TELECOMMUNICATION

**CRAN to use Service and Regulatory Levy to subsidise rural telecommunication**
p. 08

RENTAL

**Surging demand drives rise in rental deposits**
p. 10

INVESTORS

**Global macro dynamics: Trends and implications for investors**
p. 18

THE BRIEF
News Worth Knowing

# EU, US markets dominate Namibia’s Q1 beef exports

MONDAY 29 APRIL 2024

MAIN STORY

# EU, US markets dominate Namibia's Q1 beef exports

Namibia exported a total of 2.9 million kilogrammes (kg) of beef during the first quarter of 2024, of which almost half of the exports at 1.27 million kg was destined to the European Union (EU), official figures show.

According to the Livestock and Livestock Products Board's Trade Statistician Fransina Angula, top beef export destinations for the period under review included UK (799,114kg), Norway (402,568kg), South Africa (381,072kg) and China (72,539kg), while African countries took up the least volumes.

"Interestingly, a total of 976kg of beef was exported to the USA during the quarter under review, whereas beef imports totalled 217,557kg during the first quarter of the year. Of this amount, 58,096kg consisted of beef

## Crucial Dates

- Bank of Namibia Monetary Policy announcement date:
  19 June 2024
  14 August 2024
  23 October 2024
  4 December 2024
- Chamber of Mines of Namibia 45th Annual General Meeting (AGM), Wednesday, 24th April, 2024 at 14.30 Arebbusch Travel Lodge, Windhoek
- AviaDev Aviation Development Summit 19-21 June 2024 at Movenpick, Windhoek
- Africa Hospitality Investment Forum (Ahif). 25-27 June 2024 Mövenpick Hotel, Windhoek, Namibia
- Global African Hydrogen Summit (GAh2S) Windhoek, Namibia from 03 – 05 September 2024

liver while 159,461kg consisted of processed and canned beef, serving to complement domestic production," she said.

Overall, Angula said the sector performed well, as both the livestock and meat industry witnessed an increase in marketing activities during the first quarter of 2024, with the cattle sector recording a remarkable growth rate of 47.9%.

Angula said, during the first quarter of 2024, a total of 86,693 cattle were marketed across all marketing channels.

Of this total, 57,562 were exported live on hoof to neighbouring SADC member states, 21,525 heads were slaughtered at local A-class abattoirs and 7,879 heads were slaughtered at various Livestock and Livestock Products Board of Namibia (LLPBN)-registered B & C class abattoirs nationwide.

This brings the growth of the cattle sector up by 47.9% from 58,607 heads marketed during the same quarter of 2023.

"Similarly, the sheep, goat and pig sectors all saw growth rates surpassing 10%. The growth in the cattle sector positively affected beef production, leading to a doubling of beef exports," said Angula.

"However, the limited rainfall received during the period under review coupled with high input costs continue threatening the sustainability of the sector. The sector is expected to remain under severe pressure as farmers prepare for drier conditions for the reminder of the season," she added.

With regard to sheep, the sector recorded an increase in activity of 15.7% led by live exports and slaughtering at A-class abattoirs.

Live exports increased by 29.3% growing from 118,853 heads in the first quarter of 2023 to 153,713 heads in 2024.

"While the live export segment recorded a significant growth, A-class as well as B & C class abattoirs activities declined by 12.0 per cent and 20.8 per cent respectively, going from a combined total of 50,331 heads in 2023 down to 41,989 heads in 2024. The change in marketing dynamics is attributed to drought and partially on low producer prices paid by local A–class abattoirs. As a result, farmers are opting to sell their slaughter-ready animals to Northern Cape abattoirs due to relatively competitive prices offered by these abattoirs," Angula said.

Moreover, the goat sector witnessed a growth of 12.1% with a total of 23,369 goats marketed during 2024 compared to 20,839 goats marketed during the same period in 2023.

The growth is owed to an increase in live exports that grew by 18.84%. Additionally, lamb auction prices averaged N$29.47/kg down from N$34.84/kg recorded during the first quarter of 2023.

A further growth was realised in the pork sector where 12,253 pigs were marketed at LLPBN-approved abattoirs in the first quarter of 2024, which is 10.3% higher than the 11,113 pigs marketed during the first quarter of 2023.

"Domestic consumption inclusive of processed pork amounted to 2,224,823kg by the end of the quarter. Domestic production made up 49.4 per cent of pork consumption while imports made up the remaining 50.6 per cent of domestic pork requirements," she said.

“Of the imported pork, 48.2 per cent originated from Germany, followed by South Africa, Botswana and Spain with a market share of 23.6 per cent, 12.1 per cent and 10.4 per cent, respectively. The remaining 5.7 per cent originated from China and other European countries.

"Therefore, comparing activities of the three marketing channels, it is evident that there was a shift in slaughtering dynamics during the first quarter as farmers opted to market their animals at export approved abattoirs as opposed to marketing at B & C class abattoirs. As a result, A-class abattoirs increased their market share by 4.8 percent whilst B & C class abattoirs dropped its market share by 54.1 per cent during the first quarter of 2024. In real terms, B & C Class abattoirs market share lost 4,023 animals to live exports and Butchers during the quarter under review in comparison to the first quarter of 2023," Angula added.


STAY UP-TO-DATE WITH THE LATEST DEVELOPMENTS IN NAMIBIA'S MINING & ENERGY SECTORS
Connect with us on our social media platforms
Namibia Mining and Energy
@miningandenergy
www.miningandenergy.com.na
MINING & ENERGY


# Chevron acquires 80% working interest in offshore Namibia license from Namcor

The National Petroleum Corporation of Namibia (NAMCOR) has signed a Farm-Out Agreement with Chevron Namibia Exploration Limited (CNEL), a subsidiary of Chevron Global Energy Inc.

Under the agreement, CNEL will acquire an 80% operating working interest in Petroleum Exploration License 82 (PEL 82), situated in the prolific Walvis Basin, offshore Namibia.

Under the terms of the agreement, stateowned NAMCOR and Custos Energy will each retain a 10% carried interest.

"This strategic collaboration underscores NAMCOR's commitment to enhancing the exploration potential and development of Namibia's offshore resources, specifically in the underexplored basins in Namibia that hold much promise," said Ebson Uanguta, Interim Managing Director of NAMCOR.

He said the transaction is subject to regulatory approvals from the Ministry of Mines and Energy.

"NAMCOR, alongside its partners, looks forward to the closure of this transaction and to continuing its partnership with Chevron," he said.

Uanguta said the partnership is set to further exploration activities within the Walvis Basin and support the sustainable development of Namibia's energy sector.

"Our partnership with CNEL and Custos Energy represents a shared vision for the future of Namibia's energy landscape, bringing together significant expertise and resources that will help propel our national interests and economic growth, and truly turn our possibilities into prosperity for Namibia," he said.

The collaboration marks a pivotal moment in Namibia's oil and gas industry and is aligned with NAMCOR's strategic objectives of facilitating the exploration and sustainable development of the country's hydrocarbon resources.


# LEFA threatened with closure, citing unfair competition from international ride-hailing firms

Local ride-hailing startup, LEFA Transportation Services, says it is threatened with imminent closure citing unfair competition by international ride-hailing companies such as Yango and InDrive.

"In a concerning development for the local economy and the integrity of Namibian laws, LEFA, Namibia's first locally owned ride-hailing startup, faces imminent shutdown due to the aggressive tactics of international ride-hailing firms now operating in Windhoek. These companies, while boasting of job creation, have not adhered to the local requirements, laws, and regulations governing the Namibian passenger transportation industry, challenging the sustainability of local enterprises," LEFA Founder and Managing Director Melkies Ausiku said.

"The potential closure of LEFA is a blow to local entrepreneurship and to those who champion the cause of genuine competition and regulatory compliance. It sends a troubling signal about the challenges local startups face in a landscape skewed in favor of international giants."

He accused international ride-hailing companies of engaging in practices that seem to contravene fair business practices.

"They have entered our market employing a strategy perfected globally: undercutting prices to unsustainable levels and luring drivers with hefty incentives. Such methods, while effective for rapid market penetration, come at a significant cost to local businesses that cannot match their financial muscle and extensive marketing budgets. The situation is further exacerbated by these companies' disregard for local regulations—a critical aspect that seems overlooked in their expansion strategies,"Ausiku said.

He said the company's plea for intervention by local law enforcement, including the Namibian Police and Windhoek City Police, to address the violations have not been successful.

"Unfortunately, the enforcement of these laws has been tepid, leaving local businesses at a disadvantage," he said.

He said over 50 locally registered shuttle and transfer companies have also voiced their concern over the unfair advantage being poised by international ride-hailing companies.

"The resistance to this wave of unfair competition is not a solitary battle. Over 50 locally registered shuttle and transfer companies, all compliant with our national laws, have shown their support through a petition to address this growing concern. Despite this collective effort, the response from various stakeholders and decision-makers has been disappointingly silent," Ausiku said.

This comes as the Namibia Transport and Taxi Union (NTTU) and the Namibian Bus and Taxi Association (NABTA) are intensifying efforts to ban the operations of ride-hailing services in the country.

Bolt in February became the latest entrant to the Namibian ride-hailing market, having launched a pilot service, with plans to onboard 200 drivers while offering zero commissions for the next six months.

# CRAN to use Service and Regulatory Levy to subsidise rural telecommunication

The Communications Regulatory Authority of Namibia (CRAN) says it intends to utilise the Universal Access Service and Regulatory Levy to subsidise telecommunication services in remote areas.

CRAN CEO Emillia Nghikembua said this follows a successful conclusion to a nearly 12-year legal battle where some operators challenged the levy system.

Nghikembua expressed her satisfaction with the court's decision, paving the way for improved connectivity in underserved regions.

The Universal Service Levy is a fee charged to all telecommunications service providers in Namibia by the Authority.

"The funds raised through this levy are used to subsidise the provision of telecommunication services in remote and underserved areas. By levying a fee on all operators, CRAN can ensure that rural and isolated communities have access to basic telecommunication services," Nghikembua said.

"The Levy also helps to bridge the digital divide in Namibia. In a country where many people live in remote areas with limited infrastructure, access to telecommunication services is essential for economic development and social inclusion."

Nghikembua made these remarks during a Public Hearing on the Draft Dominance Determination in terms of Section 78 of the Communications Act (No. 8 of 2009) and a Consultative Meeting with the telecommunications licensees.

"At the heart of this meeting is the issue of market dominance, a concept that has far-reaching implications for competition, innovation, and consumer choice. Section 78 of the Act empowers the Authority to make determinations on market dominance and act appropriately to promote competition and protect consumers," Nghikembua said.

In that regard, she said it is essential for the Authority to intervene in such cases to level the playing field and ensure that all market participants have equal opportunities to compete and thrive.

"Moreover, competition in any market economy drives innovation, efficiency, and consumer welfare. When one player dominates the market, it can stifle competition, limit choices for consumers, and lead to higher prices and lower quality of service," she reiterated.

The draft dominance determination aims to identify players in the telecommunications market who have significant market power.

Nghikembua described this as a complex and nuanced issue that requires careful analysis and consideration of all relevant factors.


# TotalEnergies targets 180,000 bpd production in first phase of Venus project

TotalEnergies is targeting production of as much as 180,000 barrels per day (bpd) in the first phase of its Venus project offshore Namibia, targeting late 2025.

According to Upstream, Venus is currently estimated to hold about 2 billion barrels of recoverable oil. Chief Executive Patrick Pouyanne has previously emphasized that its development will be phased, necessitating multiple floating production, storage, and offloading vessels.

“We recently completed a positive appraisal well on Venus and are aiming for a final investment decision by the end of 2025. We anticipate a development with a production range of 150,000 to 180,000 bpd,” Pouyanne informed analysts.

The Venus discovery comprises a light oil and associated gas field, situated approximately 290 kilometers off the coast of Namibia, in water depths of around 3,000 meters. Block 2913B covers approximately 8,215 $km^2$ offshore Namibia, with TotalEnergies as the operator holding a 40% working interest. QatarEnergy holds 30%, Africa Oil’s Impact Oil and Gas holds 20%, and the National Petroleum Corporation of Namibia (Namcor) holds 10%.

The ultra-deepwater Venus-1X exploration well, drilled to a total depth of 6,296 meters, was initiated at the beginning of December 2021, utilizing the Maersk Voyager drillship.

***- miningandenergy.com.na***

# Surging demand drives rise in rental deposits

Landlords in Namibia are seizing the opportunity to capitalise on higher deposits amid a surge in demand for rental properties, the FNB Rent Price Index reveals.

This comes as average deposit growth in the fourth quarter of 2023 stood at 14.1% below the revised 15.3% in the third quarter of 2023 while still above the 2.2% contraction in the fourth quarter of 2022.

FNB's Market Research Manager Mandisa Van Wyk says with rental deposits on the rise, tenants are facing increased financial obligations as landlords seek to safeguard their properties amidst heightened demand in the housing market.

"We note that deposit growth has remained in double-digit territory since June 2023 which suggests that landlords are in a better position to charge higher deposits due to increased demand," she said.

Van Wyk further explained that dynamics in the rental market are not in line with what would be expected in a high-price and elevated interest rate environment which would weigh on affordability.

"We continue to attribute the higher demand for rent to the fact that mortgages are unaffordable in the current high-interest rate environment and consumers are opting to rent for longer, thereby, enabling landlords to pass on higher rental prices and deposits with prospective tenants," she added.

Meanwhile, the upward trend in the FNB Rent Price Index continued for three consecutive quarters, after moving out of a contractionary period from March 2023, reaching a 12-month average of 7.2% in Q4-2023 from 4.7% in Q3-2023 and -2.1% in Q4-2022.

The report highlights that this is the highest growth observed since 7.7% as the average rent price on a 12-month rolling basis stands at N$7,257.

"When considering bedroom size, the three-bedroom segment recorded the highest growth at 19.1%, while the one-two-and more than three-bedroom segments recorded muted growth of 0.6%, -0.3% and 0.0%, respectively," said Van Wyk.

According to the index, average rent prices are N$3,579, N$5,833, N$11,155 and N$21,294 for the one, two, three and more

**Meanwhile, the upward trend in the FNB Rent Price Index continued for three consecutive quarters, after moving out of a contractionary period from March 2023, reaching a 12-month average of 7.2% in Q4-2023 from 4.7% in Q3-2023 and -2.1% in Q4-2022.**

than three-bedroom segments, respectively.

Additionally, the significant decline in house price transaction volumes (-19.1% in Q4-2023) corroborates this view. The index observed that these dynamics may explain why the resilience is mostly observed in the three-bedroom segment, rather than in the lower bedroom segments.

“We continue to monitor potential impacts from adjustments in the loan-to-value ratios which became effective on 31 October 2023, which might incentivize investments in residential property, thereby increasing the supply of rental property,” said Van Wyk.

Furthermore, she noted that the arrival of expats for oil and gas exploration activities could potentially be impacting the rental market.

“Looking forward, we expect the rental market to continue this positive trajectory as a slight uptick in inflation is expected due to the recent fuel hikes and global tensions,” she added.

Meanwhile, the repo rate remains at its peak of 7.75% with a high possibility that the cutting cycle is pushed further beyond Q4-2024.

Inflation is expected to increase slightly in the coming quarters and generally interest rates are expected to have peaked in 2023, with the cutting cycle to begin in the latter part of 2024.

# CONTENT PIRACY: A FIGHT FOR AFRICAN CULTURE AND HERITAGE

*When we turn a blind eye to content piracy, we undermine the ability of African storytellers to express themselves. By fighting to protect intellectual property, we keep local productions viable, and we ensure our people have a voice.*

**By Roger Gertze, Managing Director of MultiChoice Namibia**

Bokwagter, Big Brother Africa, Idols, and Shaka iLembe… all of these are expressions of our society, showcased by talented creators and production crews, telling African stories for African audiences. All are threatened by content piracy.

A nation's creative output is a fundamental part of its identity. One could even argue that art and creative works are what allows a group of people to define themselves as a nation.

In centuries past, those artworks might have included pottery, sculpture, textile and clothing design, as well as religious and cultural artefacts. Today, these cultural signifiers are still produced, but they exist alongside contemporary art forms that are equally important in defining national culture today.

Those modern art forms include film, television, recorded music, websites, virtual environments and a host of other digital content.

Digital channels make it easier to distribute this creative cultural content, and to reach more people. However, the digital economy comes with a significant risk of piracy.

Content piracy is a form of digital theft, which misappropriates creative work without fair compensation for the work's creators and rightsholders.

As the world commemorates World Intellectual Property Day on 26 April, it is an important reminder that this is the modern face of art theft, and we have all been exposed to it. Piracy can take the form of broadcast interception, the showing of content that hasn't been licensed, or the copying, sharing and sale of online digital content on pirate websites.

Tragically, it's the most exciting, most relevant content that is most likely to be pirated.

Digital content piracy is an insidious crime. It initially appears to be a mild, victimless misdemeanour, but when it becomes rampant, it can destroy entire creative industries.

Content piracy deals a death blow to local creatives when audiences begin to access their work on alternative channels and legitimate platforms are starved of viewers. The legitimate licence holders are then unable to build businesses on funding and creating original local content.

This is especially relevant in Africa.

When it's no longer viable to produce local, Africa content – because it's being pirated – it becomes easier and more financially viable to simply purchase cheap international content from the USA, Europe and the Global North.

Audiences are then provided with films and shows that reflect the values of the developed world – not Africa. The idea of a nation expressing itself, telling its stories through its cultural output, is then undermined. It becomes a case of rich, industrialised nations colonising the minds of African audiences with generic, Western content.

Content piracy supports cultural imperialism. Where African people no longer see themselves reflected in the art they consume, it distorts how they see themselves. Conversely, when Africa stops exporting content to the world, it distorts the way the world sees Africa.

Films, series, television programming… all of this content is about culture representation. Where we undermine a country's creative industries by stealing content, we sabotage their ability to tell their own stories.

The scale of the content piracy problem is enormous.

In the United States, a global leader in content creation, an industry report estimated that digital video piracy was costing the economy between 230 000 and 560 000 jobs every year, and up to $115.3 billion in reduced gross domestic product. How much larger then, is the impact in Africa, already battling to make its voice heard!

An Irdeto survey has found that piracy is already taking root. It found that users in five major African territories made 17,4 million visits to the top 10 identified piracy sites on the internet in a single three-month period.

African-based organisations like Irdeto, Partners Against Piracy (PAP) and Communications Regulatory Authority of Namibia (CRAN) are doing sterling work to protect intellectual property and ensure that content creators retain the right to earn a living from their work.

However, it's worth remembering that the war against content piracy is not simply a financial one. In many ways, it is a fight for the soul of Africa.

If we allow criminals to steal our creative output, we allow them to silence our voice and to destroy an expression of our culture. We must continue that fight, and defend our right to make Africa's voice heard – across the continent, and across the world.

As citizens of Africa, it is our duty to safeguard what is intellectually ours. Combat piracy and protect creators by reporting instances of copyright infringement and piracy by sending an e-mail to piracy@multichoice.co.za.


# Rhino Resources awards Halliburton offshore Namibia deepwater work contract

Oil exploration company Rhino Resources Ltd has awarded a Namibia deepwater integrated multi-well construction contract to Halliburton.

Under the agreement, Halliburton will provide complete solutions to construct exploration and appraisal wells, along with testing services.

Halliburton will also extend its country operation facilities to support all product service lines from Namibia to enhance collaboration and maximize asset value for Rhino Resources and Namibian customers.

"Rhino is pleased to have established a collaboration with Halliburton and views this as an important driver in the continued growth of the Namibian oil and gas industry," said Travis Smithard, Chief Executive Officer at Rhino Resources Ltd.

"The opportunity for catalyzing local services and the broadening of positive economic influence in Namibia are expected to establish a valuable legacy for the Namibian people well beyond our initial exploration campaign."

According to the company, the energy service giant will begin work on the wells in the fourth quarter of 2024.

"This collaboration between Halliburton and Rhino Resources marks a strategic milestone to harness the full potential of Namibia's oil and gas sector. Halliburton, with its collaborative approach and solutions engineering, is uniquely positioned to maximize asset value in this block with Rhino Resources. Together, we will establish a standard for innovation and economic growth in the industry," said Jean Marc Lopez, Senior Vice President, Europe, Eurasia, and Sub-Saharan Africa at Halliburton.

With more than a decade of exploration in Namibia, Rhino Resources holds operatorship of Block 2914A (PEL 85).

The block, located in the shallower portion of the Orange Basin, is strategically located less than 20km from the nearest discovery and amidst multiple Namibian discoveries made over the last two years.

The block's proximity to other international operators further underscores its strategic relevance. In late 2022, Rhino conducted a 3D seismic survey that reinforced the block's potential with multiple viable plays and drillable prospects.

In addition, Halliburton and Rhino Resources will uphold the emphasis on localization in Namibia's oil and gas sector, with the aim to distribute the economic advantages of Namibia's resources to the local community.

Halliburton is one of the world's leading providers of products and services to the energy industry.

*- miningandenergy.com.na*

# Navigating new horizons: A closer look at the Namibia-Belgium bilateral relationship in the 21st Century

By Wade Henckert

Global politics, trade, and socioeconomic dynamics are significantly shaped by diplomatic contacts between nations in the dynamic field of international relations. Of all the bilateral ties that have developed in the twenty-first century, Namibia and Belgium's connection is a particularly noteworthy illustration of cooperation and teamwork. It is essential to examine the complex dynamics of this bilateral relationship and consider its ramifications for both countries in the modern era.

The bilateral relationship between Namibia and Belgium has its historical roots in the colonial era, when Belgium was a major player in the colonization of the African continent, which included areas of modern-day Namibia, but in the post-colonial period, the relationship has changed to become one that is marked by mutual interests, diplomatic interaction, and bilateral collaboration in a number of fields.

Economic cooperation is one of the main tenets of the bilateral relationship between Namibia and Belgium, with bilateral commerce covering a wide range of commodities, including manufactured goods, agricultural products, and minerals, Belgium is an important trading partner for Namibia. Furthermore, Namibia's economy has benefited from Belgian investments, especially in fields like mining, agriculture, and renewable energy.

Beyond investment and commerce, development cooperation is a crucial part of the bilateral relationship between Belgium and Namibia.

Through a number of initiatives, such as capacity-building projects, development aid programs, and technical help in fields like infrastructure development, healthcare, and education, Belgium has actively supported Namibia's efforts at socioeconomic development.

These joint initiatives have been extremely important in developing Namibia's human capital and promoting sustainable development.

Namibia and Belgium have closer ties thanks to diplomatic involvement, cultural exchanges, and economic cooperation.

Both countries have actively engaged in intellectual and cultural exchanges, as well as diplomatic discussions, with the purpose of increasing people-to-people ties, mutual understanding, and the advancement of common objectives on the international scene. Additionally, Namibia and Belgium have worked closely together in international forums and organizations, promoting shared interests and tackling issues like sustainable development, peacekeeping, and climate change.

There is an opportunity to forge a more dynamic and multifaceted partnership. Namibia and Belgium may focus on some key steps to strengthen the bilateral relationship:

**1. Strengthening Business Linkages:** Facilitating connections between Namibian and Belgian businesses can unlock new trade and investment opportunities.

**2. Knowledge Transfer:** Promoting knowledge exchange in areas like sustainable resource management and innovation can benefit both countries.

**3. People-to-People Ties:** Encouraging academic and cultural exchanges can foster mutual understanding and build long-term relationships.

The bilateral partnership between Belgium and Namibia is well-positioned to expand cooperation on multiple fronts and open up new vistas as we face the challenges of the twenty-first century.

As Namibia and Belgium commit to advancing prosperity, peace, and sustainable development, both countries can take use of their comparative advantages, encourage creativity, and pave the way for a more successful and linked future.

The bilateral relationship between Namibia and Belgium in the twenty-first century is a prime example of the ability of diplomacy, teamwork, and collaboration to advance common goals and mutual prosperity.

As a Chief Political Scientist of international relations, it is essential to acknowledge the importance of this collaboration and investigate its implications for both countries in the context of the changing global landscape.

Fostering this connection and accepting the opportunities it presents, Namibia and Belgium can continue to build upon their shared legacy of friendship and cooperation in the years to come.

***Wade Henckert is a Political Analyst***

# Why complying with Competition Law is good for your business

**By Mr Vitalis Ndalikokule**
**Chief Executive Officer and Secretary to the Commission**

The Namibian Competition Act No.2 of 2003's mandate is to safeguard and promote competition in the Namibian market. This law is basically a body of rules on how companies should compete in the markets where they operate. The purpose of this law is to promote, and safeguard undistorted fair competition and to punish business conduct that undermines innovation and harms consumers. Given this broad mandate it is of cardinal importance that compliance with the Competition Law is one of the key aspects of achieving the mandate. In this context, education and sharing of information on how and why it is necessary for market participants to comply with Competition law is crucial.

The Competition Act encourages businesses to better themselves, whilst positively impacting consumers who have a better range of products and services to choose from due to market competition. Consequently, it is important for businesses to remain compliant with Competition law to ensure the market is dynamic and valuable. In the words of Warren Buffett, "it takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you will do things differently". Compliance with Competition law thus makes good business sense.

Competition law seeks to create a level playing field so that vibrant, competitive, and innovative markets can develop. The law assists in fostering innovation by pushing business to constantly improve, bringing in new equipment and products which are competitive and offering wide choice for consumers.

Getting things wrong affects the bottom line. Fines can be imposed of up to 10% of your business worldwide turnover for a single infringement, customers may sue you for damages if they have been affected by illegal practices, and individuals can have their reputations and in some cases careers destroyed. Compliance helps prevent or mitigate exposure.

Competition law compliance puts you ahead of the game and helps you fight others who are not playing by the rules. By having a credible approach to Competition law compliance, your company could enjoy a strong corporate culture and employee's commitment to business integrity.

Doing the right thing in Competition law compliance requires any business to follow five critical elements to tackling Competition law compliance:

a) **Commitment:** The most critical success factor in establishing compliance culture is tone from the top. All

leaders and senior managers must make a clear, visible, and personal commitment to do the right thing, so all employees are confident about making the right choices and speaking up. A well-publicised statement helps embed commitments to integrity and compliance with the law.

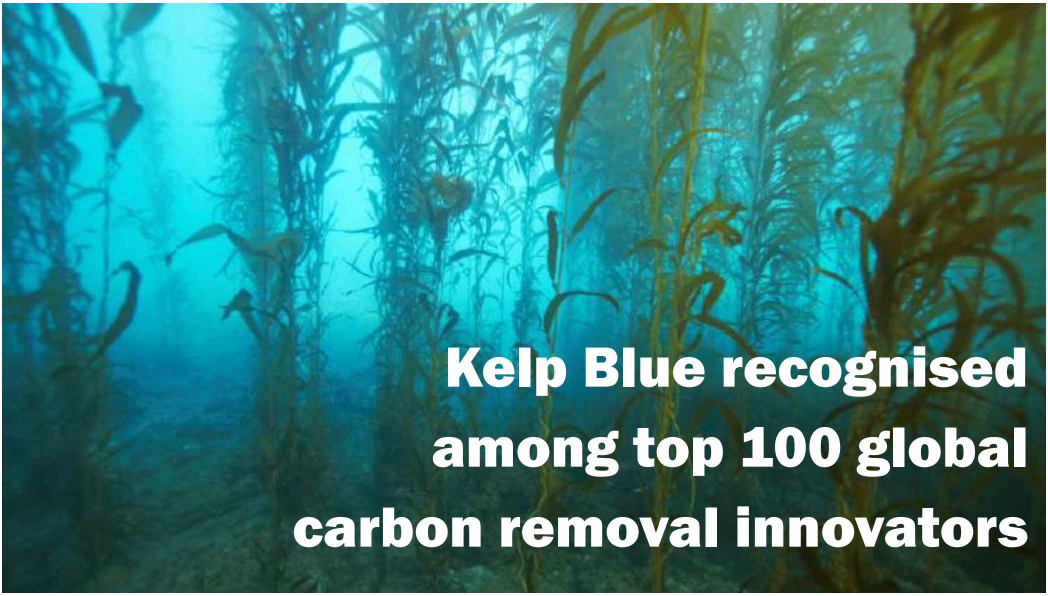
b) **Identify your risk profile:** You must understand the real Competition law risks your business faces.

c) **Mitigate your risks:** Deploy appropriate controls to mitigate your risks.

d) **Review how you are doing:** Decide how you check, in practice that everyone representing your company is really complying with the law and if needed, improve your policies and controls where concerns emerge.

e) **Keep it up:** Nothing ever stands still. Constantly renew your commitment to do the right thing so compliance becomes part of the way your company does business and reflects your company's evolving risk profile.

If you are not sure whether or not the conduct you are engaged in as a business complies with Competition law, kindly contact the Namibian Competition Commission for advice. This will ensure that you remain compliant with the law.



# Kelp Blue recognised among top 100 global carbon removal innovators

Kelp Blue has been recognized as a top innovator for carbon removal in X's top 100 rankings.

Kelp Blue cultivates giant kelp (Macrocystis pyrifera) off the coast of Namibia, New Zealand, and soon Alaska.

The kelp grows on innovative submerged structures, ultimately forming a canopy at the surface, which is trimmed and processed into sustainable products for agriculture and packaging.

Kelp Blue is now poised to develop the world's first large-scale kelp farm off the coast of Namibia, near Lüderitz, with the project having already created 45 permanent direct jobs in the town and two additional roles in Windhoek.

The Top 100 is a collection of leading innovators from 25 countries, representing all carbon dioxide removal pathways: Air, Ocean, Land, and Rocks.

XPRIZE Carbon Removal, backed by Elon Musk and the, aims to tackle climate change head-on by rebalancing Earth's carbon cycle.

XPRIZE will be selecting 20 Finalists from the Top 100 to demonstrate and test their solutions in the final year of the competition to remove 1,000 tonnes of $CO_2$ from the air or oceans.

In April 2025, XPRIZE will award US$50 million to a Grand Prize Winner, and the remaining US$30 million will be distributed among runners-up chosen by the Judges.

XPRIZE previously awarded US$5 million to 23 Student Teams in 2021 and US$15 million to 15 Milestone Winners in 2022.

In December, Kelp Blue won the Zayed Sustainability Prize in the inaugural Climate Action category, which carries an $11.2 million (US$600,000) prize.

Kelp Blue, according to the organizers, was awarded the Prize for its efforts to cultivate large-scale kelp forests in deep waters, contributing to the restoration of ocean biodiversity, capturing 100,000 tonnes of $CO_2$ from the atmosphere annually, while generating job opportunities in coastal communities.

# Global macro dynamics: Trends and implications for investors

By Max Rix, Head of Investments

In the evolving landscape of the U.S. economy, the U.S. Consumer Price Index (CPI) for March, while not disastrous, confirmed a persistent trend of inflation remaining stubbornly above the Federal Reserve's traditional 2% target, consistently registering between 3-4%.

This pattern suggests that despite official targets, we at Simonis Storm are increasingly viewing '3 as the new 2'—a reflection of what we believe the Federal Reserve may need to acknowledge as the new normal under current economic conditions. This perspective is not explicitly shared by the Fed, but we foresee that it might become an implicit standard given the global and domestic pressures driving prolonged inflation, including robust wage growth.

Consequently, this higher inflation trend necessitates a prolonged and very restrictive monetary policy stance by the Federal Reserve, longer than previously anticipated. In response to these developments, our revised forecast at Simonis Storm now expects a delay in the anticipated rate cuts, adapting to this evolving monetary policy landscape.

This monetary policy outlook coincides with a surprisingly robust performance of the U.S. economy in the first quarter of 2024. Nearly 830,000 jobs were added during this period, far exceeding past averages and expectations. The vigorous labor demand has been a significant driver of inflationary pressures, reinforcing the resilience of the U.S. economy despite high interest rates and persistent inflation, leading to a noticeable increase in U.S. bond yields.

In terms of investment strategies, the robust economic data supports strong earnings, suggesting that equities will continue to offer attractive returns in a high inflation environment. This leads us to maintain an overweight position in equities while being underweight in bonds. Additionally, with potentially higher and sustained interest rates on the horizon, moving to cash until signs of inflation easing or economic cooling emerge could be wise, aiming to reduce exposure to risk assets during periods of economic adjustment. Given the potential for the Federal Reserve to tolerate higher inflation in the short term, an overweight position in equities could capitalize on a gradual reduction in real interest rates, which might boost market liquidity and asset prices.

The investment outlook for U.S. bonds

**In terms of investment strategies, the robust economic data supports strong earnings, suggesting that equities will continue to offer attractive returns in a high inflation environment.**

is becoming increasingly compelling, particularly if an economic slowdown occurs without entering a recession. With bond yields at 4.5%, the risk-reward balance may tilt favorably for bonds once supportive economic data or dovish Fed communications emerge. We believe the Federal Reserve must initiate rate cuts starting in September to maintain economic balance, a shift from our earlier forecast of June, with a total of 75 basis points in cuts anticipated by year-end. This cautious, gradual easing aligns with our outlook for a smooth economic deceleration, and it's essential for maintaining a balanced economic environment.

On the global stage, the resilience of the U.S. economy influences financial markets worldwide. Notable global monetary policy shifts, such as the Bank of Japan's recent interest rate increase—the first in 17 years— underscore significant shifts in international economic policies. Similarly, the European Central Bank's anticipated rate cuts this summer reflect different economic dynamics from the U.S., suggesting varied impacts on global markets.

In summary, as we proceed through the balance of 2024, investment strategies must adapt to these shifting economic indicators and market conditions. We maintain a strong belief in a soft landing, underscored by our view that the Federal Reserve has effectively managed to 'land the plane' smoothly. However, although we hold this positive outlook, we are still awaiting final confirmation from certain key macroeconomic indicators. Global stocks remain strategically interesting—with a balanced weighting—in the portfolio.

While fears of a recession appear to be subsiding, we continue to seek further assurance through a gentle economic deceleration, particularly in cyclical sectors. A clearer confirmation of this soft-landing scenario would encourage risk-tolerant investors to transition from bonds to stocks, which offer potential for price appreciation. Monitoring inflation, wage developments, and monetary policy decisions will be crucial in refining our strategies, ensuring robust portfolio performance in a shifting economic landscape.

****Max Rix is Head of Investments at Simonis Storm***

# Diamantaire Enterprise Development Program (EDP) graduate inauguration and strategic media briefing





# Schlettwein assumes ZAMCOM chairmanship

Minister of Agriculture, Water and Land Reform, Calle Schlettwein, has assumed the Chairmanship of the Zambezi Watercourse Commission (ZAMCOM) in Mozambique at its recently held meeting in Tete Province, Mozambique.

Schlettwein took over from Carlos Alberto Fortes Mesquita, Minister of Public Works, Housing and Water Resources of Mozambique.

The event took place at the end of the 11th Zambezi Watercourse Commission (ZAMCOM) Council of Ministers Meeting. The meeting was called to transact ZAMCOM business, which includes the adoption of key policies and decisions in order to provide the necessary guidance, among others, on the promotion, support, and coordination to ensure efficient management, sustainable development, and equitable utilization of the water resources of the Zambezi Watercourse.

"The Zambezi River carries a large volume of this most valuable resource through our countries. Our job is to manage this crucial resource sustainably to satisfy all the diverse needs. That must remain our core function. Sound and transparent management of our financial resources must be emphasized. We believe that this will enhance value for money and efficiencies and it will also garner buy-in and create confidence in our institution, ZAMCOM. We, Member States, and our esteemed ICPs need that to continue supporting and funding us to advance pragmatic and project-based initiatives in our Zambezi watercourse," he said.

Namibia will host the next Council of Ministers.

ZAMCOM is an intergovernmental organization that brings together eight Riparian States that share the Zambezi River Basin: Angola, Botswana, Malawi, Mozambique, Namibia, Tanzania, Zambia, and Zimbabwe.

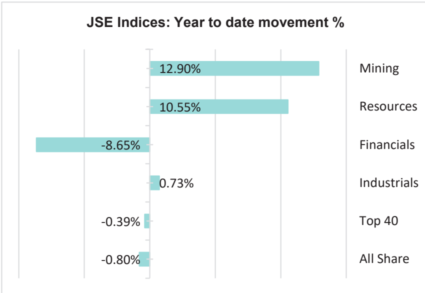
SIMONIS STORM

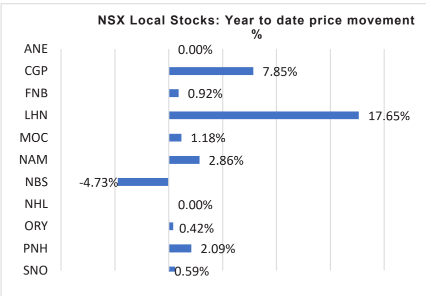
# Financial Market Monitor

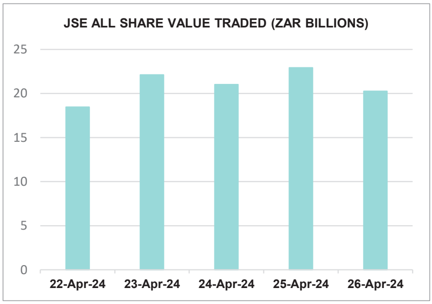
Enriching Generations

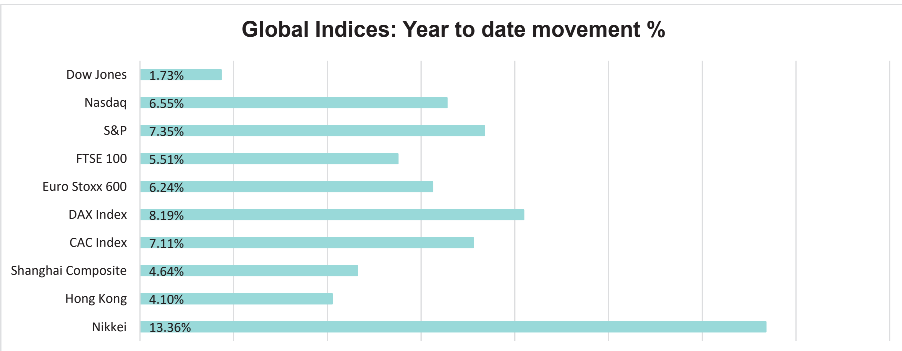
www.sss.com.na

| Commodities | | Currencies | |
|---|---|---|---|
| Spot Gold | 2337.12 | USD/ZAR | 18.6925 |
| Platinum | 943.15 | EUR/ZAR | 20.0092 |
| Palladium | 971.95 | GBP/ZAR | 23.4267 |
| Silver | 27.53 | USD/CNY | 7.2414 |
| Uranium | 89.75 | EUR/USD | 1.0704 |
| Brent Crude | 88.70 | GBP/USD | 1.2534 |
| Iron Ore | 108.62 | USD/RUB | 93.4998 |
| Copper | 9876.97 | CPI | 4.46% |
| Natural Gas | 1.99 | Repo Rate | 7.75% |
| Lithium | 14.95 | Prime Rate | 11.50% |




*Prices as at 16:37, 29-Apr-2024