PRESENTATION

to

NAMIBIA – SOUTH AFRICA BUSINESS SEMINAR
GAUTENG PROVINCE

by

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PRETORIA, SOUTH AFRICA

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JOHANNESBURG, GAUTENG PROVINCE, SOUTH AFRICA
Country Profile – ID Card

Area:
824,269 square kilometres

Population
2.1 million

Currency:
N$ = ZAR = US$ 13.6

Language:
English is the official language

Regions:
14 Regions

Democratic Government:
General Elections every 5 years
Latest Election – November 2014

President:
H. E Dr. Hage Geingob
Country Profile - Economic Overview

- GDP at Current Prices
  N$ 145 744 (000) (2014)

- Real GDP Growth - Bank of Namibia Economic Outlook – July 2015]
  5% (expected growth in 2015)

- Annual average inflation rate
  NCPI (August - 2015)
  5.4% 3.4%

- Repo Rate (Current)
  6.5%

- Prime Rate (Current)
  10.65%

- Gini Coefficient
  0.58%

- Unemployment Rate
  27.4%
Country Profile – Sector Contribution

- **Primary Sector – 18.6%**
  - Agriculture and Forestry 3.2%
  - Mining and Quarrying 13.0%
  - Fisheries 2.4%

- **Secondary Sector – 19.4%**
  - Manufacturing 13.3%
  - Construction 4.0%
  - Utilities 2.1%

- **Tertiary Sector – 56.1%**
  - Wholesale & Retail 11.2%
  - Hotels & Res only 1.6%
  - Transport & Communication 4.6%
  - Financial Intermediation 5.7%
  - Real Estate 6.9%
  - Government 23.4%
  - Other 2.7%
Country Profile – GDP Growth

<table>
<thead>
<tr>
<th>Region</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>3.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Sub-Saharan</td>
<td>4.4</td>
<td>5.1</td>
</tr>
<tr>
<td>South Africa</td>
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<td>2.1</td>
</tr>
<tr>
<td>Namibia</td>
<td>5</td>
<td>5.5</td>
</tr>
<tr>
<td>Angola</td>
<td>4.5</td>
<td>3.9</td>
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Country Profile - Global Competitiveness

- Stable BAA3 Rating by Moody’s on 24 March 2015

- Former President Hifikepunye Pohamba won 2014 Ibrahim Price for Achievement in African Leadership.

- World Economic Forum 2014-15 Global Competitiveness Ranking (189) economies)
  - Namibia: Ranked Globally - 88th – Africa – 5th SADC- 5th

- Global Retail Development Index (GRDI 2013)
  Ranking the top 30 developing countries – (Only 2 out of Africa)
  - Botswana: Strong retail growth - ranked 25th
  - Namibia: Rising regional star - ranked 26th

- Frazer Institute Annual Survey of Mining 2012/2013
  - Namibia: ranked 3rd after Botswana and Morocco
Country Profile – Economic Challenges

- Slow growth/recovery in trading partners
- Low international commodity prices
- Drought since 2013
- Looming Electricity Challenges
- High unemployment
- Skills Shortage
Business of the Day - Trade
Top 10 Trading Partners 2014

**Imports**
- South Africa – N$ 51.6 (mil)
- Korea
- China
- Bahamas
- Germany
- Democratic Republic of Congo
- United States of America
- EPZ
- Botswana
- India

**Exports**
- Botswana - 10.7 (mil)
- South Africa - N$ 8.4 (mil)
- Switzerland
- Korea
- Angola
- EPZ
- Spain
- Bahamas
- United States of America
- China
Business of the Day - Trade
Key Commodities Traded with RSA

Main Exports
- Manufactured Prod
- Diamonds
- Metal Ores include Uranium
- Fish and Marine Products
- Beverages
- Refined Zinc
- Live Animals
- Meat and Processed Meat
- Copper
- 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 Products
Business of the Day - Trade Market Access

Population 2.1 million only!!!!

**Trade Agreements:**
- **Africa** – SACU, SADC, Tripartite
- **EU** – SADC/EU - EPA
- **USA** – AGOA
- **South America** – MERCOSUR
Business of the Day - Investment Climate
Taxation & Duties

Rates
Taxation – 2013/14
- 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%
- Royalty Tax 30%
- Withholding tax (non-residents): 10% of dividends

Duties
- Excise: Alcohol, Cigarettes etc
- Ad Valorem: Luxury Items
- Customs: Tv, Clothes, Tyres

Information Sources
- PWC Namibia Tax Card March 2015
- Customs Information Centre
- Inland Revenue
- Ministry of Finance

Pay your taxes, it’s the right thing to do.
Business of the Day - Investment Opportunities

National Development Plans

Priority Growth Sectors
- Agriculture
- Manufacturing
- Logistics
- Tourism

Enablers:
- Education
- Health
- Energy
Business of the Day - Investment Opportunities

- Manufacturing
- Agriculture & Agro Processing
- Logistics and Transport
- Renewable Energy
- Skills Training
- Health
- Construction
Manufacturing

- Mineral Beneficiation
  - Marble and Granite
  - Sea salt - Chemicals

- Automotive Components
  - Accessories
  - After Market

- Scrap Metal Beneficiation
  - Mini Foundry
  - Mining, Rail, Agri
Agriculture and Agro-processing

Feed lot
- Meat processing
- Leather furniture

Crop
- Maize
- Wheat

Dairy Farm
- Milk processing
- GM Required
Business of the Day – Investment Opportunities

Projects under development

- Neckartal Dam Construction on the Fish River in the Karas Region
- Walvis Bay Airport Upgrade
- New Mines
- New Grove Mall opened 2014 - Windhoek
- New Dune Mall 2017 - Walvis Bay
- Wernhill Park Expansion, – Biggest Mall by 2017 - Windhoek

New Mines

- **Swakop Uranium** : Ground breaking for Husab Mine on 18/04/13 and said to become the world’s second largest producer of uranium oxide. Full production by 2017.
- **B2Gold** ground breaking for Otjikoto Gold Mine on 26/04/13. Construction completion by end of 2014. (Namibia is said to be world's largest 7th or 8th gold producer.
- **Weatherly Mining Namibia** ground breaking for Tschudi Copper Mine on 08/11/13. Constructed at a cost of N$900 million. Copper to be refined in Namibia for the first time.
- **Dundee Precious Metals Tsumeb** ground breaking of a sulphuric acid plant in 09/13. Total investment at N$2.3 billion.
- **Namdeb** to commission a new diamond mine at Sendelingsdrif.
Business of the Day - Investment Opportunities

New Walvis Bay Container Terminal

Walvis Bay Port -

- 2012 Winner – Best Port Operator or Terminal in Africa Award – Africa Rail and Harbour Conference, Johannesburg, 26 June 2012
- Current TEU throughput per annum – 350 000

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
Business of the Day - Investment Opportunities

Current Port
105 hectares
60 year old tanker jetty

New Port
1330 hectares
New tanker jetty
Business of the Day - Ease of doing Business

- Name Reservation & Registration with BIPA
- After successful registration of company, submit Temporary Residence Permit (TRP) applications to the Namibia Investment Centre (NIC)
- NIC present application to ISB (Home Affairs) for approval
- Factors considered by ISB – investment capital, employment, skills transfer, downstream effect, overall significance to Namibian economy
- Approval of application not automatic
- No fee required upon submission, N$500 payable if approved.
- New Regulation – Visa Requirement
Why Namibia?

- Investment Act
- BIPA
- NIDA ODC + NDC
- Political Stability
- Economic Stability
- Trainable Stable Workforce
- NIP GaH
- Trade Portal August 2015
- Gov Support
Take Away
Namibia Commercial Office Mandate

- Ministry of Industrialization, Trade and SME Development Representative in RSA
- Investment Promotion
- Trade Facilitation
- Explore Export Market Access
- Hands-on guidance and assistance to investors
- Commercial Enquiries
- Business Missions to and from Namibia
Strategic Partnership
Recipe for Success

Vision 2030