



Standard Bank

AFRICA TRADE BAROMETER

Highlights
of the current
cross-border
trade landscape
in Namibia



Namibia
COUNTRY FOCUS

TABLE OF CONTENTS

Executive summary	3
1. Introduction	6
2. Country rankings	8
3. Macroeconomic environment	10
4. Macroeconomic stability	12
5. Government support	14
6. Infrastructure constraints and enablers	16
7. Trade openness	18
8. Traders' financial behavior & access to finance	20
9. Foreign trade & trading in Africa	22
10. Main obstacles to trade	24
11. Conclusion	25
11. Appendix	26
13. About the research	30
14. Endnotes	32
Disclaimer	33

EXECUTIVE SUMMARY

Being Africa's largest bank, Standard Bank has leveraged its presence and expertise across the continent to create the Standard Bank Africa Trade Barometer (SB ATB). The SB ATB was launched in 2022 with the intent of creating Africa's leading trade index to address the information vacuum of reliable African trade data and to support and enable the growth of intra-Africa trade. Availability of trade data remains a challenge across Africa and the SB ATB aims to fill part of this data gap through up-to-date survey data on the views of African businesses on the environment they operate in, their trade behaviour, trading activities and their perceptions on trade.

This is Issue 3 of the SB ATB. The SB ATB focuses on 10 countries: Angola, Ghana, Kenya, Mozambique, Namibia, Nigeria, South Africa, Tanzania, Uganda and Zambia.

In order to construct the SB ATB index rankings, seven broad thematic categories of data are collected from both primary and secondary data sources. These thematic categories are trade openness, access to finance, macroeconomic stability, infrastructure, foreign trade, governance and economy and traders' financial behaviour.

From a primary data perspective, the Standard Bank Firm Survey Trade Barometer (SB STB) is constructed. The SB STB scores and ranking by country are the averages of all the data collected only from the primary research surveys conducted with over 2,500 businesses across the 10 countries of interest.

From a secondary research perspective, the Standard Bank 3-Year Quantitative Trade Barometer (SB QTB) is constructed. The SB QTB scores and ranking by country are the averages of all the selected indicators collected only from existing secondary data sources.

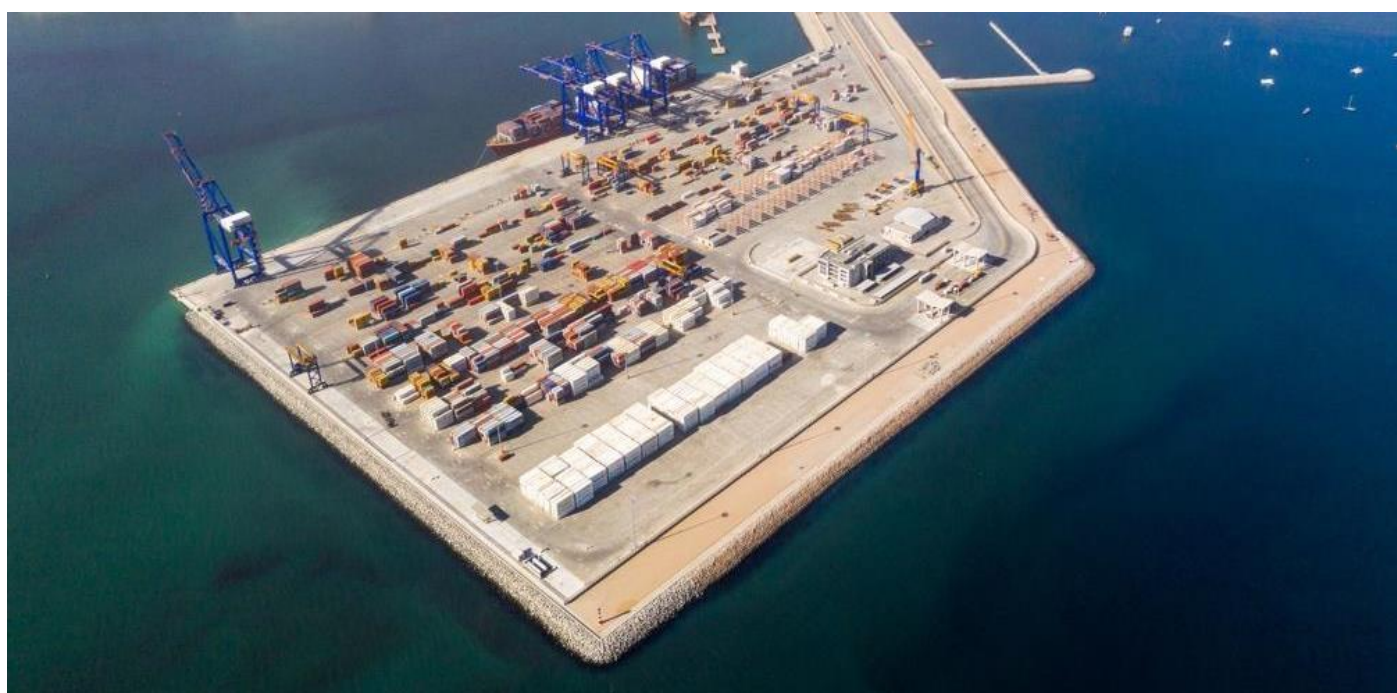
The SB ATB is an aggregate of the SB QTB and the SB STB.

This is the country report for Namibia. It contains analysis of the primary and secondary data gathered specifically for Namibia between March and May 2023 and showcases trends and opportunities in trade within the country.

Namibia improved in the SB ATB from position 3 to position 2. This improvement is partly due to the country improving in the SB QTB ranking from position 4 to position 2. Meanwhile, Namibia maintained position 4 in the SB STB.



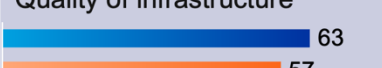
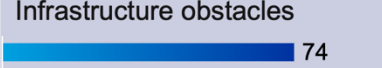

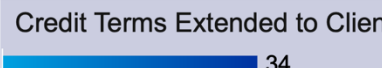
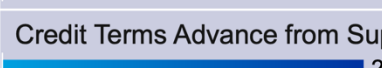
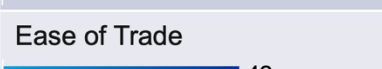
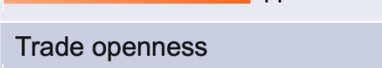
Namibia ranked 2nd in the overall SB ATB, an aggregate result of its SB QTB (ranked 2nd) and SB STB (ranked 4th).

The table below shows Namibia's relative performance in the seven broad thematic categories of the SB ATB.



Port of Walvis Bay, Namibia. Source: Namport (namport.com.na)

SB ATB ranking for Namibia across seven thematic areas

Thematic category	Indicator	Ranking out of 10 countries
Macroeconomic Stability	Business Confidence 	8 ↑ (+1)
	Governance and Economy	
Government Support on Trade	Government Support on Trade 	7 ↓ (-4)
	Infrastructure	
Quality of infrastructure	Quality of infrastructure 	1 (unchanged)
	Infrastructure obstacles 	1 (unchanged)
Access to Finance	Access to Credit 	4 (unchanged)
Traders' Financial Behaviour	Credit Terms Extended to Clients 	9 ↓ (-2)
	Credit Terms Advance from Suppliers 	9 (unchanged)
Foreign Trade	Ease of Trade 	3 ↑ (+2)
Trade Openness	Trade openness 	1 ↑ (+1)

 Sep'22  May'23

Note: All indicators have an index score ranging from 0 to 100, where 0 represent a low score and 100 the highest score

Namibia's overall macroeconomic conditions are average, hence having a moderate impact on her tradability attractiveness. Namibia's rising current GDP - which has recovered from the worst effects of the Covid-19 pandemic - and a rise in real GDP growth rate and FDI net inflows that have surpassed pre-pandemic levels as well as increasing merchandise trade have a positive impact on the country's tradability attractiveness. On the other hand, inflationary pressures accompanied by an increase in interest rates, and a depreciating Namibian dollar against the US dollar have a negative impact on tradability attractiveness.

Business confidence among Namibian businesses remains neutral relative to the other 9 markets in the SB ATB. Namibia has a business confidence score of 53, which

has slightly improved from 52 in September 2022, although below the average of SB ATB markets of 58 (see table above). While the majority (41%) of the surveyed businesses have a neutral outlook, more businesses exhibit a positive perception (27%) of future performance compared to a negative perception (15%). Optimistic views are most likely due to the ongoing oil exploration, and announcements by the National Petroleum Company of Namibia (NAMCOR) and its partners about the discovery of large oil reserves made in March 2023, which is expected to result in growth in the oil and gas sector, and the economy at large.¹

Over the past three surveys, there has been a notable increase in the share of businesses that do not find the Government to be supportive of cross-border trade

¹ Reuters, 2023. Available [here](#)

activities. The share of businesses with negative sentiments increased from 12% in January 2022 to 39% in May 2023. Business sentiments about the Government's role in supporting cross-border trade are negative as businesses find limits on foreign currency purchases restrictive, customs duty and taxes high, therefore making it difficult for businesses to operate.

Relative to other SB ATB markets, the perceived quality of infrastructure in Namibia is high resulting in the country ranking first on both infrastructure indicators (see table above). The infrastructural aspect that constrains the ability of businesses to operate to the largest degree is the country's customs regulations. However, on average, relative to other SB ATB markets, none of the infrastructural aspects were identified by respondents as severe obstacles constraining their operations. This signals that infrastructure in Namibia does not significantly inhibit the ability of businesses to operate and engage in trade.

In access to credit, Namibian businesses, particularly small businesses, find the environment more difficult. Notably, small businesses experienced a substantial 25-percentage point rise in perceived difficulty between January 2022 and May 2023. This outcome aligns with the current economic climate post-Covid-19, which has been marked by rising interest rates reaching 7.25% in June 2023 from 3.75% in January. However, the Bank of Namibia's Economic Recovery Scheme has provided some support to businesses which has driven an increase in the usage of credit arrangements by businesses with their suppliers, from 27% in September 2022 to 31% in May 2023. That said, perceptions of Namibian businesses with regards to access to credit remains better than most other countries in the SB ATB, ranking position 4 (see table above).

The survey findings suggest that barriers, such as high importation/exportation tax rates and complex business policies in African countries, have negatively impacted the perception of Namibian businesses with regards to the ease of trading with other African countries.

However, Namibia's ranking increased from position 5 in September 2022 to position 3 in May 2023 with respect to their ease of trade index score (see table above). This indicates that relative to other SB ATB markets, Namibian businesses found it easier to trade with other countries.

Namibia is one of the 54 signatories to the African Continental Free Trade Agreement (AfCFTA). Awareness of the AfCFTA amongst surveyed Namibian businesses has significantly improved, increasing to 50% in May 2023 from 21% in September 2022. Businesses expect that the implementation of AfCFTA will increase access to larger markets for goods and services, promotion of industrial development across African countries and ease in the movement of goods and services across borders.

Looking forward, an aspect that will be interesting to track in future issues of SB ATB in Namibia is the AfCFTA, and its effects on businesses going forward. Namibia has been proactive in creating awareness of the AfCFTA by launching the National Strategy and Implementation Plan for AfCFTA in November 2022, which outlines the country's commitment to raising awareness and building capacity among businesses. Future iterations of the survey will provide insights into the impact of AfCFTA on trade dynamics with other African countries. With greater access to a unified African market, Namibia is poised to deepen and broaden trade relations with non-traditional African trade partners.



Walvis Bay Harbour, Namibia

1. INTRODUCTION

Being Africa's largest bank, Standard Bank has leveraged its presence and expertise across the continent to create the Standard Bank Africa Trade Barometer (SB ATB). The SB ATB was conceived with the intent of creating Africa's leading trade index to address the information vacuum of reliable African trade data and to support and enable the growth of intra-Africa trade.

Definition of trade in the context of the SB ATB

Trade—in the context of the SB ATB—should be understood as the process of production and transfer of goods and services that is enabled by solutions that effectively connect the supply chain domestically and internationally to create economic value.

Launched in 2022, this is Issue 3 of the SB ATB. Issue 1 and Issue 2 were published in June 2022 and November 2022 respectively. The SB ATB focuses on 10 countries: Angola, Ghana, Kenya, Mozambique, Namibia, Nigeria, South Africa, Tanzania, Uganda, and Zambia.

The objective of the SB ATB is to provide dynamic and insightful analysis that can intelligently inform and grow Africa's trade ecosystem. Updated annually, the data enables stakeholders to take the pulse of African trade in near real-time to measure improvements or declines in business confidence, track operational challenges, and identify shifts in overall tradability. To do so, the SB ATB covers seven broad thematic categories of data that impact on trade. These are: trade openness, access to finance, macroeconomic stability, infrastructure, foreign trade, governance and economy, and trade financial behaviour. These are the seven variables on which the trade barometer scores for each country are constructed.

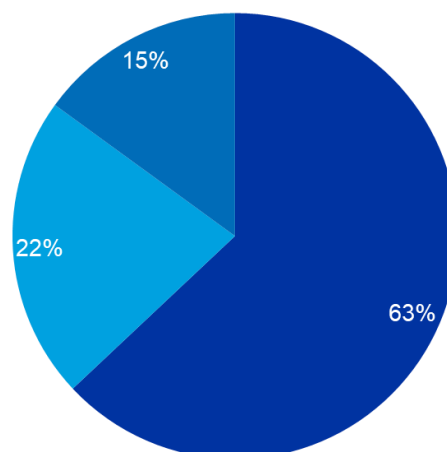
The SB ATB is based on primary and secondary data sources. Primary research is gathered through a survey of over 2 500 firms representing small businesses, large businesses, and corporates across the 10 countries.² The survey is augmented by in-depth interviews (IDIs) with select thought leaders in respective countries, and secondary data from sources such as the World Bank, the International Monetary Fund (IMF) and central banks of the respective countries.

² The business size definitions by turnover bands, as used in the context of the SB ATB, can be found in the 'About the Research' section later in this report

This is the country report for Namibia. It contains analysis of the primary and secondary data gathered specifically for Namibia and showcases trends and opportunities in trade within the country. Primary and secondary data was gathered in Namibia between March and May 2023 for this third issue of the SB ATB.

A total of 204 businesses were surveyed in Namibia. In order to be representative, the majority of these (63%) were small businesses (see Figure 1) given that most businesses in the country fall in this category. The reader should bear this in mind as it has a commensurate impact on the insights highlighted in this report. That said, because the majority of businesses in our sample are small businesses, the results presented here potentially represent a more realistic picture of trade on the ground. The surveyed businesses were located in Windhoek, Walvis Bay, Swakopmund, Oshakati and Rundu.

Figure 1: Breakdown of surveyed businesses in Namibia by business segment



■ Small business ■ Large business ■ Corporate

Source: Standard Bank Africa Trade Barometer Issue 3

The fact that the majority of surveyed businesses were small businesses is the central value-add of the Standard Bank Africa Trade Barometer (SB ATB).

Aggregate trade data and information on the African continent is skewed by large businesses who trade specific commodities in large volumes. The trading activities and behaviour of small businesses is therefore not adequately represented. The SB ATB is different because, due to the underlying sample composition being majority small businesses, the emphasis and findings relate to small businesses, their trade behaviour, trading activities and their

perceptions on trade. The SB ATB also makes a contribution in understanding the trade perceptions of small businesses in Africa that do not necessarily engage in cross-border trade. This is important because this understanding is helpful in the quest for Africa to transform herself from a poorly integrated trade environment to more trade integration where a large diversity and scope of the overall economy trades with each other.

Because of the intentional bias of the SB ATB on smaller businesses, the reader may notice that in certain instances the survey findings may differ from data at the aggregate level. This is to be expected as in many cases data at the aggregate level (from sources such as the Statistics Bureaus of individual countries, World Bank, etc.) is skewed by a few large businesses (multinationals, etc.) that trade large volumes of specific commodities. This is pointed out in the report, as relevant.

There were three IDIs conducted in Namibia as part of this third issue. One interview was with a representative from the Namibia Revenue Agency, another with a representative from the Ministry of Finance, and finally with a representative from the Ministry of Trade.

Please note that although this is Issue 3 of the SB ATB and hence there are three data points for all variables from the surveys conducted so far (January 2022, September 2022 and now May 2023), this report predominantly compares September 2022 and May 2023 data points in most cases. This is done for ease of analysis and comparison with recent market trends in order to make contextual sense of the data. That said, all data points from the last three surveys of the SB ATB are available on request.

2. COUNTRY RANKINGS

Namibia has gained one position in the Standard Bank Africa Trade Barometer ranking, from position 3 to position 2

In order to construct the Standard Bank Africa Trade Barometer (SB ATB) index rankings, seven broad thematic categories of data are collected from both primary and secondary data sources. These thematic categories are: trade openness, access to finance, macroeconomic stability, infrastructure, foreign trade, governance and economy and trade financial behaviour.

From a secondary research perspective, the Standard Bank 3-Year Quantitative Trade Barometer (SB QTB) is constructed. The SB QTB scores and ranking by country are the averages of all the selected indicators collected only from existing secondary data sources / reported facts.

From a primary data perspective, the Standard Bank Firm Survey Trade Barometer (SB STB) is constructed. The SB STB scores and ranking by country are the averages of all the data collected only from the primary research surveys conducted with 2,636 businesses.

The SB ATB is an aggregate of the SB QTB and the SB STB. Changes in a country's ranking on the three indices (SB ATB, SB QTB and SB STB) are driven by changes in both the aggregate score for that country, as well as their relative ranking against the other countries included. Changes in the SB ATB rankings over the past 6 months are driven mostly by the changes in the SB STB scores.

It is important to emphasise that the SB ATB ranking of countries is relative to the 10 countries themselves. In other words, countries are ranked against

each other i.e., relative scores to each other. This is pegged on a scale of 0 - 100. When indexed between this range, South Africa has the highest Tradability Index while Angola has the lowest. This does not imply that one cannot trade in Angola or that South Africa is perfect, it only implies that at a common starting point of 0 and maximum point of 100, this is how the two markets fared.

Namibia improved in the SB ATB from position 3 to position 2 (see Figure 2). This improvement is partly due to the country improving in the SB QTB ranking from position 4 to position 2. Meanwhile, Namibia maintained position 4 in the SB STB.

There was significant improvement in Namibia's SB STB scores with regards to perceptions of businesses as to future growth of exports and imports. In other words, businesses have relatively more confidence that their exports and imports will increase in the medium-term. However, perceptions of businesses as to import and export tariff regulations as well as government support on trading activities significantly declined.

The rest of this report unpacks Namibia's performance in the Standard Bank Africa Trade Barometer Issue 3 from both a primary and secondary research perspective, in line with the seven broad thematic areas referenced earlier.

Figure 2: ATB, QTB and STB ranking, by country



Source: Standard Bank Africa Trade Barometer Issue 3

Notes: All values are shown so that a higher value is 'better' for trade, with the best to least ranking economies being ranked 1, 2, 3, etc., and how this has changed over time; Red border indicates that the country has declined in the relevant ranking from September 2022, Green border indicates that the country has improved in ranking from September 2022, while Grey border indicates that the country has remained in the same position as in September 2022.

3. MACROECONOMIC ENVIRONMENT

Namibia's macroeconomic conditions have a moderately positive impact on her tradability attractiveness

A country's macroeconomic environment plays an important role in how attractive it is with regards to trading activities. A country has a high tradability attractiveness if it is characterised by: high GDP (many goods and services are produced in the country); high GDP per capita (residents have a high spending power); stable inflation (a stable local currency so that it does not disadvantage importers, for instance); high foreign direct investment (FDI) (generally conducive for business and investment); high merchandise trade as a percentage of GDP (imports and exports are high); and so on.

As part of the calculation of the SB QTB, a tradability attractiveness score is calculated for each country using relevant macroeconomic indicators, including those highlighted in Table 1. The three-year average (2020, 2021 and 2022) of each relevant indicator in a country is first normalised which allows for the relative impact of each indicator on overall tradability attractiveness to be compared and converted to a score. The same macroeconomic indicators can be used to understand the macroeconomic environment of a country, which is done in this section of the report.

Investor confidence - highlighted by increasing FDI net inflows into Namibia - continues to grow. However, the macroeconomic environment is marred by a depreciating Namibian Dollar, rising inflation and interest rates which

negatively affect the country's cross-border trade activities.

Namibia's overall macroeconomic conditions are average. This has a moderate impact on her overall tradability attractiveness (see Table 1). Notable variables that have a positive impact on the country's tradability attractiveness include rising current GDP - which has recovered from the worst effects of the Covid-19 pandemic - and a rise in real GDP growth rate and FDI net inflows that have surpassed pre-pandemic levels. Similarly, a high and increasing merchandise trade as percentage of GDP also has a positive impact on Namibia's tradability attractiveness as it signals the country's high openness to trade. Notable variables that have a negative impact on Namibia's tradability attractiveness include rising imports as a percentage of GDP, rising inflation and interest rates, and a depreciating Namibian Dollar. While the Namibian Dollar had gained value post the pandemic, it has been depreciating against the US Dollar since 2022 as a result of negative market sentiments towards South Africa causing persistent depreciation pressure on the Namibia exchange rate pegged to the South African Rand.³ Driven by surging food and transport costs due to the Namibian Dollar's depreciation, surging energy prices and supply shortages caused by Russia's invasion of Ukraine, Namibia's inflation rate has been on the rise. To safeguard its currency peg with South Africa's Rand and quell inflation, the central bank of Namibia has responded with higher interest rates.

³ Fitch Solutions, 2023. Available [here](#)

Table 1: Namibia's macroeconomic indicators and their impact on tradability attractiveness

Variable	2018	2019	2020	2021	2022
GDP (current USD)	USD 14 billion	USD 13 billion	USD 11 billion	USD 12 billion	USD 13 billion
Real GDP growth (%)	1.1%	-0.8%	-8.0%	3.5%	4.6%
Inflation (%)	4.3%	3.7%	2.2%	3.6%	6.1%
Lending interest rate (%)	10.1%	9.9%	7.9%	6.9%	8.6%
Exchange rate (NAD:USD, period average)	13.2	14.5	16.5	14.8	16.4
FDI net inflows (BoP, current USD)	USD 234 million	USD -176 million	USD -150 million	USD 649 million	USD 933 million
Merchandise trade (% of GDP)	115%	114%	117%	129%	134%
Imports of goods & services (% of GDP)	46%	47%	42%	48%	56%
Exports of goods & services (% of GDP)	36%	36%	33%	32%	38%

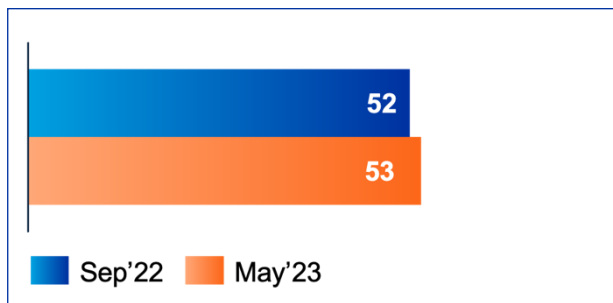
Source: Namibia Statistics Agency; Namibia Trade Statistics Bulletin; UN Comtrade

Notes: Percentages and figures are rounded to the nearest whole number

4. MACROECONOMIC STABILITY

Confidence in the economy remains neutral

Namibia's business confidence index score

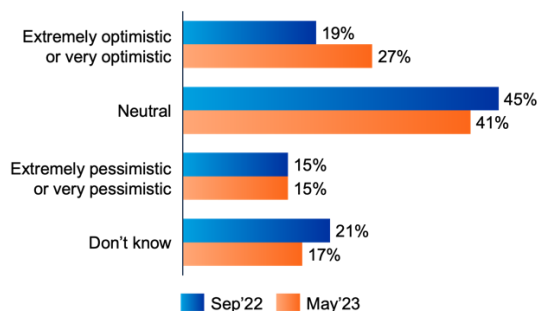


Business confidence can vary between 0 and 100, where 0 indicates an extreme lack of confidence, 50 neutrality and 100 extreme confidence. In the May 2023 SB ATB survey results, Namibia's business confidence index score marginally increased from 52 to 53. This means surveyed businesses in Namibia slightly have a bit more confidence in the performance of the economy in relation to business compared to September 2022.

The majority of businesses in Namibia—regardless of size—retain a neutral perspective on the performance of the economy in relation to business over the next three years (see Figure 3). While the majority (41%) of the surveyed businesses have a neutral outlook, more businesses exhibit a positive perception (27%) of future performance compared to a negative perception (15%). In addition, between September 2022 and May 2023, there has been notable growth in the proportion of businesses that are optimistic, from 19% to 27%.

Figure 3: Outlook of businesses on the performance of the Namibian economy over the next three years

Question: Please indicate how you feel about the performance of the economy in relation to business in the next 3 years.



Source: Standard Bank Africa Trade Barometer Issue 3

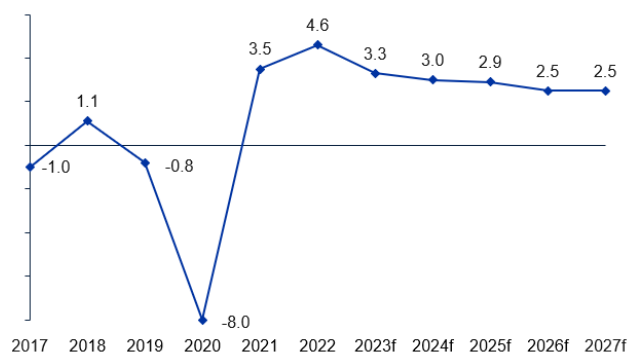
⁴ Bank of Namibia, 2023. Available [here](#)

⁵ Bank of Namibia, 2023. Available [here](#)

The neutral posture adopted by Namibian businesses possibly reflects the projected performance of the economy at the aggregate country level (see Figure 4).

The Namibian economy is projected to grow at 3.3% in 2023, a decline from the growth rate of 4.6% recorded in 2022. Thereafter, the economy is projected to grow at a rate of above 2.5% from 2024 going forward. The expected slowdown in economic growth can largely be attributed to weaker global demand.⁴ In addition, external shocks such as tighter monetary policies from major global central banks (e.g., the US), and domestic shocks such as interruptions in water supply have dampened Namibia's growth prospects.⁵

Figure 4: Real GDP growth (% , 2017 - 2027)



Source: Bank of Namibia; IMF

Note: 'f' represents forecasted data points

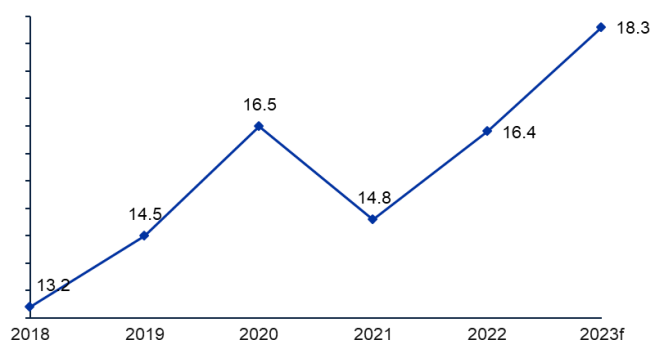
Respondents who hold optimistic views on the future outlook of the Namibian economy commonly cited increased economic growth (15%), business growth (13%), and economic stability (13%) as the main factors driving their optimism. Given the economic growth experienced in Namibia in 2022 as a result of higher production volumes from the diamond mining sector, some of the surveyed businesses with optimistic views expect economic growth trends observed in 2022 to continue into the future. This is most likely due to the ongoing oil exploration, and announcements by the National Petroleum Company of Namibia (NAMCOR) and its partners about the discovery of large oil reserves made in March 2023, which is expected to result in growth in the oil and gas sector.⁶

⁶ Reuters, 2023. Available [here](#)

Namibian businesses also cited business growth as a contributing factor to their sense of optimism. These sentiments indicate the waning effects of the Covid-19 pandemic, as the majority of the optimistic businesses stated that they expect higher demand from their customers and economic stability to boost economic performance in relation to business.

On the other hand, among the businesses that expressed a negative outlook on the future performance of the economy, the most commonly cited reason was a poor economy (37%). The depreciation of the Namibian Dollar since 2021 partly contributes to the pessimistic views observed among some businesses (see **Figure 5**). Over 2023, the Namibian dollar is expected to further depreciate against the US dollar, weakening to 18 NAD per USD in 2023, from 16 NAD per USD in 2022.⁷ For Namibia, which remains heavily reliant on imports to meet local demand, a depreciation of the Namibian dollar provides headwinds to economic growth as imports become more expensive, therefore explaining the negative sentiments among some businesses.

Figure 5: Foreign exchange (NAD:USD, 2017 - 2023)



Source: Bank of Namibia; African Markets Revealed Report

Note: ^f represents forecasted data points

Furthermore, due to a weakened exchange rate and higher global prices, inflationary pressures continue to dampen the economic prospects of Namibia. Inflationary pressure started to rise globally in 2021, as localised shortages of consumer goods were created by base effects (a sharp increase in the growth rate of inflation coming from a low base rate of 2% in 2020, which induced panic buying), higher commodity prices and supply-chain challenges.⁸ The

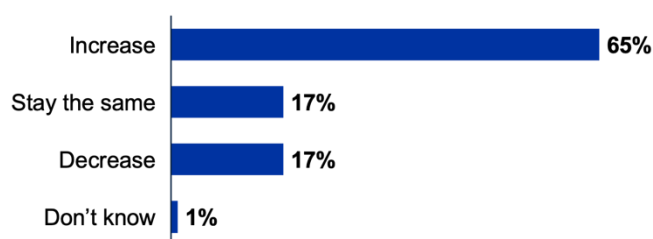
Russia-Ukraine conflict has also significantly impacted the global supply prices of key commodities, such as oil and gas, fertiliser, wheat, corn, and barley. Rising consumer price inflation was the key risk to consumer spending over 2022, and has been eroding purchasing power and shifting consumer spending away from discretionary spending. Namibia's average inflation rate rose to 6.8% during the first five months of 2023 compared to 4.9% during the corresponding period in 2022.⁹ To continue safeguarding the peg between the Namibian Dollar and the South Africa Rand and anchoring inflation expectation, the monetary policy committee increased the repo rate by 50 basis points in June 2023 to 7.75%.¹⁰ As such, economic growth is expected to slow down in 2023 as both the business and consumers are negatively affected by high inflation and interest rates. This partly explains the negative sentiments about Namibia's future economic outlook exhibited by some of the surveyed businesses. Inflation is decline in the second half of 2023 resulting in an average of 5.6% for 2023 before moderating to 4.5% in 2024.¹¹

Namibian businesses are optimistic about the future performance of their individual businesses (see **Figure 6**).

The majority of businesses (65%) believe that their revenue will increase over the next year primarily due to the perception that demand for their goods or services will increase in the near-future driven by increased marketing activity and wider industry growth. In addition, businesses plan to expand their physical presence in Namibia. This overall sense of optimism reflects the waning effects of the Covid-19 pandemic on the operations of businesses.

Figure 6: Businesses revenue expectations over the next year

Question: Thinking ahead, do you expect business turnover to increase, decrease or remain the same.



Source: Standard Bank Africa Trade Barometer Issue 3

⁷ Fitch Solutions, 2023. Available [here](#)

⁸ Fitch Solutions, 2023. Available [here](#)

⁹ Bank of Namibia, 2023. Available [here](#)

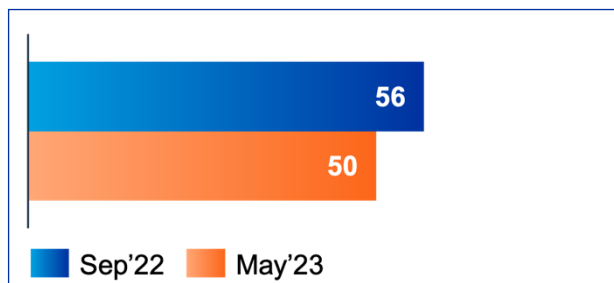
¹⁰ Bank of Namibia, 2023. Available [here](#)

¹¹ IPPR, 2023. Available [here](#)

5. GOVERNMENT SUPPORT

Perceptions of government support on cross-border trade are on a downward trend

Namibia's government support index score



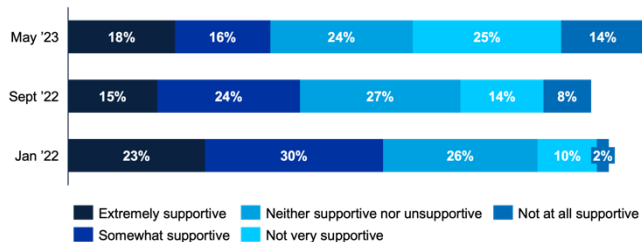
Government support index can vary between 0 and 100, where 0 indicates an extreme lack of Government support, 50 neutrality and 100 extreme Government support. In the May 2023 SB ATB survey results, Namibia's Government support index score decreased from 56 to 50. This means that surveyed businesses in Namibia feel the Government has been less supportive of cross-border trade activities in this iteration of the survey compared to September 2022.

Over the past three surveys, the positive perception of the Government's role in supporting cross-border trade activities has been on a downward trend (see Figure 7).

There has been a notable decrease in the share of firms who stated that the Government was supportive (either extremely supportive or somewhat supportive) of their cross-border trading activities in May 2023 (34%) relative to January 2022 (53%). In line with this observation is an increase in the share of businesses that do not find the Government to be supportive (either not very supportive or not at all supportive) of cross-border trade activities, as the share of businesses with these sentiments increased from 12% in January 2022 to 39% in May 2023.

Figure 7: The extent the Government has supported cross-border trade activities as identified by businesses

Question: Please indicate how supportive your government is with regards to cross-border trading activities.



Source: Standard Bank Africa Trade Barometer Issue 3

Larger businesses on average have a more positive perception of the Government's support for cross-border trade relative to smaller businesses. During the May 2023 survey, 50% of corporate businesses and 36% of big businesses reported that the Government was supportive (either extremely supportive or somewhat supportive) of their cross-border trading activities, compared to 28% of small businesses. This difference may be explained by larger businesses having better access to information about Government programs, more resources and capacity to navigate complex regulatory environments and Government support being more accessible and tangible to larger businesses. With the aim of supporting cross border activities, especially small and medium enterprises (SMEs), the Namibia Trade Forum (NTF), an agency of the Ministry of Industrialisation and Trade signed a Memorandum of Understanding (MoU) with the Development Bank of Namibia (DBN) in November 2022.¹² The partnership aims to improve and strengthen SME industries and accelerate Namibia's industrialisation agenda and the diversification of its export market by increasing opportunities for loan approval for SMEs, assisting these businesses to enter a competitive market space and ensure they SMEs are export-ready. However, the benefits of the partnership are yet to reflect in the Government support score as most surveyed businesses, especially small businesses (47%) felt the Government was not supportive of cross border trade in May 2023.

Respondents noted that they would like the Government to support cross-border trade by reducing or eliminating limits on foreign currency purchases.

To be able to continuously support its imports, it is necessary for Namibia to acquire and maintain fairly substantial foreign capital reserves, while limiting and controlling the selling of foreign currencies to ensure the country has adequate funds at all times. Moreover, the Namibia Dollar is pegged to the South African Rand, which requires Namibia to hold sufficient foreign currency reserves to maintain this peg. Therefore, drastic changes such as eliminating limits on foreign currency purchases as requested by businesses is unlikely. Nevertheless, as of April 2023, Namibia's foreign exchange reserves stood at NAD 500 billion, estimated to be equal to 5 months of imports. This potentially provides assurance to traders of sufficient insulation from foreign currency related

¹² Namibia Economist, 2022. Available [here](#)

risks associated with the depreciation of the Namibian Dollar against the US Dollar observed over the past two years.¹³

Another key area businesses in Namibia require Government support to boost cross-border trade is by lowering taxation and customs duty. Businesses find that taxes imposed, as well as customs duty on imports are high, thus impeding their ability to engage in cross-border trade. No reforms have been proposed to lower the cost of

conducting cross-border trade (e.g., by lowering customs duty). However, in support of fostering economic recovery, the Government of Namibia has resolved to reduce the non-mining corporate tax rate to 31% with effect from 1 April 2024.¹⁴ By providing relief to business, the Government of Namibia will improve the ease of doing business. In addition, businesses in Namibia stated that they require the Government to enforce appropriate non-tariff barriers to protect local business as well as simplify business policies.

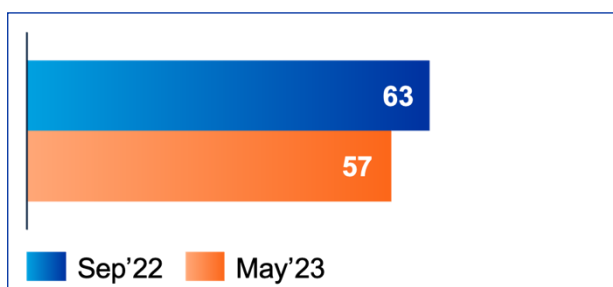
¹³ AfDB. 2023. Available [here](#)

¹⁴ Ernst and Young, 2023. Available [here](#)

6. INFRASTRUCTURE CONSTRAINTS AND ENABLERS

Although the perceived quality of infrastructure in Namibia has slightly declined, it is still among the most well perceived in the Standard Bank Africa Trade Barometer

Namibia's quality of trade-related infrastructure index score

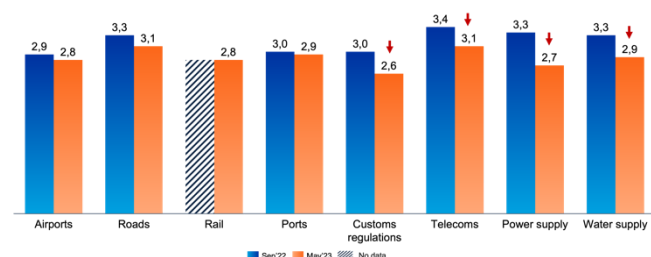


The quality of trade-related infrastructure index can vary between 0 and 100, where 0 indicates poor quality, 50 indicates fair quality and 100 indicates excellent quality. In the May 2023 SB ATB survey results, Namibia's quality of trade-related infrastructure index score deteriorated from 63 to 57.

The perceived quality of infrastructure by surveyed Namibian businesses has slightly declined on average relative to the survey conducted in September 2022 (see Figure 8). This was mainly driven by slight declines in the perceived quality of the country's customs, telecommunications, power supply and water supply infrastructure.

Figure 8: The perceived quality of various infrastructural aspects by businesses (5-point scale)

Question: How would you rate the quality of each of the following aspects in your market?



Source: Standard Bank Africa Trade Barometer Issue 3. Note: Rating is on a 5-point scale, where 5 = excellent quality and 1 = poor quality. Arrows denote whether the value of the variable is significantly higher/lower than in the previous survey.

Despite this slight decline, the infrastructure in Namibia is amongst the most well perceived by surveyed businesses in the Standard Bank Africa Trade Barometer. In addition, on average, none of the infrastructural aspects were identified by respondents as severe obstacles constraining their operations. This signals that infrastructure in Namibia does not significantly inhibit the ability of businesses to operate and engage in trade.

The infrastructural aspect that constrains the ability of businesses to operate to the largest degree is the country's customs regulations. 43% of surveyed businesses reported that the country's customs and trade regulations are at least a moderate obstacle to their current operations. Insights from the interviews with thought leaders suggest that this sentiment may be driven by the complexity of regulations, including onerous documentation requirements. This results in delays in delivering goods.

43% of surveyed businesses feel that customs and trade regulations represent at least a moderate obstacle to their operations.

"The current customs and border regulations create complexities and delays in the movement of goods across borders. The various documentation requirements, import and export duties, and inspections usually pose significant hurdles for traders and can cause delays on perishable goods. This may result in some traders giving up on exporting."

Representative from the Ministry of Finance

The decrease in the perceived quality of the electricity supply may be driven by the risk of spillover of the power crisis in neighbouring South Africa, or recent low levels of rain inhibiting the generation of hydro-electricity.

In March 2023, Namibian power utility NamPower encouraged Namibians to use power prudently and warned that they were on the brink of experiencing power supply shortages due to their reliance on electricity imports from South Africa to meet local demand.¹⁵ However, thus far Namibia has managed to keep the electricity supply stable by diversifying its sources of imported power over the short term by signing power-purchase agreements with utilities in Botswana, Zambia, Zimbabwe, the Democratic Republic of Congo (DRC), and Mozambique. The Government is also seeking to grow the power production

capacity by 2025 with a view to eventually making the country self-sufficient and mitigating the energy risk facing businesses.¹⁶

The Namibian Government envisions a larger role for rail infrastructure in facilitating cross-border trade.

The degree to which the state of the rail infrastructure represents an obstacle to surveyed businesses is low, likely because of limited use. In a bid to increase the volume of goods transported using the country's rail network and facilitate cross-border trade, the Namibian Government is planning to construct new railway lines and rehabilitate aged parts of the network.

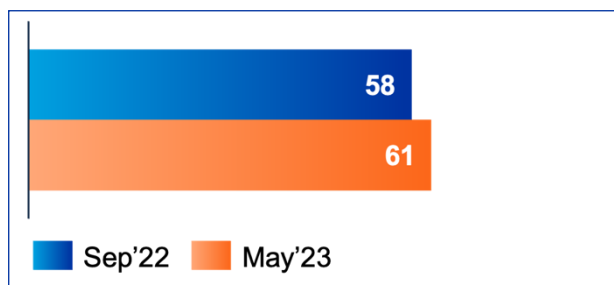
¹⁵ Dentlinger, 2023. Available [here](#)

¹⁶ Namibian Government. Available [here](#)

7. TRADE OPENNESS

South Africa is the most important cross-border trade partner for smaller businesses in Namibia

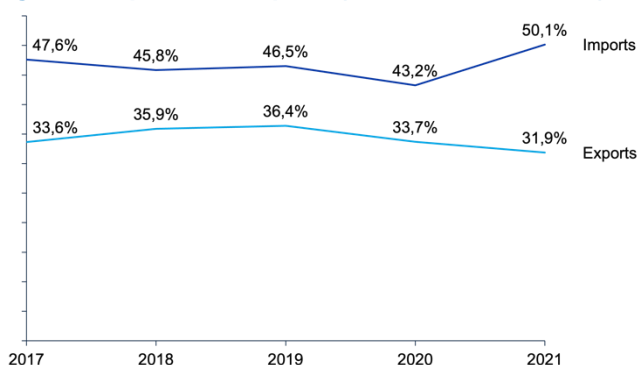
Namibia's trade openness index score



The trade openness index score can vary between 0 and 100, where 0 indicates a high burden of obstacles inhibiting trade, 50 indicates a moderate burden of obstacles inhibiting trade and 100 indicating a low burden of obstacles inhibiting trade. In the May 2023 SB ATB survey results, Namibia's trade openness index score improved from 58 to 61.

42% of surveyed businesses in Namibia import their inputs, a relatively large proportion compared to most of the comparator countries in the Standard Bank Africa Trade Barometer.¹⁷ For those businesses that do import, the majority operate in the services sector and purchase their inputs directly from primary sources (international manufacturers / farmers). The relatively high level of import activity amongst Namibian businesses in the Standard Bank Africa Trade Barometer firm-level data reflects data at the aggregate country level, where imports into Namibia represent a significant share of GDP (see **Figure 9**).

Figure 9: Imports and exports (% of GDP, 2017 - 2021)



Source: World Bank

¹⁷ The share of importers is larger in only two out of the nine other countries in the Standard Bank Africa Trade Barometer (Nigeria and Uganda).

¹⁸ ITA. Available [here](#)

South Africa is the most popular foreign market for inputs for Namibian importers. 65% of surveyed importers source inputs from South Africa, making South Africa the most common source of imports for surveyed importers in Namibia by a large margin. The next most popular import market is China, from where only 9% of surveyed importers import their inputs. Namibia's heavy reliance on imports is largely driven by demand-supply imbalances in both manufacturing and energy sectors, prompting significant imports—including electricity from South Africa.¹⁸

Businesses' import relationships with South Africa are also relatively deep, with the majority of the average importers' import basket (58%) being accounted for by South African goods. The importance of South Africa as an import partner corresponds with data at the aggregate country level, where South Africa is Namibia's largest import partner (accounting for 36% of imports).¹⁹

The strong trading ties between South Africa and Namibia can be attributed to their involvement in the Common Monetary Area (CMA) and Southern African Development Community (SADC). Membership in the two bodies significantly lowers tariff and non-tariff barriers as well as transaction costs for South African businesses when conducting cross-border trade.²⁰ However, the introduction of new fees and longer processing times for payments to and from Namibia within the CMA in June 2023 may increase frictions.²¹

Import activity from other countries in Africa is however relatively low. Only 7% of surveyed importers source inputs from Central Africa; while none of the firms in our sample source inputs from East, West or North Africa. Additionally, when South Africa is not considered, only 19% of the average importer's gross import basket originate from African countries.

The majority of Namibian importers expect the volume of their imports to increase in the near future (see **Figure 10**). 51% of surveyed importers feel that it is likely (very likely or extremely likely) that the scale of their imports will increase over the next two years, representing a significant (15 percentage point) increase relative to the sentiments

¹⁹ WITS, 2020. Available [here](#)

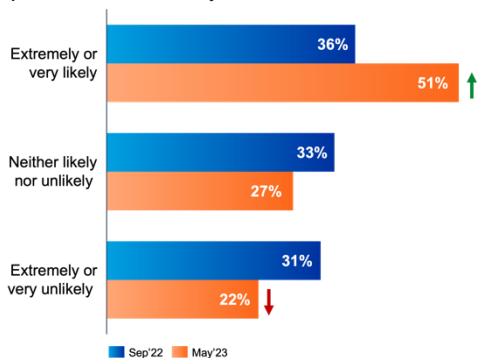
²⁰ Edwards, Nchake & Rankin, 2018. Available [here](#)

²¹ Amukeshe & Dlamini, 2023. Available [here](#)

recorded in September 2022. The majority of businesses (60%) who hold this sentiment primarily expect imports from South Africa to increase, further pointing toward strengthened trade ties between the two Southern African Development Community (SADC) countries.

Figure 10: Importers perceptions on their likelihood to increase import volumes over the next 2 years (%)

Question: How likely are you to increase the volume of imports in the next 2 years?



Source: Standard Bank Africa Trade Barometer Issue 3
 Note: Arrows denote whether the value of the variable is significantly higher / lower than in the previous survey

In terms of businesses' selling activity, 24% of surveyed businesses in Namibia export their goods to other markets. For those businesses who export, the majority operate in the services sector and sell their goods directly to end consumers.

South Africa represents a large market for Namibian exporters. Most of the surveyed exporters in Namibia (67%) sell their goods to other countries in Southern Africa, particularly South Africa (51% of exporters). Furthermore, exports to South Africa account for the largest share (45%) of the average exporters export basket. The importance of South Africa as an export partner is mirrored by data at the aggregate country level, where South Africa has been Namibia's largest export partner since 2021.

In comparison, export activity toward other markets in Africa is relatively low. Whilst a notable proportion of surveyed exporters sell their goods to other markets in

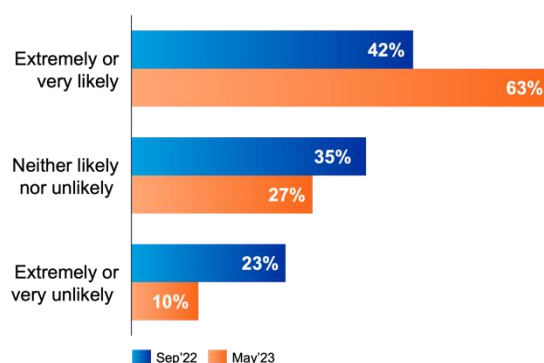
Southern Africa such as Angola (12% of exporters) and Zimbabwe (10% of exporters), export activity toward other regions in Africa is low. Specifically, only 4% and 2% of surveyed exporters reported selling their goods to markets in North and West Africa respectively.

Exporters expect the volume of their exports to increase over the next two years (see Figure 11). 63% of surveyed exporters reported that it is likely (very likely or extremely likely) that the volume of their exports will increase over the next two years. The majority of businesses who hold this sentiment (52%) believe that export volumes toward South Africa will increase, signalling a potential further deepening of Namibia's bilateral trade relationship with South Africa.

63% of surveyed exporters reported that it is very or extremely likely that the volume of their imports will increase over the next two years.

Figure 11: Exporters perceptions on their likelihood to increase export volumes over the next 2 years (%)

Question: How likely are you to increase the volume of exports in the next 2 years?

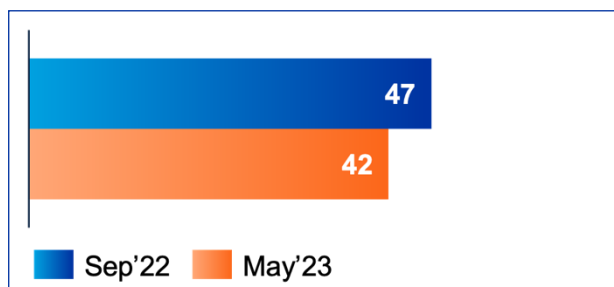


Source: Standard Bank Africa Trade Barometer Issue 3.
 Note: Arrows denote whether the value of the variable is significantly higher / lower than in the previous survey

8. TRADERS' FINANCIAL BEHAVIOUR & ACCESS TO FINANCE

Digital payment methods are increasingly being used by Namibian businesses, and access to credit is perceived as becoming more difficult

Namibia's access to finance index score



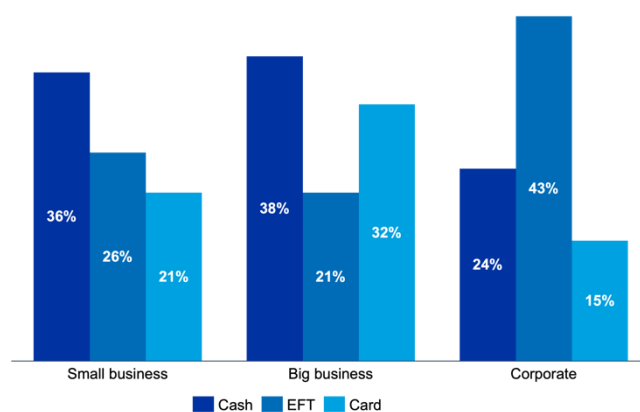
Access to finance can vary between 0 and 100, where 0 indicates an extreme difficulty in accessing finance, 50 neutrality and 100 indicates no difficulty in accessing finance. In the May 2023 SB ATB survey results, Namibia's access to finance index score declined from 47 to 42. This means that surveyed businesses in Namibia found it more difficult to access finance compared to September 2022.

EFTs and cards remain the primary method for facilitating cross-border transactions in Namibia, regardless of business size. 65% and 60% of surveyed businesses use these payment methods for cross-border sales and purchases, respectively. This result is indicative of a mature banking sector, which is unsurprising considering that the Namibian banking sector is one of the most sophisticated and highly developed banking sectors on the continent.²²

While cash is the most utilised payment method for domestic transactions, the use of cards and EFTs is also prevalent (see **Figure 12**). 27% of businesses use EFTs for domestic purchases, primarily driven by corporations (43%). EFTs are the second most utilised payment method for small businesses, which shows increased adoption for this payment method. This aligns with the country's focus on formalising MSMEs and leveraging digitalisation for improved business management, credit decisions, and access to finance.²³

Figure 12: Preferred payment method for domestic purchases

Question: Thinking of your purchases, how do you pay for your goods or services when trading with suppliers in your country?



Source: Standard Bank Africa Trade Barometer Issue 3

Namibian businesses—particularly small businesses—perceive access to credit as becoming more difficult (see **Figure 13**). 40% of all surveyed businesses perceive accessing credit as being difficult, compared to 19% in January 2022. Notably, small businesses experienced a substantial 25 percentage point rise in perceived difficulty between January 2022 and May 2023. This outcome aligns with the current economic climate post-pandemic, which has been marked by rising interest rates. The Monetary Policy Committee (MPC) of the Bank of Namibia has progressively increased the repo rate from 3.75% in January 2022 to 7.25% by June 2023, resulting in increased cost of borrowing for businesses.²⁴ However, the Bank of Namibia's Economic Recovery Scheme has provided much needed support in light of the Covid-19 pandemic. As per the guidelines, SMEs are able to access credit from N\$ 50 000 to N\$ 10 million. Under the Economic Recovery Scheme, credit is disbursed at a rate equivalent to the current prime lending rate, with a reduction of 50 basis points and less stringent conditions.²⁵

²² IMF. Available [here](#)

²³ UNDP. Available [here](#)

²⁴ Trading Economics. Available [here](#)

²⁵ Bank of Namibia. Available: [here](#)

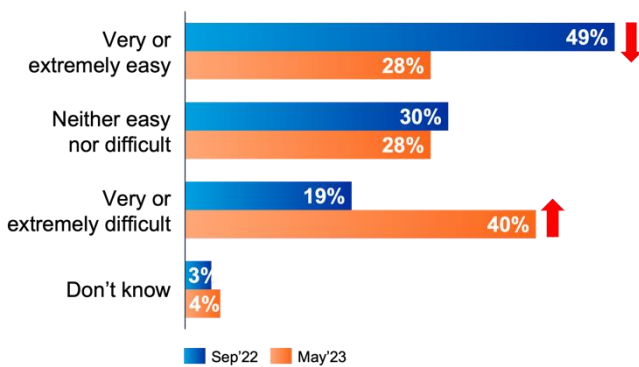
“Small enterprises struggle to meet the requirements for loan eligibility. However, I don’t believe there are significant barriers in accessing finance from financial institutions in our country for large companies, since they meet the criteria.”

Representative from the Ministry of Finance

In terms of support from financial institutions (FIs) in facilitating cross-border trade, businesses highlighted the need for assistance in insuring and funding their goods. Namibia’s vulnerability to the effects of climate change—marked by erratic rainfall and frequent dry spells—poses significant risks, making insurance vital for mitigating these risks in the forthcoming years.²⁶ Additionally, businesses recognise the need for flexible loan terms and faster access to funds as they expect to increase their trade operations over the next two years.

Figure 13: The level of difficulty in accessing credit

Question: Please indicate how difficult or easy it is to get credit from financial institutions.



Source: Standard Bank Africa Trade Barometer Issue 3
 Note: Bars will not add up to 100% as 'Refused' has been excluded from the graph



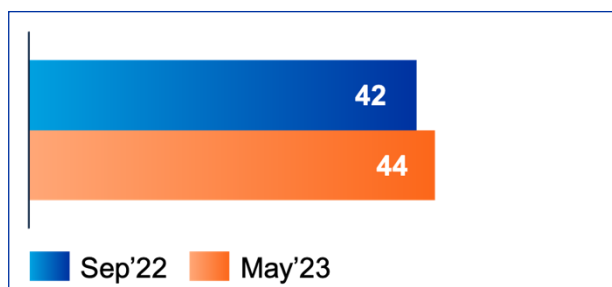
Train tracks in the Namib desert

²⁶ UNDP. Available [here](#)

9. FOREIGN TRADE & TRADING IN AFRICA

Initiatives to create awareness of the AfCFTA appear to be bearing fruit—although businesses still find trading with the rest of Africa difficult

Namibia's ease of trade index score



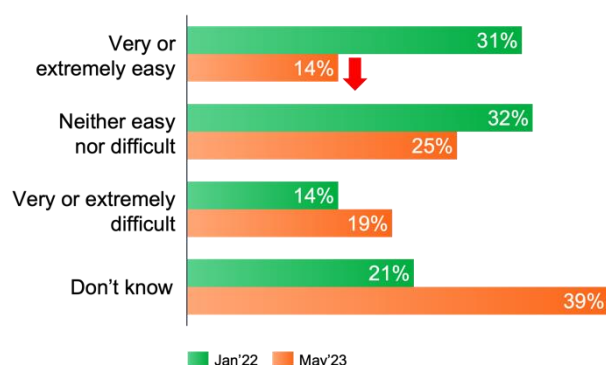
Ease of trade can vary between 0 and 100, where 0 indicates an extreme difficulty when trading with other countries, 50 neutrality and 100 indicates no difficulty when trading with other countries. In the May 2023 SB ATB survey results, Namibia's ease of trade index score increased from 42 in September 2022 to 44 in May 2023. This means surveyed businesses in South Africa found it easier to trade with other countries compared to September 2022.

Namibian businesses prioritise a partner country's trade policies (21%), transport availability (13%), and the prevailing market prices (11%) when considering which partners to conduct cross-border trade with. Surveyed Namibian businesses favour African markets, with 77% of gross imports and 74% of gross exports going to fellow African countries. However, this is mainly driven by trade relations with South Africa, representing 58% of the gross imports and 45% of gross exports.

The survey findings suggest that barriers, such as high importation / exportation tax rates and complex business policies in African countries, have negatively impacted the perception of Namibian businesses with regard to the ease of trading with other African countries (see Figure 14). The percentage of firms reporting trade with the rest of Africa to be difficult (either very difficult or extremely difficult) increased from 14% in January 2022 to 19% in May 2023. Similarly, those that perceived trading with Africa to be easy decreased from 31% to 14%. This result is intriguing, particularly in light of Namibia's membership in the CMA and SADC. More granular analysis reveals that this is driven by the percentage of businesses reporting obstacles such as anti-dumping laws (57%), industry bailouts (57%), and import quotas (58%).

Figure 14: Businesses perceptions of the ease of trading with other African countries

Question: In your view would you say trading with the rest of Africa is ...?



Source: Standard Bank Africa Trade Barometer Issue 3
Note: Arrows denote whether the value of the variable is significantly higher / lower than in the previous survey

Namibia is one of 54 signatories to the African Continental Free Trade Agreement (AfCFTA). AfCFTA is an initiative which looks to, amongst other things, improve the level of intra-African trade by creating a single market for goods and services and lower some of these aforementioned trade barriers. To this end, members of the AfCFTA are committed to eliminating tariffs on most goods and services that are traded between African countries over a given period following the AfCFTA entering its operational phase in July 2019.

“The African Continental Free Trade Area: Economic and Distributional Effects, is designed to guide policymakers in implementing policies that can maximise the agreement's potential gains while minimising risks. Creating a continent-wide market will require a determined effort to reduce all trade costs. Governments will also need to design policies to increase the readiness of their workforce to take advantage of new opportunities.”

Representative from Namibia Revenue Agency

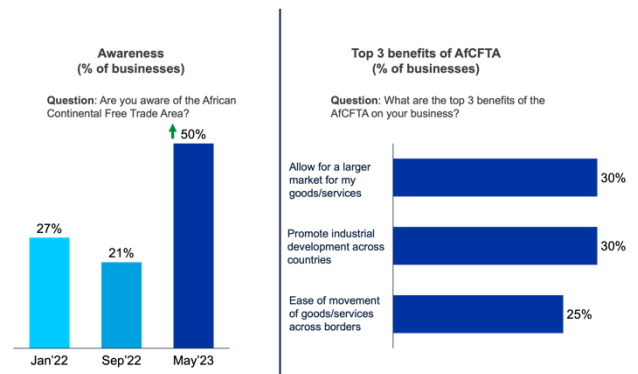
50%

of surveyed businesses are aware of AfCFTA, significantly increasing from 21% in September 2022.

Awareness of the AfCFTA amongst Namibian businesses has significantly increased (see Figure 15).

The percentage of respondents that are aware of the AfCFTA increased to 50% in May 2023 from 21% in September 2022—a statistically significant change. Namibia has been proactive in creating awareness of the AfCFTA by launching the National Strategy and Implementation Plan for AfCFTA in November 2022, which outlines the country’s commitment to raising awareness and building capacity among businesses. In addition, the Government commenced its AfCFTA awareness creation campaign in September 2022, which aimed to disseminate information on the agreement by sensitising the business community on the opportunities and benefits presented by the AfCFTA.²⁷ However, there are bottlenecks hindering SME trade under AfCFTA. SMEs have voiced their concerns on trade openness (checkpoint barriers, customs fees, and rent-seeking practices), access to finance and trade information relating to AfCFTA.²⁸ In order to realise the benefits of trade under the AfCFTA, more effort is needed on implementing Namibia’s National Strategy and Implementation Plan for AfCFTA.

Figure 15: Businesses awareness and expected benefits of the African Continental Free Trade Area



Source: Standard Bank Africa Trade Barometer Issue 3
 Note: Arrows denote whether the value of the variable is significantly higher / lower than in the previous survey.

Most Namibian businesses believe that the implementation of the AfCFTA will reap benefits for their businesses (see Figure 15). The most commonly identified benefits are increased access to larger markets for goods and services, the promotion of industrial development across African countries and an ease in the movement of goods and services across borders.

“I feel that AfCFTA holds great potential for African countries to expand their markets, diversify their economies, and foster industrial development. It provides an opportunity for businesses to access a larger consumer base and participate in regional value chains.”

Representative from the Ministry of Finance



Windhoek, Namibia

²⁷ Eronga. Available [here](#)

²⁸ The Brief. Available [here](#)

10. MAIN OBSTACLES TO TRADE

Namibian businesses continue to face obstacles to trade

Relative to many of the comparator countries in the Standard Bank Africa Trade Barometer, the degree to which transport and logistics infrastructure limit business's operations is low. Specifically, the state of the country's road, airport and port infrastructure were reported by respondents to be amongst the factors that inhibit their ability to engage in trade to the least degree. This is in contrast to many other African countries, where transport and logistics infrastructure often poses a significant obstacle to engaging in trade.

The most significant obstacles constraining the ability of surveyed businesses in Namibia to trade with countries outside of Africa are related to prohibitive customs requirements. 36% of respondents identified customs requirements as a major or severe obstacle that

inhibits their ability to trade with countries outside of Africa. The reported extent to which customs requirements represent a burden to businesses, however, is lower for businesses when engaging with African countries. This may be driven by the existence of Regional Trade Agreements such as SADC and COMESA.

36%

of surveyed businesses reported that customs requirements are a major or severe obstacle inhibiting their ability to trade with countries outside of Africa.

11. CONCLUSION

In conclusion, and looking forward, an aspect that will be interesting to track in future issues of the Standard Bank Africa Trade Barometer (SB ATB) in Namibia is the implementation of the African Continental Free Trade Area (AfCFTA) Agreement, and its effects on businesses in Namibia going forward. Namibia has been proactive in creating awareness of the AfCFTA by launching the National Strategy and Implementation Plan for AfCFTA in November 2022, which outlines the country's commitment to raising awareness and building capacity among businesses. In addition, certain markets in Southern Africa—particularly South Africa—are crucial trade partners for both surveyed importers and surveyed exporters in Namibia. The level of trade activity with other regions in Africa amongst surveyed importers and exporters in Namibia, however, is relatively low.

As such, future iterations of the survey will provide insights into the impact of AfCFTA on trade dynamics with other African countries. With greater access to a unified African market, Namibia is poised to deepen and broaden trade relations with non-traditional African trade partners. Of particular interest will be whether the frequency and strength of trade relationships with countries in other regions of Africa increases, as well as whether the burden of tariffs and customs regulations on surveyed traders declines.



Walvis Bay Harbour, Namibia

12.APPENDIX

Appendix 1: Standard Bank Africa Trade Barometer (SB ATB) Country Ranking for Issue 3, 2023

The Standard Bank Africa Trade Barometer (SB ATB) scores are an aggregate of the Standard Bank 3-Year Quantitative Trade Barometer (SB QTB) scores and the Standard Bank Survey Trade Barometer (SB STB) scores. Countries are ranked against each other, i.e., relative scores to each other. This is pegged on a scale of 0 - 100. When indexed between this range, South Africa has the highest Tradability Index while Angola has the lowest. This does not imply that one cannot trade in Angola or that South Africa is perfect, it only implies that at a common starting point of 0 and maximum point of 100, this is how the two markets fared.

SB ATB scores remained the same for Angola, South Africa and Zambia, while the majority of ranks for other countries have increased from September 2022 (see **Table 2**).

Countries that have retained their ranking from September 2022:

- South Africa (1st position)
- Zambia (9th position)
- Angola (10th position)

Countries that have improved in their ranking from September 2022:

- Namibia (3rd to 2nd position)
- Mozambique (6th to 3rd position)
- Nigeria (8th to 4th position)
- Kenya (7th to 6th position)

Countries that have declined in their ranking from September 2022:

- Ghana (2nd to 5th position)
- Tanzania (5th to 7th position)
- Uganda (4th to 8th position)

Table 2: Standard Bank Africa Trade Barometer (SB ATB) scores by country

Country	Africa Trade Barometer (ATB) Score	ATB Ranking	
		September 2022	May 2023
Angola	0 0	10	10
Ghana	 74,3 19,5	2	5
Kenya	 55,8 19,3	7	6
Mozambique	 57,5 30,5	6	3
Namibia	 60,2 43,1	3	2
Nigeria	 48,4 25,9	8	4
South Africa	 100 100	1	1
Tanzania	 58,9 15,3	5	7
Uganda	 58,9 14,8	4	8
Zambia	 43,2 14,1	9	9

Sep'22 May'23

Note: The scores denote the performance of each country relative to the full country list on the specified measures

Appendix 2: Standard Bank 3-Year Quantitative Trade Barometer (SB QTB) Country Ranking for Issue 3, 2023

The Standard Bank 3-Year Quantitative Trade Barometer (SB QTB) scores and ranking by country are the averages of all the selected indicators collected only from existing secondary data sources / reported facts.

SB QTB scores remained the same for Angola, Mozambique and South Africa, while the majority of ranks for other countries have dropped from September 2022 (see **Table 3**).

Countries that have retained their ranking from September 2022:

- South Africa (1st position)
- Mozambique (3rd position)
- Angola (10th position)

Countries that have improved in their ranking from September 2022:

- Namibia (4th to 2nd position)
- Nigeria (7th to 4th position)
- Zambia (9th to 7th position)

Countries that have declined in their ranking from September 2022:

- Ghana (2nd to 5th position)
- Kenya (5th to 6th position)
- Tanzania (6th to 8th position)
- Uganda (8th to 9th position)

Table 3: Standard Bank 3-Year Quantitative Trade Barometer (SB QTB) scores by country

Country	Africa Quantitative Barometer (QTB) Score	QTB Ranking	
		September 2022	May 2023
Angola	0	10	10
Ghana	86,2 26,6	2	5
Kenya	63,9 26,4	5	6
Mozambique	67,4 36,9	3	3
Namibia	64,7 46,2	4	2
Nigeria	56,1 32,4	7	4
South Africa	100 100	1	1
Tanzania	59,2 23,1	6	8
Uganda	51,8 17,6	8	9
Zambia	51,8 23,1	9	7

Sep'22 May'23

Note: The scores denote the performance of each country relative to the full country list on the specified measures

Appendix 3: Standard Bank Survey Trade Barometer (SB STB) Country Ranking for Issue 3, 2023

The Standard Bank Firm Survey Trade Barometer (SB STB) scores and ranking by country are the averages of all the data collected only from the primary research surveys conducted with 2,636 businesses.

Except for South Africa and Namibia, SB STB ranks have changed in this wave for all countries (see **Table 4**).

Countries that have retained their ranking from September 2022:

- South Africa (2nd position)
- Namibia (4th position)

Countries that have improved in their ranking from September 2022:

- Angola (6th to 1st position)
- Nigeria (8th to 5th position)
- Mozambique (9th to 6th position)
- Ghana (10th to 7th position)

Countries that have declined in their ranking from September 2022:

- Tanzania (1st to 3rd position)
- Kenya (7th to 8th position)
- Uganda (3rd to 9th position)
- Zambia (5th to 10th position)

Table 4: Standard Bank Survey Trade Barometer (SB STB) scores by country

Country	Africa Survey Barometer (STB) Score	STB Ranking	
		September 2022	May 2023
Angola	22,6 100	6	1
Ghana	0 18,4	10	7
Kenya	10,3 18,2	7	8
Mozambique	1,2 21,6	9	6
Namibia	34,1 52,7	4	4
Nigeria	8,4 22,5	8	5
South Africa	84,0 66,8	2	2
Tanzania	100 65,2	1	3
Uganda	57,0 12,2	3	9
Zambia	26,6 0	5	10

Sep'22 May'23

Note: The scores denote the performance of each country relative to the full country list on the specified measures

Appendix 4: The relative impact of selected macroeconomic indicators on the tradability attractiveness of Standard Bank Africa Trade Barometer Countries for Issue 3, 2023

In the table below, the ranking (between position 1 and position 10) as well as the respective colour coding highlight the impact of a specific macroeconomic indicator (e.g., FDI net inflows) on the tradability attractiveness of the respective country. To arrive at this ranking, the three-year average (2020, 2021 and 2022) of each indicator in a country is first normalised²⁹ which allows for the relative impact (relative to the other nine countries) of each indicator on overall tradability attractiveness for that country to be arrived at.

Table 5: Country ranking on the impact of macroeconomic indicators on tradability attractiveness

	Merchandise trade (% of GDP)	GDP (Current USD)	GDP growth (% average annual)	Imports (% of GDP)	Exports (% of GDP)	Inflation	Lending interest rate (%)	FDI Net Inflows
Angola	4	4	10	9	2	10	8	10
Ghana	6	5	4	5	6	9	10	3
Kenya	9	3	1	7	9	6	3	7
Mozambique	2	9	6	1	4	5	6	2
Namibia	1	10	9	2	3	2	1	8
Nigeria	10	1	7	10	10	8	4	4
South Africa	5	2	8	4	5	4	2	1
Tanzania	8	6	3	8	7	1	5	6
Uganda	7	7	2	6	8	3	7	5
Zambia	3	8	5	3	1	7	9	9

Key: Negative relative trade impact  Positive relative trade impact

²⁹ Normalisation here means calculating the deviation of a particular macroeconomic indicator in a specific country from the mean of that indicator in all 10 SB ATB countries

13. ABOUT THE RESEARCH

The Standard Bank Africa Trade Barometer is based on both primary and secondary research sources. This is Issue 3 of the SB ATB. Issue 1 was released in June 2022 and Issue 2 was released in November 2022. The data collection (both primary and secondary research) for Issue 3 happened between March and May 2023 in all 10 countries of interest.

The primary research component involves the administration and analysis of a firm survey (i.e., a survey of sample businesses in the countries of interest) and holding of in-depth interviews (IDIs) with key stakeholders. The sample is stratified by size (small, big and corporate), region and industry. For Issue 3, 2 636 businesses were surveyed and 30 IDIs were conducted across the 10 countries.

In Namibia, 204 businesses were surveyed. 64% of these businesses were in Windhoek, 12% in Walvis Bay, 10% in Swakopmund, 9% in Oshakati and 4% in Rundu. The breakdown of surveyed businesses in Namibia by business segment was as follows:

- 63% were small businesses
- 22% were big businesses
- 15% were corporates

In the context of the SB ATB, small businesses are defined as those with a turnover of less than NAD 10 million, large businesses as those with a turnover of between NAD 10 million and NAD 250 million and corporates as those with a turnover of more than NAD 250 million.

The breakdown of surveyed businesses in Namibia by industry was as in **Table 6**:

Table 6: Breakdown of surveyed businesses in Namibia by industry

Industry	%	Industry	%
Accommodation and food service activities	19%	Education	2%
Manufacturing	18%	Public administration and defence; compulsory social security	1%
Wholesale and retail trade; repair of motor vehicles and motorcycles	17%	Human health and social work activities	1%
Construction	11%	Electricity, gas, steam and air conditioning supply	0.5%
Information and communication	5%	Real estate activities	0.5%
Financial and insurance activities	5%	Professional, scientific and technical activities	0.5%
Services	4%	Arts, entertainment and recreation	0.5%
Administrative and support service activities	4%	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	0%
Agriculture, forestry and fishing	3%	Activities of extraterritorial organisations	0%
Transportation and storage	3%	Water supply; sewerage, waste management and remediation activities	0%
Mining and quarrying (includes oil & gas)	2%		

The breakdown of surveyed businesses by staff complement was as follows:

- 23% had 21 - 50 employees
- 18% had 51 - 100 employees
- 10% had 101 - 1,000 employees
- 4% had 1,001 - 5,000 employees
- 7% had below 5 employees
- 19% had 5 - 10 employees
- 19% had 11 - 20 employees

With regards to individual respondent characteristics within the businesses, 55% were male and 45% were female. The breakdown by their job titles is as follows:

- 23% were general managers
- 21% were owners
- 12% were heads of departments
- 8% were financial directors
- 6% were managing directors
- 5% were directors general
- 5% were chief executive officers (CEOs)
- 3% were deputies directors general
- 2% were chief accountants
- 2% were treasurers
- 2% were chief financial officers
- 2% were executive directors
- 2% were chairpersons
- 1% were deputy chief executives
- 3% held other job titles

Further details by region, business segment, industry, staff complement, age of firm, the firms' corporate and strategic decision-making structures as well as individual respondent characteristics (gender, job title, etc.) are available on request.

There were three IDIs conducted in Namibia as part of Issue 3. One interview was with a representative from the Namibia Revenue Agency, another with a representative from the Ministry of Finance, and finally with a representative from the Ministry of Trade. These interviews are quoted in this report, as relevant.

The survey and IDIs were conducted on a confidential basis.

The secondary research component involves the gathering and analysis of quantitative data. This data is primarily collected from World Bank sources, although additional data is obtained from the International Monetary Fund (IMF), the International Trade Center and individual country central banks and statistics bureaus.

In-depth details on how the Standard Bank Africa Trade Barometer scores for each country are calculated, and the resultant country rankings, are available on request.

The research was produced by Standard Bank Business and Commercial Banking Research and Insights. For any questions or information requirements on this report please contact tradebarometer@standardsbg.com.

14.ENDNOTES

The secondary sources used in drafting this report are listed below in alphabetical order.

1. Bank of Namibia Economic Outlook Update 2018, 2020 and 2022. Available [here](#)
 2. Bank of Namibia Monetary Policy Statement 2022. Available [here](#)
 3. Data Commons. Available [here](#)
 4. IMF World Economic Outlook 2023. Available [here](#)
 5. Namibia Ministry of Finance. Available [here](#)
 6. Namibia Statistical Agency-Annual National Accounts 2022:
 - a. Available [here](#)
 - b. Available [here](#)
 7. The Economist. Available [here](#)
 8. World Bank. Available [here](#)
-

DISCLAIMER

This report contains independent research conducted by The Standard Bank of South Africa Limited and its third-party suppliers.

This report is for the general information of the public. The views and opinions (**Information**) expressed in this report are for information purposes only and do not necessarily reflect the official policy or position of The Standard Bank of South Africa Limited and/or any of its affiliates, subsidiaries and holding companies (**Standard Bank Group**). The Information was produced by Standard Bank Group as per the date stated and may be subject to change without prior notification. Opinions expressed are our current opinions as of the date appearing on this report only. This report is based on information that we consider reliable, but the Standard Bank Group does not warrant or represent (expressly or impliedly) that it is accurate, complete, not misleading, or as to its fitness for the purpose intended or that it is free from errors or omissions. The Standard Bank Group and its employees, agents and representatives accept no liability for any loss, damage or claim arising from the use of any Information presented in this report and it should not be relied upon as such.

The Information provided in this report does not constitute advice and is not to be relied upon as independent professional advice of any kind. Before acting on any advice or recommendations in this report, recipients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice.

Copyright 2023. All rights reserved. This report or any portion thereof may not be reprinted, sold, redistributed, edited, amended, reproduced, disseminated, or used for any purpose without the written consent of The Standard Bank of South Africa Limited.