

Namibia Trade Statistics Bulletin

March 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 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 March 2021.

The month of March 2021 saw Namibia's total merchandise trade increasing to N\$15.7 billion, an increase of 4.4 percent compared to N\$15.1 billion recorded in February 2021 and lower by 5 percent from its March 2020 level of N\$16.5 billion. However, the country's trade balance remained in a deficit amounting to N\$2.6 billion although the gap narrowed from its February 2021 deficit of N\$2.7 billion after recording a surplus to the tune of N\$1.7 billion in March 2020.

Namibia's trade composition by partner illustrated that China continued as Namibia's largest export market while South Africa maintained its first position as Namibia's largest source of imports. The composition of the export basket mainly comprised of minerals such as copper, precious stones (diamonds), fish, uranium and non-monetary. 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, petroleum and petroleum products, copper ores, motor vehicles and medicaments.

The March 2021 trade figures indicated that re-exports improved, rising by 5.3 percent month-on-month while a more significant increase of 13.9 percent was noted year-on-year. Copper had the largest share of all goods re-exported, accounting for 56.5 percent of total re-exports mainly destined to China, France, Netherlands, India and Germany. Most of the copper re-exported originated from Zambia and D.R.C. Important to note is that copper appears to dominate both trade flows which is an indication of the important role the country plays as a major logistics hub for SADC.

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 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 vein, I would like to urge our users of statistical information to send to us any comments that may enhance the quality 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 February 2020 to February 2021.....	1
Chart 2: Trade balance, February 2020 to February 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 Feb 20 to Feb-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

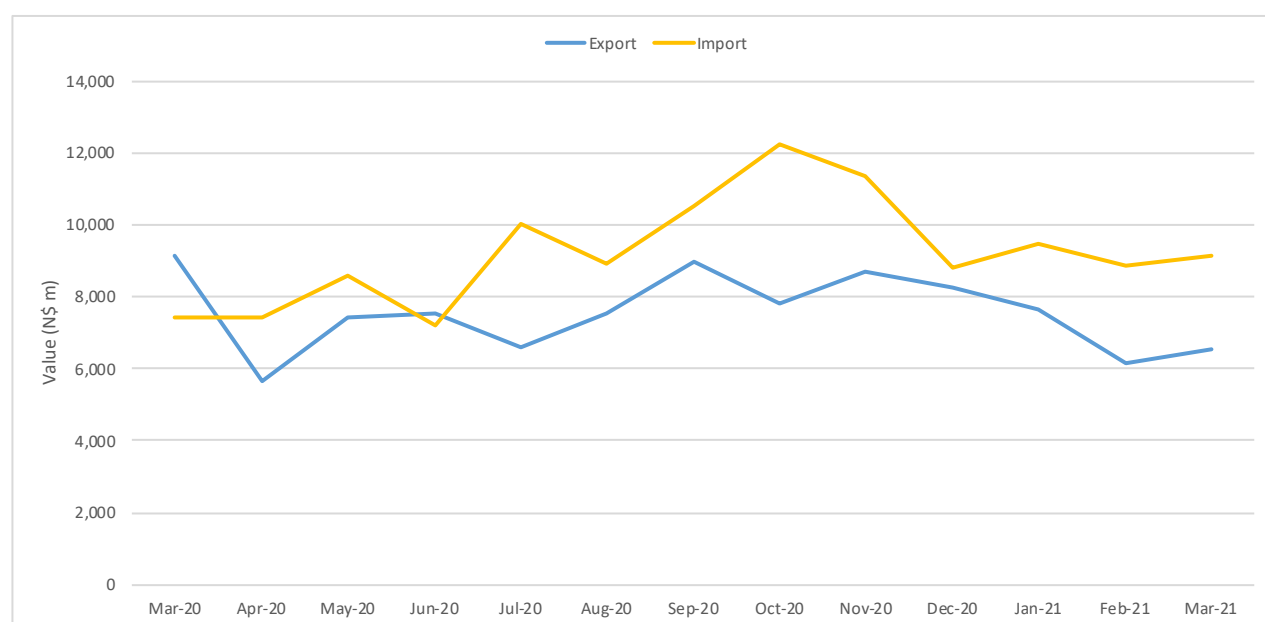
VAR: Imported from Various Countries

SECTION 1: KEY DEVELOPMENTS

1.1 Total Exports and Total Imports

The value of exports¹ in March 2021 increased by 6.3 percent to N\$6.5 billion from its level of N\$6.2 billion recorded in February 2021. However, when compared to N\$9.1 billion recorded in March 2020, exports declined by 28.3 percent (Chart 1). Imports stood at N\$9.2 billion, increasing by 3.1 percent and 23.8 percent compared to N\$8.9 billion and N\$7.4 billion recorded in February 2021 and March 2020, respectively. Following the developments in exports and imports, Namibia's total merchandise trade with the ROW² increased by 4.4 percent from N\$15.1 billion obtained in February 2021 to N\$15.7 billion recorded in March 2021. A further decline of 5 percent was observed in the country's total trade when compared to its level of N\$16.5 billion registered in March 2020.

Chart 1: Total exports and imports February 2020 to March 2021



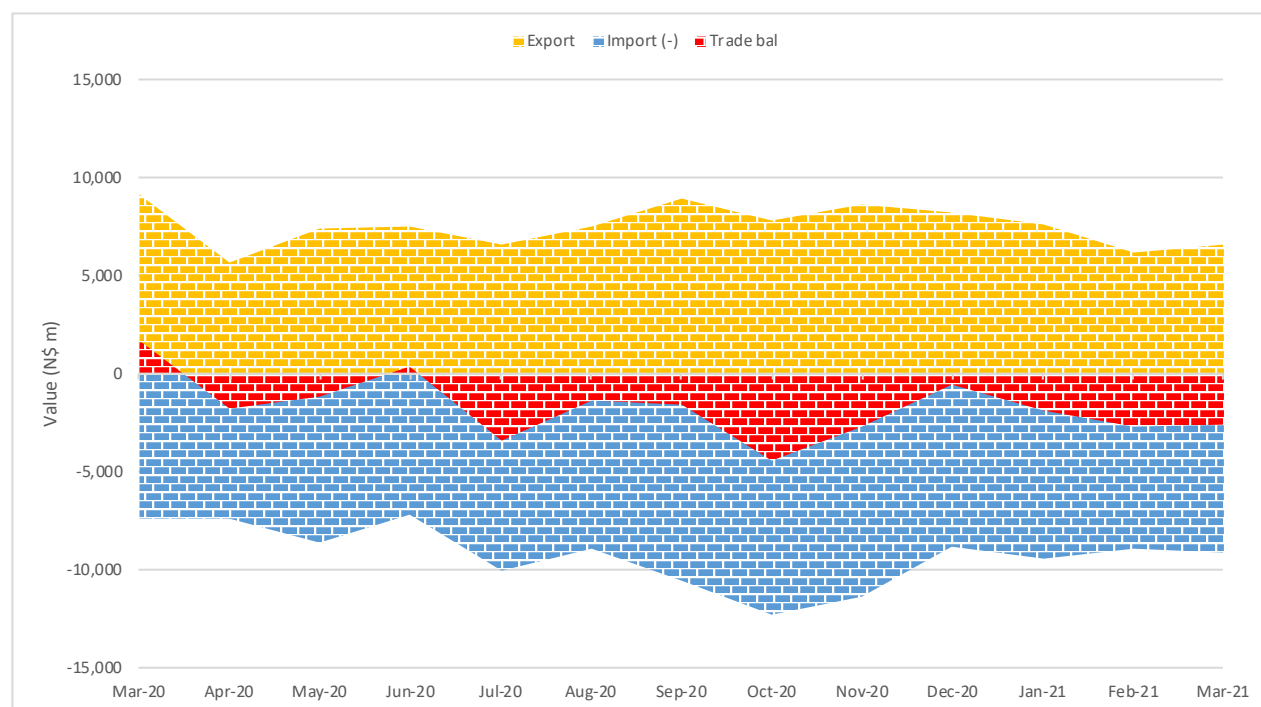
¹ Exports represents total exports derived from the sum of domestic exports and re-exports.

² Rest of the world (ROW).

1.2 Trade Balance

The trade balance compares the country's trade flow with the ROW in terms of export earnings and expenditure on imports. During the month under review, Namibia recorded a trade deficit to the tune of N\$2.6 billion compared to a deficit level of N\$2.7 billion in February 2021. A year ago, Namibia reported a trade surplus of N\$1.7 billion (Chart 2). Over the period (March-20 to March-21) Namibia recorded positive trade balances in March and June 2020 amounting to N\$1.7 billion and N\$324 million, respectively.

Chart 2: Trade balance, March 2020 to March 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.

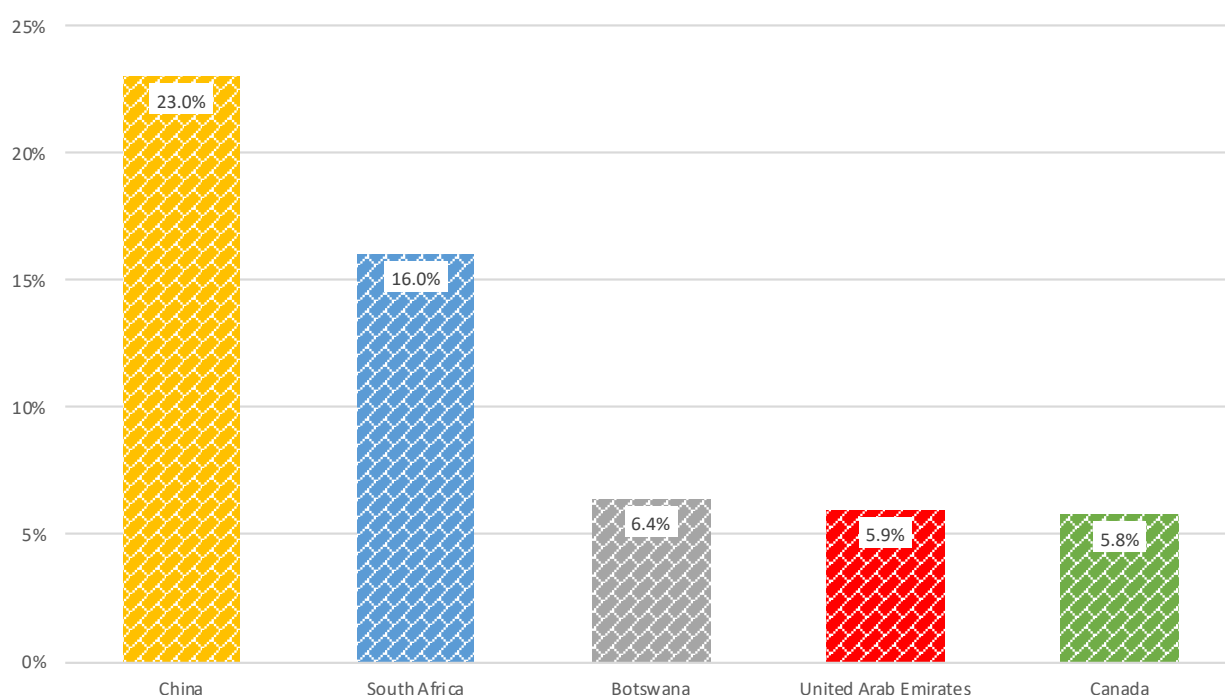
⁴ The value of imports here is denoted as negative to show an out flow.

SECTION 2: DIRECTION OF TRADE (DOT)

2.1 Top Five (5) Export Markets

During the month of March 2021, Namibia's top five trading partners in terms of exports largely remained the same as in the previous month for the top three countries (China, South Africa & Botswana) with United Arab Emirates and Canada making it to the list as new entrants to complete the top five export markets for Namibia (Chart 3). These top five markets accounted for 57 percent of Namibia's total exports, down from the 57.7 percent and 72.6 percent recorded in the February 2021 and March 2020, respectively.

Chart 3: Percentage share of export by country

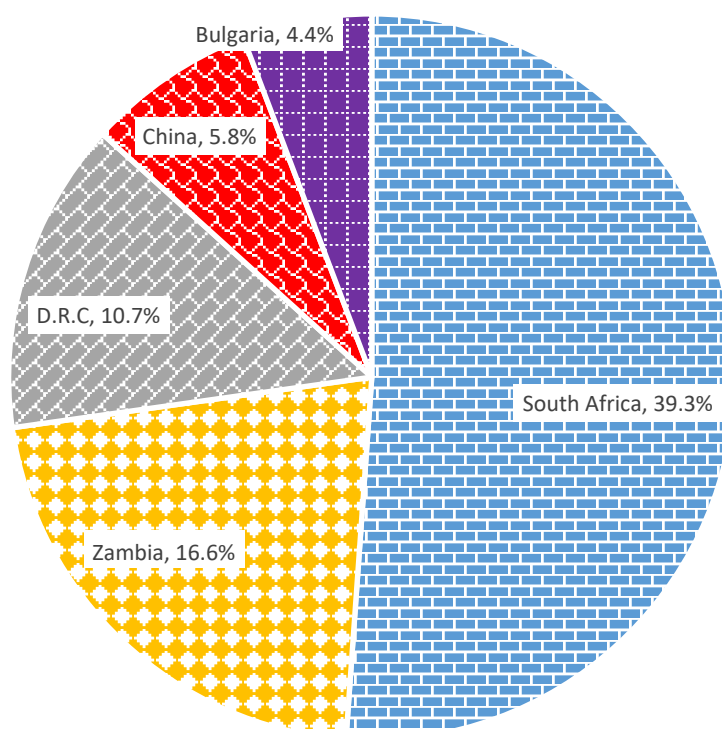


China emerged as the main export market for the country, absorbing 23.0 percent of all goods exported, ahead of South Africa in the second place whose market share of Namibia's exports stood at 16.0 percent of total exports. Botswana claimed the third position to account for 6.4 percent while United Arab Emirates and Canada occupied the fourth and fifth positions with respective shares of 5.9 percent and 5.8 percent.

2.2 Top Five (5) Import Markets

The month of February 2021 saw Namibia sourcing majority of imports from the usual countries. The month of March 2021 saw Namibia sourcing majority of imports mainly from South Africa, Zambia, D.R.C, China and Bulgaria. The top five import markets supplied Namibia with 76.8 percent of all import requirements needed by the country, up from its February 2021 level of 75.2 percent but down from 78.4 percent in March 2020. 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 39.3 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 16.6 percent of total imports. Furthermore, D.R.C came in the third-place accounting for 10.7 percent of Namibia's total imports followed by China and Bulgaria contributing 5.8 percent and 4.4 percent respectively.

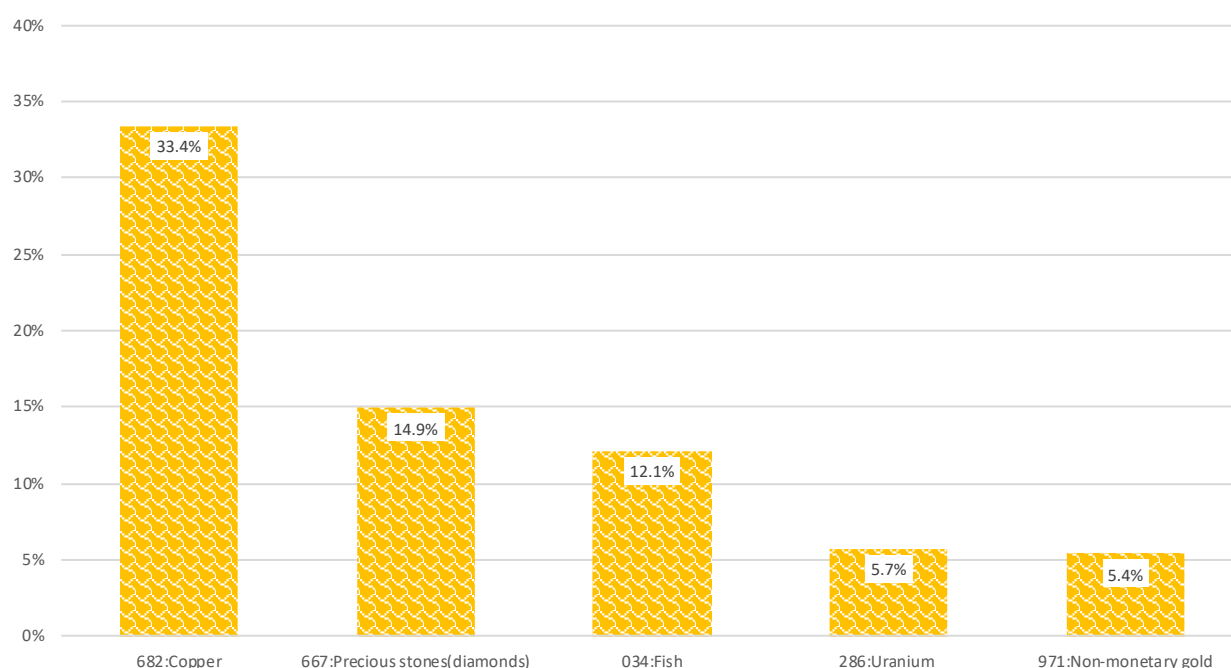
SECTION 3: TRADE BY PRODUCTS

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 (5) Export Products

Copper, mainly destined to China, France and Netherlands was Namibia's largest export commodity during the month under review, accounting for 33.4 percent of total exports ahead of precious stones (diamonds) which accounted for 14.9 percent of total exports mainly due to the demand of that product by United Arab Emirates (UAE), Botswana and Belgium.

Chart 5: Percentage share of the top five export products

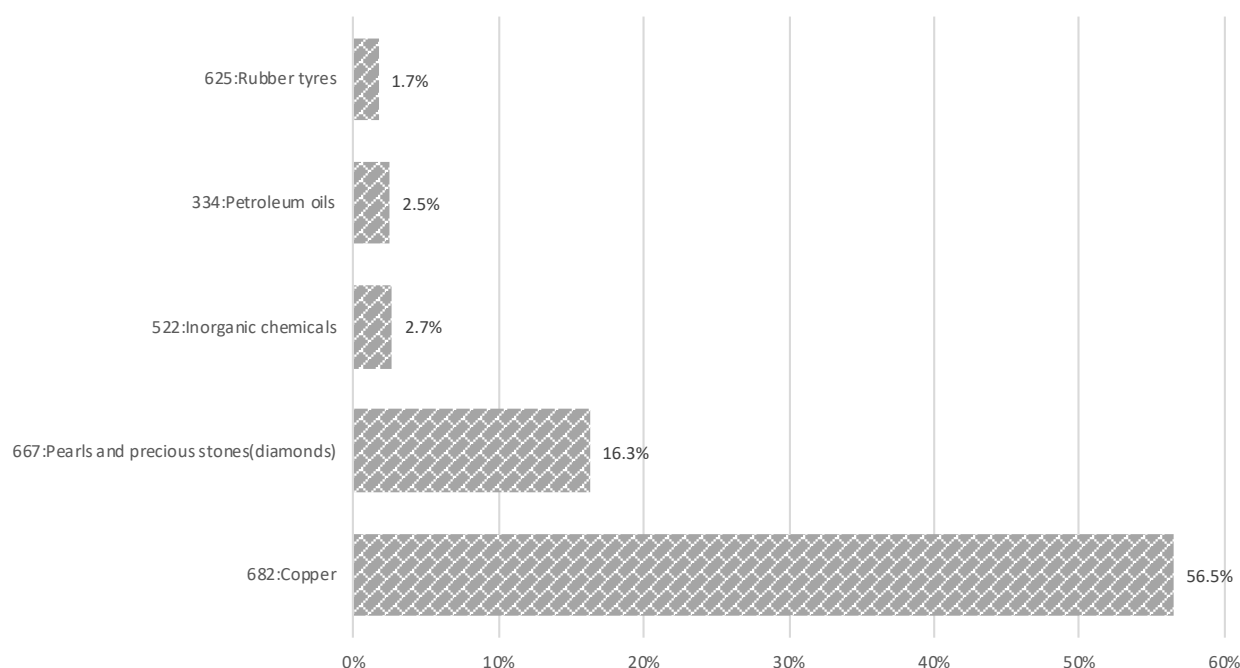


Fish, primarily destined for Spain, Zambia and South Africa, claimed the third position with a contribution of 12.1 percent of the total exports followed by uranium in the fourth place with 5.7 percent, solely destined for Canada. Finally, non-monetary gold occupied the fifth position with a contribution of 5.4 percent and South Africa remains the only market for that commodity. The aforementioned top five export commodities jointly accounted for 71.6 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.

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



In March 2021, total re-exports stood at N\$3.8 billion after recording N\$3.6 billion in the previous month and N\$3.3 billion during the same month of last year thus improving by 5.3 percent and 13.9 percent, 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 the DRC. Precious stones (diamonds) were mostly imported from Botswana after consolidation whereas inorganic chemicals were imported from DRC and South Africa.

The top five commodities that utilized the logistical services offered by Namibia in March 2021 were copper with a share of 56.5 percent of total re-exports mostly destined to China, France and Netherlands (Chart 6). Following in the second place was precious stones (diamonds) with a share of 16.3 percent of total re-exports which was mostly destined to UAE, Belgium and USA. Inorganic

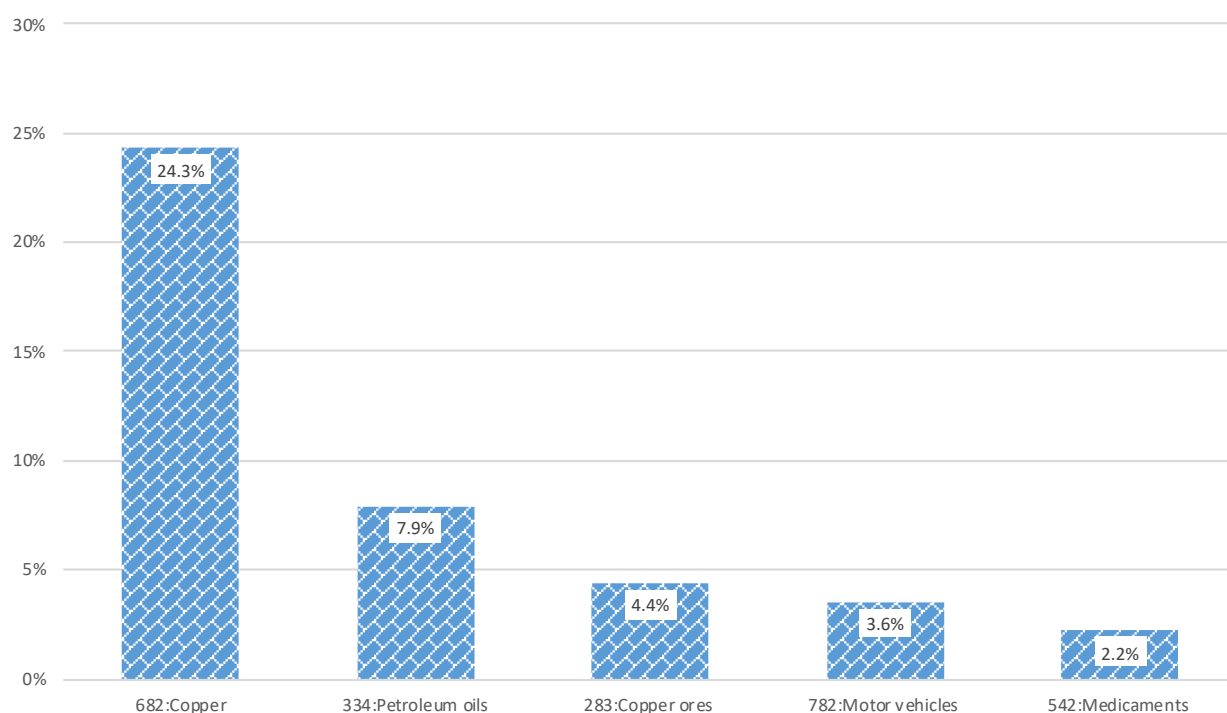
⁵ Lankhuizen, M. & Thessen, M., 2019. The Implication of re-export for Gravity Equation Estimation, NAFTA and BREXIT. Spatial Economic Analysis, 14(4), pp.384-403

chemicals accounted for 2.7 percent of all commodities re-exported and was mostly destined to China and Finland. Petroleum oils and rubber tyres accounted for 2.5 percent and 1.7 percent, respectively. Petroleum oils were re-exported to Botswana while Zambia absorbed most of the rubber tyres.

3.3 Top Five (5) Import Products

During the period under review, the value of imports into the country amounted to N\$9.2 billion up from N\$8.9 billion obtained in February 2021 and N\$7.4 billion registered in March 2020. The top five commodities imported into Namibia jointly accounted for 42.4 percent of total imports with copper leading with the largest share of 24.3 percent. Following in the second position is petroleum oils with a share of 7.9 percent of all commodities imported. Copper ores was ranked third after contributing 4.4 percent to total imports while motor vehicles and medicaments followed in the fourth and fifth position with contributions of 3.6 percent and 2.2 percent, respectively (Chart 7).

Chart 7: Percentage share of the top five import products



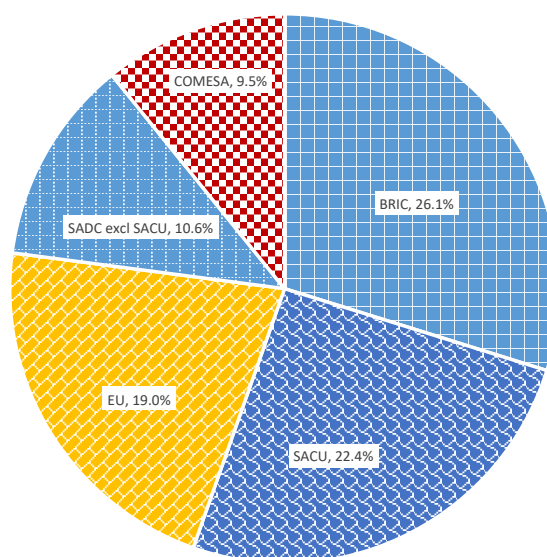
The copper that was imported in March 2021 was mostly sourced from Zambia and DRC while most of petroleum oils imported into the country mainly originated from Turkey, Oman, Bahrain and South Africa. Copper ores and concentrates was solely sourced from Bulgaria where as domestic demand for motor vehicles were mainly met by South Africa and United Kingdom. Midicaments were mostly sourced from South Africa and India.

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 26.1 percent of total exports. The Southern African Customs Union (SACU) and the European Union (EU) followed in the second and third positions, accounting for a market share of 22.4 percent and 19 percent, respectively (Chart 8).

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



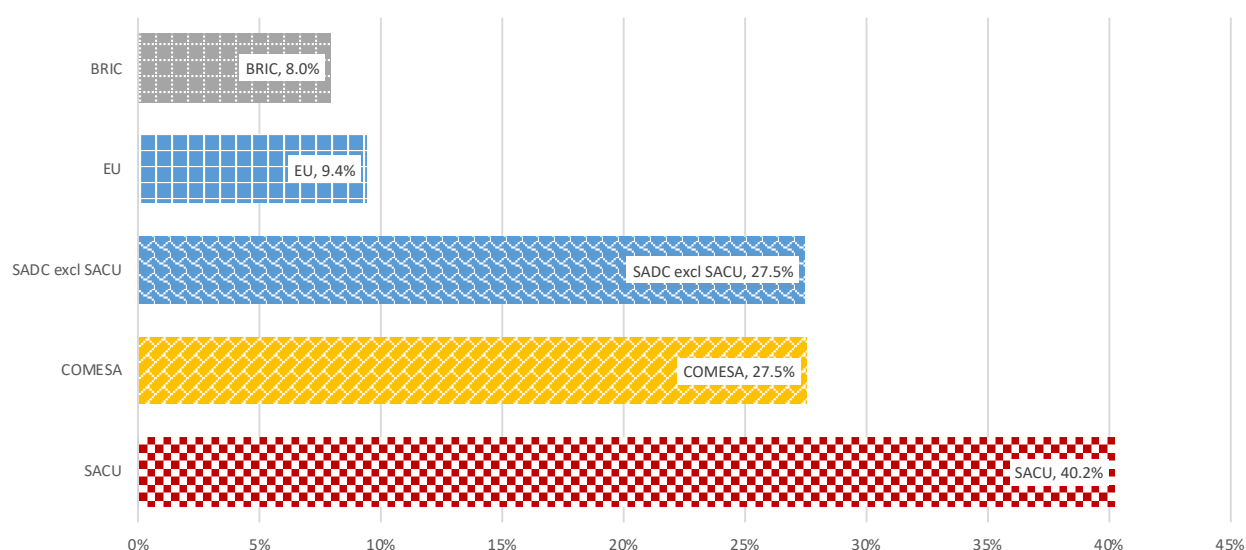
Exports to SACU comprised mainly of precious stones (diamonds); and non-monetary gold while fish and copper were the main destined to the EU. SADC-excluding-SACU followed in fourth place with a share of 10.6 percent due to high exports of fish. Finally, the Common Market for Eastern and Southern Africa (COMESA) came in fifth position with a market share of 9.5 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 March 2021, the SACU region remained the largest source of imports for Namibia, accounting for 40.2 percent of all goods imported (mainly motor vehicles and petroleum oils). Copper and inorganic chemicals were responsible for the high value of imports from COMESA and SADC excluding SACU which had a share of 27.5 percent each in total imports and hence making these regions the second and third largest source of imports into the country. These were followed by EU and the BRIC in the fourth and fifth positions with contributions of 9.4 percent and 8.0 percent, respectively (Chart 9).

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



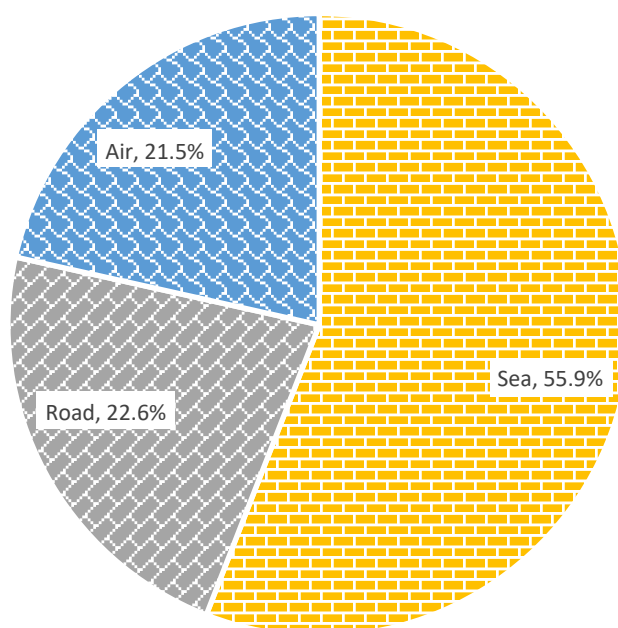
Copper was responsible for the high import value from BRIC whereas aircraft and associated equipment; and medicaments were the major imports from the BRIC during the period under review.

SECTION 5: TRADE BY MODE OF TRANSPORT

5.1 Export by mode of transport

During the month of March 2021, exports amounting to N\$3.7 billion, representing 55.9 percent of total exports left the country by sea. This translated into an increase of 6.7 percent when compared to the value (N\$3.4 billion) of goods exported in February 2021. However, a decrease of 32.7 percent was noted when compared to its March 2020 level of N\$ 5.4 billion. Road and air transportation accounted for 22.6 percent and 21.5 percent of total exports, respectively (Chart 10).

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

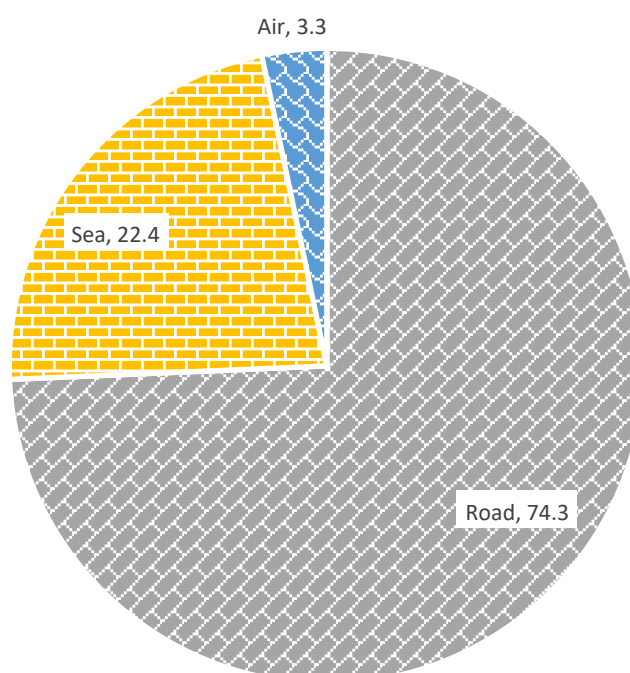


In terms of tonnage, the month under review saw about 113,253 tons of goods leaving Namibia by road, this is an improvement from its February 2021 level of 110,760 tons and also from the level of 97,606 tons registered in March 2020. About 94,613 tons of goods left the country by sea compared to 83,031 tons registered in the previous month and from 137,575 tons recorded in the same month last year. Whereas only 400 tons left the country by air after registering 227 tons in February 2021 and 149 tons in March 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\$6.8 billion, representing 74.3 percent of all goods imported into the country. Following in the second place was sea transport which accounted for 22.4 percent of all the goods that reached the country while the remaining 3.3 percent arrived by air. (Chart 11).

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

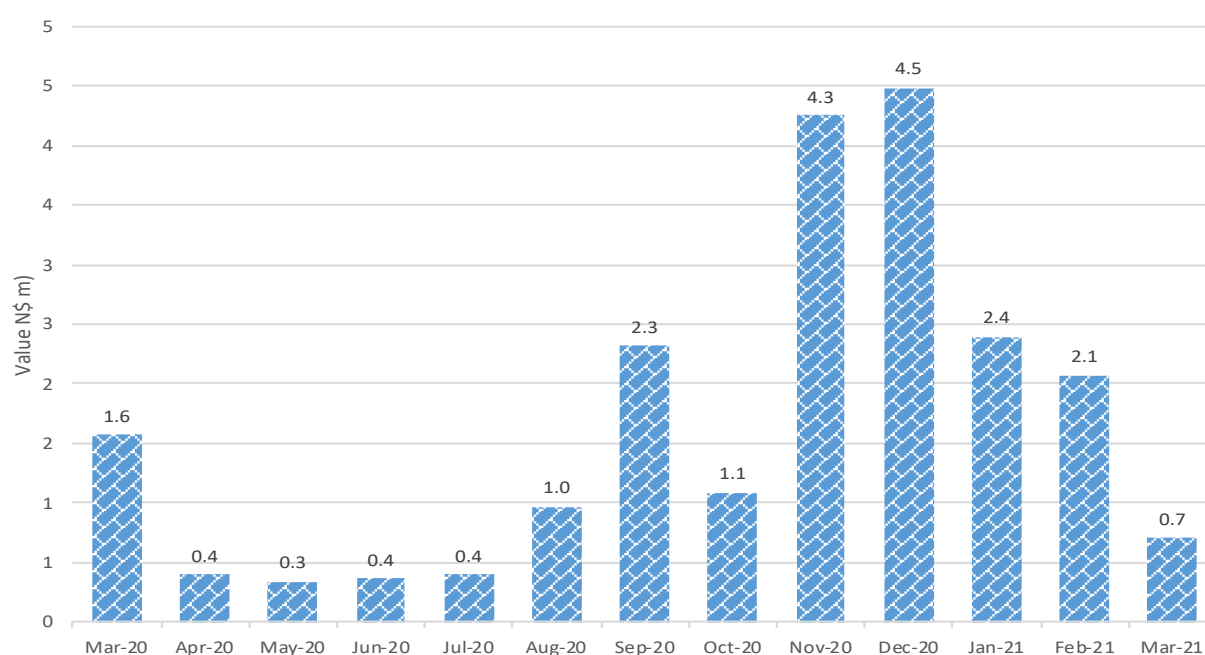


In terms of tonnage, about 177,308 tons of goods reached the country by road. This is more than its level of 159,503 tons observed in February 2021 and 172,172 tons recorded in March 2020. Whereas 133,931 tons of goods reached the country by sea compared to its level of 154,689 in February 2021 and 127,906 tons in March 2020.

6. Commodity of the Month

The category comprising resins and vegetable saps was selected for analysis in the current report. During the period of review, the import value of this category of products amounted to N\$0.7 million declining by 65.9 percent from its level of N\$2 million recorded in February 2021. Similarly, it dropped by 54.9 percent when compared to the level of N\$1.6 million recorded in March 2020. Overall, the country imported N\$21.4 million worth of products of this category since March 2020 (Chart 12) with an average of N\$1.6 million a month. The highest figure of N\$4.5 million-above average was recorded in December 2020, while the lowest figure of N\$0.3 million-below average was registered in May 2020.

CHART 12: Imports of products of the oil seed industry since Feb-20 to Feb-21



The import bill of this category of products amounting to N\$0.7 million in March 2021 mainly comprised of other natural gums and resins accounting for 100 percent share in the total import of the entire category. These products were sourced from South Africa accounting for 99.5% of the total and Germany (0.5%).

Conclusion

In March 2021, Namibia's exports stood at N\$6.5 billion and imports at N\$9.2 billion, subsequently the country's trade balance resulted in a deficit of N\$2.6 billion. Overall, the country's total trade for March 2021 stood at N\$15.7 billion.

In March 2021, exports rose by 6.3 percent from its revised level of N\$6.2 billion in February 2021 while it dropped by 28.3 percent when compared to its level of N\$9.1 billion recorded in March 2020. On the other hand, imports increased in both instances topping by 3.1 percent and 23.8 percent when compared to its levels of N\$8.9 billion and N\$7.4 billion in February 2021 and March 2020, respectively.

China maintained her position as the country's largest export destination, with a share of 23 percent of all goods exported followed by South Africa with a share of 16 percent. Furthermore, Botswana, United Arab Emirates and Canada formed part of Namibia's top five export markets. The demand side saw South Africa maintaining the first position as the country's largest source of imports, accounting for 39.3 percent of total imports into Namibia. Zambia held firm on its second position with 16.6 percent of the market share. DRC, China and Bulgaria also formed part of Namibia's top five sources of imports.

The analysis of exports by commodities revealed that copper had the largest share (33.4%) in Namibia's total exports ahead of precious stones (diamonds) (14.9%), fish (12.1%), uranium (5.7%) followed by non-monetary gold (5.4%). In terms of imports, copper was also the most imported commodity with a relative share of 24.3 percent of total imports, followed by petroleum oils with a share of 7.9 percent and copper ores with a share of 4.4 percent. Moreover, motor vehicles and medicaments contributed 3.6 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 March 2021, with a market share of 26.1 percent of total exports followed by the SACU region with relative market shares of 22.4 percent while the EU, SADC-excl-SACU, and COMESA had respective shares of 19 percent, 10.6 percent and 9.5 percent. On the imports side, SACU remained the largest source of Namibia's imports with a share of 40.2 percent of total import bill followed by COMESA and SADC excluding SACU each contributing 27.5 percent to Namibia's total import bill. The EU and BRIC had a share of 9.4 percent and 8 percent, respectively.

Namibia's trade by mode of transport shows that in March 2021, the majority of goods exported left the country by sea, accounting for 55.9 percent of total exports. Followed by road transport with 22.6 percent and air transport with 21.5 percent. On the demand side, most goods that entered the country came in by road, accounting for 74.3 percent of total imports followed by sea (22.4%) and air (3.3%).

Finally, the category of resins and vegetable saps was the selected for analysis for the current report (March 2021). The import value of this category of products stood at N\$0.7 million in March 2021, mainly distributed among commodity such as natural gums and resins. These commodities were mainly sourced from South Africa and Germany.

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