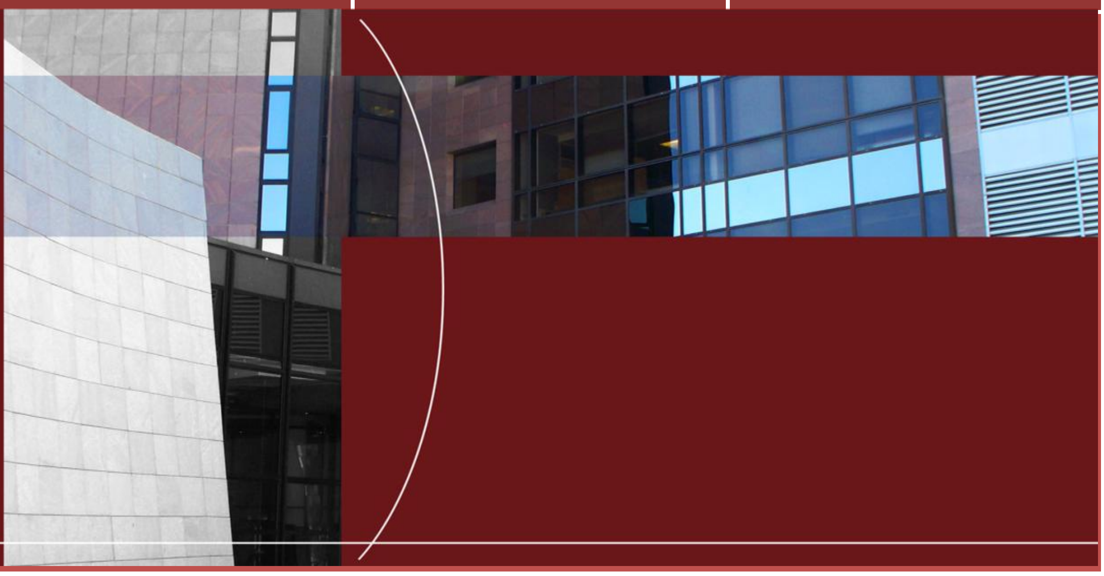
BANK OF NAMIBIA

"In pursuit of economic growth and development our mandate is to promote price stability, efficient payment systems, effective banking supervision, reserves management and economic research in order to proactively offer relevant financial and fiscal advice to all our stakeholders."

Economic Outlook February 2010



71 ROBERT MUGABE AVENUE, WINDHOEK

EXECUTIVE SUMMARY

The world economy has started emerging from the unprecedented deep recession triggered by the collapse of the US housing bubble. The severity of the recession was more pronounced at the beginning of 2009 when challenging economic conditions prevailed. These include a sharp decline in world trade, contraction in industrial production, a fall in asset prices, liquidity and credit crunch. Due to exceptionally policy interventions, the situation was, however, virtually reversed, and by the start of the second quarter of 2009, the world economy started to exhibit positive signs of an early but fragile recovery. The immediate impacts of the crisis including a freezing up of capital markets, a sharp reversal of capital flows, and equity market and exchange rate volatility have largely been contained. Furthermore, international trade and global industrial production started to recover noticeably, while an increasing number of advanced and emerging economies started registering positive quarterly GDP growth during the second half of 2009, thereby signalling their official exit from the economic downturn.

Despite the positive signs about the recovery of the global economy, the speed of the recovery might be prolonged and uneven across economic regions and a number potential downside risks need close monitoring going forward. Of particular concern is the fact that unemployment levels remain high in advanced economies, thereby putting a strain on consumption led economic recovery, especially in the US. It is therefore, critical that fiscal and monetary authorities avoid premature and incoherent exit from supportive policies. Well coordinated exit strategies should be prepared by both Governments and Central Banks to help anchor expectations and lessen fears of inflation and renewed financial instability. This is a major challenge, especially to the Central Banks in advanced countries which have had more alternative to unconventional support measures. The growing concerns about fiscal sustainability constitute major a downside risk to the global economic recovery as it could unsettle financial markets and stifle the recovery by raising the cost of borrowing. The medium-term strength of the recovery will, thus, depend on how well these challenges are met and on the extent to which private sector demand picks up. If policies are adjusted too slowly, inflationary pressures and additional bubbles could develop, while too quick of an adjustment could stall the recovery.

Looking ahead and in line with the recovery of the global economy, the Namibian economy is expected to expand to about 4.2 percent in 2010, from an estimated contraction of 1.0 percent in 2009 because of weak external demand. This expansion will be driven by gradual strengthening of commodity prices and continued strong performance of the construction sector. Despite the buoyant view, many challenges remain and significant risks are tilted to the downside. The challenges include among others, high unemployment rate, shortage of skills and income disparity that will continue to hamper economic growth. Risks to the outlook include uncertainty regarding the sustainability of the global economic recovery, exposure to the volatility of the commodity prices, both in terms of energy imports and exports, and weak domestic spending.

Global Outlook

The global economy has started to recover from an unprecedented recession not experienced since World War II. The stabilisation, however, is expected to be uneven and the recovery will be slow. Additionally, the effects of the crisis are expected to remain in the medium term. The global output is reflecting a slow growth in advanced economies offset by relative vigorous growth in emerging and developing economies. In this regard, the IMF expects world output to recover to 3.9 percent in 2010 after an estimated contraction of 0.8 percent during 2009.

The recovery in 2010 is mainly expected due to the impact of public policy interventions which are expected to stabilise economic activities and foster a return to modest growth in various economies (Table 1). The IMF cautioned that stimulus measures are still needed to sustain the recovery and an early and incoherent exit from supportive policies may destabilize global growth and its rebalancing. The global recovery will face the challenges of volatility in crude oil prices, elevated unemployment and fiscal deficits and debt. There are also growing concerns of low interest rates that if not contained may lead to asset price bubbles.

Table 1: World Economic Output (annual percentage change)

Regions	2007	2008	2009 (est.)	2010 (proj.)
World output	5.2	3.0	-0.8	3.9
Advanced economies	**2.7**	**0.5**	**-3.2**	**2.1**
-United States	2.1	0.4	-2.5	2.7
-Euro area	2.7	0.6	-3.9	1.0
> Germany	2.5	1.2	-4.8	1.5
> Spain	3.6	0.9	-3.6	-0.6
-United Kingdom	2.6	0.5	-4.8	1.3
-Japan	2.3	1.2	-5.3	1.7
-Other advanced economies	4.7	1.7	-1.3	3.3
> Newly industrialized Asian economies	5.7	1.7	-1.2	4.8
Emerging and developing economies	**8.3**	**6.0**	**2.0**	**6.0**
-Sub-Saharan Africa	7.0	5.7	1.5	4.3
>South Africa	5.1	3.1	-1.9	1.5
-Middle East	6.2	5.3	2.2	4.5
-Developing Asia	10.6	7.6	6.4	8.3
>China	13.0	9.0	8.5	10.0
>India	9.4	7.3	5.6	7.7
-Brazil	5.7	5.1	-0.4	4.7
-Russia	8.1	5.6	-9.0	3.6

Source: IMF World Economic Outlook Update January 2010. South Africa National Treasury. 2007-2008: Actual, 2009 estimates, 2010 forecasts

The **US** economy is projected to rebound to 2.7 percent during 2010, from an estimated to contraction of 2.5 percent in 2009. The recovery for the US economy is mainly attributed to subdued consumer spending, rising unemployment, household deleveraging, temporary fiscal stimulus and weak economic growth of its major trading partners. Challenge to the US growth will be fighting high unemployment while reducing the large twin deficits. New policy proposals in the US to reduce unemployment could provide a further momentum to both US and global growth.

In the **Euro Area,** real GDP is projected to expand by 1.0 percent from an estimated contraction of 3.9 percent in 2009. The contraction in the Euro Area's real GDP is attributed mainly to its higher degree of dependence on exports to other economies which were negatively affected by the crisis. Going forward, rising exports will be the main driver of the recovery in the Euro Area. A risk to the economy is the possibility of a split recovery, with production increase coming from the northern block of countries while economies in the south lag behind. A particular concern is the troubled Spanish economy as well as the ongoing economic crisis in Greece, which might stifle confidence in the market and thus delay a quick recovery in the Euro Area. Growth will be mainly weighed down by the fading fiscal stimulus, restrictive credit conditions and the slack in the labour market.

Output in **Germany**, the major economy in the Euro Area and one of Namibia's main trading partners, is projected to grow by 1.5 percent in 2010 after an estimated contraction of 4.8 percent in 2009. The world wide decline in demand hit the German economy particularly hard because of its strong dependence on exports compared with other countries. It is expected that the recovery albeit slow will continue and that the expansion will become increasingly self-sustaining. This is represented by the expansionary monetary and fiscal policies, the stabilisation of the financial markets, the synchronised global economic upturn, low inflation and the improve sentiment especially in the business sector.

In **Spain**, real GDP growth is forecasted to decline by 0.6 percent in 2010 from an estimated contraction of 3.6 percent during 2009. The poor performance is attributed to the collapse of the construction sector; decline in domestic consumption and investment in capital goods. The unemployment rate is expected to rise to 19.4 percent in 2010 more than twice the rate projected for the Euro Area. Other imbalances that will continue to threaten the Spanish economy this year include the widening government deficit, drop in tax collections and an increasing unproductive public sector spending. The gloomy performance of the Spanish economy is expected to have a depressing impact on the demand for Namibian fish exports to that country. It is, thus, imperative for Namibia to continue exploring for alternative export markets for its fish and other exports.

In the **UK**, economic conditions are improving with real GDP predicted to grow by 1.3 percent during 2010, from an estimated contraction of 4.8 percent in 2009. Government intervention in the economy has prevented the huge deflation feared at the beginning of 2009. Financial sector support, a monetary easing and fiscal stimulus have cushioned the downturn. The expected recovery is supported by improving financial conditions, an expansionary monetary policy and stronger global demand. The risks to the outlook are on the downside, unemployment has risen and the labour market is likely to slacken further and further fiscal tightening in the form of tax increases and cuts in spending could stifle the economy.

Japan's economy is expected to grow by 1.7 percent during 2010 after is estimated to have contracted by 5.3 percent in 2009. Japan felt the consequences of the global crisis more severely than other advanced economies, mainly owing to its high dependence on external demand. The recovery will mainly result from stimulus programs and expected surge in export volumes from increased demand for Japanese products from abroad.

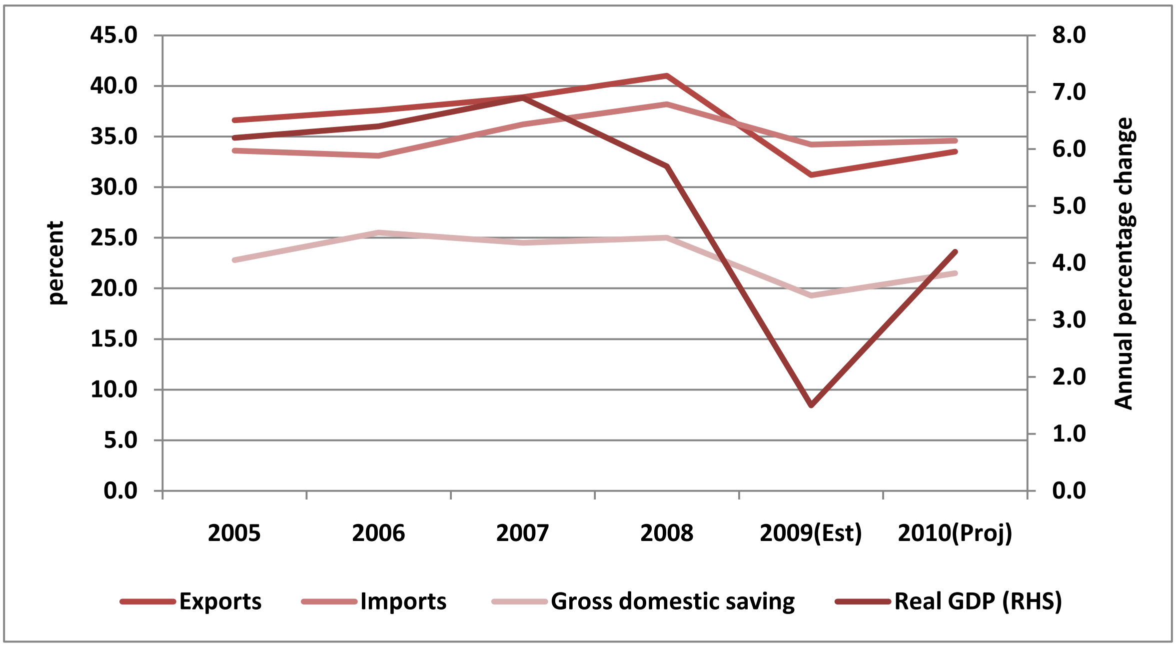
Real GDP for **Brazil**, a member of the so called much-talked-about "BRICs" club, is predicted to grow by 4.7 percent in 2010, after it is estimated to have experienced a real GDP contraction of 0.4 percent in 2009. Brazil managed to weather the crisis due to its large domestic market, robust fiscal policy package, including support for the automotive sector and a reversal of the inventory cycle that boosted industrial production. Lower interest rates and a decline in interest rate spreads propelled a recovery in private credit that has bolstered domestic demand. Going forward, increased consumer spending and rising exports are expected to drive the expansion.

The **Russian** economy is projected to recover to 3.6 percent during 2010. The energy exporting economy has been badly affected by the recession and is estimated to have declined by 9.0 percent in 2009. The economic slump in Russia was caused by numerous factors including a major slide in exports, lower oil prices, contraction in domestic investment and a decrease in personal consumption. The recovery in 2010 is expected to be led by expansionary fiscal policy, improvements in commodity prices and economic recovery in Russia's major trading partners.

India's GDP is projected to grow by 7.7 percent in 2010, after it is estimated to have slowed by 5.6 percent during 2009. The growth will be on the back of high industrial output and increase in investment in infrastructure. Since world demand is expected to pick up at slow pace, they are pinning their hopes on strong domestic demand. India has escaped a severe recession in 2009 because its economy is less dependent on demand from foreign consumers than many other Asian countries. Extensive fiscal and monetary support helped ease tensions in financial markets and helped soften the decline in domestic demand.

Real GDP in **China**, the emerging market leader and massive engine of the global recovery is projected to expand by 10.0 percent in 2010 after it is estimated to have moderated to 8.5 percent during 2009. The expected robust growth in China would mainly be underpinned by strong domestic demand and exports as a result of the impact of the fiscal stimulus package and expansionary credit policies. Nevertheless, growth in the Chinese economy is expected to stimulate the demand for Namibian minerals, especially copper going forward.

Chart 1: Sub-Saharan Africa: Selected Economic Indicators



Source: IMF Regional Economic Outlook: Sub-Saharan Outlook, October 2009 and IMF World Economic Outlook Update January 2010.

The **IMF** forecast indicates that Sub-Saharan Africa's real GDP will recover to 4.3 percent in 2010 due to improved financial market condition and the upturn in commodity prices (see Chart 1). The region is estimated to have grown by 1.5 percent during 2009. The main driver of the slow growth in Sub-Saharan Africa in 2009 was largely the decline in exports, which were further reinforced by disruptions in the global financial markets. Despite the forecasted growth in 2010, the outlook remains subject to a significant degree of uncertainty. Of particular concern is the possibility of a weaker than expected recovery of the global economy which would slow the improvement in commodity prices and worsens the prospects for foreign demand of African products going forward.

Angola's real GDP is forecasted to grow by 9.3 percent during 2010 after an estimated growth of 0.2 percent in 2009. The estimated slowdown is mainly owing to restrained demand for the country's major exported commodities, in particular crude oil and diamonds. The recovery is expected to be underpinned by an increase in the production of crude oil as well as the expansion of economic activities in the agricultural, construction and manufacturing sectors. Moreover, investment in the economy is expected to improve significantly from 2010.

The **South African National Treasury** has projected its real GDP to recover to 1.5 percent during 2010, after it has been estimated to have contracted by 1.9 percent in 2009. The decrease in South Africa's real GDP is largely ascribed to the country's high level of integration with global financial markets and subdued external demand for its exports by its major trading partners.

The projected recovery is expected to be largely underpinned by positive investment growth, more stable inventories as well as growth in government consumption. In addition, South African producers will benefit from a recovery in global demand and high commodity prices, largely as a result of growth in China and India. Renewed capital flows to emerging markets will also reduce the cost of capital and finance fixed investment. Continuing public-sector investment in economic infrastructure will also provide crucial support to the recovery and is essential to reduce bottlenecks and draw in private-sector investment.

Thus, looking ahead, the potential recovery in the global economy is expected to sustain a revival in Sub-Saharan Africa's growth. The main drivers of the growth are expected to be the export-orientated countries. The balance of risks is still tilted to the downside, however, and policies should aim to support the recovery until it gains momentum. In countries where there are no financing constraints, and output is well below potential, fiscal deficits may need to remain high for some time, and any countercyclical fiscal measures should be kept in place. Interest rates could be reduced further in some countries. However, countries with financing constraints will need instead to contain macroeconomic imbalances.

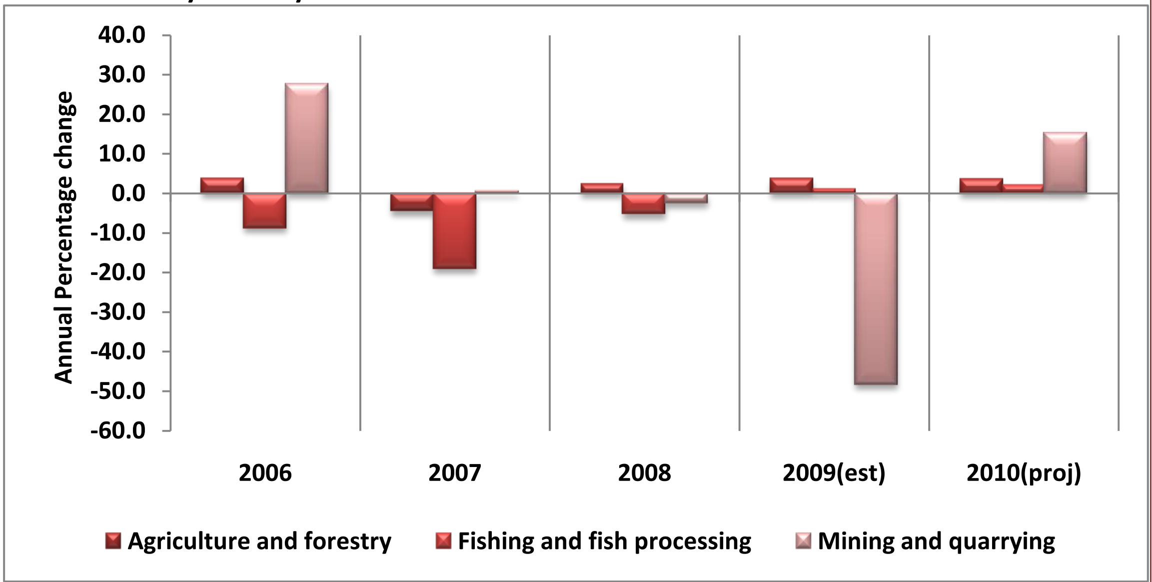
Domestic Outlook

The Namibian economy is projected to expand by 4.2 percent during 2010, from an estimated contraction of 1.0 percent in 2009. The expected economic recovery is largely driven by resurgence in the mining and quarrying sector and continued strong performance of the construction sector. Nonetheless, there are significant downside risks to the outlook. These include the recovery and sustainability of the global economy and effects of the external shocks such as oil prices on the economy. The expected recovery in the global economy is necessary to ensure the revival of the domestic economy.

PRIMARY INDUSTRY

The primary industry is forecasted to positively grow by 7.8 percent in 2010 from a contraction of 25.8 in 2009. The great driver of the primary industry during 2010 will mainly be the diamond mining sector, with uranium mining expected to record a strong growth in the medium term (see Chart 2). Agriculture and forestry, fishing and on-board fish processing sub-sectors, on the other hand, are also projected to expand moderately during 2010.

Chart 2: Primary Industry Performance



Source: CBS (2006-2008), Bank of Namibia (2009-2010)

Agriculture and forestry

The agriculture and forestry sector is forecasted to moderate to a growth of 3.5 percent in 2010 from an estimated 3.7 percent in 2009. The growth is expected to emanate from both crop and livestock production. Livestock marketed is expected to increase during the year on the back of good prices anticipated due to the FIFA 2010 World Cup. On the horticultural front, the Namibian Market Share Promotion initiative is yielding results; it has attained an import substitution level of 30 percent thus far. In this connection, horticultural production is expected to increase. Furthermore, the implementation of the Green Scheme is foreseen to help improve crop farming efficiencies in communal areas. The plan to align existing government agronomic projects with the new green scheme policy is expected to trigger increased production and increase the land under irrigation.

Fishing and Fish Processing on Board

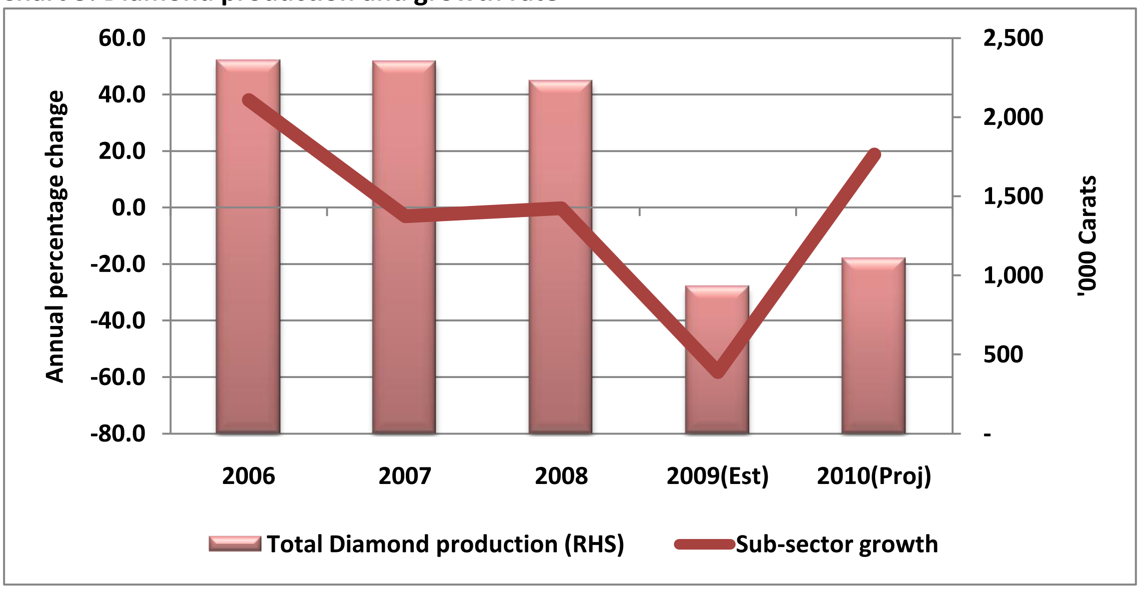
The fishing and fish processing on board sector is projected to grow by 2.0 percent in 2010 from an estimated growth of 1.2 percent in 2009. Growth will be on the backdrop of the expected improvement in the size of the catches and to the stock levels that has risen. Total landing for the majority of species, particularly, pilchard, hake, mackerel are expected to improve. The bulk of fish products are destined for the Euro Area, most notably to Spain. The downside risk to the outlook therefore is on the Spanish economy, which is projected to continued being in recession for 2010. Further the sector performance is prone to the volatility in input costs and oceanic conditions.

Mining and Quarrying

The sector is projected to recover to 15.2 percent in 2010 from an estimated contraction of 48.3 percent in 2009. This is due to a recovery expected in the diamond mining production owing to a more optimistic view on the upturn of the global economy. Furthermore, the increased production of uranium at existing mines and the re-opening of the copper mines are expected to bolster the industry.

Diamond mining was severely affected by the financial crisis to such an extent that during the second quarter of 2009, Namdeb the major diamond mining company instituted production holidays. In the short-to-medium term, it is still expected that on-shore operations will slow down as off-shore operations start playing a more prominent role. The diamond mining sector is thus projected to exhibit a growth rate of 18.8 percent in 2010 from a contraction of 58.2 percent in 2009. This represents diamond production output of 1.1 million carats and 929 000 carats during 2010 and 2009, respectively (see Chart 3). This is still however, far below the production levels reached during 2006 and 2007, when the total output increased to 2.4 million carats and 2.3 million carats, respectively.

Chart 3: Diamond production and growth rate

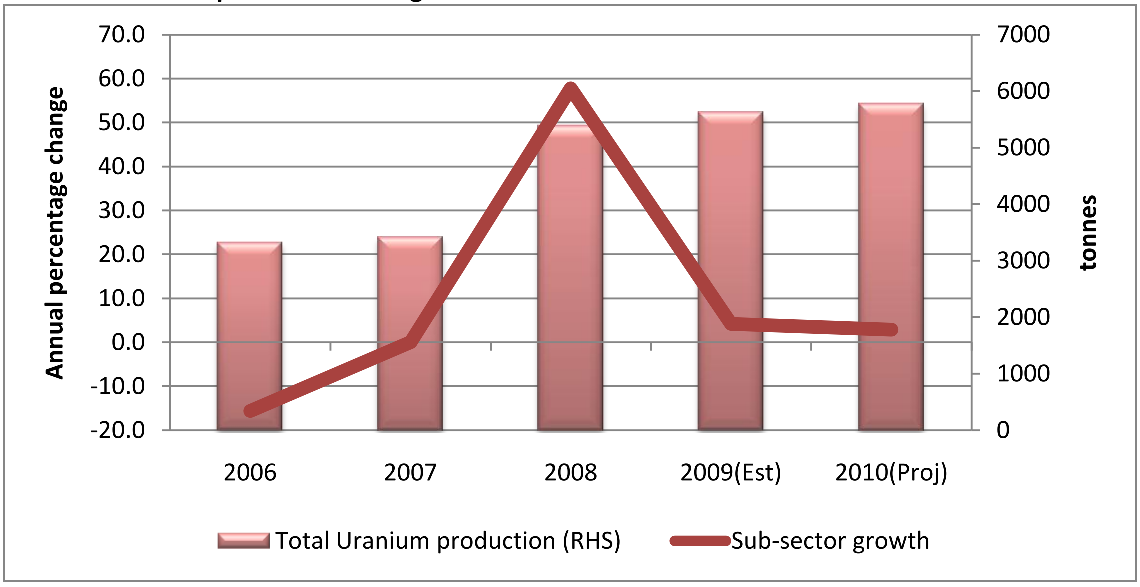


Source: Diamond companies

"Uranium – Namibia's rising star"

The other mining and quarrying is predicted to expand by 7.8 percent in 2010 from a contraction of 0.6 percent estimated for 2009. The reduction in the other mining activities during 2009 is ascribed to weak performance of gold and the closure of the copper mines.

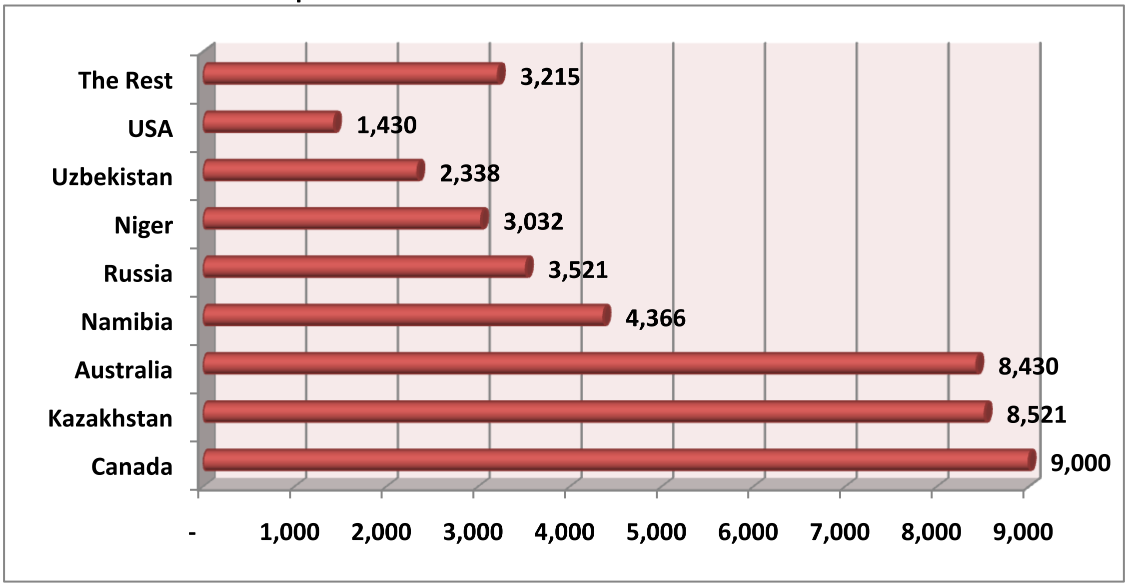
Chart 4: Uranium production and growth rate



Source: Uranium companies

Going forward, the outlook for the other mining primarily, for uranium mining shows potential. There are currently expansion plans at the two uranium mines operating in Namibia which is expected to increase production during 2010 onwards. During 2008, Namibia produced 10.0 percent of world uranium mining output; surpassing Russia and becoming the fourth largest uranium supplier in the world (see Chart 4). Looking ahead, the country is on track to becoming the world's third biggest supplier as there are four new uranium mines that are expected to be commissioned in the medium-term. It is foreseen that uranium will eventually outpace diamond mining in its significance towards GDP growth and employment creation.

Chart 5: World uranium production[1]



Source: World Nuclear Association

In 2008, the prices of **copper** dropped drastically as industrial activities slowed in most developing countries due to the global economic crisis. As a result, the copper mines in Namibia stopped production and there were no copper output during 2009. With the confidence regarding the recovery from the world economic crisis, the price of the metal has been improving and expected to continue doing so. In response, Weatherly Namibia announced its intention to continue evaluating the possibility of reopening and resume production at its Otjihase and Matchless mines during the third quarter of 2010. This is after the mines were placed under care and maintenance at the end of 2008 when the price of copper hit its lowest levels due to global economic crisis.

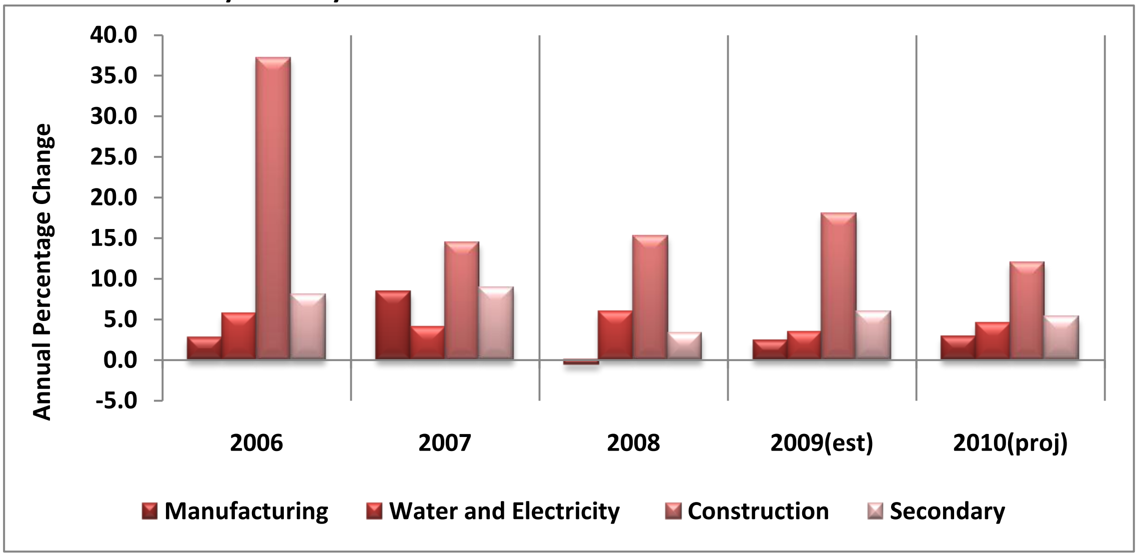
SECONDARY INDUSTRY

"Construction continues to be the backbone of the Secondary Industry"

The secondary industry is estimated to have grown by 5.9 percent in 2009 and projected to expand by 5.3 percent during 2010. This growth will be broad-based led by the construction sector (see Chart C.6).

[1]'The Rest' represents 10 countries, which produced less than or equal to 800 tonnes of uranium during 2008.

Chart 6: Secondary Industry Performance



Source: CBS and BoN

Manufacturing

The manufacturing sector is projected to expand by 2.9 percent during 2010, from an estimated growth of 2.4 percent in 2009. The growth will mainly be driven by "manufacturing of other food products and beverages" which includes the production of, inter alia, beer, dairy and processing of copper. Beer production from Namibia Breweries is expected to increase due to the high domestic and regional demand. Further, the milk production from the newly opened Super Diary Farm in Mariental is expected to rise from 2010 as the diary farm will be increasing its capacity. With regard to copper smelting, it is projected to rise in 2010 due to the planned increase in the smelting activities owing to the commissioning of the oxygen plant which is expected to double the smelter's capacity from 2010 onward. The smelter current capacity is 120 000 tonnes per year. Weatherly International PLC has sold its smelter business, the Namibia Customs Smelters (NCS) to a Canadian based international mining company, Dundee Precious Metals (DPM) Inc, for USD33 million. In overall, the Angolan markets will contribute positively to the sector in terms of exports of meat, beer and other food products.

Water and Electricity

Water and electricity is projected to increase by 4.5 percent during 2010, from an estimated 3.5 percent in 2009. The commissioning of the Caprivi Inter-connector link is expected by mid-2010. It is envisaged that the transmission line will alleviate the already congested existing lines in the Southern Africa region. This sector is set for an expansion on the back of demand from various economic projects in the mining, construction and manufacturing activities among others.

Construction

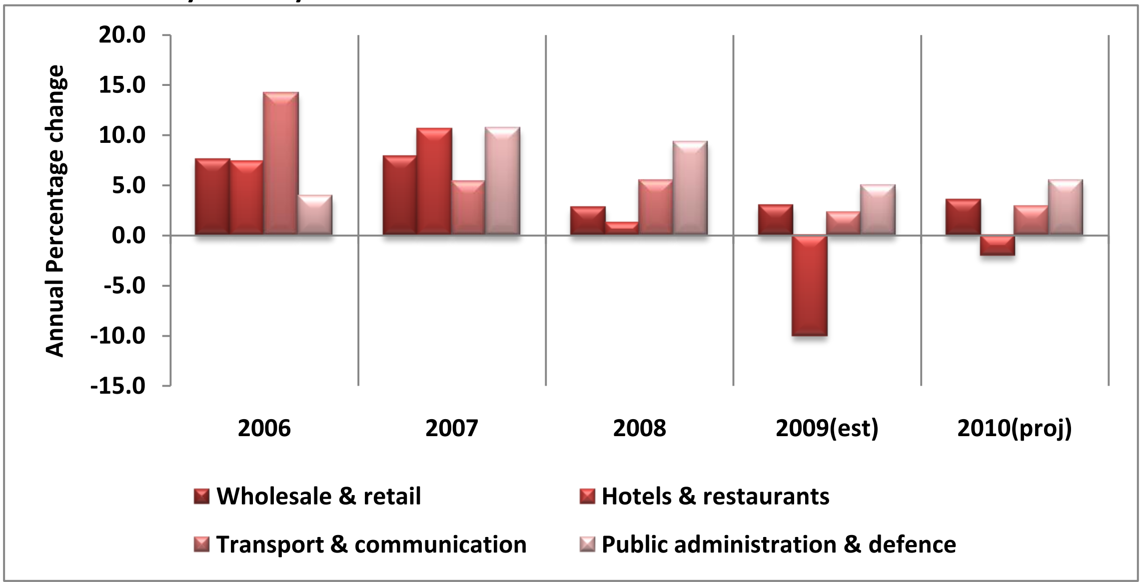
The construction sector is forecasted to grow by 18.0 percent in 2010 from an estimated 15.3 percent during 2009. The construction projections are underpinned by the expected increased private and public projects. These projects include upgrading and or renovation of the government infrastructure, construction of Ohorongo cement manufacturing factory, Caprivi interconnector link, Areva Trekkopje's desalination plant and the mine, uranium mine expansion, Namundjebo Plaza hotel, and Ruacana 4th turbine.

TERTIARY INDUSTRY

"Public spending spur tertiary industry growth"
and
"Tourism's importance should not be overlooked"

The tertiary industry is projected to grow by 3.3 percent in 2010, from an estimated growth of 3.0 percent during 2009. The growth will mainly be driven by the public administration and wholesale and retail trade sectors (see Chart 7). The industry has suffered a drawback as a result of global financial crisis evident in the contraction of the hotel and restaurant sector. This sector, which is used as a proxy for tourism is expected to improve in 2010 in line with the recovery of the global economy.

Chart 7: Tertiary Industry Performance



Source: CBS and BoN

Wholesale and Retail Trade, Repairs

The wholesale and retail trade, repairs sector is projected to grow by 3.6 percent during 2010 from an estimated 3.0 percent in 2009. The accommodative monetary and fiscal followed during 2009 are expected, to have a positive impact on credit growth and therefore in consumer demand in the medium term.

Hotels and Restaurants

The tourism sector, which is measured by using the hotel and restaurant sector as a proxy, was hit hard by the global financial crisis that has resulted in the decline of the tourists visiting Namibia. The contraction is however not as deep as it was initially expected. It is projected that the sector will contract by 2.0 percent during 2010 from an estimated decline of 10.0 percent in 2009. During 2010, there are mixed expectations about the sector's performance due to the possible crowding-out effect of the World Cup. Most flights destined for the region are already fully booked and the transportation costs are inflated, this will naturally affect the industry negatively. It is expected that tourist arrivals will pick up after 2010 onwards, this will be on the backdrop of the global economic recovery and due to the exposure the country may have gained during the World Cup.

Transport and Communication

The transport and communication sector is projected to grow by 2.9 percent during 2010 when compared to 2.3 percent estimated for 2009. The growth of this sub-sector is mostly estimated to mirror overall domestic economic activities. In the communication sub-sector, the growth will mainly come from the increased competition within the telecommunication providers leading to low prices and thus high demand.

Public Administration and Defence

The public administration and defence sector is foreseen to expand by 5.5 percent during 2010 compared to a 5.0 percent growth estimated in 2009. This sector includes the central government administrative and local government activities. It is therefore expected that the sector will grow in line with budget allocation for the period of 2009/10 and 2010/11.

CONCLUSION

The Namibian economy is expected to recover to 4.2 percent during 2010 after a contraction of 1.0 percent estimated for 2009. The recovery is in line with the projected global economy improvement which is expected to boost the mineral exports and thus growth. During 2009, the global economic downturn has affected the economic performance of the country negatively, notably in the export-oriented sectors. The risks to the outlook are, however, on the downsides, these include the recovery and sustainability of the global economic recovery and effects of the oil prices. The expected recovery in the global economy is necessary to ensure the revival of the domestic economy.

Appendix I: Forecasting Assumptions

Primary Industry:

- Livestock farming is expected to continue growing moderately over the short-term. Anticipated increase in demand for meat due to FIFA World Cup 2010 could prove as an incentive for increased production. Additionally, it is foreseen that the local abattoirs will be able to offer competitive prices on the back of a favourable exchange rate in the short-term, as well as from pressure to offer competitive prices against SA feedlots. In addition, livestock farming is expected to flourish under capital bridging schemes undertaken by the government and local commercial banks, as well as assistance from the Millennium Challenge Account.
- Namibia is foreseen to be steadily increasing her crop output. This is mainly on the back of good farming practices most particularly the Green Scheme.
- In the fishing sector, the government's encouragement of resource management (the one month moratorium in October) and favourable weather is expected to contribute to a growth in fishing and fish processing on board. Fuel prices are not expected to reach their 2008 highs (highest input cost), thus not hindering growth in the sector.
- The global economic growth has started to show signs of recovery and continued to do so. This is expected to translate into an increased demand for diamonds and other commodities such as uranium and copper among others.
- An increase in other mining and quarrying is expected in the short-term, in part due to a recovering global economy.

Secondary Industry:

- Meat processing is expected to increase due to the market diversification into Angola.
- Increasing value-addition to fish products is foreseen in the future, in line with the government's policies for the sector.
- Worldwide the price of maize has been falling. Additionally, commercial grain farmers are increasing production output, consequently the processing of grain by the mills is foreseen to increase.
- Beer demand is expected to increase due to the FIFA World Cup.
- The construction sector is assumed to grow positively on the back of increased planned private and public sector activities particularly those relating to road construction and tourism-related infrastructure expansions, especially so with the implementation of the Millennium Challenge Account. Projects that have already started and planned during the period include among others; Ohorongo cement manufacturing factory, Caprivi interconnector link, Areva Trekkopje's desalination plant and the uranium mine, Namundjebo Plaza hotel, Ruacana 4th turbine, Namport expansion plans for Walvis Bay container terminal.

Tertiary Industry:

- The tourism industry is expected to moderate during 2010.
- The financial intermediation industry is expected to grow supported by the expansionary monetary policy environment and the picking up of the economic activities.
- Government spending is expected to increase during 2010/11 as per budget allocation and thus an expected increase in public administration.

Appendix II: Real GDP growth

Industries	2006	2007	2008	2009	2010
		Actual		Estimate	Projection
Agriculture and forestry	**3.8%**	**-4.6%**	**2.4%**	**3.7%**	**3.5%**
- Livestock farming	-7.3%	2.8%	5.7%	4.0%	4.0%
- Crop farming and forestry	15.2%	-10.7%	-0.8%	3.3%	3.0%
Fishing and fish processing on board	**-8.8%**	**-19.0%**	**-5.3%**	**1.2%**	**2.0%**
Mining and quarrying	**27.6%**	**0.5%**	**-2.5%**	**-48.3%**	**15.2%**
- Diamond mining	38.0%	-3.1%	-0.3%	-58.2%	18.8%
- Other mining and quarrying	-8.5%	19.4%	-12.3%	-0.6%	7.8%
Primary industry	**12.8%**	**-4.0%**	**-1.4%**	**-25.8%**	**7.8%**
Manufacturing	**2.7%**	**8.4%**	**-0.6%**	**2.4%**	**2.9%**
- Meat processing	-8.5%	4.0%	-8.3%	2.5%	3.0%
- Fish processing on shore	-31.7%	29.6%	-3.8%	2.0%	2.5%
- Other food products and beverages	3.0%	4.8%	2.9%	3.5%	4.0%
- Other manufacturing	12.7%	8.0%	-2.2%	1.5%	2.0%
Electricity and water	**5.7%**	**4.0%**	**5.9%**	**3.5%**	**4.5%**
Construction	**37.2%**	**14.5%**	**15.3%**	**18.0%**	**12.0%**
Secondary industry	**8.1%**	**8.9%**	**3.3%**	**5.9%**	**5.3%**
Wholesale and retail trade, repairs	**7.6%**	**7.9%**	**2.8%**	**3.0%**	**3.6%**
Hotels and restaurants	**7.4%**	**10.6%**	**1.3%**	**-10.0%**	**-2.0%**
Transport, and communication	**14.2%**	**5.4%**	**5.5%**	**2.3%**	**2.9%**
- Transport and storage	34.6%	6.0%	9.3%	2.0%	4.0%
- Post and telecommunications	3.0%	5.0%	2.7%	2.5%	2.0%
Financial intermediation	**4.3%**	**12.0%**	**10.0%**	**6.5%**	**6.0%**
Real estate and business services	**3.6%**	**8.6%**	**4.3%**	**4.6%**	**3.2%**
- Real estate activities	5.3%	7.0%	4.9%	4.3%	3.5%
- Other business services	-0.9%	13.0%	2.7%	5.5%	2.3%
Community, social and personal service activities	**2.9%**	**1.1%**	**-0.7%**	**2.5%**	**1.1%**
Public administration and defence	**3.9%**	**10.7%**	**9.3%**	**5.0%**	**5.5%**
Education	**3.5%**	**6.0%**	**5.4%**	**3.0%**	**2.0%**
Health	**1.0%**	**5.7%**	**10.6%**	**3.2%**	**1.8%**
Private household with employed persons	**2.2%**	**3.4%**	**5.1%**	**2.2%**	**2.2%**
Tertiary industry	**5.5%**	**7.7%**	**5.4%**	**3.0%**	**3.3%**
All industries at basic prices	7.3%	5.5%	3.8%	-1.3%	4.3%
GDP at market prices	**7.1%**	**5.5%**	**3.3%**	**-1.0%**	**4.2%**

Source: CBS (2006-2008), Bank of Namibia (2009-2010)

Appendix III: GDP at Constant 2004 prices (N$ million)

Industries	2006	2007	2008	2009	2010
		Actual		Estimate	Projection
Agriculture and forestry	**2,687**	**2,564**	**2,625**	**2,721**	**2,816**
- Livestock farming	1,219	1,253	1,325	1,378	1,433
- Crop farming and forestry	1,468	1,311	1,300	1,343	1,383
Fishing and fish processing on board	**1,308**	**1,059**	**1,003**	**1,015**	**1,035**
Mining and quarrying	**4,718**	**4,742**	**4,621**	**2,389**	**2,752**
- Diamond mining	3,962	3,840	3,830	1,603	1,904
- Other mining and quarrying	756	902	791	786	848
Primary industry	**8,712**	**8,365**	**8,249**	**6,125**	**6,603**
Manufacturing	**5,897**	**6,394**	**6,358**	**6,508**	**6,694**
- Meat processing	162	169	155	159	164
- Fish processing on shore	494	640	616	628	644
- Other food products and beverages	2,297	2,407	2,478	2,565	2,667
- Other manufacturing	2,944	3,178	3,109	3,156	3,219
Electricity and water	**1,183**	**1,230**	**1,302**	**1,348**	**1,408**
Construction	**1,600**	**1,832**	**2,112**	**2,492**	**2,791**
Secondary industry	**8,680**	**9,456**	**9,772**	**10,347**	**10,893**
Wholesale and retail trade, repairs	**5,473**	**5,904**	**6,072**	**6,254**	**6,479**
Hotels and restaurants	**846**	**936**	**948**	**853**	**836**
Transport, and communication	**2,999**	**3,161**	**3,335**	**3,411**	**3,509**
- Transport and storage	1,253	1,328	1,452	1,481	1,540
- Post and telecommunications	1,746	1,833	1,883	1,930	1,969
Financial intermediation	**2,024**	**2,267**	**2,493**	**2,655**	**2,814**
Real estate and business services	**4,339**	**4,711**	**4,914**	**5,141**	**5,304**
- Real estate activities	3,221	3,447	3,616	3,771	3,903
- Other business services	1,118	1,264	1,298	1,369	1,401
Community, social and personal service activities	**1,703**	**1,721**	**1,709**	**1,752**	**1,771**
Public administration and defence	**3,816**	**4,225**	**4,617**	**4,848**	**5,114**
Education	**3,175**	**3,365**	**3,547**	**3,653**	**3,726**
Health	**1,461**	**1,545**	**1,708**	**1,763**	**1,794**
Private household with employed persons	**358**	**370**	**389**	398	406
Tertiary industry	**26,194**	**28,205**	**29,732**	**30,728**	**31,756**
All industries at basic prices	42,994	45,373	47,083	46,466	48,449
GDP at market prices	**46,853**	**49,430**	**51,073**	**50,556**	**52,661**

Source: CBS (2006-2008), Bank of Namibia (2009-2010)

Appendix IV: GDP at Current prices (N$ million)

Industries	2006	2007	2008	2009	2010
		Actual		Estimate	Projection
Agriculture and forestry	**3,275**	**3,045**	**3,961**	**4,473**	**5,029**
- Livestock farming	1,836	1,765	2,536	2,870	3,239
- Crop farming and forestry	1,439	1,280	1,425	1,602	1,790
Fishing and fish processing on board	**1,948**	**2,330**	**2,411**	**2,656**	**2,939**
Mining and quarrying	**6,654**	**6,816**	**11,556**	**9,043**	**10,878**
- Diamond mining	4,591	3,535	5,522	2,514	3,242
- Other mining and quarrying	2,063	3,281	6,034	6,529	7,636
Primary industry	**11,878**	**12,191**	**17,928**	**16,171**	**18,846**
Manufacturing	**7,791**	**9,767**	**9,102**	**10,135**	**11,306**
- Meat processing	175	206	145	162	181
- Fish processing on shore	657	902	999	1,109	1,233
- Other food products and beverages	2,518	2,923	3,360	3,785	4,271
- Other manufacturing	4,441	5,736	4,598	5,079	5,621
Electricity and water	**1,013**	**1,558**	**1,589**	**1,790**	**2,029**
Construction	**1,826**	**2,285**	**3,016**	**3,873**	**4,707**
Secondary industry	**10,630**	**13,610**	**13,707**	**15,798**	**18,043**
Wholesale and retail trade, repairs	**5,879**	**6,769**	**7,682**	**8,612**	**9,680**
Hotels and restaurants	**940**	**1,115**	**1,269**	**1,243**	**1,322**
Transport, and communication	**2,535**	**2,955**	**3,512**	**3,910**	**4,361**
- Transport and storage	794	1,146	1,387	1,540	1,737
- Post and telecommunications	1,741	1,809	2,125	2,371	2,624
Financial intermediation	**2,201**	**2,563**	**2,889**	**3,368**	**3,851**
Real estate and business services	**4,479**	**5,041**	**5,467**	**6,228**	**6,969**
- Real estate activities	3,231	3,564	3,781	4,292	4,820
- Other business services	1,247	1,477	1,686	1,936	2,149
Community, social and personal service activities	**1,840**	**1,987**	**2,173**	**2,424**	**2,659**
Public administration and defence	**4,423**	**5,105**	**6,285**	**7,182**	**8,221**
Education	**3,703**	**4,570**	**5,140**	**5,762**	**6,377**
Health	**1,647**	**1,859**	**2,315**	**2,600**	**2,872**
Private household with employed persons	**384**	**424**	**492**	**547**	**607**
Tertiary industry	**28,032**	**32,388**	**37,224**	**41,857**	**46,919**
All industries at basic prices	49,895	57,424	68,001	72,805	82,593
GDP at market prices	**54,029**	**62,102**	**73,220**	**78,627**	**89,099**

Source: CBS (2006-2008), Bank of Namibia (2009-2010)