

## AFRICA RISK CONSULTING

### Namibia Monthly Briefing February 2025

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#### Namibia Summary 6 February 2025

*Namibia's ongoing court case between opposition political parties and the Electoral Commission of Namibia (ECN) is now being fought in both the Electoral Court and Supreme Court, which could drag out legal proceedings. United Kingdom-headquartered Shell announces the oil it discovered in 2022 off the coast of Namibia in the Orange Basin is commercially unviable to mine. Namibia's foreign policy will require delicate balancing moving forward under United States President Donald Trump (2025-present), whose blunt and transactional approach could push Namibia to expand ties with China even more.*

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#### Opposition court cases continue

The opposition **Independent Patriots for Change (IPC)** and the **Landless People's Movement's (LPM)** court case against the **Electoral Commission of Namibia (ECN)** has been presented to the **Supreme Court** and **Electoral Court**.<sup>1</sup> The IPC and LPM went to court after the general and presidential elections concluded on 30 November, alleging that the extension of the elections on 29 and 30 November was illegal. The IPC and LPM escalated their claims from first only declaring the presidential election invalid, to calling for the entire 2024 general election to be declared null and void.<sup>2</sup>

Due to the case being in two separate courts, the Electoral Court and Supreme Court, there are legal conflicts of interests which could drag out court proceedings. IPC's senior counsel **Anton Katz** has urged that the case with the Electoral Court be suspended until the Supreme Court has made a decision, arguing that if the Supreme Court and Electoral Court's rulings differ it could throw the cases into a legal blackhole.<sup>3</sup> The Supreme Court is the highest court in Namibia, meaning the outcome of the Electoral Court could be disregarded if it conflicts with the Supreme Court's ruling. Thus far, the ruling **South West People's Organisation (SWAPO)** has not been found guilty of any wrongdoing and the decision by the President **Nangolo Mbumba** (2024-present) to extend the election was done in accordance with the regulations and the law.

The developments of the court case have a nuanced impact on Namibia's political landscape. On the one hand, the ability of opposition parties to express their dissent in the country's courts without political violence indicates a healthy democracy and freedom of speech. This is supported by **Freedom House's** classification of Namibia as a free country, scoring 77 out of a 100. Freedom House measures how freely and fairly political leaders are elected, freedom of speech and civil liberties which includes free and independent media, freedom of speech and religious freedom.<sup>4</sup>

On the other hand, the IPC and LPM's accusations against SWAPO and the ECN for being in cahoots to rig the elections in SWAPO's favour is undermining Namibia's electoral process. A 2024 **Afrobarometer** survey found that only 45% of Namibians trusted the ECN 'a lot' or 'somewhat'.<sup>5</sup> This is a significant decline from 2014's peak when 74% of Namibians trusted the

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<sup>1</sup> Namibian Sun, 7 Jan 2025

<sup>2</sup> Namibian Sun, 7 Jan 2025

<sup>3</sup> Namibian Sun, 16 Jan 2025

<sup>4</sup> [Freedom House](#), 2024

<sup>5</sup> [Afrobarometer](#), 9 Oct 2024

ECN. Low trust in the ECN is a risk to Namibia's democracy because it can lead to disengagement from the political process which may lead to low voter turnout. Low voter turnout undermines the legitimacy of the government because a minority government could be elected. Additionally, low trust in the ECN leaves voters more susceptible to misinformation or fake news.

While the IPC and LPM's court cases are valid and have the right to be heard in court, opposition political parties must refrain from unnecessarily using their freedom of speech in courts so as to not undermine public trust in independent government institutions such as the ECN.

### New developments to energy landscape

**United Kingdom**-headquartered **Shell** announced on 14 January that the oil it discovered in 2022 off the coast of Namibia in the **Orange Basin** is commercially unviable to mine, leading the company to write off the \$400m it invested into drilling exploration and appraisal wells.<sup>6</sup> Shell additionally noted that while it did not find any easily accessible oil or gas, it has impaired the asset and will likely return to it in the future.<sup>7</sup> Shortly after Shell's announcement, **United States**-headquartered **Chevron** also announced that it did not find any extractable hydrocarbon reserves.<sup>8</sup> These announcements are a setback for the minerals and energy ministry's hydrocarbon investment for Namibia to become energy self-sufficient by 2030 and an international player in the oil and gas sector.

Namibia produces 39% of its energy demand domestically, while the remaining 61% is imported from **South Africa, Zimbabwe, Zambia** and the **Democratic Republic of Congo (DRC)**.<sup>9</sup> Although Namibia largely imports its electricity, it is by no means energy insecure; for example, during South Africa's intense black outs in 2018, Namibia readily increased its electricity imports from **Zambia**.<sup>10</sup>

Since the discovery of natural gas and oil in 2022, Namibia has capitalised on the increase of international interest by allowing **France**-headquartered **TotalEnergies**, **South Africa**-headquartered **Rhino Resources**, **Angola**-headquartered **Azule Energy** and **Portugal**-headquartered **Galp** to purchase petroleum exploration licenses (PEL) in the hope of discovering additional discover oil and natural gas deposits.

Therefore, the government was hopeful that gas and oil finds could fast track their goal of becoming energy self-sufficient. Apart from the hope of oil and gas discoveries in the Orange Basin, Namibia is actively expanding its renewable energy developments. The **National Renewable Energy Policy**, released in July 2017, encapsulates the government's official stance towards renewable energy expansion:

*"The Government of Namibia aims to achieve energy security for Namibia through increased use of renewable energy... By the year 2030, Namibia shall strive to achieve 70% or more of electricity generation in the country to be from Renewable Energy sources."*<sup>11</sup>

Namibia has since worked hard to secure funding to develop its solar, wind, and green hydro power. Some of the major investment includes \$135.5m from the **World Bank** to develop renewable energy infrastructure, \$20m from UK-headquartered **Solarcentury Africa** for a independent power producer solar plant, and **Germany**-headquartered **Hyphen Energy's** \$10

<sup>6</sup> News24, 14 Jan 2025

<sup>7</sup> News24, 14 Jan 2025

<sup>8</sup> BizCommunity, 16 Jan 2025

<sup>9</sup> International Trade Administration, 29 Feb 2024

<sup>10</sup> The Namibia, 17 May 2023

<sup>11</sup> National Renewable Energy Policy, July 2017; page 18

billion investment into a green hydrogen plant in the **Tsau Khaeb National Park**.<sup>12 13 14</sup> Namibia also possesses approximately 7% of the world's uranium reserves and has expressed an interest in nuclear energy. However, Namibia currently has no active investments or plans to build a nuclear power plant, although it has invested extensively in mining and developing its uranium reserves.<sup>15</sup>

Following the depiction of Namibia's energy landscape, Shell's announcement is not detrimental to the government considering its diverse investment into the development of various energy resources. This particular announcement from Shell also only pertains to the PEL 39 block, therefore there is still potential to discover easily accessible oil and gas in other blocks by other investors.

### Namibia's foreign policy balance

Namibia's foreign policy under US President **Donald Trump** (2025-present) will require a delicate balance going forward as Trump's blunt transactional foreign policy approach and drastic reactions could push Namibia to increase its partnership with **China** or other bilateral partners, while also seeing a growing anti-US sentiment in Namibia.

Namibia's main economic partner is China, which accounts for over 30% of Foreign Direct Investment (FDI) and is the primary investor in Namibia's mining sector, but has always enjoyed friendly relations with the US.<sup>16</sup> However, SWAPO has already shown possible anti-US behaviour under Trump after deputy secretary **Charles Mubita** on 24 January condemned the US' decision to reinstate **Cuba** on its list of state sponsors of terrorism.<sup>17</sup> Just after this statement, Trump commented that he will be cutting all funding to South Africa in response to the **Expropriation Bill**, which was signed into law on 24 January. Considering Trump's reactions to South Africa's actions, Mubita's statement could be potentially alienating.

Namibia is also being impacted by the pause in foreign aid and the US' withdrawal from the **World Health Organisation (WHO)** and Namibia is a benefactor from US foreign aid investments into HIV/AIDS - an estimated 219,000 individuals in Namibia have HIV/AIDS, translating to approximately 13% of the adult population.<sup>18</sup> Although Namibia largely has the testing and treatment of HIV/AIDS under control, the nongovernmental organisation (NGO) **Rights Not Rescue Trust** relies on funding through the **KP-Star** programme which gives free HIV/AIDS services to the population through their mobile vans. These vans were grounded after Trump's announcement on 20 January but on 31 January, the US announced it would allow emergency humanitarian aid of which the KP-Star programme is a benefactor, allowing the vans to be mobile again.<sup>19</sup> The future of this programme remains unknown until the US' 90-day pause is over.

### Planner

23 – 25 Apr 2025 **Windhoek (Namibia) Namibia International Energy Conference**

12 – 15 Aug 2025 **Windhoek (Namibia) Namibia Oil and Gas Conference 2025**

### Chronology

<sup>12</sup> ESI Africa, 8 Nov 2024

<sup>13</sup> World Bank, 6 May 2024

<sup>14</sup> Mining Weekly, 22 Mar 2024

<sup>15</sup> World Nuclear Association, 14 Nov 2023

<sup>16</sup> Namibian Sun, 13 Aug 2024

<sup>17</sup> Namibia Press Agency, 24 Jan 2025

<sup>18</sup> VOA, 28 Jan 2025

<sup>19</sup> VOA, 28 Jan 2025

- 5 Feb 2025 **Windhoek (Namibia)** *Reuters*. **France-** headquartered **TotalEnergies** CEO **Patrick Pouyanné** says the company will take a final investment decision on its Namibia offshore oil discovery in 2025;
- 4 Feb 2025 **Windhoek (Namibia)** *Ministry of International Relations*. International relations and cooperation minister, **Peya Mushelenga**, meets with the ambassador of **Algeria**, **Abdelkrim Diaf**, for a courtesy call;
- 4 Feb 2025 **Windhoek (Namibia)** *Ministry of International Relations*. International relations and cooperation ministry hosts the 10<sup>th</sup> session of the **Namibia-Sweden Bilateral Working Group**, co-chaired **Jennely Matundu**, **Verna Sinimbo**, and **Håkan Jevrell**;
- 3 Feb 2025 **Windhoek (Namibia)** *IOL*. Namibia introduces a new national minimum wage, which will hopefully act as a catalyst for economic growth;
- 3 Feb 2025 **Windhoek (Namibia)** *Bloomberg*. **The Namibia University of Science and Technology (NUST)** and **Mobile Telecommunication Limited**, in collaboration with **Namibia Investment and Finance Academy (NIFA)** announce the opening of Namibia's first **Bloomberg Finance Lab**;
- 3 Feb 2025 **Madrid (Spain)** *Travel and World Tour*. **Namibia Tourism Board's Europe** director **Matthias Lemcke** announces Namibia's plan of targeted marketing strategies to attract Spanish tourists to the country;
- 29 Jan 2025 **Windhoek (Namibia)** *BusinessDay*. **Namibia Statistics Agency** reports the unemployment rate for 2023 rose to 36.9% from 33.4% in 2018;
- 29 Jan 2025 **Windhoek (Namibia)** *Ministry of International Relations*. International relations and cooperation minister, **Peya Mushelenga**, meets with ambassador of **Spain**, **Alberto de la Calle**, to discuss ways to strengthen Namibia and Spain's bilateral relations;
- 28 Jan 2025 **Windhoek (Namibia)** *Ministry of International Relations*. International relations and cooperation minister, **Peya Mushelenga**, participates in the **Ministerial Meeting of the African Union (AU) Peace and Security Council** to discuss the recent events in the eastern **Democratic Republic of Congo**;
- 20 Jan 2025 **Mpumalanga (South Africa)** *Daily Maverick*. **National Prosecuting Authority (NPA)** seizes R52.5m (\$2.81m) in illegal proceedings from coal mining from **Namibia-based** bank accounts;
- 14 Jan 2025 **Gaborone (Botswana)** *Down to Earth*. The 87,000km<sup>2</sup> **Stampriet Transboundary Aquifer System** spanning **Namibia**, **South Africa** and Botswana is reportedly under threat from contamination after Namibia and Botswana granted mining licences in the region;

### About Africa Risk Consulting:

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