

TRADE UNIONS AND TRADE



Namibia Trade Fact Sheet

African Continental Free Trade Area



NAMIBIA TRADE FACT SHEET

Trade unions, Trade and AfCFTA

Labour Resource and Research Institute - Namibia

Trade Union Congress of Namibia

October 2024

The AfCFTA will influence national policies that affect employment, income, and livelihoods – trade unions need to be prepared to engage with this process.

The practicalities of the AfCFTA, how it will affect trade, policies, and employment, are unknown and need to be better understood.

This resource provides insight into trade dynamics in Namibia and helps trade unions think about trade and their interests in the AfCFTA.

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Namibia Trade Fact Sheet

AFRICAN CONTINENTAL FREE TRADE AREA

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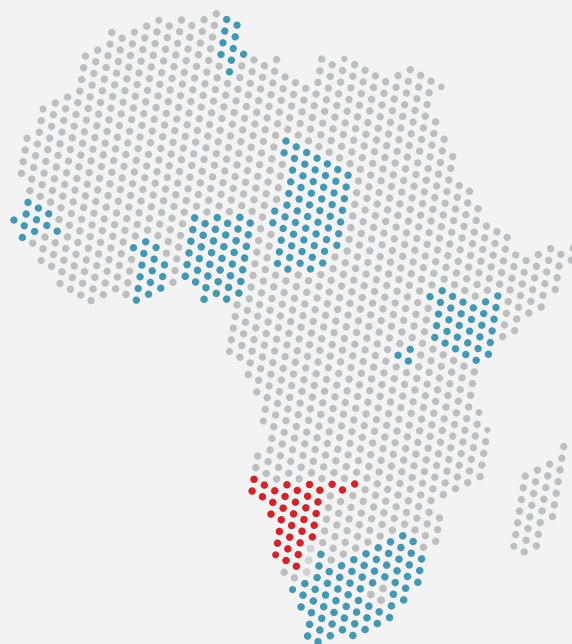
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**TRADE UNIONS
AND TRADE**

**Namibia
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AFRICAN CONTINENTAL FREE TRADE AREA

SECTION 1: COUNTRY DEMOGRAPHICS

1.1 Population



NAMIBIA'S
POPULATION IN 2023
3.02 MILLION

(Namibia Statistics Agency (NSA), 2024)



FEMALES
51%



MALES
49%

Namibia has a youthful population. As shown in Table 1, approximately 73 percent of the country's population was under 35 years in 2023.

Table 1: Age distribution

Age cohort	Total	Percent	Cumulative percent
0-14 years	1,118,288.37	37	37
14-34 years	1,030,638.74	34.1	71.1
35-59 years	667,950.62	22.1	93.2
60 years plus	205,523.27	6.8	100
Total	3022401	100	

Source: UNFPA (2024)

There are slightly more residents in rural areas than in urban areas. The population distribution was 49.5 percent in urban areas and 50.5 percent in rural areas in 2023.

Table 2: Population distribution by location

Location	Total	Percent
Urban	1,494,992	49.5
Rural	1,527,409	50.5
All	3,022,401	100.0

Source: Namibia Statistics Agency (2024)



SECTION 2: ECONOMIC INDICATORS

2.1 Gross domestic Product (GDP)

The GDP was US\$12.61 billion in 2022 (World Bank, n.d.). As illustrated in Figure 1, the services sector has accounted for more than half of the country's GDP since 2018.

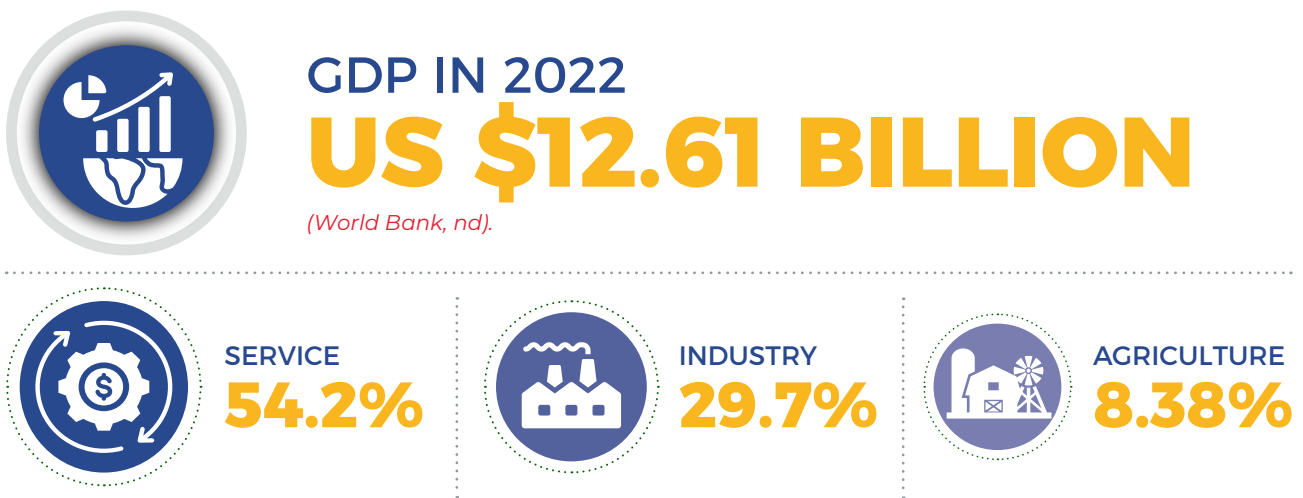
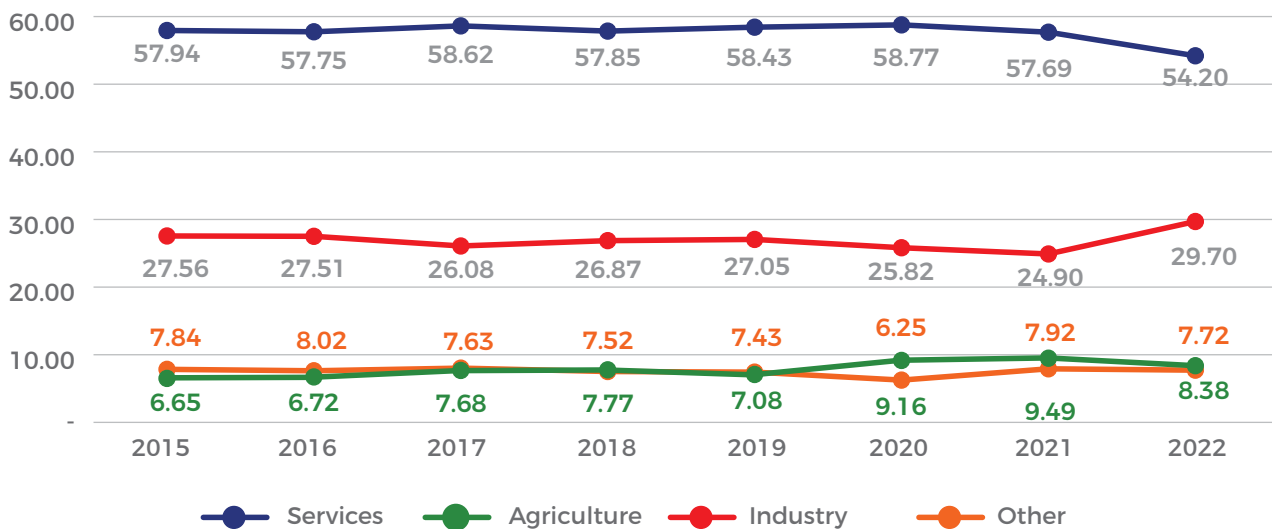


Figure 1: Composition of GDP (2022)

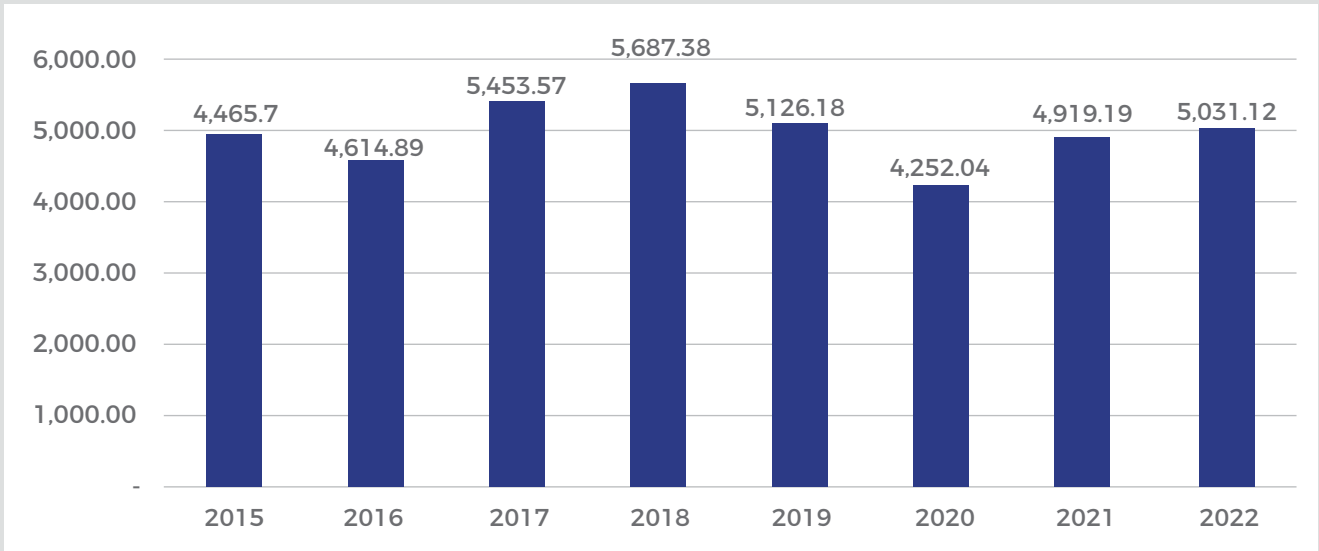


Source: Namibia Statistics Agency (2022)

2.2 GDP per capita

Figure 2 shows that GDP per capita reached US\$5,031.11 in 2022, the highest since the COVID-19 pandemic. However, Namibia remains one of the most unequal countries in the world (World Bank, 2021), with a Gini coefficient of 57.2 (UNFPA, n.d.).

Figure 2: GDP per capita (US\$)

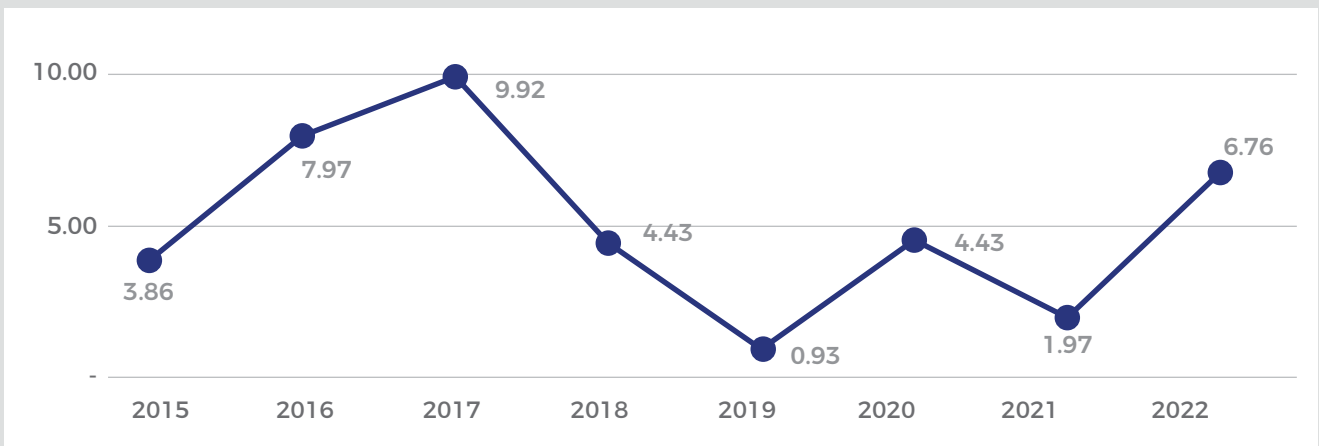


Source: World Development Indicators (2023)

2.3 Inflation

Inflation has been below 10 percent since 2015 (see Figure 3).

Figure 3: Annual Inflation (2015-2022)

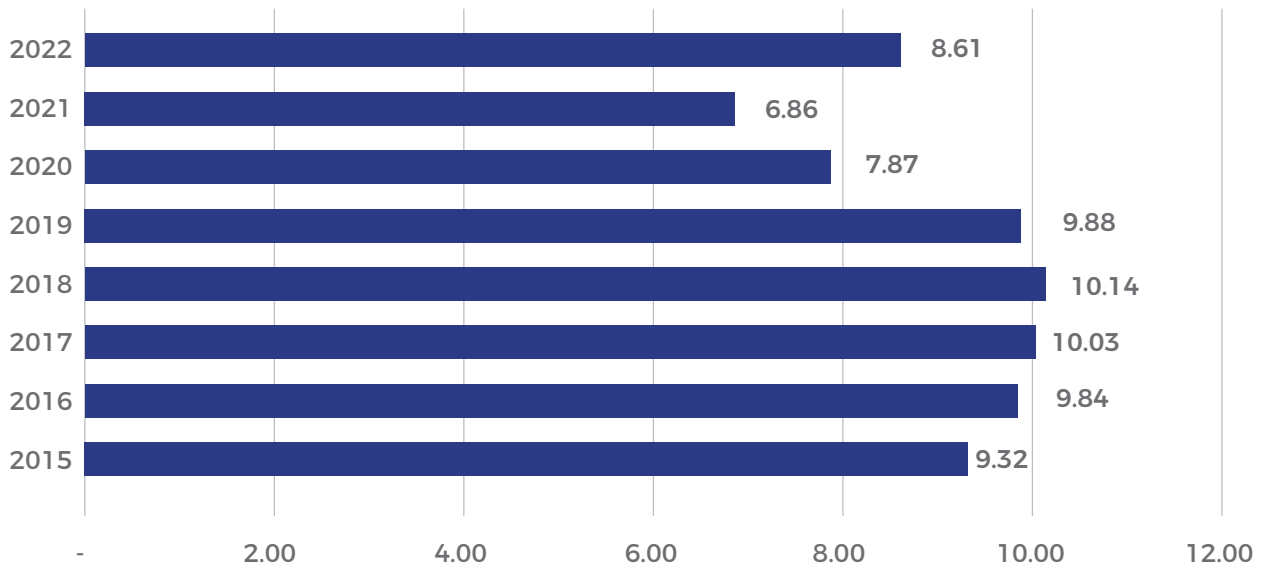


Source: World Development Indicators (2023)

2.4 Lending interest rate

The lending interest rate - the rate at which banks provide short- and medium-term financing to individuals and firms - was 8.6 percent in 2022. Lower lending rates reduce the cost of doing business and enhance the competitiveness of firms.

Figure 4: Lending Interest Rate



2.5 Exchange rate



The Namibia Dollar experienced depreciation in 2023, falling by

6.4%

against the US Dollar,

12.5%

against the Euro, and

12.5%

against the British pound

Such currency fluctuations can have substantial impacts on import costs and overall economic stability.

(African Development Bank, 2024).

SECTION 3: LABOUR MARKET INDICATORS

3.1 Unemployment

In 2022, the unemployment rate was 29.9% (African Development Bank, 2024). Unemployment was particularly pronounced among the youth, soaring to 46.1% (UNFPA, n.d.).

3.2 Economically inactive population



ECONOMICALLY INACTIVE PEOPLE IN 2018

438,000

(Namibia Statistics Agency, n.d.)



INACTIVITY RATE IN RURAL AREAS

54%



INACTIVITY RATE IN URBAN AREAS

46%

Table 3 shows that females constituted the majority of economically inactive. The proportions of females and males who were economically inactive in 2018 were 56.5 percent and 43.5 percent, respectively.

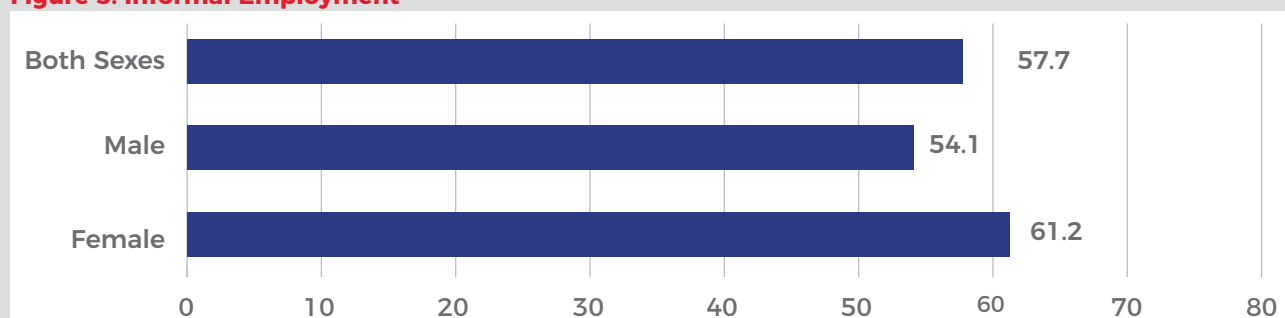
Table 3: Inactive population

Region	Both sexes		Male		Female	
	Number	Percent	Number	Percent	Number	%
Namibia	438,770	100	190,758	43.5	248,013	56.5
Urban	201,700	46.0	83,903	41.6	117,797	58.4
Rural	237,070	54.0	106,855	45.1	130,216	54.9

Source: adapted from NSA (n.d.)

3.3 Informality

Most of the employed population operate in the informal economy. Figure 5 shows that about 58 percent of the employed persons in the country work in the informal economy. Informality is more prominent among females, with about 61 percent of women employed informally, compared to 54 percent of men.

Figure 5: Informal Employment

Source: adapted from NSA

3.4 Industrial distribution of employment

Agriculture dominates employment. Table 4 shows that about 23 percent of employed persons in the country work in agriculture. The second most important sector is accommodation and food service activities, employing 11.4 percent of the country's labour force.

Table 4: Industrial distribution of employment

Industry	Both Sexes		Male		Female	
	Number	%	Number	%	Number	%
Agriculture, forestry, and fishing	167,242	23.0	90,076	24.9	77,166	21.2
Mining and quarrying	12,087	1.7	9,943	2.8	2,144	0.6
Manufacturing	45,057	6.2	28,209	7.8	16,848	4.6
Electricity, gas, steam, and air condition	3,278	0.5	2,517	0.7	760	0.2
Water supply; sewerage, waste management	4,095	0.6	2,898	0.8	1,197	0.3
Construction	45,057	6.2	41,759	11.6	3,298	0.9
Wholesale and retail trade	80,852	11.1	41,882	11.6	38,969	10.7
Transportation and storage	24,710	3.4	21,976	6.1	2,735	0.8
Accommodation and food service activities	83,056	11.4	19,156	5.3	63,900	17.5
Information and communication	7,141	1.0	5,583	1.5	1,558	0.4
Financial and insurance activities	13,861	1.9	4,688	1.3	9,173	2.5
Real estate activities	1,050	0.1	403	0.1	647	0.2
Professional, scientific, and technical	8,648	1.2	4,195	1.2	4,453	1.2
Administrative and support service activities	29,951	4.1	16,987	4.7	12,964	3.6
Public administration and defence; communication	34,174	4.7	21,213	5.9	12,960	3.6
Education	46,923	6.5	14,302	4.0	32,621	9.0
Human health and social work activities	19,527	2.7	5,484	1.5	14,043	3.9
Arts, entertainment, and recreation	4,910	0.7	1,263	0.3	3,648	1.0
Other service activities	20,865	2.9	7,886	2.2	12,979	3.6
Activities of households as employers;	72,185	9.9	20,441	5.7	51,744	14.2
Activities of extraterritorial organization	1,035	0.1	627	0.2	408	0.1
Not elsewhere classified	37	0.0	17	0.0	19	0.0
Namibia	725,742	100	361,508	100	364,234	100

Source: adapted from NSA (n.d.)

SECTION 4: TRADE UNION MEMBERSHIP

4.1 Trade unions

The main trade unions include:

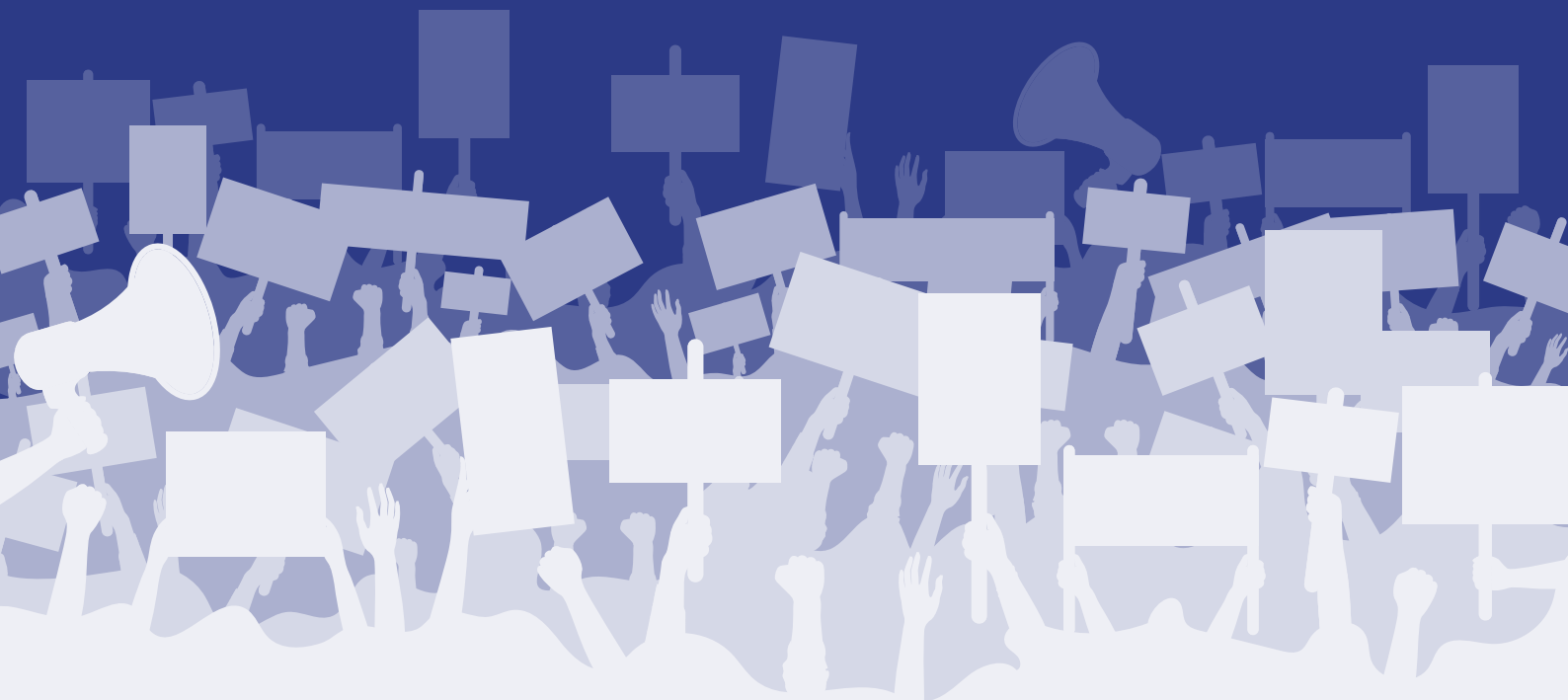
- the Trade Union Congress of Namibia (TUCNA),
- the National Union of Namibian Workers (NUNW),
- the Namibia National Labour Organisation (NANLO), and
- the Namibia Informal Sector Organisation (NISO).

These trade unions represent workers in various sectors and are key players in advocating for labour rights, social protection, and improved working conditions across both formal and informal industries.

4.2 Total membership

Trade union membership in Namibia was estimated at

178,200 in 2020.



SECTION 5: INTERNATIONAL TRADE

5.1 Trade agreements and economic community memberships

Namibia is a member and signatory of various regional and multilateral trade agreements and economic groupings. These include:

1. Southern African Customs Union (SACU),
2. Southern African Development Community (SADC),
3. Africa, Caribbean and Pacific (ACP) countries
4. World Trade Organisation (WTO)
5. SACU-European Free Trade Area (Iceland, Liechtenstein, Norway and Switzerland) Trade Agreement
6. SACU-MERCOSUR (Argentina, Brazil, Chile, Paraguay and Uruguay) Trade Agreement
7. SACU-India Preferential Trade Agreement
8. Economic Partnership Agreement (EPA)
9. African Growth and Opportunity Act (AGOA)
10. African Continental Free Trade Area (AfCFTA)

5.2 Trade taxes

Import duties contributed approximately 8% of GDP in 2021.

Table 5: Trade revenue (2021)

Classification	Amount (N\$ billion)	Amount (US \$ billion)	Percent of GDP
Total tax Revenue	51.44	3.48	27.97
Taxes on Domestic Goods and Services	13.54	0.92	7.39
Import Duties	14.75	1.00	8.03
Nominal GDP	183.94	12.45	

Source: World Bank; Ministry of Finance and Public Enterprises



5.3 Exports and imports

5.3.1 Merchandise export and imports

Namibia recorded negative merchandise trade balances in 2015 and 2022, meaning its imports exceeded exports in these years.

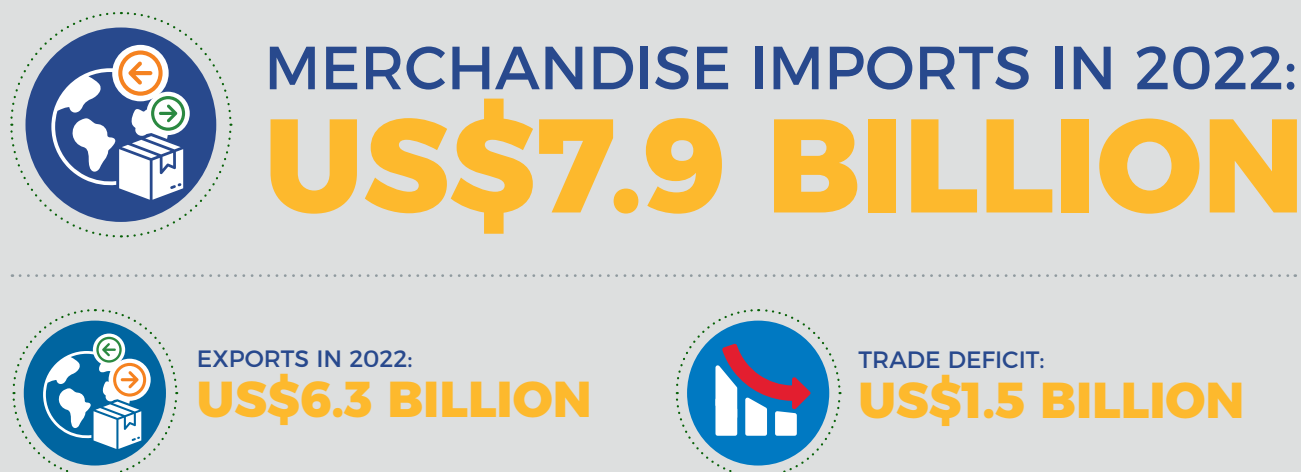


Table 6: Merchandise trades

Classification	2015	2022
Merchandise exports (US\$ millions)	4067	6339
Merchandise imports (US\$ millions)	7697	7905
Merchandise trade balance	-3630	-1566

Source: United Nations Conference on Trade and Development (UNCTAD), 2023

5.3.2 Trade in services

In contrast to merchandise trade, Namibia recorded positive services trade balances in both 2015 and 2022. In 2022, services trade balance was approximately US\$71 million. Data from UNCTAD indicate that a significant portion of services exports was transport, which accounted for about 25% of total services exports.

Table 7: Trade in services (US\$ millions)

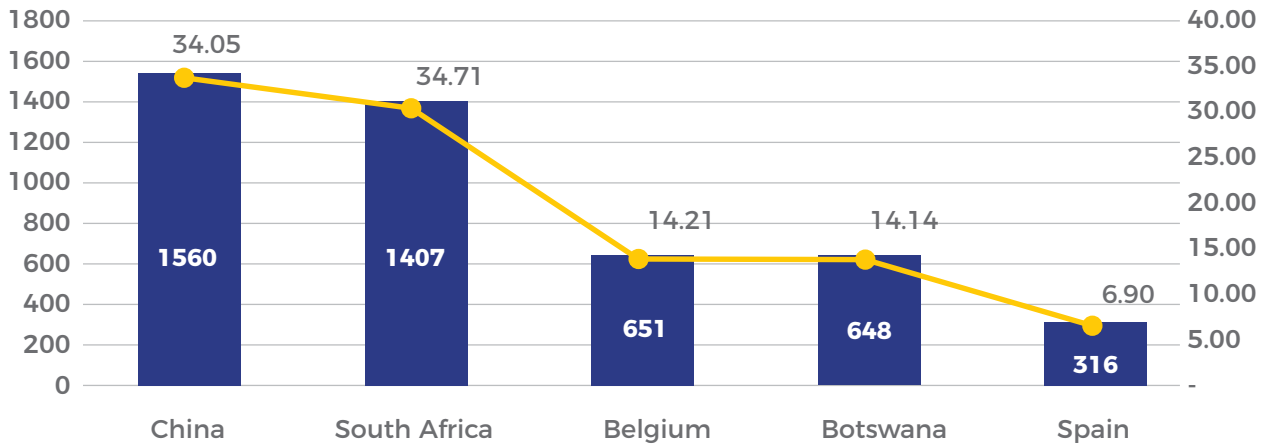
Classification	2015	2022
Services exports (US\$ million)	878	925
Services imports (US\$ million)	681	854
Services trade balance (US\$ million)	197	71

Source: UNCTAD, 2023

5.4 Main export destinations

In 2022, the primary destination for Namibia’s exports was China, which received approximately 34% of the country’s total exports. South Africa ranked second, receiving US\$1.4 billion or about 31 percent of exports.

Figure 6: Main export destinations



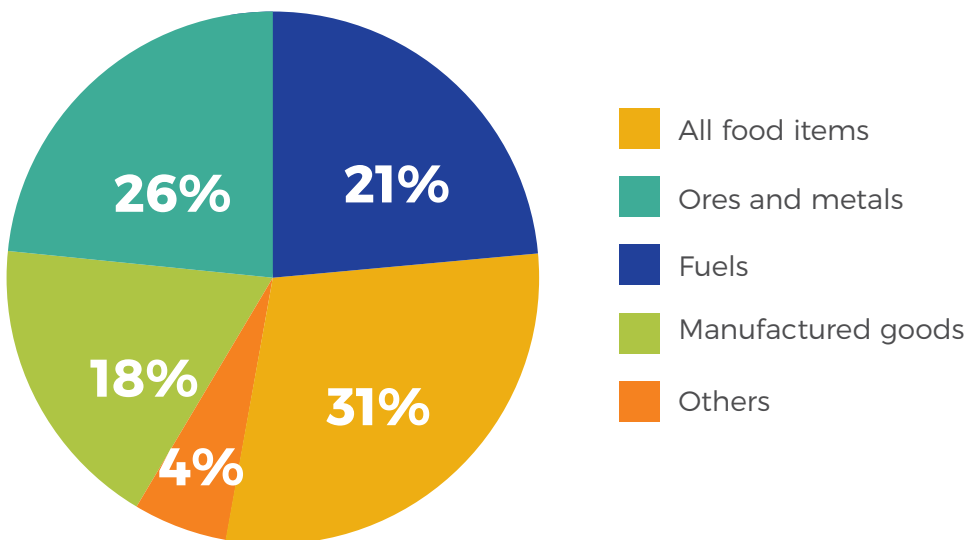
Source: UNCTAD (2023)

■ Amount (US\$ million) —●— Percent

5.5 Main export commodities

The main export commodities were ores and metals, accounting for about a quarter of total export of the country in 2022.

Figure 7: Main export commodities



Source: UNCTA, 2023

5.6 Main sources of imports

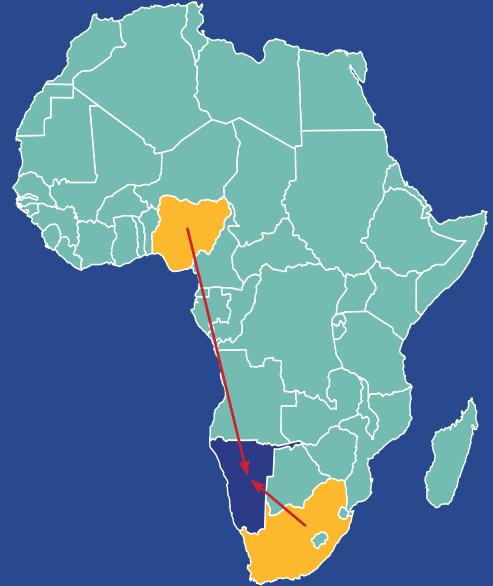
IN 2021, THE MAJORITY OF NAMIBIA'S IMPORTS ORIGINATED FROM AFRICA, with South Africa being the largest source.



SOUTH AFRICA
71% of total imports
US\$3.4 BILLION



NIGERIA (second-largest source)
13.8% of total imports
US\$665 MILLION



TOGETHER, SOUTH AFRICA AND NIGERIA contributed around **85%** OF NAMIBIA'S TOTAL IMPORTS for 2021.

Data from the Observatory of Economic Complexity (OEC), indicate that most of these imports were

- 1** SPECIAL PURPOSE SHIPS (US\$821M)
- 2** COPPER ORE (US\$313M)
- 3** ELECTRICITY (US\$238M)
- 4** DELIVERY TRUCKS (\$229M)
- 5** REFINED PETROLEUM (\$158M)

Table 8: Top five sources of imports (2021)

Country	Amount (US\$'000)	Percent
South Africa	3430	71.21
Nigeria	665	13.81
China	401	8.32
Bulgaria	163	3.38
Romania	158	3.28
Total	4817	100

Source OEC, n.d

SECTION 6: EXPORT PROCESSING ZONES (EPZS)

6.1 Legal and institutional framework

The primary legal and institutional frameworks governing Export Processing Zones (EPZs) in Namibia are **Act 26** and the **Offshore Development Company (ODC)**. Established by Article 26, the ODC is responsible for promoting, marketing, monitoring, and coordinating EPZ activities. Additionally, it is mandated to provide support services to EPZ enterprises. The ODC also oversees the management of industrial and business parks, leasing these facilities to both foreign and domestic investors to stimulate investment and development within the EPZs.

6.2 Tax incentives

Namibia offers tax incentives to EPZ enterprises. These include exemptions from corporate income tax, as well as duties and value-added tax (VAT) on machinery, equipment, and raw materials imported for manufacturing purposes. While EPZ enterprises are subject to a **10% withholding tax** on declared dividends paid to non-resident shareholders, they also have the advantage of being able to maintain foreign currency bank accounts and repatriate their capital and profits.

6.3 Main location

EPZs are located at Oshikango, Katima Mulilo, Katwitwi and Omahenene. A new park is being developed in Omahenene. The ODC also manages two gemstones' centres Karibib and Keetmanshoop. The Oshikango Park consists of 14 warehouses.



SECTION 7: INDUSTRIAL POLICY

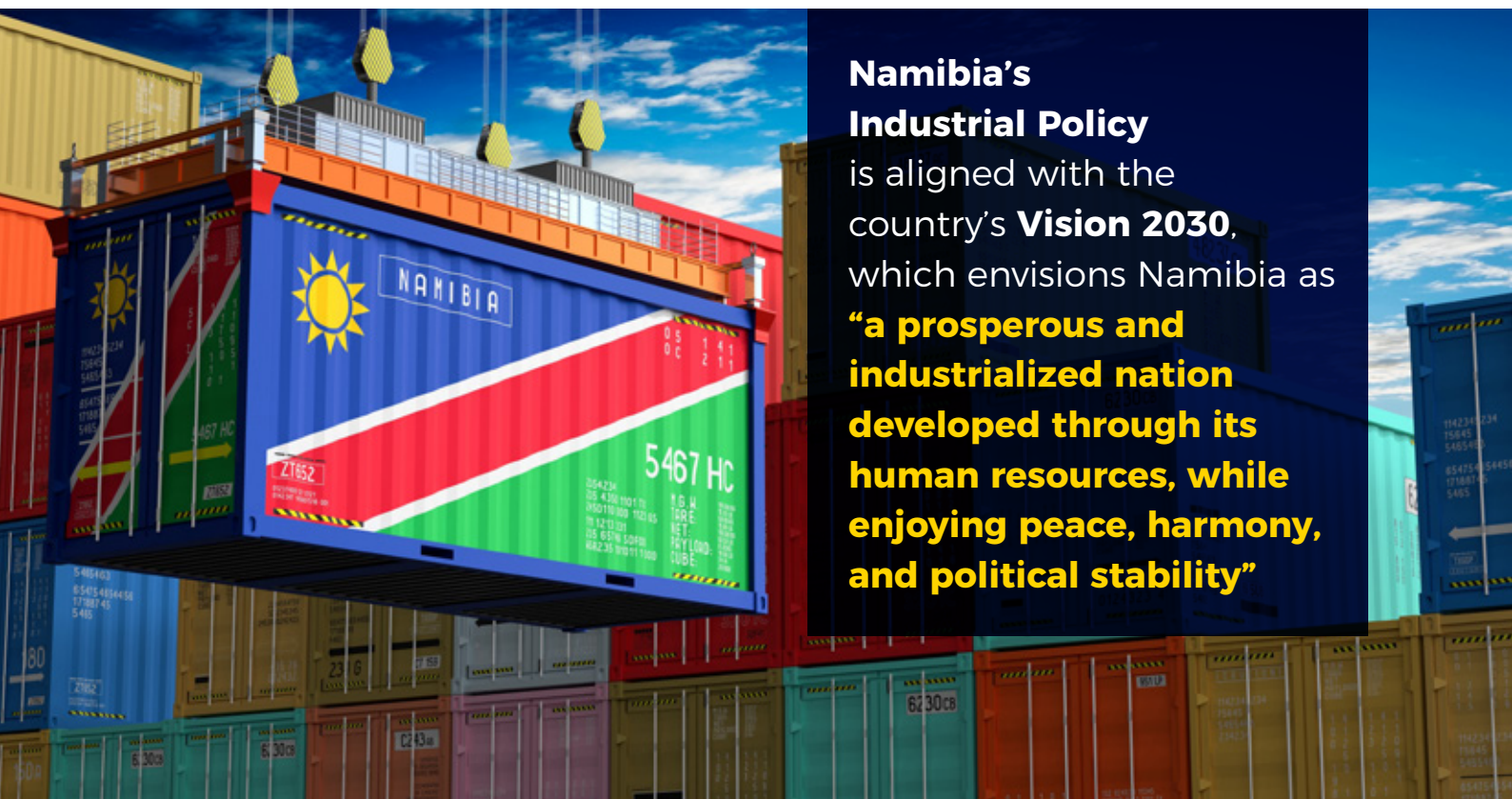
7.1 The Vision

Namibia's Industrial Policy is aligned with the country's Vision 2030, which envisions Namibia as "a prosperous and industrialized nation developed through its human resources, while enjoying peace, harmony, and political stability"

7.2 The Objectives

The objectives of Namibia's Industrial Policy include changing production and export structures and enabling wealth creation by small- and medium-scale enterprises (SMEs). The policy emphasises job creation and labour-intensive growth strategies. Namibia's industrialisation targets include ensuring:

1. Manufacturing and services sectors constitute about 80 percent of the country's GDP;
2. The country largely exports processed goods, which account for not less than 70% of total exports;
3. Namibia has an established network of modern infrastructure that includes railways, roads, telecommunications and port facilities, and
4. Namibia has a critical mass of knowledge workers, and the contribution of SMEs to GDP is not less than 30 percent.



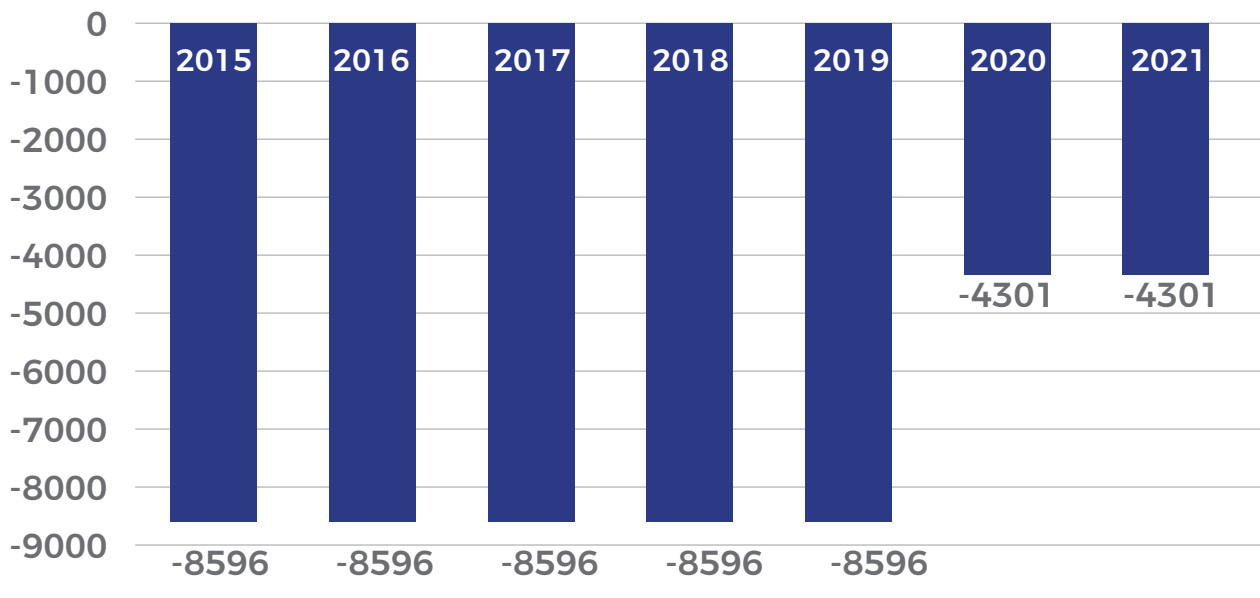
Namibia's Industrial Policy is aligned with the country's **Vision 2030**, which envisions Namibia as **"a prosperous and industrialized nation developed through its human resources, while enjoying peace, harmony, and political stability"**

SECTION 8: LABOUR MIGRATION

8.1 Net migration

Namibia experienced a trend of greater emigration than immigration between 2015 and 2021. In 2021, the number of Namibians who left the country exceeded those who entered by approximately 4,300 individuals.

Figure 8: Net migration (2015-2021)



Sources: adapted from World Development Indicators (2023)



In 2021, the number of Namibians who left the country exceeded those who entered by approximately

4,300

individuals.

8.2 African migrants



AFRICAN MIGRANTS IN NAMIBIA IN 2018:

30,000

(See table 9 below)



MIGRANTS
FROM ANGOLA

62%



MIGRANTS
FROM ZAMBIA

13%

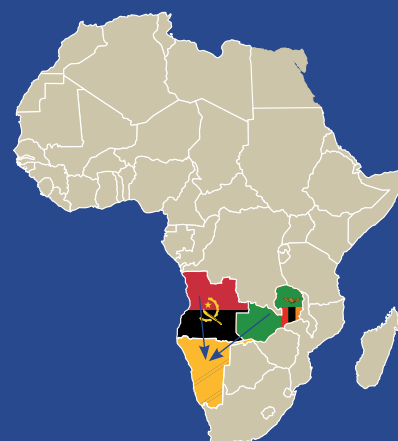


Table 9: Migrant workers in Namibia (2018)

Migrants' workers from	Number	Percent
Angola	18665	62.02
Zambia	3953	13.14
Zimbabwe	2854	9.48
South Africa	2803	9.31
Algeria	450	1.50
Democratic Republic of Congo	392	1.30
Kenya	210	0.70
Nigeria	162	0.54
Eritrea	121	0.40
Mozambique	110	0.37
Botswana	95	0.32
Burundi	81	0.27
Lesotho	63	0.21
Tanzania	51	0.17
Cape Verde	48	0.16
Rwanda	35	0.12
Total	30093	100.00

Source: adapted from LFS, 2018

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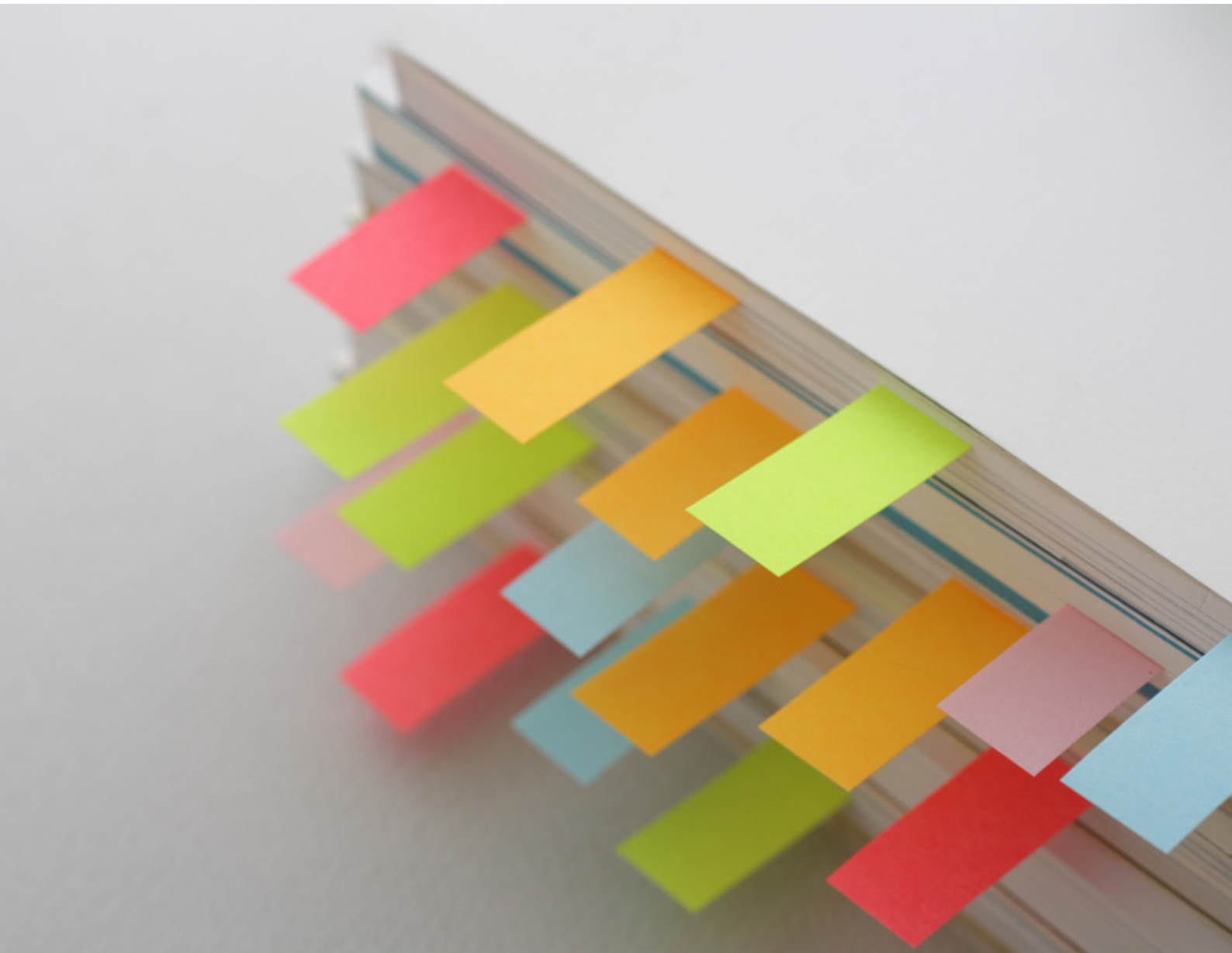
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Ministry for Foreign
Affairs of Finland

“A continental free trade agreement requires a continental free trade union movement on the continent.”

Mobilising trade union research, learning and strategies to influence the implementation of the African Continental Free Trade Area (AfCFTA).

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