NAMPORT
Quayside Bulletin
March 2022

Breakbulk sugar imports from Brazil offloaded at the Port of Walvis Bay

AMAR GLYFADA

The Namibian Ports Authority (Namport) recently welcomed its first breakbulk consignment of sugar stuffed in 50kg bags, with a total consignment volume of 20,800 tons originating from Brazil.

Over the past decade, Namport together with the Walvis Bay Corridor Group (WBCG) has persistently promoted the use of the Port of Walvis Bay and the Namibian corridors linking our Ports to major SADC markets, namely Zambia, Democratic Republic of Congo, Botswana, Angola and South Africa as a crucial hub for the Brazilian imports into Southern Africa.

“These efforts have finally borne the much-desired fruits with this first consignment of 20,800 tons breakbulk sugar imports.”, stated Mr Phillemon Mupupa, Business Development Partner at the Ports Authority.

Another shipment of 15,000 tons of sugar is expected to arrive in the second half of 2022 and the Ports Authority is optimistic for this to become regular business for the Port of Walvis Bay. NAMPORT remains committed to enhancing its clients' experience through efficient and highly productive port services, consequently allowing the entity to make meaningful straits towards its vision of being the best performing seaports in Africa.

NAMPORT
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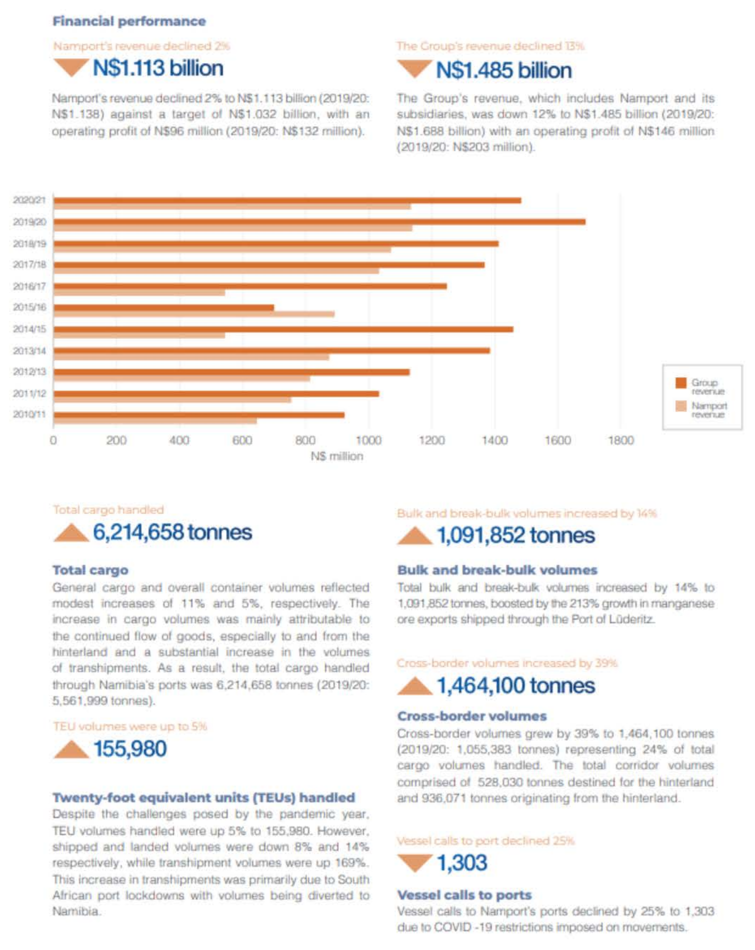
Namport Integrated Annual Report

01 April 2020 – 31 March 2021

This Integrated Annual Report covers the financial period from 1 April 2020 to 31 March 2021. The scope of this report covers the Namibian Ports Authority's core operations' financial and non-financial performance. Namport reports on strategy, the capitals on which it relies, opportunities, risks and governance.

This report is available in an electronic format on Namports' website: www.namport.com/annual-reports/



Financial performance

Namport's revenue declined 2%

▼ **N$1.113 billion**

Namport's revenue declined 2% to N$1.113 billion (2019/20: N$1.138) against a target of N$1.032 billion, with an operating profit of N$96 million (2019/20: N$132 million).

The Group's revenue declined 13%

▼ **N$1.485 billion**

The Group's revenue, which includes Namport and its subsidiaries, was down 12% to N$1.485 billion (2019/20: N$1.688 billion) with an operating profit of N$146 million (2019/20: N$203 million).

Total cargo handled

▲ **6,214,658 tonnes**

Total cargo

General cargo and overall container volumes reflected modest increases of 11% and 5%, respectively. The increase in cargo volumes was mainly attributable to the continued flow of goods, especially to and from the hinterland and a substantial increase in the volumes of transhipments. As a result, the total cargo handled through Namibia's ports was 6,214,658 tonnes (2019/20: 5,561,999 tonnes).

TEU volumes were up to 5%

▲ **155,980**

Twenty-foot equivalent units (TEUs) handled

Despite the challenges posed by the pandemic year, TEU volumes handled were up 5% to 155,980. However, shipped and landed volumes were down 8% and 14% respectively, while transhipment volumes were up 169%. This increase in transhipments was primarily due to South African port lockdowns with volumes being diverted to Namibia.

Bulk and break-bulk volumes increased by 14%

▲ **1,091,852 tonnes**

Bulk and break-bulk volumes

Total bulk and break-bulk volumes increased by 14% to 1,091,852 tonnes, boosted by the 213% growth in manganese ore exports shipped through the Port of Lüderitz.

Cross-border volumes increased by 39%

▲ **1,464,100 tonnes**

Cross-border volumes

Cross-border volumes grew by 39% to 1,464,100 tonnes (2019/20: 1,055,383 tonnes) representing 24% of total cargo volumes handled. The total corridor volumes comprised of 528,030 tonnes destined for the hinterland and 936,071 tonnes originating from the hinterland.

Vessel calls to port declined 25%

▼ **1,303**

Vessel calls to ports

Vessel calls to Namport's ports declined by 25% to 1,303 due to COVID -19 restrictions imposed on movements.

Namport Corporate Video

Is Namport affected by the war between Ukraine and Russia?

The rise in geopolitical tensions between Ukraine and Russia is one of many reasons stock market instability and flattening yield curves across developed markets are occurring.

Foreign investors are worried about a potential new "Cold War" and are trying to hedge against the subsequent economic, financial and political aftermath. Global commodity markets are on edge as a result of the situation between Ukraine and Russia. Crude oil prices are approaching N$1,511.03 (US$100.00) per barrel.

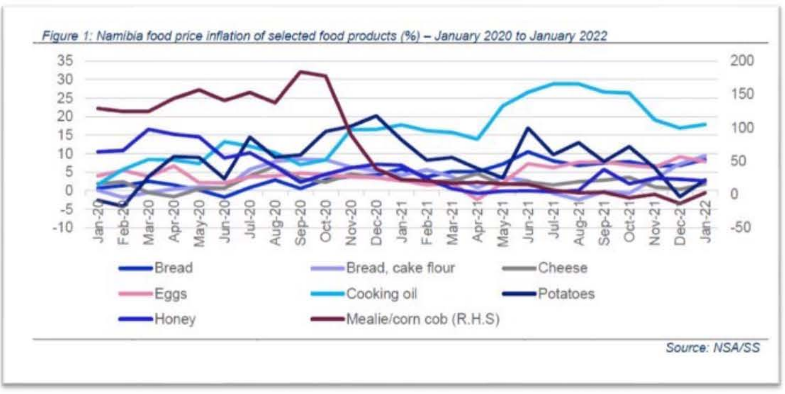
As if this is not bad enough, the war might halt the manufacturing and export of a wide range of other goods. All of this is projected to have a significant impact on global economies and fuel inflation, which is already rising in many nations.

While the situation remains highly fluid and the outlook is subject to extraordinary uncertainty, the economic consequences are already very serious. Energy and commodity prices, including wheat and other grains, have surged, adding to inflationary pressures from supply chain disruptions and the rebound from the Covid 19 pandemic.

Price shocks will have an impact worldwide, especially on poor households for whom food and fuel are a higher proportion of expenses. Namibia can expect to see higher prices in bread, corn, baking flours, honey, beverages in aluminium cans, cheese, cooking oils and many other products.

During 2021, food and non-alcoholic beverages accounted for about 20% of inflation (the second biggest contributor). Should the conflict escalate, the economic damage would be even more devastating.

Figure 1: Namibia food price inflation of selected food products (%) – January 2020 to January 2022



Source: NSA/SS

The sanctions on Russia will also have a substantial impact on the global economy and financial markets, with significant spillovers to other countries. Imports of wheat, ammonium nitrate and poultry originating from Russia will undoubtedly be impacted negatively, as importers are now sourcing from alternative or new suppliers.

Namport handles the following commodities originating and exported from Russia and Ukraine:

- **Wheat** – Few Namibian companies no longer source from Russia and are now pursuing new suppliers in Europe, namely Latvia and Germany, as alternative sources. We are informed that negotiations with these suppliers are at an advanced stage.

- **Ammonium Nitrate (AN)** – Namibian companies importing AN, originating from Russia, are now sourcing from Latvia. The next import shipment of 3,500 tons is expected to arrive at the Port of Walvis Bay on the 20th of May 2022.
- **Poultry** – Zambia and the Democratic Republic of Congo (DRC) are the main consumers of poultry imported via the Port of Walvis Bay, which is mainly sourced from MHP, the largest frozen warehouse in Ukraine, which was recently bombed and destroyed by Russian shellings and from Genetic Resources based in Russia. Poultry will now mainly be sourced and imported from the USA, Turkey and Canada.
- **Sulphur** – Zambia and the DRC imports are predominantly sourced from Kazakhstan, but loaded in the Russian Port of Ust-Luga. There is currently no indication that Sulphur imports originating from Kazakhstan will be negatively impacted by the sanctions on Russia and we are informed that there is currently a vessel waiting outside Russia's Port of Ust-Luga to load Sulphur, whereby 15,000 tons is to be discharged at the Port of Walvis Bay. Some local mines predominantly source Sulphur from the United Arabs Emirates.

With the above interventions for sourcing wheat, ammonium nitrate and poultry from new suppliers and the uninterrupted exports of Sulphur from Kazakhstan via Russia's Ust-Luga port, no immediate negative impacts on imports is expected and hence no need to panic at this stage.

Nonetheless, the risk of a more severe outcome remains possible over the longer term. The rising fuel costs, however, have a direct impact on Namport's cost of doing business, and also affects the competitiveness of Namibia's transport corridors.

Namport sponsors N$50,000.00 towards the Namibia Mathematics Olympiad 2021

Overall winners of the Namibia Mathematics Olympiad 2021.

The Namibian Ports Authority (Namport) joined hands with the National Commission on Research, Science & Technology (NCRST) by sponsoring N$50,000.00 towards the recently concluded Namibia Mathematics Olympiad (NMO) 2021, which took place in Windhoek.

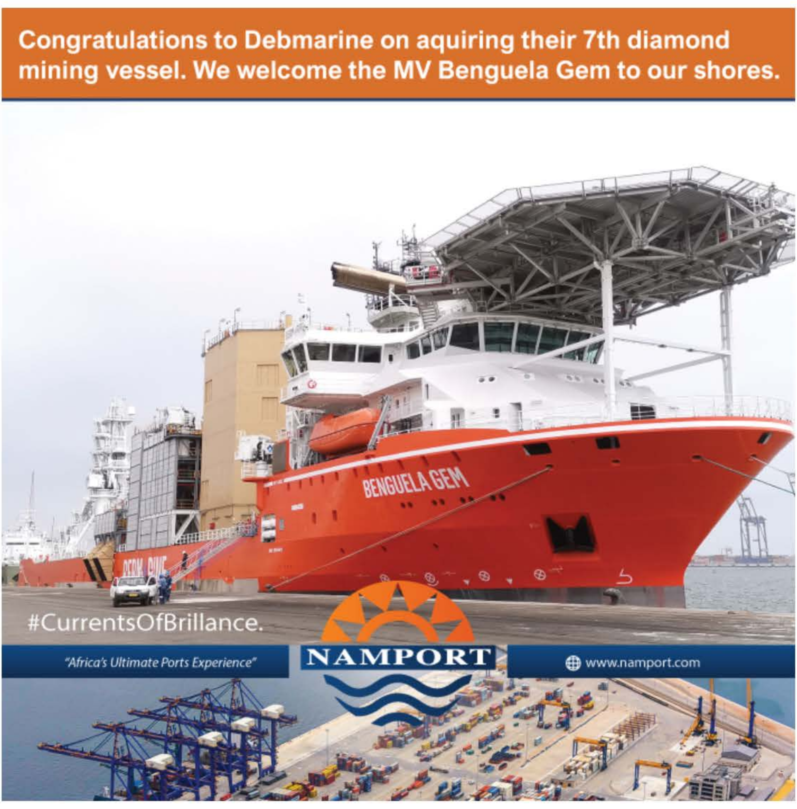
The entity played a pivotal role in the realization of the first ever Namibia Mathematic Olympiad (NMO) 2021, by collaborating with other co-sponsors such as the Embassy of Italy, based in Pretoria, South Africa, the Petroleum Training and Education Fund (PETROFUND), the London Mathematical Society, the Ministry of Education Arts and Culture, the University of Namibia, and the Namibia University of Science and Technology (NUST).

The Namibia Mathematics Olympiad is an annual event where all high school learners compete against each other to solve mathematical problems. The purpose of the NMO is to promote mathematics in general, and popularize science and technology among our students, community, and educators. It is a vehicle to encourage and challenge mathematically gifted young people to take a more active interest in the study of science by providing an opportunity for students to show case their knowledge.

The competition was conducted in 3 rounds: School (round 1), Regional (round 2), and the National Level (round 3). The NMO 2021 lasted more than 8 months before the hosting of the award ceremony on 17 March 2022. NMO 2021 witnessed the participation of 98 schools and 2026 secondary learners countrywide.

Speaking to Ms Albertina Ngurare, Acting Chief Executive Officer at NCRST said that "NAMPORT was very responsive towards our request for sponsorship hence a contribution of N$50,000.00 which was an invaluable support towards the development and promotion of Mathematics education in the country".

Speaking on behalf of the Ports Authority, Human Capital Executive, Ms Johanna Hatutale said, Namport through its Social Fund Investment has in the past financial year (2021/2022) invested more than N$350,000.00 in the education fraternity alone. "As an entity we remain steadfast in our resolute to form collaborative relationships with stakeholders that are involved in the development of the Namibian Child", stated Ms Hatutale.


Congratulations to Debmarine on aquiring their 7th diamond mining vessel. We welcome the MV Benguela Gem to our shores.
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