

# Key Economic Sectors

## Agriculture

Investment opportunities exist in value added local processing of livestock, ostrich farming, crop production and food processing. Good prospects exist for extensive horticulture, for example, olive oil, jojoba and cut flowers.

Grape and date plantations are a proven success, particularly given the country's seasonal advantage, and are becoming a major earner of foreign exchange and generator of income for the nation.

Although Namibian agriculture--excluding fishing--contributed less than 5% of Namibia 's GDP in 2003, about 70% of the Namibian population depends on agricultural activities for livelihood, mostly in the subsistence sector. In 2003, food and live animal exports constituted roughly 15% of total Namibian exports.

In the commercial sector, agriculture consists primarily of livestock ranching. Cattle raising is predominant in the central and northern regions, while karakul sheep, goat, and ostrich farming are concentrated in the more arid southern regions. Subsistence farming is confined to the "communal lands" of the country's populous north, where roaming cattle herds are prevalent and the main crops are millet, sorghum, corn, and peanuts. Table grapes, grown mostly along the Orange River in the country's arid south, are becoming an increasingly important commercial crop and a significant employer of seasonal labor.

The government's land reform policy is shaped by two key pieces of legislation: the Agricultural (Commercial) Land Reform Act 6 of 1995 and the Communal Land Reform Act 5 of 2002. The government remains committed to a "willing seller, willing buyer" approach to land reform and to providing just compensation as directed by the Namibian constitution. As the government addresses the vital land and range management questions, water use issues and availability are considered.

## Energy

For a developing country such as Namibia, the availability of reliable electricity is a measure of socio-economic advancement. It has a direct and positive correlation to the improvement of the standard of living of citizens. Electricity is necessary to drive economic activities and to enable our people to take advantage of new economic opportunities with a view to improving their lives.

Three regional electricity distributors have been established namely, NORED in the north and eastern regions, ERONGO RED in the west and CENORED for central and northern towns. NORED is already operational and the other two will start operations next month. Negotiations to establish regional electricity distributors for central and southern regions are in progress.

The rural electrification programme remains an important priority of Government. To date, the Government has invested more than N\$260 million in electrifying rural centres in all the thirteen regions of our country. In the off-grid areas, the Government has also electrified more than 800 households and small businesses by means of solar power home systems.

Other sources of renewable power have also been implemented including the use of biomass energy. The National Biomass Steering Committee has been established with the aim of promoting the use of this energy source. Training on how to make and market biomass efficient stoves was carried out at Ondobe, Okahao, Khorixas, as well as in Windhoek.

The Government has committed an amount of N\$750 million to the Kudu Gas-to-Power Project. Already, NamPower has made progress towards the completion of feasibility studies for the construction of the 800 Megawatt Kudu Power Station, to be built outside Oranjemund. Similarly, plans are underway to implement the Caprivi Link, connecting the Namibian electricity network with that of Zambia. When implemented, the link will make it possible for the Caprivi Region to receive electricity directly from our national power grid.

Namibia is also participating in the Western Corridor Initiative to exploit the huge potential of the Inga Rapids in the Democratic Republic of the Congo. The aim is to build a hydropower station at Inga Rapids, which has the potential rated output of 39 000 Megawatts. With such output, it will generate enough power to supply the entire continent and still have surplus electricity for export to Europe. Other participants in the project are electricity utilities from South Africa, Angola, DRC and Botswana.

## **Fisheries**

The clean, cold South Atlantic waters off the coast of Namibia are rich in fish. The main species found in abundance off Namibia are pilchards (sardines), anchovy, hake, and horse mackerel. There also are smaller but significant quantities of sole, squid, deep-sea crab, rock lobster, and tuna. However, at the time of independence, fish stocks had fallen to dangerously low levels due to the lack of protection and conservation of the fisheries and the overexploitation of these resources. This trend appears to have been halted and reversed since independence, as the Namibian Government is now pursuing a conservative resource management policy along with an aggressive fisheries enforcement campaign.

Many opportunities exist in value adding activities and marine-culture, turbot, cod and halibut as well as crustaceans, mollusks and seaweed. In freshwater there is potential for tilapia, catfish and tiger fish.

## **Infrastructure**

Namibia boasts modern civil aviation facilities and an extensive, well-maintained land transportation network. Construction continues to expand two major arteries--the Trans-Caprivi and Trans-Kalahari Highways--which will further open up the region's access to Walvis Bay.

## **Mining**

In 2004,

Walvis Bay has a well-developed, deepwater port, considered by many the best in Western Africa, and Namibia 's fishing infrastructure is most heavily concentrated there. The Namibian Government expects Walvis Bay to become an important commercial gateway to the Southern African region.

## **Manufacturing**

In 2004, Namibia 's manufacturing sector contributed about 11% of GDP. Namibian manufacturing has historically been inhibited by a small domestic market, dependence on imported goods, limited supply of local capital, widely dispersed population, small skilled labor force and high relative wage rates, and subsidized competition from South Africa . As of early 2004, AGOA had brought close to \$300 million in investment and over 9,000 jobs in the textile industry.

## **Tourism**

Tourism is a rapidly growing sector of the Namibian economy and a significant generator of employment. It is the third-largest source of foreign exchange after mining and fisheries. Although the majority of Namibia's international visitors originate in the region, other international travelers are increasingly attracted by the country's unique mix of political stability, cultural diversity, and geographic beauty.

Tourism in Namibia has had a positive impact on resource conservation and rural development. Some 29 communal conservancies have been established across the country, resulting in enhanced land management while providing tens of thousands of rural Namibians with much needed income.