

NAMIBIA QER Q2 2023

Quarter Summary	Special Feature: Update on Land Reform Statistics	News Highlights	Key Economic Variables	Data Trends
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Quarter Summary

Macroeconomic Situation

Namibia’s steady post-Covid economic recovery continued but was dogged by uncertainties around inflation. The NSA published quarterly GDP figures which showed the economy grew by 5.0% in Q1 of 2023 and quarterly figures from 2021 were revised upwards. Inflation remains a concern and the Bank of Namibia continued to raise the repo rate which rose over the quarter from 7.0% at the end of March to 7.75% at the end of June, still 50 basis points lower than in South Africa. The Bank of Namibia’s March 2023 Economic Outlook forecast growth of 3.0% for 2023 and 2.9% in 2024 but did not provide an update of its inflation forecast which it said last November would average 6.1% in 2022 and 4.9% in 2023 saying just that **“risks to domestic growth are dominated by uncertainty around the extent of global monetary policy tightening going forward and high costs of key import items that are likely to persist for a long time.”**

Policy Developments

The second quarter of the year contained little in the way of new policy developments. Parliament finally seemed to rouse itself on the issue of legislation required to avoid being grey listed by the Financial Action Task Force which has been known about for at least a year. There is still no sign of public drafts of key legislation governing FDI or empowerment. Government moved unexpectedly quickly to announce measures on resource nationalisation (where it quickly rowed back on initial statements) and on beneficiation of key minerals but neither announcement appeared to be based on any hard research or analysis.

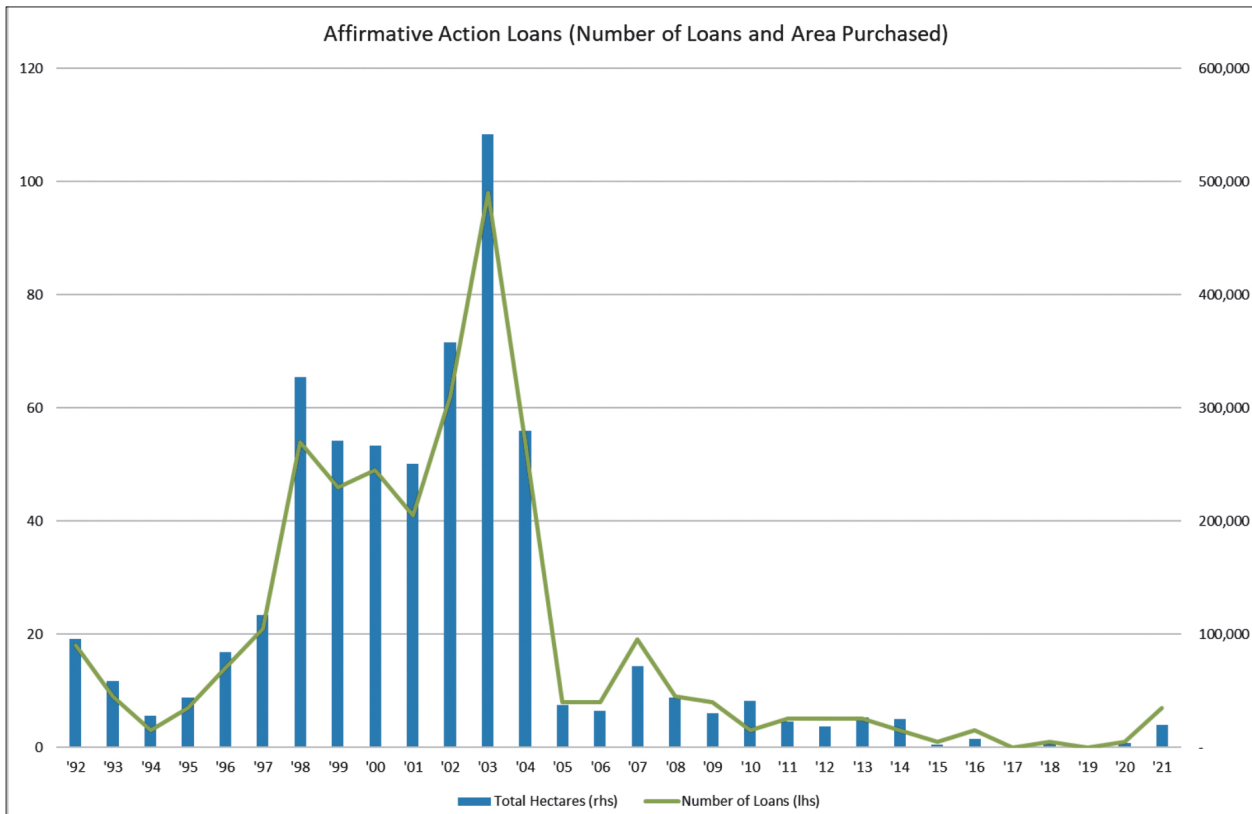
Special Feature: Update on Land Reform – Don’t Know Don’t Care

The IPPR’s 2022 edition of the “Guide to the Namibian Economy” contained a chapter on Commercial Land Reform which was based primarily on data contained in the document “Namibia Land Statistics Booklet September 2018” published by the Namibia Statistics Agency in advance of the Second Land Reform Conference held in October 2018. This short feature provides an update on these statistics using annual publications produced by the Directorate of Planning and Business Development in the Ministry of Agriculture, Water and Land Reform and available from the Ministry’s Resource Centre or from the Ministry’s website (<https://mawf.gov.na/>). The publication states that these statistics are produced with the technical and financial support of GIZ: Inclusive and Sustainable Urban Development. This feature will examine the two principal elements of commercial land reform in Namibia: the Affirmative Action Loan Scheme and the National Resettlement Policy. More background on both can be found in the Guide to the Namibian Economy.

Affirmative Action Loan Scheme

The publication Land Reform Statistics 2021/2022 contains a table on loans extended by the Affirmative Action Loan Scheme from 1992 (when the Scheme commenced) until 31 March 2022. For some reason the year 2017 is missing from Table 16 on page 11 but the MAWLR say no loans were granted in this year). Nonetheless the overall pattern of loans extended can be seen in the chart below and does not differ markedly from the pattern discernible in 2018. The number of loans extended first dipped after 1992 before growing to a peak in 2003 when a moratorium was placed on new loans and an investigation was mounted which revealed serious problems with the Scheme and high default rates which required transfers to Agribank from the national budget. After lending was resumed in April 2004, the number of loans fell significantly to a pattern whereby the number granted annually remained in single figures from 2008. Clearly the magnitude of land transfers has declined and this may have to do with the fact that there is only a limited number of potential farmers ready to take on debt and make the leap into commercial farming added to the likelihood that Agribank is more cautious now than it was in the early years about extending loans.

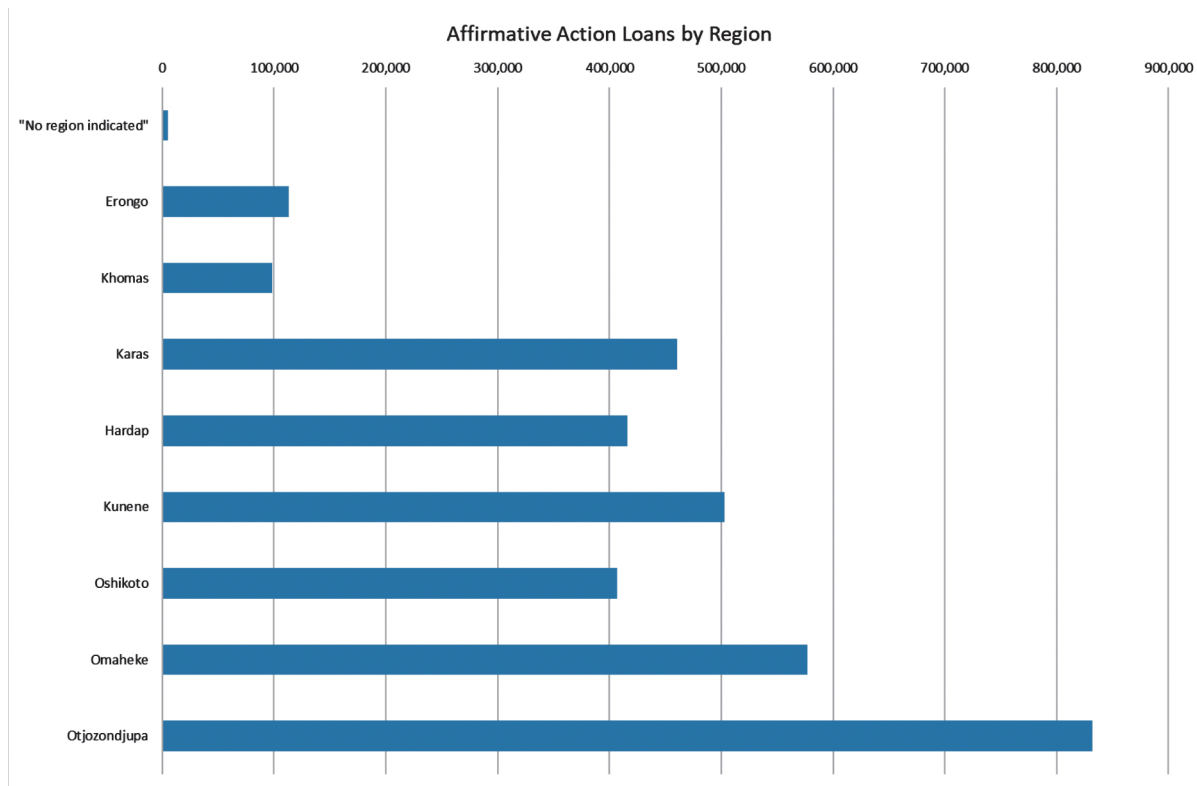
Chart 1: Affirmative Action Loans 1992-2021



In total the latest figures up to 2021/22 show that 562 loans have been granted worth N\$726.6 million for 3,106,570 hectares of land. This contrasts with the figures contained in the previous year’s publication for 2020/21 which stated that 649 loans had been granted worth N\$784.3 million for 3,411,368 hectares of land up to 31 March 2021. No explanation is given for this discrepancy.

In contrast to the 2020/21 publication, the latest publication for 2021/22 does not contain a breakdown of loans by region. The chart below presents the figures from the previous publication showing Otjozondjupa alone has accounted for over one third of all land purchased through the Scheme.

Chart 2: Affirmative Action Loans by Region 1992-2021



National Resettlement Policy

It is much harder to piece together what has happened with the National Resettlement Policy. The IPPR has tried to construct a time series since the introduction of the NRP of key indicators including the number of farms offered to Government, the number of farms waived, the number of farms bought, the number of hectares, the cost of land purchased, and the number of people resettled. These numbers are presented in the table below. As far as we can ascertain, it is not possible to put together a complete dataset.

Table 1: Key NRP Indicators 99/00-21/22

	99/00	00/01	01/02	02/03	03/04	04/05
Farms Offered	218	148	118	135	371	256
Farms Waived	n/a	n/a	n/a	n/a	269	193
Farms Purchased	10	18	19	6	18	11
Hectares Purchased	n/a	n/a	n/a	n/a	114,805	54,011
Cost (N\$m)	n/a	n/a	n/a	n/a	15.6	7.5
Beneficiaries	n/a	n/a	n/a	n/a	46	4

	05/06	06/07	07/08	08/09	09/10	10/11
Farms Offered	237	146	195	185	218	245
Farms Waived	99	89	137	184	153	153
Farms Purchased	23	51	22	3	8	50
Hectares Purchased	174,923	327,585	107,612	1,537	26,018	301,769
Cost	23.3	71.6	81.7	1.9	21.3	189.6
Beneficiaries	44	104	175	54	832	49

	11/12	12/13	13/14	14/15	15/16	16/17
Farms Offered	472	136	454	485	503	469
Farms Waived	341	340	79	n/a	n/a	n/a
Farms Purchased	12	16	21	41	60	25
Hectares Purchased	58,981	92,997	27,049	n/a	n/a	150,441
Cost	71.7	96.4	37.9	n/a	n/a	204.7
Beneficiaries	99	35	48	n/a	n/a	91

	17/18	18/19	19/20	20/21	21/22
Farms Offered	483	404	422	413	394
Farms Waived	263	159	426	258	188
Farms Purchased	12	13	14	10	5
Hectares Purchased	49,114	74,675	81,404	41,289	32,772
Cost	123.1	145.0	166.0	88.6	55.5
Beneficiaries	47	13	27	20	20

Source: Various MAWLR publications (including Land Reform Statistics from 2016/17)

The latest publication for 2021/22 states the following:

“Since the inception of the Land Reform Programme in 1990, the Ministry has acquired a total of 571 farms at an overall cost of N\$2,382,200.483 with a collective size of 3,443,618.9242 hectares. The Ministry targeted acquiring 5 million hectares by 2020. So far 69% or 3.4 million hectares have already been acquired meaning only 1.6 million hectares are yet to be acquired in order to reach this goal on agricultural commercial land acquisition.”

And further:

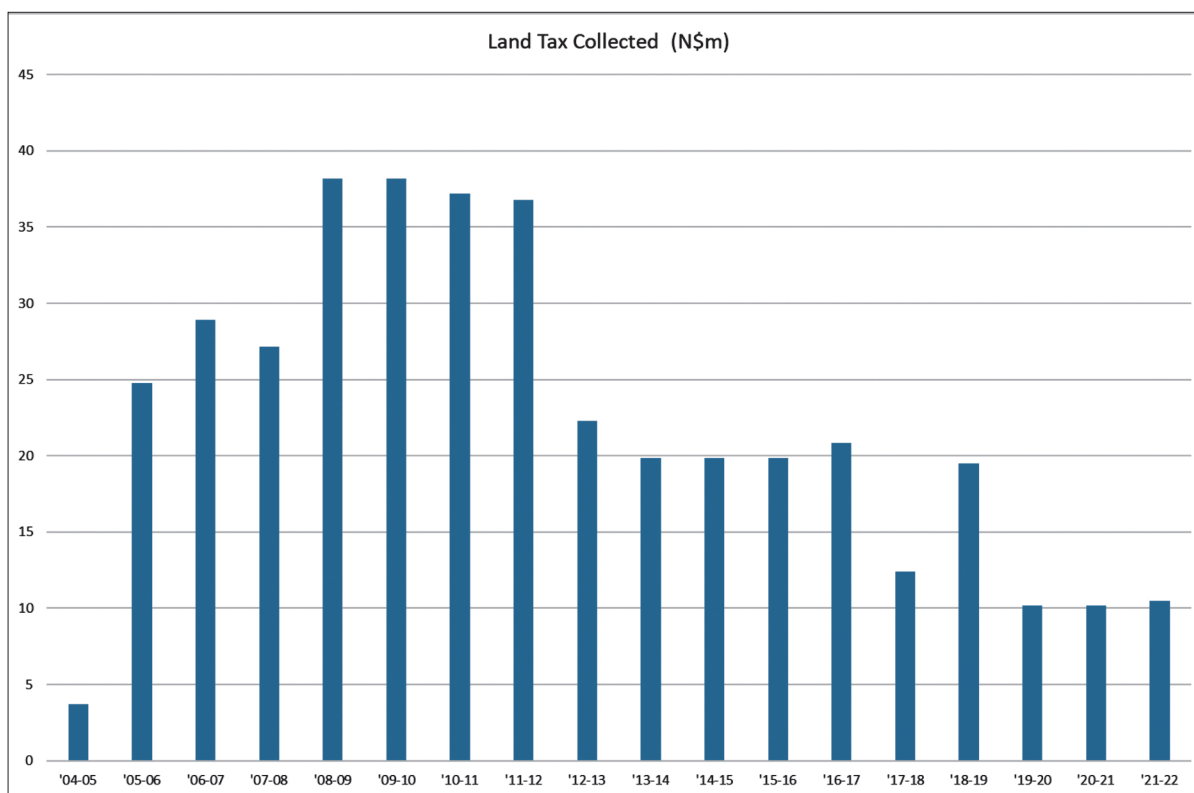
“As at 31 March 2022, a total number of 5,458 beneficiaries were resettled: 2,188 males, 1,485 females, and 30 juristic entities. For 1,755 the gender was not recorded as these are Group Resettlements and San Development projects under the Office of the President.”

Land Tax

The land statistics publication also contains useful information on land tax collected. Land tax rates were first gazetted in September 2004 and then adjusted and gazetted in November 2017 following protracted legal disputes about the valuation roll upon which the tax was based. In total since its introduction, the land tax has raised over N\$400 million in revenue for the Land Acquisition and Development Fund (LADF) and is currently raising about N\$10 million annually. This compares with the approximately N\$55 million spent on NRP farm purchases in FY2021/22.

	Government Notice 193	Government Notice 290
	01-Sep-04	01-Nov-17
Namibian resident owner	0.75%	0.40%
Non-resident owner	1.75%	1.40%
On each additional farm owned	Rate increases by 0.25%	Rate increases by 0.25%

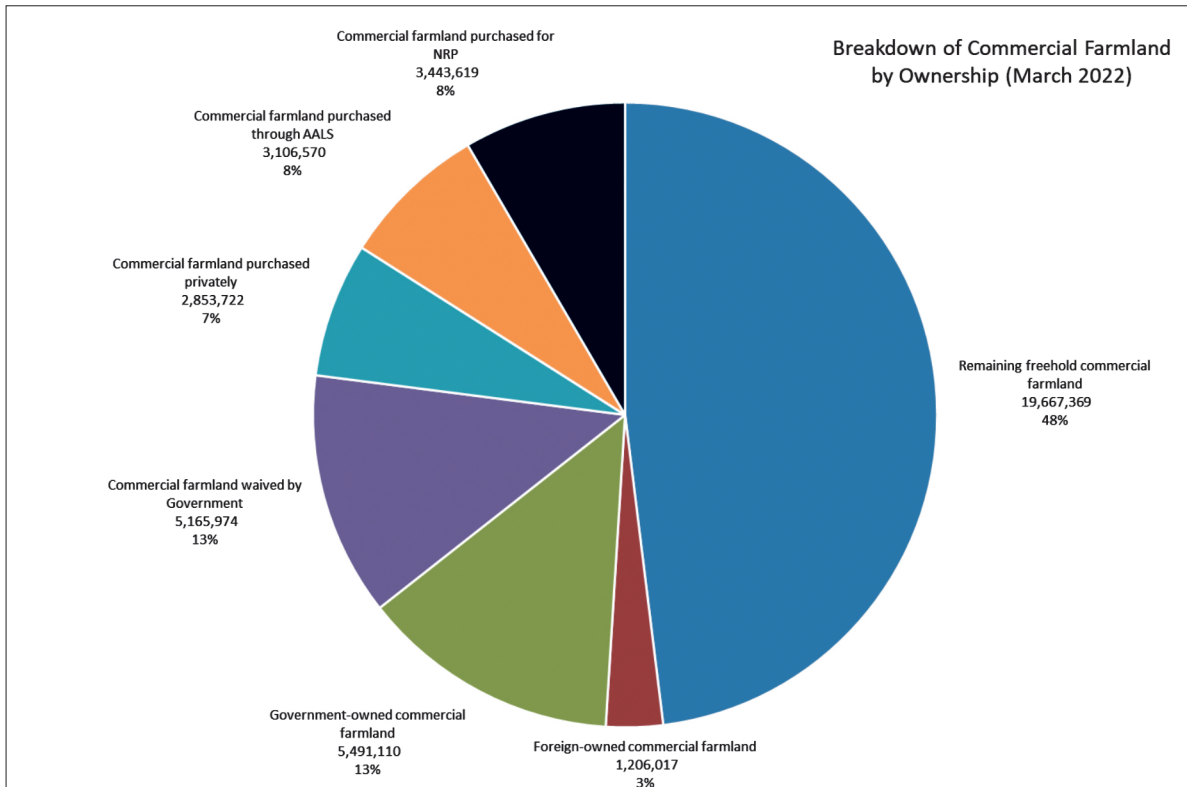
Chart 3: Land Tax Collected 2004/05-21/22



Conclusions

The numbers presented above can be combined with numbers available in June 2018 to present an approximate picture of overall land redistribution since Independence. Of Namibia's 39,728,364 hectares of commercial farmland, approximately 8% has been redistributed to previously disadvantaged Namibians through the AALS and the NRP apiece.

Chart 4: Overall Progress on Land Reform



The comprehensive account of commercial land reform contained in the Guide to the Namibian Economy complemented by the annual land reform statistics publication allow two main conclusions to be drawn about Namibia's commercial land reform process. First, the quality of statistics is generally poor, uneven, and inconsistent. Different publications contain different numbers with no explanation provided why differences exist. No track is kept on private commercial land purchases by previously disadvantaged Namibians or purchases by foreigners. So the chart above represents an approximation using up-to-date data on land transferred through the AALS and NRP combined with data from 2018 on waivers, private purchases, Government-owned commercial farmland, and foreign-owned commercial farmland. This suggests that around 23% of commercial farmland (8% plus 8% plus 7%) now rests in the hands of previously disadvantaged Namibians. It is likely that a proportion of land waived and then sold privately also belongs to previously disadvantaged Namibians but the data does not exist to be certain about the magnitude. At the time of the 2018 publication, the NSA recommended a number of improvements to land reform statistics which do not appear to have been heeded.

Second, land reform statistics focus on inputs – primarily the cost and size of the farms purchased – and completely ignore outputs and outcomes. How well or badly are resettled farmers faring? What incomes are they able to generate from their farming activities? No data seems to exist on what is actually being produced on the farms that have changed hands and this applies to both the AALS and the NRP. One paper from the Second Land Reform Conference (Economic Viability on Resettlement Farms in Namibia by Dr Selma Lendelvo of UNAM presented on 2 October 2018) presents some information but no clear assessment of incomes and profits generated. Taking the numbers on the NRP at face value implies that the average cost of land purchase amounts to N\$436,460 per beneficiary. The total cost is likely to be significantly higher given the cost of administration – Vote 37 Main Divisions 10 and 11 alone are budgeted to cost an estimated N\$86.7 million and N\$107.5 million (including N\$66.4 million in land purchases) in FY23/24 – and additional support provided to resettled farmers although the land tax adds a significant supplement to the public resources available. No one seems to have examined costs in any detail. If this amount of N\$436,460 was instead given to each beneficiary in cash and invested in the bank at 10% interest this would yield an average yearly income in excess of N\$40,000. Are resettled farmers succeeding in generating incomes higher than this? No one knows. It is almost as if no one wants to know.

News Highlights

30 June	Appian Capital to take on Rosh Pinah mine (<i>International Mining</i>)	UK-based Appian Capital LLP, the investment advisor to long-term value-focused private capital funds that invest in mining and mining-related companies, acquired the 89.96% stake in Rosh Pinah lead-zinc mine from Trevali Mining for an undisclosed sum.
27 June	Lithium company wins case (<i>The Namibian</i>)	Lithium exploration and mining company Xinfeng Investments won a High Court ruling against Mines Minister Tom Alweendo ruling that he did not have the power to revoke its mining licence without getting a court order to that effect.
25 June	Namibia races to avoid grey listing (<i>The Namibian</i>)	Namibia's Parliament raced to avoid the country being grey listed by the Financial Action Task Force which the Bank of Namibia cautioned could have a negative impact on Namibia's financial system and foreign direct investment. Cabinet Ministers have tabled 12 urgent bills that need to be passed by parliament by 30 June.
21 June	Namibia confirms 24% stake (<i>Renewables Now</i>)	Green hydrogen commissioner James Mnyupe confirmed that the government would take up a 24% stake in the US\$10 billion Hyphen Hydrogen Energy.
20 June	Dutch firms partner with Namibia to fund green hydrogen (Bloomberg)	SDG Namibia One, a €1 billion blended financing vehicle for green hydrogen investment will include the participation of Namibia's Environment Investment Fund and The Netherlands' Climate Fund Managers BV and Invest International BV it was announced after the visit of the Dutch and Danish Prime Ministers to Namibia.
14 June	Bank of Namibia raises repo (<i>Bank of Namibia</i>)	The Bank of Namibia Monetary Policy Committee (MPC) decided to raise the repo rate from 7.25% to 7.75% citing inflation concerns and the need to maintain the peg to the Rand. The next MPC meeting will be held on the 14 and 15 of August 2023.
14 June	Airlines announce cargo embargo (<i>The Namibian</i>)	Qatar Airways and Lufthansa Airlines announced the termination of cargo operations from Hosea Kutako International Airport following the judgement of the Supreme Court which upheld a High Court ruling that ground handling services company Menzies Aviation should cease operations at the airport.
13 June	Gondwana returns to profit (<i>The Namibian</i>)	Tourism company Gondwana Holdings returned to profit in the financial year to 31 October 2022 making N\$28.2 million from revenue of N\$472 million after suffering a cumulative loss of N\$176.7 million between 2020 and 2021 due to Covid.
13 June	Army to recruit up to 1,600 new members (<i>The Namibian</i>)	In a letter from the Ministry of Defence and Veterans Affairs to regional governors and councillors, it was revealed that the Namibian Defence Force plans to recruit between 1,400 and 1,600 new members.
13 June	Namibia plans to ban single use plastics by 2026 (<i>Xinhua</i>)	In a statement, Environment Minister Pohamba Shifeta announced plans to ban the use of single-use plastics effective in 2026 or earlier.
12 June	Equiano cable goes live (<i>Datacenterdynamics</i>)	Namibia's Paratus Group activated the Namibian branch of Google's Equiano cable saying it would provide 20 times more capacity than the existing cables connecting Europe to South Africa with 12 fibre pairs and a capacity of 144Tbps.
9 June	Government approves culling of 86,000 seals (<i>Voice of America</i>)	Government has approved the annual cull of 86,000 cape fur seals – 80,000 pups and 6,000 bulls - from 1 July, a harvest that is carried out onshore for population control.

News Highlights

8 June	Namibia bans export of unprocessed critical minerals (<i>Reuters</i>)	Government announced that it has banned the export of unprocessed lithium and other critical minerals seeking to profit from growing global demand for metals used in clean energy technologies.
2 June	Fitch affirms Namibia at BB- (<i>Fitch Ratings</i>)	Fitch Ratings affirmed Namibia's Long-Term Foreign-Currency Issuer Default Rating (IDR) at BB- with a Stable Outlook.
1 June	Namibia says will not grab stakes in existing resource firms (<i>Reuters</i>)	Mines and Energy Minister Tom Alweendo, clarifying earlier remarks, stated that Namibia was not considering taking minority stakes in mining and petroleum producers already operating in the country.
31 May	Steytler bags development bank's top post (<i>Namibia Economist</i>)	Former presidential economic advisor Dr John Steytler was appointed the incoming CEO of the Development Bank of Namibia with effect from 1 September.
31 May	Namibia scraps requirement to collect biometric data (<i>Developing Telecoms</i>)	CEO of the Communications and Regulatory Authority of Namibia (CRAN) Emilia Nghikembua announced in a statement that operators will not be required to collect biometric data from users wishing to register SIM cards since Namibia does not currently have sufficient data protection legislation to address the concerns of members of the public.
31 May	Paladin unaware of pending legislative changes (<i>Mining Weekly</i>)	Perth-based uranium miner Paladin, which is preparing to restart operations at Langer Heinrich, told shareholders that it had "regular ongoing dialogue" with all relevant Namibian government ministries in its efforts to restart the Langer Heinrich uranium mine which was mothballed in 2018. Paladin's share price had tumbled following news of possible legislative changes.
30 May	Government probes economic viability before deciding on 24% Hyphen stake (<i>The Namibian</i>)	As part of the recently signed FIA (see below), the Government will have six months to decide whether to take up an option to buy 24% of Hyphen Hydrogen Energy.
30 May	Namibia issues RFPs to conduct feasibility studies for three hydrogen valleys (<i>Zawya</i>)	The Environmental Investment Fund of Namibia (EIF) invited consultancy bids for conducting feasibility studies for three hydrogen valleys identified under the country's Green Hydrogen Strategy in the Southern, Central and Northern regions of Namibia.
29 May	Delayed NEEEB creates uncertainty (<i>The Namibian</i>)	Namibian Investment Promotion and Development Board (NIPDB) spokesperson Catherine Shipushu told <i>The Namibian</i> that the seven-year-old New Equitable Economic Empowerment Bill (NEEEB) creates uncertainty saying "the protracted duration in the development of the draft bill has resulted in an atmosphere of uncertainty."
29 May	Namibia considers taking stakes in mining and petroleum companies (<i>Bloomberg</i>)	Mines and Energy Minister Tom Alweendo told lawmakers in Parliament that "we are making a case that local ownership must start with the state, which holds ownership of our natural resources".
26 May	Government and Hyphen sign Feasibility and Investment Agreement (<i>Windhoek Observer</i>)	The Government officially signed a pioneering N\$200 billion Feasibility and Implementation Agreement with Hyphen Hydrogen Energy after the company was unveiled as the Government's preferred bidder at COP26 in 2021. Hyphen will now have two years to complete a full feasibility study on its US\$10 billion green hydrogen project in the Tsau //Khaeb National Park.
25 May	South African Reserve Bank raises repo rate by 50bp (<i>SARB</i>)	The South African Reserve Bank (SARB) Monetary Policy Committee (MPC) raised its repo rate by an aggressive 50 basis points from 7.75% to 8.25% higher than many observers expected, pushing the prime lending rate up to 11.75%.

News Highlights

23 May	Namibia declares outbreak of Crimean-Congo fever (<i>Reuters</i>)	Namibia declared an outbreak of Crimean-Congo haemorrhagic fever after one person died of the viral tick-borne disease in Windhoek after being transferred from Gobabis.
20 May	Namibia welcomes first tourists from China in three years (<i>China.org.cn</i>)	Namibia welcomed 20 Chinese tourists, the first in three years. They will be hosted by Way Way Namibia Travel.
16 May	Gondwana lists bond (<i>The Namibian</i>)	Privately-owned tourism company Gondwana Holdings Limited which owns close to 30 lodges and accompanying facilities listed a N\$250 million bond on the Namibian Stock Exchange in an issuance that was oversubscribed 1.9 times.
12 May	Namibia raises bulk electricity tariffs by 8.97% (<i>Xinhua</i>)	The Electricity Control Board (ECB) announced an average hike of 8.97% for bulk electricity purchases for the FY23/24 which will see tariffs increase from N\$1.82 to N\$1.98 per kWh.
11 May	Outcry over road tenders (<i>The Namibian</i>)	Local business representatives, politicians and the construction industry want the Roads Authority to cancel a recently announced prequalification tender list of seven Chinese companies vying for the Usakos-Karibib road project arguing that Namibian companies are capable of doing the work.
11 May	Cabinet to deliberate on NEEEB (<i>The Namibian</i>)	Cabinet Office Executive Director I-Ben Nashandi stated that the National Equitable Economic Empowerment Bill (NEEEB) is currently with legal drafters and will be submitted to Cabinet for clearance after June.
11 May	Namibia's Fraser Report ranking "fairly good" (<i>Namibia Economist</i>)	Chamber of Mines President Zebra Kasete described Namibia's latest ranking in the Fraser Institute's Survey of Mining Companies as "fairly good" although it could have been better. Namibia ranked 38th out of 62 jurisdictions on the Investment Attractiveness Index compared to 59th out of 84 in 2021.
11 May	Namport cargo volumes set new record (<i>Namibia Economist</i>)	Namport announced that it had set a new record for the volume of cargo handled through its ports in the FY ending 31 March 2023 with the total volume of cargo increasing to almost 7.7 million tonnes. Furthermore, the number of vessels calling at Namibian ports increased to 44.
9 May	Otjikoto mine produces 38,491 ounces of gold in Q1 2023 (<i>B2Gold</i>)	B2Gold reported that its Otjikoto mine produced 38,491 ounces of gold in Q1 2023 with production from the underground Wolfshag mine continuing to increase. Open pit operations are scheduled to ramp down in 2024 and conclude in 2025 while processing operations will continue until economically viable stockpiles are exhausted in approximately 2031. Underground operations are currently projected to continue until 2026.
9 May	Municipalities and councils to face power cuts (<i>The Namibian</i>)	NamPower announced that at least 19 municipalities, towns and village councils as well as a regional council owing over N\$1 billion will have to pay their accounts or experience power cuts from 5 June.
4 May	WaveRoller set to harness Namibia's offshore wave energy (<i>Offshore Energy</i>)	AW-Energy, a Finnish near-shore wave energy technology developer, signed an MoU with Kaoko Green Energy Solutions for the deployment of its WaveRoller technology to power green hydrogen production in the Kunene region.
3 May	Namibia reclaims top spot on press freedom (<i>The Namibian</i>)	On World Press Freedom Day, Namibia reclaimed its previous top position in Africa when it took 22nd spot out of 180 countries on the World Press Freedom Index compiled by Reporters Without Borders.
2 May	Government advised to privatise Meatco (<i>The Namibian</i>)	Ombu Capital, a consulting company hired to advise Government on the future of Meatco, has proposed establishing a new company where private investors and farmers are shareholders in order to avoid the collapse of Meatco which is technically insolvent.

News Highlights

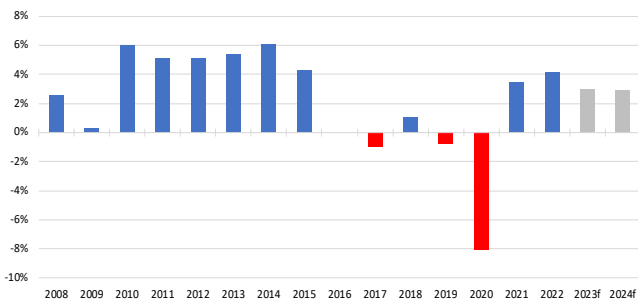
2 May	Standard Bank CEO steps down <i>(The Namibian)</i>	After just two years in post, the CEO of Standard Bank Namibia Holdings Mercia Geises announced she will step down from 1 August.
25 April	Matthews withdraws from Namcor job <i>(The Namibian)</i>	Namcor confirmed that former Nedbank CEO Lionel Matthews had withdrawn from negotiations for the post of acting managing director. Namcor's executive for business strategy Shiwana Ndeunyema will continue to serve as acting managing director until further notice.
20 April	Namibia and South Africa to cooperate on green hydrogen <i>(The Namibian)</i>	During a state visit to South Africa, President Geingob and President Ramaphosa announced plans to cooperate on the development of a green hydrogen economy details of which would be discussed during the upcoming Namibia-South Africa binational commission.
19 April	Peugeot files N\$80 million lawsuit against Government <i>(The Namibian)</i>	French car maker Peugeot filed a lawsuit against the Government for approximately N\$80 million claiming breach of an investment agreement. The Peugeot Opel Assembly Namibia (POAN) joint venture in Walvis Bay is reported to have assembled 150 vehicles since opening in December 2018.
19 April	The Bank of Namibia raises the repo by 25bp <i>(Bank of Namibia)</i>	The Bank of Namibia's Monetary Policy Committee raised the repo rate by a further 25 basis points to 7.25%, part of its efforts to contain inflation leaving the repo rate 25 basis points lower than in South Africa. The next MPC meeting is on 13 April 2023.
18 April	Namibian-Chinese joint venture to build 50MW wind power plant <i>(Xinhua)</i>	NamPower and CERIM Lüderitz Energy, a joint venture between Energy China and Riminii Investments, signed power purchase and transmission connection agreements to develop a 50MW wind power plant south of Lüderitz at an estimated cost of N\$1.6 billion with commercial operation expected by July 2025.
18 April	B2Gold commences phased closure <i>(Reuters)</i>	Canadian gold miner B2Gold announced it had commenced the phased closure of its Otjikoto open-pit mine because of its depleted gold resource.
25 April	Namdeb produces 619,000 carats in Q1 2023 <i>(AA)</i>	Anglo American reported that Namdeb Holdings produced 619,000 carats in Q1 2023 compared to 590,000 carats in Q4 2022 and 451,000 carats in the same quarter of 2022. Out of total production for Q1 2023, 121,000 carats or 19.5% came from land-based operations.
15 April	Namibia wants to see more Russian tourists <i>(Urdupoint)</i>	Speaking on the side lines of the Spring Meetings in Washington, Finance Minister Iipumbu Shiimi told Sputnik that Namibia wants to see more tourists from Russia visit the country amid growing relations between the two countries which he described as "strong".
12 April	Hollard agrees to pay Gondwana <i>(New Era)</i>	Hollard Namibia and Gondwana Collection announced a settlement regarding Gondwana's Covid business interruption claim. This follows Gondwana resorting to the High Court in 2021 to force Hollard to pay out what it called "agreed commitments".
11 April	Green hydrogen researchers start impact studies <i>(The Namibian)</i>	A team of researchers from the German-funded GreeN-H2 Namibia project started stakeholder engagements at Lüderitz to conduct a technical and socio-economic study of the envisaged green hydrogen project in the Tsau-//Khaeb National Park.
11 April	Bank of Namibia retains Covid measures <i>(New Era)</i>	The Bank of Namibia decided to continue with some of the relief measures put in place to address the Covid pandemic with new measures coming into effect on 2 April 2023 and lasting until 1 April 2024.

News Highlights

6 April	Lithium revenues could exceed those from all other commodities (<i>New Era</i>)	According to local stockbrokers Simonis Storm, revenues from Namibia's lithium resources could exceed that from all other commodities mined in Namibia. Simonis Storm notes that Namibia's estimated lithium reserves have grade concentrates far below the global benchmark of 6%.
5 April	High Court overturns Deep South decision (<i>African Mining Market</i>)	Namibia's High Court overturned the decision by Mines Minister Tom Alweendo not to renew Deep South's licence for the Haib copper project ruling that the Minister had not taken into account the significant financial commitments the company had made to develop the low-grade deposit and had failed to assess how the Covid pandemic had affected the exploration programme.
5 April	Namibia drops to 8th on the Ibrahim Index (<i>The Namibian</i>)	Namibia fell to eighth place in the Ibrahim Index of African Governance in 2022 compared to fourth in 2018 and fifth in 2017. The IPPR claimed this was largely a result of the Fishrot scandal.
30 March	Namcor Chair denies drug charges (<i>Bloomberg</i>)	Board Chair of Namcor, Jennifer Comalie, who was arrested earlier in the week on drug charges, denied being involved in criminal activity and claimed she was the victim of internal infighting at the public enterprise that had seen the MD Immanuel Mulunga suspended on full benefits earlier in the month.

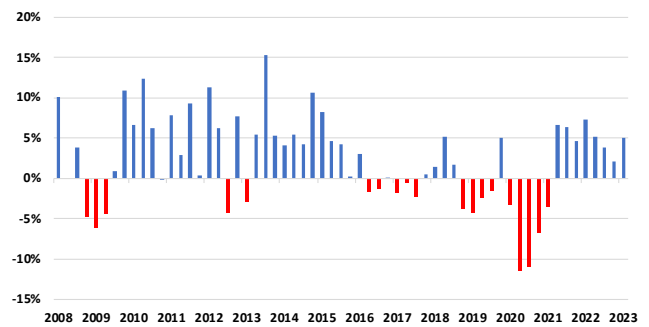
Key Economic Variables

GDP Growth (%)



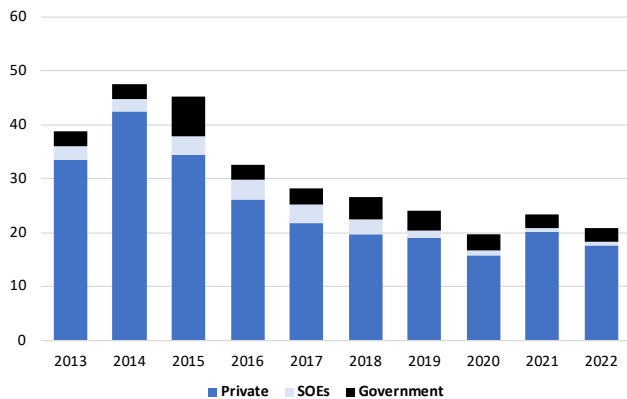
GDP grew by 3.5% in 2021 and 4.6% in 2022 after shrinking by 8.1% in 2020. In its latest March 2023 forecast, the Bank of Namibia expects GDP to grow by 3.0% in 2023 and 2.9% in 2024.

GDP Quarterly Growth (%)



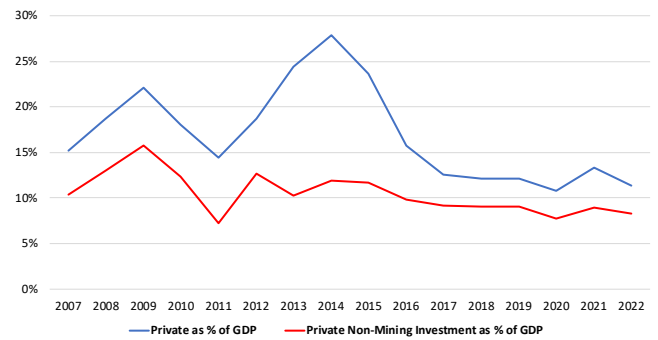
In Q1 2023 GDP grew by 5.0% compared to Q3 2021, the eighth successive increase in economic activity after the last quarterly contraction experienced in Q1 2021.

Fixed Investment (N\$bn in 2015 prices)



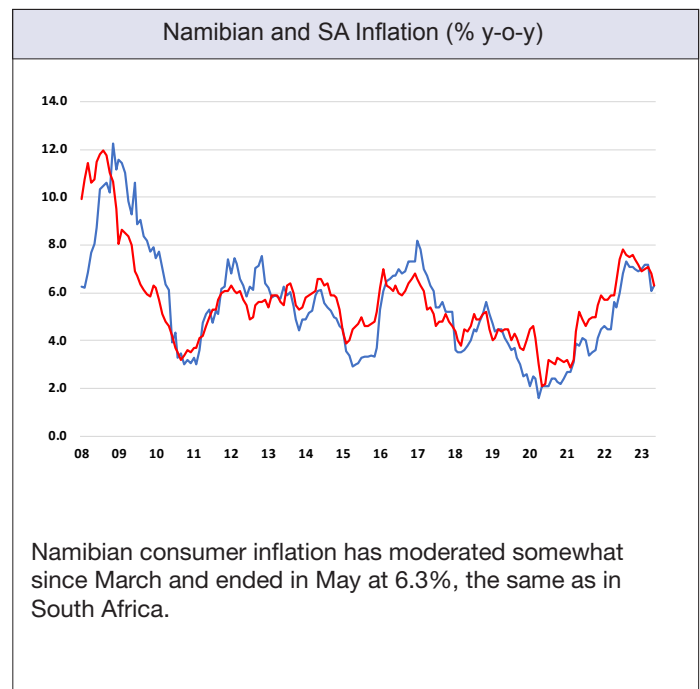
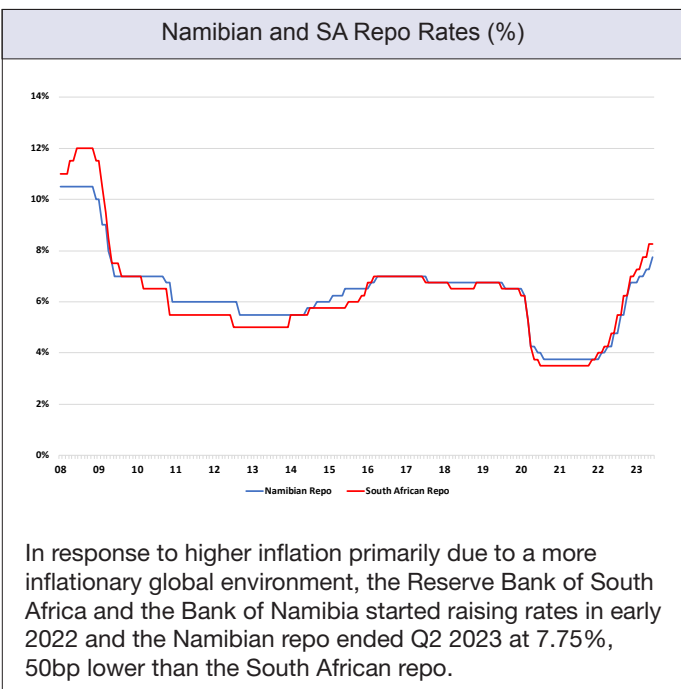
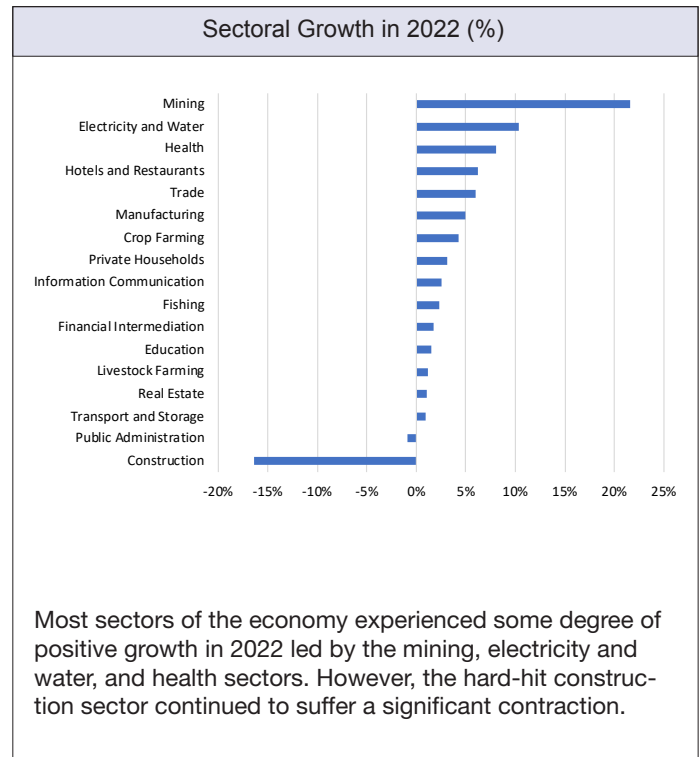
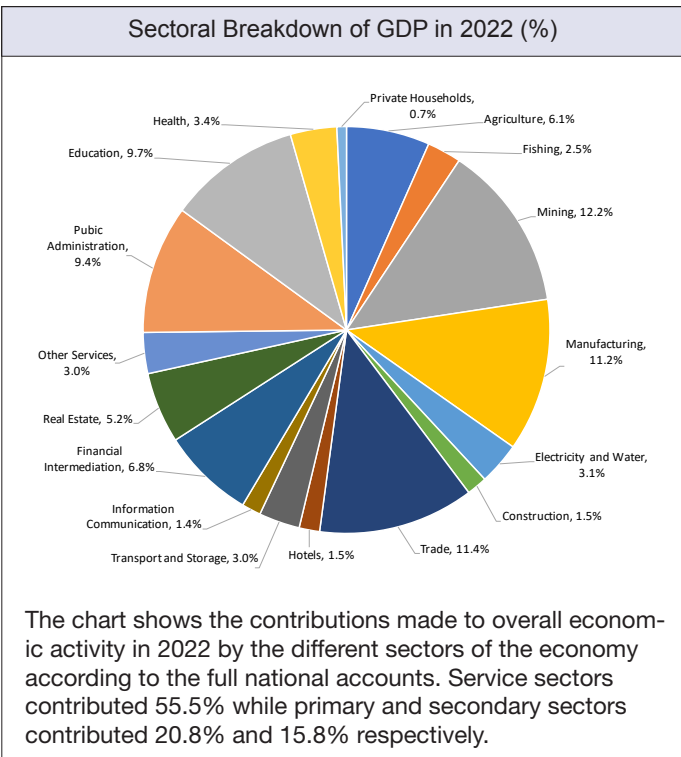
Investment by the private sector, SOEs, and government measured in 2015 prices rose slightly in 2021 but fell back again in 2022.

Private Fixed Investment (% of GDP)



Total private and non-mining private fixed investment fell slightly after picking up marginally in 2021.

Key Economic Variables



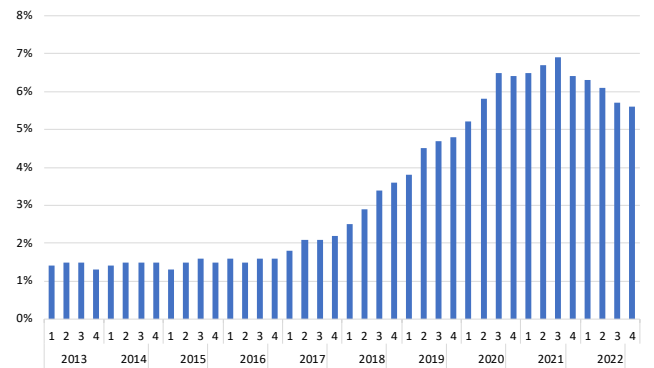
Key Economic Variables

Private Sector Credit Extension (% y-o-y)



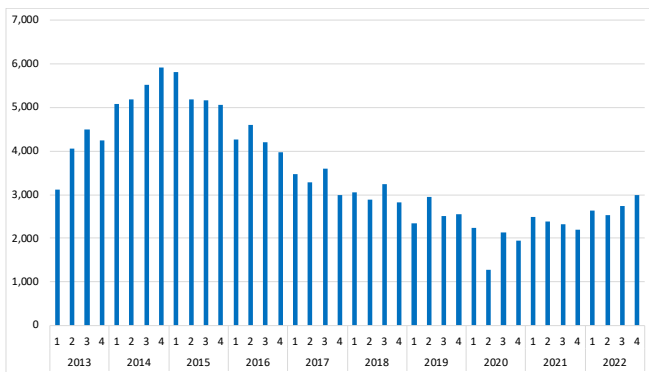
Credit growth to business has fallen back again after recovering from the lows of 2021 whilst credit to households has continued to show steady improvement as has residential mortgage lending.

Non-Performing Loans (% of Total Loans)



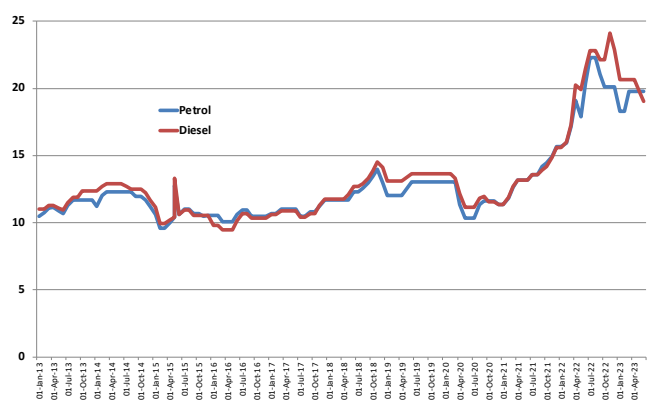
The ratio of Non-Performing Loans (NPLs) reported by the commercial banks to the Bank of Namibia continued to fall from a peak of 6.9% at the end of Q3 2021 to reach 5.6% at the end of Q4 2022.

New Vehicle Sales (Units Sold)



The combined sales of new commercial and private vehicles rose from 2,746 in Q3 2022 to 2,993 in Q4 2022, the highest level since Q3 2018.

Price of Petrol and Diesel (N\$/l)



Controlled petrol and diesel prices stabilised somewhat during the quarter. Petrol remained at N\$19.78 per litre while diesel fell from N\$20.65 to N\$19.05 per litre over the quarter.

Data Trends

	Unit	2016	2017	2018	2019	2020	2021	2022
Annual Economic Growth								
GDP	%	0.0%	-1.0%	1.1%	-0.8%	-8.1%	3.5%	4.6%
GDP current prices	N\$m	157,708	171,570	181,067	181,211	174,243	183,940	206,205
Change in Mining Value Added	%	-10.7%	14.2%	16.1%	-8.7%	-15.0%	11.0%	21.6%
Change in Manufacturing Value Added	%	10.0%	-1.6%	-0.4%	4.7%	-17.1%	-1.2%	5.0%
Fixed Investment								
Fixed Investment	% of GDP	21.8%	17.9%	16.9%	15.8%	13.7%	16.0%	14.1%
Change in Fixed Investment	%	-27.7%	-13.7%	-6.0%	-9.5%	-17.7%	18.4%	-10.7%
Fixed Investment - Government	'000 N\$m	5,586	5,127	4,858	4,616	3,961	3,651	4,378
Fixed Investment - SOEs	'000 N\$m	4,000	4,068	3,678	2,034	1,048	1,237	1,245
Fixed Investment - Private	'000 N\$m	24,836	21,570	22,008	21,893	18,802	24,550	23,378
Prices and Interest Rates								
Average Inflation	%	6.7%	6.1%	4.3%	3.7%	2.2%	3.6%	6.1%
Year End Prime Lending Rate	%	10.75%	10.50%	10.50%	10.25%	7.50%	7.50%	10.50%
Year End Repo Rate	%	7.00%	6.75%	6.75%	6.50%	3.75%	3.75%	6.75%
Trade and Balance of Payments								
Exports - total goods	N\$b	48.0	49.8	56.6	57.5	53.7	53.8	69.7
Exports - total services	N\$b	7.2	7.9	8.4	8.4	5.0	4.8	7.9
Imports - total goods	N\$b	82.9	73.8	75.2	77.0	66.5	84.0	107.5
Imports - total services	N\$b	10.1	7.9	7.8	7.3	8.8	8.2	8.8
Trade Balance	N\$b	-37.8	-24.0	-18.0	-18.3	-16.7	-33.6	-38.6
Balance of Payments	N\$b	-23.3	-5.5	-4.3	-2.3	6.6	-18.4	-27.2
as % of GDP	%	-14.7%	-3.2%	-2.4%	-1.3%	3.8%	-10.0%	-13.2%
Foreign Exchange								
Year End Exchange Rate (N\$ to USD)	N\$	13.6240	12.3930	14.4116	14.0418	14.6246	15.8899	16.9831
Year End Exchange Rate (N\$ to EUR)	N\$	14.3403	14.8063	16.4848	15.7437	17.9897	17.9794	18.1057
Year End Exchange Rate (N\$ to GBP)	N\$	16.7264	16.6789	18.3424	18.4383	19.9801	21.4752	20.4714
Foreign Exchange Reserves	N\$b	24.7	30.2	31.0	28.9	31.7	43.9	
Fitch credit rating (at year end)		BBB- (-ve)	BB+ (stable)	BB+ (stable)	BB	BB (negative)	BB (negative)	BB- (stable)
Moody's credit rating (at year end)		Baa3 (-ve)	Ba1 (-ve)	Ba1 (-ve)	Ba2 (stable)	Ba3 (negative)	Ba3 (negative)	B1 (stable)
Financial Sector								
Private Sector Credit Extension Growth	%	8.9%	5.1%	6.6%	6.8%	2.0%	1.2%	4.2%
Non-Performing Loans	% of total loans	2.5%	2.9%	3.6%	4.8%	6.4%	6.4%	5.6%
NSX Overall Index (at year end)	Index	1,069	1,206	1,303	1,306	1,232	1,572	1,639
NSX Local Index (at year end)	Index	547	591	621	614	456	529	507
New Local Listings		0	1	0	1	0	1	0
Business Indicators								
Namdeb Diamond Production	'000 carats	1,573	1,805	2,008	1,700	1,448	1,467	2,137
Uranium Production	tonnes	3,654	4,224	5,525	5,476	5,413	5,753	5,613
Gold Production	kg	6,604	7,272	6,171	6,526	6,254	7,103	6,992
SHG Zinc Production	tonnes	85,427	84,215	65,993	67,295	659	0	0
Mining Licences Granted	number	1	2	3	4	6	11	8
Exploration Licences Granted	number	142	174	259	297	243	97	56
Number of Companies Formed	number	1,409	1,110	2,851	1,153	852	n/a	1,153
New Vehicle Sales	number	17,038	13,352	11,998	10,379	7,606	9,414	10,919
Tourist Arrivals	'000	1,469	1,499	1,557	1,596	170	233	n/a
- From Africa	'000	1,094	1,091	1,164	1,252	112	163	n/a
- From Europe	'000	295	312	306	256	45	59	n/a
- From RoW	'000	81	97	87	89	12	11	n/a
International Arrivals at HKIA	'000	143	213	247	215	46	63	163
Regional Arrivals at HKIA	'000	248	242	239	223	45	64	134

Data Trends

		2016	2017	2018	2019	2020	2021	2022	
Employment									
Government		88,421	n/a	86,587	n/a	n/a	n/a	n/a	
Parastatals		25,558	n/a	30,654	n/a	n/a	n/a	n/a	
Private Companies		235,877	n/a	214,693	n/a	n/a	n/a	n/a	
Private Households		136,417	n/a	70,036	n/a	n/a	n/a	n/a	
Total		486,273	n/a	401,970	n/a	n/a	n/a	n/a	
Government Finances									
		FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Revenue	N\$bn	50.9	58.7	55.9	58.4	57.8	55.4	64.1	68.9
Expenditure	N\$bn	62.2	67.5	65.3	66.6	72.0	70.2	74.7	78.0
Balance	N\$bn	-11.4	-8.9	-8.4	-8.2	-14.2	-14.9	-10.6	-9.1
Public Debt	N\$bn	69.9	74.5	87.5	100.4	110.6	126.1	138.4	149.1
Interest Payments	N\$bn	4.3	5.4	6.3	7.0	7.4	7.7	9.1	9.9
Public Guarantees	N\$bn	6.4	11.0	10.9	11.1	12.7	10.1	10.2	10.1
Revenue	% of GDP	31.6%	33.7%	30.9%	32.6%	32.8%	29.6%	31.4%	34.7%
Expenditure	% of GDP	38.6%	38.8%	35.5%	37.3%	40.9%	37.5%	36.6%	39.3%
Balance	% of GDP	-7.1%	-5.1%	-4.6%	-4.6%	-8.1%	-8.0%	-5.2%	-4.2%
Public Debt	% of GDP	43.4%	42.8%	48.4%	56.0%	62.7%	67.2%	68.9%	70.1%
Interest Payments	% of revenue	8.5%	9.3%	11.3%	11.9%	12.8%	13.9%	14.3%	13.4%
Public Guarantees	% of GDP	3.9%	6.3%	6.0%	6.2%	5.8%	5.5%	4.9%	5.9%
International Rankings									
		2016	2017	2018	2019	2020	2021	2022	2023
Global Competitiveness Index Ranking		84/135	99/135	100/140	94/141	n/a	n/a	scrapped	
Global Competitiveness Index		4.0	4.0	4.0	54.5	n/a	n/a	scrapped	
Energy Transition Index Ranking		53/114	56/114	59/114	58/115	63/115	59/115	n/a	
Energy Transition Index		57.6	56.9	57.4	58.1	57.7	58.2	n/a	
Ease of Doing Business Ranking		104/189	108/190	106/190	107/190	104/190	scrapped	scrapped	
Ease of Doing Business Index		59.61	59.57	60.29	60.53	61.4	scrapped	scrapped	
Corruption Perceptions Index Ranking		n/a	53/180	52/180	56/180	57/180	58/180	59/180	
Corruption Perceptions Index		52	51	53	52	51	49	49	
Ibrahim Index of African Governance Ranking		7/54	8/54	7/54	7/54	8/54	8/54	n/a	
Ibrahim Index of African Governance		64.7	64.4	64.7	64.3	64.1	64.1	n/a	
Investment Attractiveness Index Ranking		53/104	54/91	60/83	55/76	52/77	59/84	38/62	
Investment Attractiveness Index		66.11	60.67	56.66	58.22	59.72	52.59	59.88	
Open Budget Index (out of 100)		n/a	50	n/a	51	n/a	42	n/a	
World Press Freedom Index - Ranking		17/180	24/180	26/180	23/180	23/180	24/180	18/180	22/180

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 and Public Enterprises, 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 2021 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.

Note: From Q4 2021 we have included the annual Energy Transition Index and Ranking produced by the World Economic Forum. In 2021 Namibia ranked 59th out of 115 countries.