

NAMIBIA QER Q3 2021

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A Basic Income Grant for Namibia: Is BIG too big?

Background

Successful economies reduce poverty in a sustainable way by creating employment opportunities for people that want them and ensuring that, over time, productivity increases so that real wages rise and poverty declines. A previous QER, <https://ippr.org.na/publication/namibia-qer-quarter-4-2019/> focusing on employment statistics laid out Namibia's lamentable track record in creating formal employment. In 2018 (the date of the last Namibia Labour Force Survey which took place well before Covid), there were 307,067 formally employed people in the country out of a population of 2.4 million. Of these, some 189,549 were employed outside the government or public enterprise sectors. Whilst the overall unemployment rate languished at 33.4% (if one includes discouraged workers), the youth unemployment rate for those aged 15-34 was nearer 46.1%. The vast majority of the unemployed have been without work for more than 12 months. It would be hard to deny that Namibia has a chronic unemployment record and this means poverty remains widespread. The charts elsewhere in this QER show that investment and growth have been weak for the last five years suggesting that the employment picture is unlikely to change any time soon. The question is: can anything be done to reduce poverty in the absence of employment growth?

At Independence Namibia inherited a system of universal pensions for those over 60 as well as a limited number of child maintenance and foster parent grants. Over the years these have been added to by war veterans allowances and more generous child maintenance grants as Government has sought to meet the needs of ex-PLAN fighters and the rapidly increasing numbers of Orphans and Vulnerable Children (OVC) resulting from the country's HIV/AIDS epidemic. In 2002 the Namibian Tax Consortium came out strongly against using the tax system to address poverty but suggested Government investigate a far more ambitious use of public expenditure in the form of an unconditional universal grant to all Namibians called the Basic Income Grant (BIG).

“Expectations as to the actual and perceived redistributive effects of the tax system have been mentioned above. It is recognised, however, that redistribution is often better achieved by other means, particularly through the expenditure side of the budget, albeit with its own limitations and difficulties. Furthermore, we have taken note of the extensive literature according to which taxes imposed on the rich often do not translate into benefits for the poor, and hence do not address the fundamental objective of creating greater equity.”

The Namibian Tax Consortium Report on Taxation in Namibia, December 2002

At the time it was estimated that a BIG of N\$100 a month would involve gross spending of some N\$2 billion annually although a significant proportion of this would have been funded by clawing some of it back through the tax system and making some adjustments to VAT which would have involved a far lower level of net additional spending. The Consortium’s work on this issue led to the formation of a BIG Coalition in April 2005, consisting of churches, trade unions and NGOs and led by Bishop Zephania Kameeta, to lobby Government to introduce a BIG. The proposal drew criticism from the IMF among others. However, despite intense lobbying, Cabinet ended up rejecting the idea in May 2006. In the wake of that decision, the BIG Coalition decided to carry out a two-year pilot project in Otjivero starting in 2007, the results of which are contained in a report made public in 2008. Future President Hage Geingob donated N\$20,000 of his own money towards the experiment. The report documented that the outcome had been “nothing short of spectacular”. However, a short critical appraisal from NEPRU drew a sharp condemnatory response from the BIG Coalition. In October 2009 Prime Minister Nahas Angula remarked that a basic income grant would be “making a joke out of the poor by saying that everyone – including myself as Prime Minister – should get N\$100”, a comment that drew further criticism from the BIG Coalition. The Prime Minister seemed to forget that the existing state pension is not means tested and is extended to every resident aged 60 and over. The experiment ended up being phased out with recipients receiving a N\$80 “bridging allowance” until March 2012.

With formal employment growth almost static and the gap between rich and poor perceived to be widening, there is a strong case for re-examining Namibia’s system of cash transfers. However, there appears little appetite for fundamental reform at the highest levels of Government although the Social Security Commission has tried to address the plight of informally unemployed through the establishment of a National Pension Fund, mandated in the 1994 Social Security Act. With the creation of a Ministry of Poverty Eradication and Social Welfare in 2015 headed by Bishop Kameeta, there were hopes that radical reform would take place. Instead, however, it was decided to establish a number of food banks and the argument in favour of a BIG subsided until the BIG Coalition <http://www.bignam.org/> was revived in 2020.

A draft National Social Protection Policy produced by the Ministry of Poverty Eradication in 2019 proposed the introduction of a universal child grant (starting at the current value of N\$250 per month) and maintaining the old age pension for those aged 60 and over. However, instead of a BIG for those between 18 and 59, it envisaged an unemployment grant.

In 2020 the Ministry of Poverty was merged with Gender to create a Ministry of Gender Equality, Poverty Eradication and Social Welfare under Doreen Sioka in the Office of the President. However, the seeming success of the Emergency Income Grant (EIG) which was rolled out in April 2020 suggested that government was prepared to use grants under certain circumstances and could do so relatively efficiently given the right technology. In his Mid-Term Review on 20 October 2020, Finance Minister Shiimi revealed that 769,130 individuals had benefitted from the once-off Emergency Income Grant of N\$750 at a cost to the Fiscus of N\$576.8 million. It was not clear how much this had cost to administer but, given the intelligent use of technology in delivering the grant, this was unlikely to have been significant.

BIG Characteristics

Debate about BIG gets bogged down in all sorts of misunderstandings and confusions with issues of unemployment insurance and comments such as the previous PM's above. The key characteristics of a BIG are that it is unconditional (that is to say it is provided to people independent of whether they are rich or poor, employed or unemployed or how they behave) and that it is universal (that is to say it is provided to all Namibian nationals or residents).

Many economists from different parts of the political spectrum are attracted to the concept of a BIG for the following reasons:

- It has the potential to provide meaningful help to people who are really poor. Rather than fine words or token gestures from politicians, providing cash to people provides them with real support. Namibia has plenty of poor people who would welcome cash rather than food banks and other forms of assistance.
- By providing cash it allows people to address their own priorities rather than impose government priorities on them. Furthermore, by providing a limited amount of security, it allows poor people to take risks including business risks knowing that failure will not mean penalty. In addition, a BIG would inject demand into the economy including small poor rural economies and this demand creates opportunities for local businesses. Namibia has an interest in stimulating SMEs and a BIG may well help.
- It does not adversely impact labour supply decisions in that, unlike many systems of financial assistance, the grant is not reduced or withdrawn if a person finds paid work and therefore does not serve as a disincentive to take work if it becomes available. Of course, if BIG payments were very substantial, this could act as an incentive for people to withdraw from the labour market. Critics may argue that even quite small payments may lead to laziness and dependency. However, it is also possible that regular payments energise people and allow them to improve their health, look after their families and generally become more productive members of society.
- It can provide a certain amount of security in situations where much work is casual and workers find themselves in work one day and out of work the next which would be a situation any unemployment benefit scheme would struggle to deal with.
- It is easy to administer since the government does not need to construct a large bureaucratic structure to decide who gets it and who does not via means testing. Administrative costs come down further with the intelligent use of technology and a BIG can be linked to bank or post office accounts to encourage people to enter the formal financial sector.
- It treats everyone equally and gives everyone a stake (however limited) in the economy and society. This becomes more attractive in a situation where only the lucky few participate in the formal economy. It completely avoids any stigma and treats the pauper the same as the millionaire.
- It is less prone to corruption because it does not rely on the discretion of politicians or administrators. There could be problems with ghost recipients which would have to be addressed but this would be the case with any grant system. Experience with the EIG would be worth examining on this issue.
- Given its universality, the tax system can be used to claw some of the grant back as it gets added to the taxable income of taxpayers. Thus, a lower rate taxpayer would repay N\$18 for every N\$100 received through a BIG while an upper rate taxpayer would repay N\$37 for every N\$100 received. There would be a potential impact on those earning just under the income tax threshold (currently N\$50,000 a year). It is not clear whether and how grants to children would be treated for tax purposes.

BIG it seems then has many attractive characteristics so what are the problems? There are four main challenges:

Affordability – however attractive, can Namibia afford to implement a BIG, especially given the current size of the deficit and the unprecedented level of public debt?

Children – paying directly to adults is one thing but paying on behalf of children to adult parents or carers is potentially much more complex.

Other grants – would the BIG be paid in addition to existing grants or in place of them and how would it relate to the social pension currently being paid at N\$1,350 a month? It would be difficult to replace the pension with a BIG if it were less than N\$1,350 a month.

Identification – there would have to be a clear and administratively cost-effective way of identifying those who qualified for the BIG.

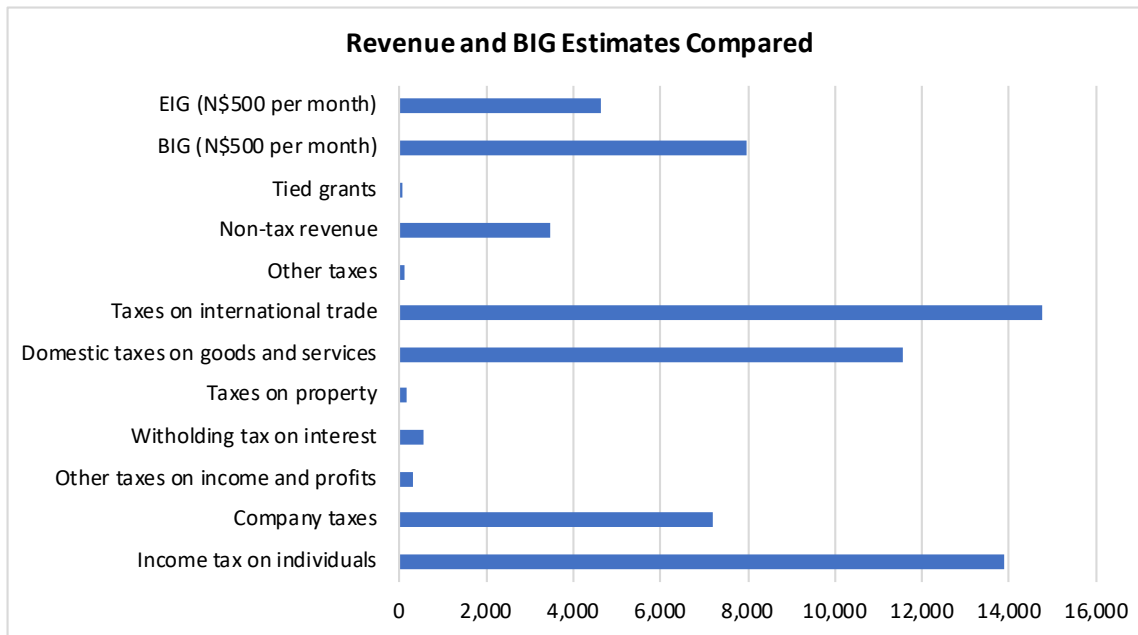
Illustrative Numbers

Some back of the envelope calculations help examine these issues, the summary of which is contained in the table below using population numbers from the Namibia Inter-Censal Demographic Survey of 2016. These estimates exclude administrative costs. The EIG was paid to Namibians aged 18-59 employed or self-employed in the informal sector as well as the unemployed but excluding those who lost jobs or income in the formal sector who received grants from the SSC or from elsewhere. Numbers from the FY 2021/22 National Budget are also included to provide the overall fiscal back-

drop to the BIG calculations. The FY2021/22 National Budget estimated total revenue at N\$52.065 billion.

Population Group	Number of People	Amount Per Month	Total Per Year (N\$m)
All Namibians (NLFS 2018)	2,413,643	500	14,482
Population of working age (over 15) (NLFS 2018)	1,531,967	500	9,192
All Namibians	2,324,388	500	13,946
0-4	320,766	500	1,925
5-14	525,312	500	3,152
15-59	1,331,874	500	7,991
60+	146,436	500	879
All Namibians	2,324,388	750	20,919
0-4	320,766	750	2,887
5-14	525,312	750	4,728
15-59	1,331,874	750	11,987
60+	146,436	750	1,318
All Namibians	2,324,388	1000	27,893
0-4	320,766	1000	3,849
5-14	525,312	1000	6,304
15-59	1,331,874	1000	15,982
60+	146,436	1000	1,757
All Namibians	2,324,388	1350	37,655
0-4	320,766	1350	5,196
5-14	525,312	1350	8,510
15-59	1,331,874	1350	21,576
60+	146,436	1350	2,372
EIG Grant	769,130	500	4,615
EIG Grant	769,130	1000	9,230
FY 2021/22			
Budgeted disability			735
Budgeted funeral			45
Budgeted pension			3,010
Budgeted foster parent			1,010
Budgeted veteran grants			454
Total grants			5,254
Total budgeted operational spending			62,397
Total budgeted development spending			5,553
Total budgeted spending			67,950
Total budgeted revenue			52,065

It can be seen from the table that the numbers for any form of BIG are substantial from one costing a gross N\$37.655 billion (or 72% of total revenues) that pays N\$1,350 (the same level as the current state pension) to all Namibians to one costing N\$7.991 billion (or 15% of total revenues) that pays N\$500 to all those aged 15-59. Of course, these are gross costs (they exclude any claw back through income tax) but if it is assumed that around 300,000 people are in formal employment and pay a marginal tax rate of between 18% and 37%, this only reduces the gross cost by between N\$324 million and N\$666 million. Moving away from universality along the lines of the EIG (and therefore losing some of the positive characteristics of a BIG) would cost N\$4.615 billion. Government already plans to spend N\$5.254 billion on grants (disability, funeral, old age, foster parent and veterans) in FY2021/22. Accepting that Government would not borrow to pay for a BIG, the only remaining approaches would involve either raising new revenue (through perhaps a dedicated tax), cutting existing expenditure, or a combination of both.



It is hard to see where additional revenues anywhere near the scale required would come from which would not harm growth or employment or both. The chart above compares two estimates for a potential BIG (N\$500 paid monthly to all 15-59 year olds or to EIG recipients). Only five components have anywhere near the potential to raise the amounts of revenue required to finance these BIGs in a sustainable way: individual income tax, company tax, VAT (taxes on domestic goods and services), taxes on international trade (from SACU), and non-tax revenue. Revenues from SACU are determined by a formula agreed with SACU partners and this cannot be changed without a change to the SACU agreement. Raising VAT is likely to hit poorer consumers harder because they spend a higher proportion of their income (in other words it is regressive) and would potentially exacerbate the very problem BIG was designed to address. Increasing revenues from SACU is beyond the unilateral control of Namibia. This leaves corporate and individual income taxes. It is hard to believe that rates could be raised to collect between 20% and 40% more without significantly changing incentives and imposing significant costs on the wider economy.

Cutting existing expenditure would require real political courage and imagination and cutting in a way that inflicts as little damage as possible on the public sector's ability to deliver crucial public services requires an exercise that is beyond the scope of this short feature. One approach would be to reduce the size of the public sector wage bill estimated at N\$28.459 billion for FY 2021/22. A deliberate strategy to use grants rather than public sector employment as a way of redistributing income has its appeal but would be fraught with problems. Throughout the last 30 years and into Covid, public sector employment and the public sector wage bill has never declined.

Conclusions

There are undoubtedly many good arguments in favour of introducing a BIG in Namibia. The BIG Coalition's work in Otjivero provided some useful empirical evidence of what the impact of such a grant might be in practice. The experiment also underlined the difficulty of introducing a BIG in one location. The problem with BIG is that it is a hard policy to introduce gradually and therefore involves a significant leap of faith.

The Coalition is understandably upbeat about the positive impacts of a BIG but is vaguer and less convincing about how it should be paid for. There may be good arguments in favour of using mineral, fishing and other natural resource rents to finance a BIG (rather than say a Sovereign Wealth Fund or SWF) but over the past 30 years taxation of these rents have gone entirely to fund general public expenditure. To date direct tax revenues from mining and fishing are dwarfed by what is required for a BIG. Fishing rents appear to be handed out to individuals. If taxation and windfalls had been invested in a SWF from the start perhaps that would now be sufficient to fund a BIG. If commenced now, this could become a long-term objective of Government for 2040 and beyond. Namibia's ratio of revenue to GDP is high compared to other countries and there is little evidence to suggest there are huge untaxed rents out there that could be taxed without negatively affecting investment and employment and therefore economic performance.

Proponents of BIG should be clearer about where the money should come from. In principle, it may be possible to cut areas of spending to fund, for example, a grant to those who qualified for the EIG starting at perhaps N\$500 per month costing N\$4.6 billion per year. However, this would require a hard-headed and strategic approach to government's entire expenditure programme something it has shown no inclination to carry out. The question is not so much whether BIG is a good idea but rather how it should be paid for. Government's ambition would have to be big enough to match the cost.

News Highlights

Date	Highlight	Commentary
30 September	Namdia diamond exports delayed (<i>The Namibian</i>)	Police and customs temporarily stopped the export of N\$150 million worth of diamonds that were being sent out of the country by the Namib Desert Diamonds company.
30 September	NamBrew receives offer for Heineken investment (<i>The Namibian</i>)	Namibia Breweries announced that Heineken had made an offer for its 25% stake in Heineken South Africa.
30 September	NamBrew profits up (<i>New Era</i>)	Namibia Breweries' operating profit increased by 35.2% to N\$613 million.
29 September	773,463 Namibians on social grants (<i>The Namibian</i>)	Some 773,463 persons receive social grants, according to the Ministry of Gender Equality, Poverty Eradication and Social Welfare.
29 September	Paratus declares dividend (<i>The Namibian</i>)	NSX-listed telecommunications company Paratus Namibia has declared a 10-cents final dividend for the 2021 financial year.
29 September	NamWater owed N\$1.4 billion (<i>The Namibian</i>)	State-owned Namibia Water Corporation (NamWater) is owed a N\$1.4 billion by consumers who have defaulted on their water payments.
28 September	Pfizer doses arrive (<i>The Namibian</i>)	Namibia received 100,620 doses of the Pfizer Covid vaccine donated by the US through the Covax facility.
23 September	Namibia gets own barcode (<i>New Era</i>)	Namibia unveiled its own barcode which was granted by the Global GS1 Office based in Geneva.
21 September	Namibia first to implement Container Control Programme (<i>The Namibian</i>)	Namibia Revenue Agency spokesperson Tonateni Shidhudhu announced that Namibia would become the first country in Southern Africa to implement the Container Control Programme to prevent drug trafficking and other illicit cross-border activities at sea ports.
21 September	Online Namibia craft shop launched (Xinhua)	The Namibia Craft Centre launched an online shop (www.namibiacraftshop.com) to promote the sales of Namibian crafts and counter the impact of the drastic reduction of tourists due to Covid.
21 September	Government plans to raise N\$3.1 billion from MTC listing (<i>Reuters</i>)	The Government plans to list MTC on the NSX on 19 November selling shares at N\$8.50 thereby raising N\$3.1 billion, the largest listing of any local company and the first by a public enterprise.
14 September	Largest diamond mining vessel on its way to Namibia (<i>The Namibia Economist</i>)	Debmarine's newest diamond mining vessel the N\$7 billion AMV3 left its shipyard in Romania in August and is due in Cape Town where it will be fitted with mining equipment prior to deployment in Namibia early next year.
8 September	GIPF invests N\$10.1 million in salt maker (<i>The Namibian</i>)	The Government Institutions Pension Fund has invested N\$10.1 million in animal feed maker WinSalt Manufacture, a 100% Namibian-owned business.
7 September	South African GDP grew 1.2% quarter-on-quarter (<i>StatsSA</i>)	Quarterly GDP in South Africa grew 1.2% quarter-on-quarter in Q2 2021.
1 September	Mines Ministry to change licence system (<i>The Namibian</i>)	Mines Minister Tom Alweendo announced far-reaching changes to the mining licence system which will give the Minister new powers to allow licences to be auctioned. Application will in future be online and new fees will be introduced. The Ministry lifted its suspension of new applications imposed from 18 November 2020 to 17 August 2021.
31 August	Namibia pays N\$1.6 billion to end plane leases (<i>CH-Aviation</i>)	After ten months of negotiations, Public Enterprises Minister Leon Jooste disclosed that Government had paid N\$1.6 billion to Castl lake on 30 July to terminate its leases on two Airbus A330s of the now defunct Air Namibia. Later reports showed that Air Namibia still owed N\$3.5 billion to other creditors.

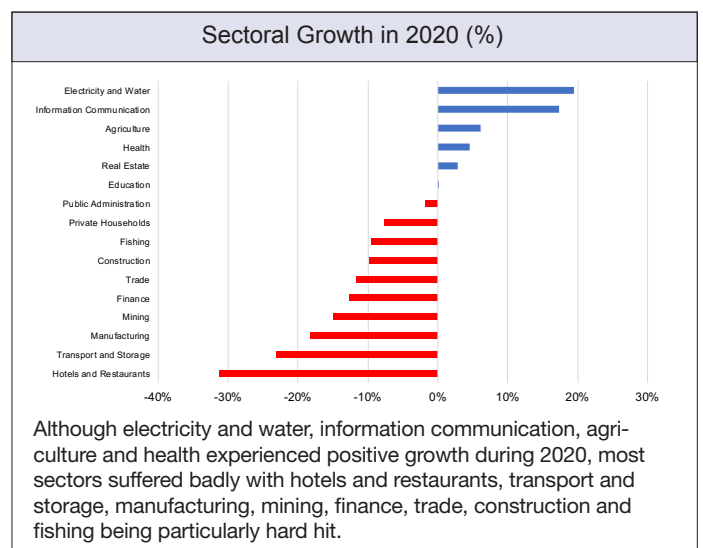
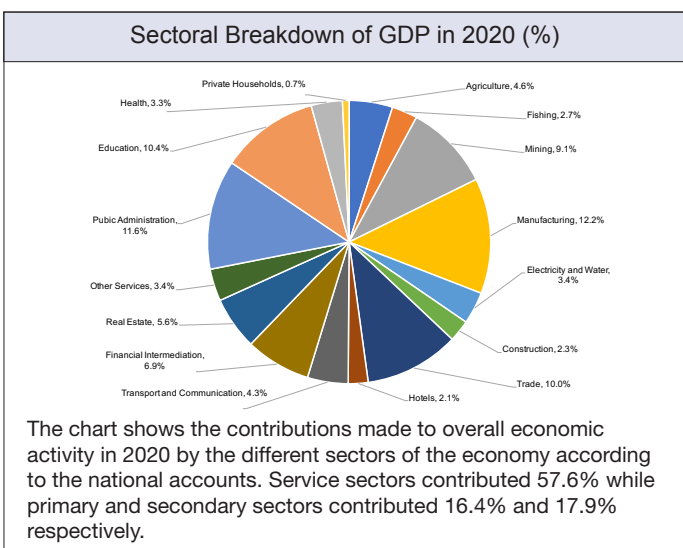
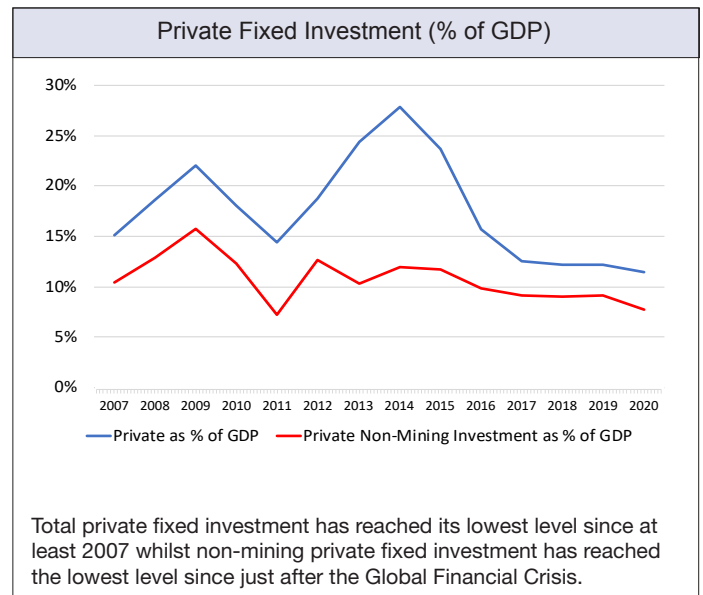
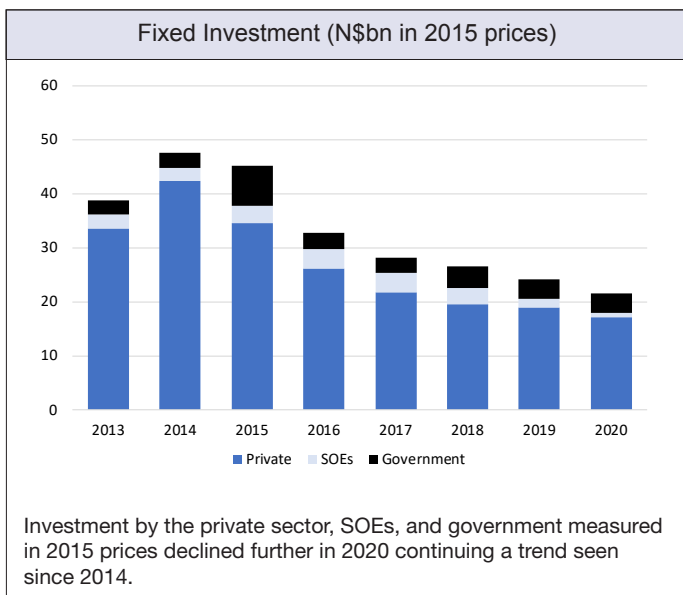
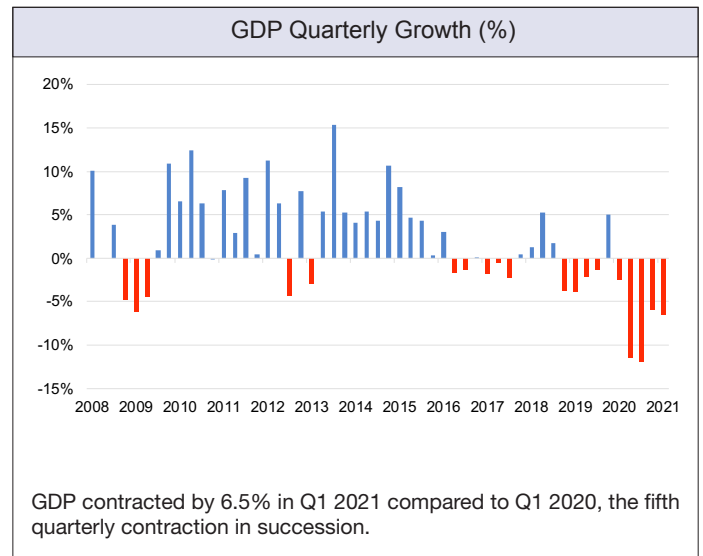
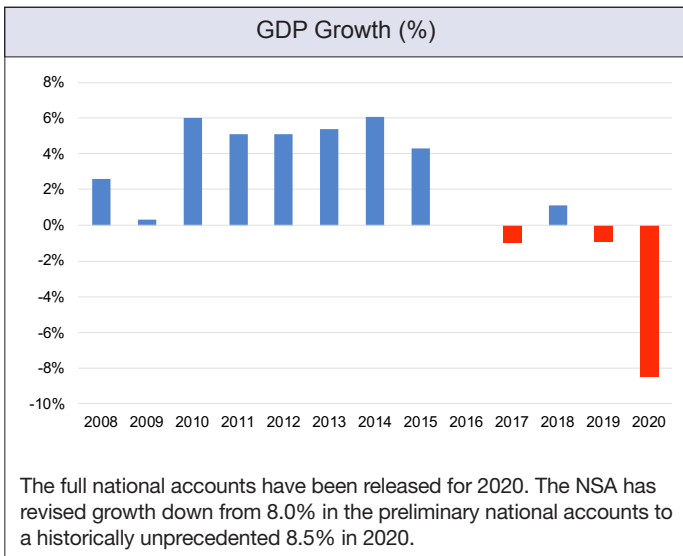
News Highlights

Date	Highlight	Commentary
23 August	NIPDB announces plans for Ostora retail operation (<i>The Namibian</i>)	The Namibian Investment Promotion and Development Board (NIPDB) announced its intention to create its own branded physical and online retail store by the end of this year to stock exclusively Namibian goods produced by SMEs.
18 August	Bank of Namibia leaves repo rate at 3.75% (<i>BoN</i>)	The Bank of Namibia's Monetary Policy Committee (MPC) again left the repo rate at 3.75% and cut its growth forecast for 2021 from 2.7% to 1.4%. The next MPC meeting is due on 20 October.
16 August	Jooste appoints Ernst & Young to investigate TransNamib (<i>The Namibian</i>)	Public Enterprises Minister Leon Jooste appointed auditors Ernst & Young to investigate state-owned TransNamib nine months after writing to the company's board chair demanding an independent investigation.
12 August	N\$5.9 million from ivory auction (<i>New Era</i>)	Environment Ministry Spokesman Romeo Muyunda announced N\$5.9 million had been raised after it controversially but successfully selling off 57 out of 170 elephants put out for tender in December 2020. The proceeds will go into the Game Product Trust Fund and reinvested in conservation.
11 August	Lufthansa's Eurowings Discover lands in Namibia (<i>Xinhua</i>)	Lufthansa's new leisure airline Eurowings Discover took over Lufthansa's operations between Frankfurt and Windhoek and plans to lay on five flights a week.
5 August	CRAN grants radio licence to The Namibian (<i>The Namibian</i>)	The Communications Regulatory Authority of Namibia (CRAN) granted five broadcasting licences, including to The Namibian newspaper which will allow it to broadcast radio and TV.
4 August	Namibia receives SDRs from IMF (<i>The Namibian</i>)	Namibia was allocated an expected US\$18.2 million of Special Drawing Rights by the International Monetary Fund effective from 23 August.
4 August	Request for Proposals for Green Hydrogen and Ammonia launched (<i>New Era</i>)	President Geingob launched a Request for Proposals for the development of Green Hydrogen and Ammonia projects in the Karas Region. At the same time the German Government announced it would provide 40 million euros for research into green hydrogen in Namibia.
22 July	Government to opposed Red Line move (<i>The Namibian</i>)	Government announced it would oppose legal moves by Affirmative Repositioning to have the veterinary cordon fence (or "Red Line") declared unconstitutional.
22 July	Tourism Expo cancelled (<i>Xinhua</i>)	Organisers Namibia Media Holdings cancelled its Tourism Expo for the first time in 23 years due to Covid.
20 July	Namdeb produces 338,000 carats in Q2 2021 (<i>AA</i>)	Anglo American reported that Namdeb Holdings produced 338,000 carats in Q2 2021 compared to 338,000 carats in Q1 2021 and 358,000 carats in the same quarter of 2020.
19 July	Government aims to vaccinate 750,000 by September (<i>Xinhua</i>)	Health Minister Dr Kalumbi Shangula announced Government aimed to vaccinate 750,000 people by the end of September.
16 July	Namibia takes delivery of Sinopharm vaccines (<i>Reuters</i>)	Namibia's vaccination programme received a boost when it took delivery of 250,000 Sinopharm vaccines purchased from China. This comes on top of the 100,000 Sinopharm vaccines donated earlier in the year.
14 July	Population census postponed until 2022 (<i>NSA</i>)	Namibia's ten-yearly Population and Housing Census, due to start in August 2021, was postponed until August 2022 by the Namibia Statistics Agency.
15 July	Fitch reaffirms rating (<i>Fitch Ratings</i>)	Fitch Ratings reaffirmed Namibia's at BB with a Negative Outlook.

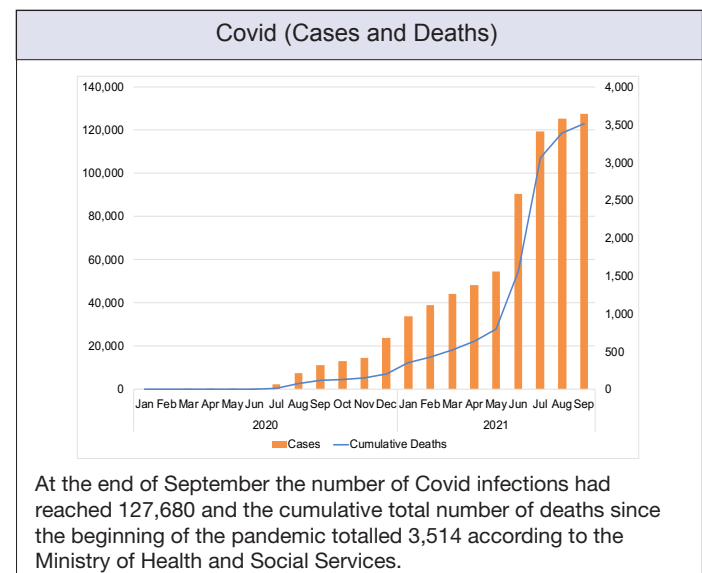
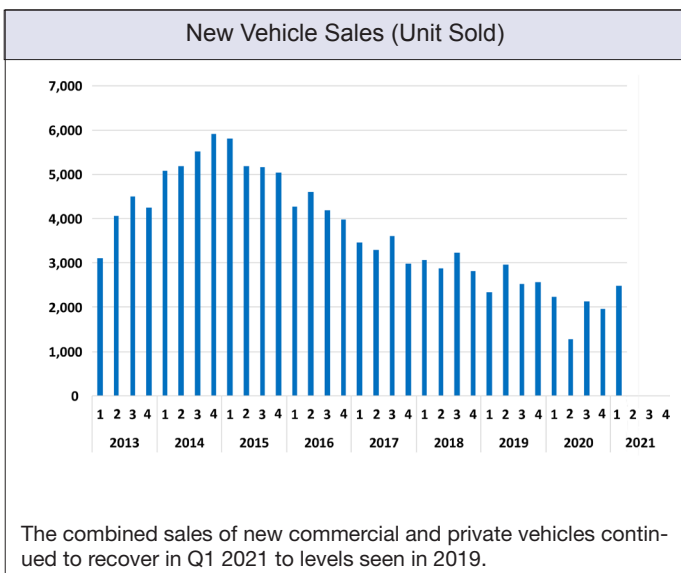
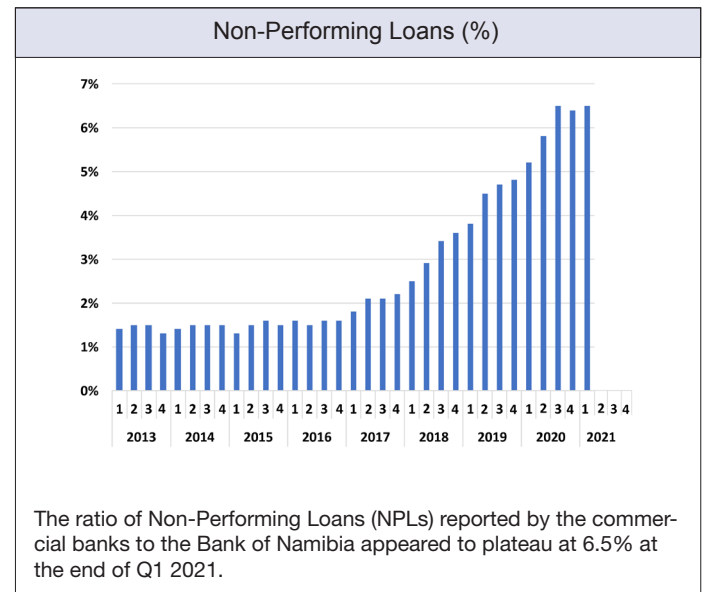
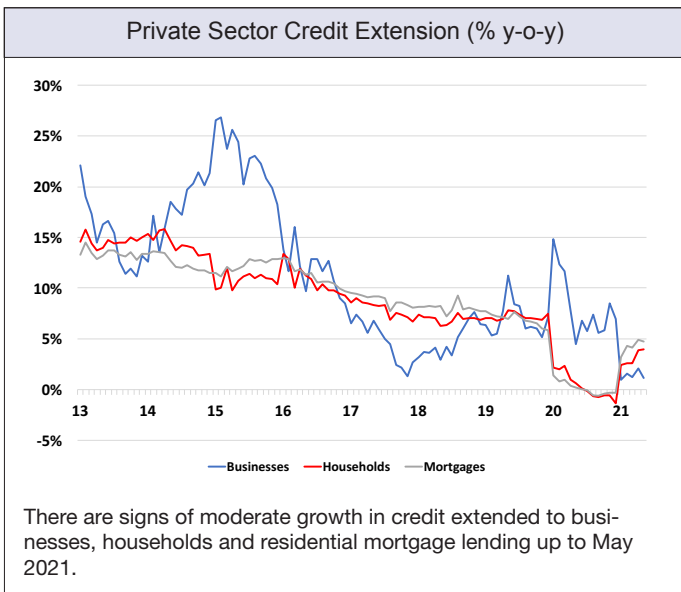
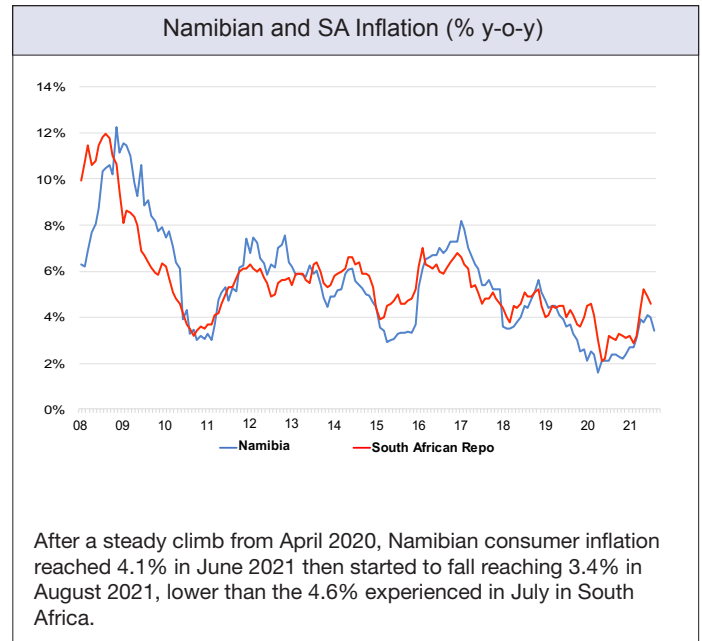
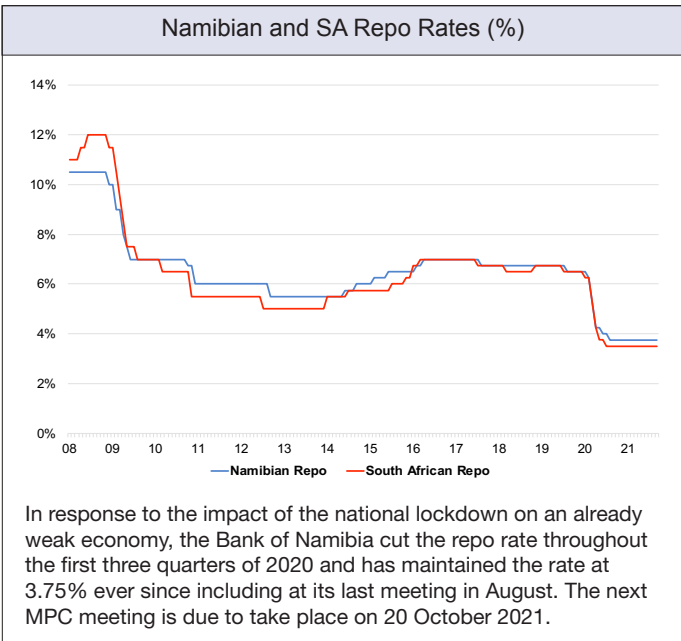
News Highlights

Date	Highlight	Commentary
14 July	Namibia's Covid third wave peaks <i>(The Namibian)</i>	Health Minister Dr Kalumbi Shangula told The Namibian newspaper that the number of Covid infections in the third wave Namibia was experiencing had peaked with the number of new cases not exceeding 2,000.
13 July	Covid deaths reach 2,000 <i>(Xinhua)</i>	Health Minister Dr Kalumbi Shangula reported 28 new deaths from Covid bringing the total so far to 2,019.
9 July	Mining Expo cancelled <i>(CGTN)</i>	Namibia's Mining Expo, slated for September, was cancelled by the Chamber of Mines due to the third wave of Covid being experienced.
8 July	SWAPO lauds Communist Party of China <i>(Xinhua)</i>	At the Communist Party of China (CPC) and World Political Parties summit, SWAPO Politburo member Tobie Aupindi commended Chinese President Xi Jinping for being far-sighted in engaging in both Africa and the world and said Namibia had a lot to learn from the CPC's people-centred development.
2 July	Shafudah resigns from public service <i>(The Namibian)</i>	Long-standing Permanent Secretary at the Ministry of Finance Ericah Shafudah resigned to join the UN's World Food Programme.
1 July	Government plans to increase isolation bed capacity to 2,024 <i>(New Era)</i>	Health Minister Dr Kalumbi Shangula announced plans to increase isolation bed capacity in state hospitals to 2,024 including field hospitals in Windhoek and Oshakati to address overflowing patient numbers due to Covid. He also said since the launch of the vaccination programme Namibia had taken delivery of 197,200 Covid vaccines which had almost all been used, of which 108,000 were AstraZenica vaccines via Covax for which the government had paid in full.
1 July	Partnership agreement signed between Globeleq and Natura Energy (Afrik21)	UK company Globeleq signed a partnership agreement with Namibian company Natura Energy to build TeraSun Energy's 81MWp solar PV plant near Arandis.

Key Economic Variables



Key Economic Variables



Data Trends

	Unit	2015	2016	2017	2018	2019	2020
Annual Economic Growth							
GDP	%	4.3%	0.0%	-1.0%	1.1%	-0.9%	-8.5%
GDP current prices	N\$m	146,019	157,708	171,570	181,067	180,559	174,827
Change in Mining Value Added	%	-4.0%	-10.7%	14.2%	16.1%	-9.5%	-14.9%
Change in Manufacturing Value Added	%	-3.2%	10.0%	-1.6%	-0.4%	4.7%	-18.3%
Fixed Investment							
Fixed Investment	% of GDP	31.0%	21.8%	17.9%	16.9%	15.9%	14.7%
Change in Fixed Investment	%	-5.1%	-27.7%	-13.7%	-6.0%	-8.9%	-11.2%
Fixed Investment - Government	'000 N\$m	7,382	5,586	5,127	4,858	4,793	4,517
Fixed Investment - SOEs	'000 N\$m	3,359	4,000	4,068	3,678	2,033	1,118
Fixed Investment - Private	'000 N\$m	34,507	24,836	21,570	22,008	21,927	20,050
Prices and Interest Rates							
Average Inflation	%	3.4%	6.7%	6.1%	4.3%	3.7%	2.2%
Year End Prime Lending Rate	%	10.25%	10.75%	10.50%	10.50%	10.25%	7.50%
Year End Repo Rate	%	6.50%	7.00%	6.75%	6.75%	6.50%	3.75%
Trade and Balance of Payments							
Exports - total goods	N\$bn	41.6	48.0	49.8	56.6	57.4	53.8
Exports - total services	N\$bn	10.0	7.2	7.9	8.4	8.4	4.6
Imports - total goods	N\$bn	81.7	82.9	73.8	75.2	76.0	67.5
Imports - total services	N\$bn	8.7	10.1	7.9	7.8	8.9	7.7
Trade Balance	N\$bn	-38.7	-37.8	-24.0	-18.0	-19.1	-16.9
Balance of Payments	N\$bn	-21.0	-25.2	-8.0	-6.1	-4.7	3.3
as % of GDP	%	-13.4%	-14.7%	-3.2%	-2.4%	-1.8%	2.8%
Foreign Exchange							
Year End Exchange Rate (N\$ to USD)	N\$	15.5553	13.6240	12.3930	14.4116	14.0418	14.6246
Year End Exchange Rate (N\$ to EUR)	N\$	16.9997	14.3403	14.8063	16.4848	15.7437	17.9897
Year End Exchange Rate (N\$ to GBP)	N\$	23.0652	16.7264	16.6789	18.3424	18.4383	19.9801
Foreign Exchange Reserves	N\$bn	23.6	24.7	30.2	31.0	28.9	n/a
Fitch credit rating (at year end)		BBB-	BBB- (-ve)	BB+ (stable)	BB+ (stable)	BB	BB (negative)
Moody's credit rating (at year end)		Baa3 (stable)	Baa3 (-ve)	Ba1 (-ve)	Ba1 (-ve)	Ba2 (stable)	Ba3 (negative)
Financial Sector							
Private Sector Credit Extension Growth	%	13.5%	8.9%	5.1%	6.6%	6.8%	2.0%
Non-Performing Loans	% of total loans	2.2%	2.5%	2.9%	3.6%	4.8%	6.4%
NSX Overall Index	Index	865	1,069	1,206	1,303	1,306	1,238
NSX Local Index	Index	498	547	591	621	614	456
New Local Listings		0	0	1	0	1	0
Business Indicators							
Namdeb Diamond Production	'000 carats	1,764	1,573	1,805	2,008	1,700	1,448
Uranium Production	tonnes	2,994	3,654	4,224	5,525	5,476	5,413
Gold Production	kg	6,009	6,604	7,272	6,171	6,526	6,254
Mining Licences Granted	number	0	1	2	3	4	6
Exploration Licences Granted	number	56	142	174	259	297	243
Number of Companies Formed	number	1,226	1,409	1,110	2,851	1,153	852
New Vehicle Sales	number	21,224	17,038	13,352	11,998	10,379	7,606
Tourist Arrivals	'000	1,388	1,469	1,499	1,557	1,596	170
- From Africa	'000	1,083	1,094	1,091	1,164	1,252	112
- From Europe	'000	234	295	312	306	256	45
- From RoW	'000	71	81	97	87	89	12
International Arrivals at HKIA	'000	128	143	213	247	215	46
Regional Arrivals at HKIA	'000	239	248	242	239	223	45

Data Trends

		2015	2016	2017	2018	2019	2020	
Employment								
Government		n/a	88,421	n/a	86,587	n/a	n/a	
Parastatals		n/a	25,558	n/a	30,654	n/a	n/a	
Private Companies		n/a	235,877	n/a	214,693	n/a	n/a	
Private Households		n/a	136,417	n/a	70,036	n/a	n/a	
Total		n/a	486,273	n/a	401,970	n/a	n/a	
Government Finances								
		FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
Revenue	N\$bn	52.2	50.9	58.7	55.9	58.4	55.5	52.1
Expenditure	N\$bn	64.6	62.2	67.5	65.1	67.3	72.1	68.5
Balance	N\$bn	-12.4	-11.4	-8.9	-9.2	-8.9	-16.6	-15.9
Public Debt	N\$bn	59.8	69.9	74.5	87.5	100.4	109.5	130.1
Interest Payments	N\$bn	2.6	4.3	5.4	6.3	7.0	7.7	8.5
Public Guarantees	N\$bn	6.5	6.4	11.0	10.9	11.2	12.7	13.0
Revenue	% of GDP	34.6%	31.8%	34.2%	31.4%	32.7%	31.7%	28.2%
Expenditure	% of GDP	42.8%	38.9%	39.3%	36.5%	37.6%	41.2%	36.8%
Balance	% of GDP	-8.2%	-7.1%	-5.2%	-5.2%	-5.0%	-9.5%	-8.6%
Public Debt	% of GDP	39.6%	43.7%	43.4%	49.1%	56.1%	68.4%	70.4%
Interest Payments	% of revenue	5.0%	8.5%	9.3%	11.3%	11.9%	14.0%	16.3%
Public Guarantees	% of GDP	4.3%	4.0%	6.4%	6.1%	6.2%	7.3%	7.0%
		2015	2016	2017	2018	2019	2020	2021
International Rankings								
Global Competitiveness Index Ranking		85/140	84/135	99/135	100/140	94/141	n/a	n/a
Global Competitiveness Index		4.0	4.0	4.0	4.0	54.5	n/a	n/a
Ease of Doing Business Ranking		88/189	104/189	108/190	106/190	107/190	104/190	n/a
Ease of Doing Business Index		57.16	59.61	59.57	60.29	60.53	61.4	n/a
Corruption Perceptions Index Ranking		45/168	n/a	53/180	52/180	56/180	57/180	n/a
Corruption Perceptions Index		53	52	51	53	52	51	n/a
Ibrahim Index of African Governance		70.4	69.3	71.2	68.6	n/a	65.1	n/a
Ibrahim Index of African Governance Ranking		5/54	5/54	5/54	4/54	n/a	7/54	n/a
Investment Attractiveness Index		69.78	66.11	60.67	56.66	58.22	59.72	n/a
Investment Attractiveness Index Ranking		33/109	53/104	54/91	60/83	55/76	52/77	n/a
Open Budget Index (out of 100)		46	n/a	50	n/a	n/a	51	n/a
World Press Freedom Index - Ranking		17/180	17/180	24/180	26/180	23/180	23/180	24/181

Sources: Anglo American, Bank of Namibia, Business and Intellectual Property Authority, Chamber of Mines of Namibia, Fitch Ratings, Fraser Institute, International Budget Partnership, Ministry of Environment and Tourism, Ministry of Finance, Mo Ibrahim Foundation, Moody's Investor Services, Namibia Airports Company, Namibia Statistics Agency, Namibian Stock Exchange, Reporters Without Frontiers, Transparency International, World Bank, World Economic Forum, World Nuclear Association

Note: On 16 September the World Bank issued a statement announcing it would discontinue its flagship Doing Business report. This followed a detailed investigation after data irregularities in Doing Business 2018 and 2020 were reported internally in June 2020. We will keep the Index and Rankings in our table for the time being.