

Economic Facts and Figures

Facts About Namibia

Area:

824,269 square kilometres

Population:

(2006) 2,044,14
Population growth rate 0,59%

Currency:

Namibian Dollar (N\$) pegged 1:1 to the South African Rand

System of government:

Multi-party democracy with checks and balances exercised through the State organs of the executive, legislative and the judiciary. General, presidential, regional and local elections every five years.

Language:

English is the official language

Religion:

Secular state but over 90% of population is Christian

GDP (2006):

N\$45.87 Billion (US\$6.1 billion, where US\$1=N\$7.520)

GDP growth (2002 - 2006):

4.5% average

GDP per capita (2005):

N\$24,064 (US\$3,200)

Inflation (2006):

4.9% average

Key Economic Sectors/GDP (2005):

20% primary, 17% secondary, 55% tertiary

Main exports (2002-2006):

52% Minerals (\pm 70% diamonds), 25% fish and fish products, 13% live animals, meat and animal products

Main Export Destinations:

United Kingdom, South Africa , Spain , Germany , Italy , France , Japan , Switzerland , United States , Angola and the Netherlands

Main source of imports:

South Africa, Germany , France , Italy , Japan , United Kingdom and the United States

Core Economic Sectors

- Agriculture
- Fisheries
- Manufacturing
- Mining
- Tourism

- Service industry

Establishing a Business:

Close Corporation

- Application processed in two weeks
- Uncomplicated process

Private Company

- Application processed in one week
- Hire law firm to complete forms

Immigration Status for Investors

- Immigration facilitation handled by Namibia Investment Centre
- Application processed in one week

Incentives for Manufacturers:

Corporate Tax: Set at a rate of 18% for a period of 10 years, where after it will revert to the general rate of 35%

Value Added Tax (VAT): All inputs paid on acquisition and import of manufacturing machinery and equipment may be claimed.

Establishment Tax Package: Negotiable rates and terms by special tax packages.

Special Building Allowance: Factory buildings written off at 20% in first year and balance at 8% for 10 years.

Transportation Allowance: Allowance in respect of land-based transportation by road or rail amounting to a 25% deduction from the total cost.

Export Promotion Allowance: Additional deductions from taxable income of 25%

Cash Grants: 50% of direct cost of approved export promotion activities

Exporters of Manufactured Goods: 80% allowance on taxable income derived from the export of manufactured goods (excluding meat and fish), whether produced in Namibia or not.

Export Processing Zone Incentives:

- No corporate tax
- No import and export duties
- No taxes of any kind whatsoever
- Permission to hold foreign currency account
- The whole country is an EPZ regime (no restriction of location)
- Flexible labour conditions and understanding labour relations

These benefits are indefinite making Namibia 's EPZ regime a true tax heaven!

Labour Regime:

Statutory Minimum Wages (US\$/month): None

Statutory Fringe Benefits: Social security, sick leave, workers' compensation, maternity leave

Extended Fringe Benefits: Pension and bonus

Standard working week: 40 hours

Foreign Investment Act:

Namibia 's Foreign Investment Act provides full protection for investments and foreign investors' access to all sectors of the economy.

The main principles of the Act include:

- Liberal foreign investment conditions
- Equal treatment of foreign and local investors
- Openness of all sectors of the economy to foreign investment
- No local participation requirement
- Full protection of investments
- Repatriation of profits
- Protection of investments under the law

Foreign Investment Act:

Granting of a **Certificate of Status Investment** with benefits that include:

- Preferential access to foreign exchange
- The right to retain abroad all or part of foreign exchange earnings from exports
- The right to international arbitration in the event of a dispute with Government
- Payment of just compensation without undue delay and in freely

convertible currency

Currency Regulations:

- Namibia is part of the Common Monetary Area, which includes Lesotho, South Africa and Swaziland
 - Remittance of dividends to non-resident shareholders
 - Repatriation of capital
 - Freedom of movement for non-resident capital transactions
 - Free repatriation of income/dividends earned on such investments
 - Corporations can invest directly abroad
 - Institutional investors may engage in asset swap transactions

Trade Arrangements:

- **AGOA:** Duty and quota-free access to the US market for over 7,000 products under the Africa Growth and Opportunity Act.
- **Cotonou Agreement:** Duty-free access to the European Union for a wide range of manufactured goods and agricultural products.
- **SADC:** As one of 14 member states of the Southern African Development Community, Namibia has preferential trade links to the 190 million+ inhabitants of the sub-region.
- **SACU:** The Southern Africa Customs Union is the oldest such trade arrangement in the world. Membership affords duty and quota-free access to markets in Botswana , Lesotho , South Africa and Swaziland .

Quality Of Life:

- Peace, stability and good governance
- First world road, rail and air infrastructure
- Excellent telecommunications network
- Wide inter-continental market access
- Liberal investment regime
- Stable labor environment
- Generous investment regimes

- Fast, efficient and transparent bureaucracy

Support Services:

The Ministry of Trade and Industry offers the following services to investors:

- Facilitation of entry visas, work and residence permits
- Company registration
- Registration of trademarks, designs and patents
- Investor aftercare services
- Issuance of import/export permits
- Organisation of in/outward investment missions
- Organisation of trade fairs (in- & outward)