

Cheers Namibia, we truly love you. There is none like you

So Namibia's government budget is on the rims [she imagines smoking hot donuts, the smell of rubber on tar, and screeching wheels amidst a screaming audience]. However, this time it is not a 'post-race celebration', rather an overwhelming amount of smoke-in-air, note the punt. In order to 'keep the wheels on', Namibia's poorest communities are feeling the pinch. We have a population of roughly (and only) 2,4 million citizens, is what's poking me from the back. About half of that is our youth. So imagine the perception towards our leadership, when we're barely making ends meet, albeit being rich in potential and corporate enthusiasm.

Recently media reported that the health ministry claimed they would be saving N\$60 million per year if they scrap tea and coffee from hospitals' menu across the country [you paused when reading that one some time ago, right?]. Only last year November, media reported on budget cuts sacrificing eight hospitals. The health ministry's budget was cut by N\$138 million. For the renovation and construction of hospitals, the health ministry's budget was reduced by N\$59 million which was diverted to other projects in other ministries. The ministry of education's development budget was slashed to N\$516 million from N\$660 million, a reduction of N\$144 million. Seeing a resemblance in terms of 'coping strategies'? So it's cool if spending is cut, but is it cool if Government's debt still balloons? In March 2019 media reported that Government spending would be cut by more than N\$1 billion during the 2018/19 financial year, but Namibia's state debt will still continue to balloon over coming years. With revenue of N\$56,7 billion budgeted for in 2018/19, government will be confronted with a budget shortfall of N\$8,3 billion. It's like head banging pointlessly in a screamo concert, hoping your drink won't spill [but of course it does].

Take a breath; we're not trying to endorse 'hopelessness'; just trying to get to the bottomline in that – if the success of a business is almost directly linked with the reputation and vision of the CEO, if presidents (but they represent many 'Political CEOs', remember that) in Africa have done well or failed a country dismally, what have we learned? Are we failing forward, or stage jumping on command of what 'works' for most, and what has become popularly endorsed amongst a large

percentage of leadership. We have had it easy some years ago, but now character, old habits, and a noticeable 'allergy to change' is apparent. Again; we have good leaders, but the chess game does not always provide the right piece at the right time or for the right reason.

Namibia scored 53 points out of 100 on the 2018 Corruption Perceptions Index reported by Transparency International. The Corruption Index in Namibia averaged 48.57 Points from 1998 until 2018. This, in a country with a 38% (of which is reported) unemployment rate. With super hungry people, living in shacks. Somewhere, someone is 'having it', and the majority, 'not'. With a budget deficit of N\$7,9 billion (4% of GDP) projected for 2019/20 and a shortfall of N\$5 billion (2,3% of GDP) expected in the year after that, Namibia's national debt will continue to grow. Being a business owner; I know what it feels like to rethink, restructure, and do more with less. There is no room for 'get more; give less' in the current economy. A couple of months ago, media reports regarding government's wage bill, spiked across print, broadcast and online media. Namibia's current wage bill uses up 50% of the country's revenue, and stands at 16% of the gross domestic product (GDP). [Sh*t, you think silently, looking around you to find someone to talk to about this]. Now; add state owned enterprises, and the wage bill goes up to 70% [I won't quote you on this one]. The wage bill shot up from 13 to 30 billion Namibian dollars in the past few years. So if political and business leaders are advising government to reduce its wage bill (combatting legal corruption?) to increase its current 20% contribution to the national economy, what can we report on?

Businesses are expected to align with national growth goals, to help the poor, to implement long-term social investment strategies, to employ (and not retrench), to grow and to pay taxes. However, in my opinion, this disconnect between communicating an 'ideal business model' or public private partnerships for Namibia, versus the situation of the ruling government (and wage bill), does not set the table with leading by example. We are on board, "let's get our priorities straight", let us focus on agriculture (government donates towards drought), tourism (destination of choice 2019), logistics, and housing. Furthermore, there is a need to channel investments towards Vocational Training as it engages individuals in learning practical skills for different occupational activities and has the full potential to boost

entrepreneurial activities, which would really do some good in creating job opportunities and put some much-needed growth in the economy.

Some other highlights in the past few days;

Politics

21/03/2019

Person in focus: Minister Katrina Hanse-Himarwa

Education minister's corruption trial postponed to May

- The trial of education minister Katrina Hanse-Himarwa, who is being prosecuted on a charge under the Anti-Corruption Act, is scheduled to resume in the Windhoek High Court at the beginning of May.
- Hanse-Himarwa (52) is being prosecuted on a charge of corruptly using an office or position to obtain gratification for herself or another person. The charge, on which she denied guilt at the start of her trial in October last year, emanates from her tenure as governor of the Hardap region from 2004 to early 2015.
- The charge is based on allegations that Hanse-Himarwa in December 2014 interfered in the allocation of houses built at Mariental as part of the mass housing development programme by having two people taken off the list of beneficiaries of the housing project and having them replaced by two of her relatives.

<https://www.namibian.com.na/76805/read/Education-ministers-corruption-trial-postponed-to-May>

Politics

20/03/2019'

Person in focus: Minister Pohamba Shifeta

Environment and tourism Minister Pohamba Shifeta urges business community to uplift tourism

- Minister Pohamba Shifeta has urged the business community to come up with viable interventions for optimising the role of tourism as an engine and catalyst for economic development and growth in Namibia.
- Speaking during a meeting on tourism organised by the Namibia Chamber of Commerce and Industry (NCCI) in Windhoek yesterday, the minister said the success of tourism depends on collaboration and cooperation among all stakeholders through shared experiences.
- The business community should take part in the subsidised roadshows and international trade fairs coordinated by the Namibia Tourism Board (NTB) as this will enable them to market their products better, he urged. "Tourism is one of the economic sectors with the potential to reshape the economy during these hard times," he noted.
- Discussions during the meeting focused on how the tourism sector can be a catalyst for growth, and also looked at the various strategic areas for potential business and investment, as well as the role of the business community in the tourism industry.

<https://www.namibian.com.na/76786/read/Shifeta-urges-businesses-to-uplift-tourism>

Politics/Economy

22/03/2019

President Geingob on leading a nation that wants more

- “You first create and maintain a good governance architecture, that is to say we must be transparent and accountable with trust to the people. As elected officials we have to be people-centered, meaning we must address their needs. The socio-economic architecture has been the most challenging one. Inequality is still growing, poverty is still there, but there are also things we have achieved. To continue the legacy, we’re building infrastructure and things like schools. Our education faces enormous challenges”.

- “When we took over [in 2015] we inherited or we came with massive deficits – about N\$3 billion. So we started off with cash flow problems, but we took drastic actions that are helping us to get out of the woods now. We also addressed issues of corruption, quietly. Firstly, we cancelled the airport project that spiraled from N\$3 billion to N\$7 billion. I said ‘how could the big gap be justified’?

- “We also investigated the issue of the oil storage facility, which was quoted in US dollars instead of Namibian dollars. We paid nearly half a billion just in currency fluctuations. We came up with the Harambee Prosperity Plan, which is an idea and vision of a leader, not to replace all existing national development plans but to accelerate them”.

<https://neweralive.na/posts/president-on-leading-a-nation-that-wants-more>

Politics/Economy

22/03/2019

Person in focus: President Hage Geingob

President Geingob enumerates independence gains

- President Hage Geingob yesterday marked the 29th anniversary of Namibia's break from South African colonial rule with a vow that Namibia has undergone tremendous transformation over the past 29 years.
- "The Namibia of 2019 is a far cry from the Namibia of 1990. This, coupled with our hard won freedom, is an achievement worthy of celebration. To the very few who are saying that there is nothing to celebrate, I say yes there is a lot to celebrate. This progress has buttressed our efforts to create a united, peaceful and prosperous society," President Geingob added.
- Addressing hundreds people who gathered at the Independence Stadium to celebrate independence, Geingob enlisted the country's successes over the past 29 years. He said the country has established the firm foundations of democracy, unity, peace and stability, and used them to develop a robust governance architecture, characterised by well-functioning processes, systems and institutions.
- President Geingob reminded his audience of the declaration of a war against poverty – made four years ago when he became president. "We have made tremendous progress over the years with regards to fighting poverty. We also made progress in fighting corruption by being transparent and accountable and by so doing, building trust for transparency + accountability = trust," Geingob said.
<https://neweralive.na/posts/geingob-enumerates-independence-gains>

Politics/Economy

20/03/2019

Region in focus: SADC

SADC to set up Development Fund

- The SADC region is working on programmes of industrial development and market integration, infrastructure, peace and security and special programmes with a regional dimension.
- The seven-day meeting whose theme was 'Coordination of Development Programmes to Maximise Employment Creation and Productivity' discussed various issues, among them industrialisation.
- Under these programmes, there will be a number of activities, including those in transport, energy and information communication and technology.
- The proposal also included using other levies that member states agree on, such as transport and financial services levies for the region to fund its programmes rather than rely on donors.
- The budget presented by SADC executive secretary Stergomona Lawrence Tax at the opening of the ministers' meeting on Friday showed that allocations for regional dimension programmes had decreased from 48% in 2015/16 to 35% in the 2018/19 financial year. Budgets for industrial development, market integration and infrastructure increased from 38% in 2015/16 to 48% in 2018/19, while allocations for peace and security increased from 14% to 17% during the same period.

<https://www.namibian.com.na/76781/read/SADC-to-set-up-development-fund>

Economy/Business

21/03/2019

Company in focus: Eco (Atlantic) Oil and Gas

Eco Atlantic is identifying new projects in frontier areas requiring low-cost entry

- Eco (Atlantic) Oil and Gas operates in the Republic of Namibia and the Co-Operative Republic of Guyana. The company is an international oil and gas exploration and development company focused on the identification, acquisition and development of upstream petroleum opportunities in politically stable and technically de-risked jurisdictions around the world.

- The 2019 TSX Venture 50 is a ranking of top performers on the TSX Venture Exchange over the last year. The ranking is comprised of 10 companies from each of the five industry sectors, and they were selected based on three equally weighted criteria: market capitalization growth, share price appreciation and trading volume.

Politics

20/03/2019

Persons in Focus: countries affected by colonialism

The iron grip of colonial Masters in Africa

- The article reads that although colonialism has come to an end in Africa, that the former colonial powers activities and capabilities on the continent are very limited.

- Most indicative is France, whose energy, tied up at nuclear power plants, to a large extent depends on the uninterrupted supply of African uranium. Its largest exporter is the West African country Niger, in which the firms controlled by Areva, the state corporation and the leader of the nuclear industry in France, are the operators of the main uranium deposits in the country.

- Deeply rooted in the African countries, oil and mining mastodons are from The UK. According to 2016 data, the potential cost of all African mineral resources, controlled by UK companies was 1.06 trillion dollars. Including 6.6 billion barrels of oil and 79.5 million ounces of gold.

Politics

19/03/2019

Persons in focus: President Hage Geingob

Why some won't be celebrating Independence

- Ruling political party Swapo has not, so far, had to bother about a loss of legitimacy. Namibia's system of a post-liberation democracy is a classic case of "competitive authoritarianism". The term was coined by the US political scientists Steven Levitsky and Lucan A Way.
- They argue that: ... parties whose origins lie in war, violent anti-colonial struggle, revolution, or counterinsurgency are more likely to survive economic crisis, leadership succession, and opposition challenges without suffering debilitating effects.
- They conclude: "Revolutionary or liberation struggles also tend to produce a generation of leaders... that possesses the necessary legitimacy to impose discipline during crises".

Economy

19/03/2019

Business and Persons in Mention: BW Kudu Limited, Olso Stock Exchange, Klaus Ederesen

Tech advancements revive Kudu Gas to Power Project

- BW Kudus Namibia Country Manager, Klaus Enderesen, is fairly confident that the necessary local and international investors can be secured to mobilise the approximately US\$2 billion needed to bring the 475 MW project to fruition.
- During an exclusive interview with New Era, Enderesen noted that once all the necessary elements are in place, it will take about three years to see the Kudu Gas to Power project providing stable and reliable electricity to the Namibian market. However, he noted that it will take another year for all the additional elements to be in place, including sufficient research on supplying electricity to South Africa.
- He pointed out the fact that Namibia imports on average 60 percent of the electricity it consumes. This electricity which is mainly imported from South Africa's Eskom, with the balance imported from Zambia and Zimbabwe, imposes an annual import bill of about N\$3 billion on the Namibian economy. With the implementation of Kudu Gas project, Namibia would become self-sufficient for several years, after the current agreement with Eskom will expire in 2022, said Enderesen.
- Enderesen concluded that the construction of the Kudu Gas power plant would directly employ more than 1200 people, and during operation, the power plant will directly employ 60 to 70 people with the same amount of people employed offshore. He added that the project also has the potential to develop a substantial support industry seeing as Kudu would be the first extractive hydrocarbon initiative ever in Namibia.

Industry/Kosmos Energy

19/03/2019

Union in focus: Trade Union Congress of Namibia (TUCNA)

The Trade Union Congress of Namibia (TUCNA) has appealed to the finance minister to provide clarity on the oil storage facility saga and the Chinese's loans

- TUCNA wants Finance Minister to provide clarity in the National Assembly on the oil storage facility saga and the issue of Chinese tenders to Chinese firms that leads to outflows of billions from Namibia thereby depleting local reserves.

- <https://app.box.com/s/9or5h1t0aihsw4gng7zrj8vfvuegkdw>

Industry/Kosmos Energy

20/03/2019

Person in focus: South African Minister of Mineral Resources Gwede Mantashe
Great, South Africa found Gas, Now What?

- Coming at a time when South Africa's policy makers are struggling to diversify the country's energy mix, Total Exploration and Production Southern Africa recently announced a major offshore gas discovery.

- The Brulpadda well off the shore of Mossel Bay is one of a number of highly anticipated exploration prospects in South Africa.

- The move notably saw super major Royal Dutch Shell relinquish a license to search for oil off South Africa, citing legislative uncertainty. Uncertainty does indeed prevail across South Africa's oil & gas licensing and regulation. Careless expedience to reopen the licensing process given the inevitable interest that follows such a discovery could still ultimately be detrimental to the country's benefit from possible reserves.

- President Cyril Ramaposa's recent announcements to debundle the debt-ridden Eskom is detailed to be an effort to motivate private power producers. This progressive approach to incentivize private companies, if conducted through a fair and inclusive manner, stands to be a significant determinant in attracting investment into gas-to-power facilities.

<https://africabusinesscommunities.com/features/column-zwelakhe-gila-great-south-africa-found-gas.-now-what/>

Love,
Natasja