



Overview

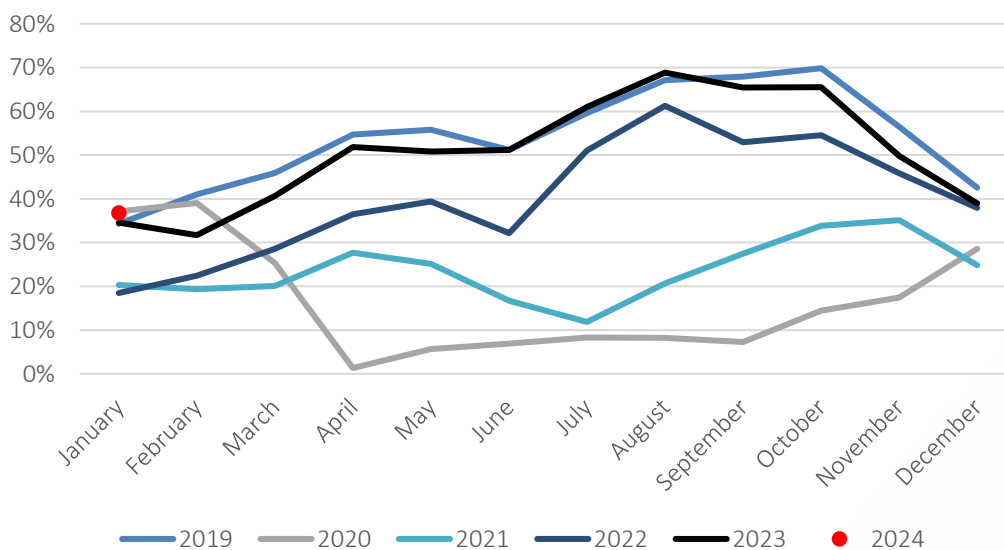
Category	Jan-24	m/m move	Dec-23	Jan-23	2023	2022
National Occupancy Rate (%)	36.8%	↓	39.0%	34.6%	51.7%	40.1%
Central Occupancy (%)	47.1%	↑	38.1%	42.1%	58.4%	46.5%
Coastal Occupancy (%)	55.4%	↑	50.5%	43.9%	54.5%	43.0%
Northern Occupancy (%)	29.8%	↓	36.3%	28.3%	49.6%	37.5%
Southern Occupancy (%)	33.8%	↓	38.9%	30.4%	48.2%	37.2%

Source: Hospitality Association of Namibia, IIG Securities

According to the Hospitality Association of Namibia (HAN), the national room occupancy rate stood at 36.8% in January 2024, 2.2 percentage points lower than in December 2023 but 2.2 percentage points higher than January 2023's. This is the lowest room occupancy rate since March 2023 but the highest rate for the month of January since 2020. The HAN expressed optimism that Namibia's tourism sector may prosper during the off-peak season by pointing out that the current level of occupancy is encouraging during a normally low season.

The Namibia Statistics Agency released the Tourism Satellite Account (TSA) in January, revealing that tourism contributed N\$68.9 billion to GDP in 2022, accounting for 3.35% of GDP, and that the tourism sector employed around 57,571 people in 2022.

National Room Occupancy Rates (%)



Source: Hospitality Association of Namibia, IIG Securities

Passenger Arrivals

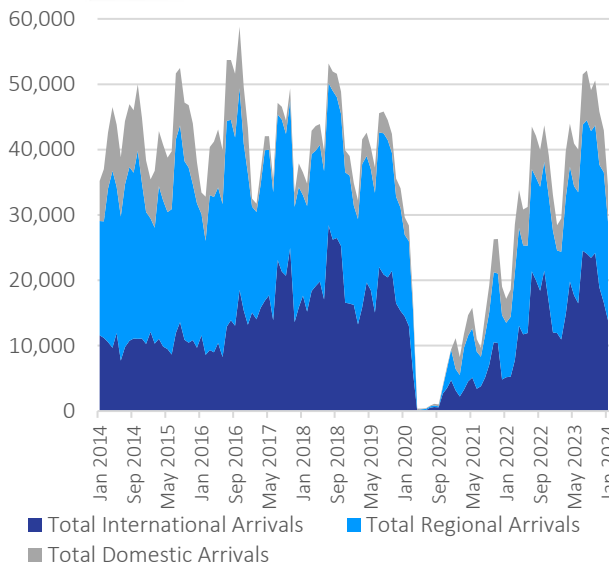
34,399 passengers arrived in Namibia in January, representing a 20.9% y/y increase. The month under review had the highest number of passenger arrivals since 2020 compared to the first month of previous years, falling short of 445 passengers from exceeding January 2019.

However, travel into- and in Namibia surpassed 2019 levels in 2023. The year saw 7.9% more passengers travel to and in Namibia than in 2019, and 28.1% more than 2022. A total of 514,538 passengers arrived at Namibian airports, with majority share of 43.4% being international arrivals, followed by 41.3% regional arrivals and 15.3% domestic. This indicates a stronger than expected rebound in tourism, supporting the HAN's optimism for the current year.



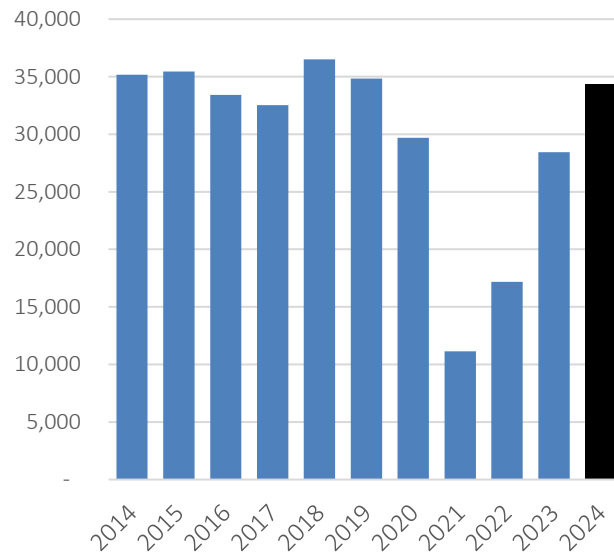


Passenger arrivals at Namibian airports



Source: Namibia Airports Company, IJG Securities

Passenger arrivals in January across various years



Source: Namibia Airports Company, IJG Securities

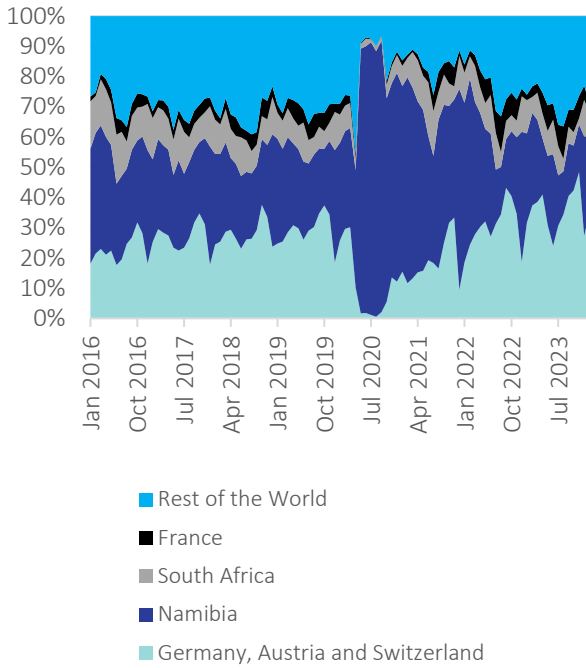
Countries of Origin

The HAN reports that tourists from Germany, Austria, and Switzerland made up 35.16%, followed by South Africans who made up 8.0% of the total tourist pool in January 2024, and from France which made up 3.3%. The proportion of local tourists visiting tourism establishments decreased from 33.0% to 24.9% of the total tourist population. As per the HAN, there has been an increase in self-drive and camping experiences throughout 2023, contributing to substantial growth in tourism revenue. The high-end tourism segment has particularly garnered increased popularity, further enhancing overall industry performance. The highest occupancy rate was recorded by hotel pensions (77.1%), followed by guesthouses (40.3%), hotels (54.2%), and tented camps (41.0%). The elevated occupancy rates observed in hotels and guesthouses could be due to travellers seeking their first convenient night's rest upon arriving in Namibia, before embarking on further journeys to explore other destinations within the country.



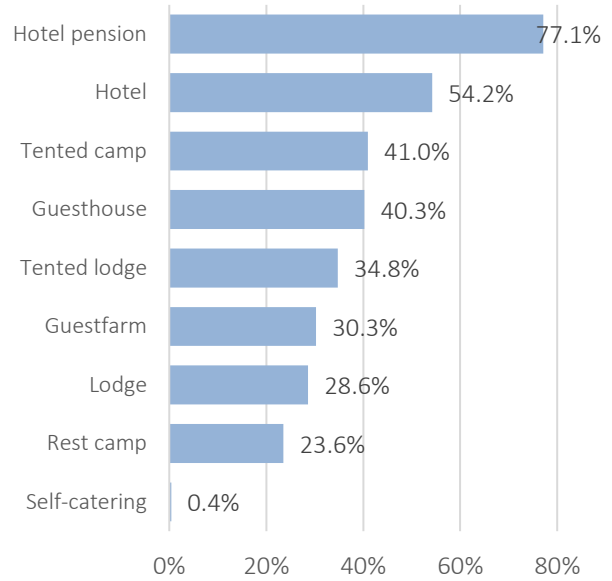


Pool of Tourists per Country of Origin



Source: Hospitality Association of Namibia, IJG Securities

Occupancy Rates per Accommodation Type

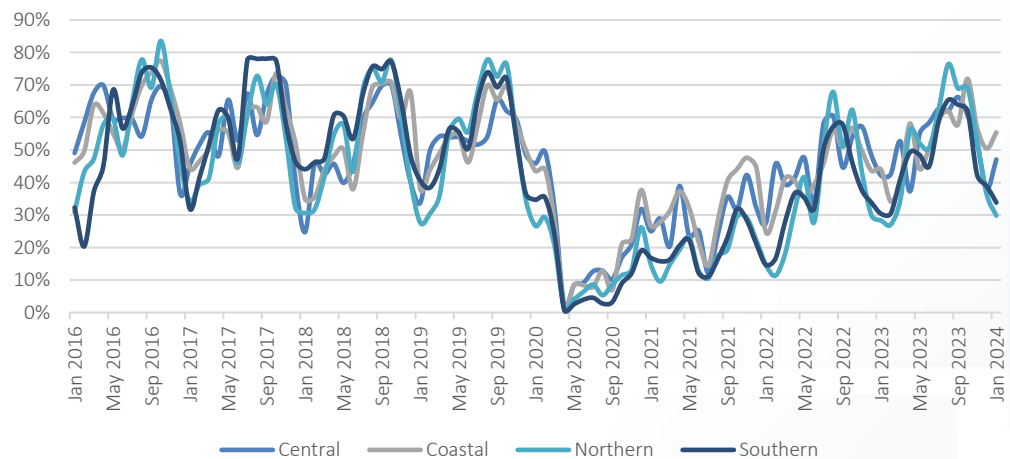


Source: Hospitality Association of Namibia, IJG Securities

Regional Split

Occupancy rates have shown varying trends across different regions. The northern region logged a room occupancy rate of 29.8%, which is 6.5 percentage points lower than in December 2023. Conversely, the southern region recorded a rate of 33.8%, a decrease of 5.1 percentage points from December 2023, the central region registered 47.1%, an increase of 9.0 percentage points compared to the previous month. The coastal region boasted the highest rate at 55.4%, reflecting a rise of 4.9 percentage points from December.

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

Going forward, we remain positive on the tourism sector in Namibia, given its better-than-expected rebound in 2023 and the positive start to the year.

According to the UNWTO World Tourism Barometer, international tourism reached 88% of pre-pandemic levels in 2023, while Namibia has already exceeded pre-pandemic levels. The UNWTO expects international tourism to fully recover to pre-pandemic levels in 2024, subject to the pace of recovery in Asia and geopolitical risks. Namibia's strongest market of tourists, Europe, is expected to drive international tourism results in 2024, supporting the positive tone for Namibian tourism. The rise of geopolitical tensions and the forecasted global economic slowdown pose potential challenges to the tourism industry as they have the capacity to undermine confidence levels within the sector.

We expect Namibia to gain attention with the AviaDev Africa event in hosted in Windhoek this June, already attracting 26 airlines. Organised by the Namibia Airports Company (NAC), the event aims to foster partnerships and explore new air routes. The NAC's Route Development initiative, 'Air Connect Namibia,' aims to enhance air services. This should boost passenger arrivals, consumption in the country and sees the potential to connect Namibia to more countries.

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