



MINISTRY OF FINANCE

Preliminary national Accounts 2018

This Issue ...

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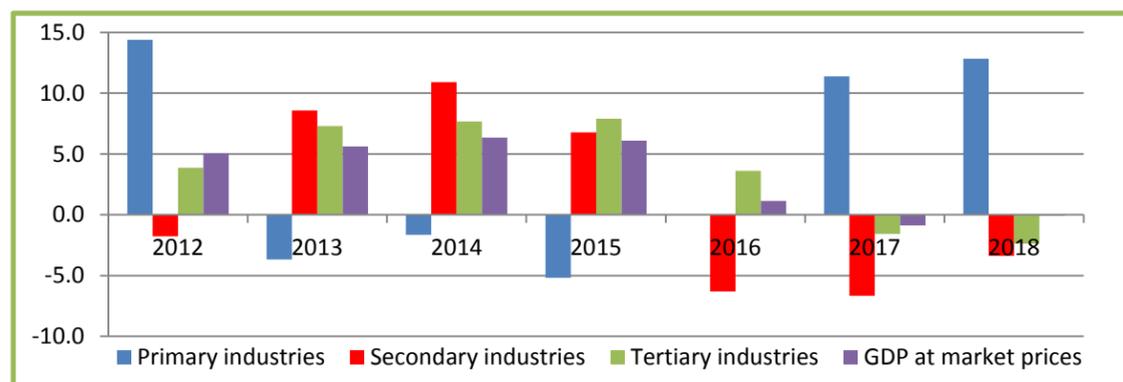
Quarterly performance for 2018

The aim of this Update report is to inform the public about recent domestic economic performance

PRELIMINARY NATIONAL ACCOUNTS 2018

The domestic economy recorded a contraction of 0.1 percent in 2018, marginally higher when compared to a contraction of 0.9 percent in 2017. The contraction in the economy can be attributed to the contraction in the secondary and tertiary industries, recording a contraction of 3.4 percent and 2.4 percent, figure 1.

Figure 1: Growth for the period 2012-2018



PNA 2018

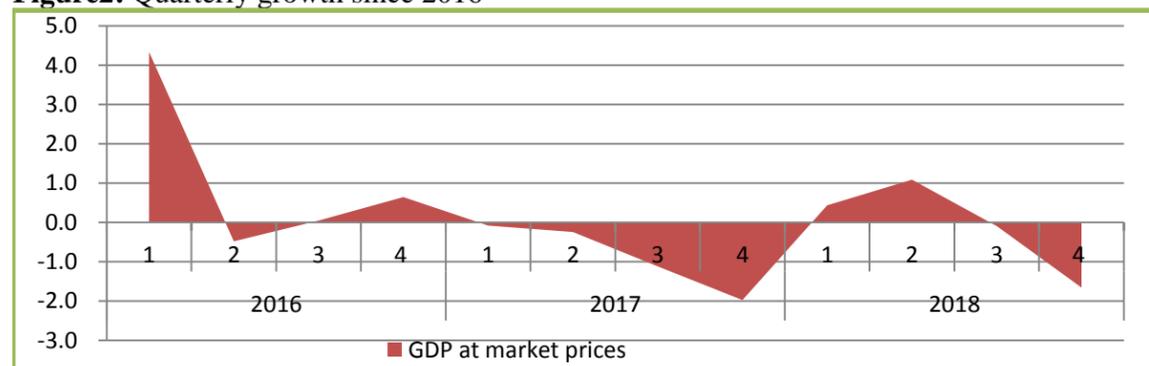
Positive trajectory continue in the Primary industries posting improved growth in 2018, albeit a decline in *agriculture* and forestry sector. The improved performance in the economy was mainly driven by the mining sector. The *uranium* subsector registered a strong growth of 64.8 percent compared to a slower growth of 23.4 percent in 2017, *other mining and quarrying* registered enormous growth of 54.1 percent compared to growth of 7.6 percent in 2017. The performance of the subsector is attributed to increase activities in *mineral exploration and the production of marble & salt* during the period of 2018. The activity in *electricity & water, storage and meat processing* sectors also rose.

Furthermore, *manufacturing* has registered a marginal growth of 0.2 percent compared to growth of 1.9 percent in 2017. The slow performance of the sector is mainly attributed to *diamond processing* sector that recorded slower growth of 3.6 percent compared to stronger growth of 14.6 percent in 2017. The contraction in *basic non-ferrous metals* (from 4.8 percent down to -2.4 percent) and *non-metallic mineral products* (from 0.8 percent down to -16.6 percent) also had a drag down effect on the performance of the sector. The *construction* sector is estimated to have recorded a contraction of 18.3 percent in 2018 compared to a deeper contraction of 25.0 percent in 2017. The poor performance of the sector was mainly dragged down by the decline in construction works done by the *government* and *mining* sectors.



2018 QUARTERLY PERFORMANCE

Figure2: Quarterly growth since 2016



NSA2019

As it was initially recorded, the economy remains in a technical recession, it is not consecutive as previously reported, and that the contractions recorded for both quarter one and two, have been revised to positive growth of 0.4 percent and 1.1 percent respectively. The positive growth can be attributed to acceleration in *fishing* (10.3percent), *mining and quarrying* (39.6percent) and *electricity and water* (14.1percent).

The last two quarters of the year recorded contractions with the fourth quarter being hit the hardest with a contraction of 1.7percent (this meant that overall growth was crippled by the performance of the last quarter), despite that being better than the 2.0 percent contraction in 2017. The contraction in the fourth quarter was driven by *construction* (-31.7percent), *wholesale and retail trade* (-9.6percent) and *hotels and restaurant* (-5.3percent), while growth in Manufacturing (3.5percent), Mining and quarrying (11.1percent) and *electricity and water* (7.4percent) was insufficient to offset the effects of the contractions mentioned above.

The overall performance of a contraction of 0.1percent is marginally higher than the contraction of 0.9percent recorded in 2017 and similarly higher than the 0.5percent contraction projected by the MEWG.