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Protests erupt after the fatal shooting of three alleged Namibian poachers by the Botswana army; these are coupled with anger at the Namibian government's initially slow response. The ruling South West African People's Organisation (SWAPO Party of Namibia) fears it will suffer substantial losses in the regional and local council elections at the end of November. The finance minister trims the 2020/21 deficit in the mid-year budget review and unveils a package of policy reforms but says nothing about economic empowerment. Rough diamond producer Namdeb, the government's 50:50 joint venture with De Beers, receives tax relief from the government. Processing of mineral licence applications is suspended pending consultations on a new draft policy. Year on year (y/y) inflation falls to 2.3% in November.

Border shootings ignite tensions with Botswana...

The fatal shooting of three **Namibian** fishermen and a **Zambian** relative at **Impalili Island** in the **Chobe River** border with **Botswana** by the **Botswana Defence Force (BDF)** on 5 November has led to angry protests taking place in Namibia. The three, along with their Zambian cousin, were suspected of being poachers by the BDF, which operates a controversial 'shoot-to-kill' policy to deter poaching. Since the shootings, the BDF has insisted that the four men were believed to be part of a network responsible for organised cross-border poaching.¹

President **Hage Geingob** (2015-present) and his **Batswana** counterpart, President **Mokgweetsi Masisi** (2018-present), have sought to defuse tensions by agreeing to conduct an urgent joint investigation. But the fact it took the Namibian government almost a week to take any action has fuelled discontent with the **South West African People's Organisation (SWAPO Party of Namibia)** and may cause the party to suffer greater losses in the regional and local elections taking place on 25 November (see below). ARC notes that Namibia has enjoyed harmonious relations with all neighbouring states since independence in 1990 with no armed conflicts or major border disputes, although delineation of the boundary with **South Africa** along the **Orange River** remains to be finalised. A dispute with Botswana over ownership of the 5-sq-km uninhabited **Kasikili Island** (known as **Sedudu** island by Botswana) in the Chobe was amicably resolved when Namibia agreed to accept the 1999 ruling of the **International Court of Justice (ICJ)** that the border runs north of the island, and not south as Namibia had contended. But the BDF's trigger-happiness has caused tension in the past, although not on the present scale – the BDF has killed an estimated 37 Namibians in this way since 1990.²

What seems to have made the difference this time is that the three Namibians were brothers – **Tommy** (48), **Martin** (40) and **Wamunyima Nchindo** (36) – and their death comes amidst popular discontent in the wake of the **Covid-19** restrictions on normal activities. The brothers' family and witnesses claim that all four were not poachers but legitimately engaged in catching fish. Protest marches took place in **Windhoek**, **Rundu** and **Katima Mulilo** to denounce the BDF shoot-to-kill policy, while an angry crowd gathered at the **Ngoma** border post with Botswana to receive back the bodies amidst what one participant described as a "very tense" atmosphere. Chaos erupted when the crowd then started throwing stones at two Botswana trucks cleared by border officials to enter Namibia. The witness said:

¹ The Namibian, 10 Nov 2020.

² The Namibian, 14 Nov 2020; ARC sources.

“The people became impatient. They overpowered the security personnel at the gate and stormed into the immigration zone and decided to wait on the other side of the bridge close to the border post. The organisers agreed no truck should be allowed to cross into Namibia due to the scores of people on the road.”³

In Windhoek, demonstrators handed over a petition to Botswana high commissioner **Batlang Comma Serema** demanding an immediate and unconditional apology from the Masisi administration for disregarding international law on the protection of innocent and unarmed civilians. They also demanded a speedy completion of the joint investigation into the killings within the next 10 days and called on Botswana to abolish the BDF's shoot-to-kill policy. How this is feeding into widespread disillusionment with the government was further illustrated by criticisms from normally pro-government trade unionists that the **Namibia Defence Force (NDF)** is too weak to take on the BDF.⁴

While the government was initially slow to respond, **Popular Democratic Movement (PDM)** leader **McHenry Venaani** sent a strongly worded letter to Geingob and the international relations and cooperation minister, **Netumbo Nandi-Ndaitwah**, urging them to hold the Botswana government accountable for killing innocent people. Geingob issued a belated statement on 17 November declaring the BDF's shoot-to-kill policy as inconsistent with international law, but otherwise his main concern has been to ensure that a full joint inquiry with Botswana takes place. During a meeting with the family of the deceased on 10 November at **State House**, Geingob said he spoke to Masisi, who also expressed his condolences to the family and agreed to the investigation. He confirmed a joint and speedy investigation by the two governments was under way into the shootings. He added that Namibia had previously raised concerns with Botswana over the BDF's shoot-to-kill tactic and asked for it to be ended.

For his part, Masisi has appealed to the people of both countries to remain calm while investigations are in progress. He confirmed he had directly engaged with Geingob and both agreed to determine and review the circumstances that resulted in the incident.⁵ However, it is unclear at this stage whether the investigation will result in any agreement to make such incidents less likely in future, since this would involve the BDF being instructed to change their tactics. The BDF subsequently claimed the four men killed were armed, and the weapons somehow ended up in the river. As this report went to press, the Namibia police disclosed they had dispatched divers to search the river to locate any such weapons.⁶

SWAPO on course for a poll drubbing

Popular anger over the border shootings seems likely to feed into the general mood of widespread voter discontent with the government, which was already on track to lose seats in the regional and local elections taking place on 25 November, because of its perceived inability to curb corruption, and the adverse economic and social impacts of the Covid-19 pandemic (see *ARC Briefing Namibia October 2020*). The **Electoral Commission of Namibia (ECN)** rather late in the day confirmed the elections would go ahead on that date, and on 13 November announced the arrival (from **South Africa**), verification and dispatch of the ballot papers. The process appears to have been transparent, as after being taken to the ECN's secure facility in Windhoek, the ballots were sorted and distributed to the 121 constituencies and local authorities in the presence of representatives of all political parties contesting the elections.⁷ In ARC's view (based on the views of local political experts), despite its commanding presence on Namibia's political stage, the ruling SWAPO Party is likely to shed seats in up to half the 13 regional authorities, mainly in the south (**Hardap** and **Karas**), centre (**Erongo** and **Khomas**) and northwest (**Kunene**), and lose control of some local authorities, mainly in the central and southern parts of the country. An indication that these elections are being much more strongly

³ The Namibian, 16 Nov 2020.

⁴ The Namibian, 16 Nov 2020, The Namibian 18 Nov 2020.

⁵ The Namibian, 11 Nov, 17 Nov 2020;

⁶ The Namibian, 19 Nov, 2020.

⁷ Electoral Commission of Namibia, Arrival of Ballots (#<https://www.ecn.na/wp-content/uploads/>), 13 Nov 2020.

contested than five years ago, is that only four constituencies are uncontested this time. In 2015, there were 26, all of which went automatically to SWAPO.⁸ Losing seats will not have an immediate impact on the party's ability to govern, unless it drops so many in the regional councils that it fails to maintain its present majority in the 26-member **National Council (NC)** (upper house), which has powers to delay bills by sending them back to the **National Assembly (NA)**. That could seriously disrupt the government's control of the legislative agenda. Each of the 13 regional councils chooses two representatives for the NC; for its NC majority to disappear, SWAPO would have to lose control of seven regional councils. This seems on balance unlikely in ARC's view.

While the opposition parties, especially the PDM and the **Landless People's Movement (LPM)**, have talked up their ability to make big gains, the main threat to SWAPO may come from a large number of independent candidates standing for seats in the north-central regions, which are the party's traditional political bedrock.⁹ The independents are in many cases being supported by **Panduleni Itula**, who stood as an independent in the November 2019 presidential election where he came a respectable second to Geingob, while retaining his membership of SWAPO, but from which he was expelled earlier this year (see *ARC Briefing Namibia October 2020; December 2019*). Itula formed a new party, **Independent Patriots for Change (IPC)**, earlier this year and this is supporting independent candidates standing against SWAPO.

Another feature of the elections is that however well, or badly, SWAPO does, there will be many more young Namibians elected as regional and local councillors, as a large number have been adopted as candidates. Veteran Namibia political expert **Graham Hopwood** commented:

*"It shows that many young people want to engage in local and regional politics [as a] stepping stone [to involvement in national politics]."*¹⁰

In the run-up to the polls, the SWAPO leadership has appeared increasingly rattled at the prospect of major losses, and has engaged in bitter attacks on the motives of those opposing the party. Netumbo-Ndaitwah has accused opponents of having regime change as their real agenda, while former NDF commander **Martin Shalli** told a 7 November SWAPO campaign rally at **Okahandja** that those who resign from SWAPO and go on to form their own party should be killed, as a scarcely-concealed threat to Itula. Venaani has threatened to bring criminal charges against Shalli for incitement to violence as a result.¹¹ LPM leader **Bernadus Swartbooi** also told supporters at a rally in **Keetmanshoop** in Hardap region that SWAPO planned to kill him, without citing any evidence to that effect. The often outspoken Swartbooi went on to claim that the ruling party was plotting to eliminate opposition party leaders it regards as threats because it had reach a "*cul-de-sac*" and had "*nothing more*" to offer Namibians.¹² Although this is almost certainly an unfounded charge, it is another indication that the end-November polls could be decisive in setting the course for the remainder of Geingob's second five-year term. If SWAPO is badly battered and his authority weakened, there are persistent rumours he would stand down prematurely, probably at the 2022 SWAPO congress, and try to ensure the succession of the national vice president, **Nangolo Mbumba**, a close ally. Mbumba would then have two years before standing for the presidency in 2024.¹³

Shiimi trims deficit in 2020/21 mid-year budget ...

Finance minister **Ipumbu Shiimi** tabled the mid-year budget review and medium-term budget policy statement on 20 October, of which the principal purpose was stated to be stabilising the macro-fiscal framework and rekindling economic growth after the shock of the Covid-19-induced recession and hit to the public finances.¹⁴ Shiimi noted that revenue is estimated to be down by 8% in 2020/21 relative

⁸ New Era, 21 Oct 2020.

⁹ New Era, 1 Oct 2020.

¹⁰ New Era, 6 Oct 2020.

¹¹ The Namibian, 8 Nov 2020.

¹² The Namibian, 17 Nov 2020.

¹³ ARC sources.

¹⁴ FY 2020/21 Mid-Year Budget Review and Medium Term Budget Policy Statement, 16 Oct 2020.

to the baseline, exerting pressure on expenditure and pushing up the budget deficit to an estimated -10% of GDP (it would have been a higher proportion but for the economy's contraction). The extra borrowing necessitated by the N\$8 billion (\$0.5 billion) economic stimulus and relief Covid-19 support package contained in the 2020/21 single-year budget and lower estimated revenue had increased public debt to a record level of 69% of GDP (see *ARC Briefing Namibia June 2020*).

Shiimi stressed the review was not an additional budget, i.e. to provide for extra spending, but entailed a re-allocation of available resources to alternative priority programmes within the already appropriated expenditure ceiling. Extra resources go to programmes aimed at mitigating the socio-economic impacts of the pandemic and the review sets out a fiscal consolidation commitment for the next three fiscal years – the medium-term expenditure framework (MTEF) covering 2021/22 to 2023/24). A key objective is to reduce the deficit to “*significantly below an average of -5.9% of GDP over the MTEF period*”.¹⁵ Even so, continued funding requirements are projected to take public debt to 77% of GDP in 2023/24.

Government finances 2018/19 to 2021/22 (N\$ billion)¹⁶				
	2019/20 (actual)	2020/21 (budget estimate)	2020/21 (revised estimate)	% change (2020/21 budget vs revised)
Revenue	58.5	51.4	55.2	7.4
Income/profits taxes	22.6	15.4	18.8	22.1
SACU receipts	18.9	22.3	22.3	0.0
Expenditure	67.3	72.8	72.8	0.0
Recurrent	53.6	57.9	57.2	-1.2
Personnel	29.6	28.7	28.7	0.0
Capital	6.0	6.4	6.5	1.6
Debt interest + guarantees	7.7	8.5	9.1	7.1
Budget balance	-8.8	-21.4	-17.6	-17.8
% of GDP	-4.1	-12.0	-10.1	
Total public debt	100.4	119.1	119.8	0.6
Domestic	63.7	75.2	75.8	0.8
Foreign	36.7	43.9	43.9	0.0
% of GDP	56.1	68.5	68.8	

Shiimi said the purpose of this next phase of fiscal consolidation was to contain expenditure, achieve a concerted reduction in the budget deficit and curb the upward growth in public debt. This would involve keeping down the cost of the public sector wage bill (shown as personnel expenditure in budget documents), which accounted for just under 40% of total expenditure in 2020/21, and starting a phased divestiture programme from state-owned enterprises (SOEs, or parastatals). The first involved reviewing the public sector wage bill and “*assessing the options for early voluntary retirement for the 55-60 years age cohort, in combination with the (existing) vacancy freeze*”.¹⁷

The divestiture from state assets falls short of the more widespread privatisation programme advocated by the successive **International Monetary Fund (IMF)** Chapter IV reports on Namibia.

¹⁵ FY 2020/21 Mid-Year Budget Review and Medium Term Budget Policy Statement, 16 Oct 2020.

¹⁶ FY 2020/21 Mid-Year Budget Review and Medium Term Budget Policy Statement, 16 Oct 2020.

¹⁷ FY 2020/21 Mid-Year Budget Review and Medium Term Budget Policy Statement, 16 Oct 2020.

Instead, partial listings of shares in SOEs will be made on the **Namibian Stock Exchange (NSX)**. First up will be shares in one of the most commercially successful parastatals, **Mobile Telecommunications Co. (MTC)** next year.¹⁸

With respect to the 2020/21 fiscal year budget, there were a number of re-allocations in spending to support Covid-19 measures, but the net result sees recurrent spending cut by N\$0.7 billion (\$44m) to N\$57.2 billion (\$3.6 billion) through internal savings, while the capital budget had been increased by N\$0.1 billion (\$6m) to N\$6.5 billion (\$3.9 billion). Not specifically mentioned by Shiimi in his statement, but revealed in the accompanying mid-year budget documents, revenue is now estimated to come in 13% more at N\$55 billion (\$3.4 billion), due to projected higher income and profits taxes. Even with a slightly bigger provision of N\$9.1 billion (\$0.6 billion) to cover debt interest and guarantees, the 2020/21 budget deficit is now projected to fall from just over N\$21 billion (\$1.3 billion) equivalent to 12% of GDP, to just under N\$18 billion (\$1.1 billion), or 10% of GDP.¹⁹

... and unveils a raft of strategic interventions and policy reforms ...

The second part of the mid-year budget review was largely taken up with a set of government interventions and policy reforms that Shiimi had flagged up he would announce in his 2020/21 budget speech at the end of May (see *ARC Briefing Namibia June 2020*). Shiimi noted that the economy had lost a large number of jobs, not only due to Covid-19, but also over the past four years of recessionary pressures. Accordingly,

*“Timely implementation of targeted measures, private sector investment commitments and structural policy reforms are critical to improve both the pace and quality of growth going forward.”*²⁰

Many of these are laudable objectives if somewhat vague and lacking in clear timetables for enactment. Planned government interventions to “*re-ignite post-pandemic economic recovery and job creation*”²¹ include:

- Finalisation and implementation of a comprehensive economic growth and recovery plan which forms an integral component of the five-year **Harambee Prosperity Plan** that Geingob launched in 2015, via stakeholder consultations for the remainder of this year (presumably 2020/21 fiscal year to end-March 2021);
- Financing priority development commitments via leveraging private capital through public-private partnerships (an often-stated goal);
- Supporting targeting infrastructure investment via the decongestion of the public procurement process and disbursing N\$4 billion (\$250m) in **African Development Bank (AfDB)**-funded projects including agricultural mechanisation and completion of large, ongoing road improvements;
- Funding for investment in electricity generation and transmission capacity by the **Nampower** parastatal and scaling-up investment in the water sector (although there was no mention of either the **Baines** hydro or **Kudu** gas-to-power projects or of a second coastal desalination plant);
- Financial support for small and medium-sized enterprises (SMEs), funded by N\$500m (\$31m) from the **Bank of Namibia (BoN)** (central bank) through local commercial banks under government guarantee rolled out by the year-end.

¹⁸ FY 2020/21 Mid-Year Budget Review and Medium Term Budget Policy Statement, 16 Oct 2020.

¹⁹ FY 2020/21 Mid-Year Budget Review and Medium Term Budget Policy Statement, 16 Oct 2020.

²⁰ Mid-Year Budget Review for the FY 2020/21 and Fiscal Policy Statement FY2021/22 to FY2023/24 Medium Term Expenditure Framework, October 2020.

²¹ FY 2020/21 Mid-Year Budget Review and Medium Term Budget Policy Statement.

Shiimi unveiled a host of policy reforms to anchor macroeconomic stability and fiscal sustainability through the concerted implementation of a growth-friendly fiscal consolidation programme underpinned by expenditure reforms, domestic financial resources mobilisation and structural policy reforms.²² Other key priorities over the medium term were stated to be:

- Continued provision of essential services as safety nets while improving the quality of expenditure and administrative efficiencies;
- Domestic resource mobilisation focussed on alternative forms of financing and tax administration reforms consistent with public debt stabilisation objectives. The stand-alone **Namibia Revenue Agency (NamRA)** is scheduled to be launched in 2021;
- Accelerating implementation of macro-critical structural policy reforms to facilitate a more private sector-driven growth path.

Specific structural policy reforms (whose implementation Shiimi said could no longer be delayed) were listed as: finalisation of the **Special Economic Zones** (to replace the existing export-processing zone (EPZ) and “*accompanying policy incentives to retool and modernize the current incentive regime*”,²³ and promulgation of amendments to the **Namibia Investment Promotion Act** to create a more conducive environment for both domestic and foreign investors in all sectors of the economy. Most local businesses have judged the first draft of the latter as over-prescriptive and extending any default government interventions in the private sector (see *ARC Briefing Namibia October 2020*).

... but makes no reference to economic empowerment plans

Shiimi did not mention the controversial **New Equitable Economic Empowerment Framework (NEEEF)**, which has still to be tabled in parliament five years after it was first proposed. As a technocrat, Shiimi is likely to be among the cabinet pragmatists, which in ARC’s view include mines and energy ministry **Tom Alweendo** (also an ex-central bank executive). They are understood to regard the NEEEF as at best unhelpful in maximising investor confidence and securing greater foreign direct investment (fdi) in Namibia, even though they support the general principle of economic upliftment for poorer Namibians.

The latest draft of the NEEEF bill (NEEEB) was published in February and omits – as Geingob pledged two years ago – the original provision for a compulsory transfer of 25% equity stakes in all businesses above a certain size, whether local or foreign-owned, to historically-disadvantaged Namibians (HDNs) or HDN entities.²⁴ The term has now been replaced by ‘empowerment beneficiary’. The current draft was given the thumbs down in a detailed analysis by the Windhoek-based **Economic Policy Research Association (EPRA)**, which notes it replicates many of the features of South Africa’s black economic empowerment (BEE) law. EPRA said the report was funded by voluntary contributions from its members. While the 25% equity ownership transfer provision has disappeared, it could yet re-emerge in some form via the eight pillars of ‘economic empowerment’. There is no indication of whether any of these are to be mandatory and whether all or some or all must be complied with. EPRA noted the draft says only that “*standards of equitable economic empowerment*” giving effect to the principles of the act and the pillars may be published in Namibia’s *Government Gazette* by the accountable minister.²⁵ EPRA added:

“The highly contested 25% ownership clause has been removed, but it will most probably resurface, in unknown percentage, in the ownership pillar standards to be gazetted. There are no

²² FY 2020/21 Mid-Year Budget Review and Medium Term Budget Policy Statement.

²³ FY 2020/21 Mid-Year Budget Review and Medium Term Budget Policy Statement.

²⁴ Economic Policy Research Association (EPRA), Analysis of the Latest Version of the National Equitable Economic Empowerment Bill (NEEEB), 6 Mar 2020.

²⁵ Economic Policy Research Association (EPRA), Analysis of the Latest Version of the National Equitable Economic Empowerment Bill (NEEEB), 6 Mar 2020.

limitations. NEEEB provides more questions, rather than clear directions, on the pillars – thereby providing no clarity but rather more uncertainty.”²⁶

EPRA concluded:

“The policy breaches Namibia’s international treaties and will create further distrust and uncertainty in the Namibian economy. Like the proposed versions of NEEEB during 2016, it will cause further, substantial economic decline; cause further capital outflows, business closures and job losses. It does not contain any mechanism to assist the poor, and the mechanisms put in place are wide open for abuse and further enrichment of an already wealthy, politically, but small portion of the population.”²⁷

Namdeb granted major tax relief...

The government has come to the rescue of Namibia’s sole rough diamond producer **Namdeb Holdings**, which it owns in a 50:50 partnership with **De Beers**, by agreeing its request to waive the collection of royalty. Alweendo confirmed on 19 November that the requirement to pay royalties, levied at the rate of 10% on the value of sales, had been suspended for an indefinite period (but not scrapped). This was in order to allow Namdeb to expand investment in offshore mining operations, to offset the rapid dwindling of onshore deposits. Other taxes, which comprise an effective corporate tax rate of 55%, and a 10% export levy, remain unaltered. Alweendo stated:

“Namdeb’s land operations are essentially over and they want relief so they can save up for their intended delving into the sea and prolong their lifespan for at least another eight years. We looked at the situation, including saving jobs, and have therefore agreed to the request.”²⁸

... as mineral licence approvals are suspended for nine months

Foreign exploration firms, mainly junior companies listed on the **Australian** and **Canadian** stock exchanges, have been disconcerted by the suspension of consideration and processing of new mineral prospecting applications from 18 November 2020 to mid-August 2021, ARC understands.²⁹ One industry source advised while all industry participants were agreed that the licensing system needs cleaning up, the freezing of new exploration rights seemed “*counter-intuitive*” at a time when Namibia needs more investment than ever before.³⁰ This view was supported by the evidence of declining exploration spending in Namibia last year, outlined by **Chamber of Mines of Namibia (CMN)** president **Zebra Kasete** in his online annual meeting Mining Industry Review for 2019 presentation on 20 September.³¹ Kasete noted that expenditure by prospecting and development companies had fallen to N\$180m (\$11m) last year, from N\$205m (\$13m) in 2018, which he attributed mainly to lower commodity prices making exploration less attractive. Spending by companies already mining in Namibia had fallen to N\$323m (\$20m), from N\$368m (\$23m) in 2018. However, the number of currently valid EPLs rose to 297 last year, up from 259 in 2018 and the highest level since 2013 (395), although the number of non-exclusive licences fell to 680 from 749 in 2018, still the highest for over a decade.³²

²⁶ Economic Policy Research Association (EPRA), Analysis of the Latest Version of the National Equitable Economic Empowerment Bill (NEEEB), 6 Mar 2020.

²⁷ Economic Policy Research Association (EPRA), Analysis of the Latest Version of the National Equitable Economic Empowerment Bill (NEEEB), 6 Mar 2020.

²⁸ Namibian Sun, 20 Nov 2020.

²⁹ New Era, 9 Nov 2020; ARC source.

³⁰ ARC source.

³¹ Mining Industry Review for 2019 by Zebra Kasete, President of the Chamber of Mines of Namibia at the AFM, 16 September 2020.

³² Chamber of Mines of Namibia, 2019 Annual Review.

The **Ministry of Mines and Energy (MME)** announced the suspension in early November, in order to review the requirements and procedures as set out in the **Minerals (Prospecting and Mining Act)**.³³ According to a 6 November statement by public relations officer **Andreas Simon**:

*“The purpose of this review is to update and align the application requirements and procedures to best practices and current national policy, streamline the specific fees and provide for an effective procedure within the law given global developments since 1992 (when the current law was promulgated).”*³⁴

Simon added that the mining industry and public would have an opportunity to comment on the draft policy and legal framework for granting new mineral licences as a draft document was to be communicated to the public and published on the ministry website. Written representations and comments were invited from industry participants and the public but had to be submitted within seven working days of the statement. Defects of the current procedures include long delays in approving prospecting applications, especially for exclusive prospecting rights (EPRs) which provide the holder with sole right to explore for specific minerals in the licence area, and insufficient checks to ensure the stipulated prospecting work has been done when licences are renewed.³⁵

Inflation eases to 2.3%

Year-on-year (y/y) inflation in October, as measured by the **Namibia Consumer Price Index (NCPI)**, fell slightly to 2.3%, from 2.4% in the previous month. Compared to a year earlier, inflation was down by 0.7 percentage points (see *ARC Briefing Namibia October 2020*).³⁶ Y/y 12-month inflation to October remained at 2.3%, while the differential between goods inflation (3.3%) and services inflation (0.9%) widened again from the previous month. Food and non-alcoholic beverages category continued to be the largest contributor to annual inflation in November, accounting for over half – 1.3 percentage points – of the overall 2.3% inflation rate. Windhoek stockbroker **IJG Namibia** noted that domestic inflationary pressures remain relatively contained and continued to trend below South African inflation, so made no change to its previous forecast for 2.2% y/y inflation this year and 3.4% y/y in 2021.

IJG continues to see global oil prices as “one of the larger risks” to its inflation forecast.³⁷ However, there is no sign of any significant upward trend in crude prices, as global demand for oil remains weak and stocks high. Demand has been further suppressed after most major **European** countries implemented tighter lockdown measures in the face of a resumed upsurge in Covid-19 infection rates. Losses were factored in after an **Organisation of Petroleum Exporting Countries (OPEC+)** ended on 17 November without any indication that producers would reverse plans to raise output again in January. The European benchmark **Brent** crude traded at \$43.75 per barrel, a 3% appreciation from a month earlier, while **West Texas Intermediate (WTI)** rose slightly less robustly to \$41.27 per barrel (\$40.66 previously).³⁸ Local fuel prices were unchanged in November, with **Walvis Bay** (port of entry) prices remaining at N\$11.65 (\$0.71) per litre of unleaded petrol and N\$11.58 (\$0.71) per litre of diesel.

Local currency resilience has also helped keep a lid on inflationary pressures. On 16 November, the South African rand/Namibia dollar traded at \$1=R15.32, compared to \$1=R16.29 on 21 October, a 6.5% appreciation, reflecting the weakening of the **United States** dollar due to a spike up in Covid-19 infection rates and the initially unclear outcome of the 3 November presidential election.³⁹

³³ New Era, 9 Nov 2020.

³⁴ New Era, 9 Nov 2020.

³⁵ ARC source.

³⁶ Namibia Statistics Agency, Namibia Consumer Price Index, Oct 2020.

³⁷ IJG Namibia, NCPI-October 2020.

³⁸ Bloomberg, 17 Nov 2020; Oilprice.com (online), 17 Nov 2020.

³⁹ XE Currency Converter (online; <https://www.xe.com/currencyconverter/>), 17 Nov 2020.

While inflation for the food and non-alcoholic beverages category rose by 7.1% in October, that for food only went up by 7.5%.⁴⁰ Most food sub-components recorded higher prices, led by vegetables, up by 14.1% (12.2% in September). Although fruit price rises slowed to 16.1% from 17.9%, prices of the food staples – bread and cereals – rose faster, by 5.3% from 4.0% in September. Both the transport, and housing and utilities categories were deflationary in November. Transport prices (14.3% basket rating) decreased by 1.2%, compared to 1.3% inflation in September; the cost of operating personal transport vehicles fell by -4.3% (-3.5%), while vehicle purchase costs accelerated by 5.4%, (from 4.5% in September). Deflation in the largest NCPI component, housing and utilities (28.4% weighting), was unchanged at -2.3%, mainly due to due to continued reductions in rental payments. Water supply and sewerage services inflation slowed to 3.2% (3.8% previously), with inflation for electricity, gas and other fuels up only fractionally at 2.0%.⁴¹

There continues to be quite a sharp divide in zonal inflation rates. Year-on-year inflation in Zone 1 (northern Namibia) and Zone 2 (**Khomas**, including Windhoek) was above the national average at 2.6% and 2.4%. In Zone 3, the less well-populated eastern, western and southern regions recorded below-average y/y inflation of 1.8%. By product, the price of cooking oil and the food staple maize meal was highest in Zone 1 at N\$24.18 (\$1.58) per 750 ml and N\$37.87 (\$2.47) per 2.5 kg respectively.⁴²

Planner

25 Nov 2020 (**Namibia**) Regional council and local authority elections.

9 Dec 2020 (**Namibia**) **Bank of Namibia** (central bank) Monetary Policy Committee meeting.

15 Dec 2020 (**Namibia**) **Namibia Statistics Agency**, NCPI November 2020.

17 Dec 2020 (**Namibia**) **Namibia Statistics Agency**, Q3 GDP 2020,

Chronology

20 Nov 2020 **Oshana (Namibia)** *New Era*. Oshana residents hold demonstration to denounce the recent killing of the **Nchindo** brothers and their cousin by the **Botswana Defence Force (BDF)** and plan to hand over a petition to governor **Elia Irimari** at **Oshakati**;

19 Nov 2020 **Windhoek (Namibia)** *The Namibian*. Industrialisation and trade minister **Lucia Iipumbu** has made available N\$10m (\$650,000) to 45 companies as part of the ministry's **Industrial Upgrading and Modernisation Programme** grant scheme;

19 Nov 2020 **Windhoek (Namibia)** *Namibia Economist*. Environment, forestry and tourism minister **Pohamba Shifeta** raises concern over the interference of international animal rights groups in Namibia's plans to trade ivory;

19 Nov 2020 **Windhoek (Namibia)** *The Namibian*. The **De Beers Group** draws in N\$6.9 billion (\$447m) from its recently held ninth sales cycle;

19 Nov 2020 **Windhoek (Namibia)** *Namibia Economist*. Rental prices slip back into negative territory as the 12-month average growth in rent prices took a dip of -1.3% at the end of September, affirming the pass-through effects of the **COVID-19** pandemic on the rental market;

19 Nov 2020 **Windhoek (Namibia)** *New Era*. President **Hage Geingob** declares 25 November a public holiday for the purposes of the election of members of regional councils and members of local authority councils;

18 Nov 2020 **Windhoek (Namibia)** *The Namibian*. **South-West Africa People's Organization (SWAPO)** vice president **Netumbo Nandi-Ndaitwah** says the emergence of independent

⁴⁰ Namibia Statistics Agency, Namibia Consumer Price Index, Oct 2020.

⁴¹ Namibia Statistics Agency, Namibia Consumer Price Index, Oct 2020.

⁴² Namibia Statistics Agency, Namibia Consumer Price Index, Oct 2020.

candidates in Namibia is part of the regime change agenda to topple SWAPO;

18 Nov 2020 **Windhoek (Namibia)** *The Namibian*. The secretary general of the **Trade Union Congress of Namibia (TUCNA)** says the silence by **Namibian Defence Force (NDF)** on the **Chobe** killings demonstrates that they are too weak to face the **Botswana Defence Force (BDF)**;

18 Nov 2020 **Windhoek (Namibia)** *The Namibian*. A group of disgruntled Namibian employees of **South African Airways (SAA)** says the company has failed to pay them for almost seven months;

18 Nov 2020 **Windhoek (Namibia)** *The Namibian*. The Namibian government has awarded a N\$530m (\$34m) contract to a **Chinese** state-owned construction company for a road in southern Namibia;

17 Nov 2020 **Windhoek (Namibia)** *New Era*. International relations minister **Netumbo Nandi-Ndaitwah** calls on the **United Nations** to intervene in the disputed **Western Sahara** after the leader of the pro-independence **Polisario Front** vowed to end a 29-year ceasefire with **Morocco**;

17 Nov 2020 **Windhoek (Namibia)** *New Era*. President **Hage Geingob** says **Botswana's** 'shoot-to-kill' policy is not consistent with international law;

16 Nov 2020 **Windhoek (Namibia)** *Namibia Economist*. Prime minister **Saara Kuugongelwa-Amadhila** appoints **Pendapala Naanda** as executive director of the ministry of international relations and cooperation, and **Sikongo Haihambo** as executive director of the ministry of industrialisation and trade;

16 Nov 2020 **Windhoek (Namibia)** *The Namibian Sun*. President **Hage Geingob** addresses the nation on the national response measures relating to the **Covid-19** pandemic;

16 Nov 2020 **Gaborone (Botswana)** *New Era*. **Botswana's** President **Mokgweetsi Masisi** dispatches a high-level cabinet delegation to the border areas between Botswana and **Namibia**;

16 Nov 2020 **Windhoek (Namibia)** *Namibia Economist*. National airline **Air Namibia** announces it will operate flights between **Ondangwa** and **Walvis Bay** from 4 December to 10 January 2021;

16 Nov 2020 **Windhoek (Namibia)** *The Namibian Sun*. Namibian police have sent three detectives to **Botswana** for a joint investigation into the killing of four Namibian citizens by the **Botswana Defence Force (BDF)** along the **Chobe River**;

13 Nov 2020 **Windhoek (Namibia)** *The Namibian Sun*. Hundreds of Namibians march in Windhoek against the killing of Namibian residents by the **Botswana Defence Force (BDF)**, including four men killed last week along the **Chobe River**;

13 Nov 2020 **Windhoek (Namibia)** *The Namibian Sun*. The board of **Air Namibia** presents a new N\$4.7 billion (\$304m) business plan to public enterprises minister **Leon Jooste**;

12 Nov 2020 **Windhoek (Namibia)** *The Namibian Sun*. The national weighted average rent in Namibia at the end of September was N\$7091 (\$406) compared to N\$7164 (\$464) recorded over the same period in 2019;

12 Nov 2020 **Windhoek (Namibia)** *The Namibian Sun*. Namibia's overall annual inflation rate in October was 2.3%, down from 2.4% in September and lower than the 3.0% recorded a year ago;

12 Nov 2020 **Windhoek (Namibia)** *The Namibian Sun*. Presidential spokesperson Dr **Alfredo Hengari** has described demonstrations planned for 13 November against the **Botswana Defence Force (BDF)** for the killing of four Namibians as "*pointless, politicised and misplaced*" because President **Hage Geingob** is already attending to the matter;

11 Nov 2020 **Windhoek (Namibia)** *The Namibian Sun*. **High-Level Panel on the Economy** advises the Namibian government to consider auctioning mineral rights;

11 Nov 2020 **Windhoek (Namibia)** *The Namibian Sun*. **Botswana's** President **Mokgweetsi Masisi** and Namibia's President **Hage Geingob** discuss **Chobe River** killings;

10 Nov 2020 **Windhoek (Namibia)** *The Namibian Sun*. The **Judicial Service Commission (JSC)** says it will not make interviews for the position of Prosecutor-General open to the public;

10 Nov 2020 **Windhoek (Namibia)** *The Namibian Sun*. The judiciary announces that current prosecutor-general **Martha Imalwa**, former magistrate **Ruth Herunga** and **First National Bank Namibia** legal advisor **Taswald July** have been shortlisted as candidates for the position of prosecutor-general;

10 Nov 2020 **Windhoek (Namibia)** *The Namibian Sun*. President **Hage Geingob** meets with the family of deceased Namibians killed by the **Botswana Defence Force (BDF)** last week;

10 Nov 2020 **Windhoek (Namibia)** *The Namibian Sun*. The **Electoral Commission of Namibia (ECN)** describes comments by General **Martin Shalli** about the killing of defectors from the ruling **SWAPO** party as '*inciting violence*' and warned all political actors to campaign within law;

10 Nov 2020 **Windhoek (Namibia)** *The Namibian Sun*. **Air Namibia** has cancelled flights to **Johannesburg** and **Cape Town**, effective from 16 November for a period of four weeks, saying it will be conducting scheduled maintenance checks on two of its aircraft used for these routes;

5 Nov 2020 **Zambezi Region (Namibia)** *The Namibian*. Members of the **Botswana Defence Forces** have allegedly killed four Namibian fishermen along the **Chobe River**;

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