

Economic Outlook

BANK OF NAMIBIA

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SYNOPSIS:

The **global economy** is expected to continue growing at a strong pace of about 4.8 per cent in 2008, albeit slower than in previous years. Downside risks to the outlook remain the high and volatile oil prices, the weakening dollar and financial market strains, which are seen as a key risk to the global economy.

The **Namibian economy** is projected to grow by 4.7 per cent in 2008 from an estimated 3.8 per cent in 2007. The growth would be supported by strong metal prices and the expansion of mineral production such as uranium and diamonds. Risks to the outlook include volatility in fuel prices and exchange rates and high interest rates.

Signs of **inflationary pressure** are still looming and it is expected to continue in 2008. **Consumption and investment** levels are expected to have grown positively in 2007 and the **current account balance** is forecasted to further improve on account of high SACU receipts and improved export earnings.

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THE GLOBAL ECONOMY

The global economic growth is estimated to moderate to 4.8 percent in 2008 - down from the estimated 5.2 percent in 2007. The largest downward revisions to growth are in the United States and countries where financial and trade spillovers from the United States are likely to be largest, particularly Canada, Mexico, and parts of emerging Asia.

Despite the slowdown, the growth is expected to continue at a solid pace, with emerging markets leading the way. Fast growth in China, India and Russia, led the continuous expansion in the emerging market countries who accounted for one-half of global growth over the past year, but other emerging market and developing countries have also maintained robust expansions. Rapid growth in these countries counteracted continued moderate growth in the United States, which grew at 3.1 percent on average in the first three quarters of 2007, as the housing correction continued to apply considerable drag. Growth in the Euro area and Japan slowed in the second quarter, after two quarters of strong gains.

Despite the strong growth global inflation remains contained. Some emerging markets have, however, faced rising price pressures from energy and food prices. Oil prices have risen back toward record highs against the backdrop of limited spare production capacity and food prices have been boosted by supply shortages.

Risks to the outlook include the concern that financial market strains could continue and trigger a more pronounced global slowdown. Additional risks to the outlook include potential infla-

tion pressures, volatile oil markets, the impact on emerging markets of strong capital inflows, and continued large global imbalances.

In the **United States**, real GDP growth is projected at 1.9 percent for both 2007 and 2008. Continuing difficulties in the sub-prime mortgage market are expected to extend the decline

in residential investment, while higher energy prices, sluggish job growth, and weaker house prices are likely to diminish consumption spending. The balance of risks to domestic demand has shifted further to the downside, as recent financial developments have raised the risk of extended problems in the housing sector that could start having a deeper impact on the rest

of the economy.

The adjustment in the U.S. housing sector has been a major drag on activities reflected in the slowdown in residential investment. It is envisaged that the housing correction will continue well into 2008 and the sub-prime mortgage problems have spread beyond the sector. The U.S. current account deficit is projected to decline slightly to 5.5 percent of GDP for the next two years, as it benefits from the recent real effective depreciation of the U.S. dollar and a more balanced pattern for global demand growth.

It is, however, predicted that the U.S. economy is most likely to manage a gradual soft landing, despite the possibility of a slowing of the growth pace. Inflation is projected to average 2.3 percent during 2008, from an average of 2.7 percent in 2007.



Source: www.lib.utexas.edu/maps

The Global Economy

World Real GDP Growth

	2004	2005	2006	2007*	2008*
World	5.3	4.8	5.4	5.2	4.8
United States	3.6	3.1	2.9	1.9	1.9
Euro Area	2.0	1.5	2.8	2.5	2.1
Japan	2.7	1.9	2.2	2.0	1.7
Emerging Asia	8.8	9.2	9.8	9.8	8.8
China	10.1	10.4	11.1	11.5	10.0
Developing countries	7.7	7.5	8.1	8.1	7.4
Africa	5.8	5.6	5.6	5.7	6.5
Sub-Sahara	5.9	6.0	5.7	6.1	6.8
Angola	11.2	20.6	18.6	23.1	27.2
Botswana	6.3	3.8	2.6	5.0	5.2
Mozambique	7.5	6.2	8.5	7.0	7.0
Namibia	6.6	4.8	4.1	3.8	4.7
South Africa	4.8	5.1	5.0	4.7	4.2

Source: IMF, "World Economic Outlook", September 2007; * indicates forecast

"Growth in developing Asia has been stronger than expected across much of the region"

Source:
www.nestle.com



In **Japan**, real GDP growth is projected to moderate to 1.7 percent in 2008 from 2.0 percent in 2007, mainly on account of slower global growth, and a somewhat stronger yen. Moreover, public investment has been sluggish, as opposed to the increase in exports and business fixed investments, which continue to trend upward against the background of high corporate profits. It is expected that Japan will record a positive inflation averaging at 0.5 percent in 2008.

Real GDP growth in the **Euro Area** is estimated to

slow down to 2.1 percent in 2008 from the estimated 2.5 percent during 2007, reflecting lagged effects of euro appreciation, trade spillovers from the United States, and more difficult financing conditions. The main risk to the outlook is the overheating labour markets due to high productivity growth, that could lead to wage and price dynamics that would result into tightened monetary policy. Inflation is projected at 2.0 percent for both 2007 and 2008.

Growth in developing Asia has been stronger than expected across much of the region, with domestic demand making an increasing contribution in a number of economies. Exports have remained an important driver of activity, notwithstanding a relatively weak performance from electronics. China and India continued to lead the way, with high growth backed by strong investment. GDP growth in **China** is estimated to moderate to 10.0 percent in 2008 from 11.5 percent in 2007. Inflation in China is expected to average 3.9 percent in 2008 from 4.5 percent during 2007.

In China, the surging food prices drive inflation, whereas in India credit growth is still expanding. It thus, remains indistinct to what extent policy tightening in both countries will prove effective in cooling robust demand growth that has raised concerns about overinvestment in China and

overheating in India. The economy in **India** is projected to grow by 8.4 percent in 2008 - a slow down from 8.9 percent during 2007, which is largely due to strong gains in domestic investment demand. The consumer price index in India is expected to decelerate to average 4.4 percent in 2008 from an average of 6.2 percent during 2007.

Economic growth in Latin America is projected to ease to 4.2 percent in 2008 from 4.9 percent in 2007. This slowdown is expected to be relatively broad-based with Brazil and Chile as exceptions. Growth in Brazil and Chile is projected at 4.0 and 5.0 percent during 2008, respectively. Argentina's growth is projected at 5.5 percent in 2008. The external environment is expected to become somewhat less favourable as global growth moderates and oil and metals prices decline from the record levels of 2006.

Differences in monetary policy across countries will also be an important driver of growth. The balance of risks to the outlook at this stage is slightly tilted toward the downside. A sharper-than-expected slowing in the United States would hit Latin America harder than other regions. A more pronounced decline in commodity prices or tighter financing conditions in international markets would also adversely affect growth prospects in all the regions of the world.

Sub-Saharan Africa



The Namib Desert

Notwithstanding the anticipated moderation in global output, real GDP growth in sub-Saharan Africa is expected to reach 6.8 percent in 2008 from an estimated 6.1 percent in 2007. The economic expansion is strongest in oil exporters, but extend to all country groups. The development partly reflects rising production in oil exporters and strong domestic investment in oil importers, fueled by continued progress in stabilizing economies and implementing reforms in most countries.

The region benefited also from the external environment reflected in the strong demand for commodities, increased capital inflows and debt relief. Inflation in the region (excluding Zimbabwe) is expected to decline to 6.8 percent in 2008 from the estimated 7.5 percent in 2007 with inflation in 32 out of 44 countries in single digit.

The GDP growth in oil producing countries continued to be led by Angola and Equatorial Guinea, where new oil fields have come on stream. In Nigeria, civil unrest in the Niger Delta is disrupting onshore oil output, though that is being partly offset by new off-shore production. The oil revenues in these countries is stimulating domestic demand and growth in the non-oil sector. The growth in middle-income countries would be led by South Africa, where public and

private investment should rise. In low-income countries growth would be driven by agriculture and construction.

There are external and internal risks that could have adverse consequences to the regional outlook. These include unexpected slowdown in the global economy, floods in Mozambique and Zambia, large declines in nonfuel commodity and high oil prices. The political and security risks, such as the crisis in the Darfur region of Sudan, conflicts in Ethiopia and Somalia, political divisions in Côte d'Ivoire, Kenya and Guinea, and fragilities in the Democratic Republic of Congo also pose risks.

“There are external and internal risks that could have adverse consequences to the regional outlook.”

South Africa

Economic growth in South Africa is slowing, although it remains positive, while inflation is rising and the current account deficit widening. Real GDP growth is expected to moderate to 4.2 percent during 2008 from 4.7 percent in 2007. This decelerated growth will be mostly influenced by both public and private investments. The higher food and energy prices have pushed inflation slightly above the upper limit of the inflation target band of 3–6 percent. The SARB responded by adjusting the repo rate.

Furthermore, inflation is being driven by a combination of external factors like high oil and food costs, and internal factors, like strong consumer spending. South Africa has enjoyed a significant boom in property prices, which has further boosted consumer spending. Inflation is projected to average 6.2 percent in 2008 from 6.6 percent during 2007.

The current account deficit in South Africa stems largely from strong domestic demand. The surge in investment associated imports will continue to rise as

spending increases to meet the demand for 2010 Soccer World Cup. The current account deficit as a share of GDP is estimated to decline to 6.4 percent during 2008 from a projected 6.7 percent in 2007.



The Union Building, Pretoria

Namibia

The Namibian economy is projected to grow at 4.7 percent in 2008 from an estimated 3.8 percent in 2007 (Chart 1). This growth will be mainly on account of increased uranium production, and the continued strong growth in the tertiary sector. Tourism is also proving a strong contender in increasing its contribution to GDP.

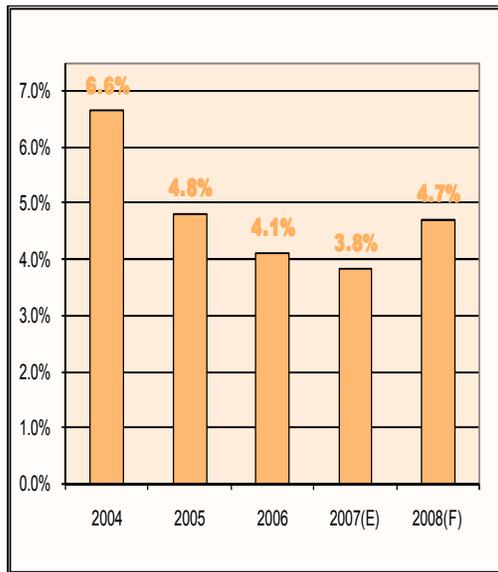
The current prevailing high prices of other mining products, would contribute positively to the economic growth in the short to medium term.

Mining

The mining sector is projected to grow by 10.8 per cent in 2008, from an estimated growth of 0.4 per cent in 2007. The slow growth during 2007 is mainly attributed to various unforeseen bottlenecks

An increase in diamond production is estimated for 2008, reaching the 2.5 million carat mark, which is higher than the 2007 production levels.”

Chart 1: Real Economic Growth



Source: The Central Bureau of Statistics and

experienced in the sector and older mines reinvesting into new operations. The growth during 2008 will be mainly attributed to increased uranium production.

Diamond Mining

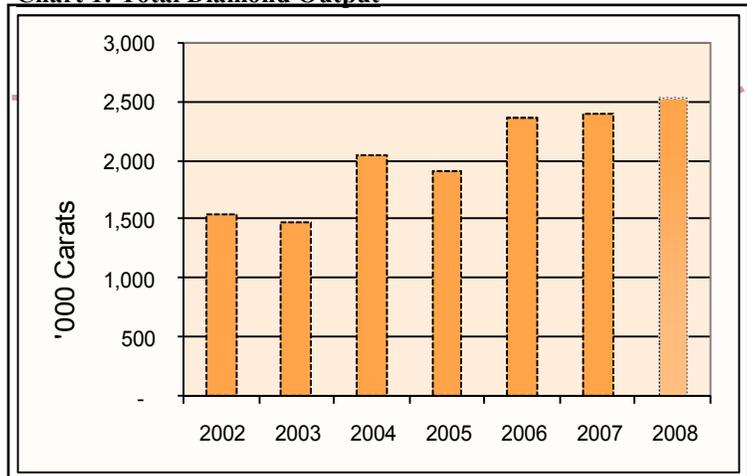
Diamond output is projected to grow by 7.8 per cent in 2008, from an estimated negative growth of 0.3 per cent in 2007, mainly due to the increase in offshore

mining activities. The world consumer demand for diamonds is expected to grow in line with world GDP in the next few years and could contribute positively to diamond output.

Other Mining

Other mining, which comprises mainly of zinc, uranium, gold, lead and silver, is expected to grow by 21.8 percent in 2008, compared to the 3.0 percent growth of 2007. This is due to increase in uranium production coupled with currently prevailing good commodity prices brought about by strong world demand. As mentioned above, despite the positive outlook on commodity prices, 2007 production levels were lacklustre and are expected to improve significantly in 2008.

Chart 1: Total Diamond Output



Source: Ministry of Mines and Energy and BoN (2007)

TABLE 2: AVERAGE ANNUAL METAL PRICES

Metals	QUOTED AS	2005	2006	2007	2008
Copper	US\$/t	3565	6668	7097	6695*
Gold	US\$/oz	445	604	697	914**
Lead	US\$/t	959	1282	2551	2463*
Silver	US\$/to	7.31	11.2	13.39	14.85**
Uranium oxide	US\$/lb	28.8	50.2	101.0	95.0**
Zinc	US\$/t	1388	3238	3237	2273*

Source: *Namibia Chambers of Mines (yearly average price)*; *=*London Metal Exchange (15 months mean)*; **=*New York Mercantile Exchange*

Forecasting Assumptions

The following main assumptions and information were made to forecast key sectoral growth rates for the Namibian economy.

- Diamond output is assumed to grow positively in the medium term.
- Other mining's output is projected to increase on the back of increase in uranium production coupled with high metal prices.
- Agricultural growth is estimated to decelerate due to good rainfall prospect for 2008 as compared to 2007.
- Growth in the fishing sector is expected to be mixed due to better prices and relatively weaker Namibia Dollar, and lower TAC due poor fish stock.
- Growth in manufacturing in 2008 is assumed to be led by refined zinc, and other food products and beverages subsectors.
- The construction sector is assumed to grow positively on the back of government projects (i.e. railway and road constructions), as well as private sector activities especially in the mining construction activities (i.e. uranium mines) and tourism-related infrastructures.
- The transport and communication sector will grow positively on the back of the positive performance of the mobile telecommunications category of the communication sub-sector due to increasing demand.

Agriculture

Growth in the agricultural sector is projected to slow down to 2.9 per cent in 2008, from an estimated 3.2 per cent in 2007. Beef and small stock marketed during 2007 has increased, but, this trend is expected to decelerate in 2008 on the account of good prospect of rainfall. Consequently, farmers are expected to rebuild the livestock and will, thus, have a smaller output during 2008.

Crop production for 2008 is expected to be high on account of good rainfall prospects. The dynamics in the sector are changing due to weather concerns. Coupled with high oil prices, a trend towards more eco-friendly bio-fuels has pushed up demand for grain crops like wheat. This has translated into favourable prices for the industry. The Namibian government's reaffirmation towards rural development in its 5 year NDP3 plan is envisioned to see greater investment in the sector – a generally positive outlook.

Fishing

The fishing sector is expected to contract by about 0.2 per cent for 2008 from an estimated decline of 0.4 percent during 2007. This is mainly due to concerns about the sizes of the fish, which has seen TAC figures reduced in 2007 from their 2006 levels. The fishing sector experienced difficult operating conditions over the last three years, which include high oil prices, low market prices and adverse oceanic conditions.

The TAC are expected to be reduced in 2008 for the hake, horse-mackerel and pilchards. This will have an adverse effect on the volumes catches in these species.

On the upside, the exchange rate has been favorable to fish exports, good selling prices and the increased support given to the aquaculture sub-sector bodes well for the sector.

The down-side risk to the forecast is however, the rising of oil prices which will have negative effects (increased input costs) on the sector.

Manufacturing

The manufacturing sector is projected to grow at 5.3 per cent in 2008 from an estimated 4.9 per cent in 2007. The situation is due to expected growth in refined zinc, meat processing, and other food products and beverages subsectors.

Meat processing is estimated to grow by 2.3 percent in 2008, compared to 3.2 percent growth in 2007. This improvement from the 11.6 percent contraction of 2006 can be attributed to an increase in the number of cattle marketed in 2007.

The zinc refining is estimated to grow by 15.4 percent in 2007 and is projected to remain strong in 2008 due to the expected increased zinc production. The copper smelting is also expected to contribute positively to the other manufacturing sub-sector.

Construction

The construction sector is projected to grow by 9.5 per cent in 2008 from a growth rate of 9.3 in 2007.



“Efforts to market Namibia as a tourism destination are also paying off”

The growth in 2007 is mainly due to construction activities related to projects undertaken by the mining and quarrying; transport and communication; electricity and water; and government sectors.

Current prevailing high interest rates may hamper growth in the residential sub-sector, as consumers may avoid rising cost of borrowing money. Long-term construction projects relating to mining and quarrying, electricity and water and transport and communication to be bound by contracts and are thus less affected by interest rate movements.

Hotels and Restaurants

The hotel and restaurants sector, which is a proxy for the tourism industry, is expected to grow by around 3.5 per cent in 2008, compared to 4.0 percent in 2007. The growth is expected to be sustained in the short run, mainly due to a slightly weaker Namibia dollar and activities related to accommodation establishments and the economic growth prospects of the other countries. Efforts to market Namibia as a tourism destination are also paying off, with the country rated as the 6th fastest growing tourism industry

in the world by the World Travel and Tourism Council in 2006.

Transport and Communication

The overall growth for the sector is projected at 11.0 per cent in 2008 from an estimated 11.1 per cent in 2007. The growth will mainly come from the expansion of the mobile telecommunication sub-sector as well as the transport and storage sub-sector.

The transport sub-sector is expected to grow on the backdrop of the increased activities in other sectors, for example, in mining and construction. Telecommunications companies in Namibia are investing large resources in the development of an Information and Communications Technology (ICT) industry and have gone as far as explicitly outlining this developmental need as part of their growth strategies.

Evidence of this includes an ever-increasing wide range of products offered to consumers. The increase in the number of players in the industry has also had a positive effect on the growth of the industry, not least because the increased competition has seen all players aggressively investing in infrastructure, service and product delivery in order to maintain or increase their market share.

This growth is expected to continue on an upward trend in the medium term before stabilizing.

Electricity, Gas and Water

Growth of the electricity, gas and water sector is expected to be around 3.7 per cent in 2008 from an estimated 3.5 per cent in the preceding year. The growth is mainly due to better rainfall prospect in the catchment area of the Ruacana hydro-electric power station. The downside risk to the outlook is the effect of high oil prices. Greater future growth is expected in this sector with the expansion of the mining sector, the largest consumer of electricity in the economy.

Other Sectors

The growth of other sectors, including producer of government services is expected to be sustained at around 3.2 per cent on average during 2007 and 2008. The producers of government services sub-sector is expected to grow by 2.2 per cent in 2008, from 1.9 percent in 2007.

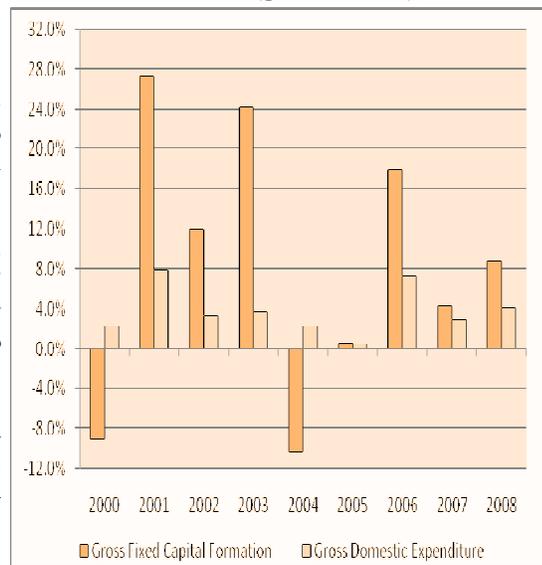
Consumption and Investment

Real final consumption expenditure is expected to increase by 4.0 in 2008 from an estimated increase of 2.6 per cent in 2007. This would be mainly due to demand arising from private consumption.

The other subcomponent of final consumption expenditure, general government consumption, contracted by 1.7 percent in 2006 and is forecasted to grow in real terms by 2.2 per cent during 2007 and 2008 and this is assumed to follow the growth of producer of government services.

Real investment is estimated to grow by 6.6 per cent on average during 2007 and 2008 from 18.0 per cent in 2006. This growth is mainly coming from new investment in mining and energy.

Domestic Demand (growth rate)



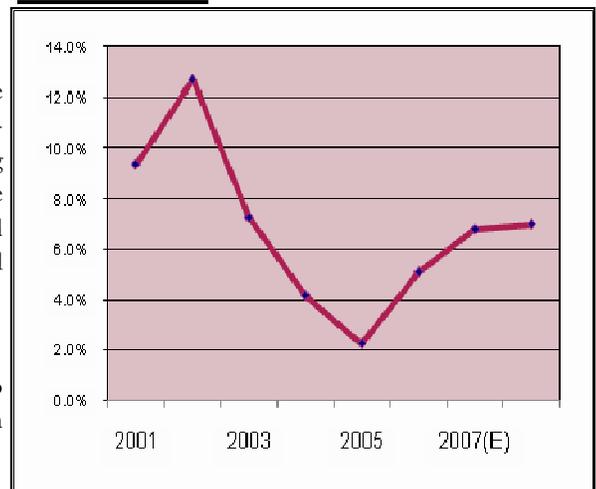
Source: Central Bureau of Statistics, BoN

Price Developments

The average inflation rate is expected to be around 7.0 per cent in 2008 from the estimated average rate of 6.8 per cent during 2007. The increase in the 2007 inflation rate was mainly caused by increases in food and transport prices, largely as a result of high fuel prices.

The risk to the inflation outlook remains to be the increase in the oil prices, volatility in the exchange rate, food and energy prices.

Inflation Rate



Source: Central Bureau of Statistics, BoN



Conclusion

After having slowed to 3.8 percent in 2007, the Namibian economy is expected to grow at a stronger pace of 4.7 per cent during 2008. The driving force to the growth would be mainly the mining sector, however this would be a job-less growth as the mining sector is more capital intensive and more need to be done to address unemployment. Other sectors such as manufacturing and construction are also expected to contribute positively to economic growth in 2008. It would also be necessary to fast-track implementation of structural reforms to achieve a much higher growth rate necessary to meaningfully reduce poverty. The downside risks to the forecast include the exchange rates, oil prices, high interest rates and the expected slowdown in global economy.

Appendices

Appendix I: Real GDP growth forecast

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Agriculture and forestry	4.7%	-14.9%	8.5%	3.6%	0.9%	10.8%	4.2%	3.2%	2.9%
- Commercial	30.9%	-9.1%	22.8%	4.4%	-9.8%	8.4%	1.1%	3.5%	2.9%
- Subsistence	-20.6%	-24.0%	-18.7%	1.2%	32.5%	15.7%	10.0%	2.6%	3.0%
Fishing	14.7%	-1.6%	11.4%	4.1%	-9.0%	-3.5%	-4.8%	-0.4%	-0.2%
Mining and quarrying	-1.7%	-6.1%	16.1%	-4.6%	36.5%	-1.4%	15.4%	0.4%	10.8%
- Diamond mining	-6.7%	-5.2%	17.3%	-3.5%	38.6%	-3.4%	25.2%	-0.3%	7.8%
- Other mining and quarrying	13.2%	-8.5%	13.1%	-7.6%	30.5%	4.7%	-11.2%	3.0%	21.8%
Total Primary Industries	3.9%	-8.3%	12.4%	0.1%	13.2%	1.9%	7.9%	1.1%	6.5%
Manufacturing	3.7%	5.5%	9.5%	5.3%	3.0%	2.0%	-8.3%	4.9%	5.3%
- Meat processing	-9.0%	5.9%	1.9%	-11.0%	-9.3%	8.0%	-11.6%	3.2%	2.3%
- Fish processing	-14.2%	-15.4%	-10.3%	51.4%	-2.9%	-4.8%	-37.9%	-0.9%	-0.7%
- Other food products and beverages	2.0%	4.4%	8.3%	-0.3%	1.5%	5.0%	5.5%	6.1%	6.5%
- Other Manufacturing	25.0%	18.2%	20.4%	2.6%	9.2%	0.3%	-15.1%	4.6%	5.1%
Electricity, Gas and water	11.6%	-23.7%	0.9%	15.7%	4.9%	12.9%	-5.1%	3.5%	3.7%
Construction	-5.5%	53.2%	-12.9%	22.9%	-0.4%	4.3%	32.6%	9.3%	9.5%
Total Secondary Industries	3.1%	8.9%	3.8%	9.5%	2.5%	3.6%	0.3%	5.9%	6.3%
Wholesale and retail trade, repairs	5.4%	2.8%	7.4%	4.2%	7.6%	6.3%	10.5%	5.2%	6.5%
Hotels and restaurants	7.2%	8.6%	8.2%	5.1%	-3.3%	0.3%	3.1%	4.0%	3.5%
Transport and communication	8.4%	14.0%	11.3%	3.1%	13.5%	16.6%	11.0%	11.1%	11.0%
- Transport and storage	6.3%	8.0%	15.4%	-10.0%	8.4%	5.8%	11.7%	8.0%	7.5%
- Post and telecommunications	12.5%	24.3%	4.9%	25.3%	19.7%	28.5%	10.3%	12.0%	9.5%
Financial intermediation	6.1%	1.8%	3.2%	9.7%	14.5%	18.9%	2.6%	5.0%	4.5%
Real estate and business services	1.5%	4.0%	7.3%	5.2%	7.1%	2.6%	4.4%	3.6%	3.5%
Owner-occupied dwellings	2.5%	2.4%	4.1%	2.6%	2.5%	4.9%	5.5%	4.2%	3.5%
Other real estate and business services	0.5%	5.7%	10.6%	7.8%	11.4%	0.7%	3.4%	3.0%	3.5%
Community, social and personal services	9.0%	-0.3%	3.4%	5.1%	-6.3%	3.7%	2.9%	3.3%	3.7%
Producers of government services	2.3%	1.4%	3.9%	2.0%	5.0%	4.4%	-1.1%	1.9%	2.2%
Other producers	2.1%	1.9%	3.2%	1.0%	2.6%	1.9%	1.9%	2.0%	2.1%
Total Tertiary industries	3.9%	3.9%	6.1%	3.6%	7.1%	7.0%	4.4%	4.5%	4.6%
Less: Financial services indirectly measured	-0.7%	4.6%	-1.9%	14.8%	15.7%	13.1%	18.5%	12.0%	12.0%
GDP at Basic prices	3.8%	2.1%	7.1%	3.8%	7.4%	5.3%	4.2%	3.9%	5.2%
Taxes less subsidies on products	1.2%	4.5%	4.1%	1.4%	1.4%	1.3%	3.0%	3.0%	1.1%
GDP at market prices	3.5%	2.4%	6.7%	3.5%	6.6%	4.8%	4.1%	3.8%	4.7%

Source: National Planning Commission; Bank of Namibia. 2000-2006: official figures; 2007-2008: projections.

Appendix 2: GDP at constant prices (N\$ Million)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Agriculture and forestry	1,056	899	975	1,010	1,019	1,129	1,176	1,213	1,249
- Commercial	648	589	723	755	681	738	746	772	795
- Subsistence	408	310	252	255	338	391	430	441	454
Fishing	641	631	703	732	666	643	612	610	609
Mining and quarrying	1,190	1,117	1,297	1,237	1,688	1,665	1,922	1,929	2,138
- Diamond mining	847	803	942	909	1,260	1,217	1,524	1,520	1,639
- Other mining and quarrying	343	314	355	328	428	448	398	410	499
Total Primary Industries	2,887	2,647	2,975	2,979	3,373	3,437	3,710	3,752	3,995
Manufacturing	1,571	1,657	1,815	1,911	1,968	2,008	1,841	1,930	2,032
-Meat processing	101	107	109	97	88	95	84	87	89
-Fish processing	241	204	183	277	269	256	159	158	156
-Food products and beverages	774	808	875	872	885	929	980	1,040	1,107
-Other Manufacturing	455	538	648	665	726	728	618	646	679
Electricity and water	299	228	230	266	279	315	299	309	321
Construction	344	527	459	564	562	586	777	849	930
Total Secondary Industries	2,214	2,412	2,504	2,741	2,809	2,909	2,917	3,089	3,283
Wholesale and retail trade, repairs	1,455	1,496	1,607	1,674	1,801	1,915	2,117	2,227	2,372
Hotels and restaurants	269	292	316	332	321	322	332	345	357
Transport and communication	1,049	1,196	1,331	1,372	1,557	1,815	2,014	2,217	2,407
- Transport and storage	671	725	837	753	816	863	964	1,041	1,119
- Post and telecommunications	379	471	494	619	741	952	1,050	1,176	1,288
Financial intermediation	489	498	514	564	646	768	788	827	865
Real estate and business services	1,339	1,393	1,494	1,572	1,684	1,728	1,804	1,868	1,934
Owner-occupied dwellings	694	711	740	759	778	816	861	897	929
Other real estate and business services	645	682	754	813	906	912	943	971	1,005
Community, social and personal services	133	133	137	144	135	140	144	149	154
Producers of government services	3,236	3,281	3,408	3,475	3,650	3,811	3,769	3,841	3,925
Other producers	292	298	307	310	318	324	330	337	344
Total Tertiary industries	8,262	8,586	9,114	9,443	10,112	10,823	11,298	11,811	12,358
Less: Financial services indirectly measured	151	158	155	178	206	233	276	309	347
GDP at Basic prices	13,212	13,487	14,438	14,985	16,088	16,936	17,649	18,344	19,289
Taxes less subsidies on products	1,889	1,974	2,055	2,083	2,112	2,140	2,204	2,270	2,295
GDP at market prices	15,101	15,461	16,493	17,068	18,200	19,076	19,853	20,614	21,584

Source: National Planning Commission; Bank of Namibia. 2000-2006: official figures; 2007-2008: projections.

Appendix 3: GDP at current prices (N\$ Million)

Activities	2000	2001	2002	2003	2004	2005	2006	2007	2008
Agriculture and forestry	1,299	1,136	1,687	1,814	1,873	2,398	2,908	3,205	3,530
- Commercial	792	711	1,309	1,353	1,294	1,681	1,945	2,150	2,367
- Subsistence	507	425	378	461	579	717	963	1,055	1,163
Fishing and fish processing on board	1044	1,445	1,608	1,757	1,547	1,916	1,958	2,084	2,225
Mining and quarrying	2,611	3,663	4,565	2,975	3,489	3,391	5,517	5,926	7,078
- Diamond mining	1934	2,854	3,427	2,630	3,048	2,782	4,054	4,317	4,981
- Other mining and quarrying	677	809	1,138	345	441	609	1,463	1,609	2,097
Total Primary Industries	4,954	6,244	7,860	6,546	6,909	7,705	10,383	11,215	12,833
Manufacturing	2,371	2,604	3,305	3,870	4,000	4,055	5,627	6,281	7,054
-Meat processing	121	142	143	139	126	121	81	89	98
-Fish processing on shore	548	494	703	876	750	466	608	643	684
-Other food products and beverages	1090	1,215	1,515	1,650	1,690	1,772	1,979	2,242	2,555
- Other Manufacturing	612	753	944	1,205	1,434	1,696	2,959	3,306	3,717
Electricity and water	605	620	854	1,003	1,197	1,344	1,250	1,382	1,533
Construction	473	789	725	1,029	1,100	1,247	1,743	2,035	2,384
Total Secondary Industries	3,449	4,013	4,884	5,902	6,297	6,646	8,620	9,697	10,971
Wholesale and retail trade, repairs	2682	3,004	3,428	3,987	3,985	4,235	5,191	5,832	6,646
Hotels and restaurants	403	477	576	648	653	670	724	804	891
Transport and communication	1,383	1,533	2,083	2,382	2,670	3,019	3,341	3,917	4,544
- Transport and storage	877	975	1,289	1,409	1,497	1,639	1,848	2,132	2,452
- Post and telecommunications	506	558	794	973	1,173	1,380	1,493	1,786	2,092
Financial intermediation	833	964	1,088	1,249	1,213	1,455	1,562	1,752	1,959
Real estate and business services	2,235	2,497	2,831	3,156	3,542	3,763	4,072	4,505	4,990
Owner-occupied dwellings	1194	1,317	1,449	1,593	1,748	1,861	2,024	2,252	2,494
Other real estate and business services	1041	1,180	1,382	1,563	1,794	1,902	2,048	2,253	2,495
Community, social and personal services	201	216	244	281	282	320	354	391	433
Producers of government services	5071	5,810	6,553	6,863	7,124	7,752	8,269	8,999	9,841
Other producers	437	487	558	606	647	673	721	785	858
Total Tertiary industries	13,245	14,988	17,361	19,172	20,116	21,887	24,234	26,986	30,162
Less: Financial services indirectly measured	273	330	359	432	394	440	544	651	780
GDP at Basic prices	21,375	24,915	29,746	31,188	32,928	35,798	42,693	47,247	53,185
Taxes less subsidies on products	2318	2,771	3,161	2,655	3,567	3,913	4,273	4,700	5,085
GDP at market prices	23,693	27,686	32,907	33,843	36,495	39,711	46,966	51,947	58,270

Source: National Planning Commission; Bank of Namibia. 2000-2006: official figures; 2007-2008: projections.