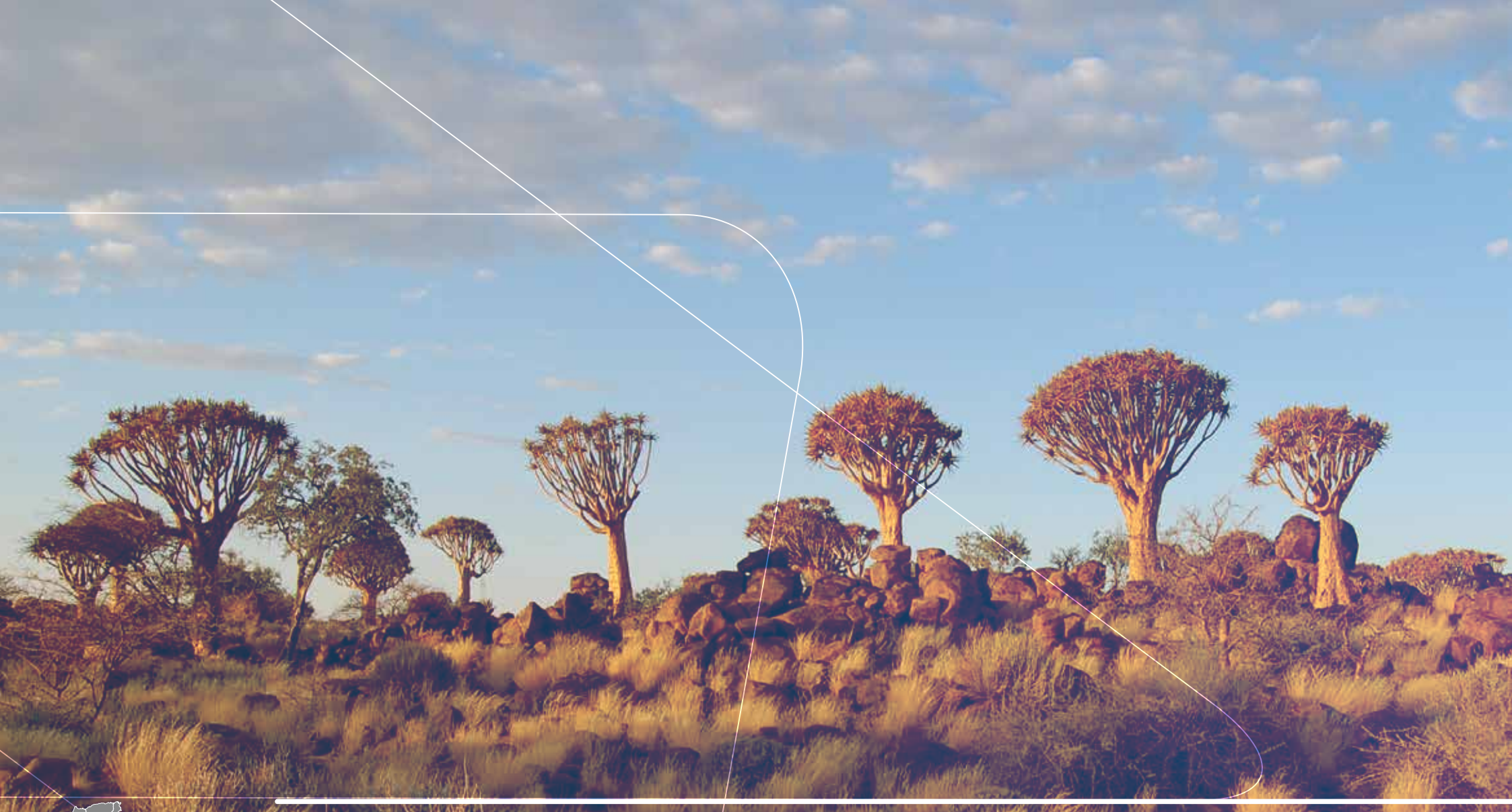


IOA | 2019 | ACBR

AFRICA COUNTRY BENCHMARK REPORT



Namibia Profile



Its economy stung by a recession in its second year in 2019, Namibia seeks to grow through trade using its expanding sea ports and commercial tourism, which feature breathtaking desert vistas.



Image courtesy of Joachim Huber



NAMIBIA

#7

NAMIBIA



OVERVIEW ANALYSIS

Namibia has enjoyed political stability since independence, although governance has been under the control of one political party. Poverty and infrastructure shortcomings are key social problems. Namibia entered a technical recession at the start of 2019 that will hinder efforts to raise the living standards for nearly 40% of the population that survive on subsistence farming. Namibia's coastline and deserts attract tourists. Mining accounts for nearly 12% of GDP but provides half of export revenues. Namibia's lucrative fisheries are being raided by foreign fishing fleets, endangering valuable commercial species. Namibia ranked high in ACBR 2019, remaining in the top 10 tier of African countries. From a position of 6th reached in ACBR 2017, Namibia has ranked in 7th place in ACBR 2019.

KEY OPPORTUNITIES

- Significant mineral deposits exist and the mining sector is strong
- As a regional transportation hub, the transportation and construction sectors are growing
- Close ties with South Africa provide access to the region's market

KEY CONCERNS

- The economy is in a lengthy recession
- The mining sector's profitability is vulnerable to global commodity price fluctuations
- Poverty and youth unemployment remain high

COUNTRY HIGHLIGHTS

PREDOMINANT RELIGION



Christianity

PREDOMINANT LANGUAGE



Oshivambo

POPULATION WITHOUT ELECTRICITY



48.92%
(#23) ▼²

LITERACY RATE



81.9%
(#12) —

PRIMARY ELECTRICITY SOURCE



Hydroelectric

IMPORT/EXPORT



Foodstuffs/
Diamonds

EXTERNAL DEBT



US\$ 7.489
billion
(#20) ▼²

ACTIVE CONFLICT



No

LAND SIZE



824,292 km²
(#15)

INTERNET PENETRATION



31%
(#13) ▲⁴

6.6%



AGRICULTURE

25.8%



INDUSTRY

67.6%



SERVICES

37%



0-14

20.4%



15-24

34.4%



22-54

8.3%



55+



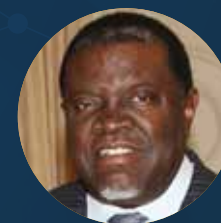
Term:
21/03/2015 - Present
5 years (2 term limit)



Political Party:
SWAPO



Recent Electoral Information:
28/11/2014
772 528 Votes
86.73%
Voter turnout: 71.76%



President
Hage Geingob

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

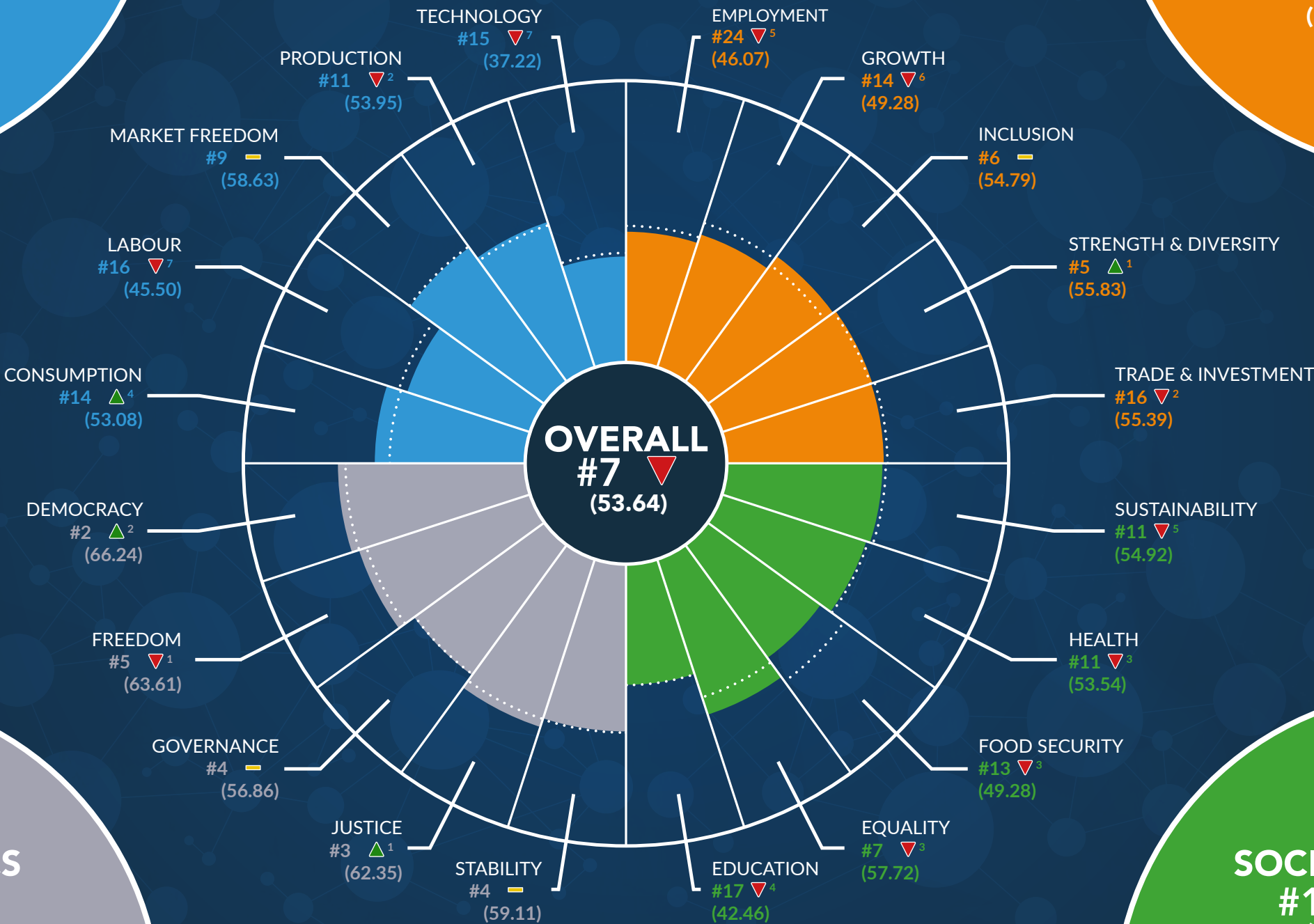
BUSINESS

▼ #12
(49.67)

NAMIBIA PERFORMANCE OVERVIEW

ECONOMICS

#11 ▼
(51.10)



POLITICS

— #4
(61.64)

SOCIETY

#11 ▼
(52.16)

NAMIBIA BUSINESS ANALYSIS

#12

BUSINESS OVERVIEW

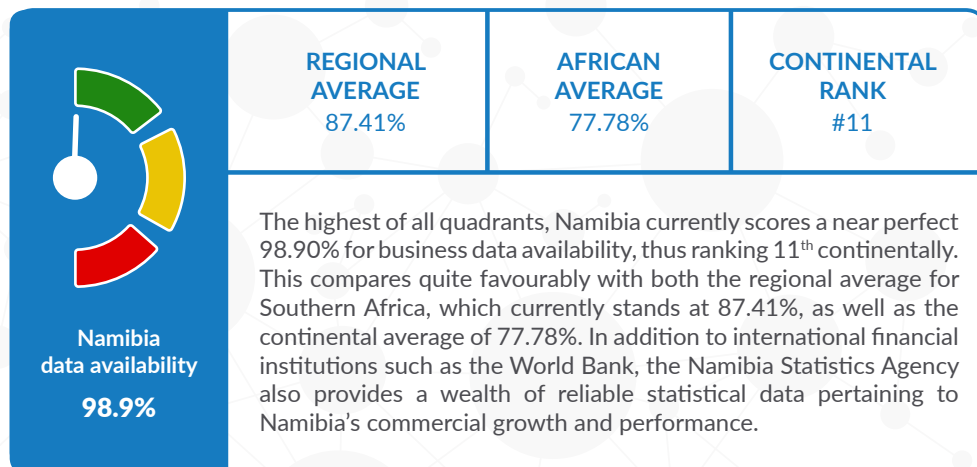
Politically stable since independence in 1990, Namibia is a large country with a well-performing economy based on mineral extraction. China has increased ties with Namibia, and the Chinese-built and owned Husab Mine began uranium ore extraction in 2017, boosting output to make Namibia the world's 2nd-largest producer of uranium. Copper, gold and zinc are also mined, while diamonds are of high quality and a major revenue earner. Because of land diamond deposits depletion, offshore diamond deposits will be exploited, although the process is costly.

The Port of Walvis Bay is constantly being upgraded to attract business from landlocked countries like Zambia. Trade is moved around Namibia by a new highway

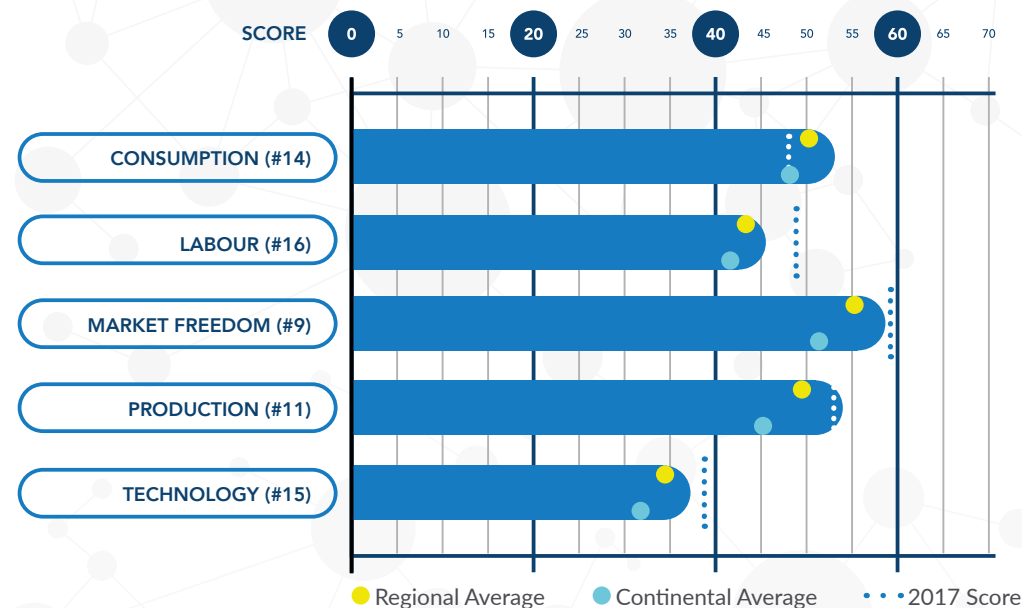
that is among the 6,400 km of paved roads connecting the country. A general port expansion finished in June 2019. Walvis Bay is also home to Namibia's fishing industry. Canning of fish is an important value-added industry. Although, Namibia's rich fisheries are under siege by foreign fishing fleets that illegally take catches.

Only 80 km² of Namibia's 823,290 km² land mass is irrigated. Namibia has 7,720 km² of underground water reserves that can be tapped in a sustainable manner for irrigation. Because of a small local market that is one reason for the current recession, Namibia fell three positions from a high rank of 9th in the Business quadrant, out of the Top 10 and to 12th place.

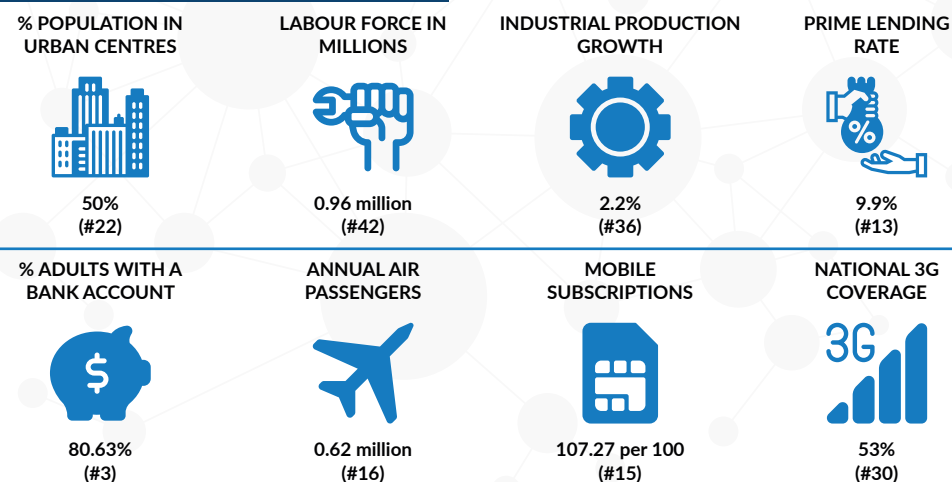
BUSINESS DATA COMMENTARY



BUSINESS SCORES & RANKINGS



BUSINESS STATISTICS



NAMIBIA ECONOMIC ANALYSIS

#11

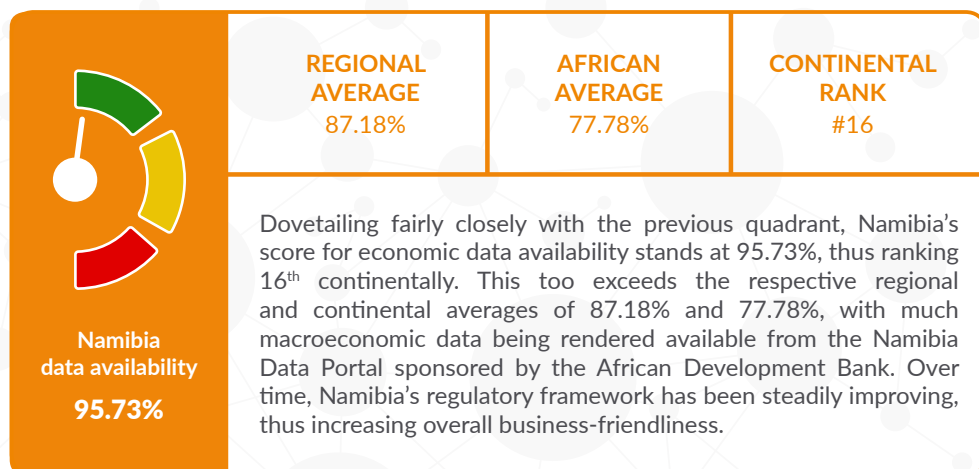
ECONOMIC OVERVIEW

Droughts affecting agricultural outputs and declining export purchases by China contributed to pushing Namibia into a technical recession in early 2019. Agriculture is a large sector, which employs one out of three Namibian workers. Agricultural exports include fish, grapes, livestock, millet, peanuts and sorghum. Namibian agricultural marketing officials have been negotiating with Beijing to export grapes to China, which would significantly boost agricultural exports. After negative GDP growth of 0.8% in 2017, growth grew to a modest 0.6% in 2018 and is projected to reach 1.9% in 2019. Namibia's per capita GDP of US\$ 11,200 is among the highest in Sub-Saharan Africa. However, this GDP does not reach the 29% of Namibians who live in

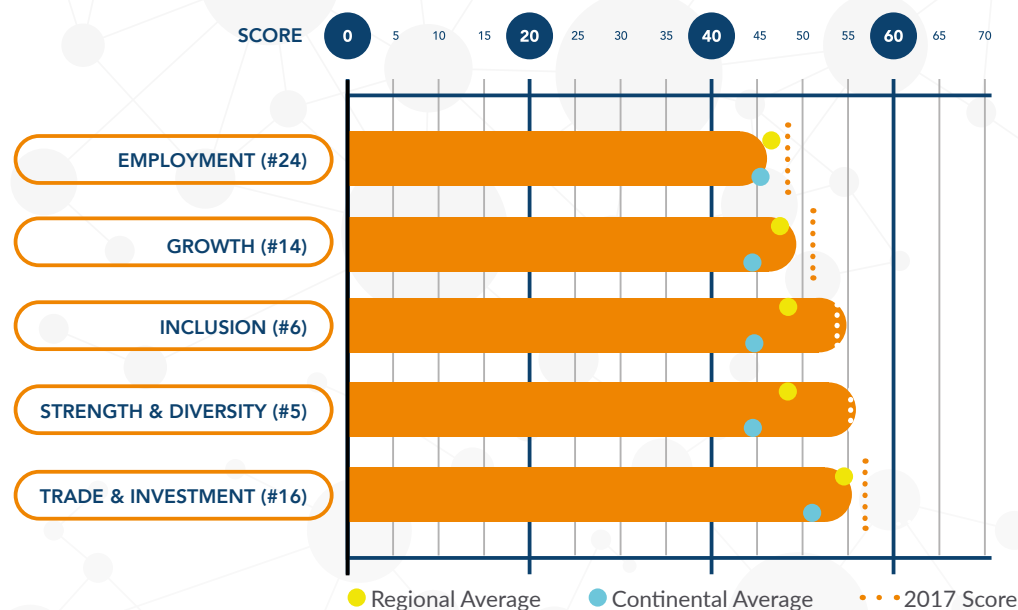
poverty nor the 30% of the population who are unemployed. Youth unemployment is also high at 56%, prompting migration to South Africa for employment.

Neighbouring South Africa is sourced for 62% of imports. The US\$ 5.4 billion of goods imported in 2017 exceeded the US\$ 4 billion value earned for exports. For investors, Namibia still enjoys the freshness of a new frontier, and opportunities for business exist in all sectors. The tourism sector is at an early stage in utilising the country's scenic and cultural attractions. Like the Business quadrant, Namibia also left the top 10 in the Economics quadrant, falling three positions to 11th place due to the economy's lapse into recession.

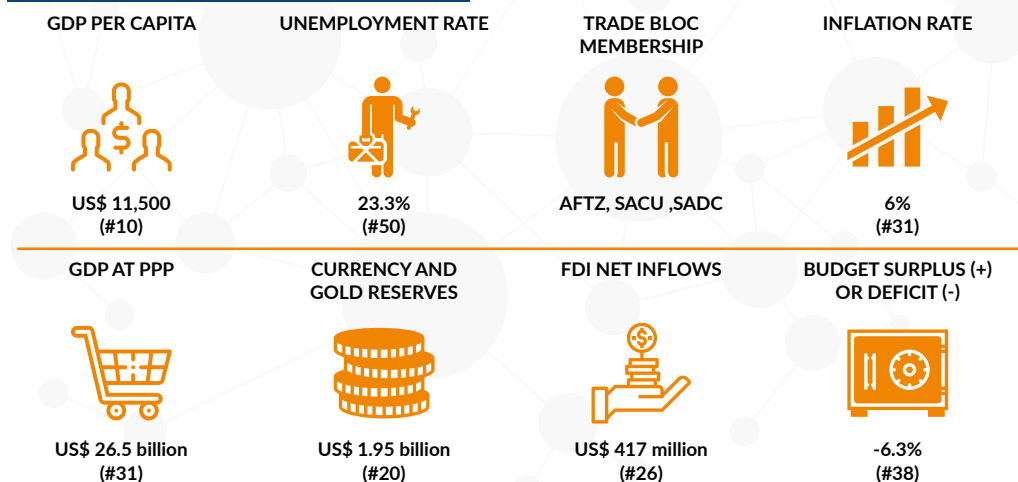
ECONOMIC DATA COMMENTARY



ECONOMIC SCORES & RANKINGS



ECONOMIC STATISTICS



NAMIBIA POLITICAL ANALYSIS

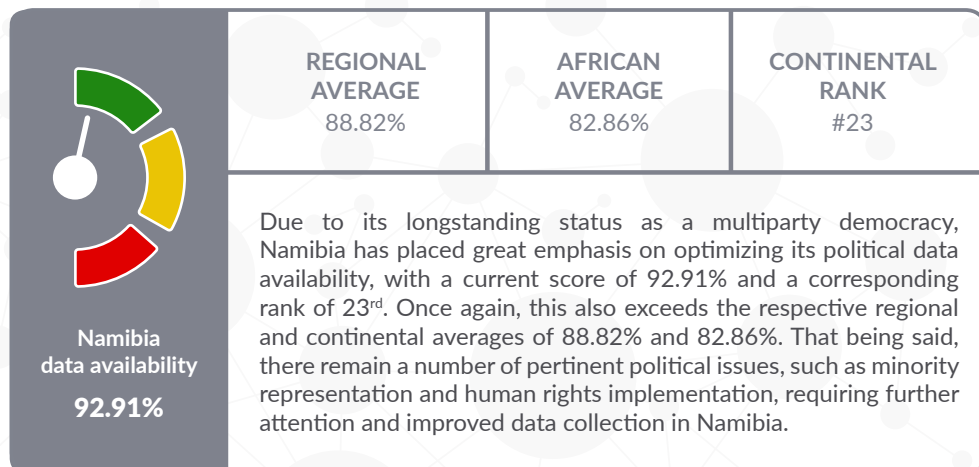
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POLITICAL OVERVIEW

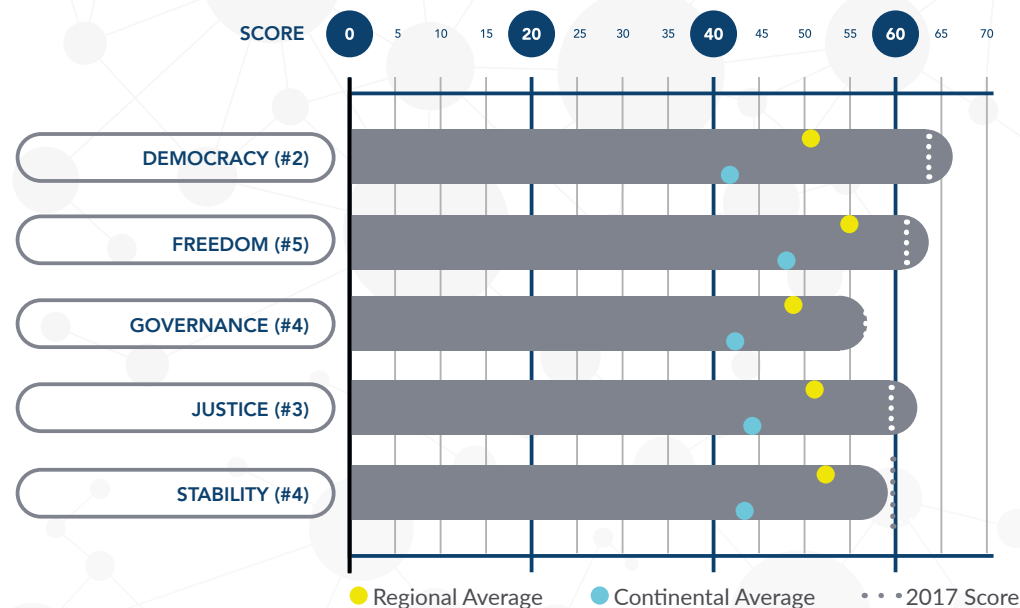
Namibia's democracy is less than 20 years old and is run by the country's liberation party, the South West African People's Organisation (SWAPO), headed by President Hage Geingob. Having fought a war for independence, SWAPO has dominated governance ever since. Geingob was elected in a landslide victory in 2014 and is standing for re-election in 2019. SWAPO has used their supermajority in parliament to enact some socially progressive initiatives, such as ensuring better gender equality among members of parliament. Namibia's constitution is the world's first to include protection of the environment as a governance necessity. Under this constitutional mandate, 14% of Namibia's land is protected, such as the biologically diverse coastline of the Namib Desert.

With no conflict concerns from neighbouring countries, the Namibian Defence Force (NDF) is available for peacekeeping missions abroad. Namibia faces no external security threat, so domestically, the NDF patrols for human and drug traffickers that use Namibia as a transit point into and out of Africa. They also protect the country's economically valuable coastline. Government has sought an approach of reconciliation rather than punishment towards the pre-independence apartheid government. This has assisted the tranquillity that the country has known for nearly three decades. One of Africa's most stable countries, Namibia's high position in the Politics quadrant remains unchanged from its placement of 4th obtained in the last ACBR survey.

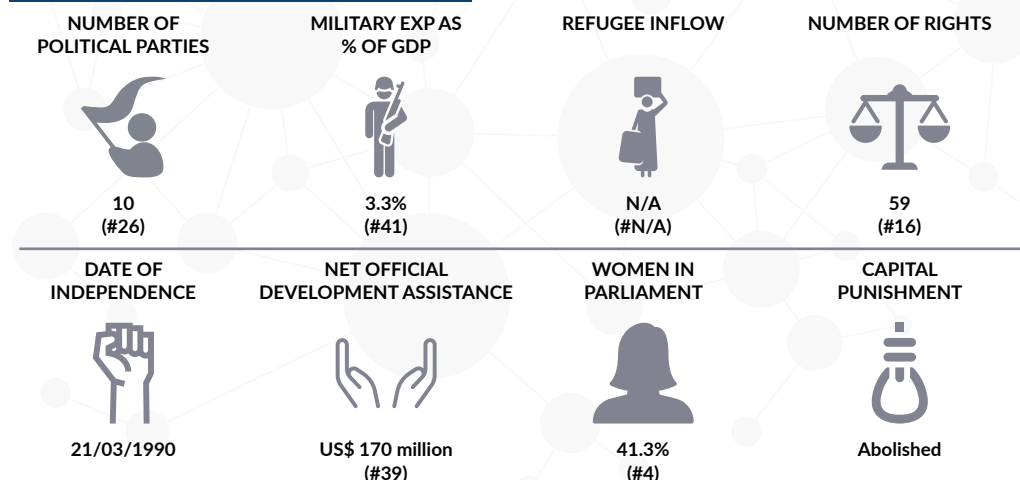
POLITICAL DATA COMMENTARY



POLITICAL SCORES & RANKINGS



POLITICAL STATISTICS



NAMIBIA SOCIETAL ANALYSIS

#11

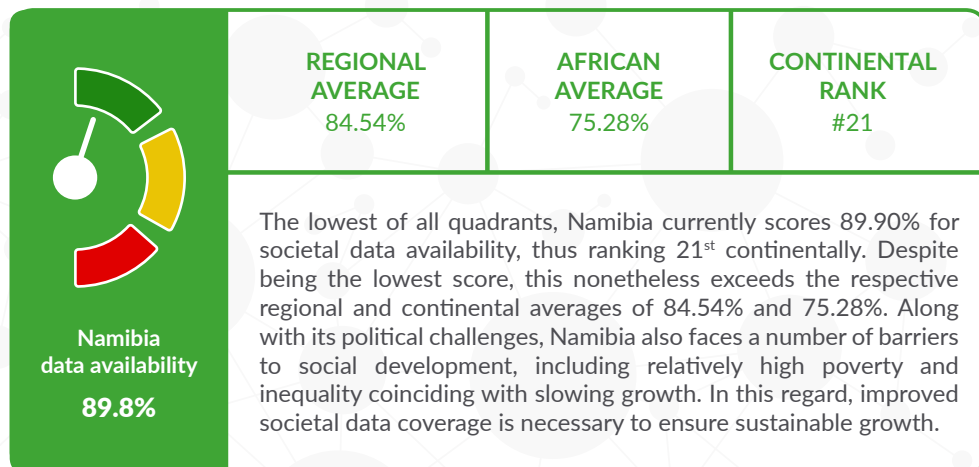
SOCIETAL OVERVIEW

Although Namibia's negotiations with Germany over reparations for the former colonial power's abuses are ongoing, their resolution will go far to bring closure to a painful chapter in Namibian history. The uprising by the Nama and Herero people in the early 1900s ended with Germany undertaking a policy of genocide that resulted in the greatest reduction of a human population in history in percentage terms.

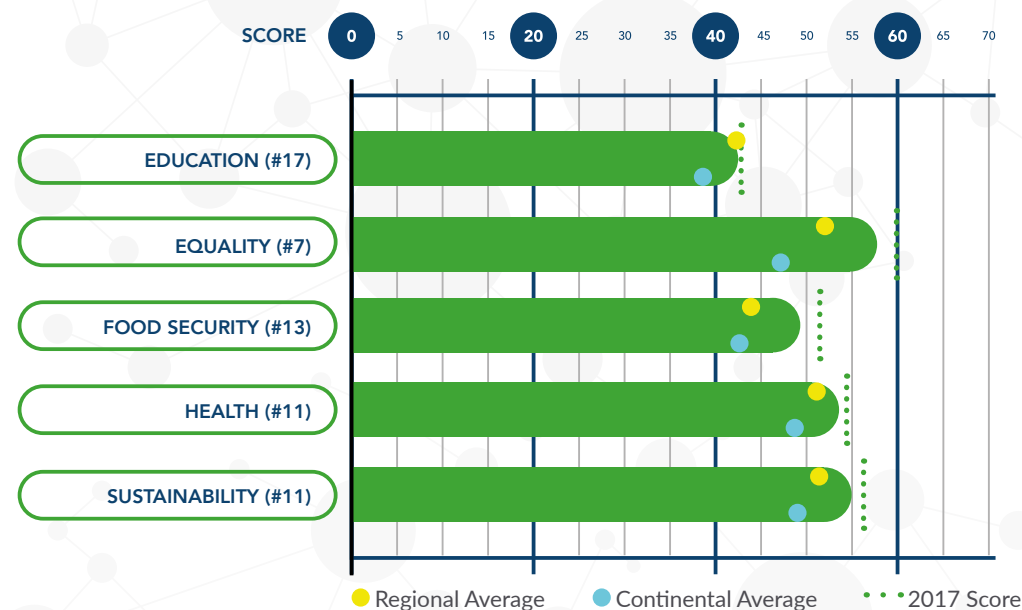
While the economy is expanding under government's infrastructural and economic stimulus policies, the largely desert country cannot sustain a large population. Environmental constraints have ensured that Namibia is the least densely populated country in the world. Since independence, government has been proactive in dealing

with the problem of overpopulation by implementing a successful family planning initiative. From 1996, when the average Namibian woman had 4.5 children, the number has been reduced to 3.2 in 2018. Women are marrying later and are spending more time on their education, thus postponing childbearing. Access to clean drinking water is good in both urban areas (98%) and for rural residents (85%). However, only half (55%) of urban residents have improved sanitation, like toilets, and only 17% of rural areas have these. Namibia fell two country positions in the Societal Quadrant, removing the country from its Top 10 ranking in the last ACBR survey, from 9th to 11th place currently. The country's economic downturn has affected social services.

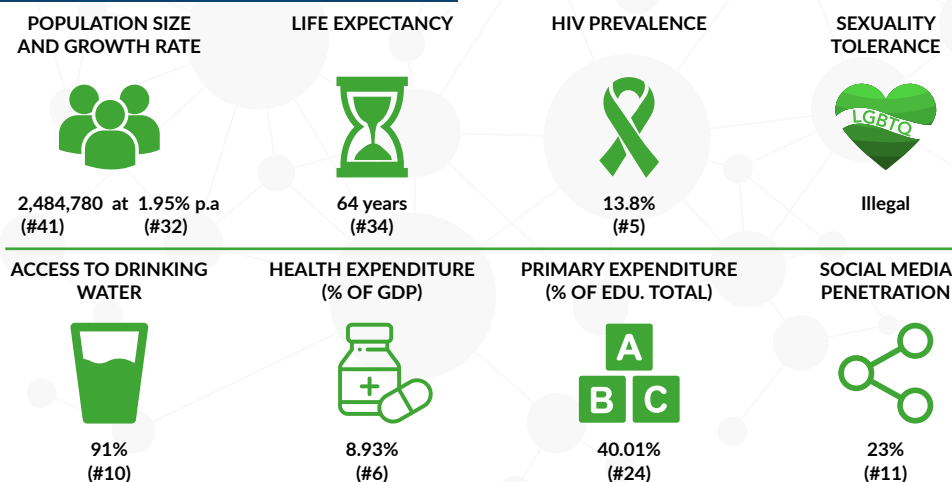
SOCIETAL DATA COMMENTARY



SOCIETAL SCORES & RANKINGS



SOCIETAL STATISTICS



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