



Namibia

Member Countries - Commonwealth Chamber of Commerce

Namibia, officially known as the Republic of Namibia, is a country located in the southwestern region of Africa along the Atlantic Ocean coastline and covers 824,292 sqkm in land area. It shares its borders with Angola in the north, Botswana in the east, South Africa in the south, and Zambia in the northeast, with the Atlantic Ocean along its western border.

The country has three main topographical zones from the west to the east: the Namib desert, which is located along the “Skeleton Coast”, the central Plateau, and the Kalahari Desert in the east. The landscape is beautiful and laden with deserts, mountains, canyons, and savannas. The rivers Kunene, Okavango, the Mashi and the Zambezi flow from the north, and the Orange River flows through the southwest towards South Africa and Lesotho. Located on the southern margin of the tropical areas, Namibia has distinct seasons with scarce rainfall around the year.

Namibia is widely renowned for its institutionalised democracy, peace, and well-administered economy. Namibia ranked 7th among 47 countries in the Sub-Saharan Africa region for the 2020 Index of Economic Freedom, and its overall score is well over the regional average.



Demographics

As of 2022, the population of Namibia is 2,596,000, although the population density is low. Around 85% of Namibians are Black, whereas the rest include Europeans, the Cape Coloured, the Nama and the Rehobother. About 55% of the population lives in rural areas along the northern border with Angola, and of this rural population, two-thirds rely on farming and subsistence agriculture for their livelihood. Nearly one-fifth of the population lives in the capital city Windhoek. The population of Namibia is dominantly youthful, with a little over half the population (56%) under the age of 25.

Namibia has 13 recognised national languages. Despite the variety, the Ovambo language is spoken by over 80% of Namibians. Other notable languages spoken in the country are Damara-Nama (spoken by 6% of the population), Kavango languages (4%), Afrikaans (4%), and Herero languages (4%), among more. English is the official language used in governmental documentation. As for religion, it is estimated that around 98% of the population is Christian, of which half are Lutheran, whilst the remaining population practices Islam, Buddhism, Judaism, and others.

History

The nomadic San people are the earliest recorded inhabitants of Namibia. Rock paintings and other stone artifacts found in northwestern Twyfelfontein became a protected UNESCO World Heritage site in 2007. The Nama first conquered southern Namibia, while the Damara clan dominated the central region. The Herero clan was established in the northwest area, and the Ovambo people further north. With a similar system, the Kavango people resided in the east, along with some Barotse and Tswana people.

Afrikaner explorers were first sighted in the 1670s, and settlers began coming into Namibia in 1790, reaching the Ovambo kingdom territories with a cluster arriving at the Etosha Pan. They were joined by German missionaries and British and Norwegian traders, although these two latter groups focused more on ivory and cattle trade and whaling. They also introduced firearms in the region, which significantly escalated violent conflict amongst the clans, which continued into the 19th century. In the 1870s, the British were close to annexing the Namibian territory but receded due to the lack of value in Namibia. In the 1880s, the Germans violently acquired Namibia as a colony named South West Africa. In 1885, the Herero resisted colonial rule and forced the Germans back to Walvis Bay. Nonetheless, British troops along the Caprivi Strip overwhelmed the local forces and crushed opposition by 1892.

The Herero and the Nama launched a final uprising from 1904 until 1910, when German forces forcefully put down the revolt. At the beginning of World War I, Germany lost control of South West Africa when South African troops invaded and captured the territory. After the defeat of the Germans in 1919, the League of Nations awarded a Class C mandate to South Africa for the administration of South West Africa. The South Africans extended the railway systems to reach Walvis Bay in the north and southwards to Cape Town to link the economies of both, and clashed with the Portuguese pushing south of the border with Angola, which also sparked revolts throughout South West Africa until the 1930s. By 1947, the Namibians began to petition against the South African administration to the UN, and multiple cases were filed in the International Court of Justice. The UN motioned to invalidate South Africa's mandate following the Odendaal Report of 1964, which was backed by Ethiopia and Liberia. In 1971, the Court ultimately ruled in favour of the mandate reversal and advised South Africa to return the administration of Namibia to the UN. However, this was rejected as the motion was non-binding and merely advisory.

Jaded by the ineffective results of international arbitration, nationalist parties such as the South West African National Union (SWANU) and the South West Africa People's Organisation (SWAPO) were founded in 1960 and 1959 respectively. They began to gain massive traction and support, which led to a massive strike from 1971-1972. After a failed attempt at invading Angola in 1988 and facing massive casualties, South Africa negotiated with the UN over the question of Namibia. Elections were held to transition power to the local community, and a new constitution was to be drafted. In the UN supervised election of 1989, SWAPO gained 57% votes and 60% seats, making the party leader, Sam Nujoma, the first president. The constitution emphasised human, civil, and land rights and was unanimously approved and implemented in 1990. On 21 Mar 1990, the Republic of Namibia was founded. In the same year, Namibia joined the Commonwealth, the UN and the now African Union (previously Organisation of African Unity).

Key Dates

1884 Germany annexes the territory as South West Africa (SWA)

1911 Germany lost control of SWA during World War I

1920 League of Nations grants South Africa Class C mandate to govern SWA

1946 South Africa refuses to place SWA under UN trusteeship

1971 UN International Court of Justice reverses South Africa's mandate

1988 South Africa agrees to Namibian independence provided Cuban troops removed from Angola

1989 UN supervises elections for a Namibian Constituent Assembly

1990 Namibia becomes independent on 21 March



Legal System and Government

Namibia is a republic with a unitary semi-presidential democratic system. The President, who serves as the head of the state and the government, is elected every five years. The President then appoints the Vice President as well as the Cabinet. Legislative power lies with the parliament, which is bicameral. The first house is the National Assembly, which has the power to pass legislation. Most of it is made up of 96 members elected via universal suffrage on a 5-year term basis. The second house, the National Council, serves an advisory role for legislative agendas. A member is elected from each of the 14 administrative regions for a term of six years.

The judicial system consists of the Supreme Court, the High Court, and 30 magistrates' courts. The Supreme Court is the highest court of appeals. Simultaneously, the traditional courts hear minor criminal offenses and violations of local customs. Multiple legal systems are prevalent in Namibia. The sources of law include constitutional law, civil law, common law, customary law, and international law.

Economy

Namibia is a lower-middle income nation with a mixed economy that balances the elements of both the private and public sectors. With an abundance of natural resources, Namibia is the world's 3rd largest exporter of raw copper and the world's 5th largest diamond exporter; the nation is also a notable exporter of uranium, lead, zinc, and marble. As such, the mining industry contributes a notable 11.1% of GDP and 25% of the nation's revenue, although it employs less than 5% of the total workforce.

The nation has made impressive strides in reducing poverty, the rate currently being half of the level it was at immediately after independence, primarily through the diversification of its exports and decrease in dependence on the mining industry. Namibia has been developing its economy by tourism; the Namibian Ministry of Environment, Forestry and Tourism has made great progress in promoting the country as a top tourist destination. The tourism industry as of now contributes approximately 15% of GDP and employs one-fifth of the nation's workforce. Following its advocacy of "Tourism is Everyone's Business", tourist arrivals marked a 2.5% increase year-on-year, reaching 1,595,973 in 2019. Namibia is especially popular among tourists from nearby countries, including Angola, South Africa, and Zambia. Including tourism, the services sector of Namibia employs 62% of the workforce and contributes 58.3% of GDP. Other notable services include travel and transportation.

The agricultural sector, particularly the fishing industry, is also an important pillar of the nation's economy, it contributes 9.5% of GDP and employs 22% of the labour force. Livestock, particularly cows, goats and sheep, are the main agricultural products of Namibia that are exported to international markets while crops including tomatoes, potatoes, carrots, cabbage and citrus fruits are also grown though they are mostly used for domestic consumption. The industry sector of Namibia revolves around the processing of mineral and agricultural products, employing 16% of the workforce and contributing 25.3% of GDP.

Despite the improvements, there is still a long way to go; Namibia has a GDP of US\$12.31 billion in 2021, with a GDP growth of 2.7%. This signifies a gradual recovery from the economic shock brought by COVID-19, during which Namibia had a -8% GDP growth. Before COVID-19, economic development of Namibia had been fluctuating due to severe drought, reduced public investment, and slow regional growth. The country has been highly dependent on commodity exports and Southern African Customs Union (SACU) transfers.

Trade

Namibia's GDP was US\$12.31 billion for the 2021 fiscal year. The main export items were copper (28%), gold (15%), diamond (12%), radioactive chemicals (9%), and fish fillets (5%). The major export destinations were China (29%), South Africa (20%), Botswana (8%), Belgium (6%), and Spain (4%). Namibia mainly imported copper (24%), copper ores (8%), refined petroleum (7%), and electricity (3%). These imports were mostly supplied by South Africa (40%), Zambia (20%), Congo (6%), China (5%), and Bulgaria (3%).

Namibia has bilateral agreements with other Commonwealth countries, including Zimbabwe, Cuba, Ghana, India, and Malaysia. Namibia is also a member of the Lomé Convention with the European Union, the SACU, the Southern African Development Community (SADC) and the Common Market of Eastern and Southern Africa. In 2008, Namibia and its fellow SADC members signed a Free Trade Agreement to strengthen intra-regional trade. In 2016, Namibia and six other SADC member countries signed an Economic Partnership Agreement with the European Union.

Investment Opportunities

Namibia has a strong commitment to digitalising and creating a knowledge-based society. Over the years, the Namibian government has made significant efforts to incorporate technology into the national development objectives. One of the key objectives of the Namibia National Development Plan 4 is the enhanced delivery of public services using information and communication technology. To realise these objectives, the government has worked closely with UNESCO. A National Commission for Research, Science and Technology was established to support the development, management and application of science, technology, and innovation. Following these developments, Namibia presents unrivalled business opportunities and potential to investors.

The Namibian Stock Exchange is the second largest in Africa, with the dual listing of numerous South African market leaders. Namibia stands out for having a stable political environment and an effective and consistent framework of commercial regulations. The Foreign Investment Act of 1993 guarantees equal treatment for foreign investors and domestic firms. Special tax incentives are offered to manufacturers and exporters, while corporate tax liability for Export Processing Zone enterprises is even waived. The government's emphasis on investment retention is evident.

Recently, the Namibian government has launched large-scale infrastructure projects within the country. These projects include railroads that will facilitate transportation with its neighbouring countries, as well as the expansion of the Walvis Bay Port and several mines. These projects are open to foreign investments and joint ventures and hope to bring in significant foreign investment inflows.

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