



2022/2023 NATIONAL BUDGET DECREASES TO N\$61.5 BILLION

The Finance Minister Ipumbu Shiimi on 24 February earmarked N\$61.5 billion for the 2022/23 national budget, a decrease from the N\$67.9 billion in 2021/22.

The three biggest beneficiaries from the budget include the social sector, economic sector and the public safety sector.

The social sector has been maintained at 45.9% or N\$32.5 billion in 2022/23 financial year and will remain steady thereabout over the Medium Term Expenditure Framework (MTEF). Ministry of Education, Arts and Culture is allocated N\$14.1 billion, equivalent to 19.9% of the budget. Over the MTEF, the vote will receive a sum of N\$41.7 billion.

Shiimi said, Namibia as a developing economy, the construction of foundational infrastructure remains critical in the quest to accelerate economic growth and improve the living standards. Again, the work of government in this realm is further complemented by the activities of various Public Enterprises in line with their respective mandates. Accordingly, a total of N\$3.6 billion (5.2 percent of the budget) has been allocated to the infrastructure sector, and some N\$9.4 billion over the MTEF period.

In addition to the central government budget, the Road Fund Administration has earmarked more than N\$700 million for road maintenance during the budget year, for activities such as the rehabilitation of the B1 road between Keetmanshoop and Mariental, regravelling of the gravel roads in the Etosha National Park, and rehabilitation of the B2 road between Karibib and Usakos,

"As I round up my statement this afternoon, I would like to share my cautious optimism over the near-term future of our country. It is true indeed, the ongoing COVID-19 pandemic found our fiscal affairs in a precarious position due to many factors outside of our control. A combination of the significant financial requirements to fight the pandemic coupled with the revenue diminishing effects of the containment measures further worsened our fiscal position. Nonetheless, by our estimates, we are seeing some light at the end of the tunnel, although we are not yet out of the woods!", Shiimi concluded

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FIRST GREEN HYDROGEN DEMO PLANT LAUNCHED

In the first quarter of 2022, the Ohlthaver & List (O&L) Group and CMB.TECH launched Namibia's first green hydrogen production plant. The plant, a demonstration hub for hydrogen applications, will be built in the Erongo region. The construction will start during 2022 with the aim to be operational by the end of 2023. Depending on the results of the demonstration plant, a larger scale production plant will follow in a second phase, possibly using ammonia as transport fuel. The O&L Group and CMB.TECH also announced the joint venture, Cleanergy Namibia, which will develop green hydrogen production projects in Namibia including leading the green hydrogen production plant and demonstration hub, its first development in Namibia and the continent. The aim is to produce green hydrogen from solar power and distribute the clean fuel to heavy-duty applications like trucks, locomotives, mining equipment and ships.

Executive Chairman of the O&L Group, Sven Thieme: "...one of the biggest concerns of our time that will directly affect the quality of the future we create is climate change. The world is in a race to limit global warming and reach net-zero emissions by 2050, in accordance with the United Nations' global roadmap, and one of the key shifts required to ensure a sustainable future includes the transition to clean energy solutions. While the move away from fossil fuels may take several paths, green hydrogen is one that shows tremendous potential in getting us there. Namibia is a growing hub when it comes to the generation of renewable energy, whether that be through solar, wind or hydroelectric power, and this is what makes our country optimally positioned to explore the generation of green hydrogen, or hydrogen that is generated using renewable electricity. With Namibia's capacity to generate solar power in particular, the country has the potential to be at the forefront of green hydrogen development and progress towards greater energy independence. It is with these encouraging prospects that we have established Cleanergy Namibia, a company designed to explore green hydrogen generation through the country's first green hydrogen demonstration plant, an investment worth about US\$18 million, set to be completed and operational in 2023."

CONSTRUCTION SECTOR NOT OUT OF THE WOODS YET

The City of Windhoek approved 105 new building plans out of the 200 received during December 2021, with a total value of N\$122 million.

This is a double digit drop (19,2%) compared to 130 new building plans in December 2020, according to a Simonis Storm analysis report.

On completed projects, there was, however, an upside.

"During 2021, council approved 2 682 plans compared to 2 524 in 2020, a rise of 6,3% and 67 building projects were completed in December 2021, compared to 52 in December 2020, giving a rise of 28,8% year on year (y/y)," said the report.

The 67 projects had a value of N\$317,3 million, with commercial projects valued at N\$275 million, housing at N\$38,7 million, and additions at N\$3,6 million, Simonis added.

"During 2021, a total of 1 729 building projects were completed, compared to 1 720 in 2020, realising a slight edge upwards of 0,5%.

"The value of approved plans in Windhoek in December 2021 was mixed across high-income and middle- to low-income neighbourhoods," said the report.

Meanwhile, at Swakopmund, 96 building plans with a value of N\$55,8 million were approved during December 2021, compared to 54 plans with a value of N\$34,4 million that were approved during December 2020, giving a 77,8% increase y/y.

According to statistics released by the Swakopmund municipality, during 2021, 690 plans were approved compared to 500 in 2020, realising an increase of 38%.

"These projects included 18 new residential projects (N\$10,8 million), seven residential additions and alterations worth N\$2,8 million and three new flats valued at N\$2,7 million," the report added.

Source:

<https://www.namibian.com.na/109889/read/Construction-sector-not-out-of-the-woods-yet>



REPO RATE INCREASED FROM 3.75 TO 4.0 PERCENT

On the 14th and 15th of February 2022, the Monetary Policy Committee (MPC) of the Bank of Namibia held its bi-monthly meeting and decided to increase the Repo rate by 25 basis points to 4.0 percent.

This decision was taken following a review of the global, regional and domestic economic as well as financial developments. The MPC is of the view that the increase in Repo rate by 25 basis points to 4.0 percent is appropriate to safeguard the one-to-one link between the Namibia Dollar and the South African Rand.

Moreover, this monetary policy stance is also a step towards normalising the current negative real interest rate environment and establishing a positive real interest rate that is conducive to long-term economic growth. The MPC would like to reiterate that addressing vaccine hesitancy remains key to the extent, speed, and sustainability of the economic recovery. Domestic economic activity recovered in 2021, regaining some of the ground lost in 2020. The rate of inflation increased while growth in private sector credit extension continued to slow.

The stock of international reserves remained sufficient to support the currency peg and meet the country's international financial obligations.

Overall domestic economic activity recovered in 2021 compared to 2020. The increase in economic activity was observed in major sectors such as mining, wholesale and retail trade, communication and tourism. On the contrary, activity in the construction, manufacturing and transport sectors as well as the number of cattle marketed slowed over the same period. Going forward, the domestic economy is expected to grow around 3 percent in 2022.

Annual average inflation increased to 3.6 percent in 2021, compared to 2.2 percent in the previous year. The increase in inflation was mainly driven by higher prices for the food, transport and housing categories.

NAMPORT SCORES SOME POSITIVE RESULTS AMIDST DIFFICULT ECONOMIC TIMES

The Namibian Ports Authority (Namport) reports positive growth in its business dealings amidst the current economic turmoil. Namport has responsibility for the management and operations of the ports of Walvis Bay and Lüderitz.

The Ports Authority announced an increase of 252 vessel (24%) calls during April 2021-January 2022, in comparison to the same period in 2020/2021's financial year.

The increase in vessel calls was predominantly due to increased number of petroleum vessels, Namibian and foreign fishing vessels, foreign tugs, and research vessels. An increase of sixteen percent (16%) is also noted in vessel gross tonnages. The Ports Authority is equally proud to announce an increase in its Bulk and Break Bulk (BBB) volumes with an improvement of 173,587 tonnes (5%), year on year.

Source: <https://www.namport.com.na/news/>



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THE AFRICAN DEVELOPMENT BANK GROUP APPROVES A BORROWING POLICY TO STRENGTHEN DEBT SUSTAINABILITY IN LOW-INCOME COUNTRIES

The Board of Directors of the African Development Bank Group has approved a new policy that aims to strengthen debt sustainability among low-income African countries. The Board approved the Sustainable Borrowing Policy on 23 February 2022.

The new policy primarily targets recipients of the African Development Fund, the concessional window of the Bank Group. The Fund caters to low-income and transitional countries on the continent.

The Sustainable Borrowing Policy responds to a changing debt landscape in Africa, especially among the above mentioned countries. In recent years, low-income countries have gained access to new sources of finance, including private creditors and creditors outside the Paris Club. Although this access has allowed them to finance important development needs, it has also increased their public debt.

The Covid-19 pandemic has placed a further strain on government finances. The situation worsened due to unprecedented easing of fiscal and monetary policy adopted by countries to cushion the socioeconomic impacts of the pandemic.

After the Covid-19 outbreak in 2020, governments announced fiscal stimulus packages ranging from about 0.02% of gross domestic product in South Sudan to about 10.4% in South Africa, according to the 2021 African Economic Outlook.

The African Development Bank estimates that African governments needed an additional \$154 billion in 2020 to tackle the crisis.

To address this dilemma, the Sustainable Borrowing Policy introduces two pillars to manage debt. The first pillar emphasizes debt management and transparency through agreed policy actions and technical assistance. A second pillar will rely on coordination and partnerships with other multilateral development banks, development partners and lenders.

The Sustainable Borrowing Policy replaces the Non-Concessional Debt Accumulation Policy, adopted in 2008 and revised in 2011 to meet the operational needs of the African Development Bank Group and its regional member countries.

Over the last two years, the new policy has benefited from extensive internal and external consultations with regional member countries, civil society and development partners, including multilateral development banks.

Source: <https://www.afdb.org/en/news-and-events/press-releases/african-development-bank-group-approves-borrowing-policy-strengthen-debt-sustainability-low-income-countries-49938>

NBWPF INVITED EMPLOYERS TO BREAKFAST BRIEFING

A Business Breakfast Meeting, "Raising Awareness on NBWPF as the Umbrella Fund for the Industry" that was held on Thursday, 24 March 2022, was a success. It was hosted by the Namibian Building Workers Pension Fund and organised by the Construction Industries Federation.



CONTRIBUTIONS

Please send all contributions to:
info@cifnamibia.com

We will cover your information on new tender awards, product developments, new appointments, events, as well as advertise your jobs free of charge. Should you wish us to follow up on any stories or trends, please let us know.

The CIF reserves the right to edit any submissions and make corrections, omit material, or do minor reorganisation if required. The CIF also reserves the right to reject any submissions for any reason. This may not be a reflection of the quality of the material. Though we would consider relevance to the audience and whether the material is too redundant with existing or planned material.

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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