

Namibia: Africa's economic gateway

With vast experience in deploying soft power and in fostering trade, Namibia's strategic position affords international investors intelligent access to markets within the Southern African Development Community (SADC)

Blending impressive transparency with enviable political and social stability, Namibia is often described as 'Africa's Optimist', with the ambitious republic's geo-strategic position offering international investors intelligent access to many markets in southern Africa and beyond.

Since independence almost 30 years ago, Namibia has enjoyed impressive socioeconomic growth compared to some of its larger peers on the continent, and is a proud and forward-looking nation that deeply values a partnership approach to economic cooperation.

President Dr. Hage G. Geingob is the vastly experienced and pro-business politician guiding this remarkable journey to economic prosperity. With the help of foreign investors and enterprises active in various sectors, his administration is striving to achieve a comprehensive development strategy that sees the private sector as the key catalyst for growth.

"On the southern tip of the continent, with a well-developed harbor at Walvis Bay, and a long coastline, we serve as a connection for landlocked countries, availing a route to the coast to facilitate their exports and imports," President Geingob states.

The highly-respected statesman describes Namibia as a springboard and service centre for neighbors Zimbabwe, Botswana, Zambia, along with Angola. As a member of SADC—of which President Geingob is Chairman—and SACU (Southern African Customs Union), his country is certainly ideally placed to become the destination of choice for leading investors.

Guiding the ambitious socioeconomic development strategy is the Harambee Prosperity Plan (HPP): a comprehensive blueprint for change designed by President Geingob himself. The HPP supports vital national initiatives like Vision 2030 and NDP5 (National Development Plan 5).

"Namibia is ready for business and looks forward to entering into win-win partnerships with all prospective investors. I welcome you to this gem which is truly worth discovering."

Hage G. Geingob, President of the Republic of Namibia

Spearheading efforts to increase industrialization and boost prosperity is the manufacturing sector, with the industry identified as pivotal for sustained growth, employment, income inequality, and poverty reduction.

Ambitious economic development plans given green light to growth

With foreign investors and enterprises offered a range of incentives to establish operations in Namibia, it was no surprise to see automobile giant Peugeot Opel launch a modern assembly plant at Walvis Bay late last year.

During the official opening ceremony, President Geingob said the \$14 million facility boosted Namibia's national development aspirations and signified to the international community the country's intent to become a premier destinations for foreign direct investment (FDI) in Africa.



Hage G. Geingob, President of the Republic of Namibia

"This is a significant event for the development of the Erongo region, most notably for Walvis Bay," he said. "We have intensified efforts to promote local value addition and the strengthening of forward and backward linkages within the Namibian economy."

As part of HPP and NDP5, certain business targets have been set by the government, including becoming more competitive and creating an environment that is more conducive to conducting business. "In reports that rate countries on ease of doing business, competitiveness, institutional stability, corruption and so on, Namibia is rated pretty high compared with other African countries and in some instances, we are even above the global average," says Minister of Finance, Calle Schlettwein.

"The public sector can create an environment that is more competitive for business, but we must also look at how we engage the private sector, how we have partnerships with the private sector not only through dialogue, but real partnerships that bring about a gain in efficiency."

Vast mineral wealth offers investors access to buried treasures

Traditionally, Namibia has been heavily dependent on the extraction and processing of rare minerals for export. The recent slowdown in the global mining sector has prompted the government to target increased FDI in other key sectors, such as the tourism and hospitality industry.

Officials are particularly eager to focus on industrial and manufacturing activities that add value to raw materials domestically, rather than falling into the trap of exporting precious minerals and natural resources and then having to buy them back at a higher price in finished form.

"Value addition is the key," continues President Geingob. "Africa's problem is things go out in their raw form. If you go to the port, you will see big stones such as marble heading to Italy. They cut and polish it there and then



From stunning savannahs teeming with rich flora and fauna, to welcoming towns and cities, Namibia boasts a wealth of opportunity

send it back to us at higher prices. We are open to the mining of diamonds and the resources we have in order to create jobs here, and push for transfer of technology for domestic value addition."

Namibia welcomes FDI across its economic and social spheres, with the country's Minister of Public Enterprises, Leon Jooste, highlighting opportunities in infrastructure development, particularly energy, and openings in mining, agriculture, and tourism, among others.

"Our mobile telecommunications company MTC, is a cash cow, we had an annual return on assets of 48 percent—it's really printing money," he says. "Nampower, our power utility, is doing well, as is our port authority Namport. The Development Bank of Namibia is regarded as a state-owned enterprise and is doing extremely well. These are wonderful success stories that can be attributed to the quality of people and corporate governance."

Safaris in sun-soaked savannahs promise adventures of a lifetime

Second only to mining in terms of foreign revenue generated, the Namibian tourism and hospitality sector offers tremendous potential, with the industry projected to be a major part of future economic development.

"Namibia is a country that offers both beauty and abundance. We have opened the doors to investors, and whoever comes in, appreciates they are welcome to embrace a partnership approach to growth and prosperity."

Hage G. Geingob, President of the Republic of Namibia

Namibia's vast array of natural resources include some of the best game parks in the world, and the country has many game lodges, including those offering five-star accommodation right on the doorstep of stunning savannahs. Ecotourism is becoming big business and the environmentally aware country is enjoying an uptick in international visitors wishing to enjoy small-scale and boutique tourism offerings and activities.

Supporting this drive to increase tourism numbers and broaden the tourism product offering, international airlines are expanding route networks to include more flights to airports at Windhoek and Walvis Bay.

In addition, flag carrier Air Namibia flies to Ghana and Nigeria, opening up to Africa so more Africans can experience and enjoy its colorful history and wonderful natural and cultural assets.

"Namibia is where the sea meets the desert, it's unique: open spaces and



peace and safety where you have facilities, and roads you can drive yourself. If you come from a big city, you want peace and open spaces," President Geingob says.

Turning his attention to Namibia's fortunate strategic position and the development of fast and efficient logistics networks and operations for various transport modes, the country's leader adds: "Our harbor is being extended and we will commission it this year, as well as a new container terminal.

"It's a world class harbor connecting landlocked countries, but making them sea-linked by offering them a dry port. Zambia, Botswana and Zimbabwe have dry ports, and these countries are connected with our excellent road infrastructure.

"The phase we are focusing on now is rail connectivity, linking the coast to the near northern region of the country.

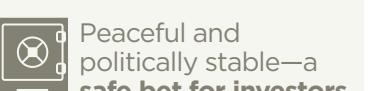
"Meanwhile, our banking system is one of the best and we rank about 40th in the world. So our banking system is foolproof. What more does an investor need to succeed? We have laws that protect you, and we provide peace and stability."

Clearly, FDI is extremely welcome in Namibia, as are major new infrastructure projects, although President Geingob emphasizes such significant investments must be on Namibian terms.

With countries from several continents already reliant on their goods and services, officials confirm they are in a strong position to cherry pick the best partners. "Since China became so active on the continent, many countries say Africa is being recolonized and that China is using loans to capture Africa. But when they come to Namibia, Chinese investors as well as investors from elsewhere, must come on our terms," President Geingob underlines.

"If China offers us \$60 billion of FDI, why doesn't someone else come and offer \$70 billion so we can choose? Namibia is a credit worthy country. We have access to cheaper loans and rates that suit our purposes."

Outstanding opportunities in a multitude of sectors
A gateway to over 340 million people in the Southern African Development Community
Peaceful and politically stable—a safe bet for investors



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Financial innovation facilitates investments

Through a robust regulatory and supervisory framework, banks in Namibia continue to exceed prudential liquidity and capital adequacy requirements

Like many countries, Namibia has been buffeted by economic headwinds in recent years due to the slowdown in the global economy, but is still punching well above its weight. Indeed, its solid fiscal performance has been recognised by leading international financial institutions.

Late last year, a team of experts from the International Monetary Fund (IMF) gave a relatively upbeat view of Namibia's long-term economic outlook, noting although annual Gross Domestic Product (GDP) growth has slowed like in many countries, it should rebound shortly and return to the long-term average of three percent per annum.

"Key challenges [for the government] are to continue implementing fiscal consolidation plans to contain public debt dynamics and preserve macroeconomic stability, and pursue reforms to raise long-term growth and job creation," the report said.

Officials welcomed the report. "Namibia is peaceful and politically and economically stable and has a level of predictability, which is really important," says Leon Jooste. "We're on the verge of a massive breakthrough thanks to the leadership of our president, the message he has been sending out, walking the talk, really addressing key issues. The next 5-10 years will be incredibly exciting."

Colleague Calle Schlettwein agrees: "Namibia is a gateway to southern Africa through its stability, through its infrastructure base, through its reputation internationally as a reliable partner. It provides a very, very good opportunity for investments to be placed here, and to grow from here."

Acting as a conduit for such domestic and foreign investment is the

THIS IS NOT A BRICK

This is your chance to address Namibia's housing challenge through the Buy-a-Brick initiative.

For a contribution of N\$5 or more, you can:

- Assist the 500,000 Namibians living in shacks
- Provide access to basic needs: shelter, warmth and safety

All funds go towards the replacement of shacks with secure brick homes.

To contribute, send a direct deposit to: Buy-a-Brick Project Standard Bank Account Number: 60001469613 Branch Number (Windhoek Branch): 082372

BUY A BRICK



Calle Schlettwein
Minister of Finance



Vetumbuavi
Mungunda
CEO, Standard
Bank Namibia

country's banking sector and financial systems, regarded by major players like Standard Bank as among the best on the continent.

With extensive operations in nearly two dozen African nations, Standard Bank blends valuable regional experience with a strong physical presence supported by an impressive reach that extends far beyond the continent's many borders. This allows for its clients and customers—especially those with operations in more than one country on the continent—to trade more conveniently across countries with their subsidiaries, wherever they are in Africa.

"Namibia has one of the most advanced financial and banking systems on the entire continent, almost on a par with some of the most advanced economies in Europe and in the US in terms of the sophistication," states Vetumbuavi Mungunda, CEO of Standard Bank Namibia.

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Vetumbuavi Mungunda, CEO, Standard Bank Namibia

"Our customers that have operations in other countries – they see us as an African bank. We are in 22 African countries, so we are an African bank firstly. Secondly, as an African bank we are really, really committed to the African continent and its growth."

"In Namibia, we are driving a number of initiatives to contribute to growth and deal with the challenges facing Namibia as a country. For example, our Buy-a-Brick initiative helps with the construction and provisioning of houses for the low-, or no-income groups. As a developing country, financial inclusion is a critical goal we need to aspire to, so as to introduce more Namibians into the financial system."

"We need to look into ways that are cheaper for them to participate and also more convenient for them. The participation and inclusion of Namibians, especially those currently outside the banking system, will require innovation and digitisation by the banks, which should allow for customers to participate without being physically part of the financial system."

The senior executive believes the critical success factor for businesses and entrepreneurs is clarity, particularly in relation to policies, property rights, and key policy and legislative developments.

"When you combine all of these factors, the clarity around policies, laws and regulations, as well as how securely these are protected by our courts, it creates a safe environment for investors," he concludes.

Wild Namibia—An ocean of contrasts

Breathtaking Namibia is a place to experience and live your soulful dreams. When you experience the serenity, you may feel like you are the only person on the planet

Given Namibia's stunning tapestry of incredible natural treasures, it is no surprise to learn tourism is the fastest growing sector, and an ideal industry for international investors to focus on.

Indeed, so many foreign visitors are flocking to this corner of the continent the industry is struggling to satisfy demand, with the availability of accommodation often at a premium.

Namibia's natural and cultural charms are a delight, from ascending the highest sand dunes in the world, to exploring the deepest canyon in Africa, the Namibia Tourism Board's (NTB) advice of "finding adventure, and you may just find yourself", almost certainly rings true.

"Namibia has made tremendous efforts and had significant success in biodiversity conservation. We have an extensive network of National Parks, which have been expanded to conserve its globally significant biodiversity," says Pohamba Shifeta, Minister of Environment and Tourism.

As the government agency responsible for bringing together the private and public sector, NTB is committed to the development of a sustainable tourism industry. "Soulfulness, ruggedness, and solitude. The three key pillars of breathtaking Namibia. Our beautiful country is the place for you, no matter what you seek," NTB CEO, Digu Naobeb, says proudly. "A person can really get in touch with their soul in Namibia, especially in the peaceful and more remote areas. That is only part of the experience.

"There is very rough terrain in Namibia so if you desire that kind of an experience, then Namibia is the place for you. Namibia is a place to experience and live out your dreams. If you really want to have a space that is your own, away from a very busy environment, then this is the place."

According to the senior executive, a lot of international travelers wish to immerse themselves in local culture by staying in a remote village or someone's home so they can fully immerse themselves in Namibian life.

"We don't want to over commercialize this aspect, but do want to

Namibia. It's a way of life.

www.namibiaturism.com.na

Photo: Stephan Buckner



showcase our national heritage and help local, disadvantaged people in the process," he adds. "I'm especially proud of the environmental and climatic issues, which will be the first of its kind to be enshrined in a national constitution. As a semi-arid country, sustainable development is essential. Ecotourism is another area of vast potential, with our ultimate goal to become carbon neutral."

Fishing industry on the crest of a wave amid steady flow of investment

Home to some of the world's best fishing waters, Namibia boasts a large fishing industry that is a vital source of employment and foreign exchange earnings from exports. The National Fishing Corporation of Namibia (FISHCOR) is a key figure, as illustrated by the recent launch of its joint venture comprising sub-Saharan Africa's largest pelagic processing facility.

The Seaflower plant involved around \$24 million of investment and represents the most significant investment in the Namibian fishing industry for many years. "Namibia has one of the best managed fisheries in the world, with one of the largest patrol systems and excellent resource management methods," says FISHCOR Group CEO, Mike Nghipunya.

"Soulfulness, ruggedness, and solitude. The three key pillars of breathtaking Namibia. Our beautiful country is the place for you, no matter what you seek."

Digu Naobeb, CEO, Namibia Tourism Board

"Fishing plays a very important role in terms of Namibia's employment relations, exports, and market positioning. Our role in international markets in Europe and Japan is under appreciated. We should take pride in our exports to Europe as we meet European standards. The government is very strict about ensuring the industry gives back to the country. Every company must regularly show the social responsibility activities it has undertaken."

LARGEST ONSHORE HORSE MACKEREL FACTORY IN SOUTHERN AFRICA.

The Seaflower Pelagic Processing factory (SPP) in Walvis Bay, Namibia.

www.seflowergroup.com.na

Photo: Stephan Buckner

Mining and energy power forward

The ambitious national oil company is a key example of how Namibia is fueling its economy

Mining and energy are two of the most dynamic sectors in the Namibian economy, says Tom K. Alweendo, Minister of Mines and Energy: "In energy, we are encouraging private sector investment into generation, especially renewables."

In mining, the country is rich in resources—including diamonds, uranium and gold—and there are high expectations for its offshore oil and gas. Leading international mining companies already operating in Namibia, supported by an exploration licensing system that is "open and transparent," notes Alweendo; "To help investors get started, we already have the mapping in place showing the probability of minerals."

Helping investors in hydrocarbons is NAMCOR, the national oil company of Namibia. "It was initially set up to cater for upstream oil and gas exploration and production, to regulate and to provide regulatory advice to the government,"

explains Immanuel Mulunga, its managing director.

NAMCOR's institutional role is to participate in hydrocarbon exploration on behalf of the Namibian Government and to ensure the optimum exploitation of the country's petroleum resources. Other main upstream activities include actively promoting the Namibian acreage at local and international platforms to attract hydrocarbon investments. NAMCOR is also the custodian of Namibia's hydrocarbon exploration data, which includes 2D and 3D seismic data, as well as digital well logs, core and rock cuttings from exploration wells.

The company evolved downstream around 2003. "We were awarded a mandate to import 50 percent of the country's fuel requirements, and we also started supplying fuel to commercial and industrial customers," says Mulunga. "At the moment, we are working both upstream and



Immanuel Mulunga
Managing Director
NAMCOR

Tom K. Alweendo
Minister of Mines
and Energy

downstream, and they are going well in parallel. But we are more active downstream," he adds.

Early 2019 will see the launch of country-wide NAMCOR-branded stations that will be rolled out continuously to build market share. "The government has also decided to make a \$400-million investment in strategic fuel storage facilities," notes Mulunga; "The National Oil Storage Facilities will be completed by mid-2019." NAMCOR will operate these facilities as part of its strategy toward meeting its ambitious 2021 revenue target of \$350 million.

THE ENERGY THAT KEEPS NAMIBIA MOVING

Namibia's national oil company is driving progress through activities that range from oil exploration and providing hydrocarbon investors with high-quality seismic data, to launching a new chain of service stations.

NAMCOR

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Brilliant future for Namibian diamonds

Namdia intends to become the world's supplier of choice for ethically sourced high-quality diamonds

Two things make Namibian diamonds among the world's most desirable, says Kennedy Hamutenya, CEO of Namib Desert Diamonds (Namdia), the marketing and sales company that is creating a sustainable market for these unique stones.

"Firstly, almost 98 percent of them are gem quality and, secondly, their naturally polished and round shapes make them easier to cut to accentuate the high-quality brilliance that shines out of them. They are the Lamborghinis of the diamond world," he states. A further attraction is that Namibian diamonds are conflict-free—the country is seen as a model of good governance within the industry and it pioneered the Kimberley Process Certification Scheme for rough diamonds.

Namibian diamonds' unique qualities and disproportionately high value have made them



Kennedy Hamutenya
CEO, Namdia

increasingly sought after. "Unfortunately, access to these precious gems was limited until Namdia was set up in 2016," notes Hamutenya.

The government established the company to create a Namibian footprint in the international downstream diamond market and to help develop a sustainable national industry that adds value to the country's natural resources and builds socio-economic

growth. To ensure the new venture's success, the company appointed Hamutenya as CEO, a man who studied at the Colorado School of Mines in the U.S. and has worked in the Namibian mineral sector, mostly with diamonds, for nearly 25 years.

The strategy has worked. "For the past two years, we have made handsome profits for the government, and have paid tens of millions of dollars in taxes and dividends for the benefit of

all Namibia's people," he states. Part of the reason for this accomplishment, Hamutenya believes, is Namdia's highly skilled staff who are, "as technically competent and advanced as any you would find in Antwerp or Tel Aviv."

In addition, the company uses the latest technology at its state-of-the-art headquarters, he says: "This enables us to take our understanding of our product to another level and to price our prized product competitively." International clients agree that Namdia's pricing is competitive, with a call for bids from prospective new clients in October 2018 attracting 74 applications from all over the world.

To add even more value to Namibia's diamonds, the company is in the process of acquiring its own diamond cutting and polishing factory. It is also considering entering the jewelry business soon, by forging partnerships with established brands as a way of quickly developing the Namibian brand.

"Namdia is aiming to be the leading supplier of ethically sourced high-quality gem diamonds to discerning consumers," explains Hamutenya; "We will be a brand of choice for diamond lovers worldwide sooner rather than later—watch this space!"



IT'S TIME
TO CREATE REAL VALUE

The leading supplier to elite international customers of ethically sourced, highest-quality Namibian diamonds, NAMDIA is committed to creating superior value for its clients, stakeholders and shareholders, as well as sustainably building Namibia's downstream diamond sector.



Namib Desert Diamonds (Pty) Ltd (NAMDIA)
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Experience the heart and soul of Namibia's rare natural treasures

Mr. Gys Joubert, Managing Director of The Gondwana Collection, leads a treasured, eco-friendly and highly responsible Namibian brand

Please tell us about the company's journey and key achievements along the way, and how you manage to combine hospitality, conservation and your social commitment as well?

We passionately believe we can change the future of Namibia by always doing the right thing. We've never been a bottom-line driven company – it was born from something quite different.

I read the first business plan, which was drafted in 1996 by Manni Goldbeck and Chris Gouws, the MD and founding Chairman, and it screams and shouts about conservation and quality job opportunities. It talks about the Gondwana culture.

By far our biggest asset is our people. We've got an amazing culture at Gondwana, which is why I use words like "family". We are proud to use words like "love".

This company is different. What is also very inspiring is Gondwana was built on a foundation of the "triple bottom line", which is profit, planet, and people. That has not changed.

What are you most excited about at Gondwana right now and what projects are in the development pipeline?

We've just launched a product range that is absolutely "bat on ball" – the first product is up and running and is called the Namushasha River Villa.

"We've got an amazing culture here. Gondwana was built on a foundation of the 'triple bottom line', which is profit, planet, and people. That has not changed."

Mr. Gys Joubert, MD of Gondwana Collection Company

It's actually on the Kwando River and only caters for two people, is highly luxurious, and you leave people there – you show them everything and then you leave and they are left alone in the wilderness. Literally, elephants, hippos, crocodiles, buffaloes around them. And for some people it's daunting and people have used words like life changing.

We are building one now on the same concept. One in the desert called the Desert Park, where again we take you there, into the dunes, we leave you there, you don't see any humans and you don't hear or feel any human beings, but you're on your own. This is usually for 24 hours.

We are dreamers and idealists, but firmly know that sustainability



The stunning Desert Grace Lodge sits in the heart of the Namib Desert

starts with profitability, so if you're not properly profitable, financially disciplined, then you are not sustainable.

Our new lodge Desert Grace, which we opened last December, is beautiful. It goes without saying that we are passionate about, and very strict on, recycling. Glass is a problem because of the weight, so we have glass crushers at our lodges where we crush the glass into a sand.

The walkways of the new lodge are bulked with crushed glass from other lodges and about two months ago what happened was that we were not done with the walkways but we'd run out of crushed glass.

Is Gondwana open to working with international investors in a partnership kind of approach?

Gondwana is open to everything offered, we never say no upfront – we always explore. You always have to manage expectations, but we are always willing to sit down and have a coffee or a cold beer. The one thing that is very important in terms of our world view is Gondwana is not about us.

It's not about me, it's not about the current management, it's not about the current employees, and it's not about the current shareholders.

We've set ourselves a 1,000-year strategy to see what we need to do today to ensure this force for good will be here in 3020. We are merely custodians who want to "plant trees" wherever we go.

 **Gondwana** created one of the largest privately protected areas in Africa, the **Gondwana Canyon Park**.

 Two million visitors have stayed at one or more of the **Gondwana's** establishments.

 **Gondwana's Desert Grace Lodge** embodies the pastel glow of a desert sunset

What is your ten second message to our readers?

I like to think there are two kinds of people in the world: Those touched by Namibia and those yet to be touched by Namibia.

Make sure you don't leave this planet until you've given yourself this opportunity. It's as simple as that.