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**FOR IMMEDIATE RELEASE**

**FEBRUARY 2018 ECONOMIC OUTLOOK UPDATE RELEASED**

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Namibia's economic growth rate for 2017 is now estimated at -0.6 percent, before gradually improving to 1.4 percent and 2.1 percent in 2018 and 2019, respectively.

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- 1. Based on IMF's World Economic Outlook update for January 2018, global growth is projected to remain strong during 2018 and 2019, with Sub-Saharan Africa's growth also expected to increase.** The global economy is projected to grow by 3.9 percent both in 2018 and 2019, which is an improvement from 3.7 percent estimated for 2017. This growth will be supported by favourable economic policies and better than earlier expected growth outcomes in major advanced and emerging market economies. Growth in Sub-Saharan Africa is also estimated to increase to 3.3 percent and 3.5 percent in 2018 and 2019, respectively, compared to 2.7 percent in 2017. The strong global growth may have positive spill overs for the Namibian economy going forward.
- 2. Risks to the near-term global outlook are expected to remain broadly balanced, but tilted to the downside in the medium term.** Risks to the outlook remain and include among others: financial corrections, faster than expected increases in advanced economies' core inflation rates, high debt levels in some countries, policy and political uncertainties, as well as extreme weather events.


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3. **The domestic economy is estimated to have contracted in 2017, but is expected to recover gradually in 2018 and 2019.** Growth for 2017 is estimated at -0.6 percent in 2017, from a positive growth of 1.1 percent in 2016. The reduction in growth is ascribed to contractions in sectors such as construction, wholesale and retail trade and public sector, as well as slower growth rates for manufacturing and electricity and water. Going forward, growth is projected to improve steadily to 1.4 percent and 2.1 percent in 2018 and 2019 respectively.
4. **Over the medium term, growth is projected to improve, due to the expected moderate contractions in wholesale and retail trade and construction sectors.** It is expected that growth will be supported mainly by the anticipated improvements in wholesale and retail trade, construction and sustained growth for transport and communication. Furthermore, uranium mining is expected to register better growth rates during 2018 and 2019 and hence sustain the mining sector while at the same time supporting overall growth.
5. **Risks to the domestic economic outlook remain, mainly in the form of persistently low uranium prices and unpredictable rainfall.** Risks to the domestic outlook include low international prices for uranium, erratic rainfall and possible further credit rating downgrades for the domestic economy as well as for the South African economy.

The Economic Outlook Update for February 2018 is accessible online at

<http://www.bon.com.na/Publications/Economic-Outlook.aspx>

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