highest share of 22.2 per cent to overall investment in the economy. This is followed by the sector producer of government services investing a total of NAD4 152 million in 2012 representing 17.7 per cent to overall investment. Investment in the fishing sector has increased considerably from NAD56 million in 2011 to NAD833 million 2012.

15. Namibia continues to be a net importer of goods and services during the year under review. The value of imports of goods stood at NAD1 038 million in 2012 compared to NAD40 745 million recorded in 2011. The main products which contributed to the total
imports of goods for 2012 were transport equipment, refined petroleum products and chemical products, rubber and plastic products.

16. The export value of goods for 2012 amounted to NAD40 736 million compared to NAD32 213 million registered in 2011. The main products exported during 2012 were metal ores including uranium; prepared and preserved fish; and diamonds.

17. You might realise that the import and export figures differ from what the NSA has published in the Annual Trade Statistics 2012 in March this year. This is due to different sources used in the compilation of the Trade Statistics and the National Accounts. Trade Statistics are based on information from Customs and Excise and their Asycuda system only, while the National Accounts are based on information from Trade Statistics and line ministries such as the Ministry of Mines and Energy. This also explains the difference in some figures in the National Accounts vis-à-vis other publications.

I thank you for your attention

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