



NAMIBIA COUNTRY PRESENTATION

by

BONAVENTURA HINDA
COMMERCIAL COUNSELLOR
EMBASSY OF THE REPUBLIC OF NAMIBIA
France, Italy, **Portugal**, Spain

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Presentation Outline



Country Profile



Macroeconomic Overview



Trade



Investment Opportunities

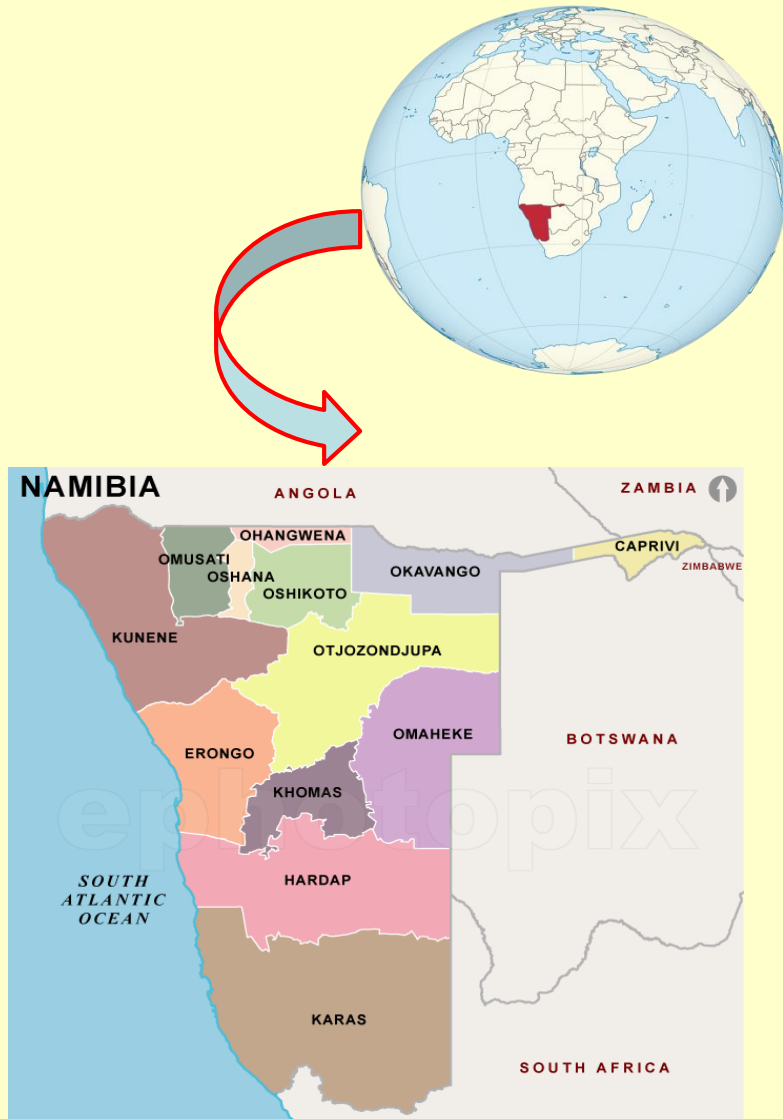


Investment Climate



Namibian Embassy @ Your Service

Country Profile



Area:

824, 292 square kilometres

Population

2.4 million (2016)

Currency:

N\$ = € 16.41 (17/11/17)

Language:

English is the official language

Regions:

14 Regions

Democratic Government:

General Elections every 5 years
Next Elections, November 2019

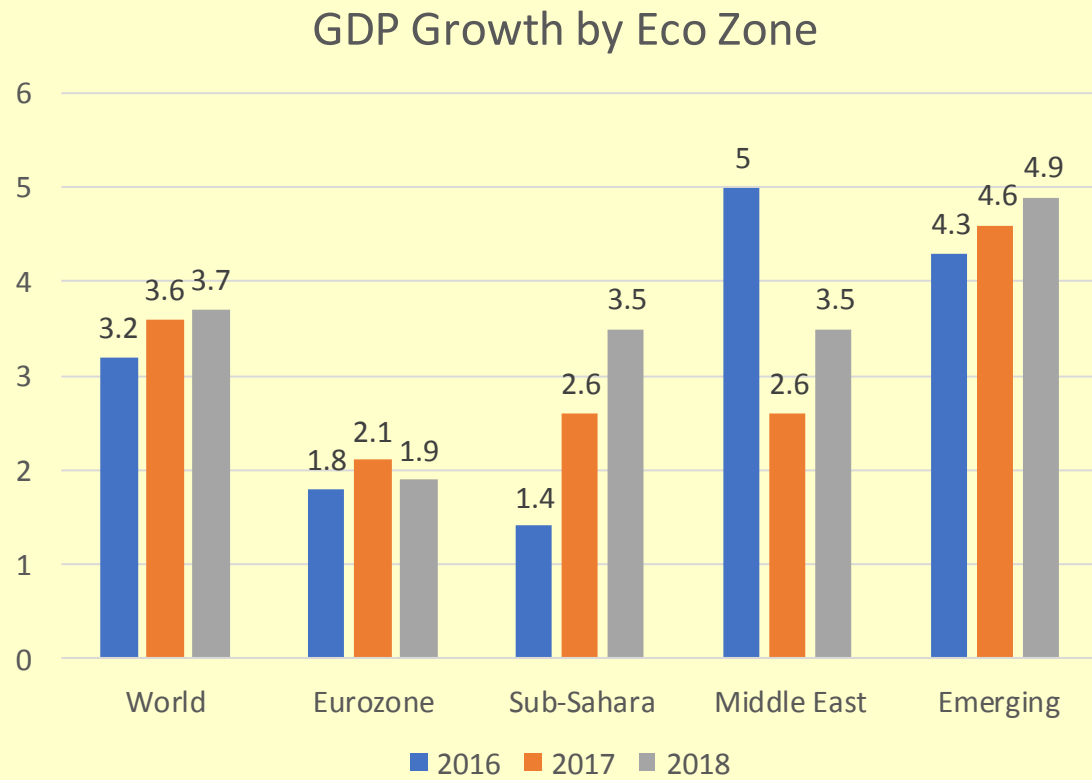
President:

H. E. Dr. Hage Geingob

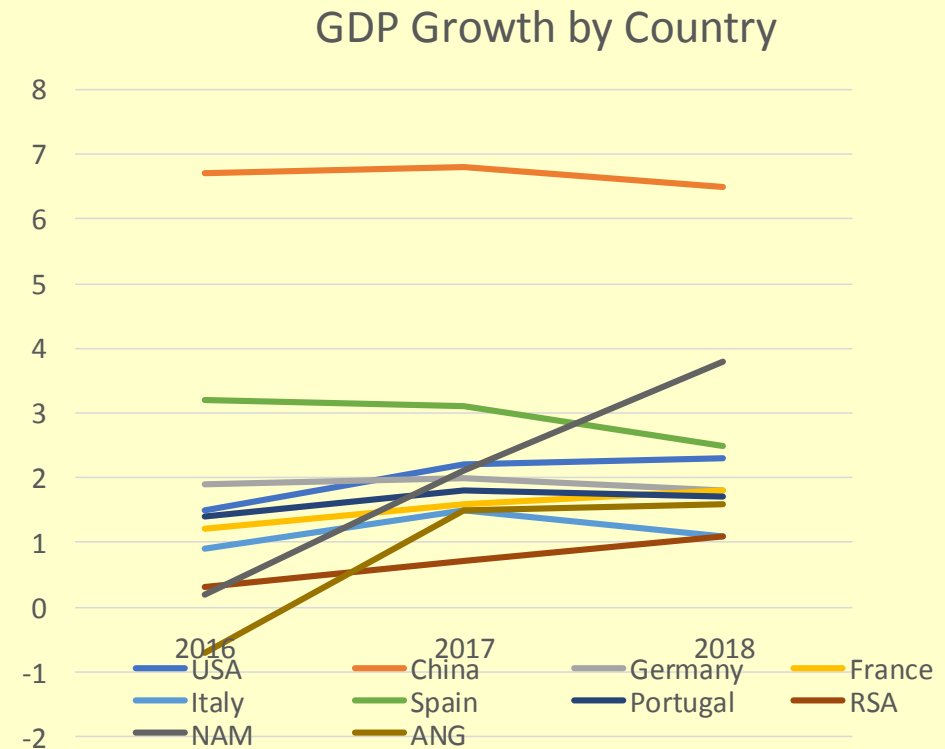
Economic Overview

IMF World Economic Outlook October 2017

GDP Growth by Eco Zone



GDP Growth by Country



Economic Overview - Economic Indicators

- ❖ **GDP at Current Prices**
N\$ 159 105 (2016) and N\$ 168 286 (2017*)
- ❖ **Real GDP Growth** - (2,1% for 2017) [Bank of Namibia Economic Outlook – July 2017\]](#)
- ❖ **NCPI 5.2 %** (Oct - 2017)
- ❖ **Repo Rate**
6,75%
- ❖ **Prime Rate**
10.50%
- ❖ **Gini Coefficient**
0.58%
- ❖ **Unemployment Rate**
28.1% (2014)

Economic Overview – Sector Contribution to GDP – 2016

❖ **Primary Sector – 17,6%**

Agriculture and Forestry

Mining and Quarrying

Fisheries

❖ **Secondary Sector – 17,4%**

Manufacturing

Construction

Utilities (Water & Electricity)

❖ **Tertiary Sector – 57.9%**

Wholesale & Retail

Hotels & Restaurants

Transport & Communication

Financial Intermediation

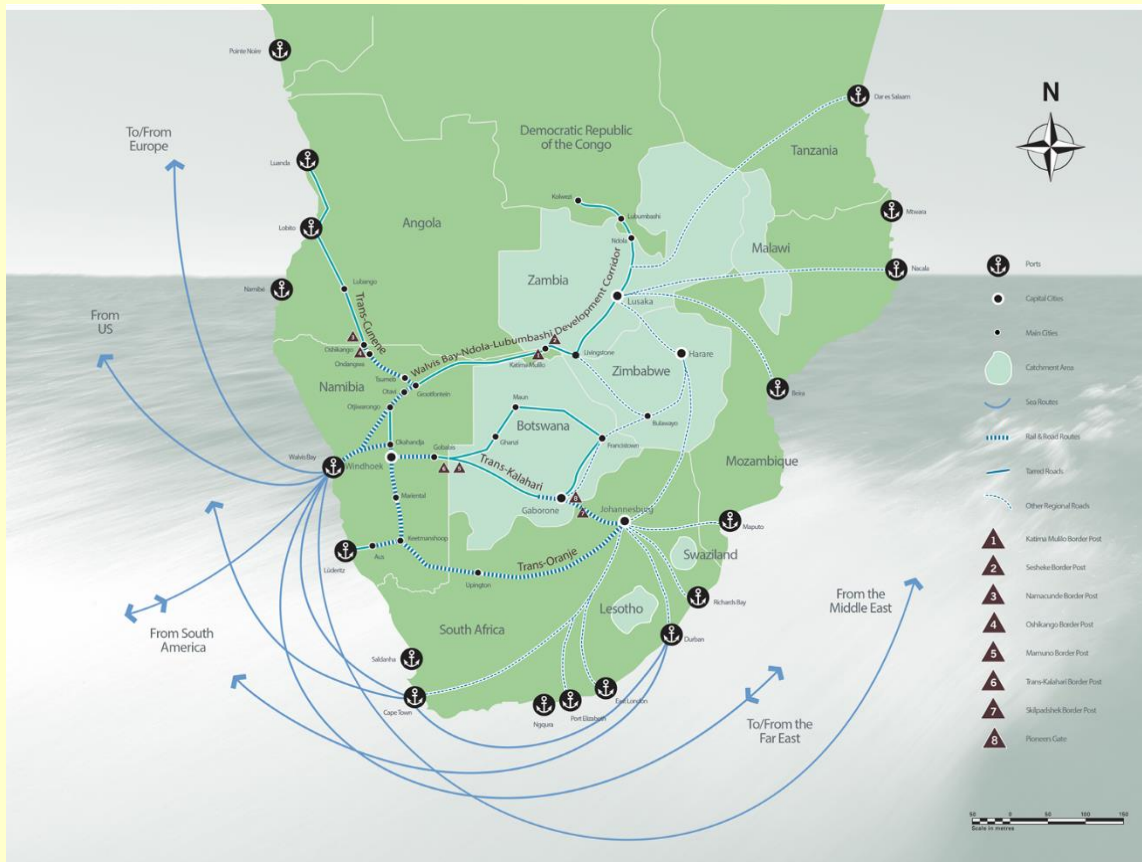
Real Estate & Business Services

Government

Trade (Small Market, Conducive Climate)

Namibia gateway to SADC Region (Market Access)

Significance of WB Port to Region



Market Access through TA

❖ Market Access through Trade Agreements

- Member of SACU & SADC
- Tripartite Agreement (SADC, ECA, COMESA)
- Preferential trade agreements with the EU, USA, EFTA, MERCOSUR

❖ Efficient Cargo Clearance & Transit

- Angola (3-5 days)
- Botswana (2 days)
- DRC (5-6 days)
- Malawi (5-6 days)
- South Africa (2 days)
- Zambia (3-4 days)

❖ Direct Shipping Lines

- Europe, East Asia, North America, Middle East

Trade

Top 10 Trading Partners 2016

Export Destination	N\$ (billion)	Import Destination	N\$ (billion)
Switzerland	13.3	South Africa	59.1
South Africa	11.4	Botswana	6.7
Botswana	10	Zambia	4.0
Zambia	4.4	China	2.8
EPZ	4.4	Norway	2.5
Spain	3.1	Bahamas	2.4
Italy	2.8	India	2.6
China	2.4	USA	1.8
Belgium	2.2	Italy	1.7
Norway	2.2	EPZ	1.4
RoW	14.7	RoW	16.0

Top 10 Namibian Exports and Imports

Main Exports

- ❖ Manufactured Products
- ❖ Diamonds
- ❖ Metal Ores include Uranium
- ❖ Fish and Marine Products
- ❖ Beverages
- ❖ Refined Zinc
- ❖ Live Animals
- ❖ Meat and Processed Meat
- ❖ Copper cathodes
- ❖ Crops, Fruit & Veg, Forestry

Main Imports

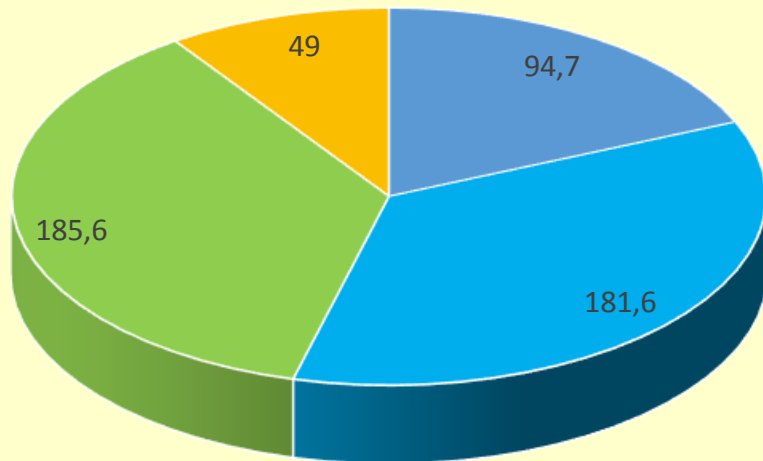
- ❖ Chem, Rubber, Plastic
- ❖ Transport Equipment
- ❖ Machinery and Equipment
- ❖ Refined Petroleum
- ❖ Food Prod/Consumables
- ❖ Textile, Clothing, Leather
- ❖ Fabricated and Basic Metal
- ❖ Non-metallic Mineral
- ❖ Electrical Machinery
- ❖ Paper Product

Trade

France, Italy, **Portugal**, Spain – 2016 (Source: Namibia Statistics Agency)

Exports from Namibia

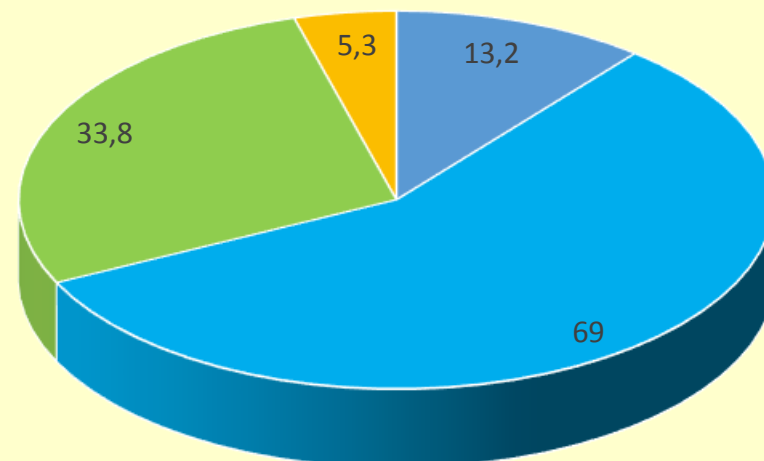
Export Value - US\$ (mil)



■ France ■ Italy ■ Spain ■ Portugal

Imports from 4 Destinations

Import Value - US\$ (mil)



■ France ■ Italy ■ Spain ■ Portugal

Trade

Main Exports to France, Italy, Spain, Portugal

France

- Exports: fish, plants & parts of plants used in perfumery
- Imports: swine, chocolates, wine, alcohol/spirits, engine parts, machinery for liquid gas

Italy

- Exports: bovine, fish, table grapes, marble/granite, zinc, raw hides, wet blue, copper
- Imports: olive oil, veneered wood, ceramic tiles, fork lifts/handling equipment, industrial machinery e.g food and beverages and leather processing

Portugal

- Exports: fish, grapes
- Imports: olive oil, cereal, wine, textile, iron/steel structures, machinery

Spain

- Exports: fish, crustaceans mollusc, table grapes, marble/granite
- Imports: swine, fish, olive oil, rubber tyres, carton/boxes, footwear, iron/steel, engine parts, refrigerators, mobile cranes, industrial equipment

What drives FDI?

✓ Market Seeking Investors



Current size or expected growth of host market: SACU, SADC, Tripartite, EU-EPA, AGOA, Mercosur

✓ Resource Seeking Investors



Interest in raw materials: minerals (diamond, uranium, zinc, copper, gold, lead, fluorspar) sea salt, dimension stones, hides & skin, sun(solar), semi precious stones, indigenous plants with high medicinal value,

✓ Efficiency Seeking Investors



Taking advantage of low cost, high productivity, economies of scale

✓ Strategic Asset Seeking



Special skills/technology, geographic location(Walvis Bay Port)

Location Benchmarking Determinants

- **Policy Framework for FDI:** political stability, security, investment policies, laws and regulations including protection of investments, rules on entry and operations of foreign firms and tax regimes;
- **Economic Determinants:** local and regional market characteristics, availability and quality of raw materials, physical infrastructure, technical and innovatory capacities, cost of labour, land, availability and cost of energy and other inputs;
- **Business Facilitation:** investment promotion, including practical assistance during and after the investment, incentives and social amenities.

Investment Opportunities – Priority Sectors

National Development Plans



June 2012- May 2017



- Namibia Industrial Policy 2012
- Growth at Home Strategy 2014
- Harambee Prosperity Plan 2016
- NEEEF Bill – Due in second half of 2017

Priority Growth Sectors

- ❖ Agriculture
- ❖ Manufacturing
- ❖ Transport and Logistics
- ❖ Tourism
- ❖ Mining & Mineral Beneficiation
- ❖ Ocean Economy

Enablers:

- ❖ Education, skills development and training
- ❖ Health
- ❖ Infrastructure (Energy, Water, Roads etc)
- ❖ ICT and Innovation
- ❖ Financial Infrastructure
- ❖ Export capacity and greater regional integration
- ❖ Research and Innovation

Investment Opportunities – Portuguese Market



Agriculture & Agro-processing (olive & grape plantation and processing)



Manufacturing (leather processing, building material, automotive accessories, pharmaceuticals etc.)



Logistics and Transport (opportunities along 4 transport corridors from WB into SADC Region - trucking companies, truck depots, filling stations etc)



Skills Development and Training (Priority Sectors - tourism, agriculture, mineral beneficiation, partnerships in university & technical colleges)



Ocean Economy (boat cruises, marine aquaculture, offshore renewable energy, R&D-sustainable use of ocean)



Technological Advancement in Priority Sectors

Investment Opportunities

Walvis Bay Port Expansion Project – Completion by 2019



Walvis By Port:

- ❖ Current TEU throughput per annum – 350 000

New Terminal Opportunities:

- Additional of 600m quay length to existing 1500m
- Additional 650 000 TEU p.a
- Additional capacity for containers, bulk, rig repair, dry dock and floating dock facilities etc.
- Warehousing Facilities
- Road Freight Trucking Companies
- Truck port for Walvis Bay

Investment Opportunities

SADC Gateway Port - New



Investment Opportunities – JV with Namibian Project Promoters

Agriculture and Tourism

- Commercial Cattle Feedlot
- Diyondo/Mukwe Agriculture & Tourism Project

Infrastructure

- Otavi Truckstop, Industrial and Logistics
- Community Rail Service between Windhoek Central & Suburbs

Mixed-use Property

- Sungate City (**Hosea Kutako Int Airport**)
- Ongos Monte Christo City (**Windhoek**)

Energy

- Concentrated Solar Power with Thermal and Storage
- Electricity Generation through Biomass Harvesting

Manufacturing

- Bitumen Manufacturing
- Charcoal Production and Processing
- Kaptau Paper Packaging
- Otavi Rebar Manufacturing

Success Stories - FDI flows into Namibia

	Company Name	Investment	Year
1.	Industrials Almentaries de Navara (Spain)	Asparagus Processing Plant	2017
2.	Namibia Italy Gems Cut (Italy)	Gemstone Processing Plant	
3.	Innosun (France)	Solar Power Plant	2016
4.	Banco Atlantico	Financial Services	2015
5.	Eurobic (Banco BIC)	Financial Services	2016
6.	Safari Investments (South Africa)	Retail (Waterfront/Mall)	2016
7.	Atterbury Group (South Africa)	Retail (First Mall in WB)	2017
8.	Ohorongo Cement (Germany)	Cement Factory	2011
9.	Rolls Royce (United Kingdom)	Marine Service/Shipyard Repair Centre	2011
10.	Al Dahra Agriculture (United Arab Emirates)	Date & Grape Plantations	2011

Investment Climate – Legal Framework

- ❖ **Investment Act – Promulgated on 31 August 2016 (Reviewed)**
- ❖ **Foreign Investment Act No. 27 of 1990**
 - Protection of Investments
 - Liberal Investment Regime (farm land, 51% Namibian Ownership/lease)
 - Repatriation of Profits
 - Liberal Foreign Exchange Controls
- ❖ **Export Processing Zone Regime Act No. 09 of 1995**
 - Tax and Duty Free (must export 70-100% of produce)
 - Can locate anywhere in Namibia
 - 18 operational (minerals, automotive, household plastics)

Investment Climate - Taxation

Rates

Taxation – 2016/17

- ❖ Income tax: 18% - 37%
- ❖ General corporate tax: 32%
- ❖ Reg. Manufacturers 18%
- ❖ Value Added Tax (VAT): 15%
- ❖ Diamond mining 55%
- ❖ Other mining 37.5%
- ❖ Petroleum 35%
- ❖ Withholding tax (non-residents): 10% of dividends

Duties

- ❖ Excise duty - Alcohol, Cigarettes etc
- ❖ Ad Valorem Tax - Luxury Items
- ❖ Customs Duty - TV, Clothes, Tyres

Tax Information Source

- PWC Tax Reference and Rate Card 2017

Investment Climate - Incentives

- ❖ **Corporate Tax:** 18% for 10 years, thereafter 32%
- ❖ **Value Added Tax (VAT):** Claims on all inputs paid on acquisition and manufacturing equipment imported
- ❖ **Establishment Tax Package:** Negotiate rates and terms by special tax packages
- ❖ **Special Building Allowance:** Factory buildings written off at 10% in 1st year and balance at 8% for 10 years
- ❖ **Transportation Allowance:** Road or rail allowance of 25% deduction from total cost

Investment Climate – Incentives

- ❖ **Export Promotion Allowance:** Additional deductions from taxable income 25%
- ❖ **Cash Grants:** 50% of direct cost of approved export promotion activities
- ❖ **Exporters of Manufactured Goods:** 80% allowance on taxable income derived from the export of Manufactured goods (excluding meat and fish)

Namibian Embassy @ Your Service



- Investment Promotion
- Trade Facilitation
- Stakeholder Relations & Economic Diplomacy
- Hands-on guidance and assistance to investors
- Visa Facilitation
- Work Permit Facilitation (MITSMED)
- Investment/Trade/Tourism Enquiries
- Business Mission Facilitation

Explore Namibia, the Land of Contrasting Beauty

Key Tourist Attractions

Direct Daily Flights from Frankfurt – WHK with Air Namibia. Other airlines include KLM, Qatar Airways, South African Airways



Fish River Canyon



Namib Desert – Oldest in the World



Etosha National Park (Safari)



Coastal Experience



Diverse Culture – 11 Ethnic Groups



Zambezi Experience



Erongo - World Heritage Sites

Explore Namibia, Muito Obrigado, Thank You



Bonaventura Hinda
Commercial Counsellor
Embassy of the Republic of Namibia
42 Rue Boileau – 75016, Paris, FRANCE
Tel: +33 1 44 17 32 76/65
Mobile: +33 6 71 83 64 21
bhinda@embassyofnamibia.fr |
www.embassyofnamibia.fr