



# Hats



# Off

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## LOCAL MANUFACTURING BASE STILL STUTTERING

Among the various industries of the economy, the manufacturing industry emerged as the largest exporting industry for October 2021. The industry exported goods worth N\$5 billion, representing 60% of total exports.

According to the Namibia Statistics Agency (NSA), out of the N\$5 billion worth of manufactured goods exported, 61.4% are re-exports, which is a reflection of the country's small manufacturing base.

Re-exports are commodities imported by residents who assume short-term ownership of the commodities. Subsequently, these commodities, are exported without undergoing any significant industrial transformation.

NSA noted even though no substantial transformation is done, re-exports have the potential to benefit the intermediate country by rendering services such as sorting, repackaging, storage, transport and trade mediation services. This implies that the country's services sector greatly benefits from activities of re-exports. Additionally, re-exports serve as an indication of favourable corporate tax in the intermediate country.

Furthermore, the bulletin revealed export of goods from the manufacturing industry decreased by N\$1.3 billion from N\$6.2 billion recorded in September 2021.

The mining and quarrying industry came in second place after recording exports valued at N\$2.9 billion in October 2021. Exports from the mining and quarrying industry, increased by N\$927 million from N\$1.9 billion recorded in September 2021.

The demand side also showed a similar trend, with goods from the manufacturing industry emerging on top of the list of goods imported, with an import bill of N\$10.5 billion in October 2021. An increase of N\$1.2 billion from N\$9.3 billion recorded in September 2021.

Source:

<https://neweralive.na/posts/local-manufacturing-base-still-stuttering>

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## SOUTH AFRICA'S ENERGY MIX WILL BE MUCH CHEAPER WITH RENEWABLES-STUDY

South Africa's energy mix will be over 10% cheaper than power generation from new coal and nuclear plants, a new study has found.

The survey conducted by the Frankfurt Institute for Advanced Studies at the Goethe-University Frankfurt, concludes that there will be no need for the addition of new coal or nuclear power stations beyond what is already installed.

Jonas Hörsch a researcher from the institute says that 70% of energy from renewable sources were found to be cost-optimally integrated using flexible gas generation and the expansion of several transmission corridors.

"The open-source nature of the model and restriction to freely available data encourages an accessible and transparent discussion about the future South African energy system, primarily based on renewable wind and solar resources," says Hörsch.

Source: <https://cceonlinenews.com/2017/12/10/south-africas-energy-mix-will-be-much-cheaper-with-renewables-study/>

## UPWARD TREND EXPECTED FOR CONSTRUCTION INDUSTRY IN 2022

With increased government-led infrastructure spend and greater private sector spend on the cards, the construction industry in 2022 is more positive. This is one of the key insights gleaned from a 2022 Construction Industry Outlook survey conducted by RIB CCS in Africa and the Middle East in the final quarter of 2021.

Andrew Skudder, chief executive officer for RIB Construction Computer Software (RIB CCS), said that it was good news for an industry that has experienced extreme pressure over the past few years. He further stated that, in South Africa alone, the total value of plans passed for building construction fell by 37% year-on-year in the first eleven months of 2020, preceded by annual declines of 1.1% and 11.8% and in 2018 and 2019 respectively.

Andrew Skudder, RIB CCS's chief executive officer, says this is good news for an industry that has experienced extreme pressure over the past few years. "In South Africa alone, the total value of plans passed for building construction fell by 37% year-on-year in the first eleven months of 2020, preceded by annual declines of 1.1% and 11.8% and in 2018 and 2019 respectively".

He further stated that the picture has been similarly bleak for the industry in the Middle East and North Africa (MENA) region, which has been in decline since the fall in oil prices in 2014, exacerbated by the COVID-19 pandemic in 2020.

The highly anticipated increase in government-led infrastructure spend, as well as an expected increase in private sector work, are what 26% of respondents are most looking forward to in 2022.

"Government's commitment to infrastructure spend is a particularly important factor in driving confidence in the industry, as is having visibility of project pipeline", says Skudder.

Notably, a mere 8% of respondents are excited about public-private partnerships (PPPs). While PPPs are a great way to unlock investment in the industry, the low score probably relates to an overall lack of confidence in PPPs and government's strategy around them, notes Skudder.

Source: <https://cceonlinenews.com/2021/12/15/upward-trend-expected-for-construction-industry-in-2022/>





## HOUSING AND TRANSPORT DRIVE INFLATION

The housing and transport sectors have been the main drivers of inflation in Namibia.

Focusing on the third quarter of 2021, the Bank of Namibia (BON) noted inflation picked up pace year-on-year by 1.4 percentage points to 3.7% during the third quarter of 2021.

The report revealed that Namibia's inflation rose on a yearly basis during the third quarter of 2021, driven mainly by an increase in the inflation for transport and housing, but declined on a quarterly basis during the quarter under review. The rise in inflation was reflected in the categories of transport and housing during the quarter under review.

The central bank added the rise in transport inflation was driven by an increase in the international price of oil, while the rise in inflation for housing was driven by an increase in rental payment for the dwelling subcategory, given the deflationary pressure experienced in 2020. Meanwhile, the inflation for food declined year-on-year and quarter-on-quarter during the quarter under review, slightly offsetting the rise in overall inflation. On a quarterly basis, overall inflation declined by 0.2 percentage point from 3.9%.

"The decline was reflected in low quarterly inflation for food and transport, while that of housing rose over the same period. The inflation rate for November 2021 stood at 4.1%, higher than the inflation rate of 3.6% registered during the previous months. The increase was due to a rise in the inflation rate for the transport, housing and food categories," explained BON.

Source: <https://neweralive.na/posts/housing-and-transport-drive-inflation>



## VEHICLE SALES DEFY LOW GROWTH ENVIRONMENT

A total of 734 vehicles were sold during the month of December 2021 (compared to 755 sold in the prior month and 704 sold a year ago) according to the National Association of Automobile Manufacturers South Africa. Vehicle sales increased by 4.3% year-on-year and decreased by 2.8% month-on-month in December 2021.

Medium-commercial vehicles saw the largest annual increase, however total vehicle sales continue to be dominated by passenger (49% of total sales) and light-commercial vehicles (43% of total sales). During 2021, 9,428 vehicles were sold (compared to 7,612 sold in 2020 and 10,415 in 2019), which represents a 23.9% annual increase. Pre-pandemic outbreak, 1,196 vehicles were sold monthly on average compared to 705 vehicles being sold monthly on average post-pandemic outbreak. Removing the base effect of April 2021, the average annual increase in vehicle sales stood at 17% for 2021.

Some of the brands with the highest annual increases in sales in 2021 compared to 2020 (coming off a low base) include Suzuki (↑ 95%), Scania trucks (↑ 77%), KIA (↑ 66%), Lexus (↑ 44%) and Land Rover (↑ 35%). In terms of market share, Toyota and Volkswagen continue to dominate the local market and accounted for 34.9% and 13.7% of total vehicles sold in 2021, respectively. Comparing market shares of annual sales, Nissan replaced Ford as the third largest brand with 6.2% of total sales in 2021 and Ford moved down to the fourth largest (6.1%). Lastly, KIA replaced Mercedes as the fifth largest brand, with 4.6% of total sales in 2021. These top five brands accounted for 65.7% of total vehicles sold in 2021.

Taking the above into account, Simonis Storm believe imports of vehicles into Namibia will remain challenging for most of 2022. This will be as a result of ongoing global production challenges discussed above.

Source: <https://bit.ly/Vehicle-Sales-Dec-2021>

## NAMPOWER SUPPORTS GREEN HYDROGEN

The Namibia Power Corporation (NamPower) says it is lining up for the potential benefits of the government's much-anticipated green hydrogen project, which would see the country exporting power.

NamPower's acting chief executive officer, Fritz Jacobs, told Desert Radio 95.3 FM that once the project is completed, the company will engage with successful hydrogen developers on purchasing excess energy from these power plants to lower the power utility's overall tariffs.

"In future there may be an opportunity for NamPower to purchase hydrogen as an end product and utilise this fuel to fire our power stations. However, NamPower looks forward to seeing the outcome of the detailed feasibility study, which would be finalised in about two years," Jacobs said.

He said hydrogen developers may require NamPower to relay additional power from their hydrogen plants to customers in the rest of Namibia and the Southern African Power Pool.

The green hydrogen project is currently being developed by the interministerial green hydrogen committee (GHC), together with the green hydrogen technical committee, which is the implementing arm of the GHC.

Jacobs said NamPower's role has been to nominate individuals to serve on the technical committee.

Source:

<https://www.namibian.com.na/108838/read/NamPower-supports-green-hydrogen>

## THIRD QUARTER NIGHTMARE FOR CONSTRUCTION SECTOR

On 16 December 2021, Namibia Statistics Agency has released the statistical information that relates to the third quarter of 2021.

The construction sector recorded a massive decline of 43.7% in real value added during the third quarter of 2021 compared to a reduction of 10.4% registered in the corresponding quarter of 2020.

The gross domestic product (GDP) update for 2021 third quarter performance of the sector was reflected in the real value of government expenditure on construction that declined by 46.1% during the period under review compared to a growth of 3.7% in the corresponding quarter of 2020.

The expansion of economic activities in the third quarter of 2021 was observed in almost all the sectors of the economy. Double digit growth rates were registered in mining and quarrying (41.9%) and hotels and restaurants (19.5%).

However, decreased economic activities were observed in the secondary and some tertiary industries. Financial services sector declined by 10.9 percent. Likewise, manufacturing sector declined by 2.6 percent and wholesale and retail trade sector also registered a contraction of 0.7 percent.

Expenditure on real GDP increased by 2.4 percent in the quarter under review, mainly driven by the private final consumption.

In nominal terms the private final consumption expenditure stood at N\$ 34.9 billion during the period under review, up from N\$31.3 billion recorded in the corresponding quarter of 2020. While the government final consumption expenditure stood at N\$11.3 billion down from N\$12.1 billion in the third quarter of 2020. In real terms private consumption increased by 18 percent in the quarter under review while government consumption grew by 2.3 percent.

Similarly, investment stood at N\$6.0 billion in the quarter under review, down from N\$7.7 billion in the corresponding quarter of 2020. In real terms, investment declined by 43.3 percent in the third quarter of 2021.



## CONSTRUCTION INDUSTRIES FEDERATION OF NAMIBIA'S TRAINING & DEVELOPMENT

The Construction Industries Federation of Namibia (CIF) offer various short-courses to its members and non-members in the construction sector.

The training programs provided are as follows:

- Scaffolding erectors
- Scaffolding inspectors
- Safety representative
- Working at heights

All training includes:

- Brötchen & coffee
- Lunch & refreshment
- Training materials
- Attendance certificate

For bookings or if you need any further information, then please contact:

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