



INVESTING IN NAMIBIA

EMBASSY OF THE REPUBLIC OF NAMIBIA

**PRESENTATION BY
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INVESTING IN NAMIBIA



NAMIBIA



Location: Southern Africa

Bordering the South Atlantic Ocean,
Angola, Zambia, Zimbabwe,
Botswana and South Africa

Biggest export partners:

Botswana (22% of exports)

South Africa (20% of exports)

Switzerland (15% of exports)

POLITICAL SYSTEM



Government: Republic (bicameral system)
Member of the Commonwealth of Nations

Chief of State and Head of Government:
President Dr. Hage Geingob

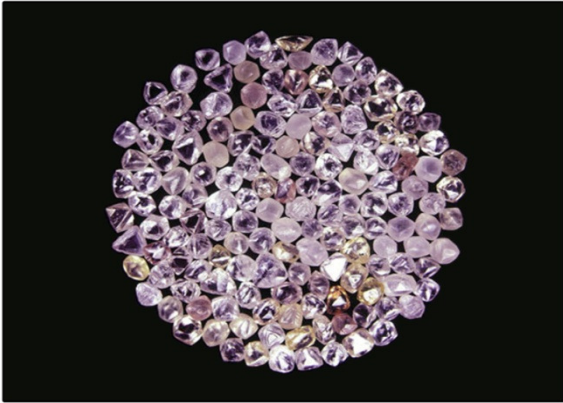
Prime Minister: Saara Kuugongelwa-Amadhila

Cabinet appointed by the President from among
the members of the National Assembly

Namibia is a stable multiparty and multiracial democracy. The protection of human rights is enshrined in the Namibian Constitution.

Namibia has signed and ratified the UN Convention against Corruption and the African Union's Convention on Preventing and Combating Corruption.

MAIN EXPORT PRODUCTS



NATURAL RESOURCES



Diamonds
Copper
Uranium
Gold
Silver
Lead
Tin
Lithium
Cadmium

Tungsten
Zinc
Salt
Hydropower
Fish

- High-quality diamond deposits make Namibia the top destination for gem-quality diamond mining
- World's third largest producer of diamonds based on the production value (dollars per carat)
- Forth largest producer of uranium, accounting for 8% of the world's production

INDUSTRIAL MINERALS AND GEMSTONES

- Namibia is heavily reliant on its mining industry
- In 2010 the diamond production increased by 42%
- Diamond is chiefly mined by NAMDEB and by the De Beers Marine Namibia (DMN). Production from land and marine deposits of DMN accounted for almost 89% of the total diamond production in 2010
- The Namibian Government is working towards forming a substantial domestic market for diamond cutting

INDUSTRIAL MINERALS AND GEMSTONES

- In 2010 Namibia's gold production increased by 30%
- AngloGold Namibia (Pty) Ltd operates the Navachab gold mine and requested permission to extend the mining license and the mining area until 2030
- Weatherly International Plc operates the Matchless and Otjihase mines (silver, copper, gold)
- Other players in the copper sector include Sabre Resources Ltd, Takoradi Ltd of Australia and INV Metals Inc of Canada
- Chinese foreign investments particularly in the uranium sector, projected to reach USD 6 billion by 2016

NOTABLE COMPANIES IN OTHER SECTORS



- First National Bank (FNB) Namibia Holdings – largest bank
- Bidvest Namibia – largest fisheries company
- Mobile Telecommunications Limited (MTC) – largest telecom company
- Namibia Breweries – largest brewery company
- Ohlhaber & List Group (O&L) – largest private holding (supermarket chain, fishery, brewery, tourism)

INVESTMENT CLIMATE

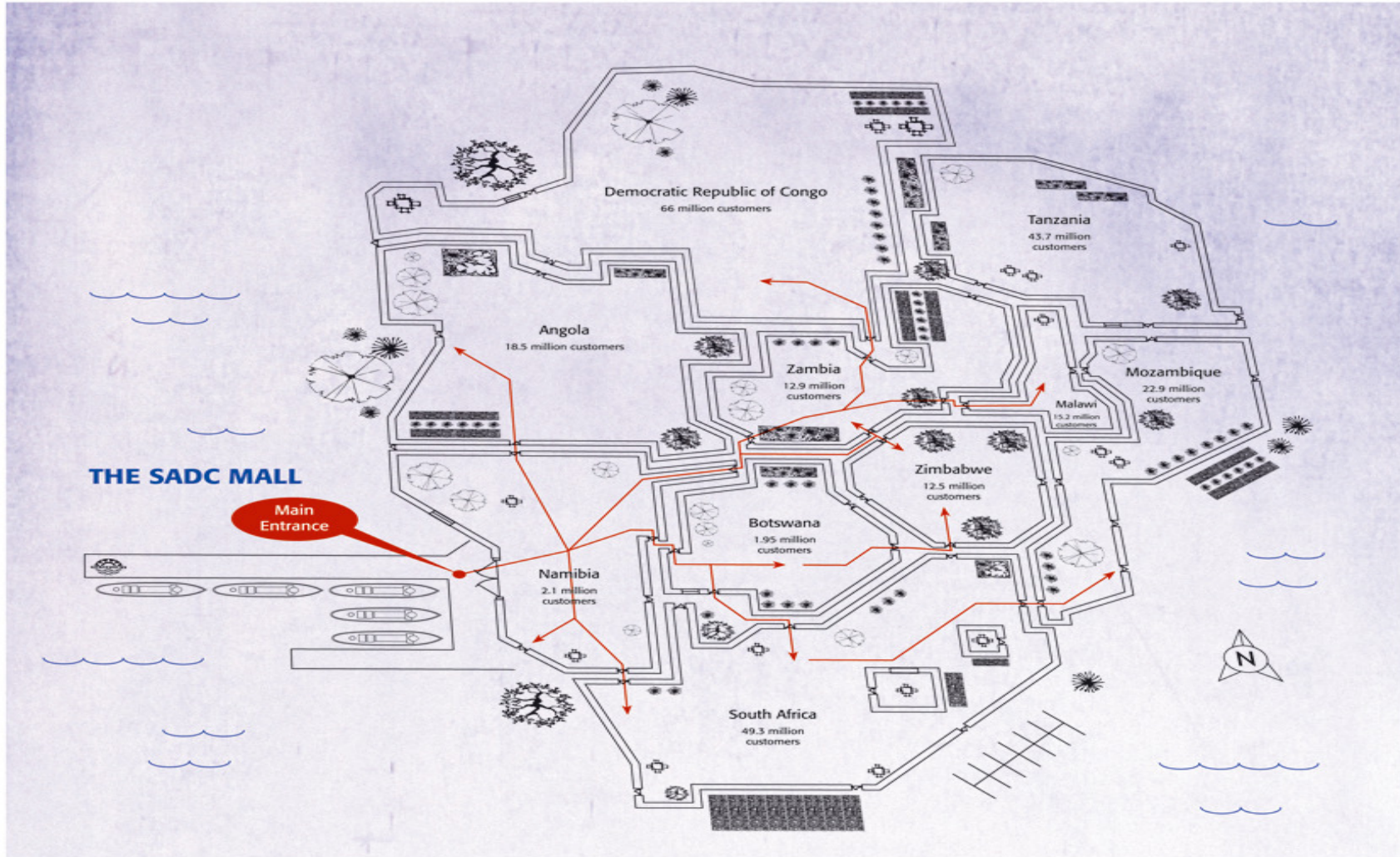
- Namibia is a stable, democratic country and the Government is committed to stimulating economic growth and employment through foreign investment
- There is no local participation requirement, but the Government is emphasizing the need for investors to partner with Namibian-owned companies and/or have a majority of local employees
- The Ministry of Industrialization, Trade and SME Development is responsible for carrying out the provisions of the Foreign Investment Act

INVESTMENT CLIMATE

Factors facilitating Foreign Direct Investment (FDI):

- Political stability
- Favourable macroeconomic environment
- Independent judicial system
- Protection of property and contractual rights
- Confidence in the financial institutions
- Good infrastructure by regional standards
- Access to South Africa
- Access to Southern African Customs Union (SACU)
- Access to Southern African Development Community's Free Trade Area
- Access to markets in Europe

GATEWAY TO SOUTHERN AFRICA



FOREIGN INVESTMENT

The Foreign Investment Act (FIA) governs the foreign direct investment and provides for:

- equal treatment of foreign investors and Namibian firms
- possibility of fair compensation in the event of expropriation
- international arbitration of disputes
- the right to remit profits and access to foreign exchange

Namibia has ratified Reciprocal Promotion and Protection of Investment Agreements (RIPPA) with Switzerland, Malaysia, France, Germany, the Netherlands, Cuba, Finland, Spain, Austria, Angola, Vietnam and Italy.

The Agreements with China and Russia have yet to be ratified.

LIMITS ON FOREIGN CONTROL

- Foreigners must pay 10% non-resident shareholders tax on dividends
- There are no capital gains or marketable security taxes, although some capital gains are taxed as normal income
- As a member of the Common Monetary Area, the Namibian Dollar (NAD) is pegged one-to-one with the South African Rand

INVESTMENT INCENTIVES

- Aimed at stimulating manufacturing, attracting foreign investment and promoting exports
- Companies must be registered with the Ministry of Industrialization, Trade and SME Development and the Ministry of Finance
- Namibia has an Export Processing Zone (EPZ) regime offering favourable conditions to companies wishing to manufacture and export products
- By 2013 there were some 20 EPZ companies in operation, mostly linked to minerals beneficiation
- EPZ benefits include no corporate tax, no import duties on the importation of capital equipment or raw materials, and no VAT, sales tax, stamp or transfer duties on goods and services required for EPZ activities

NAMIBIA INVESTMENT CENTER (NIC)



- Namibia's official investment promotion and facilitation office
- First point of contact for potential investors
- Offers comprehensive services from the inquiry to the operational stages
- Provides general information packages and advice on investment opportunities, incentives and procedures
- Assists investors in minimizing bureaucratic red tape, including obtaining work visas for foreign investors, coordinating with government ministries and regulatory bodies
- Evaluates the credibility of potential investors and its decisions are forwarded to the Minister of Industrialization, Trade and SME Development for final approval
- <http://investnamibia.gov.na>

NATIONAL DEVELOPMENT PRIORITY SECTORS



Manufacturing

Logistics



Agriculture

Tourism



A gem worth investing in...

INVESTMENT OPPORTUNITIES: MINING AND ENERGY



- Exploration, prospecting, mining and beneficiation
 - Oil and gas exploration
 - Hydro-power, wind, solar, biomass power generation
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- RE systems for self-supply (e.g. for commercial enterprises, industry, private households, agricultural enterprises)
 - RE mini grids for rural electrification (for REDs or municipalities)
 - RE-Plant > 1 MW bis > 5 MW (implementation via REFIT Programme)
 - RE large-scale plants > 5 MW (for NamPower through public tenders/competitive bidding)

INVESTMENT OPPORTUNITIES: MANUFACTURING AND PROCESSING



- Processing of fruits, vegetables, fish and beef
- Automotive parts and components
- Fertiliser and petrochemicals
- Wood processing and furniture making
- Pharmaceuticals
- Assembling of electronic devices and components

- Steel and glassware manufacturing
- Production of textiles and garments
- Manufacturing of leather products (footwear, clothing, upholstery etc.)



INVESTMENT OPPORTUNITIES: TRANSPORT AND LOGISTICS



- High demand for transport and logistics services (e.g. road, air and ocean freight solutions)
 - Customized logistics solutions for sectors such as mining, agriculture, health care, oil and gas industries etc.
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- Training and education in logistics sector
 - Upgrade and expand rail infrastructure
 - Customized logistics innovations for rural areas
 - Establishment of large logistics parks

INVESTMENT OPPORTUNITIES: INFRASTRUCTURE



- Infrastructure for retail, wholesale and trading sectors (e.g. shopping malls, supermarkets, business premises)
- Mass Housing Programme (185 000 homes)
- Port of Walvis Bay expansion
- Walvis Bay SADC Gateway Port (north of Walvis Bay)

- Expansion of airport capacity
- Ship repair yards
- Dry bulk terminals, car-loading terminals
- Storage facilities, in particular cold storage facilities
- Industrial parks



INVESTMENT OPPORTUNITIES: AGRICULTURE/AGRO-INDUSTRY



- Environmentally friendly irrigation techniques
- Cultivation of fruits and vegetables
- Meat, fish, fruits and vegetable processing
- Expansion of the food industry
- Processing of caracul wool, cattle leather and wild silk

- Customized agricultural machinery and equipment
- Cooling rooms, maturation rooms, testing laboratories
- Agricultural training centres



INVESTMENT OPPORTUNITIES: TOURISM



- Lodges, hotels, restaurants
- Hotels, motels, restaurants, petrol stations and car services facilities along major highways
- Car hire
- Adventure tourism/activities
- Sport tourism (both leisure and professional, e.g. iron man, extreme marathon etc.)

- Facilities for medical and recuperation tourism
- Conferencing facilities for business tourism
- Cultural tourism and JVs with conservancies
- Training facilities in hotel industry, tourism industry or gastronomy industry





THANK YOU !

