



**National Planning Commission  
Central Bureau of Statistics**

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“Produce and make publicly available objective, relevant, comparable, reliable, timely and easily accessible official statistics in most subject-matter areas of national interest and relevance”  
“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 2010. 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 7.2 percent as compared to same period in 2009. The seasonally adjusted real GDP measuring the change from the fourth quarter of 2009 to the first quarter of 2010 has registered a marginal increase of 0.8 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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## Table of Contents

<b>Mission Statement</b> .....	2
<b>Preface</b> .....	3
<b>Introduction</b> .....	5
<b>Revisions</b> .....	5
<b>Sources</b> .....	5
<b>Key findings for the second quarter</b> .....	6
Table 1 Quarterly Gross Domestic Product by Activity .....	9
Table 1 Quarterly Gross Domestic Product by Activity (Continues) .....	10
Table 2 Quarterly Gross Domestic Product by Activity .....	11
Table 2 Quarterly Gross Domestic Product by Activity (Continues) .....	12
<b>Methodological Note</b> .....	13
System of National Accounts 1993:.....	13
Quarterly GDP estimates:.....	13
Seasonal adjustment: .....	13
Classifications: .....	13

## **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 framework 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.

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 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 as an 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.

## **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. The quarterly education sector published in the Preliminary National Accounts 2009 has been revised for the years 2005 and 2006. An error has occurred in the benchmark program used in the compilation process. Users are advised to take note of the necessary changes.

## **Sources**

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

## **Release calendar**

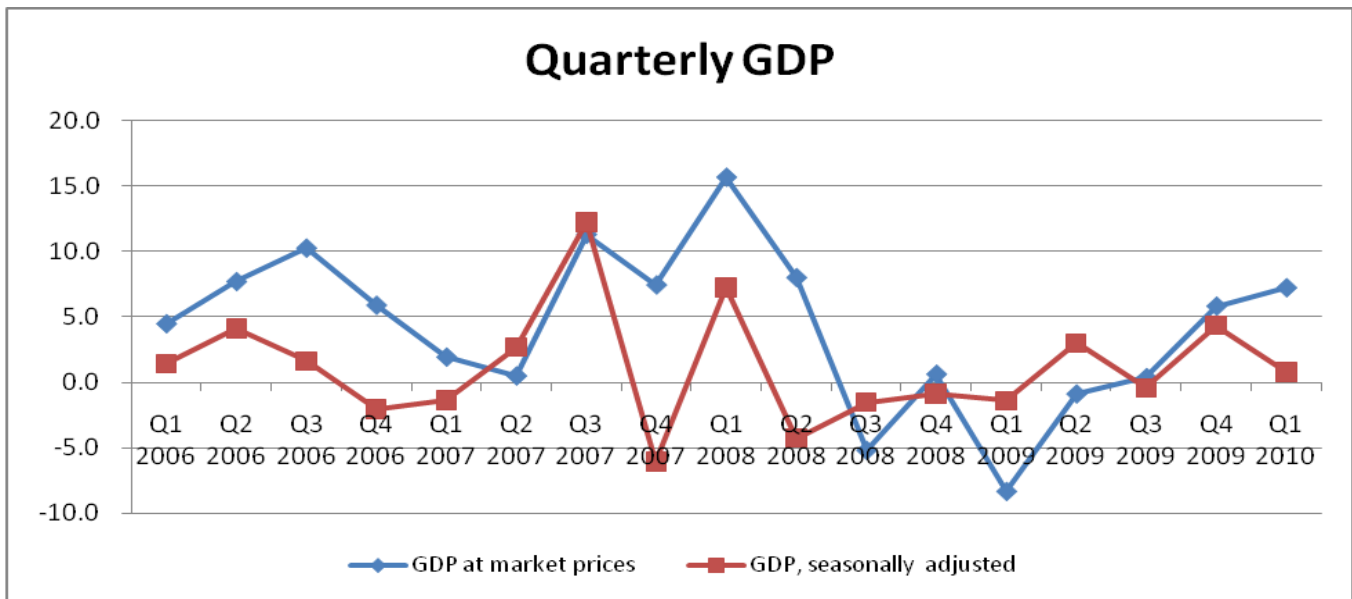
Quarterly GDP estimates are released with a time lag of 90 days from the reference quarter.

## Key findings for the first quarter

The unadjusted real GDP at market prices has recorded an increase of 7.2 percent in the first quarter of 2010 as compared to a decline of 8.3 percent recorded in the same quarter of 2009. The increase in real GDP can be attributed mainly to the increase in the mining and quarrying; electricity and water; transport & communication and financial intermediation sectors.

The seasonally adjusted real GDP at market prices allows comparison of consecutive quarters. The first quarter of 2010 has recorded a marginal increase of 0.8 percent compared to a growth of 4.4 percent recorded in the fourth quarter of 2009. Figure 1 below shows the development in unadjusted and adjusted GDP on quarterly basis from the first quarter of 2006 until the first quarter of 2010.

Figure 1



## PRIMARY INDUSTRIES

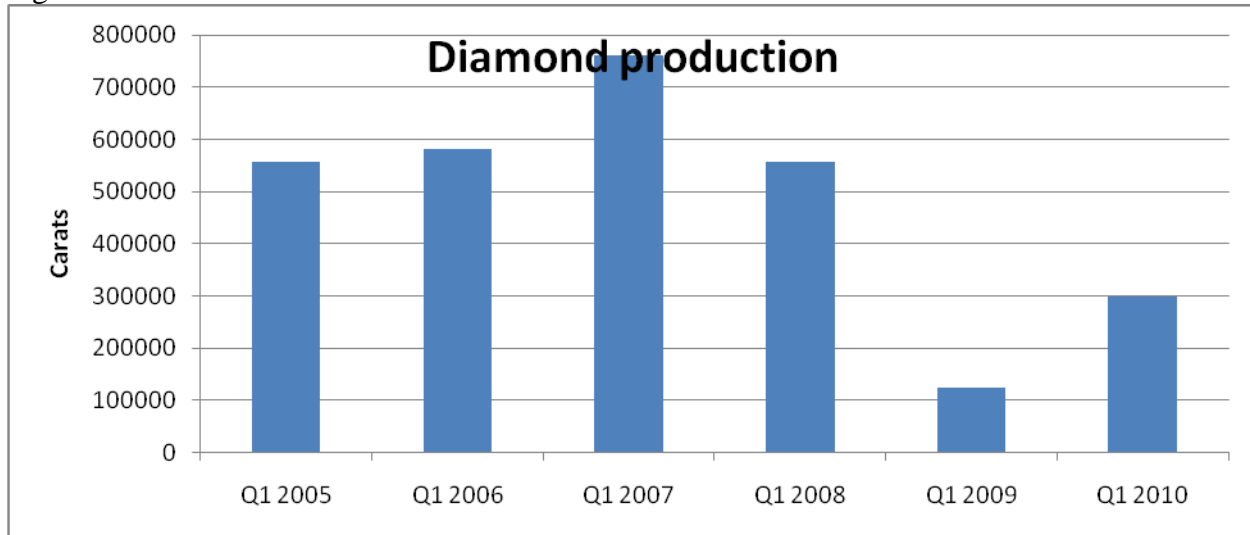
The real value added by the agricultural sector increase by 0.5 percent compared to the 6.2 percent registered for the same period in 2009. The sluggish performance reflected in the value added for the first quarter can be attributed to a decline in the number of small stock marketed. Crop farming and forestry has recorded declines of 1.0 percent and 0.9 percent respectively.

The real value added by the fishing and fish processing on board for the first quarter of 2010, has recorded a decline of 8.5 percent as compared to 25.6 percent recorded in the same quarter of 2009. The decline is mainly attributed the lower landing in the midwater trawling fisheries that has reduced by 6.9 percent.

Mining and quarrying sector for the first quarter of 2010 recorded a massive increase of 99.1 percent in real value added as compared to a decline of 64.5 percent registered same quarter in 2009. This increase can mainly be attributed to the recovery of the diamond mining recording an increase of 160.0 percent. Uranium mining and mining of metal ores also recorded an increase; however the other mining and quarrying recorded a decline.

Figure 2 below shows the development of diamond production for the first quarters from 2005 to 2010. The graph shows that the diamond production has increased from 124 989 carats in the first quarter of 2009 to 297 816 carats during the first quarter of 2010; recording an increase of 138.3 percent.

Figure 2



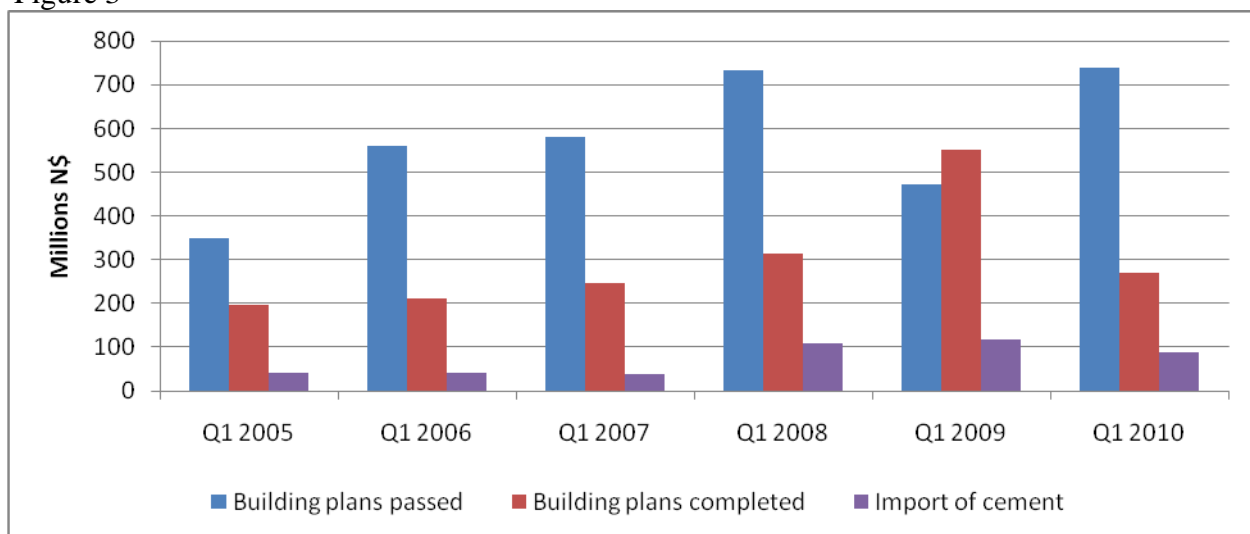
## SECONDARY INDUSTRIES

Manufacturing sector recorded a robust increase of 26.6 percent in real value added of the first quarter of 2010 as compared to the contraction of 27.0 recorded in first quarter of 2009. Fish processing on shore, diamond processing, manufacture of basic metals and beverages are the main contributors to the increase.

The water and electricity sector recorded a growth in real value added of 14.1 percent in the first quarter of 2010 when compared to the 8.8 percent registered in 2009 for the same period. This growth is attributed to the electricity sub-sector which registered an increase in value added of 17.3 percent.

The real value added by construction sector for the first quarter of 2010 continue to decline by 36.3 percent compared 11.0 percent recorded in the first quarter of 2009. The decline is reflected in building plans completed and the import of cement that have recorded declines. Figures 3 below show the performances of cement import; and building plans passed and completed.

Figure 3



## **TERTIARY INDUSTRIES**

The real value added by the wholesale and retail trade sector for the first quarter of 2010 recorded a slight decline of 1.1 percent when compared to the increase of 5.6 percent registered for the first quarter of 2009. The sluggish performance is mainly attributed to vehicle and furniture sectors that have underperformed.

Hotel and restaurants sector recorded a decline of 26.1 percent in real value added of the first quarter of 2010 compared to 21.4 percent recorded in the same quarter of 2009. This decline is reflected in the room and bed nights sold.

The real value added by the transport and communication sector for the first quarter of 2010 increased by 7.5 percent compared to a 4.8 percent recorded in the same quarter of 2009. This is mainly due to the telecommunication sub-sector which has registered an increase of 10.8 percent. The transport sector has recorded an increase of 4.6 percent.

The real value added by the financial intermediation sector for the first quarter of 2010 increased by 8.3 percent compared to 6.2 percent recorded in the first quarter of 2009. The financial intermediation (excluding insurance) and the insurance sectors have recorded increases of 6.4 percent and 10.2 percent respectively.

Other services such as real estate activities and business services; public administration and defense; education and health have recorded 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		2,636	1,003	4,606	6,538	1,274	2,127	6,072	961	3,246
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	487	417	1,129	1,491	309	385	1,216	174	717
	2	720	373	1,153	1,547	319	380	1,294	216	731
	3	555	324	1,294	1,624	285	436	1,419	250	775
	4	924	193	1,141	1,234	269	400	1,543	206	776
2007	1	505	307	1,443	868	338	446	1,310	239	761
	2	710	269	1,042	1,119	325	490	1,432	207	800
	3	550	251	995	2,801	340	463	1,527	229	818
	4	798	231	1,263	1,612	230	433	1,635	261	781
2008	1	490	390	1,099	2,161	321	716	1,404	291	780
	2	742	278	1,068	1,489	386	466	1,492	278	786
	3	563	228	1,187	1,505	315	464	1,577	177	837
	4	842	107	1,252	1,383	252	481	1,600	215	842
2009	1	520	290	390	1,578	349	637	1,482	229	818
	2	678	187	670	1,504	425	479	1,505	280	830
	3	576	256	683	1,720	269	442	1,579	279	872
	4	882	130	789	2,121	307	373	1,692	255	901
2010	1	522	265	776	1,998	398	406	1,466	169	879

**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	45,326	4,047	49,373	49,307
2008		2,488	4,875	4,707	3,576	1,738	2,106	670	47,283	4,208	51,491	51,488
2005	1	465	1,029	932	767	434	494	123	9,861	911	10,772	10,790
	2	489	1,044	917	767	355	499	133	9,962	867	10,829	10,894
	3	493	1,055	911	767	351	504	131	10,002	917	10,920	10,861
	4	494	1,062	913	767	306	508	133	10,227	1,012	11,239	11,158
2006	1	492	1,066	928	794	379	512	141	10,357	897	11,254	11,317
	2	500	1,075	943	794	341	514	150	10,751	911	11,662	11,781
	3	507	1,089	962	794	375	516	150	11,057	982	12,038	11,973
	4	524	1,110	983	794	366	518	152	10,830	1,070	11,900	11,728
2007	1	530	1,139	1,007	841	391	520	161	10,485	985	11,471	11,571
	2	545	1,161	1,036	841	399	521	156	10,744	976	11,719	11,881
	3	594	1,178	1,068	841	410	522	170	12,420	978	13,397	13,333
	4	598	1,190	1,102	841	345	523	166	11,677	1,108	12,785	12,522
2008	1	609	1,198	1,139	894	472	524	171	12,316	951	13,267	13,426
	2	612	1,209	1,169	894	453	525	168	11,680	977	12,656	12,854
	3	625	1,225	1,192	894	447	527	170	11,592	1,111	12,703	12,659
	4	643	1,244	1,207	894	366	531	162	11,696	1,169	12,865	12,550
2009	1	647	1,267	1,215	929	497	535	163	11,220	942	12,162	12,373
	2	657	1,284	1,221	929	474	538	165	11,495	1,050	12,545	12,744
	3	660	1,295	1,225	929	458	540	164	11,620	1,129	12,749	12,689
	4	688	1,301	1,240	929	374	541	175	12,346	1,267	13,614	13,242
2010	1	700	1,301	1,227	947	509	541	180	11,925	1,115	13,041	13,347

**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		-0.6	-19.0	0.5	8.4	4.0	14.6	7.9	10.6	5.3
2008		3.0	-12.3	-1.8	-2.6	5.8	15.6	2.9	1.0	5.8
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	-1.1	4.7	8.3	7.0	10.2	40.6	4.5	-13.0	16.0
	2	5.0	-15.8	33.1	4.3	12.9	42.0	10.5	13.1	15.2
	3	-7.5	-0.6	52.4	11.9	-3.6	36.1	9.2	6.5	15.0
	4	14.0	-27.5	21.5	-12.6	3.6	31.2	6.3	27.1	10.8
2007	1	3.6	-26.4	27.8	-41.8	9.4	16.0	7.7	37.0	6.1
	2	-1.3	-27.7	-9.6	-27.6	2.0	29.0	10.7	-4.2	9.6
	3	-0.9	-22.4	-23.1	72.5	19.3	6.4	7.6	-8.4	5.6
	4	-13.6	19.6	10.6	30.6	-14.6	8.2	5.9	26.7	0.6
2008	1	-3.0	26.9	-23.8	149.0	-5.2	60.4	7.2	21.9	2.5
	2	4.4	3.2	2.5	33.0	18.6	-4.9	4.2	34.1	-1.8
	3	2.3	-9.3	19.3	-46.3	-7.2	0.1	3.3	-22.7	2.3
	4	5.5	-53.6	-0.9	-14.2	9.3	11.1	-2.2	-17.5	7.8
2009	1	6.2	-25.6	-64.5	-27.0	8.8	-11.0	5.6	-21.4	4.8
	2	-8.7	-32.9	-37.3	1.0	10.0	2.8	0.9	0.8	5.6
	3	2.3	12.1	-42.4	14.3	-14.6	-4.7	0.1	57.4	4.1
	4	4.7	20.9	-37.0	53.4	21.9	-22.5	5.8	18.8	7.0
2010	1	0.5	-8.5	99.1	26.6	14.1	-36.3	-1.1	-26.1	7.5

**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		11.9	8.6	7.7	6.2	5.8	1.5	10.1	5.5	5.1	5.5	
2008		10.1	4.3	7.9	5.4	11.1	0.1	2.7	3.3	-1.6	2.9	
2005	1	14.0	7.7	-3.6	-8.0	-17.3	8.2	0.2	2.9	37.3	5.2	2.8
	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	-0.3
	4	11.6	5.5	-4.1	-8.0	-19.2	4.3	13.0	6.4	14.6	7.1	2.7
2006	1	5.9	3.7	-0.4	3.5	-12.8	3.7	14.8	5.0	-1.5	4.5	1.4
	2	2.3	3.0	2.9	3.5	-3.8	3.0	12.7	7.9	5.0	7.7	4.1
	3	2.9	3.3	5.6	3.5	7.1	2.4	14.7	10.5	7.0	10.2	1.6
	4	6.0	4.5	7.7	3.5	19.3	1.9	14.6	5.9	5.7	5.9	-2.0
2007	1	7.8	6.8	8.5	6.0	3.3	1.6	14.1	1.2	9.9	1.9	-1.3
	2	8.8	8.0	9.8	6.0	17.0	1.3	4.1	-0.1	7.1	0.5	2.7
	3	17.1	8.2	11.0	6.0	9.2	1.1	13.2	12.3	-0.4	11.3	12.2
	4	14.1	7.3	12.1	6.0	-5.7	0.9	9.1	7.8	3.6	7.4	-6.1
2008	1	14.8	5.1	13.1	6.3	20.5	0.6	6.2	17.5	-3.5	15.7	7.2
	2	12.4	4.1	12.8	6.3	13.5	0.7	7.4	8.7	0.1	8.0	-4.3
	3	5.1	3.9	11.6	6.3	9.0	1.0	0.0	-6.7	13.7	-5.2	-1.5
	4	7.6	4.5	9.5	6.3	6.2	1.5	-2.2	0.2	5.5	0.6	-0.9
2009	1	6.2	5.8	6.7	3.9	5.4	2.1	-4.6	-8.9	-0.9	-8.3	-1.4
	2	7.3	6.2	4.5	3.9	4.6	2.4	-1.7	-1.6	7.5	-0.9	3.0
	3	5.6	5.8	2.8	3.9	2.6	2.3	-3.5	0.2	1.7	0.4	-0.4
	4	7.1	4.6	2.7	3.9	2.0	1.9	7.7	5.6	8.4	5.8	4.4
2010	1	8.3	2.7	1.0	2.0	2.3	1.1	10.9	6.3	18.4	7.2	0.8

## **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.