



## Exporter Guide

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# NAMIBIA

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Country Brief  
July 2010

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## RUGBY IN NAMIBIA

The Rugby World Cup (RWC) is a major international event that is expected to bring eighty-five thousand visitors to New Zealand, creating demand for products and services – and raising our profile internationally. New Zealand businesses will have access to opportunities generated by the event, and it will provide a platform to build relationships with international clients. The NZ2011 office is coordinating a festival of activity that will provide an opportunity for visitors to experience the best of New Zealand’s culture and industries, from food and wine to superyachts, film and fashion. New Zealand Trade and Enterprise (NZTE) is working with NZ2011 to showcase our innovative industries, businesses and business people, and to maximise opportunities to bring them together with international partners and investors.

This section outlines information on Namibian Rugby, its followers and the Namibian team’s visit for New Zealand companies in host regions. To find out more about how NZTE is working with businesses to leverage opportunities around RWC 2011, visit the NZTE website: [www.nzte.govt.nz/rugbyworldcup](http://www.nzte.govt.nz/rugbyworldcup).

Rugby Union has been played in Namibia since 1916, when it was introduced by invading South African soldiers of the then German colony. Before Namibia gained its independence in 1990, it played as South West Africa in South Africa’s domestic Currie Cup competition. When Namibia gained independence in 1990, the Namibia Rugby Union was formed and immediately joined the International Rugby Board.

Due to Namibia’s historical connection with South Africa, Rugby in Namibia has been strongly influenced by events in South Africa and its domestic competition. The Rugby Union playing population in Namibia is still relatively small, with only 23 clubs and around 7,327 registered players. As in South Africa, the sport is most popular among Afrikaans speakers, but is also enjoyed by many English-speaking Namibians.

As a vast, sparsely-populated country with little infrastructure, players frequently have to travel huge distances to games and the national teams suffers from the lack of frequent and strong competition. Known as the Welwitschias or Biltongboere, the Namibian team made their Rugby World Cup debut in 1999. They qualified for the subsequent 2003 and 2007 RWC, but are yet to win a match in the competition.

Visiting teams will travel from region to region rather than having one host city for the duration of their stay (see table below). Namibia is in Pool D and will play South Africa, Wales, Fiji and Samoa in stadiums across the North Island. The New Zealand 2011 Business Club and regional bodies will connect New Zealand businesses with international visitors interested in exploring business opportunities over the cup period. To view events happening in your region, visit the regional host websites listed at the end of this section.

NAMIBIAN TEAM TRAVEL SCHEDULE			
TEAM BASE	NIGHTS	DATES	TRAINING VENUE
Gisborne	7	Sep 1 – Sep 7	Rugby Park
Rotorua	7	Sep 8 - Sep 14	Smallbone Cricket Oval
Gisborne	5	Sep 15 – Sep 19	Rugby Park
Rodney	3	Sep 20 – Sep 22	Silverdale Rugby Club
New Plymouth	4	Sep 23 – Sep 26	TET Stadium, Inglewood



### GREETINGS FOR AFRIKAANS-SPEAKING VISITORS

<b>hello</b>	hallo!
<b>good-bye</b>	totsiens!
<b>please</b>	asseblief!
<b>thank you</b>	dankie!
<b>excuse me</b>	verskoon my! (to ask something) ekskuus! (to pass by)
<b>yes/no</b>	ja / Nee
<b>you're welcome</b>	jy is welkom!
<b>welcome to New Zealand</b>	welkom na Nieu-Seeland!
<b>go Namibia!</b>	gaan Namibia!
<b>congratulations</b>	baie geluk!

### USEFUL WEBSITES

#### ORGANISATION

Rugby World Cup 2011	<a href="http://www.rugbyworldcup.com">www.rugbyworldcup.com</a>
NZ 2011 Business Club	<a href="http://www.nz2011.govt.nz">www.nz2011.govt.nz</a>
Namibian Rugby	<a href="http://www.namibianrugby.com">www.namibianrugby.com</a>

#### WEBSITE

#### REGIONAL HOST

Rotorua	<a href="http://www.bayofplenty2011.com">www.bayofplenty2011.com</a>
Gisborne	<a href="http://www.gdc.govt.nz">www.gdc.govt.nz</a>
Rodney	<a href="http://www.rodney.govt.nz">www.rodney.govt.nz</a>
New Plymouth	<a href="http://www.newplymouthnz.com">www.newplymouthnz.com</a>

#### WEBSITE

## KEY INDICATORS: NAMIBIA

#### ECONOMIC INDICATOR

#### FRANCE

Population	2,128,000 (2009)
GDP	US\$9.145 billion (2009 est.)
GDP Growth Rate	0.7% (2009 est.)
GDP Per Capita (PPP)	US\$6,400 (2009 est.)
Inflation	8.8% (2009 est.)
Total Imports	US\$5.00 billion (2009 est.)
Total Exports	US\$3.98 billion (2009 est.)
Currency	Namibian Dollar
Exchange Rate	NZ \$1 = 5.21 (as at June 2010) US \$1 = 7.36 (as at June 2010) (see <a href="http://www.oanda.com">www.oanda.com</a> for the latest exchange rate)

Source: CIA World Factbook, Oanda Currency Converter



## OVERVIEW

### Namibia and New Zealand

Since Namibia's rise to independence in 1990, New Zealand has had a number of business links with the country. Examples of these links include New Zealand's role in the development of the orange roughy and other deepwater fisheries in both the Namibian Exclusive Economic Zone and adjacent seas. Further, New Zealand Post was involved in the reform of the Namibian postal service and in 2008 a New Zealand company spent five months providing software training nation-wide to Telecom Namibia. Namibia also has ongoing interest in learning from New Zealand's public sector reform experience.<sup>1</sup>

### Economy

The Namibian economy has been stable over the past five years, with a moderate growth rate of 4 percent on average. The economy is closely linked to South Africa and the Namibian dollar is pegged one-to-one to the South African rand. Parts of the economy are modern and well developed, but a majority of Namibians depend on subsistence agriculture and herding. Namibia's high per capita GDP in comparison to countries in the region hides one of the world's most unequal income distributions.

The economy is heavily dependent on the extraction and the export of minerals including uranium, diamonds, copper, gold, lead, and zinc. Increased fish production and zinc, copper, uranium, and silver mining spurred growth in 2003-08, but recent growth has been undercut by poor fish catches, higher costs in the metal production industry, and the global recession. Under a diversification programme, the government is placing emphasis on manufacturing with the view to creating value-added processing to the unfinished products produced in the country, as well as imported inputs.

Namibia was ranked as the 77th freest economy in the world, or 6th in the Sub-Saharan Africa region, in the 2010 Index of Economic Freedom. This above-average ranking is testament to Namibia's straightforward regulatory environment and average tariff rates. However, certain weaknesses within the Namibian economy were reflected in a reduction of points for high inflation, scarce access to credit and banking services for those in rural areas, the number of remaining state-owned enterprises, non-tariff barriers, and the government's racially-oriented land reform policy.<sup>2</sup>

### Industry

During 2004–2007, Namibia's primary industries accounted for 21 percent of GDP on average, with the secondary and tertiary industries accounting for 18 and 53 percent respectively. Within the primary industries, mining accounted for 12.4 percent in 2007, followed by agriculture and forestry (6.4 percent) and fishing (4.2 percent). The importance of the mining industry is reflected in its contribution to foreign exchange earnings, at more than 50 percent. However, mining employs only around 3 percent of the population. The secondary industries were dominated by manufacturing (14.3 percent) in 2007, followed by construction (3.4 percent) and electricity and water (2.7 percent). Finally, the tertiary industries were dominated by general government services (16.9 percent), wholesale and retail trade (9.9 percent), real estate and business services (8.4 percent), transport and communication (5.9 percent) and financial intermediation (3.5 percent) and hotels and restaurants (1.5 percent).<sup>3</sup>

<sup>1</sup> Source: Ministry of Foreign Affairs and Trade. *Country Information: Namibia*. ([www.mfat.govt.nz](http://www.mfat.govt.nz)).

<sup>2</sup> Source: CIA. *World Factbook: Namibia*. ([www.cia.org](http://www.cia.org)); The Heritage Foundation and Wall Street Journal 2010 Index of Economic Freedom: Namibia ([www.heritage.org](http://www.heritage.org)); SADC Trade. *Namibia Report* ([www.sadctrade.org](http://www.sadctrade.org)).

<sup>3</sup> Source: CIA. *World Factbook: Namibia*. ([www.cia.org](http://www.cia.org)); PricewaterhouseCoopers, *A Business and Investment Guide for Namibia 2008*. ([www.pwc.com](http://www.pwc.com)).



## Investment and Foreign Trade

Foreign direct investment (FDI) inflow totalled US\$746.4 million in 2008, with the finance and mining industries receiving the largest portions of FDI in Namibia. Namibia has one of the lowest credit risk ratings in Africa, partially due to the highly competitive incentive regimes that the government has put in place to mobilise FDI and make doing business in Namibia attractive. Incentives, which apply equally to domestic and foreign investors, aim to create employment, develop industry and increase exports. There is no requirement for local participation in foreign investments, but the government actively encourages partnerships with historically disadvantaged Namibians. While Namibian companies are generally open to foreign investment, private domestic and foreign investments in state-owned enterprises are limited to joint partnerships.

Exports are dominated by unprocessed primary commodities such as minerals, meat and fish. In contrast, imports mainly comprise of manufactured goods and consumer goods. Namibia is the fourth-largest exporter of non-fuel minerals in Africa, the world's fifth-largest producer of uranium, and the producer of large quantities of lead, zinc, tin, silver, and tungsten. More than half of the income generated by the mining industry consists of diamond exports, followed by uranium. From 2004 to 2008, Namibia's exports grew by over 93 percent and imports by 94 percent in total. In 2008, Namibia's primary export markets were South Africa, the United Kingdom, Angola, Canada, the United States, China, and Spain. In the same year, over 90 percent of Namibia's imports came from South Africa, the United Kingdom, India, the Netherlands, China, Germany and the United States.<sup>4</sup>

## POLITICAL

Namibia was under German rule from 1884 until 1915, when South African forces defeated the Germans. In 1920, South Africa was granted a C-class mandate by the League of Nations to administer Namibia. Obligations to promote the welfare of the indigenous people were generally ignored and a legislative assembly for whites was established in 1925. In 1945, the newly-formed United Nations (UN) declared South West Africa, as the territory was then known, a trust territory with the right to self-determination. South Africa's refusal to negotiate a trusteeship with the UN resulted in a progressively intensified Namibian and international campaign to secure the country's independence in line with the UN resolutions. Eventually, Namibia became independent in 1990.

Since independence, Namibia has built a strong democratic foundation, with all institutions necessary to ensure democratic governance established. Presidential and local authority elections have been held regularly and conducted freely and fairly. Namibia has a totally independent Judiciary, respected Auditor-General and ombudsman offices, and an Anti-Corruption Commission. Over the last ten years, Namibia has maintained an environment conducive to the existence of a vibrant and free press. The government has also remained steadfast in its commitment to the free market economic system, which acknowledges the centrality of the private sector in the development process.

The president is elected by direct popular vote for a term of five years and can be re-elected for a second term of office. SWAPO party leader Hifikepunye Pohamba took office as President in 2005 and after being re-elected in 2009, will serve until 2015. The South West Africa People's Organization (SWAPO), once a liberation movement in Namibia, has been in power since independence in 1990.<sup>5</sup>

<sup>4</sup> Source: PricewaterhouseCoopers. *A Business and Investment Guide for Namibia 2008*. ([www.pwc.com](http://www.pwc.com)); International Trade Centre Statistical Database.

<sup>5</sup> Source: PricewaterhouseCoopers. *A Business and Investment Guide for Namibia 2008*. ([www.pwc.com](http://www.pwc.com)).



## IMPORTS AND EXPORTS

NAMIBIA'S TOP TEN IMPORTS 2008		US\$ million
Mineral fuel and oil		642.29
Motor vehicles		610.50
Machinery		533.78
Electrical machinery		280.79
Articles of iron and steel		210.11
Jewellery		139.65
Inorganic chemicals		139.20
Pharmaceutical products		117.42
Plastics		103.64
Furniture		89.29
<b>Total Imports</b>		<b>5,000.00</b>

Source: UN Comtrade Database

NAMIBIA'S TOP TEN EXPORTS 2008		US\$ million
Diamonds and other precious metal / jewelry		959.43
Ores, slag and ash		826.81
Printed material (Stamps, Banknotes and Bond Certificates)		807.27
Fish and seafood		510.76
Zinc		283.89
Copper		160.23
Meat		159.10
Beverages, spirits and vinegar		149.58
Motor vehicles		139.66
Machinery		106.86
<b>Total Exports</b>		<b>3,980.00</b>

Source: UN Comtrade Database

### Recent Trends

New Zealand's export volumes to Namibia throughout the past decade were low until wood exports jumped to NZ\$810 thousand in 2008 and NZ\$1.8 million in 2009. New Zealand now has a considerable trade surplus with Namibia. Wood products now represent New Zealand's primary exports to Namibia, followed by fish and seafood, paper, preserved food and machinery – all of which have fluctuated in value in recent years. Namibia's primary import to New Zealand over the past decade, beer, has declined steadily in value and is now the 4th most significant import after building materials, glassware, art and antiques.



NEW ZEALAND'S TOP TEN EXPORTS TO NAMIBIA 2009		NZ\$ thousand
Wood		1,875.53
Fish and seafood		572.30
Paper and paperboard		73.60
Preserved food		57.59
Electrical machinery		42.33
Machinery		10.00
Optical, photo, technical and medical apparatus		8.37
Inorganic chemicals		5.95
Books and other printed material		5.07
Motor vehicles and accessories		1.67
<b>Total Exports</b>		<b>2,652.40</b>

Source: Statistics New Zealand (via World Trade Atlas)

NEW ZEALAND'S TOP TEN IMPORTS FROM NAMIBIA 2009		NZ\$ thousand
Stone, plaster and cement		40.50
Glass and glassware		19.59
Art and antiques		18.51
Beverages		15.11
Grain, seed and fruit		9.86
Organic chemicals		1.92
Electrical machinery		1.55
Plastic		0.13
Iron and steel products		0.11
Woven apparel		0.11
<b>Total Imports</b>		<b>107.70</b>

Source: Statistics New Zealand (via World Trade Atlas)

## REGULATORY ISSUES

### Currency Restrictions

There are no restrictions on transfers of dividends or profits, and foreign capital introduced into the country may be repatriated back to its origin. Exchange control regulations prescribe procedures that must be followed for making payments for imports, freight and other services, interest on foreign loans and dividend transfers. However, the payments are unrestricted on presentation of the prescribed supporting documentation to an authorised dealer in foreign exchange. Further, exporters interested in setting up manufacturing facilities in the Walvis Bay area Export Processing Zone (EPZ) stand to benefit from the special foreign currency exchange



and foreign currency bank account incentives in this zone.<sup>6</sup>

### E-business

E-business is embryonic in Namibia, with the most prominent sectors being mining, banking and tourism. Business websites are static in general and need updating. Apart from the banking and tourism sector, business-to-business e-business is minimal in Namibia. Although tariffs on ICT goods and services are low and there are no specific restrictions on e-business, there are no cyber laws in place, resulting in some uncertainty as regards e-business.

While most Namibians can afford to have mobile phones in both rural and urban areas, the majority of people cannot afford internet access. The World Bank estimated only 5.33 percent of the population to be internet users in 2008. Estimates for 2006 put the total number of internet users in Namibia at around 40,000: 15,000 to 20,000 in the business sector, 2,000 in the public sector, and around 18,000 small businesses, school and home users.<sup>7</sup>

### Import Barriers, Quotas and Licences

Trade regulations are relatively open, but there are some cases of import bans and restrictions, services market access barriers, import licensing regulations, domestic preference in government procurement, corruption, and weak enforcement of intellectual property rights, which add to the cost of trade. The importation of certain goods, such as specified foodstuffs, second-hand vehicles, animals, plants, chemicals and pharmaceuticals, are subject to license / permit or import control regulations.<sup>8</sup>

### Tariffs and Duties

According to the International Trade Centre, the average tariff applied for all import products is 6 percent, with agricultural products receiving 10 percent and industrial products 6 percent. All goods imported attract a value-added tax (VAT) of 15 percent after the value of the goods imported has been uplifted by 10 percent, unless the importation is exempt. Goods imported from outside of the Southern African Development Community (SADC) may attract Customs and ad valorem duties. Rates at which duties are levied vary significantly and depend on the nature of the goods imported.<sup>9</sup>

For further information, visit [www.nzte.govt.nz](http://www.nzte.govt.nz) or call the Export Hotline on 0800 555 888.

## TAXATION

TYPES	RATES
Corporate tax rates	35% for most businesses, with varying rates for mining and manufacturing firms.
Resident individual income tax	Progressive up to 37%.
Non-resident individual income tax	Tax treatment is normally the same for residents and non-residents.

<sup>6</sup> Source: PricewaterhouseCoopers, *A Business and Investment Guide for Namibia 2008* ([www.pwc.com](http://www.pwc.com)).

<sup>7</sup> Source: High Commission of India to Namibia: *Information Technology in Namibia*. March 2006 ([www.highcommissionofindia.web.na](http://www.highcommissionofindia.web.na)).

<sup>8</sup> Source: CIA World Factbook: Namibia. ([www.cia.org](http://www.cia.org)); *The Heritage Foundation and Wall Street Journal 2010 Index of Economic Freedom: Namibia* ([www.heritage.org](http://www.heritage.org)).

<sup>9</sup> Source: PricewaterhouseCoopers, *A Business and Investment Guide for Namibia 2008* ([www.pwc.com](http://www.pwc.com)).





## TIME DIFFERENCE

Namibia is one hour ahead of GMT from April to August, and two hours ahead of GMT from September to March. To find out the current time, go to [www.timezoneconverter.com](http://www.timezoneconverter.com).

## USEFUL WEBSITES

ORGANISATIONS	WEB ADDRESSES
The Government of Namibia	<a href="http://www.grnnet.gov.na">www.grnnet.gov.na</a>
Ministry of Trade and Industry	<a href="http://www.mti.gov.na">www.mti.gov.na</a>
Ministry of Finance	<a href="http://www.mof.gov.na">www.mof.gov.na</a>
Bank of Namibia	<a href="http://www.bon.com.na">www.bon.com.na</a>
Namibia Central Bureau of Statistics	<a href="http://www.npc.gov.na">www.npc.gov.na</a>
The Namibian	<a href="http://www.namibian.com.na">www.namibian.com.na</a>
The Namibia Economist	<a href="http://www.economist.com.na">www.economist.com.na</a>

## CONTACTS

### New Zealand Trade and Enterprise (Hamburg)

Contact	Jennifer Scoular, Consul General and Trade Commissioner
Address	New Zealand Consulate General Domstrasse 19 20095 Hamburg Germany
Phone	+49 40 442 555 00
Fax	+49 40 442 555 49
Email	<a href="mailto:hamburg@nzte.govt.nz">hamburg@nzte.govt.nz</a>
Office Hours	9.00 am – 5.30 pm

### New Zealand Consulate (Windhoek, Namibia)

Address	Street Address: 23 Bodin Street, Pioneers Park, Academia, Windhoek, Namibia Postal Address: PO Box 31 268, Windhoek, Namibia
Phone	+264 61 225 228
Fax	+264 61 220 346
Email	<a href="mailto:ethomas@iway.na">ethomas@iway.na</a>



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**New Zealand High Commission (South Africa)**

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Address:	New Zealand High Commission Pretoria 125 Middel Street, New Muckleneuk 0181 SOUTH AFRICA
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High Commissioner:	HE Mr Geoff Randal

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**New Zealand Trade and Enterprise**

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