



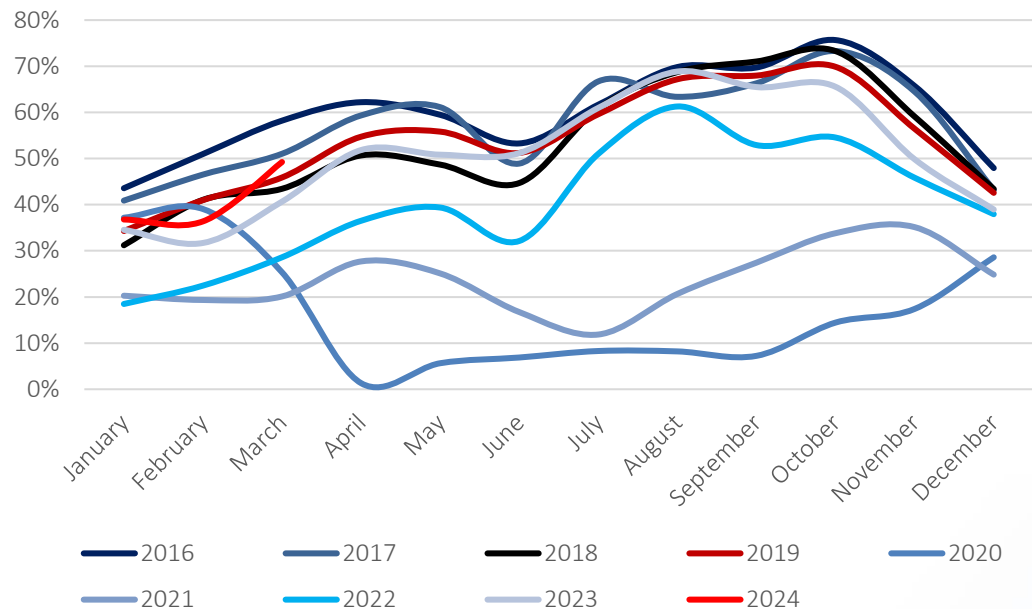
Overview

Category	Mar 24	m/m move	Feb 24	Mar 23	Monthly Change	Annual Change
National Occupancy Rate (%)	49.2%	↑	36.4%	40.7%	12.8 pp	8.5 pp
Central Occupancy (%)	53.9%	↑	53.5%	52.7%	0.5 pp	1.2 pp
Coastal Occupancy (%)	55.3%	↑	40.6%	39.7%	14.7 pp	15.6 pp
Northern Occupancy (%)	45.8%	↑	31.0%	34.6%	14.8 pp	11.2 pp
Southern Occupancy (%)	49.5%	↑	32.0%	41.1%	17.6 pp	8.4 pp

Source: Hospitality Association of Namibia, IJG Securities

According to the Hospitality Association of Namibia (HAN), **the national room occupancy rate stood at 49.2% in March**, 12.8 percentage points higher than the 36.4% reported in February 2024, and 8.5 percentage points higher than in March 2023. The latest rate exceeds the pre-pandemic benchmark of 45.9% in March 2019 and is the highest room occupancy rate year-to-date.

National Room Occupancy Rates (%)

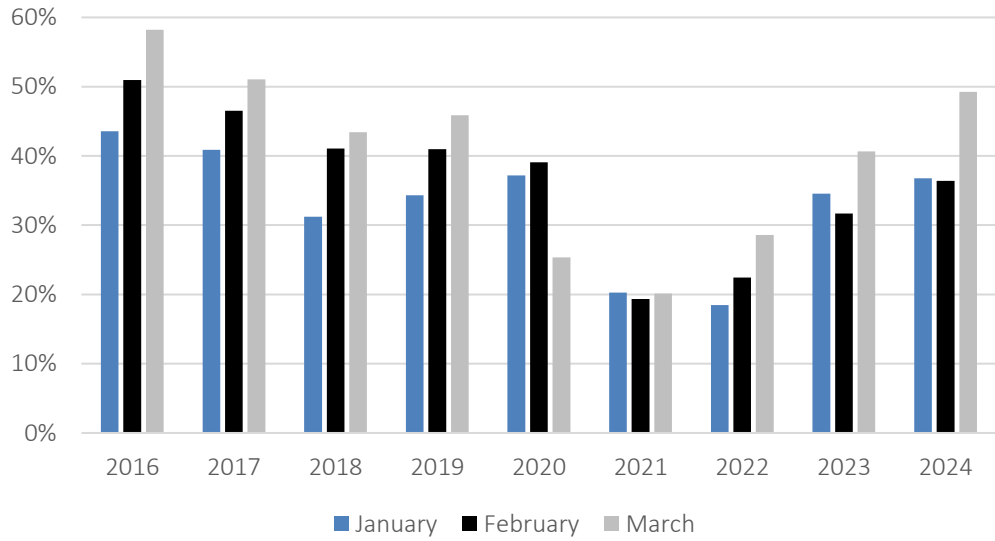


Source: Hospitality Association of Namibia, IJG Securities

The 1Q24 occupancy rate stood at 40.4%, higher than the 37.5% of 1Q23 and in line with the 40.5% in 1Q19. Although March's occupancy rate exceeded its pre-pandemic level, rates in January and February were lower than during the same months in 2019, bringing the quarter's rate in line with 1Q19.



YTD Occupancy Rates (%)



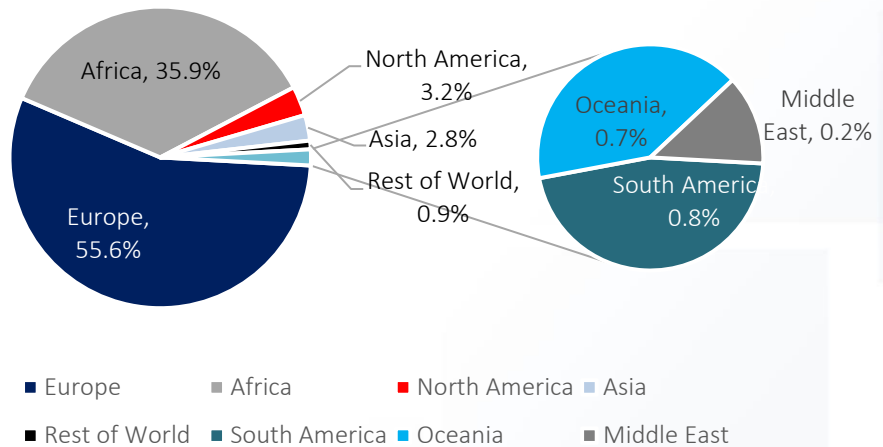
Source: Namibia Statistics Agency, IJG Securities

The Namibia International Energy Conference, held in April, attracted a diverse array of foreign nationals who lodged in local hotels during their stay. Besides serving as a platform to network and understand the oil finds in the country, the conference served as a platform to showcase Namibia's tourist destinations, encouraging attendees to extend their visit and explore the country's natural beauty. Additionally, the Ministry of Home Affairs, Immigration, Safety, and Security introduced visas on arrivals at Walvis Bay harbour port in April. This positive initiative aligns well with the upcoming tourism peak season in May, simplifying entry procedures, improving accessibility for global travellers and cruise liner ships. This will drive visitor numbers and support Namibia's tourism industry.

Countries of Origin

European citizens remain Namibia's largest tourist pool. The HAN reports that tourists from Europe made up 55.6% of the occupants, with Germany, Austria, and Switzerland contributing the highest portion to the total tourist pool of 39.3%. Namibia's tourism accommodation services were demanded by UK, Irish, French and Beneluxian citizens who accounted for 10.2% of the total tourist pool. African tourists comprised the second largest group among the pool of tourists. Namibians made up 27.1% of the total tourist pool in March, South Africa at 7.1% and the rest of Africa at 1.7%.

Tourist Pool (%)



Source: Namibia Airports Company, IJG Securities

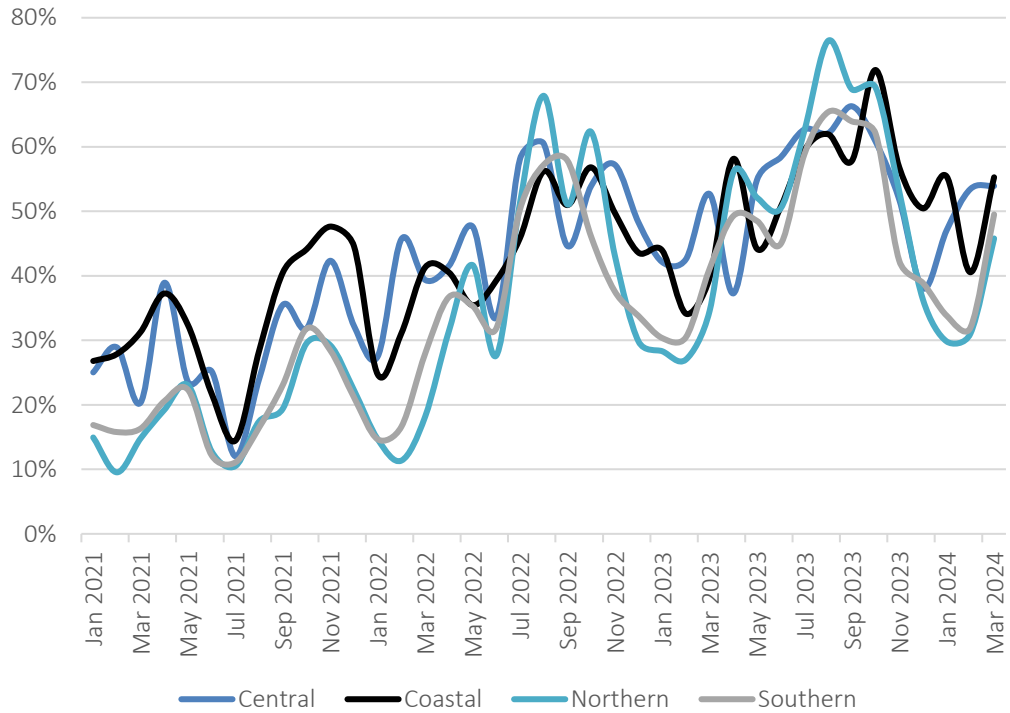




Regional Split

Occupancy rates have been trending upward across the different regions. The coastal region recorded the highest room occupancy rate of 55.3% in March, an increase of 14.7 percentage points from February. At the same time, the central region logged a room occupancy rate of 53.9% in March, which is 0.5 percentage point higher than in February. The southern region registered 49.5%, an increase of 17.6 percentage points compared to the previous month, while the northern region recorded the lowest rate at 45.8%, reflecting a rise of 14.7 percentage points from February.

Room Occupancy Rates per Region (%)



Source: Hospitality Association of Namibia, IJG Securities

Catering and Accommodation Inflation

The ongoing global disinflationary trends, which are expected to persist into 2024, particularly in Europe, the largest source of tourists for Namibia, are anticipated to enhance individuals' spending power. The World Travel and Tourism Council forecasts a tourism boom in 2024, with the industry's contribution to global GDP projected to reach a record high of US\$11.1 trillion, 12.1% higher than 2023.

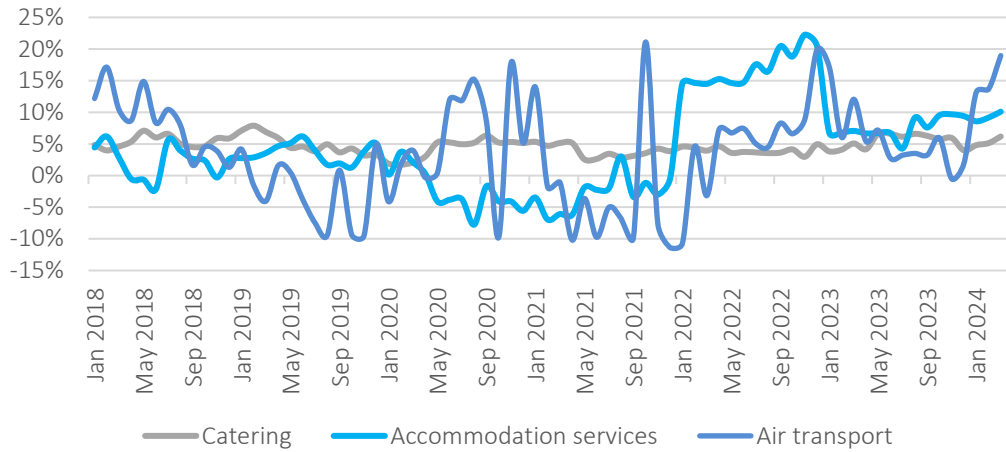
According to Nerdwallet's Travel Price Index, overall travel costs decreased by 2% y/y in March but are up by 15% since March 2019. Travel prices in Namibia are however increasing. In March, domestic accommodation inflation stood at 10.1% y/y, while local catering services prices rose by 6.2% y/y. Accommodation inflation ticked up from 9.2% y/y in February, while catering services inflation increased from 5.1% y/y. Additionally, air travel costs domestically surged by 19.0% y/y in March, primarily due to higher demand and higher fuel prices.

Approaching Namibia's tourism peak season, the increased prices of tourism facilities could potentially hamper locals from using their facilities. However, the impact of increased prices may be softened for foreigners with stronger currencies, facilitated by the depreciated rand exchange rate.



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

Accommodation, Catering and Air Travel Inflation (% y/y)



Outlook

Considering the fact that the national occupancy rates of 1Q24 are in line with 1Q19’s, we are positive that the hospitality industry in Namibia will be continuing its rebound. Tourism is vital for the country, as tourists also drive demand for car rental services, catering services and retail. These knock-on effects add to the growth of the economy.

The Namibia Airports Company launched the ‘Air Connect Namibia’ project to create new international routes to address the issue of a lack of direct access to Namibia. The project is not solely for tourism but also aims to boost both tourism and business travel, particularly targeting the emerging energy sector.

Additionally, aircraft deliveries are about 24 months behind schedule, limiting capacity to service the Namibian market. The AviaDev conference in June has garnered registrations from over 35 international airlines. This potentially creates a solution to increase the accessibility to Namibia.



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