



**National Planning Commission  
Central Bureau of Statistics**

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“Co-ordinate and oversee the production of all official statistics in Namibia”

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## Preface

This publication presents an overview of the economic development for the first quarter of 2011. The publication examines quarterly trends in GDP by industry. Quarterly GDP estimates are meant to assist in the analysis of the short term movements of the economy. Other economic indicators such as the volume indices of production, distributive trade indices and levels of employment can also be used for that purpose; however, national accounts aggregates such as the GDP are more comprehensive as compared to the latter.

The quarterly estimate has shown that the Namibian economy has recorded an increase of 5.6 percent as compared to a growth of 6.6 percent recorded in the same period of 2010. The growth is mainly attributable to the mining and quarrying; manufacturing, transport and communication; and wholesale sectors. The diamond mining and their processing continues to record significant growth during the first quarter of 2011. The seasonally adjusted real GDP measuring the change of the first quarter of 2011 from the fourth quarter of 2010 has registered an increase of 7.0 percent.

Finally, let me emphasize the importance of accurate and timely delivery of data to the Central Bureau of Statistics (CBS), without which the compilation of quarterly GDP cannot proceed. I would therefore like to take this opportunity to urge all data providers to timely transmit data to CBS and in the same manner, I wish to express my appreciation to all data provider institutions and individuals who have assisted the CBS staff in meeting their data collection requirements.



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**October 2011**

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## **Introduction**

Quarterly national accounts main purpose is to provide a picture of current economic development that is more timely and frequent than provided by annual national accounts. Quarterly data serves to determine the short-term movements in the series, while the annual data determine the overall level and long term movements in the series.

In principle, the only difference between quarterly and annual national accounts is the reference period, quarter and calendar year respectively. The definitions and conceptual frameworks as well as the accounts and accounting identities of the 1993 SNA are equally valid for the two accounts. In practice, the constraints of data availability and resources would mean that quarterly national accounts are usually less complete than annual national accounts. The Central Bureau of Statistics has made the compilation of quarterly GDP at constant prices as a first step in embarking on quarterly national accounts compilation.

Because quarterly and annual estimates are often based on different kinds of source data, the annual total derived as the sum of four quarterly will differ from the same annual estimate based on more comprehensive source data. Therefore, it is necessary to align the quarterly estimates with their annual estimates. The process to achieve this is described as benchmarking. Benchmarking deals with the problem of combining a time series of high frequency data with less frequent but more accurate data.

Quarterly estimates quite often show very short term variations due to weather, habits, legislations, etc. usually defined as seasonal fluctuations. Although seasonality is an integral part of quarterly data, it is often an impediment to the correct identification and analysis of the business cycle and trend. Therefore, quarterly estimates needs to be seasonally adjusted in addition to the unadjusted estimates. Seasonal adjustment is an analytical technique to break down a series into its components. The purpose is to identify the different components of the time series and thus provide a better understanding of the behavior of the time series. Both unadjusted and seasonally adjusted quarterly estimates serve their own purposes. Unadjusted estimates show the actual economic events while seasonally adjusted estimates show characteristics that seasonal movements tend to mask, especially changes in the direction of the series.

## **Revisions**

Revisions are essential part of good quarterly national accounts compilation practice because they provide users with data that are as accurate as possible. Revisions provide the possibility to incorporate new and more accurate information, and thus to improve the accuracy of the estimates, without introducing breaks in the time series. Due to the availability of more comprehensive data, revisions are made of estimates for the latest quarters.

## **Sources**

The sources for quarterly national accounts are quarterly economic surveys and administrative data.

## Release calendar

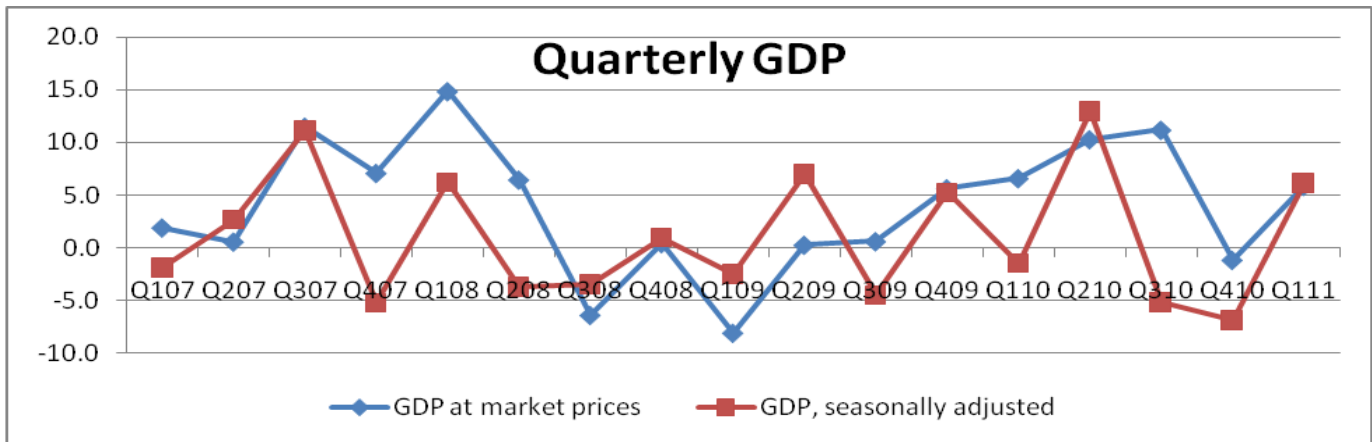
Quarterly GDP estimates are released with a time lag of 90 days from the reference quarter.

## Key findings

The unadjusted real GDP at market prices has recorded an increase of 5.6 percent in the first quarter of 2011 compared to a growth of 6.6 percent recorded in the same quarter of 2010. The increase in real GDP can be attributed mainly to the increase in the mining and quarrying; manufacturing; transport & communication; and wholesale and retail sectors.

The seasonally adjusted real GDP at market prices allows comparison of consecutive quarters. The first quarter of 2011 has recorded an increase of 7.0 percent compared to a decline of 1.6 percent recorded in the first quarter of 2010. Figure 1 below shows the development in unadjusted and adjusted GDP on quarterly basis from the first quarter of 2007 until the first quarter of 2011.

Figure 1



## PRIMARY INDUSTRIES

Real value added in the agricultural sector registered a marginal decrease to 0.2 percent compared to an increase of 1.8 percent recorded in 2010. The decline registered in the value added is attributable to a decrease in the livestock marketed.

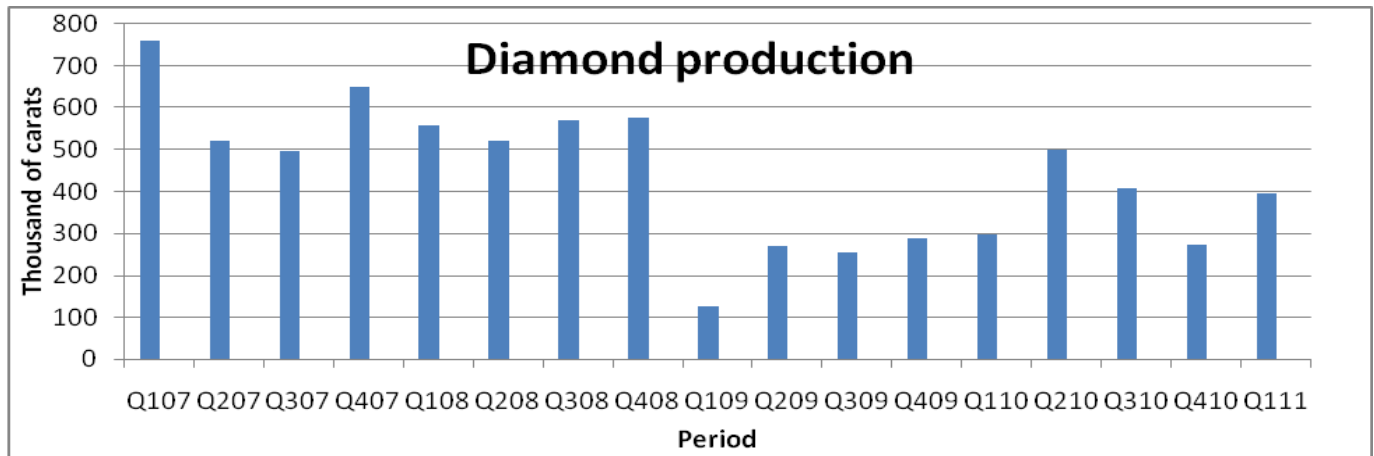
The real value added by the fishing and fish processing on board for the first quarter of 2011 has recorded a decline of 3.7 percent as compared to a decline of 3.2 percent recorded in the same quarter of 2010. The decrease is mainly attributed to demersal fisheries that registered a decline in landings.

Mining and quarrying sector for the first quarter of 2011 recorded a slower growth of 9.0 percent in real value added as compared to a growth of 69.6 percent registered same quarter in 2010. The growth in the

sector is mainly attributable to the diamond subsector recording a growth in real value added of 18.8 percent during the first quarter of 2011.

Figure 2 below shows the development of diamond production on a quarterly basis during the period of 2007 to 2011. The graph shows that the diamond production has increased from 297 816 carats during the first quarter of 2010 to 395 711 carats in the first quarter of 2011.

Figure 2



## SECONDARY INDUSTRIES

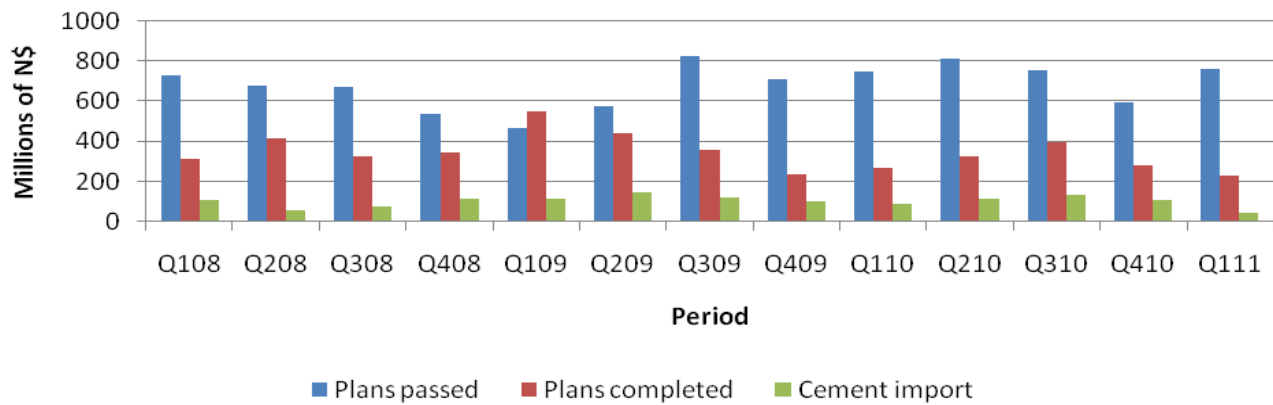
Manufacturing sector recorded a robust growth of 12.4 percent in real value added of the first quarter of 2011 when compared to an increase of 8.0 percent recorded for the same quarter in 2010. The main drivers are diamond processing, fish processing and beverage manufacturing subsectors.

The water and electricity sector recorded an increase in real value added of 5.6 percent in the first quarter of 2011 when compared to 9.7 percent registered in 2010 for the same period. The increase is mainly due to the electricity sub-sector which registered a growth in value added of 11.5 percent.

The real value added by construction sector for the first quarter of 2011 recorded a decline of 8.8 percent compared to a decline of 19.0 percent recorded in the same quarter of 2010. The decline is reflected in building plans completed and the imports of cement recording declines of 15.8 and 47.6 percent.

Figure 3

## Cement import and building plans



### TERTIARY INDUSTRIES

The real value added by the wholesale and retail trade sector recorded a robust growth of 11.8 percent in the first quarter of 2011 when compared to the increase of 3.9 percent registered for the same quarter of 2010. The robust growth is attributable to the overall subsectors of vehicles, clothing and furniture.

Hotel and restaurants sector value added recorded a decline of 5.7 in the first quarter of 2011 compared to a decline of 6.3 percent recorded in the same quarter of 2010. This decline is reflected in the room and bed nights available.

The real value added by the transport and communication sector for the first quarter of 2011 recorded a growth 7.9 percent compared to a 5.3 percent recorded in the same quarter of 2009. Both the telecommunication and transport subsectors recorded growths of 17.3 and 10.3 percent respectively.

The real value added by the financial intermediation sector for the first quarter of 2011 has recorded an increase of 4.0 percent compared to a growth 10.5 percent recorded in the first quarter of 2010. Both the banking sector and insurance sector recorded growths during the first quarter of 2011.

Other services such as real estate activities and business services; public administration and defense; education and health have recorded some improvements.



**Table 1 Quarterly Gross Domestic Product by Activity**

Constant 2004 prices – N\$ million

Year	Quarter	Agriculture	Fishing	Mining and quarrying	Manufacturing	Electricity and water	Construction	Wholesale and retail trade	Hotels and restaurants	Transport and communication
2007		2,564	1,059	4,742	6,400	1,234	1,833	5,904	936	3,161
2008		2,101	1,003	4,606	6,537	1,214	2,015	6,072	961	3,243
2005	1	493	399	1,042	1,394	280	274	1,163	200	618
	2	686	443	866	1,483	283	267	1,172	191	634
	3	601	326	849	1,452	296	320	1,300	235	674
	4	811	267	940	1,413	260	305	1,452	162	701
2006	1	483	417	1,129	1,491	308	384	1,216	174	717
	2	715	373	1,153	1,547	319	379	1,294	216	731
	3	556	324	1,294	1,624	285	436	1,419	250	775
	4	932	193	1,141	1,234	270	402	1,543	206	776
2007	1	528	306	1,445	846	340	451	1,310	237	761
	2	735	269	1,044	1,107	326	494	1,432	206	800
	3	540	252	995	2,840	339	463	1,527	229	818
	4	761	232	1,258	1,608	228	425	1,635	264	781
2008	1	395	398	1,082	2,149	315	690	1,406	303	780
	2	563	281	1,049	1,484	372	441	1,495	285	786
	3	402	224	1,185	1,510	296	434	1,577	174	837
	4	741	101	1,290	1,394	230	449	1,594	199	840
2009	1	396	334	445	1,635	303	600	1,468	206	809
	2	549	275	733	1,555	356	469	1,493	245	811
	3	430	270	679	1,740	230	462	1,579	262	859
	4	740	167	837	1,973	324	423	1,719	228	871
2010	1	403	323	754	1,766	333	486	1,525	193	852
	2	564	276	1,106	1,884	343	566	1,602	221	871
	3	446	333	871	2,096	294	590	1,776	262	939
	4	709	60	625	1,788	286	522	1,849	188	937
2011	1	404	311	822	1,986	351	443	1,705	182	919

**Table 1 Quarterly Gross Domestic Product by Activity (Continues)**

Constant 2004 prices – N\$ million

Year	Quarter	Financial inter-mediation	Real estate activities and business services	Public administration	Education	Health	Other private services less FISIM	FISIM	All indust. at basic prices	Taxes on products	GDP at market prices	GDP, seasonally adjusted
2007		2,267	4,669	4,213	3,365	1,546	2,086	652	45,324	4,047	49,371	49,307
2008		2,488	4,875	4,668	3,559	1,727	2,116	670	46,514	4,523	51,037	51,020
2005	1	465	1,029	932	767	434	494	123	9,861	911	10,772	10,792
	2	489	1,044	917	767	355	499	133	9,962	867	10,829	10,900
	3	493	1,055	911	767	351	504	131	10,002	917	10,920	10,786
	4	494	1,062	913	767	306	508	133	10,227	1,012	11,239	11,230
2006	1	492	1,066	928	794	379	512	141	10,351	899	11,250	11,319
	2	500	1,075	943	794	341	514	150	10,745	913	11,658	11,793
	3	507	1,089	962	794	375	516	150	11,058	982	12,040	11,858
	4	524	1,110	983	794	366	518	152	10,841	1,065	11,906	11,817
2007	1	532	1,140	1,010	841	391	520	161	10,497	971	11,467	11,596
	2	546	1,161	1,038	841	399	521	156	10,764	963	11,727	11,906
	3	594	1,178	1,067	841	410	522	170	12,447	978	13,424	13,230
	4	595	1,190	1,098	841	345	523	166	11,618	1,135	12,753	12,540
2008	1	602	1,198	1,132	890	472	524	171	12,165	1,007	13,173	13,319
	2	607	1,209	1,159	890	452	526	168	11,432	1,056	12,487	12,824
	3	625	1,224	1,180	890	443	530	170	11,363	1,206	12,569	12,378
	4	654	1,243	1,196	890	360	535	162	11,556	1,254	12,809	12,499
2009	1	672	1,266	1,206	925	483	542	163	11,129	982	12,110	12,187
	2	693	1,286	1,220	925	458	547	165	11,451	1,073	12,524	13,036
	3	702	1,302	1,238	925	444	549	164	11,506	1,142	12,648	12,453
	4	733	1,314	1,261	925	366	548	175	12,256	1,278	13,534	13,109
2010	1	743	1,324	1,288	948	506	545	180	11,809	1,102	12,911	12,905
	2	736	1,330	1,308	948	487	543	174	12,613	1,202	13,815	14,578
	3	752	1,335	1,322	948	469	542	179	12,797	1,269	14,066	13,831
	4	779	1,337	1,329	948	383	541	190	12,092	1,288	13,380	12,893
2011	1	773	1,337	1,329	967	525	541	181	12,415	1,216	13,630	13,797

**Table 2 Quarterly Gross Domestic Product by Activity**

Constant 2004 prices – percentage changes

Year	Quarter	Agriculture	Fishing	Mining and quarrying	Manufacturing	Electricity and water	Construction	Wholesale and retail trade	Hotels and restaurants	Transport and communication
2007		-4.6	-19.0	0.5	8.5	4.3	14.5	7.9	10.6	5.4
2008		-18.1	-5.3	-2.9	2.1	-1.6	10.0	2.9	2.7	2.6
2005	1	26.7	-16.2	0.8	-15.2	34.6	6.7	41.6	21.7	9.4
	2	9.6	-3.9	-13.3	25.6	23.7	-4.4	9.5	-10.9	6.8
	3	29.7	-10.3	-31.7	14.6	30.2	-6.7	-19.6	19.8	14.1
	4	4.6	0.8	7.9	13.2	10.1	17.7	28.6	-16.9	7.2
2006	1	-1.9	4.7	8.3	6.9	10.0	40.3	4.5	-13.0	16.0
	2	4.3	-15.7	33.1	4.4	12.8	41.7	10.5	13.1	15.2
	3	-7.4	-0.6	52.4	11.9	-3.6	36.1	9.2	6.5	15.0
	4	15.0	-27.5	21.5	-12.6	3.9	31.7	6.3	27.1	10.8
2007	1	9.3	-26.7	28.0	-43.3	10.1	17.5	7.7	35.7	6.1
	2	2.8	-27.9	-9.4	-28.5	2.4	30.3	10.7	-4.9	9.5
	3	-2.9	-22.4	-23.1	74.9	19.0	6.2	7.6	-8.3	5.6
	4	-18.4	20.3	10.2	30.2	-15.6	5.7	5.9	28.4	0.6
2008	1	-25.3	30.0	-25.2	154.0	-7.2	53.0	7.4	27.9	2.5
	2	-23.4	4.4	0.4	34.1	14.1	-10.7	4.4	38.7	-1.8
	3	-25.6	-11.0	19.1	-46.8	-12.7	-6.1	3.3	-24.0	2.2
	4	-2.5	-56.6	2.6	-13.3	0.9	5.8	-2.5	-24.7	7.6
2009	1	0.2	-16.0	-58.9	-23.9	-3.8	-13.1	4.4	-31.9	3.8
	2	-2.5	-1.9	-30.1	4.8	-4.5	6.4	-0.1	-14.1	3.2
	3	6.9	20.8	-42.7	15.3	-22.5	6.3	0.1	50.1	2.6
	4	-0.2	66.0	-35.1	41.5	41.0	-5.9	7.8	14.9	3.7
2010	1	1.8	-3.2	69.6	8.0	9.7	-19.0	3.9	-6.3	5.3
	2	2.7	0.4	50.9	21.2	-3.4	20.7	7.3	-9.8	7.4
	3	3.8	23.1	28.4	20.4	27.9	27.9	12.5	0.3	9.3
	4	-4.2	-64.1	-25.3	-9.4	-11.7	23.5	7.5	-17.8	7.6
2011	1	0.2	-3.7	9.0	12.4	5.6	-8.8	11.8	-5.7	7.9

**Table 2 Quarterly Gross Domestic Product by Activity (Continues)**  
**Constant 2004 prices – percentage changes**

Year	Quarter	Financial inter-mediation	Real estate activities and business services	Public administration	Education	Health	Other private services less FISIM	FISIM	All indust. at basic prices	Taxes on products	GDP at market prices	GDP, seasonally adjusted
2007		12.0	7.6	10.4	6.0	5.8	1.3	10.1	5.4	4.8	5.4	
2008		9.7	4.4	10.8	5.8	11.7	1.4	2.7	2.6	11.8	3.4	
2005	1	14.0	7.7	-3.6	-8.0	-17.3	8.2	0.2	2.9	37.3	5.2	2.4
	2	19.8	7.4	-5.6	-8.0	-21.3	6.6	17.3	3.3	10.8	3.9	1.0
	3	15.3	6.7	-5.8	-8.0	-22.1	5.3	13.0	-3.3	-21.8	-5.2	-1.0
	4	11.6	5.5	-4.1	-8.0	-19.2	4.3	13.0	6.4	14.6	7.1	4.1
2006	1	5.9	3.7	-0.4	3.5	-12.8	3.7	14.8	5.0	-1.3	4.4	0.8
	2	2.3	3.0	2.8	3.5	-3.8	3.0	12.7	7.9	5.3	7.7	4.2
	3	2.9	3.3	5.6	3.5	7.1	2.4	14.7	10.6	7.1	10.3	0.5
	4	6.0	4.5	7.7	3.5	19.4	1.9	14.6	6.0	5.2	5.9	-0.3
2007	1	8.1	6.9	8.8	6.0	3.4	1.5	14.1	1.4	8.0	1.9	-1.9
	2	9.1	8.0	10.1	6.0	17.0	1.3	4.1	0.2	5.5	0.6	2.7
	3	17.1	8.2	11.0	6.0	9.2	1.1	13.2	12.6	-0.4	11.5	11.1
	4	13.6	7.2	11.6	6.0	-5.8	1.0	9.1	7.2	6.5	7.1	-5.2
2008	1	13.2	5.1	12.1	5.8	20.5	0.8	6.1	15.9	3.8	14.9	6.2
	2	11.2	4.1	11.7	5.8	13.2	1.0	7.4	6.2	9.6	6.5	-3.7
	3	5.2	3.9	10.6	5.8	8.1	1.5	0.0	-8.7	23.4	-6.4	-3.5
	4	9.8	4.5	8.9	5.8	4.4	2.4	-2.2	-0.5	10.5	0.4	1.0
2009	1	11.7	5.7	6.5	4.0	2.4	3.5	-4.6	-8.5	-2.5	-8.1	-2.5
	2	14.2	6.3	5.2	4.0	1.3	3.9	-1.7	0.2	1.6	0.3	7.0
	3	12.3	6.3	4.9	4.0	0.3	3.5	-3.5	1.3	-5.3	0.6	-4.5
	4	12.1	5.7	5.5	4.0	1.6	2.4	7.7	6.1	1.9	5.7	5.3
2010	1	10.5	4.5	6.8	2.5	4.7	0.6	10.9	6.1	12.3	6.6	-1.6
	2	6.2	3.5	7.3	2.5	6.3	-0.7	5.6	10.2	12.0	10.3	13.0
	3	7.2	2.6	6.8	2.5	5.5	-1.3	9.1	11.2	11.1	11.2	-5.1
	4	6.3	1.8	5.4	2.5	4.7	-1.3	9.1	-1.3	0.8	-1.1	-6.8
2011	1	4.0	1.1	3.2	2.0	3.9	-0.8	0.3	5.1	10.3	5.6	7.0

## **Methodological Note**

### **System of National Accounts 1993:**

The SNA 1993 is an internationally agreed methodology used for compilation of national accounts estimates published by the United Nations in co-operation with other international organizations. This means that the methodology, concepts and classifications, are in accordance with the latest guidelines of an internationally agreed system of national accounts.

### **Quarterly GDP estimates:**

Quarterly estimates of value added in real terms were based on the annual real estimates. Short-term indicators are used to estimate the quarterly GDP, however, they are by their nature in terms of coverage and annual changes output measured through them are generally not as reliable as in instances where the results of annual surveys are used. Therefore, the quarterly estimates must be adapted to the independent annual estimates when such estimates become available. To this extent, the Proportional Denton Method is used. It is a technique that generates a series of the quarterly estimates as proportional to the indicator as possible subject to the restrictions provided by the annual data.

### **Seasonal adjustment:**

Quarterly estimates often show very short-term variations due to seasonal variations. Although seasonality is an integral part of quarterly data; it is often an impediment to the correct identification and analysis of the business cycle and trend. Therefore, quarterly estimates need to be seasonally adjusted as an addition to the original estimates. The seasonally adjusted data intend to show the short-term movements after the effects of seasonality have been taken away. The remaining short-term movements include trend, business cycle and irregular changes. The effect of the latter can have a huge impact on the overall growth rate in a small and open economy like Namibia's. Only total GDP has been seasonally adjusted and not its components, the values added, making up, GDP. The X-12 program released by the U.S. Bureau of the Census is used for seasonal adjustment.

### **Classifications:**

The estimates of value added by industry are classified according to the third revision of the International Standard Industrial Classification of all Economic Activities (ISIC), with suitable adaptations for Namibian conditions.