



Overview

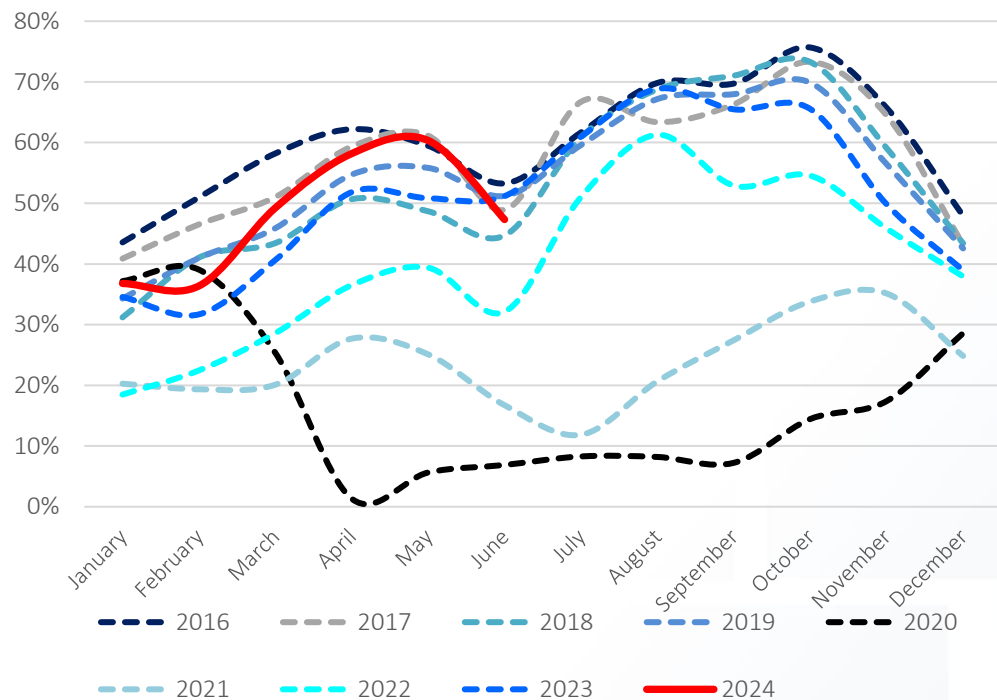
Category	June 24	m/m move	May 24	June 23	Monthly Change	Annual Change
National Occupancy Rate (%)	47.3%	↓	60.3%	51.2%	-13.0 pp	-3.9 pp
Central Occupancy (%)	17.7%	↓	42.3%	58.4%	-24.6 pp	-40.7 pp
Coastal Occupancy (%)	48.7%	↓	62.3%	50.7%	-13.6 pp	-2.0 pp
Northern Occupancy (%)	52.9%	↓	63.0%	50.5%	-10.1 pp	2.4 pp
Southern Occupancy (%)	46.0%	↓	61.8%	44.9%	-15.8 pp	1.1 pp
Tourist Arrivals (number)	43,794	↓	46,878	39,982	-6.6%	9.5%

Source: Hospitality Association of Namibia, IJG Securities

The national occupancy rate for June stood at **47.3%**, reflecting a decline of 13.0 percentage points (pps) and 3.9pps compared to a month and a year ago, respectively. June traditionally records a lower occupancy rate relative to previous months, yet the figure for June 2024 has been lower-than-expected, especially given that the country hosted the Annual AviaDev Conference during the month.

Between 2016 and 2023, the national occupancy rate declined by 5.1pps on average from May to June, while in 2024 the occupancy rates between the two months are 13.0pps lower. Market participants speculate that the recently approved stringent visa regime, which ends visa-free access to Namibia for citizens of over 30 countries if their nations do not reciprocate visa-free entry for Namibians, may have adversely impacted the industry. However, this hypothesis requires further validation through subsequent occupancy rate data. Additionally, it is important to note that the visa regime is only effective April 2025. Despite a lower-than-expected occupancy rate in June, the tourism sector is poised for a promising rest of the year.

National Room Occupancy Rates (%)

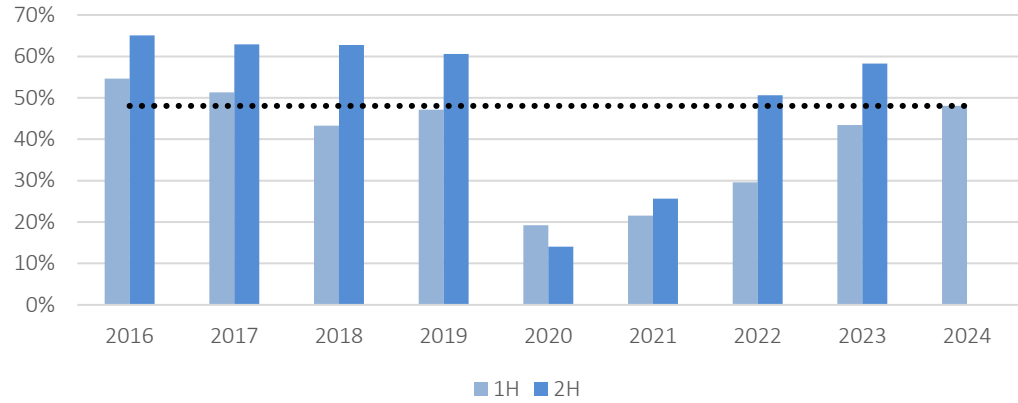


Source: Hospitality Association of Namibia, IJG Securities



Indeed, the average national occupancy rate during the 1H24 now stands at 48.0%, marking the highest first half since 2017. The graph below indicates this phenomenon with the dotted line. At the same time, the average occupancy rate in 1H24 is 4.6pps higher than it was in the prior year, further signaling the path toward a promising year for tourism.

Average National Room Occupancy Rates (%)



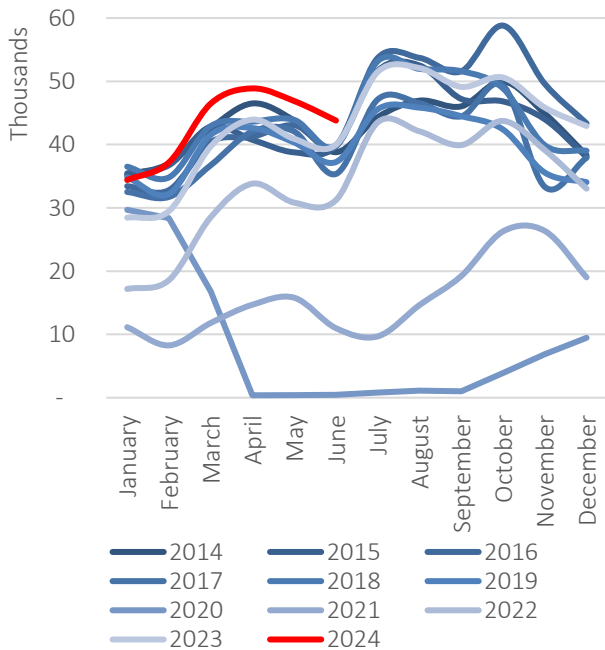
Source: Hospitality Association of Namibia, IJG Securities

Passenger Arrivals

Passenger arrivals in Namibia during June 2024 provide a different perspective. A total of 43,794 passengers arrived, representing a 6.6% m/m decline from May's 46,878 arrivals, mirroring the trend observed in occupancy rates. However, June 2024 witnessed the highest number of arrivals for any June on record, with an annual increase of 9.5%, diverging from the pattern seen in occupancy rates.

Examining the data on a quarterly basis, both the first and second quarters of 2024 have outperformed their respective counterparts in previous years, showcasing robust growth and resilience in passenger arrivals despite the decline on a monthly basis. Passenger arrivals fell 15.3% q/q but rose 20.9% y/y in 1Q24, while in 2Q24 arrivals rose 12.3% q/q and 6.2% y/y.

Monthly Passenger Arrivals (number)



Source: Namibia Airports Company, IJG Securities

Quarterly Passenger Arrivals (number)



Source: Namibia Airports Company, IJG Securities



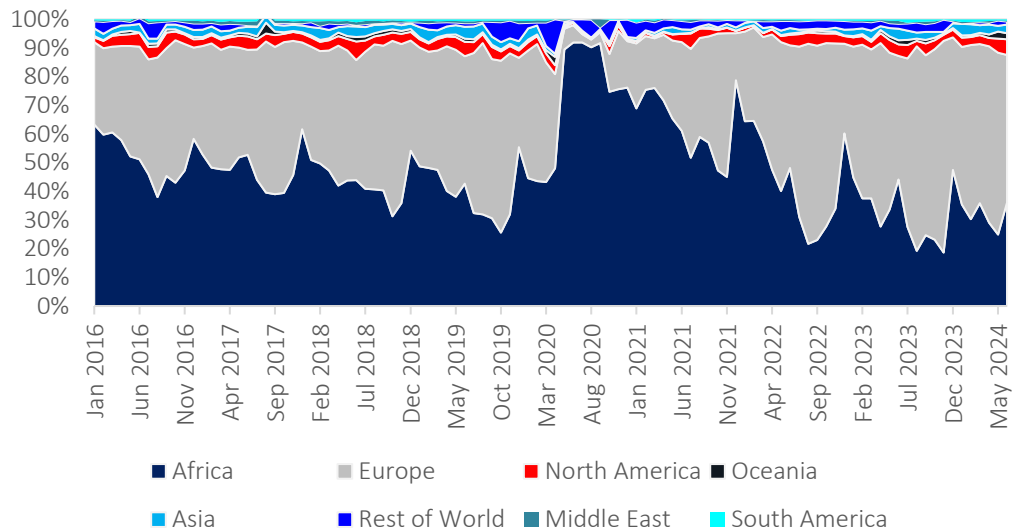


Countries of Origin

Europeans remained the largest share of tourists, accounting for 51.5% of the tourist pool in June, down 12.0pps from 63.5% in May. Among Europeans, tourists from Germany, Switzerland, and Austria comprised the largest proportion of the group at 28.1% of the total, followed by visitors from France at 7.0% and Benelux at 4.6%.

The proportion of African visitors increased compared to the previous month. Visitors from African countries, including Namibia, rose to 36.2% in June from 24.9% in May, driven by a larger share of Namibians visiting hospitality establishments, which increased from 17.7% in May to 22.5% in June. North Americans represented 5.4% of the tourist pool, marking their largest share since July 2021.

Tourist Pool (%)

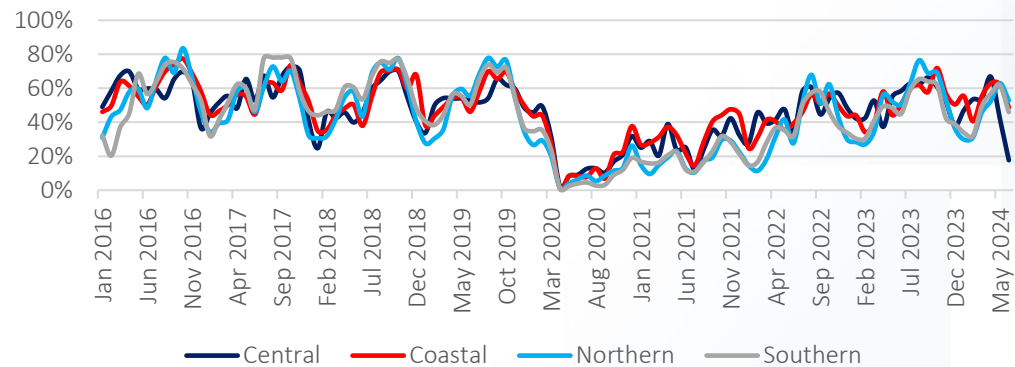


Source: Hospitality Association of Namibia, IJG Securities

Regional Split

Occupancy rates across all regions experienced a decline after four consecutive months of upward trends in all regions except the central region. The northern region recorded the highest occupancy rate among all regions at 52.9%, although this was a drop of 10.1pps from May. The coastal region saw its occupancy rate fall to 48.7% in June, a decrease of 13.6pps from 62.3% in May. The southern region registered an occupancy rate of 46.0%, a decrease of 15.8pps compared to the previous month. The central region recorded a room occupancy rate of 17.7%, the lowest since August 2021.

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

Despite the lower-than-expected occupancy rate in June, the tourism sector remains poised for a promising year overall, with the average national occupancy rate in the first half of 2024 at its highest since 2017. This positive outlook is further supported by a record number of passenger arrivals in June 2024, relative to figures for the same month in prior years.

However, according to HAN, the Namibian tourism industry is set to encounter significant challenges in the upcoming months, exacerbated by the threat of steep price hikes on long-haul flights to Europe due to new climate levies and taxes. However, the overall resilience and growth observed thus far lead us to take a cautiously optimistic outlook for the rest of the year.

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