

**National Planning Commission
Central Bureau of Statistics**

Mission Statement

As the producer and coordinator of official statistics in Namibia, the CBS's mission is to:
“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 most recent quarter. 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 in their description of the economy.

At this point, I would like to emphasize the importance of accurate and timely delivery of data to the Central Bureau of Statistics (CBS), without which the compilation 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.

A handwritten signature in black ink, appearing to read 'F S M Hangula', written over a horizontal line.

F S M Hangula
Government Statistician

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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 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.

Sources

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

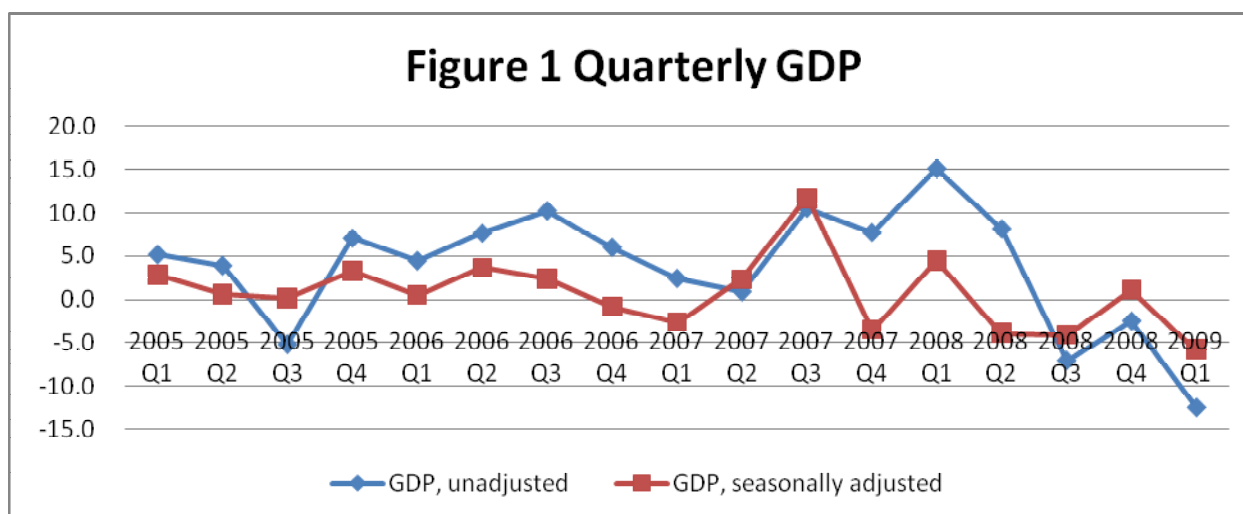
Release calendar

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

Key findings for the first quarter

According to the preliminary indicators, the unadjusted real GDP at market prices decreased by 12.4 percent in the first quarter of 2009 as compared to an increase of 15.1 percent recorded in the first quarter of 2008. This is the growth rate compared to the same quarter in the previous year. The decline in real GDP can be attributed to the decline in value added recorded in the following sectors: fishing; mining; manufacturing; and, hotel and restaurant.

The seasonally adjusted real GDP at market prices for the first quarter of 2009 decreased by 5.8 percent compared to an increase of 1.1 percent recorded in the fourth quarter of 2008. This is the growth rate compared to the previous quarter.



Agriculture and forestry sector reflected an increase of 5.9 percent in real value added as compared to decrease of 3.4 percent recorded in the same quarter of the previous year. The increase can be attributed to livestock farming.

The real value added by the fishing and fish processing on board sector for the first quarter of 2009 decreased by 33.5 percent compared to first quarter of 2008.

Mining and quarrying sector recorded a decline of 65.6 percent in real value added as compared to same quarter in 2008. This is mainly due to the contraction of 76.1 percent in real value added of the diamond mining sub-sector. However, uranium sub-sector recorded a growth in real value added of about 28.5 percent.

Manufacturing sector recorded a contraction of about 39.5 percent in real value added of the first quarter of 2009. This contraction in the sector can be attributed to the decline of value added in following sub-sectors: diamond cutting and polishing; fish processing onshore; and manufacturing of other food.

The real value added by electricity and water sector for the first quarter of 2009 increased by 5.1 percent compared to the first quarter of 2008.

The real value added by construction sector for the first quarter of 2009 increased by 2.9 percent compared to the first quarter of 2008.

The real value added by the wholesale and retail trade sector for the first quarter of 2009 increased by 2.1 percent compared to the first quarter of 2008.

Hotel and restaurants sector recorded a decline of about 17.1 percent in real value added of the first quarter of 2009 compared to the first quarter of 2008.

The real value added by the transport and communication sector for the first quarter of 2009 increased by 9.6 percent compared to the first quarter of 2008. This is mainly due to the communication sub-sector.

The real value added by the financial intermediation sector for the first quarter of 2009 increased by 0.4 percent compared to the first quarter of 2008.

Real estate activities and business services sector recorded an increase of about 1.4 percent in real value added of the first quarter of 2009 compared to the first quarter of 2008.

The real value added by the public administration and defense sector for the first quarter of 2009 increased by 3.5 percent compared to the first quarter of 2008.

The real value added by the education sector for the first quarter of 2009 increased by 1.8 percent compared to the first quarter of 2008.

The real value added by the health sector for the first quarter of 2009 increased by 3.9 percent compared to the first quarter of 2008.

Finally, the real value added by other services sector for the first quarter of 2009 decreased by 0.1 percent compared to the first quarter of 2008.

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
2005		2,590	1,434	3,697	5,742	1,119	1,166	5,087	788	2,627
2006		2,687	1,308	4,718	5,897	1,183	1,600	5,473	846	2,999
2007		2,670	1,059	4,742	6,395	1,229	1,835	5,904	936	3,157
2008		2,751	929	4,659	6,228	1,300	2,122	6,072	945	3,341
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	810	267	940	1,413	260	305	1,452	162	701
2006	1	486	416	1,130	1,490	309	385	1,216	174	718
	2	716	372	1,154	1,547	320	380	1,294	216	731
	3	555	325	1,294	1,624	285	436	1,419	250	775
	4	930	195	1,141	1,236	269	401	1,543	206	775
2007	1	513	312	1,434	919	335	451	1,309	238	757
	2	734	272	1,036	1,150	323	493	1,433	207	797
	3	564	251	995	2,713	339	463	1,528	229	817
	4	858	225	1,277	1,613	232	428	1,634	262	785
2008	1	495	367	1,131	2,191	326	696	1,400	294	793
	2	761	256	1,101	1,587	404	456	1,487	277	806
	3	569	208	1,201	1,293	319	465	1,576	172	865
	4	925	97	1,227	1,156	252	505	1,609	202	876
2009	1	525	244	388	1,327	342	716	1,429	243	869

Table 1 Quarterly Gross Domestic Product by Activity (Continues)

Constant 2004 prices – N\$ million

Year	Quarter	Financial intermediation	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
2005		1,941	4,188	3,673	3,066	1,446	2,006	519	40,051	3,707	43,758	
2006		2,024	4,339	3,816	3,175	1,461	2,061	593	42,994	3,860	46,853	
2007		2,264	4,711	4,108	3,370	1,545	2,091	652	45,365	4,057	49,421	
2008		2,492	4,914	4,431	3,551	1,718	2,094	670	46,877	3,990	50,867	
2005	1	465	1,029	931	767	434	494	123	9,861	911	10,771	10,796
	2	489	1,044	916	767	355	499	133	9,962	867	10,829	10,856
	3	493	1,055	911	767	351	504	131	10,002	917	11,920	10,869
	4	494	1,061	915	767	306	508	133	10,227	1,012	11,239	11,226
2006	1	492	1,065	931	794	378	512	141	10,354	895	11,249	11,286
	2	501	1,073	946	794	341	514	150	10,748	909	11,657	11,700
	3	507	1,089	961	794	375	516	150	11,057	982	12,039	11,976
	4	524	1,113	978	794	366	519	152	10,836	1,074	11,910	11,876
2007	1	527	1,144	996	843	393	521	161	10,531	990	11,520	11,565
	2	542	1,170	1,015	843	400	523	156	10,782	982	11,764	11,833
	3	594	1,191	1,037	843	409	524	170	12,328	981	13,308	13,225
	4	601	1,207	1,060	843	343	524	166	11,726	1,105	12,831	12,762
2008	1	616	1,219	1,086	888	468	524	171	12,322	937	13,259	13,335
	2	619	1,227	1,105	888	449	524	168	11,779	944	12,723	12,815
	3	625	1,233	1,117	888	441	523	170	11,326	1,046	12,372	12,289
	4	632	1,236	1,124	888	360	523	162	11,452	1,063	12,515	12,424
2009	1	619	1,236	1,124	904	487	523	162	10,813	797	11,611	11,697

Table 2 Quarterly Gross Domestic Product by Activity
Constant 2004 prices – percentage changes

Year	Quarter	Agriculture	Fishing	Mining and quarrying	Manufacturing	Electricity	Construction	Wholesale and retail trade	Hotels and restaurants	Transport and communication
2005		15.0	-8.3	-10.9	7.5	24.3	2.4	9.7	2.4	9.3
2006		3.8	-8.8	27.6	2.7	5.7	37.2	7.6	7.4	14.2
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	26.8	-16.2	0.8	-15.2	34.5	6.7	41.6	21.7	9.4
	2	9.7	-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	4.5	0.8	7.9	13.2	10.1	17.7	28.6	-16.9	7.2
2006	1	-1.4	4.4	8.4	6.8	10.4	40.6	4.5	-13.0	16.1
	2	4.4	-15.9	33.2	4.3	13.1	41.9	10.5	13.0	15.3
	3	-7.7	-0.5	52.4	11.9	-3.7	36.1	9.2	6.5	15.0
	4	14.9	-27.0	21.4	-12.5	3.3	31.3	6.3	27.3	10.6
2007	1	5.5	-25.1	26.9	-38.3	8.3	17.3	7.6	36.5	5.5
	2	2.4	-26.8	-10.2	-25.6	1.2	29.8	10.7	-4.3	9.0
	3	1.7	-22.8	-23.1	67.0	19.1	6.2	7.6	-8.3	5.5
	4	-7.7	15.5	12.0	30.5	-13.8	6.8	5.9	27.0	1.3
2008	1	-3.4	17.7	-21.1	138.4	-2.9	54.2	6.9	23.5	4.7
	2	3.8	-5.8	6.3	38.0	24.9	-7.6	3.8	34.0	1.1
	3	0.8	-16.9	20.6	-52.3	-6.1	0.5	3.2	-24.9	5.9
	4	7.8	-56.6	-3.9	-28.3	9.0	18.0	-1.5	-22.7	11.6
2009	1	5.9	-33.5	-65.6	-39.5	5.1	2.9	2.1	-17.1	9.6

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

Year	Quarter	Financial intermediation	Real estate activ. & bus. service	Public administration	Education	Health	Other services	FISIM	All industry at basic prices	Taxes on products	GDP at market prices	GDP, seasonally adjusted
2005		15.1	6.8	-4.8	-8.0	-19.9	6.0	10.7	2.2	5.9	2.5	
2006		4.3	3.6	3.9	3.5	1.0	2.8	14.2	7.3	4.1	7.1	
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	7.8	-3.7	-8.0	-17.3	8.2	0.2	2.9	37.4	5.2	2.8
	2	19.8	7.5	-5.7	-8.0	-21.3	6.6	17.3	3.3	10.9	3.9	0.6
	3	15.3	6.7	-5.8	-8.0	-22.1	5.3	13.0	-3.3	-21.8	-5.2	0.1
	4	11.6	5.4	-4.0	-8.0	-19.2	4.3	13.0	6.4	14.6	7.1	3.3
2006	1	6.0	3.4	0.0	3.5	-12.8	3.6	14.8	5.0	-1.8	4.4	0.5
	2	2.4	2.8	3.2	3.5	-3.8	2.9	12.7	7.9	4.8	7.6	3.7
	3	2.9	3.3	5.5	3.5	7.1	2.4	14.7	10.5	7.0	10.2	2.4
	4	6.0	4.9	6.9	3.5	19.5	2.1	14.6	6.0	6.2	6.0	-0.8
2007	1	7.1	7.4	6.9	6.2	3.9	1.8	14.0	1.7	10.6	2.4	-2.6
	2	8.3	9.0	7.4	6.2	17.2	1.7	4.1	0.3	8.0	0.9	2.3
	3	17.1	9.3	7.9	6.2	9.0	1.4	13.2	11.5	-0.1	10.5	11.8
	4	14.7	8.5	8.4	6.2	-6.2	1.0	9.2	8.2	2.8	7.7	-3.5
2008	1	16.8	6.6	9.0	5.4	19.1	0.5	6.3	17.0	-5.3	15.1	4.5
	2	14.1	4.9	8.8	5.4	12.2	0.2	7.5	9.2	-3.8	8.2	-3.9
	3	5.3	3.5	7.8	5.4	7.7	-0.1	0.0	-8.1	6.6	-7.0	-4.1
	4	5.2	2.4	6.0	5.4	4.9	-0.1	-2.4	-2.3	-3.7	-2.5	1.1
2009	1	0.4	1.4	3.5	1.8	3.9	-0.1	-5.0	-12.2	-14.9	-12.4	-5.8

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.