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FOR IMMEDIATE RELEASE:

MEDIA STATEMENT:

ECONOMIC OUTLOOK FOR 2011

The Bank of Namibia herewith wishes to inform the relevant stakeholders and the public of the Bank's economic output estimate for 2010 and projection for 2011. The estimate and projection are based on information and indicators from and deliberations with numerous industries in the various sectors of the economy.

The output for Namibia is expected to expand by 4.1 percent in 2011, from an estimated 4.6 percent during 2010. This is an upward revision of 0.4 percentage points for 2010, compared to our February 2010 projection. The upward revision in growth is mainly due to the more than initially expected recovery in diamond mining.

Going forward, growth is expected to be broad-based in 2011, with the secondary industry taking the lead followed by the tertiary and primary industries. The secondary industry is projected to be spurred by rising output in the manufacturing sector, especially food and beverages, and others, most notably the processing of the minerals and the cement plant that is envisaged to commence production in the first quarter of 2011. The tertiary industry is expected to be mainly driven by the steady performance of the wholesale and retail trade, transport and communication and public administration categories. However, growth in the primary industry is expected to slow down, on account of a moderation in diamond mining.

The risks to the outlook for 2011 are tilted to the downside mostly due to the risks associated with the sustainability of the global economic recovery, the relatively strong Namibia Dollar and the risks emanating from sovereign debt crises in the Euro-area. In this regard, a downside scenario, which is based on the possible realisation of these risks, is projected at 3.8 percent for 2011.

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