

ANNUAL NATIONAL ACCOUNTS 2020



ECONOMIC PERFORMANCE OVERVIEW

Economic Performance Overview

Introduction

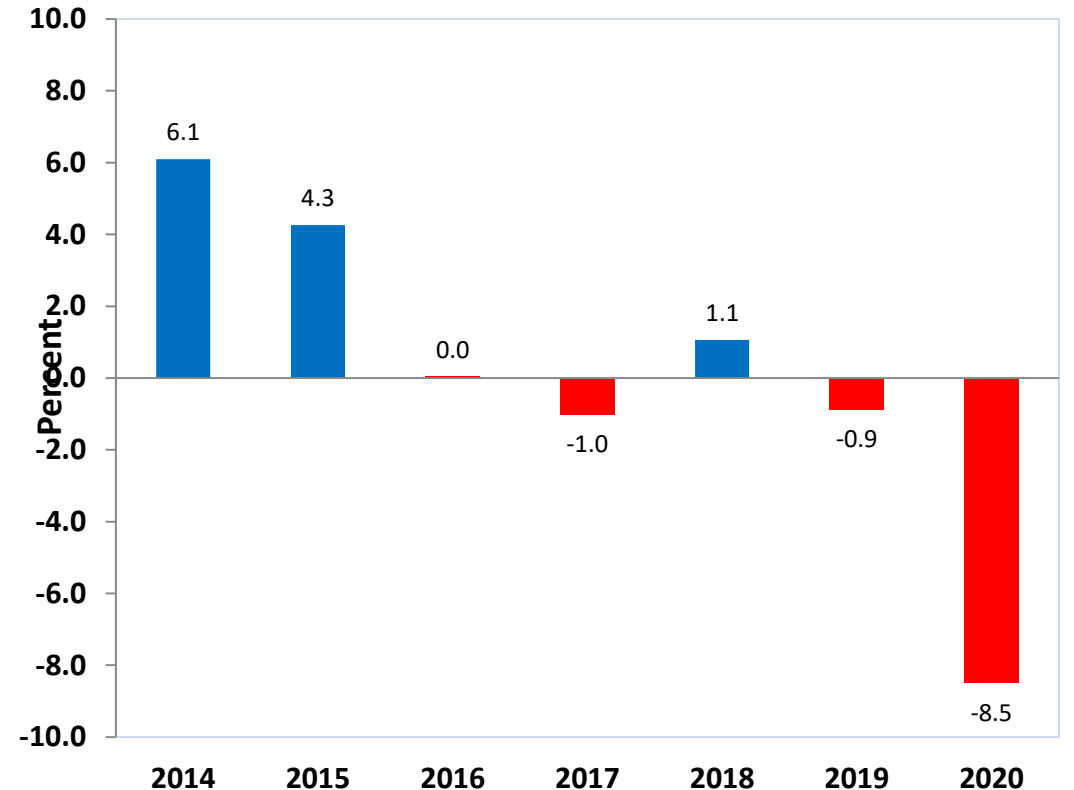
- Namibia National Accounts is compiled in line with SNA 2008 of the UN
- Annual accounts are published twice a year [Preliminary and Revised Annual National Accounts]
- Sources are surveys and administrative data
- Results are presented in calendar year for 18 sectors of the economy



Economic Performance Overview

Overall GDP growth rate

- Domestic economy slides into deeper decline
- Real GDP growth contracted by **↓ 8.5%** in 2020 vs **↓ 0.9%** in 2019
- RGDP stood at N\$ 132.5 billion vs N\$144.8 billion recorded in 2019. RGDP declined by **↓ N\$12.3 billion**
- Nominal GDP stood at N\$ 174.8 billion vs N\$ 180.6 billion in 2019. Nominal GDP shrunk by **↓ N\$ 5.7 billion**

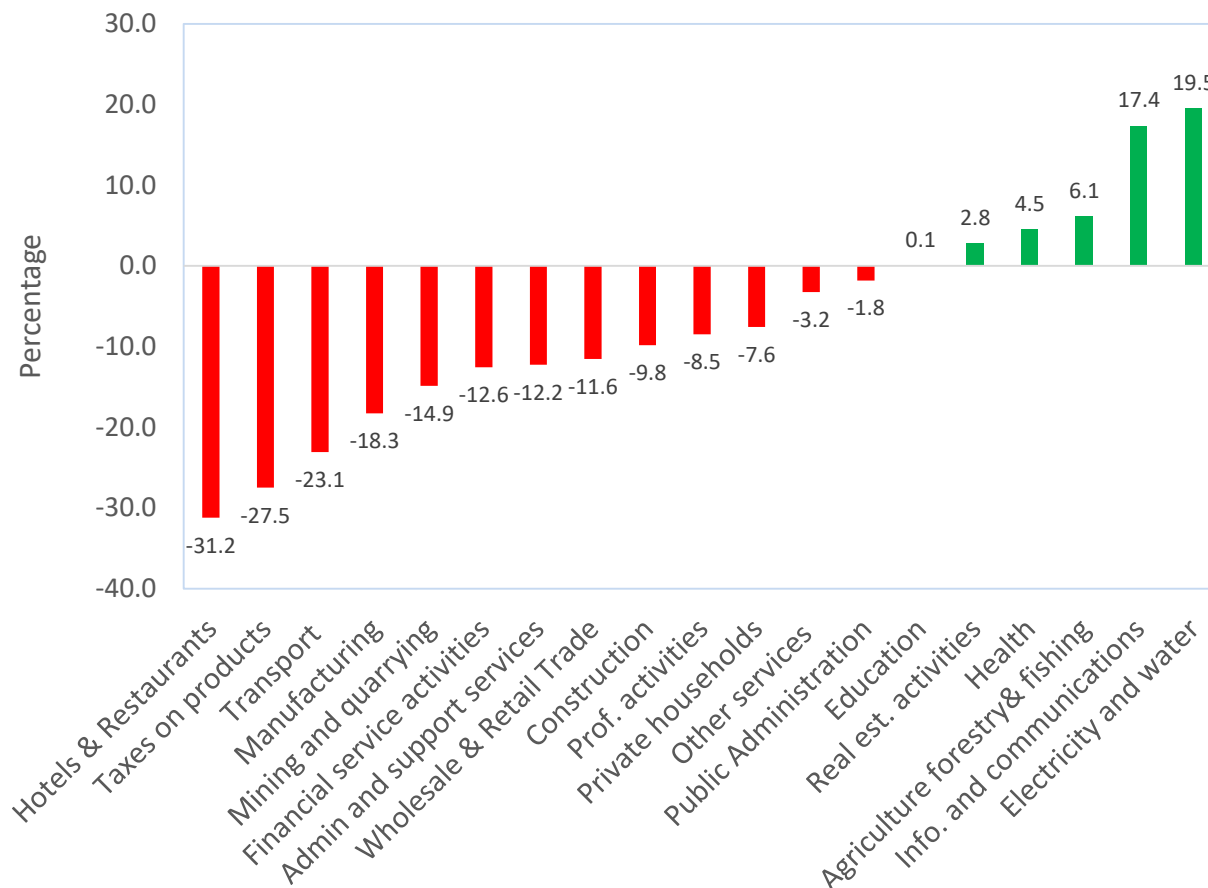


Economic Performance Overview

Key drivers to GDP growth

➤ Poor performance across major sectors of economy:

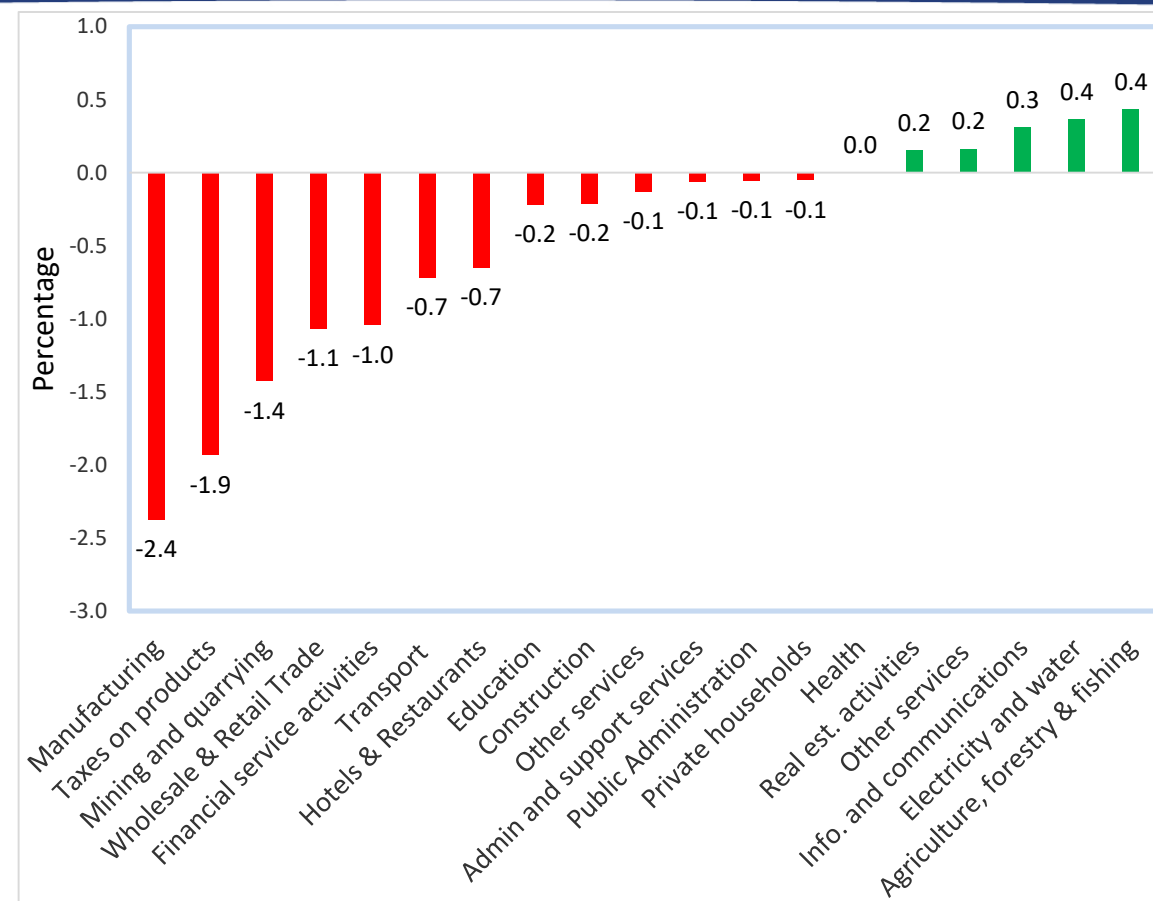
- ✓ “Hotels and Restaurants” lead the pack with **↓ 31.2%**
- ✓ “Transport” registered **↓ 23.1%**
- ✓ Manufacturing registered **↓ 18.3%**
- ✓ “Mining and quarrying” recorded **↓ 14.9%**
- ✓ “Financial and insurance service activities” recorded **↓ 12.6% VS ↑ 12.5% in 2019**
- ✓ Admin and support services recorded **↓ 12.2% vs ↓ 3.0% in 2019**
- ✓ “Wholesale and retail trade, repairs” and recorded **↓ 11.6% vs ↓ 7.9% in 2019**
- ✓ Construction sector **↓ 9.8% vs ↓ 4.4%**
- ✓ Professional, scientific and technical services recorded **↓ 8.5% vs ↓ 6.1% in 2019**



Economic Performance overview

Sectoral share to a decline of 8.5%

- Contributors to the decline of 8.5 %
 - ✓ Manufacturing sector contributed 2.4% pt.
 - ✓ Taxes on products 1.9% pt.
 - ✓ Mining and Quarrying 1.4% pt.
 - ✓ Wholesale & Retail trade 1.1% pt.
 - ✓ Financial services activities 1.0% pt.
- Despite “Hotels and Restaurants” and Transport declining by 31.2% and 23.1% , it’s only contributing 0.7% pt.



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Economic Performance
overview

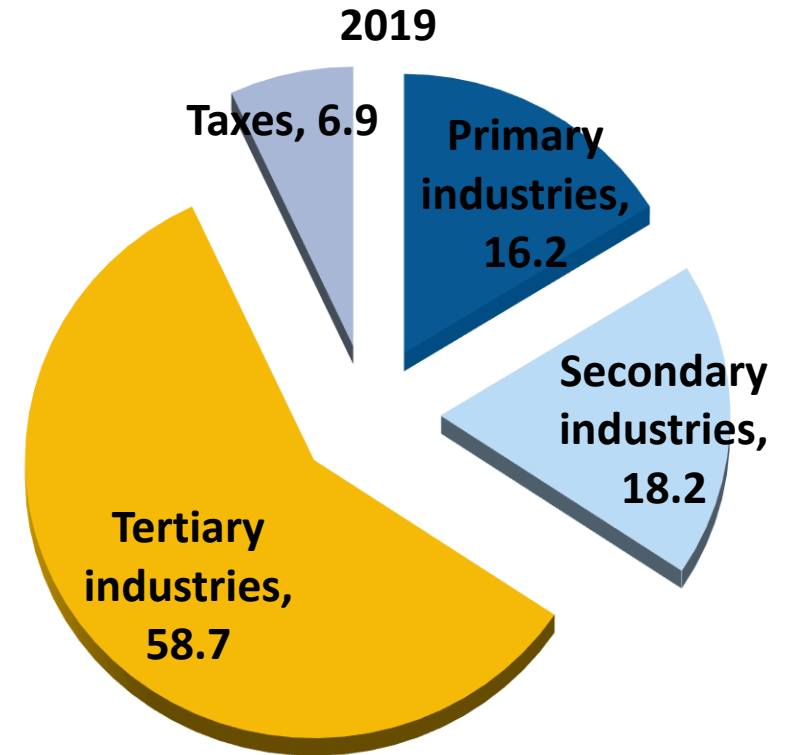
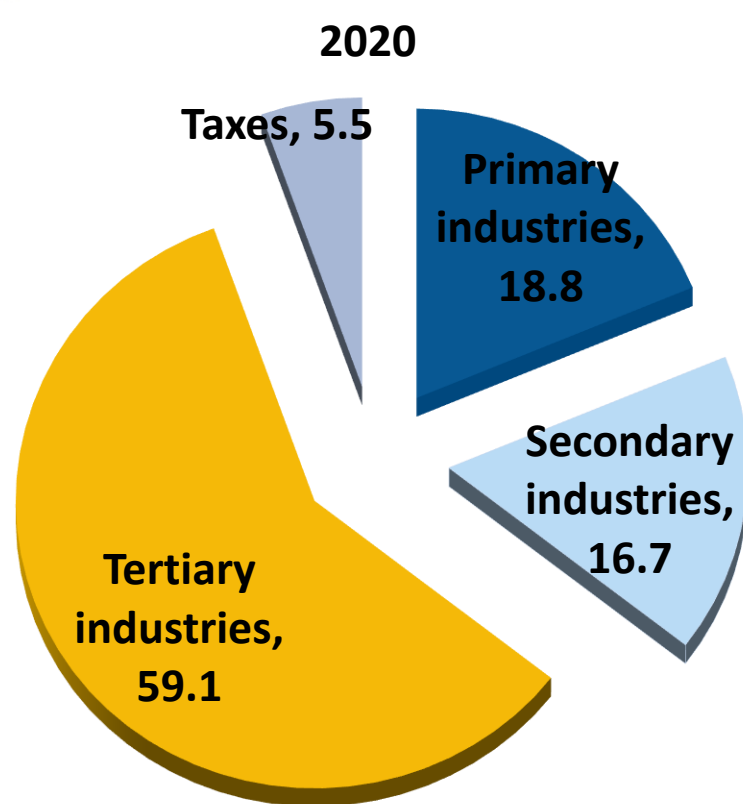
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Economic Performance Overview

Industries shares to GDP



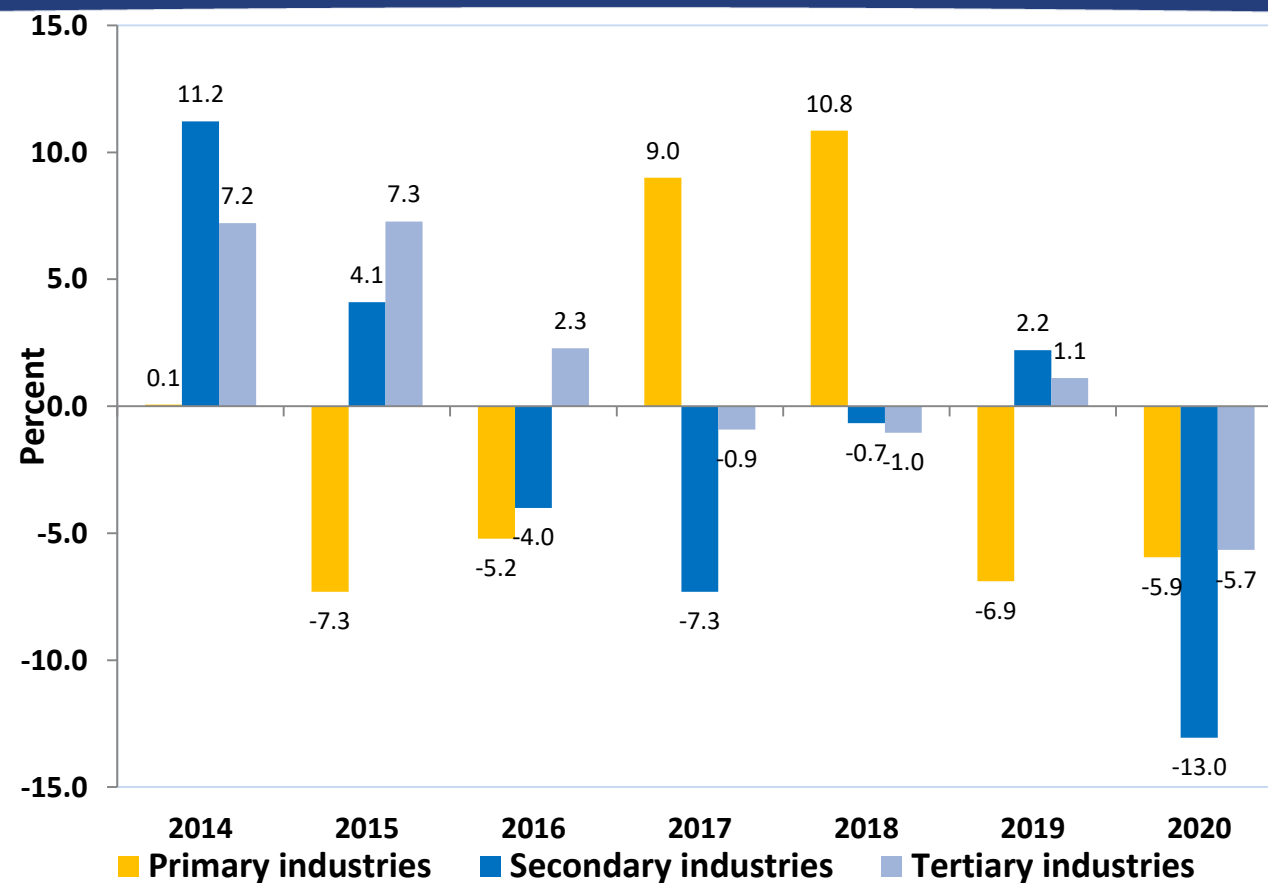
■ Primary industries ■ Secondary industries ■ Tertiary industries ■ Taxes

■ Primary industries ■ Secondary industries ■ Tertiary industries ■ Taxes

Economic Performance Overview

Growth rates of industries

- Secondary industries took a deepest hit, \downarrow 13.0% vs \uparrow 2.2% in 2019.
- Tertiary industries \downarrow 5.7% vs \uparrow 1.1% in 2019.
- Primary industry \downarrow 5.9% vs \downarrow 6.9% in 2019.

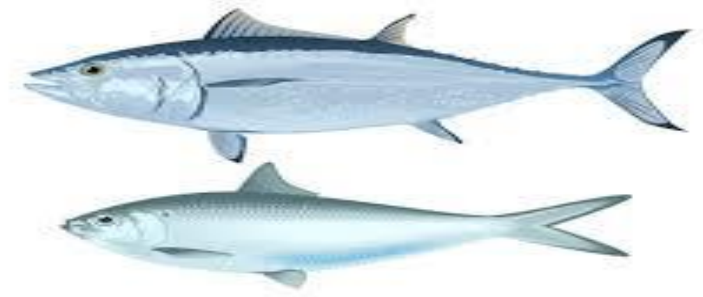


PRIMARY INDUSTRIES OVERVIEW

Primary Industries Overview

Agriculture, forestry and fishing

- Agriculture, forestry and fishing sector posted a positive growth **↑ 6.1%** vs **↓ 3.2%** in 2019
- **Key drivers:**
 - ✓ Crop farming subsector **↑ 77.3%** vs **↓ 32.0%** in 2019
 - Due to good rainfall resulting in bumper harvest for cereal crops.
 - ✓ Livestock subsector **↓ 9.7%** vs **↑ 5.3%** in 2019
 - Due to reduced animals marketed and restrictions imposed to contain COVID-19.
 - ✓ Fishing subsector **↓ 9.5%** vs **↑ 8.1%** in 2019
 - Driven by the declines in fisheries landings:
 - ❖ Demersal
 - ❖ Mid-water



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Primary Industry
overview

Primary Industries overview

Mining and quarrying

- Mining and quarrying dropped to 14.9% vs decline of 9.5% in 2019
- Key drivers:**
- ✓ Uranium subsector posted **↓** 8.5% vs **↓** 4.4%
 - Due to low demand of uranium and COVID-19 restrictions
 - ✓ Other mining and quarrying subsector posted **↓** 17.6% vs **↑** 5.1% in 2019
 - Due to reduced production of marble, granite & salt
 - ✓ Metal ores subsector posted **↓** 20.8% vs **↑** 14.0% in 2019
 - Decline in gold, zinc and copper production
 - Due to closure of one zinc mine and COVID-19 restrictions
 - ✓ Diamond mining subsector registered **↓** 14.9% vs **↓** 17.7% in 2019.
 - Reduced production due to low demand



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SECONDARY INDUSTRIES OVERVIEW

Secondary Industries Overview

Manufacturing

- Manufacturing sector decline by 18.3% vs positive growth of 4.7% in 2019.

Key drivers:

- ✓ Basic non-ferrous metals subsector
 - Posted **↓** 46.8 % in real value added compared **↓** 1.4% in 2019
 - Reduced production of zinc processed, temporary closure of mine
- ✓ Beverages subsector
 - Recorded **↓** 36.5% vs to **↑** 17.5% in 2019
 - Due to alcohol sales ban (prohibited)
- ✓ Meat processing, subsector
 - Recorded **↓** 39.9% vs **↑** 12.4% in 2019
- ✓ Other food products
 - Recorded **↓** 15.1% vs **↑** 6.4% in 2019
- ✓ Diamond processing
 - Recorded **↓** 14.1% vs **↓** 7.1% in 2019



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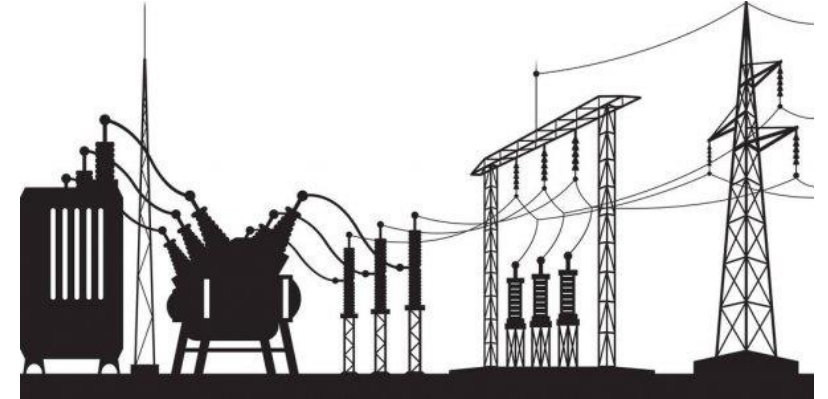
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Secondary Industries overview

Construction and “Electricity and water”

- Construction posted downwards trends in real value added since 2016, registering **↓ 9.8%** vs **↓ 4.4%** in 2019.
 - ✓ Due to decline in civil engineering works and related services
- Electricity and water sector posted **↑ 19.5%** vs **↓ 5.9%** in 2019
 - ✓ Electricity subsector recorded **↑ 40.1%** vs **↓ 10.9%** in 2019.
 - Due to good rainfall in catchment areas.
 - ✓ Water subsector recorded **↓ 5.0%** vs **↑ 0.8%**
 - Due to good rainfall leading to low demand of water.



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Secondary
Industry

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TERTIARY INDUSTRIES OVERVIEW

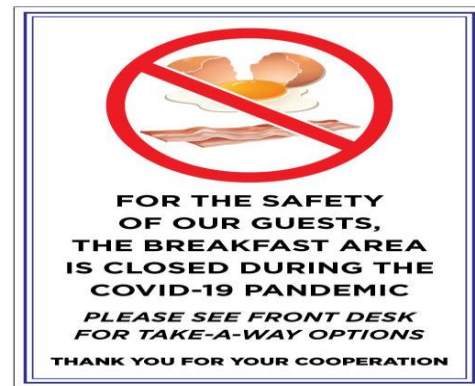
Tertiary Industries Overview

Hotels and restaurants sector

- Hotels and restaurants sectors posted **↓ 31.2%** vs **↑ 1.5%** in 2019

Key drivers:

- ✓ Reduced demand for leisure, conferencing and accommodation activities.
- ✓ Restrictions on international travels



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Transport sector

- Transport sector recorded **↓ 23.1%** vs **↓ 2.2%** in 2019

Key drivers:

- ✓ Airport service subsector drop by **↓ 52.7%**
- ✓ Air transport posted **↓ 73.9%**
 - Due to travel restrictions, local and international
 - Due to outbreak of the pandemic
- ✓ Freight transport by road subsector **↓ 19.7%** vs **↓ 7.3%**
 - Due to restrictions and weak demand for goods



Tertiary Industries Overview

Financial and insurance services

- Financial and insurance services activities' sector **↓** 12.6% vs **↑** 12.5% in 2019.

Key drivers:

- ✓ Insurance service activities subsector **↓** 20.2% vs **↑** 23.8%
 - Reduced demand for long term insurance policy as cancelation increases due to reduced disposable income.
- ✓ Financial services activities drop by **↓** 4.3% vs **↑** 2.5%
 - Reduced demand for loans and deposits by household.

Wholesale and retail sector

- Wholesale and retail sector recorded **↓** 11.7% vs **↓** 7.8%

Key drivers:

- ✓ Weak demand was observed in Clothing, Furniture and Vehicles .
 - Due to reduced disposable income.



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Tertiary Industries Overview

Information and Communication sector

- Information and communications sector recorded a strong growth of **↑17.4%** vs **↑11.9%** in 2019
 - ✓ Reflected in the number of minutes used.
 - ✓ Growth in demand for data services and internet connectivity.



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Administrative and Support Services

- Administrative and support services sector contracted by **↓12.2%** vs **↓3.0%** in 2019

Key drivers:

- ✓ 'Car rentals' and 'travel agents' subsectors activities declines in 2020.
 - Due to reduced demand from international and domestic travellers
 - Due to limited movements of people.

Tertiary Industries Overview

Public administration, Health and Education

- Public administration and defense ↓ 1.8% vs ↑ 1.5% in 2019.
 - ✓ Increase in resignations and retirees relative to new recruits
- Education sector posted ↑ 0.1% vs ↑ 1.7% in 2019.
 - ✓ Slow growth witnessed in “primary and secondary education” subsector.
- Health sector posted ↑ 4.5% vs ↓ 1.7% in 2019
 - ✓ Increased health activities to combat the spread of the pandemic.

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Conclusion

- ❑ The domestic economy was characterized by partial to full lockdown during 2020.
- ❑ Lockdown measures had a negative impact on the production of businesses.
- ❑ Economy posted a contraction of 8.5% relative to a decline of 0.9% registered in 2019
- ❑ Poor performance observed across major sectors except for “Electricity and water”, “Information and communications”, “Agriculture, forestry and fishing”, Health, Real estate activities and Education sectors which posted positive performances.

