

# Diary of investment prospects in Namibia



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The diary of investment prospects in Namibia - the world's fifth largest uranium producer - contains, among others, exploring a land of relative peace where opportunities to make a 'lot of money' abound in sectors such as mining, fisheries, agriculture, manufacturing, energy, tourism and human resources development.



Almost 20 years since gaining independence from SA, Namibia's economy is still dominated by the service sector (51%), followed by primary sector (mining, 25%), and secondary sector (agriculture, construction, energy, water, manufacturing, 19%).

"We are hoping that investors will perhaps do more to boost sectors such as manufacturing," Gerson Kadhikwa, Bank of Namibia senior economist, said, speaking yesterday, Thursday 19 November 2009, at the Intra-Africa Business Breakfast held in Sandton, Johannesburg.

"To accelerate economic growth, we need to attract diverse investment in the right economic sectors. Thus, diversifying the economic base away from mining and creating competitive industries and accelerate value addition to natural resources. However, the key challenge for Namibia remains skilled labour," Kadhikwa pointed out.

And if any potential agricultural investor, South African or non-South African, feels like investing in what many call an 'African gem worth exploring', that company is likely to bump into an enormously unexploited sector, where many products are still imported due to weak local production and lack of steady investments.

Like South Africa, Namibia is also a dry country, which presents various challenges such as water scarcity and food security - something that could make agricultural investors think twice.

However, Anna Shiweda, deputy permanent secretary at the Namibian ministry of agriculture, water and forestry, assured them of favourable working conditions, saying: "The government is trying its best to create favourable conditions for investors to operate in. One of our strategic focus areas is to identify the land, put up irrigation facilities, and invite investors to exercise their expertise skills."

Tourism is also one of the major investing opportunities that has seen a steady increase in the past three years, but slightly

declined this year due to the global crisis, according to Sem Shikongo, national director of tourism.

Despite having the lowest population in the world, Namibia has the largest cheetah population and the oldest desert in the world (the Namib), and its contrasting landscape (forest, woodlands, savanna, grasslands, mountains and desert) are worth contemplating and investing in.

Like any country in the world, Namibia's economy has been shaken by the global economic crisis, but not shaken enough to see its banking system massively collapse. This is due to the country's sound macro-economic policies put in place prior to the recession.

The economy contracted by 0.6% in 2009 due to the global recession, but it is expected to recover and grow by 4.4% in 2010, according to IMF World Economic Outlook 2009.

The repo rate remains steadily at 7% - same as its 'mighty' neighbour South Africa - and its foreign reserves now stand at US\$13.5 billion. The inflation rate has been rushing downwards and is predicted to reach 3.1% in 2010.

Furthermore, investors wishing to ship their stocks safely and in the 'nick of time' can also take advantage of the Walvis Bay Corridor Group, a 12.8m deep, fast-growing port handling 360000 containers per year, and counting.

WBCG provides strategic shipping routes to and from South and North America, Europe, Central America, West Africa, and Southern Africa.

WBCG also creates alternative routes for Trans Kalahari corridor (Gauteng, Botswana), Trans Caprivi (Zambia, DRC, Zimbabwe) and Trans Cunene (Southern Angola), Zunaïd Pochee, WBCG South Africa business development manager, said.

For more information, go to [www.upbeat.co.za](http://www.upbeat.co.za).

## ABOUT ISSA SIKITI DA SILVA

Issa Sikiti da Silva is a winner of the 2010 SADC Media Awards (print category). He freelances for various media outlets, local and foreign, and has travelled extensively across Africa. His work has been published both in French and English. He used to contribute to Bizcommunity.com as a senior news writer.

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