

NAMIBIA: Africa's best-kept secret

Often overlooked by international investors in the past, the land of endless horizons stands on the cusp of an economic boom fueled by its abundant, in-demand natural resources

NAMIBIA



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Top 5 reasons to invest in Namibia

- Safety, security, plus political and social stability
- Rule of law and independent judiciary
- Fantastic quality of life
- Young, trainable and motivated workforce
- Market access to Africa, the U.S. and Europe

Namibia: Africa's best-kept secret

Having rebounded from recession on the back of a resurgent mining sector, Namibia is advancing into a new growth era with diversification into oil, hydrogen and manufacturing

Last year, Namibia's gross domestic product (GDP) rose by 2.4% to reach \$12.4 billion — an encouraging signal that the remarkable nation, lying near Africa's southern tip, is bouncing back from a four-year-long recession.

It's a return to form for the vast but sparsely populated country of just 2.5 million people that only gained independence from its neighbor South Africa in 1990. Ever since, it has made continuous strides forward, with its GDP growing by an annual average of 5% in the years leading up to 2016.

The underlying upward economic trajectory is founded on stable democracy and good governance, says Ipumbu Shiimi, Minister of Finance and Public Enterprises: "We've pursued a solid macroeconomic framework, we've been prudent and our exchange rate, which is linked to the South African rand, has been relatively stable. We also have a profitable and well-regulated financial sector that supports the economy."

However, he adds, "We do have challenges. We went through a difficult period from 2016 when commodity prices came down, as our economy is not sufficiently diversified and depends heavily on mining and primary industries."

Indeed, the expansion seen in 2021 was fueled mainly by surging demand and prices for two of its many mineral resources. As Minister of Mines and Energy



Ipumbu Shiimi
Minister of Finance and Public Enterprises

Tom Alweendo explains: "Diamonds represent over 50% of our export revenues and we're the second-largest uranium producer globally. There's also new interest in the commodities of the future that we have, like lithium and rare-earth minerals."

Mining wasn't the only sector to post robust results, notes Baronice Hans, managing director of the country's second-biggest bank by deposits, Bank Windhoek: "Agriculture has done well and will continue to play a large role in driving the economy; besides, all indi-

There's a major opportunity for us to export Namibian-made products to the rest of Africa and beyond."

Ipumbu Shiimi, Minister of Finance and Public Enterprises

cations point to a strong recovery in tourism, fishing continues to be a solid contributor and retail is showing steady growth."

While established industries have kickstarted the economy, emerging ones are set to transform it. Firstly, this February Shell and TotalEnergies made two huge offshore oil discoveries. "Based on those finds, the oil and gas industry is expected to double our GDP growth. Another sector we're excited about is green hydrogen, as Namibia is one of the top-three sites in the world for its development," states Hans.

The government is adamant that all of the country's rich resources are exploited sustainably

and in a way that benefits the population, says Deputy Prime Minister and Minister of International Relations and Cooperation, Netumbo Nandi-Ndaitwah: "We can't accept that raw materials are transferred from Namibia unprocessed. They must be processed and value added to them here."

The government also wants to diversify the economy by replacing imports with locally manufactured goods. "We've identified industries where we have know-how we can add to, such as food processing and inputs for mining. There's a major opportunity for us to export Namibian-made products to the rest of Africa and beyond as well," Shiimi comments.

That opportunity exists for various reasons: Namibia shares borders with South Africa, Angola, Botswana, Zimbabwe and Zambia,

plus it is a member of regional economic blocs and has trade agreements with the U.S., the European Union and other countries. It also boasts world-class ports and Africa's best road network.

Although Namibia is the world's second-most unequal nation in terms of wealth, it's officially classified as an upper-middle income country, Nandi-Ndaitwah explains: "That helps us to be recognized for our developmental achievements, but it means financing is only available to us at high rates." As a result, to realize the country's goals, the government is targeting private-sector-led growth and, in particular, foreign direct investment.

Did you know?

- Namibia has the 2nd-lowest population density globally
- It boasts Africa's best road network
- It is currently the world's 2nd-largest producer of uranium
- Its seas are rich in potential for fisheries
- Its main exports to the U.S. are beef, charcoal and beer

Building a conducive framework for foreign direct investment

Committed to private-sector-led growth and attracting higher volumes of inward investment, the government has created a new central body that is making it easier to invest in the country

Namibia drew in robust inflows of foreign direct investment (FDI) from 2000 to 2015, a year when \$888 million went into sectors like mining, financial services and manufacturing. When its economy slowed down from 2016, however, so did investor interest.

"As a result, we decided to be more proactive in attracting FDI and, in 2021, we established the Namibia Investment Promotion and Development Board (NIPDB). It reports directly to President Geingob, which speaks volumes about the importance he attaches to FDI," says Minister of Finance and Public Enterprises Ipumbu Shiimi.



Nangula Uaandja
CEO, Namibia Investment Promotion and Development Board

Then there is market access. Namibia's membership of the Southern African Customs Union opens it up to about 70 million people, the Southern African Development Community contains 366 million and the African Continental Free Trade Area has over 1.3 billion. In addition, the African

Growth and Opportunity Act and Economic Partnership Agreement with the European Union offer access to the U.S. and Europe. "When you look at Namibia, focus beyond its 2.5 million population, the opportunities are limitless," Uaandja stresses.

As she admits, "There are some bottlenecks for investors,

The outlook is very positive and we have a good pipeline of investment projects."

Nangula Uaandja, CEO, Namibia Investment Promotion and Development Board

Tasked with promoting, advising on and facilitating investments, "NIPDB also has a clear mandate to improve Namibia's competitiveness and ease of doing business," reveals its CEO and chairperson Nangula Uaandja.

There are already many reasons to invest in the country, she says: "Number one is safety, security and stability. The second is rule of law and the independence of our judiciary. Another is quality of life for investors and employees, thanks to the beauty of our country and great health, infrastructure and education systems, and a young, trainable workforce. Our government is also open to dialogue with investors."

but we're dealing with them. We have a policy gap, so we're working on a Namibia Investment Promotion and Facilitation Bill." Another issue is energy costs, which the government has addressed through legislation to encourage independent power producers.

"A further challenge was bureaucratic processes, however, NIPDB will be establishing a one-stop center with all the major agencies that deliver services to investors and we're also accelerating e-services. There's a lot of work happening to create a conducive environment for investments as a conduit to achieving our national priorities," says Uaandja.

For the CEO, some of the most exciting of those priorities at the



The stylish AM Weinberg hotel offers panoramic views of Windhoek city

moment are green hydrogen, the blue economy, agribusiness, tourism, the film industry, manufacturing and moving beyond extraction in mining toward value addition. "The outlook is very positive and we have a good pipeline of investment projects," she states. Investor interest in Namibia is also on the up, with two delegations from the U.S. having visited this year, Uaandja adds. "At present, we export three main products to the U.S. — beef, green charcoal and beer — but we'd like to produce more goods for the country's dynamics."

That wish is likely to be granted, according to the U.S. Embassy in Namibia's chargé d'affaires, Jessica Long: "The U.S. government prioritizes creating jobs in Namibia through growing Namibian exports to the U.S. and other countries, increasing U.S. investment in Namibia and supporting Namibian entrepreneurs. The U.S. is a proud partner of the private sector in Namibia."

Mercia Geises, CEO at Standard Bank Namibia, one of the country's top-three banks, is impressed by the improvements that have been made to the investment climate. "We've done a lot as a country to change the strategic direction of Namibia, enhancing governance, efficiencies and crafting policies that attract confidence and investments. Namibia is a very attractive investment destination and its banks are here to help investors navigate the country's dynamics."

Marco Raffinetti, CEO of Hyphen Hydrogen Energy, an international joint venture that has recently won a \$9.4-billion tender for a huge green-hydrogen generation project, is equally enthusiastic. "Namibia is among the most stable and well-governed countries in Africa, and is highly committed to creating legal, regulatory, fiscal and commercial frameworks for industry that are transparent, equitable and value accretive for Namibia and its people," he asserts.

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Namibia has been called the wildlife conservation center of Africa



Gondwana Namushasha River Lodge in the Zambezi region

Endless horizons, jaw-dropping landscapes

From the desert to the sea, Namibia's wide-open, pristine natural environments offer tourists unforgettable experiences

With its iconic red dunes, vast, unspoiled terrain, robust road infrastructure and low crime rate, Namibia has seen its tourism industry grow significantly in the last two decades. Prior to the pandemic, the sector accounted for 14.7% of gross domestic product, employed 15.4% of the total workforce, and provided a high-quality, welcoming and unforgettable experience.

Home to the world's oldest desert — the Namib — as well as the highest dunes and the second-largest canyon, this "continent within a continent" is a truly exceptional destination. With safaris, beaches, diverse cultures and biodiversity, Namibia is a gem of a place; the gift that keeps on giving — and the best bit of all is that it still feels like an escape from the crowds, with safe, accessible roads that are perfect for self-driving.

The impact of COVID-19 was hard, but a full recovery is on the horizon, Pohamba Shifeta, Minister of Environment, Forestry and Tourism, explains: "Like most destinations around the world, many businesses closed and a lot of people lost their jobs. We were expecting 1.7 million international arrivals in 2020." Instead, they



Pohamba Shifeta
Minister of
Environment, Forestry
and Tourism

**Matthias M.
Ngwangwama**
Managing Director
Namibia Wildlife
Resorts

saw numbers fall by 89.4%, which posed a severe threat to the livelihoods of rural Namibians and valuable conservation projects, as well as the economy. The swift introduction of a conservation relief, recovery and resilience facility garnered nearly \$9 million and cushioned the blow.

"We started to see a gradual recovery in arrivals and accommodation occupancies in 2021," Shifeta says. "And in the first and second quarters of 2022, arrivals increased about 37% from 2020's figures. The numbers continued to rise with a recovery of about 70% occupancy from 2019 figures at the end of May 2022."

Namibia Wildlife Resorts (NWR) is the country's largest public-sector tourism operator, with an asset base of around \$44.2 million and 650 staff. "Na-

mibia is a land of contrasting landscapes and that's what entices tourists," says its managing director, Matthias M. Ngwangwama. "It's a renewable resource that doesn't deplete — its beauty lives on. Key attractions include our national parks, like Etosha, and the coastal areas, like Swakopmund, while our Fish River Canyon is the second-largest in the world, after the Grand Canyon. We also have a new attraction — the Kavango Zambezi Transfrontier Conservation Area — coming up.

"During the pandemic, we had to diversify by focusing on regional markets like the Southern African Development Community and our domestic market. This is partly why we survived."

The enterprise also innovated. "We launched a new product, including packages where NWR takes visitors to their desired destination. And we saw how we could capitalize on virtual tourism. As an example, we installed

Namibia is a land of contrasting landscapes and that's what entices tourists. It's a renewable resource that doesn't deplete — its beauty lives on."

Matthias M. Ngwangwama, Managing Director, Namibia Wildlife Resorts

a camera at one of our water holes, which is live streamed on YouTube so viewers can experience what we offer from their homes." High season looks positive in terms of visitor numbers and tourism heads are expecting the sector to fully recover by 2023.

With such a large wealth of resources and potential, the tourism sector provides huge investment opportunities. As Ngwang-

wama states, NWR is looking to introduce public-private partnerships (PPPs) and has the U.S. firmly in its sights.

"We run 27 facilities throughout Namibia, three of which are PPPs. Most of these were local investments," he says. "There's a drive now to go out and offer these opportunities internationally." Upgrading the facilities and accommodation in the national parks and coastal areas are key areas of focus, as is the building of a health spa and resort on the site of natural hot springs. Such attractions are now in high demand.

"The U.S. is a highly developed country. It has the know-how and expertise, better technology and more finances than we do in Namibia. We have the natural resources, so the U.S. can play a big role in assisting us to harness these and elevate them to more developed and advanced levels," Ngwangwama concludes.

Gys Joubert, managing direc-

tor of the Gondwana Collection, the largest private tourism operator in Namibia, nails the country's unique selling point: "We feel Namibia offers something the world is longing for. There's a massive opportunity for cooperation between the private sector and government to unlock opportunities in our natural environment, in a very sensitive way, without destroying it. It's about the development of our country."

The dream location for film production

The country's fabulous landscapes are being harnessed by Namibian filmmakers to tell unique stories that are now reaching international audiences

"Very successful movies have been filmed in Namibia, such as Mad Max and Angelina Jolie's Beyond Borders, and we want to bring more top Hollywood productions to our country," declares Nangula Uaandja, CEO, Namibia Investment Promotion and Development Board.



Stanley Similo
Director General
Namibian Broadcasting
Corporation

Stanley Similo, director general of the Namibian Broadcasting Corporation (NBC), sums up why the stunning nation provides a perfect backdrop for international filmmakers: "The uniqueness of who we are as Namibians and as a country makes for great filmmaking. Moreover, Namibia is a land of contrasting beauty, as it's the only destination with both a desert and an ocean."

NBC was established in 1991 as the national state broadcaster. 30 years later, Namibia's media landscape has diversified, but NBC still plays a crucial role in the country. "Over the years, we've evolved into one of the most trusted mediums of com-

the population, while its television channels cover 74.5%. On average, 1.6 million people are engaged across all NBC's television, radio and digital platforms every day.

The state provides almost three-quarters of the broadcaster's funding, with the rest coming from an annual TV licence and commercial activities. And as well as providing news and informational programs, its channels offer a wide range of local and international documentaries, dramas, entertainment programs and movies.

NBC puts a lot of emphasis on the development of Namibian creative talent, Similo states: "We're focused on growing local content by, for example, commissioning and buying content from independent producers and directors. As an illustration, we've recently partnered with MultiChoice, an African satellite and digital television group, on the production of 26 independent Namibian films telling diverse and authentic stories."

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Stanley Similo, Director General, Namibian Broadcasting Corporation

munication and dissemination of news. Namibia is Africa's highest-ranked nation in the World Press Freedom Index, and NBC keeps Namibians fully informed about what's happening within the country and around the world," says Similo.

Today, NBC operates three national television channels, plus 11 radio stations that are located around the country and promote regional languages. In total, its FM radio stations reach 78% of

The broadcaster is also nurturing the next generation of film and radio industry professionals through hands-on training programs that cover everything from idea generation and storytelling to camera and sound practices, and post-production technologies.

Another priority for NBC is to grow its digital presence. "We've started transitioning into that space and now broadcast a lot of live-streaming shows through



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Mad Max: Fury Road was filmed in the unique Namib Desert landscape

channels like Facebook, YouTube and Instagram. We want to boost our use of advanced technologies in order to take advantage of the benefits that online and digital services can bring, such as increasing the reach of our content. Around the world, people want unique content and Namibia can provide that," he asserts.

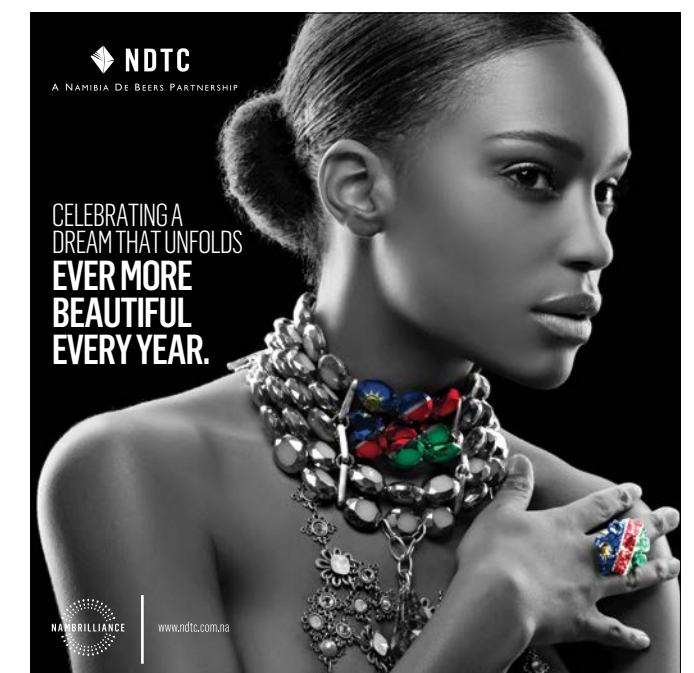
Digitalization accelerates

This summer heralded the arrival of the Equiano subsea cable at Swakopmund — an exciting joint project between the pan-African Paratus Group and Telecom Namibia. The Google-commissioned technology will deliver up to 20 times the international capacity previously available, improve connectivity and more than double the current internet

speed. Linking South Africa and Europe along Africa's west coast, this is great news for business and the population at large.

Stanley Shanapinda, CEO of Telecom Namibia notes that around 21,000 indirect jobs will be created between 2022 and 2025 as a result of the expansion of the digital economy and associated business sectors. He is delighted to be part of the revolution.

"Telecom Namibia is the conduit through which you can do trade, run your operations and achieve results for your business. We bring sectors together and are the glue through which our projected booming mining, oil and gas, and tourism industries will be communicating," Shanapinda says.



Namibia has arrived on the oil and gas scene

After two huge finds, the country has entered a new era of development and is ready to welcome international investors willing to participate in that predicted boom for oil and gas

Namibia may have hit the oil jackpot this year, when its state-owned National Petroleum Corporation of Namibia (NAMCOR) announced that two world-class hydrocarbon discoveries had been made in deep waters off its southern coast.

Both discoveries involve high-quality light oil and count among the top 20 most-significant discoveries in sub-Saharan Africa for many years. Both are the work of joint ventures: between NAMCOR, Shell Namibia Upstream and QatarEnergy on the one hand, and between TotalEnergies, QatarEnergy and Impact Oil & Gas on the other.

Tests are now underway to determine the full potential of the finds, reveals Minister of Mines and Energy Tom Alweendo: "Together with the investors, we want to work as fast as possible to make sure that oil production starts and the discoveries contribute to our economy quickly. The impact could be huge and it is going to change the economic landscape of the country."

While Namibia is keen on exploiting its hydrocarbon reserves, it is not losing sight of its vast potential in renewable energy. The nation nourishes large ambitions to harvest its abundant sun and wind resources to produce green hydrogen.

Up to \$20 billion could be invested in green hydrogen. "Our resources for renewable energy are so large that we can help the globe to decarbonize," stresses Alweendo. "We're embracing both renewables and fossil fuel — we don't see it as a contradiction. The global energy transition has to be a fair transition: countries with good hydrocarbon resources should be allowed to leverage those resources to manage their



Tom Alweendo
Minister of Mines and Energy

Immanuel Mulunga
Managing Director NAMCOR

transitions. That will enable them to embrace renewables much faster or in a more resilient manner," he asserts.

Last frontier for hydrocarbons

Namibia might be at the forefront of the nascent hydrogen industry, but it is a latecomer to the oil and gas game. Its four offshore and four onshore basins contain an estimated 11 billion barrels of oil and 2.2 trillion cubic feet of natural gas, and only around 24 exploration wells have been drilled in them to date. The very first explorative program in its waters reaped immediate rewards when Chevron found the Kudu gas field in 1974. Located in the same Orange Basin as the two latest discoveries, Kudu is thought to contain about 1.3 trillion cubic feet of gas.

Unfortunately, exploration of the country's resources stalled from this point until it gained its independence from South Africa in 1990, as sanctions on that nation at the time discouraged international involvement in Namibian hydrocarbons. Soon after it was freed from the burden of sanctions, however, Namibia's government passed the Petroleum Exploration and Production Act of 1991 and established NAMCOR to help get the sector back on track.

Initially, the entity acted as a regulator and advisor to the Ministry of Mines and Energy, but



Explorations led by Shell and TotalEnergies struck oil this year

over the years, it transformed into a fully commercial public enterprise that participates upstream and downstream. "The role we play is to ensure the state has a participating interest in the sector at equity level in order to enable security of supply for the country. We're there to make sure Namibia derives value at all levels in the form of royalties, taxes and equity," explains its managing director, Immanuel Mulunga.

In 1991, the country undertook its first licensing round, with five bidders being awarded exploration licenses. Two subsequent rounds followed over the next decade or so, yet none led to commercializable finds.

As a result, the country adopted an open licensing system in the mid-2000s, with companies welcome to apply for exploration

"We're embracing both renewables and fossil fuel — we don't see it as a contradiction."

Tom Alweendo, Minister of Mines and Energy

and geophysical studies on the blocks it has an interest in to support faster discovery and help de-risk investments.

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A coming of age

Namibia's hydrocarbon industry truly began to mature in 2021, when BW Offshore set a date of 2026 for Kudu to go into production and upped its holding in the field's license to 95% by acquiring a large part of NAMCOR's stake. The Norwegian firm intends to use a floating platform to extract the gas, which will be piped to a

ducive, robust and internationally competitive regulatory environment we have in place," Mulunga explains.

In addition to steady governmental support, NAMCOR has been instrumental in enhancing Namibia's attractiveness for oil and gas majors. Mandated by government, the company today holds an average 10% stake in 98% of existing exploration licenses in the country, and a majority working interest in five exploration blocks. The company welcomes new investors in these assets and is strategically well placed to facilitate mutually beneficial negotiations between the government and its partners.

NAMCOR is also the custodian of Namibia's first-class hydrocarbon exploration databases and carries out specialized geological



NAMCOR has 15% of Namibia's downstream market

new gas-to-power plant on land in order to increase the country's self sufficiency in lower-carbon electricity generation.

That same year, ReconAfrica, a Canadian firm working under a joint operating agreement with NAMCOR, drilled test wells in the Kavango Basin that finally confirmed the presence of active onshore petroleum assets in Namibia. A year later, Shell and TotalEnergies made their headline-grabbing announcements. "We're excited to be part of both these oil discoveries and we're well poised to help make sure production happens by 2028," Mulunga entrusts.

According to a study commissioned from research and consultancy firm Wood Mackenzie on the back of the latest discoveries, oil and gas will probably double Namibia's gross domestic product by 2040 to about \$35 billion, with the industry creating thousands of jobs.

Until then, billions of dollars of investment are poised to enter the nation as it prepares for its first commercial oil extractions, Mulunga says: "We've already received interest from other international oil companies that want to be part of this bonanza and hope to attract them not only to explore in the Orange Basin, but in all our other basins as well. We're at the frontline of a new industry being created in Namibia and we have to make good use of this window of opportunity, as the energy transition is something that we're embracing as a company and as a country."

The evolving sector's ecosys-

tem will encompass a myriad of new opportunities in oilfield services, many of which are likely to be provided by foreign businesses in partnership with local suppliers, he points out: "We'll see Namibian companies springing up to serve this emerging industry, while towns and cities like Windhoek, Walvis Bay and Lüderitz will experience significant and rapid economic growth."

Aggressive expansion

NAMCOR's 10% interest in both of 2022's oil finds will turn it into Namibia's largest company once production commences. It has already grown exponentially in recent years. "When I started as managing director in 2015, our annual revenue was about \$34 million. This financial year, which ends in March 2023, we expect our total revenue to be around \$330 million — that's almost a tenfold increase and most of it has come from our downstream business," Mulunga notes.

The company ventured into the downstream segment in the early 2000s when it began to import petroleum products for commercial sale. Yet that business really took off in 2014 when it decided to enter the retail sector, which offered better margins than its commercial activities securing long-term sustainability. NAMCOR opened its first three service stations in 2019 after investing in new branding and logo. Since then, the company's outlets have mushroomed all over Namibia, including in strategic locations such as the Hosea Kutako International Airport, offering

their customers an innovative range of services like convenience stores, ATMs and free wifi. By 2024, NAMCOR aims to expand its network to 33 stations across the country.

"Gaining critical retail mass was important for us in order to play a meaningful role in the economy and to compete against established international companies, so we've employed an aggressive expansion strategy," explains Mulunga. This approach is working, as NAMCOR has already secured 15% of the downstream market.

The company has also put concerted effort into growing its commercial sales of high-quality competitively priced branded fuels and lubricants that are trusted by major operators in mining, transport, construction and many other sectors. It oversees an extensive and secure network for distribution and storage of its products, and the strong reputation it has amassed in these areas led to it beating off international competition to win the government contract for operating and maintaining the new National Oil Storage Facility at Walvis Bay.

"We're excited to be part of both these oil discoveries and we're well poised to help make sure production happens by 2028."

Immanuel Mulunga, Managing Director, NAMCOR

Opened in 2021, this multi-billion-dollar facility boosts the country's fuel reserves from 7-10 days to at least 30 days. It will be used by NAMCOR for trading purposes and positions Namibia as a gateway for the supply of fuel to its African neighbors.

2021 also saw NAMCOR expand internationally for the first time. "While waiting for our own discoveries in Namibia, our strategy was to use the skills, expertise and educated workforce we have gained from our participation in the Kudu gas-to-power project to explore for opportunities further afield in the form of upstream producing assets being sold by international oil companies," says Mulunga. Having submitted a robust bid, it was awarded one producing and two exploration blocks in Angola that Sonangol

had put up for sale.

There are a number of reasons why NAMCOR opted to buy production capacity outside of the country, he adds: "One aim was to guarantee that we had sustainable cashflow to secure our financial self-sustenance. It will also provide NAMCOR with experience to employ in our own upcoming development and production activities at home — it's almost like a dress rehearsal."

Fostering a highly capable, well trained Namibian workforce is something that is of supreme importance to the executive. "When I came to NAMCOR, I took time to bring in additional skills from outside to supplement the executive team. There are very skilled people in Namibia that you can draw into any company with the right leadership and that's how we managed to attract the competent and experienced people that allowed us to transition into new activities, such as retail and management of the National Oil Storage Facility, extremely well."

When it comes to oil production, however, NAMCOR will be competing for a much rarer skills base. To surmount that challenge,

it is working hard on talent management. In March, it signed a wider cooperation agreement with QatarEnergy for oil and gas exploration and production, whereby Namibian workers will be upskilled to meet the new business models that are now emerging in the nation's upstream sector.

Like Minister Alweendo, Mulunga expresses confidence for the future. "Namibia has arrived on the global scene of oil and gas. We're ready to play a meaningful role as a petroleum-producing country and in the energy transition as a hub for green hydrogen. We will use our oil and gas fortunes to get the country out of poverty and to make sure that Namibia can be one of the shining examples in Africa and on the global level when it comes to energy and good governance."

Diamonds: A sparkling case study for responsible mining

As Namibia seeks to make the most of its in-demand resources, the country's mining sector is flourishing. Commodities include highly desirable minerals that are vital for the global energy transition, such as uranium, as well as ethically produced, premium-quality diamonds

Almost 62% of all foreign investment in Namibia is directed to extracting the wealth of minerals in its soils and waters. "Mining currently contributes 10% of our gross domestic product (GDP) and it's a growing sector," says Tom Alweendo, Minister of Mines and Energy. "The minerals we've traditionally produced the most are diamonds, gold and we're the second-largest producer of uranium globally, as of 2021."

Namibia's resources also span copper, lithium, cobalt, tungsten, tantalum and other key elements of the energy transition, he adds: "We have rare-earth minerals for renewable energy and encourage investors to explore them." Some



Brent Eiseb
CEO, Namibia Diamond Trading Company

already are, including Australia's Lepidico and Canada's Desert Lion Energy, which are mining lithium.

Hilifa Mbako is executive chairperson of Orano Mining Namibia, a French state-owned firm that has around \$670 million invested in a huge uranium mine. He recommends the country to potential investors: "Most companies mining here are foreign and it's one of the best jurisdictions any of us has experienced." Alweendo issues a word of caution, however: "We want investors to really add value to our minerals in the country, rather than just exporting them in their raw form."

Namibia's extremely high-quality, sustainably recovered and con-



Sorting and valuing rough diamonds are highly skilled tasks NDTC employees fulfil

flikt-free diamonds are a sparkling illustration of how mining can add value. "We've been recovering diamonds for more than 100 years, over which time the industry has had a significant positive impact on the development of our economy, communities and people," says Brent Eiseb, CEO of Namibia Diamond Trading Company (NDTC), a 50:50 joint venture

“We've created a sustainable and viable cutting and polishing industry in the country.”

Brent Eiseb, CEO, Namibia Diamond Trading Company

between the state and leading diamond producer De Beers.

NDTC is responsible for sorting, valuing and selling all the country's rough diamonds, which amounted to nearly 1.5 million carats in 2021, as well as ensuring downstream value addition takes place within the country.

The diamonds are recovered by two other government-De Beers joint ventures: Namdeb recovers them from beaches and shallow waters, while Debmarine is the global leader in marine diamond recovery and operates off the coast in the world's richest marine diamond deposits. NDTC's highly skilled employees, assisted by in-house technology, then sort and value each rough diamond, Eiseb notes: "We've got 13,000 different classifications and it's an important process, because it's on the basis of our valuation that taxes, royalties and levies are paid. Diamonds account for 7-8% of GDP and, for every dollar Namibia generates from diamonds, about 80 cents ends up in government coffers, which has contributed to Na-

mibia's excellent infrastructure." These tasks require rare skills and NDTC provides comprehensive training to build capacity and opportunities for citizens.

NDTC then distributes the diamonds through three channels: some are sold to De Beers, 15% go to the state-owned Namib Desert Diamonds and about \$430-million worth are sold to 11 handpicked

clients every year, who are required to process them in Namibia, he reveals: "We've created a sustainable and viable cutting and polishing industry in the country, generating employment and knowledge transfer." The next step is jewelry design and manufacturing, and NDTC is working with others to find ways to promote Namibia's designers internationally and to furnish them with technical and business skills.

The Namibian diamond industry has seen phenomenal growth in the last two years. "That was primarily driven by record consumer demand, particularly from the U.S., which accounts for 52% of global diamond jewelry sales," explains Eiseb. Optimistic that robust demand for its ethically produced gems will continue, the industry is making sure the supply will be there to meet it, he adds: "Namdeb has extended its mining operations until 2042 and Debmarine has commissioned a new vessel that will add about half a million carats to Namibia's production on an annual basis."

The new hub for green hydrogen and logistics

The country's ambition to produce and export 3 million tons of green hydrogen a year is bolstered by investment in two of Africa's best performing seaports

Namibia is moving quickly to become a global player in green hydrogen. In 2021, a tender for its first large-scale hydrogen project was won by Hyphen Hydrogen Energy, a joint venture between investment company Nicholas Holdings and German renewables developer Enertrag. The initial phase of this \$9.4-billion development should go online in 2026 and it will generate 300,000 tons of hydrogen a year by 2030.

Many more projects will follow, thanks to the country's ample wind and solar resources, government support for the industry, vast swathes of empty land lying close to the coast and two of the best performing seaports in Africa that offer fast transit to Europe, Asia and the Americas.

"Namibia is rated among the top-three countries worldwide for hydrogen projects," states Andrew Kanime, CEO of the Namibian Ports Authority (Namport). "The Ports of Walvis Bay and Lüderitz



Andrew Kanime
CEO, Namibian Ports Authority

about 5 million tons of mixed cargo a year. 254 nautical miles down the coast, the smaller Port of Lüderitz is mainly used by mining and fishing industries at the moment.

As well as being crucial in Namibia's economy, both are key export and import channels for the wider Southern African Development Community (SADC), with cross-border trade making up 24% of the goods that pass through them. "By linking landlocked SADC countries to international markets, we serve as a critical node in enabling trade and regional economic integration. We are complementing the Namibian government to realise its vision of positioning the country as the regional logistics hub for Southern Africa by investing in state-of-the-art infrastructure, cargo-handling equipment and our people," explains Kanime.

In 2019, for instance, Namport completed a \$250-million development at Walvis Bay which, among

“Investors looking for the most efficient and secure gateway into southern Africa will find it at Walvis Bay.”

Andrew Kanime, CEO, Namibian Ports Authority

will be the points of exit for hydrogen and we're investing in the necessary infrastructure to ensure that, when Namibia is ready to export it, we're ready too." In addition to building infrastructure, Namport is collaborating with the Netherlands' Port of Rotterdam and Belgium's Port of Antwerp Bruges on expediting flows of Namibian hydrogen into Europe's energy systems, and it has set aside 350 hectares of land for hydrogen-related industries at Walvis Bay, the larger of its two ports.

In 2021, 57% of all goods exported from Namibia left via this deep-water facility, which handles

other things, added a second container terminal that doubled its capacity to 750,000 TEUs, new ship-to-shore cranes, and a berth for cruise ships. As the CEO points out: "We're also investing in building a high-performance culture that enables us to provide unparalleled customer experience, efficient services and is aligned with our five core values: committed, connected, caring, creative and collaborative."

Its investments are paying off. Despite the global challenges of COVID and supply chain disruptions, Namport performed robustly in the year to March 2022,



Namport's new terminal at the Port of Walvis Bay doubles its container capacity

recording revenues of \$75 million. "We saw double-digit growth in bulk cargo, for example, partly due to demand surges for copper from Zambia and Democratic Republic of the Congo, and South African manganese," he says.

Namport wants to continue transforming in parallel with the country's economy. A feasibility study has been carried out for a new deep-water port in the bay adjacent to the current port in Lüderitz; the authority wants to create a terminal for the oil and gas industry at Walvis Bay; and it is augmenting

bulk-cargo capacities at both ports to help the SADC meet the growing interest in its minerals. "Another goal is to establish a logistics and distribution center for the region at Walvis Bay. Many of the tenants for that type of hub now use other ports in the region, which are currently congested and inefficient. Namibia provides an alternative route for imports and exports, with the best roads and ports in the region. Investors looking for the most efficient and secure gateway into southern Africa will find it at Walvis Bay," asserts Kanime.

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Banks: Strong, trusted partners for growth

Firmly rooted in their country, Namibian banks are effective and dynamic catalysts of sustainable economic development that benefits all stakeholders

Resilient, liquid and profitable, Namibia's banking sector contains eight institutions. One of them, Standard Bank Namibia, has supported the nation's development for over 100 years. "Namibia is our home and we drive its growth," asserts CEO Mercia Geises.

A top-three bank by market share, Standard Bank Namibia has substantial client bases across personal, corporate investment, business and commercial banking. Since 2019 when it was listed on the Namibia Stock Exchange, 25% of the bank has been owned by the general public, including many of its over-1,400 employees. The remainder is held by its parent, Standard Bank Group, which has an on-the-ground presence in 20 African countries, an integrated worldwide network of operations and is the continent's third-largest bank in terms of assets.

Within its corporate investment activities, Standard Bank Namibia stands out in key sectors,



Mercia Geises
CEO, Standard Bank Namibia

Baronice Hans
Managing Director Bank Windhoek

Geises reveals: "As investors and banking partners, our expertise is dominant in mining. We also have expertise in oil and gas locally and in the wider group, in partnering with non-bank financial institutions for banking services, in fast moving consumer goods and in agriculture. Our understanding of local, African and global dynamics makes us an extremely strong partner."

Geises became CEO in 2021 and was tasked with refreshing the bank's strategy in alignment with that of the parent group and emerging opportunities in the Namibian economy. "I'm leading the



Standard Bank's new head office in Windhoek, Namibia

transition from a traditional bank to a purpose-led, platform-based business," she explains.

To build a future-ready platform, Standard Bank Namibia is investing in its digital capabilities, particularly in areas like cloud technologies, and it has acquired one of the country's biggest fintech firms in order to revitalize the way remittances are handled in Africa. Already, however, it offers first-class digital services, states Geises: "Among our biggest innovations to boost financial inclusion is PayPulse, an almost fully-fledged transactional account accessed from a mobile phone."

The bank's transition includes a new environmental, social and governance framework for all its processes. "We raised our first green bond in June, which was oversubscribed, and we're excited about deploying it into our pipeline of green projects that is focused on energy, water and sanitation," the CEO enthuses. "In general, we're looking forward

\$3 billion, it is the flagship brand of Capricorn Investment Group, a financial services group listed on the country's stock exchange. Its mission is to assist Namibian individuals, businesses and communities to reach their full potential, as its managing director, Baronice Hans, explains: "Our purpose is to be connectors of positive change."

As a relationship-focused institution, Bank Windhoek recognizes the value of its branch and ATM footprint. But it has also embraced mobile and online banking, and other technologies. "Our digital journey continues as customer needs evolve," Hans states. "We're concentrating on the interface between technology and people, transforming our channels so that clients have the convenience of digital services."

In sustainable financing, Bank Windhoek is a pioneer. It was the first bank in southern Africa to issue a green bond, which has been a prominent funder of solar and other green projects, Hans notes:

“We're looking forward to engaging in more partnership projects that help Namibia realize its development goals and that deliver on the promise the country holds.”

Mercia Geises, CEO, Standard Bank Namibia

to engaging in more partnership projects that help Namibia realize its development goals and that deliver on the promise the country holds for investors and the community."

Another driving force within the banking sector is Bank Windhoek, primarily Namibian-owned, the country's largest lender and its second-biggest bank in terms of deposits. With about 1,500 employees and total assets of around

"We've since launched a sustainability bond, which allows us to look at a broader scope of sustainability."

Supporting the government's goals in this area, the bank is aligned with its wider economic objectives and is committed to catalyzing opportunities for Namibia, asserts Hans: "Our journey will continue to be one of growth, accountability and relevance to our country."

Making the desert bloom

Leading Namibian private-sector pioneers in new and established business areas are driven by a desire to grow, sustain and add value to the country's economy

The overriding mission of some of Namibia's most pioneering businesses is socioeconomic development. A prime illustration is AvaGro, a precision-farming innovator that is boosting food security and value in agriculture — a sector that contributed around 6.7% to the country's gross domestic product over the last two years and supports the livelihood of about 70% of the population.

At present, Namibia is dependent on imported fruit and vegetables, as its harsh, arid lands present immense problems for farmers. AvaGro co-founder and CEO Leonie Hartmann describes: "We have three seasons a day, humidity can range from 90% to 20% and temperatures fluctuate drastically. The desert is also too dry, hot and salty for many crops."

To overcome challenges of food security, AvaGro established a farm in the Namib desert where they pioneered hydroponics cultivation in the country. Today, its flagship farm has 3 hectares of greenhouses in which tomatoes, peppers, cucumbers, flowers, herbs and other crops are flourishing in cocopeat grow medium. "We desalinate water using reverse osmosis and irrigate our crops through pressure-compensated driplines. That allows us to be very precise in our irrigation and nutrient application," says Hartmann.

Just six years into the project, AvaGro has become Namibia's first tomato exporter, she adds. "The top priority is our food security, but Namibia has the resources to produce a diverse product basket throughout the different seasons." To bring that goal to fruition, AvaGro is building capacity by providing turnkey solutions to other producers and training to agripreneurs and students. "We've also expanded into countries like Zimbabwe, Zambia and Eswatini so that we can carry



Ian Collard
CEO Namib Mills

Leonie Hartmann
CEO AvaGro

the learnings from the harshest climatic conditions in Namibia into the region," the CEO states.

It isn't only horticultural crops that are imported. "Namibian agricultural stock includes maize, wheat, potatoes, rice and mahangu, a type of millet," explains Ian Collard, CEO of Namib Mills, the country's preferred supplier of staple foods. "We're not self-sustainable in carbohydrates, but farming is gaining efficiency and we should be self-sufficient in maize, for example, within 10 years."

The company is Namibia's larg-

Creating jobs, industrializing Namibia and uplifting citizens are core objectives for us."

Meryl Barry, CEO, Pupkewitz Foundation

est grain miller, with 85% of the market and cutting-edge facilities for maize, wheat and mahangu. It has invested in branding and processing too, he reveals: "We have the largest pasta manufacturing capacity in the Southern African Development Community and make about 65,000 tons a year. We also operate an animal feed facility, an instant-porridge plant, a bakery, sugar and rice packing plants, and we produce about 32,000 tons of chicken annually."

Not all its goods are consumed domestically: it has a presence in Zambia, is among the three top importers of pasta into South Africa and its maize meal is enjoyed in Australia, for instance. Even so, the company's first concern is nutritious food for Namibians, ac-



Hydroponic technologies could make Namibia a horticultural powerhouse

ording to the CEO. "Our motto is 'feeding the nation' and we take that responsibility seriously. We ensure that there's always basic food available and we've been doing that for 40 years."

The firm intends to broaden its food manufacturing to further reduce reliance on imports. "Namib Mills will also evolve into a more integrated company. We'll probably integrate backwards into farming and forwards into transport and distribution," he says.

Another business adding value to resources is Walvis Bay Salt Holdings, sub-Saharan Africa's leading salt exporter that produces in excess of 1 million tons of solar-evaporated sea salt a year, 80% of which is shipped internationally,

retailers: Pupkewitz MegaBuild in building materials and hardware, Pupkewitz MegaTech in electrical components and solar products, Pupkewitz Catering in catering equipment, Kaap Agri in agricultural products and Pupkewitz Motors, the largest automotive group in Namibia. The other, PayToday, is a popular mobile payments app and the result of an investment in a fintech startup. As Barry explains: "Supporting growth in new businesses is important to us."

One of its biggest contributions to Namibia is an annual investment of around \$500,000 into the country's oldest foundation that is dedicated to eradicating poverty. The Pupkewitz Foundation has an annual impact on 1 million Namibians through programs that target community development, education, health, sports, civil society, arts and culture.

"We're guided by the national development goals, which are aligned with those of the United Nations. For example, we've implemented a volunteer system for our staff, who feed 3,000 children a week to alleviate malnutrition. We also contribute to infrastructural projects like classrooms, clinics and hospitals, and we're proud of our pandemic response. Among numerous projects, we provided oxygen to hospitals and repurposed clinics," says the CEO.

Whilst adept in its established businesses, the group is building partnerships with international enterprises that bring knowledge and skills into Namibia to unlock new opportunities and to extend its portfolio into nascent sectors, Barry affirms: "Stepping outside our core capabilities is what's required for our country's development."

Ranked among Namibia's largest businesses, the Pupkewitz Group has been a positive influence on the country for over a century. "We believe strongly in the role of the private sector in building and supporting the growth of the economy. Creating jobs, industrializing Namibia and uplifting citizens are core objectives for us," states Pupkewitz Foundation CEO Meryl Barry.

The group has six divisions, five of which are market-leading

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