

# SMOOTH RIDE

Already it has beauty, reliable infrastructure and a large regional market: **Trevor Ward** asks if Namibia is Africa's next tourism success story



**T**he World Travel & Tourism Council (WTTC) already ranks Namibia number one in terms of expected growth in sub-Saharan Africa: quite an achievement for a country that only recently began to recognise the value of tourism.

It's an extraordinary country, offering an incredible mix of experiences to the visitor. Most famous for the Skeleton Coast, where the Atlantic beaches rise to the highest sand dunes in the world, Swakopmund is now regarded as one of the extreme sports capitals of the world, with water, air and sand adventures of all sorts available. Namibia also has the Etosha National Park in the north, where the Etosha Pan, a flat saline desert ("the great white place of dry water") which gives the park its name attracts abundant game and bird life. Other attractions include the Fish River Canyon in the south, the Caprivi Strip in the north, and the Kalahari Desert in the east.

Sandwiched between Angola and South Africa, and bordered on the east by Zambia and Botswana, Namibia enjoys demand both from the regional market, as well as from Germany, the former colonial power. Together visitors from Angola and South Africa comprise 63% of all tourist entries, at 586,000 people a year, while the 80,000 annual German visitors make up 8.7%. The majority of visitors to the country arrive by road – Namibia has one of the best road networks in Africa, with long-distance journeys perfectly acceptable by road as well as by air.

## Hotels at the ready

Investment is, as is often the case, from the main markets – in Namibia's case from South Africa and from Germany, as well as from domestic sources. One exception to this is Kuwait-based IFA, which has formed OLIFA, a joint venture with the local company Ohlthaver & List. The joint venture has one operating asset, the 106-room Kempinski Mokuti Lodge in Etosha, and is shortly to start construction on the site of the former Strand Hotel in Swakopmund, a "traditional" seaside resort on the Atlantic coast, almost an exact copy of a north Europe Baltic

Sea resort, much loved by the German market. The new 100-room deluxe hotel, intended to be Namibia's finest, will also be managed by Kempinski, and the project also includes branded hotel residences. Two further projects are planned for the capital Windhoek and the Caprivi Strip.

Windhoek will also see a new 138-room African Pride hotel open in 2011, joining Protea's ten other hotels in Namibia. Protea can usually be relied on to pick winners – other countries where they have multiple outlets outside South Africa include Tanzania and Nigeria, both with excellent growth prospects. The African Pride will be part of Freedom Plaza, a mixed-use development including also retail, residential, entertainment and office components. Investors in this scheme are South Africa's Madison Property Fund Managers, Swish Properties and Redefine Income Fund, with local partner United Africa Group. An Arabella hotel is also planned in the same scheme.

South African hotel groups dominate the landscape – besides Protea, Sun International and Legacy are represented in Windhoek and Swakopmund. But the government is keen to encourage other investors and compared to many other countries, there is an attractive investment environment characterised by: zero customs duties on imports from South Africa, low excise duties, relatively low VAT, a relatively stable currency (linked to the rand) and stable political climate. The tax system is conducive to growth through the provision of significant and generous initial capital allowances and accelerated depreciation of assets. The government has also recognised that tourism has a positive impact on resource conservation and rural development, and 29 communal conservancies have been established across the country, resulting in enhanced land management while providing tens of thousands of rural Namibians with much needed income. Namibia has a great future as one of Africa's leading tourism destinations.