

NAMIBIA QER Q1 2024

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Quarter Summary

Macroeconomic Situation

The economic recovery which has been taking place since 2021 turned out to be stronger than first anticipated. The Namibia Statistics Agency published a full set of GDP statistics for 2023 which showed that GDP growth for 2022 was 5.3% and growth for 2023 was 4.2%, high by historical standards. The Minister of Finance’s latest forecasts presented in his budget speech foresee GDP growing by 4.0% in 2024, 3.9% in 2025 and 3.2% in 2026.

For a second consecutive quarter the Bank of Namibia held its key repo rate constant at 7.75% over the quarter, which included one Monetary Policy Committee meeting, whilst the South African repo remained 8.25% throughout the same period. The Bank of Namibia’s last MPC statement in February strongly suggested inflation and therefore interest rates have peaked and “inflation pressures are expected to continue receding with consumer price inflation projected to average 4.8% in 2024, unchanged compared to the previous forecast”.

The Bank of Namibia Monetary Policy Announcement Dates for 2024

14 February 2024
17 April 2024
19 June 2024
14 August 2024
23 October 2024
4 December 2024

Finance and Public Enterprises Minister Iipumbu Shiimi tabled the National Budget for FY24/25 in Parliament on 28 February. Revenues are forecast to rise by 11.5% to reach N\$90.4 billion while total expenditure is forecast to rise by 11.9% to N\$100.1 billion which included N\$12.6 billion in development expenditure and N\$3.2 billion outside the State Revenue Fund. Interest payments on public debt continue to breach government's self-imposed target. Higher revenue permitted higher spending while at the same time keeping the size of the budget deficit in relation to the economy at 3.2% of projected GDP and reducing the ratio of public debt to projected GDP at 60.1% by the end of FY24/25.

Political Transition

Namibia confronted an historically unprecedented situation in its post-Independence history with President Hage Geingob's untimely passing on 4 February, just over a year before his second five-year mandate was due to end. Vice President Nangolo Mbumba was sworn in as Namibia's new president later that day in accordance with the Constitution. On 9 February President Mbumba made several changes to Cabinet - appointing Netumbo Nandi-Ndaitwah as the new Vice President of Namibia and John Mutorwa as the new Deputy Prime Minister in addition to his role of Minister of Works and Transport. Dr Peya Mushelenga was appointed as the new Minister of International Relations and Cooperation and Emma Theofelus was promoted to Minister of Information and Communication Technology thereby becoming the youngest serving minister on the African continent at 27.

Special Feature: Does Government Indulge in Election Budgets?

Introduction

This year is election year in Namibia. Presidential and National Assembly elections have been set for 27 November 2024. A well-established international literature exists on how electoral cycles in democratic countries affect economic policy. More specifically, the dates of upcoming elections (which may or may not be within the control of the governing party) have a strong influence on a range of economic policies including fiscal and monetary policies. For the past few decades, independent central banks have been entrusted with the setting of interest rates and one reason for this was that monetary policy and monetary policy credibility was undermined by politicians who would set interest rates for short-term political gain rather than long-term economic benefit. While it is debatable how independent Namibia's central bank is, its policy goal exists essentially in maintaining parity between the Namibia Dollar and the South African Rand which strongly limits its freedom of action. Even if politicians wanted to lower interest rates going into an election, it would be difficult for them to do so. Which leaves fiscal policy.

Is there evidence that government in Namibia uses fiscal policy in election years to secure electoral advantage either on the revenue side of the budget (for example by reducing taxes on important members of the electorate such as farmers or business owners) or on the expenditure side of the budget (for example by increasing spending on social pensions or on key constituencies)? Since Independence, general elections in Namibia have taken place every five years: in 1994, 1999, 2004, 2009, 2014, 2019 and are due to take place in 2024. This short feature therefore examines these budgets to see if there is evidence this takes place. In doing so it is worth keeping in mind the strength of government's mandate following successive elections. The SWAPO government has received clear majorities since the first national elections in 1989 and has enjoyed a majority of over two-thirds, sufficient to change the Constitution, for the period from 1994 to 2019 (the Constitution was indeed changed three times during that period, in 1998, 2010 and 2014).

Table 1: SWAPO's Electoral Performance

	1989	1994	1999	2004	2009	2014	2019
% of Vote (President)		76.3%	76.8%	76.5%	75.3%	86.7%	56.3%
% of Vote (Parliament)	57.3%	72.7%	76.2%	75.8%	74.3%	80.0%	65.5%
SWAPO Seats	41	53	55	55	54	77	63
Other Parties Seats	31	19	17	17	18	19	33
Total Seats in Parliament	72	72	72	72	72	96	96

Of course, elections and budgets have a complex two-way relationship: in principle, good budgets can lead to good election results while good election results can provide a mandate to execute good budgets. A strong mandate can lessen the need to offer electoral sweeteners prior to elections.

The 1994/95 Budget

The 1994/95 budget speech was tabled by Minister of Finance Gert Hanekom on 17 March 1994. Hanekom had replaced Namibia's first Minister of Finance Otto Herrigel who had resigned in April 1992 after it transpired he had been kept in the dark about the purchase of the presidential jet. Hanekom started his budget statement by mentioning the forthcoming elections – independent Namibia's first – and recalling that the previous year's budget had not been a popular one and expressed the hope that this 1994/95 budget was to be "less unpopular" than the last as the economy was expected to recover after several years of stagnation. It was the first budget since Independence to be presented to Parliament before the start of the financial year. It also took place shortly after Namibia had introduced its own currency, shortly after Walvis Bay had been reintegrated into Namibia, and before South Africa's first democratic elections due between 26 and 29 April 1994. Namibia's neighbour, Hanekom emphasised, was "balanced on a knife-edge".

Namibia's public debt was due to rise to 24.6% of GDP by the end of the budget year which was considered high in those days although still looked favourable compared to many other African countries. Public spending on civil service salaries had reached 49.6% of total expenditure, partly as a result of the policy of national reconciliation which prevented existing civil servants from being fired to achieve a racially more balanced bureaucracy.

Cabinet had decided that the budget would aim to meet four objectives: ensure financial and economic stability by strengthening public finance management and fiscal discipline, maintain a strong balance of payments and foreign reserves, gradually shift towards a growth-oriented budget, and continue to redress social inequities. There was much emphasis on creating an investor-friendly environment.

The Ministry had already implemented some major tax changes in previous years and this budget limited itself to the introduction of new individual income tax scales and a higher tax threshold of N\$10,000. Previous tax incentives to manufacturing enterprises were extended so that 80% of profits resulting from the export of manufactured goods (except fish and meat products) would be tax exempt from 1 January or 1 March 1994. All in all, there was little in the budget to suggest it was designed in any obvious way to win an election rather than help meet government's long-term objectives.

The 1999/00 Budget

The 1999/2000 budget was tabled by Minister of Finance Nangolo Mbumba on 7 April 1999. The Constitution had already been changed to allow President Nujoma to stand for a third term (Namibian Constitution First Amendment Act of 1998). The newly formed Congress of Democrats was attempting to provide serious competition to SWAPO. Mbumba stressed that the budget was being presented “under the shadow of a global crisis” which had started in the financial systems of a few South-East Asian countries but had spread to include most Asian economies and eventually all emerging markets including Brazil and Russia. This, he said, highlighted the downside of globalisation. Partly as a result of these global developments, growth in Namibia had slowed and interest rates had risen while the TCL mines and smelter had closed and uranium mining was depressed due to low global prices. Government had not yet set fiscal targets for itself and total public debt was estimated to reach 23.5% by the end of the fiscal year, which was considered relatively high by the orthodoxy of the day.

Mbumba did not mention the forthcoming elections at all but did say that the approved employment of about 9,000 ex-combatants in the civil service (known as the “Peace Project”) would boost real value added by Government considerably. The Minister admitted that numerous wage and staffing adjustments had made it difficult for the Treasury to enforce the original Wages and Salaries Commission (WASCOM) recommendations and Cabinet had decided to revisit the initial intentions of the Commission and to examine the lack of progress, to “reassess existing policies and measures to achieve the desired down-sizing of the civil service and to make fresh policy recommendations.” Mbumba addressed the issue of reforming public enterprises and that financial distress among certain parastatals had “evidenced the need for a critical enquiry into the financial performance of public enterprises” and stating that the idea of creating a State Enterprise Management Board was being considered as was the privatisation of some powerful and financially sound parastatals such as NamPower and Telecom. The Minister said he would address the plight of the poor not only by the employment programme for ex-combatants but also through the Poverty Reduction Strategy, the Labour Based Works Policy and the Drought Fund. As well as direct employment in the civil service, the Minister announced that all registered unemployed war veterans over 55 would receive social pensions of N\$500 per month from the War Veteran Trust Fund. Partly because of the Peace Project, civil service salaries were temporarily frozen. The Minister expected public service employment to rise from 70,895 to 78,249. Capital expenditure was projected to increase by 22% compared to the decrease of 12% experience in the previous year.

On taxation, the Minister said that progress had been made in improving Namibia’s tax system but further improvements had to be made. Preparations were being made to introduce VAT (after the elections) but he also announced that he had appointed a Tax Advisory Committee to review the tax system in its totality. VAT would include a dual-rate system and zero-rating to address the position of the poor. The Minister had already committed to reverse tax increases in the previous year’s budget. He announced a reduction in the rate of corporate income tax for non-mining companies from 40% to 35% and a reduction of 5% for non-diamond mining companies to the level it had been before the increase of the year before. For individuals he raised the income tax threshold from N\$15,000 to N\$20,000, reduced the number of tax bands from eight to five, and brought the maximum marginal rate down from 40% to 35% while introducing a new 36% rate for high earners. Cabinet decided to increase fuel levies to help pay for some of the tax reforms.

The 2004/05 Budget

The 2004/05 budget was tabled by Minister of Finance Saara Kuugongelwa-Amadhila on 24 March 2004 which, she said was prepared against the background of a recovering international economic outlook and a challenging domestic economic situation. She did not mention Namibian elections which were to be the first in which President Nujoma was not SWAPO's presidential candidate. Namco had ceased operating but zinc output was expected to rise as the new Skorpion zinc mine ramped up production. Inflation and interest rates were coming down. Perhaps unsurprisingly given the technocratic background of the new Minister, her first budget speech was a remarkably technocratic affair focusing on budgeting and financial sector issues and highlighting the creation of the Development Bank of Namibia, the new Central Governance Agency, the restructuring of Air Namibia, the establishment of a new SACU Secretariat, the introduction of the Land Tax, and a Sovereign Debt Management Strategy. She expected debt to reach 32.0% of GDP at the end of the fiscal year, far higher than Government's 25% self-imposed target. No new tax measures were announced in the budget. On the spending side the one arguably electorally striking measure was the increase in the social pension from N\$250 to N\$300 per month. The Minister's austere and technocratic approach resulted in Namibia achieving its first budget surpluses a few years later, something that has never been repeated.

The 2009/10 Budget – “Weathering the Storm”

The 2009/10 budget was tabled by the Minister of Finance Saara Kuugongelwa-Amadhila on 19 March 2009 in the midst of the global financial crisis. For the first time, a Namibian Minister of Finance addressed the issue of election budgets by stating that “some local analysts have been suggesting that this budget will be an election budget” but that “we in SWAPO-Party are always responsive to the needs of our people, not only during election years.” During the previous four years the Minister had managed to increase revenue considerably, had achieved balanced budgets in three successive years, and reduced the level of public debt. Although she did not say it, this meant Namibia was in a strong position to counter the shock of the global crisis and reductions in interest rates further helped cushion the blow caused by plunging international demand. The budget was another rather technocratic affair highlighting changes to domestic asset requirements and the Financial Service Sector Charter. But the Minister had put in place the steps necessary to pursue her fiscal stance “Weathering the Storm” to counter the effects of the global crisis which would take public debt as a proportion of GDP from 21.7% in 2009/10 to 29% in 2011/12. The budget contained some tax measures: on gratuities, pension payments, and the personal tax threshold was raised to N\$40,000 and marginal rates amended and a higher 37% rate introduced on high earners. Corporate tax on non-mining companies was reduced from 35% to 34%, some changes were made to transfer duties on commercial farms and corporate bodies, an environmental levy introduced on disposable products, and zero rating introduced for VAT on some essential items.

The 2014/15 Budget – “Inclusive Growth and Fiscal Sustainability: Jointly Doing More with Less”

The 2014/15 budget was tabled by the Minister of Finance Saara Kuugongelwa-Amadhila on 19 February 2014. It was to be her last budget. SWAPO had selected Hage Geingob as its presidential candidate for the election later in the year. The budget took place against a background of a “global economy recovering after many years of fragility and uncertainty.” Namibia's economy was growing strongly after the shock of the global crisis. Inflation and interest rates were edging downwards. Namibia had had its sovereign credit ratings with Moody's and Fitch reaffirmed. Namibia had issued its first Eurobond. Again the budget speech was taken up with technicalities such as the creation of NamRA, clearing systems and banking regulation, a banking code of practice, Financial Service Ombudsman Bill and Consumer Credit Bill, NAMFISA and Financial Institutions and Markets Bill, Regulation 29 but also highlighted the Targeted Intervention Programme for Employment and Economic Growth (TIPEEG) having seen N\$14.5 billion allocated over three years creating 83,315 jobs. The development budget would grow by 17.6% compared to the previous year. Debt was forecast to grow to 27.2% of GDP. Some key tax measures were announced including the further reduction of the corporate income tax rate from 35% to 34% and the VAT threshold raised from N\$200,000 to N\$500,000. Grants to orphans and vulnerable children were raised to N\$250 per month but the social pension remained the same after increases in the previous two years.

The 2019/20 Budget

The 2019/20 budget was tabled by the Minister of Finance Calle Schlettwein on 27 March 2019. Schlettwein had been appointed by incoming President Geingob in March 2015. President Geingob had declared 2019 the “Year of Accountability” but growth had flatlined since 2016 and it was far from clear who was going to be held accountable. Public expenditure and borrowing had got out of control necessitating a period of fiscal consolidation, something the Minister himself recognised stating “at 49.2% of GP, total debt will not allow for further aggressive debt financing as this is not a sustainable option”. The Minister argued the budget provided a growth stimulus, a reduction in the budget deficit, and the timely implementation of enabling structural policy reforms. He laid out a broad range of tax reforms from the abolition of EPZ incentives, to a 10% dividend tax for residents, changes to the taxation of trusts and charitable religious and educational institutions, retirement fund contributions, VAT on listed asset managers and sales of shares, the removal of VAT zero-rating on sugar, and disallowing the deductibility of royalties for non-diamond mining entities. New environmental levies were announced. Changes to tax administration were set out. The social pension was increased by N\$50 to N\$1,250 per month.

The 2024/25 Budget – “Continuing the Legacy of HE Dr Hage G Geingob by Caring for the Namibian Child”

The 2024/25 budget was tabled by the Minister of Finance and Public Enterprises Iipumbu Shiimi on 28 February 2024 in the wake of the untimely death of Namibia’s third president Hage Geingob. Since the previous election, Namibia had been hit by the Covid pandemic and the rise in global inflation brought about by Russia’s full-scale invasion of Ukraine in February 2022. Since the onset of Covid the Minister’s main macroeconomic fiscal objective had been to stabilise levels of public debt which had threatened to exceed 70% of GDP. By the time of the budget the global economy was “showing resilience in the face of significant adverse risks that prevailed since the onset of the global pandemic” and the domestic economy was in the process of a full recovery although inflation and interest rates were still higher than they had been for some time. Diamonds provided one exception to the overall positive picture which after several years of austerity allowed a meaningful increase in overall expenditure including a 58.1% increase in development spending. The Minister announced a civil service wage increase of 5%. Some important tax measures were announced including the raising of the personal income tax threshold from N\$50,000 to N\$100,000 while he confirmed corporate income tax would come down to 31% from 1 January 2024 and 30% from 1 January 2025 and 28% during 2026/27. Within the envisaged Special Economic Zones, the corporate tax rate will be 20%. The VAT threshold is raised from N\$500,000 to N\$1 million taking an estimated 23,000 SMEs out of the VAT net. An Internship Tax Incentive Programme will be introduced while other tax changes to building deductions and transfer and stamp duties are adjusted.

Conclusions

Admittedly, the concept of an electoral bribe is a nebulous one and it is not always easy to distinguish between an outright bribe and a sensible fiscal measure. And what is the difference between electoral bribes and responding to democratic pressure? No particular pattern emerges from the seven “election budgets” briefly examined above. Most revenue and expenditure measures form part of legitimate longer-term economic objectives set within a resource envelope defined by global and domestic economic conditions over which ministers of finance have little control. It is hard for Namibian governments to engineer economic booms, especially when public debt levels are high, which has been the case for most of the period after Independence (although the term “high” itself has changed over time).

One may suspect that there are specific actions that the government may employ in election years to sweeten the electorate for example raising the state pension (older people may be more likely to vote which is the case in many other countries) or increasing the pay of civil servants. But then again raising pensions and public sector pay are government objectives which people understand it will pursue when circumstances permit.

It is possible that the development or capital budgets contain “electoral bribes” targeted on particular locations. This brief examination cannot go into such detail. The Northern Railway Line Extension or the Neckartal Dam may be examples of this. They may not make much of a direct electoral impact but they do allow Government to say they are addressing the needs of particular parts of the country whatever their usefulness might be.

While drought, HIV/AIDS, Covid pandemic and other situation-specific measures have given rise to action, these are surely completely legitimate and simply come about as a democratic government responds to the needs of the population. Perhaps the most political issue government has had to deal with over the years has been addressing the plight of ex-combatants in the 1990s. It took political competition for government to finally grasp this nettle a decade after independence which surely required action. The “Peace Project” kept the peace at an affordable price to the fiscus.

It is remarkable that a Minister of Finance was able to tighten the fiscal reins in the way Minister Kuugongelwa-Amadhila managed to do in the mid-2000s perhaps a reflection of what could be done while SWAPO was at the height of its electoral powers and the economy was growing. This enabled government to respond to the downturn brought about by the global financial crisis. It seems that technocratic ministers of finance like Kuugongelwa-Amadhila and Shiimi are allowed to do what they believe to be right without undue interference from other Cabinet colleagues provided they do not undertake radical reform of Namibia’s two holy cows: the public service or the public enterprise sector.

News Highlights

Date	Highlight	Commentary
29 March	Namibia launches visa on arrival for 58 countries (<i>The Namibian</i>)	Home Affairs, Immigration, Safety and Security Minister Albert Kawana officially launched visas on arrival for 58 countries at the Oshikango, Mohembo, Oranjemund, Ariansvlei and Noordoewer border posts.
27 March	IPPR report calls for Samherji reparations (<i>SeafoodSource</i>)	The Institute for Public Policy Research (IPPR) published a report “We are the Ones that Suffered Most” which traces the Fishrot case and calls for the Icelandic company Samherji at the centre to pay reparations and fully acknowledge its role in the scandal.
26 March	Namibia invited to join International Hydrogen Trade Forum (<i>New Era</i>)	The Namibian Green Hydrogen Programme (NGH2P) has been invited to join the International Hydrogen Trade Forum allowing Namibia to participate in an annual ministerial meeting and ministerial-CEO roundtable to advance the green hydrogen ecosystem internationally.
20 March	Hyphen recognised as strategic foreign project by Germany (<i>H2View</i>)	The German government presented a Letter of Intent to En-ertrag to confirm that its Hyphen Hydrogen Energy project in Namibia is a “strategic foreign project” for Germany.
18 March	Rosatom advises Namibia to go nuclear (<i>New Era</i>)	Russia’s state Atomic Energy Corporation (Rosatom) Viktor Riedel said the company could construct a nuclear power plant in Namibia in the foreseeable future. This might include a floating nuclear plant.
14 March	President Mbumba gives State of the Nation Address	Newly-installed President Mbumba gave his first State of the Nation Address in which he paid tribute to the late President Geingob and highlighted the significance of the discovery of oil and gas as well as green hydrogen for the country’s future.
13 March	Namibia’s population exceeds 3 million (<i>Namibia Economist</i>)	According to a preliminary report issued by the Namibia Statistics Agency from the 2023 Population and Housing Census, Namibia’s population reached 3,022,401 indicating an increase of 909,324 since the last census in 2011. This implies a doubling of the intercensal growth rate to 3% from 1.4% between 2001 and 2011.
11 March	O&L acquires Dimension Data (<i>The Namibian</i>)	The O&L Group is set to become the only shareholder of Dimension Data in Namibia acquiring the remaining 49% of the company.
10 March	Nandi Ndaitwah endorsed by Central Committee (<i>The Namibian</i>)	SWAPO Vice President Netumbo Nandi-Ndaitwah was endorsed by the central committee as the party’s presidential candidate and it was agreed to hold an extraordinary congress on 19 April 2025.
11 March	Dundee Precious Metals sold (<i>The Namibian</i>)	Dundee Precious Metals announced that it had entered into a definitive share purchase agreement for the sale of its Tsumeb Smelter for N\$930 million to a Chinese company, the Sinomine Resource Group. The deal requires approval by the Namibia Competition Commission.

News Highlights

Date	Highlight	Commentary
8 March	Namibia calls for lifting of US sanctions against Zimbabwe (<i>Xinhua</i>)	The Namibian government strongly condemned the US' recent announcement of new sanctions against Zimbabwe and called for the immediate lifting of all illegal economic sanctions. Incoming International Relations and Cooperation Minister Peya Mushelenga said in a statement that Namibia emphasised its commitment to the principles of non-interference in the internal affairs of sovereign nations and does not recognise unilateral coercive measures imposed without the authorisation of the UN Security Council.
7 March	Namibia to hold elections on 27 November (<i>Xinhua</i>)	Urban and Rural Development Minister Erastus Uutoni announced that Namibia will hold presidential and National Assembly elections on 27 November 2024.
5 March	US grants US\$1 million to green hydrogen fund (<i>H2 View</i>)	The US Government announced a US\$1 million grant to Namibia Hydrogen Fund Managers to support Namibia's green hydrogen initiatives.
2 March	Green hydrogen office appoints 7 executives (<i>The Namibian</i>)	The Namibian Green Hydrogen Programme, headed by James Mnyupe, appointed seven executives to its implementation office on three-year contracts from 1 February.
28 February	Finance Minister tables FY24/25 National Budget (<i>Ministry of Finance</i>)	Finance and Public Enterprises Minister Iipumbu Shiimi tabled the N\$100.1 billion National Budget forecasting growth at 3.9% for 2024 and a budget deficit of 3.9% of GDP. More analysis on the budget can be found here .
25 February	Former President Geingob buried (<i>The Namibian</i>)	After 20 days of mourning, late President Geingob was buried at Heroes Acre with thousands of mourners and 25 heads of state and former presidents in attendance.
23 February	Namibia greylisted (<i>The Namibian</i>)	The Financial Action Task Force (FATF) has grey-listed Namibia over concerns about its effectiveness in combating money laundering, terrorist financing, and proliferation financing. Bank of Namibia Governor Johannes IGawaxab said the country had been placed under increased monitoring.
21 February	Otjikoto mine produces 81,111 ounces of gold in Q4 2023 (<i>B2Gold</i>)	B2Gold reported that its Otjikoto mine produced a quarterly record of 81,111 ounces of gold in Q4 2023 mainly due to higher grade ore from the Wolfshag underground mine. Production for the year 2023 was 208,598 ounces, an annual record.
14 February	Bank of Namibia holds repo rate (<i>Bank of Namibia</i>)	The Monetary Policy Committee (MPC) of the Bank of Namibia decided to hold the key repo rate constant at 7.75% for the fourth time in a row.
9 February	President Mbumba makes key appointments	Newly sworn-in President Mbumba appointed Netumbo Nandi-Ndaitwah as the new Vice President of Namibia and John Mutorwa as the new Deputy Prime Minister in addition to his role of Minister of Works and Transport. Dr Peya Mushelenga was appointed as the new Minister of International Relations and Cooperation and Emma Theofelus was promoted to Minister of Information and Communication Technology.

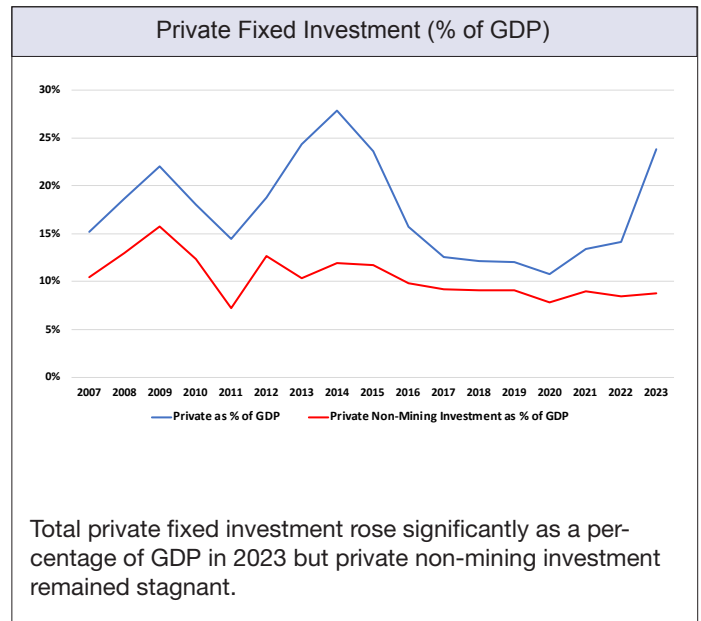
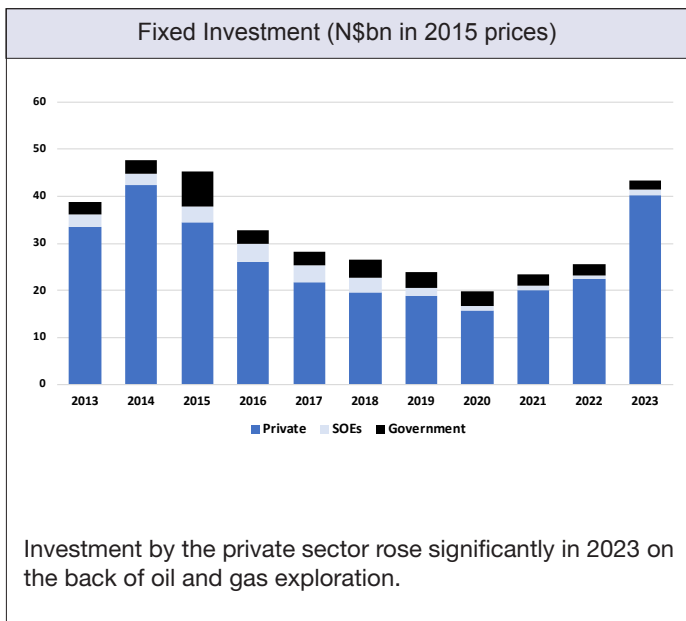
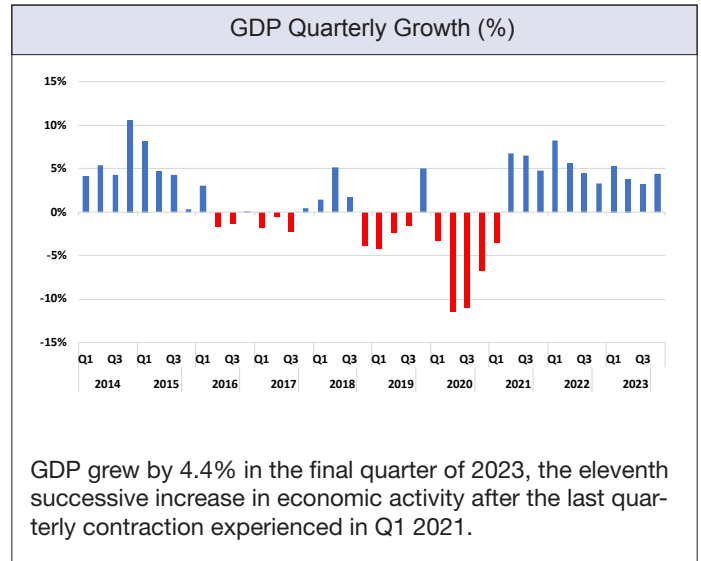
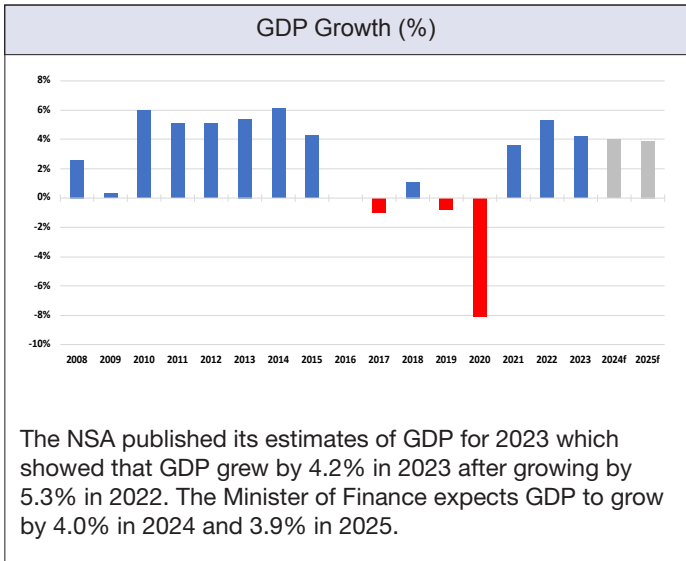
News Highlights

Date	Highlight	Commentary
9 February	Sixth Tourism Satellite Accounts launched (<i>Namibia Economist</i>)	The sixth Tourism Satellite Account Report for 2022 was launched which showed tourism contributed 6.9% to Namibia's GDP in 2022 worth N\$14.3 billion and directly employing 57,571 people.
8 February	Namdeb produced 566,000 carats in Q4 2023 (AA)	Anglo American (AA) reported that Namdeb Holdings produced 566,000 carats in Q4 2023 compared to 530,000 carats in Q3 2023 and 590,000 carats in the same quarter of 2022. Out of the latest quarterly total 131,000 carats came from land-based operations. Total production for the year reached a record 2.327 million carats.
4 February	President Geingob dies	Vice President Nangolo Mbumba announced that Namibia's third president Hage Geingob died at the age of 82 on Sunday morning in hospital with his wife and children by his side. He had arrived back from treatment in the US on 30 January after it had been announced he had been diagnosed with cancer on 8 January. Later in the day Mbumba was sworn in as Namibia's fourth president.
31 January	Namibia stagnates in anti-corruption (<i>The Namibian</i>)	The Institute for Public Policy Research says Namibia needs concerted action to demonstrate it is serious about fighting corruption after Transparency International published its 2023 Corruption Perceptions Index showing that Namibia had made no progress in the last three years scoring 49 out of 100.
29 January	Ministry to consult on legislation (<i>The Namibian</i>)	The Ministry of Industrialisation and Trade announced it would hold public consultations on the Special Economic Zones Bill, the National Informal Economy, Start-Ups and Entrepreneurship Development Policy, the Namibia Investment Promotion and Facilitation Regulations, and the National Cooling Strategy.
19 January	President Geingob to undergo treatment for cancer (<i>Reuters</i>)	The President's Office announced that 82-year-old President Geingob was to undergo treatment after being diagnosed with cancer during a medical check-up earlier in the month.
18 January	Namcor gets N\$1.3 billion bailout (<i>The Namibian</i>)	After Cabinet rejected a proposed bailout made in October 2023, Finance and Public Enterprises Minister Iipumbu Shimi wrote to the board of Namcor stating that government would "issue a sovereign guarantee for Namcor to secure the required funding to stabilise operations." The bailout means Namcor, which as of September 2023 owed its suppliers N\$1.9 billion, has a lifeline to avoid liquidation.
13 January	Namibia fifth in African passports (<i>Business Day Nigeria</i>)	According to official data from the International Air Transport Association (IATA) and the 2024 Henley Passport Index, Namibian passport comes fifth in Africa allowing visa-free access to 80 destinations behind the Seychelles (156), Mauritius (150), South Africa (108), Botswana (91) and equal to Lesotho (80).

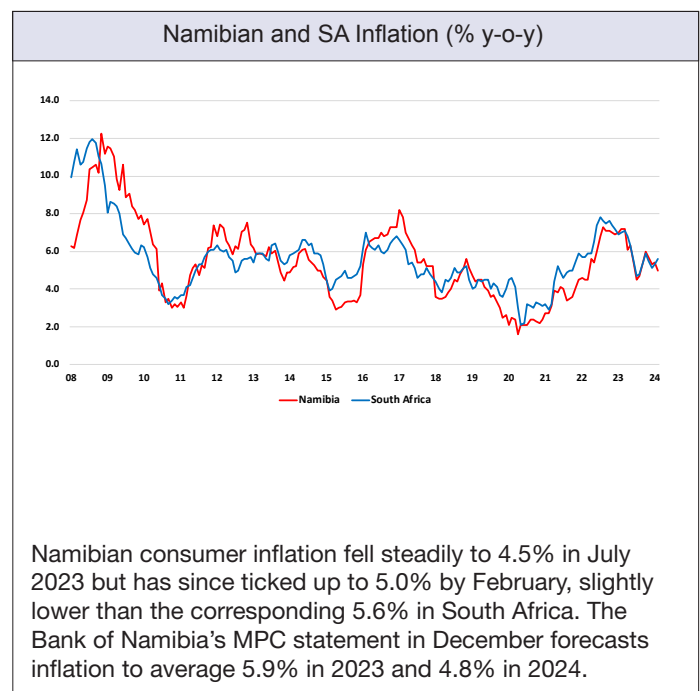
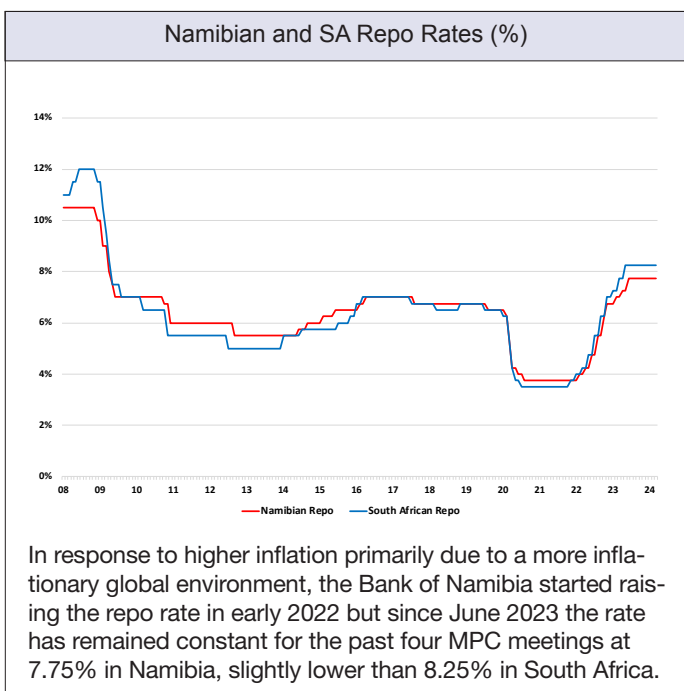
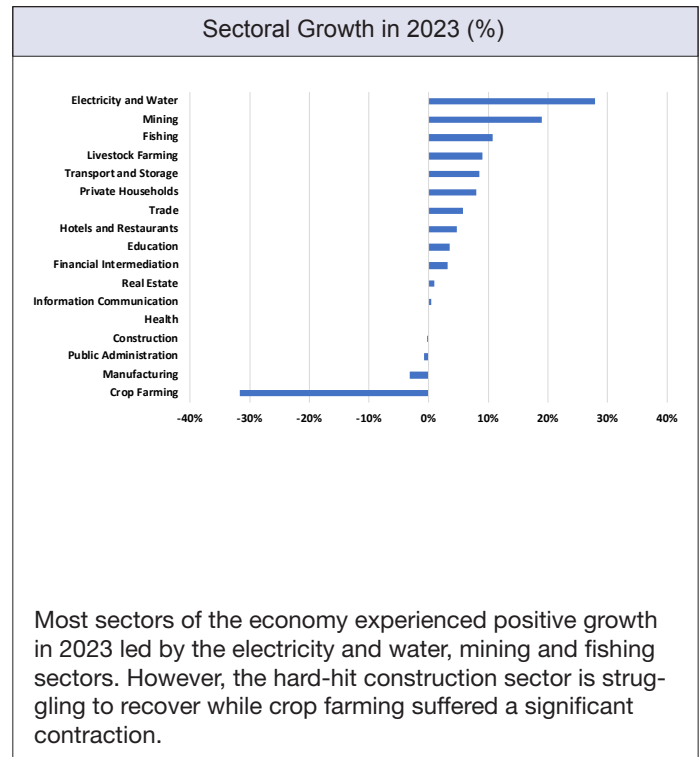
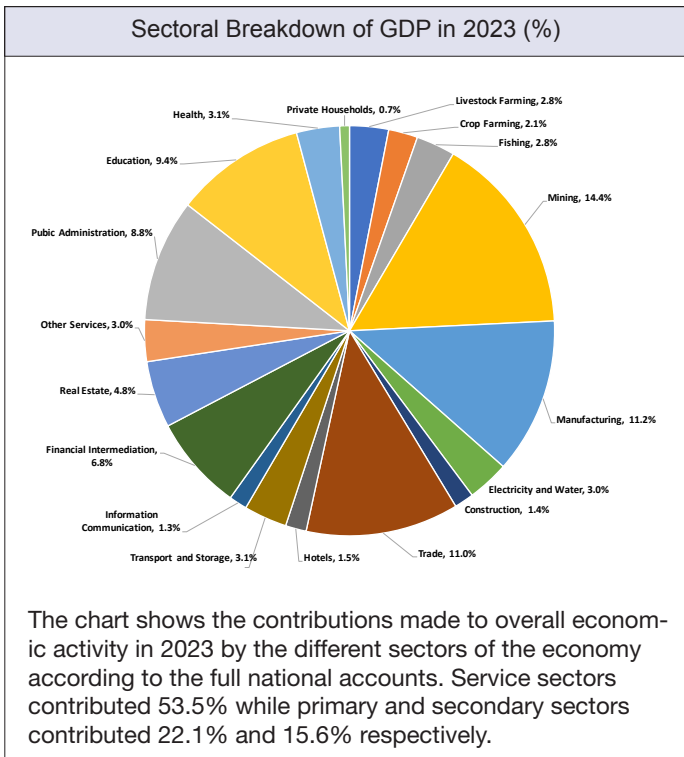
News Highlights

Date	Highlight	Commentary
12 January	Uanguta seconded to Namcor <i>(Namibia Economist)</i>	The beleaguered National Petroleum Corporation of Namibia (Namcor) announced that Bank of Namibia Deputy Governor Ebson Uanguta was appointed interim MD from 11 January 2024 replacing Shiwana Ndeunyema who had served for the past nine months following Immanuel Mulunga's suspension.
10 January	Namibia ranks top as best start-up community in Africa <i>(Namibia Economist)</i>	Namibia was awarded the "Best Startup Community Africa" for 2023 presented by StartupBlink which ranks the startup ecosystems of 100 countries and 1000 cities worldwide. The award was received by the Namibia Investment Promotion and Development Board.
10 January	Galp makes major oil discovery <i>(Upstream)</i>	Portuguese operator Galp announced a major oil discovery offshore Namibia with its Mopane 1X exploration well in PEL83. Galp did not reveal a resource size. Namcor and locally-owned Custos Energy each have a 10% holding.
10 January	TotalEnergies boosts Venus holdings <i>(Reuters)</i>	In a deal with Impact Oil, TotalEnergies increased its holdings in the Venus oil discovery taking an additional 10.5% interest in block 2913B and a 9.39% interest in block 2912.
5 January	Nata Fishing cleared <i>(The Namibian)</i>	Namibia's High Court cleared Nata Fishing Enterprises of illegal fishing and human trafficking and ordered the release of the company's two vessels and compensation for costs.
January	Fuel prices to fall (Namcor)	The Ministry of Mines and Energy announced that the price of petrol and diesel will drop by 80c per litre from 3 January.
31 December	President says giant steps made towards prosperity <i>(The Namibian)</i>	In his New Year's address, President Geingob said Namibia had made "giant steps" towards collective prosperity. "We are on course to leave Namibia in better shape, come March 2025."

Key Economic Variables

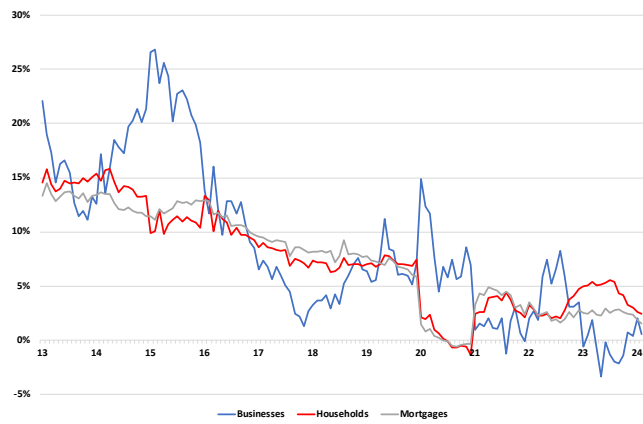


Key Economic Variables



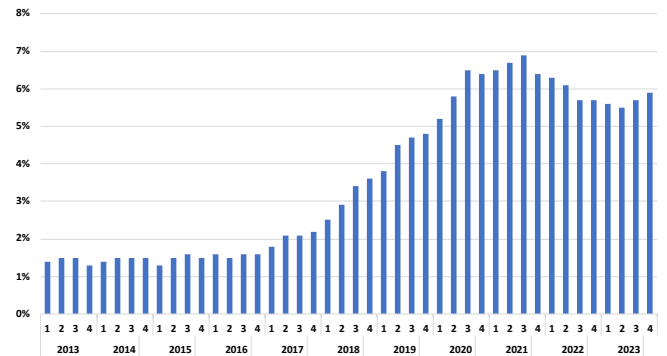
Key Economic Variables

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



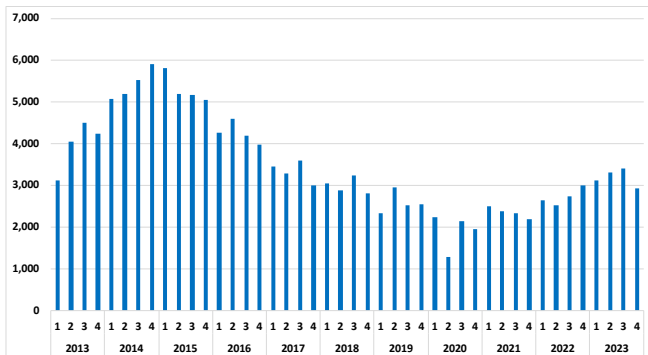
Credit growth to business has risen since the lows of 2021 whilst credit to households has remained subdued as is residential mortgage lending.

Non-Performing Loans (% of Total Loans)



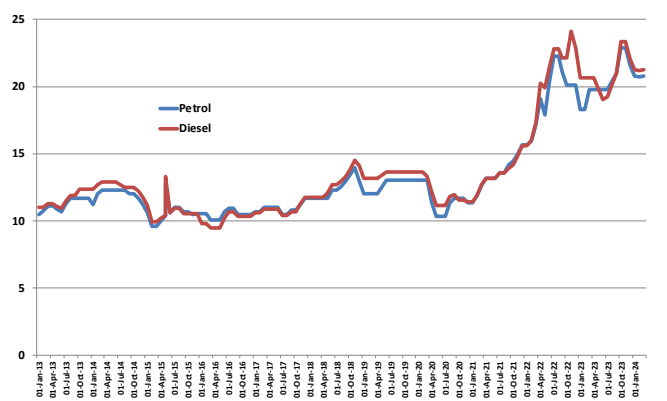
The ratio of Non-Performing Loans (NPLs) reported by the commercial banks to the Bank of Namibia rose for the second successive quarter in Q4 2023 to 5.9%.

New Vehicle Sales (Units Sold)



The combined sales of new commercial and private vehicles fell from 3,408 in Q3 to 2,934 in Q4 2023.

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



Controlled petrol and diesel prices started Q1 2024 at N\$21.58 and N\$22.05 per litre respectively and ended the quarter at N\$20.78 and N\$21.25 for diesel 10ppm per litre.

Data Trends

	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual Economic Growth															
GDP	%	6.0%	5.1%	5.1%	5.4%	6.1%	4.3%	0.0%	-1.0%	1.1%	-0.8%	-8.1%	3.6%	5.3%	4.2%
GDP current prices	N\$m	82,599	90,108	106,864	117,423	134,836	146,019	157,708	171,570	181,067	181,211	174,243	183,292	205,549	227,831
Change in Mining Value Added	%	22.2%	-5.4%	25.1%	1.7%	-4.5%	-4.0%	-10.7%	14.2%	16.1%	-8.7%	-15.0%	8.7%	24.0%	18.9%
Change in Manufacturing Value Added	%	7.5%	5.7%	-6.8%	4.4%	3.7%	-3.2%	10.0%	-1.6%	-0.4%	4.7%	-17.1%	-1.2%	5.2%	-3.2%
Fixed Investment															
Fixed Investment	% of GDP	25.3%	22.7%	25.7%	31.1%	35.1%	31.0%	21.8%	17.9%	16.9%	15.8%	13.7%	16.0%	16.7%	26.2%
Change in Fixed Investment	%	-1.2%	-4.4%	31.2%	13.5%	22.8%	-5.1%	-27.7%	-13.7%	-6.0%	-9.5%	-17.7%	18.0%	10.0%	69.3%
Fixed Investment - Government	'000 N\$m	2,857	2,944	3,339	4,972	6,963	7,382	5,586	5,127	4,858	4,616	3,961	3,536	4,005	3,611
Fixed Investment - SOEs	'000 N\$m	3,102	4,487	4,138	2,955	2,852	3,359	4,000	4,068	3,678	2,034	1,048	1,263	1,314	1,863
Fixed Investment - Private	'000 N\$m	14,925	13,022	20,037	28,593	37,564	34,507	24,836	21,570	22,008	21,893	18,802	24,576	29,063	54,295
Prices and Interest Rates															
Average Inflation	%	4.9%	5.0%	6.7%	5.6%	5.4%	3.4%	6.7%	6.1%	4.3%	3.7%	2.2%	3.6%	6.1%	5.9%
Year End Prime Lending Rate	%	9.75%	9.75%	9.25%	9.25%	9.75%	10.25%	10.75%	10.50%	10.50%	10.25%	7.50%	7.50%	10.50%	11.50%
Year End Repo Rate	%	6.00%	6.00%	5.50%	5.50%	6.00%	6.50%	7.00%	6.75%	6.75%	6.50%	3.75%	3.75%	6.75%	7.75%
Trade and Balance of Payments															
Exports - total goods	N\$b	34.5	35.6	40.8	39.1	42.9	41.6	48.0	49.8	56.6	57.5	53.7	53.8	75.1	88.6
Exports - total services	N\$b	5.0	5.4	5.6	5.0	9.7	10.0	7.2	7.9	8.4	8.4	5.0	4.8	7.9	10.3
Imports - total goods	N\$b	44.8	46.1	58.3	63.5	76.8	81.7	82.9	73.8	75.2	77.0	66.5	84.0	108.0	120.9
Imports - total services	N\$b	5.3	5.7	6.0	7.2	9.6	8.7	10.1	7.9	7.8	7.3	8.8	10.6	12.8	29.9
Trade Balance	N\$b	-10.7	-10.8	-17.9	-26.7	-33.8	-38.7	-37.8	-24.0	-18.0	-18.3	-16.7	-36.0	-37.9	-51.9
Balance of Payments	N\$b				-9.1	-14.4	-21.0	-25.2	-8.0	-6.1	-3.8	5.0	-25.2	-30.1	-38.1
as % of GDP	%				-7.7%	-10.7%	-13.4%	-14.7%	-3.2%	-2.4%	-1.3%	3.8%	-12.6%	-13.8%	-15.7%
Foreign Exchange															
Year End Exchange Rate (N\$ to USD)	N\$	6.6224	8.1319	8.4838	10.4499	11.5616	15.5553	13.6240	12.3930	14.4116	14.0418	14.6246	15.8899	16.9831	18.5826
Year End Exchange Rate (N\$ to EUR)	N\$	8.8339	10.5044	11.1902	14.4208	14.0532	16.9997	14.3403	14.8063	16.4848	15.7437	17.9897	17.9794	18.1057	20.5839
Year End Exchange Rate (N\$ to GBP)	N\$	10.2557	12.5447	13.7112	17.2366	17.9932	23.0652	16.7264	16.6789	18.3424	18.4383	19.9801	21.4752	20.4714	23.6984
Foreign Exchange Reserves	N\$b				15.7	13.5	23.6	24.7	30.2	31.0	28.9	31.7	43.9	47.6	53.2
Fitch credit rating (at year end)		BBB- (+ve)	BBB- (stable)	BBB- (stable)	BBB- (stable)	BBB- (stable)	BBB- (stable)	BBB- (-ve)	BB+ (stable)	BB+ (stable)	BB (negative)	BB (negative)	BB (stable)	BB- (stable)	BB- (stable)
Moody's credit rating (at year end)		n/a	Baa3 (stable)	Baa3 (stable)	Baa3 (stable)	Baa3 (stable)	Baa3 (stable)	Baa3 (-ve)	Ba1 (-ve)	Ba1 (-ve)	Ba2 (stable)	Ba3 (negative)	Ba3 (negative)	B1 (stable)	B1 (stable)
Financial Sector															
Private Sector Credit Extension Growth	%				14.3%	16.4%	13.5%	8.9%	5.1%	6.6%	6.8%	2.0%	1.2%	4.2%	1.9%
Non-Performing Loans	% of total loans				1.3%	2.1%	2.2%	2.5%	2.9%	3.6%	4.8%	6.4%	6.4%	5.6%	5.9%
NSX Overall Index (at year end)	Index	867	838	984	997	1,098	865	1,069	1,206	1,303	1,306	1,232	1,572	1,639	1,624
NSX Local Index (at year end)	Index	173	221	274	332	389	498	547	591	621	614	456	529	507	672
New Local Listings		0	1	1	1	0	0	0	1	0	1	0	1	0	0
Business Indicators															
Namdeb Diamond Production	'000 carats	1,472	1,336	1,659	1,472	1,886	1,764	1,573	1,805	2,008	1,700	1,448	1,467	2,137	2,327
Uranium Production	tonnes	5,306	3,258	4,495	4,323	3,255	2,993	3,654	4,224	5,525	5,476	5,413	5,753	5,613	
Gold Production	kg	2,773	2,063	2,287	1,795	2,140	6,009	6,604	7,272	6,171	6,526	6,254	7,103	6,992	
SHG Zinc Production	tonnes	151,688	144,755	145,342	124,924	102,188	82,029	85,427	84,215	65,993	67,295	659	0	0	0
Mining Licences Granted	number	2	4	3	0	3	0	1	2	3	4	6	11	8	
Exploration Licences Granted	number	230	402	258	395	138	56	142	174	259	297	243	97	56	
Number of Companies Formed	number				1,043	1,112	1,226	1,409	1,110	2,851	1,153	852	n/a	1,153	
New Vehicle Sales	number				15,922	21,718	21,224	17,038	13,352	11,998	10,379	7,606	9,414	10,919	12,775
Tourist Arrivals	'000				1,176	1,320	1,388	1,469	1,499	1,557	1,596	170	233	461	n/a
- From Africa	'000				913	1,029	1,083	1,094	1,091	1,164	1,252	112	163	256	n/a
- From Europe	'000				200	222	234	295	312	306	256	45	59	155	n/a
- From RoW	'000				64	69	71	81	97	87	89	12	11	50	n/a
International Arrivals at HKIA	'000	123	133	150	118	125	128	143	213	247	215	46	63	163	223
Regional Arrivals at HKIA	'000	208	222	237	245	249	239	248	242	239	223	45	64	134	173
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Employment															
Government		n/a			82,844	95,873	n/a	88,421	n/a	86,587	n/a	n/a	n/a	n/a	n/a
Parastatals		n/a			30,253	32,983	n/a	25,558	n/a	30,654	n/a	n/a	n/a	n/a	n/a
Private Companies		n/a			231,703	245,437	n/a	235,877	n/a	214,693	n/a	n/a	n/a	n/a	n/a
Private Households		n/a			92,555	105,460	n/a	136,417	n/a	70,036	n/a	n/a	n/a	n/a	n/a
Total		n/a			437,355	479,753	n/a	486,273	n/a	401,970	n/a	n/a	n/a	n/a	n/a

