



Standard Bank

# AFRICA TRADE BAROMETER

An overview of the current cross-border trade landscape of Africa



NAMIBIA





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Click on the sections in the Table of Contents to navigate to it.



Click on the Home button to navigate back to the Table of Contents.

# TABLE OF CONTENTS

|   |    |
|---|----|
| Executive Summary   | 3  |
| 1 Introduction  | 6  |
| 2 Standard Bank Africa Trade Barometer Issue 4 Country Rankings | 7  |
| 3 Macroeconomic Environment                                     | 8  |
| 4 Macroeconomic Stability                                       | 10 |
| 5 Government Support  | 13 |
| 6 Infrastructure Constraints & Enablers                         | 14 |
| 7 Trade Openness  | 16 |
| 8 Traders' Financial Behaviour & Access to Finance              | 20 |
| 9 Foreign Trade & Trading in Africa                             | 22 |
| Conclusion  | 24 |
| Appendices  | 25 |
| About the Research  | 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 to create 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 4 of the SB ATB.** The SB ATB focuses on 10 countries: Angola, Ghana, Kenya, Mozambique, Namibia, Nigeria, South Africa, Tanzania, Uganda and Zambia.

**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. These are the seven variables on which the trade barometer scores for each country are constructed.

**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 2 258 firms 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. It is important to note 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.

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

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

| Thematic Category            | Indicator                            | Indicator Score | Ranking out of 10 Countries | Change |
|------------------------------|--------------------------------------|-----------------|-----------------------------|--------|
| Macroeconomic Stability      | Business Confidence                  | 60              | 3                           | ▲ (+5) |
|                              |                                      | 53              |                             |        |
| Governance and Economy       | Government Support on Trade          | 55              | 4                           | ▲ (+3) |
|                              |                                      | 50              |                             |        |
| Infrastructure               | Quality of Infrastructure            | 52              | 2                           | ▼ (-1) |
|                              |                                      | 57              |                             |        |
|                              | Infrastructure Obstacles             | 62              | 2                           | ▼ (-1) |
|                              |                                      | 68              |                             |        |
| Access to Finance            | Access to Credit                     | 44              | 5                           | ▼ (-1) |
|                              |                                      | 42              |                             |        |
| Traders' Financial Behaviour | Credit Terms Extended to Clients     | 58              | 3                           | ▲ (+6) |
|                              |                                      | 41              |                             |        |
|                              | Credit Terms Advanced from Suppliers | 65              | 2                           | ▲ (+7) |
|                              | 31                                   |                 |                             |        |
| Foreign Trade                | Ease of Trade                        | 45              | 9                           | ▼ (-6) |
|                              |                                      | 44              |                             |        |
| Trade Openness               | Trade openness                       | 54              | 3                           | ▼ (-2) |
|                              |                                      | 61              |                             |        |

**Note:** All (with the exception of the ease of trade) indicators have an index score ranging from 0 to 100, where 0 represents a low score and 100 the highest score. For the ease of trade indicator, 0 represents a high score and 100 a low score.

■ August 2024  
■ May 2023





### **This is the country report for Namibia.**

It contains an analysis of the primary and secondary data gathered specifically for Namibia between July and September 2024 and showcases trends and opportunities in trade within the country. **A consolidated report, published separately, will complement the individual country analyses, synthesising data from the 10 African markets surveyed to provide a comparative perspective on the factors enabling and hindering trade. This will form the cornerstone of the trade barometer.**

**Namibia maintained its 2<sup>nd</sup> place ranking in the overall SB ATB. The country maintained its 2<sup>nd</sup> place SB QTB ranking from May 2023.** Meanwhile, Namibia rose from 4<sup>th</sup> place to 2<sup>nd</sup> in the SB STB. Despite Namibia's SB STB ranking rising and its SB QTB ranking being maintained, her overall SB ATB position remained the same.

### **Namibia retained its 2<sup>nd</sup> place position in the annual SB ATB ranking.**

**Namibia's stable macroeconomic environment has positively impacted its trade attractiveness.** The country's real GDP growth rate stood at 4.2% in 2023, largely driven by the mining sector's growth, as it benefits from a rising demand for lithium and rare earth minerals, key components in electric vehicles and renewable energy technologies. Additionally, the tourism industry has seen a 33.5% increase in arrivals in 2023, positively impacting hospitality, transport, and trade. The "Air Connect Namibia" project's launch aims to boost tourism, trade, and foreign investment by enhancing direct access to the country. However, the Namibian Dollar's 6.4% depreciation against the US Dollar in 2023 increases import costs, weakening trade attractiveness, while its peg to the South African Rand exposes it to external fluctuations. 2024 is a crucial year for Namibia politically, with general elections set for November.

**Namibia's business confidence index scored a steady 60 in August 2024, an increase of 7 points from May 2023, indicating positive perceptions around the economy's health and business growth.** This optimism stems from Namibia's stable economy, key oil, gas, transport, and mining projects, and positioning as a green hydrogen investment destination. The mining sector, particularly uranium, is expected to support growth alongside infrastructure projects like the \$10-billion green hydrogen initiative and the 5GW solar project with Botswana. However, declining commodity prices, weaker global demand, and a depreciating Namibian Dollar pose risks. Despite this, businesses expect revenue growth due to increased production, marketing, and cross-border expansion, though high taxation and declining customer demand remain concerns.

**Namibia's government support index for cross-border trade improved by 5 points to 55 in August 2024, reflecting a shift toward more positive perceptions of government backing.** This improvement is driven by government efforts to enhance the business environment, including the approval and launch of the National Trade Policy and key measures in the 2024/2025 budget, such as reducing the corporate tax rate for MSMEs and non-mining entities. Although most surveyed businesses remain neutral, the proportion of those perceiving the government as unsupportive has declined. However, 79% of businesses still advocate for further tax reductions and improved customs efficiency to support cross-border trade. The introduction of VAT zero-rating for Special Economic Zones is also seen as a step towards attracting long-term investment in strategic sectors like mineral beneficiation and agro-processing.

**Surveyed Namibian businesses reported a decline in the perceived quality of trade-related infrastructure, with the index dropping from 57 in May 2023 to 52 in August 2024.** This decline, driven by worsening perceptions of road, port, rail, and telecommunications infrastructure, reflects

## **Namibia maintained its 2<sup>nd</sup> place**

**ranking in the overall SB ATB. The country maintained its 2<sup>nd</sup> place SB QTB ranking from May 2023.**

**The country's real GDP growth rate stood at 4.2% in 2023.**

**This optimism stems from Namibia's stable economy, key oil, gas, transport, and mining projects, and positioning as a green hydrogen investment destination.**

**79% of businesses still advocate for further tax reductions and improved customs efficiency to support cross-border trade.**







growing concerns about customs regulations and rising trade costs. Although infrastructure is not seen as a major barrier to trade, 65% of businesses cited customs and trade regulations as moderate obstacles, up from 43% in May 2023. Challenges include complex licensing requirements, high customs duties, and delays due to ageing road networks. Despite these concerns, upcoming infrastructure projects could improve perceptions, including the green hydrogen pipeline with South Africa and railway improvements.

**The access to credit index for Namibian businesses has increased to 44 in August 2024 from 42 in May 2023, indicating a slight improvement in the credit market.** This suggests that businesses are finding it less difficult to secure credit compared to May 2023. However, 44% of surveyed businesses still perceive credit access as neither easy nor difficult and high interest rates and lack of collateral remain challenges. In addition, more businesses extend credit terms to clients (58%) and receive credit advances from suppliers (65%) than in May 2023 (41% and 31%, respectively).

**EFT and international transfers have emerged as the dominant choices for cross-border transactions, now used by 68% and 63% of surveyed businesses for purchases and sales, respectively.** Cash usage has significantly declined, particularly for domestic transactions, where EFT payments now account for 92% of sales and 91% of purchases. This trend reflects the broader move towards digitisation, driven by financial institutions' investments in digital systems and the growing need for more efficient and secure payment methods.

**Despite notable progress in regional trade agreements, Namibia's ease of trade index marginally improved from 44 in May 2023 to 45 in August 2024, with African countries remaining the preferred trading partners for 75% of surveyed Namibian businesses.** This slight improvement indicates consistent trading conditions, with businesses citing low costs, fast response times, and good product quality as key factors for trading within Africa. However, obstacles like licensing, customs regulations, and international shipments persist. Meanwhile, awareness of

the African Continental Free Trade Agreement (AfCFTA) has decreased slightly, underscoring the need for enhanced awareness campaigns to ensure businesses fully benefit from AfCFTA's potential to streamline intra-African trade.

**Despite a decline in the trade openness index from 61 to 54, trade with Southern Africa remains robust, while trade relations with China have deepened.** With 84% of surveyed businesses importing from Southern Africa, Namibia's cross-border trade relies heavily on the region. South Africa is particularly important, with 56% of surveyed businesses sourcing inputs from the country. However, imports from other African regions remain limited, likely due to challenges in transport infrastructure and customs and trade regulations, which hinder broader intra-African trade. Meanwhile, deepening trade relations with China, driven by policy improvements and zero-tariff treatment for African goods, have bolstered Namibia's import volumes, which rose to 26% from 9% in 2023.

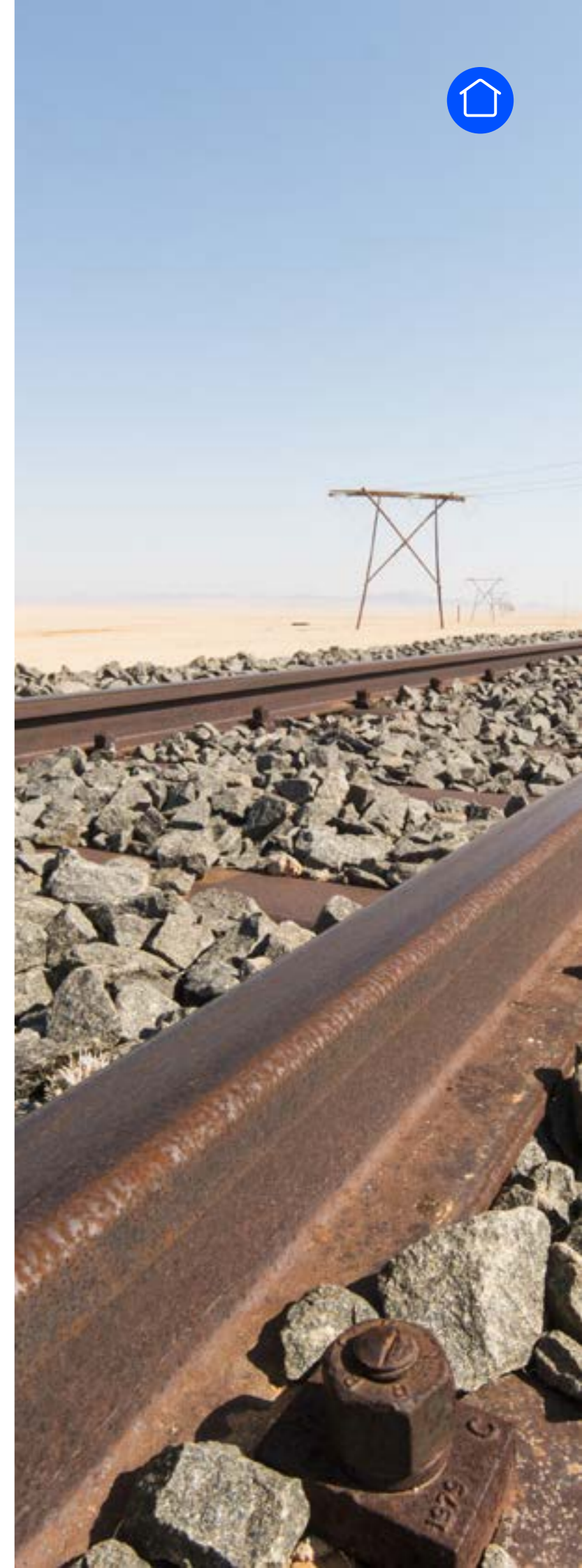
**Namibia's trade outlook remains robust despite its challenges with infrastructure quality and evolving perceptions of government support.** The country's resilience, particularly in key sectors like mining and tourism, continues to anchor its position as the second most attractive economy for trade. As Namibia navigates a critical election year in 2024 and faces the ongoing impacts of currency depreciation, future issues of the SB ATB will be particularly insightful in tracking the effects of these developments on trade. It will be important to monitor how businesses adapt to evolving credit conditions, the impact of upcoming infrastructure projects on trade facilitation, and the real-world implications of key policy reforms, especially in Special Economic Zones and mineral beneficiation. Furthermore, the development of digital payment systems and the role of government support in promoting cross-border trade will be key areas to observe. Looking forward, the SB ATB will continue providing nuanced insights into how these factors collectively shape Namibia's position within regional and global trade arenas.

**44% of surveyed businesses still perceive credit access as neither easy nor difficult and high interest rates and lack of collateral remain challenges.**

## The country's resilience

**particularly in key sectors like mining and tourism, continues to anchor its position as the second most attractive economy for trade.**

**The development of digital payment systems and the role of government support in promoting cross-border trade will be key areas to observe.**





# 1 INTRODUCTION

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.

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 4 of the SB ATB. Issue 1, 2 and 3 were published in June 2022, November 2022 and September 2023 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.

The SB ATB is based on primary and secondary data sources. Primary research is gathered through a survey of over 2 258 firms representing small businesses, big businesses, and corporates across the 10 countries. The survey is augmented by in-depth interviews 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.

To complement the individual country reports, a consolidated report will be published, serving as a cornerstone of the trade barometer. This overarching document will synthesise the data from the various country

analyses to offer a comparative perspective of the factors enabling and impeding trade across the 10 African markets surveyed.

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 July and September 2024 for this fourth issue of the SB ATB.

The surveyed businesses in Namibia were located in the following cities or towns: Windhoek, Walvis Bay, Swakopmund, Oshakati and Rundu. In order to be representative, the majority of these (68%) were small businesses (see Figure 1) given that most businesses in the country fall in this category. There were three in-depth interviews conducted in Namibia as part of this issue. These were with representatives from the Ministry of Finance, the Ministry of Industrialisation and Trade, and the Namibia Fish Consumption Promotion Trust.

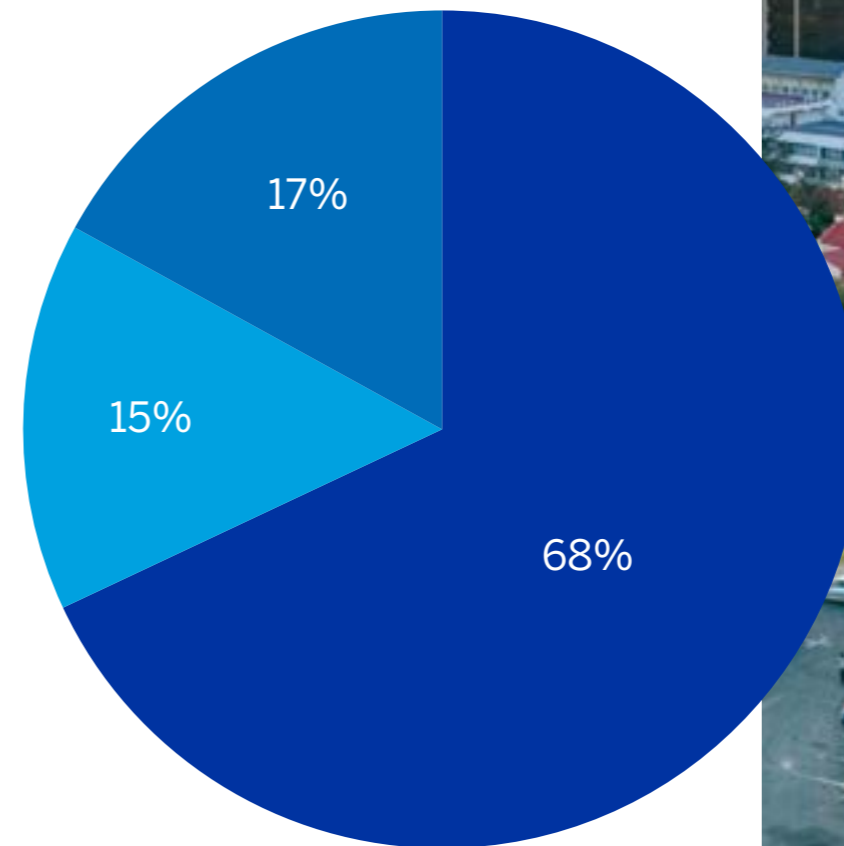
The fact that the majority of surveyed businesses were small businesses is a central value-add of the Standard Bank Africa Trade Barometer (SB ATB). Conventionally, aggregate trade data and information on the African continent is skewed by large businesses that trade specific commodities in large volumes. The trading activities and behaviour of small businesses are therefore often not adequately represented.

## Skewness towards small businesses of SB ATB

The emphasis and findings in the SB ATB 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.

Understanding the trade perceptions of all small businesses is key, as it aids in Africa's journey from a disjointed trading landscape to a more cohesive one where an extensive range of economic participants actively engage in trade with one another.

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



■ Small business ■ Large business ■ Corporate

Source: Standard Bank Africa Trade Barometer Issue 4

Notes: Certain survey findings in this report may differ from data at the aggregate level because data at the aggregate level is skewed by a few large businesses that trade large volumes of specific commodities. This is pointed out in the report, as relevant.





# 2 STANDARD BANK AFRICA TRADE BAROMETER ISSUE 4 COUNTRY RANKINGS

Namibia retained its number 2 position in the Standard Bank Africa Trade Barometer ranking.

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 macroeconomic environment, macroeconomic stability, government support, infrastructure constraints and enablers, trade openness, trader's financial behaviour and access to finance, and foreign trade and trading in Africa.

The SB ATB is made up of the following two trade rankings:

- **The Standard Bank 3-Year Quantitative Trade Barometer (SB QTB)** is constructed from a secondary research perspective. The SB QTB scores and ranking by country are the averages of all the selected indicators collected from existing secondary data sources and reports.
- **The Standard Bank Firm Survey Trade Barometer (SB STB)** is constructed from a primary data perspective. The SB STB scores and ranking by country are the averages of all the survey data collected from 2 258 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 year are driven mostly by the changes in the SB STB scores.

The SB ATB ranking of countries is relative as 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 on a common starting point of 0 and maximum point of 100, this is how the two markets fared.

**Namibia retained position 2 in the SB ATB (see Figure 2).** This is despite rising from position 4 to 2 in the SB STB. The country's SB QTB ranking remained the same.

**Namibia improved in several key areas, including trade growth prospects, macro economic stability, and finance access and behaviour.** Notably, a higher proportion of traders extended credit terms to clients as well as had credit advanced by clients. Similarly, the country's score on trader perception of import growth prospects increased significantly, indicating a positive outlook for foreign trade. However, while Namibia's performance was commendable, there were also areas where scores declined, such as in infrastructure and border and customs efficiencies. These minor setbacks suggest that despite overall progress, Namibia still faces challenges in these specific areas.

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



Source: Standard Bank Africa Trade Barometer Issue 4

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 May 2023, Green border indicates that the country has improved in ranking from May 2023, while Grey border indicates that the country has remained in the same position as in May 2023.

The rest of this report unpacks Namibia's performance in the Standard Bank Africa Trade Barometer Issue 4 from both a primary and secondary research perspective, in line with the seven broad thematic areas referenced earlier.





# 3 MACROECONOMIC ENVIRONMENT

Namibia's supportive macroeconomic landscape bolsters trade attractiveness.

**A** country's macroeconomic environment is a crucial factor in determining its attractiveness for trade and business in the economy. Some factors that increase a country's trade and investment attractiveness are high GDP (indicating a strong production of goods and services).

High GDP per capita (suggesting strong consumer purchasing power); low inflation (ensuring the local currency remains favourable for importers); high foreign direct investment (FDI) (indicating a generally business-friendly environment) and high merchandise trade as a percentage of GDP (reflecting substantial imports and exports).

**Namibia's overall macroeconomic conditions have been stable, positively impacting overall tradability attractiveness (see Table 1).** A notable contributor to improvements in the macroeconomic environment in relation to GDP and real GDP growth rate has been the growth in primary industries such as the mining and quarrying sectors - these remain strong engines for growth for Namibia.<sup>1</sup>

**The mining sector is expected to continue to support the growth of the Namibian economy due to the growing demand for lithium and rare earth minerals, critical components in electric vehicles and wind turbines.** As the demand for electric vehicles and the transition to green

energy intensify, Namibia stands to gain from the increased demand for these minerals. As a vital part of the country's economic framework, the mining sector makes a significant contribution to GDP growth, job creation, and diversifying the economy and increasing foreign currency reserves amongst other benefits.

**Diamonds and uranium play a pivotal role in Namibia's mining sector and overall economy,** making substantial contributions to the country's export earnings. Namibia is the world's third-largest producer of uranium.<sup>2</sup> The country will continue to benefit from the increasing demand for uranium as global energy policies are shifting towards nuclear power which is regarded as a sustainable energy alternative. However, the diamond industry faces mounting challenges due to declining international prices and growing competition from lab-grown diamonds, which present a significant threat to the future earnings and competitiveness of Namibian diamond exports.

**Additionally, tourism is another sector that is having a positive impact on macroeconomic growth and activity in Namibia, and by extension its tradability attractiveness.** Tourist arrivals were up 33.5% year on year in 2023.<sup>3</sup> Ancillary sectors such as the hospitality, transport, and trade are set to benefit from the growth in the tourism sector.

**The Namibia Airports Company launched the 'Air Connect Namibia' project to establish new international routes, addressing the limited direct access to the country and increasing regional integration.** Air Connect Namibia is aimed at boosting tourism, trade and foreign investment with a focus on business travel, particularly in the emerging renewable energy sector, as Namibia positions itself as a key player in the sector. This initiative strengthens trade connections and facilitates smoother cross-border movement of goods and services.

**On the other hand, a factor that has a negative impact on Namibia's tradability attractiveness is the exchange rate stability.** The Namibian Dollar depreciated 6.4% against the US Dollar in 2023 (January 1, 2023, to December 31, 2023).<sup>4</sup> This makes the cost of imports more expensive given more foreign currency is required to purchase goods and services than before (see Figure 3). The Namibian dollar is pegged against the South African Rand, fluctuations with the Rand negatively impacts the Namibian dollar amongst other additional factors such as fluctuating United State Dollar, weakening global demand for diamonds and zinc.<sup>5</sup> To safeguard its currency peg with the South African Rand and manage inflation, the Bank of Namibia's Monetary Policy Committee (MPC) cut its repo rate to 7.25% as of October 2024.<sup>6</sup> This decision was deemed necessary to ensure a



Trade amongst enterprises has gradually evolved over the past two years because our enterprises have become more open-minded.

Representative from the Ministry of Finance

As the Namibian economy has grown, trade has expanded exponentially both domestically and internationally. Internally, many have turned to entrepreneurship to avoid unemployment, which has boosted the trade industry. Externally, Namibia recently became one of the first African countries to export beef to the US, highlighting significant growth in our cross-border trade.

Representative from the Ministry of Industrialisation and Trade



<sup>1</sup> The World Bank, 2024. Available [here](#).

<sup>2</sup> Namibian Uranium Association, 2024. Available [here](#).

<sup>3</sup> Standard Bank African Markets Revealed, June 2024

<sup>4</sup> African Development Bank, Namibia Economic Outlook, 2024. Available [here](#).

<sup>5</sup> Bank of Namibia, 2024. Available [here](#).

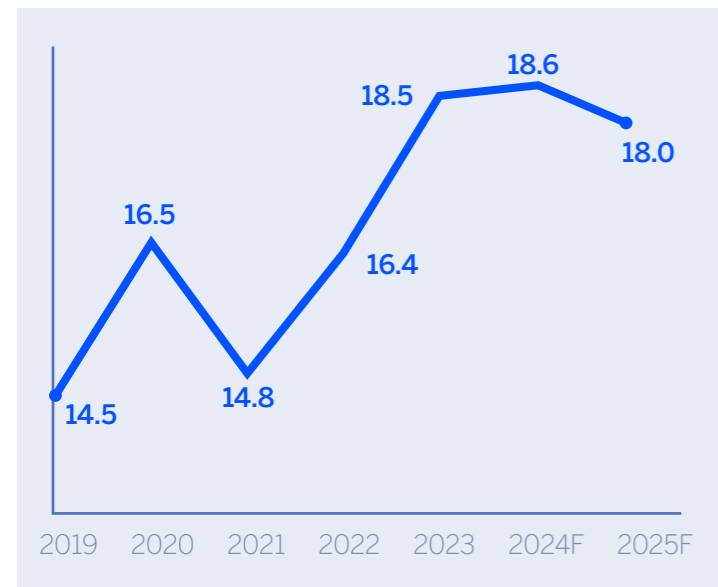
<sup>6</sup> Bank of Namibia, October 2024 Monetary Policy Statement. Available [here](#).





stable currency exchange rate especially with the South African rand, which helps maintain economic predictability. This was also a key measure to control inflation while also aligning Namibia's monetary policy with South Africa to sustain the one-to-one currency peg.<sup>7</sup>

**Figure 3: Foreign exchange rate stability (USD:NAD)**



**Source:** Bank of Namibia; Standard Bank African Markets Revealed Report

**Note:** 'f' represents forecasted data point.

**2024 is a pivotal year with regard to the political climate in Namibia, with general elections slated for November.<sup>8</sup>**

The incumbent South West Africa People's Organization's (SWAPO) female presidential candidate will be competing against several presidential candidates from opposition parties in the upcoming November 2024 elections. Shifts in the political landscape have been observed to influence business confidence and economic perceptions in other African nations studied in the SB ATB, such as Tanzania. In the previous SB ATB 2023 report, surveyed businesses in Namibia expressed a confident and optimistic view of their government and pro-business policies to support cross-border trade and also to stabilise and grow the economy.<sup>9</sup> The country could see movements in a positive or negative direction if government policies and priorities change.

<sup>7</sup> Bank of Namibia, 2024. Available [here](#).

<sup>8</sup> Electoral Commission of Namibia, 2024. Available [here](#).

<sup>9</sup> Standard Bank Tanzania Trade Barometer, 2023. Available [here](#).

**Table 1: Namibia's macroeconomic overview**

| Indicator                               | Unit          | 2019  | 2020  | 2021  | 2022  | 2023  | 2024f | 2025f |
|---|---------------|-------|-------|-------|-------|-------|-------|-------|
| Nominal GDP                             | USD, billions | 12.5  | 10.6  | 12.4  | 12.6  | 12.3  | 13.2  | 14.7  |
| GDP per capita                          | USD           | 5 454 | 4 409 | 4 976 | 4 944 | 4 100 | 4 330 | 4 729 |
| Real GDP growth rate                    | %             | -0.8  | -8    | 3.6   | 5.3   | 4.2   | 3.5   | 4.0   |
| Inflation rate                          | %             | 3.7   | 2.2   | 3.6   | 6.1   | 5.9   | 4.6   | 4.1   |
| Lending interest rate                   | %             | 9.9   | 7.9   | 6.9   | 8.6   | 10.9  | N/A   | N/A   |
| Merchandise trade                       | % of GDP      | 114.4 | 84.1  | 87.0  | 108.4 | 105.4 | N/A   | N/A   |
| Exchange rate stability (USD/NAD)       | NAD per USD   | 14.5  | 16.5  | 14.8  | 16.4  | 18.5  | 18.6  | 18.0  |
| FDI                                     | USD, billions | 1.0   | 0.7   | 1.4   | 1.2   | 2.2   | 3.4   | 3.3   |
| Trade (exports and imports as % of GDP) | %             | 82.9  | 76.9  | 83.5  | 99.1  | 109.6 | N/A   | N/A   |

**Source:** Standard Bank African Markets Revealed Report; World Bank

**Notes:** 'f' represents forecasted data point. Information collected is up to June 2024 and forecasts could have been revised by the time of publication.

**2024 is a pivotal year with regard to the political climate in Namibia, with general elections slated for November.**

**The country could see movements in a positive or negative direction if government policies and priorities change.**



The fluctuations in the Rand affect us because when the Rand crashes, it impacts Namibia too. Prices go up, inflation rises, and things like loan payments and fuel costs increase, which affects cross-border trade with South Africa as South African products become more expensive.

Representative from Namibia  
Fish Consumption Trust



# 4 MACROECONOMIC STABILITY



Positive perceptions of the economy's health and business growth are driving an increase in economic confidence.

## NAMIBIA'S BUSINESS CONFIDENCE INDEX SCORE



**Source:** Standard Bank Africa Trade Barometer Issue 4

Business confidence can vary between 0 and 100, where 0 indicates an extreme lack of confidence, 50 neutrality and 100 extreme confidence. In the August 2024 SB ATB survey results, Namibia's business confidence index score improved from 53 to 60. This means that compared to May 2023, surveyed businesses in Namibia had more confidence in the performance of the economy in relation to business in this iteration of the survey.

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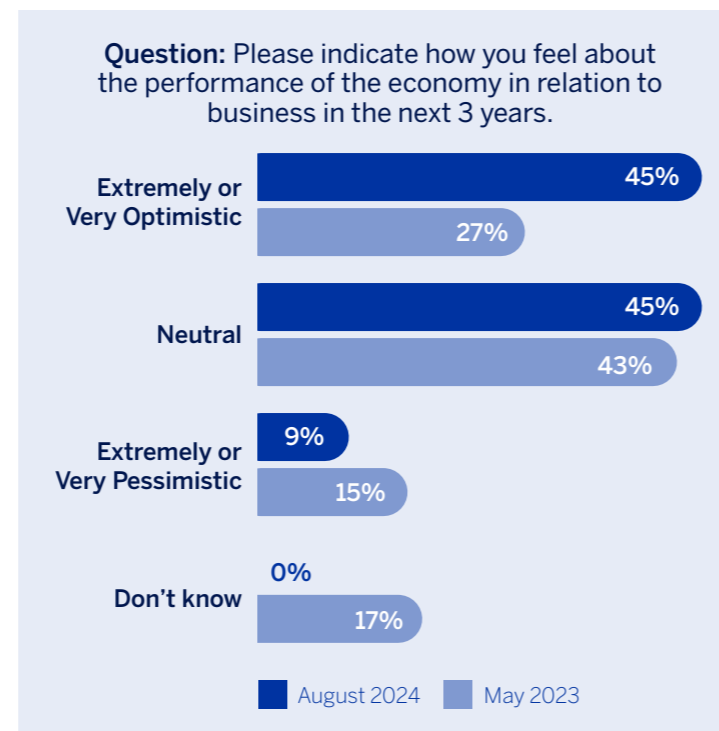
**In general, surveyed businesses are more optimistic about the performance of the economy in relation to business in the next three years compared to May 2023** (see Figure 4)

45% of surveyed businesses are either extremely optimistic or very optimistic compared to only 27% in May 2023.

**Surveyed businesses in Namibia, including small (44%), large (55%), and corporate (43%) entities, show increased optimism compared to the May 2023 SB ATB survey results.** The country has generally been stable, which has made it conducive to trade and economic growth. The growing optimism from the survey can be likely due to promising projects in the oil and gas sector, and mining sector where Namibia is uniquely positioned. Namibia is rich in minerals such as diamonds, gold, zinc, copper, lithium and uranium. With the growing global demand for the latter, driven by the shift toward nuclear power as a sustainable energy source, uranium mining is expected to grow in the near to medium term.

For example, the Rossing Uranium mine, one of China's key mining investments in Namibia, is well-positioned to benefit from the rising demand for uranium. It is the world's third-largest and oldest uranium producer, contributing about 5% of the global supply.<sup>10</sup> The mining sector is expected to continue driving economic growth in 2024.<sup>11</sup>

**Figure 4:** Outlook of businesses on the performance of the Namibian economy over the next 3 years



**Source:** Standard Bank Africa Trade Barometer Issue 4

**Additionally, Namibia is positioning itself as a global leader and exporter of green hydrogen, which will attract significant foreign investment and support the country's energy security and transition plans.<sup>12</sup>**

**Transport infrastructure is a key priority for the Namibian government.<sup>13</sup>** Namibia and South Africa are in talks to build transport infrastructure fund projects worth USD 377 million over the next three years to address current rail and port inefficiencies.<sup>14</sup> This will connect the two countries, and continue to establish Namibia as a regional logistics hub, connecting Southern African countries to the global market via road, rail, and sea routes.

**The majority of surveyed businesses who hold optimistic views on the future performance of the Namibian economy (49%) cited increased business growth as their reason for optimism.** Economic stability (40%), high demand from customers (32%) and increased economic growth (32%) were also cited as reasons for optimism. Surveyed businesses that were pessimistic about the future performance of the economy cited a poor economy, poor government policies and inflation as their primary reasons.

**Namibia's economic growth, measured by Real GDP growth, has slowed since 2022 but continues in a stable trajectory as shown in Figure 5.** The Real GDP growth rate is forecasted to reach 3.5% in 2024 from 4.2% in 2023



<sup>10</sup> Global Times, 2024. Available [here](#).  
<sup>11</sup> Standard Bank African Markets Revealed, June 2024.  
<sup>12</sup> Green Hydrogen Organisation, 2024. Available [here](#).  
<sup>13</sup> Economist Namibia, 2024. Available [here](#).  
<sup>14</sup> CNBC Africa, 2024. Available [here](#).





and is expected to rebound to 4% in 2025.<sup>15</sup> A notable factor contributing to the economic decline in 2024 is the downturn in agriculture. El Niño-induced droughts affecting the 2023 to 2024 agricultural season led to a reduced agricultural output during the period. However, the outlook for the 2024-2025 summer crop season is optimistic, with forecasts suggesting the possibility of a La Niña event, which could bring much-needed rainfall which will support the 2025 Real GDP growth rebound.<sup>16</sup>

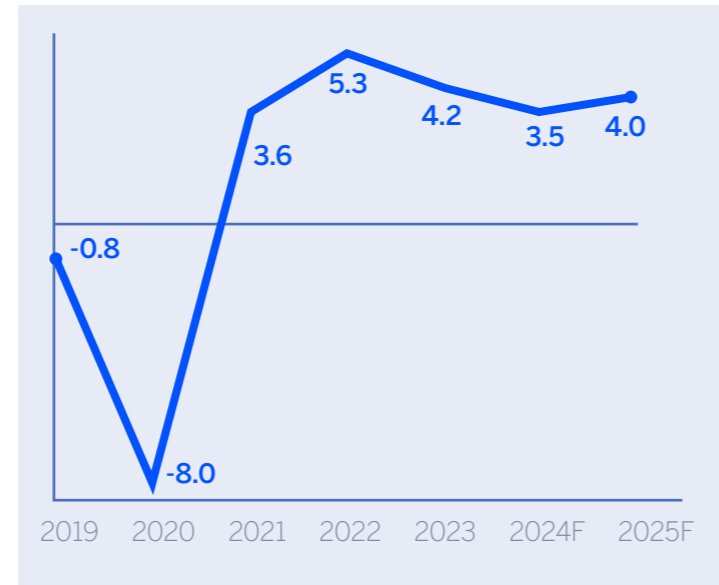
**Another factor negatively impacting real GDP growth in 2024 is the increasing competition from lab-grown diamonds, which is affecting global demand for Namibia's mined diamonds.** This shift is leading to reduced export earnings from the diamond sector, which in turn is negatively impacting the growth of Namibia's diamond industry.

**Inflation has eased in early 2024, primarily due to a slowdown in food price inflation during the first quarter of 2024.**<sup>17</sup> This moderation in food inflation has provided some relief to consumers, contributing to a more favourable overall inflation outlook for 2025, with inflation forecasted to fall further to 4.1% in 2025 from 4.6% in 2024.



**Infrastructure projects can have multiplier effects on the economy, ranging from improving labour productivity, increasing trade, diversifying government revenue amongst other factors.**

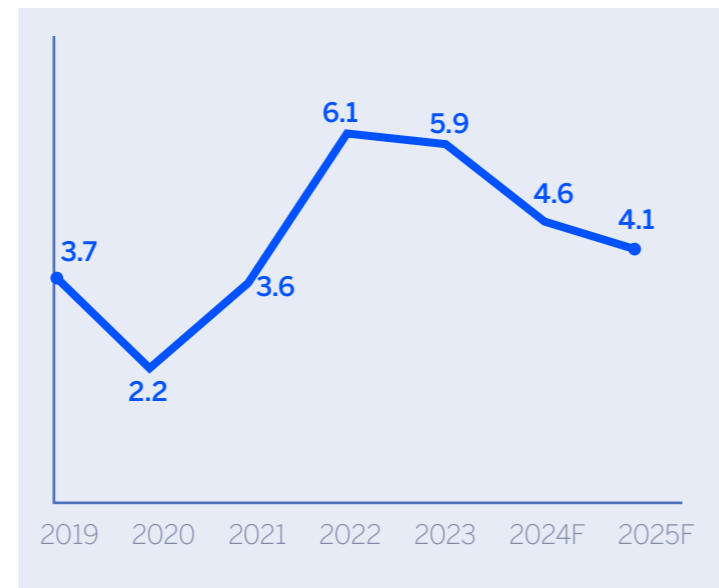
**Figure 5: Namibia's real GDP growth (%)**



**Source:** Namibia Statistics Agency; IMF

**Note:** 'f' represents forecasted data points.

**Figure 6: Namibia's inflation rate (%)**



**Source:** Namibia Statistics Agency; IMF

**Note:** 'f' represents forecasted data points.

**The timely implementation of large-scale projects could further accelerate Namibia's economy.** Infrastructure projects can have multiplier effects on the economy, ranging from improving labour productivity, increasing trade, diversifying government revenue amongst other factors. The potential of the large scale projects in the pipeline provide an optimistic outlook to the Namibian economy in the future. Among the projects Namibia has in the pipeline, include Namibia's USD 10-billion green hydrogen initiative<sup>18</sup> - aimed at harnessing Namibia's solar potential to produce clean hydrogen which positions Namibia as a key player in the global energy transition. The other large scale green project is the 5GW solar project with Botswana,<sup>19</sup> with the aim to supply power to countries in the Southern Africa Region.

Namibia is the world's 4<sup>th</sup> largest producer of uranium and has been growing its uranium industry with key projects and initiatives such as the reopening of the Langer Heinrich uranium mine which had suspended operations in 2018 due to low uranium prices,<sup>20</sup> and awarding two new mining licences for uranium projects to Australian uranium development companies - Bannerman energy and Deep Yellow, they also have the potential to accelerate economic growth if they move into the construction phase.

**Furthermore, Namibia's upstream oil and gas sector has seen a growth following major discoveries in the Orange Basin in 2022 and 2023, such as the Graff-1, and Venus-1 projects.** These discoveries have attracted supermajors like TotalEnergies, Shell, Chevron, and ExxonMobil, along with multinational energy firms such as Galp and QatarEnergy. To support the growth of the sectors, the Namibian government is encouraging further exploration and development of infrastructure, with plans for refinery construction and industry-specific training to build local capacity.



<sup>15</sup> Standard Bank African Markets Revealed, June 2024.

<sup>16</sup> Observer 24, 2024. Available [here](#).

<sup>17</sup> Bank of Namibia, 2024. Available [here](#).

<sup>18</sup> Africa Mining Market, 2024. Available [here](#).

<sup>19</sup> African Development Bank, 2023. Available [here](#).

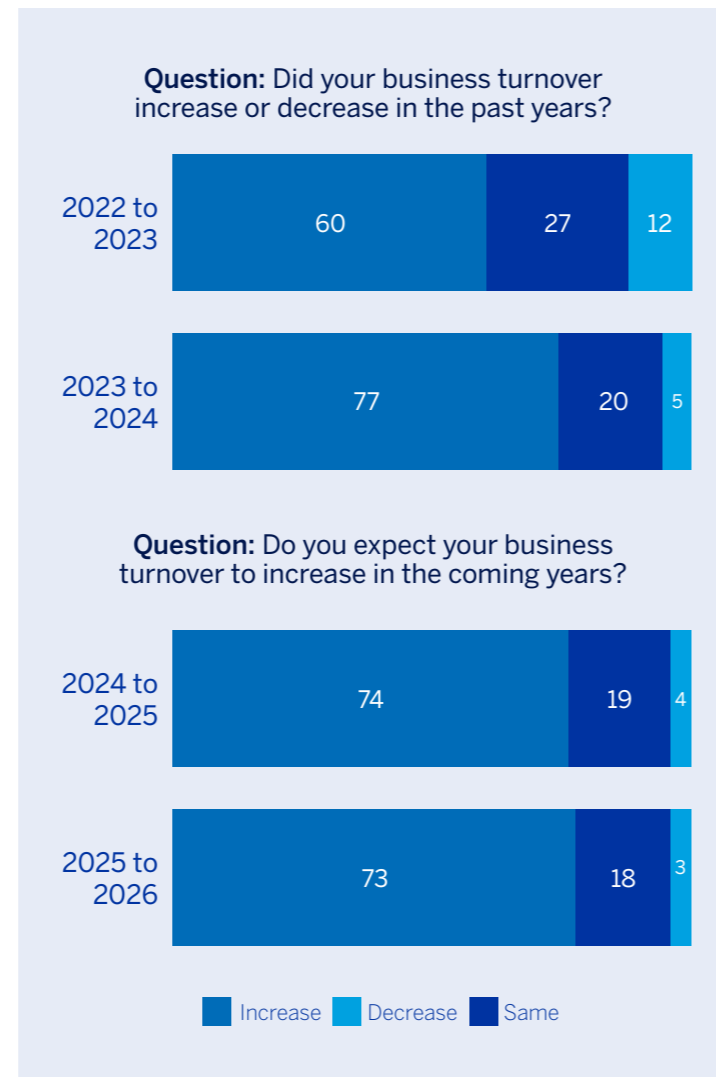
<sup>20</sup> Paladin Energy. Available [here](#).



**External macroeconomic risks create uncertainty about the future of the economy as businesses navigate volatility it makes business planning and managing a business more difficult.** Potential macroeconomic risks that negatively impact the Namibian economy include external shocks such as declining commodity prices due to weaker demand from China and higher global inventories in markets for commodities like diamonds, zinc, copper, and uranium. Additionally, weaker global demand from developed countries, driven by geopolitical tensions, shifting trade patterns, and tightening monetary policies resulting in higher borrowing costs, may further strain the economy.<sup>21</sup> Domestically, factors like the depreciation of the Namibian Dollar—pegged to the South African rand, which has also experienced volatility in 2024 also contribute to economic challenges.<sup>22</sup> However, with the South African rand strengthening against the US dollar, this will have a positive impact on the Namibian dollar.

**Aligning with the increased confidence in the economy, surveyed businesses are optimistic about an increase in their yearly turnovers as shown in Figure 7.**

**Figure 7: Sentiments on turnover increases**



**Source:** Standard Bank Africa Trade Barometer Issue 4

**Surveyed Namibian businesses cited improvements in their production capabilities (74%) and business development activities (marketing spend - 77% and expansion into new cross-border markets - 74%) as key drivers for a positive outlook on revenue growth of their businesses over the next three years.** These findings suggest that surveyed businesses are optimistic about achieving growth and higher revenue turnovers primarily due to their own operational activities and enhanced operational efficiency as noted in the survey findings.

**However, despite this sense of optimism, concerns are growing around high taxation and declining customer demand.** Taxation (76%) and uncertainty in the form of - customer demand (67% and operational challenges 67%) remain significant challenges for surveyed Namibian businesses as they share factors that will negatively affect future revenues.

**On the positive side, the Namibian government introduced several measures in the 2024/25 fiscal year budget, including tax reforms to promote economic growth and stability.** One measure includes reducing the non-mining corporate tax rate to 30% on January 1, 2025 from 31% on January 1, 2024 and the non-mining corporate tax rate will be reduced further to 28% in the 2026/27 fiscal year.<sup>23</sup> This is with the goal to stimulate domestic demand by improving household incomes and fostering a conducive environment for businesses to grow.



Economic instability is a major challenge due to the falling currency.

Representative from the Ministry of Finance



<sup>21</sup> Bank of Namibia, 2024. Available [here](#).

<sup>22</sup> Bank of Namibia, 2024. Available [here](#).

<sup>23</sup> Ministry of Finance and Public Enterprises, 2024. Available [here](#).



# 5 GOVERNMENT SUPPORT



Attitudes toward government backing for cross-border trade remain largely neutral but are moving in a positive direction.

## NAMIBIA'S GOVERNMENT SUPPORT INDEX SCORE



**Source:** Standard Bank Africa Trade Barometer Issue 4

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 August 2024 SB ATB survey results, Namibia's Government support index score improved from 50 to 55. This means that compared to May 2023, surveyed businesses in Namibia feel the Government has been more supportive of cross-border trade activities in this iteration of the survey.

\*\*\*

**Compared to May 2023, surveyed businesses in Namibia perceive the government to be more supportive of cross-border trading activities (see Figure 8).** Surveyed businesses that perceive the government to be 'not at all supportive' declined from 14% to 9%, and those that perceive the government to be 'not very supportive' declined from 25% to 14%. That said, the majority of surveyed businesses perceive the government to be neither supportive nor unsupportive. In fact, the percentage of surveyed businesses that have this perception significantly increased from 24% to 41% from May 2023 to August 2024.

**This is likely a reflection of the improving business confidence in the country's economic performance as shown in the 2024 SB ATB survey.** The combination of improving business confidence for the Namibian economy can be attributed to the government's efforts to improve the business environment and reduce bureaucratic hurdles for businesses such as VAT exemptions on purchase and import

of machinery and equipment for the manufacturing sector in the Export processing Zones.<sup>24</sup> Additionally, the approval of the draft National Trade policy this year and its subsequent launch in October 2024 are expected to improve the business environment.<sup>25</sup> Measures outlined in the 2024/2025 budget speech held on February 28, 2024. The budget outlined key measures such as reduced corporate tax rate for MSMEs from 32% to 20% showing the government's commitment to supporting business growth, investment in skills development through the Youth Employment Tax Incentive (My First Job), the phased reduction in the corporate tax rate for non mining entities from 32% to 28%, amongst several other key measures.<sup>26</sup>

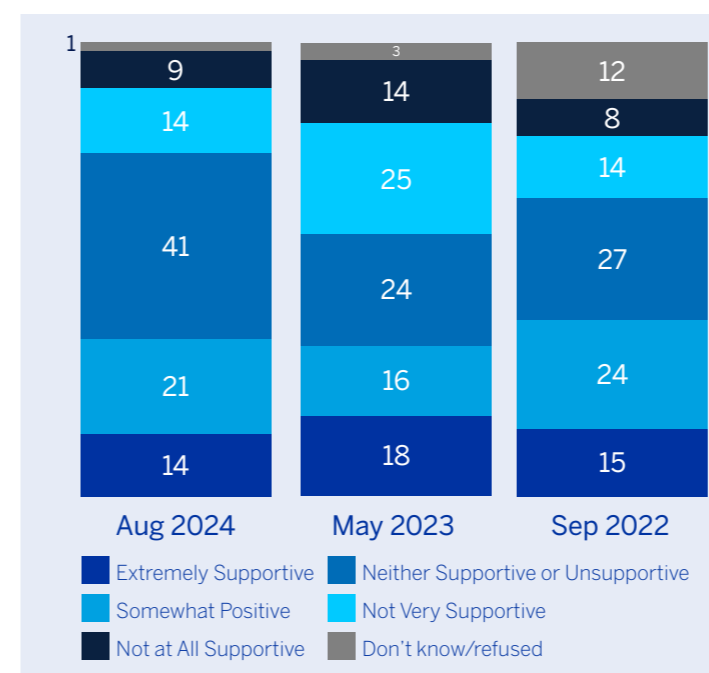
**Asked what the government can do to support cross-border trade, 79% of surveyed Namibian businesses emphasised the lowering of business tax.** 74% also support the implementation of non-tariff barriers to safeguard local industries and reduction of the time it takes for customs clearance (73%). While no specific reforms have been introduced to lower customs duties, the government has responded by reducing the non-mining corporate tax rate to 31% from 32%, effective 1 January 2024, as part of efforts to foster economic recovery and improve the ease of doing business in Namibia.<sup>27</sup>

**Additionally, the budget introduced a zero-rating on VAT for approved Special Economic Zones (SEZs) for up to**

**10 years.** This measure is designed to attract investments in strategic sectors such as mineral beneficiation, agro-processing, and business process outsourcing. By aligning these investments with national priorities, the government seeks to advance its industrialization agenda.

The fiscal measures highlight the government's focus on promoting economic development and industrial growth, positioning Namibia as an attractive destination for long-term investment in key sectors and position itself as a key trading partner.<sup>28</sup>

**Figure 7: Sentiments on government support on cross border trade (%)**



**Source:** Standard Bank Africa Trade Barometer Issue 4



Businesses have expanded, with some poised to become commercial in a few years. Increased connections with other countries have granted us access to products beyond Namibia. The youth, now more open-minded, are creating their own ventures.

Representative from the Ministry of Industrialisation and Trade

The AfCFTA could make Namibia more attractive to investors, both from foreign markets and within Africa.

Representative from the Ministry of Industrialisation and Trade



<sup>24</sup> Embassy of Namibia, 2024. Available [here](#).

<sup>25</sup> Namibia Press Agency, 2024. Available [here](#).

<sup>26</sup> Ministry of Finance and Public Enterprises, 2024. Available [here](#).

<sup>27</sup> Ministry of Finance and Public Enterprises, 2024. Available [here](#).

<sup>28</sup> Namibia Investment Promotion and Development Board, Analysis of the National Budget 2024/2025. 2024. Available [here](#).

# 6 INFRASTRUCTURE CONSTRAINTS AND ENABLERS

Perceptions of Namibia's infrastructure quality have further declined, echoing last year's survey results.

## NAMIBIA'S QUALITY OF TRADE-RELATED INFRASTRUCTURE INDEX SCORE



Source: Standard Bank Africa Trade Barometer Issue 4

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 August 2024 SB ATB survey results, Namibia's quality of trade-related infrastructure index score declined from 57 to 52.

\*\*\*

On average, surveyed Namibian businesses believed that the quality of infrastructure is poorer this year compared to May 2023. This was mainly driven by declines in the perceived quality of the country's telecommunications, road, airport, customs regulation, port, and rail infrastructure. The most significant decreases in perceived quality came from road, port, and rail infrastructure.

The perceived decline in quality was more pronounced between May 2023 and August 2024, with a sharper average decline of - 6.3 points per aspect on a 100-point scale, compared to the less severe - 5.9 points observed from September 2022 to May 2023. The perceived decline is growing more severe every year.

### FAST FACT:

According to the World Economic Forum's Global Competitiveness Report, Namibia has consistently ranked as having the best road infrastructure in Africa for several years. In 2020, Namibia scored 5.2 out of 7, placing it above South Africa and Rwanda. Globally, Namibia's road infrastructure was ranked 23<sup>rd</sup>, ahead of countries like China, India, and Italy.

Road infrastructure is emphasised as an obstacle to trade in that it places a logistics and damage burden on businesses. In November 2023, the Road Fund Administration (RFA) reported a NAD 3.6 billion (USD 200 million) funding gap, limiting road rehabilitation,

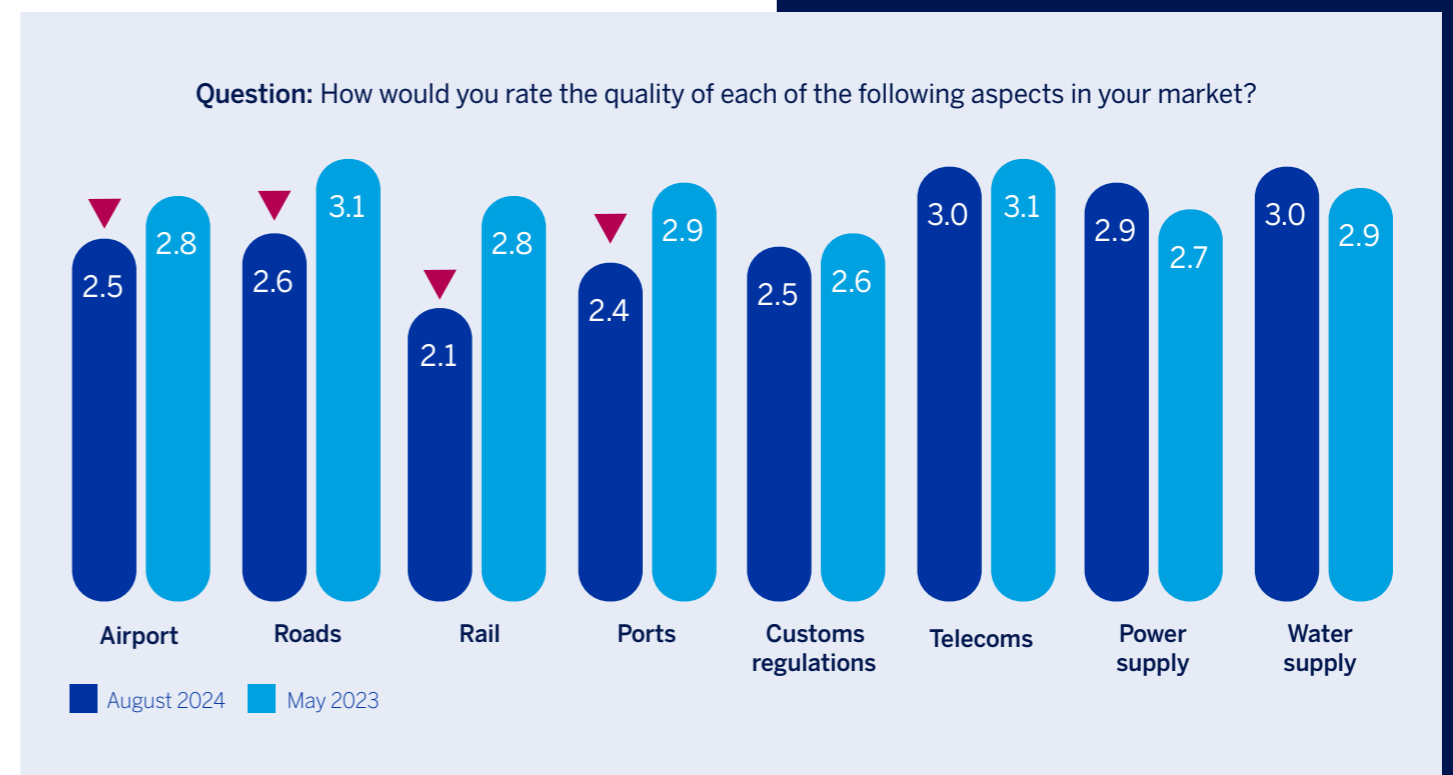


The government needs to start maintaining roads [and] up the standards of the facilities and logistics and transportation of goods in order to allow smooth movements and avoid the damage of goods.

Representative from the Namibia Fish Consumption Promotion Trust



Figure 9: The perceived quality of various infrastructural aspects by businesses (5-point scale)



Source: Standard Bank Africa Trade Barometer Issue 4

Notes: 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.



maintenance, and condition assessments.<sup>29</sup> The result is that, while Namibia's road infrastructure has been rated as the best in Africa in the past,<sup>30</sup> its road network is at risk of degrading at a faster rate than maintenance and construction can allow.

**While there are several road infrastructure projects connecting trade routes from Walvis Bay to major cities, none of the major developments have been opened in 2024** which could contribute to the perceived decline of road infrastructure in this year's cohort of surveyed businesses. Ongoing road development projects include road infrastructure to support the North-West Corridor through Namibia<sup>31</sup> and Okahandja project to upgrade the Swakopmund to Walvis Bay freeway- scheduled to conclude in 2025.<sup>32</sup>

**Issues with road infrastructure quality impact smaller businesses who cannot compensate for the delays resulting from poor quality road networks with additional transport vehicles or alternative forms of transportation.** Developments in road infrastructure was identified by an interviewee from the Ministry of Finance as having the potential to support an ecosystem of small entrepreneurs and growing businesses at a national level, thereby positively impacting enterprise trade.

**Perceptions on the quality of rail infrastructure decreased by 0.7 points between the August 2024 and May 2023 cohorts of surveyed businesses.** Though Namibia's rail network is not extensive at present, this is expected to shift in the future, following the country's major railway development project which is being financed by the Namibian government and a loan from the African Development Bank (AFDB). The project aims to enhance the railway system's performance and capacity by constructing 207 km of new track between Kranzberg

<sup>29</sup> The Namibian, 2024. Available [here](#).

<sup>30</sup> Namibia Economist, 2021. Available [here](#).

<sup>31</sup> Mwanza, 2024. Available [here](#).

<sup>32</sup> 3S Media, 2022. Available [here](#).

<sup>33</sup> African Development Bank, 2023. Available [here](#).

<sup>34</sup> African Development Bank Group, 2024. Available [here](#).

<sup>35</sup> South Africa's Freight News, 2024. Available [here](#).

<sup>36</sup> Goddard, 2023. Available [here](#).

<sup>37</sup> South Africa's Freight News, 2024. Available [here](#).

<sup>38</sup> Africa Mining Market, 2024. Available [here](#).

and Otjiwarongo, constructing 16 bridges, renovating two stations, and securing 55,000 tonnes of rails for 518 km of track, while modernising signals along the Walvis Bay-Tsumeb line to boost safety and efficiency.<sup>33</sup> This project is expected to enhance regional trade within the Southern African Development Community and establish Namibia as a logistics hub.<sup>34</sup>

## FAST FACT:

Walvis Bay is Namibia's largest and busiest port, playing a crucial role in the country's economy by facilitating trade and transportation.

**Declines in the perception of port infrastructure could partially be due to low volumes of cargo passing through the port of Walvis Bay,** Namibia's largest commercial port.<sup>35</sup> Port authorities are pushing for an increase in vessel calls at the port, which has been under-capacitated since the inauguration of a new terminal in 2019.<sup>36</sup> Low cargo volumes through the area are attributed to the lingering effects of COVID-19 on trade, but are expected to increase with developments such as the inauguration of a new container facility to increase volume capacity and trade with Europe and the East.<sup>37</sup> This development in parallel with the Swakopmund-Walvis Bay freeway mentioned earlier is set to increase the efficiency of trade logistics in the country.

**Perception in the quality of trade-related infrastructure could improve in the future,** following the pipeline of new infrastructure projects announced by the government in 2024. These projects are mainly focused on transport and energy infrastructure. Namibia and South Africa's

collaboration on a green hydrogen pipeline is expected to boost energy and transport infrastructure, aiming for an initial segment between Luderitz and the Northern Cape. The forthcoming foundational phase sets the stage for subsequent expansion and could establish the first inter-country hydrogen corridor in Africa, with potential regional trade implications under the Africa Continental Free Trade area.<sup>38</sup>

**Although businesses in Namibia do not see current infrastructure aspects as a significant barrier to trade, they do have concerns about customs and trade regulations.** These issues, which were also noted last year, have become more pronounced in the latest survey, possibly because of rising costs and challenges with efficiency.

**Complex licensing requirements, particularly for foreign investors and certain controlled goods like white maize or wheat, create barriers to trade in Namibia.** These agricultural products require specific permits from the Agronomic Board and Ministry of Agriculture, adding layers of bureaucracy and potential delays. With an average customs duty rate of 18.74%, businesses may find the cost of trade higher than expected. A Namibia Revenue Agency (NamRA) released study has suggested improvements in self-assessment usage, automation, inter-agency coordination, and inspection facilities would address what traders see as escalating barriers to their operations. These measures are slated for implementation, though a specific schedule or commencement of improvement projects has not been established.

# 65%

of surveyed businesses reported that the country's customs and trade regulations are at least a moderate obstacle to their current operations compared to 43% in May 2023.



[Infrastructure] builds connections amongst small entrepreneurs in the country, [enabling them] to help each other grow and [develop] diverse connections through each other.

Representative from the Ministry of Finance

Goods may be delayed because of customs [and] customs may also cost a lot. Sometimes there will be accidents and loss of products also occur [which] oftentimes are not recovered.

Representative from the Ministry of Industrialisation and Trade





# 7 TRADE OPENNESS

South Africa remains the most significant trade partner to Namibia, however China is making significant strides.

## NAMIBIA'S TRADE OPENNESS INDEX SCORE



■ August 2024 ■ May 2023

**Source:** Standard Bank Africa Trade Barometer Issue 4

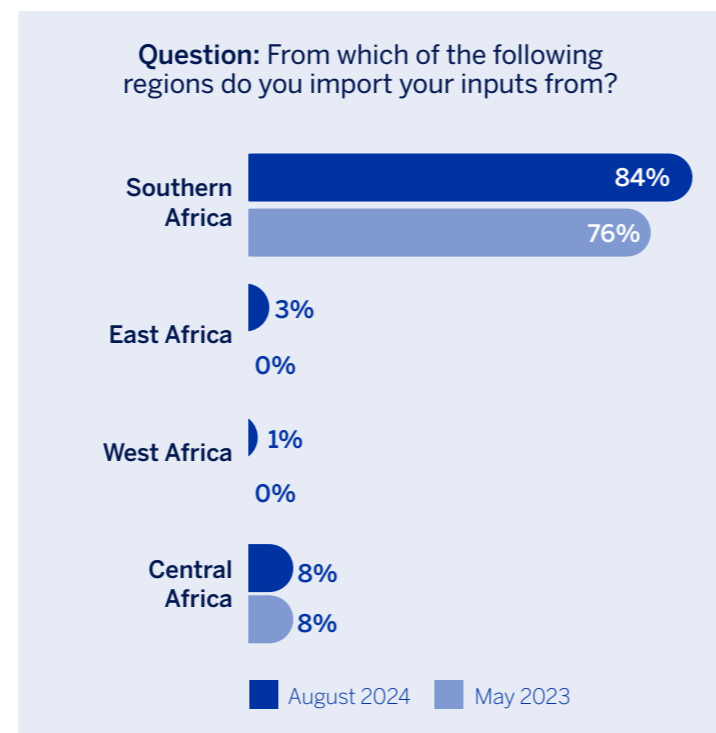
The trade openness index score can vary between 0 and 100, where 0 indicates a high burden of obstacles inhibiting trade, 50 indicates a moderate burden of obstacles inhibiting trade and 100 indicating a low burden of obstacles inhibiting trade. In the August 2024 SB ATB survey results, Namibia's trade openness index score declined from 61 to 54.

\*\*\*

**Southern Africa dominates imports, 84% of surveyed businesses sourcing inputs from that region.** Imports across the rest of Africa are limited, which could be a result of challenges in transportation infrastructure hampering the flow of inputs. The perceived obstacles to customs and trade regulations explored in the previous chapter could also play a role here; Namibian businesses could prefer sourcing inputs from neighbouring markets with whom they share a well-established trade history.

**56%**  
of surveyed importers source inputs from South Africa in this iteration of the survey, compared to 60% of surveyed importers in May 2023 and 63% in September 2022.

**Figure 10:** Proportion of imports by surveyed businesses, categorised by region



**Source:** Standard Bank Africa Trade Barometer Issue 4

**South Africa remains the most popular foreign market for inputs for surveyed businesses in Namibia, but trade with other markets is increasing.**

When South Africa is not considered, 25% of the average importer's gross imports originate from other Southern African countries. This metric is an increase from 16% in May 2023.

**26%**  
of inputs imported by surveyed importers originated from China, compared to 9% in 2023.

**China is the second most popular import market.** In 2023, the bulk of Namibia's imports from China was made up of electrical equipment and machinery.<sup>39</sup> Surveyed businesses value the ability of trade partners in China for offering advanced technology, high-quality products, quick response times, a broad product selection, and low import and product costs. This rise in imports from China is attributed to the deepened relations in policy relating to trade, development finance, and foreign direct investment between Africa and China.<sup>40</sup>



China is one of the leading contributors to technological advancements. So, trading with China is critical to the technological development of Namibia. China has also contributed immensely to the road infrastructure of Namibia and these trade connections can only become stronger over the years to come.

Representative from the Ministry of Industrialisation and Trade



<sup>39</sup> Trading Economics, 2024. Available [here](#).

<sup>40</sup> Boston University Global Development Policy Centre & African Economic Research Consortium, 2024. Available [here](#).





## FAST FACT:

At the macro-level, Namibian exports to China increased by 276% between August 2023 and August 2024, from USD 40.4 million to USD 152 million.<sup>41</sup>

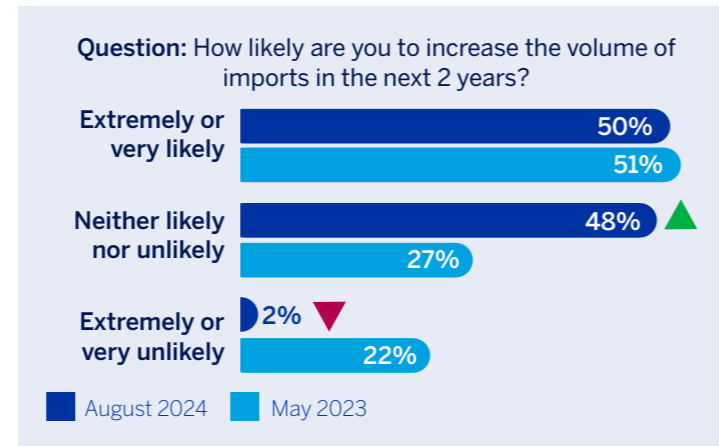
As China's relationship with Africa grows, it has also made significant moves to enable trade between itself and Namibia. In a recent announcement by the Chinese Ambassador to Namibia, it was reported that the governments of China and Namibia have signed an agreement to enable the export of Namibia's lamb to Chinese markets and an overall increase in market access for Namibian agricultural products.<sup>42</sup>

The majority of surveyed Namibian importers expect the volume of their imports to increase in the near future (see Figure 11). 50% of importers who feel that it is "very likely" or "extremely likely" that the volume of their imports will increase over the next two years primarily expect imports from South Africa to increase, indicating that the robust trade ties between the two Southern African Development Community (SADC) countries will continue. 15% of surveyed businesses expect trade with China to grow in the forthcoming year. This intention to continue trading with Namibia's two most prominent partners suggests that surveyed businesses are satisfied by the quality of inputs and efficiency of trade operations they are experiencing with these countries.

# 50%

of surveyed importers feel that it is "very likely" or "extremely likely" that the volume of their imports will increase over the next two years, a sentiment similar to that recorded in May 2023.

Figure 11: Surveyed importers perceptions on their likelihood to increase import volumes over the next 2 years



Source: Standard Bank Africa Trade Barometer Issue 4

Note: Arrows denote whether the value of the variable is significantly higher / lower than in the previous survey.

Only 10% of surveyed businesses in Namibia export their goods, in contrast to 24% of the cohort of businesses surveyed last year. The decrease is observed among businesses in consumer goods and diversified industrials.

## FAST FACT:

At the macro-level, intra-SADC trade increased to 23% in 2022, up from 19% in 2021. This improvement reflects ongoing efforts to roll out various provisions of the SADC Protocol on Trade, including simplified trading arrangements that have supported the growth in informal cross-border trade.

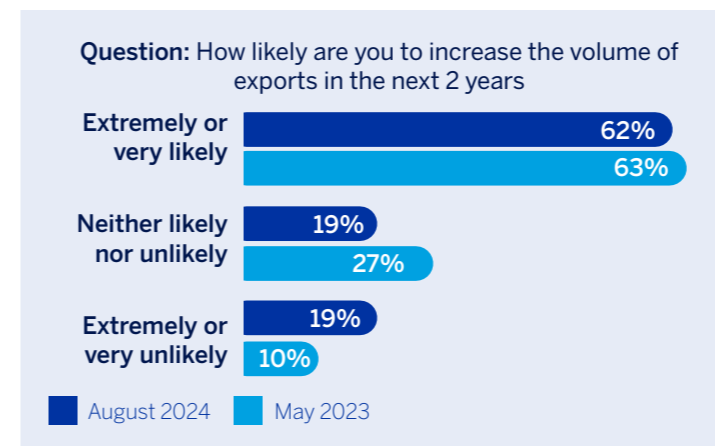
The proportion of surveyed businesses that export to countries in the Southern African region increased substantially, from 67% in 2023 to 86% in 2024.

Nonetheless, this is still below the September 2022 levels, when 94% of businesses reported exporting to countries in this region. This increase has likely led to an optimism for the future; 62% of businesses surveyed in the August 2024 cohort expect their export volumes to increase in the next two years (see Figure 12).

# 62%

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

Figure 12: Exporters perceptions on their likelihood to increase export volumes over the next 2 years



Source: Standard Bank Africa Trade Barometer Issue 4



Key challenges in trading with China include elevated shipping costs, prolonged wait times for product arrivals, and occasional receipt of damaged or malfunctioning goods. Improvement is possible by investing in our own logistical solutions, despite the higher initial costs.

Representative from the Ministry of Finance



<sup>41</sup> OEC. Available [here](#).

<sup>42</sup> Ministry of Foreign Affairs, The People's Republic of China, 2024. Available [here](#).

# TRADERS' FINANCIAL BEHAVIOUR & ACCESS TO FINANCE



Namibian businesses are experiencing improved usage of digital payments and access to credit.

## NAMIBIA'S ACCESS TO CREDIT INDEX SCORE



**Source:** Standard Bank Africa Trade Barometer Issue 4

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 August 2024 SB ATB survey results, Namibia's access to finance index score improved from 42 to 44. This means that surveyed businesses in Namibia found it less difficult to access credit in this iteration of the survey compared to May 2023.

\*\*\*

**Electronic Fund Transfers (EFT) and international transfers are the preferred methods of payment for surveyed Namibian businesses for cross border transactions (see Figure 13).** In this iteration of the survey, these payment methods account for 68% and 63% of surveyed businesses cross-border purchases and sales, respectively. In contrast, fewer businesses are reliant on cash for cross-border transactions, declining from 38% in May 2023 to 24% in August 2024. The shift in preference underscores the growing reliance on digital financial solutions to facilitate cross-border trade, with surveyed businesses citing faster transaction processing times (59%) and a transaction record (50%) as the main benefit of using digital financial services (DFS).

## FAST FACT:

EFT transactions processed by Namclear increased to 27 million, with an aggregate value of N\$388 billion, representing a 9% and 10% increase in volume and value between 2022 and 2023, respectively.

**However, the impact of regulatory changes in the Common Monetary Area (CMA) regarding EFTs is yet to be determined.**<sup>43</sup> Historically, low-value EFTs made between CMA countries were processed through South Africa's domestic retail payment system. However, the treatment of cross-border payments as domestic transactions posed compliance challenges with international Anti-Money Laundering and Combating of Financing of Terrorism standards. The issue arose because payments between Lesotho, Namibia, and Eswatini were considered to originate from South Africa under the old regulatory framework.<sup>44</sup> As of September 2024, EFTs will be treated as cross-border transactions and subject to greater due diligence requirements, where low-value EFTs will now

be processed through Southern African Development Community real-time gross settlement (SADC-RTGS) system.<sup>45</sup> Future editions of the SB ATB will provide valuable insights into the regulatory impact on cross-border transactions and the subsequent shift in business payment preferences.

**Figure 13:** Method of payment for goods and services for cross border purchases



**Source:** Standard Bank Africa Trade Barometer Issue 4

<sup>43</sup> Bank of Namibia, 2024. Available [here](#).

<sup>44</sup> BusinessTech, 2024. Available [here](#).

<sup>45</sup> South African Reserve Bank. Available [here](#).







# 59%

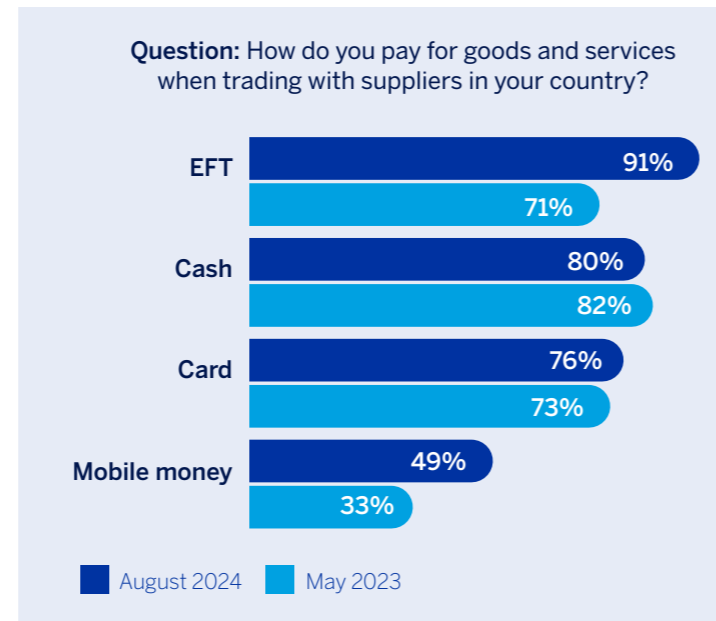
of surveyed businesses would alternate to formal methods of payments such as international transfers, EFTs or card transfers for cross border purchases because of faster transaction processing.

**Cash is dethroned as the most popular payment method for domestic transactions by EFT (see Figure 14).** 92% of surveyed businesses use EFT for domestic sales, and 91% use it for domestic purchases. Additionally, a higher proportion of sales (31%) and purchases (39%) are made using EFTs. This is a significant increase from May 2023, where only 20% of sales and 27% of purchases were made using these methods.

## FAST FACT:

Only cash has declined as a means of payment while digital payment methods, EFT/electronic payments, card and mobile money, are being used by surveyed businesses at a higher rate in this iteration compared to the May 2023 survey (see Figure 14). The digitisation of payments is attributable to investments in systems and platforms supporting digitisation by financial service providers, as well as an effort to streamline transactions and promote cost efficiencies by businesses.<sup>46</sup>

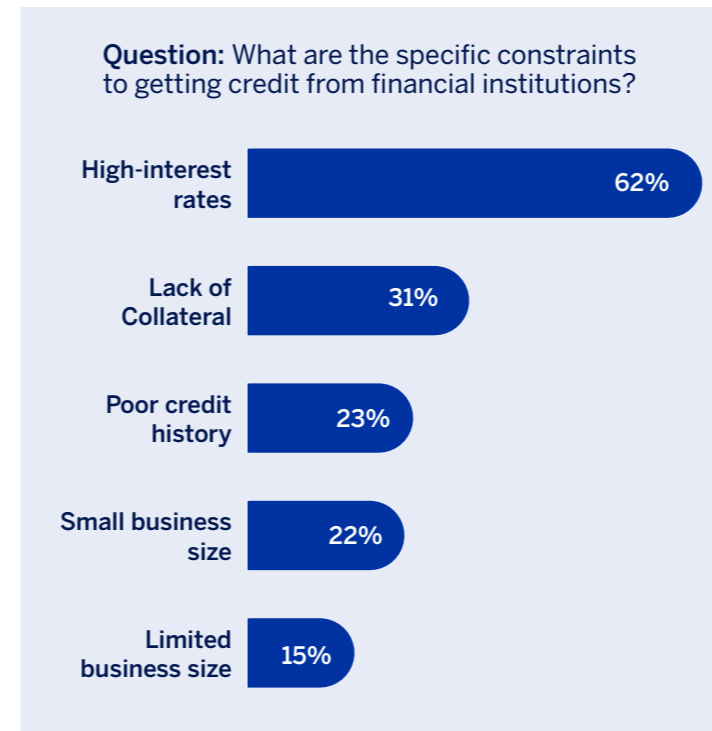
**Figure 14: Method of payment for goods and services of domestic purchases**



Source: Standard Bank Africa Trade Barometer Issue 4

**Surveyed businesses found it less difficult to access credit from financial institutions.** Perceptions of difficulty accessing credit have declined from 22% to 11% in this iteration of the survey. This is largely attributed to the stability of Namibia's repo rate at 7.75% in the first half of 2024, which has subsequently decreased by 25 basis-points in August 2024 to 7.5%.<sup>47</sup> Furthermore, Namibia's SME Economic Recovery Loan Scheme is facilitating business access to credit ranging from N\$50,000 to N\$10,000,000, offering lower interest rates and more favourable loan repayment terms.<sup>48</sup> However, 31% of surveyed businesses still perceive access to credit as difficult (either somewhat or extremely), with 62% of surveyed businesses indicating high interest rates and 31% indicating lack of collateral as a reason for difficulty in accessing credit (see Figure 15).

**Figure 15: Obstacles to accessing credit from a financial institution**



Source: Standard Bank Africa Trade Barometer Issue 4

In terms of support from financial institutions (FIs) in facilitating cross-border trade, businesses highlighted the need for banks to understand their businesses better (80%).

# 11%

of surveyed businesses in Namibia consider access to credit to be somewhat difficult, a significant decline from 22% in May 2023.



It seems they need to remove some of the restrictions in order to allow the smooth framework. Not too harsh policies but just to be easy on investors or anyone who would like to invest in Namibia, yes, in order to contribute to the country's development.

Representative from the Namibia Fish Consumption Promotion Trust'



<sup>46</sup> Carnegie Endowment for International Peace, 2024. Available [here](#).

<sup>47</sup> Bank of Namibia. Available [here](#).

<sup>48</sup> Bank of Namibia. Available [here](#).



# 9 FOREIGN TRADE & TRADING IN AFRICA

Neighbouring countries are the preferred trading partners for most Namibian traders, with Asia a distant second.

## NAMIBIA'S EASE OF TRADE INDEX SCORE



**Source:** Standard Bank Africa Trade Barometer Issue 4

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 August 2024 SB ATB survey results, Namibia's ease of trade index score slightly improved from 44 in May 2023 to 45 in this iteration of the survey. This means surveyed businesses in Namibia found it marginally easier to trade with other countries compared to last year.

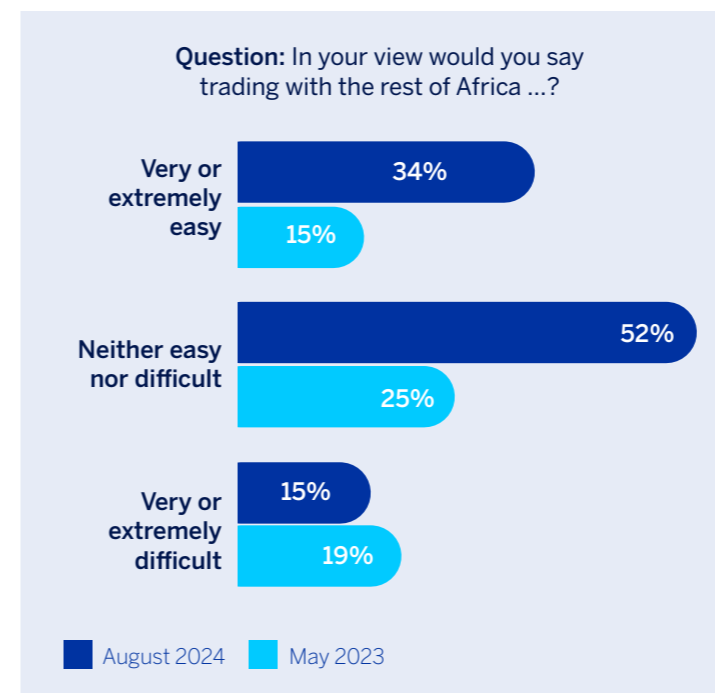
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**75% of surveyed businesses in the country prefer trading with regional partners,** compared to 11% that prefer Asian countries, 6% with countries in the European Union and 2% with North American countries. Surveyed businesses cited the low cost of trading (55%), fast response time (49%) and good quality of goods (42%) as the main reasons for their preferred trading partners. These reasons could be due to geographic proximity and forming relationships with other SADC countries which contribute to less customs duties and barriers to trade.

**52% of surveyed businesses also find that it is neither easy nor difficult to trade with neighbouring countries,** in contrast to 25% in May 2023 (see Figure 16). These reasons could be attributed to lower trade taxes (37%), easy or affordable transportation (36%), higher quality of products (34%) and availability of cheaper products (22%). Moreover, bilateral engagements with various business forums were held to explore agreements within African trading blocs, i.e. SADC, COMESA and EAC.

**Among the obstacles identified in trade with the rest of Africa are international shipments (44%), lack of knowledge or expertise (48%), licensing, packaging and labelling requirements (48%), customs and trade regulations (49%) and anti dumping laws (50%).** Some of the trade barriers experienced include control of grain crops whereby each grain is controlled, this could have an impact on the quantity of grain which would be exported and imported impeding on perhaps the types of businesses trade.<sup>49</sup>

**Figure 16:** Perceptions on the ease of trade by surveyed businesses



**Source:** Standard Bank Africa Trade Barometer Issue 4



People are buying things from South Africa but when they reach the border they start searching, sometimes they impound the things sometimes due to maybe things they did not follow proper procedures for paperwork and everything. That's also part of the challenge.

Representative from the Namibia Fish Consumption Promotion Trust'



# 75%

of surveyed businesses favoured trading with African markets. They cited the low cost of importing (64%), fast response time (49%), good quality products (41%), low cost of exporting (45%) and lower cost of products (39%) top five among their reasons for preferring African partners.

<sup>49</sup> International trade administration, 2024. Available [here](#).





**Outside of Africa, the second most significant region for Namibian businesses is Asia, specifically China.** The majority of businesses are importing raw materials from China (54%), buying final goods and services from traders in China (42%), buying final goods and services from Chinese traders in Namibia (25%) and buying final goods and services from Chinese traders in other markets (17%).

**Surveyed Namibian businesses prioritise quality of goods (77%), taxation rates (32%), market prices (30%) and market accessibility (27%)** when considering which foreign markets to conduct cross-border trade with. This partially explains why China is the most preferred import destination for raw materials. Furthermore, Namibia has rich natural resources, including uranium, lithium and marble, which are in high demand in China, paving the way for a good trading relationship and stable export market for Namibia.<sup>50</sup>

## FAST FACT:

In May 2023, uranium exports accounted for 21.5% of total exports, with a notable increase in demand from China and Canada. The value of uranium exports was around N\$1 billion in early 2023.

**On the other hand, North America is the least preferred trading partner, with none of the surveyed small traders saying they preferred the region.** When it comes to US-based firms, the main reasons for not trading with them are high shipping costs (69%), high tariffs and taxes (52%), currency fluctuations (40%), and longer lead times (37%).

**Namibia is one of 54 signatories to the African Continental Free Trade Agreement (AfCFTA),** an initiative which looks to improve the level of intra-African trade by creating a single market for goods and services. 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.

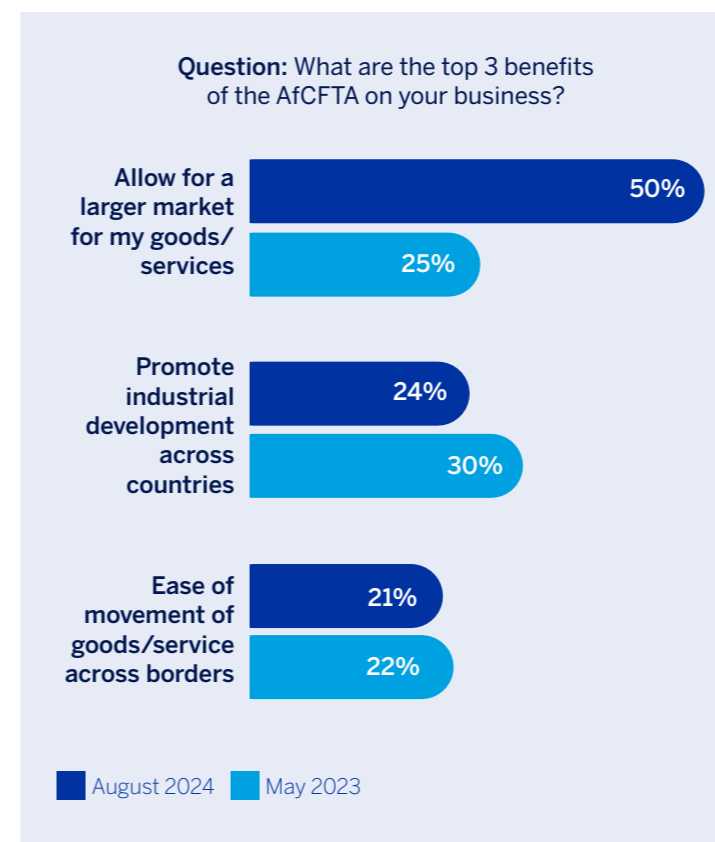
**There has been a slight decrease in awareness of AfCFTA among surveyed Namibian businesses, from 50% in May 2023 to 45% in August 2024.** This decrease indicates a need for enhanced awareness campaigns towards businesses. For instance, ongoing awareness campaigns in Uganda and Tanzania have enhanced understanding of the AfCFTA through targeted training sessions and workshops, helping businesses grasp the implications of the agreement for their operations and trade relationships.

## FAST FACT:

The Guided Trade Initiative (GTI) aims to catalyse trade under the AfCFTA through preferential tariff arrangements. The GTI began in late 2022 with 8 participating countries trading selected goods. As of 2024, 30 more African countries will be covered by the GTI as well as an increase in the scope of products to be traded, including bio pesticides, packaged moringa, tea, coffee, and meat products, among others.<sup>51</sup>

**Despite a marginal decrease in awareness, surveyed businesses still believe the AfCFTA will provide access to the broader African market,** significantly increasing from 25% in May 2023 to 50% in August 2024 (see Figure 17). This can be attributed to Namibia's participation in the Guided Trade Initiative (GTI), which is meant to catalyse trade under the AfCFTA. Namibia is expected to send its first consignment of goods in October 2024, signalling the commencement of trade under the AfCFTA.<sup>52</sup>

**Figure 17: Perceived Benefits of the AfCFTA**



**Source:** Standard Bank Africa Trade Barometer Issue 4



The AfCFTA to me is the opening up of trade markets within the continent to allow African countries to freely trade without sanctions or restrictions.

Representative from the Namibia Fish Consumption Promotion Trust



<sup>50</sup> The Trade, 2024. Available [here](#).

<sup>51</sup> Africa24. Available [here](#).

<sup>52</sup> New Era Live, 2024. Available [here](#).





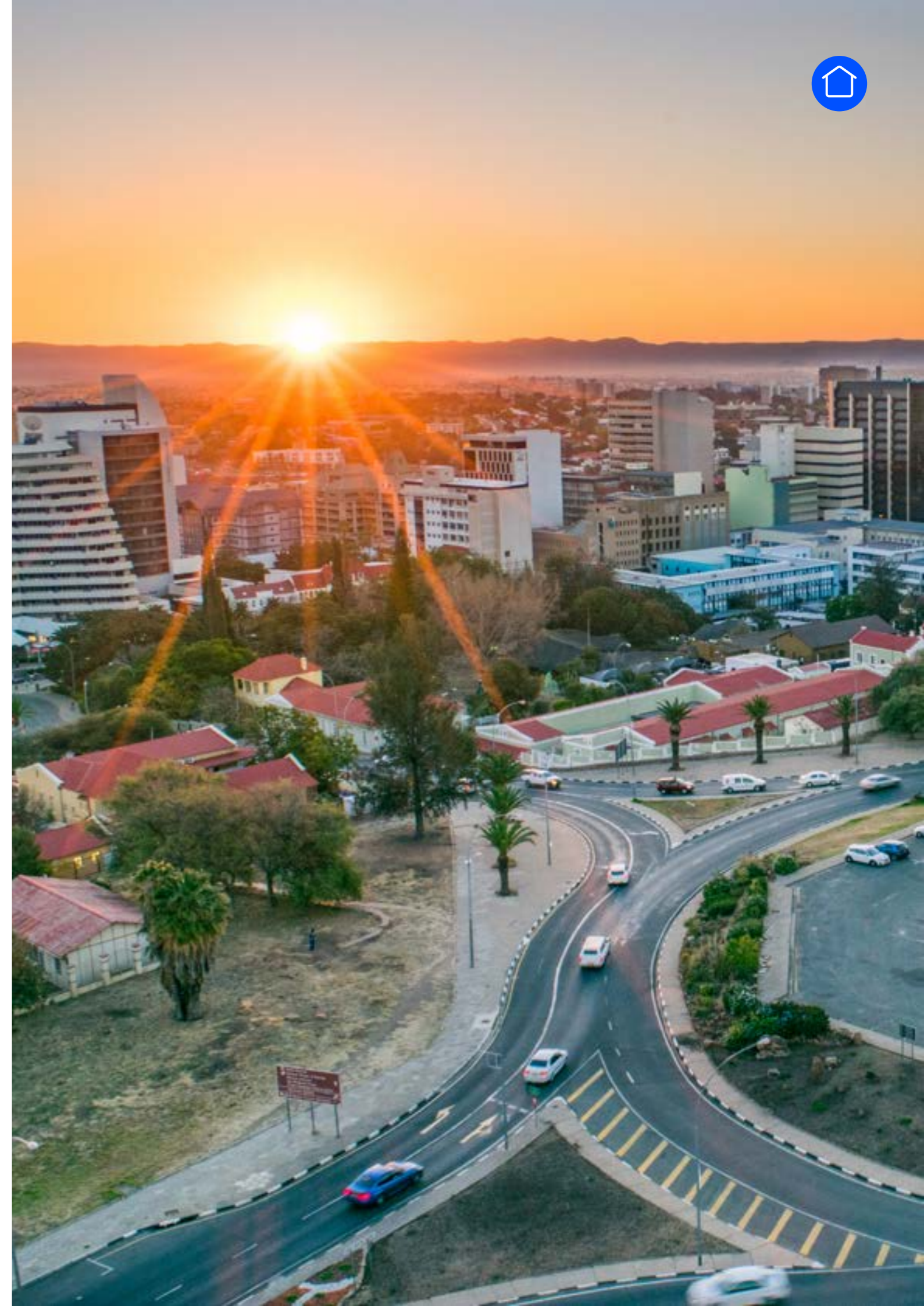
# CONCLUSION

**Namibia's consistent position as the second most tradable economy underscores both its resilience and potential.** Amidst a landscape marked by infrastructural and macroeconomic shifts, the key takeaway is Namibia's ability to sustain growth, particularly in its burgeoning industries such as mining and tourism, despite global uncertainties and domestic challenges.

**Moving forward, it is crucial to monitor the nuances of the political climate, especially with the upcoming general elections in November 2024, as they hold the potential to significantly influence trade dynamics and business sentiment.**

Additionally, given the nuanced perceptions of government support and the decline in infrastructure quality noted by local businesses, concerted efforts in policy implementation and strategic investments in infrastructure could serve as catalysts for bolstering Namibia's trade environment.

**Observing these factors will provide critical insights into the country's trajectory in maintaining its robust trade index ranking, while also navigating the complexities of regional and global trade landscapes.**





# APPENDICES



## Appendix 1: Standard Bank Africa Trade Barometer (SB ATB) Country Ranking for Issue 4, 2024

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 Namibia, Angola and South Africa, while half of the countries saw their scores decrease from May 2023 (see Table 2).

### Countries that have retained their ranking from May 2023:

- Namibia (2<sup>nd</sup> position)
- South Africa (1<sup>st</sup> position)
- Angola (10<sup>th</sup> position)

### Countries that have improved in their ranking from May 2023:

- Mozambique (4<sup>th</sup> to 3<sup>rd</sup> position)
- Nigeria (6<sup>th</sup> to 5<sup>th</sup> position)
- Tanzania (8<sup>th</sup> to 4<sup>th</sup> position)
- Zambia (9<sup>th</sup> to 8<sup>th</sup> position)

### Countries that have declined in their ranking from May 2023:

- Kenya (5<sup>th</sup> to 6<sup>th</sup> position)
- Ghana (3<sup>rd</sup> to 7<sup>th</sup> position)
- Uganda (7<sup>th</sup> to 9<sup>th</sup> position)

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

|              | Africa Trade Barometer (ATB) Score |         | ATB Ranking |         |        |
|--------------|------------------------------------|---------|-------------|---------|--------|
|              | May '23                            | Aug '24 | May '22     | Aug '24 | Change |
| Angola       | 0                                  | 0       | 10          | 10      | ●      |
| Ghana        | 14                                 | 46      | 3           | 7       | ▼      |
| Kenya        | 16                                 | 32      | 5           | 6       | ▼      |
| Mozambique   | 29                                 | 35      | 4           | 3       | ▲      |
| Namibia      | 47                                 | 50      | 2           | 2       | ●      |
| Nigeria      | 19                                 | 29      | 6           | 5       | ▲      |
| South Africa | 100                                | 100     | 1           | 1       | ●      |
| Tanzania     | 25                                 | 25      | 8           | 4       | ▲      |
| Uganda       | 4                                  | 25      | 7           | 9       | ▼      |
| Zambia       | 9                                  | 15      | 9           | 8       | ▲      |

**Source:** Standard Bank Africa Trade Barometer Issue 4

■ August 2024 ■ May 2023

**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 4, 2024

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

SB QTB scores remained the same for Angola, Mozambique, Namibia, Nigeria, South Africa and Uganda, while most countries had their scores decline from May 2023 (see Table 3).

### Countries that have retained their ranking from May 2023:

- Namibia (2<sup>nd</sup> position)
- South Africa (1<sup>st</sup> position)
- Angola (10<sup>th</sup> position)
- Mozambique (3<sup>rd</sup> position)
- Nigeria (4<sup>th</sup> position)
- Uganda (9<sup>th</sup> position)

### Countries that have improved in their ranking from May 2023:

- Kenya (6<sup>th</sup> to 5<sup>th</sup> position)
- Tanzania (8<sup>th</sup> to 7<sup>th</sup> position)
- Zambia (7<sup>th</sup> to 6<sup>th</sup> position)

### Countries that have declined in their ranking from May 2023:

- Ghana (5<sup>th</sup> to 8<sup>th</sup> position)

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

|              | Quantitative Trade Barometer (QTB) Score |         | QTB Ranking |         |        |
|--------------|--|---------|-------------|---------|--------|
|              | May '22                                  | Aug '24 | May '22     | Aug '24 | Change |
| Angola       | 0  | 0       | 10          | 10      | ●      |
| Ghana        | 20                                       | 27      | 5           | 8       | ▼      |
| Kenya        | 22                                       | 26      | 6           | 5       | ▲      |
| Mozambique   | 36                                       | 37      | 3           | 3       | ●      |
| Namibia      | 45                                       | 46      | 2           | 2       | ●      |
| Nigeria      | 25                                       | 32      | 4           | 4       | ●      |
| South Africa | 100                                      | 100     | 1           | 1       | ●      |
| Tanzania     | 20                                       | 23      | 8           | 7       | ▲      |
| Uganda       | 11                                       | 18      | 9           | 9       | ●      |
| Zambia       | 21                                       | 23      | 7           | 6       | ▲      |

**Source:** Standard Bank Africa Trade Barometer Issue 4

■ August 2024 ■ May 2023

**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 4, 2024

The Standard Bank Firm Survey Trade Barometer (SB STB) scores and ranking by country are the averages of all the data collected from the primary research surveys conducted with 2 240 businesses.

Except for Zambia, SB STB ranks have changed in this wave for all countries, while the majority of the countries saw their scores rise (see Table 4).

**Countries that have retained their ranking from May 2023:**

- Zambia (10<sup>th</sup> position)

**Countries that have improved in their ranking from May 2023:**

- Namibia (4<sup>th</sup> to 2<sup>nd</sup> position)
- Kenya (8<sup>th</sup> to 7<sup>th</sup> position)
- Ghana (7<sup>th</sup> to 5<sup>th</sup> position)
- Tanzania (3<sup>rd</sup> to 1<sup>st</sup> position)
- Uganda (9<sup>th</sup> to 6<sup>th</sup> position)

**Countries that have declined in their ranking from May 2023:**

- Angola (1<sup>st</sup> to 3<sup>rd</sup> position)
- Mozambique (6<sup>th</sup> to 9<sup>th</sup> position)
- Nigeria (5<sup>th</sup> to 8<sup>th</sup> position)
- South Africa (2<sup>nd</sup> to 4<sup>th</sup> position)

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

| Country        | Survey Trade Barometer (STB) Score |         | STB Ranking |         |        |
|----------------|------------------------------------|---------|-------------|---------|--------|
|                | May '22                            | Aug '24 | May '22     | Aug '24 | Change |
| Angola         | 100                                | 79      | 1           | 3       | ▼      |
| Ghana          | 18                                 | 37      | 7           | 5       | ▲      |
| Kenya          | 18                                 | 34      | 8           | 7       | ▲      |
| Mozambique     | 22                                 | 25      | 6           | 9       | ▼      |
| <b>Namibia</b> | 53                                 | 79      | 4           | 2       | ▲      |
| Nigeria        | 22                                 | 31      | 5           | 8       | ▼      |
| South Africa   | 67                                 | 44      | 2           | 4       | ▼      |
| Tanzania       | 65                                 | 100     | 3           | 1       | ▲      |
| Uganda         | 12                                 | 34      | 9           | 6       | ▲      |
| Zambia         | 0                                  | 0       | 10          | 10      | ●      |

Source: Standard Bank Africa Trade Barometer Issue 4

■ August 2024 ■ May 2023

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



## Appendix 4: Selected Macroeconomic Indicators for Namibia

This appendix is structured around the thematic categories of the Standard Bank Africa Trade Barometer: macroeconomic stability, trade openness and foreign trade, access to finance and infrastructure. These are important in evaluating the trade environment and prospects of a country. Within each theme, specific indicators have been selected to quantify elements contributing to the overall trade climate. The data spans from 2019 to the forecasted values for 2024 and 2025, offering a temporal perspective on trends and potential future directions.

**Table 5: Namibia macroeconomic overview**

| Thematic Categories              | Indicator   | Unit          | 2019  | 2020  | 2021  | 2022  | 2023  | 2024** | 2025** |
|----------------------------------|---|---------------|-------|-------|-------|-------|-------|--------|--------|
| Macroeconomic Stability          | GDP per capita  | USD           | 5 454 | 4 409 | 4 976 | 4 944 | 4 100 | 4 330  | 4 729  |
|                                  | Nominal GDP   | USD, billions | 12.5  | 10.6  | 12.4  | 12.6  | 12.3  | 13.2   | 14.7   |
|                                  | Real GDP growth rate  | %             | -0.8  | -8    | 3.6   | 5.3   | 4.2   | 3.5    | 4      |
|                                  | Lending interest rate   | %             | 9.9   | 7.9   | 6.9   | 8.6   | 10.9  | N/A    | N/A    |
|                                  | Inflation rate  | %             | 3.7   | 2.2   | 3.6   | 6.1   | 5.9   | 4.6    | 4.1    |
|                                  | Exchange rate stability                                       | NAD per USD   | 14.5  | 16.5  | 14.8  | 16.4  | 18.5  | 18.6   | 18.0   |
|                                  | BON Bank rate   | %             | 6.8   | 4.2   | 3.8   | 5.3   | 7.6   | 7.4    | 6.8    |
|                                  | Merchandise trade   | % of GDP      | 114.4 | 84.1  | 87.0  | 108.4 | 105.4 | N/A    | N/A    |
|                                  | FX reserves   | USD, billions | 2     | 2.2   | 2.8   | 2.8   | 3.1   | 3.5    | 3.6    |
|                                  | Domestic debt (% of GDP)                                      | %             | 30.6  | 35.6  | 43.7  | 50.7  | 49    | 46.6   | 45.1   |
|                                  | External debt (% of GDP)                                      | %             | 17.8  | 20.5  | 19    | 16.5  | 17.1  | 15.8   | 15.1   |
| Trade Openness and Foreign Trade | Trade (exports and imports as % of GDP)                       | %             | 82.9  | 76.9  | 83.5  | 99.1  | 109.6 | N/A    | N/A    |
|                                  | Balance of trade*   | USD, billions | -1.3  | -0.9  | -1.8  | -1.9  | -1.6  | -1.5   | -1.3   |
|                                  | Current account (% of GDP)                                    | %             | -1.8  | 3.2   | -11.2 | -12.8 | -15   | -9.8   | -8.5   |
|                                  | Exports of goods and services                                 | USD, billions | 3.9   | 3.2   | 3.7   | 4.4   | 4.6   | 5.1    | 5.6    |
|                                  | Imports of goods and services                                 | USD, billions | 5.2   | 4.1   | 5.5   | 6.3   | 6.3   | 6.5    | 7      |
| Access to Finance                | Domestic credit to private sector (% of GDP)                  | %             | 71.0  | 72.8  | 68.9  | 61.0  | N/A   | N/A    | N/A    |
|                                  | Gross capital formation (% of GDP)                            | %             | 15.3  | 13.9  | 17.5  | 20.0  | 27.8  | N/A    | N/A    |
|                                  | Net official development assistance and official aid received | USD, billions | 0.14  | 0.18  | 0.18  | 0.33  | N/A   | N/A    | N/A    |
|                                  | Personal remittances received (% of GDP)                      | %             | 0.5%  | 0.6%  | 0.4%  | 0.4%  | 0.5%  | N/A    | N/A    |
|                                  | FDI   | USD, billions | 1     | 0.7   | 1.4   | 1.2   | 2.2   | 3.4    | 3.3    |



|                |  |                   |       |       |        |       |       |     |     |
|----------------|--|-------------------|-------|-------|--------|-------|-------|-----|-----|
| Infrastructure | Individuals using the internet (% of population) | %                 | 44.8  | 48.8  | 52     | N/A   | N/A   | N/A | N/A |
|                | Access to electricity (% of population)          | %                 | 53.3  | 52.3  | 55.2   | 56.2  | N/A   | N/A | N/A |
|                | Mobile cellular subscription (per 100 people)    | Ratio             | 115.4 | 116.4 | 115.2  | 113.2 | N/A   | N/A | N/A |
|                | Air freight tonnage                              | million ton-km    | 6.9   | 1.6   | 0.0003 | N/A   | N/A   | N/A | N/A |
|                | Road cargo                                       | Tonnes, thousands | N/A   | 3 265 | 3 925  | 3 980 | 3 877 | N/A | N/A |
|                | Rail cargo                                       | Tonnes, thousands | N/A   | 928   | 1 410  | 1 380 | 1 174 | N/A | N/A |
|                | Container traffic at ports                       | TEU***, thousands | N/A   | 148   | 155    | 168   | 160   | N/A | N/A |

**Source:** Standard Bank, 2024. Available [here](#). | World Bank. Available [here](#). | National Statistical Agency, 2024. Available [here](#). | Namport, 2023. Available [here](#).

**Notes:** \*Negative values indicate net outflows. \*

\*2024 and 2025 data points are estimates.

\*\*\*TEU: Twenty-foot equivalent unit

N/A denotes that the relevant data was unavailable from the specified source.

## Appendix 5: Key Results of the Standard Bank Africa Trade Barometer Issue 4 Survey in Namibia

This appendix presents the key results of the main questions asked to businesses in Namibia as part of Issue 4 of the Standard Bank Africa Trade Barometer. The results are structured according to the SB ATB thematic categories: macroeconomic stability, trade openness and foreign trade, infrastructure, government support, as well as traders' financial behaviours and their access to finance. Not all questions in the SB ATB survey are presented here. The questions selected for inclusion have been chosen for their closed-ended nature and being succinct enough for a concise presentation. Questions pertaining to the general profile of businesses and individual respondents, or those requiring open-ended responses, have been omitted. This approach ensures that the findings detailed in the following table are directly relevant and valuable for interpreting the trade dynamics within the Namibia context.

**Table 6:** Key findings of the survey

| Thematic Categories     | Question  | Responses            |                 |                   |                     |                       |         |            |   |   |   |
|-------------------------|---|----------------------|-----------------|-------------------|---------------------|-----------------------|---------|------------|---|---|---|
| Macroeconomic Stability | Thinking of your business turnover over [from 2020 to 2021], please indicate if turnover increased, decreased or remained the same. | Increased            | Decreased       | Remained the same | Don't know          | Refused               |         |            | - | - | - |
|                         |   | 40%                  | 40%             | 19%               | N/A                 | N/A                   |         |            | - | - | - |
|                         | Thinking ahead [from 2024 to 2025] do you expect business turnover to increase, decrease or remain the same.                        | Increased            | Decreased       | Remained the same | Don't know          | Refused               |         |            | - | - | - |
|                         |   | 74%                  | 4%              | 19%               | 2%                  | N/A                   |         |            | - | - | - |
|                         | Thinking ahead [from 2025 to 2026] do you expect business turnover to increase, decrease or remain the same.                        | Increased            | Decreased       | Remained the same | Don't know          | Refused               |         |            | - | - | - |
|                         |   | 73%                  | 3%              | 18%               | 6%                  | N/A                   |         |            | - | - | - |
|                         | Please indicate how you feel about the performance of the economy in relation to business in the next 3 years.                      | Extremely optimistic | Very optimistic | Neutral           | Not very optimistic | Not at all Optimistic | Refused | Don't know |   | - | - |
|                         |   | 7%                   | 38%             | 45%               | 5%                  | 4%                    | N/A     | N/A        |   | - | - |

|  |   |   |                  |                             |                             |                    |                               |            |   |   |   |
|--|---|---|------------------|-----------------------------|-----------------------------|--------------------|-------------------------------|------------|---|---|---|
| Infrastructure   | [Road infrastructure] How would you rate the quality of the following aspects in your market?           | Excellent   | Very good        | Good                        | Fair                        | Poor               | Do not depend on/<br>use this | Don't know | - | - |   |
|  |   | 12%   | 24%              | 30%                         | 23%                         | 10%                | N/A                           | N/A        | - | - |   |
|  | [Water supply] How would you rate the quality of the following aspects in your market?                  | Excellent   | Very good        | Good                        | Fair                        | Poor               | Do not depend on/<br>use this | Don't know | - | - |   |
|  |   | 19%   | 27%              | 34%                         | 14%                         | 5%                 | N/A                           | 1.00%      | - | - |   |
|  | [Telecommunications] How would you rate the quality of the following aspects in your market?            | Excellent   | Very good        | Good                        | Fair                        | Poor               | Do not depend on/<br>use this | Don't know | - | - |   |
|  |   | 21%   | 24%              | 31%                         | 19%                         | 4%                 | N/A                           | 0.49%      | - | - |   |
|  | [Ports] How would you rate the quality of the following aspects in your market?                         | Excellent   | Very good        | Good                        | Fair                        | Poor               | Do not depend on/<br>use this | Don't know | - | - |   |
|  |   | 6%  | 22%              | 34%                         | 27%                         | 10%                | N/A                           | 1%         | - | - |   |
|  | [Airports] How would you rate the quality of the following aspects in your market?                      | Excellent   | Very good        | Good                        | Fair                        | Poor               | Do not depend on/<br>use this | Don't know | - | - |   |
|  |   | 15%   | 19%              | 26%                         | 29%                         | 10%                | N/A                           | 1%         | - | - |   |
|  | [Customs and trade regulations] How would you rate the quality of the following aspects in your market? | Excellent   | Very good        | Good                        | Fair                        | Poor               | Do not depend on/<br>use this | Don't know | - | - |   |
|  |   | 8%  | 19%              | 39%                         | 28%                         | 5%                 | N/A                           | 0.49%      | - | - |   |
|  | [Power supply] How would you rate the quality of the following aspects in your market?                  | Excellent   | Very good        | Good                        | Fair                        | Poor               | Do not depend on/<br>use this | Don't know | - | - |   |
|  |   | 17%   | 25%              | 36%                         | 17%                         | 5%                 | N/A                           | N/A        | - | - |   |
|  | [Rail infrastructure] How would you rate the quality of the following aspects in your market?           | Excellent   | Very good        | Good                        | Fair                        | Poor               | Do not depend on/<br>use this | Don't know | - | - |   |
|  |   | 9%  | 11%              | 30%                         | 32%                         | 17%                | N/A                           | 0.49%      | - | - |   |
|  | Trade Openness and Foreign Trade  | How likely are you to increase the volume of imports in the next 2 years? | Extremely likely | Very likely                 | Neither likely nor unlikely | Very unlikely      | Extremely unlikely            | -          | - | - | - |
|  |   |   | 13%              | 37%                         | 48%                         | 1%                 | 1%                            | -          | - | - | - |
| How likely are you to decrease the volume of imports in the next 2 years?                        |   | Extremely unlikely  | Very unlikely    | Neither likely nor unlikely | Very likely                 | Extremely likely   | -                             | -          | - | - |   |
|  |   | 5%  | 17%              | 59%                         | 15%                         | 4%                 | -                             | -          | - | - |   |
| To what extent do importation-related taxes, including tariffs, impact your business growth?     |   | Severe impact   | Major impact     | Moderate impact             | Minimal impact              | No impact          | -                             | -          | - | - |   |
|  |   | 7%  | 16%              | 44%                         | 12%                         | 21%                | -                             | -          | - | - |   |
| To what extent do importation-related customs and trade regulations impact your business growth? |   | Severe impact   | Major impact     | Moderate impact             | Minimal impact              | No impact          | -                             | -          | - | - |   |
|  |   | 10%   | 19%              | 35%                         | 16%                         | 20%                | -                             | -          | - | - |   |
| How likely are you to increase the volume of exports in the next 2 years?                        |   | Extremely likely  | Very likely      | Neither likely nor unlikely | Very unlikely               | Extremely unlikely | -                             | -          | - | - |   |
|  |   | 48%   | 14%              | 19%                         | 14%                         | 5%                 | -                             | -          | - | - |   |
| How likely are you to decrease the volume of export in the next 2 years?                         |   | Extremely unlikely  | Very unlikely    | Neither likely nor unlikely | Very likely                 | Extremely likely   | -                             | -          | - | - |   |
|  |   | 18%   | 6%               | 41%                         | 29%                         | 6%                 | -                             | -          | - | - |   |
| To what extent do exportation-related taxes, including tariffs, impact your business growth?     |   | Severe impact   | Major impact     | Moderate impact             | Minimal impact              | No impact          | -                             | -          | - | - |   |
|  |   | 10%   | 14%              | 36%                         | 13%                         | 27%                | -                             | -          | - | - |   |



|  |   |                                     |   |  |                                |   |   |  |   |       |
|--|---|-------------------------------------|---|--|--------------------------------|---|---|--|---|-------|
| Trade Openness and Foreign Trade (Cont.)                   | To what extent do exportation-related customs and trade regulations impact your business growth?  | Severe impact                       | Major impact  | Moderate impact                                  | Minimal impact                 | No impact   |   | -  | -   | -     |
|  |   | 12%                                 | 14%   | 30%  | 17%                            | 28%   |   | -  | -   | -     |
|  | In your view would you say trading with the rest of Africa is extremely easy, very easy, neither easy nor difficult, very difficult or extremely difficult?   | Extremely easy                      | Very easy   | Neither easy nor difficult                       | Very difficult                 | Extremely difficult   | Don't know  | Refused  |   | -     |
|  |   | 8%                                  | 25%   | 52%  | 11%                            | 4%  | N/A   | N/A  |   | -     |
|  | In your view would you say trading with the rest of the world (OUTSIDE OF AFRICA) is extremely easy, very easy, neither easy nor difficult, very difficult or extremely difficult?                  | Extremely easy                      | Very easy   | Neither easy nor difficult                       | Very difficult                 | Extremely difficult   | Don't know  | Refused  |   | -     |
|  |   | 0.49%                               | 6%  | 42%  | 31%                            | 19%   | 1%  | N/A  |   | -     |
|  | Are you aware of the African Continental Free Trade Area Agreement?   | Yes                                 | No  |  | -                              | -   | -   | -  | -   | -     |
|  |   | 45%                                 | 55%   |  | -                              | -   | -   | -  | -   | -     |
|  | What are the top 3 benefits of the AfCFTA on your business?   | No benefits (Exclusive)             | Ease the movement of goods/ services across borders | Allow for a larger market for my goods/ services | Allow for greater competition  | Promote the availability of more products and services to choose from | Contribute to the movement of capital and people across borders | Facilitate greater investment across countries | Promote industrial development across the countries | Other |
|  |   | 50%                                 | 20%   | 24%  | 21%                            | 12%   | 10%   | 7%   | 16%   | 16%   |
| Government Support   | Please indicate how supportive your government is with regards to cross-border trading activities.  | 5 - Extremely supportive            | 4   | 3  | 2                              | 1 - Not at all supportive   | Refused   | Don't know                                     | -   | -     |
|  |   | 14%                                 | 21%   | 41%  | 14%                            | 9%  | 1%  | N/A  | -   | -     |
| Traders' Financial Behaviour and Access to Finance         | Please indicate how difficult or easy it is to get credit from financial institutions   | Extremely easy                      | 4   | 3  | 2                              | 1 - Extremely difficult   | Refused   | Don't know                                     | -   | -     |
|  |   | 7%                                  | 17%   | 44%  | 11%                            | 20%   | N/A   | 0.49%  | -   | -     |
|  | Why do you prefer using cash to pay for your goods or services when trading with suppliers in other countries?  | Minimal cost/ fees                  | Allows for negotiations                             | Limited knowledge in other payment methods       | Convenient - easy to deal with | Privacy   | Other   | -  | -   | -     |
|  |   | 50%                                 | 55%   | 18%  | 50%                            | 18%   | N/A   | -  | -   | -     |
|  | What challenges, if any, do you encounter when using cash when trading with suppliers in other countries?   | Fraud                               | Loss of money/ security risks                       | Fluctuating exchange rates                       | Customs declarations           | Inconvenience - of carrying large amounts of money                    | Other   | -  | -   | -     |
|  |   | 73%                                 | 55%   | 45%  | 27%                            | 5%  | N/A   | -  | -   | -     |
|  | What benefits or incentives would encourage you to entirely switch to formal channels (such as cards, electronic payments, international transfers) when trading with suppliers in other countries? | Faster transaction processing times | Minimal document requirements                       | Competitive exchange rates                       | Guaranteed security            | Recorded transactions   | Other   | -  | -   | -     |
|  |   | 59%                                 | 36%   | 5%   | 23%                            | 50%   | N/A   | -  | -   | -     |
|  | Do you offer credit terms to your clients?  | Yes                                 |   |  | No                             |   |   | -  | -   | -     |
|  |   | 58%                                 |   |  | 42%                            |   |   | -  | -   | -     |
| Do you have credit terms arrangements with your suppliers? | Yes   |                                     |   | No   |                                |   | -   | -  | -   |       |
|  | 65%   |                                     |   | 35%  |                                |   | -   | -  | -   |       |

# ABOUT THE RESEARCH



**The Standard Bank Africa Trade Barometer is based on both primary and secondary research sources.** This is Issue 4 of the SB ATB. Issues 1, 2 and 3 were released in June 2022, November 2022 and September 2023, respectively. Data collection (both primary and secondary research) for Issue 4 was carried out between July and September 2024 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 in-depth interviews with key stakeholders. The sample is stratified by size (small, big and corporate), region and industry. A total of 2 258 businesses were surveyed and 30 in-depth interviews were conducted across the 10 countries in Issue 4.

In Namibia, 205 businesses were surveyed. 60% of these businesses were in Windhoek, 14% in Walvis Bay, 12% in Swakopmund, 9% in Oshakati and 5% in Rundu.

**The breakdown of surveyed businesses in Namibia by business segment was as follows:**

- 68% were small businesses
- 15% were big businesses
- 17% were corporates

In the context of the SB ATB, small businesses are defined as those with a turnover of less than NAD 10 million, big 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 is as follows:**

**Table 7: Breakdown of surveyed businesses in Namibia by industry**

| Industry  | %   | Industry   | %  |
|---|-----|--|----|
| Accommodation and food service activities   | 15% | Arts, entertainment and recreation   | 3% |
| Wholesale and retail trade; repair of motor vehicles and motorcycles  | 12% | Mining and quarrying (includes oil & gas)  | 2% |
| Manufacturing   | 10% | Administrative and support service activities(i.e., Rental and leasing activities of assets, employment activities, travel agency and related activities, security and investigation activities, office administrative, office support, other business support activities) | 2% |
| Other service activities (Religious organisations, clubs, hair salons, entertainers, professional bodies, funeral parlours, trade unions, repair of computers and personal and household goods, dry-cleaning) | 8%  | Arts, entertainment and recreation   | 2% |
| Real estate activities  | 7%  | Transportation and storage   | 1% |
| Education   | 7%  | Professional, scientific and technical activities  | 1% |
| Construction  | 6%  | Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use   | 1% |
| Electricity, gas, steam and air conditioning supply   | 6%  | Water supply; sewerage, waste management and remediation activities  | 0% |
| Financial and insurance activities  | 6%  | Public administration and defence; compulsory social security  | 0% |
| Human health and social work activities   | 4%  | Activities of extraterritorial organisations   | 0% |
| Agriculture, forestry and fishing   | 3%  |  |    |

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

- 5% had below 5 employees
- 22% had 5 – 10 employees
- 19% had 11 – 20 employees
- 21% had 21 – 50 employees
- 11% had 51 – 100 employees
- 20% had 101 – 1 000 employees

With regards to individual respondent characteristics within the businesses, there is a nearly equal split of 50% (103 male and 102 female respondents).

**The breakdown by their job titles is as follows:**

- 33% were owners, partners or co-owners
- 24% were general managers
- 17% were managing directors
- 6% were heads of departments
- 5% were chief executive officers (CEOs)
- 3% were financial directors
- 3% were treasurers
- 2% were chief accountants
- 1% were executive directors
- 1% were director generals
- 1% were deputies directors general
- 1% were chief financial officers
- 1% were supervisors

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 in-depth interviews conducted in Namibia as part of Issue 4. The interviews were held with representatives from the Ministry of Finance, the Ministry of Industrialisation and Trade, and the Namibia Fish Consumption Promotion Trust. These interviews are quoted in this report, as relevant.

The survey and in-depth interviews 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.

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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.

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





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