



SECTOR PROFILE

TOURISM

# Introducing **Namibia**

Namibia is ranked amongst the world's most politically stable countries. The Namibian Government is committed to stimulating economic growth and employment through the attraction and retention of investments.

Namibia's primary infrastructure is well-developed and modern, with a good transport system whose road infrastructure quality is ranked the best in Africa, an efficient communication system with global cellular networks and globally competitive broadband, as well as a sophisticated financial sector.

A land of contrasting beauty, Namibia is strategically located on the south-western coast of Africa and serves as a quintessential trade conduit with the rest of the world for landlocked countries including Botswana, Zambia, Zimbabwe and the Democratic Republic of Congo through the port of Walvis Bay. Compared to other ports in the region, the congestion-free port of Walvis Bay offers shipping line time savings of up to five days to Europe and the Americas, and is a springboard into the Southern African Development Community (SADC) trade block, with a market access of 330 million people.

The country is endowed with natural wind and sun resources, and is considered to be amongst the most competitive destinations in the world with potential to become a producer and exporter of green hydrogen, reckoned to catalyse the decarbonisation of the planet.

Namibia is a middle-income country whose considerable successes rest on a stable multiparty parliamentary democracy that delivers sound economic management, good governance, fundamental civic freedoms and respect for human rights.

Namibia values long-term relationships with foreign investors, and provides numerous opportunities for international investors seeking a foothold and growth on the African continent. The Government has put in place an enabling environment to assist with identification of opportunities, syndicate financing, operating and tax incentives in certain sectors, particularly manufacturing, and one-stop bureau services for establishment of local operations of international companies.

The Namibia Investment Promotion and Development Board (NIPDB) serves as a one-stop shop for all companies aspiring to do business in Namibia. As a public entity in the Office of the President, the NIPDB exists to facilitate investments into Namibia.

This brochure presents the Namibian sectors which are abundantly filled with development opportunities awaiting investment. The areas of green hydrogen, renewable energy, oil and gas, chemical industry, sustainable tourism, transport and logistics and value addition opportunities in the mining sector.



## Sector Profile

# Tourism

### **Overview of sector and significance to the Namibian economy**

Tourism and Hospitality has become tantamount with Namibia. The country has a unique mix of wildlife, spectacular scenery, and diverse cultures. Tourism is the fastest growing economic sector in Namibia and employs over 100,000 Namibians, especially from rural areas, making this sector an important employer that helps reducing rural poverty. The increase in tourism to Namibia has led to a much-needed growth in this sector, including job opportunities, human resource development as well as investment in infrastructure.

Tourism development in Namibia is well managed and spatially coordinated, given the scarcity of the destination there is an abundance of pristine land with ample opportunity for investment. Based on the Ministry of Environment, Forestry and Tourism, Annual Tourist Arrival Statistics (2019) Pre-COVID-19, Namibia attracted over 1.596 million tourists for the year 2019.

More so, the tourism sector was a key employer (50,000 Namibians were directly employed in 2019) in the accommodation and food service sector. Statistics indicate that the overall direct and indirect contribution of the tourism industry prior to COVID-19 pandemic was estimated at 14.7 %.

Namibia was not resilient to the impacts of COVID-19. The financial and human resource costs of the pandemic-induced economic crises were severe, the sector is however recovering from the social and economic impact of Covid-19. Recently, Namibia recorded the highest occupancy rate since the COVID-19 outbreak. Tourists are slowly coming back to Namibia after the country recorded a national hotel occupancy rate of 39.4% during May 2022, HAN (2022).

Namibia has the necessary framework conditions for the tourism sector to continue growing exponentially and through that contribute to, local economic development, employment creation, community empowerment, and poverty alleviation. These elements are key development priorities for the Namibian government.

Conservation is a cornerstone of the Namibian experience; Namibia was the first African country to incorporate protection of the environment into its constitution. Today, over 46.8% of Namibia's surface area is under conservation management, this includes national parks and reserves, communal and commercial conservancies, community forests, and private nature reserves - the country has 86 registered communal conservancies. Based on the vast size of the country, its historic focus on conservation and its immense natural beauty, this sector is expected to expand substantially in the coming years.



### **Investment opportunities in the sector**

Namibia is a popular travel destination. Investment in sub-sectors such as tourism infrastructure and superstructures are welcomed. Further opportunities exist for joint ventures in communal conservancies, and very lucrative concessions. The sector has further attracted local and foreign direct investments with major international hotel brands establishing hotel brands in the country, including Hilton, Protea and Avani.

With an expected increase in the number of tourist arrivals in the country, the development of hotels, holiday resorts and private estates in identified tourist destinations, offers great business opportunities.

Additional investment opportunities can be found within reimagining product diversification of top luxury accommodation, conferencing, cruise tourism as well as film tourism within Namibia.

### **How to invest in the Tourism sector**

Investing in the Tourism industry in Namibia is a relatively straightforward process. Investors are required to obtain the relevant permits and licences from relevant authorities prior to setting up a tourism establishment in Namibia.

### **Shared experience of Domestic and Foreign Investments in Namibia**

The tourism industry has a wide range of investment opportunities, with the support of well developed telecommunications, road and port infrastructure. The sector has seen a plethora of success stories where huge investments were made.

An example of this is the well-known Skeleton Coast concession between the Hoarusib and Hoanib rivers in the Skeleton Coast National Park. The Shipwreck Lodge was rated as one of the world's top 100 greatest places by Time in 2018. This and other big establishments, such as the Hilton Hotel in Windhoek, Avani Hotel, Onguma Group lodges and Big Sky lodges, are some of the investment success stories in the sector.



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