

## AFRICA RISK CONSULTING

### Namibia Monthly Briefing June 2022

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#### Namibia Summary 16 June 2022

*Minor opposition party Namibian Economic Freedom Fighters (NEFF) demands that President Hage Geingob (2015-present) disclose interactions with South Africa's President Cyril Ramaphosa (2018-present) over allegations of a cover-up of theft at Ramaphosa's farm in Limpopo Province. Geingob leads a team of cabinet ministers and influential business representatives in Namibia's debut at the World Economic Forum's annual meeting in Davos, Switzerland. The Bank of Namibia (central bank) increases the repo rate to 4.75% by 50 basis points, the highest rise in 15 years. The government increases petrol and diesel prices from 1 June. The Namibian Agronomic Board (NAB) releases a special import list, restricting the import of certain crops between 1 and 30 June. Namibia is moving out of its fifth Covid-19 wave.*

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#### Focus on Namibian link to theft against South Africa's President Ramaphosa ...

Media attention on an alleged cover-up of theft from the property of **South Africa's President Cyril Ramaphosa** (2018-present) has raised questions about the involvement of **Namibia's President Hage Geingob** (2015-present) in the matter. Namibia-based news publication **The Namibian** on 6 June reported claims made in an affidavit by former South African **State Security Agency (SSA)** director general **Arthur Fraser** on 1 June that Ramaphosa contacted Geingob to assist in capturing the criminals.<sup>1</sup> Fraser asserts that the theft of approximately \$4m in **United States** dollar cash notes from Ramaphosa's game farm in **Phala Phala (Limpopo Province, South Africa)** on or around 9 February 2020 is "*prima facie evidence of money laundering*" and that the subsequent actions taken to catch the thieves involved kidnapping the thieves and bribing them to remain silent.<sup>2</sup>

South Africa's **Office of the Presidency** on 2 June confirmed the theft of cash, claimed as proceeds from the sale of game, but denied any criminality on behalf of the president and did not confirm the amount stolen.<sup>3</sup> The Presidency stated that the robbery on Ramaphosa's farm was reported to the head of the **Presidential Protection Unit** of the **South African Police Service** for investigation and that President Ramaphosa agreed to participate in any criminal investigation on the matter.

Fraser's claims have resulted in a media frenzy in both Namibia and South Africa amid public speculation whether the theft was unfairly resolved after an exchange of telephonic conversations between the two presidents. Minor opposition party **Namibian Economic Freedom Fighters (EFF Namibia)** released a statement on 6 June demanding that President Geingob disclose "*all interactions and actions he engaged in on the instruction of Ramaphosa with the sole purpose of hiding criminal activity*".<sup>4</sup> EFF Namibia said it would use parliamentary channels to raise questions to President Geingob, warning that it would launch a criminal case against Geingob if he was involved in what they claim to be "*the illegal and unlawful*

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<sup>1</sup> [The Namibian](#), 6 Jun 2022.

<sup>2</sup> [amaBhungane Centre for Investigative Journalism](#), 4 Jun 2022.

<sup>3</sup> [The Presidency of the Republic of South Africa](#), 2 Jun 2022.

<sup>4</sup> [Twitter](#), accessed 6 Jun 2022.

concealment of crime Namibians committed”.<sup>5</sup> At a press conference on 6 June, President Geingob denied providing President Ramaphosa any undue favours to solve the crime:

*“This thing that happened in South Africa, there may be a court case. Let’s see, it’s a criminal case. People were here, and some were arrested. Later on, they were charged. They went back to South Africa, so I don’t know what favour I would have done for anybody. It’s going to be in a court, let’s see.”*<sup>6</sup>

South Africa-based investigative journalism organisation **amaBhungane** reports to have seen a Namibian police report claiming that Namibian-born **Imanuela David**, who also holds a South African passport, paid an individual in South Africa N\$50,000 (\$3,357) to assist David in illegally crossing the border into Namibia. Former **National Fishing Corporation of Namibia (Fishcor)** acting CEO **Paulus Ngalangi** was reportedly involved in apprehending David as he entered Namibia. David was arrested for illegally crossing the border into Namibia on 12 June 2020. Ngalangi was removed as acting CEO of Fishcor in June 2020 after allegations emerged that he transported David, who then tested positive for **Covid-19**, across the border.<sup>7</sup>

Fishcor is also at the centre of one of Namibia’s largest corruption trials, dubbed “**Fishrot**”. The scandal emerged shortly before Namibia’s last general elections, on 27 November 2019 (see *ARC Briefing Namibia Nov 2019* and onwards). Ten businessmen, lawyers and politicians were accused of corruption and bribery, after an investigation revealed that millions of dollars were siphoned off from Fishcor, which had allegedly transferred fishing quotas to local companies in which Namibian politicians had interests. These local companies were also linked to **Icelandic** state-owned fishing company **Samherji**, which allegedly paid around \$10m in bribes to members of Namibia’s ruling-party, the **South West Africa People’s Organisation (SWAPO)**.<sup>8</sup> The pre-trial hearing of the ten accused commenced in January and further trials are in progress.<sup>9</sup>

The revelations involving President Ramaphosa appear to be part of a factional battle involving South Africa’s ruling party, the **African National Congress (ANC)**, and a broader convoluted battle involving a complex web of actors and interests, including the **Economic Freedom Fighters (EFF)** in South Africa as well as Namibia. Fraser is aligned to the “anti-Ramaphosa” faction, which includes former South African president **Jacob Zuma** (2009-2018), who is facing multiple corruption charges.<sup>10</sup> Zuma was imprisoned on 7 July 2021, after refusing to appear before a judicial commission of inquiry that probed his role in corruption. Fraser approved medical parole for Zuma, which resulted in Zuma’s release from arrest in September 2021.<sup>11</sup> On 15 December, the **Gauteng High Court** in South Africa found Fraser’s decision to grant Zuma medical parole, after Zuma was arrested for contempt of court, as unconstitutional.<sup>12</sup>

### ... as Geingob woos WEF

President Hage Geingob led a delegation of Namibian cabinet ministers and influential business representatives to the **World Economic Forum’s (WEF)** annual meeting held in **Davos, Switzerland** from 23-26 May.<sup>13</sup> Namibia’s first invitation to participate in the Davos summit – held annually to bring together government and business leaders to discuss pressing global

<sup>5</sup> Local source, accessed 15 Jun 2022.

<sup>6</sup> [Business Day](#), 8 Jun 2022.

<sup>7</sup> [Seafood Source](#), 22 Jun 2020.

<sup>8</sup> [Institute for Security Studies \(ISS\)](#), 12 Feb 2022.

<sup>9</sup> [Seafood Source](#), 25 Oct 2021.

<sup>10</sup> [Daily Maverick](#), 15 Dec 2021.

<sup>11</sup> [Mail & Guardian](#), 29 Oct 2021.

<sup>12</sup> [eNCA](#), 15 Dec 2021.

<sup>13</sup> [Namibian.org](#), 31 May 2022.

issues and potential solutions – presented an opportunity to showcase 30 projects across different industries, including energy resources.

Namibia also presented opportunities to invest in its tourism, agricultural and infrastructure development. Influential representatives from Namibian businesses participated in sessions to present Namibia’s macro-economic environment, highlighting Namibia’s business sector as central to economic recovery. **First Rand Namibia** CEO **Conrad Dempsey** and CFO **Oscar Capeloa** were among the leaders who elaborated on Namibia’s economic outlook.<sup>14</sup> Other businesses providing support or attending the delegation on behalf of Namibia included **Capricorn Group, Bank Windhoek, Liste Group, Otesa** and **Jabu**.<sup>15</sup> President Geingob met several heads of state during his visit.<sup>16</sup>

The Namibian delegation was well placed to showcase its energy sector, including oil, gas and renewable energy, as governments and businesses seek to move away from reliance on **Russian** oil and gas. The 2022 WEF annual meeting amplified the Namibian government’s investment drive towards its nascent green hydrogen industry. The country’s pilot projects in green hydrogen – produced through the separation of hydrogen molecules from water as an alternative to fossil fuels – attracted considerable attention at Davos, and Geingob’s presentation to woo investors into the industry was overbooked. In December, Namibia signed a joint declaration with the **German** government, which allocated €40m (\$41,604,000) in funding to the growing green hydrogen market in Namibia.<sup>17</sup> In October, Namibia and **The Netherlands** agreed to sign a letter of intent to collaborate in the energy field, particularly in the area of green hydrogen.<sup>18</sup>

Despite risks to investing in green hydrogen, demand for the energy source is predicted to grow. Green hydrogen currently provides only 5% of global hydrogen production and is expensive to produce, particularly when produced with seawater, as Namibia intends to do.<sup>19</sup> However, demand is likely to grow as green hydrogen is one of the pillars of the **European Union’s (EU) REPowerEU Plan** oriented towards reducing the EU’s reliance on Russian oil and gas, the diversification of energy supplies, and the accelerated rollout of renewable energy.<sup>20</sup> At Davos, Namibia’s **National Planning Commission (NPC)** director-general, **Obeth Kandjoze**, stated that the Namibian government had received increased enquiries into green hydrogen amid Russia’s military operations in Ukraine.<sup>21</sup>

### BoN hikes repo rate amid rising inflation...

The **Bank of Namibia (BoN) Monetary Policy Committee (MPC)** announced on 15 June its decision to raise the repo rate by 50 basis points to 4.75%.<sup>22</sup> The increase is the highest in 15 years and highlights the growing economic crisis in Namibia and globally. BoN governor **Johannes !Gawaxab** cited elevated global and domestic inflationary pressures, the fragile economic recovery and the need to safeguard the one-to-one link between the Namibian dollar and the South African rand as factors that influenced the MPC’s decision. !Gawaxab stressed the BoN’s monetary policy priority to contain rising inflation and allow for sustainable development.

<sup>14</sup> [New Era Live](#), 30 May 2022.

<sup>15</sup> [Facebook](#), 6 Jun 2022.

<sup>16</sup> [Facebook](#), 6 Jun 2022.

<sup>17</sup> [Solar Quarter](#), 7 Apr 2022.

<sup>18</sup> [Government of the Netherlands](#), 19 Nov 2021.

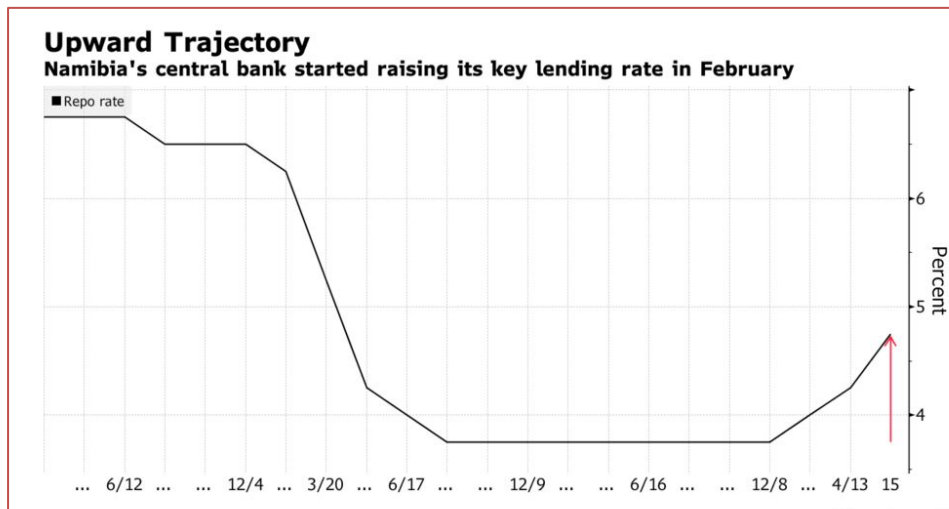
<sup>19</sup> [Deutsche Welle](#), 4 May 2021.

<sup>20</sup> [European Commission](#), 18 May 2022.

<sup>21</sup> [Deutsche Welle](#), 26 May 2022.

<sup>22</sup> [Bank of Namibia press release, 15 Jun 2022](#)

Analysts had earlier predicted that the BoN would follow the lead of the **South African Reserve Bank (SARB)** (central bank) in raising interest rates, which went up by 50 basis points in South Africa on 19 May.<sup>23</sup> The latest increase in Namibia's interest rate brings it on par with the South African repo rate.



1 – Bloomberg Africa Report – 15 June 2022

While !Gawaxab noted that overall inflation remains within “a reasonable range”, he said inflation risk to the domestic outlook persists.<sup>24</sup> Domestic inflation accelerated to 4.9% during the first five months of 2022, compared to 3.2% in the same period in 2021. Inflation was mainly driven by an increase in the inflation of transport, housing and food. As of 1 June, petrol and diesel price increases came into effect, respectively by N\$2.50 (\$0.17) per litre and N\$1.50 (\$0.10) per litre, bringing the price of petrol to N\$20.40 (\$1.37) per litre and diesel to N\$21.43 (\$1.44) per litre.<sup>25</sup> Mines and energy deputy minister **Kornelia Shilunga** justified the increase based on the turmoil in the international market. Namibia's overall inflation is projected to average around 5.9% for 2022, from the 6% projected at the last MPC meeting.<sup>26</sup>

Prospects of a stronger economic recovery are being dampened as the cost of food and energy increases. !Gawaxab forecasts that Namibia's economic growth rate will remain at previous forecasts of 3%.<sup>27</sup> The price pressures are likely to remain and will place the largest burden on households, where spending is already constrained. The interest rates risk denting an already constrained economy, which has contracted in eight out of the last twelve quarters.<sup>28</sup>

Namibia-based wealth management company economist **Theo Klein** warns that Namibia's economic recovery is likely to see further constraints as **China** shifts its economic priorities from an export-oriented growth model to a sustainable development model.<sup>29</sup> Any reduced demand for commodities from China, Namibia's second-largest trading partner on average, will negatively affect Namibian exports to China, dominated by fish and uranium. Uranium is likely to be more severely impacted. Klein predicts that the increase of equipment costs of goods

<sup>23</sup> [The Namibian](#), 20 May 2022.

<sup>24</sup> [Bank of Namibia press release, 15 Jun 2022](#)

<sup>25</sup> [Economist Namibia](#), 3 Jun 2022.

<sup>26</sup> [Bank of Namibia press release, 15 Jun 2022](#)

<sup>27</sup> [Bank of Namibia press release, 15 Jun 2022](#)

<sup>28</sup> [Bloomberg Africa](#), 15 Jun 2022.

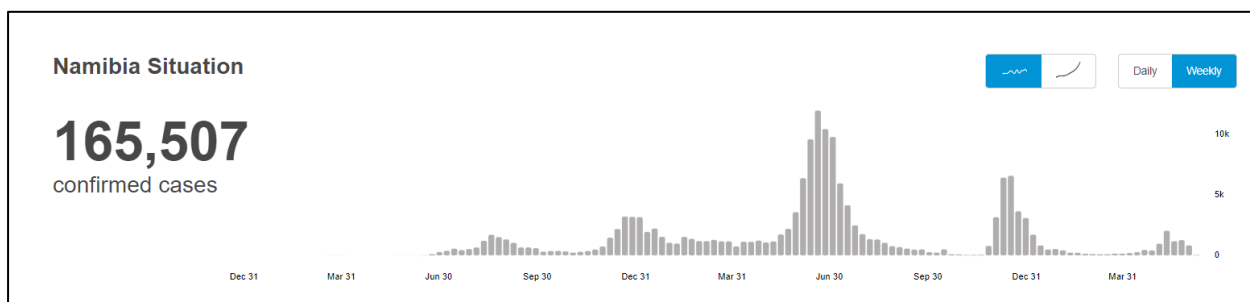
<sup>29</sup> [Economist Namibia](#), 3 Jun 2022.

imported from China may result in project delays, particularly for companies in the renewable energy sector that produce solar equipment.<sup>30</sup>

As local industries become more vulnerable to supply and cost pressures, governments are starting to impose regulatory protectionist measures. The **Namibian Agronomic Board (NAB)** released a statement, accompanied by a special import list, on 1 June restricting to 19 the number and type of crops that can be imported between 1 and 30 June. Only five crops may be imported without any restrictions, including watermelon, gem squash, sweet melon, spinach and washed potato. Horticultural products excluded from imports include beetroot, butternut, coloured pepper, cabbage, English cucumber, coloured pepper, green pepper, onion, pumpkin, sweet potatoes, as well as round and jam tomatoes.<sup>31</sup> The Namibian reported that **Botswana** has maintained import bans on vegetables, which may affect Namibian farmers who export to their neighbouring country, particularly Namibian farmers in the **Zambezi** region.<sup>32</sup> Both countries' import restrictions bring into question their commitment to the **African Continental Free Trade Area (AfCFTA)**, which came into effect on 1 January 2021.

### Covid-19: moving out of the fifth wave?

Namibia is moving out of its fifth Covid-19 wave.<sup>33</sup> In the week of 31 May to 6 June, the **World Health Organisation (WHO)** recorded 820 confirmed cases, well under the peak witnessed in the week of 10-16 May (an increase of 110.77% compared to the previous week), when it recorded 2,036 cases in Namibia. Between 7 and 13 June, 42 cases were confirmed.



### 2 – World Health Organisation (WHO Namibia Covid-19 Data)

Despite declining numbers President Hage Geingob announced on 14 June that the Covid-19 public health regulations would be extended for another month, up until 15 July. Fully vaccinated travellers arriving in Namibia do not have to present a negative PCR test but are required to provide proof of full Covid vaccination at points of entry to the country. Geingob reminded the public that anyone who is not fully vaccinated and individuals younger than 12 years must present a negative PCR result, taken fewer than 72 hours before arrival into Namibia. Fully vaccinated children should present proof of their vaccination status and children from countries that are not vaccinating should present a negative PCR result.

Namibia's ministry of health and social services released a statement on 14 June, urging the public to wear protective masks, particularly on aeroplanes and in indoor areas, although mask wearing in public spaces is not mandatory.<sup>34</sup> The ministry advised citizens to retrieve a digital vaccine certificate from government online platforms. President Geingob encouraged more

<sup>30</sup> [Economist Namibia](#), 3 Jun 2022.

<sup>31</sup> [All Africa](#), 30 May 2022.

<sup>32</sup> [The Namibian](#), 19 May 2022.

<sup>33</sup> [Facebook](#), 14 Jun 2022.

<sup>34</sup> [Facebook](#), 14 Jun 2022.

people to get vaccinated, warning that the winter season may impact the number of cases.<sup>35</sup> As of 12 June, 24% of the eligible population (422,690) were fully vaccinated against Covid-19.

## Planner

17 Aug 2022 **Windhoek (Namibia) Bank of Namibia** releases monetary policy statement;  
 19 Oct 2022 **Windhoek (Namibia) Bank of Namibia** releases monetary policy statement;  
 7 Dec 2022 **Windhoek (Namibia) Bank of Namibia** releases monetary policy statement;  
 2024 **(Namibia)** General elections;

## Chronology

15 Jun 2022 **Windhoek (Namibia) Informanté**. The **Bank of Namibia** (central bank) **Monetary Policy Committee** increase the repos rate by 50 basis points;

15 Jun 2022 **Windhoek (Namibia) Namibian Presidency**. **Covid-19** regulations are extended for a further month;

12 Jun 2022 **Windhoek (Namibia) The Ministry of Health and Social Services**. Ministry of health and social services announces a one-month extension of existing **Covid-19** regulations;

6 Jun 2022 **Windhoek (Namibia) Business Day**. President **Hage Geingob** denies having provided undue favours to **South Africa's** President **Cyril Ramaphosa**, who is facing allegations of illegally seeking assistance from the Namibian president to apprehend an alleged criminal said to have fled to Namibia;

1 Jun 2022 **Windhoek (Namibia) All Africa**. The **Namibian Agronomic Board** implements import bans on certain horticultural products from 1-30 June;

1 Jun 2022 **Windhoek (Namibia) The Economist Namibia**. Regulations increasing the price of diesel and petrol come into effect, with petrol now costing N\$20.40 (\$1.37) per litre and diesel N\$21.43 (\$1.44) per litre;

30 May 2022 **Windhoek (Namibia) Bloomberg**. Finance minister **Ipumbu Shiimi** says uranium miners are waiting for prices to recover before reviving projects in **Africa's** largest producer of the ore, which is needed for nuclear power in a world shifting away from fossil fuels;

26 May 2022 **Windhoek (Namibia) TechBuild**. **Namibia**-based last-mile distribution e-commerce firm **JABU** raises \$15m in Series A round led by United States-based **Tiger Global**;

22 May 2022 **Windhoek (Namibia) The Economist Namibia**. President **Hage Geingob** leads a delegation to the **World Economic Forum (WEF)** annual summit in **Davos, Switzerland**;

19 May 2022 **Windhoek (Namibia) France24**. A delegation from **Namibia** tours **Europe** to tout the country as a potential powerhouse of clean energy, particularly solar;

<sup>35</sup> [Facebook](#), 14 Jun 2022.

### About Africa Risk Consulting:

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