

## AFRICA RISK CONSULTING

---

### Namibia Monthly Briefing September 2023

#### Namibia Summary 15 September 2023

*President Hage Geingob carries out an unexpected cabinet shuffle on 12 September, laying off deputy home affairs minister Daniel Kashikola and appointing three new deputy ministers. The reshuffle is likely an effort to tweak cabinet in the lead-up to the 2024 general elections. Cabinet approves the 772km Trans-Zambezi Railway Extension project as works and transport minister John Mutorwa confirms he is working with Zambia to attract funding for the trans-border rail project. The Construction Federation Industries (CIF) and the Metal and Allied Namibian Workers Union (MANWY) call on government to halt construction contracts with no local contractors.*

---

#### Cabinet reshuffle appoints new deputy ministers

President **Hage Geingob's** (2015-Present) press secretary **Alfredo Hengari** announced an unexpected cabinet reshuffle on the evening of 12 September.<sup>1</sup> The reshuffle included laying off the home affairs, immigration, safety and security deputy minister **Daniel Kashikola**, and the appointment of three new deputy ministers. The three new deputy ministers are all women and includes the appointment of **Natalia Goagoses** as the higher education, technology and innovation deputy minister, **Lucia Witbooi** as home affairs deputy minister and **Eveline Nawases-Taye** as urban and regional development deputy minister.<sup>2</sup>

Kashikola had served as a minister and member of parliament since 2015, with no explicit reason given for his dismissal.<sup>3</sup> However, Kashikola's past behaviour – police arrested Kashikola for drunk driving in December 2019 - and his promotion of controversial policies may have attracted unwanted negative attention to the ruling **South West Africa People's Organisation (SWAPO)** as the party prepares for the 2024 national and presidential elections.<sup>4</sup>

In August, Kashikola announced his intention to propose a controversial marriage bill in September.<sup>5</sup> The bill would require couples to make an application for their intention to marry and require that this application be open to public scrutiny by being advertised in the media.<sup>6</sup> The proposed bill would enable members of the public to object to the marriage and if no objections are made within 90 days of an advertisement, the couple would only then be allowed to marry.

Kashikola indicated that the marriage bill would intend to prevent fraudulent marriages and prevent the marriage of individuals who are currently married. It is not clear whether this policy was mainly backed by Kashikola or if SWAPO was also in support however, political analysts, activist groups and opposition parties have also criticised the proposed bill as an infringement on human rights and a waste of resources. Opposition **Rally for Democracy and Progress** parliamentarian **Mike Kavekatora** condemned the marriage bill noting:

---

<sup>1</sup> The Namibian, 12 Sep 2023

<sup>2</sup> Namibian Presidency, 12 Sep 2023

<sup>3</sup> Parliament (Republic of Namibia), n.d.

<sup>4</sup> The Namibian, 17 Dec 2019

<sup>5</sup> The Namibian, 20 Aug 2023

<sup>6</sup> The Namibian, 17 Aug 2023

*“This is what can be termed an infringement on the rights of individual citizens’ privacy. Secondly, Namibia is facing life-threatening issues such as unemployment, hunger, poverty, and gender-based violence.”<sup>7</sup>*

In the lead-up to the 2024 national elections, the ruling party needs to work to regain support, and Kashikola suggesting such a controversial bill that has already drawn negative attention before even being tabled would be in conflict to this. During the last two national elections, SWAPO has witnessed a massive decline in support, going from winning 80% of votes in 2014 to 65% in 2019.<sup>8</sup> Geingob in the last two presidential elections has also witnessed a decline in support, winning by 56% in 2019 compared to 87% in 2014.

Meanwhile, the appointment of what the media has termed “*three new distinguished women*” as new deputy ministers has been commended.<sup>9</sup> Witbooi previously served as the gender equality, poverty eradication and social welfare deputy minister and has been a SWAPO parliamentarian since 2010.<sup>10</sup> In November 2022, Witbooi withdrew from a race to be SWAPO’s deputy secretary general (SG) and openly supported Geingob-backed deputy prime minister **Netumbo Nandi-Ndaitwah** for the presidential candidate position for 2024.<sup>11</sup> Witbooi’s withdrawal was announced by Geingob, who stated that there was no political influence deterring Witbooi from running further for the deputy SG position. **Uahekua Herunga** was successfully elected as the party’s secretary-general after winning 71% of the vote.<sup>12</sup>

Nawases-Tayeale has been a parliamentarian since 2004 and also unsuccessfully ran to be the deputy SG of SWAPO in 2022.<sup>13</sup> After her loss, Nawases-Tayeale contested the outcome Nawases-Tayeale will take over from Goagoses, who is now higher education deputy minister and is regarded as highly qualified for her position as she holds a master’s in education.<sup>14</sup>

### Railway crossing three countries gets cabinet approval

Works and public transport minister **John Mutorwa** confirmed during a media briefing on 11 September that cabinet approved the **Grootfontein-Katima Mulilo** railway project feasibility study, paving the way for an extension to the **Trans-Zambezi Railway**.<sup>15</sup> The 772km expansion will run from Grootfontein (**Otjozondjupa Region**) and connect to **Katima Mulilo (Zambezi Region)** before reaching **Livingstone (Zambia)**. The works and transport ministry in conjunction with the **African Development Bank (AfDB)** commissioned the feasibility study which was completed early last year.<sup>16</sup> The development could be key for the mining sector. Indicative of this, CEO of **Canada**-based mining exploration company **Tsodilo Resources**, **James Bruchs** announced the approval of the feasibility study by the transport ministry in March 2022. Bruchs indicated that the project will enable the transportation of minerals it may potentially unearth across southern Africa, including iron concentrate and pellets, direct reduced iron products and ferrosilicon.<sup>17</sup>

Although the feasibility study was approved, reports and officials have not confirmed which other countries other than Zambia and Namibia the railway will be located in. Some reports have reported that the railway may eventually link to other countries in the **Southern African Development Community (SADC)** region including **Botswana, Angola, Zimbabwe** and the

<sup>7</sup> The Namibian, 17 Aug 2023

<sup>8</sup> The Conversation, 16 Mar 2023

<sup>9</sup> Windhoek Observer, 13 Sep 2023

<sup>10</sup> The Namibian, 12 Sep 2023

<sup>11</sup> All Africa, 21 Nov 2022

<sup>12</sup> The Namibian, 12 Sep 2023

<sup>13</sup> Parliament (Republic of Namibia), n.d.

<sup>14</sup> Parliament (Republic of Namibia), n.d.

<sup>15</sup> The Namibian, 12 Sep 2023

<sup>16</sup> New Era, 30 Mar 2022

<sup>17</sup> Mining Weekly, 28 Mar 2022

**Democratic Republic of Congo (DRC)**, however, it is not clear whether the linkage to each country will be from the approved 772km railway.<sup>18</sup>

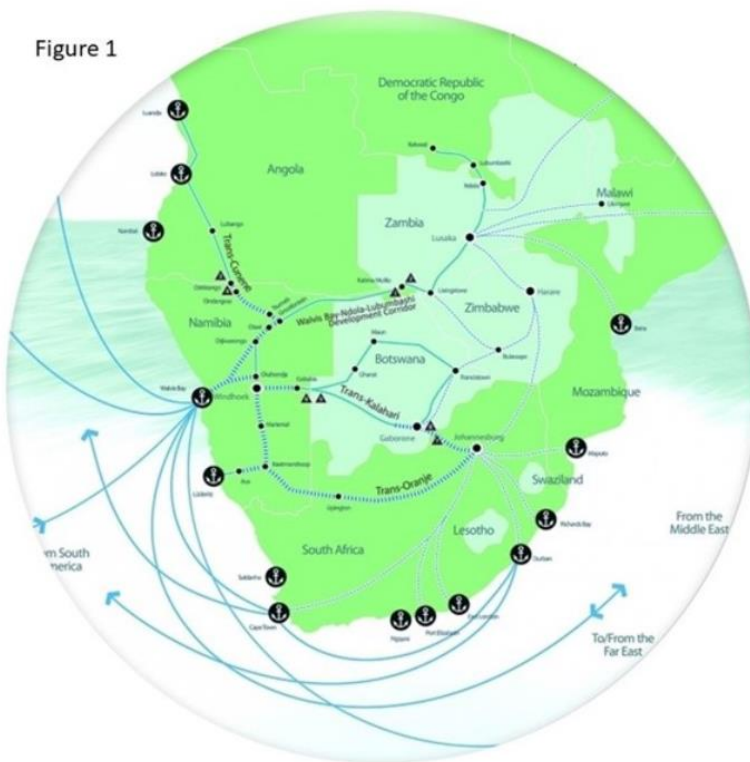
The railway line will foreseeably attract a million tonnes of cargo each year, mainly agricultural products, copper, timber, mining, and other equipment.<sup>19</sup> There are also multi-purpose development goals beyond the construction of a sophisticated transport network that can increase mobility, trade and access to landlocked countries.

Mutorwa indicated that the Zambian government has indicated plans to hold a joint meeting with relevant experts as well as finance and transport ministers of Botswana, Namibia and Zambia, to discuss means to fund the project:

*“The ministry of finance is more in the lead now, but we are also there to see how we are going to fund this because it is not only a Namibian railway line.”<sup>20</sup>*

Mutorwa’s comments indicate that there is ongoing planning on the location and route of the railway and further that despite a feasibility study, detailed planning is required for execution which will be based on the capacity of different countries to garner financing. Nonetheless, the project is being touted as a strategic development corridor that will be instrumental towards realising increased intra-African trade, particularly for the **African Continental Free Trade Area (AfCTA)**.<sup>21</sup>

Figure 1



Access Wire – a map showing the two-way trade routes the Trans-Zambezi Railway Extension will facilitate.

## Unions call for halting locally excluded construction contracts

<sup>18</sup> Daily Sun, 4 Apr 2023; New Era, 13 Sep 2023

<sup>19</sup> The Namibian, 12 Sep 2023

<sup>20</sup> New Era, 13 Sep 2023

<sup>21</sup> New Era, 13 Sep 2023

The **Construction Federation Industries (CIF)** and the **Metal and Allied Namibian Workers Union (MANWY)** have called on government to cancel construction contracts where local contractors do not have a majority stake.<sup>22</sup> The two groups are reportedly continuing engagements with the government and have made their main plea to Geingob. The groups indicated that steep financial pre-qualification, time constraints and qualification requirements for procurement have or may result in the exclusion of majority Namibian-owned contractors.

In a joint statement, CIF and MANWU proposed how government should move forward after project cancellations:

*“Following cancellations, the financial and technical criteria would need to be reviewed for each of the respective projects, and then subsequently be re-advertised into smaller lots, as well as more with realistic technical criteria.”<sup>23</sup>*

The groups indicated that the current contract requirements inhibit the growth of local construction companies and undermine the optimal performance of the local sector.<sup>24</sup> The group further wants local industries to be capacitated. There are also particular projects the groups requested to be cancelled due to a lack of local content, including a **Roads Authority** project rehabilitating 30km of road between **Usakos** and **Karibib**, **Namibia Water Cooperation (NamWater)** projects involving construction at **Oshakati** and **Rundu**, as well as the **Ohangwena** water plant system. Other projects the organisations want to be cancelled include construction at the **Namibia Financial Institutions Supervisory Authority (NAMFISA)** and a 70MW project at **Rosh Pinah** overseen by **Namibia Power Corporation (NamPower)**.<sup>25</sup>

Despite the negotiations, it seems unlikely that the government will cancel contracts. Hengari indicated that rash cancellations will undermine the rule of law:

*“That’s not how the country is run. What type of country would we be? [...] They can approach the tender board or appeal to the courts but cannot expect the president to cancel tenders when we have institutions to do that.”<sup>26</sup>*

**Bärbel Kirchner**, CIF’s chief executive, illustrated the desperation local construction companies are facing as they struggle to acquire business opportunities. Kirchner believes that local contractors, in particular the large-size contractors are being undermined by being denied construction contracts from the government. Kirchner indicated that this could result in local construction companies becoming insolvent and bankrupt.<sup>27</sup>

The two groups’ statement made a strong claim, indicating that the problem involving the exclusion of Namibian contractors is not limited to procurement. The groups claim that questions must be raised on whether bilateral and multi-lateral relationships influence the allocation of contracts.<sup>28</sup> It is unlikely that the government is prioritising foreign policy in awarding construction contracts.<sup>29</sup> Local companies face stiff competition, particularly against foreign companies that are well-capacitated.

The government has implemented more stringent local content policies in the mining industry where the returns from mining and the opportunities to develop the entire value chain appear

<sup>22</sup> New Era, 11 Sep 2023

<sup>23</sup> New Era, 11 Sep 2023

<sup>24</sup> The Namibian, 12 Sep 2023

<sup>25</sup> The Namibian, 12 Sep 2023

<sup>26</sup> The Namibian, 12 Sep 2023

<sup>27</sup> The Namibian, 12 Sep 2023

<sup>28</sup> New Era, 11 Sep 2023

<sup>29</sup> ARC Briefing Analyst, 13 Sep 2023

more promising. In the first quarter of 2023, mining and quarrying recorded growth of 34.3% in real value added and 28.5% in the corresponding quarter of 2022.<sup>30</sup>

The construction sector appears to be in decline as it underwent six consecutive quarters of contractions in real value until the end of 2022. In the first half of 2023, the sector witnessed a marginal increase of 0.9% in real value.<sup>31</sup> The increased activity is largely attributed to increased government expenditure on water infrastructure, railways, and roads. However, this increase in activity is not reflective of a strong improvement in demand for construction activity as a whole. The average real value of building plans approved and completed witnessed a decline of 13.6% between January and June 2023 and a 24.7% decline in the corresponding period in 2022.<sup>32</sup>

**Justina Jones**, the secretary general of MANWU, indicated how dependent the sector is on government contracts:

*"[...] all state organs are the biggest employers for the construction industry; and it must be the state's priority to ensure that local contractors, especially those with equal capacity as foreigner contractors, are exempted from tender requirements."*<sup>33</sup>

Although the government may play the biggest role in awarding projects that create business opportunities, at this stage and due to the instability faced in the construction sector, it appears unlikely that local contractors will outcompete foreign contractors.<sup>34</sup>

### Planner

6 Oct 2023 **(Namibia) Namibia Financial Institutions Supervisory Authority (Namfisa)** hosts the 46<sup>th</sup> Committee of Insurance, Securities and Non-Banking Financial Authority (CISNA) of the **Southern African Development Community**;  
2024 **(Namibia)** General elections

### Chronology

13 Sep 2023 **Windhoek (Namibia) The Namibian**. Opposition **Popular Democratic Movement of Namibia (PDM)** raises questions in parliament on **James Mnyupe's** multiple appointments in government. Mnyupe currently serves as both the presidential economic adviser and hydrogen commissioner;

13 Sep 2023 **Windhoek (Namibia) The Namibian**. Various leaders of the **South West Africa People's Organisation (SWAPO)** allege that deputy prime minister and presidential candidate **Netumbo Nandi-Ndaitwah** is appointing relatives and close associates to party-owned businesses;

13 Sep 2023 **Windhoek (Namibia) The Namibian**. The national census starts with President **Hage Geingob** encouraging citizens to participate;

13 Sep 2023 **Windhoek (Namibia) The Namibian**. The **Namibia Statistics Agency (NSA)** reports that annual inflation increased from 4.5% in July to 4.7% in August;

13 Sep 2023 **Windhoek (Namibia) Namibia Economist**. The **Government Institutions Pension Fund (GIPF)** launches an investigation into the conduct of a staff member who is suspended for noncompliance with payment and approval procedures;

<sup>30</sup> New Era, 26 Jun 2023; The Namibian, 17 Aug 2023

<sup>31</sup> New Era, 26 Jun 2023

<sup>32</sup> New Era, 26 Jun 2023

<sup>33</sup> The Namibian, 12 Sep 2023

<sup>34</sup> ARC Briefing Analyst, 13 Sep 2023

10 Sep 2023 **Windhoek (Namibia)** *The Namibian*. The government's 2023/2024 **Livelihood Vulnerability Assessment and Analysis** shows that by March 2024, at least 695,000 of Namibia's approximately 2.5 million people will face severe food shortages;

8 Sep 2023 **Windhoek (Namibia)** *Windhoek Observer*. **Meat Corporation of Namibia (Meatco)** says it aims to expand its exports to premium markets in **Europe, China** and the **United States (US)**;

5 Sep 2023 **Windhoek (Namibia)** *Moneyweb*. **Bank of Namibia** (central bank) governor **Johannes !Gawaxab** highlights that the Namibian hydrogen industry has the potential to contribute \$4.1 billion to gross domestic product (GDP) by 2030 and create 18,000 jobs;

7 Sep 2023 **Windhoek (Namibia)** *The Namibian*. **Namsof Fishing** contemplates suspending a regular fishing tour due to a massive seasonal downturn in horse mackerel fishing;

5 Sep 2023 **Windhoek (Namibia)** *New Era*. **Trustco Group Holdings (Trustco)** issues another attack on the **Bank of Namibia (BoN)** as it files for legal action against BoN in the Namibia high court. The company accuses BoN of not being able to fully enter commercial banking activities and of contempt of court;

4-8 Sep 2023 **Windhoek (Namibia)** *The Namibian*. **Mino Gariseb**, the general manager of finance and administration at the **Namibia Fishing Corporation of Namibia (Fishcor)** is put on special leave due to an alleged conflict of interest;

4 Sep 2023 **Windhoek (Namibia)** *New Era*. Transport officials from Namibia and **Botswana** confirm that construction of the 1,500-km **Trans-Kalahari** railway line will begin in 2025, 15 years after the two counties signed the initial memorandum of understanding (MoU) for the railway's development;

29 Aug 2023 **Windhoek (Namibia)** *Xinhau*. Namibia opens its electricity market to independent power producers (IPPs) and launches the Modified Single Buyer (MSB) Market Access Guide which helps IPPs understand the necessary procedures and requirements for participation in Namibia and other regional countries' power markets;

28 Aug 2023 **Windhoek (Namibia)** *The Namibian*. **Osino Resources Corp (Osin)**, a **Canadian**-registered listing company that is currently developing various mining projects in Namibia will list on the **Namibia Stock Exchange (NSX)**;

24 Aug 2023 **Windhoek (Namibia)** *The Namibian*. The **South West Africa People's Organisation (SWAPO)** launches an amended constitution for the **SWAPO Party Women's Council (SPWC)**.

### 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 whistle-blower 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)