

Namibia:
The New Manufacturing, Testing and Export Platform for
Automotive Companies Serving the Dynamic Southern
African and International Markets



Namibia Investment Centre

2015

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Introduction:

Namibia - The New Automotive Manufacturing, Testing and Export Platform

Situated on the Atlantic shore of southern Africa, Namibia has caught the eye of investors from the automotive industry. Automotive companies find optimal conditions not only for testing, but also as a new platform for manufacturing and exporting:



Manufacturing

The combination of proximity to a regional network of OEMs and suppliers, the productive workforce in a cost-competitive environment with a broad set of incentives and state-of-the-art industrial parks make Namibia an ideal place for automotive manufacturing.

Testing

Ideal climatic conditions combine with low visibility in remote but well-serviced areas and an outstanding transport network to form the perfect environment for automotive heat testing.

Exporting

Export oriented companies will find Namibia the perfect logistics hub with world class facilities at the Port of Walvis Bay, preferential access to strategic markets and fast transit times to and from Europe and the Americas as well as into the southern African market.

Top reasons to invest in Namibia: Dynamic regional eco-system of OEMs, suppliers and specialized service providers

Namibia is integrated into Africa's leading automotive region:

- large supplier networks serving 20 OEMs of producing passenger cars as well as light, medium and heavy commercial vehicles.
- growing base of metal component suppliers, exporting to OEMs in the EU and serving the regional off-road market
- several automotive clusters, including Gauteng, the largest in southern Africa, in close proximity to Namibia

Selected OEMs in the region:

BMW
Mercedes Benz
Ford
General Motors
Nissan
Toyota
Volkswagen

Number of automotive component manufacturers within the region:

360

About **600,000**
vehicles have been
produced in the region in
2014.

Top reasons to invest in Namibia:

Winning combination of strategic location, first class infrastructure, and preferential access to key markets

Namibia offers a strategic location and outstanding transport infrastructure for automotive companies seeking to integrate into the dynamic regional eco-system or looking for an export platform to serve the overseas markets:

- fast and easy overseas transit via the Port of Walvis Bay
- integrated regional network of well-tarred roads
- daily direct flight connections to and from EU

Distances and delivery times via the Walvis Bay Corridors

Botswana	Gaborone	1,366 km	2 days
South Africa	Johannesburg	1,900 km	2 days
Angola	Lubango	1,551 km	4 days
Zambia	Livingstone	1,565 km	3 days
Zimbabwe	Harare	2,515 km	4 days
DRC	Lubumbashi	2,690 km	4–5 days



Top reasons to invest in Namibia:

Winning combination of strategic location, first class infrastructure, and preferential access to key markets

The Port of Walvis Bay is a natural gateway for international trade to and from the southern African region, providing direct access to principal shipping routes and fast transit between southern Africa, Europe and the Americas.

- shipping time advantage to EU of 6 days compared to the Port of Durban
- no delays or congestion as opposed to most southern African ports
- fast and internationally competitive turnaround times

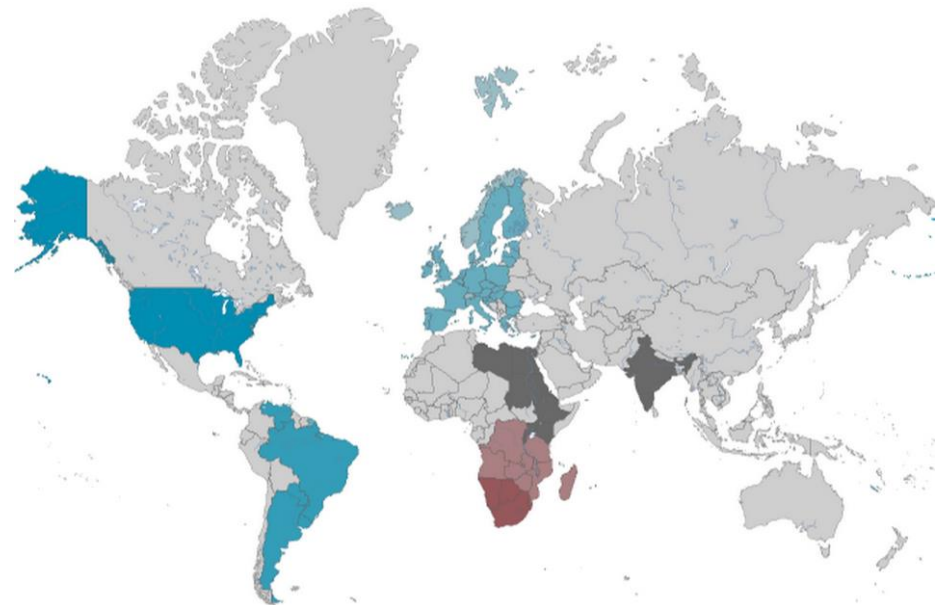


Top reasons to invest in Namibia:

Winning combination of strategic location, first class infrastructure, and preferential access to key markets

Automotive exports produced in Namibia enjoy duty free or preferential access to the southern African region, Europe, as well as the US and some of the largest economies in South America:

- duty free access to South Africa, Botswana, Lesotho, and Swaziland (SACU)
- free trade agreements with SADC the EU as well as Iceland, Lichtenstein, Norway and Switzerland
- preferential access to the US and Mercosur common market



Top reasons to invest in Namibia:

Dedicated automotive park in Walvis Bay to start operations immediately

Amongst other available automotive facilities, the brand new !Nara Namib estate, located near the Port of Walvis Bay, has been designed to suit the specific needs of the industry:

- customisable state-of-the-art production facilities
- rental units are flexible in size starting at 800-2400m² and can be combined and expand as needed
- A logistics centre as well as a service and training centre are part of the development plan for the 18 ha estate
- broad portfolio of further production sites suitable for the automotive industry in Namibia



Top reasons to invest in Namibia: Optimal conditions for automotive testing

Namibia is becoming a preferred location for automotive testing in hot, dry and sunny conditions:

- road network, 7,000 km of tarred and 37,000 km of high quality gravel roads, regarded as one of the best on the continent
- low population and traffic density allowing to accumulate mileage quickly, safely and at low visibility
- sea level and high altitude road systems in close proximity of one another
- competitive costs and a public administration knowing the needs of the test teams very well

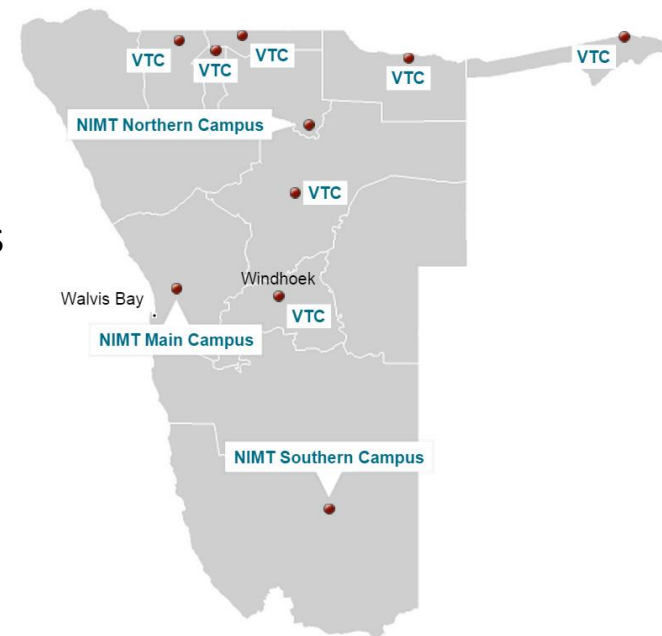


Top reasons to invest in Namibia: Productive labour force and training support

The Namibia Institute of Mining and Technology (NIMT) as well as the Namibia Training Authority (NTA) offer vocational education and training courses tailored to the automotive industry:

- NIMT specialized in engineering trades with strong relevance for the automotive industry
- 7 Vocational Training Centres (VTCs) operated by NTA offer a broader spectrum of courses
- strong focus on direct engagement with the industries to align, optimize and specialize training programmes
- 200 graduates at Polytechnic of Namibia School of Engineering annually

Location of VET Institutions in Namibia



Top reasons to invest in Namibia: Competitive labour costs and stable labour relations

Labour costs in Namibia are competitive on a regional and international scale and labour relations are stable and void of prolonged and disruptive conflicts:

- labour costs for workers in the Namibian automotive industry ranging between 250 and 300 Euros
- cost structure in Namibia compares favourably with automotive clusters on the regional and international scale
- strikes and labour disputes are rare and usually mediated and settled swiftly



Top reasons to invest in Namibia: Stable and cost-competitive power supply

In Namibia, investors can rely on efficient and cost-competitive utility supply:

- no constraints or disruptions due to unstable power supply
- Namibia ranks second in the southern African region for “Getting Electricity” in the World Bank Ease of Doing Business Report
- a new combined cycle turbine gas power station with a capacity of 800MW will be in commission by the end of 2018



World Bank Ease of Doing Business: Getting Electricity in the SADC Region

1. Mauritius	9. Zimbabwe
2. Namibia	10. Angola
3. Tanzania	11. South Africa
4. Botswana	12. Mozambique
5. Lesotho	13. DRC
6. Zambia	14. Malawi
7. Seychelles	15. Madagascar
8. Swaziland	

Top reasons to invest in Namibia: Generous incentives in particular for export-oriented operations

Namibia offers an attractive set of incentives to investors from the automotive industry. Especially export-oriented automotive manufacturers benefit from the generous incentives offered under the Export Processing Zone (EPZ) scheme:

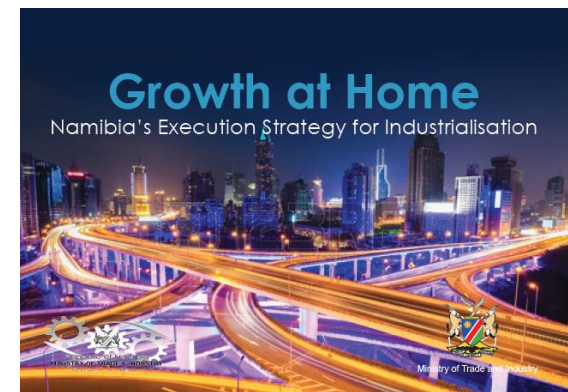
- exemption from corporate tax, import tax as well as value added tax for 10 years under EPZ status
- EPZ status is independent of the specific factory location within the country
- no minimum nor maximum production unit requirements to qualify for incentives
- further incentive schemes are available to support your specific needs



Top reasons to invest in Namibia: Strong and industry-friendly investment climate

Prospective investors are reassured by Namibia's track-record of political stability and strong economic growth and the government's commitment to industrial development:

- automotive industry is a priority sector of Namibia's Execution Strategy for Industrialization "Growth at Home"
- strong macroeconomic environment, including an estimated GDP growth of 6.1% in 2014 and a projected 5.9% increase for 2015
- top ranks amongst African countries with respect to both the industrialization level and industrial growth performance as measured by UNIDO
- liberal foreign investment conditions and equal treatment of local and foreign investors established with Foreign Investment Act of 1990



Top reasons to invest in Namibia: High quality of life and social stability

Growing prosperity and the perpetually high level of safety and stability make Namibia a great place to live:

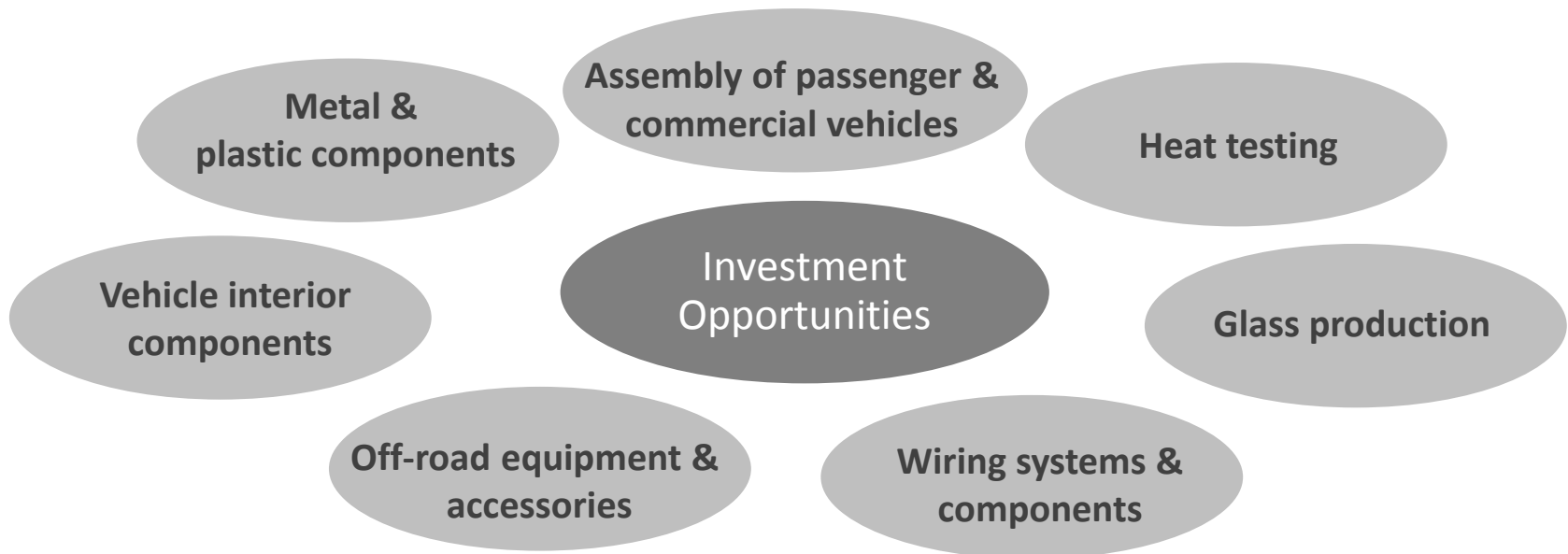
- enjoy the rich culture and beautiful nature, while resting assured that all necessities and comforts of modern day life are covered to the fullest extent
- outstanding health care services, five international schools, a broad spectrum of retailers of all categories as well as first-class dining facilities
- placing 18th, Namibia is the highest ranking African country on the *Press Freedom Index*
- consolidation of democracy and social and economic development in Namibia led to the award of Ibrahim prize for Achievement in African Leadership to former President Pohamba in 2014



Track record and investment opportunities

Namibia received the award for the Best Investment Programme in Sub-Saharan Africa at the Dubai Annual Investment Meeting (AIM) in 2014, recognizing Namibia's track record of attracting foreign investment.

- Recent major projects include Ohorongo Cement / Schwenk Group and SABMiller
- For the automotive industry, Namibia offers a wide range of profitable investment opportunities in particular for export-oriented operations in areas, such as:



Investment facilitation and after-care services

The NIC Namibia Investment Centre is the prime source of information and assistance for investors.

Your dedicated project manager at NIC will provide you with industry and investment specific information and tailor made support comprising the following areas:

Site preselection and visits

Finding suppliers and
service providers

Financing and incentives

Fast-tracking
administrative processes

After-Care

Namibia at a Glance

Capital City:	Windhoek
Population:	2,3 Million
Total Area:	824 292 km ²
Independence:	21. March 1990
Official Language:	English
Currency:	Namibian Dollar (N\$); pegged with South African Rand at par
Exchange Rate (2013 average):	1 Euro = 12.953 N\$; 1 US\$ = 9.769 N\$
GDP (2013, current US\$):	13,1 Billion
GDP growth (2013):	5.1%
Unemployment Rate (2014):	28%
Time Zone:	GMT +1 (West Africa Time) / GMT +2 (West Africa Summer Time)

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