

NAMIBIA

Namibia is a young, large, hot, and mostly dry country with massive mineral and other natural resources. Its small population of about two million people is clustered mostly in a few large towns and along the northern border with Angola. Socio-



Namibia's capital, Windhoek, is a modern, growing city catering to both international business and the tourist trade.

politically speaking, Namibia operates one of the most modern and progressive constitutions in the world and is known for its political stability and openness. Its economy is robust and growing, its fiscal direction is predictable, its infrastructure is well developed and acts as a gateway to Southern Africa, and recent government efforts to foster economic diversification and foreign investment are bearing fruit. Namibia, by all accounts, has made the right choices since independence in 1990.

Emphasis is currently being placed on export manufacturing, mining, and tourism, and it is hoped the maturing Namibian Stock Exchange will spark increased investment in commercialized state enterprises and new issues. These sectors should produce more formal sector employment and provide the long-term foundation for sustained economic growth. They also offer exceptional opportunities.

Mining is of particular importance. Though in

relative terms a sector in decline, the mining sector historically has been and currently is the lifeblood of Namibia's economy and is the fifth largest in Africa. Mining contributes approximately 13% of GDP, 11% of tax earnings, and 50% of export earnings.

Buttressed by diamonds and uranium, production includes copper, gold, silver, zinc, and other minerals and semi-precious stones. Since the mid-1990s, exploration for new resources has achieved a fever pitch as part of a global re-discovery of Africa's potential. From 135 exploration licenses in 1995, the Ministry of Mines and Energy in mid-1997 boasted 385 issued or pending exploration licenses, with about 20 new applications arriving every month! New staff and a computerized title management system have been put in place to handle this dramatic increase. However, the government is keenly aware of mining's limited capacity to produce employment opportunities without related beneficiation activities.

Without a permanent diplomatic office since the embassy closed in 1992, Canada is not a major player in Namibia, but neither is Canada a stranger. It actively participated in the process that led to independence and then contributed soldiers,

police, and observers to the United Nations Transitional Assistance Group that supervised the first elections and the handover from South African administration to the newly elected government of the South West African Peoples Organization. The new CABSA programme of the Alliance of Manufacturers and Exporters Canada (see the CABSA profile on the inside back cover) maintains a Namibia office, and OXFAM Canada is well established, with an office in Windhoek supporting their CANAMCO activities in the northern Kavango region. A small number of Canadian companies have discovered Namibia and have either committed resources, as Ranger Oil and Namibian Minerals Corporation have done, or have just begun to examine opportunities there.

Investment Promotion, Incentives, & Privatization

Namibia became independent under rather unique circumstances and inherited an economy integrated