

AFRICA RISK CONSULTING

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Namibia Summary 26 July 2021

President Hage Geingob (2015-present) extends public health measures to curb the spread of Covid-19 for 14 days until 29 July. The High Court postpones a hearing on the merging of the state prosecution's cases against Nangomar and Fishcor due to correctional facility lockdowns preventing the accused from attending court. The health ministry restarts administration of first doses of the Covid-19 vaccine following a pause of the programme due to poor supply of vaccine. President Geingob appoints two new committees, the Business Rescue Task Force and the Fourth Industrial Revolution Task Force, to manage Namibia's economic recovery from the Covid-19 pandemic. International ratings agency Fitch Ratings affirms Namibia's long-term foreign-currency issuer default rating at 'BB' with a negative outlook. Canada-listed mining company Osino Resources publishes a preliminary economic assessment of its Twin Hills gold find, indicating potential value of \$377m.

Extension of Covid-19 restrictions hits economic and judicial activity ...

President **Hage Geingob** (2015-present) has extended public health measures to curb the spread of **Covid-19** in **Namibia**. Delivering the **31st Covid-19 Public Briefing on National Response Measures** on 15 July, Geingob announced a 14-day extension of restrictions originally imposed on 30 June, subject to review on 29 July, in response to growing case numbers and Covid-19-related deaths. New cases of Covid-19 peaked at 3,268 in 24 hours on 30 June, but have begun to decline following the implementation of stricter lockdown measures.¹ As of 26 July, Namibia has registered 117,000 cases of Covid-19 in its population of 2.5 million, with 2,811 Covid-19-related deaths and 92,879 recoveries.²

The restrictions now in place include:

- Movement between regions restricted to returning residents, essential service providers, emergency medical cases and transportation of human remains for burial purposes. The only exceptions are travel with a relevant permit;
- Public gatherings are restricted to no more than 10 persons per event;
- Nationwide curfew between 21h00 and 04h00;
- Sale of liquor is restricted and may only occur between 09h00 and 18h00 Monday-Thursday. Alcohol may only be consumed at home or in hospitality businesses including guesthouses, hotels and other establishments with overnight guests;
- Business closures are in effect; food establishments may only serve take-away food and gambling houses, night clubs, gyms and sports clubs must remain closed;
- Regional travel restrictions apply to all road and air traffic; motorists must travel with vehicles at half capacity. Special dispensation for tourists is in place.

Continued lockdown measures have also disrupted judicial activity, in particular the corruption cases against **Angola-Namibian** company **Nangomar Pesca Namibia** and Namibia's state-owned **National Fishing Corporation of Namibia (Fishcor)** in the on-going "**Fishrot scandal**" (see *ARC Briefing Namibia May-June 2021*). **High Court** justice **Christie Liebenberg** heard state prosecutor **Ed Marondedze**'s proposal to merge the corruption cases against Nangomar

¹ Johns Hopkins University, accessed: 26 Jul 2021

² Johns Hopkins University, accessed: 26 Jul 2021

and Fishcor in **Windhoek** on 22 July.³ Liebenberg remanded the matter to chambers until 19 August, as the prison facilities holding the accused are currently in lockdown. The case is postponed until the court issues the next mentions roll and the hearing postponed until prisons are re-opened.⁴

The delay is the latest in a series of protractions. The trials of nine accused individuals and 11 corporate entities have faced delay due to a disagreement over whether two trials should be merged into one (see *ARC Briefing Namibia Nov 2019-Mar 2021*).⁵ The accused are collectively charged with seven counts of racketeering, 12 counts of contravening the **Anti-Corruption Act (8 of 2003)**, four counts of fraud, and further theft and money laundering offences.⁶ The crime is described by the affidavit as

*“... a series of corrupt and fraudulent activities [to] access fish quotas by manipulating certain provisions of the **Marine Resources Act**”.*⁷

Another petition pending in the **Supreme Court** is that of opposition members of parliament (**MPs**) **Bernadus Swartbooi** and **Henny Seibeb**, representatives of the **Landless People’s Movement (LPM)**.⁸ Parliamentary speaker **Peter Katajavivi** ordered the withdrawal of the MPs from parliament on 15 April following disruption of the president’s **State of the Nation Address (SONA)** (see *ARC Briefing Namibia April 2021*).⁹ The court sat on 23 July to review the High Court’s decision in May dismissing an appeal against the parliamentary debarment of the MPs.¹⁰ The matter has been heard by Supreme Court justice **Peter Shivute**, who has yet to pass judgement on the appeal. Parliamentary security chief **Gideon Shuuya** described the security situation in parliament as “*volatile*” and cautioned against the return of the LPM MPs without proportionate discipline.¹¹

China sends Sinopharm vaccines and Germany promise more...

Namibia halted the administration of first doses of Covid-19 vaccines on 29 June due to short supply of vaccine doses and fears over supply security for second doses, which must be administered within a strict timeframe (see *ARC Briefing Namibia June 2021*).¹² Following a number of pledges from the international community and delivery of 250,000 doses of the **China**-manufactured **Sinopharm** vaccine on 16 July, ministry of health deputy executive director **Petronella Masabane** confirmed that distribution of Covid-19 vaccines would resume on 19 July.¹³

The government aims to vaccinate 1.5 million Namibians to achieve herd immunity.¹⁴ President Geingob confirmed during the 31st Covid-19 Public Briefing (see above) that 1.3% of Namibia’s total population of 2.5 million had been fully vaccinated, with 5% having received a first dose.¹⁵ Namibia, classified as an upper-middle-income country, has had to pay for its allocation of vaccine doses from the global **World Health Organisation (WHO) COVAX** facility.¹⁶ To date, Namibia has received 67,200 doses of its purchase of 108,000 doses from the WHO.¹⁷

³ [New Era](#), 23 Jul 2021

⁴ [New Era](#), 23 Jul 2021

⁵ [New Era](#), 21 May 2021

⁶ [New Era](#), 23 Jul 2021

⁷ [The Namibian](#), 13 Jul 2021

⁸ [The Namibian](#), 23 Jul 2021

⁹ [The Namibian](#), 22 April 2021

¹⁰ [Namibian Sun](#), 23 Jul 2021

¹¹ [Namibian Sun](#), 22 Jul 2021

¹² [Reuters](#), 16 Jul 2021

¹³ [Reuters](#), 7 Jul 2021

¹⁴ [Legal Assistance Centre](#), 15 Jul 2021

¹⁵ [Legal Assistance Centre](#), 15 Jul 2021

¹⁶ [Reuters](#), 7 Jul 2021

¹⁷ [Reuters](#), 7 Jul 2021

President Geingob thanked international partners, including **Germany**, the **United States (US)**, **Finland**, **Norway** and **Belgium** for their assistance in managing Namibia's Covid-19 crisis.¹⁸ The US has donated 168,000 doses of the US-manufactured **Johnson & Johnson** Covid-19 vaccine and Germany has pledged to donate all the remaining doses of the **AstraZeneca** Covid-19 vaccine to less developed nations in August, with 80% to the COVAX facility and the remaining 20% divided between **Georgia**, **Moldova**, **Ukraine** and Namibia.¹⁹

The urgency of Namibia's vaccine rollout has increased as health minister **Kalumbi Shangula** announced on 5 July the presence of the Covid-19 delta variant in the **Khomas** region of Namibia in 17 of 28 samples analysed.²⁰ The delta variant has been blamed for the sudden rise in new cases and third wave sweeping **sub-Saharan Africa**. The new case rate in Namibia for the week beginning 28 June was the highest rate of new cases globally.²¹ **Gordon Cupido**, head of internal medicine at the **Katutura State Hospital** in Windhoek, described to international news outlet **Bloomberg** on 29 June the pressure on the healthcare system and workers:

*"Systems in the hospitals are under severe pressure, including staff who are overworked and not performing at their best [...] the human cost is tremendous, often patients are dying unnoticed."*²²

Geingob appoints two committees to manage economic recovery

President Hage Geingob has created two committees to manage Namibia's post-pandemic economic recovery, which has been delayed by a third wave of Covid-19 cases and lockdown measures implemented on 30 June (see above).²³ Geingob announced the creation of an eleven-member **Business Rescue Task Force (BRTF)** on 29 June²⁴ and, on 5 July, an eight-member committee to prepare government for the **Fourth Industrial Revolution (4IR)**^{25,26}

The BRTF falls under the pillar of economic advancement in Namibia's **Harambee II** prosperity plan,²⁷ and will operate for eight months, beginning 1 July and ending in March 2022.²⁸ The BRTF will be instrumental in solving Namibia's challenge to unlock economic activity amid a third wave of Covid-19 infections and the presence of the delta variant. The committee is tasked with reviewing business and insolvency legislation to encourage the turn-around of businesses in financial distress.²⁹ Geingob said the BRTF will provide the government with a framework that can serve as the basis for policy interventions that can contribute meaningfully to business recovery, including an environment that promotes sustainable entrepreneurship.³⁰ **State House** spokesperson **Alfredo Hengari** confirmed that the committee will be empowered to make recommendations, including amendments to law, regulation and policy relating to business and insolvency.³¹ **Capricorn Group** CEO **Thinus Prinsloo** will chair the committee.³²

¹⁸ [Legal Assistance Centre](#), 15 Jul 2021

¹⁹ [Reuters](#), 7 Jul 2021

²⁰ [Bloomberg](#), 5 Jul 2021

²¹ [Bloomberg](#), 5 Jul 2021

²² [Bloomberg](#), 29 Jun 2021

²³ [Republic of Namibia](#), 30 Jun 2021

²⁴ [Reuters](#), 29 Jun 2021

²⁵ 4IR: automation and machine domination of traditionally biological or human processes including manufacturing and industrial practices, [United Nations Industrial Development Organisation](#), accessed: 25 Jul 2021

²⁶ [The Namibian](#), 5 Jul 2021

²⁷ [Harambee Prosperity Plan II](#), Accessed: 25 Jul 2021

²⁸ [The Namibian](#), 30 Jun 2021

²⁹ [Reuters](#), 29 Jun 2021

³⁰ [Namibia Economist](#), 29 Jun 2021

³¹ [The Namibian](#), 30 Jun 2021

³² [Namibia Economist](#), 29 Jun 2021

Business Rescue Task Force (BRTF) members ³³	
Chair	Thinus Prinsloo
Member	Amalia Schmidt
Member	Erna Irene Simeon-Kurtz
Member	Hans Gerdes
Member	Jason Hailonga
Member	Leone Dunn
Member	Maria Gertze
Member	Puye Haufiku
Member	Rose-Mary Sihova
Member	Sarel van Zyl
Member	Vivienne Katjuongua

The 4IR task force, appointed on 5 July, demonstrates Geingob's awareness of the unsustainability of old methods of manufacturing and reliance on fossil fuels (see *ARC Briefing Namibia June 2021*). The committee has 12 months to conduct an assessment of Namibia's readiness for the Fourth Industrial Revolution and make recommendations towards a coordinated and coherent policy and legislative framework.³⁴ **Anicia Peters**, pro-vice-chancellor of research, innovation and development at the **University of Namibia (Unam)** chairs the committee. 4IR task force member **Martyn Davies**, managing director and Africa automotive sector lead for multinational professional services firm **Deloitte Touche Tohmatsu Limited (Deloitte)** and dean of the **Deloitte Alchemy School of Leadership**, noted:

*"It is imperative that African countries both embrace and enable technological change and that the State becomes more entrepreneurial."*³⁵

4th Industrial Revolution Taskforce ³⁶		
Position	Name	Experience
Chairperson	Anicia Peters	Pro-vice-chancellor of research, innovation and development at University of Namibia (Unam)
Member	Dino Balloti	Small-Medium Enterprise (SME) manager at the Namibia Investment Promotion and Development Board
Member	Erold Naomab	Vice chancellor of Namibia University of Science and Technology (NUST)
Member	Grace Hamauka	Senior economist at the Bank of Namibia
Member	Kenneth Mateng	Vice chancellor of University of Namibia (Unam)
Member	Martyn Davies	Managing director of Deloitte Africa and Emerging Markets
Member	Nashilongo Gervasius	Former president of the Internet Society of Namibia
Member	Tshilidzi Marwala	Vice chancellor of University of Johannesburg (South Africa)

While Geingob's task forces comprise experts and skilled individuals, the **Institute for Public Policy and Research (IPPR)** has highlighted the failure of a skilled panel to produce actionable

³³ *Namibia Economist*, 29 Jun 2021

³⁴ *The Namibian*, 5 Jul 2021

³⁵ *Engineering News*, 8 Jul 2021

³⁶ *The Namibian*, 5 Jul 2021

recommendations.³⁷ This is not the first time the IPPR has criticised a committee appointed by Geingob. In its Q2 2020 report, the institute described recommendations by the 2019 **High-Level Panel on the Namibian Economy (HLPNE)** as “*weak, too general and ... fail[ing] to offer deep analysis*”.³⁸ Windhoek mayor **Job Amupanda** described several of Geingob’s other initiatives as “*gimmicks*”:

- The poverty conference (2015);
- The genocide negotiation commission (2016);
- The investment conference (2016);
- The national land conference (2018);
- The economic growth summit (2019).³⁹

Bank of Namibia (BoN) (central bank) governor **Johannes !Gawaxab** has defended Geingob from criticism following the establishment of the two task forces.⁴⁰

Fitch affirms ‘BB’ rating with negative outlook...

International ratings agency **Fitch Ratings** on 15 July affirmed Namibia’s long-term foreign-currency (LT FC) issuer default rating (IDR) as ‘BB’ with a negative outlook.⁴¹ The key rating drivers acknowledged a high level of fiscal deficit and debt as well as a strong institutional framework and well-developed non-banking financial sector supporting “*sovereign financing capacity*.”⁴² Fitch noted that further downgrade would be likely if there is failure to balance government debt-to-Gross Domestic Product (GDP) in the medium-term. Fitch noted that increased external vulnerability due to a greater current account deficit or decline in international reserves would also result in a further downgrade.

The **World Bank** estimates Namibia’s current account deficit (as % of GDP) at 1.67% in 2020.⁴³ The Bank of Namibia, in its quarterly bulletin for June 2021, estimated a current account balance of -8.7% of GDP, illustrating a slip into deficit from 0.4% in Q1 2020.⁴⁴ The BoN predicts total debt as a percentage of GDP to be 62% in Q1 2021.⁴⁵

Fitch stressed that government must avoid prolonged economic stagnation and generate post Covid-19 economic recovery to avoid further downgrade.⁴⁶ Geingob’s establishment of the BRTF demonstrates the government’s attention to economic recovery and cushioning the impact of economic shock on Namibia’s private sector. Finance minister **Iipumbu Shiimi** announced five priority public-private-partnership (PPP) projects at the **6th National PPP Conference** on 16 June.⁴⁷ The five projects focus on two wastewater treatment plants, a desalination plant, a solar power development and education facilities.⁴⁸ The projects will be funded by \$6.7m (N\$100m) the government has committed to a three-year PPP project preparation facility and further funding from **France**-based development agency **Agence Française de Développement (AFD)** and multi-lateral development finance institution the **African Development Bank (AfDB)**:

“The identified projects are aligned to national development goals [...] this is envisaged to support economic recovery and promote private sector-led economic growth.”⁴⁹

³⁷ [The Namibian](#), 24 Jul 2020

³⁸ [The Namibian](#), 24 Jul 2020

³⁹ [Namibian Sun](#), 21 Jul 2021

⁴⁰ [Namibian Sun](#), 21 Jul 2021

⁴¹ [Fitch Ratings](#), 15 Jul 2021

⁴² [Fitch Ratings](#), 15 Jul 2021

⁴³ [World Bank Data](#), Accessed: 25 Jul 2021

⁴⁴ [Bank of Namibia](#), Jun 2021

⁴⁵ [Bank of Namibia](#), Jun 2021

⁴⁶ [Fitch Ratings](#), 15 Jul 2021

⁴⁷ [Namibian Economist](#), 17 Jun 2021

⁴⁸ [Namibian Economist](#), 17 Jun 2021

⁴⁹ [Namibian Economist](#), 17 Jun 2021

Although private sector growth has remained muted in the first two quarters of 2021, positive signals from the mining industry may change this. **Canada**-listed mining company **Osino Resources** on 22 July published a preliminary economic assessment (PEA) of its **Twin Hills** gold find close to the **Navachab Gold Mine**.⁵⁰ The PEA indicated potential value of \$377m, based on a gold price of \$1,700 per ounce, making it the largest gold discovery in **Southern Africa** in recent years:

“We have no doubt that the Twin Hills will become Namibia’s next substantial gold mine.”⁵¹

The project will have a 15-year life span and production capacity of 3.5 million tonnes per year.⁵² Osino Resources CEO **Heye Daun** noted the low technical risk and consistent geology of the project:

“We soon hope to have ownership of the surface rights as well as the mining rights, which will derisk the project even further.”⁵³

Oshino Resources is exploring several other opportunities along the **Karibib Fault Line**. The expansion of gold mining and exploration appears to challenge the **Namibia Statistics Agency (NSA)** report published on 24 June that noted a 19% decline in the mining and quarrying sector in Q1 2021, amid an overall 6.5% decline in GDP in Q1 2021.⁵⁴

⁵⁰ [MoneyWeb](#), 22 Jul 2021

⁵¹ [MoneyWeb](#), 22 Jul 2021

⁵² [MoneyWeb](#), 22 Jul 2021

⁵³ [MoneyWeb](#), 22 Jul 2021

⁵⁴ [Namibia Statistics Agency](#), 24 Jun 2021

Planner

18 Aug 2021 **Windhoek (Namibia)** The **Bank of Namibia (BoN)** (central bank) Monetary Policy Committee (MPC) will announce the results of the next MPC meeting;

19 Aug 2021 **Windhoek (Namibia)** High Court will hear application of the state to join two cases against **Namgomar** and **Fishcor**;

Chronology

21 Jul 2021 **Windhoek (Namibia)** *MoneyWeb*. **Canada**-listed mining junior **Osino Resources** publishes preliminary economic assessment of its **Twin Hills** gold find in **Namibia**, indicating a potential value of \$377m;

21 Jul 2021 **Windhoek (Namibia)** *The Namibian*. Opposition members of parliament (MPs) **Bernadus Swartbooi** and **Henny Seibeb**, representatives of the **Landless People's Movement (LPM)**, petition the **Supreme Court** to challenge the decision of parliamentary speaker **Peter Katajavini** to withdraw the members from parliament on 15 April;

16 Jul 2021 **Windhoek (Namibia)** *Reuters*. Namibia receives 250,000 doses of the **China**-manufactured **Sinopharm** Covid-19 vaccine;

15 Jul 2021 **Windhoek (Namibia)** *Namibia Economist*. President **Hage Geingob** extends **Covid-19** restrictions for a further 14 days, until 29 July;

13 Jul 2021 **Windhoek (Namibia)** *The Namibian*. The **High Court** postpones hearing the application of the state to join two cases against **Namgomar** and **Fishcor** due to a prison lockdown, the hearing will be held on 19 August;

5 Jul 2021 **Windhoek (Namibia)** *Namibian Economist*. President **Hage Geingob** forms an eight-member task force to prepare the government for the **4th Industrial Revolutions (4IR)**;

1 Jul 2021 **Windhoek (Namibia)** *Namib Times*. President **Hage Geingob** says the third wave of **Covid-19** in **Namibia** is expected to peak around mid-August and may continue until mid-September;

30 Jun 2021 **Windhoek (Namibia)** *Republic of Namibia*. President **Hage Geingob** delivers the **30th Covid-19 Public Briefing on the National Response Measures**, implementing further measures to prevent the spread of Covid-19, including a ban on travel between regions and closure of certain businesses;

29 Jun 2021 **Windhoek (Namibia)** *Reuters*. Namibia halts vaccine rollout and delivery of first doses of the Covid-19 vaccine to ensure sufficient of second doses of the Covid-19 vaccine;

29 Jun 2021 **Windhoek (Namibia)** *Business Day*. Doctors call for national shutdown as oxygen and personal-protective equipment supplies run low;

29 Jun 2021 **Windhoek (Namibia)** *Reuters*. President **Hage Geingob** appoints an 11-member **Business Rescue Task Force** to review business and insolvency legislation to protect Namibian businesses from financial distress;

26 Jun 2021 **Windhoek (Namibia)** *Reuters*. Leaked documentation from the **Ministry of Health** reveals that Namibia will halt the rollout of first doses of **Covid-19** vaccine from 29 June due to supply issues and a need to reserve doses for those who require a second dose;

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Please contact us by email info@africariskconsulting.com or call + 44 (0) 20 7078 4080

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