GREEN HYDROGEN

Understanding the nexus between Namibia's green hydrogen aspirations

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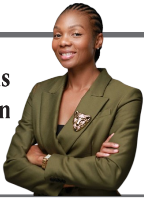

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News Worth Knowing

Social Security plans contribution increase

MONDAY 21 OCTOBER 2024

MAIN STORY

Social Security plans contribution increase

Namibia's Social Security Commission (SSC) is planning to increase member contributions in 2025 to ensure the sustainability of social security benefits.

According to SSC's Chief Executive Officer, Milka Mungunda, the decision is expected to be finalised once an actuarial report is completed, determining the precise rate and amount of the contribution increase.

Currently, members contribute a minimum of N$2.70 per month and a maximum of N$81, with self-employed individuals contributing 1.8% of their basic income. "We've seen strong performance from our robust investment strategy, and this has allowed us to improve benefits like maternity leave without increasing contributions. Unfortunately, this is no longer sustainable, and we will need to raise contributions next year to continue enhancing benefits for our members," said Mungunda.

Mungunda said while the increase is necessary, it will not be a significant financial burden on members.

"In terms of percentage and the amount of increase, we are currently awaiting the actuarial report from the actuaries to inform us of the rates and numbers.

Crucial Dates

- Bank of Namibia Monetary Policy announcement date: 4 December 2024

- Minister of Finance and Public Enterprises, Ipumbu Shiimi to deliver 2024/25 Mid-Year Budget Review on October 28, 2024.

However, I can guarantee that it will not be by a lot. The report is expected by the end of October," she told The Brief.

One of the main areas the increased contributions will support is improved maternity benefits.

The CEO said SSC aims to enhance its maternity benefit scheme without majorly adjusting member contributions.

Currently, there is a ceiling on maternity leave payments, with women earning over N$15,000 receiving a maximum benefit of N$15,000, even if their actual salary is higher.

“Our goal is to move towards paying 100% of a woman's salary during maternity leave. This won’t happen all at once but incrementally. We want mothers earning higher salaries to receive a more substantial portion of their income while on maternity leave, instead of being capped at a lower amount,” explained Mungunda.

She further noted the possibility of extending maternity leave from the current three months to six months, in line with international standards.

"There are talks about extending maternity leave to six months, as recommended by the International Labour Organisation (ILO). However, we must carefully consider the financial and economic implications before making any final decisions," she said.

The SSC is also looking at revising funeral benefits. Currently, the scheme offers a funeral benefit of N$4,500, which is provided in partnership with funeral undertakers.

Mungunda acknowledged that this amount may no longer be sufficient to cover the rising costs of funerals.

"We are looking at ways to revise and increase the funeral benefit to ensure it meets current demands. Funerals have become quite expensive, and we want to ensure that all Namibians have access to a dignified send-off for their loved ones," she stated. She further emphasised that the SSC’s role in administering social protection schemes, such as maternity and funeral benefits, is part of its broader mandate to provide essential social protection to Namibians.

The commission aims to align its services with international best practices while balancing the need to maintain financial sustainability.

"We are committed to improving social protection for all members, but this requires careful planning and, unfortunately, increased contributions from next year. I want to assure our members that these increases are being introduced to ensure we can continue delivering the highest possible benefits to them," she said.

This comes as for the past year Maternity, Sick & Death Fund reported N$9.3 million paid out for death claims, N$53.9 million for disability and retirement, N$205 million for maternity, and N$23.9 million for sick leave claims.

The Employee Compensation Fund

provided N$8.6 million in pension payments, N$3.4 million for medical expenses, and N$15.2 million for temporary disability claims.

The Development Fund disbursed N$1.2 million in bursary payments and N$123,700 for loans. Finally, the Funeral Benefit Scheme recorded N$37.7 million in payments, 8,000 claims, and 107 registered undertakers.

Rössing Uranium creates over 100 jobs from funded police station construction

Rössing Uranium's N$20 million investment in the DRC police station at Swakopmund has generated over 100 jobs for local residents since construction began in July 2024.

The project is currently 46% complete and expected to be completed by January 2025.

The initiative aims to enhance community safety while providing significant employment opportunities in the rapidly growing DRC area.

"The construction of the DRC Police Station in informal Swakopmund is rapidly gaining shape, currently standing at 46% completion and forecasted for total completion in January 2025. The project, which is solely funded by mining giant Rössing Uranium to the tune of just over N$20 million, was launched in July 2024," said Rössing Uranium's Manager for Corporate Communication Daylight Ekandjo.

Ground clearing and construction started at the end of the same month, and almost three months later, the station has rapidly gained shape.

The surrounding community members are in anticipation of the day the station opens its doors to service the fast-growing DRC population.

Located in the informal populous DRC, the police station is located on Erf 8443, Extension 31 land donated by the Swakopmund Municipality Council.

The police station will consist of 4 holding cells each with an exercise courtyard, an interrogation room, a medical consultation room, a visitors room, an armoury room, a records and archives room, an evidence room, four offices including a station commander office and boardroom, ablution facilities, secure passage for inmate drop-offs, a mess room (dining area), a pantry, a laundry room, a staff kitchen, and a server/radio room.

The project has thus far employed just over 100 employees to deliver a state-of-the-art facility, with zero incidents relating to safety reported in the last three months.

Ekandjo, the construction of the station is within working scope and timelines and highlighted that the station's substructure has been completed, with the main structure currently standing at 70% by the second week of October.

"The team on site has started with the construction of the reinforced concrete roofs to allow the final work to commence and finally deliver the station to the community that has long yearned for the services of the police in the area," said Ekandjo.

Erongo police commander Commissioner Nikolaus Kupembona applauded Rössing for the fast-paced project, saying this will be one of the national projects that can serve as an example to emulate in the future in terms of delivery.

"I commend Rössing Uranium for the work on the ground. We are excited, and the community members themselves cannot wait for the police station to open. From our management, we are ready to deploy competent men and women in uniform to take up responsibilities at the station and ensure the safety of the community while providing much-needed services to our population," said Kupembona.

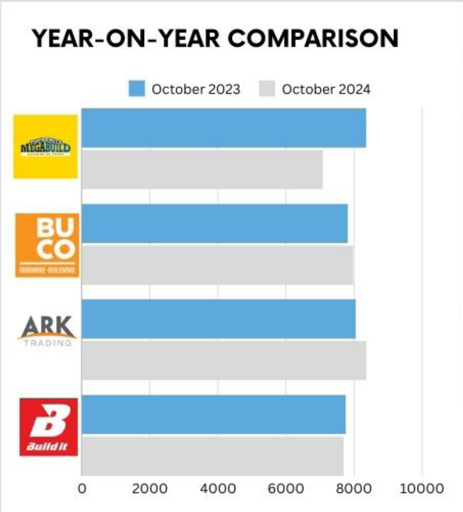
The Commissioner said he was confident that, with due consultation, the new station would comply with the safety protocols and learnings from past similar projects.

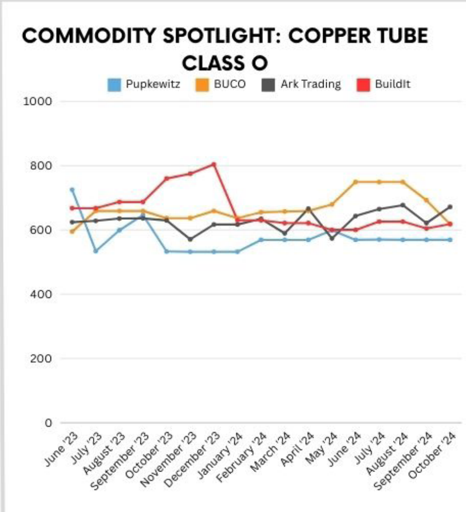
Swakopmund Municipality Chief Executive Officer Archie Benjamin highlighted that with the expansion of the coastal town, the station would bolster the safety of the residents in the town, particularly those in the informal area.

"Council is very excited about this project as it complements the municipality's capital projects, especially those aligned to providing affordable housing for the people in Swakopmund. We appreciate Rössing and Nampol for this project that will most certainly assist with safety in our town," said Benjamin.

This is one of many other capital investments Rössing Uranium has invested within the Erongo region, fully cementing the mine's corporate citizenship status.

HARDWARE COMPARISON OCTOBER '24





Basket Composition: Roofing Galvanized IBR, Copper Tube 460 Class 0, Aluminium Window (Bronze), Aluminium Sliding Door (Bronze), Brick 7 MPA, Brickforce 150 MM 15M ROLL, Brickforce 75MM 15M ROLL, Lintel concrete 1200X110X75MM, Lintel concrete 1800X110X75MM, Lintel concrete 900X110X75MM, Ceiling Board 1200X3000X6.4MM, Door Frame Steel 813X2032X115X1MM, Lockset 2 lever, Door Hardboard Interior 813 X 2032 MM, 32.5 Cement Ohorongo, 42.5 Cement Ohorongo, Paint 20 liters

Pupkewitz Megabuild records biggest price drop among Windhoek hardware stores in October '24

In October, Pupkewitz Megabuild recorded a significant year-on-year basket decrease, standing out among the four major Windhoek hardware stores in The Brief survey.

In October 2024, Pupkewitz recorded a 15.25% decrease in its basket value compared to the same month in 2023, despite a slight month-on-month increase of 0.15%.

Key product reductions driving the year-on-year decrease include the Ceiling Board, which dropped from N$ 213.99 in October 2023 to N$ 208.99 in 2024, the Lockset Lever comparable, reduced from N$ 449.99 in 2023 to N$ 79.95 in 2024, and Paint, which saw a steep price cut from N$ 1894.99 to N$ 1099.00 during the same period.

BuiltIt also recorded a year-on-year decline of 1.55%, contrasted with a month-on-month increase of 0.84%.

Contributing to the annual decrease were the Copper Tube, which dropped from N$ 759.79 in 2023 to N$ 618.29 in 2024, and the Steel Door Frame, which decreased slightly from N$ 588.27 in October 2023 to N$ 570.57 in 2024.

In contrast, Ark Trading and BUCO both exhibited year-on-year basket increases.

Ark Trading's basket value rose by 3.96%, alongside a month-on-month increase of 7.85%.

The upward trend was driven by price increases in key products, including the Aluminium Window (Bronze), which rose from N$ 1001.24 in 2023 to N$ 1092.62 in 2024, the Interior Hardboard Door, which increased from N$ 466.08 to N$ 521.13, and the Aluminium Sliding Door (Bronze), up from N$ 2890.26 in 2023 to N$ 3005.25 in 2024.

BUCO followed a similar trend with a 2.02% year-on-year rise and a month-on-month increase of 1.97%.

Items contributing to the increase include the Aluminium Window (Bronze), up from N$ 1005.71 in 2023 to N$ 1099.00 in 2024, the Aluminium Sliding Door (Bronze), which rose from N$ 2736.71 to N$ 2849.00, and Brick Cement, which increased from N$ 2.86 to N$ 3.22 over the same period.

These trends reveal a mixed performance among the surveyed shops. Pupkewitz and BuiltIt leaned heavily on competitive pricing strategies, resulting in annual declines, with sharp price cuts on construction materials.

In contrast, Ark Trading and BUCO increased prices across key items, possibly to manage rising input costs or boost margins, suggesting different approaches to navigating the current market environment.

For October 2024, the Commodity Spotlight focuses on the Copper Tube Class O, analyzing its average price over the 16-month survey period. Pupkewitz emerged as the most affordable option, with an average price of N$575.57.

Ark Trading followed with an average

of N$629.33, while BuildIt recorded an average of N$ 660.22. BUCO had the highest average price, at N$667.49.

This survey draws data from four hardware stores: BuildIt, BUCO, Pupkewitz Megabuild, and Ark Trading. Conducted monthly by The Brief, it began in June 2023 to evaluate a basket of comparable hardware items that customers are likely to purchase each month. The survey's primary goal is to help shoppers identify which hardware wholesaler offers the most affordable basket of building materials for a given month. Additionally, the survey tracks changes in the basket to analyze both overall basket trends and individual item variations on a month-by-month and now on a year-on-year basis.

The following items are in the basket:

- Roofing Galvanized IBR
- Copper Tube 460 Class 0
- Aluminium Window (Bronze)
- Aluminium Sliding Door (Bronze)
- Brick 7 MPA
- Brickforce 150 MM 15M ROLL
- Brickforce 75MM 15M ROLL
- Lintel concrete 1200X110X75MM
- Lintel concrete 1800X110X75MM
- Lintel concrete 900X110X75MM
- Ceiling Board 1200X3000X6.4MM
- Door Frame Steel 813X2032X115X1MM
- Lockset 2 lever
- Door Hardboard Interior 813 X 2032 MM
- 32.5 Cement Ohorongo
- 42.5 Cement Ohorongo
- Paint 20 liters

Tridock targets oil and gas, mining sectors with N$13bn drydock at Walvis Bay

Tridock Shipyard Namibia (Pty) Ltd plans to construct a state-of-the-art drydock facility at Walvis Bay, with an estimated cost of up to N$13 billion (US$728 million).

According to a document seen by Mining & Energy, the project is projected to generate US$150 million (N$2.7 billion) annually in its initial years, with expectations of doubling within three years of commissioning.

The project is expected to create up to 1,000 direct jobs, with numerous indirect employment opportunities.

"As the largest drydock shipyard on the West Coast of Africa, this project will offer unparalleled capabilities, attracting clients globally and potentially becoming the premier destination for maritime operations in the region. The project will stimulate local employment, trade and economic growth, making a substantial contribution to Namibia's development," the document says.

The project is expected to be operational by 2031 and will occupy a 65-hectare site, operating 24 hours a day, seven days a week.

"The facility will be designed to attract marine traffic by leveraging its advanced capabilities. It will feature a vast shipyard footprint spanning 65 hectares, operating 24 hours a day in three 8-hour shifts, seven days a week throughout the year," the document states.

A market study was conducted in 2023 to assess vessel traffic along the south-western coast of Africa.

The study indicated a mid-case total annual potential of 188 vessel repairs, including 85 commercial fleet vessels of 200 meters in length overall (LOA) or smaller and 91 commercial fleet vessels between 200-300 meters LOA.

The construction is scheduled to commence in 2026, with the drydock expected to accommodate vessels up to 300 meters in length and 50 meters in beam.

Furthermore, the facility will cater to offshore oil rigs, dredgers, and large offshore mining vessels, which often travel to South Africa for major repairs.

The primary objective of the project is to position the shipyard as an attractive option for commercial fleets, including locally bound vessels such as anchor handling tugs, platform supply vessels, workboats, and crew vessels.

"The project will also appeal to offshore oil rigs, dredgers, and large offshore mining vessels, which must often travel to South Africa, Cape Town, for major ship repairs, including Debmarine's fleet, which is currently serviced outside of Namibia," said the report.

Environmental Impact Assessments for the project are underway.

- mioningandenergy.com.na

Understanding the nexus between Namibia's green hydrogen aspirations and its emerging oil and gas sector

By Mutindi Lydia Jacobs

Namibia is carving a unique path in the global energy landscape, poised to become a leader in green hydrogen production while simultaneously developing its oil and gas sector. This energy mix approach transcends a mere balancing act, but rather embodies a strategic alignment that capitalizes on the nation's abundant natural resources, geographical advantages, and dedication to sustainable development.

The concept of a hybrid energy model is not novel on a global scale, with nations such as the United Arab Emirates (UAE), Canada and Australia actively engaged in oil production while simultaneously promoting green hydrogen as an alternative energy source. An energy mix approach aims to diversify the sources of energy generation to enhance energy security, promote sustainability, and mitigate risks associated with relying heavily on a single energy source. By incorporating various forms of energy such as fossil fuels and renewable energy sources, Namibia can achieve a more balanced and resilient energy system.

"The concept of a hybrid energy model is not novel on a global scale, with nations such as the United Arab Emirates (UAE), Canada and Australia actively engaged in oil production while simultaneously promoting green hydrogen as an alternative energy source.

Namibia's Green Hydrogen Potential

Namibia has gained international attention for its ambitious National Green Hydrogen Strategy of 2022, which aims to harness the country's unique mix of wind and solar resources to provide a stable supply of low-cost, clean power for hydrogen production. The vision is to establish a green hydrogen production hub that can supply both domestic needs and export markets. Namibia aspires to produce up to 300,000 tons of green hydrogen annually by 2040, targeting Europe and Asia, which are increasingly shifting towards hydrogen as a clean energy source.

Beyond green hydrogen itself, Namibia is positioning itself to produce and export hydrogen derivatives such as ammonia, methanol, synthetic kerosene, and hot-briquetted iron. The sector is expected to attract significant foreign investment and create thousands of jobs, contributing to the country's economic diversification and expanding its energy mix.

The Emerging Oil and Gas Sector

Concurrently, the oil and gas industry in Namibia is experiencing significant growth, propelled by recent discoveries of offshore reserves in the Orange Basin. Although the country has yet to commence production of oil or gas, major industry players such as TotalEnergies and Shell have reported findings that are estimated to contain approximately 2.6 billion barrels of oil along with the validation of an operational petroleum system onshore by Reconnaissance Energy Namibia.

Synergies Between Green Hydrogen and Oil & Gas

The emergence of both the fossil fuel and green hydrogen sectors in Namibia raises pertinent questions regarding the potential conflicts between renewable and non-renewable energy sources. While some scholars contend that the extraction of oil and gas and green hydrogen production is inherently contradictory, I posit that these two sectors can indeed complement each other through meticulous strategic planning and targeted investment initiatives. The potential for both green hydrogen and fossil fuels to be employed in a variety of applications, such as electricity generation, heating, and the propulsion of vehicles and industrial processes, indicates a significant nexus between these two energy sources:

1. Common user infrastructure (CUI): By sharing infrastructure like pipelines and ports, which serve both green hydrogen and oil and gas, the sectors can reduce costs, enhance competition, and minimize redundancy in infrastructure development. This shared use of physical assets yields benefits not only for industrial stakeholders but also for local communities and the government. Additionally, it contributes to the reduction of land use, thereby safeguarding the environment.

2. Financial Resources and Investment Diversification: The revenues derived from fossil fuel exports may be reinvested into the advancement of green hydrogen technologies and associated infrastructure. Oil and gas companies typically have substantial financial resources, which can be leveraged to invest in green hydrogen projects. Their established capital markets access allows them to fund large-scale renewable energy projects necessary for green hydrogen production. By investing in electrolyzers powered by renewable energy sources, oil and gas companies can diversify their portfolios while contributing to decarbonization efforts.

3. Carbon Capture and Storage (CCS): Oil and gas companies have expertise in carbon capture, utilization, and storage (CCUS) technologies, which are crucial for producing blue hydrogen (hydrogen produced from fossil fuels with captured carbon emissions). This expertise could support Namibia's transition to green hydrogen by minimizing emissions during production.

4. Job Creation: Both sectors have the potential to create significant employment opportunities. While oil and gas projects can offer immediate job prospects, the green hydrogen sector promises long-term jobs in renewable energy, technology, and innovation. A skilled workforce trained in both sectors could ensure that Namibia meets its energy demands while fostering sustainable development.

5. Research and Development Synergies: The collaboration between the oil and gas industry and green hydrogen initiatives may promote innovation through collaborative research and development activities. The technical proficiency of oil companies in refining processes can significantly improve the efficiency of electrolyzers utilized in the production of green hydrogen.

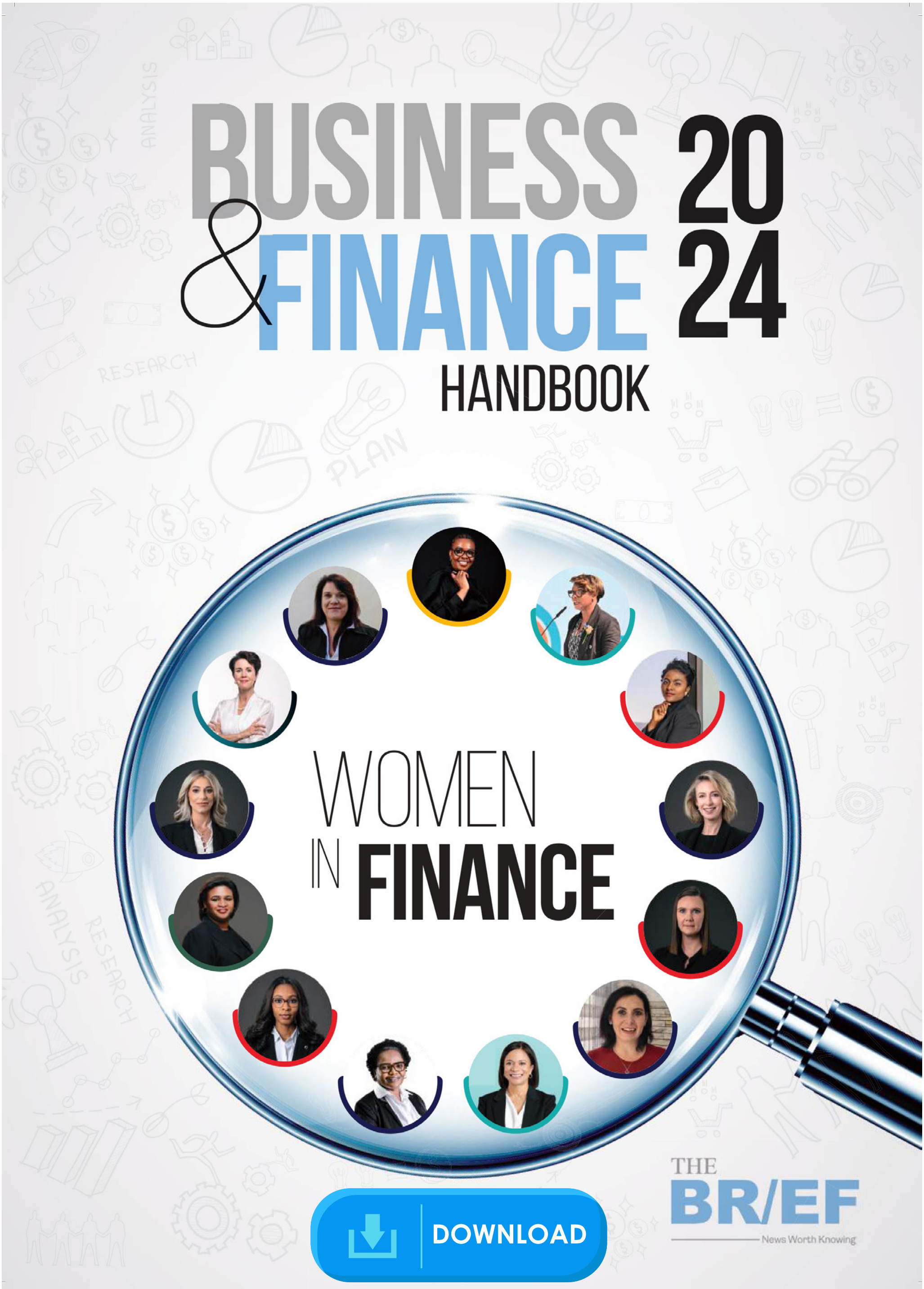
6. Regulatory Support and Energy Transition Strategy: Governments worldwide are implementing policies aimed at promoting clean energy transitions, including incentives for green hydrogen production. Oil and gas companies can benefit from these regulatory frameworks as they pivot towards greener alternatives while still leveraging their existing operations. Namibia has the potential to implement a transitional energy strategy that facilitates the gradual reduction of fossil fuel reliance while simultaneously increasing the production of renewable energy sources. This method not only alleviates possible opposition from environmental organizations but also establishes Namibia as an innovative nation dedicated to harmonizing economic development with sustainability.

Challenges Ahead

Notwithstanding the potential synergies between green hydrogen and oil and gas production, Namibia may still encounter significantobstaclesinachievingitsdualenergy objectives. These include environmental impact concerns, technological inefficiencies, economic viability concerns and integration complexities. The establishment of a coherent regulatory framework that interrogates these complexities and supports both sectors without compromising environmental standards is therefore paramount. Furthermore, it would be judicious for the government to adeptly navigate the dynamics of international markets, ensuring that investments in the oil and gas sector do not eclipse the pressing requirement for green initiatives.

The nexus between oil and gas and green hydrogen industries is evident in government policy which aims to optimize the advantages derived from its oil and gas discoveries while simultaneously ensuring that such endeavors do not jeopardize future sustainability, by promoting investments in renewable green hydrogen. The Honourable Mr. Tom Alweendo, Minister of Mines and Energy, has articulated Namibia's stance as one that supports a hybrid energy model. This model seeks to integrate both fossil fuels and green hydrogen, thereby promoting a balanced and sustainable energy portfolio. The deployment of these resources is intended to facilitate the development of Namibia for the benefit of its citizens, with a particular focus on fostering an equitable and sustainable future for all.

Mutindi Lydia Jacobs - Chief Legal Officer at the Directorate Law Reform-Ministry of Justice and GH Legislative Focal Person. I am also an Advisory Board Member of the Namibian Youth Energy Forum.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Compagnie Maritime Belge's JV with O&L to produce hydrogen in Namibia by 2025

Cleanergy Solutions Namibia (Cleanergy) is on track to begin local green hydrogen production early next year, following the anticipated arrival of the final piece of equipment by the end of 2024, said a member of the company's committee, Eike Krafft

Cleanergy is a joint venture between the Ohlthaver & List (O&L) Group and Belgian shipping company, Compagnie Maritime Belge using its CMB TECH unit.

According to Krafft, after facing delays in the supply of critical components, particularly the electrolysers, the project is now moving forward. The electrolyser, ordered in 2022, is essential for converting renewable energy into hydrogen, and while part of it has arrived, the remainder is expected by year-end.

"We will be producing it from early next year. The last bit of equipment arrives at the end of the year. We have some time in the New Year to commission it, then we can produce local hydrogen," he said

He further explained that once all equipment is in place, the hydrogen plant will undergo commissioning in early 2025.

In preparation, a mobile refueller is already in operation, enabling the transport of hydrogen to locations that cannot access the production facility directly. Discussions are also underway with Namport and European companies to explore potential uses of hydrogen, including in shipping, aviation and heavy-duty transport.

"We have the ability with our mobile refueller to take hydrogen to the port or to transport it wherever there's an application which can't come here," he said

Krafft also said the investment for the initial phase of the project totalled just under €30 million, approximately N$600 million, with around 30% of the funding sourced from the German government through the ministry for research and integration.

"The investment has been just under €30 million, equivalent to about N$600 million," he said.

He also explained that the commercial production of hydrogen and the ammonia factory is a significant project, valued at N$190 billion (N$10 billion).

Upon completion, the project will enable Cleanergy to refuel large ships docking at Walvis Bay, a strategic location on the route around southern Africa.

Compagnie Maritime Belge, founded in 1895 and controlled by the Saverys family, will be venturing outside Belgium for the first time with this project.

Their existing facility in Belgium is much smaller compared to the undertaking in Namibia.

This comes as green hydrogen is being touted globally as a vital carrier of non-fossil energy at a time when developed countries are trying to decarbonise their industries and guide economies towards a greener energy future.

-miningandenergy.com.na

Is this million-N$ bakkie worth its weight?

By Max Lodewyk

Pupkewitz GWM recently unveiled its flagship GWM P500 bakkie, marking a significant milestone as Great Wall Motors' (GWM) first entry into the million-dollar bakkie segment.

> "The P500 is available with two engine options: a 2.4-liter turbo-diesel and a 2.0-liter hybrid electric vehicle (HEV) variant.

Competing in a Crowded Market

The GWM P500 enters a fiercely competitive market dominated by established models such as the Toyota Hilux, Ford Ranger, Volkswagen Amarok, and the Isuzu D-Max. Notably, the P500 stands out with its impressive dimensions, measuring about 5.4 meters in length and 1.9 meters in width, making it larger than most bakkies available locally. Its substantial size is a striking feature that potential buyers will appreciate upon seeing it in person.

Engine Performance and Efficiency

The P500 is available with two engine options: a 2.4-liter turbo-diesel and a 2.0-liter hybrid electric vehicle (HEV) variant. The diesel engine produces 135 kW and 480 Nm of torque, while the HEV variant boasts an impressive output of 255 kW and 648 Nm of torque, surpassing any other 2.0-liter bakkie currently on the market. The hybrid model claims a fuel consumption rate of 9.8 liters per 100 kilometers, paired with a 9 speed automatic transmission that enhances driving comfort and efficiency.

Striking Exterior Features

The P500's exterior is adorned with chrome accents that appeal to those who appreciate to stand out. Key design elements include a robust front bumper, prominent LED headlights, and fog lights. It comes standard with 18-inch wheels, which might appear small relative to the vehicle's large wheel arches. A unique feature is its 40:60 split tailgate, enhancing functionality for various loading needs.

Interior Comfort and Technology

Inside, GWM has prioritized comfort and technology. The P500 features a standard 12.3-inch touchscreen display, upgraded to 14 inches in the HEV variant. Standard amenities include Apple CarPlay, Android Auto, a 360-degree camera system, six speakers with an integrated amplifier for superior sound quality, parking sensors, and keyless entry. Higher trim levels offer additional luxuries like electronic diff locks for off-road capabilities, heated seats with massage functions, panoramic sunroofs, and ambient lighting.

Safety First

Safety is another area where the P500 excels. It includes multiple airbags (front, center, side, and curtain), adaptive cruise control, trailer sway mitigation, lane-keeping assist features, front collision warnings, automatic emergency braking systems and pedestrian safety assists.

Warranty and Pricing Considerations

The GWM P500 comes with a five-year/75,000 km service plan and an impressive seven-year/200,000 km warranty. The hybrid battery is covered for eight years/150,000 km. Pricing for the GWM P500 starts from N$818,900 and tops out at N$1,016,900 for the HEV variant. While the GWM P500 presents itself as a formidable contender in the Namibian bakkie market with its size, performance capabilities, advanced technology features, and safety offerings, potential buyers must weigh these attributes against their budget and preferences. As the industry evolves toward higher asking prices for bakkies, consumers are left to ponder: Is this new offering from GWM worth the investment?

***Max Lodewyk is a motoring enthusiast.**

Youtube: maxlodewyk_na

Tiktok: maxlodewyk_na

How adhering to licensing conditions and reporting timelines drives success in telecommunication and broadcasting

By Lovisa Isak

> At the heart of every successful telecommunication or broadcasting service lies a legal structure built on adherence to regulatory frameworks.

In the ever-evolving landscape of telecommunications and broadcasting, compliance is not just a regulatory requirement, it is also the bedrock of long- term success.

While licensing conditions and compliance procedures might seem like mere formalities to companies in these industries, they are, in fact, essential safeguards that protect the integrity of services and can set apart licensees in either thriving in a competitive market or facing steep penalties, service disruptions, and reputational damage. Thus, this article explores why compliance with licensing conditions, especially reporting timelines, is so crucial for telecommunications and broadcasting services. More importantly, this article demonstrates how regulatory adherence is not just a box to check off exercise, but rather an essential strategy for building a sustainable business in these dynamic industries.

In this regard, whether it is ensuring that consumers have uninterrupted access to services, or that companies remain competitive in a crowded market, compliance and adherence to licensing requirements serve as the backbone of the industry. In the same vein, when licensees prioritise and embrace licensing requirements the ripple effect is infinite, to a seamless licensing process and consequently a healthier business environment where success is more guaranteed to follow.

The Role of Licensing in Telecommunications and Broadcasting

At the heart of every successful telecommunication or broadcasting service lies a legal structure built on adherence to regulatory frameworks. It is for this reason that licensing of telecommunications and broadcasting services plays a dual role. On the one hand, it is a safekeeping mechanism that ensures that only qualified and authorised companies are allowed to operate and on the other hand, it provides the legal framework within which these companies must operate, ensuring that operators conduct their businesses in a manner that benefits consumers and fosters fair competition.

The Communications Regulatory Authority of Namibia (CRAN) is empowered in terms of the Communications Act, 2009 (No. 8 of 2009) and applicable regulatory frameworks to ensure that telcos and broadcasters meet specific legal, technical and operational standards. On issuance of the service license, these standards are set out as conditions of the license including requirements on quality of service, network expansion, consumer protection, and often, corporate transparency standards. Whereas, CRAN has a duty to oversee compliance of these regulatory requirements there is dual obligation alike for licensee to know, understand and adhere to these requirements in accordance with their licenses. However, while meeting these conditions is the first step, continuous compliance with these regulations, especially in terms of regular and timely reporting, is crucial for maintaining the license and averting penalties or service disruptions.

Hence, without proper adherence to these licensing conditions, companies risk more than just financial penalties, they could lose their license to operate, or in severe cases, face legal action. It is for this reason that licensees must view licensing as a living, ongoing process, rather than a one-time event.

The Importance of Timely Reporting

Central to compliance is the responsibility of licensees to submit timely reports to CRAN. Reporting timelines are a fundamental part of the licensing process, providing the Authority with critical information about the licensee's operations, financial health, and the quality of service. Whether it is reporting on technical performance, customer complaints, or financial audits, these timelines ensure that CRAN can keep track of whether the licensee is adhering to the terms of the license and maintaining the necessary standards. Therefore, timely reporting allows for proactive regulation, since CRAN relies on the accurate and timely data to identify issues such as network congestion, service outages, or financial instability to ensure delivery of its mandate.

Additionally, licensees that meet reporting timelines demonstrate a commitment to transparency and operational efficiency which fosters trust and bolsters its reputation in the eyes of consumers, investors, and CRAN.

Similarly, CRAN mandates that all

telecommunications and broadcasting licensees submit designated reports, annual financial statements, and annual returns. In alignment with these regulatory requirements, licensees are also obligated to pay their annual license fees, as well as regulatory and spectrum fees. To reinforce this framework, CRAN published the Regulations Prescribing Regulations on Reporting Obligations for Licensees in terms of General Notice No. 24 of Government Gazette No. 7445 dated 01 February 2021, prescribing the reporting requirements and obligations for broadcasting and telecommunications licensees. Furthermore, CRAN has implemented clear regulations regarding license fees and regulatory levies, which constitute part of the compliance obligations for licensees. These regulations also stipulate penalties for failure to comply with reporting deadlines, in accordance with sections 114, 115, and 116 of the Communications Act, along with the relevant penalty regulations.

Compliance as a Strategic Business Advantage

For licensees seeking to build a long-term and sustainable business, regulatory compliance is not a bureaucratic hoop to jump through but a strategic advantage that drives growth, credibility, and operational stability.

In this instance, companies that prioritise adherence to licensing conditions and reporting requirements are less likely to experience disruptions in their operations. Moreover, maintaining a solid compliance record reduces the likelihood of fines, legal issues, and reputational damage, all of which can negatively impact a business's profitability.

In addition to averting penalties, compliance can also stimulate innovation. Numerous licensing conditions in the telecommunications and broadcasting sectors encourage or mandate companies to invest in advanced technologies, such as the implementation of high-speed broadband or next- generation broadcasting equipment. Adhering to these conditions can drive companies to innovate, enhance their infrastructure, and elevate their services, thereby providing them with a competitive advantage in the marketplace.

Best Practices for Ensuring Compliance

To mitigate the risks associated with non-compliance, licensees must establish robust compliance programs that emphasise adherence to licensing conditions and

> At the heart of every successful telecommunication or broadcasting service lies a legal structure built on adherence to regulatory frameworks. It is for this reason that licensing of telecommunications and broadcasting services plays a dual role.

reporting requirements. The following best practices are recommended:

☐ Maintain a Proactive Approach: Telecoms and Broadcasters should anticipate regulatory changes and proactively adjust their operations accordingly. This involves staying informed about the latest changes in licensing conditions and reporting deadlines.

☐ Invest in Compliance Systems: Automating the reporting process can ensure that deadlines are consistently met. Furthermore, investing in compliance management systems can facilitate the monitoring of adherence to licensing conditions and identify potential issues before they escalate.

☐ Cultivate a Culture of Compliance: Compliance should be regarded as a collective responsibility within the organisation. It is essential that all employees, from executive leadership to operational staff, comprehend the significance of adhering to regulatory requirements.

☐ Conduct Regular Audits: Implementing internal audits can help pinpoint areas where the licensee may not meet regulatory expectations. This proactive measure allows for timely corrections before incurring penalties.

Conclusion

In the highly competitive realms of telecommunications and broadcasting, licensees that prioritise compliance tend to achieve greater success. By adhering to licensing conditions, meeting reporting deadlines, and focusing on regulatory requirements, licensees not only avert penalties and operational disruptions but also establish a foundation for sustained success. Compliance transcends mere rule-following; it fosters a culture of accountability, client centric, transparency, and innovation that benefits both the organisation and its consumers, overall.

Conclusively, as regulatory oversight intensifies and consumer expectations rise, companies that perceive compliance as a strategic advantage are more likely to flourish. By embracing the licensing process and adhering to established timelines, organisations can reap the rewards of a compliant, sustainable, and prosperous operation.

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SIMONIS STORM

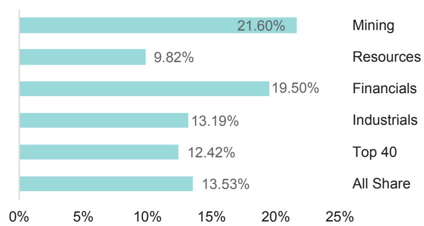
Enriching Generations

FINANCIAL MARKET MONITOR

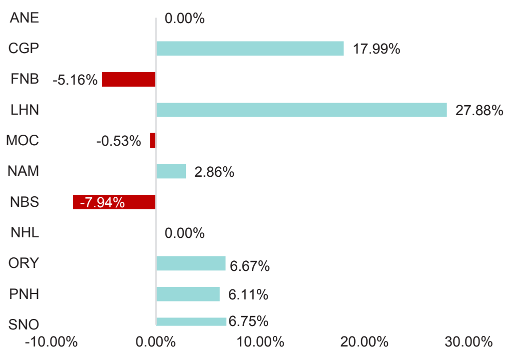
Commodities	
Spot Gold	2735.70
Platinum	1011.16
Palladium	1056.70
Silver	33.94
Uranium	83.00
Brent Crude	73.96
Iron Ore	92.89
Copper	9553.03
Natural Gas	2.31
Lithium	10.45

Currencies	
USD/ZAR	17.5956
EUR/ZAR	19.0744
GBP/ZAR	22.8936
USD/CNY	7.1133
EUR/USD	1.0841
GBP/USD	1.3011
USD/RUB	96.4697
CPI	3.40%
Repo Rate	7.25%
Prime Rate	11.00%

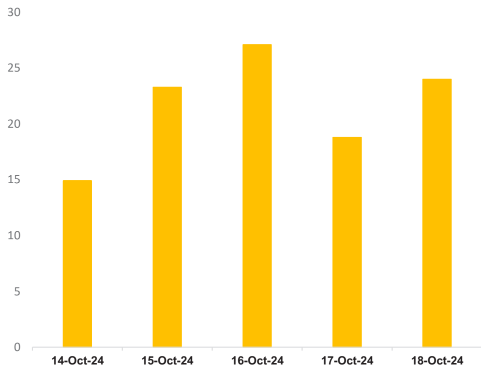
JSE Sectors: Year to Date in %



NSX Local Stocks: Year to Date in %



JSE ALL SHARE VALUE TRADED (ZAR BILLIONS)



Global Indices: Year to Date in %