

SECTOR PROFILES

Profiling Namibia's
priority sectors for
investment

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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.

To register your interest in any of the sectors featured within these pages, please visit our webpage on www.nipdb.com for further information. You’ll also find contact details at the end of this document.





Sector Profile

Global Business Services

Overview of sector and significance in Namibian economy

The Global Business Services (GBS) sector incorporates the provision of business services to international clients over digital channels using local Namibian labour. Namibia boasts a strong local business services sector, fuelled by the country's sophisticated banking and financial systems. Furthermore, the local Business Process Outsourcing (BPO) sub-sector (worth about US\$ 24,241,800 or 0.2% of total GDP in 2020) is expected to grow. This is due to deliberate efforts by the Namibian Government to rapidly expand the sector, with particular focus on human resource and payroll outsourcing services.

Opportunities in the Global Business Services sector and presence in Namibia

The three most promising enterprises within the GBS industry are call centres, training centres and full BPO centres. Given that it is a knowledge- and technology-intensive industry, a developed business environment is key to its success. These business services use advanced information and communication technologies that require sound and reliable ICT infrastructure. Additionally, a stable macro environment, with strong quality assurance systems are imperative to the success of such ventures. Companies in these industries further rely on spacious and cost efficient workspaces, safe environments and an overall quality of life to enhance the efficiency of their workforce. Namibia is able to meet all of these needs.

In terms of financial systems, the country has a well-established banking system, which is controlled by legislation and by state agencies working through the Bank of Namibia. Namibia has over 26 licensed telecommunication service providers, over 100% mobile telephone penetration with about 70% of users accessing the internet through various technology platforms and services. Due to extensive public and private sector investment into digital networks, digital connectivity is not only stable, fast and extensive, but rapidly expanding as well. The Government aims to implement an 'Open Access Network' infrastructure sharing regime in a bid to champion Universal Broadband Access by 2025.

Key to the GBS industry, Namibians are adept linguistically, speaking English as well as various local and international languages. The nation generally has a highly literate and educated population, with an especially vibrant and hardworking young generation. This ensures that a skilled workforce is available to engage in exactly the kinds of jobs offered by the BPO industry.

Furthermore, this educated and available workforce can be up-skilled as required by employers, by making use of the National Training Fund. And, where key foreign employees are required, especially while Namibian employees are being adequately trained, these foreign nationals can be assured of a high quality of living afforded by the legendary Namibian hospitality which makes for stable and secure living conditions.

Especially in light of labour shortages in this space in many parts of Europe, Namibia is poised to potentially become a preferred destination for offshore and / or near-shore service centres in both the telecommunications and digital segments of the GBS/BPS space. Namibia is ideally positioned to host a training and certification centre with an aim of educating GBS/BPS partner-company workforces.

As a case in point, South Africa has the largest BPO industry in Africa. South Africa's booming BPO industry is largely a result of their robust broadband infrastructure, native English speakers, favourable time zone, and a large youth labour pool; all features that are likewise present in Namibia. It therefore stands to reason that Namibia's BPO industry is poised to take off.



Sector Profile

Renewable Energy

Overview of sector and significance to the Namibian economy

Namibia is abundantly endowed with diverse indigenous energy sources. The country boasts the world’s second highest solar and wind regimes. Namibia possesses a technical wind potential of over 100GW, making it one of the windiest places in the world with a capacity factor of around 50%. In addition, Namibia has a large capacity of rangeland and biodiversity which make it suitable for the accumulated biomass opportunities from bush thinning, making it an economically viable resource for value addition opportunities.

Namibia’s Electricity Supply Industry (ESI) is regulated, operated and managed by several agents. The Ministry of Mines and Energy (MME) is responsible for energy policy and legislation, while the Electricity Control Board (ECB) is the regulator of the ESI. NamPower is a commercial public entity, responsible for electricity generation, transmission and energy trading. Regional Electricity Distributors (REDs) and some local authorities are licensed to distribute electricity, while a number of Independent Power Producers (IPPs) are licensed to generate renewable energy.

At its peak, the economy consumed about 640 megawatts of power per annum with a large part of the energy needs imported from neighbouring countries and the Southern African Power Pool (SAPP). On average, NamPower imports between 50% and 60% of its energy requirement.

Namibia’s current Generation Capacity

Installed Capacity: 680 MW
Hydro: 347 MW
Coal: 122 MW
Wind: 7 MW
Solar: 163 MW
Thermal (Gas, HFO, Diesel): 41 MW

Namibia’s Grid Connections

Current Access Rate: 56%
Urban: 72%
Rural: 35%

Source: <https://www.usaid.gov/powerafrica/namibia> (2021)

NamPower owns a world class transmission system and a network of 66 kV to 400 kV overhead lines spanning a distance of more than 11,700 km. Continuous investments are being made to strengthen and maintain the national grid to ensure an efficient, reliable and effective network with minimal disruptions.

Opportunities in the Renewable energy sector in Namibia

The Government of Namibia's commitment to supporting renewable energy is prescribed in the Renewable Energy Policy and National Energy Policy. Rapid technology development in Solar PV, wind, biomass and storage will enable the country to diversify the local generation mix, reduce dependency on electricity imports, and ultimately deliver a sustainable low-cost supply mix to the economy of Namibia.

Given the abundance of renewable resources available to Namibia, Namibia has the potential to become energy self-sufficient via renewables and could become a net exporter of power to the rest of the Southern African region with proper investment in the renewable industry. The Renewable Energy Policy aims to achieve 70% or more of electricity generated in the country to be from renewable energy sources. Coupled with the Independent Power Producer policy and Modified Single Buyer arrangements - further private sector investment into the sector is anticipated.

The Renewable Energy industry is set to rapidly expand in light of the nation's Green Hydrogen ambitions, as well as the African Union’s (AU) announcement of an intended African Continental Power Pool.

How to invest in the Renewable Energy sector

Investment opportunities for Independent Power Producers (IPP) exists, as the Government introduced the newly Modified Single Buyer Market (MSB) model in 2019. This allows large electricity customers to buy up to 30% of their demand directly from an IPP rather than from NamPower. The MSB framework is expected to add 450 MW of solar power to the national generation capacity, once fully implemented, as well as export into SAPP.

NamPower will undertake a systematic procurement process for their power projects and invite potential bidders through a competitive procurement process. Private off takers generally negotiate Power Purchase Agreements (PPAs) with IPPs, where in some cases a competitive procurement process applies. Specific requirements for applications to obtain a generation license can be obtained from the ECB including detailed IPP application guidelines, information requirements, a standard advertisement format and a generation license application.

Shared experience of Domestic and Foreign Investment in Namibia

InnoSun Energy Holding is an affiliate of the French company, InnoVent. The Franco-Namibian company is an IPP that develops, constructs, operates and maintains renewable generation plants, specialising in solar and wind technologies. So far, Innosun has invested N\$ 600 million on four power plants currently in operation, namely the Omburu Solar Park (4.5 MW), Osona Fund Energy (5MW), Ombepo Wind Farm (5MW) and Alcon Energy (5MW). Innosun is now focusing on the Oab Wind Park (8MW) on more than 150 ha of leased land and the WindNam park (50MW), on more than 900 ha on leased land.

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Namibia can be described as one of the countries in the world, endowed with the best solar irradiation. Having such a valuable natural resource above us, the potential is immense, and it must be harnessed to achieve universal access to modern energy services.... As an IPP, InnoSun will be able to sign supply agreements with Contestable Customers (CC), who are required to register with the MSB office. For InnoSun, this presents exciting opportunities to participate in the local energy supply market and future alignment of the Namibian MSB with SAPP.

*~Usuta Imbili - Executive Director,
Innosun Energy Holding, 2021*

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Sector Profile

Green Hydrogen

Overview of the Green Hydrogen industry and significance to the Namibian economy

Due to its abundant sun, wind and vast open land, Namibia has a renewable energy production capacity of >250GW. This capacity is competitive on a global scale, making Namibia a leading low-cost green hydrogen producer and exporter at 1.5 USD/kg. This phenomenal advantage makes the Southern Development Corridor Initiative (SDCI) in the south-western part of Namibia the prime location for 10-15 Mt/pa (or \$35 billion) green hydrogen based exports. The country has significant potential to produce cost effective electricity from green hydrogen, that could boost both local and regional energy supply. This meaningfully contributes to the global agenda of decarbonising the earth.

The cost of electricity is the number one determinant of the cost of green hydrogen, of which the cost of the electrolysis is the other critical variable. Namibia is primed to become a key producer and supplier of green ammonia and can be competitive in the green ammonia market. The pricing is expected to decline over time as solar, wind and electrolysis production costs decrease.

Namibia is building its first large-scale vertically integrated green hydrogen plant. The project is planned to have a cost of US\$9.4 billion and will employ 3,000 people with 15,000 construction jobs necessary for the four-year build. Namibia has already engaged its first investor, awarding Hyphen Energy preferred bidder status for US\$4.4 billion (the fDi Report 2022, Financial Times).

Investment opportunities in the Green Hydrogen sector

A number of opportunities exist in maximising the value chain upstream and downstream. Upstream opportunities include the manufacture and assembly of wind foundations, blades, turbines and copper cables. It is expected that the majority of equipment will be imported from countries with tech expertise and manufacturing plants, however there may be localisation opportunities to manufacture the wind turbine foundations, blades and racking in Namibia. Downstream opportunities involve the production of synfuel, methanol, fertiliser, green steel, zinc and iron ore.

The Africa Continental Free Trade Agreement (AfCFTA) and other trade agreements could potentially create a larger market for local manufacturing to serve, which would in turn increase capabilities. The green hydrogen plant further offers plenty of export opportunities, as Namibia can export excess electricity to neighbouring countries which have unstable electricity grids. We aim to see Namibia evolve into a net exporter of electricity with the development of this new green hydrogen plant.

Financing opportunities for green projects

To have a sustainable financing strategy that supports the commercialisation and growth of the green hydrogen industry is important. To this effect, Namibia recently launched the SDG One platform. This platform aims to streamline access to development financing, in order to accelerate project development and mitigating certain investor risks.

The platform is envisaged to be hosted under the Environment Investment Fund (EIF) and aims to deploy public, private and philanthropic capital towards power transmission infrastructure, hydrogen pipeline infrastructure and hydrogen-powered locomotives.

How to invest in the Green Hydrogen sector

Investors can participate in the green hydrogen development projects through privately run smaller scale projects. Developers will be required to take full control of all integrated components such as acquiring land and developing the various infrastructure (energy, desalination, transmission pipeline and storage facilities). Key approval, permits and licences are required to enable large scale projects, such as: application of electricity generation licences from the Electricity Control Board (ECB); connection to the transmission and distribution network with Nampower and distributors; environmental clearance from government authorities are key approvals needed. The government of Namibia will also systematically run competitive bidding processes for strategic parcels of land owned by the government where large scale wind and solar generation occurs for the production of green hydrogen.

Shared experience of Domestic and Foreign Investments in Namibia

Participation in the Namibian mining sector is predictable and secure, supported by a very strong political environment and a transparent policy and legislative framework. Following the adjudication process and ratification by the Green Hydrogen Council and Cabinet, Hyphen Hydrogen Energy (Hyphen) was selected as the preferred bidder for the first project in November 2021. Other bidders include local and global players such as: Sasol, Fortescue Future Industries (FFI), CRPG JV Broskies, Tumoneni and Neo Green. A consortium of a local and international firm (O&L and CMB.TECH) will build a hydrogen demonstration hub consisting of a 5MW solar park, 4MW electrolyser and a Hydrogen refuelling station.

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Namibia is uniquely placed to become an important role player in the world of decarbonisation through green hydrogen. You are blessed as a country with amazing renewable resources, both in the form of wind and solar, and in terms of the scale of land that is available. Those are really the ingredients you need to make cost-effective hydrogen

~ Marco Raffinetti - HYPHEN Hydrogen
Energy Chief Executive, 2022

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Sector Profile

Chemical Industry

Overview of sector and its significance in Namibian economy

The Chemical Industry is ranked amongst the top 10 sectors by capital investment according to the Global fDi Report of 2022 for Green Field Investments, with a value of US\$12.02 billion. However, this industry is relatively small in Namibia, with great untapped potential for growth, thanks to the country’s globally competitive deposits of sea-salt, sun and sand that stretches along 1500km of the Atlantic Ocean bordered by the Namib desert on the western coastline.





Namibia is the largest solar sea-salt producer and exporter in Sub-Saharan Africa, producing in excess of 1 million tons of salt per annum. In 2022, export earnings from sea salt and pure sodium chloride amounted to N\$ 149 million and N\$ 59 million refined table salt for human consumption (Namibia Statistics Agency 2022). These products are mainly destined for Europe, Cameroon, Nigeria, South Africa and the United States of America for industrial and human consumption. Triple grade refined salt is also exported to neighbouring countries including Botswana, Democratic Republic of Congo and Zambia. The bulk of low value industrial sea salt is exported in raw form to South Africa and is used to produce various kinds of chemical products for water purification, mining and chemical-based fertilisers imported back into the country as high value industrial products.

Investments with smart technologies and water purification solutions that support ESGs and SDGs are critical for industrial, human and animal consumption. To a lesser extent, the country is home to a small variety of well-established manufacturers of industrial paints, superior coating, cleaning detergents and chemicals, cosmetics, biodegradable plastics and adhesives amongst other chemical-based products. The list of companies may be accessed in the Manufacturing and Processing directory published by the Namibia Manufacturers Association for local supplier value chain development and Joint Ventures (JVs) for economies of scale and linkage opportunities with foreign investors, suppliers and buyers.

Opportunities in the Chemical sector and presence in Namibia

Although the country is the largest producer of solar sea-salt in Sub-Saharan Africa, it is one of the few destinations in the world without a sizable chemical plant at the point of primary input source. This presents an immense opportunity for a large-scale investment in a chemical plant by investors with a regional and global value chain, with access into the AfCFTA, EU, UK, USA, SADC and SACU markets supported by Free Trade Agreements (FTAs). Companies in the sea-salt based industry are mainly located in and around the coastal industrial city of Walvis Bay.

Investment opportunities:

-  **Production of Caustic Soda for domestic market and exports**
Caustic Soda is the main product produced from solar sea-salt and can be used to produce chemicals for the Namibian mining industry. The uranium mines in Namibia use a significant amount of caustic soda, currently supplied through imports. Caustic soda is additionally used for manufacturing glass in combination with desert sand or limestone.
-  **Production of Chlor Alkali and processing for domestic and international markets**
Namibia has a long history of purifying water from domestic waste to drinkable water. The Goreangab Water Reclamation plant is 100% owned by the City of Windhoek and managed by foreign investors under a build, operate and transfer model. Water purification chemicals used for this reclamation plant are imported from South Africa, produced from the bulk salt exported from Walvis Bay. This presents an opportunity for investors that are producers of caustic soda and off-takers of Chlorine to produce chemical products for the domestic, regional, continental and global markets. Chlor Alkali is the by-product in the process of sea-salt processing and production of Caustic Soda, which is the main product used for the production of chemical products.
-  **Fertilisers and other agricultural chemicals**
Ammonia nitrate is another by-product from salt beneficiation. If mixed with phosphate and potassium, it can be used as fertiliser in crop production. There is no significant fertiliser production in Namibia and in 2021, Namibia imported N\$ 623 344 582 worth of fertiliser, mainly from South Africa. This presents an investment opportunity to supply the domestic market and to export surplus fertiliser to neighbouring countries such as Zimbabwe, Zambia and Angola.
-  **Paints, coatings and adhesives**
There are few players both large and small in the cluster of paints, coatings and adhesives of which Peralin Paints, Neo Paints, Kansai Plascon and Hygiene Solutions are some of the key players. There is therefore an opportunity for companies with well established foot-prints in the SADC region, to maximise Namibia's strategic location as a production base for exports.

How to invest in the Chemical and Basic Material Industry

Investing in the Chemical industry of Namibia is a relatively straightforward process. Investors are required to obtain the relevant permits and licences from relevant authorities prior to setting up a chemical plant in Namibia. As an example, in the case of sea-salt based chemical products, the process includes:

- Registering a local company with the Business and Intellectual Property Authority (BIPA)
- In the case of a Salt mining and processing plant, applications for an Exclusive Prospecting Licence (EPL) which takes approximately 1-3 months and a Mining Licence (ML) that may take up to 6 months should be submitted to the Ministry of Mines & Energy, Mining Department. The EPL precedes the Mineral Licence.
- An Environmental Impact Assessment submitted for approval to the Ministry of Environment, Tourism and Forestry (Department of Environmental Affairs).

Shared experiences of Domestic and Foreign Investments in Namibia

The Walvis Bay Salt Holdings Group established in 1964, a subsidiary of NCP based in Johannesburg, South Africa is the largest producer and exporter of industrial grade bulk salt, chemical grade bulk salt, general purpose bulk salt and triple refined table salt. There is however a need to beneficiate this natural resource beyond the current low value products and this is why the establishment of a Chemical plant in Namibia after almost 60 years of sea-salt exports have now become quintessential for the development of the country.

To start this journey, a start-up called Namibia Chemicals was born in 2015 and is currently producing Chlorine for water purification for the local market, with huge potential for growth and up-scaling of production capacity.

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We have developed a home grown solution from salt, sand and the sun that Namibia has in abundance, to produce chlorine used for the purification of drinking and swimming pool water. The chlorine is additionally used in medicine, paper products and many more solutions.

~ Immanuel Hango - Director & Founder, Namibia Chemicals, 2022

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Sector Profile

Metals and Mining

Overview of the Metals, Mining and adjacent industries

This sector includes all activities involved in, and in support of the mining, production and processing of various metals, sand, concrete and construction materials.

According to the 2021 Fraser Institute Annual Survey of Mining Companies, Namibia's mining industry is one of the top 10 in Africa based on their Investment Attractiveness Index. The mining and quarrying industry is one of the largest contributors to GDP (N\$16 billion in 2020). A thriving industry that has historically driven Foreign Direct Investment (FDI) to Namibia. Going forward, domestic growth is anticipated to improve from the year 2022 onwards, largely boosted by diamonds and recoveries for some tertiary industries.

Namibia is the world's forth-largest producer of uranium oxide and largely sells to power utilities in Central Europe, North America and South-East Asia. Historically, diamond mining has been the leading sub-sector of Namibia's mining industry and it places Namibia in the top 10 global diamond producers in the world. Namibia is also a leading producer of zinc and the fourth-largest exporter of non-fuel minerals in Africa.

The mining industry itself is well-developed and sophisticated, with many local equipment and service providers contributing another N\$5 billion to GDP in 2020. These service providers facilitate the distribution of foreign goods or services, such as hauling vehicles and excavation equipment, furnaces and drill rigs and several processing operations.

Namibia's most influential drivers in the diamond markets are the US and Europe, with India and China becoming increasingly substantial.

Key commodities: Diamonds | Uranium | Copper | Lead | Zinc | Manganese | Tin | Rare Metals (REE, Tantalum, Niobium) | Lithium | Gold | Silver | Salt | Marbles | Granites

Investment opportunities in the upstream and downstream value chains

The mining sector has been slow to shift away from the extraction and export of minerals in their raw forms to mineral processing and value addition. However, value addition has been done on gold (unrefined gold bars); diamonds (diamond polishing and processing); copper (copper smelting – copper cathodes); zinc (zinc processing leading to 99.99% pure zinc); dimension stones (processing of marbles and granites into table toppers and tiles); coarse salt (refined salt) and cement. There is still room for significant investment in this industry, especially given that Namibia exports raw minerals and imports a portion of processed minerals back into the country.

The Namibian Government promotes mineral beneficiation through certain mining licence conditions from the mines and energy ministry that encourages a portion of minerals to be sold locally for further value addition in cases where local value addition industries exist and where minerals can be sold to those industries at competitive prices.

The mining industry has matured over the years, in large part due to a favourable legislative framework. This includes the allowance to deduct 100% of the exploration/development costs in the 1st year, security of tenure of mineral rights, and no compulsory Government shares. Thus, the untapped market potential coupled with a supportive regulatory framework ensures that this will be a fruitful industry that is ripe for investment.

How to invest

Mining in Namibia is regulated by the Minerals (Prospecting and Minerals) Act 33 of 1992. Section 2 of this Act vests all rights in respect of minerals in the state. Other laws applicable are the Diamonds Act 3 of 1999, Minerals Development Fund of Namibia Act 19 of 1996. To search for minerals, companies can apply for several authorisations, including a non-exclusive prospecting licence, exclusive prospecting licence and reconnaissance licence. Other licences include: Mineral Deposit Retention Licence (MDRL); Mining Licence (ML); and Mining Claims (MC), guidance on the application process for the various licences can be found at (<https://www.mme.gov.na/mines/mrrd/>).

Shared experience of Domestic and Foreign Investments in Namibia

Investor participation in the Namibian mining sector is a safe bet, enabled by a very strong political environment and a transparent policy and legislative framework. A number of regional and global industry leaders are participating in the mining industry.

The Namibian government and De Beers through a 50:50 joint venture created Namdeb to venture into primary land-based diamond mining and Debmarine Namibia (also a 50:50 joint venture between the Namibian government and De Beers) to handle off-shore diamond mining.

Lodestone (a mining company with U.S. shareholding) commenced iron ore extraction in 2015. In 2018 Desert Loin shipped their first shipment of 30,000 tons of lithium ore. A third lithium mine in western Namibia is currently under development by the global lithium exploration and development company, Lepidico Ltd.

A few other foreign companies with operations include: B2Gold Corporation | Skorpion Mining Company [Vedanta Zinc International] | Namibia Custom Smelters [Dundee Precious Metals Inc]



The Benguela Gem is the first of its kind and represents an outstanding feat of engineering design, technology innovation and sustainability performance. Despite significant challenges presented by Covid-19, the project was delivered ahead of time and budget – a testament to the world-leading skill and expertise of all involved. The investment in this vessel will support a long term, sustainable future for Namibia's diamond sector, which is home to some of the most sought-after diamonds in the world.

~ Bruce Cleaver - De Beers Group Chief
Executive Officer 2022





Sector Profile

Oil and Gas

Overview of sector and significance in Namibian economy

Namibia is poised to become a major player in the oil and gas industry given its known gas deposits and recent oil deposits discoveries. The discovery of oil deposits has been reported both onshore, in the Kavango East region and offshore, in the Orange Basin. Regarded by many as a “game changer” as it will attract billions in investments. The Government of Namibia has pledged to provide all the necessary support to expedite the field development to achieve production by 2026.

The NAMCOR and ReconAfrica partnership, announced preliminary analysis of the data which provides clear evidence of a working conventional petroleum system in the Kavango Basin.

NAMCOR and its partners, Shell Namibia Upstream B.V and Qatar Energy, announced that the Graff-1 deep-water exploration well has made a discovery of light oil in both primary and secondary targets. The company is currently engaged in extensive laboratory analyses to determine the reservoir of the available oil deposits. The drilling of the second exploration well will determine the size and recoverable potential of the identified hydrocarbons.

NAMCOR together with its partners TotalEnergies and QatarEnergy also announced another discovery of major light oil and associated gas on the Venus-1X prospect, located in block 2913B (PEL 56) in the Orange Basin, offshore southern Namibia. The Venus-1X discovery is located approximately 290 kilometres off the coast of Namibia, in the deep-water offshore exploration block.

Presence and opportunities in the Oil and Gas sector

The oil and gas sector is a fairly new sector that requires further development. Currently the focus has been on the upstream activities which include searching for potential underground or underwater crude oil and natural gas fields, drilling of exploratory wells, and subsequently bringing the crude oil and/or raw natural gas to the surface. To this end, the Ministry has issued a number of exploration licences that resulted in the latest discovery of oil in Namibia.

The downstream activities based on Namibian crude oil will start once the oil discovery proves to be commercially viable. Though the recent drilling revealed deposits of oil reverses, more work is still underway to confirm the exact volumes. Should the oil be commercially viable, there would be more downstream opportunities such as refinery, reforming, blending storage, mixing and shipping. (However, several downstream opportunities already exist primarily due to the increased regional demand for petroleum, coupled with the dwindling supply from South African refineries.)

The international oil companies are invited to apply for petroleum exploration licences in Namibia, under the Open Licensing System which was adopted in 1999. Companies can now apply at any time for acreage.

How to invest in the Oil and Gas industry

The Government of Namibia has a modern and well developed legislative framework governing the Namibian upstream oil and gas through the following legislations:

- 1. Petroleum (Exploration and Production) Act, 1991 (Act 2 of 1991);
- 2. Petroleum Taxation Act, 1991 (Act 3 of 1991);
- 3. Petroleum Laws Amendment Act, 1998(Act 24 of 1998); and the
- 4. Model Petroleum Agreement(MPA), 2007.

Additionally, NAMCOR is a State-owned company that takes care of the government's interest in the Namibian mineral resources. NAMCOR has the option to voluntarily participate in the licence agreement if offered by the company during negotiations. NAMCOR's interests are usually carried out during the exploration phase but they will also contribute to the development phase and beyond. However, no applicant is compelled to offer NAMCOR a share in a licence and no applicant will therefore be penalised for not making an offer to NAMCOR.

Shared experience of Domestic and Foreign Investments in Namibia

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Following the recent success of the Graff-1 well by Shell, the second light oil discovery by TotalEnergies has demonstrated the world-class potential of this new play in the deep-water of the Orange Basin, which could be a major game changer for Namibia’s economy and its people. We look forward to the upcoming appraisal programme to quantify the extent of this major discovery.

~ Immanuel Mulunga
Managing Director NAMCOR

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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.



Sector Profile

Transport and Logistics

Sector overview and significance to the Namibian economy

Following significant public investments over the years, Namibia boasts well-developed road, sea and air infrastructure to support economic growth and development.

Strategically located along the south-western coast of Africa, Namibia's well-developed infrastructure augments its ambition of becoming a logistics hub in Southern Africa. Namibia's road network was ranked 1st in Africa for quality road infrastructure by the World Economic Forum Competitiveness Report of 2019. The road network connects Namibia with neighbouring Angola, Botswana, Zambia, Zimbabwe and South Africa, and is further complemented by strategic trade corridors that link to landlocked countries within the broader region.

Namibia has two congestion-free ports strategically located along its coastline: the Port of Walvis Bay and Port of Lüderitz. The Port of Walvis Bay is the country's primary port and gateway into southern Africa. It serves as a transit hub to the Americas, Asia and Europe. The Port of Lüderitz is located in southern Namibia and serves the north-western market in South Africa. Both ports service an array of industries from mining, fishing, salt, meat and petroleum amongst others. Key regional markets are connected to the Port of Walvis Bay through four strategic trade corridors. These trade corridors facilitate trade between the Port of Walvis Bay, the southern African region and beyond. The Trans Kalahari Corridor connects Namibia with Botswana, South Africa and Zimbabwe, whereas the Walvis Bay-Ndola Lubumbashi Development Corridor connects Namibia to Zambia and the southern Democratic Republic of Congo (DRC). The Trans-Cunene Corridor connects Namibia to southern Angola and the Trans-Oranje Corridor connects Namibia to north-western South Africa.

Following the expansion of the Port of Walvis Bay, the port's capacity has been increased to handle 750,000 TEUs and 10 million tonnes of cargo annually. Hence, shipping lines docking at the Port of Walvis benefit from efficiency, competitive turnaround times, safety, minimal delays and a congestion-free port, as well as superb logistical services. Additional facilities include dry docs for repairs to ships as well as oil and gas rig repairs.

Both ports are linked to the country's rail network that consists of 2,687 km of rail and the potential therefore exists to increase the volume of cargo by rail, hence the Government plans to upgrade the railway infrastructure and extend its network to support the expanding transport infrastructure.

Namibia has expanded its airport infrastructure to enhance capacity for international and regional airlines landing in the country. While Namibia has eight airports, the Hosea Kutako International Airport situated in the capital is the country's main airport. Other airports include the Eros Airport, Katima Mulilo Airport, Keetmanshoop Airport, Lüderitz Airport, Ondangwa Airport, Rundu Airport and Walvis Bay Airport that can provide additional access to major towns.

Opportunities in the Transport and Logistics sector and presence in Namibia

The Port of Walvis Bay has facilitated the development of offshore berths for the import and export of dry bulk cargo consisting primarily of mineral ores and coal. The berths will have capacity to handle 10 million tons of dry bulk cargo annually. Others such as the Botswana coal terminal will have the capacity to handle 100 tons of coal annually. The berths will be linked to the shore via access trestles.

The upgrading and expansion of the Hosea Kutako International Airport is being contemplated through a Public Private Partnership (PPP) arrangement to facilitate an increase in the forecasted tourist and cargo demand, and provide international standard non aeronautical services.

Various other initiatives are planned to enhance the country's logistics and intermodal capabilities, projects such as constructing and upgrading railway network between Tsumeb to Katima Mulilo (to an axle load of 18.5 tonnes) further linking the Zambian and Zimbabwean market.

How to invest in the Transport and Logistics industry

Infrastructure projects for airports, rail, roads and ports, as well as supporting goods and/or services are deployed to the market through a procurement process in accordance with the Public Procurement Act, 2015 or the Public Private Partnership Act, 2017. Entities interested in projects or the provision of goods and/or services are welcome to participate in a competitive bidding process.

Additionally, the existing infrastructure allows for effective operation of private logistics companies serving the Southern African market. Investment into transport management involves warehousing and distribution, freight forwarding, customs brokerage, transportation and supply-chain management services. All of which present great opportunities for private sector companies.

Shared experience of Domestic & Foreign Investments in Namibia

International companies who are successfully operating within the transport and logistics sector include Kuehne & Nagel, Maersk Namibia, DB Schenker, Manica Group, Sturrock Grindrod and Transworld Cargo.



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