



Republic of Namibia
Ministry of Environment & Tourism

NATIONAL TOURISM INVESTMENT PROFILE & PROMOTION STRATEGY 2016-2026



SEPTEMBER 2016



“To know the present we must look into the past and to know the future we look into the past and the present”



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FOREWORD

The Minister of Environment & Tourism

I strongly believe that tourism is everyone's business – all Namibians have a part to play in the success of its sustainable development and accordingly, all Namibians stand to benefit from the sector.

To ensure that this benefit is delivered, the Namibian Government desires to create an enabling environment for tourism growth, because as tourism grows, so does its substantial multiplier effect.

Tourism is the most competitive industry in the world and to be competitive we must grow our arrivals and increase the yield of each tourist. Both these activities require investment in the tourism sector. Namibia needs a robust, aggressive and innovative investment strategy to compete on the global scale – and this document delivers that approach.

This Strategy aims to create a favourable and conducive regulatory environment for tourism investment with the objective of lowering transaction costs to allow the private sector to invest and grow the tourism sector through a superior tourism superstructure.

This Strategy also highlights the need and demonstrates a commitment to remove barriers to investment and provide attractive incentives, especially in priority areas, referred to as Tourism Entry Point Projects/Products/Value Chains (TEPPs).

This is not a stand-alone document. It has been developed in conjunction with the National Sustainable Tourism Growth and Development Strategy and its implementation must also be in tandem with that Strategy. The National Investment Act will further support it once it has been finalized.

This Strategy, which is the result of a collective, sector-wide consultation effort, places Namibia's tourism firmly on a new and ambitious growth path for the future.

I recognize with gratitude the work and research that made this document possible. With strong policy foundations, I am convinced that tourism in this country will continue to move from strength to strength and provide visitors with exceptional, superior and remarkable experiences, and ultimately create more employment opportunities and economic growth.

However, we must recognize that the important work in this area has just begun. The effective implementation of this investment strategy will require multi-level partnerships between the public and private sector, civil society and citizens. I look forward to overseeing the successful implementation of this investment strategy.



A stylized, handwritten signature in dark ink, consisting of a few fluid, connected strokes.

Hon. Pohamba Shifeta
Minister of Environment
and Tourism

SECTION 1: Executive Summary

Tourism is an important sector in Namibia. It is the third largest contributor to the country's Gross Domestic Product (GDP), it generates a significant number of jobs and is a valuable foreign exchange earner for the economy. The Government of Namibia has long recognised and prioritised tourism development in various legislative and policy documents. Namely, it's Vision 2030, the 2008 National Policy on Tourism for Namibia and National Sustainable Tourism Growth and Development Strategy. The chief aim of these policies is to help ensure that tourism growth delivers broad and equitable social, economic and environmental benefits.

THE VISION FOR TOURISM IN NAMIBIA IS:

‘The vision for tourism is for a growing, vigorous and dynamic economic sector that brings social and economic benefits to all Namibians, notably via the generation of jobs and incomes. The vision is for Namibia to be a role model in the conservation of biological

diversity, environmental management and tourism development through innovation and partnerships. This is to contribute to rural development and economic growth via the sustainable use of natural resources.’

To support the Tourism Growth Strategy, the Ministry of Environment and Tourism developed a National Tourism Investment Profile and Investment Strategy. This latter document is an integral part of the Tourism Growth Strategy and should be read in conjunction with the overall strategy.

In addition to this document, a more detailed version is available. The longer version provides a generalist approach to issues covered in this document. It also covers broad economic policy issues and analyses additional aspects of business climate, institutional reforms and cross-cutting issues that require inter-sectorial coordination with other key private and public institutions.

This document delves specifically into defining growth parameters and the required institutional support framework to ensure that tourism investment is realised. It sets out, from an investment perspective, key growth targets, core investment themes, tourism entry point projects or value chains, suggested economic incentive packages and funding needs and approaches. The goal is to maximise tourism contribution to national employment and income generation, and to enhance the country's ability to distribute the social and economic benefits of the sector more equitably. The key objectives of this document are listed below.

1.2 OBJECTIVES

The key objective of the investment strategy is to transform Namibia into the most competitive tourism destination in Africa. Meaning being competitive in training and skills development, being the country of choice for prospective investors, achieving high levels of interaction between stakeholders, and in the development of more innovative, market-driven tourism products and in aggressive and tactical tourism marketing.

AIMS UNDER THE OVERALL VISION ARE:

- The strengthened presence of Namibia in existing and new tourism markets and/or niche markets
- A more diversified and competitive tourism product with vibrant and accessible domestic and cultural tourism products
- Enhanced institutional capacity for the management of the sector
- Private sector profitability and a positive investment climate
- Create sufficient employment opportunities in the tourism sector

To achieve these objectives we need to shift our definition of success. The diagram below shows the attitude and approach that we need to take as we rethink being competitive as a tourism destination.

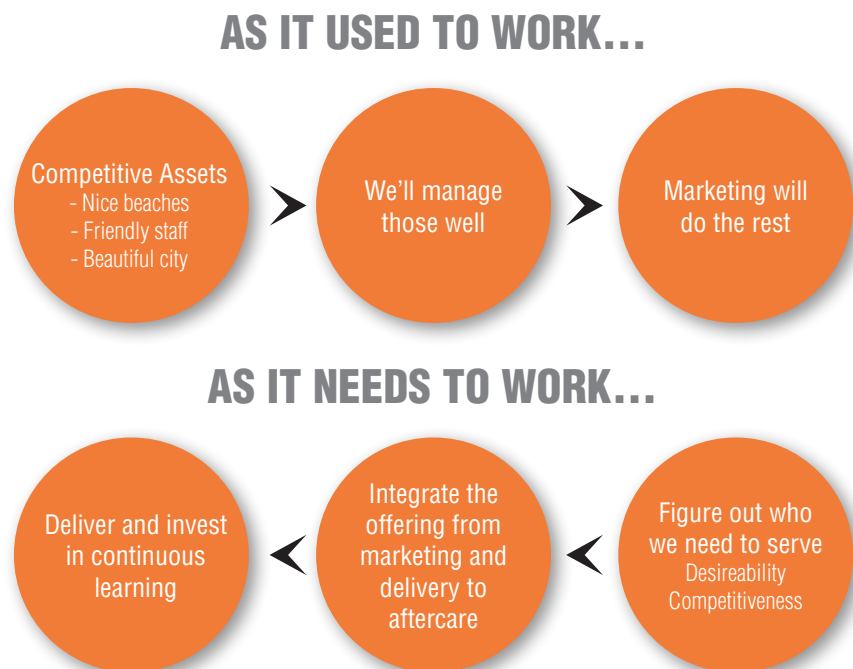


Table 1: Rethinking competitive approaches

1.3 GROWTH TARGETS

The investment growth targets are to increase overall economic value of tourism by ensuring an increase in tourists arrivals coupled with increasing the value of tourist receipts and ultimately the yield per tourist. The key growth targets are indicated in the table below:

Target element	Current	2020 Target	Growth Target ¹
Tourist Arrivals (in millions)	1 387	1 500	8%
Yield (receipts per arrival) N\$	4 558	6 837	50%
Tourist Receipts N\$ mil	4 682	6 000	28%

Table 2: Growth target parameters for the Tourism Investment Strategy

¹ It must be borne in mind that it will require consistent co-ordination between players (especially between Ministries) and the removal of some large prevailing obstacles to achieve these stated targets.

1.4 THE TOURISM INVESTMENT PROCESS

All investors will go through a process to identify and complete their deals, but each phase will present different challenges for different investor's profiles (foreign, domestic, large, small, and so on). It is the mandate of the Tourism Investment Promotion Centre to help facilitate this process. Figure 1 below illustrates the various phases and identifies the most likely audience, partners, and priority actions for each. Cutting across each one of these phases are various mechanisms to improve overall performance for the Tourism Investment Promotion Centre that will ensure effective delivery for and increased competitiveness.

	PRIMARY AUDIENCE	PARTNERS	FOCUS
DESTINATION PROMOTION	<ul style="list-style-type: none"> Foreign investors Size determined by destination's strategic priorities 	<ul style="list-style-type: none"> Tourism Board Ministry of Tourism/Culture Destination marketing Organisations 	<ul style="list-style-type: none"> Competitiveness of sector (headlines) Key attributes May also include promotion of specific opportunities
SECTOR INFORMATION	All	Ministry of Tourism (for data and downloadable reports, strategies)	Providing good level of basic data on sector, benchmarked against competitors, and details of opportunities, investment process, operating information, and market data
INQUIRY HANDLING	Mostly foreign	If needed, national data providers	Speed of response, quality of response
TAILORED INFORMATION	Larger foreign and domestic projects	National data providers (or outsourced to consultants)	For priority, serious investors and deals, specific data and information collation and analysis on request
SITE VISITS	Larger foreign and domestic projects	Local municipalities, realtors, and so on	Good local knowledge, good relationship with client, research into sponsor strategy and needs
CONTACT PROVISION AND DEAL FACILITATION	All	Roster of contacts (lawyers, construction firms, architects, translators)	Getting the deal signed, making strategic introductions, fast-tracking the investment process (one-stop shops)

Cross-cutting good practice:

Prioritize focus | Develop tourism-specific knowledge | Craft key messages
Disseminate information effectively | Develop partnership

Source: *Investment Climate – World Bank Group (2013)*

1.5 INVESTMENT FOCUS AREAS

The core investment focus areas are derived from the national legislative and policy documents. The recommended key focus areas are indicated in the table below:

INVESTMENT FOCUS AREAS AS DERIVED FROM NATIONAL PLANNING AND VISION 2030 DOCUMENTS

INVESTMENT FOCUS AREA	OBJECTIVE
1. Tourist Arrivals	To increase the sector's multiplier effect, and thereby maximise job creation.
2. Diversified and competitive tourism product development	Diversified products that include local people will also result in robust value chains to ensure maximum benefit to communities.
3. CBNRM Program	Supporting and investing in indigenous tourism enterprises supports the economic empowerment and transformation agenda in the sector and the creation of linkages between tourism and other sectors.
4. Institutional capacity	To support skills development (including the line ministry, other government departments and community based organisations) and capacity to manage the sector.
5. Sector profitability and supporting investment climate	To ensure appropriate financing instruments and regulatory environment. ²

1.6 TOURISM ENTRY POINT PROJECTS/PRODUCTS/VALUE CHAINS (TEPPS)

To achieve these investment strategy growth targets, nine (9) core Tourism Entry Point Projects / Products / Value Chains are identified. The identified subsectors or products are:

- Wildlife tourism
- Trophy hunting tourism
- Coastal tourism
- Community based tourism
- Cruise tourism
- Circuit development/route development model
- Luxury affordability
- Meetings, incentives, conference and events tourism (MICE)
- Medical and retail tourism

² In this regard encouraging private sector/CBO partnerships and foreign investment should be at the forefront – which in itself needs realistic rather than idealistic strategies – starting with land tenure issues.



1.7 ECONOMIC INCENTIVE PACKAGES

Economic Incentives will play a major role in the development of the sector. This is especially relevant if the goal of attaining economic and social equity and social empowerment are to be met. A specific tourism incentive package is proposed that covers support mechanisms not only for larger and SME's tourism investment, but also provides for the special needs of specific products with potential such as coastal tourism, aviation tourism and joint venture tourism in communal areas.

1.8 EFFECTIVE ACTION PLANS

Unless they are implemented in an efficient and timely way, any recommendations or proposed action plans are of little value. To ensure the implementation of the recommendations and suggested approach in the investment strategy, a series of action plans have been developed.

The key implementation partner for this investment strategy is the Directorate of Tourism and Gaming.

It should ensure adequate and responsible reporting and interaction with two major institutions/forums recommended in the National Sustainable Tourism Development and Growth Strategy.

1.9 EFFECTIVE MONITORING AND EVALUATION

The impact of the investment strategy must be carefully measured to ensure robust reporting to stakeholders and allow for amendments to the strategy. To ensure good monitoring and evaluation, detailed indicators and a reporting schedule have been developed.

1.10 INDICATIVE FUNDING

The cost estimate for investment in the suggested core investment areas amounts to a total of N\$801 million. The assumption is that funding will mainly come from government (60%), while the rest of the funds are to be leveraged from the private sector as well as from external donors.



S ECTION 2: Contextual Setting

2.1 OVERVIEW

Namibia's goals for the tourism industry are enshrined within the 'National Sustainable Tourism Growth and Development Strategy'.

The strategy lays out goals and visions for the sector, which are aligned with the other national policy documents including the country's Vision 2030, the 2008 National Policy on Tourism for Namibia and the National Development Plan 4.

Vision 2030 specifically points out that "the solitude, silence and natural beauty that many areas in Namibia provide are becoming sought-after commodities that must be regarded as valuable natural assets. Preserving these assets is fundamental to developing tourism as a sustainable economic sector, and helping Namibia to maintain a comparative advantage within the global market. Tourism has more potential as a sustainable

industry than virtually any other form of economic development in Namibia."

All these policies refer to the same goal: to grow tourism sustainably. Managed and responsible growth will support job creation in Namibia. Data indicates that one permanent job is created for every 13 tourists who arrive in Namibia. Tourism growth also contributes to transformation and empowerment in the country. This is mainly centred on shoring up support for small and medium-sized tourism enterprises, fostering deeper linkages between the sector and the rest of the economy, the implementation of the Concessions Policy in favour of Black Economic Empowerment as well as providing tangible support for rural tourism in general and communal conservancies in particular. The final objective is to provide a support framework that increases business opportunities for rural tourism enterprises.

In essence, the investment focus is thus mainly on five areas:

INVESTMENT FOCUS AREAS AS DERIVED FROM NATIONAL PLANNING AND VISION DOCUMENTS

INVESTMENT FOCUS AREA	OBJECTIVE
1. Tourist Arrivals	To increase the sector's multiplier effect, and thereby maximise job creation.
2. Diversified and competitive tourism product development	Diversified products that include local people will also result in robust value chains to ensure maximum benefit to communities.
3. CBNRM Program	Supporting and investing in indigenous tourism enterprises supports the economic empowerment and transformation agenda in the sector and the creation of linkages between tourism and other sectors.
4. Institutional capacity	To support skills development (including the line ministry, other government departments and community based organisations) and capacity to manage the sector.
5. Sector profitability and supporting investment climate	To ensure appropriate financing instruments and regulatory environment. ³

Source: Adapted from the MET's Sustainable Tourism Development and Growth Strategy and the National Policy on Tourism for Namibia 2008.

³In this regard encouraging private sector/CBO partnerships and foreign investment should be at the forefront – which in itself needs realistic rather than idealistic strategies – starting with land tenure issues.

2.2 PRINCIPLES OF THE NATIONAL POLICY ON TOURISM FOR NAMIBIA

The Investment Strategy is guided by the ten principles of the 2008 National Policy on Tourism for Namibia. These principles are:

1. Tourism policy must serve government objectives and shall be for the benefit of all Namibians and visitors. Government intervention, whether in the form of regulation, facilitation or investment, will be driven by national interest, not by narrow self-interests. This policy is promoting both domestic as well as international tourism. Promoting domestic tourism will ensure that Namibians also enjoy the beauty of their tourism attractions.
2. Tourism needs to be competitive. Attracting investment and successful marketing require positive interventions by government to create a competitive business environment which enhances the country's ability to compete internationally and regionally.
3. The tourism policy must enable the private sector to operate and compete effectively in global markets to generate responsible tourism. Government recognises the contribution that the private sector makes towards government objectives.
4. Increased local participation and equity are essential to spread the benefits of tourism. Broad-based black economic empowerment will underpin the future of society and the economy. Both men and women must develop appropriate skills which equip them to become fully involved in profitable business operation, management and ownership.
5. Tourism development must be economically, socially and environmentally sustainable. Namibia neither wants nor can afford to permit tourism that yields only short-term benefits and in its wake leaves destruction, demotivation or disruption to the fabric of local life.
6. Sustainability is inextricably linked to the protection of the natural resource base, namely environment, aesthetic value, wildlife and culture. Government recognizes the need to be involved in managing, promoting and financing aspects of these.
7. The government's investment and operational functions with regard to the tourism sector are related to the areas of infrastructural development, marketing, education and skills development. Government will further facilitate the identification and removal of strategic barriers to tourism development and thus create an enabling environment for the tourism sector to operate competitively. It is also government's responsibility to ensure conservation, quality standards, fiscal policies and to provide a rational and equitable business environment. Government recognises the importance of its role in these areas, without which Namibian tourism will not achieve its potential. State-owned tourism enterprises such as Namibia Wildlife Resorts, Air Namibia and the Namibian Tourism Board need to operate on commercial principles.
8. Tourism investment, development and promotion must be market-driven. Assessment of the market potential and viability must be undertaken before committing resources. Otherwise projects risk failure, wastage of resources, local demotivation and the opportunity cost of these resources being invested in viable development projects elsewhere. If not, however, there must be valid justification on the basis of national economic benefit or on social or environmental factors, e.g. conflict resolution, wildlife conservation, community cohesion etc.
9. It is government policy to promote interventions on the basis of national economic benefits.
10. The human factor is of prime importance in tourism. The quality of service provided should be of a standard that meets the requirements of present-day national, regional and international tourism.

The principles embed an active state role in regulation, facilitation and promotion; they call for a more equitable development and distribution of the sector's income and benefits; provide for human capital development; advocate a balanced approach in terms of regional development, competitiveness and the adoption of sustainability and project viability elements.

2.3 CAPITAL FORMATION AND AVAILABILITY

Understanding the availability of capital and the way it is formed in the Namibian tourism sector is a crucial parameter for sector planners, if they are to support the vision outlined above. The industry's capital stock data patterns, as derived from the National Accounts should provide some evidence of how funding flows operate in the sector. However, tourism is not an explicit sector on its own in the National Accounts. For this reason, the "Hotels and Restaurants" sector serves as a proxy for tourism.

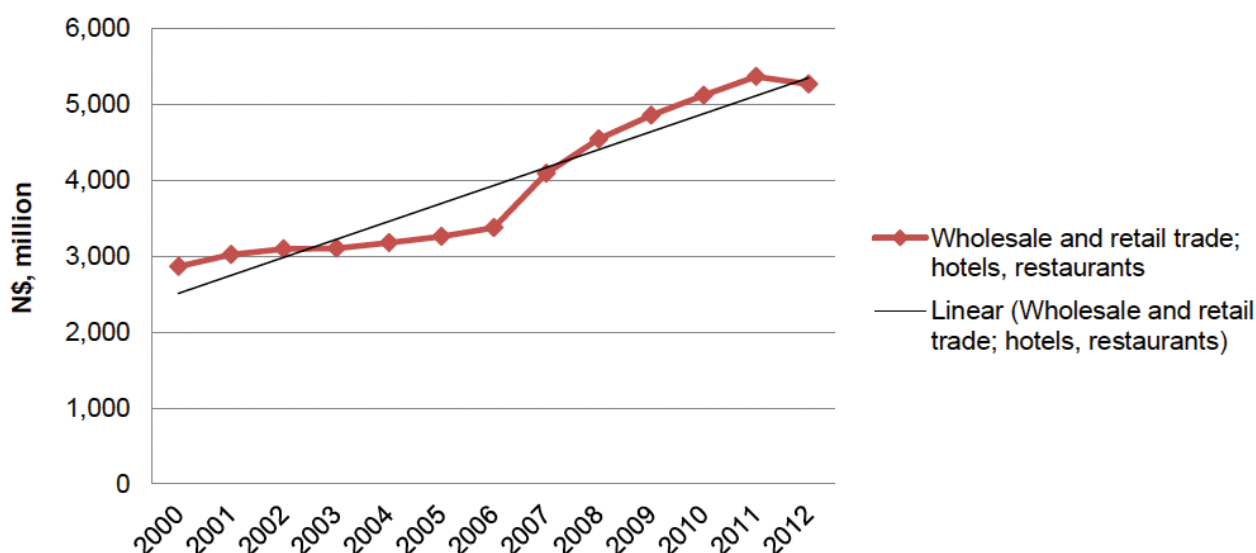
This is an Achilles' heel in tourism planning in Namibia, as there are no clear numbers available on the value of tourism to the national economy. Caution

must be exercised whenever planning is to be based on such a proxy. In addition, efforts must also be made to access other data to help complete the assessment exercise.

In terms of capital stock formation, the proxy for tourism 'Hotels and Restaurants' is lumped with the wholesale and retail trade sector. This can distort any effective planning or investment strategy setting for the sector, but nevertheless some trends may be extrapolated.

Figure 2 below depicts that capital formation for the sectors wherein tourism is proxied by 'Hotels and Restaurants' was on average N\$3.9 billion a year between the period from 2000 to 2012.

FIGURE 2: CAPITAL STOCK:WHOLESALE AND RETAIL TRADE; HOTELS, RESTAURANTS, 2004-2012



Although, as Figure 2 depicts, growth has been mainly on an upward trend, it tapers off in certain periods. This is cemented further by examining the sector's average growth in capital stock and overall contribution to the national capital formation. Figure 3 on the following page demonstrates these two aspects:

FIGURE 3: PROXY CAPITAL STOCK FOR TOURISM OVERALL PROPERTIES: 2000-2012

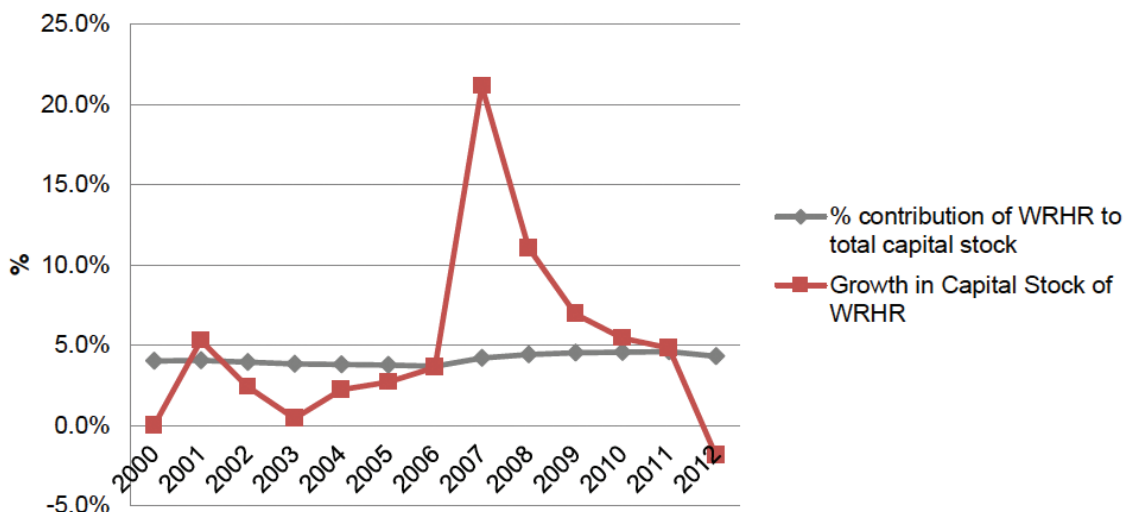


Figure 3, as seen above, demonstrates that for the period from 2000 to 2012, the category of sectors in which tourism is proxied grew on average by 5% per annum and on average contributed on average 4.1% to total capital stock formation in the country. Although such high level data is insightful, further data, where available, is needed to get closer to investment trends in actual tourism investment flows. The Namibia Investment Centre (NIC) facilitates various sectoral investments. Data available from the NIC shows the following:

TABLE 4: NIC ASSISTED INVESTMENTS IN TOURISM 2006-2012

NIC ASSISTED INVESTMENTS	NUMBER OF TOURISM PROJECTS	TOURISM INVESTMENTS (N\$ MILL)	TOURISM EMPLOYMENT CREATED	AVERAGE INVESTMENT COST PER PROJECT
2006	5	13 167 286.00	111	2 633 457.20
2007	6	20 074 944.25	17	3 345 824.04
2008	5	11 700 000.00	109	2 340 000.00
2009	6	11 755 286.00	111	1 959 214.33
2010	4	30 500 000.00	63	7 625 000.00
2011	3	31 672 788.00	18	10 557 596.00
2012	8	172 161 569.00	568	21 520 196.13

Source: Author's assessment after cleaning NIC data

The data from NIC provides some insight into foreign direct investment in the tourism sector. During the years 2006-2012, the NIC facilitated an average of 5 projects per annum, which was, on average, 9% of all projects facilitated per annum. Mostly these investments are in proclaimed areas and on average South Africans account for 20% of all investors. It can reasonably be assumed that such investments are funded from outside.

The flow of domestic credit from commercial banks to the sectorial economy also depicts a very disappointing trend. Most of the bank credit is towards personal loans and mortgage lending rather than productive economic sectors. Table 5 depicts this clearly (unfortunately tourism as a sector is never captured holistically in this aspect).

TABLE 5: COMMERCIAL BANK'S DIRECTION OF CREDIT 2004-2010

DIRECTION OF COMMERCIAL BANK CREDIT (%)	2004	2005	2006	2007	2008	2009	2010
Agriculture	3.8%	4.1%	3.3%	3.4%	4.0%	4.3%	4.3%
Fishing	3.6%	4.2%	2.4%	2.3%	2.6%	2.6%	2.4%
Mining and Quarrying	2.0%	2.3%	0.6%	1.9%	2.3%	2.9%	2.9%
Manufacturing	2.1%	1.6%	1.9%	1.6%	1.6%	1.8%	1.9%
Building and Construction	5.4%	1.2%	1.0%	1.3%	1.2%	1.5%	1.4%
Commercial and Services	26.8%	29.9%	31.2%	31.1%	29.9%	30.4%	31.4%
Other resident sectors and Others	56.3%	56.7%	59.5%	58.5%	57.9%	56.5%	55.7%
TOTAL	100%	100%	100%	100%	100%	100%	100%

Source: Authors' calculations based on Bank of Namibia's data

The final assessment from the capital stock formation and NIC's data shows positive trends from which the industry's goals can be leveraged on. However, the information presented is too narrow and ignores Direct Domestic Investment (DDI) in its entirety. The data from the flow of commercial banks' credit to the economy depicts the need for resource mobilisation and leveraging for the tourism sector.

2.4 CAPITAL EXPENDITURE BY GOVERNMENT

The government continues to be a major funder and investor in the tourism sector. Depicting an increasing trend, government spent N\$330 million on tourism related activities in 2006, which increased to N\$506 million in 2007 and N\$568 million in 2009. By 2020, projections are that government expenditure would be close to N\$2 billion, incorporating infrastructure related investments as per the Targeted Intervention Programme for Employment and Economic Growth (TIPEEG) allocations:⁴

TABLE 6: COST ESTIMATES FOR PROJECTS TO BE EXECUTED UNDER IDENTIFIED KEY SECTORS

SECTOR/PROJECT	ESTIMATED COST IN N\$	EMPLOYMENT IMPACT	IMPACT ON GDP PER YEAR OVER 10 YEARS
Transport	15,200,000,000	39,000	1.03%
Agriculture	4,000,000,000	26,171	1.46%
Tourism	2,000,000,000	107,000	1.46%

Source: Unpublished Central Bank estimates and TIPEEG (2011) figures not yet officially released

Some of the key interventions to be undertaken include a refocusing of our tourist strategy from catering for an exclusive small group of tourist, due to environmental concern, to a blend of mass and niche tourism with a strong domestic component: intensive marketing, air access, safety and skills development and upgrade of infrastructure in certain “virgin” tourist areas.⁵ This sector is also to benefit indirectly from the rehabilitation of the roads and railways as the following table depicts:

TABLE 7: TIPEEG ALLOCATION OVER MTEF2011/12-2013/14

ITEM	N\$ (MILLIONS)
Upgrading of tourists roads	60 532
Regional offices and accommodation	57 000
Fencing of conservation areas	118 724
Water provision for game	8 000
Wildlife loan scheme	15 608
Community based tourism lodge development	15 100
Development of tourism facilities for NWR	294 554
TOTAL	569 518

Source: TIPEEG (2011)

⁴The challenge here is for government spending to achieve maximum catalytic effect - thereby encouraging optimal private sector investment – both foreign and domestic.

⁵For example, the opening of Galton Gate and infrastructure being developed along the previously ‘virgin’ Galton Gate Route in Etosha National Park. Similar initiatives with respect to ‘virgin’ areas need to be identified.



A closer inspection of the MET's budget shows many activities that directly promote investment in the sector (contribution to NTB and NWR and specific programmes/projects such as tourism enterprise development, community-based tourism lodge).

TABLE 8: MET BUDGET RELATED TO TOURISM

COMMUNITY-BASED NATURAL RESOURCE MANAGEMENT AND TOURISM	2010/11 N\$(000)	2011/12 N\$(000)	2012/13 N\$(000)	2013/14 N\$(000)
Support for CBNRM and direct assistance to conservancies	7,600	8,500	10,377	12,400
Management of neighbours and resident relations		1,500	1,500	1,500
Policy and Planning	100	100	1,000	2,000
Community-based Tourism		5,525	4,500	5,000
Community-based Tourism Development	3,141	2,925	2,000	5,000
Upgrade of sewerage and water supply systems		1,134	13,450	15,000
Totals	10,841	19,684	32,827	40,900
Policy, Planning and Legislation	600	600	642	1,300
Membership of International Organisations	2,700	2,000	1,000	2,000
Contribution to NTB	32,000	70,000	60,000	40,000
Contribution to NWR	10,000	17,000	18,000	40,000
Tourism Enterprise Development		5,850	3,900	5,200
Tourism Awareness		577	1,884	1,500
Community Based Tourism Lodge Development	5,250	7,100	3,000	5,000
Development of tourism facilities for NWR		249,580	44,974	
Tourism Research and Statistics	700	700	749	2,500
Strengthen national, regional and global tourism relations	2,000			
Total	532,250	354,907	136,369	100,000
Upgrading of tourist roads	18,339	20,532	10,000	30,000
Other	7,600	8,500	10,377	12,400

Source: MTEF



2.5 CURRENT INVESTMENT MARKET CONTEXT FOR TOURISM

From an investment perspective the three critical parameters - growth in arrivals, tourism receipts and yield per arrival for the Namibian industry - depicts a positive figure.

Over a ten year period, tourist arrival was on average 845,475 between 2001 and 2011, whilst tourism receipts averaged N\$3.3 billion over the same period. Average growth in these two parameters was 4% and 13% respectively over the same period. The correlation coefficient between the two parameters is 80%.

The third parameter, yield per arrival, is also positive, showing that the country yield per tourist was N\$3,932 with a double digit growth averaging 10% over the 2001-2011 period. However, closer inspection of the growth in yield per arrival shows volatility and would therefore warrant further focus during the strategy implementation.

Table 9 below summarises the three parameters and their outcome.

YEAR	TOURIST ARRIVALS	GROWTH IN ARRIVALS	TOURISM RECEIPTS	GROWTH IN RECEIPTS	YIELD PER ARRIVAL	GROWTH IN YIELD
1995	272 000	0%	1 009 140	0%	3 710	0%
1996	461 000	69%	1 259 900	5%	2 733	-26%
1997	502 000	9%	1 535 130	14%	3 058	12%
1998	614 000	22%	1 592 640	-14%	2 594	-15%
1999	635 000	3%	1 753 570	0%	2 762	6%
2000	656 000	3%	1 339 420	-33%	2 042	-26%
2001	670 000	2%	2 273 040	37%	3 393	66%
2002	757 000	13%	2 645 540	-5%	3 495	3%
2003	695 000	-8%	2 895 480	53%	4 166	19%
2004	716 000	3%	2 751 960	11%	3 844	-8%
2005	778 000	9%	2 308 680	-15%	2 967	-23%
2006	833 000	7%	3 202 210	30%	3 844	30%
2007	929 000	12%	3 821 100	15%	4 113	7%
2008	931 000	0%	3 997 840	-11%	4 294	4%
2009	980 000	5%	4 328 170	6%	4 417	3%
2010	984 000	0%	4 099 200	10%	4 166	-6%
2011	1 027 229	4%	4 682 700	15%	4 559	9%

Source: Author's calculations based on WTO data.



2.6 GROWTH TARGETS FOR THE TOURISM INVESTMENT STRATEGY: 2013-2020

Going forward, efficient interplay to harmonise the three critical investment parameters is vital.. It is imperative for the country to grow the yield per tourist and not merely rely on growth in tourists arrivals. The strategy thus proposes the following 2020 target parameters for the tourist investment strategy to help underpin the overall Tourism Growth Strategy:

TARGET ELEMENT	CURRENT	2020 TARGET	GROWTH TARGET
Tourist Arrivals (in millions)	1 387	1 500	8%
Yield (receipts per arrival) N\$	4 558	6 837	50%
Tourists Receipts N\$ million	4 682	6 000	28%

2.7 THE INVESTMENT STRATEGY: PROPOSED INVESTMENT CORE THEMES

To enhance and meet the growth targets as set out in Table 8 above, key value chain/project or activities are identified across the five investment focus areas of the overall Tourism Growth Strategy. In addition, eight value chains are identified to stimulate tourism growth to help achieve the stated investment targets. Total cost implications are estimated at N\$801 million.

INVESTMENT FOCUS AREA	KEY OBJECTIVE/S	ESTIMATED COST
A. Attract and increase more tourists from all key markets	Increase the number of tourists to 1.5 - 2 million by 2020 Increase domestic tourism in Namibia	N\$80 million (mainly marketing costs and development of new markets) N\$100 million for a PPP initiative
B. Diversified and competitive tourism products development	Cruise tourism International conference centre	N\$450 million ⁶
C. Economic empowerment and transformation agenda in the sector	Increase the number of beds in communal conservancy areas from 4% to 10% by 2020	N\$ 150 million for lodge investments and financing other emerging tourism enterprise developments..
D. Enhanced institutional capacity to manage the sector	HRD and data management systems/research and statistics	N\$50 million
E. Sector profitability and supporting investment climate	Develop a framework guide/manual to facilitate tourism investments	N\$ 1 million

⁶ Care must be taken that this is harmonised with sufficient beds being simultaneously developed by the private and public sector in the optimal proximity of the conference centre

TABLE 12: CORE TOURISM VALUE CHAINS

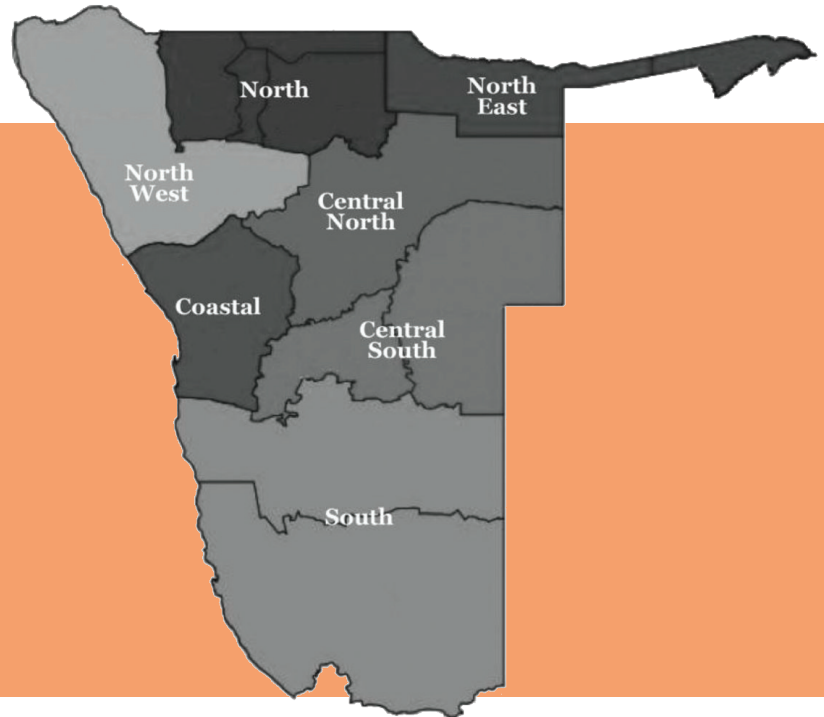
PRODUCT/PROJECT	CURRENT STATUS	CURRENT IMPORTANCE	DEVELOPMENT IMPACT (EMPLOYMENT, INCOME, FOREX)	FUNDING RESOURCE REQUIREMENTS	STRATEGIC FOCUS/POLICY NUANCE REQUIRED
Wildlife tourism	Namibia has more than 43% of its land area under some form of conservation management. There are numerous tourist attractions including national parks, communal conservancies etc. where wildlife tourism can be leveraged further.	High	High	High	Efficient and optimal utilisation of the concession regime will greatly provide for further opportunities. Funding will be a composite of public, donor and private resources.
Trophy hunting	Trophy hunting constitutes 14% of the overall tourism sector. This sector is under increasing threat from the developed world's anti-hunting fraternity and an irreversibly escalating anti-hunting ethic. The long-term future of this sector is thus precarious.	High	Medium	Medium	Further value chain development of the subsector is warranted to ensure that more income accrues to communities. Training needs to focus on increasing the number of qualified local hunters, especially professional hunters. Measures such as recognition of prior learning may be considered.
Other hunting	The focus to date has been on trophy hunting with little focus on generating better returns for non-trophy harvesting of wildlife. This could also support trophy hunting by widening the base and linking hunting to a wider set of values and purposes.	Low	Medium	Medium	Release of non-trophy quota for hunting in conservancies, linked to benefit (meat) distribution. Strong focus on training locals to become tracker/guides and potentially professional hunters.
Coastal tourism	This subsector has a high impact on the unskilled: more than 70% of its total jobs fall under that category.	Medium	High	Medium to High	Opportunities exist to develop large and mid-range lodging facilities. Project titling can also be explored further for this subsector.
Community-based tourism including cultural tourism	The subsector provides ample avenue for real sector transformation, with consistent growth in the number of conservancies and joint venture businesses. Vast opportunities can accrue through the fostering of linkages to enable locals to engage in food, craft and wood selling activities.	High	High	High	Despite the evident high developmental impacts, communal tourist beds are merely 4% of total number available. This severely affects overall empowerment ambitions in the sector. Further support is also needed to ensure appropriate joint venture partnership guidelines. Cultural tourism provides significant entry points for rural communities to enter the tourism sector
Economic empowerment and transformation incubation centre	So far the focus has been on community tourism. There has been no focused strategy for emerging tourism entrepreneurs who may not fall within the category of community-based tourism actors	High	High	High	Funding will be required to establish such a centre. It can either be public or private or a combination of both. A restructured organisation such as NACOBTA could be considered
Film tourism	Namibia has significant potential for developing this subsector. Swakopmund is ideally suited for this subsector and areas around there or elsewhere can be set aside for this sector.	Medium	High	High	Namibia should ensure that it receives maximum exposure both in terms of the film and the actors by developing an innovative strategy through the Namibian Tourism Board
Car testing	Namibia is ideally suited for this type of sector with a view to serve as a tourism promotion anchor through the visibility that it provides	Low	Medium	High	It is necessary to develop the necessary regulatory framework to ensure that Namibia receives maximum exposure
Cruise tourism	On average 10 cruise ships dock at Walvisbay and !Nami#nus per year. The port expansion plans at Walvisbay by Namport include measures to support this subsector.	Medium	High	High	Due to the high investment that could be required, a PPP approach will be necessary.
Township tourism promotion initiatives	It is necessary for the transformation of tourism that investment are channelled to township tourism in terms of infrastructure and promotion. Areas such as Evelyn Street in Windhoek can be developed as township tourism hubs with appropriate facilities, e.g. revamping of Otjikaentu.	High	High	Medium	These initiatives should be undertaken and budgeted for by local authorities across the country.
Circuit development/ route development model	Circuit development helps to diversify the tourism product and direct tourists flows to areas that are desirable from a planning perspective, such as communal areas. Namibia has recently developed three routes, mostly in the northern regions of the country.	High	Medium	Low	Development of further routes should, where feasible, be congruent with the ambitions of increasing beds in communal areas strategy.
Luxury affordability and medical and retail tourism	A substantial number of regional tourists are drawn towards shopping and medical related activities. Further scope is available to ensure deeper linkages with local products such as craft shopping outlets.	Medium to High	High	High	Essential to develop value chains that can support local products, such as crafts or fresh produce.
State-of-the-art cyber building	This is to attract the technology industry to Namibia as part of the multiplier effect of tourism. This can catapult Namibia into becoming a critical player in the IT and other technology sectors in the region. It will also make use of the comparative advantage that Namibia enjoys due to the fibre cable.	Medium to High	High	High	Due to high investment that may be required, a PPP approach will be necessary.



SECTION 3: Specific Tourism Entry Points

The 2012 Growth Strategy identifies nine regional tourism clusters to ensure that sectoral development takes place across the country and that the benefits and multiplier effects of tourism are spread geographically. The regions are depicted in Figure 3 below:

FIGURE 4: REGIONAL TOURISM CLUSTERS FOR NAMIBIA



Source: National Sustainable Tourism Growth and Development Strategy, 2016

The need for a regionally balanced approach is highlighted by the spread of accommodation establishments. Figure 5 below demonstrates this amply:

FIGURE 5: TOURISM TOTAL BEDS AND ROOMS PER REGION IN 2012

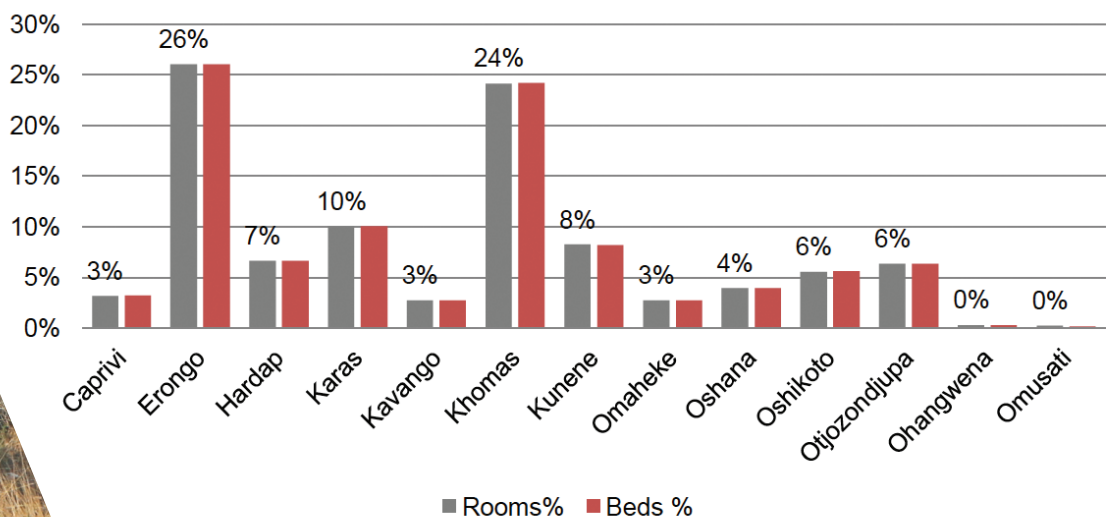


TABLE 13: IDENTIFIED TOURISM INVESTMENT PROJECTS

PROJECT	REGIONAL CLUSTER LOCATION	INVESTMENT ESTIMATE (N\$,000)	FINANCING MODE	JUSTIFICATION FOR THE PROJECT
Cruise Tourism	Coastal and South	3000-4000	PPP	This is a relatively unexplored section of the Namibian tourism sector and needs aggressive engagement
Dry Ports	All 9 regions	45	Private	These ports can be developed in all region were tourists require assistance in terms of arrival and departure ports for taxis and busses. This development provides significant benefits to local residents as well.
Regional Convention Centres	Coastal, North, South and Central North (Lüderitz, Ondangwa, Katima and Swakopmund)	300	PPP	These regional convention centres will attract MICE tourism and therefore contribute to the multiplier effect of tourism and to the geographic spreads of benefits from tourism across the country.
International Convention Centre	Central South	450	PPP	Namibia has demonstrated the ability to attract and host large international events. n international convention centre will attract even larger conferences and events that will contribute to the multiplier effect.
Hardap Dam Tourism Resort	South	75	PPP	Tourists, especially domestic tourists, are after sun and water. The Hardap Dam is suited for the development of many water-based tourism activities.
Sperrgebiet Tourism Development	South	25	PPP	The Sperrgebiet provides a significant opportunity for the reinvigoration of tourism development in the South with new and innovative tourism products and routes.
Katima Northeast Waterfront	North East	150	PPP	The Waterfront has the potential to become a magnet for drawing more tourism into that region both for domestic and regional tourism
Kavango River Waterfront	North East	150	PPP	Same as above
3 Open Africa Routes ⁷	North West, North, Central North and North East	5	PPP	These routes will contribute significantly to the geographic spread of the benefits of tourism into yet relatively unknown areas of Namibia. New and innovative tourism products need to be developed along these routes.
Airport facility development and upgrades, including facilities at land border posts	All 9 regions in strategic places		PPP	Airports have the potential to become business hubs in themselves. They already serve as tourism hubs and there is need for aggressive development and upgrading of our airport facilities across the country.
Development of renewable energy sources e.g. solar power for communal conservancies JV	All conservancies	Case by case investments needs	Joint venture and PPPs	Energy fuels development. Solar power has the potential to transform life in and around conservancies.
Tourism Superstructure	All 9 regions	Case by case investments needs	PPP	This refers to the development of road infrastructure, lodges, routes and other supporting infrastructures that form the bed rock of tourism.
Maintenance of Buildings	All 9 regions	Case by case investments	Private, PPP and joint venture	There is a need to develop appropriate quality buildings for the tourism sector. These, however, must be maintained if they are to continue contributing to the quality experience of tourists.
Strategic Jet Fuel Supply Zones	South, Northeast and Central North	100	PPP	Aviation tourism is on the increase in the Namibian tourism sector. The availability of jet fuel across the country is a limiting factor, however. There is thus need for investment into the strategic supply of jet fuel across the country to meet the demand of tourism.
Second short/regional airline	All 9 regions	250	PPP	Long distances are one of the characteristics of tourism in Namibia. As tourist arrivals are on the increase and domestic tourism is being pursued aggressively, the need for affordable air travel within the country is highlighted.

TABLE 13 (CONTINUED)

PROJECT	REGIONAL CLUSTER LOCATION	INVESTMENT ESTIMATE (N\$,000)	FINANCING MODE	JUSTIFICATION FOR PROJECT
Cyber city/centre/ building	Khomas	180	PPP	Fast internet and the necessary frame conditions enable Namibia to transform itself into a critical player in IT and other technology industries.
Investment in Communal Conservancies - Lodge Development	All 9 regions	150	PPP	The case has been made for the impact that Communal Conservancy joint ventures have had on rural development, job creation and empowerment of communities. But to date, beds in communal conservancies represent only 4 % of the total beds. This must be addressed in line with sound business principles and demand.
Development of Film Tourism	Coastal	25	Government	Namibia has a large surface area with breathtaking and contrasting landscapes. We have not yet fully explored the potential of film tourism and the benefits it can generate for the country.
Volunteer Tourism	All regions	Case by case investment	Private	Voluntourism presents a significant opportunity for an injection of skills into the country and it is a free source of additional marketing for Namibia. It will also contribute to the geographic spread of tourism in Namibia

⁷ Although circuit developments are generally regarded as viable initiatives, their contributions to optimising community benefits are not yet well addressed. Many tour operators and self-drive tourists (especially Namibians and South Africans) can travel these routes through conservancies without spending one cent along the way. Thus there is a need to explore other mechanisms (for example tourism toll fees) to extract some community benefits from such transient tourists who do not use the established lodges and camp sites in those areas.





SECTION 4:

Barriers to Tourism Investment

Barriers to tourism investment manifest themselves differently than the type of tourism. In certain segments their impacts are less benign than in others. As a result, efforts to remove or lower such barriers, through economic incentives, for example, should take such distributional impact variations into consideration. Key barriers to tourism investment in Namibia from an investment perspective are:

TABLE 14: BARRIERS TO TOURISM INVESTMENT IN NAMIBIA

TYPE OF BARRIER	ENDOGENOUS/EXOGENOUS TO THE SECTOR	COMMUNAL TOURISM	COMMERCIAL TOURISM	EMERGING TOURISM
Access to capital and credit	Exogenous	High	Medium	High
Land use/tenure constraints	Exogenous	High	Low	High
Human resources/skills	Endogenous	High	High	High
Historical overreliance on long-haul overseas market	Endogenous	High	High	Moderate
Limited range of economic incentives	Both	High	High	High
Seasonality	Endogenous	High	High	High
Cost of importing of materials and supplies	Both	High	Medium	High
Limited cross-sector linkages	Both	High	High	High

SECTION 5: Economic Incentives

Given the specific issues outlined above, there is a need to decide on appropriate incentives to help encourage investment.

Incidentally, there is also a need to appreciate both fiscal and non-fiscal measures. Apart from the micro incentives advocated above, this section deals with general recommendations on the design of tourism incentives.

Economic incentives for the tourism sector can be classified into the following:

- Fiscal (tax) incentives, which include special tax exemptions, deductions or allowances as well as custom duty exemptions.
- Financial incentives, which include direct subsidies/grants as well as soft loans.
- Non-financial/fiscal incentives, also referred to as 'soft' incentives, which could range from aspects such as fast tracking registrations, waiving deadlines to be met under certain circumstances, hand- holding potential investors to help them navigate additional required processes through the public system, etc.

TABLE 15: SUGGESTED TOURISM INVESTMENT INCENTIVES PACKAGE

INVESTMENT CATEGORY: LARGE INVESTMENTS

Tax Free Period
Import Duty Exemption
Trading Loss Tax Offset
Accelerated Depreciation Allowance

MINIMUM INVESTMENT REQUIRED - N\$ 5 MILLION (EXCLUDING LAND COST)

A ten-year tax holiday for capital investment of at least N\$ 5 million
Import duty exemption on all capital goods which are not available locally.
Carry forward losses for up to 4 years in succession.
15% depreciation (excluding land) that could be written off within any 5 or 8 years.

INVESTMENT CATEGORY: MSME INVESTMENTS

Investment Tax Allowance

Trading Loss Tax Offset
Import Duty Concessions

Accelerated Depreciation Allowance
Electricity Generation

MINIMUM INVESTMENT REQUIRED - N\$ 50,000 (EXCLUDING LAND COST)

An investment allowance of 55% of the total capital expenditure can be offset against income from the tourism business, provided that there is no shift in tax revenue. Such an allowance is applicable to renovations, refurbishments or extensions of an existing accommodation business.
Carry forward losses for up to 6 years in succession.
5% concessionary fiscal duty plus VAT on building materials, furnishings and fittings, equipment, room amenities, kitchen and dining room equipment and utensils which are not manufactured in Namibia.
5% concessionary fiscal duty plus VAT on specialized water sports equipment and other similar goods which are not manufactured in Namibia.
5% concessionary fiscal duty plus VAT on heavy plant and machinery for resort and lodge project development, provided that such plan and machinery is re-exported after completion of the project.
20% depreciation (not including land) can be written off within any 5 to 8 years.
The business will be allowed to generate its own electricity, provided that renewable energy sources are used.

COASTAL TOURISM INCENTIVE

Coastal tourism incentive

MARINE VESSEL - MINIMUM COST N\$500,000

Tourism vessel investment allowance of 55% of vessel purchase expenditure can be offset against future income from business.
If allowance is unutilized after 3 years, it may be offset against income of other marine vessels or income from other tourist activities conducted by the vessel owner.

AVIATION TOURISM INCENTIVE

Import Duty and VAT exemption

MINIMUM INVESTMENT REQUIREMENT - N\$ 2 MILLION

100% duty exemption on aviation fuel.
Aircraft investment allowance of 55% of capital purchase expenditure can be offset against future income from the business.

TABLE 15 (CONTINUED)

TOURISM JOINT VENTURE INCENTIVES AND CONCESSIONS

MINIMUM INVESTMENT REQUIREMENT - N\$ 3 MILLION (EXCLUDING LAND COSTS)

An additional 2 years of income tax exemption for lodge/hotel/camp developers who have a local Namibian equity partnership of 25% minimum.
A waiver of concession fees payable by conservancies to the state as per the Head Concession Agreement if ownership of the lodge/hotel/camp being developed resides 100% in the conservancy.

TRAINING AND HUMAN RESOURCE DEVELOPMENT INCENTIVE

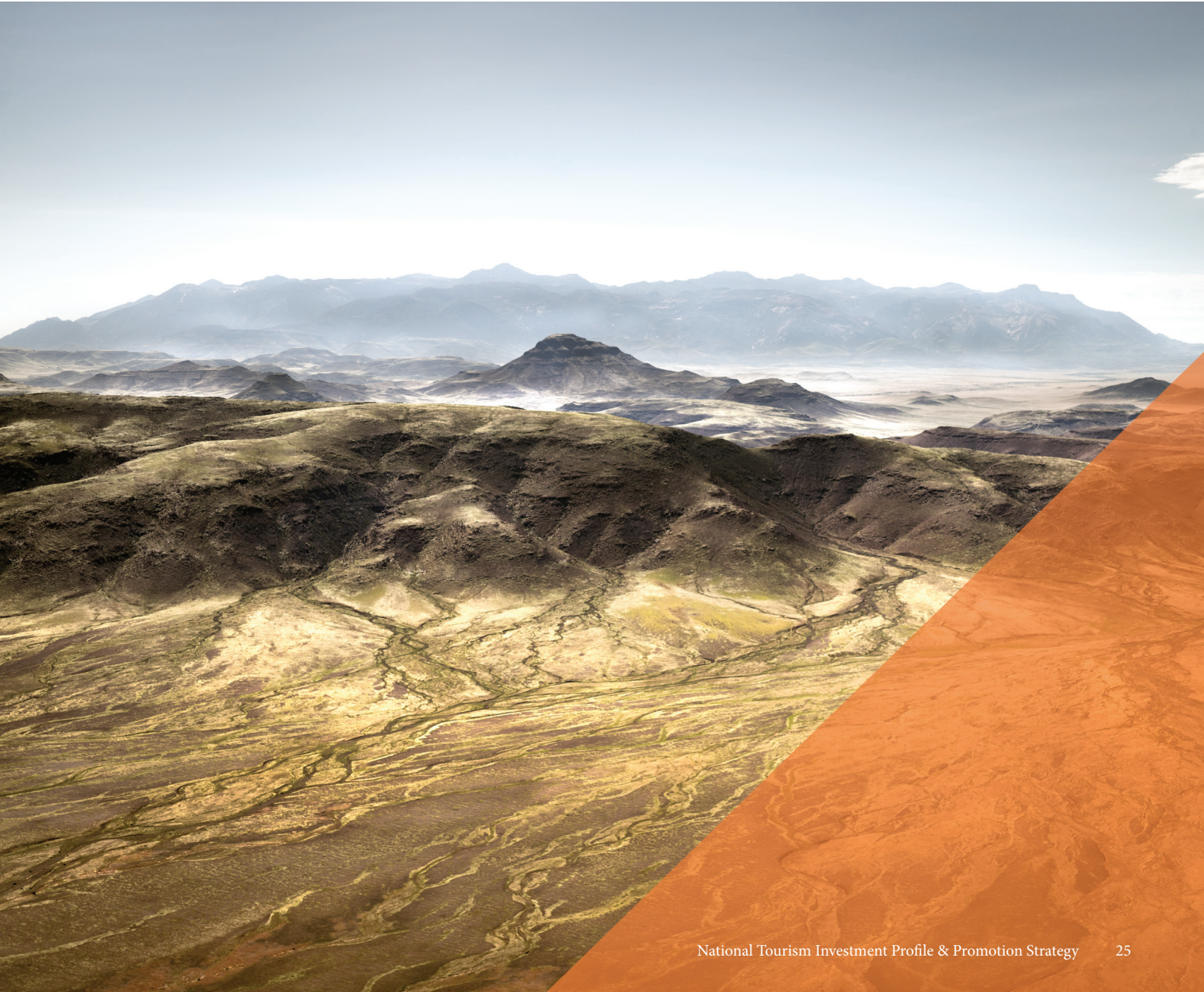
Setting up vocational training institutes. The institutes must provide training in areas such as guiding, culinary skills, hotel management, tourism facilities management etc.

Incentives will be calculated as a percentage of Total Project Costs (TPC) excluding land and subjected to a maximum amount. In general incentives will not exceed 20% of TPC, but may increase up to 35% where there is a local Namibian equity ownership of 25% minimum.

OTHER INFRASTRUCTURE INCENTIVE

Incentives will be provided for complementary infrastructure that will improve the quality of tourism in the country. Infrastructure such as pay-and-use ablution facilities, drinking water points, mobile device charging points, signage, internet services (e.g. provision of Wi-Fi at major tourist destinations) will be covered under this incentive package.

Incentives will be calculated as a percentage of asset costs excluding land and subjected to the maximum amount. In general incentives will not exceed 20% of asset costs, but may increase up to 35% where there is proof of a community-driven project or NGOs and rural women are mainly in charge.



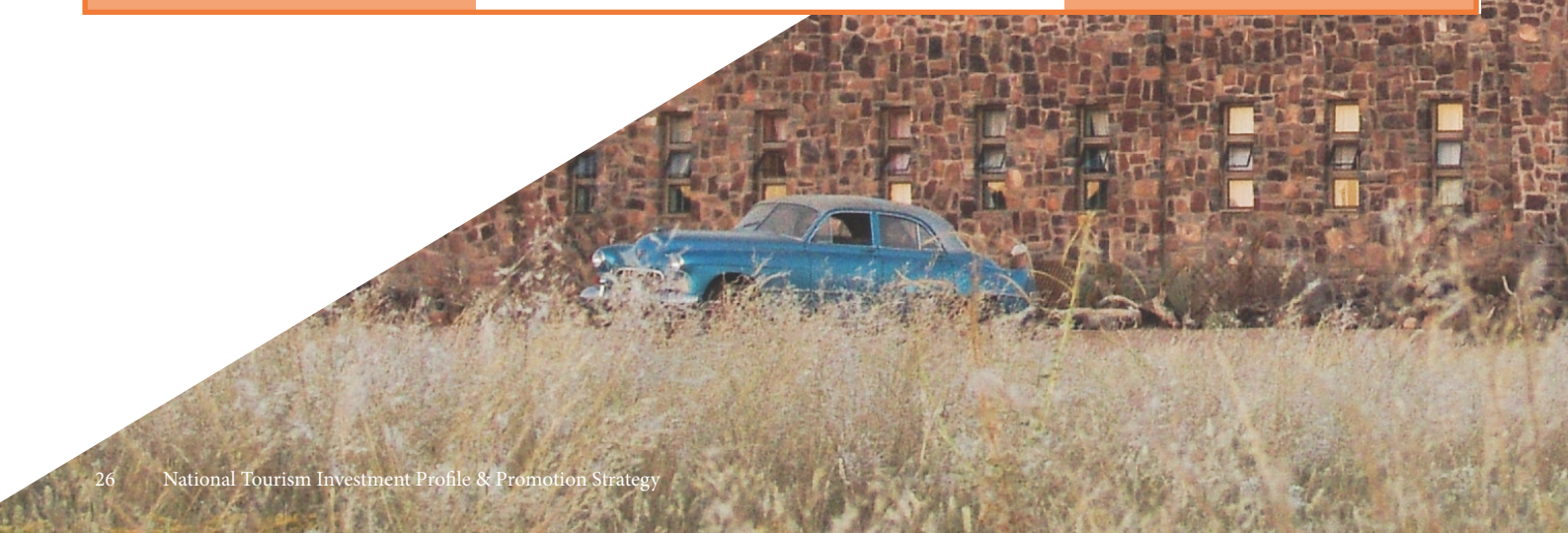
SECTION 6: Risk Management Aspects

6.1 RISK MANAGEMENT MATRIX (INVESTMENT STRATEGY PERSPECTIVE ONLY)

Key risks identified together with summary evaluation and proposed strategic responses are tabulated below. Where appropriate or desirable, responses will be coordinated with relevant agencies. Only tourism-specific responses have been incorporated in the following tables.

RISKS FROM THE PHYSICAL ENVIRONMENT (NATURAL, CLIMATIC, EPIDEMIC)					
THE POTENTIAL RISK	OVERALL RISK CLASSIFICATION	LIKELIHOOD RATING (A)	CONSEQUENCE RATING (B)	OVERALL RISK LEVEL (A+B)	TOURISM STRATEGIES
Potential market implications of climate change, particularly from growing concerns regarding long-haul aviation emissions.	Extreme	4	4	8	Ensure is Namibia is seen as having adopted principles of sustainability and as an eco-efficient destination.
Damage to natural environment through insensitive development and uncontrolled or excessive numbers of visitors.	High	3	3	6	Identify and ensure appropriate regulation and management of protected areas. Adopt and apply principles of sustainability throughout the tourism sector.

RISKS FROM THE HUMAN AND INSTITUTIONAL ENVIRONMENT OUTSIDE THE TOURISM SECTOR					
THE POTENTIAL RISK	OVERALL RISK CLASSIFICATION	LIKELIHOOD RATING (A)	CONSEQUENCE RATING (B)	OVERALL RISK LEVEL (A+B)	TOURISM STRATEGIES
What can happen?					
Financial recession in source markets or significant shift in exchange rate with key source markets.	Extreme	5	4	9	Ensure diversity of markets and market segments without excessive dependencies. Accelerate development of emerging and new markets and segments.
Higher fuel costs contributing to decreased competitiveness.	High	3	3	6	Monitor and collaboratively build response with air Carriers and other stakeholders.



RISKS FROM THE TOURISM SECTOR AND RELATED COMMERCIAL SECTORS

THE POTENTIAL RISK What can happen?	OVERALL RISK CLASSIFICATION	LIKELIHOOD RATING (A)	CONSEQUENCE RATING (B)	OVERALL RISK LEVEL (A+B)	TOURISM STRATEGIES
Increased competition from other tourism destinations.	Extreme	5	4	9	<p>Constantly monitor all competitive initiatives and consider responses. Monitor consumer travel patterns and behaviour through robust research and reporting</p> <p>Ensure that Namibia is continually positioned in target markets as being a premium and unique destination offering a travel experience that is unavailable elsewhere.</p> <p>Ensure that growth concentrates on the unique selling points of Namibia and that these are not eroded by poor planning and lack of co-ordination between Ministries.</p>
Inability to attract investment.	Extreme	5	3	8	<p>Provide an environment that effectively attracts investments and provide programs which include opportunities, incentive and facilitation.</p>

RISKS INVOLVING THE INDIVIDUAL TRAVELER (PERSONAL RISKS)

THE POTENTIAL RISK What can happen?	OVERALL RISK CLASSIFICATION	LIKELIHOOD RATING (A)	CONSEQUENCE RATING (B)	OVERALL RISK LEVEL (A+B)	TOURISM STRATEGIES
Accidental death, disability, or injury of a visitor.	Extreme	2	4	6	<p>Identify all physical risks regarding the safety of the visitor and mitigate the danger where possible. Publish safety information, and create warnings signage (multilingual to serve all major markets).</p> <p>Ensure that tourism operators adoption and comply with international standards of operation; incorporate standards as part of accreditation criteria. Legislate for minimum standards.</p> <p>Establish life guard facilities as appropriate</p>
A visitor becomes a victim of crime.	Extreme	4	2	6	<p>Ensure appropriate visitor information.</p> <p>Provide efficient and supportive response to incidents.</p> <p>Establish police tourism liaison office to enable better understanding and response to particular tourist needs.</p>



SECTION 7: Implementation, Monitoring & Evaluation

7.1 IMPLEMENTATION

The Directorate of Tourism and Gaming (DTG) within the Ministry of Environment and Tourism will take the lead in monitoring the implementation of the National Tourism Investment Strategy. The DTG will produce an annual report that describes progress made towards set milestones and performance indicators for each activity listed in the key action and priorities plan (Appendix 1).

To mobilize private and public investments in order to accelerate development of the tourism sector, the DTG will foster closer collaboration with the Namibia Investment Centre (NIC), National Planning Commission (NPC), Ministry of Finance (MOF) and the local and regional development finance institutions as well as commercial banks with tourism desks or tourism specific portfolios. The Development Bank of Namibia has not featured significantly in investments in the communal conservancy sector. As a development bank with state finance they need to engage actively and become a key player in financing tourism joint ventures in communal conservancies and community based tourism development.

The key institutions of the MET, such as the Environmental Investment Fund (EIF) and the Namibia Tourism Board (NTB), will also take the lead in certain key actions such as fostering business linkages. To ensure optimal implementation and compliance with the Overall Tourism Growth Strategy, the DTG will continuously report to the National Tourism Advisory Council and the Annual Tourism Forum.

7.2 MONITORING

At the project level it is imperative that milestones are continuously tracked by using built-in systems for monitoring processes, outputs and results to strengthen accountability for delivering agreed outcomes and provide pertinent information on performance. The active monitoring of project performance will enable the DTG to identify

obstacles and mitigate them before possible project derailment.

The DTG will establish measurable indicators or refine existing indicators for all projects and programmes. In addition, the DTG will create or refine information-gathering systems to collect related data and record and analyze the information. Where feasible, DTG will collect monitoring data at the beginning and completion of each activity. After the first year of implementation, DTG will review and modify performance indicators. A flexible orientation and the need to set realistic timelines in its overall approach will ensure that the DTG takes each limitation and constraint into account. This will also enable the DTG to monitor whether milestones have been missed and signal possible bottlenecks in the regulatory structure, deficiencies in skills levels or budgetary shortfalls.

7.3 EVALUATION

In terms of evaluation, all projects within this Investment Strategy will be evaluated at completion to reinforce a culture of accountability for delivering results. Evaluations are critical platforms for learning about successes and shortcomings from which follow-up programmes can benefit. At an appropriate intermediate year, the DTG will initiate an in-depth review of the overall Tourism Growth Strategy to ensure the continuing relevance of the implementation framework and priority projects, and their alignment with the relevant National Development Plan at that intermediate year. As a result, the DTG will initiate a mid-term review of the Investment Strategy at a project, sector and national level to inform strategic directors of future refinements of strategic directors while on-going monitoring mechanisms should be established. A Development Effectiveness Framework is therefore an essential element in the evaluation process to ensure rigorous ex-ante and ex-post monitoring and evaluation. To give credibility to this process, the evaluation exercise at times may be outsourced to outside parties.

SECTION 8: Funding the Tourism Investment Strategy

The total indicative funding for the specific projects covered in this strategy amounts to N\$801 million over a five-year implementation period.

This amount excludes the funding required for critical infrastructure such as road, power and water distribution which needs to be coordinated through other Ministries.

If the tourism sector is to develop the identified TEPPS, all stakeholders will need to be committed and invest in the future of the industry. Funding will need to be coordinated, by national government through both the recurrent and the development budget, by local authorities, the industry, financial institutions and the donor agencies.

The DTG needs to take a coordinated approach to sourcing funds and the prioritisation of implementation. A sober analysis is that government will provide a major part (60%) of the required funding, especially where the investment is for enterprises in communal areas. For projects that

could be funded by the private sector, such as cruise tourism and MICE based initiatives, government funding could be a major leverage instrument to attract private sector funding.

The government's commitment to the sector is amply demonstrated in the recent allocations for the Medium Term Expenditure Framework (MTEF) for the 2014/15 to 2016/17 period. The environment and tourism sector is allocated a total of N\$2.4 Billion for tourism marketing and the improvement of parks infrastructure and tourists facilities.

S ECTION 9: Action Plans (Implementation Framework)

9. INTRODUCTION

The five steps approach is required to successfully implement the tourism investment promotion strategy. Based on international best practices, a report by the Investment Climate – a World Bank group - entitled Global Investment Promotion Best Practices (GIPB), recommended that Investment Promotion Intermediaries (IPIs) should adopt five key steps in order to position their agencies and locations more competitively for new tourism investment:

These steps are:

1. Develop more strategic, focused, and relevant approaches to tourism investment promotion.
2. Improve overall capacity and skills to deliver effective investment promotion with an emphasis on developing better tourism-specific knowledge in-house, especially regarding the market and the product.
3. Present tourism information concisely, using up-to-date facts and data as well as testimonials from successful tourism companies.
4. Disseminate information to investors more effectively through a mixture of existing and customized instruments (such as websites, detailed sector profiles, and tailored presentations).
5. Learn to leverage partnerships to maximize results.



FIGURE 6: THE FIVE STEPS APPROACH TO SUCCESSFULLY IMPLEMENT THE TOURISM INVESTMENT PROMOTION STRATEGY



This strategy will be based on the five steps approach which is used by countries that are successful in attracting tourism investment.

9.1 STEP 1: BE STRATEGIC

The Tourism Investment Promotion must be strategic: Prioritize and focus its investment facilitation efforts.

In any sector, good investment facilitation seeks to reach the right investors with the right information at the right time. The best way to achieve this is to focus on a limited number of subsectors and individual investment opportunities that fit a particular target investor group, and to reach out to them proactively. Many investment promotion efforts lack the focus required to reach and convince the desired target investors.

Tourism is a broad sector, spanning a wide range of business lines. These include not only hotels and restaurants but also tour operators, airlines, car rental services, cruise lines, entertainment, training, equipment suppliers, and other support services. Research confirms that focus brings results: when IPIs concentrate their efforts, more than twice as much Foreign Direct Investment (FDI) goes to priority sectors relative to non-priority sectors. By the same logic, efforts should be focused on a limited number of priority subsectors within tourism.

In many countries, medium-term (~10 years)

regional, national, and subnational tourism strategies and master plans are in place. Typically, they contain valuable specialized guidance on project types, building densities, desired clustering, market orientations, related infrastructure needs, and the priority locations for such developments. Aligning priorities for promoting tourism investment with such overarching strategic frameworks helps foster stronger partnerships and broader stakeholder support throughout the process of investment generation. Experience shows that the most effective promotion is found where the country has an obvious investment strategy and a tourism development strategy clearly reflected in the promotion of the sector for investment, and in the specific investment opportunities identified.

As for many other sectors, the lack of concrete investment opportunities and detailed information about them is a barrier for investors. Even if investors are persuaded by the more general marketing messages about the location, they still need to identify potential sites within the country and conduct detailed research in what will often be a relatively unfamiliar environment. Therefore countries may gain a competitive edge over other destinations by covering more ground on behalf of the investor and presenting specific and well-researched opportunities that fit the investor’s requirements.

9.1.1 STRATEGIC INTERVENTIONS

Develop a project portfolio system for the Tourism Investment Promotion Centre based on the following:
a) Selection of sectors that can yield attractive investment projects based on Namibia’s competitive advantages

- b) Initiate a dialogue with the international investment community to assess the appetite of potential investors and identify criteria for selecting portfolio projects in the sector
- c) Creation of a network of state and privately owned companies, associations, public sector bodies, and local community partners that will help feed the portfolio with potential investment projects
- d) Creation of a common layout and a presentation template for the promotion of projects
- e) Signing of a non-disclosure agreement with project owners. Demonstrated professionalism and confidentiality by the agency's executives are key to building confidence with project owners and ensuring a constant flow of potential investment projects
- f) Selection of projects according to specific criteria, site visits, and preparation of detailed project presentations, sometimes with the aid of renowned investment banks; all materials are vetted by the projects owners
- g) Maintenance and promotion of portfolio projects. Promotion strategies are designed for individual portfolio projects or groups of projects in accordance with the sector, project size, and target investors.
- h) Arrange business meetings between project owners and potential investors, and provide support for project owners

9.1.2 STRATEGIC INTERVENTIONS

Once opportunities are identified and researched, they should be brought to the attention of the right potential investors. The Tourism Investment Promotion Center should avoid relying on passive forms of facilitation, assuming that investors will come forward. Unfortunately, foreign investors and operators are often unaware of the available opportunities. In many cases they may even have negative preconceived ideas about a destination and need some prompting before they turn their attention to the opportunities. By failing to attract the most qualified investors in the first place, governments often end up negotiating suboptimal deals with less-experienced investors who may not be able to unlock the opportunities' full potential.

The following interventions can help address this:

- Proactively identify investors and engage in targeted direct outreach, to ensure that as many well-qualified investors as possible become aware of the opportunities available.
- Ensure an element of competition between investors (such as competitive tendering of well-prepared and packaged sites) to increase the

number of prospective projects and sponsors, which may also help to attract stronger offers.

- Support targeted foreign investors by proactively identifying and mobilizing qualified and credible local partners and broker contacts.
- **Local partners would typically include:**
 - Local tourism operators looking for foreign partners.
 - Domestic investors well established in other sectors with an interest in expanding into the tourism sector.
- Owners of sites and properties that may be suitable for Greenfield or brownfield projects in the priority tourism subsectors and locations.
- Ensure that information prepared for foreign investors and operators on subsector opportunities may also be relevant to domestic investors, especially those coming from other sectors.
- To both enhance the proposition for foreign investors or operators and to maintain credibility as business facilitators. The Tourism Investment Promotion Centre has a vested interest in identifying the most credible local and foreign partners. To this end, the Tourism Investment Promotion Centre may develop basic assessment tools to evaluate the quality and credibility of local partners. However, the Tourism Investment Promotion Centre cannot be seen as substitute for due diligence that companies need to conduct.

9.2 STEP 2: DEVELOP A DATABASE OF TOURISM-SPECIFIC KNOWLEDGE

In order for the Tourism Investment Promotion Centre to improve the quality of information provided to prospective investors, it must demonstrate that it has the required sector expertise. While external consultants may help gather intelligence and develop promotional materials, the Tourism Investment Promotion Centre needs specialised staff in-house to be able to identify suitable opportunities, develop winning materials, keep them updated and relevant, and adapt them to specific audiences. These skills are also necessary to respond quickly to investor inquiries, develop working relations with relevant agencies locally, and effectively engage with investors.

In order to build confidence among prospective investors, sector specialists must be able to refer to key statistics, discuss industry trends with authority, and introduce investors to local figures such as senior government representatives. Accordingly, they must develop a deep understanding of the

broader tourism market, a strong familiarity with the product offering as well as key relevant stakeholders and knowledge of who the target investors are, how they think and how they conduct transactions.

9.2.1 STRATEGIC INTERVENTIONS

The Tourism Investment Promotion Centre must carry out the following activities to get up to speed with the tourism market to establish, prepare and maintain good investment facilitation services for tourism.

- a) Review existing tourism strategies, master plans, management plans and materials from key sector institutions such as tourism line ministries, SOEs, the National Planning Commission and National Tourism Board.
- b) Keep up to date with global trends and market developments through the United Nations World Tourism Organisation (UNWTO) and World Travel and Tourism Council (WTCC) publications as well as annual industry reports from Organisations such as PricewaterhouseCoopers (PwC), HVS and World Travel Market.
- c) Gather the relevant statistics and data needed to sell both the destination and specific investment opportunities. Unmet demand, as indicated by high hotel occupancies and consistent real growth in room rates among existing properties, is perhaps the most important driver of new investments, but information requirements are broader and may change based on the tourism subsector or the specific opportunities being promoted.
- d) Regularly meet existing investors locally as part of the aftercare activities and take the opportunity to understand their businesses, demands and supply trends, cost and revenue drivers, as well as constraints and barriers to investments.
- e) Systematically read sector news in the media, subscribe to specialized media, or simply start by using online news search engines (automatic e-mail updates can be set up, with key words such as “investments” and “tourism”).
- f) Look up tourism strategies, investment flows, and tourism projects in competitor countries and understand the relative strengths and weakness of the action location.
- g) Undertake a critical assessment of the attractiveness of the country as a destination for tourism investment. In particular, the World Economic Forum’s Travel and Tourism Competitiveness reports provide detailed insights

into the relative competitiveness of countries for tourism investment.

- h) Participate in relevant forums (such as regional tourism associations) and search for media articles about successful projects abroad within the relevant subsectors; understand the typical modes of investment in these subsectors and sources of financing; and identify key investor source markets and individual companies with high propensity to invest. Attend regional tourism investment conferences to make contacts, meet investors, monitor global and regional investments trends, and find out what investors think about the country and region

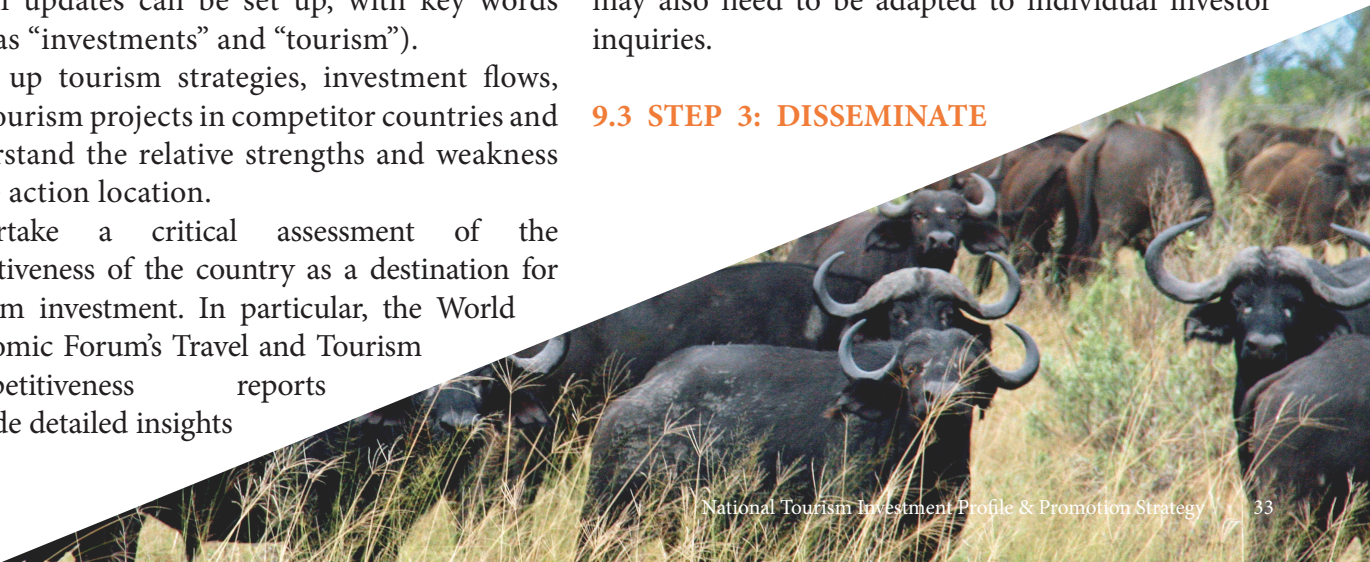
9.2.2 STRATEGIC INTERVENTIONS

Develop a checklist of some of the investment climate data which are most relevant to tourism projects taking into account the following:

- a) Land cost and acquisition procedures
- b) Construction permit costs and procedures
- c) Relevant licenses inventory, costs, and procedures
- d) Relevant taxes, levies and custom duties, and procedures
- e) Labor costs and regulations including expatriate labor regulations
- f) Utility costs and connection procedures
- g) Communication costs and connection procedures
- h) Names and contacts of support institutions, lawyers, notaries, accounting firms, financial institutions and construction companies
- i) Inventory of relevant policies, laws and regulations
- j) Inventory of relevant reports (research by accounting firms, development partners, and others

The Annex provides a more comprehensive list with possible sources for each. However, this information may have to be complemented with additional data specific to the particular tourism subsectors and the specific opportunities being promoted. Information may also need to be adapted to individual investor inquiries.

9.3 STEP 3: DISSEMINATE





THE INFORMATION

The Tourism Investment Promotion Centre has to balance the information provided on its website and in other general promotional media with targeted communication materials better tailored for individual investors or investor groups. The Tourism Investment Promotion Centre website must serve as a vehicle to motivate an initial contact from the potential investor. Following this initial contact, the Tourism Investment Promotion Centre will be able to better understand the investor's interest and develop tailored propositions through customized research and materials. There is no hard rule about what specific data should go on a website as opposed to tailored materials

9.3.1 STRATEGIC INTERVENTIONS

- a) Develop an up-to-date and modern website for tourism investment promotion.
- b) Develop and maintain tourism investment marketing collateral focusing on "Selling the destination" in terms of e.g. comparative strengths, size, key segments, projections and infrastructure.
- c) Identify a few strategic subsectors, such as culinary tourism or business hotels, and develop short subsector profiles for each, containing relevant market data, samples of specific opportunities for investment, and examples of companies that have already invested.
- d) Develop and make available a map that shows industry cluster or the location of existing investors.
- e) Provide relevant information and data on key costs and skills relevant to tourism (using benchmarks where possible).
- f) Develop and make available a list of downloadable documents for investors (for example, library of laws, statistics).
- g) Set up a bimonthly "interview" with an existing tourism operator and collect testimonials and make these available to investors.
- h) Develop a list of events that the Tourism Investment Promotion Centre will be attending internationally, and a list of useful local events investors can join.
- i) Provide a news feed for the sector.
- j) Engage in social media links (Twitter, Facebook, YouTube).
- k) Provide a dedicated contact person and details.
- l) Ensure that queries are responded to in time

In developing the tailored material and approaches the following checklist provides guidance:

- a) Detailed subsector profiles, including detailed market data (arrivals, existing supply in the segment, occupancy rates, average daily rates, evidence of unmet demand for the segment).
- b) Site profiles with detailed site-specific information (type of transaction, site location, highlights and key tourism attractions, infrastructure/amenities, ownership and terms/procedures of acquisition, photos and tender documents for individual "packaged deals".
- c) A roadmap detailing the market entry procedures specific for the subsector (including estimated time and cost).
- d) Tables and flowcharts displaying more details of the operating environment and cost factors: specific administrative requirements and procedures (licenses, permits, certificates), taxes and levies, construction costs and supplier contacts, other relevant input costs (labor, utilities, land), labor availability, skills and available training programs.
- e) Issue-sheets around key "pre-conceived" investor concerns identified.
- f) Presentations and road shows to targeted investor audiences.
- g) Monthly e-mail updates and newsletters to pipeline investors.
- h) Presentations and short (1-2 page) briefs on messages and opportunities to inform local audiences such as relevant government executives (highlight impacts expected from investment), embassy staff, donors, local private sector associations, and other 'insiders'.

9.3.2 STRATEGIC INTERVENTIONS

- a) Develop and disseminate up-to-date investor information on the website that offers the opportunity to reach many investors simultaneously at a low cost. The website should draw attention to a destination's unique selling points for a tourism subsector, help correct misperceptions, reduce uncertainty and increase competitiveness. Conversely, a low-quality or outdated website may deter investors from looking further at the opportunities the location has to offer.
- b) The tourism sector profiles used for the website should also be used for printed brochures and leaflets, promotional videos and as an initial response to the more general tourism investor inquiries.

- c) Ensure that materials presented to investors are prepared in a balanced approach. If investment opportunities provided on the website are too detailed and narrow, they may not quite fit the strategy of a potential investor. In that case, target investors may turn away without initiating any contact and offering the Tourism Investment Promotion Centre a chance to better adapt the product to invest.
- d) Develop more tailored materials targeted for direct marketing efforts and in response to specific investor inquiries. This information will naturally be more detailed and relevant to a particular investor or well-defined investor group (such as in the tendering of an individual opportunity).

9.4 STEP 4: DEVELOP A NETWORK OF PARTNERS LOCALLY AND INTERNATIONALLY TO ENHANCE SERVICE DELIVERY

Gathering all the required information and keeping it up-to-date is no simple task. The Tourism Investment Promotion Centre therefore has to rely on a variety of partners who can provide the information when needed. The centre can then package data adequately for promotional purposes. Beyond investment facilitation, partnerships can also be instrumental in fulfilling other aspects of the Tourism Investment Promotion Centre's mandate to generate investment.

9.4.1 STRATEGIC INTERVENTION 1

- a) The Tourism Investment Promotion Centre, regardless of its own capacity and resources, to enhance investment facilitation and other critical Tourism Investment Promotion Centre services should strive to develop strategic partnerships.
- b) Develop materials to communicate the objectives and rationale of the promotion efforts, highlighting mutual priorities and benefits, and building consensus around the approach.
- c) The Tourism Investment Promotion Centre must develop, establish and maintain a network of partners to enhance service delivery. Some useful partnerships to consider for tourism investment promotion are described below:

i) Government partners

The Ministry of Environment and Tourism, the Namibian Tourism Board, the Ministry of Home Affairs and Immigration, the Ministry of International Relations and Cooperation, the Ministry of Industrialization, Trade and SME Development and the Ministry of Land Reform are among the obvious government partners that must be engaged as they are commonly mandated with destination

marketing and promotion; many have a mandate to promote the development of the destination which links them directly with the investment function. These government offices can usually provide most of the relevant information, expertise, data and statistics required for tourism investment facilitation (see Annex). Therefore, the Tourism Investment Promotion Centre would do well to align its efforts to existing strategies of national tourism agencies, clarify respective mandates and roles, and formalise close collaboration with them (for example, involving focal points in all aspects of investment promotion such as the development of promotional materials and sector profiles, participation in promotional missions/roadshows, and investor visits).

ii) Local authorities

With their local knowledge, decentralized government offices – regional, district and provincial – can help identify sites, especially for new Greenfield investments where real estate and land markets are weak or nonexistent. The Tourism Investment Promotion Centre may partner with the ministry in charge of local governments or any other relevant ministries with decentralized perspectives that might be aware of key assets which could be available for particular tourism investment opportunities (e.g. the Ministry of Environment and Tourism, the Ministry of Land Reform, and so on).

iii) Network of embassies abroad

Embassy staff abroad may be used to disseminate messages about opportunities, identify potential investor targets and to collect feedback on investor concerns and decision factors. Many embassies also house representatives of the Ministry of Industrialization, Trade and SME Development who are responsible for facilitating economic activity between countries and promoting trade and investment opportunities amongst the host community. Accordingly, the Tourism Investment Promotion Centre should seek to partner with the ministry in charge of the network of embassies. In this way it can inform embassy staff, disseminate promotional materials and establish communication with focal points within embassies in key investor source markets.

iv) Foreign embassies and development partners

Similarly, it is common for potential investors seeking new opportunities in foreign countries to approach their own national embassy and development partners located in that country. The Tourism Investment Promotion Centre may find it useful to brief relevant

staff within key foreign embassies on marketing messages and opportunities, and make arrangements to share information about investors, investor visits, and investment opportunities.

v) Private sector groups

Relevant local or regional private sector associations, such as those in the hotel industry, are likely to be interested in partnering; new investment will help grow association membership. Associations may aid in identifying new opportunities (such as existing members looking for international partners), gathering information about the market (supply and demand) and relevant operating costs and procedures, and disseminating promotional materials and information about opportunities to their members.

vi) Existing investors

Feedback from existing investors can have a strong influence on prospective investors. Moreover, current investors often have a strong network of potential target investors. Local private sector figures and companies can serve as great ``ambassadors`` to market opportunities and disseminate information to potential target, with whom they may even end up partnering on new ventures. The Tourism Investment Promotion Centre would be well advised to consider individual briefings for these audiences.

vii) Relevant partners to lift individual barriers to investment

Finally, other strategic partners may help in the process of ``hand holding`` as investors progress through the development and operation of new projects. Partners can manage specific barriers to investment, such as access to land, staff training, priority infrastructure development, supply chain development, and regulatory reform. Identified on an ad-hoc basis according to project-specific requirements, these partners commonly include other government agencies and development partners.

9.5 STEP 5: BEYOND THE PROVISION OF INFORMATION- AFTER CARE OF SUCCESSFUL INVESTORS

The Tourism Investment Promotion Centre should seek to transform leads into real investments and ensure that they are implemented smoothly. The following steps must be followed by the Tourism Investment Promotion Centre to ensure full and effective implementation of the investment by taking care of the investor from initial contact to successful conclusion and beyond.

9.5.1 STRATEGIC INTERVENTIONS

- a) Facilitate and organise investor visits to help investors to validate the information they have received by:
 - i. Planning itineraries for the visiting investors
 - ii. Making local recommendations and bookings
 - iii. Arranging meetings based on investors' preferences
 - iv. Showing investors the market, the sites and the competition
- b) **Investor servicing:** if all goes well, the investor will start the investment process. The Tourism Investment Promotion Centre has to be a reliable partner in:
 - i. Guiding and catalyzing the investment process (administrative procedures)
 - ii. Brokering useful contacts (such as lawyers, consultants, financial institutions, and potential business partners)
- c) **Investor aftercare:** once the investment project is up and running, the Tourism Investment Promotion Centre should be in regular contact with the investor; a happy investor is likely to reinvest and serve as an ambassador for promotion. This includes:
 - i. Finding out about the progress, success and challenges faced by the investor
 - ii. Communicating success through testimonials or success stories



iii. Offering support to ease some of the challenges and follow up with other government agencies

summarise the implementation programme for the period up to 2020.

- d) **Policy advocacy:** the Tourism Investment Promotion Centre must play a key role on behalf of investors in advocating, in order to initiate and steer actions and reforms that are favourable to the success and competitiveness of the investments and the destination. **This role can entail:**
- i. Organizing private sector roundtables or Public-Private Dialogue (PPD) to map and discuss key issues
 - ii. Participating in government decisions to present and interpret the views of investors

The action plans identify the following:

- Key initiative and required follow-up actions
- Stakeholders with responsibility for implementation
- Priority for implementation as follows:
 - a) High priority: within the next two years
 - b) Medium priority: with the next five years

As indicated earlier in the discussion on implementation and monitoring (Section 6), these plans will have to be revised annually by the MET in consultation with relevant stakeholders to reflect progress in implementation as well as new priorities. The Inter-Ministerial Committee on Tourism Development and the National Tourism Advisory Council should review progress on implementation of the Action Plans.

9.6 ACTION PLANS

To reflect the key initiatives identified in the document, a series of action plans have been developed in thematic areas. These action plans are to

TABLE 16: KEY ACTIONS & PRIORITIES (INVESTMENT STRATEGY FOCUSED)

KEY THEME	KEY ACTION ITEM/S	KEY AGENCY RESPONSIBLE	PRIORITY
Investment	Establish an integrated program to attract investment (either generically, or for tourism projects exclusively). Program to encompass: - Identified investment opportunity - Pre-feasibility assessment - Potential for public-private partnerships - Promotional strategy for seeking investment.	Lead Agency: DTG supporting: consultant and NIC and MOF PPP unit.	High
Investment	Develop 'pre-packaged' template business structures and models which have pre-considered and developed mechanisms that appropriately manage the issues and concerns.	Lead Agency: DTG supporting: consultant and NIC and MOF PPP unit.	High
Investment	Develop Average Length of Stay ("ALOS") yield specific strategies and educate and encourage industry operators as appropriate.	Lead Agency: DTG supporting: NTB, Industry Associations.	Moderate
Investment	Support and develop an equity instrument for tourism investments to help to ameliorate constraints pertaining to collateral and inadequate owner's equity.	Lead Agency: DTG & EIF supporting MET and consultant	
Investment	Table and secure appropriate funding for the Tourism Growth Strategy's focus areas.	Lead Agency: DTG supporting consultant, NPC and MOF	High



Land	Establish a central point of reference and coordination capacity to assist tourism (and other) developers to better understand and resolve development and land issues particularly providing for security of tenure, certainty of title, definition, clarity and certainty of investment incentives, equity of incentives to all investors and tourism sectors, community engagement and acceptance, benefits to community and dispute resolution.	Lead Agency: DTG supporting MLR, MITSD, EIF and local authorities.	High
Economic Incentives	Review forthcoming government development investment incentives in the context of a competitive tourism environment particularly throughout the Southern African Region. Formulate alternative models as might be appropriate.	Lead Agency: DTG supporting NIC and MTI.	High
Business Development	Provide business advice for tourism businesses including accounting and bookkeeping, marketing, assistance in writing business plans and undertaking feasibility studies.	Lead Agency: NTB	High and on-going
Business Development	Develop an on-going business mentoring scheme which will not only assist business operators in building and sustaining their businesses, but will also be of assistance to them in handling individual issues as and when they arise.	Lead Agency: NTB	High and on-going
Access Issues	Identify and establish eco-efficiencies and environmental sustainability for Namibia which can be promoted effectively as “offsets” or “carbon credit” to relieve concerns of long-haul travellers.	Lead Agencies: DTG and EIF supporting consultant	Moderate
Heritage Zone and Cluster Product Development	Utilise existing market and research data to identify, map and develop viable heritage zones and clusters for heritage walks and other tourism activities. Ensure additional efforts to include more heritage sites into UNESCO’s World Heritage Sites list to ensure significant international recognition and tourism traffic. Promote viable PPP structures around heritage clusters and propose attractive incentives packages.	Lead Agencies: DTG and National Monuments Council supporting consultant	High

ANNEXURES

ANNEX 1: RISK MANAGEMENT DEFINITIONS

The United Nations World Tourism Organisation (UNWTO) takes the view that risks to the health, safety and security of tourists, host communities and tourism employees can originate from four source areas:

- Physical or environmental risks (natural, climatic, epidemic)
- The human and institutional environment outside the tourism sector
- The tourism sector and related commercial sectors
- The individual traveller (personal risks)

Risks have been identified and evaluated against two key criteria of consequences and likelihood.

RISK IMPACT IS CATEGORISED AS:

DESCRIPTOR	DESCRIPTION
Insignificant	<ul style="list-style-type: none"> • No disruption to normal business • No disturbance of visitors • No financial loss • No media or public interest
Minor	<ul style="list-style-type: none"> • Minimal disruption to normal business • Limited or no financial loss • No media coverage or public interest
Moderate	<ul style="list-style-type: none"> • Short-term disruption to normal business and services to visitors • Some financial loss • Limited media reporting
Major	<ul style="list-style-type: none"> • Disruption to normal business for more than 24 hours • Financial losses • Anger and frustration on the part of visitors • Critical media reports and public criticism of tourism • Damaged reputation as a destination
Catastrophic	<ul style="list-style-type: none"> • Unable to meet visitors' requirements and provide services • Current service type and level • Severe financial losses • Widespread criticism of tourism • Critical international media reports • Mass cancellation of bookings • Damaged reputation as a destination

RISK LIKELIHOOD IS DEFINED AS FOLLOWS:

DESCRIPTOR	DESCRIPTION
Almost certain	Is expected to occur in most circumstances
Likely	Will probably occur
Moderate	Might occur at some time in the future
Unlikely	Could occur but doubtful
Rare	May occur but only in exceptional circumstances

CONSEQUENCES LIKELIHOOD	RANKING	INSIGNIFICANT 1	MINOR 2	MODERATE 3	MAJOR 4	CATASTROPHIC 5
Almost certain	5	6	7	8	9	10
Likely	4	5	6	7	8	9
Moderate	3	4	5	6	7	8
Unlikely	2	3	4	5	6	7
Rare	1	2	3	4	5	6

ANNEX 2: KEY DATA AND SOURCES FOR FACILITATING INVESTMENT IN TOURISM

DATA

Country overview and macro data such as:

- Geography
- Climate
- Politics
- Economy (GDP)
- FDI flows
- Investment climate indicators
- Global benchmarking data

POSSIBLE SOURCES

- CIA Factbook
- Economist Intelligence Unit
- World Bank Doing Business report and data
- National Central Bank
- Statistics agency and others

GLOBAL BENCHMARKING OF TOURISM COMPETITIVENESS

- Trends and projections of:
- Tourism spending
- Capital investment
- Revenues
- Contribution to GDP and employment
- Visitor exports
- Visitor numbers

WORLD ECONOMIC FORUM'S TRAVEL AND TOURISM COMPETITIVENESS INDICATOR

- National ministry in charge of tourism
- Tourism Board
- Statistics agency
- Tourism investors/industry associations
- World Tourism Organisation (UNWTO) statistics
- Tourism satellite accounts
- World Travel and Tourism Council (WTTC) database

TOURISM OFFERING SUCH AS:

- Hotel by category
- Number of convention centers
- Beach lodges
- Ski resorts
- Golf courses
- Marinas
- Entertainment centers
- Spas
- Events and festivals

- National ministry in charge of tourism
- Tourism Board
- Tourism investors
- Tourism industry associations and others

TOURIST ACCESS SUCH AS:

- Visa requirements
- Airlines and direct flights
- Domestic/international airports
- Road network
- Conveniences such as ATM`s

- National agencies in charge of customs, transport, airport and other
- Database of car rental agencies, travel and tour agencies and others

NATURAL BEAUTY INDICATORS AND KEY ATTRACTIONS:

- Coastline
- Beaches
- Islands
- Peaks
- Glaciers
- Rare species and ecosystems
- Cultural sites

- National ministry in charge of tourism
- Tourism Board
- Travel guides

AWARDS SUCH AS:

- Best beach
- Best destination
- Best airline

- National ministry in charge of tourism
- Tourism Board
- Specialized media

PROTECTED SITES SUCH AS:

- National parks
- Nature reserves
- UNESCO World Heritage Sites
- Ramsar Wetlands

WORLD DATABASE ON PROTECTED AREAS

- National ministry in charge of tourism
- Tourism Board
- Other groups

Other keys tourism demand drivers. For example, large private sector or nongovernmental Organisations attracting large numbers of foreign visitors, conventions, sporting events and fairs.

INDICATORS OF GOVERNMENT COMMITMENT TO THE TOURISM SECTOR:

- National budget share for tourism sector
- Institutions
- Fairs and destination marketing activities
- Specific legislation to promote tourism
- FDI and foreign ownership laws and regulations
- Description of IPI services

- National ministry in charge of tourism
- Tourism Board
- Investment code
- Other relevant policies and legislation

NEWS AND EVENTS SUCH AS:

- Recent demand drivers
- Key infrastructural development
- New tourism projects
- New infrastructure projects
- Relevant policy/legal/regulatory developments
- Awards and benchmarking results
- Relevant media appearances
- Interviews/speeches

- National ministry in charge of tourism
- Tourism Board
- Domestic and international media
- Government agencies
- News website
- Official gazette

Case studies highlighting existing tourism success stories and testimonials by existing private sector or relevant government executives.

- Interviews with existing tourism operators and other credible investors that are already established, or with senior executives of relevant infrastructures (such as airports) and government (the Ministry of Tourism, for example)
- National ministry in charge of tourism
- Tourism Board
- Tourism investors/industry associations

MEASURES OF:

- Health
- Education
- Living standards
- Corruption
- Information and communication technology penetration
- Press freedom
- Safety
- Environmental sustainability
- Quality of tourism infrastructures

- World economic Forum’s Travel and Tourism Competitiveness Indicator
- Human Development Index (HDI)
- World Development Indicators
- Transparency International Corruption Index
- Mo Ibrahim Index
- Press Freedom Index
- World Bank data

SELLING SPECIFIC OPPORTUNITIES

DEMAND DATA

- Foreign tourism arrivals, source markets, yearly and monthly totals, trends, global ranking
- Arrivals by main tourism centers in country
- Profile of tourists (such as type, age range, duration of stay, typical spend per night, repeat vs. one-off, key interests)
- Domestic tourism trends and data

- National ministry in charge of tourism
- Tourism Board
- Statistics agency
- Tourism investors/industry associations
- Airport administration
- Relevant subnational authorities
- Interviews and survey questionnaires to existing tourism operators
- World Tourism Organisation (UNWTO) statistics and tourism satellite accounts
- International Congress and Convention Association (ICCA) for the Meetings, Incentives, Conferencing, Exhibition (MICE) subsector

SUPPLY DATA

- Lodging offerings (number of establishments, rooms and beds nationally, by region, by main tourism centers, by hotel segment and star rating, and so on)
- International hotel chains, reputable brands; recent investments and mergers and acquisitions involving foreign capital
- Profiles of selected existing projects (number of rooms, facilities, main clientele, occupancy rates, Average Daily Rate [ADR], Revenue per Available Room [RevPAR], Gross Operating Profit per Available Room [GOPPAR], status and projects, consumer/industry feedback)
- Planned new tourism projects (under contraction or planned)

- National ministry in charge of tourism
- Tourism Board
- Statistics agency
- Tourism investors/industry associations
- Interviews and survey questionnaires to existing tourism operators
- World Tourism Organisation (UNWTO) statistics and Tourism satellite accounts
- TripAdvisor and similar sites
- IPI pipeline

INDIVIDUAL SITE DATA

- Best areas to find sites with description and rationale, relevant contacts including real estate brokers who may help identify property
 - Individual site profiles, location, highlights, photos, assets inventories, amenities, relevant acquisition procedures, price indication or price range, and any applicable fiscal and financing incentives
 - Relevant local demand drivers, infrastructures, major development plans, and so forth
 - Site/areas comparison with relevant comparable figures (such as local subnational macro-data where available, number of visitors, number of establishments, rooms and beds, occupancy, RevPAR)
- National ministry in charge of tourism
 - Tourism Board
 - Tourism investors/industry associations
 - National ministry in charge of land or other relevant land-owning ministries, possibly the natural parks authority
 - Subnational government authorities in key tourism centers
 - Real estate brokers

Note: data used to sell specific opportunities may vary greatly per type of tourism activity and should be made specific to the opportunities targeted – the sample data and sources given above are mainly relevant to accommodation.

DETAILED INVESTMENT CLIMATE INFORMATION

- Tourism strategies
 - Master plans
 - Materials from key sector institutions such as the Ministry of Tourism, Tourism Board and National Tourism Office
- National ministry in charge of tourism
 - Tourism Board

General and sector-specific government incentives relevant to the tourism subsector and to the specific opportunities being promoted

- Relevant taxes
 - Levies
 - Customs duties (costs and procedures)
 - Database of construction suppliers, with information on costs and quality including per m² costs for a range of construction types
 - Construction permits and procedures
- National ministry in charge of tourism
 - Tourism Board
- Relevant ministry and government agencies
 - World Bank Doing Business dataset
 - Questionnaires and interviews with existing tourism project operators and construction suppliers
 - Database of construction suppliers, with notes on track record and relevant data on costs
 - National ministry in charge of tourism
 - Tourism Board, and relevant ministries
 - World Bank Doing Business dataset

RELEVANT LICENSE COSTS AND PROCEDURES SUCH AS:

- Environmental impact license
 - Investment license
 - Operating license
 - Hotel/ restaurant/bar/ liquor licenses
- National ministry in charge of tourism
 - Tourism Board
 - Relevant ministries and government agencies

UTILITIES AND COMMUNICATIONS DATA:

- Availability
 - Providers
 - Costs
 - Procedures
- Relevant ministries and government agencies
 - National utility companies
 - World Bank Doing Business dataset

LABOR DATA

- Education levels
 - Literacy rates
 - Languages
 - Employment in tourism segments, wages for various functions and skill levels
 - Available training programs
 - Labor regulations, expatriate labor regulations
- Relevant ministries and government agencies
 - United Nations World Tourism Organisation (UNTWTO) statistics and tourism satellite accounts
 - World Travel and Tourism Council database
 - World Bank data
 - World Bank Doing Business dataset

SUPPORT INSTITUTIONS RELEVANT TO THE TOURISM SECTOR THAT CAN SERVE AS ALTERNATIVE SOURCES OF INFORMATION (LIST, DESCRIPTION, CONTACT):

- National ministry in charge of tourism
 - Tourism Board
 - Tourism investors/industry associations
 - Legal offices and consultancies
 - Financial institutions
- National ministry in charge of tourism
 - Tourism Board
 - Tourism investors/industry associations
 - Chamber of Commerce
 - Relevant sector associations

Inventory, description and an electronic library of relevant laws as well as regulations

- National Ministry in charge of tourism
- Tourism Board
- Relevant ministries and government agencies
- World Bank Doing business dataset

Inventory, description and an electronic library of relevant tourism sector reports

- National ministry in charge of tourism
- Tourism Board
- Development partners

Source: Investment Climate – World Bank Group, 2013



LIST OF ACRONYMS

B2B	Business to Business		
B2C	Business to Customer		
BEE	Black Economic Empowerment		
CBNRM	Community Based Natural Resources Management		
CBT	Community Based Tourism		
DTG	Directorate of Tourism and Gaming	NGDP	National Gross Domestic Product
ETEA	Emerging Tourism Entrepreneurs Association	NGOs	Non-Governmental Organizations
GRN	Government Republic of Namibia	NHC	National Heritage Council
ICTD	Information and Communication Technology Development	NIC	Namibia Investment Centre
IMCTD	Inter-Ministerial Committee on Tourism Development	NQA	Namibia Qualifications Authority
IUM	International University of Management	NSA	Namibia Statistic Agency
JV	Joint Ventures	NSFAF	Namibia Student Financial Assistance Fund
MAWF	Ministry of Agriculture, Water and Forest	NSTGDS	National Sustainable Tourism Growth and Development Strategy
MET	Ministry of Environment and Tourism	NTA	Namibia Training Authority
MFMR	Ministry of Fisheries and Marine Resources	NTB	Namibia Tourism Board
MHAI	Ministry of Home Affairs and Immigration	NTCAC	National Tourism Competitiveness Advisory Council
MHETI	Ministry of Higher Education, Training and Innovation	NUST	Namibia University of Science and Technology
MHSS	Ministry of Health and Social Services	NWR	Namibia Wildlife Resorts
MICE	Meetings, Incentives, Conference and Events	O/M/As	Office/Ministries/Agencies
MICT	Ministry of Information, Communication and Technology	OPM	Office of the Prime Minister
MISMED	Ministry of Industrialization, Trade and SME Development	PDN	Previously Disadvantaged Namibians
MLIREC	Ministry of Labor, Industrial Relation and Employment Creation	PoN	Polytechnic of Namibia
MLR	Ministry of Land Reform	RA	Road Authority
MME	Ministry of Mines and Energy	SACU	Southern Africa Custom Union
MoF	Ministry of Finance	SADC	Southern African Development Countries
MIRCO	Ministry of International Relation and Cooperation	SME	Small Medium Enterprises
MoJ	Ministry of Justice	SMME	Small, Macro & Medium Enterprises
NAC	Namibia Airport Company	SOEs	Stated Owned Enterprises
NACOBTA	Namibia Community Based Tourism Association	TAN	Tourism Association of Namibia
NACSO	Namibia Association of CBNRM Support Organizations	TTESDEA	Tourism Transformational Economics, Social Development and Empowerment Agency
NAD	Namibian Dollars	TSA	Tourism Satellite Account
NCCI	Namibia Chamber of Commerce and Industry	UAE	United Arab Emirates
NDP	National Development Plan	UNAM	University of Namibia
		UNESCO	United Nations Educational, Scientific and Cultural Organization
		UNWTO	United Nation World Tourism Organization
		USP	Unique Selling Point
		VTCs	Vocational Training Centers
		WGA	Whole of Government Approach
		WWF	World Wide Fund



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