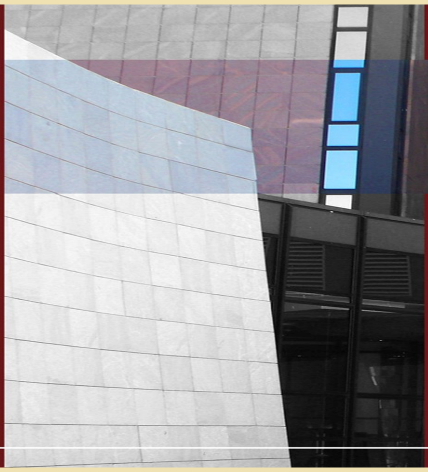

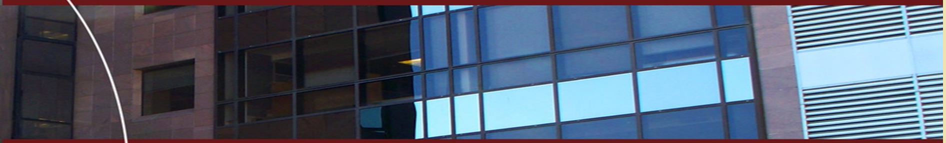

ECONOMIC OUTLOOK

SEPTEMBER 2008

Produced by the Research Department of the Bank of Namibia

- At the Forefront of Economic Intelligence -

HIGHLIGHTS

GLOBAL

- Global economy to slow down to 3.9 percent in 2008.
- Downside risk remains the financial market turmoil in the United States and its spillover effects into other countries.

REGIONAL

- Emerging economies have been more resilient, led by India and China.
- Rising energy and commodity prices elevated inflationary pressures
- Oil-exporting economies continues to lead the growth in Sub-Saharan Africa.

NATIONAL

- Namibia economic growth is revised downward to 3.9 percent in 2008 from an earlier forecast of 4.7 percent.
- Increased uranium production will drive the growth
- Risks remains the high food and oil prices and possible impact of power outages .

SOURCES

IMF World Economic Outlook (WEO) Update July 2008

UN World Economic Situation and Prospects update as of mid-2008

Central Bureau of Statistics

Ministry of Mines and Energy

Ministry of Fisheries and Marine Resources

Namibia Chamber of Mines

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THE GLOBAL ECONOMY

Global growth is projected to slow to 3.9 percent, 1.1 percentage points lower than the growth recorded in 2007, according to the International Monetary Fund (IMF) . This growth is projected to further slowdown to 3.7 percent in 2009.

Financial risks remain elevated, as rising losses in the context of a global slowdown could add to strains on capital and exacerbate the squeeze on credit availability. The unfolding food crisis and soaring oil and non-oil prices also pose considerable risk to global economic growth.

The United Nations (UN) paints a bleaker picture and projects global growth to be 1.8 and 2.1 percent for 2008 and 2009 respectively in their baseline scenario.

In the **United States (US),** the economy is expected to grow at 0.7 percent in 2009, a decrease from the forecasted 1.3 percent of 2008. This figure is lower than the 2.0 percent growth experienced in 2007.

The economy slowed rapidly in early 2008 as falling house prices and tightening credit availability took a toll on consumption and consumer confidence, even as residential investment continued to drop, with inevitable knock-on effects on business investments. Also, there are clear signs that housing weakness is now feeding through into labour markets and consumption.

The economy is projected to contract moderately during the second half of the year, due to high food and oil prices, as well as tight credit conditions, before gradually recovering in 2009. Relief is expected in the form of the fiscal stimulus package which includes payments to households and tax relief for businesses.

Total cash passed onto households of about U$168 billion and by July about 130 million households have benefitted. A temporary change in tax code will allow businesses to buy new equipment this year and deduct an additional 50 percent of the investment cost. The US Treasury has however pointed out that the above initiatives are temporary so as not to impact the government's long-term fiscal position.

The UN forecasts a contraction of 0.2 percent growth for 2008 and a growth of 0.2 percent in 2009 for the US. It must however be noted that earlier fears of a recession have largely tapered off.

In the **Euro Area** growth projections are 1.4 and 0.9 percent for 2008 and 2009 respectively, a deceleration from the 2.6 percent growth observed in 2007. The slowdown owes to the rise in commodity prices, the appreciation of the exchange rate and the slowdown in the global economy.

Export growth is expected to be affected by the slowdown in the world economy. Additionally, export market shares are projected to decline owing to increased competition from emerging markets and to losses in price competitiveness.

During the first quarter of 2008 US economy slowed rapidly due to falling house prices and tightening credit availability.

Coupled with the drastic rise of fuel prices and continued difficulties experienced by the financial sector during the second quarter of 2008, the outlook remains sober for the remainder of 2008.

Private consumption growth is expected to decrease in 2008, mainly owing to real income weakness resulting from higher commodity prices.

Table 1: World Real GDP Growth

REGION	2005	2006	2007	2008*	2009*
World	4.8	5.1	5.0	3.9	3.7
United States	3.1	2.8	2.0	1.3	0.7
Euro Area	1.5	2.8	2.6	1.4	0.9
Japan	1.9	2.4	2.1	1.0	1.1
Developing Asia	9.2	9.9	10.0	8.4	8.4
China	10.4	11.6	11.9	9.7	9.8
Developing Countries	7.5	7.9	8.0	6.9	6.7
Africa	5.6	6.1	6.3	6.1	6.3
Sub-Sahara	6.0	6.6	6.8	6.2	6.6
Angola**	20.6	18.6	21.1	16.0	13.2
Botswana**	4.7	3.6	5.4	5.0	4.3
Mozambique**	8.4	8.0	7.0	7.0	7.0
Namibia	4.8	4.1	3.6	3.9	N/A
South Africa**	5.1	5.4	5.1	3.8	3.9

Sources: **IMF WEO July update, IMF WEO September 2008 update; National Accounts, Bank of Namibia. * indicates projected figures.

The outlook for the economic growth is surrounded by downside risks. These includes the financial market turmoil could have more adverse effect on the real economy, intensified inflationary pressures and persistent global imbalances.

In **Japan,** growth is projected at 1.0 and 1.1 percent for 2008 and 2009 respectively, down from 2.1 percent growth in 2007. Compared to 2007, growth appears to have slowed with deteriorating business and consumer confidence, and export growth showing signs of moderating. A universal downside risk to the growth outlook remains high food and fuel prices, as well as sluggish wages, weakened private consumption and tight fiscal policy.

Though gross fixed investment is expected to remain relatively robust, a slowdown in the US economy will place additional pressure on Japanese exports, of which 20 percent go to the US.

In **Developing Asia** growth is expected to decelerate but remain robust at about 8.4 percent in 2008 and 2009 respectively, compared with 10.0 percent in 2007. The growth prospects remain dependent on how resilient the region's financial systems and economies are to the ongoing financial market dislocation and the associated slowdown in the advanced economies. Another factor to take into account is the economic performance of Japan as Asia absorbs the largest combined share of Japanese exports.

For future prospects, a second channel of spillovers could occur through slowing demand for the region's exports. Exports to the United States and Western Europe will likely be most affected, although the impact should be less severe than during previous downturns.

" In Japan...growth appears to have slowed with deteriorating business and consumer confidence, and export growth's showing signs of moderating."

Emerging Asia needs to be mindful of the economic performance of Japan, as Asia absorbs the largest combined share of Japanese exports.

The Inflation Outlook

Since the second half of 2007, the rise in commodity prices seems to be the single most important factor affecting headline inflation around the world.

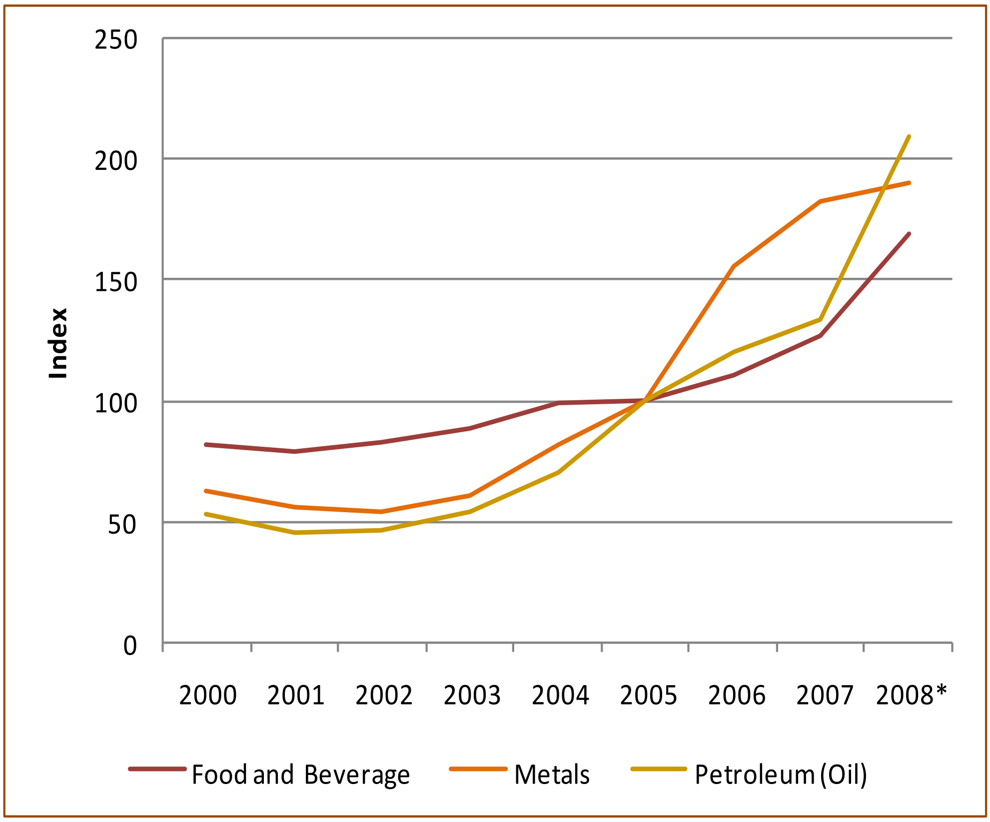
Other factors putting pressure on inflation are excess capacity utilization, higher wages and surging oil and food prices. In addition, many countries are faced with the dilemma of choosing between controlling inflation and stimulating the economy through looser monetary and fiscal conditions. This dilemma is particularly evident in emerging economies for who cautionary bells of the Great Inflation of the early 1970s are tolling resoundingly. There does, however, exist the belief that serious monetary tightening is not warranted as the high food and energy prices are caused by temporary supply shocks and speculation.

Thus, global inflation is expected to accelerate in 2008 to 3.7 percent and inflation of emerging and developing countries is expected to reach 9.1 percent in 2008. In the US inflation is in the region of 4 percent but is expected to decelerate along with demand. Even in Japan where inflation was practically zero in 2007, the increase in the prices of oil and food has become a significant factor bringing the 2008 forecast to 0.7 percent. In Africa, where food, more often than not, contributes over 20 percent of the consumer price basket, upward pressure is expected to intensify, especially in oil-and-food importing countries. Inflation is, however, expected to start easing towards the end of 2008 as higher prices prompt an increase in supply and as sharp rises in commodity prices drop out of year-on-year comparisons.

- Adapted from UN World Economic Situation and Prospects update as of mid-2008 report, The Economist May 24th—30th 2008 and the IMF World Economic Outlook Update July 2008

"Intensified inflationary pressures and financial deterioration threatens the global growth prospects."

Chart 1: Commodity Price Index



Source: IMF; *= January –July

This is because the relative share of exports to these advanced economies has been steadily declining while intra-Asia exports have been rising, thus providing further support for the decoupling theory.

Growth in **China** is projected to moderate to 9.7 percent and 9.8 percent in 2008 and 2009 respectively, with rising consumption and continuing strong investment helping to balance slowing export growth. That is not to discount the growth curbing effects of a tightening monetary policy, appreciation of the Yuan and rising labour costs.

India's economy is expected to slowdown to 7.9 and 7.7 percent in 2008 and 2009 respectively, compared to 9.3 percent in 2007.

The forecasted growth for **South America** is around 4.8 percent for 2008 and a more sober 3.7 percent for 2009. The growth accelerated markedly in Brazil, amid sustained declines in real interest rates and strong employment. Domestic demand has been the main driver of growth in the region.

The overall prognosis is that inflation remains a concern (see box article) and emerging economies will be dampened but not overwhelmed by the slowdown in the United States and other advanced economies and by the dislocations in international financial markets.

SUB-SAHARAN AFRICA

The growth in **Sub-Saharan Africa (SSA)** during 2008 and 2009 is projected to slow only modestly from the pace recorded in 2007. The economy is projected to grow at 6.2 percent and 6.6 percent during 2008 and 2009, respectively. Growth will continue to be led by oil exporters, reflecting the coming on-stream of new production facilities in oil-exporting countries.

Besides the oil-exporting countries, the pace of activity elsewhere in SSA has been supported by domestic demand, investment in particular, the payoff from improvements in macroeconomic stability, and the reforms undertaken in most countries.

"Oil-exporting countries continue to lead the economic growth in the Sub-Saharan Africa."

The region faces several external risks; a pronounced global slowdown, higher oil prices would reduce domestic demand, boost headline inflation, and worsen the current account and net foreign asset positions of net oil importers; and less favorable financial conditions would reduce external financing and hurt growth. The post-election violence in Kenya undermined investor confidence and tourism, which could pose a significant internal risk. The outlook shows promise, with a revival in the tourism sector and public offering of the country's largest mobile phone provider.

"Inflation in South Africa is expected to peak at the end of 2008 and gradually descend into the targeted 3-6 percent band by 2010."

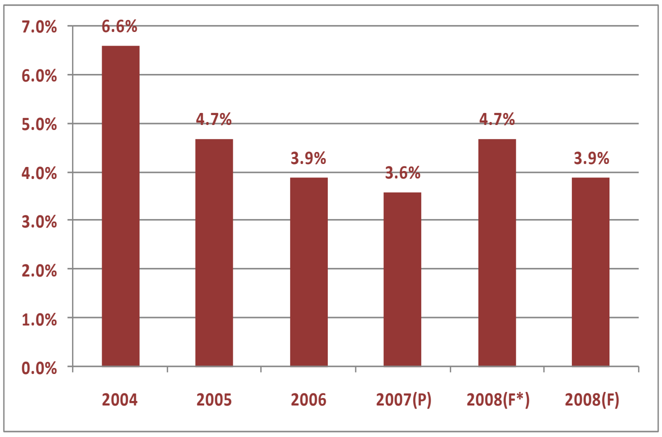
In **South Africa,** the continent's largest economy and Namibia's biggest trading partner, growth is estimated at 3.8 percent and 3.9 percent for 2008 and 2009 respectively. The pace of activity has eased modestly as tighter monetary policy, aimed at containing rising inflation pressures from food and fuel prices, has applied a brake to household spending. The growth would be however be driven by investment in infrastructure and erections of new power plants.

The risks to the outlook are the continued widening of the current account gap, currently at 7.3 percent of GDP for 2007, the highest in 36 years, and the weakening of the rand, which, according to the Reuters Consensus Poll of Economists of August 2008, is expected to continue in the medium term.

NAMIIBIA

The **Namibian** economy is projected to grow at 3.9 percent in 2008, a downward revision of 0.8 percent of the January 2008 forecast. The revision was necessitated by the drastic changes which occurred in the economy over the last quarter of 2007 and the first quarter of 2008, driven primarily by high fuel costs and concerns over the availability and affordability of electricity.

Chart 1: Real Economic Growth



Source: Central Bureau of Statistics, BoN; 2007: Preliminary; 2008(F*) : January Forecast; 2008(F): July Forecast

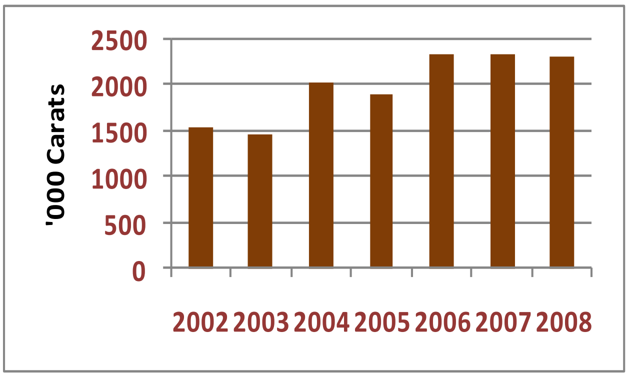
Growth will be mainly on account of increased uranium production and the continued strong growth in the construction, transport and communication and the manufacturing sectors.

The most noticeable downward revisions were mainly carried out in the primary industries, specifically in the diamond mining sector, where there is an expected decline in the output, and the transport and storage sector of the secondary industry. Other forecasts were revised upwards, most notably the construction sector, due to the expected new mining activities and increased expected public infrastructure spending.

MINING

The **mining** sector is projected to grow by 2.1 percent in 2008, from an estimated growth of 0.2 percent in 2007. The growth during 2008 will be mainly attributed to increased uranium production linked with good mineral prices.

Chart 2: Total Diamond Output



Source: Ministry of Mines and Energy, BoN, 2008: estimated

DIAMOND MINING

Diamond output is projected to decline further by 1.8 percent in 2008, from a preliminary negative growth of 0.8 percent in 2007, mainly due to the depletion of onshore mining activities.

"The growth of Namibian economy has been revised downward to 3.9 percent in 2008 from an earlier forecast of 4.7 percent at the beginning of the year."

Growth in uranium production can be attributed to the combined effects of good prices and the resolving of production bottlenecks experienced in 2007.

The downward revision was mainly due to operational bottlenecks experienced in the sector and the closures of some mining production sites due to high production costs in terms of fuel and electricity. On the positive side the prices of diamond are currently high due to global supply shortages coupled with favourable exchange rates.

OTHER MINING

Table 2: Average Annual Metal Prices

Metals	Quoted as	2005	2006	2007	2008
Copper	US$/t	3565	6668.0	7097	7705*
Gold	US$/oz	445	604	697	887.7**
Lead	US$/t	959	1282	2551	1767*
Silver	US$/t	7.3	11.2	13.4	17.2**
Uranium oxide	US$/lb	28.8	50.2	101	90***
Zinc	US$/t	1388	3238	3237	1930*

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

The **other mining** sub-sector**,** which comprises mainly of uranium, zinc, copper, gold, lead and silver, is expected to grow by 17.0 percent in 2008, a down revision of 4.8 percent in January forecast, compared to the 3.9 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. The sub-sector experienced problems where a mine has to be closed down due to flooding, continuous machinery maintenance and labour disputes, which has resulted in the reduction of output.

"Other mining is expected to grow by 17.0 percent in 2008...due to increases in uranium production coupled with currently prevailing good commodity prices."

AGRICULTURE

Growth in the **agricultural** sector is projected to grow at 3.3 percent in 2008, from a preliminary growth of 3.2 percent in 2007. Beef and small stock marketed during 2008 slowed down during the first half of the year; due to the good rainfall which enabled the farmers to re-stock and the forward priced agreement between Meatco and local banks guaranteeing a minimum price in 2 years to the farmers. The production cost has also gone up in terms of fuel and animal feed costs. Another concern worrying the farmers is the ongoing discussion between the proposed fixed levy per head (with the producer suggesting $19 per head compared to the Abattoirs Association suggestion of $45 per head) and the current export scheme for the small stock.

Crop production for 2008 is expected to be high on account of good rainfall prospects. Although there were floods and the army worms invasion experienced in the northern part of the country, resulting in poor harvest, crop production is expected to be counteracted by the increased production in other regions. Table grapes and dates are also expected to contribute positively to the sector.

Good rainfall and a favourable exchange rate have been beneficial to farmers in terms of restocking and prices fetched at the abattoirs.

FISHING

The **fishing** sector is expected to contract by 1.0 percent for 2008 from a preliminary decline of 16.2 percent during 2007.

Table 3: TAC and Landings Per Species

Year	2007		2008	
Species	TAC	Landings	TAC	Landings*
Pilchard	15,000	71,949***	15,000	15,000
Juvenile horse mackerel	35,000	N/A	33,000	32,000
Hake and monk	139,000	131,035	139,000	138,000
Horse mackerel	265,000	175,971	197,000	170,000
Crab	2,500	2,972	2,500	2,500
Rock lobster	350	N/A	350	350
Orange roughy	900	368	900	300

Source: MFMR; BoN; *estimates; **incl. anchovy & baby horse mackerel

The total allowable catches (TAC) for this season is still the same as last year for major species, that is; pilchard and hake. Last year landings fell far short of the TACs for both horse mackerel and orange roughy and the major players, indicates that it is unlikely that the industry will land the allocated catches. Although the exchange rate seems to be favourable, the high input costs especially fuel remains a down-side risk which will diminish the profits of the sector.

The fishing sector was hit particularly hard by the high fuel prices, which remain the biggest downside risk for the period ahead.

MANUFACTURING

The **manufacturing** sector is projected to grow at 5.8 percent from a preliminary growth of 13.0 percent during 2007.

This growth will be driven by expected growth in increased smelting of copper, zinc processing and in other food products and beverages subsectors.

On the low side, the sector suffered a major drawback with the closure of Ramatex.

" The sector suffered a drawback with the closure of Ramatex."

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 contract further this year.
- Other mining's output is projected to increase on the back of increase in uranium production.
- Agricultural growth is estimated to increase at a slower pace attributed to high input costs, restocking due to good grazing, effects of flood and cattle disease.
- The fishing sector has not been performing well for the past few years and this trend is expected to continue during 2008.
- Growth in manufacturing in 2008 is assumed to be driven by other food products and beverages and refined zinc sub-sectors.
- The construction sector is assumed to grow positively on the back of private sector activities particularly in the mining construction activities and tourism-related infrastructures.
- The transport and communication sector will grow positively on the back of the positive performance of the mobile telecommunications category whilst transport is expected to grow in tandem with the general pace of the economy.

Meat processing is estimated to grow by 2.0 percent in 2008, compared to 1.1 percent growth in 2007. The 3.0 percent growth in fish processing is ascribed to the expected big sizes of catches. The deceleration in the overall manufacturing sector is ascribed to the slow growth in the fishing and other manufacturing sub-sectors compared to last year, mainly on account of high input costs.

CONSTRUCTION

The **construction** sector is projected to grow by 20.0 percent in 2008 from a growth rate of 32.8 percent in 2007. The growth is attributed mainly to the construction activities in the mining and quarrying, wholesale and retail trade, transport and communication.

There will be an erection of a new cement factory in Namibia that will contribute substantially to the sector. Government capital expenditure for the year is expected to be higher than last year, thus having a positive impact on the sector

"Activities in mining and quarrying continue to drive the growth in the construction sector."

HOTELS AND RESTAURANTS

The **hotel and restaurants** sector, is expected to grow by 3.5 percent in 2008, compared to 3.9 percent in 2007. The growth is attributed to the aggressive tourism marketing done internationally by the Tourism Board.

TRANSPORT AND COMMUNICATION

The overall growth for the sector is projected at 4.8 percent in 2008 from a preliminary growth of 7.5 percent in 2007. The transport sub-sector is expected to grow on the backdrop of the increased activities in other sectors, for example, in mining and construction. In addition substantive growth has been recorded in the volume of shipping and container freights in the first quarter.

On the downside, the decreased disposable income due to high interest rates and increased fuel and food prices, will have a depressing effect on the sector.

"The transport sub-sector is expected to grow on the backdrop of increased activities in other sectors such as mining and construction."

ELECTRICITY, GAS AND WATER

The growth in the **electricity, gas and water** sector is expected to contract at 5.5 percent in 2008 from a contraction of 18.2 percent in the previous year.

The contraction in the sector is ascribed to the increase in the costs of imported electricity and high operational costs of running local power stations, namely; Van Eck and Paratus. The good rainfall experienced during the year will contribute positively to the water sub-sector and help increase output at Ruacana. The high energy prices are expected to result in less consumption of the product.

OTHER SECTORS

The growth of **other sectors**, including producer of government services is expected to be sustained at around 2.1 percent on average during 2008. The producers of government services sub-sector is expected to grow by 1.5 percent in 2008, from a contraction of 0.5 percent in 2007.

CONSUMPTION AND INVESTMENT

Real final consumption expenditure is expected to grow by 4.0 percent in 2008 from a preliminary increase of 5.9 percent in 2007. The high prices coupled with high interest rates has resulted in the reduction of the household's disposable income subsequently in the underperformance of the private consumption.

Despite this, growth would be driven mainly by private consumption and general government, especially in the food, beverages, housing, water, electricity and fuels category, albeit high increases in the prices of these components.

Real investment is projected to grow by 17.0 percent during 2008 from an estimation growth of 15.9 percent in 2007. This growth will be primarily on the backdrop of investments in different capital-intensive sectors, that is; in the mining, the manufacturing, with the erection of the new cement factory, civil infrastructure spending and in the energy sector. Given that this investment will be mainly in the primary industry and therefore not expected to lead to a noticeable decline in the unemployment rate.

CONCLUSION

The Namibian economy is expected to grow at 3.9 percent during 2008, after having slowed to 3.6 percent in 2007. This is the revised outlook from an earlier projection of 4.7 percent.

This revision was made to reflect the effects of the pronounced developments in the external and internal economic environment. The downward revision was mainly in the mining sector specifically the diamond industry, where output is expected to decline and in the electricity sub-sector due to high import and operational costs.

The risks to the outlook remain on the downside. These include: the marked slowdown in the global economy, rising inflation rates and fuel price and the potential negative impact of energy shortages.

Additionally there still exists long-term challenges which need to be addressed if the economy is to grow at a significantly faster pace. These policy challenges relate to the transformation of the very structure of the Namibian economy and the productivity and skills level of her people.

Despite the above, the driving force to growth would remain the mining sector, particularly an increased production in uranium.

APPENDICES

Appendix 1: Real GDP Growth Forecast

	2003	2004	2005	2006	2007	2008**	2008	Change
Agriculture and forestry	**3.6%**	**0.9%**	**10.8%**	**3.9%**	**3.2%**	**2.9%**	**3.3%**	**0.4%**
-Commercial	4.4%	-9.8%	8.4%	0.7%	6.5%	2.9%	4.0%	1.1%
-Subsistence	1.2%	32.5%	15.7%	10.0%	-2.3%	3.0%	2.0%	-1.0%
Fishing	**4.1%**	**-9.0%**	**-3.5%**	**-4.8%**	**-16.2%**	**-0.2%**	**-1.0%**	**-0.8%**
Mining and quarrying	**-4.6%**	**36.5%**	**-1.4%**	**14.7%**	**0.2%**	**10.8%**	**2.1%**	**-8.7%**
-Diamond mining	-3.5%	38.6%	-3.4%	25.2%	-0.8%	7.8%	-1.8%	-9.6%
-Other mining and quarrying	-7.6%	30.5%	4.7%	-13.8%	3.9%	21.8%	17.0%	-4.8%
Total Primary Industries	**0.1%**	**13.2%**	**1.9%**	**7.5%**	**-1.6%**	**6.5%**	**2.1%**	**-4.4%**
Manufacturing	**5.3%**	**3.0%**	**1.1%**	**-8.8%**	**13.0%**	**5.3%**	**5.8%**	**0.5%**
-Meat processing	-11.0%	-9.3%	8.0%	-8.4%	1.1%	2.3%	2.0%	-0.3%
-Fish processing	51.4%	-2.9%	-4.8%	-37.5%	13.8%	-0.7%	3.0%	3.7%
-Food products and beverages	-0.3%	1.5%	5.0%	5.5%	6.1%	6.5%	6.5%	0.0%
-Other Manufacturing	2.6%	9.2%	-2.3%	-17.3%	26.1%	5.1%	6.0%	0.9%
Electricity, Gas and water	***15.7%***	***4.9%***	***12.9%***	***-5.7%***	***-18.2%***	***3.7%***	***-5.5%***	***-9.2%***
Construction	**22.9%**	**-0.4%**	**3.7%**	**28.6%**	**32.8%**	**9.5%**	**20.0%**	**10.5%**
Total Secondary Industries	**9.5%**	**2.5%**	**2.8%**	**-0.9%**	**15.0%**	**6.3%**	**9.3%**	**3.0%**
Wholesale & retail trade, repairs	**4.2%**	**7.6%**	**6.3%**	**9.8%**	**6.0%**	**6.5%**	**6.5%**	**0.0%**
Hotels and restaurants	**5.1%**	**-3.3%**	**0.3%**	**3.1%**	**3.9%**	**3.5%**	**3.5%**	**0.0%**
Transport and communication	**3.1%**	**13.5%**	**16.3%**	**10.0%**	**7.5%**	**11.0%**	**4.8%**	**-6.2%**
-Transport and storage	-10.0%	8.4%	5.8%	17.3%	2.5%	7.5%	3.5%	-4.0%
-Post and telecommunications	25.3%	19.7%	27.9%	3.4%	12.7%	9.5%	6.0%	-3.5%
Financial intermediation	**9.7%**	**14.5%**	**18.9%**	**1.6%**	**2.4%**	**4.5%**	**3.0%**	**-1.5%**
Real estate & business services	**5.2%**	**7.1%**	**2.6%**	**4.4%**	**4.3%**	**3.5%**	**3.7%**	**0.2%**
-Owner-occupied dwellings	2.6%	2.5%	4.9%	5.5%	5.6%	3.5%	4.0%	0.5%
-Other real estate, business services	7.8%	11.4%	0.7%	3.4%	3.2%	3.5%	3.5%	0.0%
Community, social & personal services	**5.1%**	**-6.3%**	**3.7%**	**20.0%**	**2.4%**	**3.7%**	**3.0%**	**-0.7%**
Producers of government services	**2.0%**	**5.0%**	**4.4%**	**-0.3%**	**-0.5%**	**2.2%**	**1.5%**	**-0.7%**
Other producers	**1.0%**	**2.6%**	**1.9%**	**1.9%**	**1.8%**	**2.1%**	**1.8%**	**-0.3%**
Total Tertiary industries	**3.6%**	**7.1%**	**7.0%**	**4.5%**	**3.3%**	**4.6%**	**3.6%**	**-1.0%**
Less: Financial services indirectly measured	14.8%	15.7%	13.1%	16.7%	12.9%	12.0%	11.9%	-0.1%
GDP at Basic prices	**3.8%**	**7.4%**	**5.1%**	**4.0%**	**4.0%**	**5.2%**	**4.2%**	**-1.0%**
Taxes less subsidies on products	1.4%	1.4%	1.3%	3.3%	0.5%	1.1%	1.1%	0.0%
GDP at market prices	**3.5%**	**6.6%**	**4.7%**	**3.9%**	**3.6%**	**4.7%**	**3.9%**	**-0.8%**

Source: National Planning Commission; Bank of Namibia. 2000-2006: official figures; 2007: preliminary figures 2008: August projections, 2008**: January projections, Change is the difference from January 2008 projections.

Appendix 2: GDP at Constant Prices (N$ millions)

	2002	2003	2004	2005	2006	2007	2008
Agriculture and forestry	**975**	**1,010**	**1,019**	**1,129**	**1,173**	**1,211**	**1,251**
-Commercial	723	755	681	738	743	791	823
-Subsistence	252	255	338	391	430	420	428
Fishing	**703**	**732**	**666**	**643**	**612**	**513**	**508**
Mining and quarrying	**1,297**	**1,237**	**1,688**	**1,665**	**1,910**	**1,913**	**1,954**
-Diamond mining	942	909	1,260	1,217	1,524	1,512	1,485
-Other mining and quarrying	355	328	428	448	386	401	469
Total Primary Industries	**2,975**	**2,979**	**3,373**	**3,437**	**3,695**	**3,637**	**3,712**
Manufacturing	**1,815**	**1,911**	**1,968**	**1,989**	**1,813**	**2,049**	**2,168**
-Meat processing	109	97	88	95	87	88	90
-Fish processing	183	277	269	256	160	182	187
-Food products and beverages	875	872	885	929	980	1,040	1,108
-Other Manufacturing	648	665	726	709	586	739	783
Electricity and water	**230**	**266**	**279**	**315**	**297**	**243**	**230**
Construction	**459**	**564**	**562**	**583**	**750**	**996**	**1,195**
Total Secondary Industries	**2,504**	**2,741**	**2,809**	**2,887**	**2,860**	**3,288**	**3,593**
Wholesale and retail trade, repairs	**1,607**	**1,674**	**1,801**	**1,915**	**2,103**	**2,229**	**2,374**
Hotels and restaurants	**316**	**332**	**321**	**322**	**332**	**345**	**357**
Transport and communication	**1,331**	**1,372**	**1,557**	**1,811**	**1,992**	**2,141**	**2,244**
-Transport and storage	837	753	816	863	1,012	1,037	1,073
-Post and telecommunications	494	619	741	948	980	1,104	1,170
Financial intermediation	**514**	**564**	**646**	**768**	**780**	**799**	**823**
Real estate and business services	**1,494**	**1,572**	**1,684**	**1,728**	**1,804**	**1,882**	**1,953**
-Owner-occupied dwellings	740	759	778	816	861	909	945
-Other real estate and business services	754	813	906	912	943	973	1,007
Community, social and personal services	**137**	**144**	**135**	**140**	**168**	**172**	**177**
Producers of government services	**3,408**	**3,475**	**3,650**	**3,811**	**3,799**	**3,779**	**3,836**
Other producers	**307**	**310**	**318**	**324**	**330**	**336**	**342**
Total Tertiary industries	**9,114**	**9,443**	**10,112**	**10,819**	**11,308**	**11,683**	**12,105**
Less: Financial services indirectly measured	155	178	206	233	272	307	344
GDP at Basic prices	**14,438**	**14,985**	**16,088**	**16,910**	**17,591**	**18,301**	**19,067**
Taxes less subsidies on products	2,055	2,083	2,112	2,140	2,211	2,223	2,247
GDP at market prices	**16,493**	**17,068**	**18,200**	**19,050**	**19,802**	**20,524**	**21,314**

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

Appendix 3: GDP at Current Prices (N$ millions)

	2002	2003	2004	2005	2006	2007	2008
Agriculture and forestry	**1 687**	**1 814**	**1 873**	**2 398**	**2 905**	**3 356**	**3 823**
- Commercial	1 309	1 353	1 294	1 681	1 941	2 313	2 651
- Subsistence	378	461	579	717	964	1 043	1 172
Fishing and fish processing on board	**1 608**	**1 757**	**1 547**	**1 916**	**1 932**	**2 202**	**2 402**
Mining and quarrying	**4 565**	**2 975**	**3 489**	**3 391**	**6 073**	**6 532**	**7 776**
- Diamond mining	3 427	2 630	3 048	2 782	4 054	3 105	3 360
- Other mining and quarrying	1 138	345	441	609	2 019	3 427	4 417
Total Primary Industries	**7 860**	**6 546**	**6 909**	**7 705**	**10 910**	**12 090**	**14 002**
Manufacturing	**3 305**	**3 870**	**4 000**	**4 055**	**5 401**	**7 521**	**8 768**
-Meat processing	143	139	126	121	84	88	99
-Fish processing on shore	703	876	750	466	662	793	900
-Other food products and beverages	1 515	1 650	1 690	1 772	1 979	2 328	2 732
- Other Manufacturing	944	1 205	1 434	1 696	2 676	4 312	5 037
Electricity and water	**854**	**1 003**	**1 197**	**1 344**	**1 253**	**1 399**	**1 457**
Construction	**725**	**1 029**	**1 100**	**1 241**	**1 693**	**1 796**	**2 375**
Total Secondary Industries	**4 884**	**5 902**	**6 297**	**6 640**	**8 347**	**10 716**	**12 600**
Wholesale and retail trade, repairs	**3 428**	**3 987**	**3 985**	**4 235**	**5 218**	**5 200**	**6 103**
Hotels and restaurants	**576**	**648**	**653**	**670**	**724**	**803**	**916**
Transport and communication	**2 083**	**2 382**	**2 670**	**3 015**	**2 673**	**3 091**	**3 556**
- Transport and storage	1 289	1 409	1 497	1 639	1 552	1 983	2 262
- Post and telecommunications	794	973	1 173	1 376	1 121	1 108	1 294
Financial intermediation	**1 088**	**1 249**	**1 213**	**1 455**	**1 567**	**1 827**	**2 074**
Real estate and business services	**2 831**	**3 156**	**3 542**	**3 763**	**4 072**	**4 432**	**5 067**
-Owner-occupied dwellings	1 449	1 593	1 748	1 861	2 024	2 206	2 528
-Other real estate and business services	1 382	1 563	1 794	1 902	2 048	2 226	2 539
Community, social & personal services	**244**	**281**	**282**	**320**	**405**	**448**	**509**
Producers of government services	**6 553**	**6 863**	**7 124**	**7 752**	**8 319**	**8 879**	**9 931**
Other producers	**558**	**606**	**647**	**673**	**721**	**784**	**880**
Total Tertiary industries	**17 361**	**19 172**	**20 116**	**21 883**	**23 699**	**25 464**	**29 035**
Less: Financial services indirectly measured	359	432	394	440	546	713	879
GDP at Basic prices	**29 746**	**31 188**	**32 928**	**35 788**	**42 410**	**47 557**	**54 758**
Taxes less subsidies on products	3 161	2 655	3 567	3 970	4 424	4 972	5 539
GDP at market prices	**32 907**	**33 843**	**36 495**	**39 758**	**46 834**	**52 529**	**60 298**

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