

## AFRICA RISK CONSULTING

### Namibia Monthly Briefing November 2021

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#### Namibia Summary 22 November 2021

*President Hage Geingob (2015-present) attends the United Nations (UN) Conference on Climate Change (COP26) in Glasgow (United Kingdom, UK) and announces the reservation of 5,700 square kilometres for use in a green hydrogen and ammonia project. Finance minister Ipumbu Shiimi presents the Mid-Term Budget Review to parliament tabling N\$2.2 billion (\$147.7m) for reallocation. Opposition Popular Democratic Movement (PDM) party member Nico Smit claims Namibia is on the cusp of a financial crisis, citing unsustainable public debts. The South African Reserve Bank (SARB) (central bank) raises its benchmark lending rate by 25 basis points from 3.5% to 3.75%, prompting speculation about whether the Bank of Namibia (BoN) (central bank) Monetary Policy Committee will maintain Namibia's rate at 3.75% at its meeting on 6 December. Namdeb Diamond Corp. (Namdeb), the joint venture between the Namibian government and UK-based diamond company De Beers Group, unveils plans to continue onshore mining operations for another 20 years, until 2042. Netherlands-based brewery company Heineken NV agrees to purchase South Africa-based wine and spirits manufacturer Distell Group Holdings Ltd for \$2.5 billion and announces plans to seek a majority stake in Namibia Breweries Ltd. Former health minister Bernard Haufiku cautions that an increase in Covid-19 cases in European countries may result in a resurgence of cases in unvaccinated citizens in Namibia. Cases of Covid-19 in Namibia remain low. The health ministry says it may reassess its suspension of the Russia-manufactured Sputnik V Covid-19 vaccine.*

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#### Geingob announces pioneering green hydrogen project at Cop26

President **Hage Geingob** (2015-present) addressed the **United Nations (UN) Conference on Climate Change (COP26)** assembly in **Glasgow (United Kingdom (UK))** on 3 November.<sup>1</sup> Geingob joined UN secretary general **António Guterres** in calling for the world to phase out the use of coal, offering an alternative for **Namibia's Southern Africa** neighbours and pledging to upscale solar and wind generation in Namibia, to enable energy exports to **Southern African Development Community (SADC)** members in the **Southern African Power Pool**.<sup>2</sup> This presents an opportunity for other SADC nations to diversify their energy mix, including South Africa, whose energy mix remains 81.1% dependent upon coal in H1 2021.<sup>3</sup>

President Geingob also took the opportunity to highlight the impact of climate change on Namibia, including prolonged periods of drought and veld fires, which have negatively impacted agriculture and human health. According to the **Climate Change Risk Index 2021** published by **Germany**-based non-governmental organisation **GermanWatch**, 98 deaths in Namibia in 2019 were attributed to climate change and 111% of Namibia's **Gross Domestic Product (GDP)** is at risk due to climate change.<sup>4</sup>

During his address, Geingob announced the reservation of 5,700km<sup>2</sup> in **Kharas Region** for the development of a green hydrogen and ammonia asset project, which offers a potentially

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<sup>1</sup> [The Namibian](#), 16 Nov 2021

<sup>2</sup> [The Namibian](#), 16 Nov 2021

<sup>3</sup> Centre for Scientific and Industrial Research, 5 Aug 2021

<sup>4</sup> [GermanWatch](#), 24 Mar 2021

transformative post-Covid investment initiative.<sup>5</sup> The government has initiated development of a \$4.4 billion vertically integrated green hydrogen project in the **Tsau//Khaeb National Park** in southwestern Namibia. This extends over 26,000 sq km, comprising all of the **Sperrgebiet** (prohibited area), where diamond mining operations do not take place. The project will occupy 4,000 sq km and is ideally suited for co-location onshore wind and solar.<sup>6</sup>

The strategy to promote Namibia as a centre for green hydrogen production, where renewable energy produces hydrogen to power the electrolysis of water, is being overseen by a new hydrogen commissioner, **James Mnyupe**, an economic advisor to Geingob.<sup>7</sup> The latter announced **Hyphen Hydrogen Energy** as preferred bidder for Namibia's first-ever green hydrogen project on the sidelines of COP26 on 4 November.<sup>8</sup> A total of nine companies, whose identities have not been disclosed, submitted bids for the project. When fully operational from 2026, it will produce 300,000 tonnes of hydrogen per year for regional and global markets. Initially, 2 Gigawatts of electrical output (GWe) generation capacity will be installed. Further planned expansion phases in the late 2020s would see renewable generation capacity raised to 5 GWe and electrolyser capacity to 3 GWe, bringing total foreign direct investment (FDI) to \$9.4 billion.<sup>9</sup> **Nangula Uaandja**, chief executive officer of the recently-established **Namibia Investment Promotion and Development Board (NIPDB)**, told UK-based non-profit organisation **Royal Over-Seas League (ROL)** in a 5 November presentation in **London** that some 15,000 direct jobs will be created during the four-year construction period, with 3,000 permanent jobs over the planned 40 years' operation, and up to 30,000 jobs including indirect employment spin-offs.<sup>10</sup>

Although locally registered, Hyphen's main shareholders are **Enertrag South Africa**, a subsidiary of Germany-based renewable energy company **Enertrag**, along with strategic investments and project development company **Nicholas Holdings** via its **Switzerland**-headquartered subsidiary, **Principle Capital**, whose website describes it as a private investment group.<sup>11</sup> Hyphen's actual shareholding structure is not publicly visible, and, surprisingly, there appears to be no provision for an equity interest by a local empowerment entity in line with the government's strategy of opening up economic participation to historically-disadvantaged Namibians (HDNs). Consultations with private sector firms on the government's draft empowerment law, the **New Equitable Economic Empowerment Framework (NEEEF)**, have been completed and the NIPDB is finalising legislation for tabling in parliament.<sup>12</sup> Local director **Tobias Bischof-Niemz** said the Hyphen consortium included shareholders and technical partners that he claimed to be world leaders in their respective fields, which,

*"...combined with our financial strength and experience in developing, fundraising and implementing infrastructure projects in **Africa**, will be crucial in successfully delivering a project of this magnitude and complexity."*<sup>13</sup>

Namibia has a history of ambitiously promoted investment schemes running out of steam or proving dubious within a couple of years. These include the now-terminated export processing zone (EPZ) promoted by the **Mauritius**-based **Offshore Development Company (ODC)**, granted exclusive rights, but which proved a hollow shell, and the **Malaysian**-owned textile firm

<sup>5</sup> [The Namibian](#), 3 Nov 2021

<sup>6</sup> [Namibian Economist](#), 5 Nov 2021

<sup>7</sup> Source, advisor to the presidency

<sup>8</sup> [New Era](#), 5 Nov 2021

<sup>9</sup> [Namibian Economist](#), 5 Nov 2021

<sup>10</sup> [Namibian Economist](#), 5 Nov. 2021; ROL presentation

<sup>11</sup> [New Era](#), 5 Nov 2021; ARC research

<sup>12</sup> ARC sources

<sup>13</sup> [Namibian Economist](#), 5 Nov.2021.

**Ramatex**, which eventually collapsed. The progress of the hydrogen project will therefore be carefully monitored, local sources told ARC. Hyphen CEO, **Durban** (South Africa)-based **Marco Raffinetti**, said Namibia's pro-investment "visionary" government has enabled the country to move "with incredible speed" to position itself at the leading edge of Africa's ambitions to enter the green hydrogen production space.<sup>14</sup>

### Mid-term budget review and new sovereign wealth fund

Finance minister **Ipumbu Shiimi** presented the **Mid-Term Budget Review** to parliament on 3 November, tabling N\$2.2 billion (\$147.7m) for reallocation.<sup>15</sup> The amount fell substantially short of the N\$7.1 billion (\$476.8m) in funding requests received from government entities.<sup>16</sup> The mid-term review revised the growth expectations for the domestic economy downward to 1.9% from 2.1% for 2021. The downward revision was due to low base effects, lower production prospects and a third wave of Covid-19 infections that resulted in lockdown measures between July and October.<sup>17</sup> Shiimi noted that a downturn in commodity prices and persistent droughts, compounded by low productivity outside the mining and service sectors, had hamstrung Namibia's growth prospects and constrained diversification opportunities due to limited know-how and productive capacities in the economy:

*"Going forward, the primary policy pillars over the [Medium-Term Expenditure Framework] MTEF will centre on reversing the tide of low growth through a micro-level exploration of potential complex economic activities for the private sector to expand into."*<sup>18</sup>

Changes to the budget include reducing the budget ceiling from N\$5.5 billion (\$369.3m) to N\$5.2 billion (\$349.2m) and increasing the non-interest operational budget from N\$53.9 billion (\$3.61 billion) to N\$56.1 billion (\$3.76 billion) and reducing statutory expenditure from N\$8.5 billion (\$570.8m) to N\$8.3 billion (\$557.4m).<sup>19</sup> Shiimi said the budget review deters foreseeable underspending on obligatory operational items while maintaining the provision of essential goods and services:

*"At the same time, it entrenches allocative efficiency by reallocating resources to priority programmes where funding is required to achieve better outcome."*<sup>20</sup>

The mid-term budget review committed to phasing out Covid-19-related spending in the near term to maintain fiscal sustainability, and to pursue an economic diversification plan to make the private sector more robust. Growth is anticipated to accelerate to 2.8% in 2022 and 3% over the next MTEF.<sup>21</sup>

The mid-term budget review reported total debt to be N\$110.6 billion (\$7.4 billion), 62.1% of GDP, and noted interest rate payments had exceeded the threshold of 10%, rising to 12.8% of revenue.<sup>22</sup> Opposition **Popular Democratic Movement (PDM)** party member **Nico Smit** claimed that Namibia is on the cusp of a financial crisis, labelling Namibia's debt, interest payments and budget process "unsustainable".<sup>23</sup> Smit accused the incumbent administration of "pilfering" the development budget to finance operations:

<sup>14</sup> Namibian Economist, 5 Nov.2021.

<sup>15</sup> [New Era](#), 4 Nov 2021

<sup>16</sup> [New Era](#), 4 Nov 2021

<sup>17</sup> [PWC](#), 3 Nov 2021

<sup>18</sup> [New Era](#), 4 Nov 2021

<sup>19</sup> [New Era](#), 4 Nov 2021

<sup>20</sup> [New Era](#), 4 Nov 2021

<sup>21</sup> [Ministry of Finance](#), 3 Nov 2021

<sup>22</sup> [Ministry of Finance](#), 3 Nov 2021

<sup>23</sup> [New Era](#), 17 Nov 2021

*“The figures reveal the real horror that is the Namibian fiscal house. When N\$280 million (\$18.8m) can be taken from the development budget, which is already a fraction of the operational budget and less than one-tenth what it should be in a healthy economy, then it clearly shows that there are no other options available.”<sup>24</sup>*

Smit claimed that the reported budget deficit for 2020, at 8% of **Gross Domestic Product (GDP)**, was inaccurate, and that a deficit of 12.5% was more likely, jeopardising Namibia’s position as a middle-income country whose budget deficits rarely exceed 4.5% of GDP. The budget deficit for the 2021 budget remained unchanged by the mid-term review, at 8.6% of GDP.<sup>25</sup> Addressing the speaker of parliament, Smit charted Namibia’s public debt acceleration:

*“The government debt last year already exceeded 62% of GDP and this year we are fast approaching the 75% mark. Hon Speaker, if the budget was as solid as we are being asked to believe, it would not be necessary to continue borrowing by the billions.”<sup>26</sup>*

The finance ministry has been exploring alternative means to shelter Namibia from future economic shocks. During an interview with national broadcasting station **Namibian Broadcasting Corporation (NBC)** on 25 October, Shiimi announced plans to establish a sovereign wealth fund by the end of 2021.<sup>27</sup> The fund will be divided into short- and long-term funds, financed by proceeds from the renewable energy industry, mining royalties, fishing quotas and the sale of state-owned assets. The long-term funds, which will comprise 70% of the fund’s investments, are referred to as *“intergenerational funds”* and will be composed of equities, fixed-income, real estate and private equity investments. The short-term funds will concentrate on treasury bonds, money market instruments and other low-risk assets. Shiimi confirmed that 2.5% of long-term investments will be in infrastructure projects.

### South Africa hikes benchmark rate

The **South African Reserve Bank (SARB)** (central bank) **Monetary Policy Committee (MPC)** released a press statement on 18 November, raising the benchmark lending rate by 25 basis points from 3.5% to 3.75%.<sup>28</sup> The benchmark hike, the first since November 2018, is the first indication that the SARB may be unwinding the 300 basis points of policy easing it announced in 2020.<sup>29</sup> The **Bank of Namibia (BoN)** (central bank) MPC maintained Namibia’s benchmark at 3.75% at its meeting on 18-19 October (see *ARC Briefing Namibia October 2021*). BoN governor **Johannes !Gawaxab** cited the need to support Namibia’s weak economy and aid recovery from the **Covid-19** pandemic while noting the importance of maintaining the one-to-one link between the Namibia dollar and the South African rand.<sup>30</sup> The central banks of **Lesotho** and **Eswatini** are also expected to raise their benchmark rates from 3.5% to 3.75% to protect their respective currency pegs to the South African rand (ZAR).<sup>31</sup> A benchmark hike will also guard against the possibility of more aggressive **United States (US) Federal Reserve** tapering.

The central bank forecasts inflation to average 3.7% for 2021, slightly lower than the previous forecast of 3.9%.<sup>32</sup> **Namibia Statistics Agency (NSA)** statistician general **Alex Shimuafeni** announced on 10 November a minor slowdown in Namibia’s inflation rate, recorded at 3.6%

<sup>24</sup> [New Era](#), 17 Nov 2021

<sup>25</sup> [Ministry of Finance](#), 3 Nov 2021

<sup>26</sup> [New Era](#), 17 Nov 2021

<sup>27</sup> [Bloomberg](#), 26 Oct 2021

<sup>28</sup> [South African Reserve Bank](#), 18 Nov 2021

<sup>29</sup> [Bloomberg](#), 18 Nov 2021

<sup>30</sup> [Bank of Namibia](#), 20 Oct 2021

<sup>31</sup> [South African Reserve Bank](#), 18 Nov 2021

<sup>32</sup> [Bank of Namibia](#), 20 Oct 2021

year-on-year (y/y) in October, an increase from the 2.3% y/y rate in October 2020.<sup>33</sup> However, Shimuafeni announced a drop in the **Consumer Price Index (CPI)** on a monthly basis:

*“On a monthly basis, the inflation rate slowed to 0.2% compared to 0.3% recorded a month earlier.”<sup>34</sup>*

Namibia’s annual inflation rate rose to 3.5% during the first nine months of 2021, an increase from 2.2% for the corresponding period in 2020.<sup>35</sup> The increase was mainly driven by base effects, food and transport categories on account of supply constraints for certain food categories and a rise in international oil prices respectively.<sup>36</sup> On a monthly basis, overall inflation increased to 3.5% in September, from 3.4% in August.

The BoN, in its October report, stated that it does not consider the current low interest rate “a stimulant to economic activity”, but rather “[a] relief to indebted households and businesses”.<sup>37</sup> However, the SARB MPC press statement reveals possible further rate increases in 2022, 2023 and 2024:

*“The implied policy rate path of the Quarterly Projection Model (QPM) indicates an increase of 25 basis points in the fourth quarter of 2021 and further increases in each quarter of 2022, 2023 and 2024 [...] Given the expected trajectory for headline inflation and upside risks, the Committee believes a gradual rise in the repo rate will be sufficient to keep inflation expectations well anchored and moderate the future path of interest rates.”<sup>38</sup>*

Any further hikes to the benchmark rate by the Bank of Namibia MPC to protect the currency peg is likely to put the pinch on Namibian households already exposed to food price and other domestic utilities inflation. The next BoN MPC meeting is due to be held on 6-7 December ahead of the next SARB MPC meeting on 27 January 2022.<sup>39</sup>

### **Namdeb extends onshore mine life ...**

Namibia’s sole rough gem diamond producer and joint venture between the Namibian government and UK-based diamond company **De Beers Group**, the **Namdeb Diamond Corp. (Namdeb)**, has unveiled plans to continue onshore mining operations for a further 20 years to 2042. The extension will provide a major boost to the economy and to employment in Namibia’s southernmost **Karas Region**. Namdeb’s previous business plan tabled a termination of onshore production at the end of 2022. The new long-term plan, announced on 14 October at a **Windhoek** media briefing, plans to ramp up production over the next two and a half years to approximately 160% of current capacity.<sup>40</sup> An additional 8 million carats of high-value gemstones are set to be recovered over the period, equivalent to extra sales revenue of some N\$159 billion (\$10.2 billion).

The “*mutually beneficial*” new business plan resulted from “*a series of positive engagements*” between the government and the Namdeb management team, and is expected to deliver positive outcomes for the economy, the Namdeb business, employees, local community partners and the wider diamond industry, according to the De Beers Group media release.<sup>41</sup> Under the plan, the royalty payable to the government on the gross value of Namdeb sales (in practice,

<sup>33</sup> [The Namibian](#), 12 Nov 2021

<sup>34</sup> [Namibia Statistics Agency](#), 10 Nov 2021

<sup>35</sup> [Bank of Namibia](#), 20 Oct 2021

<sup>36</sup> [Bank of Namibia](#), 20 Oct 2021

<sup>37</sup> [The Namibian](#), 21 Oct 2021

<sup>38</sup> [South African Reserve Bank](#), 18 Nov 2021

<sup>39</sup> [South African Reserve Bank](#), 18 Nov 2021

<sup>40</sup> De Beers Group Media Release, 14 Oct 2021; New Era, 15 Oct 2021.

<sup>41</sup> De Beers Group Media Release, 14 Oct 2021

exports) will be reduced from 10% to 5% from 2021-2025. However, this is anticipated to be more than offset by the payment of additional taxes, royalties and dividends to the government from the **life of mine (LoM)** extension that would not otherwise have been generated. De Beers said this will boost Namdeb's overall fiscal contribution by approximately N\$40 billion (\$2.6 billion). Mines and energy minister **Tom Alweendo** commented that the government understood the profound impact that the Namdeb mine closure would have had:

*"Therefore, it was imperative to safeguard this operation for the benefit of sustaining the life of mine for both the national economy as well as preserving employment for our people."*<sup>42</sup>

Namdeb CEO **Riaan Burger** noted that after more than a century of production, the operations had been approaching their end, but the new business plan means the company "*can continue to deliver for Namibia for many years into the future.*"<sup>43</sup>

The LoM extension involves an N\$2 billion (\$128m) capital investment by Namdeb over the next three years. A Namdeb representative told **Africa Risk Consulting (ARC)** that the focus will be on extending the **Southern Coastal Mines (SCM)** operation, which runs for some 100km north of **Oranjemund** into the southern part of the **Sperrgebiet** ('Prohibited Area').<sup>44</sup> Alluvial deposits have been almost continuously mined there since the first diamond was discovered in 1904. The Namdeb representative confirmed that "*improvement efforts to economically extend Orange River Mines (ORM) are ongoing*".<sup>45</sup>

ORM extends some 50km along the north bank of the **Orange River** to the **Sendlingsdrif** open pit mine and contains some of the world's highest-value gem diamonds. The LoM extension will result in the retention of roughly 2,100 jobs (1,500 Namdeb employees and 600 contractors), with 600 new jobs being created in SCM to expand production. ARC sources confirmed that most of the new investment will be spent on "*refreshing and expanding*" Namdeb's huge fleet of earth-moving vehicles. The capacity and utilisation of the No.3 diamond treatment plant (last upgraded in 2008) will be increased, with beach accretion and overburden stripping (pushing back shallow waters to create more mining areas) recommenced to enable more mining of the underlying bedrock).<sup>46</sup>

The latest quarterly report of UK-headquartered **Anglo American plc**, which own a 85% stake in De Beers (with the Botswana government owning 15%), showed that Namibia's diamond output rose by 65% to 399,000 carats in the first nine-months of 2021, up 65% from a year earlier, but still well below pre-pandemic levels.<sup>47</sup> While onshore output decreased by 5% to 90,000 carats, offshore recoveries by wholly-owned **De Beers Marine (Debmar)** rose by 110% to 309,000 carats, underscoring the importance of deep sea mining to Namdeb. Anglo noted that operation of Debmar's mining fleet had been suspended last year as part of its response to lower global demand for rough diamonds due to the pandemic's adverse impact. However, the company reported that demand for rough diamonds had continued to be robust this year,

*"... with positive midstream sentiment reflecting strong demand for polished diamond jewellery, particularly in the key markets of the US and China".*<sup>48</sup>

<sup>42</sup> De Beers Group Media Release, 14 Oct 2021

<sup>43</sup> De Beers Group Media Release, 14 Oct 2021

<sup>44</sup> Source, Namdeb corporate affairs

<sup>45</sup> De Beers Group Media Release, 14 Oct 2021

<sup>46</sup> De Beers Group Media Release, 14 Oct 2021

<sup>47</sup> Anglo American Plc, 21 Oct 2021

<sup>48</sup> Anglo American Plc, 21 Oct 2021

Namdeb diamond production <sup>49</sup>					
('000 carats)					
	2021	2020		% change	
	Q3	Q4	Q3	Q3/Q3	Q3/Q4
<b>Offshore (Debmaringe)</b>	309	256	147	110	21
<b>Onshore</b>	90	81	95	-5	-5
<b>Total</b>	399	337	242	65	18

### ... as De Beers Marine takes delivery of world's largest diamond mining ship

Namibia's offshore diamond production will be substantially boosted when Debmar's newest diamond vessel, **AMV3**, comes into operation in 2022. The ship, the world's largest diamond mining vessel at 177 metres long, cost \$470m and was built by **Romania-based Damian Shipyards Mangalia**. It is currently docked in **Cape Town** (South Africa) where it is being fitted out with mining equipment before being deployed in Namibia's southern waters in 2022.<sup>50</sup> The ship will use sub-sea crawler mining techniques to retrieve diamonds from the seabed for processing on board and is expected to operate for the next 30 years. It is expected to increase offshore output by some 0.5m carats a year, taking overall Namdeb production back up to over 1m carats annually.<sup>51</sup>

### Heineken seeks to acquire a stake in Namibia Breweries Ltd

**Netherlands-based** brewery company **Heineken NV** has agreed to purchase South Africa-based wine and spirits manufacturer **Distell Group Holdings Ltd** for \$2.5 billion.<sup>52</sup> The acquisition, following shareholder approval, will create a regional Heineken group large enough to compete with sector rivals UK-based **Diageo Plc** and **Belgium-based Anheuser-Busch InBev SA**.<sup>53</sup>

A regional partner at **Namibia Breweries Ltd** reports that Heineken also intends to acquire a majority stake in **Namibia Stock Exchange (NSE)**-listed Namibia Breweries.<sup>54</sup> Its acquisition by Heineken would allow minority public stakeholders to maintain their shares in the company.<sup>55</sup> Heineken intends to purchase a 50.01% stake in Namibia Breweries' parent company, **NBL Investment Holdings (Pty) Ltd**, from Namibia-headquartered private company group **Ohlthaver & List Finance and Trading Corporation Limited**.<sup>56</sup> The transaction would also see the acquisition of NBL's 255 shareholding in Heineken's South Africa-based subsidiary, **Heineken South Africa**.<sup>57</sup>

Distell shareholders have yet to consent to the acquisition by Heineken. It is likely that negotiations with Namibia Breweries will advance following the conclusion of the Distell

<sup>49</sup> Anglo American Plc, 21 Oct 2021

<sup>50</sup> News Service, Online, 14 Sep. 2021.

<sup>51</sup> Israeli Diamond Industry, Online, 27 Sep. 2021.

<sup>52</sup> [Bloomberg](#), 15 Nov 2021

<sup>53</sup> [Bloomberg](#), 15 Nov 2021

<sup>54</sup> [Bloomberg](#), 15 Nov 2021

<sup>55</sup> [Bloomberg](#), 15 Nov 2021

<sup>56</sup> [Reuters](#), 16 Nov 2021

<sup>57</sup> [Reuters](#), 16 Nov 2021

takeover. The acquisition, if approved by shareholders, is likely to have significant impact on the alcohol and breweries sector in Southern Africa and marks a pivot by Heineken from **Far Eastern** markets to **sub-Saharan Africa**.

### Covid-19 update

New cases of Covid-19 remain low despite President Geingob's relaxation of Namibia's Covid-19 restrictions on 15 October following earlier easing on 14 September (see *ARC Briefing Namibia October 2021*).<sup>58</sup> However, former health minister **Bernard Haufiku** cautioned on 17 November that a resurgence of Covid-19 cases in **European** countries may result in a resurgence of cases among unvaccinated citizens in Namibia:

*"If a fourth wave comes, it will be a pandemic of the unvaccinated, especially when it comes to severe illness and deaths."*<sup>59</sup>

Current health minister **Kalumbi Shangula** reassured media representatives that Namibia was well prepared for a possible resurgence in cases, with makeshift intensive care units, additional beds and tented wards ready to deploy, while urging unvaccinated individuals to receive a Covid-19 vaccine offered by the state.<sup>60</sup> Shangula addressed vaccine hesitancy on 12 November, noting the Covid-19 vaccination rate had lately declined to fewer than 1,900 vaccine doses per day and just above 10,000 vaccines administered per week, compared to daily vaccination uptake of 3,500-4,000, and over 20,000 per week from all regions in the period July to September.<sup>61</sup>

Since Namibia's vaccination campaign began in March, health authorities have administered 652,156 doses of Covid-19 vaccine to eligible recipients.<sup>62</sup> As of 22 November, 345,052 individuals had received at least one dose while 281,737 are fully vaccinated, far from achieving government targets of 60% herd immunity through vaccination by March 2022.<sup>63, 64</sup> Shangula announced on 12 November the rollout of Covid-19 vaccines to vulnerable teenagers (12-17 years of age).<sup>65</sup>

The health ministry on 23 October suspended the rollout of **Russia**-manufactured **Sputnik V** Covid-19 vaccine over concerns that it may increase the susceptibility of men to HIV infection (see *ARC Briefing Namibia October 2021*).<sup>66</sup> Shangula confirmed at a media conference that the Sputnik V vaccine may be rolled out once further information on the HIV risk becomes available:

*"Let us wait until we get all the information. We may still resume the offering of Sputnik, so it is nothing conclusive; it's just to be more on the precautionary side."*<sup>67</sup>

Suspension of the Sputnik V Covid-19 vaccine has led to the expiry and disposal of Namibia's supplies of the Sputnik vaccine, a blow to the health ministry, which has faced poor vaccine availability due to supply and demand pressures and prioritisation of domestic populations by vaccine producing countries. Health ministry director **Naemi Shoopala** confirmed that the government had disposed of expired doses of the Sputnik V vaccine as per guidelines.<sup>68</sup>

<sup>58</sup> [World Health Organisation](#), accessed 22 Nov 2021

<sup>59</sup> [New Era](#), 17 Nov 2021

<sup>60</sup> [New Era](#), 17 Nov 2021

<sup>61</sup> [Post Online](#), 13 Nov 2021

<sup>62</sup> [World Health Organisation](#), accessed 22 Nov 2021

<sup>63</sup> [World Health Organisation](#), accessed 22 Nov 2021

<sup>64</sup> [World Health Organisation](#), 25 Oct 2021

<sup>65</sup> [Post Online](#), 13 Nov 2021

<sup>66</sup> [Reuters](#), 23 Oct 2021

<sup>67</sup> [New Era](#), 4 Nov 2021

<sup>68</sup> [New Era](#), 4 Nov 2021

As of 22 November, Namibia has recorded 129,105 cases of Covid-19 in its population of 2.5 million, with 125,452 recoveries and 3,569 Covid-19-related deaths.<sup>69</sup>

## Planner

6-7 Dec 2021 **Windhoek (Namibia)** The **Bank of Namibia (BoN)** (central bank) Monetary Policy Committee (MPC) meets;

8 Dec 2021 **Windhoek (Namibia)** The **Bank of Namibia (BoN)** (central bank) Monetary Policy Committee (MPC) announces results of MPC meeting;

20 Jan 2022 **Windhoek (Namibia)** **High Court** will hear pre-trial for consolidated case against former fisheries minister **Bernardt Esau** and former justice minister **Sakeus Shanghala**, accused of accepting corrupt payments as part of the 'Fishrot' scandal;

March 2022 **Windhoek (Namibia)** Date set by President **Hage Geingob** for Namibia to achieve the requisite 60% target of herd immunity against SARS-Cov-2.

## Chronology

19 Nov 2021 **Windhoek (Namibia)** *The Namibian*. Finance minister **Ipumbu Shiimi** asks labour unions including the **Namibia Public Workers Union (Napwu)** and **Namibia Teachers Union (Nantu)** to refrain from demanding salary increases until the domestic economy recovers;

18 Nov 2021 **Johannesburg (South Africa)** *SARB*. The **South African Reserve Bank (SARB)** (central bank) raises the repo rate by 25 basis points to 3.75%;

17 Nov 2021 **Windhoek (Namibia)** *New Era*. Former health minister **Bernard Haufiku** cautions that Namibia may face a 'fourth wave' of **Covid-19** infections due to rising case numbers in **Europe** saying a fourth wave would be likely to impact the unvaccinated population;

17 Nov 2021 **Windhoek (Namibia)** *Bloomberg*. **South Africa**-based financial technology startup **Ozow** complete a fourth funding round raising \$48m and seeking to expand into **Namibia, Ghana, Kenya and Nigeria**;

15 Nov 2021 **Windhoek (Namibia)** *Bloomberg*. **Netherlands**-based brewery **Heineken NV** agrees to purchase **South Africa**-based wine and spirits manufacturer **Distell Group Holdings Ltd** for \$2.5 billion and announce plans to purchase a majority stake in **Namibia**-based **Namibia Breweries Ltd**;

12 Nov 2021 **Windhoek (Namibia)** *The Post Online*. Health minister **Kalumbi Shangula** confirms that Covid-19 vaccinations will now be offered to vulnerable teenagers aged 12-17;

4 Nov 2021 **Windhoek (Namibia)** *New Era*. Health minister **Kalumbi Shangula** announces that the **Russia**-manufactured **Sputnik V** vaccine may be reassessed for distribution in Namibia, should further data on the link to HIV infection susceptibility be made available;

3 Nov 2021 **Windhoek (Namibia)** *PWC*. Finance minister **Ipumbu Shiimi** presents the mid-year budget review to parliament;

3 Nov 2021 **Windhoek (Namibia)** *The Namibian*. President **Hage Geingob** addresses the assembly at the **United Nations (UN) Conference on Climate Change (COP26)** in **Glasgow (United Kingdom)** to announce the designation of 5,700km<sup>2</sup> in **Kharas** region for a green hydrogen and ammonia project;

<sup>69</sup> [World Health Organisation](#), 22 Nov 2021

3 Nov 2021 **Glasgow (United Kingdom)** *The Namibian*. President **Hage Geingob** addresses the assembly at the **United Nations (UN) Conference on Climate Change (COP26)** in **Glasgow (United Kingdom)** to support a call to phase out the use of coal for domestic power purposes, stating that Namibia will improve solar and wind capacity to help neighbouring countries including **South Africa** to reduce their heavy reliance on coal;

2 Nov 2021 **Glasgow (United Kingdom)** *Royal Central*. President **Hage Geingob** meets with **Prince Charles** during the **United Nations (UN) Conference on Climate Change (COP26)**;

1 Nov 2021 **Windhoek (Namibia)** *Reuters*. Namibia's veterinary services directorate suspends poultry imports from **Germany** and the **Netherlands** to prevent the spread of the H5N1 bird flu virus;

26 Oct 2021 **Windhoek (Namibia)** *Bloomberg*. Finance minister **Ipumbu Shiimi** says **Namibia** plans to establish a sovereign wealth fund by the end of this year, which will serve as a buffer against future economic shocks;

23 Oct 2021 **Windhoek (Namibia)** *Reuters*. Health ministry suspends rollout of **Russia**-manufactured **Sputnik V Covid-19** vaccine, citing concerns voiced by **South Africa** that the **Adenovirus Type 5 Vector** may be associated with a higher susceptibility of HIV in men;

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