



# namBiC

NAMIBIAN BUSINESS AND INVESTMENT CLIMATE SURVEY



## The Namibian Business and Investment Climate (**namBiC**) Survey **2013**

### Some highlights of the Hardap and !Karas regions

Presented by  
**Klaus Schade (IPPR)**

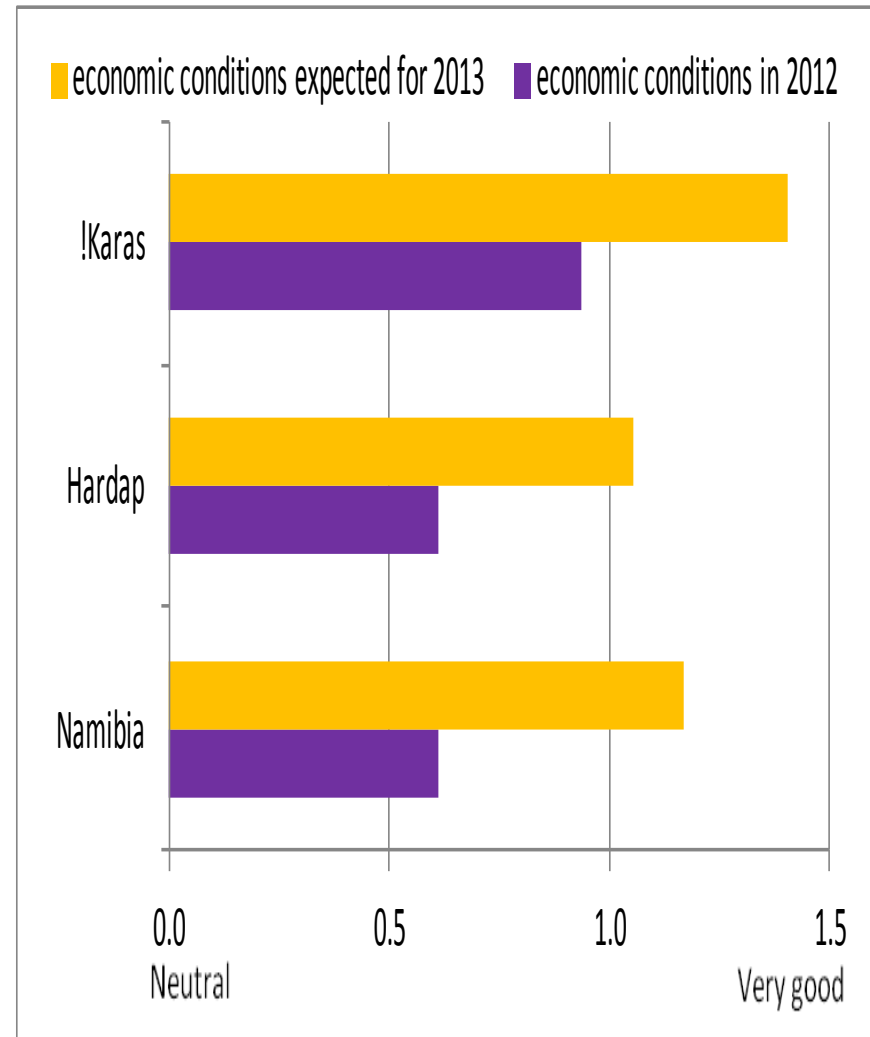


### namBiC 2013...

- Fourth consecutive annual survey capturing perceptions of business people in Namibia concerning the business and investment climate.
- Nation-wide survey covering all economic sectors and regions. Substantially higher response rate allowed for regional analysis of most questions.
- Interviews of 200 informal (face-to-face) and 463 formal businesses during October 2012 (telephonically) out of a sample of 800 formal businesses. **Hardap and !Karas**: 50 responses out of sample of 68 formal businesses (74%).
- Guided by a Steering Committee consisting of NCCI, NMA, IPPR and GIZ, and funded by GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).
- Questionnaire design and data analysis carried out by the Institute for Public Policy Research (IPPR).
- Survey conducted by Business Intelligence Africa.

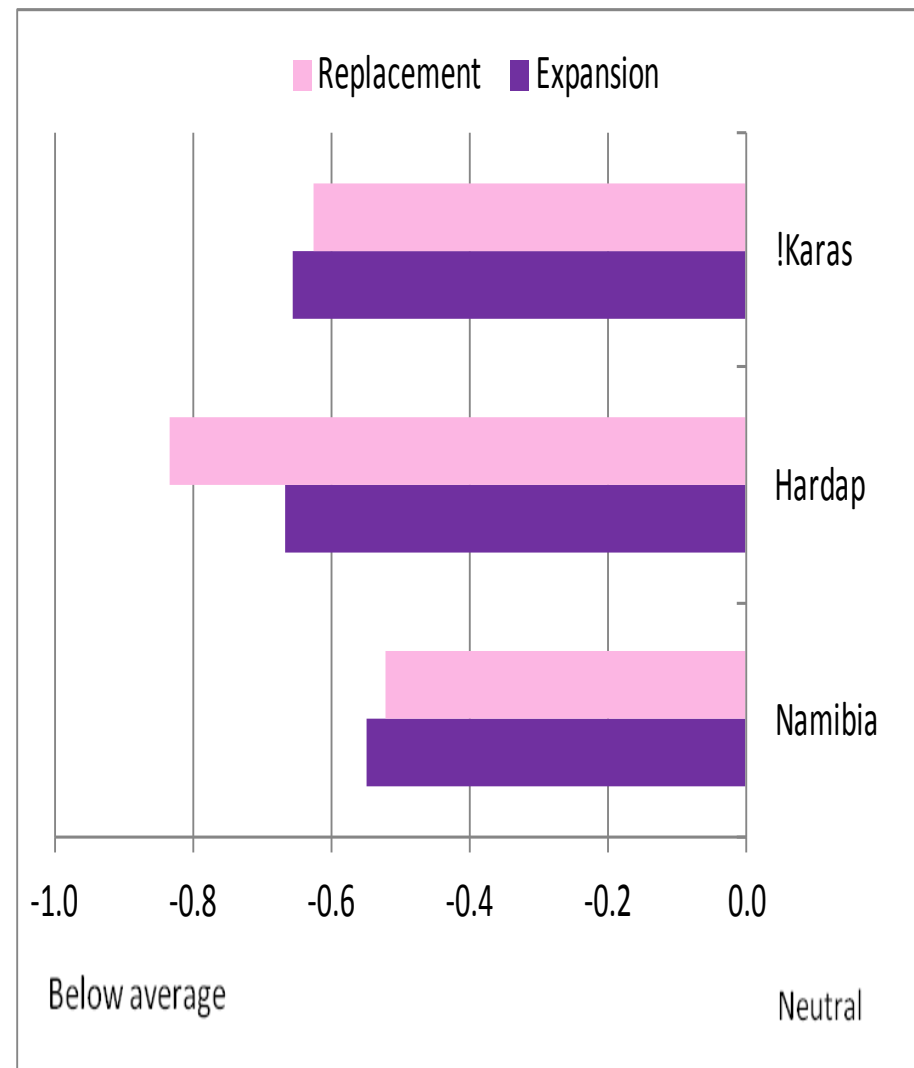
## General economic conditions

- Businesses in **!Karas** more optimistic than in Namibia at large and in Hardap.
- Contrary to global economic prospects, Namibian businesses in general rated the **business conditions in 2012 more positively** than in 2011 and are even **upbeat about prospects for 2013**.
- **Overall rating** influenced by **size** with **large and medium businesses** more **optimistic** than small and micro enterprises.



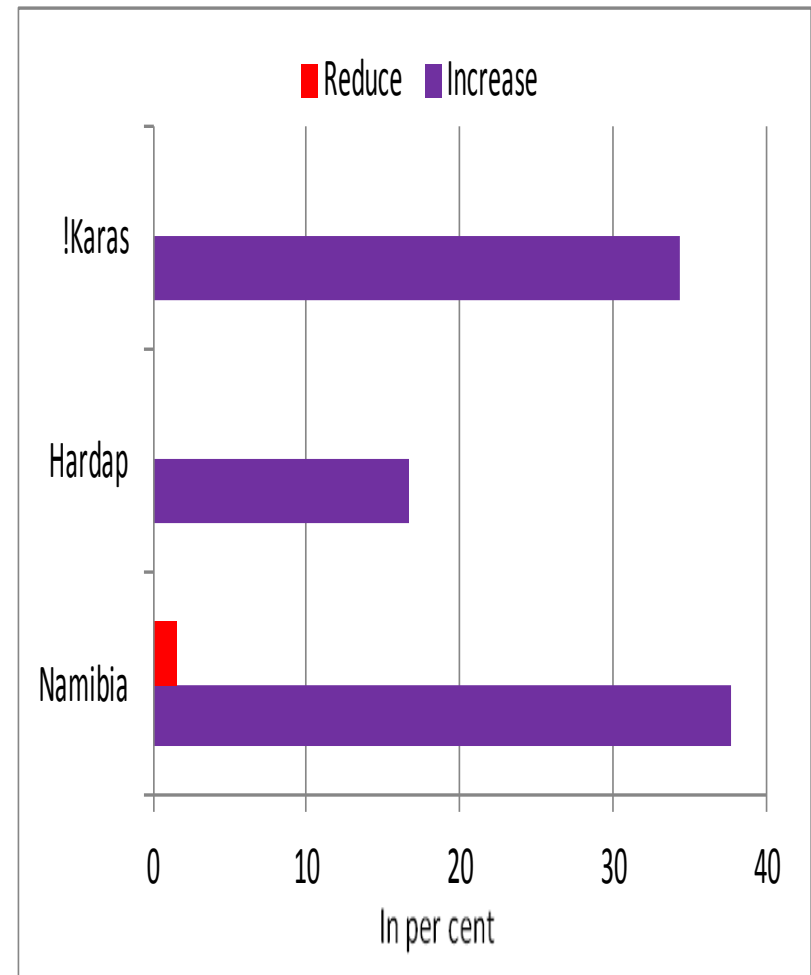
## Investment decisions

- **Positive mood not resulting in investment:** Businesses in the **South less likely to invest** than companies in Namibia on average.
- **48% of companies in the south** indicated that they did not invest in 2012, compared to 52% of all Namibian companies.
- Outlook rather bleak for 2013 since companies in general intend to **invest less than average during 2013**, with businesses in **Hardap and !Karas being more cautious** than Namibian businesses on average.
- Very little investment into Research & Development.



## Employment decisions

- **Stronger demand for labour in the south** with 56% of businesses having increased workforce in 2012.
- Businesses in the **south do not** intend to **reduce** their workforce, but are also less inclined to add labour during 2013.
- **About 38%** of all Namibian firms intend to **employ more** staff in 2013, while 2% expect to lay off workers.
- **Labour relations** are rated as being **good** in Namibia (rating of 0.7). Businesspeople in **the south** (0.86) rate the relationship even better than the national average.



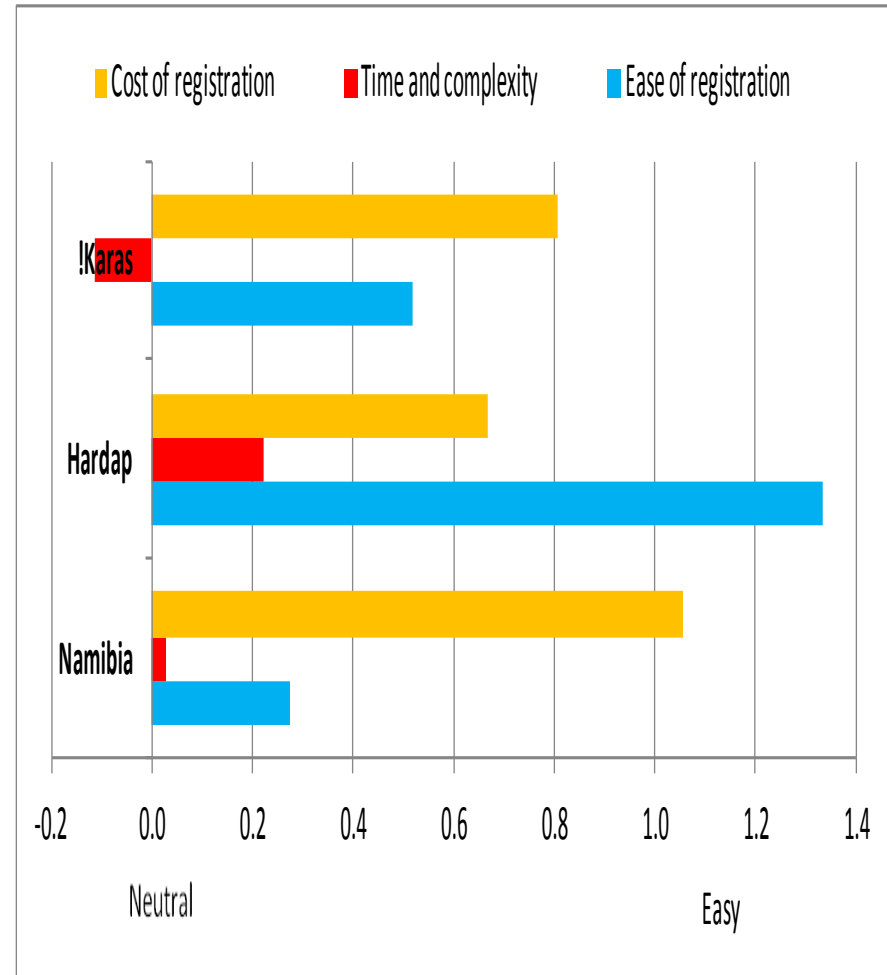
## Obstacles to business growth

- Overwhelming agreement amongst Namibian business people concerning the most severe obstacles to business development.
- Access to and cost of finance, access to land and cost of utilities** are the top three factors for all types of businesses.
- Demand for products and services and crime and theft** follow on places four and five.
- Ranking of first three factors **not different in the south, except that demand for products replaces cost of utilities** as third factor in Hardap. Furthermore, distance to markets and labour market regulations play a stronger role in !Karas (rank 4 and 5).

	1	2	3
All	Access to and cost of finance	Access to land	Cost of utilities
Micro	Access to and cost of finance	Access to land	Cost of utilities
Small	Access to and cost of finance	Access to land	Cost of utilities
Medium	Access to and cost of finance	Access to land	Cost of utilities
Large	Access to and cost of finance	Access to land	Cost of utilities
Informal	Access to and cost of finance	Cost of utilities	Access to land
Formal	Access to and cost of finance	Access to land	Cost of utilities

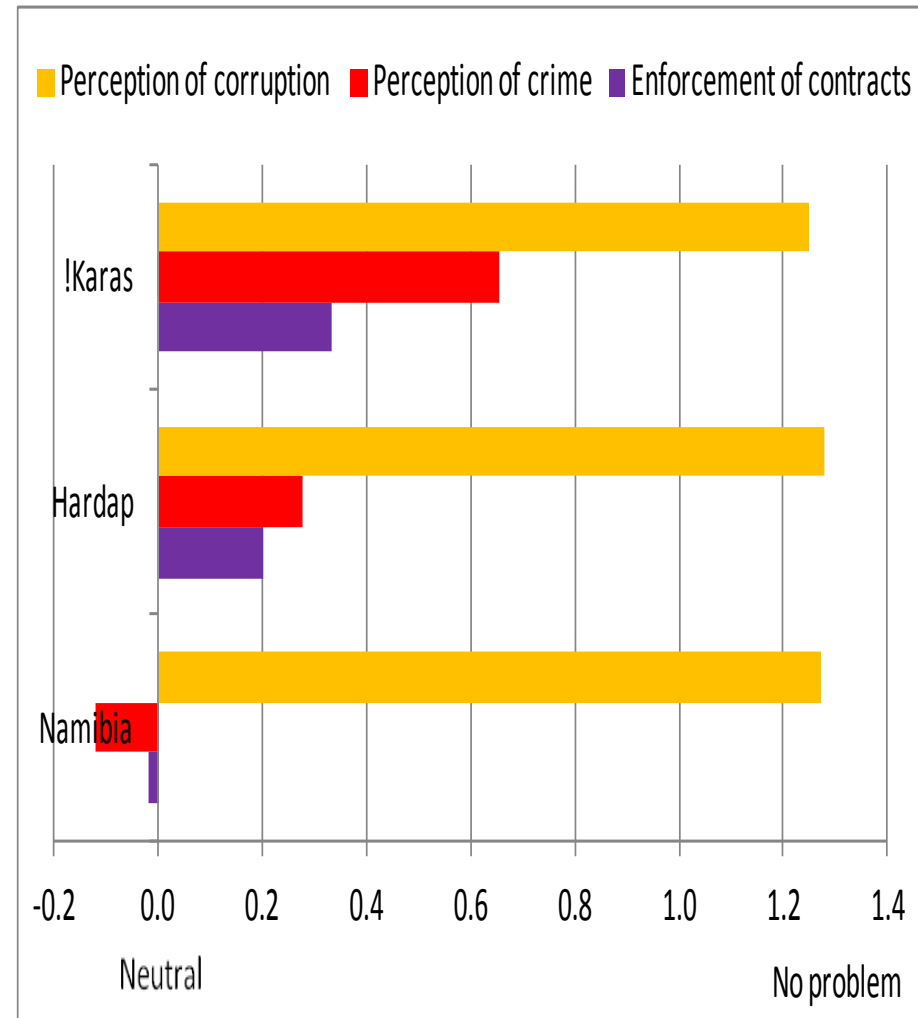
## Regulatory business environment

- **Ease of registration** viewed as **more challenging** than in previous years but remains on the positive side. Businesses in the south provide more favourable rating than the national average.
- **Cost of registration not regarded as an obstacle.**
- Business people from the **south slightly more critical** about costs and required documents.



## Corruption, crime, enforcement of contracts & property rights

- Companies in the south regard the control of crime and enforcement of contracts as satisfactory.
- **Corruption not perceived as a problem** in Namibia in general and neither in the south although average rating slightly below last year (1.27 compared to 1.64).
- **Crime regarded slightly more challenging** by respondents in general since the rating dropped from +0.13 to -0.12.
- **Enforcement of contracts** and property rights also **rated slightly more difficult** in Namibia on average than last year.

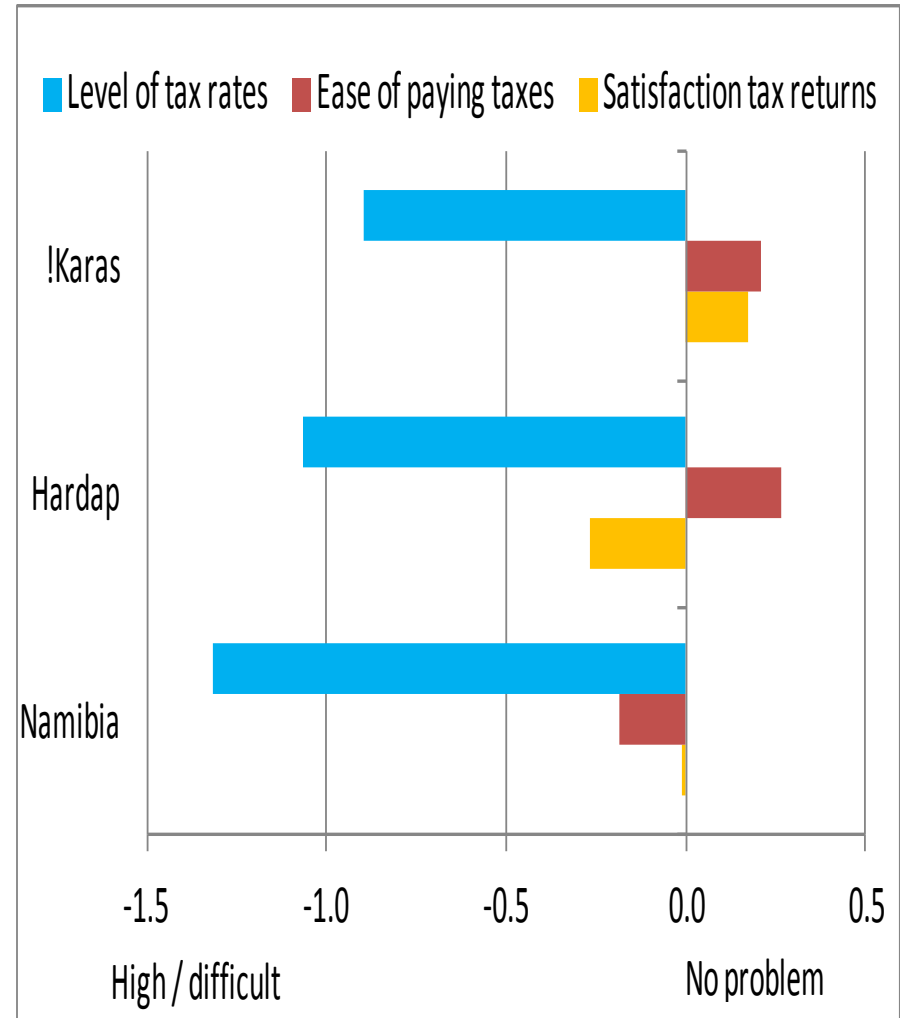




## Taxes

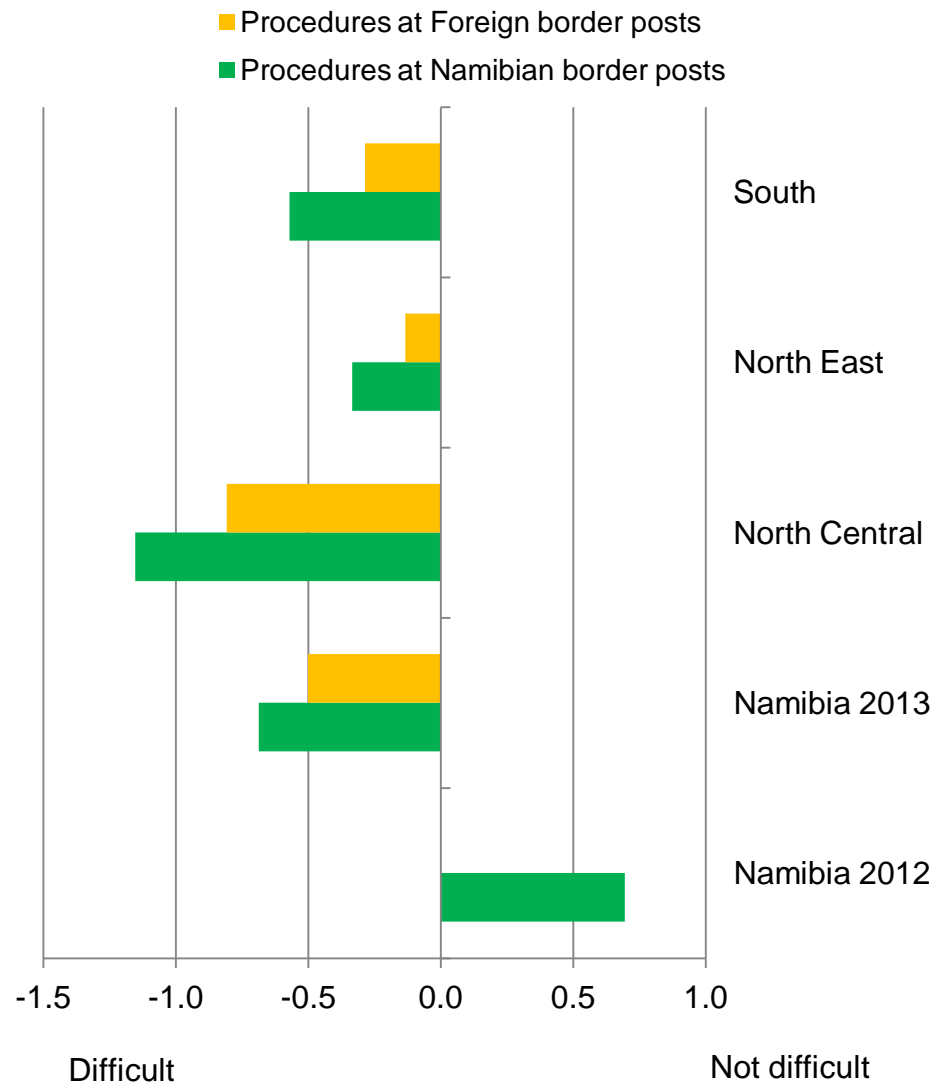
Only 16% of all respondents indicated that they do not pay taxes.

- Business people from **Hardap and !Karas less critical about tax issues** than national average, except for the handling of tax returns in the Hardap region.
- Handling of tax returns** by RoR rated as neutral (neither difficult nor easy) in Namibia in general and in the south.
- Ease of paying taxes** received a slightly positive rating in the south, contrary to the rest of Namibia indicating it could be made easier.
- Tax rates** are overwhelmingly considered as **being too high** in Namibia (rating of -1.31) and the South.



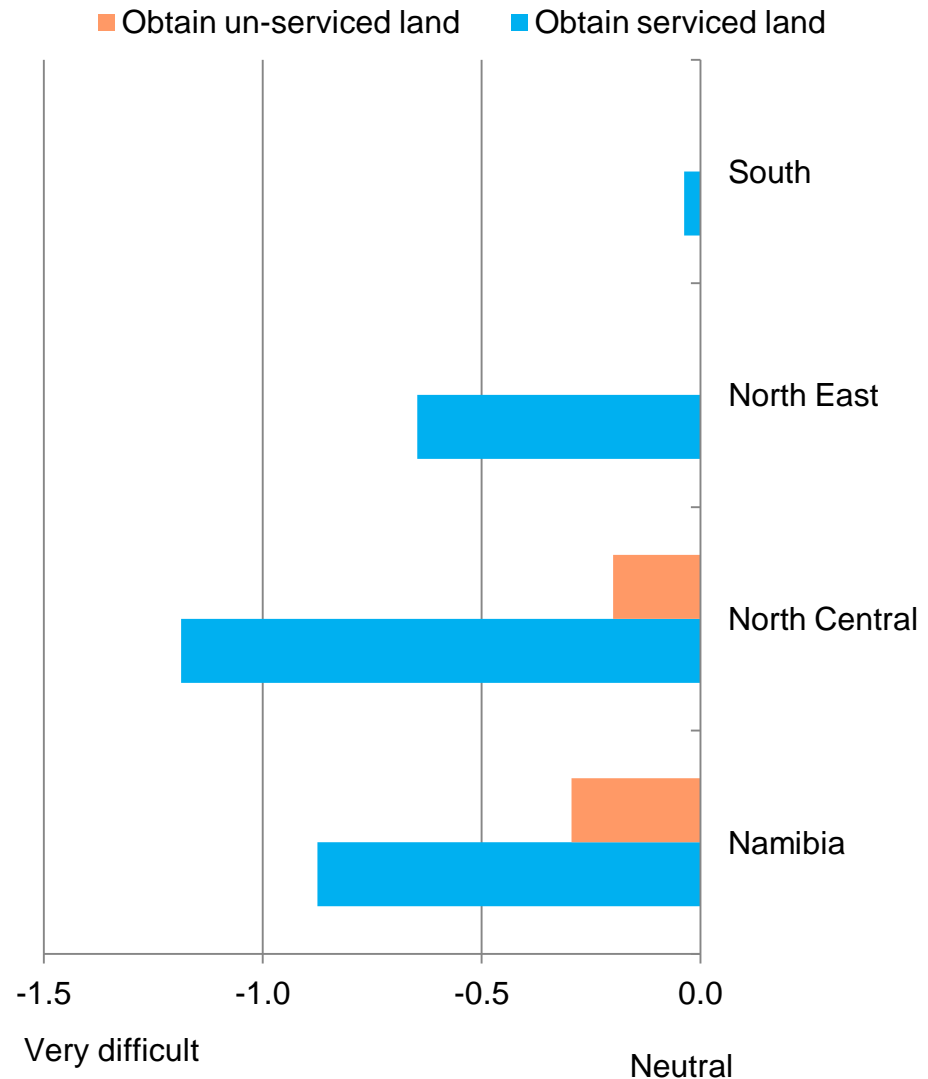
## Cross-border trade

- Business people from the South view **border procedures slightly less critical** (rating of -0.6 and -0.3) than business people from other regions.
- Rating** by all respondents of procedures on the Namibian side of the border **dropped dramatically** from +0.7 to -0.7.
- All respondents rated on average procedures on **Namibian side worse than the foreign side of the border** (-0.7 vs. -0.5).



## Access to Land

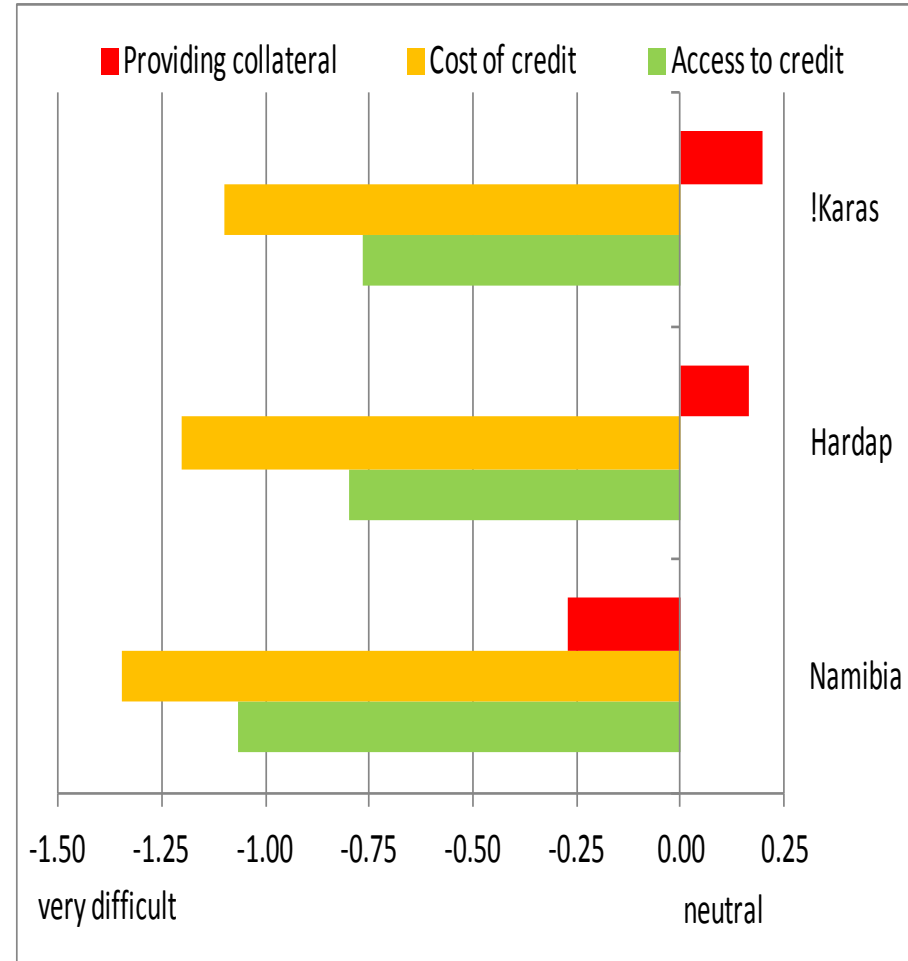
- Demand for land dropped from 45% of all respondents in Namibia to 32%. **Serviced land most in demand** (26% of all respondents), but only by about 15% in the south.
- **Access to serviced land** (-0.9) rated **more challenging** than access to un-serviced land (-0.3) in Namibia at large.
- **Cost of land identified as main obstacle** in Namibia in obtaining land followed by bureaucratic procedures and availability.



## Finance

**Access to and cost of finance** is of most **concern** to the private sector.

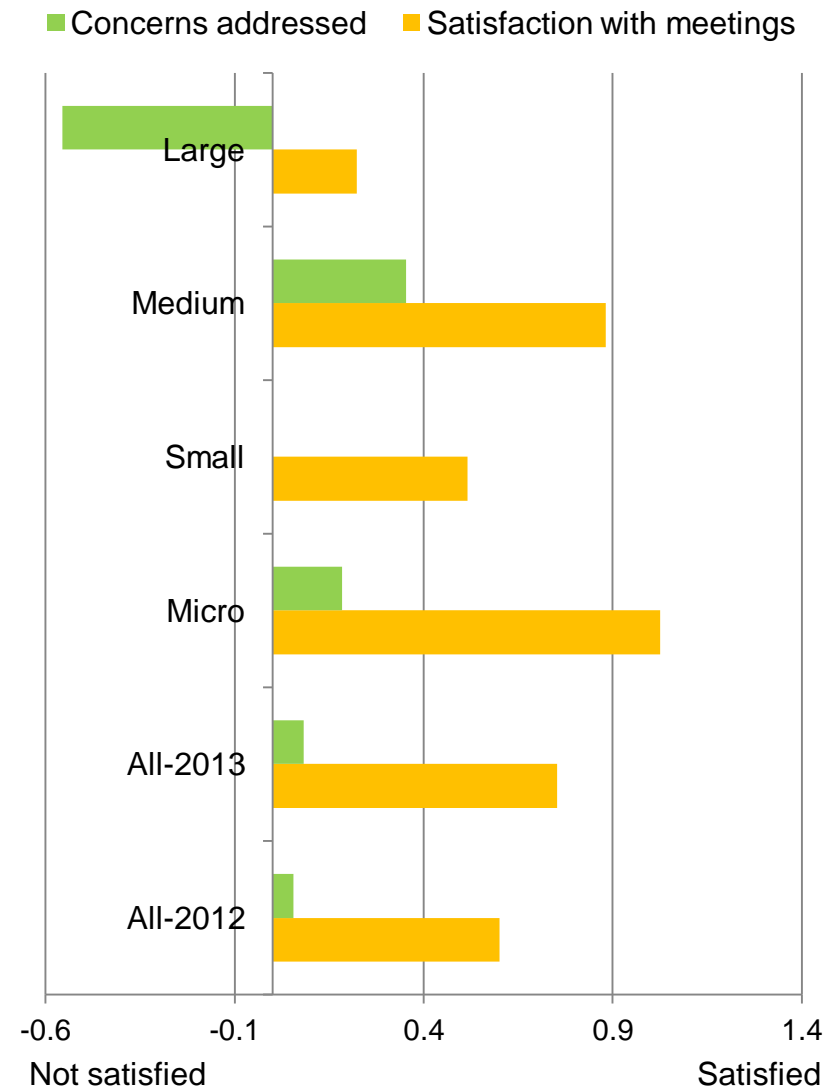
- **Cost of finance** is viewed as **major obstacle**, but slightly less challenging in the South than in the rest of Namibia.
- The same can be observed for access to credit.
- **Provision of collateral** not regarded as an issues in the South, while rated slightly negative in Namibia at large.



## Public / Private Dialogue

Some public/private meetings were organised by NCCI and LEDA in the south and north of the country.

- Only **minority of respondents across Namibia are aware of these meetings** (20% compared to 43% a year earlier).
- However, 75% of those who knew about meetings attended these.
- Slight **improvement in satisfaction** with these meetings (rating up from +0.60 to +0.75) in Namibia at large.
- Respondents, in particular from large companies, not impressed by the way concerns were addressed after the meetings (rating of -0.56).



- **Regular public-private sector meetings**
  - Increase efforts to attract the targeted audience
  - Increase frequency of meetings
  - Provide proper feedback on plan of action
  - Establish high level Business Council chaired by Prime Minister
- **Identify and address cross-border issues**
  - Conduct in-depth study in order to implement efficient procedures
- **Address availability of serviced land**
- **Provide transparent and simple information of existing financing programmes, requirements and costs (DBN, Fides and SME Bank and commercial banks)**
- **Strengthen linkages between SMEs and large businesses and address supply side issues**

**Be among the first to become a namBiC Sponsor...**

**Gold Sponsor**

**Silver Sponsor**

**Bronze Sponsor**

**... and find your logo and/or name prominently on all publications, namBiC Public-Private Dialogues, media announcements etc.**

# Thank you very much!

Download the full report and the summary at:

[www.ncci.org.na](http://www.ncci.org.na)

[www.nmanamibia.com](http://www.nmanamibia.com)

[www.ippr.org.na](http://www.ippr.org.na)

or contact for hard copies:

[charity@ncci.org.na](mailto:charity@ncci.org.na)

[nma@nmanamibia.com](mailto:nma@nmanamibia.com)