

Namibia Trade Statistics Bulletin

June 2021



Namibia Statistics
Agency

NAMIBIA TRADE STATISTICS BULLETIN
JUNE 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

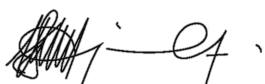
International merchandise trade plays a crucial role in economic development as it links producers and consumers located in different countries into a global economic system. In this context, availability of timely and high-quality trade statistics becomes a precondition for an in-depth analysis of the 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 June 2021. The dataset analysed in this publication can be downloaded at www.nsa.org.na

The month of June 2021, saw Namibia's total merchandise trade strengthening to N\$18.2 billion, an increase of 29.6 percent and 19.6 percent when compared to the level of N\$14.1 billion and N\$15.3 billion recorded in May 2021 and June 2020, respectively. However, the country's trade balance remained in a deficit amounting to N\$987 million from deficits of N\$3.2 billion recorded in May 2021 and N\$126 million in June 2020.

Namibia's trade composition by partner illustrated that China emerged as Namibia's largest export market, while South Africa was the main import market. The composition of the export basket mainly comprised of minerals such as uranium, copper, precious stones (diamonds), non-monetary gold and fish. As usual, fish remained the only non-mineral product among the top five exports. On the other hand, the import basket comprised mainly of copper, copper ores, petroleum oils, precious stones (diamonds) and ores of precious metals.

The June 2021 trade figures indicated that re-exports gained strength, raising by 26.9 percent month-on-month but saw a decline of 17.7 percent year-on-year. Like in the past months, copper had the largest share of all goods re-exported, accounting for 66.2 percent of total re-exports mainly destined to Netherlands, China, and Belgium. Most of the re-exported copper originated from Zambia and D.R.C. Important to note is that copper appears as the most dominant commodity on both trade flows indicating the vital role the country plays as a major logistics hub for SADC.

The report further reflected that Walvis Bay is the main border post for both imports and exports of goods trade by Namibia.



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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 Revisions for May 2021

International Merchandise Trade Statistics (IMTS), like many published statistics, are subject for revisions as new information becomes available. Thus the trade statistics is revised on a monthly basis as additional information becomes available.

Table 1: Revisions for May-2021 Trade Statistics

Flow	Value (N\$ Millions)		
	As reported in May-2021 Bulletin	As reported in June-2021 Bulletin	Difference
Total Export	5,444	5,444	0
Total Imports	8,628	8,628	0
Trade balance	-3,184	-3,184	0

According to table 1 above, there was no revisions made to the figures of both flows, hence the export and import figures for the month of May remained as reported earlier.

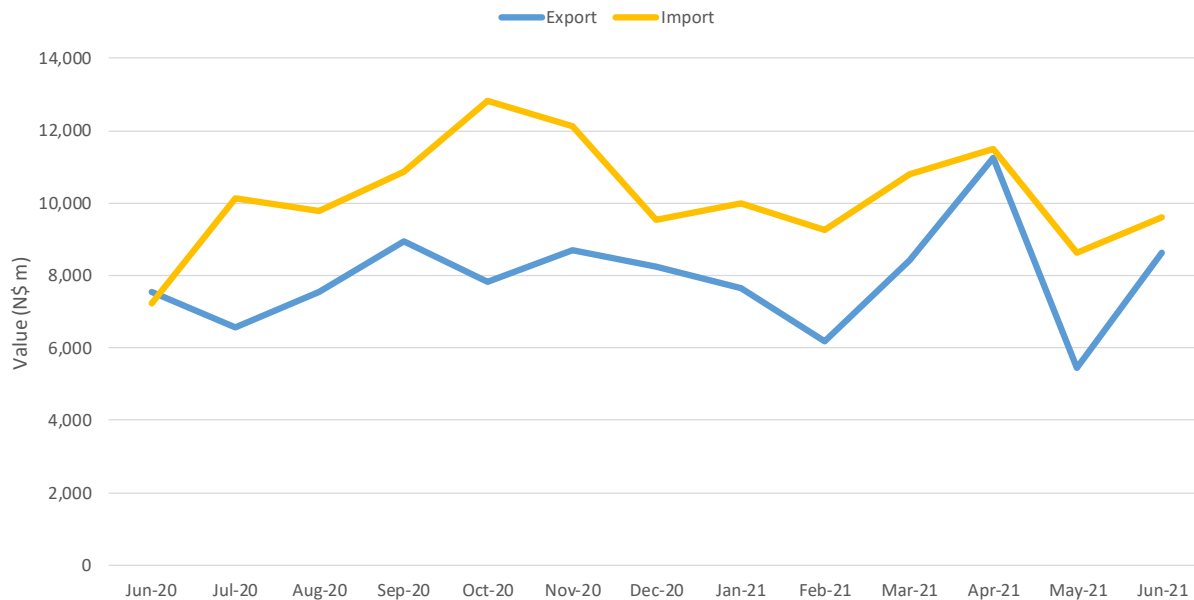
1.2 Total Exports and Total Imports

The value of exports¹ in June 2021 gained momentum, raising by 58.5 percent to N\$8.6 billion from its May 2021 level of N\$5.4 billion. Similarly, when compared to its level of N\$7.6 billion in June 2020, exports rose by 14.1 percent (Chart 1). Imports stood at N\$9.6 billion, strengthening by 11.4 percent on monthly basis while an annual increase of 25 percent was observed from its June 2020 level of N\$7.2 billion. Subsequent to the developments in exports and imports, Namibia's total merchandise trade (exports plus imports) with the ROW² grew by 29.6 percent from its May 2021 level of N\$14.1 billion to N\$18.2 billion recorded in June 2021. Similarly, total trade registered further improvement of 24.3 percent when compared to the N\$14.8 billion recorded in June 2020.

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

² Rest of the world (ROW).

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



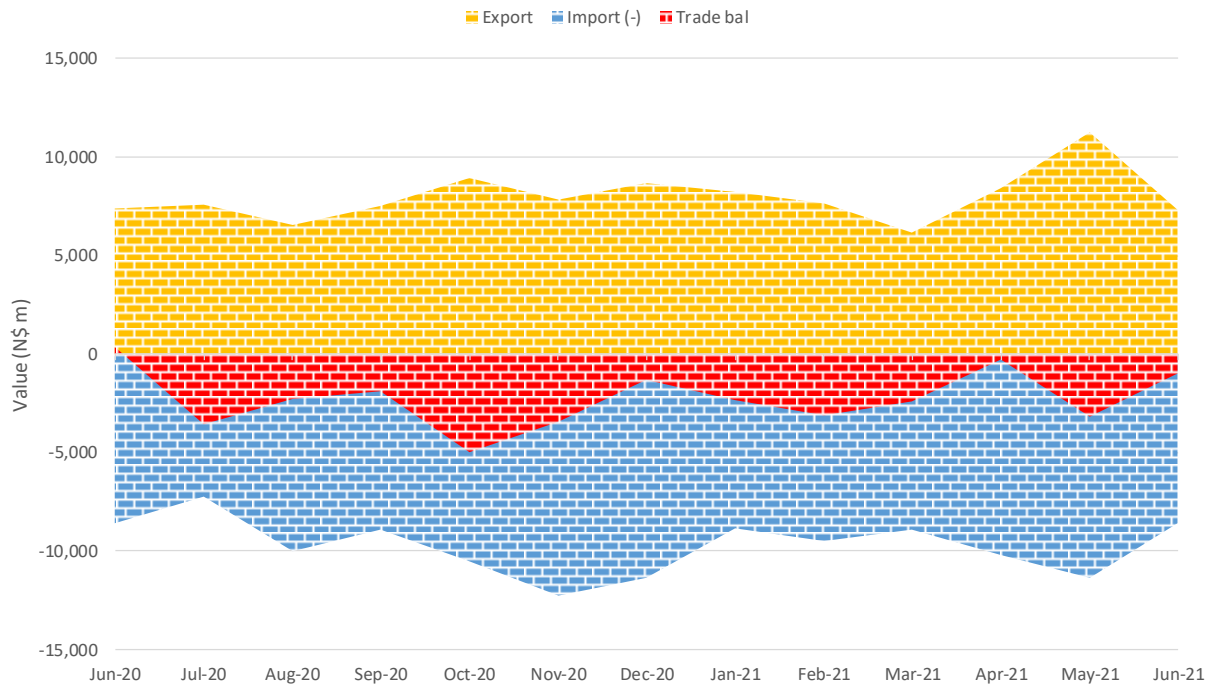
1.3 Trade balance

The trade balance³ compares the country's trade flow with the ROW in terms of export earnings and expenditure on imports⁴. During the month under review, Namibia recorded a trade deficit to the tune of N\$987 million indicating a narrowing gap when compared to the deficit of N\$3.2 billion and a surplus N\$338 million recorded in May 2021 and June 2020, respectively (Chart 2). Over the period (June-20 to June-21), Namibia recorded a deficit averaging to N\$2.3 billion with the month of June 2020 recording the only surplus.

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.

Chart 2: Trade balance, June 2020 to June 2021

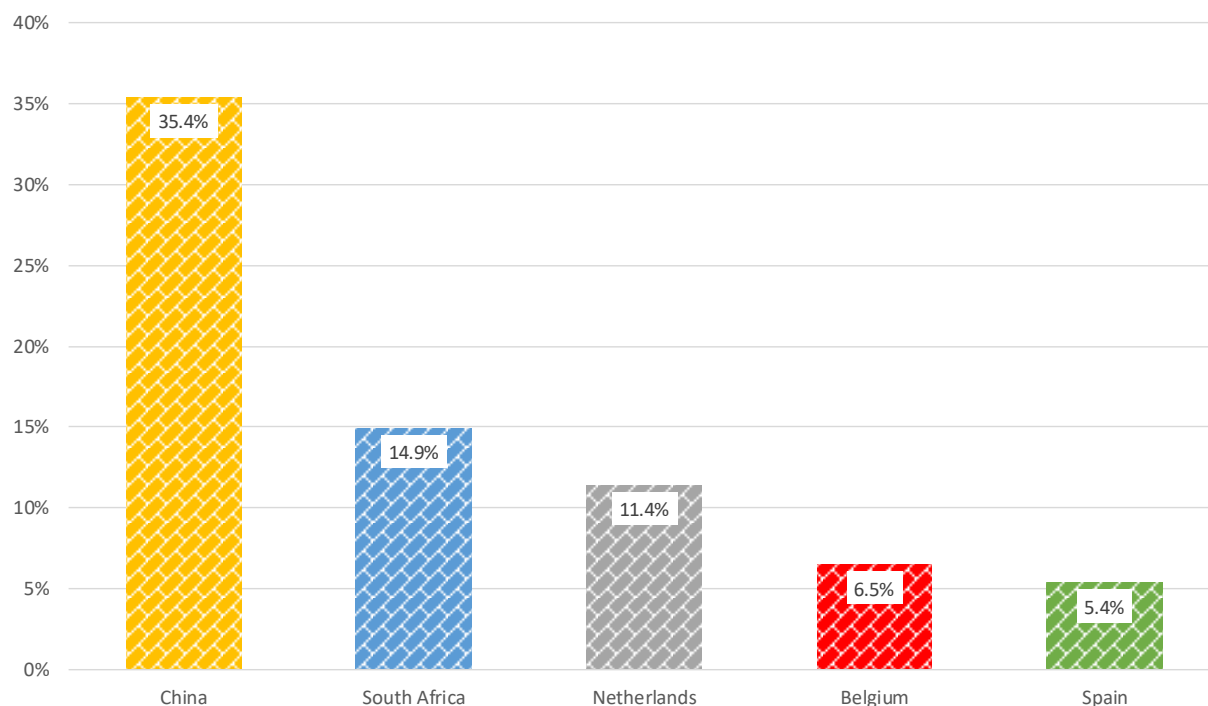


SECTION 2: DIRECTION OF TRADE (DOT)

2.1 Top Five Export Markets

During the month of June 2021, Namibia's top five export partners largely remained the same as in the previous month with Belgium making it to the list as a new entrant (Chart 3). These top five markets accounted for 73.6 percent of Namibia's total exports, up from the 60.6 percent in May 2021 and from 55 percent recorded June 2020, respectively.

Chart 3: Percentage share of export by country

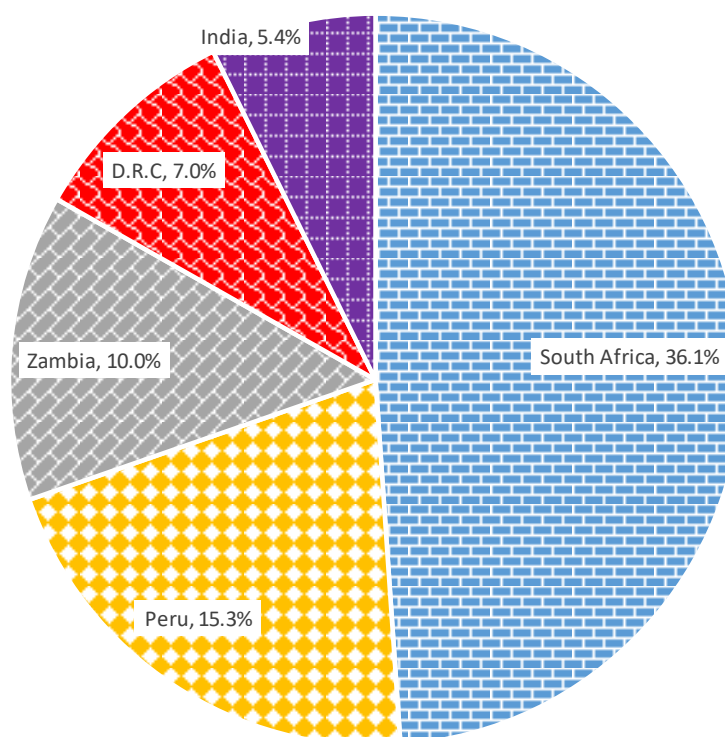


China emerged as the main export market for the country, absorbing 35.4 percent of all goods exported, ahead of South Africa in the second place whose market share of Namibia's exports stood at 14.9 percent of total exports. Netherlands claimed the third position to account for 11.4 percent while Belgium and Spain occupied the fourth and fifth positions with respective shares of 6.5 percent and 5.4 percent.

2.2 Top Five Import Markets

The month of June 2021 saw Namibia sourcing majority of her imports mainly from South Africa, Peru, Zambia, D.R.C and India. The top five import markets supplied Namibia with 73.8 percent of all imports required by the country, up from its May 2021 level of 67.1 percent but down in relation to its June 2021 level of 74.4 percent. 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 36.1 percent of the value of all goods received into the country during the month under review. Following in the second place was Peru with a contribution of 15.3 percent of total imports. Furthermore, Zambia came in the third place accounting for 10 percent of Namibia's total imports followed by D.R.C and India contributing 7 percent and 5.4 percent, respectively.

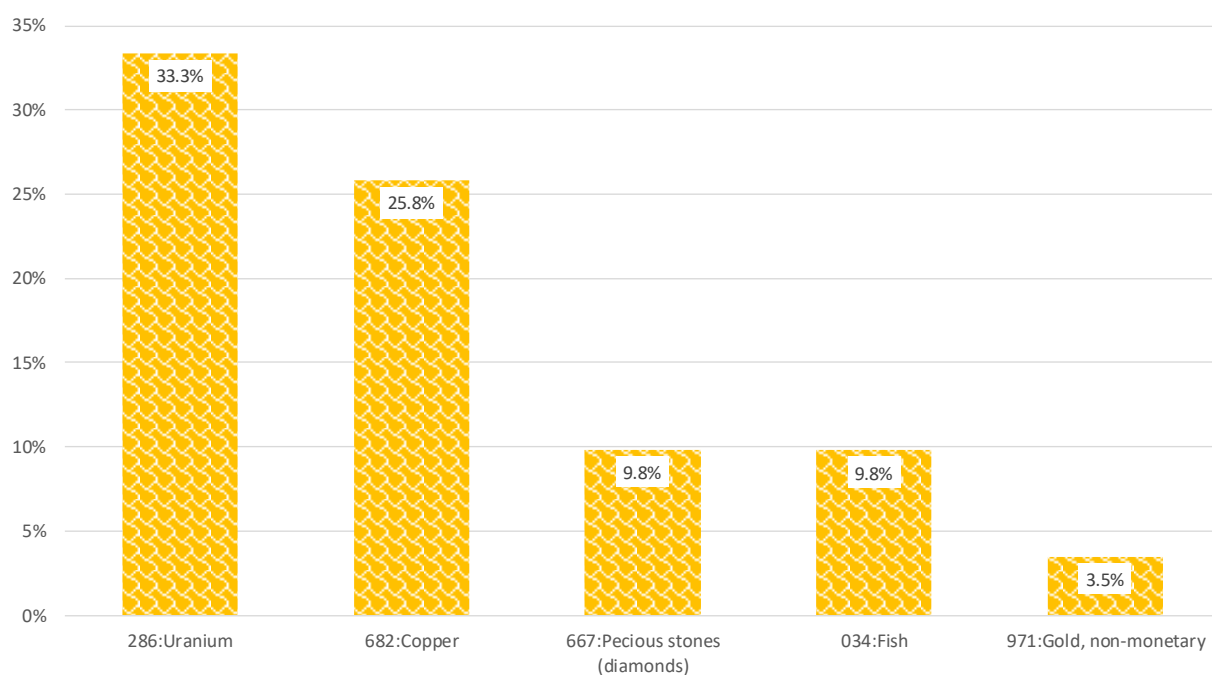
SECTION 3: TRADE BY PRODUCTS

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 Export Products

Uranium was Namibia's largest export commodity during the month under review (Chart 5), accounting for 33.3 percent of total exports mainly destined to China with a small amount absorbed by Canada. This was followed by copper which accounted for 25.8 percent of total exports destined mostly to Netherlands, China and Belgium. Precious stones (mainly diamonds) and fish occupied the third position after absorbing 9.8 percent each of Namibia's total exports.

Chart 5: Percentage share of the top five export products

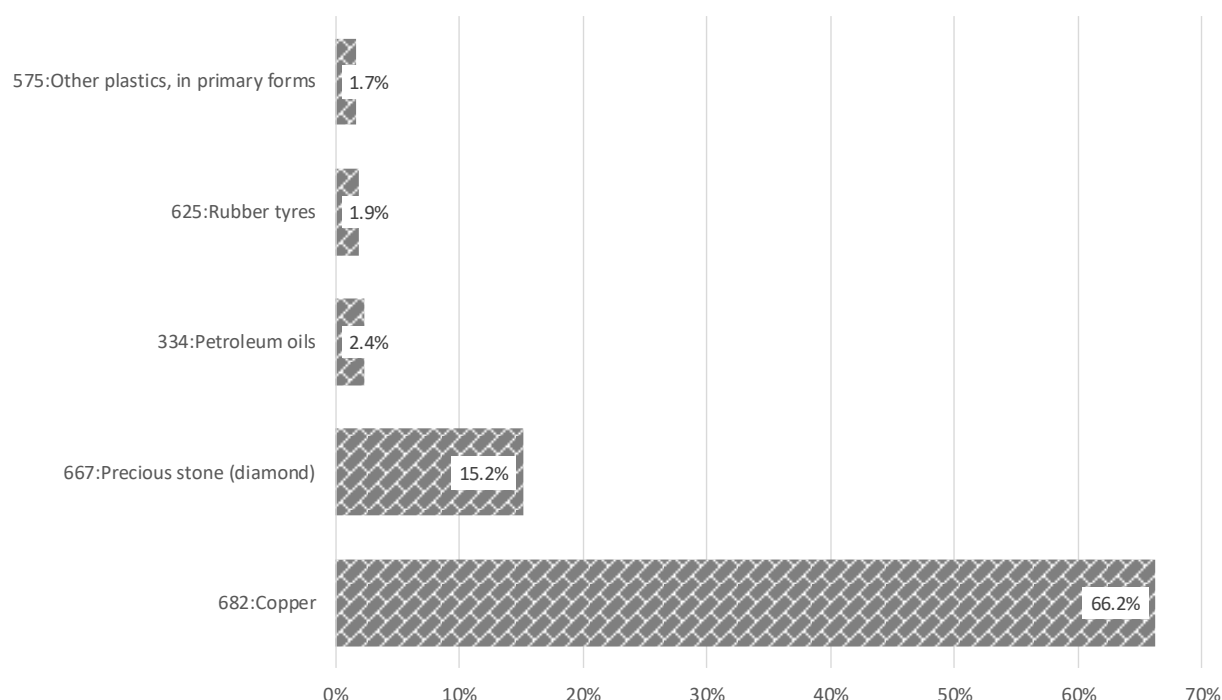


Precious stones (diamonds) were mostly destined to Botswana and Belgium while Spain, D.R.C and South Africa were responsible for a higher value reflected by fish. Finally, non-monetary gold accounted for 3.5 percent of total export and was primarily absorbed by South Africa. The aforementioned top five export commodities jointly accounted for 82.2 percent of total exports up from its May 2021 level of 73.7 percent and 78.3 percent recorded in June 2020.

3.2 Top Five 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.

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



In June 2021, total re-exports stood at N\$3.3 billion after recording N\$2.6 billion in the previous month and N\$4.1 billion during the corresponding month of last year. This translates to an increase of 26.9 percent month-on-month and a decline of 17.7 percent year-on-year respectively.

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

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

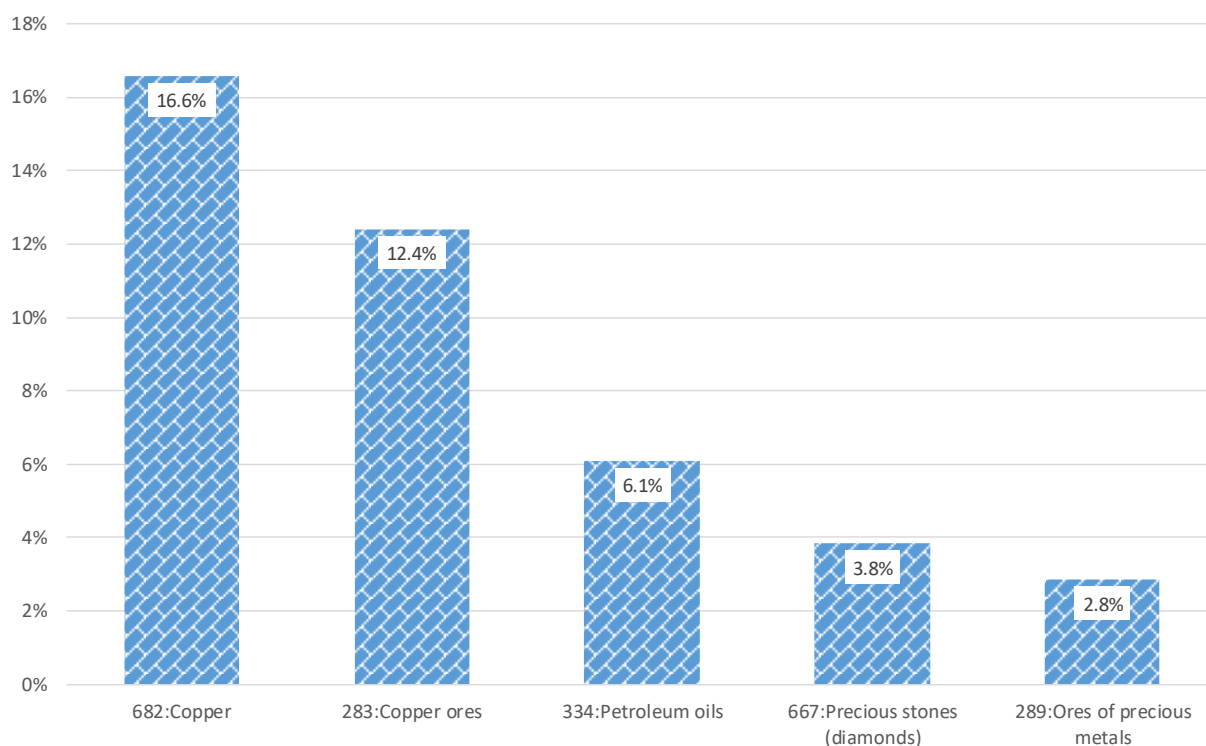
the DRC. Precious stones (diamonds) were mostly imported from Botswana after consolidation whereas petroleum oils were imported from India, Tunisia and South Africa.

The top five commodities that utilized Namibia's logistical services in June 2021 were copper with a share of 66.2 percent of total re-exports mostly destined to Netherlands, China and France (Chart 6). Following in the second place was precious stones (diamonds) with a share of 15.2 percent of total re-exports which was mostly destined to Belgium, USA and United Arab Emirates (UAE). Petroleum oils accounted for 2.4 percent of all commodities re-exported and was mostly destined to Botswana and Zambia. Rubber tyres and other plastics accounted for 1.9 percent and 1.7 percent, respectively, with Zambia remaining a major destination.

3.3 Top Five Import Products

During the period under review, the value of imports into the country amounted to N\$9.6 billion up from N\$8.6 billion observed in May 2021. The top five commodities imported into Namibia jointly accounted for 41.7 percent of total imports with copper taking the lead with the largest share of 16.6 percent. Following in the second position is copper ores with a share of 12.4 percent of all commodities imported. Petroleum oils was ranked third after contributing 6.1 percent to total imports while precious stones (diamonds) and ores of precious metals followed in the fourth and fifth position with contributions of 3.8 percent and 2.8 percent, respectively (Chart 7).

Chart 7: Percentage share of the top five import products



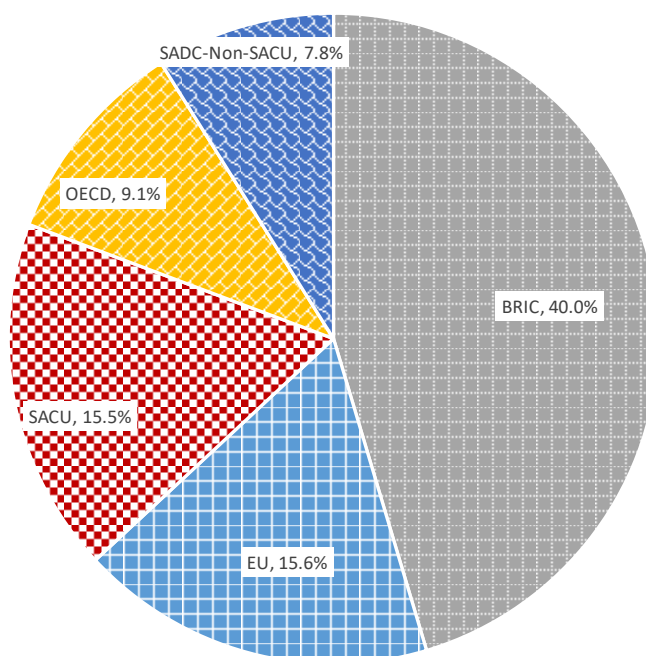
The copper that was imported in June 2021 was mostly sourced from Zambia and DRC while most of the copper ores imported into the country mainly originated from Peru. Petroleum oils were mainly sourced from India, Tunisia and South Africa where as domestic demand for precious stones (diamonds) were mainly satiated by Botswana and Belgium. Ores of precious metals were mostly sourced from Peru.

SECTION 4: TRADE BY ECONOMIC REGIONS

4.1 Exports by Economic Regions

Brazil, Russia, India and China (BRIC) group of countries emerged as the largest export destination for Namibia's goods (mostly uranium) during the month of review with a market share of 40 percent of total exports. The European Union (EU) and the Southern Africa Customs Union (SACU) followed in the second and third positions absorbing 15.6 percent and 15.5 percent of the Namibia's total export share respectively (Chart 8).

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



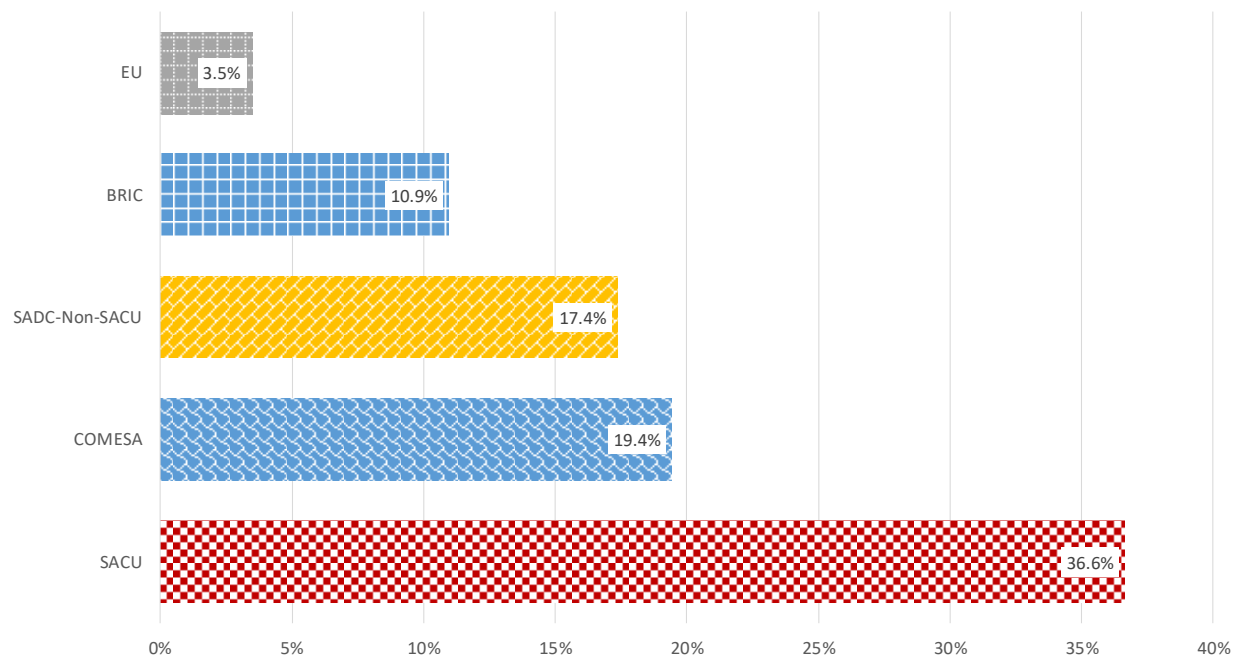
Exports to the EU comprised mainly of fish, copper and precious stones (diamonds) whereas precious stones (diamonds), non-monetary gold and live animals were the main exports destined to SACU. The Organization for Economic Cooperation and Development (OECD) followed in fourth place with a share of 9.1 percent due to high exports of precious stones (diamonds), uranium and copper. Finally, the Southern African Development Community (SADC)-Non-SACU market came in fifth position with a market share of 7.8 percent. Fish, rubber tyres and other plastics made up the largest share of exports to the SADC-Non-SACU market.

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 June 2021, the SACU market remained the largest source of imports for Namibia, accounting for 36.6 percent of all goods imported (mainly motor vehicles, alcoholic beverages & perfumery products) followed by Common Market for Eastern and Southern Africa (COMESA) with a share of 19.4 percent with copper, sugar and animal fodder making up the main commodities imported from this region. SADC excluding SACU and BRIC contributed 17.4 percent and 10.9 percent, respectively and hence ranking these regions to be the third and fourth largest source of imports into the country.

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



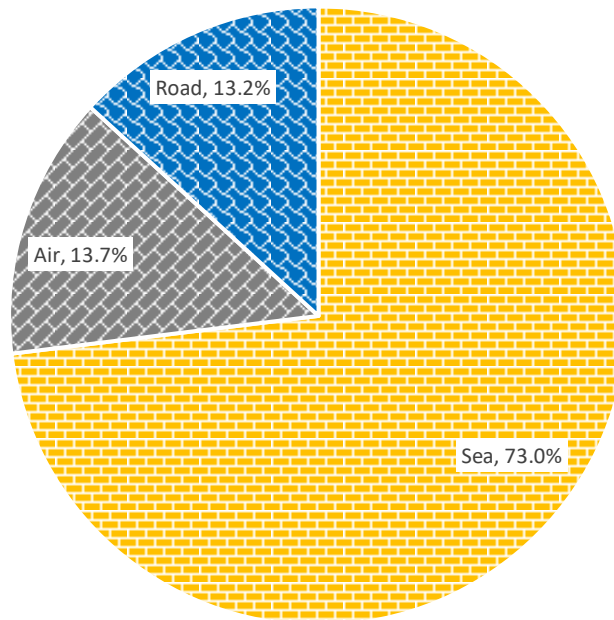
Copper, sugar and animal fodder were again responsible for the high value of imports from SADC excluding SACU while petroleum oils, Sulphur and wheat had the largest share of imports from BRIC. Finally, the EU concluded the list in the fifth position with a contribution of 3.5 percent and supplied Namibia with equipment and vehicles.

SECTION 5: TRADE BY MODE OF TRANSPORT AND BORDER POST

5.1 Export by mode of transport

During the month of June 2021, exports amounting to N\$6.3 billion, representing 73 percent of total exports left the country by sea. This translated into an increase of 102.5 percent when compared to the value (N\$3.1 billion) of goods exported in May 2021. Furthermore, an increase of 107.9 percent was noted when compared to its level of N\$3 billion recorded in June 2020. Air and road transportation accounted for 13.7 percent and 13.2 percent of total exports, respectively (Chart 10).

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

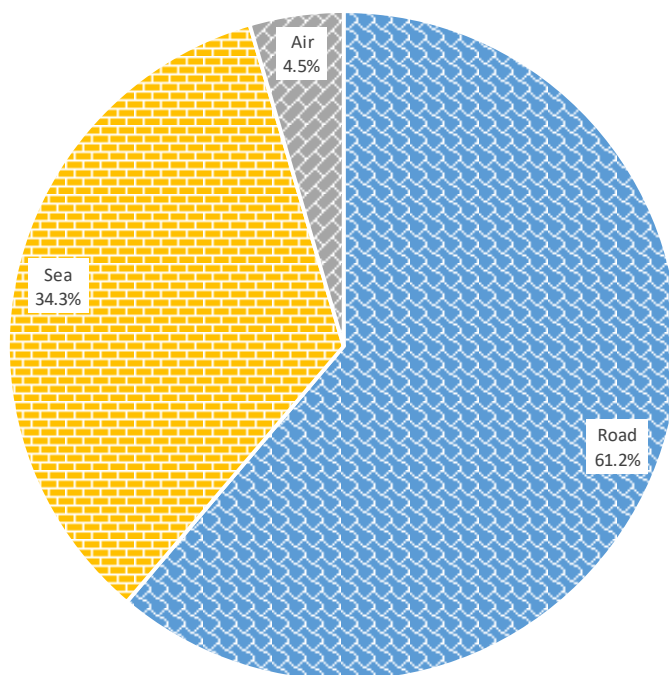


In terms of tonnage, the month under review saw about 115,998 tons of goods leaving Namibia by sea. This is an improvement from its May 2021 level of 99,492 tons and from the level of 107,803 tons registered in June 2020. About 105,202 tons of goods left the country by road compared to 78,030 tons registered in the previous month and from 101,746 tons recorded in the same month last year. Whereas only 267 tons left the country by air after registering 300 tons in May 2021 and 23 tons in June 2020.

5.2 Import by mode of transport

Transport by road was the most frequent mode of transport used for imports during the period of review. Imports by road amounted to N\$5.9 billion, representing 61.2 percent of all goods imported into the country. Following in the second place was sea transport which accounted for 34.3 percent of all the goods that reached the country while 4.5 percent arrived by air (Chart 11).

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



In terms of tonnage, about 148,572 tons of goods reached the country by sea. This is less than its level of 187,539 tons observed in May 2021 and 241,455 tons recorded in June 2020. Whereas 152,608 tons of goods reached the country by road compared to its level of 182,065 in May 2021 and 180 354 tons in June 2020.

5.3 Trade by Border Post

This section looks at trade through various border posts covering the first half of 2021 (Jan-Jun). As clearly reflected in both charts 12 and 13, Walvis Bay appears to lead as a major entry and exit point for the country. Further analysis shows that Hosea Kutako International Airport, Wenela, Ariamsvlei, and Trans Kalahari formed part of the top five border posts in terms of export during the first half of 2021. A total of N\$30.2 billion worth of exports was recorded at Walvis Bay over the period Jan-21 to Jun-21 indicating a monthly average of N\$5 billion. This translate in Walvis Bay accounting for 63.6 percent of export. In June 2021, a total of N\$5.6 billion-above average was registered at Walvis Bay up from its May 2021 level of N\$3 billion.

Chart 12: Exports by Border Posts; Jan-21 to Jun-21

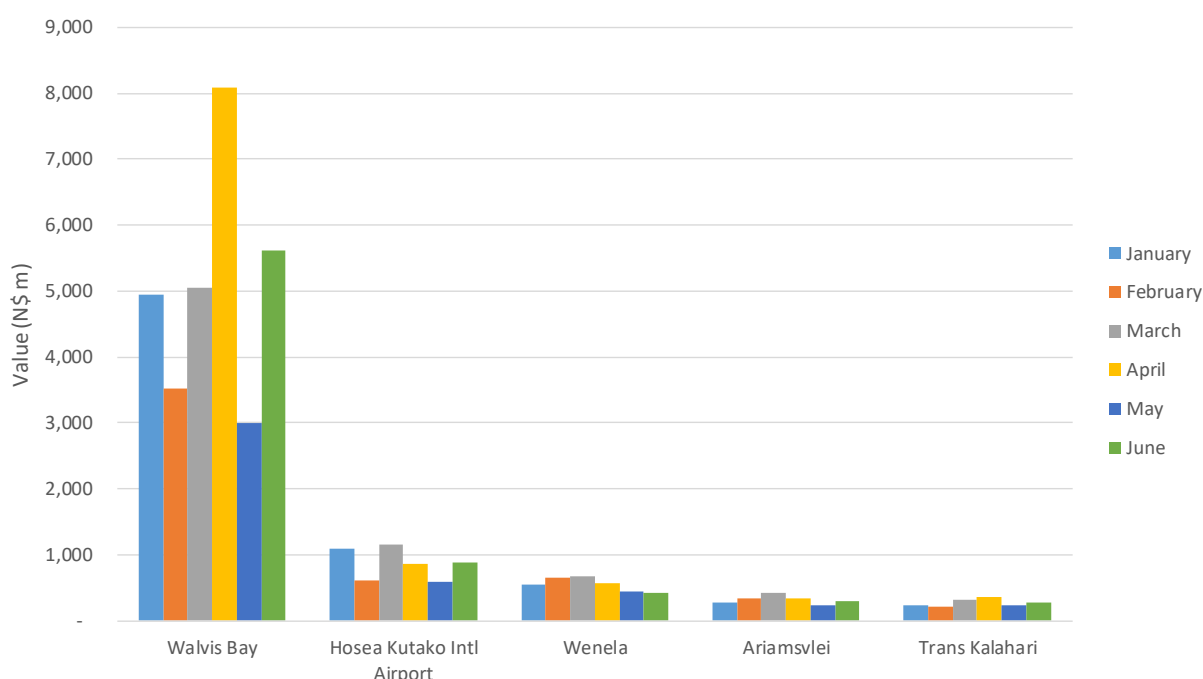
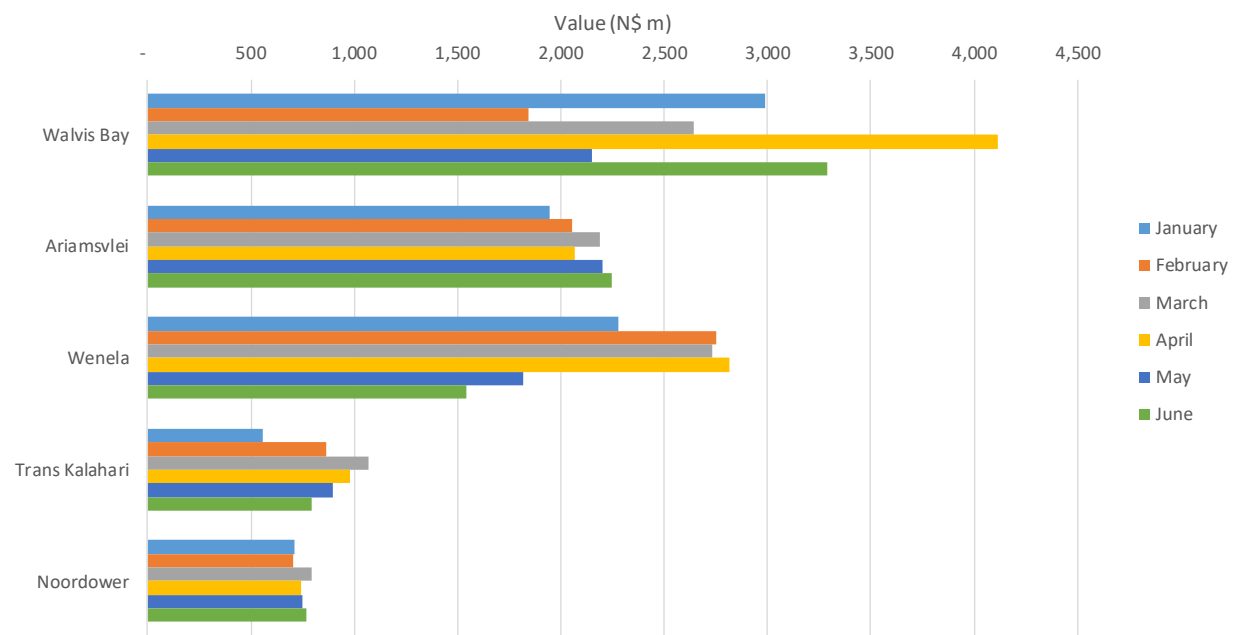


Chart 13 shows the top five border posts in terms of imports. Walvis Bay is the main border post that is used for importation accounting for 29.3 percent of imports during the first half of 2021. This was followed by Wenela (23.9%), Ariamsvlei (21.8%), Trans Kalahari (8.9%) and Noordoever (7.7%). A total of N\$17 billion worth of imports was registered at Walvis Bay indicating a monthly average of N\$2.8 billion. Additionally, these border posts jointly recorded a total of N\$8.6 billion worth of imports in June 2021 with an average of N\$1.7 billion per border post.

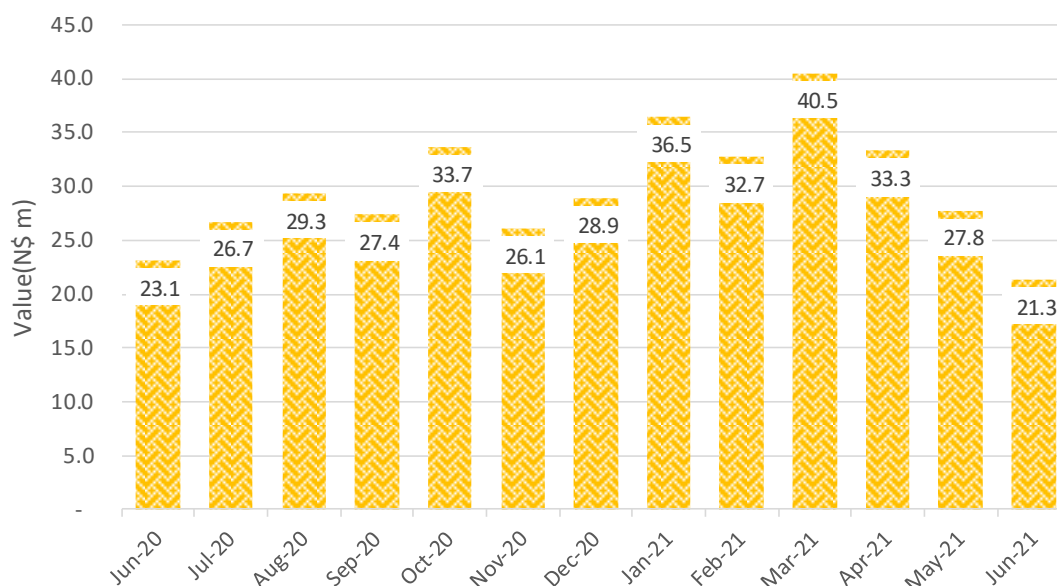
Chart 13: Import by Border Post; Jan-21 to Jun-21



6. Commodity of the Month-Horticulture

The category of horticulture was selected for analysis in the current report. During the period of review, the import value of this category of products amounted to N\$21.3 million falling by 23.3 percent from its May 2021 level of N\$27.8 million. Similarly, importation of commodities of this category declined by 7.8 percent when compared to its June 2020 level of N\$23.1 million. Overall, Namibia has accumulatively imported products of this category worth N\$387.3 million since June 2020 (Chart 14) with a monthly average of N\$29.8 million. The highest figure of N\$40.5 million-above average was recorded in March 2021 while the lowest figure of N\$21.3 million-below average was registered in June 2021. The decline observed in the importation of commodities of this category is attributed to the import restriction imposed on some commodities⁷ by Namibia Agronomic Board in June 2021.

Chart 14: Imports of products of the horticulture since June-20 to June-21



The recent import figure of N\$21.3 million mainly comprised of potatoes accounting for 41.1 percent of the total import of the entire category, followed by garlic (8.9%), and frozen vegetables (18.1%). These products were mainly sourced from South Africa accounting for 99.9% of the total imports with a minimal amount imported from Zambia and Germany.

⁷ Commodities affected by the June import restriction include: beetroot, butternut, cabbage, cucumber, green paper, colored paper, onion, pumpkin, sweet potato and tomato.

Conclusion

In June 2021, Namibia's exports stood at N\$8.6 billion and imports at N\$9.6 billion, subsequently the country's trade balance resulted in a deficit of N\$987 million. Overall, the country's total trade for June 2021 stood at N\$18.2 billion.

In June 2021, exports rose by 58.5 percent and 14.1 percent from its level of N\$5.4 billion and N\$7.6 billion recorded in May 2021 and June 2020, respectively. On the other hand, imports also strengthened, rising by 11.4 percent when compared to its levels of N\$8.6 billion in May 2021. Year-on-year imports grew by 25 percent from its level of N\$7.2 billion in June 2020.

China emerged as the country's largest export destination, with a share of 35.4 percent of all goods exported followed by South Africa with a share of 14.9 percent. Furthermore, Netherlands, Belgium and Spain formed part of Namibia's top five export markets. The demand side saw South Africa maintaining her first position as the country's largest source of imports, accounting for 36.1 percent of total imports into Namibia followed by Peru in the second position with a 15.3 percent of the market share. Zambia, D.R.C, and India also formed part of Namibia's top five sources of imports.

The analysis of exports by commodities revealed that uranium had the largest share (33.3%) in Namibia's total exports ahead of copper (25.8%), precious stones (diamonds) (9.8%), Fish (9.8%), non-monetary gold (3.5%). In terms of imports, copper was the most imported commodity with a relative share of 16.6 percent of total imports, followed by copper ores with a share of 12.4 percent and petroleum oils with a share of 6.1 percent. Moreover, precious stones (diamonds) and ores of precious metals contributed 3.8 percent and 2.8 percent to Namibia's total imports, respectively.

In terms of regional composition, BRIC was the largest export market during the month of June 2021, with a market share of 40 percent of total exports followed by the EU with relative market shares of 15.6 percent while the SACU, OECD and SADC-excl-SACU had respective shares of 15.5 percent, 9.1 percent and 7.8 percent. On the imports side, SACU remained the largest source of Namibia's imports with a share of 36.6 percent of total import bill followed by COMESA and SADC excl SACU with contributions of 19.4 percent and 17.4 percent, respectively. BRIC and the EU had a share of 10.9 percent and 3.5 percent, respectively.

Namibia's trade by mode of transport shows that in June 2021, the majority of goods exported left the country by sea, accounting for 73 percent of total exports, followed by air transport with 13.7 percent

and road transport with 13.2 percent. On the demand side, most commodities that entered the country came in by road, accounting for 61.2 percent of total imports followed by sea (34.3%) and air (4.5%).

Finally, the category of horticulture was selected for analysis for the current report (June 2021). The import value of this category of products stood at N\$21.3 million in June 2021, mainly distributed among commodity such as potato, garlic and frozen vegetables. These commodities were mainly sourced from South Africa.

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