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THE BRIEF

News Worth Knowing

Galp Energia invests N$1.5bn in Namibian upstream projects in Q1

TUESDAY 30 APRIL 2024

MAIN STORY

Galp Energia invests N$1.5bn in Namibian upstream projects in Q1

Galp Energia says it invested approximately N$1.5 billion towards upstream projects in Namibia in the first quarter (Q1) of 2024.

Galp (80% operator), together with its partners NAMCOR and Custos (10% each), in April 2024 completed the first phase of the Mopane exploration campaign, which included two exploration wells and a drill stem test.

"All acquired data from the current Mopane drilling campaign will be analysed and integrated into an updated reservoir model. The model will serve as the basis to refine Galp's near-term drilling plan to further explore, appraise and develop the wider Mopane complex," Galp Energia CEO Filipe Silva said.

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

During this period, the company invested €310 million (N$6.2billion) in net capex, primarily focusing on development and exploration projects in Upstream.

This includes the Bacalhau execution in Brazil, exploration activities in Namibia, and advancing construction on the biofuels unit in Sines.

Galp's exploration assets in Namibia centre on Petroleum Exploration Licence No 83 (PEL 83), encompassing a vast area in the Orange Basin.

Silva noted that the exploratory activities identified significant oil columns containing light oil in high-quality reservoir sands and confirmed a lateral extension of one identified target.

He highlighted that in the Mopane complex alone, and before drilling additional exploration and appraisal wells, hydrocarbon in-place estimates are 10 billion barrels of oil equivalent, or higher.

"The first quarter of 2024 continues to demonstrate the positive momentum of our operational delivery. We have encountered significant light oil columns in high-quality reservoir conditions, placing Mopane as a potential major commercial discovery. This should support the growth profile of Galp for the next decades to come, as we gradually lower the carbon intensity of our downstream businesses," he said.

The company plans to undertake an exploration campaign spanning three years involving the drilling of 10 exploration and appraisal wells, along with flow testing.

Additionally, conducting a 3D towed streamer seismic survey campaign covering approximately 4,000 square kilometres in PEL 83.

"Galp plans a further 3D towed streamer seismic survey campaign in PEL 83, towards the end of 2024 and quarter 1 of 2025, which will be around 4,000 square kilometres. Galp will also undertake an OBN seismic acquisition within the area where the 3D towed streamer seismic activities will be conducted, either during the same time or at a later stage to be determined," said an ESIA notice.

The planned exploration and appraisal activities in PEL 83 require new environmental clearances from the Ministry of Environment, Forestry and Tourism.

Galp Energia has appointed Namisun Environmental Projects & Development (Namisun) to undertake an Environmental Impact Assessment (EIA) for the proposed exploration activities to ensure compliance with environmental regulations.

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DBN approves N$20 billion loans since inception

The Development Bank of Namibia (DBN) says, since its inception in 2004, it has approved loans totalling over N$20 billion in nearly two decades, up to February 2024.

The accomplishment has led to the creation of just over 115 jobs, indicating the bank's contribution to economic development in Namibia.

DBN CEO John Steytler reminisced about the bank's humble origins, highlighting that back in 2004, DBN operated with just 13 employees and a loan book valued at N$62.3 million.

Since then, he said the institution has witnessed significant expansion, both in its loan portfolio and its influence on the Namibian economy.

"The potential for transformation in our economic living is vast, offering numerous avenues for growth and progress," he said, emphasising the bank's commitment to aligning with transformative forces and guiding principles to navigate pivotal moments effectively.

He said DBN has established four strategic pillars to guide its operations, including prioritising sustainable development and upholding human rights, fostering a vibrant organisational culture, emphasising market positioning, and ensuring development effectiveness.

The latter pillar underscores DBN's focus on measuring success not only by financial metrics but also by the tangible impact it has on individuals and communities.

Moreover, DBN's investments, totalling N$18 billion over10 years, demonstrate its dedication to global progress.

"By investing in initiatives that promote inclusivity and excellence, DBN contributes to a world that prioritises continuous learning and development," said the CEO.

The bank marked its 20th anniversary.

Osino shareholders approve Yintai's N$5.3bn cash transaction deal

Osino Resources Corp. (Osino) shareholders unanimously approved a deal to sell all outstanding common shares to Yintai Gold Co., Ltd. for C$1.90 per share.

The approval further complements Yintai's N$5.3 billion cash acquisition of Osino. The gold exploration company said 99.9% of its shareholders voted in favour of the deal at the company's special meeting held on Monday.

Yintai, which trades on the Shenzhen Stock Exchange, has a market cap of N$108 billion (US$5.6 billion).

Once these approvals are secured, the company will proceed to finalise the arrangement, reflecting Osino's commitment to navigating the necessary processes for the successful completion of the deal with Yintai Gold Co., Ltd.

Osino's President and CEO, Heye Daun, outlined the next steps, focusing on obtaining regulatory approvals from key authorities, including the Namibian Competition Commission and Chinese regulatory bodies.

"Once these approvals are secured, the company will proceed to finalise the arrangement, reflecting Osino's commitment to navigating the necessary processes for the successful completion of the deal with Yintai Gold Co., Ltd," he said.

Meanwhile, as part of the deal, Yintai Gold offered an immediate cash infusion for Osino of N$193 million (US$10 million) for operations and working capital needs and the reimbursement in full of the termination fee paid to Dundee Precious Metals Inc (DPM).

The development comes in the wake of DPM's December definitive agreement to acquire Osino Resources for N$4 billion.

Yintai President Xingong Ou said the Osino Twin Hills mine project represents a unique opportunity for the company to add a high-quality gold development asset to its portfolio in a stable and mining-friendly jurisdiction.

"The project provides the foundation for our future production profile with production targeted for 2026, as well as significant exploration upside. We are excited to leverage the excellent work done by the Osino team in discovering and progressing Twin Hills to this point and we look forward to working with the existing Osino team to grow their Namibian activities and to implement the construction of the project. We are impressed with the responsible mining approach which the Osino team has built, and we intend to continue and to grow that approach," he said.

Osino's portfolio consists only of gold-related assets located in Namibia, primarily the Twin Hills Gold Project in central Namibia as well as exploration projects in Ondundu and Eureka.

The deal was still subject to Chinese outbound investment approvals and Namibia regulatory approval.

Daun noted that Yintai has obtained the approval of the Ministry of Commerce of the People's Republic of China.

The Company has a final order hearing scheduled for 2 May 2024, before the Supreme Court of British Columbia.

"The Arrangement remains on track to close on or about the end of H1 2024, subject to approval by the Supreme Court of British Columbia and satisfaction of certain other closing conditions," he said.

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Belgium commits to long-term clean energy partnership with Namibia

. . . *King Philippe to visit Cleanergy GH project*

Belgium has reaffirmed its commitment to working with Namibia on forging a long-term partnership in developing the clean energy sector, particularly in green hydrogen.

King Philippe of Belgium said the partnership aims to ensure Namibia reaps the benefits of the entire value chain in clean energy development.

"I am delighted to inaugurate with you our new joint projects involving solar power, green hydrogen, skills training and sustainable port logistics. Equally, I am impressed with Namibia's resilience and success since independence, as Belgium is also strongly committed to democracy and human rights," King Philippe said at the Statehouse where he met President Nangolo Mbumba.

Equally, King Philippe, who is on a five-day state visit, said Belgium is proud to be the biggest importer of Namibian goods within the European Union.

"In a world where conflicts and wars

risk taking our attention away from global challenges like climate change and the need to transform our economies, it is important to work with our partner countries which share this vision to protect our environment and resources and act upon it. We are therefore here to witness this partnership and show our long-term commitment," he added.

President Mbumba said the visit would enable the two countries to further strengthen their bilateral relations in a diverse range of sectors ranging from green hydrogen, environment, tourism, forestry, arts and culture, trade and investment and port development.

"Our two countries have been working tirelessly at official and private sector levels to realise the vision of a reduced carbon print," he said.

The President highlighted that in November 2021, the Energy Ministers of Namibia and Belgium signed an MoU at COP26 in Glasgow to cooperate on green hydrogen and green ammonia.

In June 2022, Mbumba said the Namibian Ports Authority and the Port of Antwerp-Bruges International signed an MoU to collaborate on green energy solutions, infrastructure development, capacity building and the establishment of a green hydrogen supply chain between the two ports.

The bilateral agreements led to the establishment of Cleanergy Solutions Namibia, by O&L–a Namibian company– and CMB.TECH Group, a Belgian entity.

The entity is now working on a green hydrogen production plant, which the King and his delegation will visit on Wednesday (tomorrow).

The hydrogen production plant established at Walvis Bay uses solar energy for hydrogen production onsite.

The facility will supply hydrogen to trucks, port equipment, and railway applications.

As an integral part of this project, a Hydrogen Academy will be established to educate and train local individuals on hydrogen technology and its wide-ranging applications.

The hydrogen refuelling station is expected to be fully operational by mid-2024.

The Cleanergy Solutions Namibia project includes a 10-hectare solar park with a hydrogen production facility equipped with a 5-megawatt Proton Exchange Membrane electrolyser and a 5-megawatt hour battery.

The plant uses solar energy to produce hydrogen, which is then made available at the public hydrogen refuelling station for trucks and heavy-duty applications.

"Namibia is standing on the verge of a possible energy boom in the traditional hydrocarbon sector given recent exciting discoveries of oil and gas in our oceans. We see these discoveries as supplementary to our collective quest to transition towards cleaner sources of energy such as green hydrogen," the President said.

"Namibia is ready to work together with Belgium and other friends to ensure that the energy transition takes place smoothly without major interruptions to global energy sufficiency. We view the traditional oil and gas sector as transitional, whereas cleaner energy sources are meant to usher in a climate-friendly green future. Your Majesty, our two countries have been working tirelessly at official and private sector levels to realise the vision of a reduced carbon print," he added.

Following the official engagements, the Ministry of Environment, Forestry and Tourism signed a Memorandum of Understanding with Belgium's Lignaverda Reforestation Corporation.

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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.

Namibia's non-banking sector assets grow to N$419.4 billion

Namibia's non-bank financial institutions (NBFI) sector remained sound with total assets increasing by 14.6% to N$419.4 billion in 2023, official figures show.

According to the Bank of Namibia (BoN) Financial Stability Report (FSR) for 2024, the growth is despite the contractionary monetary policy environment and demand for NBFI products remaining strong.

BoN said volatility in the financial markets remains a concern for the short to medium-term viability of the NBFI subsectors with dominantly short-term liabilities.

The April 2024 FSR assesses the stability of the Namibian financial system and its resilience to internal and external shocks.

During the period under review, the banking sector remained liquid, profitable, and well-capitalised, with some concern for asset quality.

Banking sector assets grew by 6.1% to N$174.4 billion during the period under review, slightly higher than the prevailing inflation rate of 5.9%.

"The banking sector reported capital and liquidity positions well above the prudential requirements. Furthermore, the profitability position of the banking sector remained healthy on the back of higher net income, particularly interest income," BoN Director for Financial Stability and Macroprudential Oversight Florette Nakusera said at the launch.

"Asset quality, as measured by the nonperforming loans (NPL) ratio, deteriorated in 2023 but remained below the crisis-time supervisory intervention trigger point of 6 percent"

Overall, Nakusera said the Namibian financial sector remained stable, sound, and resilient in 2023 despite moderate economic growth compared to 2022, as a result of the growth momentum in the domestic economy that stalled due to slower growth in the primary and secondary industries.

"The reduced momentum in the primary industry was due to the lacklustre performance of the diamond and agriculture sectors. Similarly, the growth in the secondary industry was underpinned by weaker global demand.

"The overall inflation for Namibia averaged 5.9% during the period under review, compared with 6.1% in 2022, in line with the contractionary monetary policy stance. The financial system nonetheless continued to function efficiently amidst these macroeconomic developments. The payment system infrastructure also continued to contribute reliably toward the financial system's efficiency," she stated.

In addition, Nakusera said household and corporate debt stock increased during the reporting period of 2023, although at a slower rate when compared to 2022.

She explained that the annual growth in household debt slowed marginally by 0.1 percentage point, to 3.3% by the end of 2023.

Meanwhile, the ratio of household debt to disposable income moderated from 43.3% in 2022 to 40.5% in 2023, partly due to inflationary salary adjustments coupled with recruitment by the government during 2023.

"The total corporate debt stock increased during 2023, mainly due to foreign direct investor long-term loans extended to subsidiaries in the mining sector. Consequently, the corporate sector's debt-to-GDP ratio rose from 70.7% at the end of 2022 to 72.4% at the end of 2023. The short-term risks to financial stability emanating from corporate debt appear moderate given the lower growth estimated for 2023," Nakusera said. The National Payment System (NPS) and infrastructure also remained safe, secure, and efficient during 2023.

"The Bank of Namibia continued to fulfill its regulatory mandate as the overseer of the NPS in accordance with the Payment System Management Act, 2023 (No. 14 of 2023). Similarly, the Namibia Interbank Settlement System (NISS) maintained high system availability throughout 2023. Compared to 2022, total fraud in the NPS increased across all payment streams, primarily electronic fund transfers (EFTs) and e-money," she added.

In addition, she said the increase in EFT fraud was primarily via phishing, while that in e-money payments resulted from incidents that were perpetrated via phone scams, especially targeting e-money wallets.

"To curb the rise in fraud and enhance cyber resilience, discussions are held at various NPS industry platforms for public education and awareness campaign initiatives and continuous improvement of the payment infrastructure. Despite these challenges, risks within the financial system emanating from the NPS remained broadly unchanged and well-managed," Nakusera said.

Looking ahead, the BoN Governor Johannes !Gawaxab said the financial stability in Namibia is shaped around three key themes of climate change, cyber risks and the recent Financial Action Task Force (FATF) greylisting.

!Gawaxab highlighted that climate-related risk is a growing concern around the globe and has the potential to affect the financial system through physical and transition risks.

"To ensure that we are well prepared and globally aligned, the Bank joined the Network of Central Banks and Supervisors for Greening the Financial System. On the other hand, managing cyber risk is not merely about protecting information technology assets but is crucial for maintaining the overall stability and integrity of the financial system. The Cybersecurity Council together with the financial sector as a whole, are equally responsible for prioritising the mitigation and management of cyber risk," !Gawaxab said.

He further elaborated that the recent Global Financial Stability Report equally highlighted cybersecurity as a material risk and recommended the implementation of a cybersecurity strategy, which Namibia recently endorsed.

"Thus, risks such as greylisting by the FATF have the potential to elevate systemic risks and undermine the outlook for financial stability in Namibia. Risks to financial stability in Namibia will be monitored accordingly under the advisory guidance of the Financial System Stability Committee and the direction of the Macroprudential Oversight Committee," the Governor assured.

Mbumba appeals to Belgium King over G7 diamond restrictions

Namibian President Nangolo Mbumba has reached out to King Philippe of Belgium to address restrictions imposed by the G7 countries, which mandate that all gem producers must send their products to Belgium for certification to enforce traceability.

The decision which became effective in March also seeks to root out imported diamonds mined in Russia.

"Recently a decision was made by G7 countries to route all rough and polished diamonds destined for G7 countries via Belgium. This decision poses a serious risk and threat to our economies (Angola, Botswana and Namibia) by increasing costs as well as curtailing the freedom of trade for our countries."

"In that vein, we have requested for urgent dialogue to find a mutually beneficial solution. Your Majesty, we hope to count on your support and the understanding of the Kingdom of Belgium," Mbumba said at State House on Tuesday where he met with King Philippe and other high-level Belgium dignitaries.

King Philippe is in Namibia on a five-day state visit. Namibia is one of the world's leading diamond producing countries, having produced 2.327 million carats of rough diamonds in 2023, which was a 9% increase from 2.137 million carats of diamond produced in 2022.

As of 1 March, the G7 which consists of seven of the world's advanced economies, including Canada, France, Germany, Italy, Japan, the United Kingdom and the United States, passed a resolution that all rough and polished diamonds entering G7 countries be sent through Antwerp, Belgium, to determine their origin. This is in an effort to reduce Russia's revenues from its diamond trade, which finances its war against Ukraine.

Botswana President Mokgweetsi Masisi has also raised concerns saying the traceability mechanism poses an unfair burden on African diamond producers that also results in additional costs and delays.

"Namibia must avoid contracting the 'Dutch Disease'!

By Tilman Friedrich

I was recently invited to M&G Investments Leonard Krüger's insightful presentation on 'Resource Discovery: best practice and avoiding the resource curse'. Yes, I am sure many readers also noticed how many media commentators are already counting their blessings and awaiting the new dawn in great anticipation of securing personal riches. Leonard's talk aimed to put our newfound riches into perspective to moderate exaggerated expectations and warn that things can go horribly wrong, as they have in many other countries, if Namibia does not promptly establish sustainable resource exploitation policies.

Leonard pointed out that while Namibia is one of the world's 'hottest exploration plays', there were many other significant discoveries worldwide in 2022 and 2023, notably Guyana, Iran, and Namibia only in third place. Namibia's resource represents less than 1% of the global fossil fuel resource. Namibia is competing against many other countries and faces the challenge that its resource is in ultra-deep waters on the edge of what can be exploited economically with current technology, making it very expensive for investors. Deepwater production only represents 7% of global production. Based on international experience, the developers would have to incur capital expenditure on developing our resource of about N$2.5 billion annually for the next ten years and then anticipated to decline to around N$500 million for another 25 years. The best estimate of future potential production expects commencement in 2030 with around 200,000 barrels per day, peaking at around 500,000 for only four years from 2034 to 2038 and declining sharply to only 100,000 by 2048. Namibia would thus only be endowed with this windfall rich for around 18 years!

Leonard used the 'Dutch Disease' as a classic case study of how things could go wrong without sustainable policies. 'Dutch Disease' refers to the negative consequences of the Netherland's approach to its natural gas discovery in 1959. Although the Dutch economy increased its revenues from the export of natural gas, the significant appreciation of its currency from the large influx into the sector resulted in a higher unemployment rate and a decline in its manufacturing industry. The rapid development of the crude oil sector precipitated a decline in other economic sectors due to the substantial increase in its currency, making its products uncompetitive. It made the Dutch economy very vulnerable to price fluctuations in the natural gas price and impeded economic diversification, exacerbating the challenges of changes in global market conditions.

The current tax legislation would result in producers earning roughly 36% of revenue. In comparison, the state coffers would harvest 54% through corporate income tax (35%), royalty fee (5%), additional profit tax (between 5% and 12%) and annual license fees and training levy. Leonard presented Guyana as a showcase for developing its recent discoveries with best practice.

On the positive side, Namibia has reputable partners with long experience and strong balance sheets. He also cited that Namibia's corruption index rating at around 50% was noticeably better than South Africa's and Guyana's 40%, giving it a competitive edge on investors.

Leonard noted potential financial and monetary implications of the resource curse to be wary of as the impact on Namibia's balance of payments, SACU transfers, the Rand-peg, diverging monetary policy and fiscal requirements, the 45% minimum domestic investment requirement, the prevailing low domestic entrepreneurship and the high public wage bill and other structural impediments such as infrastructure, climate change, job opportunities, and education.

In dealing with the windfall revenue from our new resource, Leonard showcased Norway's sovereign wealth fund (SWF), the largest such fund in the world. Norway transfers 100% of its revenue to its SFW and has set up strict fund management rules. The rules are designed to safeguard the fund's assets, maximise its returns and preserve the benefits of Norway's oil wealth for future generations. Its investment mandate supports the government's long-term objectives. The government may spend a maximum of 4% of the fund on its budgetary needs, but it is limited to maintaining the fund's purchasing power. It diversifies across a broad range of domestic and international assets, applies strict ethical guidelines that prohibit investment in tobacco and arms manufacturing, transparency in its management, robust risk management practices to ensure that investment decisions align with its objectives and risk tolerance, and is governed by the Norwegian Ministry of Finance.

It was interesting to hear from a delegate of the Bank of Namibia that it has tasked an in-house team to formulate policies and guidelines for Namibia's sovereign wealth fund, which already exists with maiden funding from the MTC windfall. One delegate suggested that Namibia is still a developing country, in contrast to Norway, which has one of the highest per capita incomes in the world. Oil was discovered in Norway's waters in the late 1960s, with significant production starting in the early 1970s. At that time, Norway's per capita income was relatively moderate compared to today's standards. Norway's real per capita income and economic prosperity have grown significantly since the discovery of oil, mainly due to prudent management of oil revenues through the sovereign wealth fund. However, the Norwegian government implemented its fiscal spending rule only in the early 2000s.

Namibia's oil riches are expected to only last for around 15 years. This short time span makes it so much more important to transfer the windfall into a sovereign wealth fund that systematically and sustainably supports Namibia's economic development over many generations. I believe the much-heralded TIPEEG programme was launched to cushion the effects of the global financial crisis while addressing socio-economic challenges and fostering development in the country at the same time. Unfortunately, it produced typical symptoms of Dutch disease. It overburdened our economic capacity. Additional capacity

Charting the course: Key trends shaping organisational strategies in 2024 (part 3)

By Robert Smith

In our ongoing exploration of the ever-evolving landscape of organisational strategies for 2024, we have delved into critical facets such as "Employee Well-being and Empathy-driven Leadership," "Integrating Agile and Change Management," and "Organisational Agility and Redefining Work Structures."

As we progress further, we now turn our attention to the culmination of this series with a deep dive into the last two trends: "Performance Management and Productivity" and "Sustainability and Compliance." These trends represent the natural progression from our previous discussions and illuminate the shifting paradigms within modern businesses. With a focus on addressing the pervasive issue of work-induced stress and fatigue among managers, organisations are redefining their approach to performance management, emphasising transparency and productivity. Concurrently, the growing emphasis on sustainability and compliance underscores a broader recognition of environmental stewardship as a strategic imperative.

As we explore these trends, we aim to equip change management practitioners, business leaders, and strategists with the insights needed to navigate the complexities of the contemporary corporate environment effectively. Join us as we explore the dynamic landscape of organisational strategies in 2024, delving into how organisations can adapt and flourish in the face of the challenges and opportunities on the horizon.

Performance Management and Productivity:

In response to the pervasive issue of work-induced stress and fatigue among managers, as highlighted in Gartner's 2023 research, organisations are undergoing a significant shift in how they measure and incentivise success. With a staggering 54% of managers experiencing this stress, it's become evident that superficial solutions are no longer sufficient.

Organisations are now redefining their approach to performance management, placing a heightened emphasis on productivity and transparent expectations. This necessitates a fundamental redesign of work processes, culture reinforcement, and the realignment of individual motivations within the workforce.

Transparent performance expectations and incentives play a pivotal role in driving success within organisations. Employees need clear guidance on what is expected of them and how their performance will be evaluated. By establishing transparent metrics and goals, organisations can provide employees with a clear roadmap for success, fostering a sense of accountability and empowerment.

Furthermore, organisations are recognising the importance of fostering a supportive and inclusive work culture that reinforces productivity and performance. This involves creating an environment where employees feel valued, supported, and motivated to excel. Managers play a critical role in this process by providing ongoing feedback, recognition, and support to their teams.

Additionally, organisations are exploring new ways to realign individual motivations with organisational goals. This may involve revisiting incentive structures, providing opportunities for skill development and career advancement, and fostering a sense of purpose and meaning in the work employees do.

Overall, the shift towards performance management and productivity reflects a broader recognition of the need to address workplace stress and fatigue. By prioritising transparent expectations, fostering a supportive work culture, and realigning individual motivations, organisations can create a healthier and more productive work environment for their employees.

Sustainability and Compliance:

A recent survey by Prosci found that environmental sustainability and climate change are among the top five biggest changes on the horizon for 2024. The evolving conversation around sustainability underscores a significant shift in organisational priorities, driven by both external pressures and internal recognition of the importance of environmental stewardship. Organisations are facing increased scrutiny from stakeholders, including consumers, investors, and regulators, to address environmental issues and adopt sustainable practices.

One key aspect of this trend is the growing emphasis on compliance with regulations related to sustainability. Governments and regulatory bodies around the world are implementing stricter environmental standards and reporting requirements, compelling organisations to adhere to these guidelines or face potential legal and reputational consequences. For example, initiatives like the EU's Corporate Sustainability Reporting Directive (CSRD) impose stringent non-financial reporting regulations on larger organisations, requiring them to disclose their environmental impact and sustainability efforts.

In response to these regulatory pressures, organisations are integrating sustainability into their business operations and decision-making processes. This involves adopting sustainable practices across various aspects of their operations, such as reducing carbon emissions, minimising waste, conserving resources, and sourcing ethically and responsibly. Additionally, organisations are investing in technologies and initiatives that enable them to track, measure, and report on their sustainability performance accurately.

Moreover, sustainability is increasingly being viewed not just as a compliance issue but also as a strategic imperative and a source of competitive advantage. Organisations that embrace sustainability can differentiate themselves in the marketplace, attract environmentally conscious consumers, and enhance their brand reputation. By aligning sustainability goals with broader business objectives, organisations can drive innovation, reduce costs, and create long-term value for shareholders.

Overall, the trend towards sustainability and compliance reflects a broader recognition of the interconnectedness between business success and environmental responsibility. As organisations navigate this evolving landscape, integrating sustainability into their core business practices will be essential for achieving long-term viability and resilience in an increasingly environmentally conscious world.

In Summary:

The landscape of organisational dynamics in 2024 is marked by a convergence of diverse trends reshaping the way businesses operate and thrive. From embracing organisational agility and redefining work structures to prioritising employee well-being and empathy-driven leadership, organisations are navigating a complex terrain where human-centric approaches intersect with technological advancements. Demographic shifts in the workforce, with Gen Z emerging as a dominant force alongside an increasing number of older workers, underscore the importance of accommodating diverse needs and expectations. Meanwhile, the adoption of emerging technologies like AI presents both challenges and opportunities, requiring strategic navigation to stay competitive. Amidst these transformations, sustainability and compliance have risen to the forefront, emphasising the integration of environmental responsibility into business practices. As organisations navigate these trends, they are redefining success through a lens of productivity management, transparency, and sustainability, positioning themselves to thrive in an ever-evolving business landscape characterised by change, innovation, and resilience.

Robert has a decade-long tenure at "and Change" and currently holds the role of Senior Copywriter while also serving as a Change Management Solution Designer. Write to him at robert@andchange.com or learn more at andchange.com.

SIMONIS STORM

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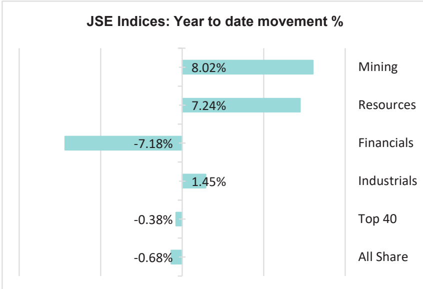
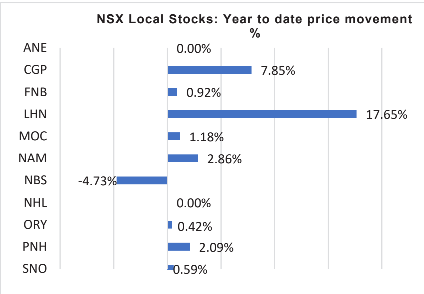
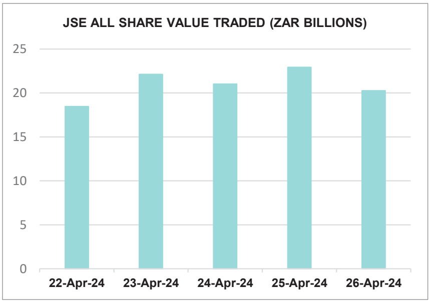
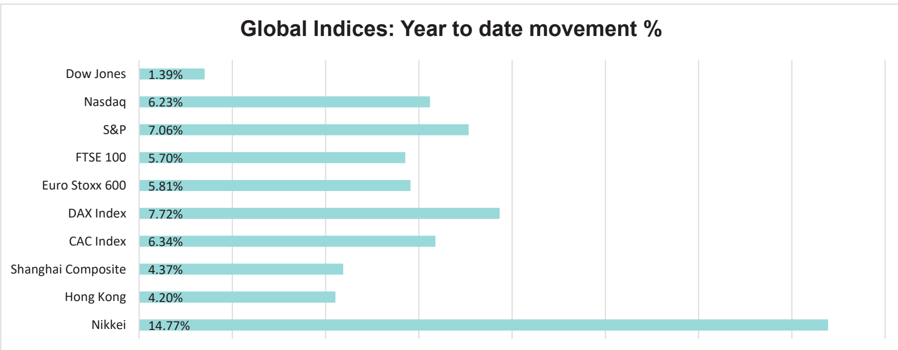
Commodities		Currencies	
Spot Gold	2301.23	USD/ZAR	18.7413
Platinum	937.48	EUR/ZAR	20.0766
Palladium	942.21	GBP/ZAR	23.4766
Silver	26.48	USD/CNY	7.2410
Uranium	89.75	EUR/USD	1.0712
Brent Crude	87.53	GBP/USD	1.2526
Iron Ore	108.62	USD/RUB	93.5002
Copper	10057.47	CPI	4.46%
Natural Gas	2.04	Repo Rate	7.75%
Lithium	14.95	Prime Rate	11.50%









*Prices as at 16:25, 30-Apr-2024