

## **CAUSAL RELATIONSHIP BETWEEN MANUFACTURING AND OTHER SECTORS OF THE NAMIBIAN ECONOMY**

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### **ABSTRACT**

This paper explored the causal relationship between manufacturing and other sectors of the Namibian economy. The analyses were carried out using the simple pairwise Granger-causality test to determine the causal relationship based on lead and lag relationship in forecasting as developed by Granger (1969). The study used annual data for the period 1980 to 2015 obtained from the World Bank's website. The results showed that there was no causal relationship between manufacture and the agricultural sector. Similarly, there was no causal relationship found between manufacturing the industry sector as well as manufacturing and service sector in the Namibian context. These findings on Namibia could be due to the fact that the manufacturing sector is very small. Therefore, its linkage to the other sectors could also be nonexistent if not weak.

**Keywords:** Causal, manufacturing, economic growth, Namibia.