

AFRICA RISK CONSULTING

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Namibia Summary 15 December 2021

Workers' unions threaten public dispute with the Labour Commission following the suspension of public wage negotiations. President Hage Geingob (2015-present) announces the reappointment of Johannes !Gawaxab as governor of the Bank of Namibia (BoN) (central bank) for a five-year term beginning in January 2022. The BoN Monetary Policy Committee (MPC) maintains the repo rate at 3.75%. Tensions remain between Namibia and Botswana as the inquest into the Nchindo deaths concludes ahead of a judgement due in January 2022. The Covid-19 variant Omicron is detected in Namibia, prompting Geingob to caution that further lockdown restrictions may be required over the festive period.

Government deadlock following salary freeze

Namibia Public Workers Union (Napwu) general secretary **Petrus Nevonga** has urged civil servants to remain calm after salary negotiations between government and workers' unions failed to reach a conclusion on 30 November.¹ The salary negotiations have been in progress since February and increments proposed by the unions relate to the 2021 financial year. Public servants, led by Napwu, the **Public Service Union of Namibia (Psun)** and **Namibia National Teachers Union (Nantu)**, have requested a 10% increase in salaries, 10% increase in transport allowances, 9% increase in housing allowances and 25% increase in qualifying amount for housing subsidies.² Government responded stating:

"State finance is already stretched to safeguard current government expenditure [...] to sustain critical public service jobs and remunerations."³

With Namibia's public service bill currently accounting for 50% of public expenditure, the negotiations are poorly timed. Finance minister **Ipumbu Shiimi** presented the **Mid-Term Budget Review** to parliament on 3 November, tabling N\$2.2 billion (\$147.7m) for reallocation, far less than the N\$7.1 billion (\$476.8m) in funding requests received from government entities (see *ARC Briefing Namibia November 2021*).⁴ Shiimi thanked workers' unions for heeding a government call to "tighten belts" in the mid-term budget, requesting patience ahead of the next budget, due in February. Psun general secretary **Ndjizuvee Haakuria** expressed concern that the 2022/2023 budget will not contain provisions for improved conditions of service for Namibia's public servants.⁵

The mid-term review prompted opposition party **Popular Democratic Movement (PDM)** member **Nico Smit** to claim that Namibia was on the cusp of a financial crisis. While the **World Bank** does not describe Namibia as at risk of overall debt distress,⁶ there are nevertheless concerns about debt sustainability amid forecasts of sluggish economic growth (see below). In April, Namibia received \$270.83m from the **International Monetary Fund (IMF)** to address **Covid-19** pandemic related challenges.⁷

¹ [New Era](#), 1 Dec 2021

² [The Namibian](#), 16 Nov 2021

³ [The Namibian](#), 16 Nov 2021

⁴ [New Era](#), 4 Nov 2021

⁵ [The Namibian](#), 16 Nov 2021

⁶ [World Bank](#), accessed 10 Dec 2021

⁷ [International Monetary Fund](#), accessed 15 Dec 2021

Nevonga confirmed on 30 November that negotiations between the main negotiation team and the government had been suspended to allow the sub-committee to resolve the dispute.⁸ The sub-committee will report back to the main negotiation committee within 30-days. Nevonga warned that if no amicable solution could be reached within this time, the unions would declare an external dispute with the office of the **Labour Commission**.

Any further deterioration in the relationship between Namibia's government and labour unions may result in strike action or other legal challenges to the decision to freeze public sector pay. On 8 December, a court restrained the **Namibian Broadcasting Corporation (NBC)** from cutting employee leave from 90 days to 45 days pending resolution of a dispute with Napwu. Similar action within the public sector may further delay economic recovery in 2022.

Johannes !Gawaxab reappointed as central bank governor

President **Hage Geingob** (2015-present) announced the reappointment of **Johannes !Gawaxab** as governor of the **Bank of Namibia (BoN)** (central bank) on 2 December, for a five-year term beginning on 1 January.⁹ !Gawaxab is a former executive of financial services company **Old Mutual Ltd** and has held the position of BoN governor since 1 June 2020, when he took over the position from Ipumbu Shiimi, who was transferred to head the finance ministry.¹⁰

!Gawaxab's first BoN **Monetary Policy Committee (MPC)** meeting as permanent head of the central bank was conducted shortly after the announcement of his reappointment. The MPC voted to hold the repo rate at 3.75% at its meeting held on 6-7 December.¹¹ In a statement released on 8 December, the MPC said the rate hold was to support a weak domestic economy and protect from further Covid-19 shocks. The maintenance of the rate at 3.75% was also deemed appropriate to safeguard the one-to-one link between the Namibia dollar and the South African rand, while meeting the country's international financial obligations.¹² The hold followed a hike by the **South African Reserve Bank (SARB)** (central bank) MPC on 18 November, raising the benchmark lending rate by 25 basis points from 3.5% to 3.75%.¹³

Namibia's GDP growth moderated in Q3 2021. The central bank attributed the slowdown to a resurgence of Covid-19 cases, new restrictions, supply chain bottlenecks and an increase in global inflation.¹⁴ The MPC highlighted forecasts of slower growth in 2022 by the IMF, the **Organisation for Economic Cooperation and Development (OECD)** and the **United Nations Conference on Trade and Development (UNCTAD)**.¹⁵

In its **Consumer Price Index Bulletin** released on 11 November, the **Namibia Statistics Agency (NSA)** indicated that annual inflation has increased by 3.6% year-on-year (y/y) in October, an increase from the 2.3% y/y rate in October 2020.¹⁶ The primary contributor to October's inflation is the transport sector (40%), followed by the Food and non-alcoholic beverages group (26%).¹⁷ The next CPI report was due on 15 December.

Tensions remain between Namibia and Botswana...

Tensions between the **Botswana Defence Force (BDF)** and **Namibian Police** have continued to escalate following new reports that Namibian investigators were only permitted access to the

⁸ [New Era](#), 1 Dec 2021

⁹ [Bloomberg](#), 2 Dec 2021

¹⁰ [Bloomberg](#), 2 Dec 2021

¹¹ [Bank of Namibia](#), 8 Dec 2021

¹² [Bank of Namibia](#), 8 Dec 2021

¹³ [South African Reserve Bank](#), 18 Nov 2021

¹⁴ [Bank of Namibia](#), 8 Dec 2021

¹⁵ [Bank of Namibia](#), 8 Dec 2021

¹⁶ [The Namibian](#), 12 Nov 2021

¹⁷ [Namibia Statistics Agency](#), 11 Nov 2021

Nchindo crime scene two weeks after the controversial shootings occurred on 5 November 2020.¹⁸ BDF forces shot and killed Namibian nationals **Munyeme Sinvula** and **Tommy, Martin, Wamunyima Nchindo** alongside the **Chobe River** on the suspicion of poaching in November 2020 (see *ARC Briefing Namibia November 2020*). The incident led to angry protests in Namibia while the BDF insisted that the four men were believed to be part of a network responsible for organised cross-border poaching.¹⁹ The BDF operates a controversial ‘shoot-to-kill’ policy to deter poaching.

Zambezi regional crime investigation unit deputy commissioner **Evans Simasiku** has accused the inquest into the deaths of bias following interviews with BDF personnel that indicate that Namibian security forces did not have access to the crime scene for two-weeks after the incident.²⁰ BDF forces reportedly had exclusive access to the crime scene from 2200hrs-2300hrs when the shootings took place, until 0700hrs the following day when a Botswanan crime scene investigator arrived.²¹ Namibian investigators were prevented from accessing the scene for a further two-weeks, leaving ample time for BDF forces to tamper with evidence.

The Botswana-based inquest, held in **Kasane**, has heard testimony from 21 Botswanan witnesses and 15 Namibian witnesses, including police and BDF personnel and crime scene pathologists from Namibia and Botswana.²² Simasiku levied his accusation after the conclusion of the inquest into the killings. Botswanan regional magistrate **Taboka Mopipi** is due to deliver her ruling on 20 January.

Omicron variant detected in Namibia

New cases of Covid-19 in Namibia have doubled in December with the **Khomas region** accounting for 76% of new cases on 3 December.²³ The sudden increase in case numbers may be attributable to the presence of the new Covid-19 variant **Omicron**. The new variant was detected in Namibia in samples taken between 11 and 26 November.²⁴ The **United Kingdom (UK)** placed Namibia and several other **Southern African** countries on its travel “red list” on 25 November, but on 14 December removed eleven countries including Namibia from the list.^{25, 26}

Data on the transmission and vaccine evasion of the Omicron variant remains low. Namibia’s health ministry issued a statement warning Namibians to remain vigilant while waiting for further investigation into the variant.²⁷ President Geingob cautioned on 7 December that the government may seek to reinstate Covid-19 lockdown restrictions if the public continues to ignore public health measures:

“If we don’t change our habits, the government will be left with no choice and with no option but to take stricter measures ahead of the festive season.”²⁸

Christmas restrictions carry an especially heavy burden on the economy, as December is traditionally a prime month for tourist arrivals. **Namibia Wildlife Resorts (NWR)** managing director **Matthias Ngwangwama** noted that most companies in the tourism industry capitalise on the Christmas holiday period for revenue:

¹⁸ [The Namibian](#), 1 Dec 2021

¹⁹ [The Namibian](#), 10 Nov 2020.

²⁰ [The Namibian](#), 1 Dec 2021

²¹ [The Namibian](#), 1 Dec 2021

²² [The Namibian](#), 1 Dec 2021

²³ [The Namibian](#), 3 Dec 2021

²⁴ [Reuters](#), 6 Dec 2021

²⁵ [CNN](#), 14 Dec 2021

²⁶ [Gov.uk](#), 14 Dec 2021

²⁷ [Reuters](#), 6 Dec 2021

²⁸ [New Era](#), 7 Dec 2021

“Should cases continue to increase and stricter measures are imposed, that will probably be the final nail in the coffin of the struggling tourism industry.”²⁹

Namibia Chamber of Commerce and Industry (NCCI) president **Bisey /Uirab** voiced concern at the government’s slow progress in rolling out its Covid-19 vaccination programme, noting the need for balance between saving lives and ensuring that livelihood and work continues:

“We must make sure we get vaccinated and take things seriously [...] as businesses we don’t want another lockdown.”³⁰

At the last cabinet meeting for 2021 on 12 December, Geingob urged all Namibians to get vaccinated against Covid-19 in order for Namibia to secure herd immunity through vaccination:

“Economic recovery will not be possible if we don’t hold hands and pull in the same direction [...] the government can only do so much but if we, as Namibians, do not achieve the desired vaccination rate to secure herd immunity, our recovery efforts will be jeopardised.”³¹

Despite these calls, Namibia’s vaccination rate remains low. Since the vaccination campaign began in March, health authorities have administered 596,748 doses of Covid-19 vaccine to eligible recipients.³² As of 15 December, 387,102 individuals had received at least one dose while 325,896 are fully vaccinated, far from achieving government targets of 60% herd immunity through vaccination by March 2022.^{33, 34}

Health ministry executive director **Ben Nangombe** cautioned on 25 November that 52,261 doses of the **British-Swedish AstraZeneca** Covid-19 vaccine would expire on 30 November and that “*vaccine hesitancy*” was a significant inhibitor to distribution.³⁵ A further 215,996 doses of **United States (US)**-manufactured **Pfizer** Covid-19 vaccine are due to expire in January and February.³⁶ Destroying expired vaccine doses would contradict and weaken President Geingob’s accusations of vaccine apartheid and supply chain domination by Western vaccine producers. Supplies of Covid-19 vaccine may be further interrupted by ‘booster’ drives in vaccine producing nations including the UK, **European Union (EU)** and US.

As of 15 December, Namibia had recorded 133,090 cases of Covid-19 in its population of 2.5 million, with 126,108 recoveries and 3,577 Covid-19-related deaths.³⁷

Review of the year, looking ahead to 2022...

2021 saw leaked footage of Geingob indicating increasing frustration with fellow members of his **South West Africa People's Organisation (SWAPO)** party (see *ARC Briefing Namibia October 2021*). Namibia’s labour unions are now also critical of an executive and parliament that cannot offer adequate pay to public sector workers. Geingob moves into the third year of his second term as president in 2022, plagued by investigations into his connection to the controversial **Fishrot** scandal (see *ARC Briefing Namibia December 2019*). Geingob is constitutionally limited to two terms and will not be eligible for the next general election in 2024. This should enable him to focus on government service delivery and strong policy, if he can unite and steer his party effectively.

²⁹ [New Era](#), 7 Dec 2021

³⁰ [New Era](#), 7 Dec 2021

³¹ [The Namibian](#), 12 Dec 2021

³² [World Health Organisation](#), accessed 15 Dec 2021

³³ [World Health Organisation](#), accessed 15 Dec 2021

³⁴ [World Health Organisation](#), 15 Dec 2021

³⁵ [Reuters](#), 25 Nov 2021

³⁶ [Reuters](#), 25 Nov 2021

³⁷ [World Health Organisation](#), 15 Dec 2021

Economic growth and recovery is the key to restoring support for President Geingob; however, the economic outlook remains uncertain with the Omicron variant in circulation and low uptake of Covid-19 vaccination.

Planner

15 Dec 2021 **Windhoek (Namibia)** The **Namibia Statistic Agency (NSA)** will release the **Consumer Price Index (CPI)** bulletin for November 2021;

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.

2024 **Namibia** General Elections;

Chronology

14 Dec 2021 **London (United Kingdom)** *gov.uk*. **United Kingdom** government lifts 'red list' travel restrictions on 11 **African** countries, including **Angola, Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, Nigeria, South Africa, Zambia** and **Zimbabwe**;

12 Dec 2021 **Windhoek (Namibia)** *The Namibian*. At the final cabinet meeting of 2021, President **Hage Geingob** urges all Namibians to seek vaccination against **Covid-19** to achieve herd immunity;

6 Dec 2021 **Windhoek (Namibia)** *Namib Times*. Health ministry says it has detected the **Omicron coronavirus** variant in 18 of 19 samples sequenced between 11-16 November;

1 Dec 2021 **Windhoek (Namibia)** *The Namibian*. **Zambezi regional crime investigation unit** deputy commissioner **Evans Simasiku** announces that the **Nchindo** crime scene of 5 November 2020 was compromised after remaining under sole command of the **Botswana Defence Force (BDF)** for two weeks;

25 Nov 2021 **Windhoek (Namibia)** *Reuters*. Health ministry executive director **Ben Nangombe** cautions that 52,261 doses of **AstraZeneca Covid-19** vaccine will be destroyed on 30 November unless distributed before they expire;

25 Nov 2021 **London (United Kingdom)** *Financial Times*. **United Kingdom** bans direct flights from **South Africa, Botswana, Namibia, Zimbabwe, Lesotho** and **Eswatini**, and the **European Union** looks to follow suit, as a surge in cases of a heavily mutated **coronavirus** variant causes alarm among global health officials;

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Getting in touch

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

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