

Namibia Trade Statistics Bulletin

January 2021



Namibia Statistics
Agency



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



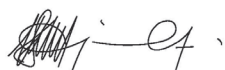
International merchandise trade plays a crucial role in economic development as it binds producers and consumers located in different countries into a global economic system. In this context, availability of timely and high-quality trade statistics becomes a precondition for an in-depth analysis of the 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 January 2021.

The month of January 2021 saw Namibia's total merchandise trade declining to the level of N\$15 billion, which is 13.5 percent less than its level of N\$17 billion in December 2020 and 5.1 percent more than N\$14 billion recorded in January 2020. However, the country's trade balance remained in a deficit amounting to N\$225 million, narrowing from N\$621 million recorded in December 2020 and N\$1.2 billion registered in January 2020.

Namibia's trade composition by partner illustrated that China emerged as Namibia's largest export market while South Africa maintained her position as the number one source of imports. The composition of goods exported comprised mainly of minerals such as copper, uranium ores, non-monetary gold and pearls and precious stones (diamonds). Fish were the only non-mineral products among the top five list of exports. On the other hand, the import basket comprised mainly of copper, petroleum and petroleum products, medicinal and pharmaceutical products, pearls and precious stones (diamonds) as well as motor vehicles.

The January 2021 trade figures indicated that re-exports deteriorated, falling by 2.2 percent month-on-month but improved by 15.4 percent year-on-year. Copper took the largest share of re-exports, constituting a share of 69.8 percent of total re-exports destined mainly to China, Belgium and Australia. The copper that was re-exported was mostly sourced from Zambia and DRC. Important to note is that some commodities e.g. copper appear on both the export and import side. This is because such commodities are imported under warehousing procedures and re-exported thereafter. 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 all 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 vain I would like to urge our users of statistical information to send to us any comments that may enhance the improvement of this report.



ALEX SHIMUAFENI
STATISTICIAN GENERAL & CEO

Table of Contents

List of acronyms	vi
SECTION 1: KEY DEVELOPMENTS	1
1.1 Total Exports and Total Imports	1
1.2 Trade Balance.....	2
SECTION 2: DIRECTION OF TRADE (DOT)	3
2.1 Top Five (5) Export Markets	3
2.2 Top Five (5) Import Markets	4
SECTION 3: TRADE BY PROUCTS	5
3.1 Top Five (5) Export Products	5
3.2 Top Five (5) Re-export Products	6
3.3 Top Five (5) Import Products	7
SECTION 4: TRADE BY ECONOMIC REGIONS	8
4.1 Exports by Economic Regions	8
4.2 Imports by Economic Regions	9
SECTION 5: TRADE BY MODE OF TRANSPORT	10
5.1 Export by mode of transport	10
5.2 Import by mode of transport.....	11
6. Commodity of the Month	12
Conclusion	13

List of Charts

Chart 1: Total exports and imports January 2019 to January 2021.....	1
Chart 2: Trade balance, January 2019 to January 2021.....	2
Chart 3: Percentage share of export by country	3
Chart 4: Percentage share of imports by country	4
Chart 5: Percentage share of the top five export products	5
Chart 6: Percentage share of the top five re-export products	6
Chart 7: Percentage share of the top five import products	7
Chart 8: Top five export by Economic Regions (percentage share).....	8
Chart 9: Top five import by economic regions (percentage share)	9
Chart 10: Export by mode of transport (percentage share)	10
CHART 11: Import by mode of transport (percentage share).....	11
CHART 12: Imports of products of the milling industry since Jan 20-Jan to Jan-21	12

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

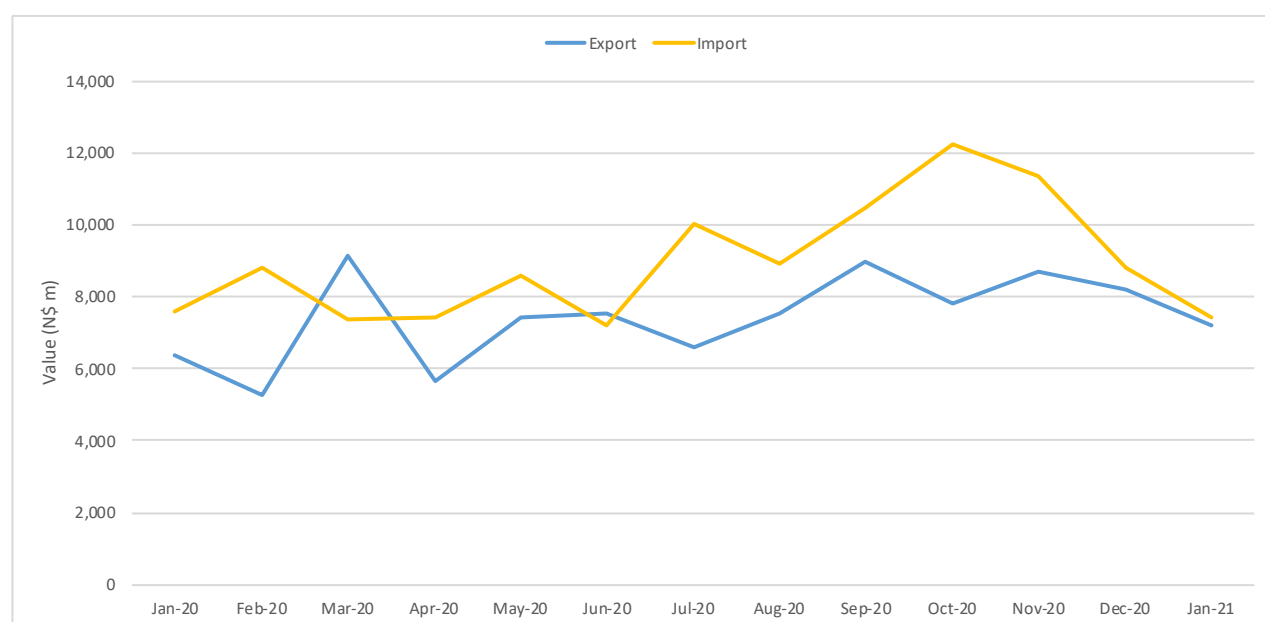
VAR: Imported from Various Countries

SECTION 1: KEY DEVELOPMENTS

1.1 Total Exports and Total Imports

The value of exports¹ in January 2021 reduced by 11.6 percent to N\$7.2 billion from its level of N\$8.2 billion recorded in December 2020. However, when compared to its level of N\$6.4 billion recorded in January 2020, exports improved by 13.6 percent (Chart 1). Imports stood at N\$7.5 billion, falling by 15.3 percent and 2.0 percent compared to N\$8.8 billion and N\$7.6 billion recorded in December 2020 and January 2020, respectively. Following the developments in exports and imports, Namibia's total merchandise trade with the ROW² weakened by 13.5 percent from N\$17 billion obtained in December 2020 to the current value of N\$14.7 billion while improving by 5.1 percent from its level of N\$14 billion recorded in January 2020.

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



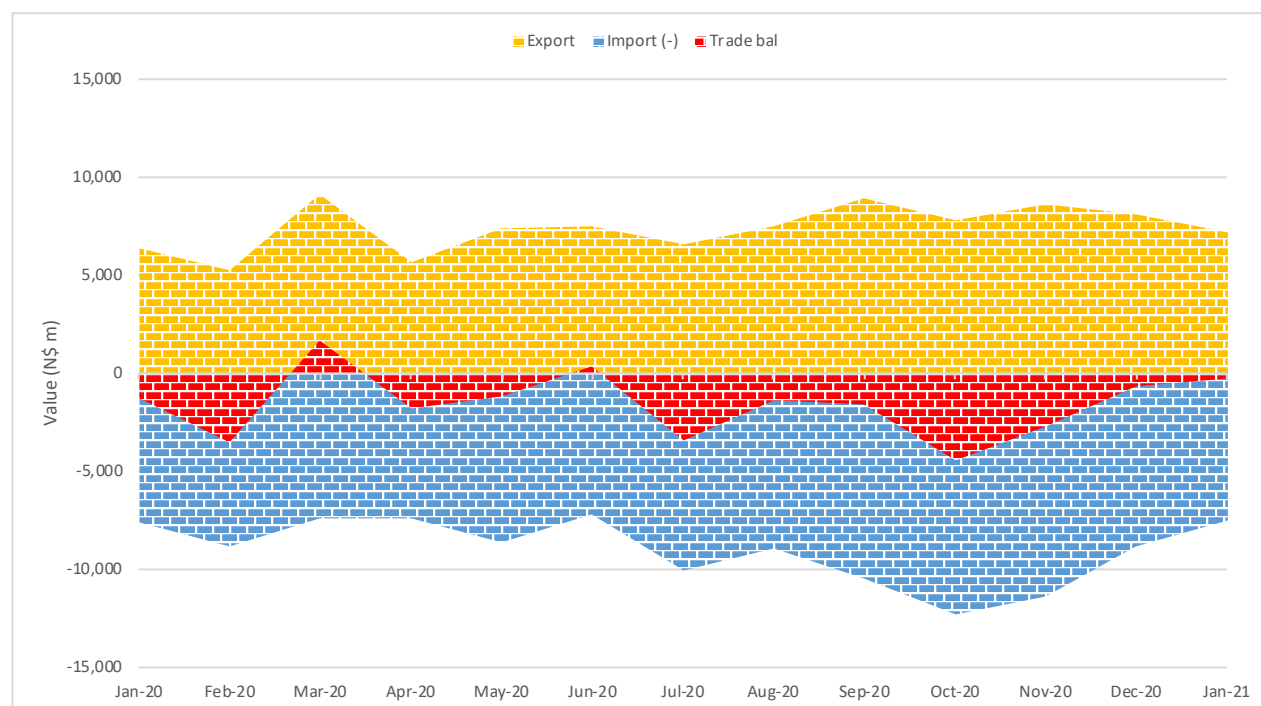
¹ Exports represents total exports derived from the sum of domestic exports and re-exports.

² Rest of the world (ROW).

1.2 Trade Balance

The trade balance³ compares the country's trade with the ROW in terms of earnings (exports) and expenditure (imports⁴). During the month under review, Namibia recorded a trade deficit to the tune of N\$225 million compared to a deficit level of N\$621 million and N\$1.2 billion recorded in December 2020 and January 2020, respectively (Chart 2).

Chart 2: Trade balance, January 2020 to January 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.

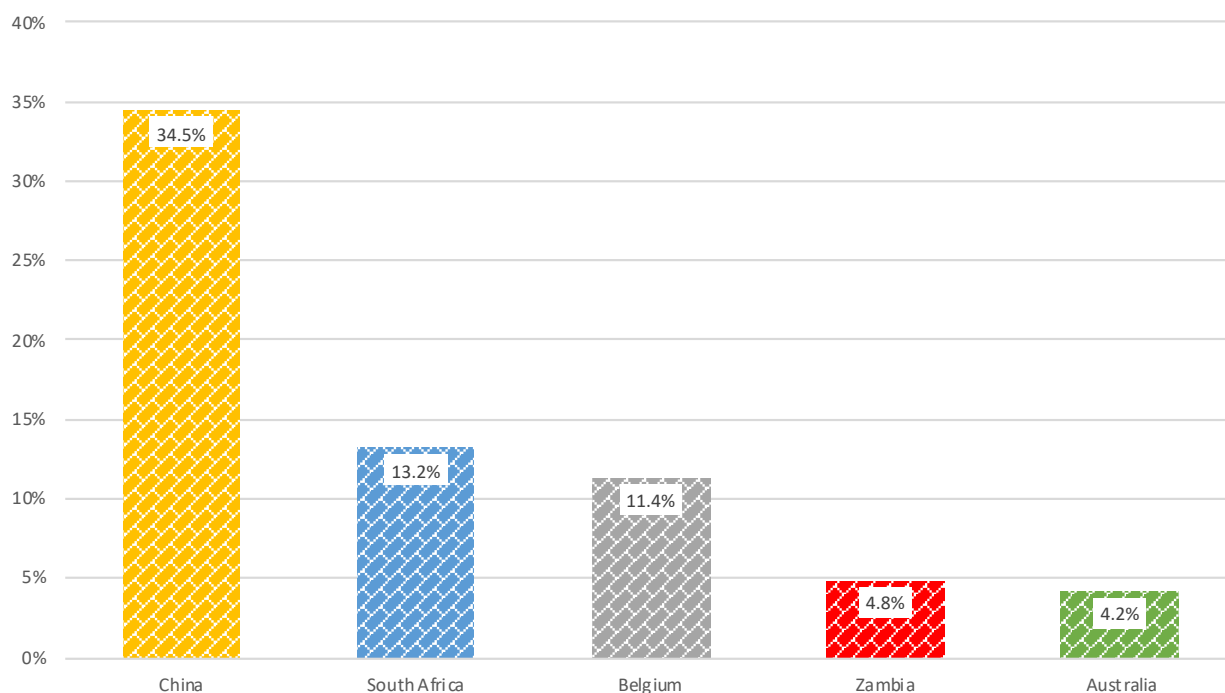
⁴ The value of imports here is denoted as negative to show an out flow.

SECTION 2: DIRECTION OF TRADE (DOT)

2.1 Top Five (5) Export Markets

During the month of January 2021, Namibia's top five trading partners in terms of exports largely remained the same as in the previous month with exception of Australia being the new entrant. These top five markets accounted for 68 percent of Namibia's total exports to the ROW (Chart 3).

Chart 3: Percentage share of export by country

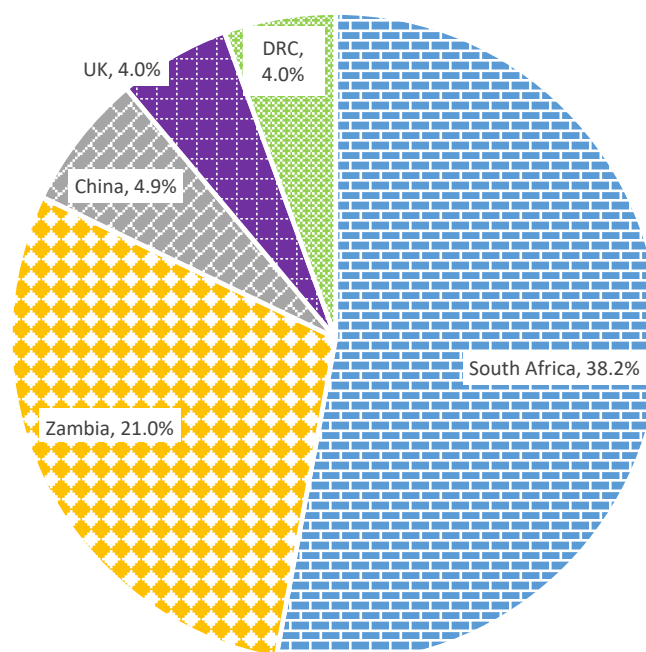


China emerged as the main export market for the country, absorbing 34.5 percent of all goods exported, ahead of South Africa in the second place whose market share of Namibia's exports stood at 13.2 percent of total exports. Belgium claimed the third position to account for 11.4 percent while Zambia and Australia occupied the fourth and fifth positions with respective shares of 4.8 percent and 4.2 percent.

2.2 Top Five (5) Import Markets

During the reporting period, Namibia sourced her imports mainly from countries such as South Africa, Zambia and China. The top five import markets supplied Namibia with 72.1 percent of all import requirements needed by the country. 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 38.2 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 21 percent of total imports. Furthermore, China in third place accounted for 4.9 percent of Namibia's total imports followed by the UK and DRC both contributing 4 percent each.

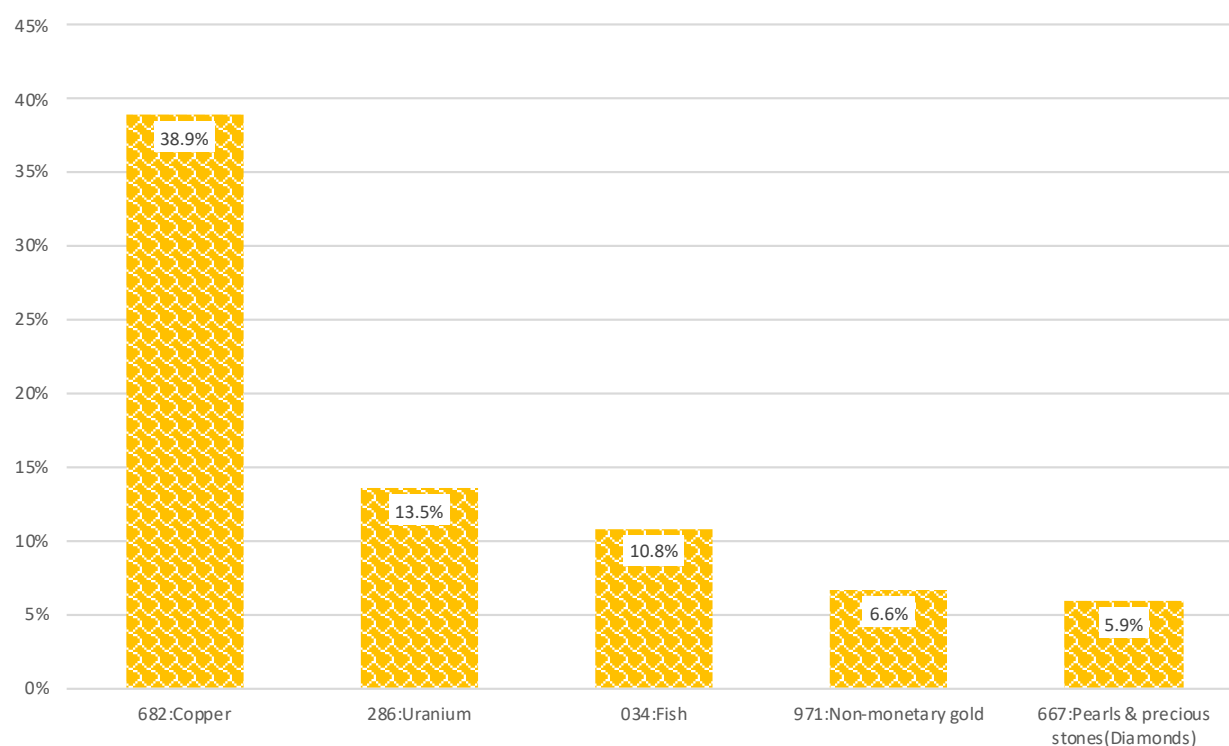
SECTION 3: TRADE BY PRODUCTS

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, Belgium and Australia was Namibia's largest export commodity during the month under review, accounting for 38.9 percent of total exports ahead of Uranium ores which accounted for 13.5 percent of total exports mainly due to the demand of this product by China, Canada and France.

Chart 5: Percentage share of the top five export products



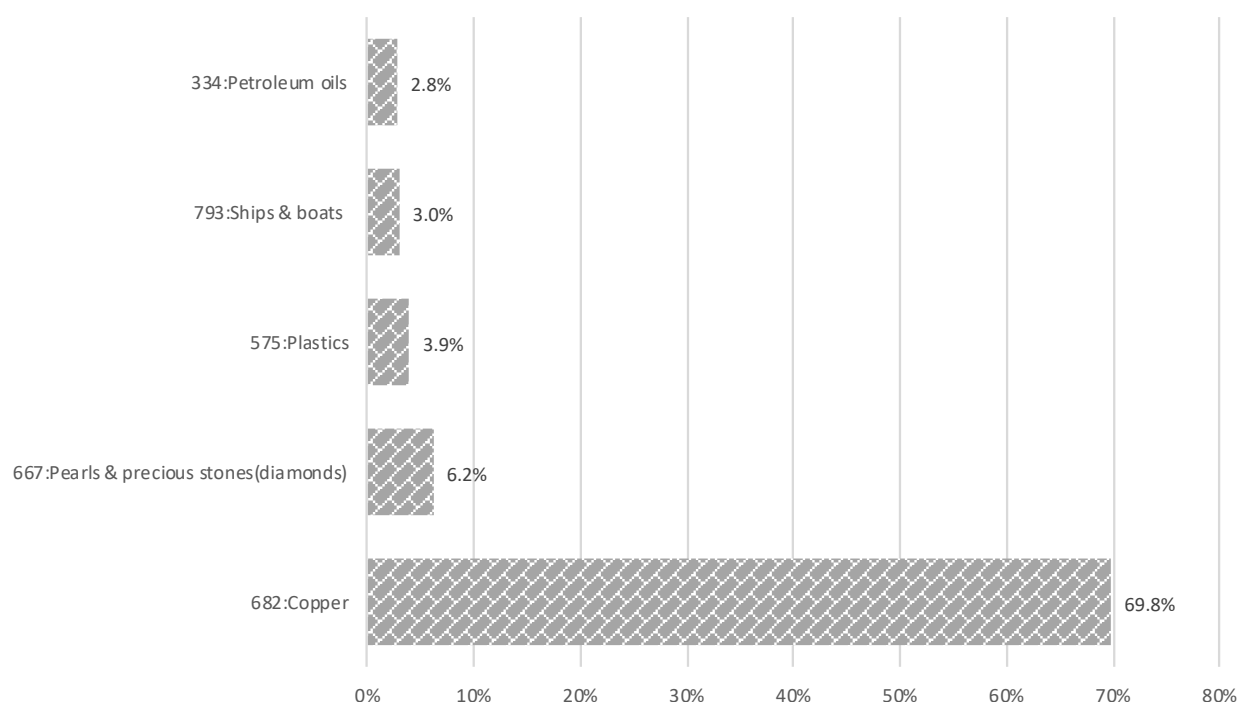
Fish, primarily destined for Spain, DRC and South Africa, claimed the third position with a contribution of 10.8 percent of the total exports followed by non-monetary gold in the fourth place with 6.6 percent, as South Africa remain the solitary importer of Namibia's gold. Finally, pearls and precious stones (diamonds) occupied the fifth position with a contribution of 5.9 percent as a result of exports to United Arab Emirates, Belgium and Israel. The aforementioned top five export commodities jointly accounted for 75.9 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 January 2021, total re-exports fell by 2.2 percent to register N\$4 billion after recording N\$4.1 billion in the previous month. In contrast, an improvement of 15.4 percent was observed when compared to January 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.

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



The top five commodities that utilized the logistical services in January 2021 were copper with a share of 69.8 percent of total re-exports mostly destined to China and Belgium (Chart 6). Following in the second place was pearls and precious stones (diamonds) with a share of 6.2 percent of total re-exports which was mostly destined to United Arab Emirates, Israel and Belgium. Plastics accounted for 3.9 percent of all commodities re-exported and was mostly destined to Zambia and DRC. Commodities of other categories such as ships and boats; and petroleum oils accounted for 3 percent and 2.8 percent,

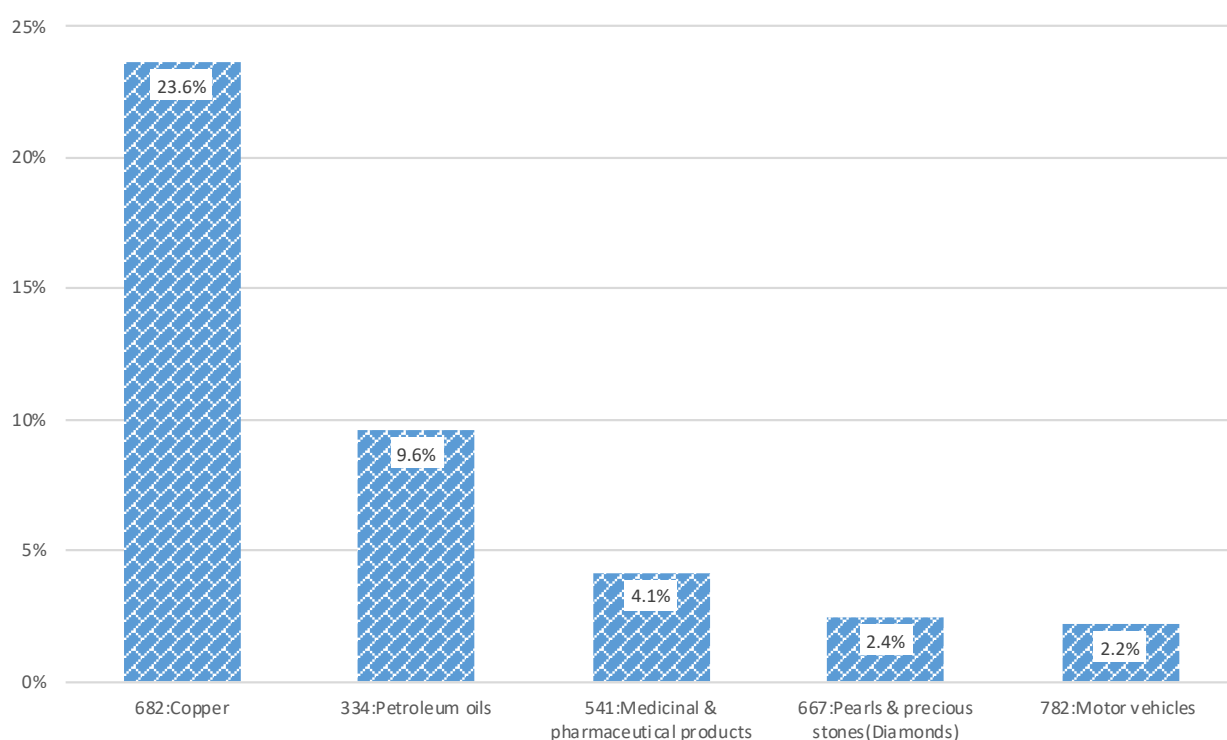
⁵ Lankhuizen, M. & Thessen, M., 2019. The Implication of re-export for Gravity Equation Estimation, NAFTA and BREXIT. Spatial Economic Analysis, 14(4), pp.384-403

respectively. Products under the category of ships and boats were re-exported to vessels operating on high sea while Botswana absorbed most of the petroleum oils re-exported with small amounts destined for Zambia.

3.3 Top Five (5) Import Products

During the period under review, the value of imports into the country amounted to N\$7.5 billion down from its level of N\$8.8 billion and N\$7.6 billion recorded in December 2020 and January 2020. The top five commodities imported into Namibia jointly accounted for 42 percent of total imports with copper leading with the largest share of 23.6 percent. Following in the second position is petroleum oils with a share of 9.6 percent of all commodities imported. The category of medicinal and pharmaceutical products was ranked third after contributing 4.1 percent to total imports while pearls and precious stones (diamonds); and motor vehicles followed in the fourth and fifth position with contributions of 2.4 percent and 2.2 percent, respectively (Chart 7).

Chart 7: Percentage share of the top five import products



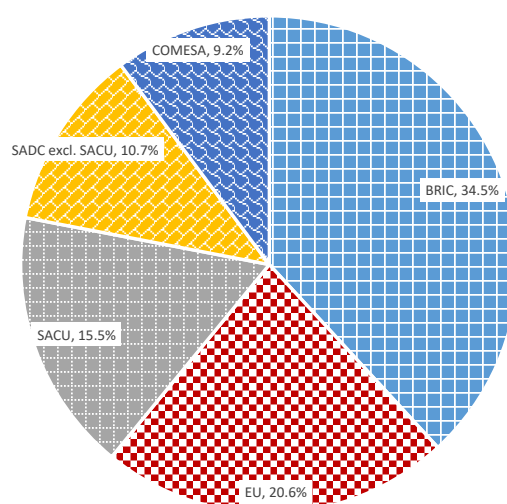
The copper that was imported in January 2021 was mostly sourced from Zambia and DRC while most of petroleum oils imported into the country mainly originated from United Arab Emirates, United Kingdom and Bahrain. Domestic demand for medicinal and pharmaceutical products were mainly met by Botswana and South Africa. Finally, most of motor vehicles were sourced from South Africa and United Kingdom.

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 34.5 percent of the total exports. The European Union (EU) and the Southern African Customs Union (SACU) followed in the second and third positions, accounting for a market share of 20.6 percent and 15.5 percent, respectively (Chart 8).

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



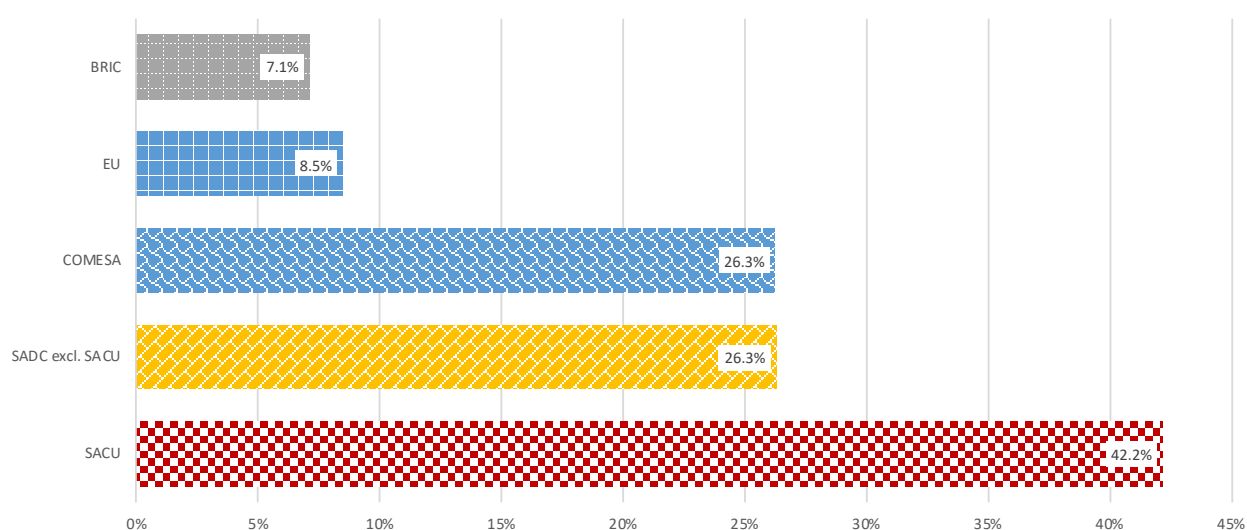
Exports to SACU comprised mainly of non-monetary gold, while copper was responsible for the large volume of exports to the EU. SADC-excluding-SACU followed in fourth place with a share of 10.7 percent due to high exports of fish. Finally, the Common Market for Eastern and Southern Africa (COMESA) came in fifth position with a market share of 9.2 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 January 2021, the SACU region remained the largest source of imports for Namibia, accounting for 42.2 percent of all goods imported (mainly medicinal and pharmaceutical products, motor vehicles and alcoholic beverages). Copper was responsible for the high value of imports from SADC excluding SACU which had a share of 26.3 percent of total imports and hence making it the second largest source of imports into the country. Equally, COMESA accounted for 26.3 percent of Namibia's total import bill, followed by the EU and BRIC in the fourth and fifth positions with 8.5 percent and 7.1 percent, respectively (Chart 9).

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



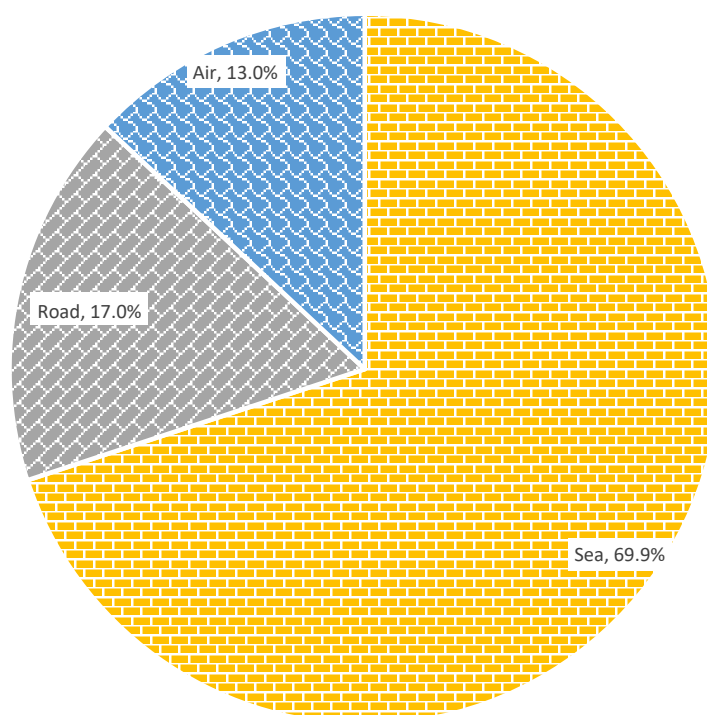
Imports from COMESA comprised mainly of copper; while petroleum oils were responsible for the high import value from the EU. Furthermore, petroleum oils were also imported from BRIC during the period under review.

SECTION 5: TRADE BY MODE OF TRANSPORT

5.1 Export by mode of transport

During the month of January 2021, exports amounting to N\$5.1 billion, representing 69.9 percent of total exports left the country by sea. This translated into an increase of 16.7 percent when compared to the value (N\$3.3 billion) of goods exported in December 2020. Similarly, an increase of 53.2 percent was noted when compared to its January 2020 level of N\$4.3 billion. Road and air transportation accounted for 17.0 percent and 13.0 percent of total exports, respectively (Chart 10).

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

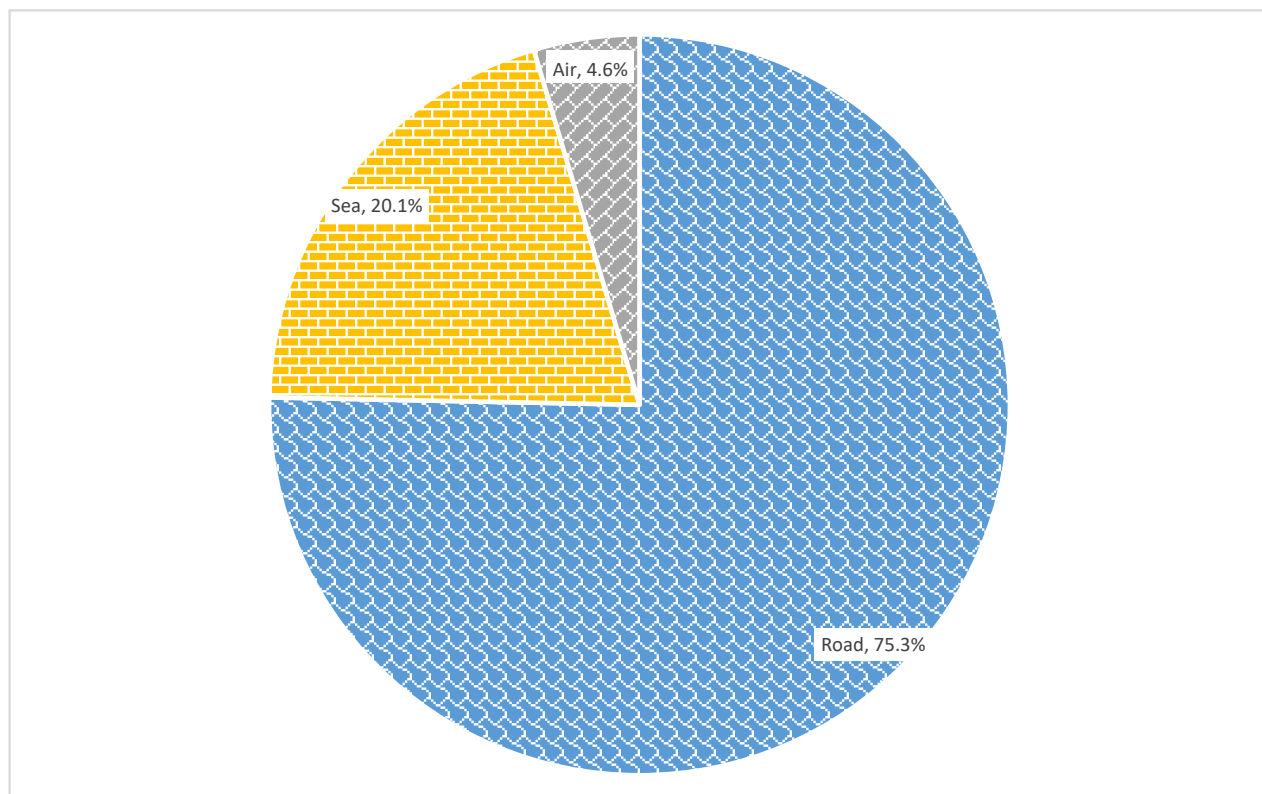


In terms of tonnage, during the month under review about 99,763 tons of goods left Namibia by road, down from 123,225 tons recorded in December 2020 and also down from 101,955 tons registered in the corresponding period a year ago. About 91,459 tons of goods left the country by sea compared to 97,874 tons registered in the previous month and from 172,168 tons recorded in the same month last year. Whereas only 203 tons left the country by air after registering 290 tons in December 2020 and 385 tons in January 2021.

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\$5.6, representing 75.3 percent of all goods imported into the country. Following in the second place was the sea transport which accounted for 20.1 percent of all the goods that reached the country while the remaining 4.6 percent of goods arrived by air. (Chart 11).

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

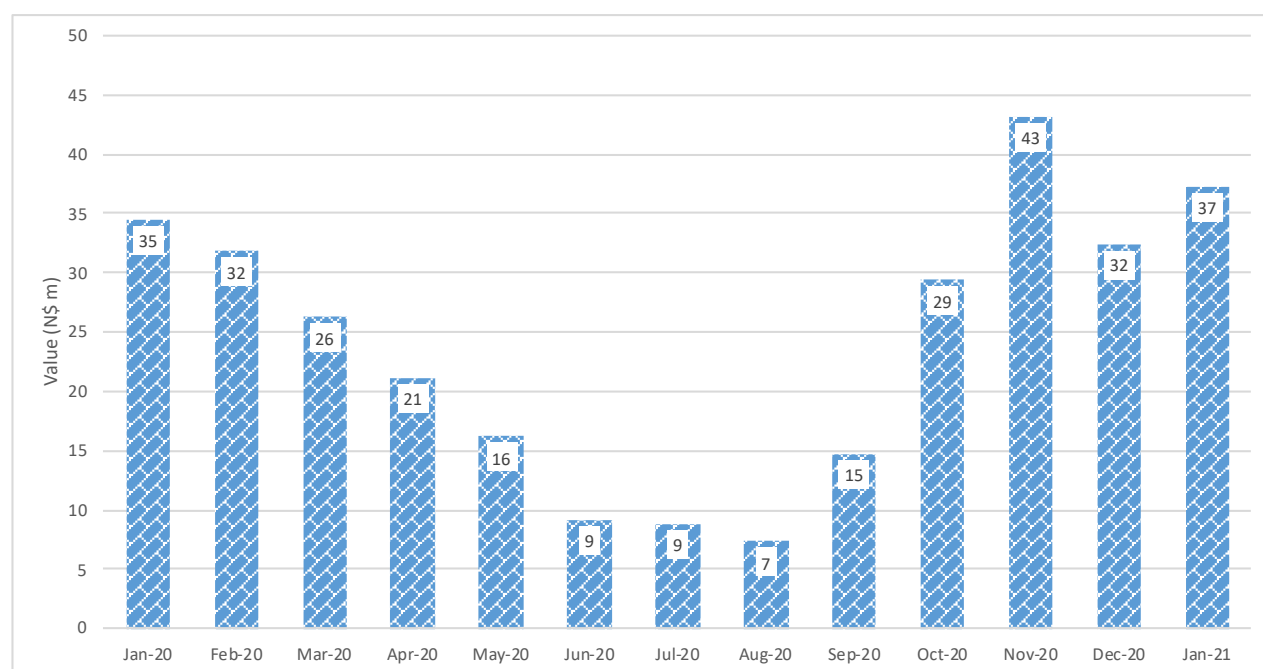


In terms of tonnage, about 175,678 tons of goods reached the country by road. This is more than its level of 173,581 tons observed in December 2020 and less than 179,571 tons recorded in January 2020. Whereas 155,230 tons of goods reached the country by sea compared to its level of 220,829 witnessed in December 2020 and 106,881 tons recorded in January 2020.

6. Commodity of the Month

Products of the milling industry such as starches; inulin and wheat gluten was the category of interest for January 2021. During the period of review, the import value of this category of products amounted to N\$37.3 million rising by 15 percent from its level of N\$32.4 million in December 2020 and N\$ 34.5 million registered in January 2020. Overall, the country imported N\$312 million worth of products of this category since January 2020 (Chart 12) with an average of N\$24 million a month. The highest figure of N\$43.2 million-above average was recorded in November 2020 while the lowest figure of N\$7.4 million was registered in August 2020.

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



The import bill of products of the milling industry amounting to N\$37.3 million in January 2021 mainly comprised of roasted malt accounting for 68.2 percent followed by malt not roasted (21%) and wheat flour (2.8%). These products were sourced mainly from Germany accounting for 36.2% of the total imports followed by Netherlands (26.5%) and South Africa (13.9%).

Conclusion

In January 2021, Namibia's exports stood at N\$7.2 billion and imports at N\$7.5 billion, subsequently the country's trade balance resulted in a deficit of N\$225 million. Total trade for January 2021 amounted to the tune of N\$14.7 billion.

Exports fell by 11.6 percent from its revised level of N\$8.2 billion in December 2020 while it improved by 13.6 percent when compared to its level of N\$6.4 billion recorded in January 2020. On the other hand, imports declined in both instances falling by 15.3 percent and 2 percent when compared to its levels of N\$8.8 billion and N\$7.6 billion in December and January 2020, respectively.

China maintained her position as the country's largest export destination, with a share of 34.5 percent of all goods exported followed by South Africa with a share of 13.2 percent. Furthermore, Belgium, Zambia and Australia formed part of Namibia's top five export markets. The demand side saw South Africa maintaining the first spot as the country's largest source of imports, accounting for 38.2 percent of total imports into Namibia. Zambia held firm on its second position with 21 percent of the market share. China, UK and DRC also formed part of Namibia's top five sources of imports.

The analysis of exports by commodities revealed that copper had the largest share (38.9%) in Namibia's total exports ahead of uranium (13.5%), fish (10.8%), non-monetary gold (6.6%) followed by pearls and precious stones (diamonds) (5.9%). In terms of imports, copper also appeared as the most imported commodity with a relative share of 23.6 percent of total imports, followed by petroleum oils with a share of 9.6 percent; and medicinal and pharmaceutical products with a share of 4.1 percent. Moreover, pearls and precious stones (diamonds); and motor vehicles contributed 2.4 percent and 2.2 percent to Namibia's total imports, respectively.

In terms of regional composition, BRIC remain the largest export market during the month of January 2021, with a market share of 34.5 percent of total exports followed by the EU region with relative market shares of 20.6 percent while the SACU, SADC-excl-SACU; and COMESA had respective shares of 15.5 percent, 10.7 percent and 9.2 percent. On the imports side, SACU remained the largest source of Namibia's imports with a share of 42.2 percent of total import bill followed by SADC excluding SACU and COMESA with 26.3 percent each. The EU and BRIC had a share of 8.5 percent and 7.1 percent, respectively.

Namibia's trade by mode of transport indicates that in January 2021, the majority of goods exported left the country by sea, accounting for 69.9 percent of total exports. Followed by road transport with 17 percent and air transport with 13 percent. On the demand side, most goods that entered the country came in by road, accounting for 75.3 percent of total imports followed by sea (20.1%) and air (4.6%).

Finally, the products of the milling industry category were the commodities of the month in January 2021. The import value of this category of products stood at N\$37.3 million in January 2021 mainly distributed among commodities such as roasted malt, malt not roasted, groats and meal of maize. These commodities were mainly sourced from Germany, Netherlands and South Africa.

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