

MEDIA RELEASE

(Economic statistics)

17 December 2020

For immediate release

Release of Government Wage Index, 3rd Quarter GDP and Namibia Producer Price Index for the third quarter of 2020

1. As is customary, it gives the NSA great pleasure in releasing the following economic statistics to the nation
 - ✓ 3rd Quarter Government Wage Index,
 - ✓ 3rd Quarter GDP
 - ✓ 3rd Quarter Namibia Producer Price Index for 2020

GOVERNMENT WAGE INDEX

2. The Government Wage Index measures the level of prices that government employees charge in exchange for their labour services. During the period under review, the Government Wage Index stood at 130.4 basis points, posting a marginal increase of 0.9 percentage points when compared to the corresponding quarter of 2019. Year on year, the index increased by 0.7 percent in the third quarter of 2020, and was mainly reflected in the Education sector.
3. The Education index registered a moderate growth of 2.1 percent compared to a zero growth registered in the corresponding quarter of 2019. The improved performance is attributed to an increase in wages of new entry teachers coming in on a higher notch relative to existing staffing.

4. Growth in the Public administration index recorded a moderate growth, recording a 0.2 percentage growth relative to a stronger growth of 1.3 percent in the corresponding quarter of 2019. During the quarter under review, the Public administration index stood at 133.1 basis points relative to 132.9 basis points registered in third quarter of 2019. This represents a meagre 0.2 percentage point increase as fewer workers joined the public administration sector thereby increasing the overall adjusted wage for those employed.

5. Contrary, the Health index fell to 123.8 basis points from 125.8 basis points when compared to the third quarter of 2019. This represents a decline of 2.0 percentage points. Growth in the Health index dropped by 1.6 percent relative to contraction of 0.1 percent registered in the corresponding quarter of 2019. In spite of the augmented number of employees observed in the health sector, these numbers are mainly reflected in employment in health workers in the lower scales that have minimal impact on the growth in the index.

Gross Domestic Product (GDP)

6. The third quarter of 2020 (July – September) is characterized by state of emergency measures instituted by the government as part of the effort to combat the spread of Covid-19 pandemic. These measures varied across regions depending on the severity of the cases recorded. Subsequently, the lockdown was lifted and resumption of non-essential services was permitted where possible. These health related measures that were put in place are reflected in the performance of the economy.
7. **The domestic economy continued a downward trend, recording a contraction of 10.5 percent during the third quarter of 2020 compared to a decline of 2.1 percent recorded in the corresponding quarter of 2019.** Thus far in the year of 2020, the economy has registered contractions of 1.4 percent in the first quarter, 10.1 percent in the second quarter, and 10.5 percent in the third quarter. The deeper contractions in the second and third quarters are as a result of the impact of the Covid-19 restrictions.
8. In nominal terms, the size of the Namibian economy as measured by GDP at current prices was estimated at N\$ 44.7 billion in the quarter under review relative to N\$ 45.8 billion posted in the same quarter of 2019. This shows that GDP size shrunk by N\$ 1.1 billion.
9. In real terms the poor performance of the economy during the third quarter of 2020 was observed across the major sectors of the economy with the Hotels and restaurants registering the highest contraction of 54.9 percent, followed by Mining and quarrying (-30.7 percent), 'Administrative and support services' (-27.7 percent), Manufacturing (-24.6 percent), 'Transport and storage' (-23.6 percent) and Fishing sector (-15.6 percent).

10. On the other hand, positive performance was observed in the 'Information and communication' sector as demand for data services and internet connectivity surged from educational institutions, businesses and households during the reporting period. The sector registered a strong growth of 13.8 percent.

11. Similarly, the 'Health' sector registered a growth of 10.3 percent growth as a result of high demand for health workers. Further, the 'Construction' and 'Electricity and water' sectors posted positive performance of 7.5 percent and 5.0 percent, respectively, during the period under review.

12. The largest negative contributors to growth in GDP in the third quarter of 2020 were the manufacturing (-3.1 percentage point), Mining and quarrying (-2.9 percentage point) and Hotel and restaurants (-1.4 percentage point).

Namibia Producer Price Index

13. The NSA is now able to supplement the previously produced indices with a further seven NPPI Indices namely: Mining of uranium and thorium ores; Mining of other non-ferrous metal ores; Other mining and quarrying n.e.c.; Processing and preserving of meat; Manufacture of malt liquors and malt; Manufacture of soft drinks and production of mineral water and other bottled water; and Manufacture of basic precious and other non-ferrous metals.
14. **Mining of Uranium and thorium ores:** The annual percentage change in PPI of this category increased by 39.7 percent in the third quarter of 2020 compared to an increase of 5.4 percent registered during the same period of 2019.
15. **Mining of other non-ferrous metal ores:** The annual Producer Price inflation rate increased by 38.1 in the third quarter of 2020, an increase of 17.2 percentage points over 20.8 percent recorded in the same period last year.
16. **Other mining and quarrying n.e.c:** this sector includes Mining and extraction of diamonds, which is a significant activity in the Namibian production sector. The index increased by 28.0 percent in the third quarter of 2020 compared to a contraction of 12.3 percent recorded in the same quarter of the previous year.
17. **Processing and preserving of meat:** The producer Price inflation of this category increased by 16.3 percent in the third quarter of 2020 compared to a decline of 3.3 percent recorded in the same period of 2019.

- 18. Manufacture of malt liquor and malt:** The producer Price inflation of this category recorded a slow growth of 4.5 percent in the third quarter of 2020 when compared to an increase of 5.0 percent registered in third quarter of 2019.
- 19. Manufacture of soft drinks, production of bottled mineral waters and other bottled waters:** The annual Producer Price inflation rate for this component stood at 1.8 percent in the third quarter of 2020, down from 2.9 percent estimated in the third quarter of 2019.
- 20. Manufacturing for Cement, lime and plaster:** During the third quarter of 2020, the annual percentage change in the PPI for Cement, lime and plaster sector stood at 0.0 percent compared to a decline of 3.7 percent recorded during the same quarter of 2019.
- 21. Manufacture of basic precious and other non-ferrous metals:** The producer Price inflation of this category for the third quarter of 2020 increased by 3.5 percent compared to a decline of 6.1 percent recorded in the same period in the previous year.
- 22. Electric power generation, transmission and distribution:** The annual percentage change in PPI for this category improved to -7.9 percent in the third quarter of 2020 from -23.9 percent recorded in the same quarter of 2019.
- 23. Water collection, treatment and supply:** This category recorded 0.0 percent during the third quarter of 2020 compared to an increase of 6.1 percent registered during the same period a year earlier.

24. Finally, I wish to express my appreciation to all the data providers; both institutions and individuals, without whose assistance these publications would not have been possible. Further I would like to request all our esteemed stakeholders to continue supporting and providing NSA with the required data so that collectively we can make the production of accurate, reliable and timely statistics a resounding success.
25. To access the publications released today as well as others please visit our website at www.nsa.org.na or download our statistical app onto your mobile phone to have all statistics at your fingertips.

I thank you



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STATISTICIAN - GENERAL & CEO

About Us

Namibia Statistics Agency is mandated with collecting, producing, analyzing and disseminating official statistics. Find us at www.nsa.org.na)

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