

## AFRICA RISK CONSULTING

### Namibia Monthly Briefing November 2019

#### Namibia Summary 26 November 2019

*Namibia's first-ever independent presidential candidate looks set to come second to President Hage Geingob (2015-present) in the 27 November presidential poll, with the ruling SWAPO Party of Namibia (SWAPO) likely to lose some seats in the simultaneous National Assembly (NA) elections. The resignation of two senior ministers over their involvement in a multi-faceted fishing quota scam two weeks before the polls has knocked SWAPO's campaign off course. Finance minister Calle Schlettwein juggles spending allocations in his 2019/2020 mid-year budget review and cuts the development budget. United Arab Emirates-based DP World is doing a conceptual study on a new industrial economic zone next to Walvis Bay. Year-on-year inflation decreases to 3.0% in October.*

#### Itula on track to come second to Geingob

The election campaign for the presidential and **National Assembly (NA)** polls on 27 November became a closer race in the final stages than had seemed likely at the outset. This was due mainly to a late surge of support for the first-ever independent presidential candidate, **Panduleni Itula**, a 62-year old dentist and former resident of the **United Kingdom** who returned to Namibia in 2013, and is, somewhat paradoxically, a member of the ruling **SWAPO Party of Namibia (SWAPO)**.<sup>1</sup> Geingob won a record 87% of the popular vote in 2014, when he benefitted both from SWAPO's traditional bedrock support in northern Namibia and from backing by his own community, the **Damara** of west-central Namibia, who had previously voted mainly for opposition parties. There are no election opinion polls in Namibia, but this time round, while there is no doubt Geingob will be re-elected for a second five-year term in office, he is likely to poll less strongly than in 2014, mainly due to widespread voter disillusion with SWAPO's record in office, amplified by the revelation of massive corruption in the allocation of fishing quotas which led to the resignation of two senior cabinet ministers just two weeks before polling day (see below). Itula, whose candidacy has been bitterly attacked in the final weeks by the SWAPO leadership, although not directly by President **Hage Geingob** (2015-present), is one of eight contenders (including Geingob).<sup>2</sup>

The others are:

- **McHenry Venaani** (who came second last time), the leader of the right of centre **Popular Democratic Movement (PDM)**, which he rebranded from the **Democratic Turnhalle Alliance (DTA)** three years ago;
- **Bernadus Swartbooi**, of the radical left **Landless Peoples' Movement (LPM)**, only registered as a political party in March this year;
- **Tangeni Iijambo**, of the Marxist **South West Africa National Union (SWANU)**, Namibia's oldest political party;
- **Mike Kavekatora**, of the centre-left **Rally for Democracy and Progress (RDP)**;
- **Apius Auchab**, of the **United Democratic Front (UDF)**, a Damara-backed party;

<sup>1</sup> The Namibian, 21 Nov 2019.

<sup>2</sup> The Namibian, 26 Nov 2019.

- **Esther Muinjangu**, of the **National Unity Democratic Organisation (NUDO)**, which has a strong **Ovaherero** support base, and the first ever woman to contest the presidency.

Some 1.4 million Namibians have registered to vote across the country's 14 regions and in 121 constituencies. Electronic voting machines (EVMs) will be used in the elections for the second time (they were used in 2014), despite opposition parties' concerns that their use could lead to ballot tampering, mainly because EVMs record votes electronically only and do not print out what is known as a voters' verifiable paper audit trail (VVPAT).<sup>3</sup>

Itula made banning EVMs a principal theme of his campaign. This may turn out to have been a mistake, as the legal case he brought in an attempt to compel the **Electoral Commission of Namibia (ECN)** to either modify the EVMs to ensure VVPATs were generated simultaneously with voting, or resume the use of paper ballots in the elections, was thrown out only two days before. Magistrate **Uaatjo Uaanivi** of the **Electoral Tribunal** for the **Windhoek** district dismissed Itula's urgent application to prevent the use of EVMs and ordered him to pay the costs of the three lawyers representing the ECN on 25 November. Uaanivi ruled that Itula's application was not "*extremely urgent nor is it urgent*", adding that his tribunal had no jurisdiction to adjudicate in matters involving the ECN, and the application should have gone before the **Electoral Court** or the **Windhoek High Court** instead.<sup>4</sup> Uaanivi deemed that Itula's lawyers had failed to tell the tribunal whether the EVMs – which were supplied by an **Indian** technology firm – were dysfunctional because of particular defects, and had also failed to provide any evidence that the ECN had refused to use VVPATs simultaneously or in conjunction with EVMs. Uaanivi pointed out that the ECN had already addressed some of the issues raised, including the appointment of qualified, independent technicians to check the machines before their use in the elections. During the tribunal hearing, ECN chair **Notemba Tjipueja** had maintained that his organisation was well within the law in using EVMs without VVPATs, adding that one of the reasons for not introducing the technology for this was that currently "*it has a lot of irretrievable errors*". Venaani responded to the ruling by urging political parties and candidates not to pull out of the elections in consequence as this would give the ruling party a free hand without a challenge. Venaani said the opposition parties must find ways to monitor the elections, and had told international observers of their concerns:

*"Yes, we are saying there is a big problem."*<sup>5</sup>

The legal action may have detracted from the wider themes of Itula's campaign. His pledges include punishing corrupt individuals, appointing a cabinet of just 12 ministers comprising 40% youth, rolling out affordable housing, better public health, protection of the environment and addressing unemployment – now running at 46% among young people, according to the **Namibia Statistics Agency (NSA)**.

One explanation for SWAPO's high degree of antipathy towards Itula is that he was, according to some local media reports, a senior supporter of the **Team SWAPO** campaign that unsuccessfully challenged for the top leadership posts at the party's December 2017 congress. Geingob saw off both his challengers for the SWAPO presidency – former prime minister **Nahas Angula** and cabinet minister **Jerry Ekandjo**, both now out in the cold – while members of his **Team Harambee** won the SWAPO vice-president, secretary general and deputy secretary general posts (see *ARC Briefing Namibia November 2017*).<sup>6</sup> It seems that a section of the SWAPO membership is backing Itula on the basis of continued opposition to Geingob's leadership of the party, according to some commentators.

Be that as it may, Itula certainly appears to have capitalised on disillusion with SWAPO and desire by many voters for a change, attracting crowds on walkabouts, especially in northern Namibia. Also, in mid-November in so-called special ballots for armed forces and other personnel unable to vote in the

<sup>3</sup> The Namibian, 26 Nov 2019.

<sup>4</sup> The Namibian, 26 Nov 2019.

<sup>5</sup> The Namibian, 26 Nov 2019.

<sup>6</sup> The Namibian, 19 Nov 2019.

elections held in mid-November, Itula came a strong second to Geingob and even beat him in some polling stations. As an **Oshivambo**, Itula represents more of a threat to SWAPO than Venaani, as while the latter's party was the official opposition in the last parliament with five MPs, it has never managed to entirely shake off its pre-independence backing from **South Africa** as a counterweight to SWAPO, which kept it toxic in the eyes of most northern Namibians. In contrast, Itula's candidacy has rattled the party leadership, with secretary general **Sophia Shaningwa** reported to have told a SWAPO rally in **Marienthal**, speaking in Oshivambo, "*to beat the insect and hammer its head*", in what postings on social media (which has played a big role in the election campaign for the first time) claimed was a clear reference to Itula.<sup>7</sup>

Also, in mid-November police fired tear gas and rubber bullets at a crowd of Itula supporters for allegedly seeking to block a main road into the towns of **Oshakati** and **Ondangwa** in **Oshana** region being used by Geingob's motorcade. This is the first time in a Namibian election that force has been used against party supporters.<sup>8</sup> At a cabinet meeting in October, Geingob was reported to have asked ministers about Itula's campaign and inquired why Namibians are angry with him. According to one senior SWAPO leader,

*"He has been asking what he has done wrong, and requested to be shown where he has failed."*<sup>9</sup>

Again, in the absence of opinion polls, it is difficult to gauge how well – or badly – SWAPO will fare in the legislative elections, although most commentators predicted that SWAPO will lose some of its 77 out of 96 elected MPs in the 104-member NA (the president appoints eight MPs). The LPM especially was hopeful of gaining representation in parliament for the first time, with the potential to win a clutch of MPs, based on its push for radical land reform and ancestral land claims, which it promised to implement if it won power. ARC believes this would be extremely unlikely, but gaining a platform in parliament will enable it to step up demands for the government to implement the resolutions approved by the national land conference of October 2018, which called for land redistribution to be speeded up, if necessary by expropriating farms, even though this is currently not permitted by the constitution.

### ... as SWAPO is rocked by a fishing quota scandal

Although corruption scandals involving officials with high-level political connections have been uncovered at regular intervals, the corrupt dealings made public by the *Wikileaks* website and associated media partners in **Iceland** and Namibia two weeks before the elections were unprecedented in their scope.<sup>10</sup> The so-called '**Fishrot**' affair presented Itula and the opposition parties an open goal through which to attack the government, although it appears they may have been slow to fully exploit it. The 30,000 documents were leaked by a whistleblower – the former local manager – with the Iceland-based fishing company, **Samherji HF**, which had expanded its operations to become the largest fishing quota holder in Namibia (mainly for horse mackerel).

The first batch of documents – a second is due to be published shortly after the elections – confirmed that two ministers, fisheries and marine resources minister **Bernard Esau**, a SWAPO politburo member, and justice minister **Sakeus Shangala**, who is close to Geingob, shared in kickbacks to politicians and officials worth up to N\$2.5 billion (\$170m). Another caught in the net was **Investec Namibia** managing director **James Hatuikulipi**, Esau's son-in-law. Both ministers tendered their resignation the day after the documents were made public under the headline "*The Kickback Kings*".

Samherji, whose activities the Icelandic government is now investigating, is alleged to have paid the bribes to secure access to Namibia's rich sea-fishing grounds of the **South East Atlantic**, using offshore accounts in **Cyprus**, **Dubai** and **Mauritius**. One deal involved a quota ostensibly donated by Esau's ministry to **Angola** via an alleged government-to-government entity, **Namgomar**, in which

<sup>7</sup> The Namibian, 22 Nov 2019 .

<sup>8</sup> The Namibian, 16 Nov 2019.

<sup>9</sup> The Namibian, 19 Nov 2019.

<sup>10</sup> Multiple sources, including <https://wikileaks.org/fishrot/>, The Namibian, 12 Nov 2019, 14 Nov 2019, 15 Nov 2019,

Shanghala was a principal, and **João de Barros**, the son of Angola's former fishing minister, whom Angola's President **João Lourenço** (2017-present) dismissed in January.

Despite their resignation, both Esau and Shanghala remain on the SWAPO party list for the elections. While accepting their resignation, Geingob paid tribute to their service and has subsequently stressed they have not been found guilty of corruption. In another damaging revelation, Geingob is reported to have been informed of their activities earlier this year but to have taken no action. Police arrested Esau on 22 November but released him two days later on the order of the **Windhoek High Court**, which ruled his arrest warrant was invalid. Although neither has yet been formally charged, it seems virtually certain they will end up in court soon after the elections. The **Financial Intelligence Centre (FIC)** of the **Bank of Namibia (BoN)** (central bank) – its financial crime-busting unit – approved the freezing of both Shanghala's and Hatuikulipi's bank accounts days after Fishrot became public.<sup>11</sup>

Esau has strongly denied his guilt. In a statement on 13 November issued the day he resigned, Esau maintained the allegations were nothing but a sustained media campaign against him by linking him to alleged corruption practices "*associated with my duties as a minister*".<sup>12</sup> He claimed there was no evidence that he had accepted bribes to favour certain companies through allocating them fishing quotas.

### Mid-year budget review contains few surprises

Given its proximity to the elections, it was only to be expected that the 2019/20 mid-year budget review that finance minister **Calle Schlettwein** tabled on 22 October contained little new. He reiterated the government's commitment to carrying through fiscal adjustment during the current medium-term expenditure framework (MTEF), running from 2019/20 to 2021/22, to reduce the budget deficit and the rate of increase in public debt, coupled with government interventions to stimulate growth and implement structural reforms.<sup>13</sup> Hard decisions, including cutting back the public sector payroll burden, which accounts for some 45% of total spending, and setting loss-making parastatals adrift (by ending state subsidies) are likely to feature in the 2020/21 main budget due in April, and will be essential if Namibia is to have any realistic hope of regaining its previous investment grade sovereign credit rating (see *ARC Briefing Namibia October 2019*).

Schlettwein emphasised that government spending could not be allowed to grow faster than revenue and would be kept in check to enable an economic recovery and sustainable growth. Schlettwein said the policy measures and reforms implemented so far "*have delivered important progress on the basis of which short-run and long-run actions must be anchored ... but more needs to be done*".<sup>14</sup> These included narrowing the budget deficit from -8.1% of GDP to about -4.1% in the current fiscal year, aligning expenditure to revenue, keeping public debt growth to 11% annually, well below the 30% average growth three years previously, while ring-fencing spending on social sectors and strengthening social safety nets to enable ongoing provision of essential services.

A stimulus package, likely to be unveiled in next year's budget, will include fast-tracking disbursements from the existing N\$4 billion (\$267m) **African Development Bank (AfDB)** funding facility for priority developments including agricultural mechanisation, logistics infrastructure and school renovation programme along with a further N\$2.5 billion (\$167m) – to be borrowed elsewhere – for expanding water supply capacity. Other measures include lifting the threshold for domestic funding of unlisted investments in phases, from the current 5% to 7.5% and ultimately 10% subject to performance criteria.

<sup>11</sup> The Namibian, 18 Nov 2019.

<sup>12</sup> The Namibian, 13 Nov 2019.

<sup>13</sup> FY2019/2020 Mid-Year Budget Review Policy Statement presented by Carl H G Schlettwein MP, Minister of Finance, 22 Oct 2019.

<sup>14</sup> FY2019/2020 Mid-Year Budget Review Policy Statement presented by Carl H G Schlettwein MP, Minister of Finance, 22 Oct 2019.

Total government spending for 2019/20 will be unchanged from the main budget at N\$67 billion (\$4.5 billion), of which 52% had been spent by the end of August, with about 50% of the N\$58.4 billion (\$3.9 billion) in budgeted revenue collected by then (see *ARC Briefing Namibia April 2019*). But within the unchanged spending ceiling, some N\$1.2 billion (\$80m) is being reallocated to meet urgent recurrent spending needs. This comes from N\$176m (\$11.7m) in savings from the public sector wage bill through wage bill management and vacancy freeze measures, and a cut of just under N\$1 billion (\$67m) in the development budget. This represents a 13% reduction on the N\$7.9 billion (\$0.5 billion) budget for 2019/20, which was an over-ambitious 41% increase over 2018/19. Schlettwein explained this as freed-up resources “realised from capital projects with a slow implementation pace or yet to be implemented”.<sup>15</sup> **PSG Wealth Namibia** head of research **Eloise du Plessis** commented:

*“So, we are once again taking money from things that should bring future growth, and spending it on expenses.”*<sup>16</sup>

Of the saved expenditures, some N\$632m (\$42m) is being switched within several ministries and government agencies via administrative transfers of funds, with about N\$545m (\$36m) allocated to ministries and agencies with urgent funding needs for essential goods and services. These include N\$211m (\$14m) for the health ministry (mainly for pharmaceuticals and clinical supplies), N\$184m (\$12m) for the basic education ministry (textbooks and recruitment of additional teachers), with the safety and security ministry, state-owned **Namibian Broadcasting Corp. (NBC)** and ECN being the other main recipients.

### Namibia gains three places in the latest Doing Business report

In its just published *Doing Business 2020* report, the **World Bank** raised Namibia’s ranking to 104<sup>th</sup> out of 190 jurisdictions, compared to 107<sup>th</sup> in the bank’s previous report (also out of 190). However, the World Bank lists no reforms by Namibia during 2018/19 making it easier to transact business, although there were no changes making these more difficult either.<sup>17</sup> This was in line with the improved ranking accorded by the **World Economic Forum (WEF)** in its *Global Competitiveness Report 2019* which had moved Namibia up six places to 94<sup>th</sup> out of 141 jurisdictions (see *ARC Briefing Namibia October 2019*). But whereas the WEF ranked Namibia fourth highest in **sub-Saharan Africa**, *Doing Business 2020* places Namibia only seventh, after Mauritius (13<sup>th</sup>), **Rwanda** (38<sup>th</sup>), South Africa (84<sup>th</sup>), **Zambia** (85<sup>th</sup>), **Botswana** (87<sup>th</sup>) and **Togo** (97<sup>th</sup>). It received a score of 61.4 (where 100 is best), marginally up from 60.5 previously.

Namibia continues to lag on several key indicators. The World Bank ranked Namibia only 165<sup>th</sup> for ease of starting a business (although up from 172<sup>nd</sup> last time), 173<sup>rd</sup> for registering a property (174<sup>th</sup> previously), 127<sup>th</sup> for resolving insolvency (125<sup>th</sup>), 138<sup>th</sup> for trading across borders (136<sup>th</sup>), and 84<sup>th</sup> for ease of dealing with construction permits (down from 83<sup>rd</sup>), while the ease of obtaining credit (overdrafts etc), slipped to 80<sup>th</sup>, from 73<sup>rd</sup> last time, and enforcing contracts to 64<sup>th</sup> from 58<sup>th</sup>.

Overall, the World Bank judged that the pace of market-friendly reforms in sub-Saharan African countries had slowed.

*“While economies in this region continued to improve their business climates, the pace of reforms has slowed, and the region lags other parts of the world in terms of reform impact and implementation. While reform efforts continued in many countries, much needs to be done on performance and ensuring the impact of the reforms.”*<sup>18</sup>

<sup>15</sup> FY2019/2020 Mid-Year Budget Review Policy Statement presented by Carl H G Schlettwein MP, Minister of Finance, 22 Oct 2019.

<sup>16</sup> The Namibian, 23 October 2019.

<sup>17</sup> World Bank, Doing Business 2020.

<sup>18</sup> World Bank, Doing Business 2020.

## UAE firm helping to establish !Nara Namibia economic zone

**United Arab Emirates (UAE)**-based **DP World** is carrying out a conceptual study for establishing the **!Nara<sup>19</sup> Namib industrial economic zone** under a memorandum of understanding (MoU) signed in Windhoek on 11 November.<sup>20</sup> The zone is to be located in the immediate hinterland of **Walvis Bay**, and is designed to facilitate the development of industrial capacity and enhanced logistical capabilities, to help promote Namibia as a regional trading hub. **Middle East and Africa** managing director **Suhail Al Banna** said DP World is happy to work with the Namibian government-backed !Nara Namib company to explore how to work together for smarter trade in Namibia:

*"We believe the country has great potential to expand its role as a hub for the region. The Namibian government's recent legislation on free zones and efforts to facilitate greater business provides an attractive environment for investment."<sup>21</sup>*

In fact, as far as ARC is aware, no legislation to establish new economic zones has yet been enacted, although in his mid-year budget review, Schlettwein reiterated that it was the government's intention to phase out existing preferential tax rates and tax holidays for certain manufacturers and manufactured goods exports, including the current **Export Processing Zone (EPZ)**, by a so-called **Special Economic Zone** (see above). However, he did not specify whether !Nara Namib (which was not mentioned by name) was intended to be the first of these.

The study is due to be completed by the 2020 second quarter, when a definitive agreement would be signed between DP World and !Nara Namib. The first phase has a target of securing N\$3.5 billion (\$233m) of inward investment and creating 1,500 new jobs, expanding to N\$25 billion (\$1.7 billion) of investment and 20,000 jobs under a second phase. According to DP World media relations chief **Roland Buerk**, his company aims to provide Namibia with smarter trade technologies under a so-called 'smart partnership' that would include digitising trade flow data and making it easier for the country to tap into regional trading opportunities. !Nara Namib chief executive **Andre Oliver** gave more of an idea of what is on offer, and anticipated benefits from DP World's "*global expertise and networks in the areas of (industrial) parks, economic zones, ports and logistics while creating synergies with our strong local footprint and industry reach*".<sup>22</sup>

Trade and industry minister **Tjekera Tweya**, who attended the MoU signing, was enthusiastic about the potential, stating that due to the urgency of creating jobs for the large numbers of unemployed youth, the project could not wait for ten years:

*"... and if you do not have the capacity let me know so that I can find others...The area is huge enough, and we can start with up to 20 activities simultaneously and this can take a maximum of ten years. The park must be functional, on its own, with its own energy and water to supply the rest of the country."<sup>23</sup>*

It is not known if there were any other firms interested in the proposed zone, or whether **China** is in any way involved. A Chinese state-owned firm carried out a three-year project to expand the container-handling capacity of Walvis Bay, so a related economic zone would seem to be a natural fit. In fact, originally !Nara Namib was reportedly pitched at the Chinese during Geingob's April 2018 state visit to **Beijing**, although nothing further on China's potential involvement, or indeed !Nara Namib had become public since. Official documents then obtained by the local media said that Namibia would provide land for the zone, which China welcomed, and promised to "*encourage cooperation, including the planning, designing, construction and forming of joint ventures between*

<sup>19</sup> The ! represents the Nama language glottal stop, and Nara is a desert plant unique to Namibia

<sup>20</sup> TradeArabia, 13 Nov 2019.

<sup>21</sup> The Namibian, 12 Nov 2019.

<sup>22</sup> TradeArabia, 13 Nov 2019.

<sup>23</sup> The Namibian, 15 Nov 2019.

*Chinese and Namibian companies.*"<sup>24</sup> It may be that once the conceptual study is completed, China will come forward with investment proposals.

### **Inflation slows to 3.0% in October**

Namibia's year-on-year (y/y) inflation rate slowed once again in October to 3.0%, down from 3.3% in September – the lowest annual rate since June 2015 – marking a continuation of the benign trend so far this year. These comprise low global oil prices, a relatively stable foreign exchange rate, and – reflecting the continuing weak state of the economy – the low business and consumer confidence dampening demand for goods and services (see *ARC Briefing Namibia October 2019*).<sup>25</sup> Y/y inflation was 2.1 percentage points less than a year earlier (5.1%), while 12-month average inflation further decelerated to 4.2%. Month-on-month (m/m) inflation was down by a third at 0.2%. Prices for goods rose by 2.7% and for services by 3.4%, a widening of the differential compared to 3.0% and 3.5% respectively in September. Windhoek stockbrokers **IJG Namibia** noted that:

*"The Namibian annual inflation rate has been below 4.1% for six consecutive months. The inflation rate continues to trend below that of neighbouring South Africa's September inflation figure of 4.1% y/y."*<sup>26</sup>

In the absence of any upward spike in oil prices near term, IJG is forecasting average annual inflation of 3.9% for 2019, falling to 3.4% next year, with the largest upside risk being *"higher food costs as the drought affects local food production"*.<sup>27</sup> Although rumours of a renewed attack on **Saudi Arabian** oil production facilities by **Iran** or Iranian surrogates surfaced during the last week of November, oil prices, while creeping up, have remained within a range of \$58 to \$62 per barrel, reflecting the adherence of most member states of the **Organisation of Petroleum Exporting Countries (OPEC)** to agreed production curbs. **Brent** crude traded at just under \$63 per barrel and **West Texas Intermediate (WTI)** at almost \$58 per barrel on 25 November.<sup>28</sup>

Exchange rate stability has been another key factor. The South African rand (to which the Namibia dollar is linked at par) traded at \$1=R14.797 on 22 November, a 1.5% appreciation from just over a month earlier (\$1=R14.87 on 18 October), although still 6% below the currency's late-July year high of \$1=R13.98.<sup>29</sup>

Of the major groups covered by the **Namibia Consumer Price Index (NCPI)**, the main inflation driver – for a fourth successive month – was food and non-alcoholic beverages (16.5% weighting) although price increases decelerated to 4.0% y/y, followed by alcoholic beverages and tobacco (12.6% weighting) at 3.9% y/y (up from 3.3% in September). Food inflation (excluding beverages) slowed to 4.1% in October (from 4.5% in September), with price rises for bread and cereals, the main food staple, easing to 4.4% (5.5% previously), and vegetable prices slowing to 12.8%. In contrast, fruit prices rose by 14.5% (up from 11.7%), while meat prices, also a food staple for many Namibians, rose by 1.9%, having decreased by 0.2% in September. IJG commented:

*"Due to the ongoing drought over the past months there has been a large-scale slaughtering of cattle. This has reduced the number of livestock in the country and going forward meat prices will likely increase as restocking of farms will cause an upward pressure on prices."*<sup>30</sup>

The government again left domestic fuel prices unchanged in October. Accordingly, transport inflation (NCPI weighting of 14.3%) further slowed to 1.5% y/y from 2.5% in September, with the cost of operating transport equipment rising by only a fractional 0.2%. Inflation for housing and utilities,

<sup>24</sup> The Namibian, 26 Apr 2018.

<sup>25</sup> Namibia Statistics Agency, National Consumer Price Index, Oct 2019.

<sup>26</sup> IJG Namibia, NCPI-October 2019.

<sup>27</sup> IJG Namibia, NCPI-October 219.

<sup>28</sup> OILPRICE.com (online), 25 Nov 2019.

<sup>29</sup> XE Corp, XE Currency Converter (online), 22 Nov 2019.

<sup>30</sup> IJG Namibia, NCPI-October 2019.

with the biggest NCPI weighting at 28.4%, fell back to 1.9%, from 2.0% in September, due mainly to electricity, gas and other fuel prices decreasing by 0.6% (-0.3% previously).<sup>31</sup>

Zonal inflation rates for each of three geographic zones into which the **Namibia Statistics Agency (NSA)** groups Namibia's 14 administrative regions, continued to vary (see *ARC Briefing Namibia October 2019*). Windhoek and its surrounding area of **Khomas region (Zone 2)** recorded the lowest inflation at 2.4% y/y, down from 2.7% in September and 5.0% a year earlier, with transport inflation falling sharply to 0.5%, down from 1.5% in September and 15.3% a year previously. Zone 3, covering the south, east and west of the country, including **Swakopmund** and Walvis Bay, again recorded the highest inflation rate of 4.1% y/y, although this was still down from 4.4% in September and 5.9% a year earlier. In Namibia's most populous, northern regions (Zone 1), inflation decreased slightly to 2.8% y/y, from 3.0% in September and 5.2% a year earlier. The inflation rate for housing, water and fuels remained unchanged on 1%, down from just over 6% a year earlier, but transport inflation at 2.8% remained higher than in the other two zonal regions.<sup>32</sup>

## Planner

27 Nov 2019 **(Namibia) National Assembly** and Presidential Elections  
 4 Dec 2019 **(Namibia) Bank of Namibia**, Monetary Policy Committee rate setting meeting  
 12 Dec 2019 **(Namibia) Statistics Agency**, November 2019 NCPI  
 12 Dec 2019 **(Namibia) Statistics Agency**, Quarter 3 2019 GDP  
 12 Dec 2019 **(Namibia) Statistics Agency**, Annual National Accounts 2018

## Chronology

25 Nov 2019 **Windhoek (Namibia) The Namibian**. The **Government Institutions Pension Fund** gets a 45% domestic asset requirement extension to allow the local financial market capacity to grow and provide more investment opportunities;

25 Nov 2019 **Windhoek (Namibia) AFP**. The first female presidential candidate, **Esther Muinjangue**, of the centre-right, **Ovaherero-based National Unity Democratic Organisation (NUDO)**, vows to "restore dignity" if she is elected following general elections on 27 November;

24 Nov 2019 **Windhoek (Namibia) Business Day**. Former fisheries minister **Bernhard Esau** is released after the **Windhoek High Court** declares that the warrant for his arrest on corruption charges was invalid;

22 Nov 2019 **Windhoek (Namibia) The Namibian**. Police arrest former fisheries minister **Bernhard Esau** and a former senior manager of **South Africa-headquartered Investec, Ricardo Gustavo**, on charges of corruption;

22 Nov 2019 **Windhoek (Namibia) The Namibian**. Mines and energy minister **Tom Alweendo** says the **Kudu** gas-to-power project can only be a privately developed initiative, and not a government project;

21 Nov 2019 **Windhoek (Namibia) Reuters**. **Namibia-based diamond miner Namdeb**, a subsidiary of **United Kingdom-based De Beers Group**, is in talks with Namibian authorities about tax breaks to extend its land-based operations beyond 2023;

<sup>31</sup> Namibia Statistics Agency, National Consumer Price Index, Oct 2019.

<sup>32</sup> Namibia Statistics Agency, National Consumer Price Index, Oct 2019.

19 Nov 2019 **Johannesburg (South Africa)** *Business Day*. **South Africa**-based sugar and property company **Tongaat Hulett** sales its 51% stake in **Tongaat Hulett Namibia** for \$15m to South Africa-based **Bokomo** to reduce debt, which is nearly four-and-a-half times its market capitalisation;

18 Nov 2019 **Windhoek (Namibia)** *The Namibian*. **Bank of Namibia's** (central bank) financial crime-busting unit, **Financial Intelligence Centre**, freezes the accounts of former justice minister **Sacky Shanghala** and businessman **Tamson 'Fitty' Hatuikulipi**;

15 Nov 2019 **Windhoek (Namibia)** *Reuters*. A senior manager of **South Africa**-headquartered **Investec**, **Ricardo Gustavo**, resigns amid a fishing corruption scandal;

14 Nov 2019 **Windhoek (Namibia)** *Namibian Broadcasting Corporation*. President **Hage Geingob** announces that **South African** businesspeople will be issued **Namibian** visas valid for five years;

14 Nov 2019 **Windhoek (Namibia)** *FT*. Fisheries minister **Bernhard Esau** and justice minister **Sacky Shanghala** resign and the chief executive of **Iceland**-based fishing company, **Samherji**, temporarily steps down;

1 Nov 2019 **Windhoek (Namibia)** *The Namibian*. The finance ministry appoints **Bank of Namibia** deputy governor **Ebson Uanguta** as the interim CEO of the **Namibia Revenue Agency**;

24 Oct 2019 **Washington (United States)** *World Bank*. Namibia is ranked 104<sup>th</sup> globally, up from 107<sup>th</sup> last year, in the **World Bank 2020 Doing Business** report;

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