



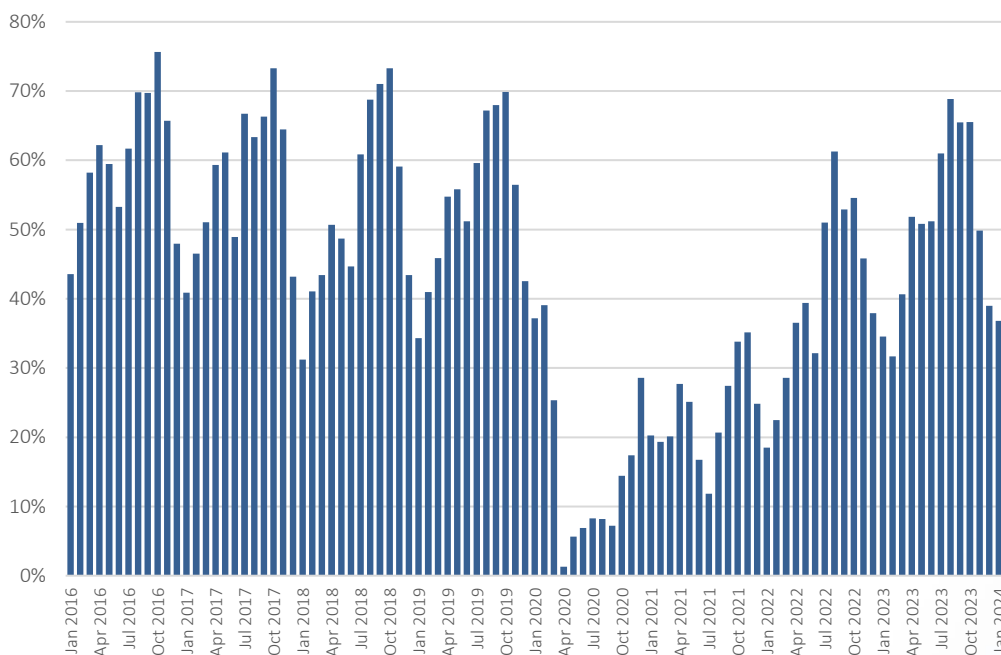
Overview

Category	Feb-24	m/m move	Jan-24	Feb-23	2023	2022
National Occupancy Rate (%)	36.4%	↓	36.8%	31.7%	51.7%	40.1%
Central Occupancy (%)	53.5%	↑	47.1%	42.6%	58.4%	46.5%
Coastal Occupancy (%)	40.6%	↓	55.4%	34.1%	54.5%	43.0%
Northern Occupancy (%)	31.0%	↑	29.8%	27.0%	49.6%	37.5%
Southern Occupancy (%)	32.0%	↓	33.8%	30.5%	48.2%	37.2%

Source: Hospitality Association of Namibia, IJG Securities

According to the Hospitality Association of Namibia (HAN), **the national room occupancy rate stood at 36.4% in February**, 0.4 percentage points lower than the 36.8% reported in January 2024. February 2024's occupancy rate was however 4.7 percentage points higher than in February 2023. This is the lowest room occupancy rate since March 2023 but the highest rate for the month of February since 2020.

National Room Occupancy Rates (%)



Source: Hospitality Association of Namibia, IJG Securities

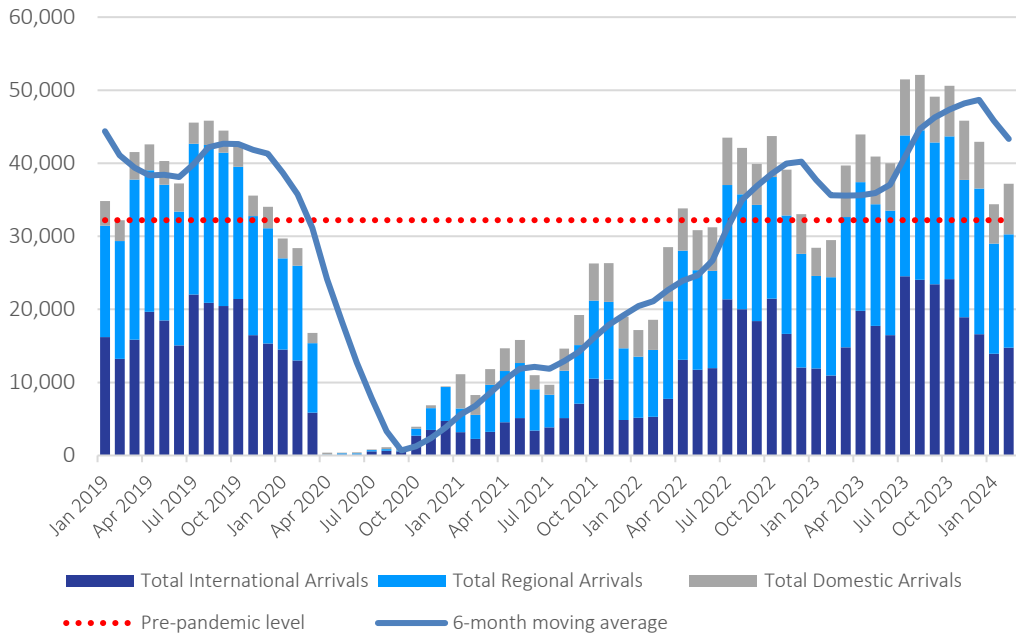
Passenger Arrivals

37,207 passengers arrived in Namibia in February, an 8.1% m/m and 26.1% y/y increase. Using February 2019 as a pre-pandemic benchmark, the number of arrivals surpassed the pre-pandemic level by 15.5%, driven by international arrivals (↑ 11.4%) and domestic arrivals (↑ 141.6%), while regional arrivals had the opposite effect (↓ 3.5%).

However, passenger arrivals in February are trending below the 6-month moving average, indicating a deviation from the most recent months. We expect this average to be surpassed in Q2 when the peak season commences.



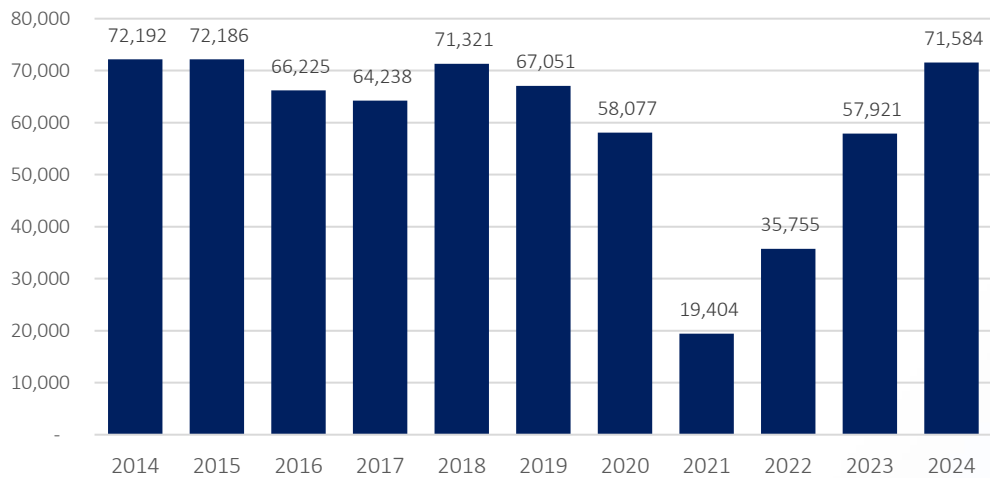
Passenger Arrivals



Source: Namibia Airports Company, IIG Securities

Year-to-date, passenger arrivals have risen to its highest point since 2016. This increase indicates a strong beginning for travel both within Namibia and to the country, promoting hope for a prosperous tourism peak season that typically starts in May.

YTD Passenger Arrivals



Source: Namibia Airports Company, IIG Securities

Countries of Origin

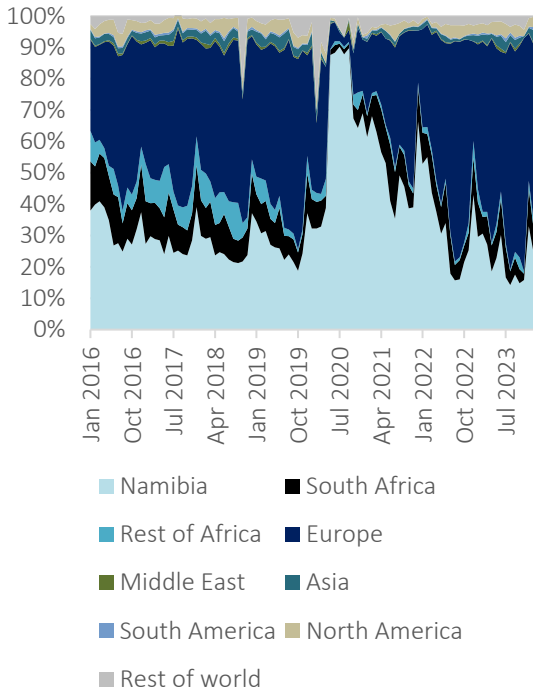
The HAN reports that tourists from Germany, Austria, and Switzerland made up 40.9% of occupants, followed by Namibians who made up 23.1% of the total tourist pool in February, South Africa at 5.75% and France at 3.9%. Tourists from Germany, Switzerland and Austria (↑ 5.8 pp), France (↑ 0.7 pp), United Kingdom and Ireland (↑ 1.3 pp) and Scandinavia (↑ 1.0 pp) made up a larger portion of Namibia’s tourist pool than in January.

As per the HAN, the high-end tourism segment has particularly garnered increased popularity, further enhancing overall industry performance. The highest occupancy rate was recorded by hotels (57.2%), followed by tented lodges (39.5%), tented camps (38.6%), and guest farms (34.5%).

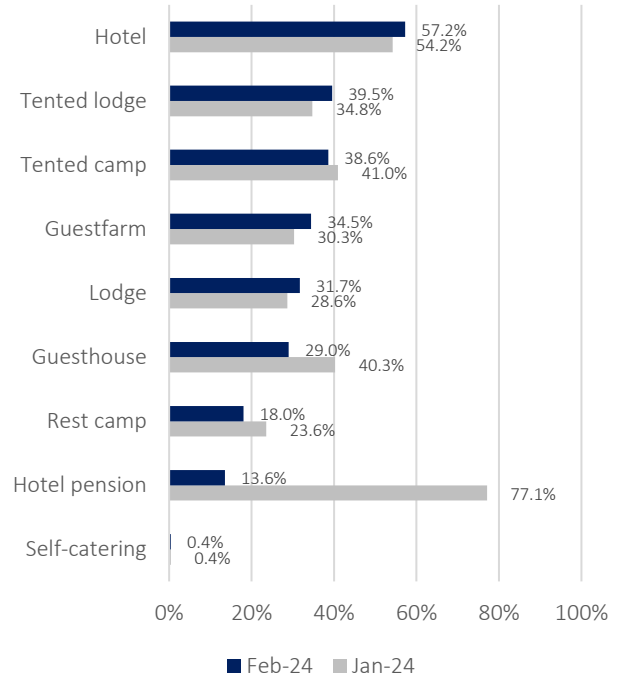




Pool of Tourists per Country of Origin



Occupancy Rates per Accommodation Type



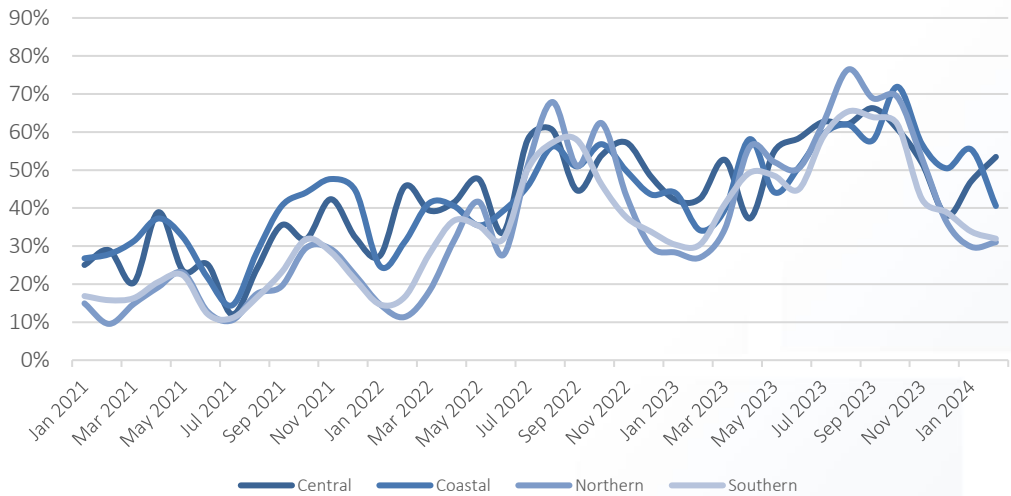
Source: Hospitality Association of Namibia, IIG Securities

Source: Hospitality Association of Namibia, IIG Securities

Regional Split

Occupancy rates have shown varying trends across different regions. The central region logged a room occupancy rate of 53.6%, which is 6.4 percentage points higher than in January. Conversely, the coastal region recorded a rate of 40.6%, a decrease of 14.8 percentage points from January. The southern region registered 32.0%, a decrease of 1.9 percentage points compared to the previous month, while the northern region boasted the highest rate at 31.0%, reflecting a rise of 1.2 percentage points from December.

Room Occupancy Rates per Region (%)



Source: Hospitality Association of Namibia, IIG Securities





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

Outlook

Looking ahead, we remain positive on the tourism sector in Namibia. The sector bounced back better than expected in 2023, and this year's start has been promising. However, there are a few things that could pose a risk to this positive outlook being low rainfall, safety worries, and limited access to Namibia.

Namibia has experienced a decline in rainfall levels over recent years. This decrease has adverse effects on wildlife and environmental tourism, as the landscapes lose their vibrancy. Additionally, there has been an increase in incidents of tourists being robbed, negatively impacting Namibia's reputation as a safe and welcoming destination for travellers.

Despite these challenges, representatives from Namibia who attended the ITB in Berlin— the world's biggest tourism trade fair— reassured us that Namibia is still a top destination. The restricted access to Namibia is however worrisome. Our research shows there are only about 6 international flights directly into Namibia, from places like Johannesburg, Cape Town, Frankfurt, Addis Ababa, Luanda, and Victoria Falls.

During our discussions with industry stakeholders, it became evident that tourists prioritise exceptional service from the outset of their journey until their arrival in Namibia. They seek shorter, more convenient travel routes. Presently, Frankfurt stands as the sole direct flight destination to Namibia from outside of Africa, with European travellers comprising a significant portion of the country's tourism demographic. Collaborating with additional airlines to establish direct flights from various countries could broaden Namibia's visitor base and enhance accessibility to Namibia, thereby enriching the country's tourism sector.

IJG Holdings

Mathews Hamutenya	Group Chairman		Tel: +264 (61) 256 699
Mark Späth	Group Managing Director	mark@ijg.net	Tel: +264 (81) 958 3510
Helena Amutenya	Group Financial Director	helena@ijg.net	Tel: +264 (81) 958 3528
Leonie de Klerk	Group Compliance Officer	leonie@ijg.net	Tel: +264 (81) 958 3533
Tashiya Josua	Financial Manager	tashiya@ijg.net	Tel: +264 (81) 958 3511
Benita Windisch	Financial Manager	benita@ijg.net	Tel: +264 (81) 958 3539
Lynnet Sasele	Financial Accountant	lynnet@ijg.net	Tel: +264 (81) 958 3536
Counney Kemp	Group PA	reception@ijg.net	Tel: +264 (81) 958 3500

IJG Securities

Eric van Zyl	Managing Director Designate	eric@ijg.net	Tel: +264 (81) 958 3530
Leon Maloney	Equity & Fixed Income Dealing	leon@ijg.net	Tel: +264 (81) 958 3512
Maria Amutenya	Settlements & Administration	maria@ijg.net	Tel: +264 (81) 958 3515
Danie van Wyk	Head: Research	danie@ijg.net	Tel: +264 (81) 958 3534
Angelique Bock	Sales and Research	angelique@ijg.net	Tel: +264 (81) 958 35
Zane Feris	Sales and Research	zane@ijg.net	Tel: +264 (81) 958 3543

IJG Wealth Management

Andri Ntema	Managing Director	andri@ijg.net	Tel: +264 (81) 958 3518
Wim Boshoff	Head Wealth Manager	wim@ijg.net	Tel: +264 (81) 958 3537
Aretha Thiert	Wealth Manager	aretha@ijg.net	Tel: +264 (81) 958 3540
Katja Greeff	Wealth Manager	katja@ijg.net	Tel: +264 (81) 958 3538
Maunda Rautenbach	Head of Operations	maunda@ijg.net	Tel: +264 (81) 958 3529
Lorein Kazombaruru	Wealth Administration	lorein@ijg.net	Tel: +264 (81) 958 3521
Francoise van Wyk	Wealth Administration	francoise@ijg.net	Tel: +264 (81) 958 3513
Calvin Mwinga	Wealth Administration	calvin@ijg.net	Tel: +264 (81) 958 3514

IJG Capital

Jakob de Klerk	Managing Director	jakob@ijg.net	Tel: +264 (81) 958 3517
Mirko Maier	Business Analyst	mirko@ijg.net	Tel: +264 (81) 958 3531
Lucas Martin	Business Analyst	lucas@ijg.net	Tel: +264 (81) 958 3541
Peterson Mbise	Business Analyst	peterson@ijg.net	Tel: +264 (81) 958 3532
Fares Amunkete	Value Add Analyst	fares@ijg.net	Tel: +264 (81) 958 3527

IJG Investment Managers & IJG Unit Trusts

Chidera Onwudinjo	Assistant Portfolio Manager	chidera@ijg.net	Tel: +264 (81) 958 3523
-------------------	-----------------------------	-----------------	-------------------------

IJG Advisory

Herbert Maier	Managing Director	herbert@ijg.net	Tel: +264 (81) 958 3522
Jolyon Irwin	Director	jolyon@ijg.net	Tel: +264 (81) 958 3500
Hugo van den Heever	Corporate Advisor	hugo@ijg.net	Tel: +264 (81) 958 3542
Ursula Gollwitzer	Assistant Corporate Advisor	ursula@ijg.net	Tel: +264 (81) 958 3535

No representation is given about, and no responsibility is accepted, for the accuracy or completeness of this document. Any views reflect the current views of IJG Holdings (Pty) Ltd. The views reflected herein may change without notice. IJG Holdings (Pty) Ltd provides this document to you for information purposes only and should not be constructed as and shall not form part of an offer or solicitation to buy or sell securities or derivatives. It may not be reproduced, distributed or published by any recipient for any purposes.



**Independent. Focused.
Personalised.**