

**AFRICA RISK CONSULTING****Namibia Monthly Briefing September 2019****Namibia Summary 24 September 2019**

*The ruling SWAPO Party of Namibia (SWAPO) chooses its slate of candidates for the November parliamentary election. Supporters of President Hage Geingob (2015-present) win most of the top places. Almost one-third of the population qualifies for drought relief food aid as the economy contracts again in Q2. The Bank of Namibia (central bank) forecasts the economy will contract by 1.7% this year before recording weak growth of 0.8% in 2020. Germany-based airline Lufthansa and several other airlines are looking at becoming a strategic partner for Namibia's cash-strapped national carrier, Air Namibia. Domestic inflation goes up very slightly in August as analysts warn of increased oil price volatility due to the escalation of political tensions between Iran and Saudi Arabia.*

**SWAPO chooses its parliamentary candidates**

President **Hage Geingob** (2015-present) and the **SWAPO Party of Namibia (SWAPO)** have cleared the decks for the official launch of the ruling party's election campaign by selecting candidates for the **National Assembly (NA)** party list. Under the part-proportional, 'closed list' **German-style** voting system used in national elections (but not regional and local elections, which are first-past-the-post), each contending party wins seats in the NA based on its share of the popular vote. The members of parliament (MPs) are not directly elected by voters – the main weakness of the national voting system – but take up their seats according to each party list. Candidates are listed in descending order, meaning that those placed near the top are likely to become MPs if the party's vote share is big enough. In SWAPO's case, with 77 of the 96 elected MPs in the 104-member NA (the president appoints eight MPs), the process of selecting its party list for the election is always a tense event, showing who is in and who is out with the party. Although party delegates vote for the list, the SWAPO hierarchy has an influential role, and this year was no different.

Geingob loyalists virtually swept the board at the SWAPO Electoral College held in **Windhoek** from 6-8 September.<sup>1</sup> Some 240 delegates attended, including all 84 central committee members and representatives from SWAPO regional structures, the women's, youth and elder's wings, plus affiliated groups such as the **National Union of Namibian Workers (NUNW)**, the officially endorsed trade union federation (although not all unions belong to it). SWAPO vice president **Netumbo Nandi-Ndaitwah**, seen by many as Geingob's most likely successor at the end of his second term in 2024, came in top, followed by SWAPO secretary general **Sophia Shaningwa**. Those in the top ten included prime minister **Saara Kuugongelwa-Amadhila** (6<sup>th</sup>), mines and energy minister **Tom Alweendo** (5<sup>th</sup>), and home affairs minister **Franz Kapofi** (7<sup>th</sup>). More controversially, former **Namibia Wildlife Resorts (NWR)** managing director **Tobie Aupindi**, who was convicted under the **Corruption Act** last year, and former education minister **Katrina Hanse-Himwa**, who was convicted of having used her previous position as **Hardap Region** governor for personal gain earlier this year and had to resign from the cabinet (but not as an MP), were both elected. Aupindi gained 29<sup>th</sup> slot, meaning he will almost certainly become an MP, although Hanse-Himwa came in only at 89<sup>th</sup>, meaning SWAPO would have to gain 12 seats for her to be elected.<sup>2</sup>

<sup>1</sup> The Namibian, 8 Sep 2019.

<sup>2</sup> The Namibian, 8 Sep 2019.

Swapo stalwart and former youth and sports minister **Jerry Ekandjo** did not make it on the list, and said that the outcome showed it was “*time for others to eat*”.<sup>3</sup> Ekandjo was one of two disaffected SWAPO leaders – the other was former prime minister **Nahaus Angula** – who unsuccessfully challenged Geingob for the party presidency at the 6<sup>th</sup> SWAPO congress in November 2017 (see *ARC Briefing Namibia November 2017, January 2018*).<sup>4</sup>

With near-term economic prospects showing little sign of improvement, voters could decide to punish the ruling party, although almost certainly not in sufficient numbers to seriously weaken SWAPO’s hold on power, although it may lose a few seats to the main opposition party, the right-of-centre **Popular Democratic Movement (PDM)**, and the small leftwing and grass roots land activist parties. The large urban land servicing programme begun in 2015 in response to mass protests, which aims to provide 200,000 affordable serviced plots for low-cost housing across the country, is moving forward only slowly. In mid-September, Geingob presided at the formal handing over of 1,000 houses built on serviced plots in **Oshakati**, one of three pilot towns, the others being Windhoek and **Walvis Bay**.<sup>5</sup> As predicted in *ARC Briefing Namibia August 2019*, Geingob remains on track to win another overwhelming victory in the presidential election at the end of November, while SWAPO is likely to retain its current two-thirds majority in the National Assembly.

### Over 700,000 Namibians qualify for food aid

There has been no let-up in the drought, with nearly a third of the population, 712,000 people, now registered for food relief, according to a cabinet meeting of early September. To qualify to receive food aid, a household must have net incomes below N\$2,600 (\$174) per month. Once registered, beneficiaries receive a food basket containing one 12.6 kg bag of maize meal, 750 millilitres of cooking oil and four 400-gram cans of fish.<sup>6</sup> The cabinet has approved a plan for short- and long-term interventions by the stated based on a livelihood and viability assessment report that has yet to be costed. The number qualifying for food aid is almost three times the 257, 000 people estimated by the government’s disaster risk management plan announced earlier this year.

Food aid is expected to cost more than the N\$571m (\$38m) initially budgeted by the government, due to the higher than anticipated number of beneficiaries and cost escalations, according to the executive director in the prime minister’s office, **I-Ben Nashandi**. The risk management plan also includes measures to mitigate the impact of drought on the country’s livestock sector, and here, too, the impacts have been greater than expected. Over 30,000 drought-related cattle mortalities have been recorded for October 2018 to April 2019, the normal rainy season, due to poor grazing conditions and insufficient animal fodder. Food crops – maize and millet – have also been affected by delayed and erratic rainfall, resulting in a reduction in areas planted, poor germination and the wilting of crops.<sup>7</sup>

A recent synthesis report on the state of food and nutrition security and vulnerability in **Southern Africa**, compiled by the **Southern African Development Community (SADC)**, warns that subsistence farmers are likely to increase livestock sales to raise money, but this will cause oversupply, so reducing prices and income earnings:

*“Overall purchasing power will deteriorate with below average incomes, decreased casual labour opportunities in the agriculture sector, and increasing staple food prices.”<sup>8</sup>*

The report added that emergency supplementary feeding initiatives to save breeding herds is critical, and recommended that the installation or rehabilitation of community watering points by governments and partner agencies should be prioritised. According to the report, large parts of northern Namibia, southern **Angola**, northern and southern **Botswana**, north-western **South Africa**,

<sup>3</sup> New Era, 9 Sep 2019.

<sup>4</sup> New Era, 9 Sep 2019.

<sup>5</sup> The Namibian, 17 Sep 2019.

<sup>6</sup> The Namibian, 5 Sep 2019.

<sup>7</sup> The Namibian, 11 Sep 2019.

<sup>8</sup> The Namibian, 11 Sep 2014.

southern and western **Zambia**, and north-western **Zimbabwe** had received their lowest seasonal rainfall totals since at least 1981, when regional, comparable records began. The 2018/19 drought is worse than the severe **El Niño**-induced drought of 2015/2016. Namibia's cereal production is forecast to be 53% lower than in 2017/18 and 42% lower than the 20-year average, according to preliminary figures published in the report.

### GDP continues to contract in Q2...

The economy remained stuck in recession in Q2 2019, with real value-added output contracting by 2.6% year-on-year (y/y) according to preliminary official statistics, mainly due to the protracted drought causing a steep fall in agricultural production.<sup>9</sup> This represented a slight improvement compared to the 2.9% contraction recorded in Q1, although the trend is somewhat illusory, as the **Namibia Statistics Agency (NSA)** has revised its initial first quarter negative growth estimate up from -2.0%. The decline in agricultural output was originally put at almost -7% in Q1, but the decrease has been revised to almost a third (-31%), the only substantial change in the GDP numbers. Overall y/y GDP growth deteriorated by just over three percentage points compared to a year earlier (Q2 2018), when the economy grew by 0.6%, although this was the only quarter last year in which positive growth was recorded. GDP at constant prices fell to N\$25.5 billion (\$1.7 billion) in Q2, representing an output loss of N\$670m (\$45m), or a 3% decrease.<sup>10</sup>

<b>Real GDP growth Q2 2019<sup>11</sup></b>			
<b>(% change)</b>			
	<b>2019</b>		<b>2018</b>
	<b>Q2</b>	<b>Q1</b>	<b>Q2</b>
Agriculture	-28.1	-31.4	2.7
Fishing	0.6	3.3	6.2
Mining & quarrying	-20.2	-1.0	34.5
Manufacturing	18.8	3.6	-8.7
Construction	-5.5	-27.8	-7.5
Electricity & water	2.7	2.7	16.3
Wholesale & retail trade	-2.0	-7.0	-7.3
Hotels & restaurants	-2.8	-8.7	-6.8
Transport & communication	-0.9	-0.5	-6.7
Financial services	1.9	1.4	0.7
Real estate & business services	0.2	0.4	1.4
Public administration & defence	-2.7	-1.2	0.7
Financial intermediation services indirectly measured	6.1	4.6	-1.0
All industries	-2.9	-2.9	0.9
Taxes less subsidies on products	0.9	-3.4	-2.7
<b>GDP at market prices</b>	<b>-2.6</b>	<b>-2.9</b>	<b>0.6</b>

With the exception of fishing and on-board processing, which continued to record positive, albeit weaker, output growth in Q2 due to higher landings for some species, and manufacturing, where real value-added rose by just under 19% – the strongest quarterly growth rate since the final quarter of 2016 – output by most sectors of the economy contracted quite strongly in some cases. Overall

<sup>9</sup> Namibia Statistics Agency, Gross Domestic Product Second Quarter 2019.

<sup>10</sup> Namibia Statistics Agency, Gross Domestic Product Second Quarter 2019.

<sup>11</sup> Namibia Statistics Agency, Gross Domestic Product Second Quarter 2019.

primary sector output would have contracted, although this is not shown in the quarterly, as opposed to the annual, GDP figures. Agricultural output was driven down by steep real value-added falls by both the crop (-39%) and livestock sub-sectors (-24%), compared to -10% and 26% growth respectively a year earlier. Drought-induced disposals of cattle resulted in live cattle exports to South Africa and Angola rising by 45% y/y, compared to a 22% fall a year earlier. In contrast, small stock (sheep) exports to both countries rose by just under 2%, down from 8% growth a year earlier, while local market sales decreased by 35% (+20% a year earlier).<sup>12</sup>

The sharp fall in mining real value-added, almost reversing the strong growth of a year earlier, was mainly due to lower diamond production by the 50:50 government/**De Beers**-owned **Namdeb Corp.** in Q2. Real value-added dropped by 34% compared to 37% growth in Q2 2018, while De Beers data showed combined onshore and offshore production decreased by 35% y/y, with land recoveries dropping by 46% (see *ARC Briefing Namibia August 2019*). Onshore production will remain depressed now that Namdeb has sold the large **Elizabeth Bay** mine just south of **Luderitz** – where operations were suspended in September 2018 – to the 100% Namibian-owned **Lewcor Group**. Namdeb described Lewcor, in which historically disadvantaged Namibians (HDNs) have a 25% shareholding, “as an experienced and well-regarded company in the Namibian mining and civil contracting industry”.<sup>13</sup> De Beers said the transaction has an initial value of N\$120m (\$8.1m) to Namdeb, with potential upside to N\$180m (\$12.1m), depending on a number of factors.

*“In the longer term, this value could increase significantly, as Namdeb will share in the revenue earned in the sale of diamonds recovered from certain marine mining areas associated with the Elizabeth Bay mine, and which Lewcor has indicated it will bring into production in the near-term.”<sup>14</sup>*

Namdeb chair **Chris Nghaamwa** commented:

*“Throughout this process, our objective has been to create the best possible circumstances for re-opening the operations, re-creating jobs and growing empowered participation in Namibia’s diamond industry.”<sup>15</sup>*

Lower production also pushed uranium value-added output down by 6%, compared to 75% growth a year earlier, although output of metal ores (which includes gold and zinc concentrate production) registered 5% growth compared to a 6% drop a year before.

Q2 saw improved fortunes for construction and manufacturing, which comprise the secondary sector along with electricity and water. While the building sector remained in recession, negative growth slowed to -5.5% compared to a 28% contraction in Q1 and 7.5% contraction a year earlier. This was due to strong growth of government spending on construction of 53%, in contrast to a 22% decrease a year earlier. The manufacturing sector’s strong performance was due to positive growth rates for key sub-sectors, including base metals (copper cathode and refined zinc production, 54%), beverages (20%) and diamond processing (22%), in contrast to contractions of 28%, 13% and 3% respectively in Q2 2018.<sup>16</sup>

### ... as central bank forecasts -1.7% negative growth for 2019

In its latest (July) economic outlook, the **Bank of Namibia (BoN)** (central bank) projects a deeper contraction in real GDP this year of 1.7%, compared to the fractional 0.1% decrease for 2018 shown in the NSA’s preliminary estimate.<sup>17</sup> The NSA is due to publish the final version of the 2018 national accounts next month and on the basis of previous experience, the GDP figure is likely to be altered.

<sup>12</sup> Namibia Statistics Agency, Gross Domestic Product Second Quarter 2019.

<sup>13</sup> De Beers Group Company News, Namdeb finds buyer for Elizabeth Bay mine, 12 Sep 2019.

<sup>14</sup> De Beers Group Company News, Namdeb finds buyer for Elizabeth Bay mine, 12 Sep 2019

<sup>15</sup> De Beers Group Company News, Namdeb finds buyer for Elizabeth Bay mine, 12 Sep 2019

<sup>16</sup> Namibia Statistics Agency, Gross Domestic Product Second Quarter 2019.

<sup>17</sup> Bank of Namibia, Economic Outlook, July 2019.

Given that the impact of the drought on agriculture may have been under-estimated, more up to date data is likely to result in agriculture recording a more substantial decrease than shown in the preliminary estimate. This would result in a higher negative real growth rate for last year. The latest forecast represents a downward revision from the previous (April) economic outlook of 0.3% positive GDP growth for 2019. But based on the latest data for the first six months of 2019, the central bank said that “*growth performances in agriculture and wholesale and retail trade sectors are likely to be weaker than earlier anticipated*”.<sup>18</sup> The BoN added that the expected deeper contraction this year

*“will be in line with the devastating being experienced currently and the anticipated contractions in major sectors such as diamond mining and wholesale and retail sector... Risks to the domestic economic outlook remain and include, the persistently low uranium price and unpredictable rainfall. The low uranium price continues to adversely impact the prospects for uranium production in the country, while the erratic rainfall may continue to negatively affect the performance of the agriculture sector beyond 2019.”*<sup>19</sup>

Primary sector growth is forecast to contract by 6.7% this year, reflecting a 17.5% decrease in agricultural output and 4.8% fall in mining output (which grew by a preliminary estimated 22.0% in 2018). Secondary sector growth would be positive at 1.8%, mainly due to a 3.4% increase in manufacturing output and a much reduced contraction of 2.4% for construction. However, tertiary sector growth is projected as decreasing also (-0.8%), with 5.7% negative growth for wholesale and retail trade, and 5.9% for hotels and restaurants, a proxy for the tourism sector.

### ... with positive growth set to resume in 2020

The Bank of Namibia currently projects a modest economic recovery next year and for 2021, with positive growth of 0.8% and 1.2% respectively. This would just about bring the economy back to where it was in 2016, the most recent year that recorded positive GDP growth (1.1%). But these growth rates would remain below the annual population growth rate, which was put at 1.9% for 2019 by the **United Nations’ World Population Review**. This put Namibia’s current population at 2.51 million, and noted that the current population growth rate trend “*is expected to continue for the next few years*”.<sup>20</sup> While agriculture will continue to contract (by 6.0%) in 2020, mining output will grow by 2.0%, underpinned by 6.3% higher uranium output, rising to 6.8% in 2021, but offset that year by a 3.5% decrease in diamond real value-added. Positive growth in manufacturing is projected to continue in 2020 and 2021, although growth rates fall to 2.6% and 1.1% respectively, but construction comes out of recession, recording 2.0% average growth in 2020-21. Both trade, along with hotels and restaurants, stay in negative territory next year, before resuming positive growth at 1.0% and 1.5% respectively in 2021. Government spending and defence only becomes positive again in 2021, and then it only records anaemic growth of 0.3%, indicating the central bank expects the government will be obliged to maintain the current fiscal consolidation trajectory for another two years.<sup>21</sup>

### Foreign airlines invited to partner with Air Namibia...

With state-owned national carrier **Air Namibia** teetering on the edge of insolvency, the government is trying to interest foreign airlines in becoming shareholders in the airline, according to local media reports. These include three large airlines, Germany’s **Lufthansa**, which operates regular flights to Windhoek from **Frankfurt** and **Munich**, along with **Ethiopian Airways** and **South African Airways (SAA)**, both of which operate regional services to Namibia.<sup>22</sup> Public enterprises minister **Leon Jooste** is heading the process of finding a foreign partner airline to invest in Air Namibia.

<sup>18</sup> Bank of Namibia, Economic Outlook, July 2019.

<sup>19</sup> Bank of Namibia, Economic Outlook, July 2019.

<sup>20</sup> UN, World Population Prospects (2019 Revision).

<sup>21</sup> Bank of Namibia, Economic Outlook, July 2019.

<sup>22</sup> The Namibian, 5 Sep 2019.

According to official documents leaked to one newspaper, negotiations with Lufthansa, which originally had a route-sharing arrangement with the national carrier on the Windhoek-Frankfurt flights, are at an advanced stage. In an end-August letter to Air Namibia's then board chair **Dee Sauls-Deckenbrock**, Jooste informed her that the **Cabinet Committee on Treasury (CCT)** had authorised him to contact several foreign carriers to gauge their interest in forming a 'strategic equity partnership' with the national airline. Sauls-Deckenbrock and deputy chair and businesswoman **Nangula Kaluma** resigned their posts only days later, citing insufficient time to carry out their functions, although the real reason is likely to have been the government's reluctance to consider yet another state bailout for Air Namibia. Jooste had asked the former chair to assist in fast-tracking the process to bring on board a strategic partner airline and to consider appointing an expert to assist in the "complex" negotiations due to a lack of capacity within Air Namibia. In a mid-July letter to Lufthansa's chair and chief executive, **Carsten Spohr**, Jooste highlighted Air Namibia's positive impact on the growth of the country's tourism sector:

*"It is with this in mind that the government of Namibia is desirous of attracting a strategic partner for Air Namibia to optimise potential future growth opportunities for the airline. The government may consider a partnership in the form of a revenue-sharing joint venture arrangement, or more ideally in the form of an equity-based investment in the airline and all its operations."*<sup>23</sup>

Spohr responded three weeks later, stating Lufthansa would assess the commercial and legal aspects for any partnership, especially competition law requirements.

Some officials have apparently criticised Jooste for sidelining the transport ministry, although he has denied this, pointing out that cabinet had tasked him to investigate the interest of foreign airlines in a potential investment. Although he refused to confirm whether other airlines apart from Lufthansa had been contacted, on grounds of cabinet confidentiality, Jooste added:

*"Such a strategic partnership may involve a change in shareholding, hence the involvement of the government as the shareholder. The process has since been handed over to Air Namibia, and they may engage these airlines, whereafter they will have to report to CCT before any agreement may be concluded."*<sup>24</sup>

### ... as prospects for another government bailout look slim

It seems abundantly clear that the government would like to get shot of its sole responsibility for funding Air Namibia, especially given current budget constraints. The finance minister, **Calle Schlettwein**, revealed earlier this year that the government had pumped N\$8.3 billion (\$557m) into Air Namibia from 1999 to 2019, and the airline's outstanding debt is N\$1.3 billion (\$87m). Schlettwein suggested that Air Namibia might not survive more than another 12 months. However, the government, which is also reviewing all Namibia's state-owned enterprises (SOEs) with a view to closing those deemed unnecessary, would face a shut-down cost estimated at N\$2.5 billion (\$168m), including the settlement of existing debts. Before she resigned, Sauls-Deckenbrock had warned the government that failing the provision of N\$1.6 billion (\$107m) in short-term recapitalisation by the state – to be paid in two N\$800m (\$54m) tranches at the end of August and September this year – the likely outcome would be "the imminent cessation of business operations".<sup>25</sup>

A major cause of Air Namibia's dire financial straits is the N\$300m (\$20m) bill it was landed with after losing a legal case brought by a **Belgian** company, **Challenge Air**, four years ago. Air Namibia had leased a 351-seat **Airbus** long-haul aircraft from the Belgian firm in 1998 under an agreement it subsequently cancelled because the plane was deemed to be defective. Sauls-Deckenbrock added that Air Namibia wanted to resolve the dispute and had contacted Challenge Air's lawyers in August to ascertain whether the Belgian firm would be willing to settle the dispute.

<sup>23</sup> The Namibian, 5 Sep 2019.

<sup>24</sup> The Namibian, 5 Sep 2019.

<sup>25</sup> The Namibian, 18 Sep 2019.

Transport minister **John Mutorwa** said that as a member of the CCT, he could be sure there would be no bailout. For his part, Schlettwein said he had written back requesting financial details of what any bailout funds would be used for:

*“You see, they are asking for N\$1.6 billion just to pay creditors, but that is not the end of the story, there is more to it. So, it’s a very complex matter, which is still under scrutiny.”*<sup>26</sup>

### Inflation rises fractionally in August

Reversing the trend of the previous three months, Namibia’s year-on-year (y/y) inflation rate edged up to 3.7% in August, from 3.6% in July, although month-on-month (m/m) inflation slowed to 0.1% (see *ARC Briefing Namibia August 2019*). Even so, y/y inflation was 0.7 percentage points less than in July 2018 (4.4%), while 12-month average inflation slowed fractionally to 4.5%.<sup>27</sup> Low oil prices and foreign exchange rate stability have continued to keep the lid on domestic inflationary pressures. However, this would change if global oil prices go much higher in response to renewed tensions in the **Persian Gulf**. In mid-September, oil prices rose by almost a fifth, following a combined cruise missile and drone attack on **Saudi Arabia’s Khurais** oil field and the **Abqaiq** oil processing installation, the world’s largest, both in the north. The 14 September attack ignited fires that took out almost half Saudi Arabia’s oil production, equivalent to 5% of global daily output. **Iran-backed Houthi** rebels in **Yemen** claimed responsibility, although both Saudi Arabia and the **United States (US)** accused Iran of carrying out the attacks directly.<sup>28</sup> Initially, the **Brent** crude benchmark price increased by almost a fifth from \$60 to just under \$70 per barrel, before settling back to \$63-64 per barrel after the Saudi oil company, **Aramco**, announced that production would be back to normal by end-September.<sup>29</sup> But ramped up tensions between Iran and Saudi Arabia and the 20 September decision by the US to dispatch military reinforcements to the Saudis and the **United Arab Emirates (UAE)** make oil prices highly volatile in the near term, with the prospect of a sharp upward spike should military conflict break out. This would almost certainly result in the Namibian government having to end its current price freeze on domestic fuel prices. The South African rand (to which the Namibia dollar is linked at par) was worth US\$1=ZAR14.91 on 23 September, a 2% appreciation on a month earlier (\$1=R15.22), although still 6% below the currency’s late-July year high of \$1=R13.98.<sup>30</sup>

Goods inflation at 3.2% remained below that for services at 4.4%, with the differential narrowing from July. The main y/y inflation drivers in August were, for the second successive month, transport (NCPI basket weighting of 14.3%), food and non-alcoholic beverages (16.5% weighting) and alcoholic beverages and tobacco (12.6%). Although transport inflation decreased compared to July, the other two categories recorded higher inflation rates. Y/y inflation for housing and utilities, with the biggest weighting at 28.4%, also decreased to 1.9% (from 2.2% in July), mainly because electricity, gas and other fuel prices, having risen by 1.6% in July, declined by 0.7%. 1.6%. Transport inflation fell to 6.1% (from 6.9% in July), helped by the continued freezing of domestic fuel prices during August. This was offset by higher y/y inflation for food and non-alcoholic beverages, up by well over half a percentage point to 4.1% from 3.4% in July, while that for food alone went up by 4.3% from 3.7% in July. Although price increases for bread and cereals slowed to 5.0% from 6.1% in July, prices for fruit and vegetables rose faster, by 11.0% and 13.9%.<sup>31</sup>

Year-on-year zonal inflation rates for each of three geographic zones into which the NSA groups Namibia’s 14 administrative regions, continued to vary (see *ARC Briefing Namibia August 2019*). Y/y inflation for Zone 1 (northern Namibia, nine regions) notched up to 3.5% from 3.3% in July, but well down on a year earlier (5.3%). Housing and utilities inflation was down to only 0.5% from 7.0% a year earlier. Zone 2 (**Khomas region**, including Windhoek) inflation was almost unchanged at 3.1%

<sup>26</sup> The Namibian, 18 sep 2019.

<sup>27</sup> Namibia Statistics Agency, National Consumer Price Index, August 2019.

<sup>28</sup> CNN, Attack on Saudi oil field a game-changer in Gulf confrontation, 15 Sep 2019; multiple news agency sources.

<sup>29</sup> Evening Standard, 18 Sep 2019, OILPRICE.com (online), 23 Sep 2019.

<sup>30</sup> Daily Telegraph, 21 Sep 2019; XE Corp, XE Currency Converter (online), 23 Sep 2019.

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

(3.0% in July, down from 4.1% a year earlier), as transport inflation decreased to 5.5%, from 6.0% in July and around only half that of a year earlier (10.6%). Food and beverages y/y inflation was slightly up on July at 1.6%, but well below a year earlier (4.0%). Zone 3 inflation, covering four eastern/western/southern regions including Walvis Bay and **Swakopmund**, fell to 4.9%, from 5.1% in both July and a year earlier. Transport inflation went down from 9.4% to 7.5%, although this was above the sector's national inflation rate.<sup>32</sup>

### Planner

15 Oct 2019 **(Namibia) Namibia Statistics Agency**  
 23 Oct 2019 **(Namibia) Bank of Namibia**, Monetary Policy Committee rate setting meeting  
 24 Oct 2019 **(Namibia) Namibia Statistics Agency**, Annual National Accounts 2018  
 Nov 2019 **(Namibia) National Assembly** and Presidential Elections

### Chronology

19 Sep 2019 **Windhoek (Namibia) NBC**. The **Namibia Statistics Agency** says that the economy contracted 2.6% year-on-year in the second quarter of 2019;

18 Sep 2019 **Windhoek (Namibia) The Namibian**. **Deidre Sauls-Deckenbrock**, the former chair of the board of state-owned **Air Namibia**, warns the government that the airline needs \$109m by the end of September in order to continue operating;

16 Sep 2019 **Windhoek (Namibia) New Era Live**. Authorities say that the \$16.9m upgrades to **Hosea Kutako International Airport** will start on 22 September;

13 Sep 2019 **Windhoek (Namibia) Bloomberg**. The **International Monetary Fund** forecasts **Namibia's** economy to grow 1.6% in 2020 after three years of economic contraction;

12 Sep 2019 **Windhoek (Namibia) IOL**. State-owned **Air Namibia** corporate communications manager **Paul Nakawa** says that the airline is insolvent;

12 Sep 2019 **Windhoek (Namibia) Reuters**. Partially state-owned diamond company **Namdeb Holdings Ltd** sells its **Elizabeth Bay Mine** and marine assets to **Namibia**-based consortium **Lewcor** for \$8.23m;

6 Sep 2019 **Windhoek (Namibia) The Namibian**. **Air Namibia** chair **Dee Sauls-Deckenbrock** and deputy chair **Nangula Kaluma** resign from the board citing lack of time to fulfil their duties;

3 Sep 2019 **Windhoek (Namibia) africanews**. **German** development minister **Gerd Mueller** says that Germany committed genocide in early 1900s with slaughter of **Herero** and **Nama** people;

29 Aug 2019 **Windhoek (Namibia) IOL**. The home affairs ministry plans to improve its visa regime for potential investors to help improve the economy;

28 Aug 2019 **Windhoek (Namibia) The Namibian**. Namibia may leave the **Convention on International Trade in Endangered Species (CITES)** after CITES members rejected its proposal to allow hunting and trade of white rhino;

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

### About Africa Risk Consulting:

**Africa Risk Consulting (ARC)** is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

**ARC's** core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

[www.africariskconsulting.com](http://www.africariskconsulting.com)

### About ARC Briefing:

**ARC Briefing** is ARC's essential business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

**ARC Briefing** is an information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

[www.africariskconsulting.com](http://www.africariskconsulting.com)

### Getting in touch

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

Follow us on Twitter: [@ARCBriefing](https://twitter.com/ARCBriefing)