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## Namibia's Fair-Weather Friends and One All-Weather Friend

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# Abstract

The relationship between Namibia and its historical partners has evolved over the last thirty years since Namibian independence. As in many countries, Namibia has been going through transformation, influenced by the process of globalization. This created new sets of geopolitical challenges and opened up new opportunities for Namibia's small and poorly diversified economy which has relied heavily on the mining industry. During its first decade as a new and independent country, Namibia received considerable development aid from its pre-independence allies. But since the country became an upper middle-income country at the beginning of this century, aid flow declined, and the government prioritized economic diplomacy and trade expansion.

Namibia's economy is now largely dependent on trade of its natural resources and the government has an open-door policy in terms of business. While acknowledging the importance of economic regional cooperation and its special relation with Germany, Namibia has intensified its collaborations with a key player: China. The China-Namibia partnership is based on Namibia's need for infrastructures and China's interest for minerals. The balancing act of the Namibian government between new and old business partners shows that the open-door policy brings development opportunities and risks. These include lack of business transparency, greater economic dependence from international trade and over-reliance on the extractive industry.

This study is based on online research, economic data analysis and our long-term personal field experience and knowledge of the country.

# Résumé

Depuis l'indépendance de la Namibie, les relations avec ses partenaires historiques ont évolué. Comme nombre d'États, la Namibie s'est transformée sous l'influence du processus de mondialisation, qui a créé un nouvel ensemble de défis géopolitiques et ouvert de nouvelles opportunités pour l'économie namibienne, peu diversifiée et très dépendante du secteur minier. Au cours de la première décennie suivant son indépendance, la Namibie a reçu une aide considérable de la part de ses alliés traditionnels. Seulement, depuis qu'elle est devenue un pays à revenu intermédiaire de tranche supérieure au début de ce siècle, l'aide a décliné et le gouvernement a priorisé la diplomatie économique et le développement du commerce.

L'économie namibienne est maintenant largement dépendante du commerce de ses ressources naturelles et le gouvernement pratique une politique de la « porte ouverte » pour les affaires. Tout en reconnaissant l'importance de la coopération régionale et la spécificité de sa relation avec l'Allemagne, la Namibie a intensifié ses collaborations avec un acteur clé : la Chine. Le partenariat Chine-Namibie se fonde sur le besoin en infrastructures de cette dernière et l'intérêt pour les minéraux de la première. L'équilibre du gouvernement namibien entre nouveaux et anciens partenaires souligne à quel point la politique de la « porte ouverte » s'accompagne à la fois d'opportunités de développement et de risques, tels que des carences de transparence dans les affaires, une plus grande dépendance au commerce international et à l'industrie extractive.

Cette étude est basée sur des recherches en ligne, des analyses de données économiques ainsi que sur nos connaissances approfondies et expériences de terrain de long terme dans ce pays.

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# Introduction

Independent since 1990, Namibia is considered one of Africa's success stories, because of its progressive constitution, smooth democratic transfer of power, economic stability and accession to the category of upper middle-income country in 2009. These and other achievements earned President Hifikepunye Pohamba the Mo Ibrahim prize for good governance on November 20, 2014.<sup>1</sup> Although the country has made progress in certain sectors, it still faces important challenges of corruption, a poor understanding and implementation of democracy,<sup>2</sup> severe income inequality and weak opposition to the ruling party. Namibia has been in recession since 2016. Falling commodity prices and a drought that has persisted for several seasons have caused its gross domestic product to decline for two years in a row (2017 and 2018). Unemployment affects a third (33,4%) of its population.<sup>3</sup>

Following its independence, Namibia capitalized on its partner-countries and solidified its international integration by incorporating regional and international organizations. As emphasized in the Harambee Prosperity Plan, "Namibia should be a friend to all and an enemy to none".<sup>4</sup> Therefore, the government acknowledges the importance of regional cooperation as well as its historical relations with Central and Western Europe and recognizes its special relations with Germany. Nevertheless, since the beginning of this century, Namibia has also extended its collaborations to other key players, such as China, Russia and North Korea, and its trade relations have been diversifying with other neighboring countries, such as Botswana and Zambia. Namibia's diplomatic missions reflect its economic and political affiliations.<sup>5</sup> Seven of its 13 missions in

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1. In 2018, Namibia was rated fourth as the best governed country on the African continent by the Mo Ibrahim Index of African Governance. Namibia is the 56 least corrupt nation out of 180 countries and is the fifth least corrupt country in Africa, according to the *2019 Corruption Perceptions Index* reported by Transparency International. Namibia ranked first as the country with the « freest press in Africa » by Reporters without Borders in 2020.

2. About 8% of the members of parliament are nominated. Also, regional governors are appointed by the president.

3. "The Root Causes of Unemployment and Possible Policy Interventions", National Planning Commission, March 2020.

4. The Harambee Prosperity Plan was launched by the government in April 2016. Its seventh pillar deals with International Relations and Cooperation, available at: [www.namport.com.na](http://www.namport.com.na).

5. Africa: Algeria, Angola, Botswana, Republic of Congo, DRC, Egypt, Ethiopia, Ghana, Nigeria, South Africa, Tanzania, Zambia, Zimbabwe.

Americas: Brazil, Cuba, United States.

Africa are within the southern region. Three missions are in the Americas, nine in Europe and four in Asia. Diplomatic missions in Algeria, Egypt, Ghana and Cuba stem from the recognition of pre-independence support to SWAPO (South West African Peoples' Organization, the ruling party since independence).

The rise of China across Africa challenges the international order established since the end of the Cold War. Namibia is not an exception. In this context, China has now emerged as Windhoek's key partner. A new shift in Namibia's strategy has seen the increasing importance of China's partnership, one that was emphasized by President Hage Geingob during his visit to China in March 2018 when he called China the "best friend of Africa".<sup>6</sup>

This research paper looks at how Namibia positions itself in the fast-moving international economy and how the Namibian government navigates between old and new foreign partners. Bound by history with countries such as South Africa and Germany, Namibia has been developing new economic partnerships with emerging powers, notably China. The balancing act of the Namibian government raises various questions. Can Namibia capture the emerging opportunities to address its development challenges? Is Namibia distancing itself from other partners, as it gets closer to China?

## The Namibian Economic Context: Challenges and Opportunities

As in many countries, Namibia has been going through transformation which is influenced by globalization. This created a new set of geopolitical challenges and opened up new opportunities for Namibia's small and poorly diversified economy which has relied on the mining industry. Namibia's economy depends on the mining industry, tourism, fishing and livestock production. The country has considerable wealth of minerals that includes uranium, copper, zinc, gold and precious stones. This makes mining the pillar of Namibia's economy, contributing to 12,5% of gross domestic product (GDP) and more than 50% of export income.<sup>7</sup> Namibia is the world's fourth largest producer of uranium and is amongst the world's top 10 diamond producers. The main economic enterprises operating in the

Asia: China, India, Japan, Malaysia.

Europe: Austria, Belgium, Finland, France, Germany, Russia, Sweden, Switzerland, United Kingdom.

6. "China, Namibia Agrees to Establish Comprehensive Strategic Partnership of Cooperation", Xinhuanet, March 30, 2018. Geingob paid a state visit to China from March 28 to April 3, 2018 at the invitation of Xi.

7. *The World Factbook*, CIA, available at: [www.cia.gov](http://www.cia.gov).



mining sectors are multinationals from China, Australia, South Africa, Canada, France and the UK.<sup>8</sup> Tourism to Namibia is considerable but not adequately quantified to assess its exact contribution to the economy and employment.

The government of Namibia set a vision of development launched by President Sam Nujoma in June 2004. Vision 2030<sup>9</sup> provides the long-term development framework for the country to become an industrialized nation and welcomes various forms of partnership.<sup>10</sup>

Namibia's economy is highly dualistic with a robust informal, but undocumented sector. It is also highly dependent on trade. In 2007, the National Planning Commission stated that: "Given that international trade is such a dominant part of the economy of Namibia the country's future depends on the expansion of trade."

Economic diplomacy has continued to be a dominant theme in foreign policy since its introduction in Namibia's Foreign Policy and Diplomacy Management Plan in 2004. This White Paper emphasizes that the Government of Namibia gives responsibility to its foreign missions to actively promote Namibia as a trading partner and destination for tourism and investment. However, Namibia's business climate suffered from a significant deterioration over the last decade, not least as a result of growing high-level corruption.<sup>11</sup> From ranking 54<sup>th</sup> in the *World Bank 2008 Doing Business* report, the country dropped to the 104<sup>th</sup> position (out of 190 countries) in the *Doing Business 2020* report.<sup>12</sup>

Development aid has declined as a result of Namibia's accession to the category of upper middle-income country in 2009.<sup>13</sup> External assistance in the form of grants and soft loans has been decreasing. However, the Official Development Aid (ODA) is still important as shown below.<sup>14</sup>

8. H. Melber, *Understanding Namibia*, Oxford: Oxford University Press, 2014.

9. Namibia's Vision 2030 was released January 2000, and is being managed by the National Planning Commission.

10. *Namibia Vision 2030, Policy Framework for Long-Term National Development*, Office of the President, Windhoek, 2004.

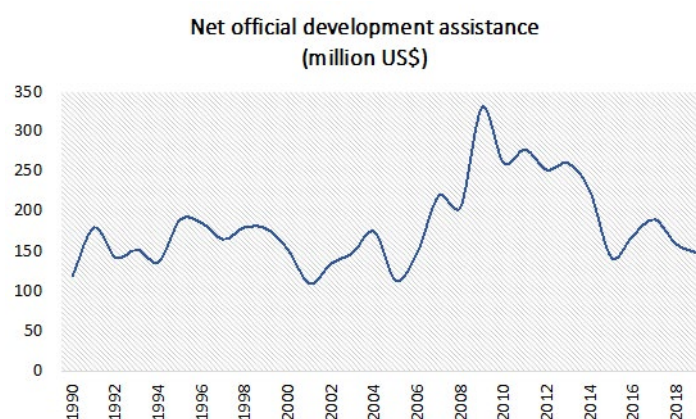
11. Namibia has suffered numerous corruption scandals involving public officials such as the "Fishrot" case. SWAPO's leaders and their associates have become effective upper-class dispensers of public resources: mineral licenses, fishing quotas, resettlement and large communal farms, public service jobs, and public service contracts. J. Kleinfeld, "Exclusive: Corruption in Namibia's Fishing Industry Unveiled", *Aljazeera*, December 1<sup>st</sup>, 2019.

12. Available at : [santandertrade.com](https://santandertrade.com).

13. The World Bank classifies countries into four income groups — low, lower-middle, upper-middle, and high-income countries based on GNI per capita in current USD. upper middle-income economies have a GNI per capita between 4,046 and 12,535 US\$. In 2019, Namibia GNI per capita was 9,780\$. Available at: [data.worldbank.org](https://data.worldbank.org).

14. *Annual Report 2018/2019*, Namibia National Planning Commission, available at: [www.npc.gov.na](https://www.npc.gov.na).

**Figure 1. Official Development Assistance since 1990**



*Data source: The World Bank, World Development Indicators.*

Trade is pivotal for Namibia's economy as the country is highly dependent on the earnings generated from exports, especially copper, uranium, diamonds, livestock, fish and tourism. In addition, the Namibian economy relies heavily on South Africa for its imports as the bulk of Namibia's imports originate there. Namibia's exports are dominated by minerals as shown in the table below.

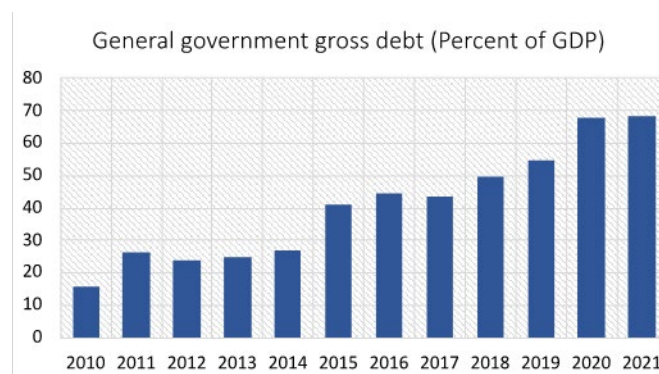
**Table 1. Namibia's top exports in 2020**

Commodity	Percent of total export	Million US\$
Copper	29%	1640
Diamonds	19%	1030
Uranium	11%	624
Fish	10%	534
Gold	7%	392
Cobalt	1%	65
Live bovine animals	1%	64
Petroleum oils	1%	62

*Data source: UN Comtrade database*

A look at Namibia's trade between 2001 and 2019 shows a diminishing trend in exports to its traditional partners – South Africa, the EU and the United States – while exports to China increased sharply (Figure 2). However, imports to Namibia are still dominated by South Africa. Trade has also diversified recently with other neighboring countries, such as Botswana and Zambia.

**Figure 2. Namibia exports as percent of total export**

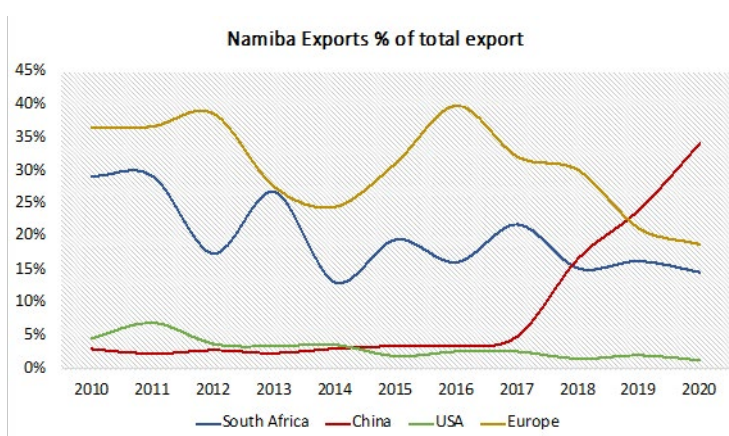


Data source: TrendEconomy

The rise of China nevertheless opened new opportunities for investments, infrastructures projects and trade initiatives for Namibia. There has been no competitor to China's growing investment in Namibia, as stated by President Geingob: "I believe there are more than 40 Chinese firms operating, bringing in some 4.6 billion U.S. dollars in revenue annually. Are you seeing the same kind of aggressive investment strategy from other economic powers?"<sup>15</sup>

This increase in Chinese investment has been accompanied by a rise of Namibia's debt to China, which currently accounts for 10% of Namibia's external debt. In 2020, the overall government debt reached a critical level of 67,6% of GDP<sup>16</sup>. Hage Geingob, during his 2020 State of the Nation Address, voiced concerned about the country's projected debt stock for 2020-2021, which had surpassed the debt threshold set by the Southern African Development Community (SADC)<sup>17</sup>.

**Figure 3. Namibia public debt**



Data source: IMF, World Economic Outlook 2020

15. "Hage Geingob on Namibia's Future", Council on Foreign Relations, April 20, 2016.

16. *World Economic Outlook 2020*, International Monetary Fund.

17. "Namibian President Worried about Country's High Debt Stock", *Xinhuanet*, June 5, 2020.

A look at the Namibian economic statistics shows that China has established a solid footprint in Namibia. However, trade with European countries is still important, with about a quarter of Namibia's exports going to this market. Relations with South Africa, although complex, will always remain strong due to their economic linkages, neighborhood and historical ties. Putting imports and exports together, South Africa is Namibia's top trade partner. Namibia's trade with African countries is increasing, in particular within the SADC region. In 2019, about 35% of Namibia's exports were sent to African countries compared to 25% to Asia and 21% to European countries.<sup>18</sup>

The following chapters examine the relations between Namibia and its key foreign partners and the complex realities behind the trade statistics.

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18. Source of data: TrendEconomy. Accessed on February 2021.

# Bound by History

Namibia went through two periods of colonization: by the Germans from 1884 to 1915, and thereafter when the League of Nations mandated South Africa to administer the territory. Finland was also involved in Namibia for many years after the first Finnish missionaries started to work in Ovamboland in 1870s. The presence of these nations as colonizers or missionaries created special relationships based on their common past. As South Africa captured the German colony during the First World War, it was declared a League of Nations Class C Mandate territory under the Treaty of Versailles, with the Union of South Africa responsible for the administration of South West Africa. After the Second World War, South West Africa was supposed to become a United Nations Trust Territory but the South African government objected and refused to allow the territory's transition to independence, instead making it South Africa's fifth province in 1946.

The following section explores how the relationship between Namibia and its historical partners has evolved over its 31 years of independence.

## Germany: Aid and Apology

Relations between Germany and Namibia are special. In its parliamentary resolution of March 1989, the German Bundestag called for special relations with Namibia entitled "The Special Responsibility of the Federal Republic of Germany for Namibia and all its Citizens".<sup>19</sup> This resolution recognized Namibia as a priority partner country. Despite this resolution and 105 years since the end of the German rule in 1915, the ties between the two countries remain complex. Before independence, Namibia received considerable material and political support from former East Germany<sup>20</sup> as well as the support of prominent West German leaders such as the German Foreign Minister, Hans-Dietrich Genscher.<sup>21</sup> After the fall of the Berlin wall, diplomatic relations between the two countries then slowed when Germany gave priority to the development of its reunified country. Active diplomacy resumed several years later when various bilateral agreements were signed and high-level visits were exchanged. Since 1990, more than one billion euros of German public funds have been made available for development

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19. Available at : [windhuk.diplo.de](http://windhuk.diplo.de).

20. H. Melber and R. Kössler, "Has the Relationship Between Namibia and Germany Sunk to a New Low?", *The Conversation*, August 4, 2019, available at: [theconversation.com](http://theconversation.com).

21. P. H. Katjavivi, "Namibia's Bilateral Relations with Germany: A Crucial Relationship". In: A. Bösl, A. du Pisani, D. U. Zaire (eds), *Namibia's Foreign Relations, Historic contexts, current dimensions, and perspectives for the 21st Century*, Windhoek: Macmillan Education Namibia, 2014.

cooperation.<sup>22</sup> Namibia thus has had the highest per capita input by the German government in Africa. Today, Namibia's partnership with Germany is centered around development aid.<sup>23</sup> Germany is still the first donor, providing 45% of ODA in 2019, ahead of China 28% and USA 11%.<sup>24</sup>

Although Germany continues to provide major development assistance grants and loans to Namibia, differences between the two countries concerning the genocide of 1904-1908<sup>25</sup> are still unresolved. Negotiations on this sensitive topic are in their sixth year. Germany has been hesitant to recognize the Herero genocide and has rejected legal responsibility. The Namibian government continues to demand that Berlin officially acknowledges that the genocide took place, issues an apology and pays reparations. It was only in 2004 that Heidemarie Wieczorek-Zeul, the Federal Minister for Economic Cooperation and Development, asked for forgiveness during her speech in Okakarara, at the commemorations of the 100th anniversary of the Herero uprising. Since then, negotiations have been stranded by differences over the mode of apology and reparations. However, in June 2020, President Hage Geingob told lawmakers: "The Federal Republic of Germany has agreed that the events of 1904-1908 can be termed genocide and they are ready to render an apology, at the highest level of German government".<sup>26</sup>

According to the 2011 population census, one percent of Namibian households speak German as a main language<sup>27</sup>. They represent an active group having their own schools and a daily newspaper. The Namibians of German origin were also economically dominant before being surpassed by new black elites and Chinese businessmen.<sup>28</sup> The great majority of the few whites who served in senior political positions since independence were Namibians of German origin.<sup>29</sup>

22. *German Development Cooperation with Namibia*, German Embassy, Windhoek, available at: [windhuk.diplo.de](http://windhuk.diplo.de).

23. German Federal Foreign Office. Webpage accessed in February 2021. "Bilateral development cooperation focuses on sustainable development, natural resource management, and the transport and logistics sector. It includes measures for vocational training and university education. In the context of the International Climate Initiative, the German Government supports biodiversity and marine protection projects, climate protection and adaptation projects. Between 2006 and 2016, the German Government provided additional funding via the German-Namibian Special Initiative for local development in parts of the country that are home to ethnic groups particularly adversely affected by German colonial rule".

24. *Annual report 2018/2019*, Namibia National Planning Commission.

25. It was during this period that the Herero, Nama and Damara rose up against German colonial rule. The uprising was violently crushed by German troops.

26. "Namibia Says: Germany Ready to Apologize for Genocide", *Deutsche Welle*, June 10, 2020.

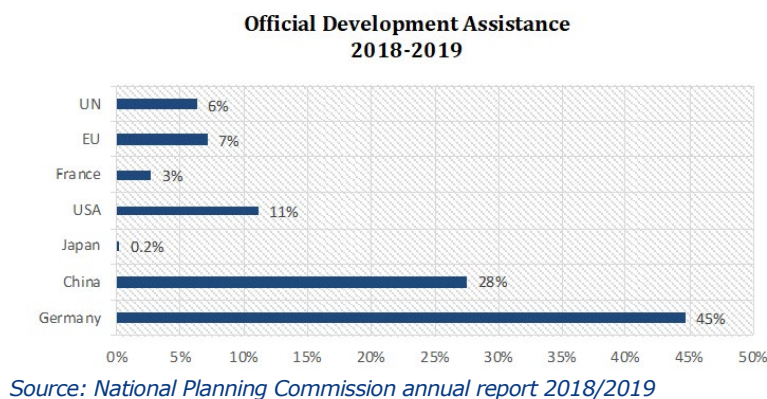
27. The *New Era* newspaper stated that about 8,600 children and youths are learning German at 55 private and public schools in Namibia. "German Language Vital in Namibian Tourism Industry", *The New Era*, September 27, 2016.

28. "A Colonial-Era Wound Opens in Namibia", *The New York Times*, January 21, 2017.

29. For example, at the level of Minister: Calle Schlettwein, Hartmut Ruppel, Klaus Dierkes, Antov von Wietersheim, and Otto Herrigel.

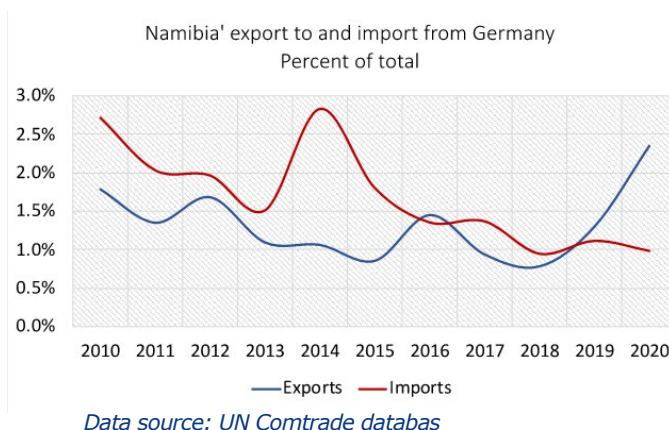


**Figure 4. Official Development Aid**



The share of trade between Namibia and Germany is small compared to other partner countries such as South Africa or China. Bilateral trade between Germany has decreased slightly in terms of goods imported from Germany, while exports to Germany fluctuated but have not returned to their peak share of 3.5% in 2005.<sup>30</sup> Although not included in the export accounting, every year around 120,000 German tourists pay to visit Namibia<sup>31</sup>. This puts Germany at the top of overseas visitors to Namibia and makes it valuable for the Namibian tourism sector.

**Figure 5. Namibia trade with Germany**



30. V. Chlouba, "Impact of German Sources of Capital on the Namibian Economy", *Economics Honors Papers*, Connecticut College, Economics department, 2016.

31. *Namibia: Bilateral relations 2019*, Germany Federal Foreign Office, October 2019. The number decreased greatly in 2020 and 2021 as a result of restrictions and fears of Covid-19 pandemic.

Bound by their history and the influential German-Namibian community, the bilateral relationship between the two countries will remain important despite their modest economic exchanges.

## South Africa: Strategic Partner and Occasional Friend

The relationship between Namibia and South Africa is complex but strong. Namibia's economy and trade are closely linked to South Africa. This is not surprising since Namibia was effectively a fifth province of South Africa before independence. The many decades of South African administration created strong economic ties between the two countries. Besides that, South Africa is the second largest economy in Africa<sup>32</sup> and its population is over 20 times that of Namibia.<sup>33</sup> That, and its geographical proximity makes South Africa the natural strategic partner to Namibia. As stated by Christine Hoebes, Namibia's Deputy Minister of International Relations and Cooperation at the celebration of Freedom Day in 2019: "Namibia and South Africa enjoy warm and mutually supportive bilateral relations as reflected by the frequency and reciprocity of high-level visits and the intensive nature of bilateral cooperation. There are currently 81 signed bilateral agreements and Memoranda of Understanding between Namibia and South Africa. This is the highest number that the Republic of Namibia has signed with any bilateral partner."

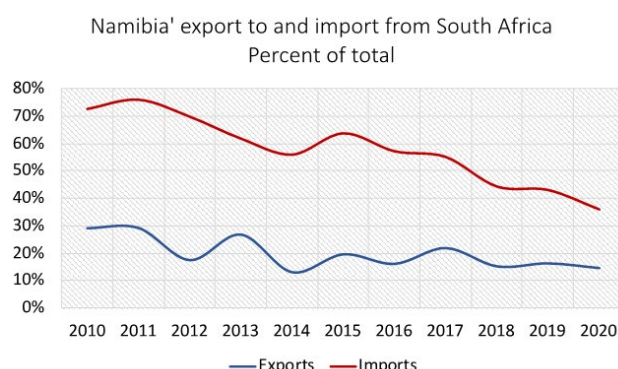
For its economic stability, Namibia immediately pegged its Namibian Dollar to the South African Rand at independence. South Africa is the most important trade partner for Namibia. Up to 95% of Namibia's imports came from South Africa in 1997. Trade between the two countries has since declined in tandem with the increasing value of trade with other countries.

32. T. A. Hengari and C. Saunders, "Unequal but Intertwined: Namibia's Bilateral Relationship with South Africa", in: A. Bösl, A. du Pisani and D. U Zaire (eds) *Namibia's Foreign Relations, Historic contexts, current dimensions, and perspectives for the 21st Century*, Windhoek: Macmillan Education Namibia, 2014.

33. Population of Namibia and South Africa respectively estimated in July 2020: 2,630,073 and 56,463,617. Source: IndexMundi.



**Figure 6. Namibia trade with South Africa**



Data source: UN Comtrade database

However, Namibia remains reliant on South Africa for trade, currency and electricity. In addition, South African companies have a large number of investments in key industries in Namibia, such as diamond mining, retail, banking and insurance.<sup>34</sup> This dependency may have encouraged Namibia's Vision 2030 and its 2004 foreign policy white paper to stress the value of regional integration for economic security through the Common Monetary Area and the Southern African Customs Union (SACU). As a member of SACU and SADC, Namibian exports enjoy duty free access to the economies of South Africa as well as Botswana, Lesotho and Swaziland. Namibia has long relied only on South Africa for its imported energy, but recently Namibia has started to diversify by importing energy from other neighboring countries such as Botswana, Zambia and Zimbabwe.

In 2018, China surpassed South Africa to become the top destination for Namibia's export. This trend was confirmed in 2019 with 26% and 17% of exports to China and South Africa respectively, when China substantially increased its imports of copper, uranium ore and meat from Namibia. However, South Africa remains the biggest source of imports to Namibia, supplying 43% of all imports, although the proportion of imports has been decreasing as shown in Figure 6. Although China also surpassed South Africa in terms of Foreign Direct Investment (FDI) in Namibia (China 40.3% and South Africa 32.7%)<sup>35</sup>, South Africa remains Namibia's main source of short-term loans, providing 76.5%<sup>36</sup> of these loans in 2020.

34. Three out of Namibia's eight commercial banks are South African subsidiaries. Source: 2021 Bank of Namibia. The Banking System in Namibia. Webpage accessed February 2021.

35. *Quarterly Bulletin*, Vol. 29, No. 3, Bank of Namibia, December 2020. FDI liabilities were mainly sourced from China, South Africa and Mauritius, which jointly accounted for 81.7% of the total FDI stock at the end of September 2020. The FDI inward stock from China and Mauritius were mainly geared towards the mining and quarrying sector, while

The leaders of South Africa and Namibia meet frequently and, in both countries, the liberation movements that fought apartheid together are still in power. In 2012, Namibia and South Africa extended their cooperation by establishing the Bi-National Commission, a mechanism aimed at strengthening the ties between the two countries. The Bi-National Commission is divided into the Diplomatic Committee, Economic Committee, Social Committee, and Defense and Security Committee. The two countries aim at promoting regional integration through several major infrastructure projects:

- The Trans-Kalahari Railway Line, to link Botswana, Namibia and South Africa
- The Trans-Kunene Corridor, to link Angola, the DRC, Namibia and South Africa.

Despite Namibia's policy of trade diversification, South Africa will continue to be an important political and economic partner as a neighbor and having the biggest economy in Southern Africa.

# Whether Friends, or Weathered Friends?

## China: an All-Weather Friend

Namibia has developed a special relationship with China. In recent years, the two countries have progressively fostered strong ties in the domains of economic, political, military and security sectors. However, many Namibians are skeptical and suspicious about the purposes and nature of this partnership.

### ***Historical and Political Relations***

The China/Namibia relationship goes back to the 1960s, the times of Namibia's liberation struggle when SWAPO (South West African Peoples' Organization, the ruling party since independence) is reported to have sent its combatants to gain further expertise in the People's Republic of China.<sup>37</sup> This is often recalled by Chinese diplomats.<sup>38</sup> China was one of the first countries to establish diplomatic relations with Namibia after Namibia's independence in March 1990 and in 1991, the first agreement on Economic and Technical Cooperation was signed.

The ties between the countries were established over years of high-level political engagement. Sam Nujoma paid seven visits to China during the 1970s and 1980s and five visits as president of Namibia. He also visited China in 2006 during Pohamba's presidency. Two top Chinese leaders paid visits to Namibia: President Hu Jintao (2007) and Vice Premier Sun Chunlan (2019).

As Namibia was celebrating 30 years of independence, Chinese President Xi Jinping exchanged congratulatory messages with president Hage Geingob: "China is willing to work with Namibia to take the opportunity of the 30th anniversary of the establishment of diplomatic relations between our two countries to continue to understand and support each other, strengthen

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37. "A Namibian Shares her Visit to China in 1964", *The New Era*, August 5, 2020.

38. *Interpretation of China-Namibia Relations, Chinese Ambassador's view*, Embassy of China in Namibia. Interview of Liang Yinzhu, Chinese Ambassador to Namibia by *the New Era*, October 2007.

pragmatic cooperation, and push China-Namibia and China-Africa relations to a new level.”<sup>39</sup>

In addition, the China Communist Party consolidated its relationship with SWAPO. As a result, Namibia strictly adheres to the “One-China policy”<sup>40</sup> and it often supports China in the international arena. At the 46<sup>th</sup> session of The Human Right Council in February 2021, the SWAPO secretary general made a statement condemning the external interference in China’ affairs and reaffirmed its support to one-China policy<sup>41</sup>.

Namibia has regularly participated in the Forum on China–Africa Cooperation (FOCAC) since its initiation in 2000. In 2018, the two countries signed a Comprehensive Strategic Cooperative Partnership (all-weather partnership).<sup>42</sup> It includes various cooperation fields such as trade, education, health, agriculture and security.

## ***Economic Relations***

Namibia welcomed Beijing’s investment funds and seized the opportunity provided by China’s ambitious Belt and Road Initiative (BRI) announced in 2013 to develop its own infrastructure. China’s interest in Namibia is clearly based on imports of raw materials, in particular uranium and copper, and on exports of manufactured products to Namibia.

China has become the most important destination for exports and its Chinese Foreign Direct investment (FDI) in Namibia is the highest of any country at 40.3%. This is concentrated mostly in the mining sector. Namibian officials see in China an opportunity to acquire soft loans and a large market for Namibia’s mineral products. As prime minister, in 2014, Hage Geingob expressed the importance of China for developing the country. He then led the biggest Namibian delegation to China to promote bilateral trade between the two countries, saying that “Namibia is an open country. Namibia is ready for investment, particularly Chinese investment, so that we can add value to our resources”.<sup>43</sup>

At the same time, China’s quest for natural resources placed Namibia as a good source of mineral resources. Uranium is one of the most strategic economic drivers of China’s interest in Namibia since China is

39. “China & Namibia Celebrate 30th Anniversary of Diplomatic Ties”, *Belt and Road News*, March 23, 2020, available at: [www.beltandroad.news](http://www.beltandroad.news).

40. “Namibia Ruling Party Condemns External Interference in China's Affairs”, *CGTN*, February 24, 2021.

41. *Ibid.*

42. Partnership diplomacy has gradually become a major component of China's grand diplomacy strategy. According to statistics from the Foreign Ministry of the People's Republic of China (FMPRC), by the end of 2017 more than 100 partnerships at various levels had been agreed.

43. “Namibia Ready for Chinese Investment”, *ChinaDaily*, March 25, 2014.

expanding its supplies of nuclear energy. Uranium mining is the largest Chinese investment in Namibia. This goes along with China's strategy of the "Three Thirds" rule: one-third of its uranium comes from domestic supply, one-third from direct international trade, and another third from overseas mining by Chinese firms.<sup>44</sup> China's acquisition of Namibia's uranium mining assets started around 2012 when Taurus Minerals Limited of Hong Kong<sup>45</sup> acquired 90% stakes in Swakop Uranium, which operates the Husab Mine. The remaining 10% is owned by Epangelo Mining Company, a Namibian state-owned mining company. Husab uranium mine is China's biggest Namibian investment at a cost of US\$ 4.6 billion and is among the largest single mining investment of the Chinese government on the African continent. Furthermore, in 2014, China Uranium Corporation, a subsidiary of China National Nuclear Corporation bought 25% of the stakes in the Langer Heinrich uranium mine from Australia's Paladin Energy. The additional acquisition of 69% of the Rössing mine by China National Uranium Corporation Limited (CNUC) placed China in control of the Namibian uranium mining sector.<sup>46</sup>

Related to China uranium investments is the so-called "uranium railway" investment. The rehabilitation of the railway from Walvis Bay to Kranzberg was awarded to two Chinese companies. China Gezhouba Group Corporation (CGGC) started building a 107.5 km railway between Walvis Bay and Arandis. The Qingjian Group Co. Ltd and Unik Construction Engineering (Pty) Ltd Joint Venture has awarded the contract to upgrade the Arandis – Kranzberg (the final bidders are 6 Chinese companies, one South African and one Turkish companies).<sup>47</sup> The Namibian government will cover 56% of the railway's cost, with 44% covered by a loan from the African Development Bank. Other mining sectors that attract Chinese investments are gold and iron mining. Chinese state-owned company East China Mineral Exploration and Development Bureau<sup>48</sup> has discovered a large deposit of iron ore in the Kunene Region. Chinese companies are also involved in dimension stone mining, which includes granite and marble that are exported to China without further

44. H. Zhang and Y. Bai, "China's Access to Uranium Resources", Belfer Center for Science and International Affairs, John F. Kennedy School of Government, Harvard University, May 2015.

45. 60% of Taurus is owned by China Guangdong Nuclear Power Group and 40% owned by China-Africa Development Fund.

46. The other shareholders of the Rössing mine are: the Government of Iran (15% purchased in 1976), the IDC of South Africa (10%), the Government of Namibia (3% but 51% of voting rights) and local individual shareholders (3%).

47. "Publication of award of contract for goods & works information notice", African Development Bank, available at: [www.afdb.org](http://www.afdb.org), accessed in march 2021.

48. President Sam Nujoma is an 'honorary advisor' to East China Mineral Exploration and Development Bureau (ECE). "Nujoma Honorary Advisor, not 'Consultant'" *The Namibian*, January 23, 2012.

processing. In the Erongo region, dimension stone mining raises concerns about the damages to the environment and heritage sites.<sup>49</sup>

China built a container terminal in Walvis Bay as part of China's Belt and Road Initiative. A new oil storage facility was built by China Harbour Engineering Company<sup>50</sup> and the Namibian Roads Contractor Company. The container terminal was built by China Harbour and financed by a loan from the African Development Bank. Other important investments are in the domain of construction and the development of infrastructure. Chinese companies renovated the new State House, constructed the retirement mansion of former President Hifikepunye Pohamba, the new office complex for Namibia's founding president Sam Nujoma and the headquarters of various ministries. The infrastructure projects include roads building or rehabilitation. Last year, China Henan International Cooperation Group was awarded a contract for the construction of the road between Tses and Gochas. The same company upgraded the Okamatapati-Grootfontein road.

Agricultural cooperation has also been enhanced through a two-year tripartite cooperation agreement signed in 2014 between China and the Food and Agriculture Organization (FAO) within the context of China's and FAO's South-South Cooperation (SSC) Strategic Partnership.<sup>51</sup> The agreement includes technical assistance to support the national research programs and the introduction of superior crop varieties, machinery and methodology for small-scale farmers and agribusiness enterprises involved in production. A second phase of this project was signed in January 2018.

**Figure 7. Namibia trade with China**



49. "Mining destroys prehistoric art", *The Namibian Sun*, March 19, 2020.

50. "China picks five airport tender companies", *The Namibian*, June 10, 2020, wrote "China Harbour Engineering Company has over the years benefited from Namibia's tender boom. The company constructed the inflated N\$7 billion fuel-storage facility and the N\$3.5 billion Walvis Bay port expansion for the state-owned Namibian Ports Authority".

51. Available at : [www.fao.org](http://www.fao.org).



Chinese business extends from the mining industry to small retail outlets selling cheap consumer goods generally imported from China. The numbers of Chinese shops have grown rapidly as well as the number of Chinese residents<sup>52</sup> in Namibia, leading to speculation and concern by Namibians who view the presence of Chinese with reservations and suspicion. Moreover, there are concerns that Namibia's debts will become unbearable. Doubts are raised about the benefits of Chinese investments to the people of Namibia since the unemployment rate remains high at 20.3% in 2019.<sup>53</sup>

### ***Specific Cooperation: Defense and Space***

Defense is another area of cooperation between the two countries. In September 2020, a heated debate in the National Assembly was held about the presence of more than 3,500 Chinese troops in Namibia.<sup>54</sup> This was denied by the government (the Defense minister, Peter Hafeni Vilho, said information regarding the presence of Chinese troops in Namibia was confidential) and the Chinese embassy in Windhoek. In 2019, Hage Geingob inaugurated the Chinese-funded Namibia Command and Staff College in Okahandja. Namibian military cadres have been trained in the military academy of Shanghai. In addition, Poly Technologies Inc. has become Namibia's main suppliers of military equipment since the early 2000s, supplying the air force with Chengdu F-7 and Hongdu KW-8 fighter-trainers and many armored personnel carriers. In 2017, two naval vessels were donated by the Chinese People's Liberation Army.<sup>55</sup> There have been speculations about intentions to construct a People's Liberation Army naval base in Walvis Bay.

The cooperation between the two countries extends to an unusual sector: space. In 2001, China built a station for space research outside the city of Swakopmund. A tracking, telemetry and command station was constructed at the South Atlantic coastal town. China's Xi'an Satellite Control Centre in Shaanxi operates the Swakopmund ground station.<sup>56</sup>

52. The presence of Chinese could be mostly related to government-led business or private business.

53. *SADC Selected Economic and Social Indicators 2019*, September 2020.

54. "Defence Mum on Chinese Troops in Namibia", *The Namibian*, September 11, 2020.

55. "What are the North Koreans up to in Namibia?", *PoliticsWeb*, April 15, 2016.

56. "China-Namibia Relationship on Space Is One of The Best in Africa – Chinese Ambassador to Namibia", *Africanews*, September 3, 2019.

## ***Tight Spots***

The partnership with China generates controversy and public debates in Namibia because of a web of hidden interests between Namibia's elite and Chinese businesses. In the opposition, some suspect the Namibian government elite of political favoritism and corruption that benefits the Chinese and is detrimental to Namibia's interest. There are various examples of the association between Chinese businesspersons and Namibian political actors in the construction industry. Here are two examples:

"African Sunrise Investment" is a real estate company formed in 2014 and co-owned by the Dr Hage Geingob Family Trust (20%), Loini Kandume the ex-wife of Geingob (20%) and Chinese millionaire Yuequan Jack Huang (60%).<sup>57</sup> Huang was arrested in 2017 (and released on bail) for allegations of fiscal evasion.<sup>58</sup> The President is among the family beneficiaries of this Trust. Helmuth Angula, Loini's son is a director of the firm together with the President's daughter – Nangula Axabi Geingob Dukes.

Chinese businesswoman Stina Wu, executive chairperson of Helmsman group is another example. She is accused of obtaining about 270 housing plots through her ties with politicians. Wu stated that "land reform minister Nujoma is a very good friend of mine, and that is it. He is not connected to my business, nor does he have any interest in my business".<sup>59</sup> From being a kindergarten teacher in China, Stina Wu became one of the Chinese moguls in Namibia. Her wealth is estimated to be over 50 million US\$.

In 2009, controversy surrounded the Beijing government's award of scholarships to study in China to the children of nine top officials, including the daughter of Namibia's former president Hifikepunye Pohamba and two young relatives of Namibia's former president Sam Nujoma.<sup>60</sup> Debates over the presence of Chinese military continue, as do arguments about the preferential treatment accorded to Chinese construction companies. The Hosea Kutako International Airport expansion tender was cancelled after allegations of corruption.<sup>61</sup> Last year the Chinese government proposed a special

57. "Geingob Explains Township Deal", *The Namibian*, May 20, 2016.

58. "President's Friend Arrested", *The Namibian*, February 2, 2017.

59. "Namibia's Property Golden Girl", *The Namibian*, November 23, 2018.

60. "China Helps the Powerful in Namibia", *The New York Times*, November 19, 2009.

61. "Chinese Firm Scoops N\$530m Road Tender", *The Namibian*, November 18, 2020. "The Namibian Reported in June this Year that the Chinese State Gave the Namibian Government a List of Five State-Owned Companies That Should Bid to Expand the Hosea Kutako International Airport at an Estimated N\$3,5 billion".



financial package to fund up to 90% of the upgrade cost of the Hosea Kutako International Airport<sup>62</sup> but so far, nothing has been signed.

Regardless of whether China's cooperation with Namibia is seen as an opportunity for development or as a way to self-enrichment for the Namibian ruling elite, it is clear that China will continue to expand its economic and political influence in Namibia.

## Russia: Empty Promises

Like China, Russia also provided valuable help to SWAPO during the liberation struggle as stated by Hage Geingob: "The Russian Federation is an old friend, a tried and tested friend who stood with us and provided immense military, financial, and diplomatic support to the SWAPO Party during the dark days of our liberation struggle"<sup>63</sup>. Former President Hifikepunye who studied at the Peoples' Friendship University of Russia (RUDN)<sup>64</sup>, revived the bilateral cooperation through the Namibian-Russia Inter-Governmental Commission on Trade and Economic Cooperation established in July 2006. The Commission meets once a year and signs agreements, memorandums of understandings (MoUs) and treaties in various sectors including education, defense and security, mines and energy, trade and investments, fisheries and tourism<sup>65</sup>.

The two governments signed various agreements, MoUs and treaties.

	Namibian partner	Russian partner	Date
<b>Cooperation in Science and Education</b>	International University of Management	RUDN	August 17, 2018
<b>Mutual Legal Assistance in Criminal Matters</b>	Ministry of Justice	Ministry of Justice	October 8, 2018
<b>Cooperation in the Field of Corrections</b>	Namibian Correctional Service	Federal Penitentiary Service of the Russian Federation	February 19, 2019

62. "China Offers 90% of Airport Funding. The Asian Giant is Dangling about N\$6,3 Billion in Namibia's Face, a Tempting Offer that is now Receiving High-Level Attention", *The Namibian*, May 20, 2020.

63. "Russia Praises Geingob for Role in International Affairs", *The New Era Newspaper*, February 2020.

64. Hifikepunye Pohamba is an alumnus of RUDN in the former Soviet Union. He studied, social and political science.

65. "Namibia, Russia Strengthen Ties", *The New Era*, May 24, 2019.

High profile official visits have been paid and numerous agreements and MoUs signed but without tangible steps being taken. Trade between the two countries is limited. In 2019 Russia was placed 49<sup>th</sup> among the countries importing from Namibia and 27<sup>th</sup> in its volume of exports to Namibia,<sup>66</sup> with the total value of annual trade amounting to 29 million US\$ compared to 1.9 and 1.8 billion US\$ of trade with EU and China respectively.<sup>67</sup> The examples of agreements not being implemented are numerous.

## ***Diamond Sector***

The first cooperation deal was signed in 1998 by former presidents Sam Nujoma<sup>68</sup> and Boris Yeltsin. On this occasion, Almaz Rossii-Sakha (Alrosa – the Russian diamond company) and the Namibian government signed an agreement allowing Alrosa to form joint ventures with local Namibian diamond companies to develop off-shore diamond fields and prospects for other minerals. But this deal was never implemented. Possibly, the growing challenge from Russian diamond mining helped the Namibian government to negotiate favorable conditions with De Beers. Once again, in 2007, the Alrosa president visited Namibia, announcing “Russia is back”. He promised various projects in diamond mining, but nothing materialized.

## ***Nuclear Sector***

In 2007, Russian Prime Minister Mikhail Fradkov held discussions with Namibian counterpart Nahas Angula and president Hifikepunye Pohamba on the possibility of developing Namibia's uranium deposits with an aim towards creating a nuclear power plant in the country.<sup>69</sup> In 2018, the issue was tabled once more during the visit of Russia's Foreign Minister Sergei Lavrov to Windhoek.<sup>70</sup> Again, there was no

66. Sources: Trade Map, International Trade Centre (ITC) calculations based on Namibia Statistics Agency (NSA) and on UN COMTRADE statistics.

67. UN COMTRADE statistics.

68. In 1998 Sam Nujoma was awarded an honorary doctorate by RUDN.

69. The delay is often attributed to a 10-year moratorium on new applications for exploration licences on nuclear fuel minerals imposed by Namibia. It was lifted in January 2017.

70. Foreign Minister Sergey Lavrov's opening remarks during talks in Windhoek with Deputy Prime Minister and Minister of International Relations and Cooperation of the Republic of Namibia Netumbo Nandi-Ndaitwah. Ministry of Foreign Affairs of the Russian Federation, 6 March 2018. Lavrov said “*We welcomed the agreements reached between our respective companies. Russian State Corporation ROSATOM is talking with its vis-à-vis in Namibia to finalise the agreement on cooperation and peaceful use of nuclear energy, which will open up cooperation opportunities in this area, from medicine and modern technology up to the potential construction of a nuclear power plant in your country*”.

follow-up. In June 2009, Dmitry Medvedev was the first Russian head of state to visit Namibia. Medvedev was accompanied by Russian businessmen hoping to sign deals on diamonds and energy. In 2010 and during Pohamba's visit to Moscow, a memorandum of understanding was signed with the intention to develop cooperation in the field of geological exploration and uranium mining in Namibia. Rosatom, Russia's state corporation for atomic power, and the Ministry of Mines and Energy of Namibia established a joint working group including Atomredmetzoloto and Epangelo Mining with a promise to invest about \$1 billion. In addition, in 2017 the controversial Uranium One<sup>71</sup> filed eight applications for uranium exploration in Namibia after the lifting of the moratorium on the issuing of new licenses for exploration and mining. For the time being no visible work has been done.

## **Gas Sector**

In 2010, Namcor, Namibia's national oil company entered into a memorandum of understanding with Gazprom Bank to take shares in Kudu offshore gas field. But in 2011, Gazprom decided not to continue with the project. Currently, Russia's cooperation is limited to trade, student scholarships to study in Russian universities, support to veterinary services and phytosanitary surveillance.

## **European Union: More Trade, Less Aid**

Namibia has ties with European nations, both through the European Union and bilaterally. Despite the decline in European development aid since 2009<sup>72</sup>, Europe (through the EU, France and Germany) continues to provide the majority of development assistance to Namibia, as shown in Figure 4. As stated by Raúl Fuentes Milani "Since Namibia's Independence, the EU and its member states have provided around 70% of the total development assistance received. Of this, the European Commission's share was over 30%"<sup>73</sup>. Most aid is for the development of education and skills, rural development and infrastructure, good governance and civil society.

71. Uranium one is a subsidiary of the Russian nuclear agency, Rosatom.

72. Following Namibia's upgrade to the status of an upper middle-income country by the World Bank's classification in 2009.

73. R. Fuentes Milani, "The European Union: Relations with Namibia", in: A. Bösl, A. du Pisani and D. U Zaire (eds) *Namibia's Foreign Relations Historic contexts; current dimensions, and perspectives for the 21st Century*, Windhoek: Macmillan Education Namibia, 2014.

As a member of SADC, Namibia signed the Economic Partnership Agreement<sup>74</sup> with the EU in 2016 after long and tough negotiations.<sup>75</sup> “The Namibian Deputy Minister for Trade and Industry declared at a business forum with a Chinese delegation on 6 March 2012 that China is an alternative market more than double the size of the so-called lucrative European market, which created humiliating agreements with unacceptable conditions through its Economic Partnership Agreements (EPAs).”<sup>76</sup> Hage Geingob, the minister of trade at that time, said that the EPAs should not be about trade only but also development. The main contentious issues are<sup>77</sup>:

- Most Favored Nation (MFN) clause, which stipulates that all trade agreements entered with parties holding above 1.5% of the global trade would automatically entitle the EU to the same preferences.
- Issues on food security, infant industry protection, free flow of goods and export taxes are not incorporated into the Interim EPA document to be signed, but according to the EC considered as matters to be dealt with ‘in good faith’.
- The alignment of market access, tariffs and rules of origin.

Trade with Europe remains significant. About a quarter of Namibia’s exports go to Europe. Five European countries were among Namibia’s top ten main export destinations in 2019 although the volume of export to individual countries remains very small compared to China and South Africa.

Namibian exports to the EU increased in value from EUR 963 million in 2014 to EUR 1.3 billion in 2018.<sup>78</sup> It is a modest increase if compared to China (179 million to 1.3 billion US\$<sup>79</sup>) for the same period of time. The most important exports in 2018 were of copper, fish and crustaceans, diamonds, zinc and grapes. In 2019, more than 50% of Namibia’s exports to Europe went to Belgium and Spain while most imports to Namibia came from Germany, as shown in Table 2. The bulk of Namibia’s fish and fish products are exported to Spain where they are then marketed throughout the EU. Namibia’s exports

74. Available at : [ec.europa.eu](https://ec.europa.eu).

75. “Namibia Sticks to its EPA Guns”, *The Namibian*, December 18, 2012. Namibia has been fighting for a fair deal under the EPA regime since 2007, refusing to sign until all issues have been resolved. Hage Geingob, as minister of trade and prime minister, has consistently campaigned for the EU to treat Namibia as an equal partner in the EPA negotiations. In 2009, he made headlines internationally when he lashed out at the EU, saying: « *You cannot smoke cigars in boardrooms in Brussels and bulldoze us.*”

76. H. Melber, “China in Namibia: An ‘All-Weather Friendship’ Examined”, *Afrique e orienti*, Vol. 20, No.1-2, 2018, pp. 7-23.

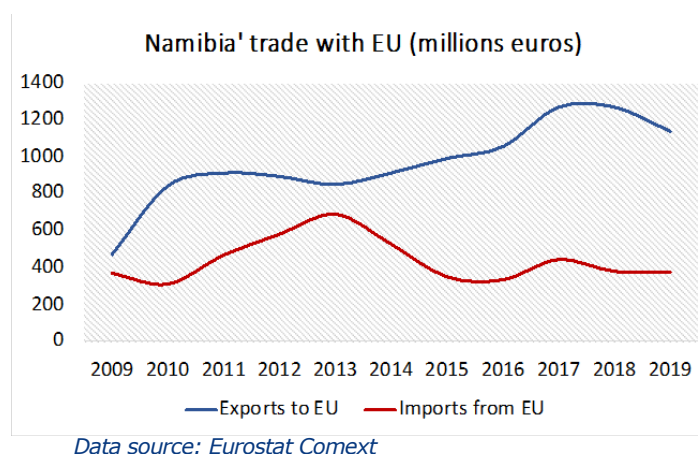
77. H. Melber, “Namibia and the Economic Partnership Agreement (EPA)”, *SAFPI Policy Brief*, No. 39, July 2013.

78. European Commission website. *Economic Partnership Agreements: Putting Partnerships into Practice, 2020*. Accessed in February 2021.

79. UN ComTrade database.

to Belgium and Spain increased steadily in the last ten years. In 2010, Namibia's exports to Belgium and Spain represented 4% and 13% of total exports to Europe compared to 28% and 25% in 2020. Trade volumes with the UK have significantly decreased in the last ten years from about 1 billion in 2010 to 95 million US\$ in 2020<sup>80</sup>.

**Figure 8. Namibia trade with EU**



**Table 2. Namibia's trade volume with Europe 2019 (US\$)**

Country	Exports	Imports	Trade volume
Belgium	433,943,190	18,943,837	452,887,027
Spain	291,912,862	68,690,477	360,603,339
Italy	138,708,777	87,692,064	226,400,841
Netherlands	145,515,958	68,031,201	213,547,159
France	139,436,477	53,038,464	192,474,941
Germany	81,301,987	89,990,570	171,292,557
United Kingdom	48,439,572	71,607,048	120,046,620
Norway	2,860,816	75,803,982	78,664,798
Switzerland	21,917,868	51,175,844	73,093,712
Austria	502,434	19,075,982	19,578,416
Portugal	15,991,419	2,523,830	18,515,249
Denmark	6,585,957	4,920,856	11,506,813
Finland	54,542	9,993,200	10,047,742
Sweden	456,735	8,161,856	8,618,591

Data source: UN Comtrade

80. *Ibid.*

## ***France: Aid and Uranium***

France supported SWAPO's struggle for independence in the 1980s. From independence until 2004, France was the fifth largest donor to Namibia.<sup>81</sup> Bilateral trade is now very small (2.2% and 0.7% of total Namibia's exports and import in 2019, respectively).<sup>82</sup> Exports to France are mainly uranium and agricultural products. Orano is the owner of Trekkopje uranium mine in western Namibia. The mining of this deposit has been suspended since 2012 due to fluctuation in the uranium market. Suspicions have been looming around the acquisition of this site.<sup>83</sup> A desalination plant has been built to supply water to the mine. President Hage Geingob paid an official visit to France and United Kingdom in November 2016 in order to "strengthen investments and enhance trade opportunities for Namibia".<sup>84</sup>

## ***Scandinavian Countries: Lost as a Middle-Income Country***

The Nordic countries were in the frontline of international mobilization and negotiations to liberate Namibia from South African rule. Sweden, Finland, Norway and Denmark were also Namibia's main development partners before independence, sending their assistance directly to SWAPO or through UN agencies. According to the Scandinavian Institute of African Studies, "Nordic aid started as early as the middle of the 1960's when funds were allocated for the victims of opposition in southern Africa. In the 1980s common Nordic administrative plan of assistance to an independent Namibia was created".<sup>85</sup>

However, the Nordic countries have scaled down or ended their bilateral grant support to Namibia and the direct Nordic bilateral development cooperation has faded away. The trade volume between Namibia and Nordic countries is also insignificant, in 2019 amounting to 1.6% and 1.2% of total Namibia's exports and imports respectively.<sup>86</sup> The Swedish embassy and the Swedish International Development Agency office in Windhoek were closed in 2008 and now only Finland maintains an embassy in Windhoek.

81. French Ministry for Europe and Foreign Affairs. Country files, Namibia, available at: [www.diplomatie.gouv.fr](http://www.diplomatie.gouv.fr).

82. TrendEconomy website. Accessed on February 2021.

83. "French Nuclear Frontrunner's Toxic Political Dealings in SA", *Mail & Guardian*, August 3, 2012.

84. "Presidency Insists on French Extravagance", *The Namibian*, December 16, 2016.

85. "Namibia and the Nordic Countries", Scandinavian Institute of African Studies, Uppsala 1981.

86. TrendEconomy website. Accessed on February 2021.



## USA: an Indifferent Partner

After Namibia's independence the US provided important development, economic and political aid.<sup>87</sup> The US has been an important bilateral donor along with the European Union and Germany providing about 11% of total official development aid as shown in Figure 4 above. The US contributed to the development of health, education and trade programs. Since its inception in 2003, the U.S. President's Emergency Plan for AIDS Relief "PEPFAR" contributed over US\$ 1.1 billion to support the national HIV/AIDS program.<sup>88</sup> The US and Namibia signed the Millennium Challenge Account in 2008 for the development of education, tourism and agricultural sectors. Trade between Namibia and the USA is limited despite the African Growth and Opportunity Act (AGOA).<sup>89</sup> Diamonds and uranium exports, which make more than 90% of Namibia's exports to the US, are not included in the AGOA preferences. In 2019, Namibia started exporting beef to the U.S. under AGOA act, after 18 years of negotiations to satisfy strict sanitary and phytosanitary requirements. At the occasion of sending off the first container of Namibian beef to the US, the Minister of International Relations and Corporation, Netumbo Nandi-Ndaitwah, said: "I think this may be one of the longest protocols ever that the Food Safety and Inspection Service of USA and the Namibian Directorate of Veterinary Service had taken to ensure that all technical areas are cleared and are in accordance with various established protocols."<sup>90</sup>

In the last ten years, Namibian exports to the US decreased in terms of total value and as percent of total export basket. However, Namibian imports from the US have increased slightly in recent years.

Namibia's exports to the US changed during the last twenty years from a predominance of fish and crustaceans in 2000 to uranium up until 2016, and then to diamonds which made up 77% of all Namibian exports to the US in 2018. Imports from the US to Namibia are mainly of mineral fuels and chemical products.

Today, the U.S. diplomatic relationship with Namibia can be qualified as "indifferent". This indifference might well be reflected by the error when Donald Trump twice referred to Namibia as "Nambia" during a lunch he hosted for African heads of state in New York in

87. The National Democratic Institute has provided election assistance and parliamentary assistance.

88. Embassy of the United States. Webpage accessed in march 2021

89. AGOA was enacted in 2000 by the US Congress to provide improved access to the US market for sub-Sahara African states. The Act is extended until 2025.

90. "Namibia: Meatco Hailed for Beef Export Success, 'Nothing Good Comes Easy'", AGOA.INFO, 21 February 2020.

2017. Namibia is among the African countries that were never visited by a U.S. president. Moreover, Namibia presidential visits to the US were few. This is a stark contrast with the frequent and high-level contacts between the Chinese and Namibian authorities.

## North Korea: the Mysterious Friend

Although they are hazy, there are ties between Namibia and the Democratic People's Republic of Korea (DPRK). Namibia is one of a few countries with friendly relations with Pyongyang though currently neither country maintains an embassy in their respective capitals. DPRK closed its embassy in Windhoek in 1994. DPRK is hailed by SWAPO's elites for providing military and training support to SWAPO before independence. However, doubts are cast around this claim. As stated by André du Pisani, North Korea was not among the 30 countries in which SWAPO had representation.<sup>91</sup> After Namibia's independence, its presidents Sam Nujoma and Hifikepunye Pohamba continued their close ties with Pyongyang. The former president Sam Nujoma was decorated with the Korean "Order of the National Flag" in 1992.<sup>92</sup> These close ties between Namibia and North Korea are thought to stem from the personal relationship between the Kim family and Nujoma who has visited Korea at least 11 times.<sup>93</sup>

North Korea was responsible for the construction of several controversial buildings and monuments in Windhoek through the Mansudae company<sup>94</sup> without any tender procedures. North Korean companies have built the Namibia's State House, Heroes' Acre, military museum at Okahandja, Independence Museum, ammunitions factory and other military constructions. As the deals between the DPRK and Namibian authorities are shrouded in mystery, Namibia came under scrutiny for violating the UN sanctions in dealing with DPRK<sup>95</sup>. The UN expert panel on DPRK accused Namibia of using North Korean state companies to construct an ammunition factory at Leopard Valley and the headquarters for the Ministry of Defence.<sup>96</sup> In 2016, after a visit of Netumbo Nandi-Ndaitwah, the International Relations Minister, to Pyongyang,

91. "Namibia Violates UN Sanctions Against North Korea", *Mail & Guardian*, April 14, 2014.

92. J. Grobler, "What Are the North Koreans up to in Namibia?", *PoliticsWeb*, April 15, 2016.

93. J. Grobler, "What Are the North Koreans up to in Namibia?", *PoliticsWeb*, April 15, 2016.

94. Available at: [en.wikipedia.org](http://en.wikipedia.org).

95. Resolution 1874 (2009). Adopted by the Security Council at its 6141st meeting, on June 12, 2009.

96. "Report of the Panel of Experts established pursuant to resolution 1874 (2009)", United Nations Security Council, February 27, 2017.



Namibia was said to cease all its North Korean operations in accordance with U.N. sanctions. Given Namibia's foreign policy "Namibia is a friend to all, and enemy to none", it seems unlikely that Windhoek will terminate its business ties with Pyongyang.

## Namibia's Neighbors: Comrades in Arms

Namibia's relations are ambiguous with four of its close neighbors: Angola, Botswana, Zambia and Zimbabwe. Despite frequent declarations of diplomatic friendship and solidarity and the government's assertion that "Namibia's future is intertwined with the future of Africa"<sup>97</sup>, contact and trade between the countries appear limited to occasions of necessity and to the informal movement of goods, services and people. Namibia's other neighbor – South Africa – is an exception as previously explained.

The equivocal relations between Namibia and the other four neighbors may be ascribed to differences between the countries: Lusophone Angola with its recent emergence from decades of civil war and extreme kleptocracy; persistent poor governance and economic performance in Zambia and Zimbabwe; Botswana's continued stability as well as its honest and democratic governance.

Majority rule came to Namibia, South Africa, Zimbabwe and Angola more recently than in Botswana and Zambia. The former four countries endured armed struggles for independence, but not Botswana and Zambia. Botswana often condemns poor leadership in Africa,<sup>98</sup> whereas the other countries prefer to support and protect leaders irrespective of their performance. The six countries are members of the Southern African Development Community (SADC), an organization that exists more in name than deed.

Despite these differences, it is not clear why relations seldom go beyond cool diplomacy. Namibia's trade with the other neighboring countries is trivial. The figures for Angola in the graph exclude a great deal of informal trade across Namibia's permeable northern border. This is explained by the considerable number of people of recent Angolan extraction in Namibia and the frequent cross-border

97. Available at: [www.namport.com.na](http://www.namport.com.na).

98. President Ian Khama openly criticized the Zimbabwean president Robert Mugabe while Namibia named Windhoek longest street after Mugabe. Also, Botswana approved the International Criminal Court call to arrest Omar Al Bashir; while Namibia announced welcoming him in Windhoek. Botswana accused Congolese President Joseph Kabila for the deterioration of the country's humanitarian and security situation. "Botswana Blames Kabila for DRC's Humanitarian Crisis", *AfricaNews.com*, February 27, 2018.

movement of people, services and goods.<sup>99</sup> Outside these informal relations, Namibia has few linkages to Angola, even though more than 40 bilateral agreements and memoranda of understanding (MoUs) have been established. Doing business in Angola proves to be challenging for Namibian companies.<sup>100</sup>

Relations with Botswana have been strained periodically by border disputes and the killing of purported Namibian poachers transgressing Botswana's boundary. However, cooperation agreements on trade, tourism, energy and water are in place, and Namibia's policy of regional integration and trade partnership has helped support the construction of the Trans-Kalahari Highway connecting Walvis Bay to Gaborone. Botswana and Namibia are jointly exploring the development of a substantial desalination plant which would supply both central Namibia and south-eastern Botswana with potable water.

Namibia and Zimbabwe signed a cooperation agreement in 1992. Namibia hosts many Zimbabwean economic refugees, many of them informally registered as "students". Zimbabwe also sells electricity to Namibia. Robert Mugabe enjoyed much support from Namibia's first president Sam Nujoma<sup>101</sup>, but links between the two countries simmered during Pohamba's and Geingob's rule.

SWAPO was based in Zambia from 1964 to 1975 as well as the Zambian-based United Nations Institute for Namibia (UNIN). Today, the cooperation between the countries is limited to trade using the Trans-Caprivi Highway link to Zambia at the Katima Mulilo/Sesheke border post. Zambia exports copper and timber via this highway through Walvis Bay. The increase in Zambia's export to Namibia is a result of this.

99. However, the volume of transboundary trade has diminished as Angola's economy has become more self-sufficient.

100. Hidipo Hamutenya, "Namibia and Angola: Analysis of a Symbiotic Relationship", in: , A. Bösl, A. du Pisani and D. U Zaire (eds), *Namibia's Foreign Relations, Historic contexts, current dimensions, and perspectives for the 21st Century*, Windhoek: Macmillan Education Namibia, 2014.

101. H. Melber, "Understanding Namibia", Oxford: Oxford University Press, 2014. "On 1 July 2006, Nujoma used a political rally to reiterate his unconditional support for Mugabe 'you touch Zimbabwe, you touch SWAPO'".

# Conclusion

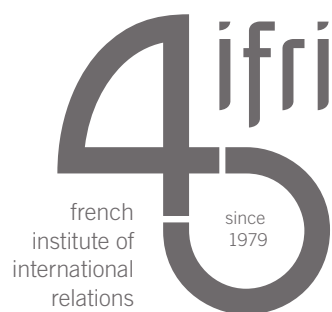
Namibia's trade and international relations have changed over the last 30 years. In its first decade as a new and independent country, Namibia received substantial technical and financial aid. That first decade was marked by considerable euphoria. Namibia was the last African country to gain independence in 1990, its transition to majority rule overseen by the United Nations' large multinational task force (UNTAG). Namibia's constitution was hailed as a model, setting it on a path to development not yet seen elsewhere in Africa.

In 2009, Namibia became an upper middle-income country. As a result, development partners decreased their assistance, and the government has opted for boosting business and trade. In this new context, China has emerged as the new key partner whose engagement is driven by mining and infrastructure development. The rapprochement of the two countries is based on China's strategic needs, Namibia's pursuit for investors and infrastructures, and the financial interests of Namibian elites. This new partnership makes the trade competition tougher for other players (notably South Africa), improves the country infrastructures and perpetuates the history of commodity extraction and the lack of economic diversification.

## Appendix: Country comparison

	Namibia	Botswana	Angola	South Africa	Zambia	Zimbabwe
Population 2019	2,459,000	2,303,697	31,825,295	58,775,000	17,861,030	14,645,468
Surface Area km2	824,290	581,730	1,246,700	1,219,090	752,610	390,760
Annual GDP Million US\$ 2019 & 2020	12,473	18,474	88,816	351,354	23,310	18,699
GDP per capita US\$ 2019 & 2020	5,072	8,019	2,791	5,978	1,305	1,277
Debt % GDP 2019	54.7%	15.1%	89.0%	62.2%	91.90%	37.34%
Education Expenditure (%Budget) 2018 & 2019, *2010	19.00%	21.30%	8.68%*	19.45%	17.05%	19.04%
Gov. Health Expenditure (%Budget) 2017	10.65%	14.32%	5.43%	13.34%	6.86%	15.23%
Defence Expenditure (%Budget) 2019	8.54%	8.59%	8.87%	2.77%	4.98%	3.21%
Education Expenditure Per capita US\$ 2014	173	499	125	391	71	66
Gov. Health Exp. P.C. US\$ 2017	206	353	53	268	26	57
Defence Expenditure P.C. US\$ 2019	154	222	46	58	16	9
General gov. Expenditure (%GDP) 2019	38.47%	33.27%	19.70%	35.32%	27.87%	17.65%
General gov. Expenditure Per Capita US\$ 2019	1,938	2,605	677	2,111	377	519
Corruption Perceptions Rank 2020 of 180	57	35	142	69	117	157
Competitiveness Ranking 2019	94	91	136	60	120	127
Unemployment Rate 2021	36.8%	18.6%	30.6%	36.5%	11.4%	5.0%
Doing Business Ranking 2019 of 190	104	86	173	84	87	155
Exports % GDP 2019	40.8%	28.3%	39.1%	25.6%	30.23%	22.83%
Imports % GDP 2019	57.8%	35.6%	16.3%	30.6%	30.98%	18.72%
Trade balance % GDP 2019	-17.1%	-7.3%	22.8%	-5.0%	-0.75%	4.11%
Human Development Index (HDI) 2019	0.646	0.735	0.581	0.709	0.584	0.571





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