

Namibia Tourism Update

April 2024



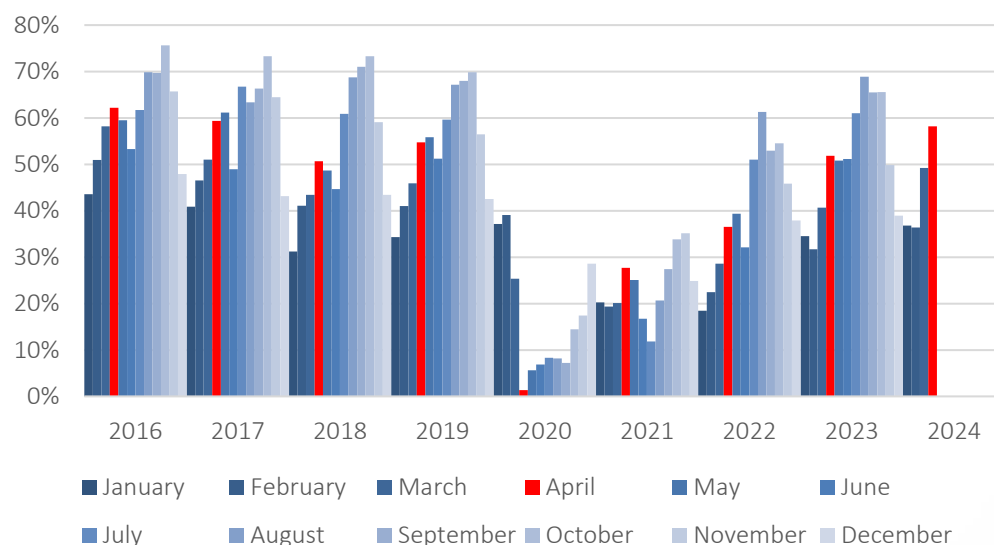
Overview

Category	Apr 24	m/m move	Mar 24	Apr 23	Monthly Change	Annual Change
National Occupancy Rate (%)	58.2%	↑	49.2%	51.8%	9.0 pp	6.4 pp
Central Occupancy (%)	66.8%	↑	53.9%	37.3%	12.9 pp	29.5 pp
Coastal Occupancy (%)	63.0%	↑	55.3%	58.1%	7.7 pp	4.8 pp
Northern Occupancy (%)	52.5%	↑	45.8%	56.0%	6.7 pp	-3.5 pp
Southern Occupancy (%)	56.8%	↑	49.5%	49.3%	7.3 pp	7.5 pp

Source: Hospitality Association of Namibia, IIG Securities

Early signs indicate a continued recovery in the local tourism sector, with a rise in national room occupancy rates on an annual basis. **In April 2024, the national occupancy rate reached 58.2%**, a significant increase from 49.2% in March 2024 and 51.8% in April 2023, according to the Hospitality Association of Namibia (HAN). This latest figure not only marks the highest room occupancy rate year-to-date, but surpasses the pre-pandemic benchmark of 54.7% in April 2019.

National Room Occupancy Rates (%)



Source: Hospitality Association of Namibia, IIG Securities

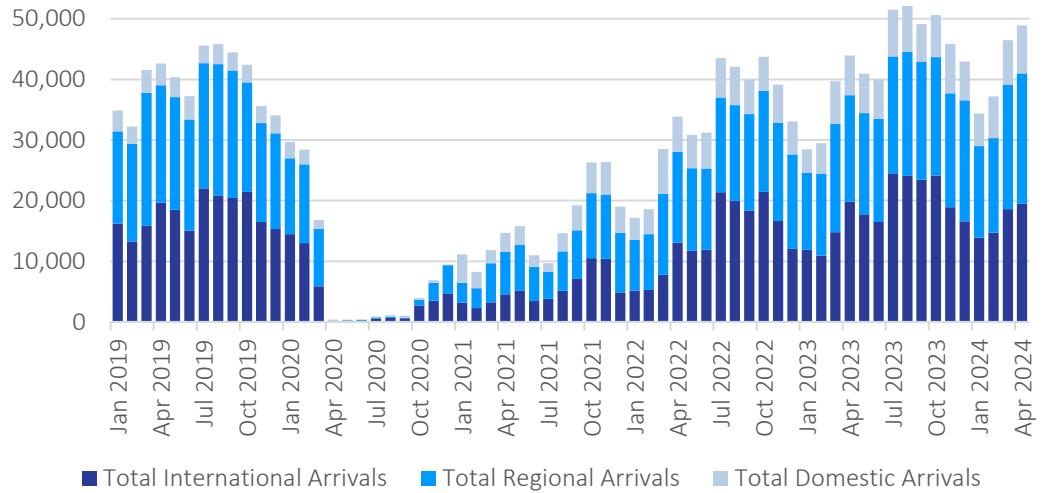
Passenger Arrivals

In line with IIG's expectations, passenger arrivals have increased. 48,874 passengers arrived in Namibia in April, a 5.2% m/m and 11.2% y/y increase. This is the highest number of since November 2023 and the highest figure for the month of April since 2017.



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

Passenger Arrivals (number)

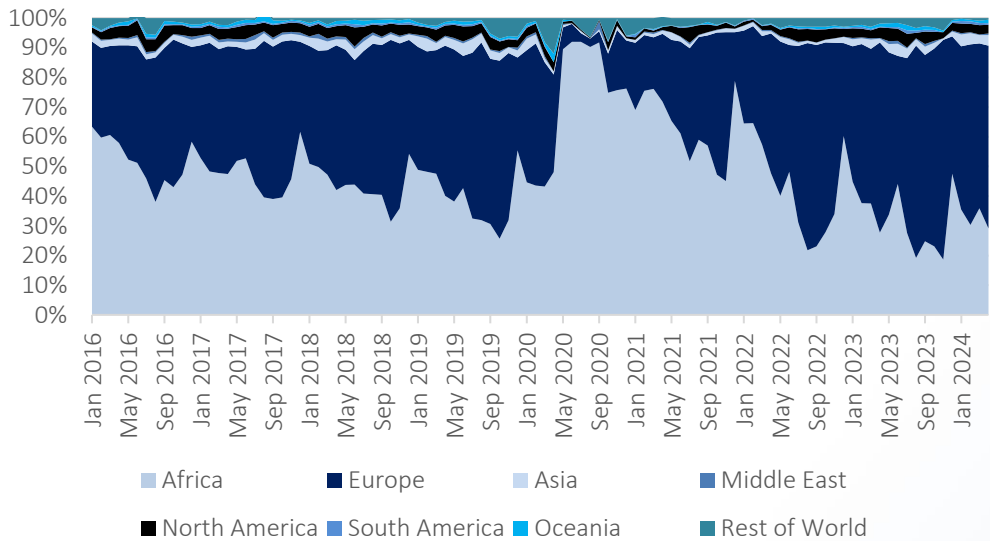


Source: Namibia Airports Company, IJG Securities

Countries of Origin

Europeans remain the largest share of tourists, accounting for 61.6% of the tourist pool. Germany, Switzerland and Austria remained the largest group of tourists making up 38.0% of total tourists in April. At the same time, visitors from France made up 8.0%, and visitors from Benelux made up 5.7% of total tourists. Visitors from African countries (including Namibia) decreased to 29.1%, from 35.9% in March. This was driven by a smaller share of Namibians visiting hospitality establishments, falling from 27.1% in March to 19.1% in April.

Tourist Pool (%)



Source: Hospitality Association of Namibia, IJG Securities

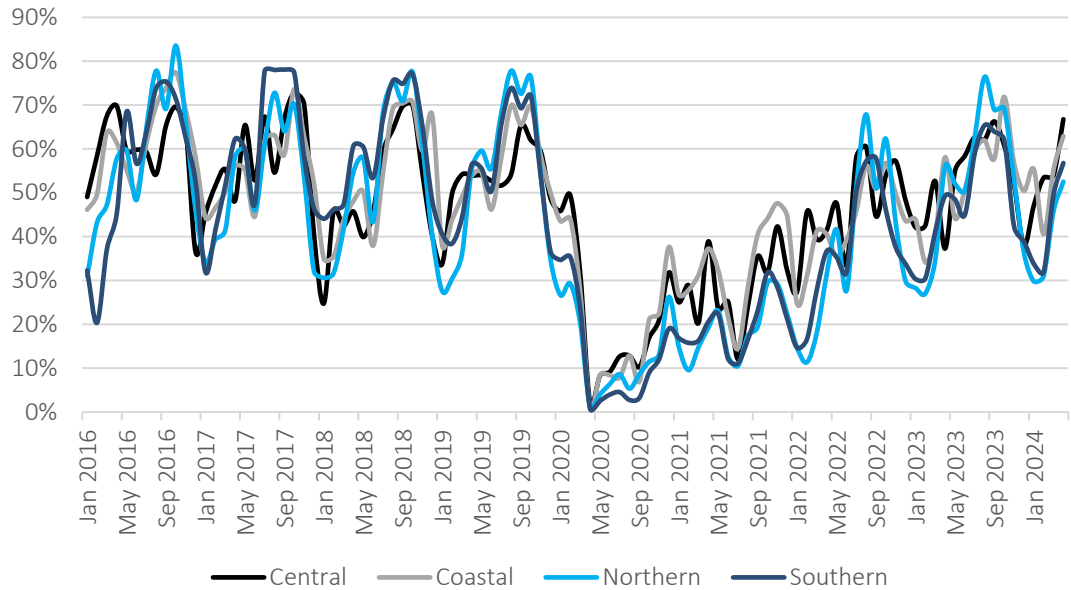
Regional Split

Occupancy rates have been trending upward across all regions for the 3rd consecutive month. The central region recorded a room occupancy rate of 66.8%, which is the highest since November 2018, and the highest across all regions for April. At the same time, the coastal region logged a room occupancy rate of 63.0% in April, which is 7.7pps higher than in March. The southern region registered 56.8%, an increase of 7.3pps compared to the previous month, while the northern region recorded the lowest rate at 52.5%, reflecting a rise of 6.7pps from March.



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

Room Occupancy Rates per Region (%)



Source: Hospitality Association of Namibia, IJG Securities

Outlook

The industry is about to enter the peak season for European travellers, however, general feedback from tour operators indicates demand is already high from Europeans. Indeed, there are more people on the road during this off-peak season (December to April) than usual. Car rental companies, especially those offering camping and fully equipped vehicles, are performing well, indicating a high number of self-drives and camper bookings. According to the European Travel Commission (ETC), 75% of surveyed Europeans plan to travel between May and October 2024, with the interest in leisure travel rising 5% y/y compared to last year. Therefore, projections for the rest of 2024 are positive.

Tourists may discover investment opportunities in Namibia and buy property, or business visitors may return as tourists after seeing the country's beauty. In countries like Angola, the business community significantly contributes to tourism spending, and we expect Namibia's nascent energy sector to positively impact tourism as well. The conferences planned for Namibia in both the airline and tourism sectors in June, and the energy sector in September, will bring significant focus to the country.

However, the ETC highlighted that during times of geopolitical tension, adverse weather conditions, and economic uncertainty, prioritising safety has become critical in determining travel decisions for Europeans. There have been a few reported cases of tourists robbed in Namibia, which presents itself as a risk to the tourism industry.

According to Gitta Paetzold, the CEO of HAN, the additional stream of business and revenue flows into Namibia is assumed to be through businesses that offer online booking platforms but are not captured in terms of official tourism revenue or tax declaration, yet with impact and footprint on the Namibian environment and infrastructure. For example, AirBnB and other online accommodation offerings are popular among the self-drive community and much of this business is not reflected in the official statistics. Further, transport services like Yango and InDrive are not registered like formal shuttle operators, contributing to the gap in the statistics.

We anticipate the tourism sector to boost the economy in 2024, generating positive spillover benefits that will propel complementary industries or sectors.



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