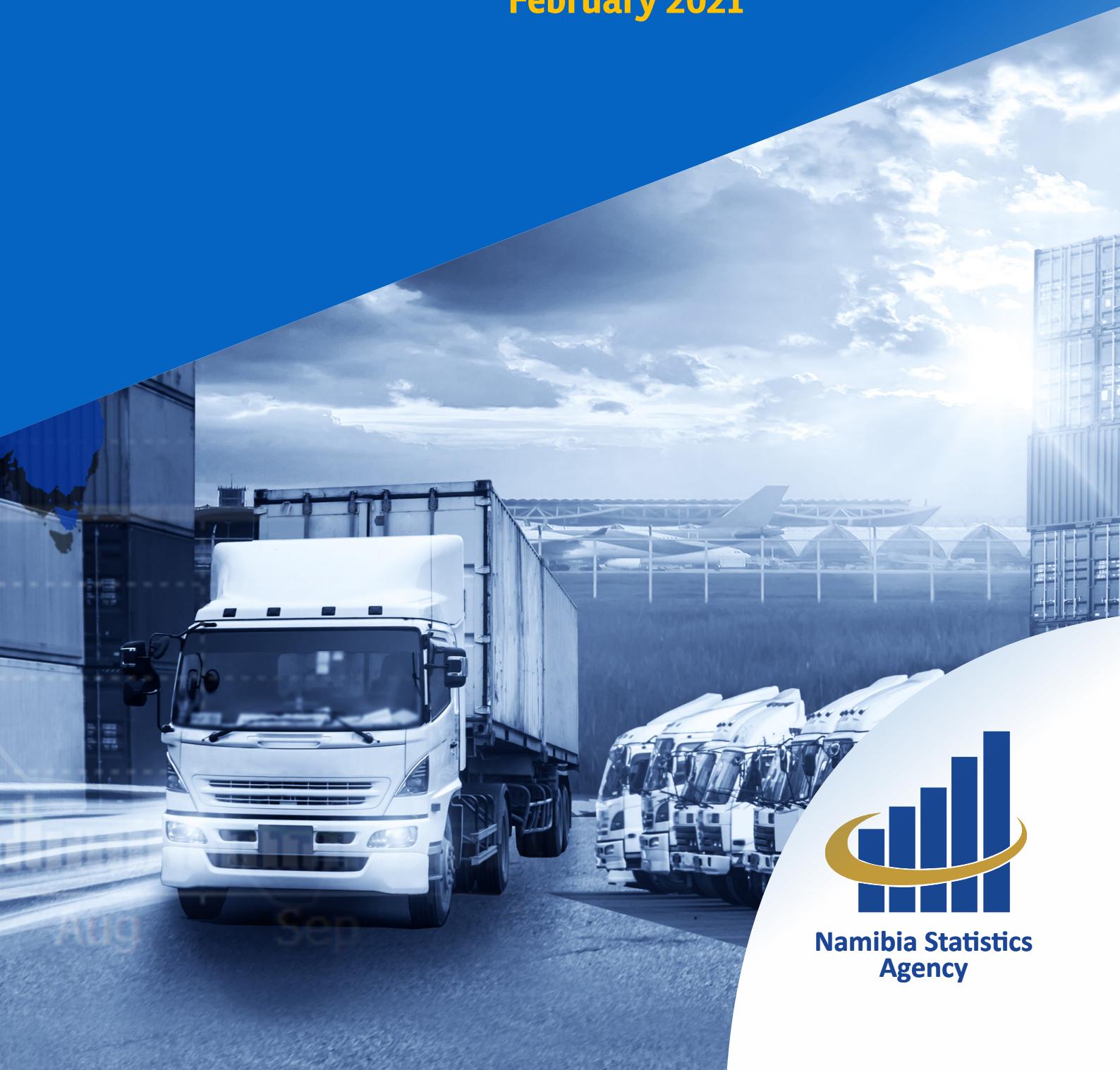


Namibia Trade Statistics Bulletin

February 2021





Mission Statement

"Leveraging on partnerships and innovative technologies, to produce and disseminate relevant, quality, timely statistics and spatial data that are fit-for-purpose in accordance with international standards and best practice"



Vision Statement

"Be a high performance institution in quality statistics delivery"



Core Values

- Integrity
- Excellent Performance
- Accuracy
- Team Work
- Accountability
- Transparency

Preface



International merchandise trade plays a crucial role in economic development as it links producers and consumers located in different countries into a global economic system. In this context, availability of timely and high-quality trade statistics becomes a precondition for an in-depth analysis of the employment, production, income, consumption and overall welfare both at the country and global level. It is in that light that since its establishment, the NSA has strived to make provision of timely and quality statistics through various publications. This publication outlines the monthly developments of Namibia's merchandise trade with the rest of the world during the period of February 2021.

The month of February 2021 saw Namibia's total merchandise trade declining to the level of N\$13.9 billion, which is 18.4 percent less than its level of N\$17.1 billion in January 2021 and lower by 1.1 percent from its February 2020 level of N\$14.1 billion. However, the country's trade balance remained in a deficit amounting to N\$2.4 billion, widening from a deficit of N\$1.8 billion recorded in January 2021 and narrowing from the level N\$3.5 billion registered in February 2020.

Namibia's trade composition by partner illustrated that China continued as Namibia's largest export market while South Africa maintained its first position as Namibia's largest source of imports. The composition of the export basket mainly comprised of minerals such as copper, pearls and precious stones (diamonds), non-monetary gold and copper concentrates. Fish was the only non-mineral products among the top five exports. On the other hand, the import basket comprised mainly of copper, petroleum and petroleum products, motor vehicles, telecommunication equipment and medicinal and pharmaceutical products. The February 2021 trade statistics indicated that re-exports deteriorated, falling by 22.7 percent month-on-month but improved by 53.6 percent year-on-year. Copper took the largest share of goods that were re-exported, accounting for 62.4 percent of total re-exports, destined mainly to China, Netherland, Australia, India and Hong Kong. The copper that was re-exported was mostly sourced from Zambia. Important to note is that copper appears to dominate both the export and import side of Namibia's trade. This is because some of the copper imported comes under warehousing procedures before it is re-exported. Hence, they form part of total exports (domestic plus re-export).

Let me take this opportunity to thank all our stakeholders who made it possible for the production of this report. I would also like to urge our Traders and Clearing Agents to continue providing all the required information when declaring their goods as this information is vital in the production of trade statistics. In the same vein, I would like to urge our users of statistical information to send to us any comments that may enhance the quality of this report.

A handwritten signature in black ink, appearing to read "Shimuafeni".

ALEX SHIMUAFENI
STATISTICIAN GENERAL & CEO

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List of acronyms

BRIC: Brazil, Russia, India and China

CIF: Cost, Insurance and Freight

COMESA: Common Market for Eastern and Southern Africa

DRC: Democratic Republic of Congo

EAC: East African Community

EFTA: European Free Trade Association

EPZ: Export Processing Zone

EU: European Union

FOB: Free on Board

ROW: Rest of World

SACU: Southern African Customs Union

SADC: Southern African Development Community

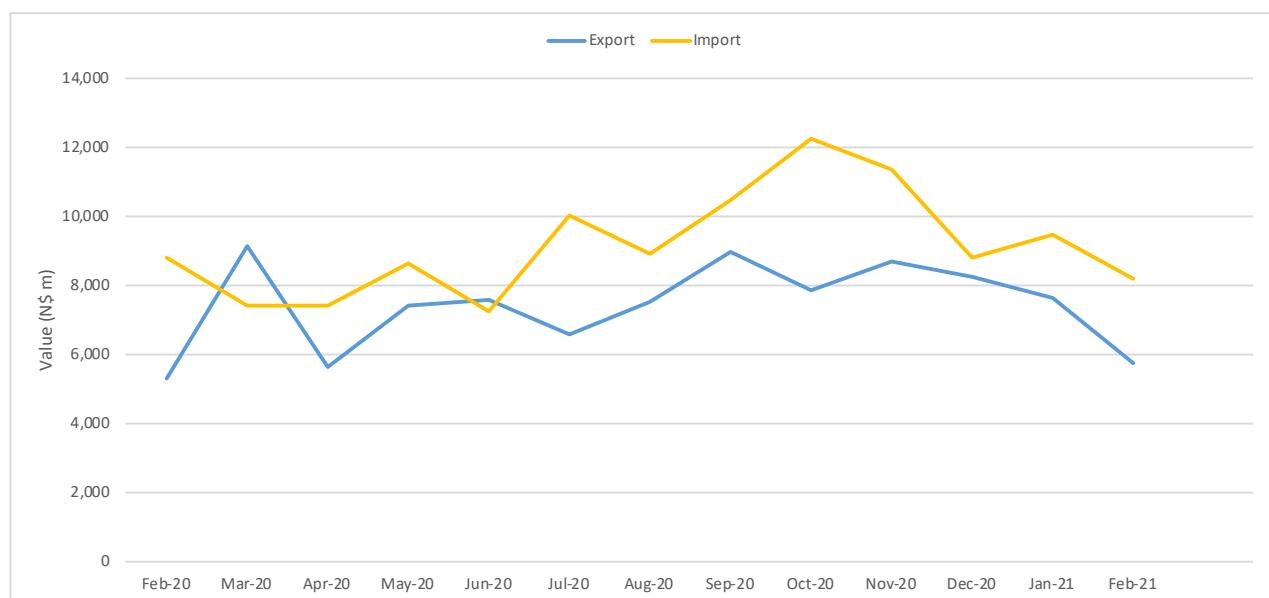
VAR: Imported from Various Countries

SECTION 1: KEY DEVELOPMENTS

1.1 Total Exports and Total Imports

The value of exports¹ in February 2021 reduced by 24.6 percent to N\$5.7 billion from its level of N\$7.6 billion recorded in January 2021. However, when compared to its level of N\$5.3 billion recorded in February 2020, exports improved by 8.7 percent (Chart 1). Imports stood at N\$8.2 billion, falling by 13.4 percent and 6.9 percent compared to N\$9.5 billion and N\$8.8 billion recorded in January 2021 and February 2020, respectively. Following the developments in exports and imports, Namibia's total merchandize trade with the ROW² weakened by 18.4 percent from N\$17.1 billion obtained in January 2021 to the current value of N\$13.9 billion. A further decline of 1.1 percent was observed in the country's total trade when compared to its level of N\$14.1 in February 2020.

Chart 1: Total exports and imports February 2020 to February 2021



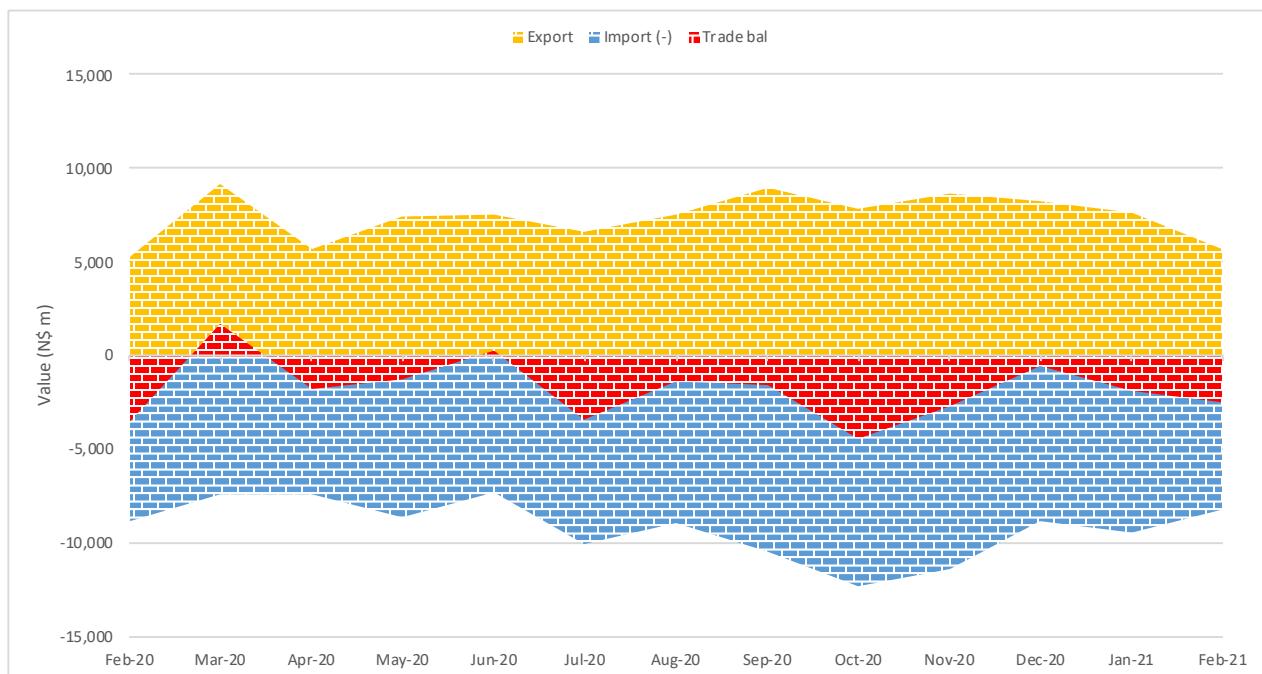
¹ Exports represents total exports derived from the sum of domestic exports and re-exports.

² Rest of the world (ROW).

1.2 Trade Balance

The trade balance compares the country's trade with the ROW in terms of export earnings and expenditure on imports. During the month under review, Namibia recorded a trade deficit to the tune of N\$2.4 billion compared to a deficit level of N\$1.8 billion and N\$3.5 billion recorded in January 2021 and February 2020, respectively (Chart 2). Over the period (Feb-20 to Feb-21) Namibia recorded positive trade balances in March and June 2020 amounting to N\$1.7 billion and N\$324 million respectively.

Chart 2: Trade balance, February 2020 to February 2021



³ Trade balance here is measured as the difference between the country's total exports and total imports. A positive balance is referred to as a surplus while a negative balance is referred to as a deficit.

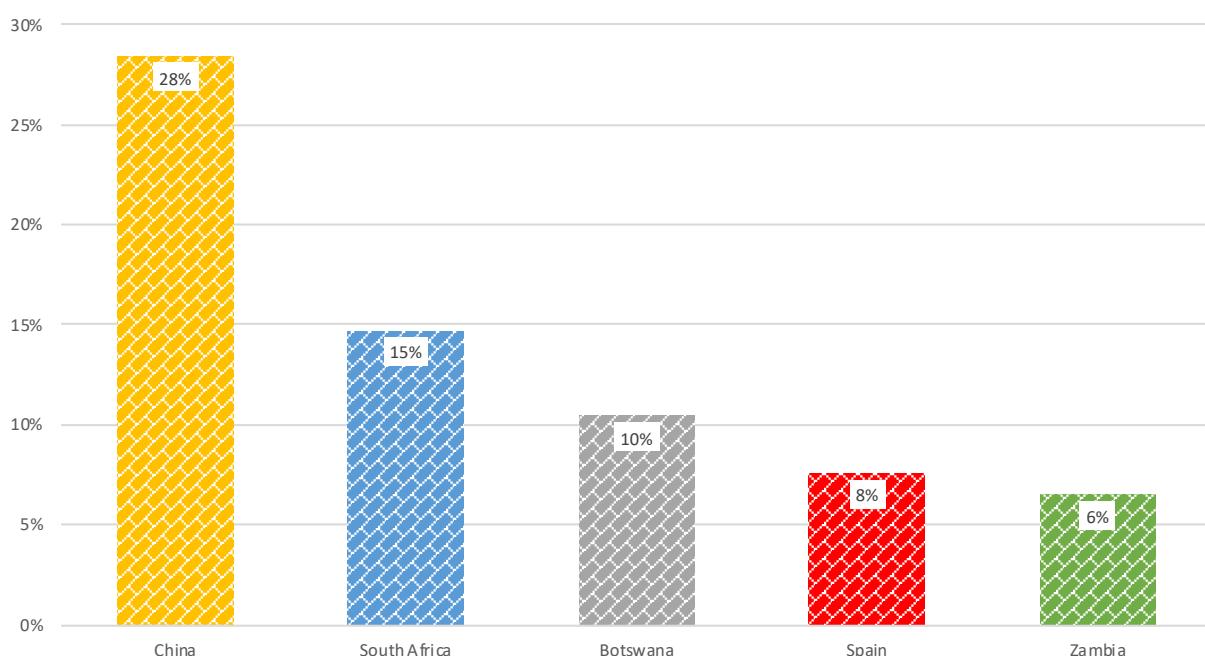
⁴ The value of imports here is denoted as negative to show an out flow.

SECTION 2: DIRECTION OF TRADE (DOT)

2.1 Top Five (5) Export Markets

During the month of February 2021, Namibia's top five trading partners in terms of exports largely remained the same as in the previous month for the top two countries (China & South Africa) with Botswana and Spain making it to the list as new entrants while Zambia also featured on the list of the previous month (Chart 3). These top five markets accounted for 67.6 percent of Namibia's total exports, up from the 57.1 percent recorded in the previous month.

Chart 3: Percentage share of export by country

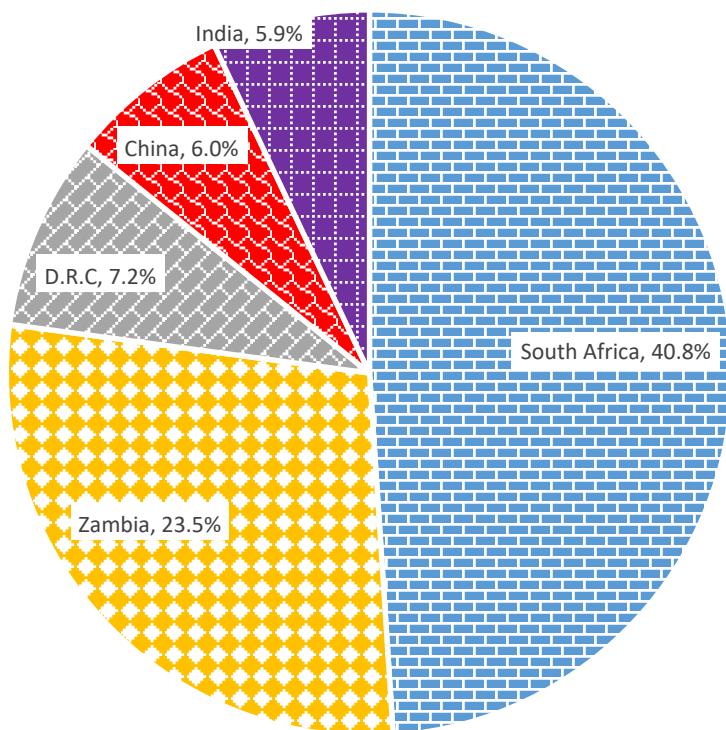


China emerged as the main export market for the country, absorbing 28.4 percent of all goods exported, ahead of South Africa in the second place whose market share of Namibia's exports stood at 14.7 percent of total exports. Botswana claimed the third position to account for 10.4 percent while Spain and Zambia occupied the fourth and fifth positions with respective shares of 7.6 percent and 6.5 percent.

2.2 Top Five (5) Import Markets

The month of February 2021 saw Namibia sourcing majority of imports from the usual countries namely; South Africa, Zambia, D.R.C, China and India. The top five import markets supplied Namibia with 83.2 percent of all import requirements needed by the country, up from its January 2021 level of 60.2 percent and from 71.9 percent in February 2020. The individual contribution of each of these countries to Namibia's total imports is shown in Chart 4.

Chart 4: Percentage share of imports by country



South Africa remained Namibia's largest import market with a share of 40.8 percent of the value of all goods received into the country during the month under review. Following in the second place was Zambia with a contribution of 23.5 percent of total imports. Furthermore, D.R.C in third place accounted for 7.2 percent of Namibia's total imports followed by China and India contributing 6 percent and 5.9 percent respectively.

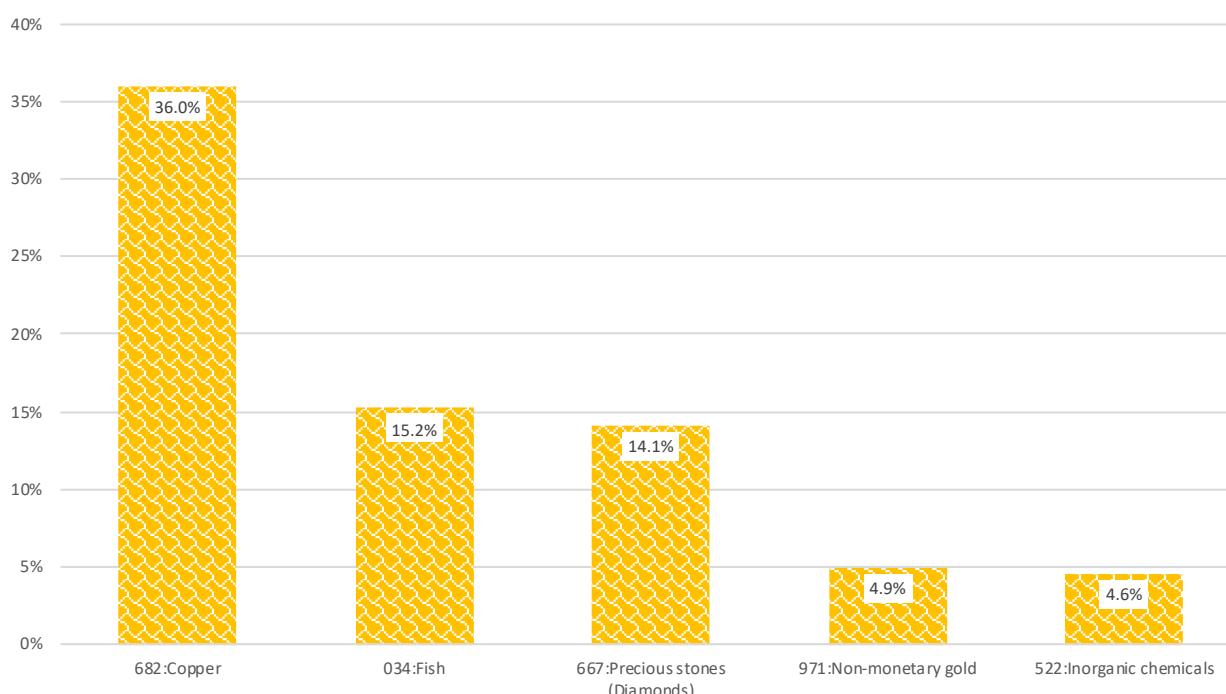
SECTION 3: TRADE BY PRODUCTS

This section outlines Namibia's trade flow based on the Standard International Trade Classification Revision 4 (SITC rev 4). The SITC groups all commodities into headings suitable for economic analysis, in this section, the SITC is disaggregated to 3-digit level. The SITC is recommended by the United Nations for use in external trade data and thus promotes international comparability of trade statistics.

3.1 Top Five (5) Export Products

Copper, mainly destined to China, Netherlands and Australia was Namibia's largest export commodity during the month under review, accounting for 36 percent of total exports ahead of fish which accounted for 15.2 percent of total exports mainly due to the demand of this product by Spain, Zambia and South Africa.

Chart 5: Percentage share of the top five export products



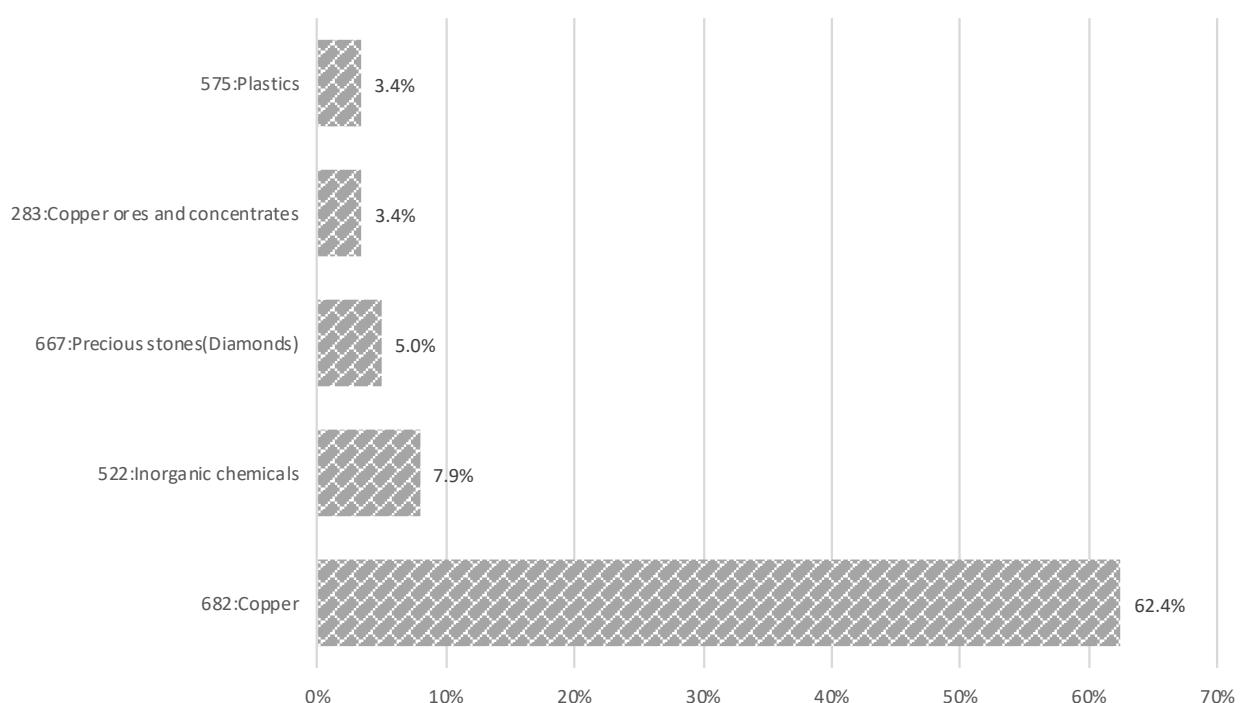
Precious stones (diamonds), primarily destined for Botswana, United Arab Emirates and Belgium, claimed the third position with a contribution of 14.1 percent of the total exports followed by non-monetary gold in the fourth place with 4.9 percent, as South Africa remain the solitary importer of Namibia's gold. Finally, Inorganic chemicals occupied the fifth position with a contribution of 4.6 percent as a result of exports to China, Finland and United Arab Emirates. The aforementioned top five export commodities jointly accounted for 74.9 percent of total exports (Chart 5).

3.2 Top Five (5) Re-export Products

Re-exports are commodities imported by residents who assume short-term ownership of the commodities. The commodities are subsequently exported without undergoing any significant industrial transformation. Even though no substantial transformation is done, re-exports have the potential to benefit the intermediate country by rendering services such as sorting, re-packaging, storage, transport and trade mediation services. This implies that the country's services sector greatly benefits from activities of re-exports. Additionally, re-exports serve as an indication of favorable corporate tax in the intermediate country⁵.

In February 2021, total re-exports fell by 22.7 percent to register N\$3.3 billion after recording N\$4.3 billion in the previous month. In contrast, an improvement of 53.6 percent was observed when compared to February 2020. As indicated earlier, re-exports are foreign goods and hence imported from other countries. Looking at the origin of the main products which were re-exported, copper was mainly sourced from Zambia and the DRC whereas inorganic chemicals were imported from DRC and South Africa.

Chart 6: Percentage share of the top five re-export products



The top five commodities that utilized the logistical services offered by Namibia in February 2021 were copper with a share of 62.4 percent of total re-exports mostly destined to China, Netherlands and Australia (Chart 6). Following in the second place was inorganic chemicals with a share of 7.9 percent of total re-exports which was mostly destined to China and Finland. Precious stones (diamonds) accounted for 5 percent of all commodities re-exported and was mostly destined to Belgium, South

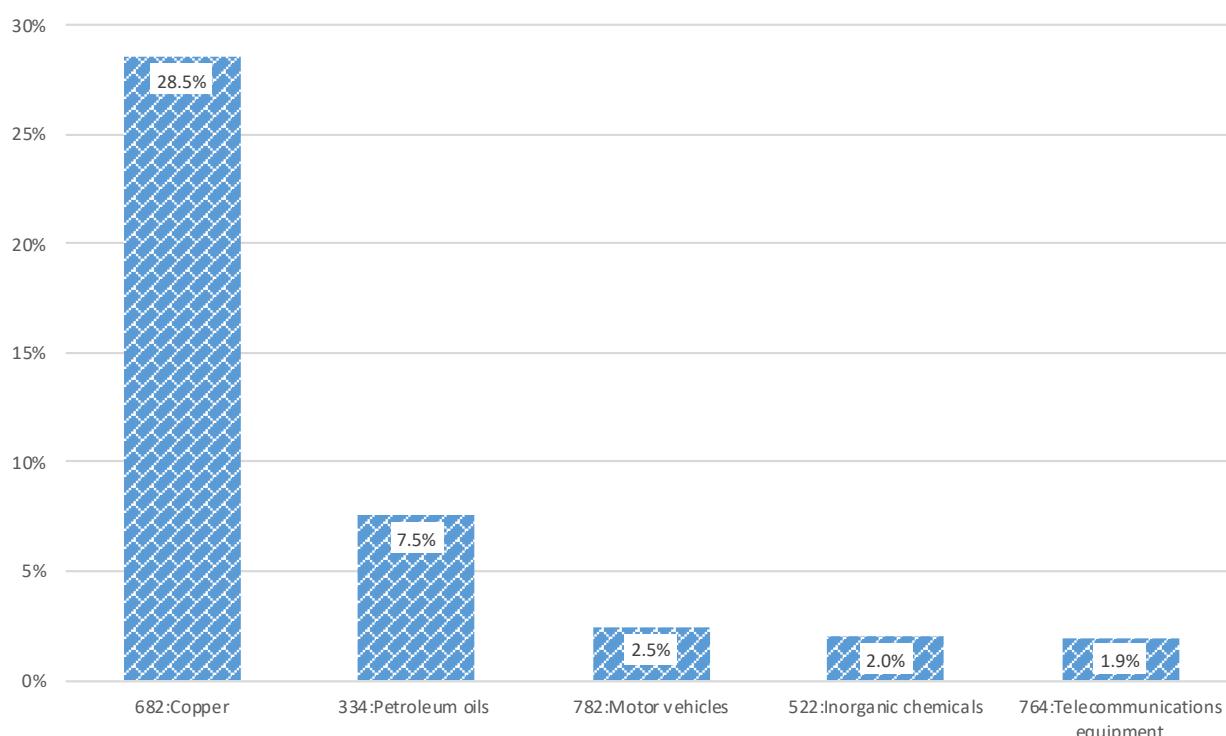
⁵ Lankhuizen, M. & Thessen, M., 2019. The Implication of re-export for Gravity Equation Estimation, NAFTA and BREXIT. Spatial Economic Analysis, 14(4), pp.384-403

Africa and Israel. Copper ores and concentrates; and plastics accounted for 3.4 percent each. Copper ores and concentrates were re-exported to China while Zambia absorbed most of the plastics re-exported with small amounts destined for DRC.

3.3 Top Five (5) Import Products

During the period under review, the value of imports into the country amounted to N\$8.2 billion down from its level of N\$9.5 billion in January 2021 and N\$8.8 billion in February 2020. The top five commodities imported into Namibia jointly accounted for 42.5 percent of total imports with copper leading with the largest share of 28.5 percent. Following in the second position is petroleum oils with a share of 7.5 percent of all commodities imported. The category of motor vehicles was ranked third after contributing 2.5 percent to total imports while inorganic chemicals; and telecommunications equipment followed in the fourth and fifth position with contributions of 2.0 percent and 1.9 percent, respectively (Chart 7).

Chart 7: Percentage share of the top five import products



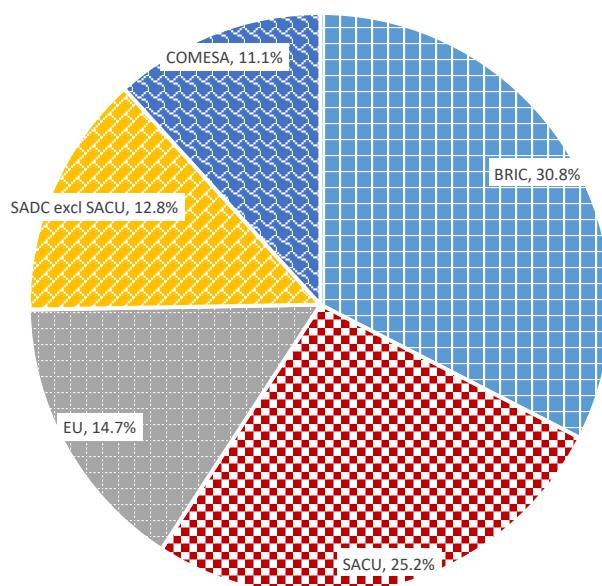
The copper that was imported in February 2021 was mostly sourced from Zambia and DRC while most of petroleum oils imported into the country mainly originated from India, Saudi Arabia and South Africa. Domestic demand for motor vehicles were mainly met by South Africa and United Kingdom. Inorganic chemicals were mostly sourced from DRC and South Africa. Finally, most of telecommunication equipment were sourced from China and South Africa.

SECTION 4: TRADE BY ECONOMIC REGIONS

4.1 Exports by Economic Regions

Brazil, Russia, India and China (BRIC) was the largest export destination for Namibia's goods (mostly copper) during the month of review, with a market share of 30.8 percent of the total exports. The Southern African Customs Union (SACU) and the European Union (EU) followed in the second and third positions, accounting for a market share of 25.2 percent and 14.7 percent, respectively (Chart 8).

Chart 8: Top five export by Economic Regions (percentage share)⁶



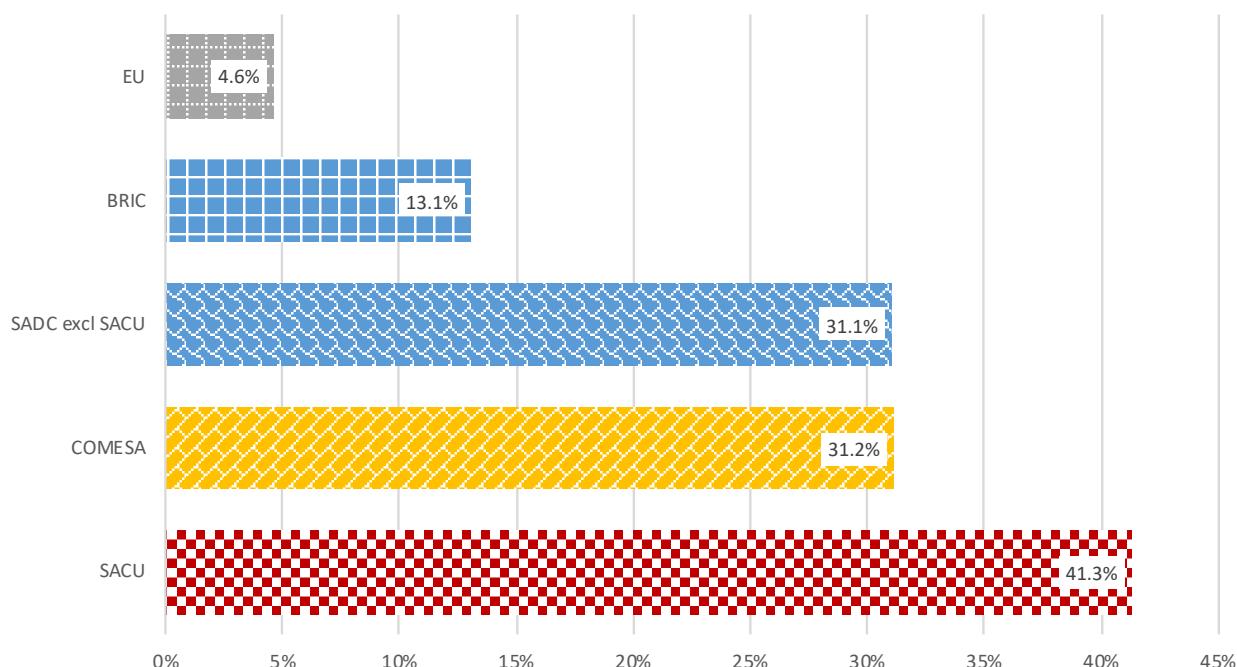
Exports to SACU comprised mainly of precious stones (diamonds); and non-monetary gold while fish and copper were the main products destined to the EU. SADC-excluding-SACU followed in fourth place with a share of 12.8 percent due to high exports of fish. Finally, the Common Market for Eastern and Southern Africa (COMESA) came in fifth position with a market share of 11.1 percent. Fish was again the largest export commodity to the COMESA region.

⁶ The percentages for economic regions are based on the world aggregates because of overlapping member states for some regions hence the percentages do not add up to 100%.

4.2 Imports by Economic Regions

In February 2021, the SACU region remained the largest source of imports for Namibia, accounting for 41.3 percent of all goods imported (mainly motor vehicles and Sugar). Copper was responsible for the high value of imports from COMESA which had a share of 31.2 percent of total imports and hence making it the second largest source of imports into the country. SADC excluding SACU accounted for 31.1 percent of Namibia's total import bill, followed by BRIC and the EU in the fourth and fifth positions with 13.1 percent and 4.6 percent, respectively (Chart 9).

Chart 9: Top five import by economic regions (percentage share)



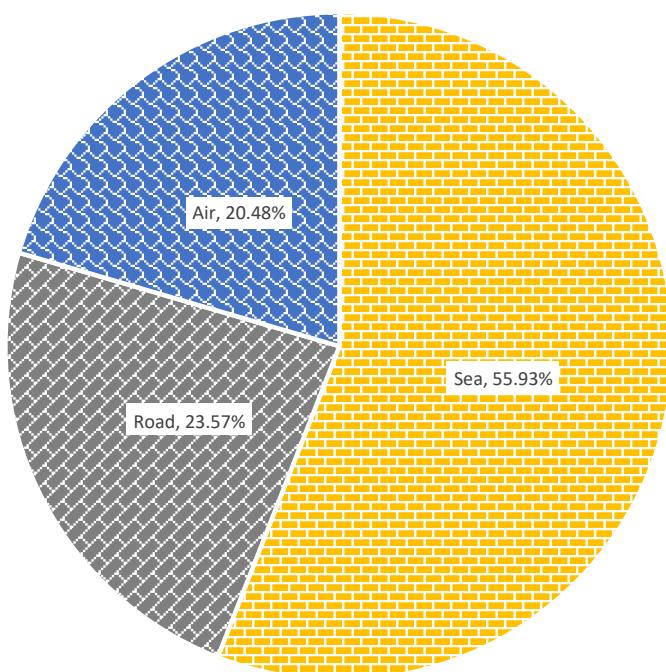
Imports from SADC excluding SACU comprised mainly of copper; while petroleum oils and telecommunications equipment were responsible for the high import value from BRIC. Furthermore, plastics were the major imports from the EU during the period under review.

SECTION 5: TRADE BY MODE OF TRANSPORT

5.1 Export by mode of transport

During the month of February 2021, exports amounting to N\$3.2 billion, representing 55.9 percent of total exports left the country by sea. This however, translated into a decrease of 38.5 percent when compared to the value (N\$5.2 billion) of goods exported in January 2021. However, an increase of 34.7 percent was noted when compared to its February 2020 level of N\$2.4 billion. Road and air transportation accounted for 23.6 percent and 20.5 percent of total exports, respectively (Chart 10).

Chart 10: Export by mode of transport (percentage share)

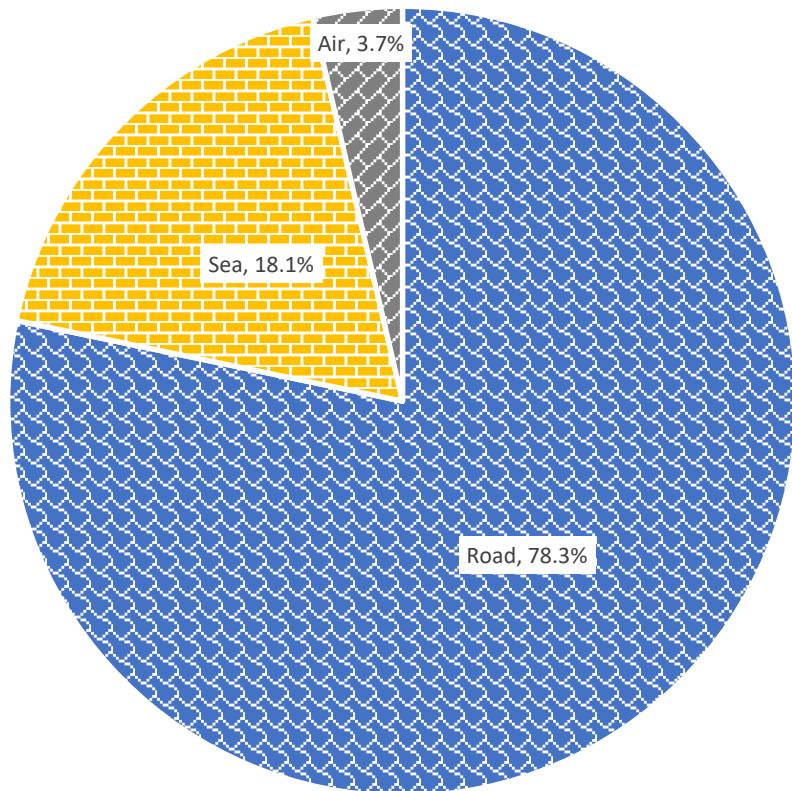


In terms of tonnage, the month under review saw 104,493 tons of goods leaving Namibia by road, up from the level of 103,549 tons recorded in January 2021 and also up from 90,398 tons registered in the corresponding period a year ago. About 80,228 tons of goods left the country by sea compared to 94,588 tons registered in the previous month and from 83,926 tons recorded in the same month last year. Whereas only 267 tons left the country by air after registering 221 tons in January 2021 and 279 tons in February 2020.

5.2 Import by mode of transport

Road was the most frequent mode of transport used for imports during the period of review. Imports by road amounted to N\$6.4 billion, representing 78.3 percent of all goods imported into the country. This was followed by sea transport which accounted for 18.1 percent of all the goods that reached the country while the remaining 3.7 percent arrived by air. (Chart 11).

CHART 11: Import by mode of transport (percentage share)

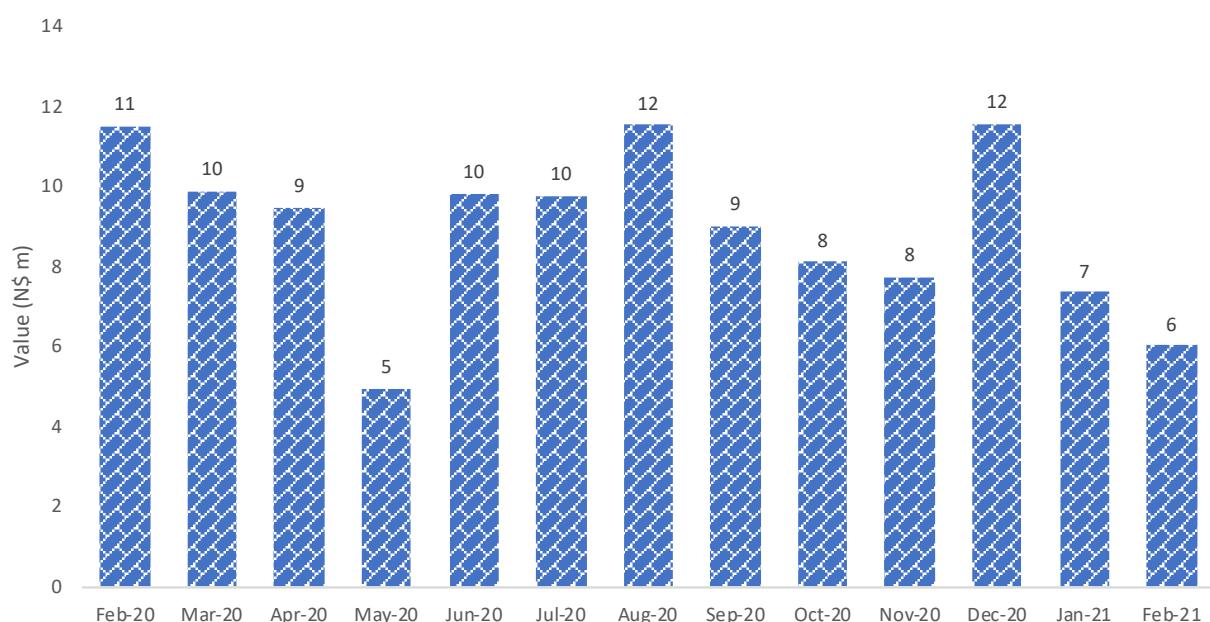


In terms of tonnage, about 156,247 tons of goods reached the country by road. This is less than its level of 180,545 tons observed in January 2021 and 170,825 tons recorded in February 2020. Whereas 109,009 tons of goods reached the country by sea compared to its level of 193,830 in January 2021 and 88,831 tons in February 2020.

6. Commodity of the Month

The commodity of interest for the month of February 2021 is the category of oil seeds. During the period of review, the import value of this category amounted to N\$6 million declining by 18.7 percent from its level of N\$7 million in January 2021. Similarly, it dropped by 47.7 percent when compared to the level of N\$11 million recorded in February 2020. The accumulated value of import of this category since February 2020 to February 2021 (Chart 12) stood at N\$117 million, amounting to an average of N\$9 million per month. The highest value of N\$12 million-above average was recorded in August 2020 and December 2020, while the lowest value of N\$5 million-below average was registered in May 2020.

CHART 12: imports of products of the milling industry since Jan 20-Jan to Jan-21



The N\$6 million import bill incurred in February 2021 of this category mainly comprised of vegetable seed accounting for 66 percent followed by flour and meal of soya beans (8.2%) and other forage products (7.9%). These products were mainly sourced from South Africa with a share of 96.7 percent of the total imports, while the Netherlands and Germany accounted for 1.7 percent and 0.8 percent, respectively.

Conclusion

In February 2021, Namibia's exports stood at N\$5.7 billion and imports at N\$8.2 billion, subsequently the country's trade balance resulted in a deficit of N\$2.4 billion. Total trade for February 2021 amounted to the tune of N\$14 billion.

Exports fell by 24.6 percent from its revised level of N\$7.6 billion in January 2021 while it improved by 8.7 percent when compared to its level of N\$5.3 billion recorded in February 2020. On the other hand, imports declined in both instances falling by 13.4 percent and 6.9 percent when compared to its levels of N\$9.5 billion and N\$8.8 billion in January 2021 and February 2020, respectively.

China maintained her position as the country's largest export destination, with a share of 28.4 percent of all goods exported followed by South Africa with a share of 14.7 percent. Furthermore, Botswana, Spain and Zambia formed part of Namibia's top five export markets. The demand side saw South Africa maintaining the first position as the country's largest source of imports, accounting for 40.8 percent of total imports into Namibia. Zambia held firm on its second position with 23.5 percent of the market share. DRC, China and India also formed part of Namibia's top five sources of imports. The analysis of exports by commodities revealed that copper had the largest share (36%) in Namibia's total exports ahead of fish (15.2%), precious stones (diamonds) (14.1%), non-monetary gold (4.9%) followed by inorganic chemicals (4.6%). In terms of imports, copper was also the most imported commodity with a relative share of 28.5 percent of total imports, followed by petroleum oils with a share of 7.5 percent and motor vehicles with a share of 2.5 percent. Moreover, inorganic chemicals and telecommunications equipment contributed 2 percent and 1.9 percent to Namibia's total imports, respectively.

In terms of regional composition, BRIC remain the largest export market during the month of February 2021, with a market share of 30.8 percent of total exports followed by the SACU region with relative market shares of 25.2 percent while the EU, SADC-excl-SACU; and COMESA had respective shares of 14.7 percent, 12.8 percent and 11.1 percent. On the imports side, SACU remained the largest source of Namibia's imports with a share of 41.3 percent of total import bill followed by COMESA with 31.2 percent. The SADC excluding SACU, BRIC and the EU had a share of 31.1 percent, 13.1 percent and 4.6 percent, respectively.

Namibia's trade by mode of transport show that in February 2021, the majority of goods exported left the country by sea, accounting for 55.9 percent of total exports. Followed by road transport with 23.6 percent and air transport with 20.5 percent. On the demand side, most goods that entered the country came in by road, accounting for 78.3 percent of total imports followed by sea (18.1%) and air (3.7%).

Finally, the category of oil seeds was the commodity for analysis in February 2021. The import value of this category of products stood at N\$6 million in February 2021, mainly distributed among commodities such as vegetable seed, flour and meal of soya beans and other forage products. These commodities were mainly sourced from South Africa, Netherlands and Germany.

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