

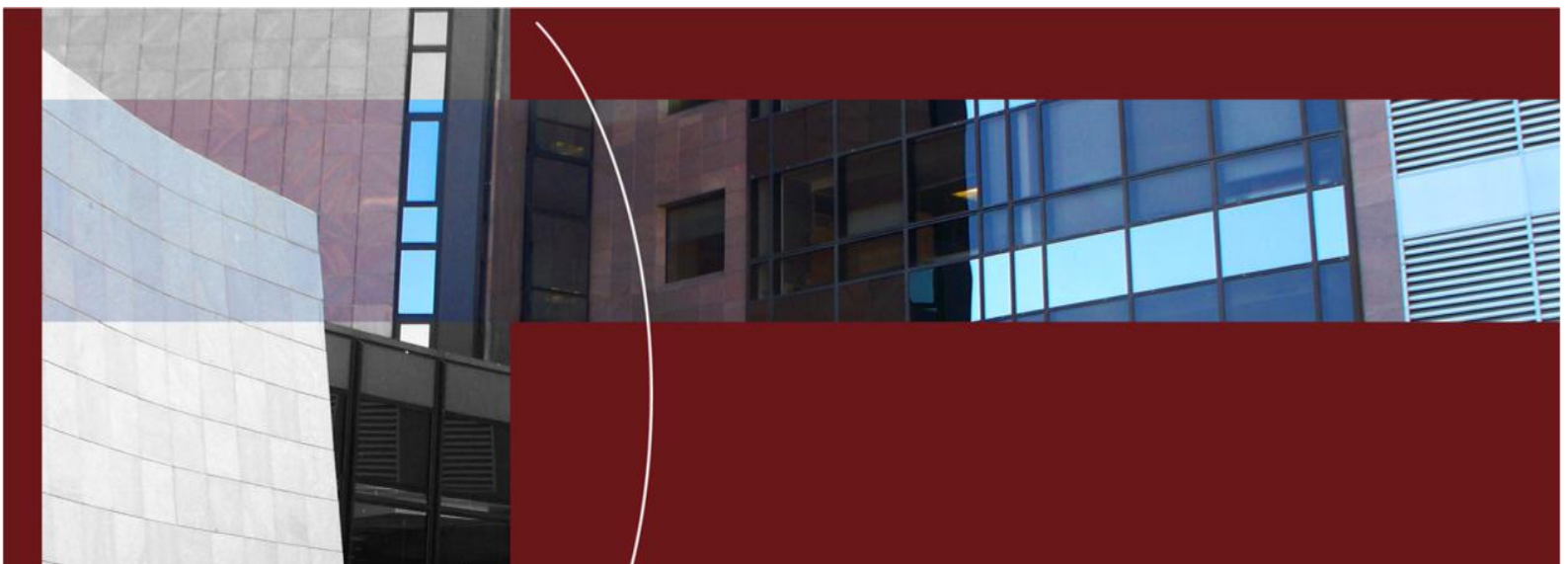


Bank of Namibia



ECONOMIC OUTLOOK

February 2011



HIGHLIGHTS

GLOBAL

- The International Monetary Fund (IMF) has revised upward the global economy forecasts from 4.2 percent to 4.4 percent in 2011 and from 4.8 percent to 5.0 percent during 2010.
- The global recovery is proceeding faster than anticipated; however, it is a two-speed recovery with the developing and emerging economies taking the lead and the advanced economies dragging behind.
- There are multiple risks that the world economy faces, that pose a significant threat to the outlook.

REGIONAL

- Growth in Sub-Saharan Africa is expected to accelerate in 2010 and 2011 with oil exporters and low-income countries taking the lead, followed by the middle-income countries.
- Strong domestic demand and resurgent exports are projected to boost growth coupled with generally strong economic fundamentals of countries before the global financial crisis.
- Downside risks remain as impediments to the recovery of the global economy and if a significant further global slowdown does occur; it could dampen growth quite markedly in the region.

NATIONAL

- Namibia's growth forecast is revised upward to 4.1 percent in 2011 and 4.6 percent during 2010. The upward revision in 2010 is due to the more than expected increase in the mining sector performance, most notably in diamond mining.
- Risks on the outlook remain on the downside. In this regard, under the downside scenario Namibia's economic growth is expected to be 3.8 percent in 2011.

Global Outlook

The **global economy** is projected to grow by 4.4 percent in 2011, after it has been estimated to have expanded by 5.0 percent during 2010 (Table 1). The recovery in the global economy is expected to be led by developing and emerging economies. The advanced economies are still faced with key corrections in order to alleviate the downside risks to the growth outlook. These adjustments include among others; the strengthening of the household balance sheets, curtailing high public debt, unemployment and overhauling of the financial sector. The positive growth outlook in the developing and emerging economies is supported by the prudent macroeconomic policies implemented partly in response to earlier crises. Notwithstanding the favourable economic outlook, the downside risks to the economic recovery remains high.

Table 1: World Economic Output (annual percentage change)

Regions	2008	2009	2010 (est.)	2011 (proj.)
World output	2.8	-0.6	5.0	4.4
Advanced economies	0.2	-3.4	3.0	2.5
United States	0.0	-2.6	2.8	3.0
Euro area	0.5	-4.1	1.8	1.5
Germany	1.0	-4.7	3.6	2.2
Spain	0.9	-3.7	-0.2	0.6
United Kingdom	-0.1	-4.9	1.7	2.0
Japan	-1.2	-6.3	4.3	1.6
Other advanced economies	1.7	-1.2	5.6	3.8
Newly industrialized Asian economies	1.8	-0.9	8.2	4.7
Emerging and developing economies	6.0	2.6	7.1	6.5
Developing Asia	7.7	7.0	9.3	8.4
China	9.6	9.2	10.3	9.6
India	6.4	5.7	9.7	8.4
Russia	5.2	-7.9	3.7	4.5
Brazil	5.1	-0.6	7.5	4.5
Sub-Saharan Africa	5.5	2.8	5.0	5.5
South Africa	3.1	-1.7	2.8	3.4
Middle East and North Africa	5.0	1.8	3.9	4.6

Source: IMF World Economic Outlook January 2010. 2008-2009 Actual, 2010 estimates, 2011 projections

The **US** economy is estimated to have expanded by 2.8 percent during 2010, and forecasted to grow by 3.0 percent in 2011. The full recovery in the US is mainly held back by the reluctant consumers who are not willing to spend and the employers who are hesitant to hire. However, there are signs of increasing private consumption, as spending improved in the final quarter of 2010. The main risk, facing the economy is falling housing prices and the

high unemployment, but the new fiscal package¹ in the US is expected to boost growth in 2011.

In the **Euro Area**, GDP growth is expected to increase to 1.5 percent in 2011 and 1.8 percent during 2010. The downside risks to the recovery remain elevated, chiefly due to the potential for financial spillovers across sovereigns and high bank funding costs. The banks are still heavily dependent on the governments' support and are highly susceptible to the decline in the real economy and funding restraints. Therefore, market participants are still concerned about sovereign and banking risk, as the Euro Area remains embroiled in large debt burdens, fragile banking systems and macroeconomic imbalances that had severely undermined market confidence. Growth in the Euro Area is supported by sustained growth in Germany.

The **German** economy is projected to grow at 2.2 percent in 2011 from an estimated 3.6 percent in 2010. The recovery is driven by the exports, which is the backbone of the economy. The improvement in the global economy and the world trade is supporting the German economy. Additionally, the domestic demand of the economy is gaining strength, supporting growth prospects.

The growth in **Spain** remains feeble and fragile; the economy is expected to rise by 0.6 percent in 2011 from a contraction of 0.2 percent in 2010. The Spanish economy is crippled in debt, falling property prices and high unemployment.

The **UK** economy cited to be "on the mend" is estimated to grow by 1.7 percent during 2010 and projected to grow by 2.0 percent in 2011. The growth prospects for the economy is expected to remain delicate as stimulus measures are drawing to a close and consumer spending remains subdued as households save and worry about the job security.

In **Japan** growth is expected to increase to 1.6 percent in 2011 and 4.3 percent during 2010. The upward revision is mainly driven by the exports due to the stronger than expected rebound in advanced economies and to high demand in capital goods from China. In addition, the stimulus measures undertaken were partly responsible for the strengthened growth. The appreciation of the yen and the dwindling growth in the main trading partner, the US economy, poses great risks to the exports and thus to the outlook.

Output in **Russia** is projected at 4.5 percent in 2011 and 3.7 percent in 2010. The heat wave, wildfire and the drought that affected the crops in the country could undermine the growth outlook. Despite this, the economic recovery is supported by accommodative

¹ A new fiscal package was passed in late 2010 to improve economic growth in 2011. The package includes extension in unemployment benefits and the extension of temporary tax breaks for low and middle income households, which is aimed at boosting private demand.

policies, self-sustained consumption and higher commodity prices. Downside risks, however, remains due to the volatility in capital flows and shocks to investor confidence.

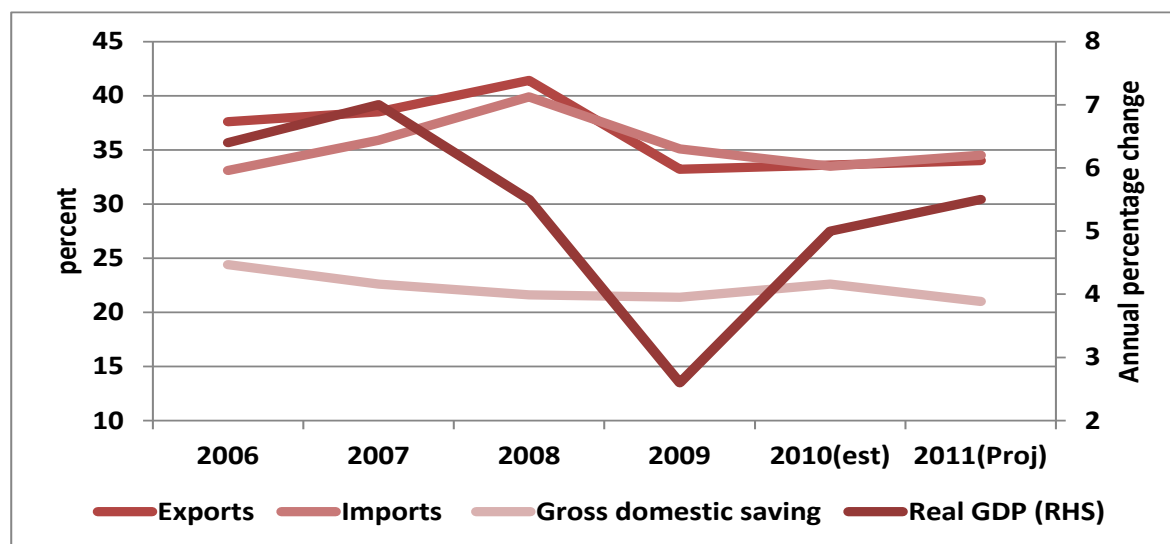
The **Indian** economy is projected to grow by 8.4 percent in 2011, and is estimated to have expanded by 9.7 percent during 2010. The low dependence on external demand, stimulative policies and strong capital inflows has supported domestic economic activity and thus growth.

In **China**, the recovery is robust and the economy is moving away from public stimulus growth to private sector led growth as in most Asian economies. The economy is projected to grow by 9.6 percent in 2011 from an estimated 10.3 percent during 2010. The Chinese economy is mainly driven by strong domestic demand.

Regional Outlook

Growth in **Sub-Saharan Africa** is forecasted to bounce to 5.5 percent in 2011 and 5.0 percent during 2010 (chart 1). Growth is expected to be supported by exports, domestic demand as well as the recovery in commodity prices. The rebound in global demand for oil and higher oil prices is supporting growth in the region’s oil-exporting economies.

Chart 1: Sub-Saharan Africa: Selected Economic Indicators



Source: IMF Regional Economic Outlook: Sub-Saharan Africa October 2010. 2006-2009 Actual, 2010 estimates, 2011 projections

The region’s resilience through the global financial crisis owes much to sound economic policy implementation. Prior to the global shocks, most of the region’s economies were stable with steady growth, low inflation, sustainable fiscal balances, rising foreign exchange reserves, and declining government debt. When the shocks hit, countries were able to use

fiscal and monetary policies space as anti-cyclical tools to offset the adverse effects of the sudden shifts in world trade, prices, and financial flows. Risks remain weighted on the downside; as the recovery in advanced countries still remains fragile, which would pose a risk to the region's outlook.

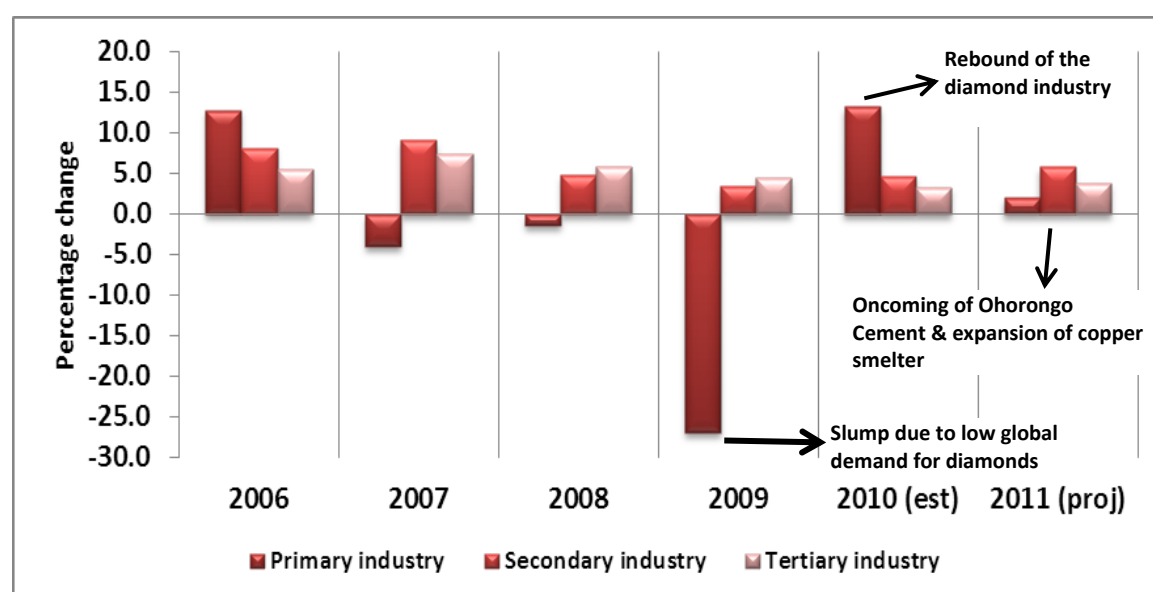
Angola, the second largest oil-exporter in the region is expected to recover to 7.0 percent in 2011 and 6.0 percent in 2010 after the decline in oil exports and fiscal tightening measure to reduce spending and control fiscal deficit. While Angola's economy is highly reliant on oil, the non-oil sector is, however, expected to grow, particularly agriculture.

The largest economy in the region, **South Africa**, is projected to grow by 3.4 percent in 2011 from 2.8 percent in 2010. The economy has benefited from continued strong demand for commodities from Emerging Asia and from the recovery in the demand for manufactured goods from EU, its largest export market. However, economic growth in the second half of 2010 has been impacted by the volatility in mining and manufacturing production, owing to fluctuations in global demand, industrial action, rand volatility and regulatory uncertainty in the mining sector. The economy remains subdued indicating the severe impact of the collapse in world trade and high unemployment levels. Going forward, output growth is expected to rebound in 2011, however, high unemployment and subdued confidence will continue to slow the pace of the recovery.

Domestic Outlook

Economic output for Namibia is expected to expand by 4.1 percent in 2011 (see appendix I) from an estimated 4.6 percent during 2010. Compared with our February 2010 projection this is an upward correction of 0.4 percentage point for 2010. The upward revision in the growth is mainly due to the more than expected recovery in the performance of the diamond mining. Most economic indicators in 2010 show an improvement, compared to the previous year. The outlook is not without the downside risks, the main risks are the relative strength and possible appreciation of the Namibia Dollar, which could reduce export earnings and posed a risk to a balanced economic growth, and the sovereign debt crises in the Euro area. The downside scenario, which is based on the risks to the outlook, is projected to be 3.8 percent in 2011.

Chart 2: Industries Performance



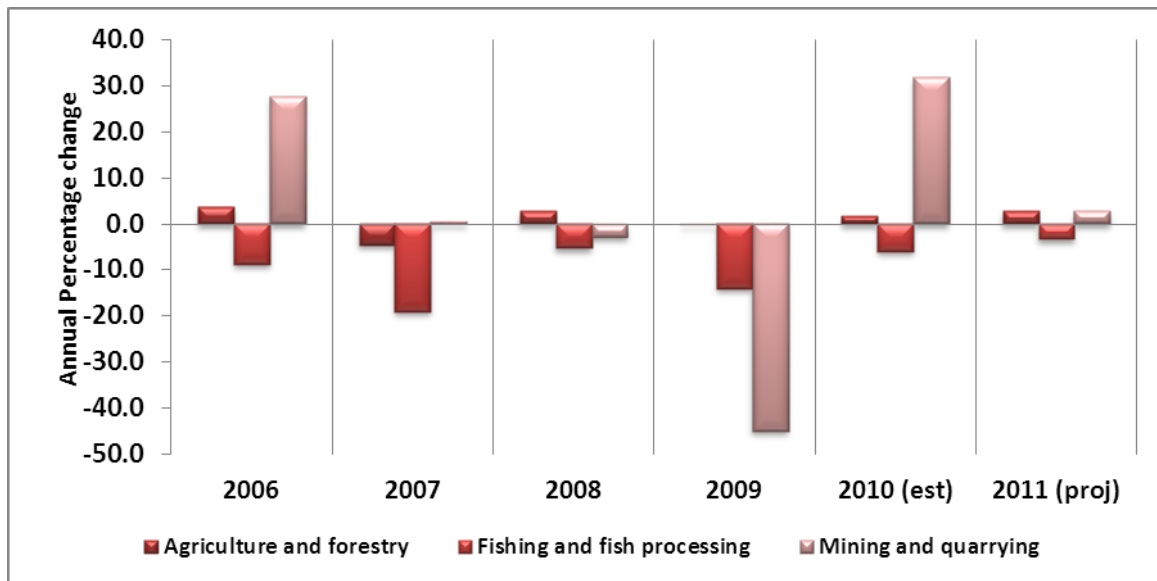
Source: CBS (2006-2009), Bank of Namibia (2010-2011)

Chart 2 depicts the performances of the industries. During 2010, the primary industries drove the recovery after it has declined significantly during 2009. Going forward, the performance will be more balanced in 2011, with the secondary industries taking the lead.

Primary Industries

The growth in the primary industries is projected to moderate to 2.0 percent during 2011 after it is estimated to have recovered by 13.3 percent in 2010 (Chart 3). The recovery in 2010 is mainly attributed to the resurgence in the mining sector, most notably diamond mining. However, the growth in the diamond mining sub-sector is expected to moderate in 2011 in terms of value addition.

Chart 3: Primary Industries Performance



Source: CBS (2006-2009), Bank of Namibia (2010-2011)

Agriculture and Forestry

The agriculture and forestry sector is forecasted to expand by 2.7 percent during 2011, after it is estimated to have grown by 1.7 percent during 2010. The anticipated increased activities in the livestock farming and horticulture produces are expected to drive growth in 2011. The industry suffered a slight setback during 2010, especially for the farmers in the south, due to the outbreak of the Rift Valley Disease. The outbreak led to the trade restrictions for all Namibian meat products to the South African markets. Going forward, it is expected that farmers will re-stock due to good rainfall in 2011. Nevertheless, better prices are anticipated to entice the farmers into selling thus increasing production value.

The country has experienced good harvest for mahangu and white maize during the past harvesting season. Crop production is expected to increase on account of a good rainy season in 2011 and due to the expansion of the land under irrigation coupled with the initiatives geared to promote the subsector. However, the downside risks include possible flooding, which could destroy crops. On the horticulture front, there are continuous initiatives aimed at promoting and increasing production in the sector. At the beginning of 2011, the sector accounts for 35 percent of the market share compared to 4 percent in 2004, as determined by the Namibia Agronomic Board Secretariat, which has increased local sales and production. In addition, the government has embarked on the construction of the fresh produce horticultural marketing facility in order to increase the local production capacity and address the supply constraints.

Fishing and Fish processing on board

The fishing and fish processing on board has been recording negative growth rates for the past years. It is estimated that the sector declined by 6.0 percent during 2010 and is expected to improve to negative 3.3 percent in 2011. The available indicators show that the total fish landings improved, which is reflected mostly in hake, horse mackerel and pelagic species. The fishing industry is mainly export oriented with most of its products destined for the European markets. Although relatively weak, recoveries are reflected in demand and prices in these markets, though, any further strengthening of the exchange rate may have a pull-back effect on the industry. Going forward, it is expected that the conditions will continue to improve in 2011, assisted by the high stock levels and sizes and the economic recovery of the major trading partners. However, the exchange rate remains a downside risk in the short-term.

Mining and Quarrying

Output in the mining sector is estimated to have recovered during 2010 by 31.8 percent and moderate to 2.7 percent in 2011 (Chart 4). During 2009, the demand for diamonds and prices fell sharply owing to the global economic crisis; this has led to a reduction in the diamond production. Further the copper mines were also closed down towards the end of 2008, thus there were no copper output for both 2009 and 2010 periods. Going forward, diamond production is expected to remain at the levels of 2010; uranium output is predicted to increase and the copper production is anticipated to commence mid-2011. Furthermore, the production of the other minerals is projected to remain at relatively same level.

Chart 4: Mining and Quarrying Performance



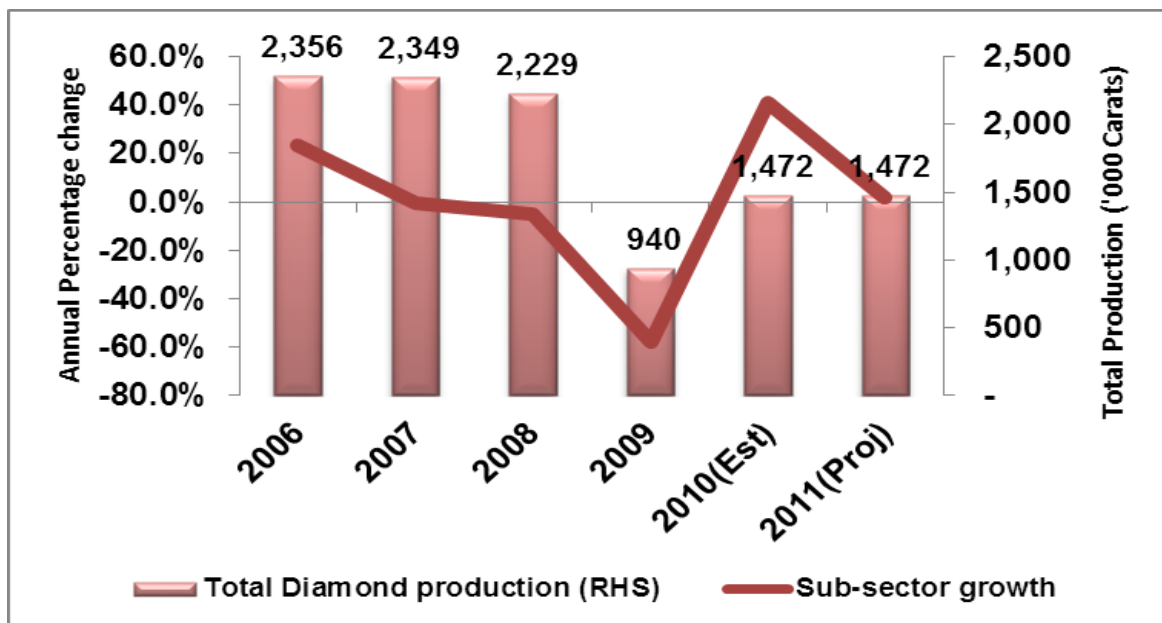
Source: CBS (2006-2009), Bank of Namibia (2010-2011)

Diamond Mining

Diamond mining activities rebounded during 2010, as diamond production increased by 56.6 percent to 1.47 million carats and is expected to remain at the same level in 2011 (chart 5). The robust performance in the sub-sector in 2010 is attributed to the somewhat increased diamond prices and global demand for the gems after the demand was dampened due to the global economic crises, especially in 2009. Despite new markets in Asia, the US continues to be the main market for diamonds, which accounts for 50 percent of the sales. Thus, the developments and therefore the recovery in the US economy have a major impact on the industry.

Also, structural challenges continue to confront the industry; including mining lifespan and new technology to continue with operations. Currently, most of the diamonds mined are sourced from the offshore operations, with the resources from onshore operation gradually diminishing. At present the life of the land operation is expected to end by 2014, if no expansion or extension is made. There are however plans to extend the life of the mine to 2050 which will require N\$7.0-8.0 billion over the next 10 years.

Chart 5: Total Diamond Production and Growth rates



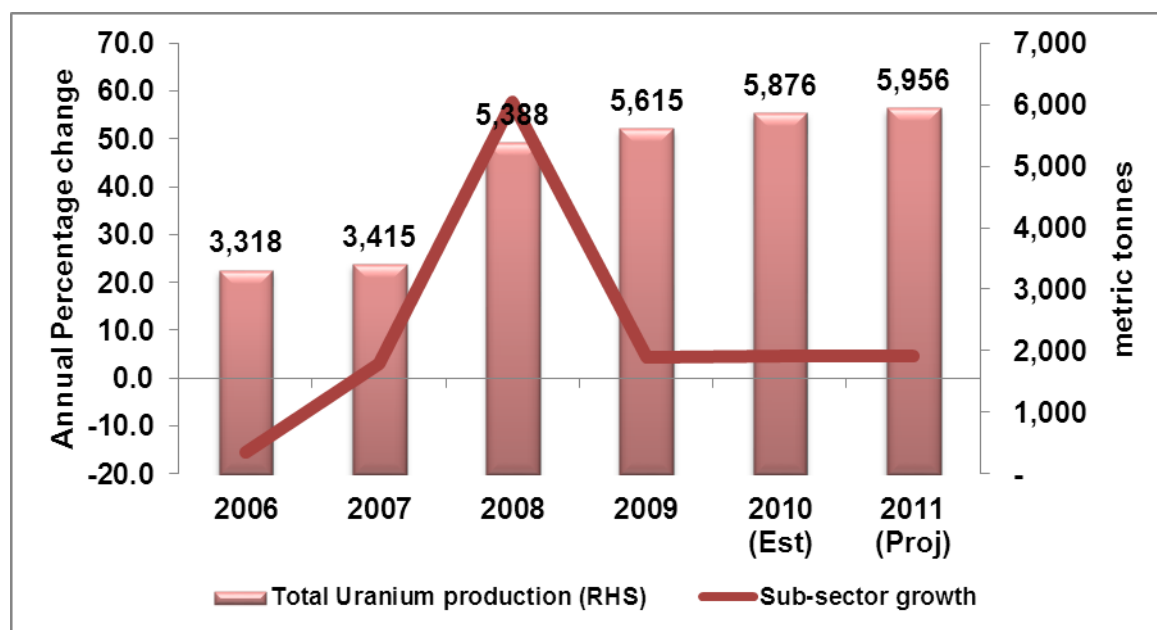
Source: CBS (2006-2009), Bank of Namibia (2010-2011)

Other Mining

Other mining activities are projected to grow by 6.1 percent during 2011 after it was estimated to have expanded by 3.4 percent in 2010. The growth will be mainly driven by increased output of uranium and copper production.

During 2010 uranium production increased by 4.6 percent to 5,876 metric tonnes of *uranium* and it is further expected to slightly rise to 5,956 metric tonnes in 2011 (Chart 6). The increased uranium production is owed to the Langer Heinrich mine as the mine has embarked on expansion stages, which will eventually result in the mine reaching its capacity of 5.2 million pounds (2,600 metric tonnes) production per annum by 2012 at stage 4 expansion.

Chart 6: Total Uranium Production and Growth rates



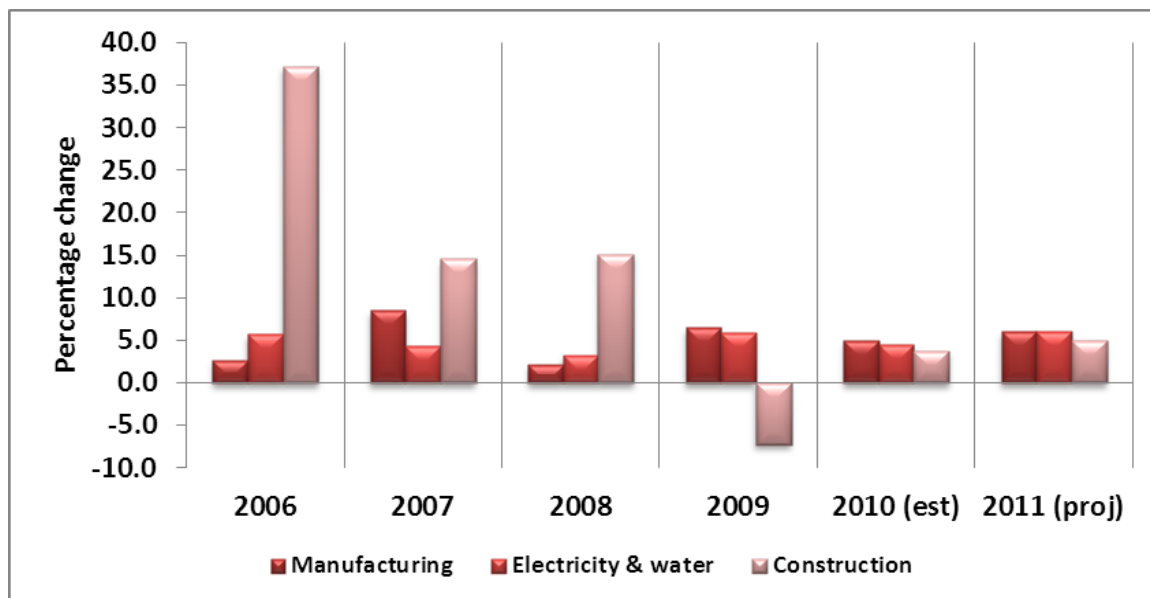
Source: CBS (2006-2009), Bank of Namibia (2010-2011)

The *copper* mines that were closed at the end of 2008, due to the global economic meltdown, are expected to be re-opened in 2011. However, only two of these mines, Otjihase and Matchless, will commence production in mid-2011. The expected copper production level for 2011 is 5000 tons. This is mainly due the recovery in the global economy and copper prices. Also, the production for both zinc and gold are expected to be sustained relatively at the same levels over the forecasting period.

Secondary Industries

The secondary industries are projected to expand by 5.8 percent during 2011 from an estimated 4.7 percent in 2010. Although, the growth will be broad-based, the manufacturing and water and electricity sectors are expected to take the lead

Chart 7: Secondary Industries Performance



Source: CBS (2006-2009), Bank of Namibia (2010-2011)

Manufacturing

The manufacturing sector is expected to grow by 6.0 percent in 2011, from an estimated growth of 5.0 percent during 2010 (Chart 7). The growth in the sector is mostly projected to be spurred by the other foods and beverages and other manufacturing, most notably the processing of the minerals and the oncoming of the Ohorongo cement plant.

Going forward, a continuous increase in milk production is expected from the Mariental Superfarm, while the production of beverages is also anticipated to increase, owing to the market expansions and to a new market entrant. Further, there is an expected increase in pasta production due to the new bigger plant for Namib Mills. Other manufacturing is expected to grow by 4.0 percent in 2011 from an estimated 3.0 percent during 2010. The growth in the sub-sector will be mainly driven by zinc processing, increased copper blister smelting due to the commissioning of the oxygen plant resulting in increased capacity and the commencing of the cement production.

Electricity and Water

The electricity and water sector is projected to grow by 6.0 percent during 2011 from an estimated 4.5 percent in 2010. The commissioning of the Ohorongo cement, re-opening of the copper mines and the commissioning of the Anixas diesel plant with a generating capacity of 22.5 MW coupled with increased activities in other economic sectors are expected to boost the sector.

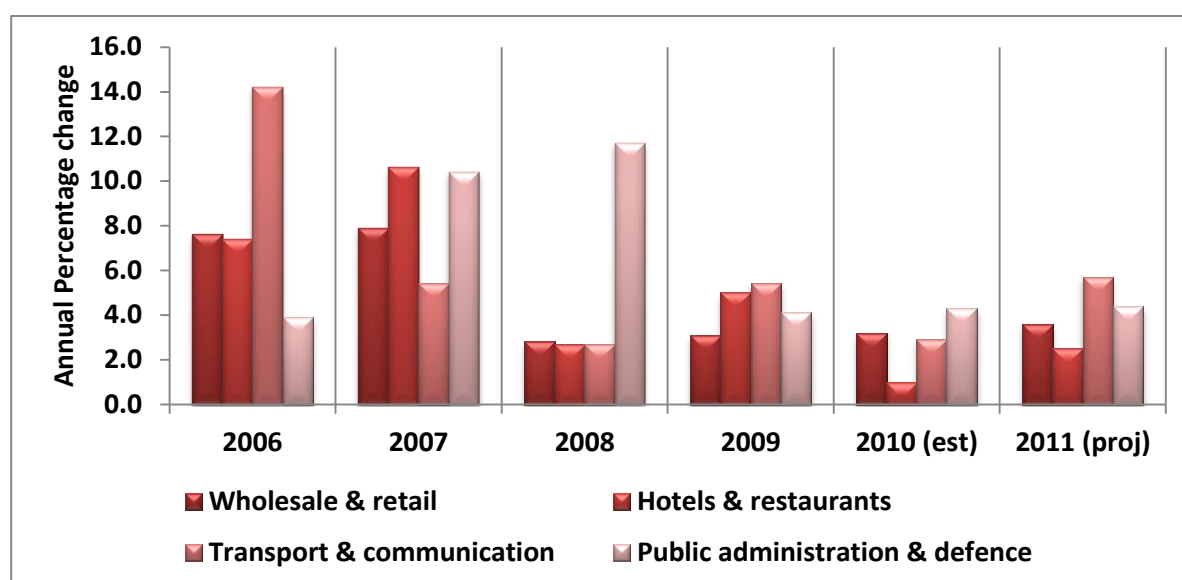
Construction

The construction sector is projected to grow by 5.0 percent in 2011 from an estimated 3.8 percent in 2010. Much of the gains in the sector are attributed to both public and private construction activities.

Tertiary Industries

The tertiary industry performance is expected to improve during 2011, as the world economy is pulling out of the worst economic recession since the great depression. Although, there is uncertainty in terms of global economic recovery, the tertiary sector is expected to expand. The sector is projected to grow by 3.9 percent in 2011, while it is estimated to grow by 3.3 percent in 2010. The improved performance in 2011 is expected to be driven by wholesale and retail trade, transport and communication and public administration (Chart 8).

Chart 8: Tertiary Industry Performance



Source: CBS (2006-2009), Bank of Namibia (2010-2011)

Wholesale and Retail Trade, Repairs

The Wholesale and Retail Trade, Repairs sector is expected to improve due to the rising consumer demand in 2010 and 2011. The sector is projected to grow by 3.6 percent in 2011 from an estimated growth of 3.2 percent in 2010. Consumer spending rose in 2010 and is expected to continue in 2011, due to the accommodative monetary and fiscal policies implemented over the last two years. Spending is expected to improve due to increased consumer confidence, salary increases for civil workers and stimulative measures undertaken by the treasury. The improved spending is evident in total private credit extension figures, which rose by 10.9 percent in December 2010 compared to the same period in 2009. In addition, consumer appetite for spending has been on the rise, especially in the second half of 2010 and is expected to continue in 2011.

Hotel and Restaurants

The performance of the Hotel and Restaurants sector is estimated to have slightly increased in 2010. The moderate performance was due to the effect of the global downturn and the slow recovery of the world economy, which reduced tourists' arrivals into the country. In addition, the 2010 FIFA World Cup in South Africa resulted in the crowding-out of the domestic tourism sector, due to high ticket prices, fully booked flights, and tourists avoiding the region, resulting in fewer arrivals. The industry was also negatively affected by the volcanic ash in Iceland, which grounded flights, resulting in lower tourist arrivals. The industry is expected to perform better in 2011, due to the expected recovery of the world economy. The sector, is therefore, expected to grow by 2.5 percent in 2011, compared to an estimated 1.0 percent in 2010.

Transport and Communication

The Transport and Communication sector is expected to perform better in 2011, due to better domestic economic conditions². The category is anticipated to grow by 5.7 percent in 2011, from an estimated rate of 2.9 percent in 2010. The transport sub-sector is expected to slowdown in 2010, due to a decline in shipment of cargo. The transport sub-sector is, however, expected to perform better in 2011, as the domestic economic activity is expected to pick up during the year, supported by increased mining activities. Additionally, the telecommunications sub-sector is expected to perform better in 2011, due to higher consumer demand enticed by lower prices, as a result of increased competition among the three telecommunications providers.

Public Administration and Defence

The Public Administration and Defence sector is expected to grow by 4.4 percent in 2011, compared to an estimated 4.3 percent during 2010. The sector includes both the Central Government Administrative and local Government activities. The sector is projected to grow due to an expansionary budget tabled for 2010/11, compared to the previous fiscal year. Going forward, based on the current MTEF, growth in Government spending is expected to be steady for 2011/12 fiscal year.

² Domestic economic conditions are expected to improve in 2011 on account of increased activity in the mining industry, the opening of Ohorongo Cement, increased capacity of the copper smelter and improved landings in the fishing industry.

Conclusions

In conclusion, the Namibian economy is projected to grow by 4.1 percent in 2011 (under the most likely scenario) and 3.8 percent (downside scenario) compared to an estimated growth of 4.6 percent during 2010. The growth during 2010 was mainly driven by the estimated recovery in the mining industry, most notably in diamond mining but is expected to moderate in 2011. Going forward, the growth is expected to be broad based, with all industries expected to contribute positively to the overall economy in 2011. The downside risks to the outlook remain high, mostly on the risks associated with the sustainability of the global economy recovery, the relatively strong currency and the risks emanating from the sovereign debt crisis in the Euro-area.

Appendix I Forecasting Assumptions

The global economy continues to recover, albeit at different speeds across regions. In this regard, a moderate growth of the world economy is expected for 2010 and 2011. Below are the main assumptions on which the projections are based for the Namibian economy for 2010 and 2011.

Primary Industry:

Overall, the industry is expected to have a robust performance in 2010, largely owing to a rebound in the mining sector. However, the industry growth is expected to moderate in 2011.

- **Crop Farming:** The good harvest obtained for mahangu and maize in 2010 is expected to continue in 2011, due to good weather conditions towards the end of 2010 and the beginning of 2011. However, there is a downside risk of possible flooding, which could destroy crops.
- **Livestock farming** is expected to grow moderately in 2010 and 2011, as farmers are expected to restock as a result of good rainfall. This could keep the number of livestock marketed low at the beginning of 2011. However, better prices offered to entice farmers into selling their livestock, are expected to increase the value of output.
- **Fishing sector:** Total fish landings increased in 2010, especially in the major species. Improved gains in fish stocks supported by continued recovery of the world economy are expected to improve landings and bolster the performance of the fishing industry in 2011. However, the possibility of a slow-down in the European economies due to the debt crises coupled with the relative strong exchange rate remains a major downside risk, which may cripple the fishing industry.
- **Diamond:** The ongoing recovery of the global economy, aided by the monetary and fiscal stimulus of major economies boosted the demand for diamonds. In this regard, diamond production increased significantly in 2010 compared to 2009. However, in 2011 diamond production is expected to remain at the levels of 2010.

- **Other mining:** total output for this category is expected to pick up momentum in medium term, as a result of on-going expansion plans by uranium mines, the oncoming of new uranium mines and the resumption of two copper mines.

Secondary Industry:

The industry is expected to record an improved performance in 2011, mainly due to the manufacturing and construction categories.

- **Meat processing** is expected to improve moderately both in 2010 and 2011, as the high prices offered will improve meat processing.
- **Fish processing on shore:** the increase in fish stocks in 2010 is expected to boost fish landings in 2011 and further improve the value addition process. However, due to the fragile economic conditions in Europe, people are switching from retail products (processed fish) to cheaper alternatives (unprocessed fish), which may negatively impact the value addition process. Thus, the possibility of the slow-down of European markets remains a downside risk to the fishing industry.
- **Other food and beverage manufacturing:** the category is expected to have a strong performance over the projection period, due to current and new projects coming on board. The projects include milk production at the Mariental Superfarm, the expansion of Namibian Breweries to other African markets, entry of SAB Miller into Namibia and the anticipated commissioning of a new pasta plant by Namib Mills.
- **Other manufacturing:** the category is expected to show a much improved performance in 2011, due to the increased copper smelting and the commissioning of Ohorongo Cement.
- **Construction** is expected to expand in 2011, due to an increase in both private and public sector activities. These projects include, expansions undertaken by Olthaver & List Group of companies, rehabilitation of NWR resorts, construction of Bannerman Mining Resources and the Government infrastructural projects such as the independence museum and the rehabilitation of road networks.

Tertiary Industry:

The industry remains a big potential for growth, especially in the medium term. It is expected to improve both in 2010 and 2011, boosted by the tourism industry and government spending.

- **Wholesale & Retail trade, Repairs** is expected to maintain its growth path. Consumer demand is expected to improve due to a favorable fiscal and monetary policy environment. As a result, consumer spending is expected to increase over the projected period.
- **Hotel & Restaurants** is expected to pick up, especially in 2011. Tourism is expected to only increase slightly in 2010, compared to the previous year, due to the crowding out effect of FIFA World Cup in South Africa, the volcanic ash in Iceland and the slow recovery of the world economy. However, in 2011 the tourism industry is expected to perform better due to the anticipated recovery of the world economy. The strong Namibia Dollar and a possible slow-growth of the advanced economies could counter the positive growth of tourist arrivals.
- **Government expenditure** is expected to increase inline with the budget allocation of 2010/11 as well as per the current MTEF.

Appendix I: Real GDP growth (Most likely Scenario)

Industries	2007	2008	2009	2010	2011
	Actual			Estimate	Projection
Agriculture and forestry	-4.6%	2.8%	-0.2%	1.7%	2.7%
- Livestock farming	2.8%	6.7%	0.2%	1.5%	2.5%
- Crop farming and forestry	-10.7%	-1.0%	-0.7%	1.9%	3.0%
Fishing and fish processing on board	-19.0%	-5.3%	-14.1%	-6.0%	-3.3%
Mining and quarrying	0.5%	-2.9%	-45.0%	31.8%	2.7%
- Diamond mining	-3.1%	-0.6%	-49.7%	40.9%	1.9%
- Other mining and quarrying	19.4%	-12.3%	-22.5%	3.4%	6.1%
Primary industry	-4.0%	-1.5%	-26.9%	13.3%	2.0%
Manufacturing	8.5%	2.1%	6.5%	5.0%	6.0%
- Meat processing	4.3%	-8.4%	3.8%	3.0%	4.0%
- Fish processing on shore	29.6%	-3.6%	12.6%	2.5%	3.0%
- Other food products and beverages	5.1%	10.0%	7.5%	8.0%	9.0%
- Other manufacturing	8.0%	-2.1%	4.6%	3.0%	4.0%
Electricity and water	4.3%	3.2%	6.0%	4.5%	6.0%
Construction	14.5%	15.1%	-7.2%	3.8%	5.0%
Secondary industry	9.1%	4.8%	3.5%	4.7%	5.8%
Wholesale and retail trade, repairs	7.9%	2.9%	3.1%	3.2%	3.6%
Hotels and restaurants	10.6%	2.7%	5.0%	1.0%	2.5%
Transport, and communication	5.4%	2.7%	5.4%	2.9%	5.7%
- Transport and storage	6.0%	12.8%	6.9%	4.0%	6.0%
- Post and telecommunications	4.9%	-4.5%	4.0%	2.0%	5.4%
Financial intermediation	12.0%	9.8%	6.6%	5.0%	6.0%
Real estate and business services	7.6%	4.4%	6.0%	4.5%	4.9%
- Real estate activities	7.0%	4.8%	4.6%	4.4%	4.5%
- Other business services	9.2%	3.2%	10.0%	4.6%	6.0%
Community, social and personal service activities	0.8%	0.3%	2.0%	1.5%	1.5%
Public administration and defence	10.4%	11.7%	4.1%	4.3%	4.4%
Education	6.0%	6.2%	3.9%	2.0%	1.5%
Health	5.8%	12.5%	4.1%	1.9%	2.0%
Private household with employed persons	3.4%	5.2%	4.4%	2.2%	2.0%
Tertiary industry	7.4%	5.8%	4.4%	3.3%	3.9%
All industries at basic prices	5.4%	4.3%	-1.2%	4.8%	4.1%
GDP at market prices	5.4%	4.3%	-0.7%	4.6%	4.1%

Source: CBS (2007-2009), Bank of Namibia (2010-2011)

Appendix III: GDP at Constant 2004 prices (N\$ million)

Industries	2007	2008	2009	2010	2011
	Actual			Estimate	Projection
Agriculture and forestry	2,564	2,635	2,628	2,673	2,746
- Livestock farming	1,253	1,336	1,339	1,359	1,393
- Crop farming and forestry	1,311	1,298	1,289	1,313	1,353
Fishing and fish processing on board	1,059	1,003	862	810	784
Mining and quarrying	4,742	4,606	2,532	3,338	3,428
- Diamond mining	3,840	3,815	1,919	2,704	2,755
- Other mining and quarrying	902	791	613	634	672
Primary industry	8,365	8,244	6,023	6,821	6,957
Manufacturing	6,401	6,537	6,962	7,309	7,748
- Meat processing	169	155	161	166	172
- Fish processing on shore	640	617	695	712	734
- Other food products and beverages	2,413	2,654	2,852	3,080	3,357
- Other manufacturing	3,178	3,111	3,253	3,351	3,485
Electricity and water	1,234	1,274	1,350	1,411	1,495
Construction	1,833	2,110	1,957	2,031	2,133
Secondary industry	9,467	9,921	10,268	10,751	11,377
Wholesale and retail trade, repairs	5,904	6,072	6,259	6,459	6,692
Hotels and restaurants	936	961	1,008	1,018	1,044
Transport, and communication	3,161	3,247	3,421	3,521	3,722
- Transport and storage	1,328	1,498	1,602	1,666	1,766
- Post and telecommunications	1,833	1,750	1,819	1,855	1,956
Financial intermediation	2,267	2,488	2,652	2,785	2,952
Real estate and business services	4,667	4,874	5,166	5,397	5,662
- Real estate activities	3,447	3,613	3,780	3,946	4,124
- Other business services	1,221	1,260	1,387	1,451	1,538
Community, social and personal service activities	1,716	1,721	1,755	1,781	1,808
Public administration and defence	4,213	4,707	4,902	5,113	5,338
Education	3,365	3,574	3,712	3,786	3,843
Health	1,545	1,739	1,810	1,844	1,881
Private household with employed persons	370	389	406	415	423
Tertiary industry	28,145	29,772	31,092	32,120	33,364
All industries at basic prices	45,325	47,267	46,717	48,959	50,944
GDP at market prices	49,371	51,475	51,106	53,478	55,645

Source: CBS (2007-2009), Bank of Namibia (2010-2011)

Appendix IV: GDP at Current prices (N\$ million)

Industries	2007	2008	2009	2010	2011
		Actual		Estimate	Projection
Agriculture and forestry	3,045	3,976	3,931	4,185	4,577
- Livestock farming	1,765	2,548	2,453	2,608	2,847
- Crop farming and forestry	1,280	1,428	1,478	1,577	1,730
Fishing and fish processing on board	2,330	2,411	2,775	2,732	2,814
Mining and quarrying	6,816	11,772	7,744	9,489	10,538
- Diamond mining	3,535	5,500	2,812	4,150	4,503
- Other mining and quarrying	3,281	6,272	4,932	5,339	6,034
Primary industry	12,191	18,159	14,450	16,407	17,928
Manufacturing	9,774	9,404	10,489	11,527	13,006
- Meat processing	206	145	227	245	271
- Fish processing on shore	902	993	1,123	1,206	1,322
- Other food products and beverages	2,930	3,678	4,179	4,727	5,487
- Other manufacturing	5,736	4,588	4,959	5,350	5,925
Electricity and water	1,562	1,663	1,934	2,117	2,390
Construction	2,286	3,013	2,922	3,117	3,552
Secondary industry	13,622	14,080	15,344	16,821	18,948
Wholesale and retail trade, repairs	6,769	7,682	8,610	9,306	10,268
Hotels and restaurants	1,115	1,283	1,486	1,572	1,716
Transport, and communication	2,955	3,400	3,717	4,004	4,505
- Transport and storage	1,146	1,442	1,557	1,696	1,915
- Post and telecommunications	1,809	1,958	2,160	2,308	2,590
Financial intermediation	2,534	2,879	3,294	3,623	4,089
Real estate and business services	4,990	5,415	5,987	6,549	7,321
- Real estate activities	3,564	3,778	4,166	4,555	5,070
- Other business services	1,426	1,637	1,820	1,994	2,251
Community, social and personal service activities	1,979	2,184	2,419	2,572	2,780
Public administration and defence	5,157	6,219	8,088	8,835	9,824
Education	4,570	5,222	5,850	6,250	6,756
Health	1,859	2,244	2,482	2,649	2,878
Private household with employed persons	424	492	559	598	650
Tertiary industry	32,352	37,020	42,491	45,957	50,786
All industries at basic prices	57,414	68,403	71,378	78,139	86,518
GDP at market prices	62,080	74,000	77,812	85,080	94,206

Source: CBS (2007-2009), Bank of Namibia (2010-2011)

Appendix V: Real GDP growth (Downside Scenario)

Industries	2007	2008	2009	2010	2011
		Actual		Estimate	Projection
Agriculture and forestry	-4.6%	2.8%	-0.2%	1.7%	2.3%
- Livestock farming	2.8%	6.7%	0.2%	1.5%	2.5%
- Crop farming and forestry	-10.7%	-1.0%	-0.7%	1.9%	2.0%
Fishing and fish processing on board	-19.0%	-5.3%	-14.1%	-6.0%	-13.5%
Mining and quarrying	0.5%	-2.9%	-45.0%	31.8%	2.3%
- Diamond mining	-3.1%	-0.6%	-49.7%	40.9%	1.5%
- Other mining and quarrying	19.4%	-12.3%	-22.5%	3.4%	5.9%
Primary industry	-4.0%	-1.5%	-26.9%	13.3%	0.4%
Manufacturing	8.5%	2.2%	6.5%	5.0%	5.8%
- Meat processing	4.3%	-8.3%	3.8%	3.0%	2.0%
- Fish processing on shore	29.6%	-3.6%	12.6%	2.5%	1.0%
- Other food products and beverages	5.1%	10.0%	7.5%	8.0%	9.0%
- Other manufacturing	8.0%	-2.1%	4.6%	3.0%	4.0%
Electricity and water	4.3%	3.2%	6.0%	4.5%	6.0%
Construction	14.5%	15.1%	-7.2%	3.8%	5.0%
Secondary industry	9.1%	4.8%	3.5%	4.7%	5.7%
Wholesale and retail trade, repairs	7.9%	2.9%	3.1%	3.2%	3.6%
Hotels and restaurants	10.6%	2.7%	5.0%	1.0%	1.2%
Transport, and communication	5.4%	2.7%	5.4%	2.9%	5.7%
- Transport and storage	6.0%	12.8%	6.9%	4.0%	6.0%
- Post and telecommunications	4.9%	-4.5%	4.0%	2.0%	5.4%
Financial intermediation	12.0%	9.8%	6.6%	5.0%	6.0%
Real estate and business services	7.6%	4.4%	6.0%	4.5%	4.9%
- Real estate activities	7.0%	4.8%	4.6%	4.4%	4.5%
- Other business services	9.2%	3.2%	10.0%	4.6%	6.0%
Community, social and personal service activities	0.8%	0.3%	2.0%	1.5%	1.5%
Public administration and defence	10.4%	11.7%	4.1%	4.3%	4.4%
Education	6.0%	6.2%	3.9%	2.0%	1.5%
Health	5.8%	12.5%	4.1%	1.9%	2.0%
Private household with employed persons	3.4%	5.2%	4.4%	2.2%	2.0%
Tertiary industry	7.4%	5.8%	4.4%	3.3%	3.8%
All industries at basic prices	5.4%	4.3%	-1.2%	4.8%	3.8%
GDP at market prices	5.4%	4.3%	-0.7%	4.6%	3.8%

Source: CBS (2007-2009), Bank of Namibia (2010-2011)