

Namibia Tourism Update

December 2023



Overview

Category	Dec-23	m/m move	Nov-23	Dec-22	2023	2022
National Occupancy Rate (%)	39.0%	↓	49.8%	37.9%	51.68%	40.10%
Central Occupancy (%)	38.1%	↓	51.8%	48.3%	58.40%	46.49%
Coastal Occupancy (%)	50.5%	↓	56.8%	43.6%	54.51%	42.96%
Northern Occupancy (%)	36.3%	↓	53.1%	29.8%	49.64%	37.54%
Southern Occupancy (%)	38.9%	↓	42.3%	33.8%	48.17%	37.15%

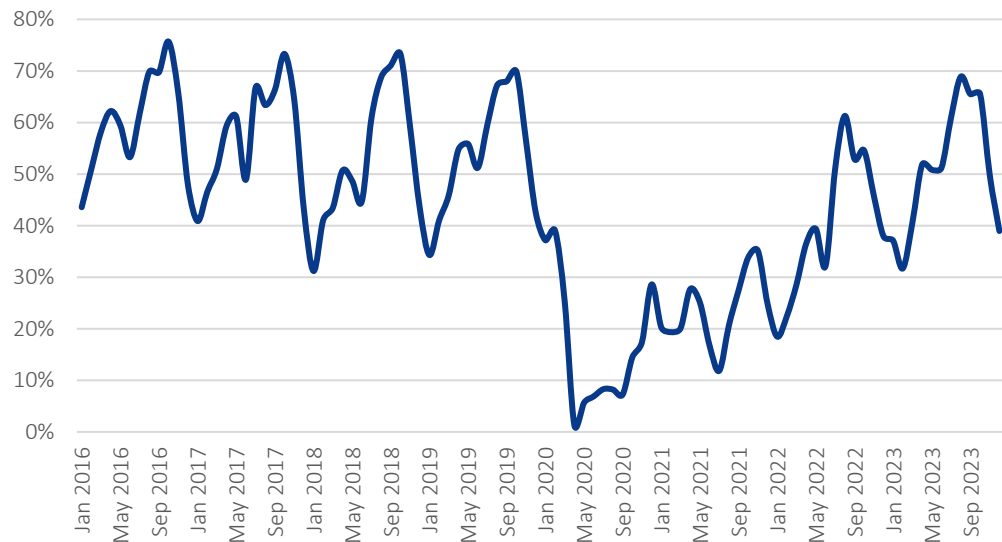
Source: Hospitality Association of Namibia, IIG Securities

The national occupancy rate stood at 39.0% in December 2023, contributing to an annual total of 51.68% in 2023. While this represents a decrease from November's occupancy rates, the overall 2023 figure surpasses the 2022 total significantly. 2023 recorded its peak occupancy rate in August at 68.9%. The peak in August 2023 remains.

Benchmarking against the pre-pandemic level of 2019 (53.5%), the recovery in 2023 was substantial, falling just 1.82 percentage points short of the pre-pandemic benchmark. This positive trend is encouraging for Namibia's Gross Domestic Product (GDP) growth. The impact extends beyond the hospitality sector, influencing consumption in wholesale and retail trade, vehicle sales by rental companies, ultimately contributing to overall economic growth. With this growth trajectory, the outlook for tourism in 2024 appears optimistic.

It is important to note that these tourism figures do not reflect the full picture of tourism in the country. According to the Hospitality Association of Namibia (HAN), the self-drive and camping experience has picked up significantly during the year and tourism revenue has seen healthy growth, especially in the high-end tourism segment gaining more popularity.

National Room Occupancy rates (%)



Source: Hospitality Association of Namibia, IIG Securities

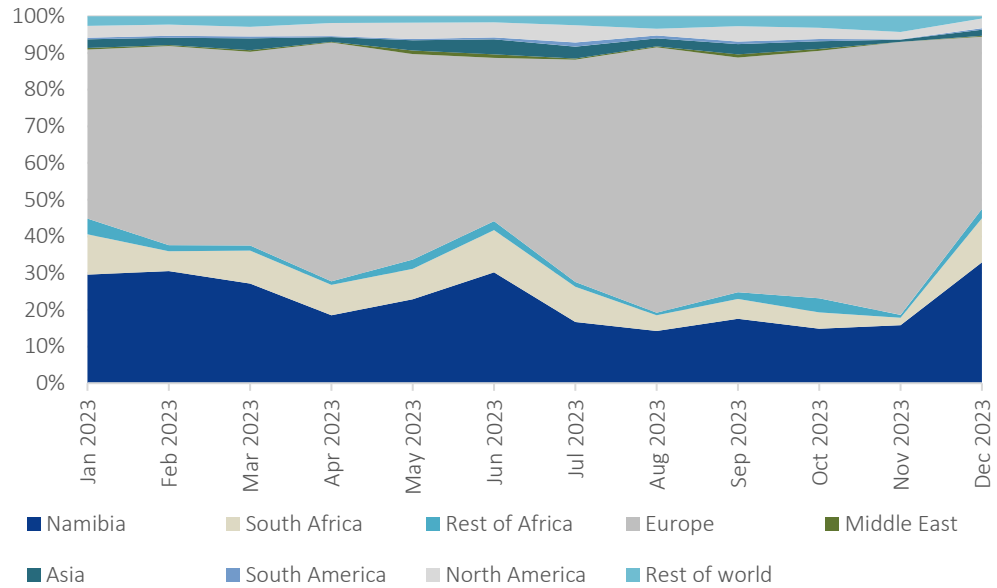




Countries of Origin

As per the HAN, visitors from Germany, Austria, and Switzerland collectively constituted 34.10% of tourists, South Africans at 7.14%, and tourists from France at 6.65% in 2023. At the same time, local visitors at tourism establishments dropped from 26.0% to 22.7% of the tourist pool, indicative of the economic pressures faced by locals. In December, European tourists took the lead, representing 46.92% of the total tourist influx for the month. Meanwhile, a significant number of local residents opted to take time off during the festive season, contributing to increased demand of local lodges.

Pool of Tourists per Country of Origin (%)

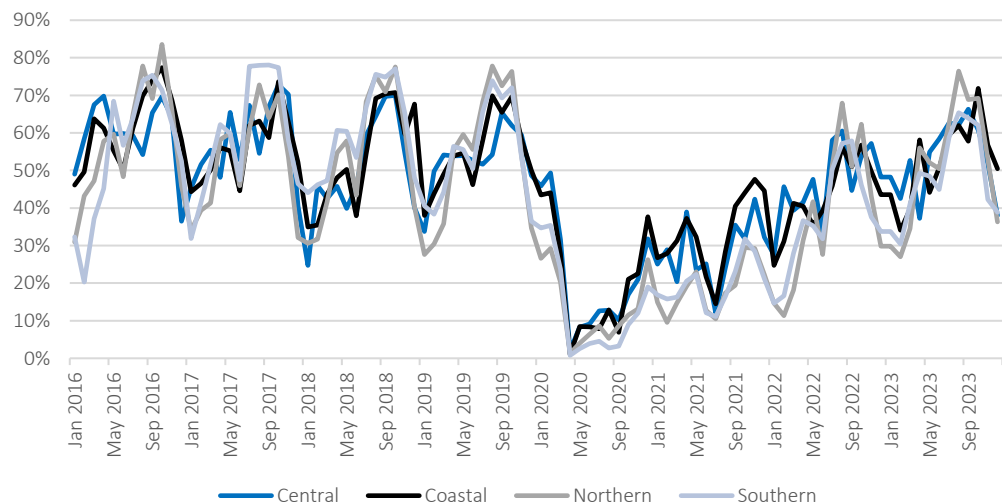


Source: Hospitality Association of Namibia, IJG Securities

Regional Split

Occupancy rates have experienced a decline across all regions, primarily attributed to the ongoing off-peak tourism season. In contrast, locals strategically planning their December trips to the coast in anticipation of accommodation shortages in the region. The coastal region boasted the highest occupancy rate in December at 50.45%, followed by the southern region at 38.88%, the central region at 38.05%, and the northern region at 36.30%.

National room occupancy rates per region (%)



Source: Hospitality Association of Namibia, IJG Securities





0,0005	4,85%
0,0003	13,04%
0,001	50,00%
0,0003	14,29%
0,0005	12,50%

Outlook

Tourism in 2024 should recover beyond pre-pandemic levels in Namibia. According to a survey conducted by the European Travel Commission (ETC), 68% of Europeans plan to travel between October 2023 and March 2024. Given that Europeans constitute such a large portion of our tourist pool, this brings hope for the sector during the year. Indeed, this travel is expected in Namibia's off-peak season. However, rising costs are still a challenge to many tourists while being worried about their personal finances.

According to the World Travel and Tourism Council (WTTC), international arrivals in 2023 are higher than that in 2022, and this trend is expected to continue in 2024. Namibia has been gaining global attention with optimistic oil and gas announcements which we foresee the tourism sector benefitting from this. At the same, Namibia's unique experiences have been trending on social media. According to the HAN, development of properties offering high-end tourism services are underway, with predictions that camping will go premium.

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