

Namibia QER Q3 2024

Namibia Quarterly Economic Review

July-September 2024

Quarter Summary	Special Feature: For the Record	News Highlights	Key Economic Variables	Data Trends
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Quarter Summary

Macroeconomic Situation

Namibia’s economic recovery, which started in the second quarter of 2021, continued with thirteen consecutive quarters of positive growth, culminating in robust growth of 3.5% in the second quarter of 2024. In its Economic Outlook of August 2024, the Bank of Namibia revised down forecast GDP growth to 3.1% in 2024, 3.9% in 2025 and 4.1% in 2026.

The Bank of Namibia cut its key repo rate to 7.50% in August, the first cut since the last Covid cut in August 2020. The Bank of Namibia’s latest MPC statement in August stated that “going forward, the forecasts of average inflation for 2024 and 2025 have been revised downwards to 4.7% and 4.4%, respectively, compared to previous projections of 4.9% and 4.5%.”

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

Special Feature: For the Record: Namibia's Economic Policy and Performance since 2019

Table 1: Timeline of Selected Economic Developments October 2019 to September 2024

Year	Month	Event
2019	January	President declares 2019 the “Year of Accountability”.
	October	Fitch Ratings downgrades Namibia to BB.
	November	Wikileaks starts publishing the Fishrot Files on 12 November. Two ministers resign over Fishrot on 13 November. Presidential and National Assembly elections see President Hage Geingob re-elected with 56.25% of the vote (compared to 86.7% in November 2014) and a SWAPO Party majority in the National Assembly with 65.45% of the vote (compared to 80.0% in November 2014).
	December	Moody's downgrades Namibia to Ba2. Government agrees to a N\$578 million loan guarantee for Air Namibia.
2020	January	President declares 2020 the “Year of Introspection”.
	February	Income tax amendment bill repeals the tax incentives available to registered manufacturers and EPZ companies. This also helps Namibia comply with EU tax requirements. Namibia becomes first African country to export red meat to the US. Government publishes a revised draft of the National Equitable Economic Empowerment Bill with the requirement that all business must cede 25% of their ownership to previously disadvantaged Namibians.
	March	The High-Level Panel on the Namibian Economy publishes its report. The WHO declares Covid-19 a pandemic on 11 March. Namibia reports its first case of Covid-19 on 14 March. Namibia declares a stage of emergency on 17 March.

		<p>President Geingob announces a new government structure on 16 March and appoints a new Cabinet with 21 ministers and replaces Calle Schlettwein with Ipumbu Shiimi as Minister of Finance on 22 March.</p> <p>Government closes airports because of Covid-19 on 24 March.</p>
	April	<p>Minister of Finance announces N\$8.1 billion stimulus package.</p> <p>Government launches the National Employment and Salary Protection Scheme on 10 April.</p> <p>Government extends lockdown until 4 May.</p> <p>Government issues Labour Directive on 20 April preventing employers from retrenching workers or forcing them to take unpaid leave.</p> <p>Johannes Gawaxab is appointed Governor of the Bank of Namibia on 21 April.</p>
	May	<p>Namibia moves from Stage 1 to Stage 2 on 4 May.</p> <p>President Geingob announces cost-cutting measures on 15 May.</p> <p>Finance Minister Ipumbu Shiimi tables delayed national budget on 27 May.</p> <p>Fisheries Minister Albert Kawana promises to bring more openness to Namibia's fisheries sector including publishing a register of shareholders of fishing companies.</p> <p>Stage 1 lockdown is reimposed in Walvis Bay on 28 May.</p>
	June	<p>Namibia moves to Stage 3 on 2 June.</p> <p>Government extends Stage 1 lockdown in Walvis Bay to the Erongo region for 14 days.</p> <p>Fitch Ratings downgrades Namibia to BB with outlook stable then to negative.</p> <p>On 24 June Government's ban on retrenchment, reduction of pay and use of compulsory leave introduced on 20 April was ruled unconstitutional and invalid by the High Court after the urgent application brought by employers.</p>

		13 of Namibia's 14 regions move from Stage 3 to Stage 4 from 30 June.
	July	The Ministry of Health announces the first death from Covid-19 on 10 July.
	August	Namibia reverts to Stage 3 lockdown for 14 days from 12 August.
	September	Namibia's borders reopen to international tourists from 1 September and the first international flight carrying 43 passengers lands at HKIA on 14 September. Government decides not to extend the State of Emergency in place for 6 months which lapses on 17 September. Finance Minister ipumbu Shiimi announces results of the first fishing auction which saw just N\$8.4 million raised.
	October	Finance Minister ipumbu Shiimi delivers Mid-Year Budget Review on 20 October.
	November	Mines Minister Tom Alweendo calls a halt to the issuing of new mineral rights until 17 August 2021 while procedures are reviewed.
	December	Moody's downgrades Namibia's rating to Ba3 with a negative outlook.
2021	January	President declares 2021 the "Year of Resilience".
	February	Air Namibia is placed under voluntary liquidation on 11 February.
	March	On 3 March Mines Minister Tom Alweendo announced that Namibians holding EPLs would from 1 April no longer be able to sell them to foreign investors (in a move designed to curtail speculation) and would be required to maintain at least 15%. Finance Minister ipumbu Shiimi tables the national budget on 17 March. Namibia receives its first batch of Sinupharm covid-19 vaccines on 17 March and AstraZeneca Covishield vaccines on 21 March. On 18 March President Geingob launched his Harambee Prosperity Plan II for the period 2021- 2025 which will take him up to the end of his second and final term of office. On 30 March Fisheries Minister Albert Kawana announced new fishing right holders out of the 5,176 applications received by 31 August 2018. Out of these applicants, 298 were approved, 85 were renewed whilst 213 were new companies.
	April	On 1 April the International Monetary Fund approved a loan worth US\$271 million for Namibia under its Rapid Financing Instrument

		<p>(RFI) available to middle income countries. The loan will be repaid at a 1% interest rate over five years.</p> <p>Defence Minister Peter Vilho resigned on 6 April over allegations of taking kickbacks linked to a N\$1.8 billion arms tender 13 years ago.</p> <p>On 8 April President Geingob officially opens the Namibia Revenue Authority (NamRA), a semi-autonomous agency under the supervision and direction of the Ministry of Finance.</p> <p>On 16 April Namibia receives the first batch of 24,000 doses of AstraZeneca vaccines through the WHO's COVAX facility acquired at a cost of N\$139.7 million.</p> <p>On 22 April the Bank of Namibia launches a Deposit Guarantee Authority aimed at guaranteeing bank deposits up to N\$25,000 in the event of a banking failure covering an estimated 90% of bank depositors.</p>
	May	<p>On 27 May the Presidency announced that President Geingob and First Lady Monica Geingos had tested positive for Covid and were self-isolating at their residence. The presidency announced they had been cleared of Covid on 2 June.</p>
	June	<p>On 7 June it is announced that Namibia's second auction of 15,948 tonnes of hake raised N\$189.9 million. The auction on 16 April attracted 38 bids which were whittled down to 23 after 15 failed the bid security deposit and bank guarantee requirements.</p> <p>On 29 June President Geingob signs the Financial Institutions and Markets (FIM) Act into law.</p>
	July	
	August	
	September	
	October	<p>On 14 October Government of Namibia and De Beers 50:50 joint venture Namdeb announce that as a result of royalty relief (from 10% to 5%) from 2021 to 2025, a new business plan could see land-based operations continue as long as 2042. Land-based operations were due to come to an end in 2022.</p>
	November	<p>Finance Minister Iipumbu Shiimi delivered the Mid-Term Budget Review on 3 November.</p> <p>On 4 November at COP26 in Glasgow Presidential Economic Advisor and Hydrogen Commissioner James Mnyupe confirmed Hyphen Hydrogen Energy as the preferred bidder to develop a green</p>

		<p>hydrogen project in the southern region of //Kharas. Hyphen will now commence a two-year N\$250m feasibility study.</p> <p>In a press release on 18 November Public Enterprises Minister Leon Jooste announced that the Ministry of Public Enterprises would be phased out and transformed into a new Department for Public Enterprises within the Ministry of Finance.</p> <p>In the first ever listing of a public enterprise in Namibia, on 19 November MTC listed on the NSX at N\$8.50 a share. The free float of MTC at listing is 39.9% with Government continuing as the majority shareholder.</p>
	December	<p>On 2 December President Geingob appointed Bank of Namibia Governor Johannes Gawaxab for a further five years from 1 January 2022. Gawaxab had been appointed from 1 June 2020 to serve the remainder of Governor Shiimi's term of office after Shiimi was appointed Minister of Finance.</p>
2022	January	<p>President declares 2022 "Year of Reimaging".</p> <p>On 13 January Shell announced it had discovered light oil at its Graff-1 exploration well in Block 2913A offshore in southern Namibia within the Orange Basin.</p>
	February	<p>On 24 February TotalEnergies announced it had made a significant discovery of light oil at its Venus well off the coast of Southern Namibia not far from Shell's Graff well.</p> <p>On 24 February Finance Minister Iipumbu Shiimi tabled the national budget.</p>
	March	<p>On 18 March Debmarine Namibia commissioned the N\$7 billion Benguela Gem diamond mining vessel on time and below budget at Walvis Bay.</p>
	April	<p>On 5 April Moody's downgrades Namibia to B1 with a negative outlook.</p>
	May	<p>The Ministry of Finance launched Namibia's Welwitschia Sovereign Wealth Fund on 12 May to be managed by the Bank of Namibia and overseen by an independent board.</p>
	June	
	July	<p>At Namibia's 45th Covid briefing on 16 July, President Geingob lifted all Covid restrictions and promised Government would intensify its vaccination campaign.</p>
	August	<p>On 25 August Government awarded €30 million of German funding to four green hydrogen pilot projects: Cleanergy's green hydrogen refuelling station, green ammonia production, a hydrogen dual fuel</p>

		locomotive project, testing green hydrogen applications in the port of Walvis Bay.
	September	
	October	<p>On 10 October Zimbabwe’s Rio Zim announced it had purchased Sperrgebiet Diamond Mine (SDM) for US\$58 million as part of its strategy to diversity assets and geographies.</p> <p>On 12 October the Namibian Investment Promotion and Development Board (NIPDB) launched Namibia’s own Digital Nomad visa in a bid to attract professionals who can work remotely from anywhere. The visa will cost US\$62 on arrival provided they can demonstrate proof of income and be valid for up to six months.</p> <p>On 17 October Namport chose Swiss-based Terminal Investment Limited as its preferred bidder to operate its new N\$4 billion container terminal at Walvis Bay after two bids were received from five candidate companies.</p> <p>Finance Minister Ipumbu Shiimi tabled the Mid-Term Review on 25 October.</p>
	November	<p>On 7 November Energy Minister Tom Alweendo launched Namibia’s Synthetic Fuels Strategy stating that Namibia is looking to produce more than just green hydrogen but also green ammonia, e methanol, synthetic kerosene, and hot-briquetted iron.</p> <p>On 8 November President Geingob and EU President Ursula von der Leyen signed a MoU establishing a strategic partnership on sustainable raw materials and renewable hydrogen at the COP27 meeting in Egypt. At the same time the European Investment Bank (EIB) and Namibia will work towards a loan to the Government of Namibia of up to €500 million.</p>
	December	
2023	January	President declares 2023 “Year of Revival”.
	February	<p>Finance Minister Ipumbu Shiimi tables national budget on 22 February.</p> <p>On 28 February it was announced that the board of Rossing Uranium Ltd approved an extension of the operating life of the mine until 2036 following the completion of a bankable feasibility study.</p>
	March	Board Chair of Namcor, Jennifer Comalie, who was arrested 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.
	April	<p>On 18 April 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.</p> <p>On 19 April 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.</p>
	May	On 26 May 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 have two years to complete a full feasibility study on its US\$10 billion green hydrogen project in the Tsau //Khaeb National Park.
	June	<p>On 21 June green Hydrogen Commissioner James Mnyupe confirmed that the government would take up a 24% stake in the US\$10 billion Hyphen Hydrogen Energy.</p> <p>On 30 June 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.</p>
	July	On 25 July the Anti-Corruption Commission completed its investigation into suspended Namcor MD Immanuel Mulunga finding no evidence of criminal intent.
	August	
	September	
	October	<p>On 30 October Finance and Public Enterprises Minister Ipumbu Shiimi unveiled government's Public Enterprises Ownership Policy (PEOP) formulated in alignment with the recommendations of the High-Level Panel on the Namibian Economy (HLPNE). The country's 81 public enterprises employ an estimated 25,000 people.</p> <p>Finance and Public Enterprises Minister Ipumbu Shiimi tabled the Mid-Year Budget Review in Parliament on 31 October.</p>
	November	

	December	On 13 December the Ministry of Labour, Industrial Relations and Employment Creation released figures which showed that 24,334 employees were retrenched between January 2018 and December 2023. The Covid pandemic and its aftermath alone claimed the jobs of 18,245 employees at 1,430 companies.
2024	January	President declares 2024 the “Year of Expectations”. On 10 January Portuguese operator Galp announced a major oil discovery offshore Namibia with its Mopane 1X exploration well in PEL83.
	February	President Geingob dies on 4 February. Later in the same day SWAPO Vice-President Nangolo Mbumba is sworn in as Namibia’s fourth president and makes some new Cabinet appointments on 9 February. Finance and Public Enterprises Minister Iipumbu Shiimi tabled the national budget in Parliament on 28 February.
	March	On 2 March the Namibian Green Hydrogen Programme, headed by James Mnyupe, appointed seven executives to its implementation office on three-year contracts from 1 February. On 13 March a preliminary report issued by the Namibia Statistics Agency from the 2023 Population and Housing Census, put Namibia’s population at 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.
	April	On 3 April Paladin Energy announced it had restarted the production and drumming of uranium concentrate at its Langer Heinrich mine which was placed under care and maintenance in 2018 as a result of low uranium prices.
	May	On 3 May Anglo American plc, 85% owner of De Beers which is a 50% shareholder in Namdeb Holdings, rejected a merger bid by Australia- listed BHP. The all-share offer involved Anglo American divesting two South African subsidiaries. On 27 May President Mbumba declared a state of emergency regarding the drought effective 22 May.
	June	On 2 June Cabinet approved the Ministry of Labour’s plan to introduce a national minimum wage from January 2025 following a Wages Commission appointed in February 2021. The NMW will come in at N\$18 per hour and be reviewed after two years. Currently minimum wages exist in agriculture, construction, security and domestic sectors.
	July	

	August	On 22 August it was announced that London Metal Exchange A Grade copper cathode had been produced at Tschudi for the first time in four years, marking the beginning of Consolidated Copper Corp’s (CCC) plan to rejuvenate the nation’s copper industry.
	September	

In the run-up to elections on 27 November 2024, it is useful to repeat the exercise featured in the IPPR’s QER of Q3 2019 and take stock of economic developments since the start of President Geingob’s second term in office on 21 March 2020. The President’s life was cut short on 4 February 2024, a full year before the end of his second term and SWAPO Vice-President Nangolo Mbumba was sworn in as president on the same day in what represented a smooth transition of power. This feature will briefly summarise developments in the following areas:

1. The International Economic Environment
2. Monetary and Fiscal Policy
3. Investment Performance
4. Other Domestic Policies
5. Domestic Economic Performance
6. International Rankings

The International Economic Environment

President Geingob’s first term of office commenced eleven years after the global economic crisis that did so much to damage growth in key global economies. Growth in many high-income countries had resumed and the public debt that had accumulated as a result of the crisis had started to level off and even decline. However, the Eurozone continued to suffer from low growth. China, which had steadily become one of Namibia’s key export markets, continued to grow strongly but growth started to level off as the country progressed through middle income status. Importantly, Namibia’s neighbours South Africa and Angola had performed especially poorly over the period 2015-2019 and this was bound to impact Namibia.

The President’s second term commenced on 21 March 2020 shortly after the WHO had declared Covid-19 a pandemic on 11 March 2020. On 16 March 2020 President Geingob announced a “new government structure” and on 22 March 2020 named his new Cabinet and related appointments. Two ministers, Bernhard Esau and Sacky Shanghala, had resigned in November 2019 over Fishrot and Katrina Hanse-Himarwa had resigned over corruption in 2019. His second Cabinet featured many of the same old faces that had been part of his first Cabinet and President Pohamba’s Cabinets but, in what was to turn out to be a critical decision, he selected Bank of Namibia Governor Iipumbu Shiimi to replace Calle Schlettwein as his Minister of Finance (and from November 2022 the Minister of Finance and Public Enterprises after the Ministry of Public Enterprises had been merged into Finance). At the time no Deputy Minister of Finance was nominated.

In an implicit recognition that Namibia was failing to attract the foreign investment needed to boost growth, President Geingob announced the creation of a Namibia Investment Promotion and Development Board (NIPDB) within the Presidency to take the place of the Namibia Investment Centre within the renamed Ministry of Industrialisation and Trade in March 2020 and named the energetic Nangula Uaandja as its CEO. In so doing he didn't quite implement the recommendation of the High-Level Panel on the Namibian Economy published in 2019 which stated:

“It is imperative that the current Namibia Investment Centre is re-invigorated, refreshed and re-energised into an Export Promotion Centre with a mandate focused on export promotion and the promotion of investments focused on the export markets.”

A year later President Geingob published his Harambee Prosperity Plan II which contained details of his ambitions to explore Namibia's potential to produce green hydrogen. James Mnyupe was appointed Presidential Economic Advisor and then Green Hydrogen Commissioner. The appointment of Shiimi, the creation of the NIPDB, and the desire to exploit Namibia's green hydrogen potential were to play important roles throughout the following years.

Ironically, Namibia had just taken great pains to portray itself to the world at COP26 as a renewable energy and green hydrogen model economy when Shell and then TotalEnergies struck significant offshore oil and gas resources. Government barely missed a beat in deciding to exploit these new-found resources which have dominated the economic landscape in the more than two years since they were announced.

The post-Covid period was dominated by inflationary supply chain bottlenecks before Russia's full-scale invasion of Ukraine on 24 February 2022 unleashed far stronger inflation pressures through grain and energy prices that would demand a global response from central banks and other authorities.

Table 1 shows the growth performance of selected key countries and regions since the beginning of President Geingob's first term. Growth was generally steady in the run-up to the Covid pandemic although Namibia – in common with neighbouring South Africa and Angola – showed poor performance. All selected countries and groupings were hard hit by Covid in 2020 but all started to rebound in 2021 with India growing particularly strongly while China could not resume its high growth path. Post-Covid Namibia has succeeded in growing more strongly than its two neighbours.

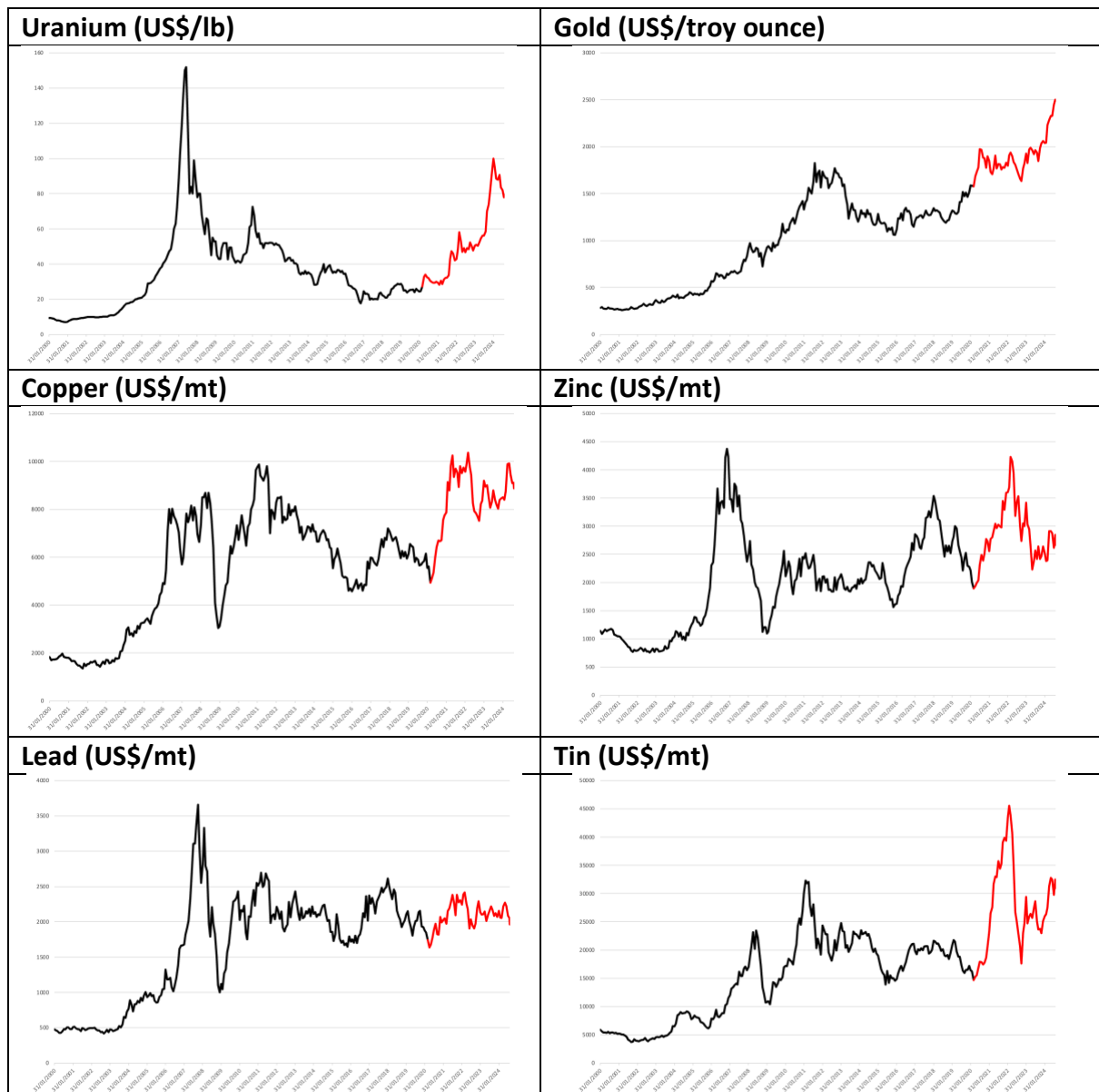
Table 2: Selected International Growth Rates

	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24
US	2.9	1.8	2.5	3.0	2.5	-2.2	5.8	1.9	2.5	2.7
Eurozone	2.0	1.9	2.6	1.8	1.6	-6.1	5.9	3.4	0.4	0.8
UK	2.2	1.9	2.7	1.4	1.6	-10.4	8.7	4.3	0.1	0.5

Brazil	-3.5	-3.3	1.3	1.8	1.2	-3.3	4.8	3.0	2.9	2.2
India	8.0	8.3	6.8	6.5	3.9	-5.8	9.7	7.0	7.8	6.8
China	7.0	6.9	6.9	6.8	6.0	2.2	8.4	3.0	5.2	4.6
SS Africa	3.2	1.5	2.9	3.3	3.2	-1.6	4.7	4.0	3.4	3.8
South Africa	1.3	0.7	1.2	1.6	0.3	-6.0	4.7	1.6	0.6	0.9
Angola	0.9	-2.6	-0.2	-1.3	-0.7	-5.6	1.2	3.0	0.5	2.6
Namibia	4.3	0.0	-1.0	1.1	-0.8	-8.1	3.5	4.6	3.2	2.6

Source: IMF

Charts 1-6: Selected Mineral Prices (2000-2024)

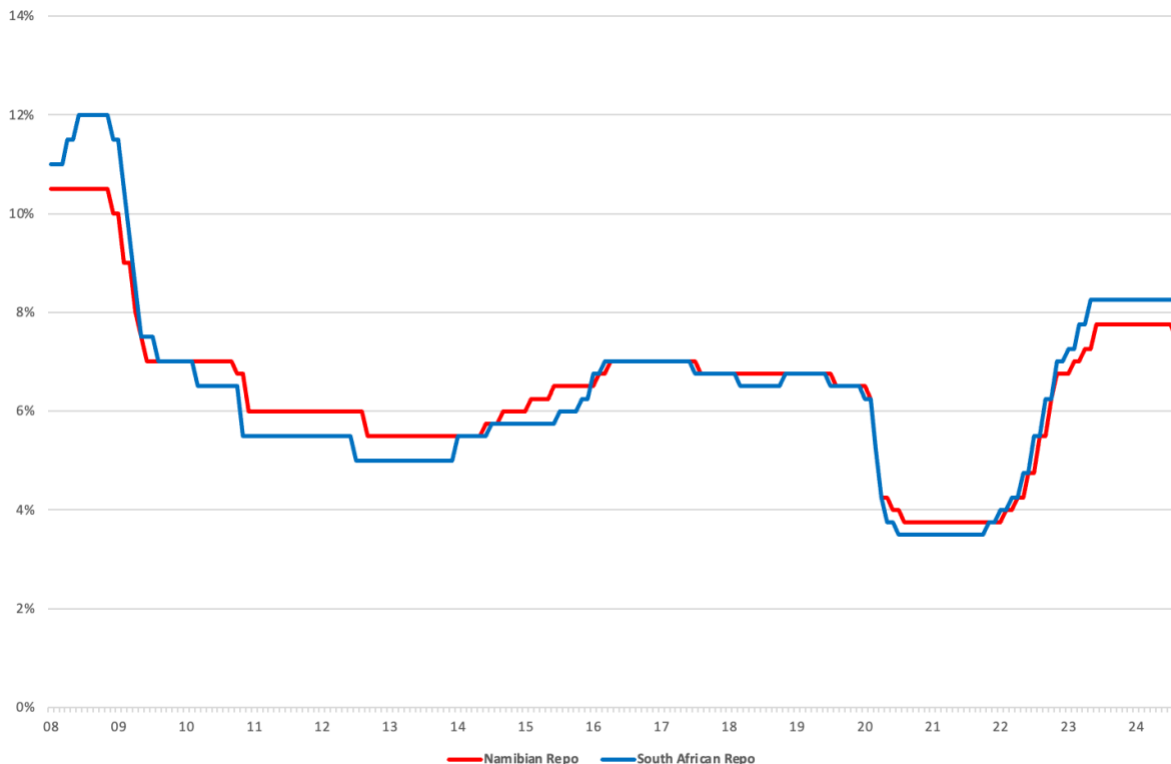


Government often cites mineral prices as a reason for slow or negative economic growth. It is true that mineral prices are set on world markets by global supply and demand over which individual governments, including Namibia’s government, have little or no influence. In the case of the last presidential term, mineral prices have generally been benign with uranium and gold demonstrating particularly strong growth as the charts above underline which show historical price trends with prices over the last presidential term highlighted in red.

Monetary and Fiscal Policy

The normalisation in interest rates seen over the course of President Geingob’s first term came to an abrupt halt with the onset of Covid in March 2020. Namibia’s repo rate was cut from 6.50% in January 2020 to 3.75% in August 2020 to support a weakened economy and stayed there until February 2022 when inflation stemming from Russia’s invasion necessitated a sharp increase in interest rates. The repo rate reached 7.75% in June 2023, its highest level since April 2009. It is fair to say that monetary policy during this period was dictated by international events in which Namibia played no part.

Chart 7: Namibian and South African Repo Rates (January 2008-September 2024)



Schlettwein bequeathed Shiimi an economy which had not been growing for five years and the highest debt-to-GDP ratio Namibia had ever experienced. It was not an easy bequest with which to go into the greatest global health emergency in a hundred years. Namibia had

already started to be downgraded by international rating agencies due to the combination of high debt and low growth. Shiimi's first full national budget was delayed until 27 May 2020. Nonetheless, Shiimi did his best to support Namibia's Covid-struck economy with fiscal measures, even going as far as to introduce a one-off Emergency Income Grant (EIG), before squeezing spending which allowed him to stabilise and even start to reduce debt as a proportion of GDP as growth returned to the economy boosting revenues after 2021 (see IPPR QER Q4 2020 for more details of Namibia's response to Covid). Serial loss-maker Air Namibia was liquidated and for the first time Namibia borrowed from the International Monetary Fund (IMF), something which government had previously considered off bounds. During the exceptionally difficult four-year period after being appointed Minister of Finance, Shiimi never seemed to lack the support of the President.

Table 3: Key Fiscal Aggregates (as % of GDP)

	FY17/18 actual	FY18/19 actual	FY19/20 actual	FY20/21 actual	FY21/22 actual	FY22/23 actual	FY23/24 revised	FY24/25 budget
Revenue	34.2%	30.9%	32.6%	32.8%	29.6%	29.8%	32.9%	32.8%
Expenditure	39.3%	36.0%	37.6%	41.9%	38.1%	35.0%	36.3%	36.3%
Budget Balance	-5.2%	-5.1%	-5.0%	-8.7%	-7.9%	-5.1%	-3.2%	-3.2%
Debt	43.4%	48.4%	56.0%	62.7%	67.2%	66.2%	62.5%	60.1%
Interest*	9.3%	11.3%	11.9%	12.8%	13.9%	14.7%	14.6%	14.2%
Guarantees	6.4%	6.0%	6.2%	5.8%	5.5%	4.4%	3.7%	3.4%

* as % of revenue

Source: Fiscal Strategy Documents

Chart 8: Key Fiscal Aggregates (as % of GDP)

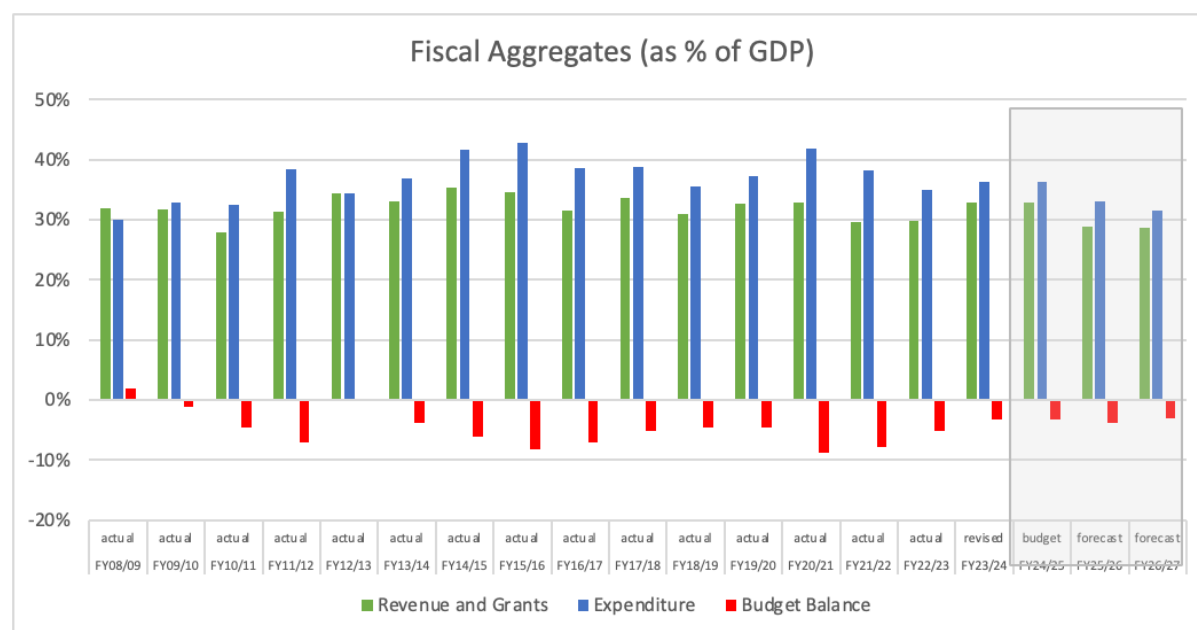
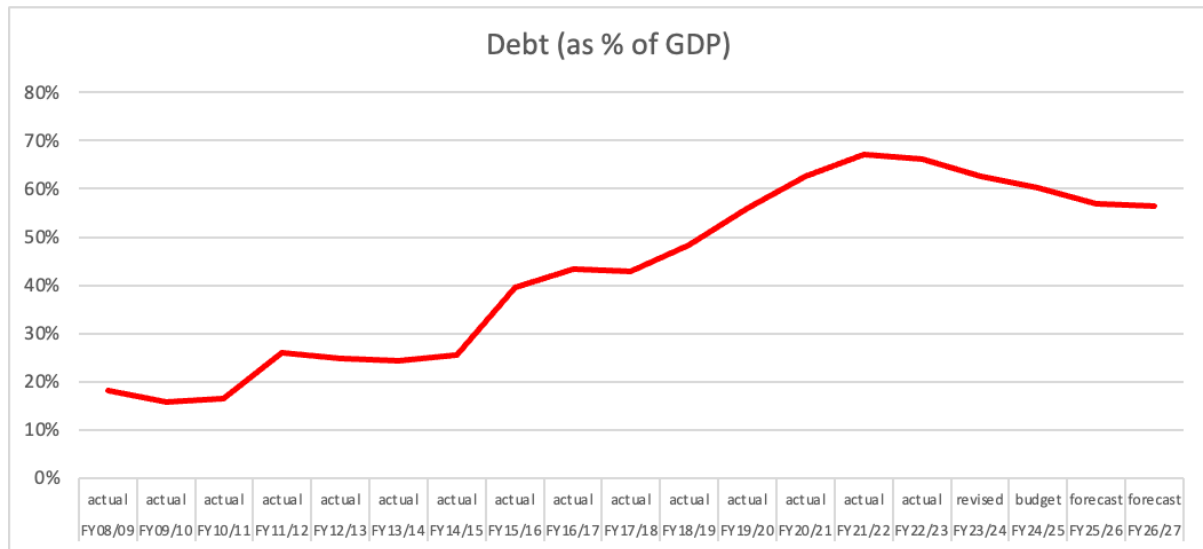


Chart 9: Ratio of Debt to GDP



Investment Performance

Table 4: Selected Investment Events October 2019 to September 2024

Date	Investment Event
2019	
10 October	Vedanta announces Skorpion zinc mine will close for four months to the end of February 2020.
14 October	Sertum Energy opens a 5MW PV Plant at Trekkopje mine.
6 November	Danish maritime services company VMS opens a workshop facility in Walvis Bay
19 November	Standard Bank Namibia lists on the NSX.
2020	
13 March	High-Level Panel on the Namibian Economy delivers its report.
13 March	Neckartal dam is officially inaugurated.
27 March	Skorpion zinc mines announces it will go into care and maintenance.
21 September	After a year of production Mashare Berries Farming near the Okavango River exports its first shipment of Namib Blue blueberries to Europe.
2021	
14 January	Norway's BW Energy increases its stake in Kudu gas to 95%.
11 February	Air Namibia is placed under voluntary liquidation.
18 March	President Geingob launches the Harambee Prosperity Plan II.
30 March	The national oil storage facility in Walvis Bay is officially handed over to Namcor to manage and operate.
14 October	Government and De Beers announce that royalty relief will allow Namdeb's land-based operations to continue until 2042.
19 October	Trigon Metals announces mining at Kombat has recommenced 14 years after the mine was placed under care and maintenance.

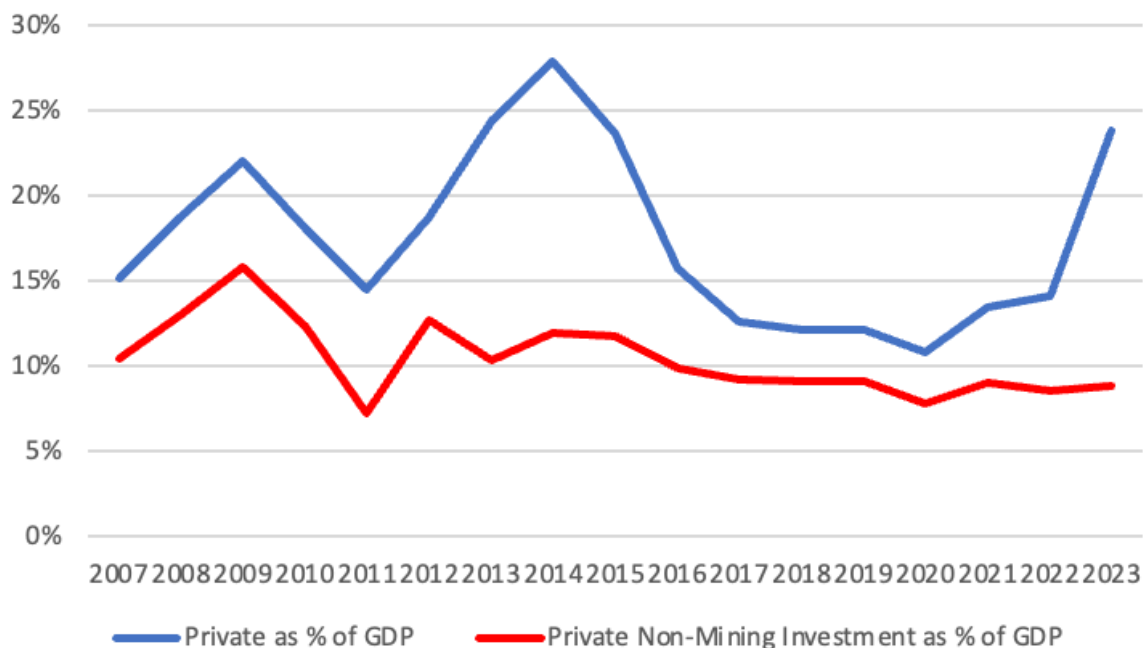
4 November	At COP26 in Glasgow, Hyphen Hydrogen Energy is announced as the preferred bidder to develop a green hydrogen project in the //Kharas region.
19 November	MTC lists on the NSX.
2022	
13 January	Shell announces a significant offshore oil find at its Graff-1X exploration well.
24 February	TotalEnergies announces a significant discovery of light oil at its Venus exploration well.
18 March	Debmarine Namibia launches the mv Benguela Gem at Walvis Bay.
1 April	NSX-listed Alpha Namibian Industries Renewable Power Limited (ANIREP) launches the 20MW Khan solar PV power project near Usakos.
9 May	TransNamib completes the purchase of 50% of the Swakopmund Hotel from Stocks and Stocks Leisure South Africa.
27 May	Namibian logistics and distribution start-up Jabu Logistics raises US\$15 million from Tiger Global.
25 June	NamPower inaugurates its first solar PV power plant, the 20MW Omburu plant near Omaruru, a joint venture between Hopsol Africa and Tulive Private Equity.
4 July	Savannah Beef raises N\$146 million through a private placement with 549 beef producers to develop a new beef export facility.
1 August	Production is halted at the Peugeot-Opel plant in Walvis Bay until the Ministry of Finance approves the policy of tax rebates under rules of origin rules of the Southern Africa Customs Union (SACU).
22 August	Rossing Uranium's mining licence (ML28) is extended by ten years from 2026 to 2036.
22 August	Canadian miner Trevali Mining suspends the expansion of Rosh Pinah mine as it files for protection from its creditors after defaulting on a US\$7.5 million debt payment.
25 August	Government awards €30 million of German funding to four green hydrogen pilot projects: Cleanergy's green hydrogen refuelling station, green ammonia production, a hydrogen dual fuel locomotive project, and green hydrogen applications in the port of Walvis Bay.
28 September	Independent South-Africa based Airlink announces it is buying a 40% strategic equity holding in privately-owned FlyNamibia for an undisclosed sum.
10 October	Zimbabwe's Rio Zim purchases Sperrgebiet Diamond Mine (SDM) for US\$58 million.
17 October	Namport selects Swiss-based Terminal Investment Limited as its preferred bidder to operate its new N\$4 billion container terminal at Walvis Bay.
8 November	President Geingob and EU President Ursula von der Leyen sign an MoU establishing a strategic partnership on sustainable raw materials and renewable hydrogen at the COP27 meeting in Egypt.

11 November	Namibian company Benguela Blue Aqua Farming raises US\$20 million in the first round of funding to establish an offshore salmon farm aiming to use offshore fish pens from US company Innovasea to produce 25,000 tonnes of Atlantic salmon within ten years.
2023	
16 January	Namibian aircraft lessor Wings Aviation Services acquires two of ex-Air Namibia's four Embraer E1352s from the liquidated airline.
16 May	Privately-owned tourism company Gondwana Holdings Limited lists a N\$250 million bond on the NSX.
26 May	Government officially signs a pioneering N\$200 billion Feasibility and Implementation Agreement (FIA) with Hyphen Hydrogen Energy.
29 September	Finance Minister Iipumbu Shiimi lays the first brick for the N\$3.5 billion Cleanergy Solutions Namibia state-of-the-art green hydrogen plant, refuelling station, and hydrogen academy at Walvis Bay.
29 September	Canada-listed Trigon Metals announces it has shipped its first copper concentrate product from its Kombat mine on 29 September 2023.
7 November	Construction begins on Hylron's Oshivela decarbonised iron plant powered exclusively by green hydrogen.
28 November	UK-listed Andrada Mining reports the first lithium concentrate production from its pilot plant commissioned in October at its Uis lithium project.
2024	
10 January	Galp announces a major offshore oil discovery at its Mopane-1X exploration well.
11 March	Dundee Precious Metals announces it has 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.
3 April	Paladin Energy restarts the production and drumming of uranium concentrate at its Langer Heinrich mine which was placed under care and maintenance in 2018 as a result of low uranium prices.
4 May	Vice President Netumbo Nandi-Ndaitwah presides over a groundbreaking ceremony of Namibia's first Atlantic salmon farm in Lüderitz by Benguela Blue Aqua Farming.
5 July	TransNamib signs a N\$2.6 billion loan agreement with the Development Bank of Namibia (DBN) and the Development Bank of Southern Africa (DBSA).
17 July	BW Energy announces it has taken a stake in Reconnaissance Energy Africa.
22 July	Netherlands-based Kelp Blue secures a 15-year commercial licence for cultivating giant kelp across a 6,400-hectare offshore site located at Lüderitz.

22 August	London Metal Exchange A Grade copper cathode is produced at Tschudi for the first time in four years, marking the beginning of Consolidated Copper Corp's (CCC) plan to rejuvenate the nation's copper industry.
4 September	Paragon Investments, through its subsidiary Edgehill Resources, has made an entrance into the offshore diamond mining sector. Partnering with Kenzoll Capital and other key stakeholders, Paragon is part of the joint venture behind the acquisition of the Adamastor, a state-of-the-art mining vessel set to operate in Hottentots Bay.

The table above presents a selection of the most important investment-related events between the previous pre-election IPPR QER and September 2024. The chart below shows that, stripping out the effects of significant investment in offshore oil and gas exploration, Namibia's investment environment has failed to stimulate private sector investment to any significant degree above its rather low long-term trend. Indeed, it would be hard to explain any deviations from trend given that the investment environment has remained largely unchanged over the past five years, as discussed below.

Chart 10: Private Fixed and Non-Mining Private Fixed Investments as % of GDP



Other Domestic Policies

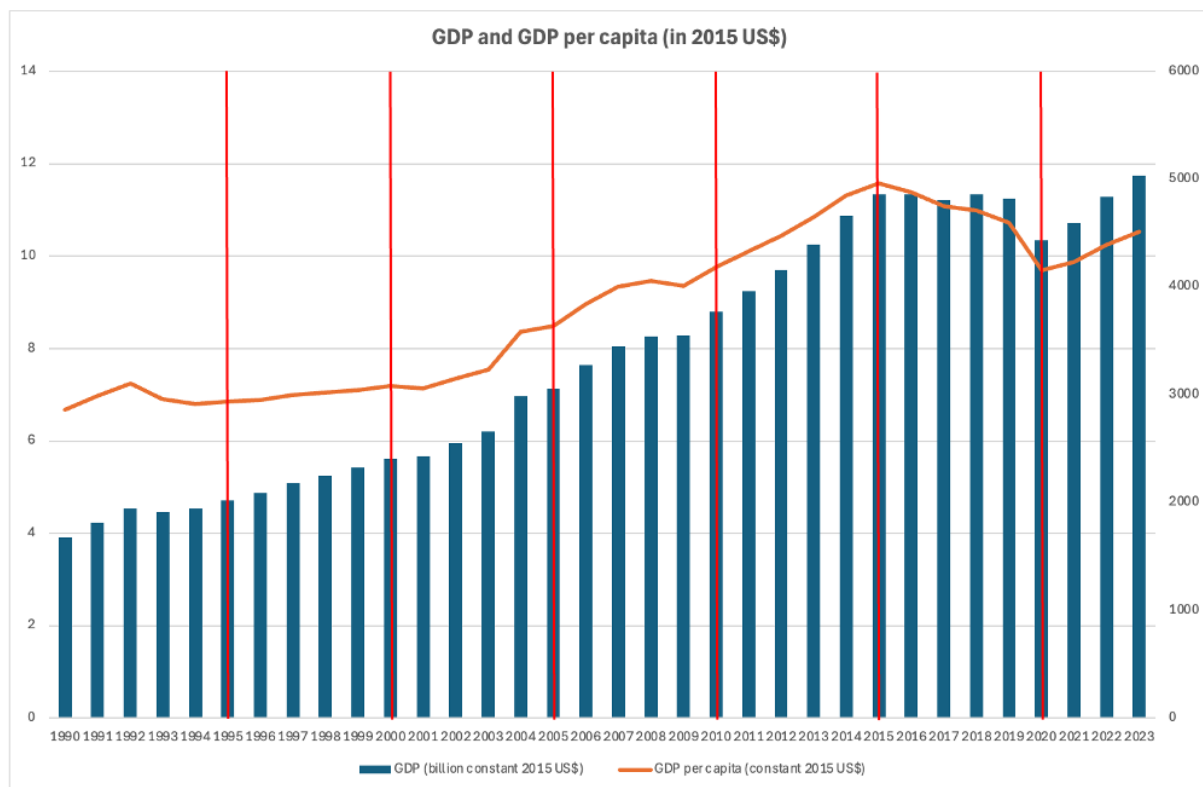
Our brief survey of policies and legislation introduced between March 2015 and October 2019 suggested little in the way of radical reform and more of a steady as she goes approach to policy very much in line with SWAPO's track record since 1990. At the time we singled out four major policy initiatives for further scrutiny: the National Equitable Economic

Empowerment Bill, the Namibia Investment Promotion Act of August 2016, the Public Private Partnership Act of June 2017, and the Public Enterprises Governance Act of April 2019. Remarkably, as the country enters elections for a new government, the NEEEB and the NIPA remain in limbo with various drafts having been shared for public consultation but no final outcome. The PPP Unit in the Ministry of Finance barely exists and not a single new PPP has been created. The Ministry of Public Enterprises was merged into the Ministry of Finance and Public Enterprises in November 2022 but, with the exception of Air Namibia where government's hand was forced by Covid and the listing of MTC on the NSX, serious reform of Namibia's public enterprise sector remains as distant as ever (see IPPR QER Q4 2023 for more details). To this list can be added the new Minerals Act, about which the Chamber of Mines of Namibia says the following: "Their [government's] aim is to conclude consultations on the draft Minerals Bill in 2024, moving towards its implementation and the finalisation of associated regulations. This comes after more than 20 years of review of the Bill." In theory these policies, especially the NEEEB, NIPA and Minerals Act, provide critical legislative underpinnings to the Namibian economy. It is little wonder that outside of the oil and gas sector, private investment remains in the doldrums.

Domestic Economic Performance

The standard measure of economic performance is Gross Domestic Product (GDP), a monetary measure of the size of the economy, and GDP per capita, a monetary measure of average incomes in the economy. The chart shows how GDP has changed since independence in 1990 using World Bank statistics in constant US dollars (which themselves are based on statistics from the Namibia Statistics Agency). Five-year governing terms of office are marked by red vertical lines. The chart shows that the size of the economy has grown between every election apart from between 2014 and 2019 when the economy stagnated. The economy in 2023 is fractionally larger than the pre-Covid economy of 2019. The red line shows how average income has changed over time. It grew consistently from 1990 to 2015 but then slumped. This is the first two-term presidency where average incomes are lower at the end than at the beginning. GDP per capita in 2015 was N\$64,023 whereas GDP per capita in 2023 was N\$50,079. If the most up-to-date census statistics were used, the fall in average incomes would be even more marked.

Chart 11: GDP and GDP per capita 1990-2023 (in 2015 US\$)



GDP and GDP per capita are important measures but need to be supplemented by others, not least employment creation. This is where the analyst draws a blank as the last Labour Force Survey in Namibia was conducted in 2018, prior to the last national elections. All there is to go on are occasional data releases by the Ministry of Labour. In December 2023 the Ministry announced over 24,000 jobs had been lost in the previous five years. In August 2024 the Ministry announced that more than 5,600 workers had been retrenched from their jobs in 17 months. These figures tell only a part of the overall labour market story which remains shrouded in mystery.

International Rankings

Namibia is included in a number of important international comparisons of performance where it is assessed and compared with a wide range of other countries, not only in Africa but internationally where it is often competing for investment. These include:

- The World Economic Forum’s Global Competitiveness Index (GCI)
- The World Bank’s Ease of Doing Business Index
- The World Economic Forum’s Energy Transition Index
- Transparency International’s Corruption Perceptions Index (CPI)
- The Mo Ibrahim Foundation’s Ibrahim Index of African Governance
- The Fraser Institute’s Mining Investment Attractiveness Index
- The International Budget Partnership’s Open Budget Index
- Reporters without Frontiers World Press Freedom Index

The World Economic Forum has not published the Global Competitiveness Index since 2019, the last year of the first presidential term. No clear trend appears visible in the World Economic Forum’s Energy Transition Index. The World Bank scrapped its Ease of Doing Business Index and Rankings in 2021. A slight fall is apparent in Transparency International’s Corruption Perceptions Index and Rankings. The Ibrahim Index of African Governance and Rankings has not been published since 2021. No clear trend appears visible in the Fraser Institute’s Investment Attractiveness Index or Rankings. Namibia appears to have fallen in ranking in the World Press Freedom Index but still came second in Africa after Mauritania in 2024. In summary, little can be gleaned from Namibia’s international rankings over the second presidential term examined in this feature. Certainly, no clear improvements have taken place since 2019.

Table 5: International Rankings

International Rankings	'18	'19	'20	'21	'22	'23	'24
Global Competitiveness Index Ranking	100/140	94/141	n/a	n/a	n/a	n/a	n/a
Global Competitiveness Index	4.0	54.5	n/a	n/a	n/a	n/a	n/a
Energy Transition Ranking	75/120	53/120	78/120	69/120	79/120	71/120	68/120
Energy Transition Index	53.0	56.3	52.7	55.0	53.8	53.6	64.5
Ease of Doing Business Ranking	106/190	107/190	104/190	*	*	*	*
Ease of Doing Business Index	60.29	60.53	61.4	*	*	*	*
Corruption Perceptions Index Ranking	52/180	56/180	57/180	58/180	59/180	59/180	n/a
Corruption Perceptions Index	53	52	51	49	49	49	n/a
Ibrahim Index of African Governance	7/54	7/54	8/54	8/54	n/a	n/a	n/a
Ibrahim Index of African Governance Ranking	64.7	64.3	64.1	64.1	n/a	n/a	n/a
Investment Attractiveness Index	60/83	55/76	52/77	59/84	38/62	n/a	n/a
Investment Attractiveness Index Ranking	56.66	58.22	59.72	52.59	59.88	n/a	n/a
Open Budget Index (out of 100)	n/a	51	n/a	42	n/a	54	n/a
World Press Freedom Index Ranking	26/180	23/180	23/180	24/180	18/180	22/180	34/180

Sources: WEF, World Bank, Transparency International, Mo Ibrahim Foundation, Fraser Institute, International Budget Partnership, Reporters without Frontiers

Conclusions

This feature has tried to present a concise summary of the past four-and-a-half years of economic developments in Namibia. It has attempted to highlight the major events and issues rather than present a fully comprehensive account which belongs to a longer piece.

President Geingob’s second presidential term will always be remembered for the once-in-a-hundred year Covid-19 pandemic. It must be left to a more detailed and comprehensive analysis to provide the definitive assessment of how well or badly government fared dealing with the consequences. In the wake of the pandemic, Russia’s invasion of neighbouring Ukraine, during which Namibia sat on the fence, wreaked inflationary damage on the global economy and did not spare Namibia given the need to respond with tighter monetary policy. Clearly these events were not brought about by Namibia and Government responded as best it could using the economic tools available. The weakening of Namibia’s fiscal

position was something that had already taken place during the first term which meant the country was in a weaker position to respond to new challenges when the pandemic broke.

The second term is likely to also be remembered for two potentially game-changing domestic economic developments: the discovery of potentially commercial reserves of offshore oil and gas and the development of an entirely new green hydrogen and ammonia industry. As Namibia prepares for national elections, no Final Investment Decision (FID) has been taken on the oil and gas discoveries but Namibia's Petroleum Commissioner Maggy Shino expects one in 2025. Namibia has been looking for oil and gas since independence and the policies that finally gave rise to significant finds predate late President Geingob.

At least three pilot green hydrogen projects are in the process of construction (the Cleanergy demonstration plant, the Daures green hydrogen village, and the Hylron Oshivela plant) while a full-scale feasibility study is being prepared for the Hyphen megaproject in accordance with the Feasibility and Investment Agreement (FIA) signed with Government in May 2023. The fruits of the first three projects should start becoming visible in the coming months. Namibia's push for green hydrogen can be put down to the vision and energy of the late President. The ambition was contained in the Harambee Prosperity Plan II and was given full presidential backing until Geingob's untimely death. If green hydrogen succeeds it will be a clear Geingob legacy.

On economic policy, the past two terms have been characterised by dithering, uncertainty and confusion and the sound of cans being constantly kicked down the road. The difficult issues involved in framing the NEEEB, the revised NIPA, and the new Minerals Act have been ducked and passed to a successor to deal with. Namibia's EPZ incentives have been phased out but the relatively uncontentious Special Economic Zones legislation appears stuck in the government machine. The state and the public enterprise sector have remained largely unreformed. Although Air Namibia was liquidated, the 2024 SWAPO manifesto promises to revive it. MTC has been partially privatised (mostly to the GIPF) but as a virtual monopoly and without a strategic partner. Namcor, Namibia's supposed champion at the heart of its oil and gas story, was exposed yet again as unfit to carry the nation's hopes. No new Public Private Partnerships have been created seven years after passing the PPP Act. Only the Financial Institutions and Markets Act appears to have made it onto the statute book but awaits implementation. Namibia stands on the verge of historically unprecedented inflows of Foreign Direct Investment but the rules of engagement for foreign investors are anything but clear.

Government commissioned the High-Level Panel on the Namibian Economy to deliver a report containing recommendations which it duly did in March 2020. This would have served as a reasonable guide to economic policy over the second term. As things turned out only a limited number of its recommendations were implemented. Some, including the one on Air Namibia, was thankfully overtaken by events when the airline was liquidated.

Decisive action on corruption is also absent. Two ministers resigned in the immediate aftermath of the Fishrot scandal but the accused remain in prison still awaiting trial five years later while the Icelandic fishing company at the heart of it, Samherji, seems to have gotten away scot-free. The Marine Resources Act of 2015, which partially enabled Fishrot, remains unreformed. Defence Minister Peter Vilho resigned in 2021 over allegations of taking kickbacks but no further action appears to have been taken against him.

As in the run-up to the last presidential and National Assembly elections, and despite having been firmly in power for the last five years, Government continues to exhibit four key characteristics that have marked economic policy-making for most of the period since Independence:

1. A knee-jerk propensity to blame economic problems on external factors (“world markets”) and acts of God (“drought”) and a refusal to take responsibility for economic performance;
2. An extreme reluctance to take difficult decisions which are clearly in the long-term interests of the economy (for example the bloated public sector and loss-making SOEs which have featured in almost every budget statement since the 1990s);
3. A tendency to float half-baked policy ideas which then hang over the investment landscape like a cloud of uncertainty (the NEEEB and NIPA being just the latest examples); and
4. A belief in individual projects and deals rather than a clear policy framework which sets out the rules of the economic game and incentivises investors which all players have to abide by.

These are serious shortcomings which show no sign of changing, with the path of least resistance invariably being the preferred way forward. Furthermore, it remains unclear exactly who is in overall charge of economic policy and who, if anyone vets economic initiatives before being made public: the President? His economic advisor? The Minister of Finance? The Director General of the NPC? The Governor of the Bank of Namibia?

At the last election – prior to Covid and Ukraine – the ruling SWAPO party suffered a major blow to its prestige at the ballot box. It was also the first time that average incomes had been lower than at a previous election. Was this a coincidence? The surest way of improving the lot of the Namibian people is through a clear policy environment that promotes private sector investment and job creation. Policymakers can try and hang on until the oil revenues start flowing – probably well into the 2030s – or they can take action and build the investment environment that this important objective requires.

News Highlights - 3rd Quarter

Date	Highlight	Commentary
24 September	President encourages Elon Musk to invest (The Namibian)	President Mbumba encouraged US billionaire Elon Musk to set up a Starlink office in Namibia on the sidelines of the 79 th session of the UN General Assembly in New York. Starlink would have to ensure 51% of the Namibian business was owned by Namibians or be exempted from the local ownership requirement.
23 September	Government to proceed with removal of Red Line (The Namibian)	Agriculture, water and land reform minister Calle Schlettwein has said his ministry will not withdraw from the ongoing High Court case seeking the complete removal of the 128-year-old redline which divides the northern communal areas from commercial farms in the south.
18 September	Shiimi says tax amendments will not impose strain (Namibia Economist)	Addressing the National Assembly, Finance Minister Iipumbu Shiimi said the Income Tax Amendment Act, Value-Added Tax Amendment Act, Transfer Duty Amendment Act, and Stamp Duties Amendment Act had been signed into law by the President and published in the Government Gazette.
15 September	TransNamib temporarily pauses dual-fuel locomotive (Windhoek Observer)	TransNamib decided to pause its ambitious dual fuel HyRail locomotive project with Hyphen Technical, CMB.TECH, the University of Namibia (Unam), and the South African locomotive company, Traxion as part of a strategic shift aimed at focusing on its core objectives, including the procurement of new rolling stock worth N\$2.6 billion and plans to more than double its annual freight volume over the next five years.
10 September	Chinese firm to build Namibia's largest solar plant (News24)	NamPower announced it had signed an agreement with two firms China Jiangxi International Economic and Technical Cooperation and Chint New Energy Development (Zhejiang) to build Namibia's largest solar PV power plant. The 100MW plant will cost N\$1.4 billion and take 18 months to complete and commercial operations are set to begin in the second quarter of 2026.
9 September	Arandis launches strategic plan (Windhoek Observer)	The Arandis Town Council launched its strategic plan for 2024-29 in Swakopmund which envisages it cooperating with Cleanergy Solutions Namibia to develop a large-scale solar PV and green hydrogen facility.
8 September	China General Nuclear Power Group to build Africa's largest desalination plant (Windhoek Observer)	After Agriculture Minister Calle Schlettwein announced that the Namibian government had given the go-ahead to construct a second desalination plant in the Erongo region, China General Nuclear Power Group announced that it has signed an agreement to build Africa's largest desalination plant to deliver up to 25 million cubic metres of water a year. Construction will commence later this year and be completed by 2026.
5 September	President Mbumba attends FOCAC (Windhoek Observer)	President Mbumba attended the ninth Forum on China-Africa Cooperation (FOCAC) in Beijing from 4-6 September and invited Chinese businesses to come and invest in Namibia. The president met President Xi Jinping at the Great Hall of the People.

5 September	EU commits €37 million for green transition (Bloomberg)	In a statement the European Union and other partners committed €37 million towards Namibia's green transition including green hydrogen.
4 September	Paragon enters offshore diamond mining (Windhoek Observer)	Paragon Investments through its subsidiary Edgehill Resources, has made an entrance into the offshore diamond mining sector. Partnering with Kenzoll Capital and other key stakeholders, Paragon is part of the joint venture behind the acquisition of the Adamastor, a state-of-the-art mining vessel set to operate in Hottentots Bay.
3 September	Transport route rehabilitated (Xinhua)	A ceremony was held in Namibia's southern town of Tses to celebrate the commissioning of the B1 highway, the country's key transportation route, after its rehabilitation project was completed by Chinese company Henan International. The rehabilitation project of the B1 highway involves the 88-km section from Keetmanshoop in Karas Region to Mariental in Hardap Region in southern Namibia.
3-5 September	Namibia hosts Global Hydrogen Summit	Namibia hosted the Global Hydrogen Summit at the Mercure Hotel in Windhoek.
1 September	Namibians poorer ahead of elections (The Namibian)	Reporting on the IPPR's State of the Namibian Economy 2024 talk by Robin Sherbourne, The Namibian highlighted the fact that GDP per capita was lower in 2023 than in 2015 and that this was the first time since independence that average incomes had fallen over two presidential terms.
29 August	Green hydrogen creates 400 jobs (The Namibian)	Green hydrogen commissioner James Mnyupe announced that about 400 jobs have been created through the eight green hydrogen projects currently active in Namibia. These projects are the Hyphen Hydrogen Energy, Elof Hansson, HDF Energy, Hylron, Zhero, Cleanergy Solutions, Daures Hydrogen Village and Hyrail initiatives.
28 August	5,669 retrenchments in 17 months (The Namibian)	The latest figures on employment in Namibia, released by the Ministry of Labour, Industrial Relations and Employment Creation showed that more than 5,600 workers have been retrenched from their jobs in 17 months.
23 August	Namibia experiencing worst drought in 100 years (Xinhua)	Namibia is experiencing its worst drought in 100 years, with 84% of its food reserves already exhausted, according to UN humanitarians. About 1.4 million people, or nearly half of the country's population, is expected to experience high levels of food insecurity between July and September, said the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), citing the Integrated Food Security Phase Classification.
23 August	Savanna Beef secures contract in UK (The Brief)	Savanna Beef, which is building a N\$150 million state-of-the-art export abattoir due for completion in June 2025, secured a sales contract with GPS Food Group of the UK.
22 August	Tschudi copper cathode produced (Global Mining Review)	London Metal Exchange A Grade copper cathode has been produced at Tschudi for the first time in four years, marking the beginning of Consolidated Copper Corp's (CCC) plan to rejuvenate the nation's copper industry.

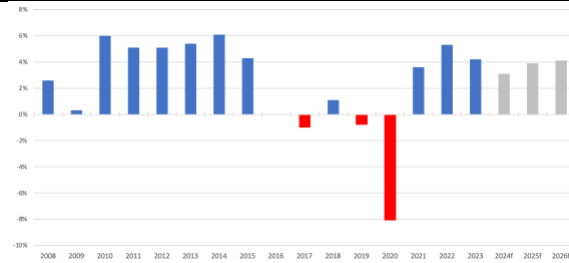
20-22 August	Namibia hosts second Oil and Gas Conference	Namibia hosted the second Oil and Gas Conference organised by the Economic Association of Namibia.
19 August	NaCC approves Shanjin buyout (Mining Weekly)	TSX-listed Osino Resources announced that the Namibian Competition Commission had approved its purchase by Shanjin International Gold for C\$1.90 a share.
14 August	Bank of Namibia cuts repo rate by 25bp (Bank of Namibia)	The Monetary Policy Committee (MPC) of the Bank of Namibia decided to cut the key repo rate constant by 25 basis points to 7.50% meaning the banking sector's prime lending rate will fall to 11.25%.
12 August	Namibia exported N\$1.3 billion of charcoal in 2023 (The Namibian)	Chairperson of the Namibia Biomass Industry Group (N-BiG), Colin Lindeque, at the 2024 Standard Bank Biomass Fair and Conference in Otjiwarongo reported that Namibia exported 270,000 tonnes of charcoal worth N\$1.3 billion in 2023.
9 August	Otjikoto mine produces 48,143 ounces of gold in Q2 2024 (B2Gold)	B2Gold reported that its Otjikoto mine produced a quarterly record of 48,143 ounces of gold in Q2 2024 above expectations again due to higher than expected mill feed grade.
8 August	Mulunga found not guilty of fraud (Bloomberg)	Former Namcor CEO Immanuel Mulunga was found not guilty in an independent disciplinary hearing headed by former Supreme Court judge Gerhard Maritz. Maritz concluded that Namcor failed to prove that Mulunga's actions caused any prejudice to the company and acquitted him of all charges. Mulunga had been on suspension with full pay since April 2023. Almost immediately after the finding, Namcor terminated Mulunga's employment due to "unauthorised asset acquisition" in a matter unrelated to the disciplinary case.
3 August	ECN registers 91% of eligible voters (The Namibian)	The Electoral Commission of Namibia's chief electoral officer Peter Shaama said at the end of the general registration period on 1 August that 91% of the over 1.7 million eligible voters had registered to vote.
1 August	Namibia launches Wells to Wheels (Xinhua)	Mines and Energy Minister Tom Alweendo attended the launch of Namibia's private sector "Wells to Wheels" initiative to ensure the recent oil and gas discoveries benefit the country.
1 August	O&L acquires full ownership of Broll (New Era)	The Ohlthaver & List Group acquired full ownership of Broll Namibia after buying the 49.9% stake of the Broll Property Group.
1 August	NaCC fines cement company (The Namibian)	After investigations, the Namibia Competition Commission found that acquisition of Chinese-owned Hong Xiang Holdings shares by Zhongke from Qingmei, would create a monopoly in the Namibian cement market and fined the company N\$5 million for failing to meet the notification requirements set forth in Section 44, which is designed to prevent potential anti-competitive effects.
31 July	Telecom inaugurates Equiano cable (Xinhua)	Telecom Namibia inaugurated the Equiano Cable Station and the activated their segment of the Equiano subsea cable, a project supported by Google. The new cable connects Namibia to Europe through Portugal and other parts of Africa via Cape Town and Johannesburg and represents a significant advancement for Namibia's digital infrastructure.

25 July	NamRA targets fishing industry (The Namibian)	After recovering more than N\$20 million from 14 fishing companies which had been avoiding paying tax, the Namibia Revenue Agency (Namra) has decided to intensify investigations into the fishing sector.
23 July	Mashare expecting bumper crop (New Era)	The GIPF-backed Mashare Blueberries Farm, 45km outside Rundu and now in its fifth year of production, is expecting another bumper harvest. The farm spans over 60 hectares and produces large quantities of Azrablue, Atlasblue, Biancablue berries and Sekoya Pop.
22 July	O&L terminates franchise with Pick n Pay (Namibia Economist)	Namibia's Ohlthaver & List Group announced it had given notice that it will terminate its franchise agreement with South Africa's Pick n Pay by 30 June 2025.
22 July	Kelp Blue receives cultivation licence (The Namibian)	Netherlands-based Kelp Blue secured a 15-year commercial licence for cultivating giant kelp (<i>Macrocystis pyrifera</i>) across a 6,400-hectare offshore site located at Lüderitz. The farmed seaweed is harvested to produce alternative agricultural feed, bio-stimulant fertilisers and textile products.
18 July	Namdeb produced 561,000 carats in Q2 2024 (AA)	Anglo American (AA) reported that Namdeb Holdings produced 561,000 carats in Q2 2024 compared to 633,000 carats in Q1 2024 and 612,000 carats in the same quarter of 2023. Out of the latest quarterly total 134,000 carats came from land-based operations.
17 July	BW Energy takes 20% stake in Recon Africa (BW Energy)	Norwegian-based BW Energy, developer of the offshore Kudu gas project, announced it was acquiring a stake in Reconnaissance Energy Africa and taking a 20% stake in its onshore exploration licence PEL73.
16 July	Namibia assumes chair of SACU (New Era)	Namibia assumed the chair of the Southern African Customs Union (SACU) from 15 July for a year.
16 July	About 1.6 million Namibians eligible to vote (The Namibian)	The Namibia Statistics Agency said that about 1.6 million Namibians were eligible to vote in upcoming presidential and parliamentary elections in November.
15 July	Zambezi Waterfront to be managed by NWR (The Namibian)	Finance and Public Enterprises spokesman Wilson Shikoto announced that the 25ha Zambezi Waterfront Tourism Park will be managed by NWR. It closed its doors in 2016 following allegations of maladministration after N\$124 million had been spent on the project.
15 July	Tourist arrivals rise by 87.4% (The Namibian)	Newly released tourist arrival statistics show tourist arrivals rose by 87.4% in 2023 to reach 863 872 international visitors. These statistics were included in the last QER feature on tourism.
9 July	Namibia stands to lose N\$260 million from trophy hunting (The Namibian)	Namibia stands to lose more than N\$260 million annually in potential revenue from the hunting industry due to the decision by the United Kingdom's ruling Labour Party to implement an anti-trophy hunting bill. In 2022 Environment, Forestry and Tourism Minister Pohamba Shifeta said the banning of hunting trophy imports by the United Kingdom,

		Belgium and Finland may have negative consequences for Namibia and its wildlife.
5 July	TransNamib signs N\$2.6 billion loan (The Namibian)	TransNamib finally signed a N\$2.6 billion loan agreement with the Development Bank of Namibia (DBN) and the Development Bank of Southern Africa (DBSA) after almost three years since it was first announced. Newly appointed chief executive Desmond van Jaarsveld said the loan will go towards purchasing locomotives and multipurpose wagons.
4 July	Namwater owed N\$2.1 billion (Namibia Economist)	Lot Ndamanomhata, Namwater's Head of Public Relations and Corporate Communications, issued a statement saying that Namwater was owed N\$2.1 billion in unpaid debts by town councils and individual consumers. Namwater plans to transition to prepaid bulk water meters to address this challenge.
1 July	Fuel prices to fall (Namcor)	The Ministry of Mines and Energy announced that the price of petrol will decrease by 80c and 10ppm diesel will decrease by 60c per litre to N\$22.20 and N\$21.67 respectively from 3 July.

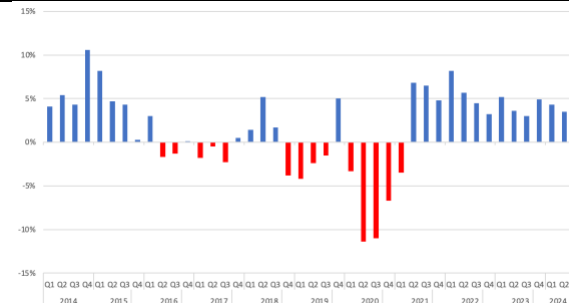
Key Economic Variables

GDP Growth (%)



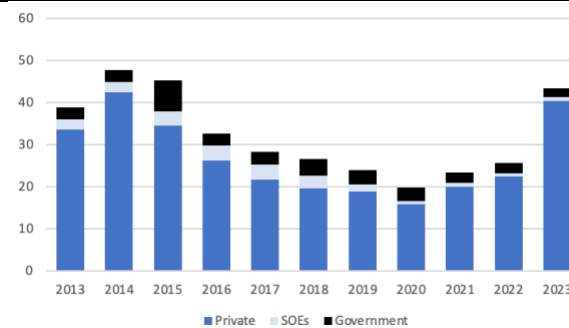
The NSA published its estimates of GDP for 2023 which showed that GDP grew by 4.2% in 2023 after growing by 5.3% in 2022. The Bank of Namibia Economic Outlook for August 2024 forecast GDP growth down to 3.1% in 2024, 3.9% in 2025 and 4.1% in 2026.

GDP Quarterly Growth (%)



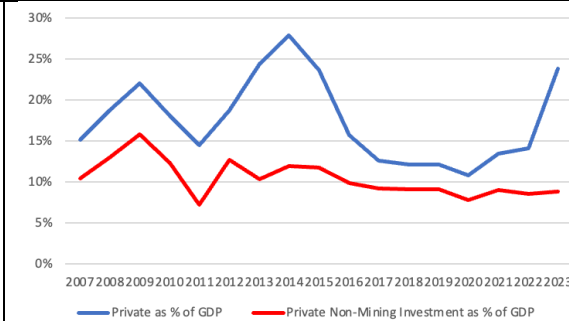
GDP grew by 3.5% in the second quarter of 2024, the thirteenth successive increase in economic activity after the last quarterly contraction experienced in Q1 2021.

Fixed Investment (N\$bn in 2015 prices)



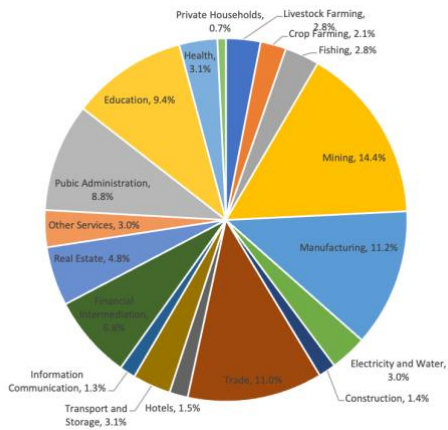
Investment by the private sector rose significantly in 2023 on the back of oil and gas exploration.

Private Fixed Investment (% of GDP)



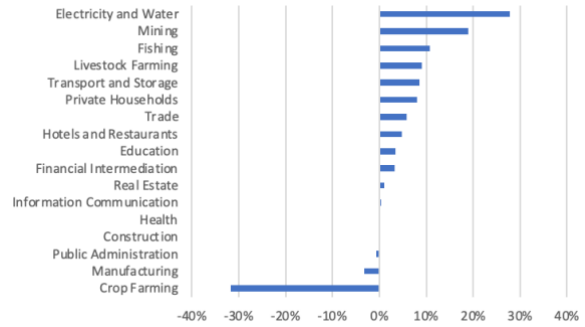
Total private fixed investment rose significantly as a percentage of GDP in 2023 but private non-mining investment remained stagnant.

Sectoral Breakdown of GDP in 2023 (%)



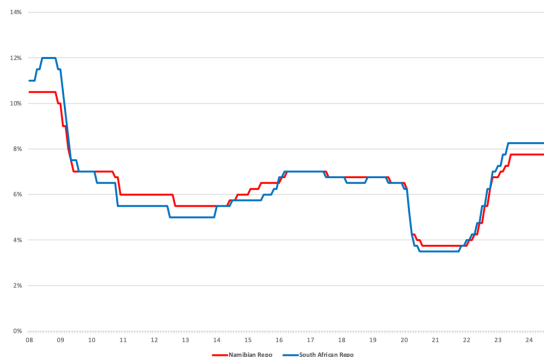
The chart shows the contributions made to overall economic activity in 2023 by the different sectors of the economy according to the full national accounts. Service sectors contributed 53.5% while primary and secondary sectors contributed 22.1% and 15.6% respectively.

Sectoral Growth in 2023 (%)



Most sectors of the economy experienced positive growth in 2023 led by the electricity and water, mining and fishing sectors. However, the hard-hit construction sector is struggling to recover while crop farming suffered a significant contraction.

Namibian and SA Repo Rates (%)



In response to higher inflation primarily due to a more inflationary global environment, the Bank of Namibia started raising the repo rate in early 2022 but from June 2023 the rate remained constant until the last MPC meeting in August 2024 when it was cut to 7.50%, ending the quarter slightly lower than 8.25% in South Africa.

Namibian and SA Inflation (% y-o-y)



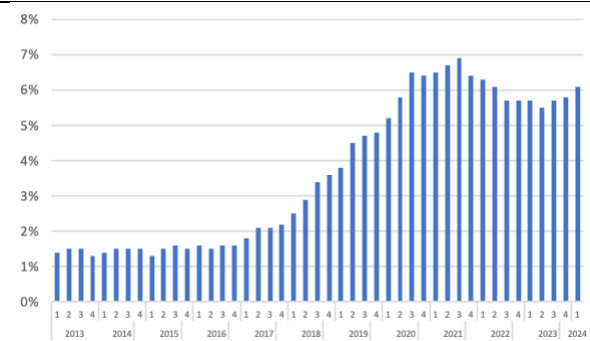
Namibian consumer inflation has fallen steadily from 6.0% in October 2023 to 4.4% in August 2024, the same as in South Africa. The Bank of Namibia forecasts inflation to average 4.7% in 2024.

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



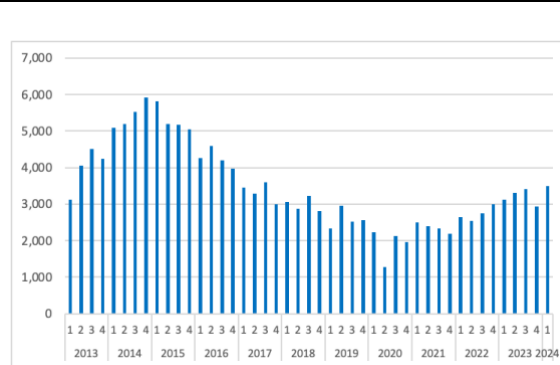
Credit growth to business has risen since the lows of 2021 whilst credit to households has remained subdued as is residential mortgage lending.

Non-Performing Loans (% of Total Loans)



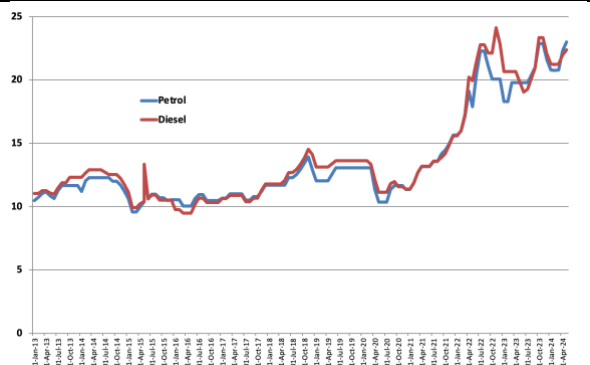
The ratio of Non-Performing Loans (NPLs) reported by the commercial banks to the Bank of Namibia rose for the third successive quarter to 6.1% in Q1 2024.

New Vehicle Sales (Units Sold)



The combined sales of new commercial and private vehicles rose from 2,934 in Q4 2023 to 3,503 in Q1 2024.

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



Controlled petrol and diesel prices started Q2 2024 at N\$20.78 and N\$21.25 per litre respectively and ended the quarter at N\$23.00 and N\$22.37 for diesel 10ppm per litre.

Data Trends

	Unit	2017	2018	2019	2020	2021	2022	2023
Annual Economic Growth								
GDP	%	-1.0%	1.1%	-0.8%	-8.1%	3.6%	5.3%	4.2%
GDP current prices	N\$m	171,570	181,067	181,211	174,243	183,292	205,549	227,831
Change in Mining Value Added	%	14.2%	16.1%	-8.7%	-15.0%	8.7%	24.0%	18.9%
Change in Manufacturing Value Added	%	-1.6%	-0.4%	4.7%	-17.1%	-1.2%	5.2%	-3.2%
Fixed Investment								
Fixed Investment	% of GDP	17.9%	16.9%	15.8%	13.7%	16.0%	16.7%	26.2%
Change in Fixed Investment	%	-13.7%	-6.0%	-9.5%	-17.7%	18.0%	10.0%	69.3%
Fixed Investment - Government	'000 N\$m	5,127	4,858	4,616	3,961	3,536	4,005	3,611
Fixed Investment - SOEs	'000 N\$m	4,068	3,678	2,034	1,048	1,263	1,314	1,863
Fixed Investment - Private	'000 N\$m	21,570	22,008	21,893	18,802	24,576	29,063	54,295
Prices and Interest Rates								
Average Inflation	%	6.1%	4.3%	3.7%	2.2%	3.6%	6.1%	5.9%
Year End Prime Lending Rate	%	10.50%	10.50%	10.25%	7.50%	7.50%	10.50%	11.50%
Year End Repo Rate	%	6.75%	6.75%	6.50%	3.75%	3.75%	6.75%	7.75%
Trade and Balance of Payments								
Exports - total goods	N\$bn	49.8	56.6	57.5	53.7	53.8	75.1	88.6
Exports - total services	N\$bn	7.9	8.4	8.4	5.0	4.8	7.9	10.3
Imports - total goods	N\$bn	73.8	75.2	77.0	66.5	84.0	108.0	120.9
Imports - total services	N\$bn	7.9	7.8	7.3	8.8	10.6	12.8	29.9
Trade Balance	N\$bn	-24.0	-18.0	-18.3	-16.7	-36.0	-37.9	-51.9
Balance of Payments	N\$bn	-8.0	-6.1	-3.8	5.0	-25.2	-30.1	-38.1
as % of GDP	%	-3.2%	-2.4%	-1.3%	3.8%	-12.6%	-13.8%	-15.7%
Foreign Exchange								
Year End Exchange Rate (N\$ to USD)	N\$	12.3930	14.4116	14.0418	14.6246	15.8899	16.9831	18.5826
Year End Exchange Rate (N\$ to EUR)	N\$	14.8063	16.4848	15.7437	17.9897	17.9794	18.1057	20.5839
Year End Exchange Rate (N\$ to GBP)	N\$	16.6789	18.3424	18.4383	19.9801	21.4752	20.4714	23.6984
Foreign Exchange Reserves	N\$bn	30.2	31.0	28.9	31.7	43.9	47.6	53.2
Fitch credit rating (at year end)		BB+ (stable)	BB+ (stable)	BB	BB (negative)	BB (negative)	BB- (stable)	BB- (stable)
Moody's credit rating (at year end)		Ba1 (-ve)	Ba1 (-ve)	Ba2 (stable)	Ba3 (negative)	Ba3 (negative)	B1 (stable)	B1 (stable)
Financial Sector								
Private Sector Credit Extension Growth	%	5.1%	6.6%	6.8%	2.0%	1.2%	4.2%	1.9%
Non-Performing Loans	% of total loans	2.9%	3.6%	4.8%	6.4%	6.4%	5.6%	5.9%
NSX Overall Index (at year end)	Index	1,206	1,303	1,306	1,232	1,572	1,639	1,624
NSX Local Index (at year end)	Index	591	621	614	456	529	507	672
New Local Listings		1	0	1	0	1	0	0
Business Indicators								
Namdeb Diamond Production	'000 carats	1,805	2,008	1,700	1,448	1,467	2,137	2,327
Uranium Production	tonnes	4,224	5,525	5,476	5,413	5,753	5,613	n/a
Gold Production	kg	7,272	6,171	6,526	6,254	7,103	6,992	9,800
SHG Zinc Production	tonnes	84,215	65,993	67,295	659	0	0	0
Mining Licences Granted	number	2	3	4	6	11	8	3
Exploration Licences Granted	number	174	259	297	243	97	56	97
Number of Companies Formed	number	1,110	2,851	1,153	852	n/a	1,153	n/a
New Vehicle Sales	number	13,352	11,998	10,379	7,606	9,414	10,919	12,775
Tourist Arrivals	'000	1,499	1,557	1,596	170	233	461	864
- From Africa	'000	1,091	1,164	1,252	112	163	256	621
- From Europe	'000	312	306	256	45	59	155	185
- From RoW	'000	97	87	89	12	11	50	58
International Arrivals at HKIA	'000	213	247	215	46	63	163	223
Regional Arrivals at HKIA	'000	242	239	223	45	64	134	173

Employment		2017	2018	2019	2020	2021	2022	2023	2024
Government		n/a	86,587	n/a	n/a	n/a	n/a	n/a	n/a
Parastatals		n/a	30,654	n/a	n/a	n/a	n/a	n/a	n/a
Private Companies		n/a	214,693	n/a	n/a	n/a	n/a	n/a	n/a
Private Households		n/a	70,036	n/a	n/a	n/a	n/a	n/a	n/a
Total		n/a	401,970	n/a	n/a	n/a	n/a	n/a	n/a
Government Finances									
		FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Revenue	N\$bn	58.7	55.9	58.4	57.8	55.4	64.4	81.1	90.4
Expenditure	N\$bn	67.5	65.3	66.6	73.7	71.3	75.4	89.5	100.1
Budget Balance	N\$bn	-8.9	-8.4	-8.2	-15.3	-14.8	-11.1	-7.8	-8.9
Public Debt	N\$bn	74.5	87.5	100.4	110.5	125.8	142.7	154.2	165.8
Interest Payments	N\$bn	5.4	6.3	7.0	7.4	7.7	9.4	11.8	12.8
Public Guarantees	N\$bn	11.0	10.9	11.1	10.1	10.3	9.4	9.1	9.3
Revenue	% of GDP	33.7%	30.9%	32.6%	32.8%	29.6%	29.8%	32.9%	32.8%
Expenditure	% of GDP	38.8%	35.5%	37.3%	41.9%	38.1%	35.0%	36.3%	36.3%
Balance	% of GDP	-5.1%	-4.6%	-4.6%	-8.7%	-7.9%	-5.1%	-3.2%	-3.2%
Public Debt	% of GDP	42.8%	48.4%	56.0%	62.7%	67.2%	66.2%	62.5%	60.1%
Interest Payments	% of revenue	9.3%	11.3%	11.9%	12.8%	13.9%	14.7%	14.6%	14.2%
Public Guarantees	% of GDP	6.3%	6.0%	6.2%	5.8%	5.5%	4.4%	3.7%	3.4%
International Rankings									
		2017	2018	2019	2020	2021	2022	2023	2024
Global Competitiveness Index Ranking		99/135	100/140	94/141	n/a	n/a	scrapped	scrapped	scrapped
Global Competitiveness Index		4.0	4.0	54.5	n/a	n/a	scrapped	scrapped	scrapped
Energy Transition Index Ranking		57/120	75/120	53/120	78/120	69/120	79/120	71/120	68/121
Energy Transition Index		53.6	53.0	56.3	52.7	55.0	53.8	53.6	64.5
Ease of Doing Business Ranking		108/190	106/190	107/190	104/190	scrapped	scrapped	scrapped	scrapped
Ease of Doing Business Index		59.57	60.29	60.53	61.4	scrapped	scrapped	scrapped	scrapped
Corruption Perceptions Index Ranking		53/180	52/180	56/180	57/180	58/180	59/180	59/180	n/a
Corruption Perceptions Index		51	53	52	51	49	49	49	n/a
Ibrahim Index of African Governance Ranking		8/54	7/54	7/54	8/54	8/54	n/a	n/a	n/a
Ibrahim Index of African Governance		64.4	64.7	64.3	64.1	64.1	n/a	n/a	n/a
Investment Attractiveness Index Ranking		54/91	60/83	55/76	52/77	59/84	38/62	n/a	n/a
Investment Attractiveness Index		60.67	56.66	58.22	59.72	52.59	59.88	n/a	n/a
Open Budget Index (out of 100)		50	n/a	51	n/a	42	n/a	54	n/a
World Press Freedom Index - Ranking		24/180	26/180	23/180	23/180	24/180	18/180	22/180	34/180

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, 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 QER Q4 2021 we have included the annual Energy Transition Index and Ranking produced by the World Economic Forum.