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NSA released the Quarterly Trade Statistics for the Second Quarter 2017

The Namibia Statistics Agency (NSA) has officially released the Quarterly Trade Statistics for the Second Quarter on 21 September 2017. Herewith a few highlights:

- The revision of the first quarter trade statistics resulted in a widening trade gap. Although total exports were revised upwards to NAD15,607 million, the trade deficit increased from NAD4,695 million to NAD4,885 million since imports increased to 20,492 million.
- The trade balance moved further into negative territory in the second quarter 2017, widening to NAD6,193 million. It is mainly due to a strong decrease in the value of exports from NAD15,607 million to NAD13,920 million, while the value of imports declined by only NAD379 million to NAD20,113 million.
- Namibia's exports are dominated by diamonds. The value of diamond exports increased from NAD4,155 million in the first quarter 2017 (Q1 2017) to NAD4,726 million in the second quarter (Q2 2017). Diamond exports are also up compared to Q2 2016 (NAD4,602 million). However, total diamond exports for the first half 2017 are almost NAD1 billion below the value exported in the first half of 2016.
- The value of copper ore exports picked from NAD1,678 million (Q1 2017) to NAD2,178 million (Q2 2017), but remained below the export value of Q2 2016 (NAD2,279 million).
- The value of fish exports dropped from NAD2,486 million (Q1 2017) to NAD2,161 million in Q2 2017, which was down by NAD400 million compared to the export value in Q2 2016 (NAD2,566 million).
- The export value of copper cathodes declined as well from NAD1,178 million to NAD867 million between the first two quarters 2017. It is also substantially lower than in the Q2 2016 (NAD1,512 million).
- Although oil prices on the spot market dropped from an average of USD53.59 per barrel during the first quarter 2017 to USD49.55 per barrel in the second and a slight appreciation of the Namibia dollar versus the US dollar from on average NAD13.23 in the first quarter to NAD13,20 in the second, the total import value of mineral fuels & oil increased from NAD2,074 million to NAD2,325 million. However, the value of oil imports remained substantially below Q2 2016 (NAD4,282 million).
- The second largest import item vehicles with a value of NAD2,017 in the second quarter, which is a decrease by about 10% from the Q1 2017 (NAD2,223 million). The value of vehicle imports also declined compared to Q2 2016, when it stood at NAD2,476 million.
- The import value of boilers & machinery as well as electrical machinery & equipment on the other increased in the Q2 2017 compared to Q1 2017. Namibia imported boilers to the value of NAD1,953 million in Q2 2017 compared to NAD1,830 million in Q1 2017 and electrical machinery to the value of NAD1,231 million compared to NAD1,156 million.

Despite the opening of new mines and improved commodity prices, exports are not really picking up. At the same time, imports remain at high levels although major infrastructure projects were completed that required the importation of among others construction materials and equipment. Although Namibia's foreign exchange reserves have improved significantly over the past few months due to the repatriation of foreign investment and the loan from the African Development Bank, a continuation of the large trade deficit will put pressure on foreign exchange reserves unless levelled out by the inflow of foreign exchange from the Southern African Customs Union Common Revenue Pool and from Foreign Direct Investment (FDI). It should, however, be noted that the trade statistics refer to the trade of goods only and exclude the trade of services. Namibia usually achieves a positive trade balance in the trade of services.