

Issue 7: 2022



© FCL2022

Opuwo

Economic Profile

September 2022



Authors: Martin Mwinga (Team Leader), Clarinda Kavezuva (Statistician), Achilles Shifidi (Trainee Economist) & Patrick Simasiku (Trainee Economist)

Disclaimer

This document is issued by First Capital Namibia. While all reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors of fact or for any opinion expressed herein. Opinions, projections, and estimates are subject to change without notice. This document is for information purposes only. It does not constitute any offer, recommendation, or solicitation to any person to enter any transaction or adopt any hedging, trading, or investment strategy, nor does it constitute any prediction of likely future movements in rates or prices or any representation that any such future movements will not exceed those shown in any illustration. The contents of this document are not made about the specific investment objectives, financial situation, or the needs of any person.

About Us

First Capital Namibia is a financial services company specializing in providing treasury and asset (investment) management services. Established in August 2009, First Capital has in-depth, personal knowledge of the Namibian capital markets and the resulting insight enables us to manage Namibian assets across different spectrum including cash management, equity, fixed income, specialist agriculture, and property mandates. We are licensed to manage money for private investors, pension funds, insurance groups, the public (government) sector, and charities.

Our credibility as asset managers is tightly governed by the Namibia Financial Institutions Supervisory Authority (NAMFISA). We are a Namibian-based investment team and focus exclusively on the Namibian market and we add value to portfolios by offering specialized Namibian mandates.

TABLE OF CONTENTS

| | |
|--|----|
| FOREWORD | 2 |
| ACKNOWLEDGEMENT | 4 |
| 1. DEMOGRAPHIC, SOCIAL AND GEOGRAPHIC SITUATION OVERVIEW | 5 |
| 2. GEOGRAPHIC AREA | 10 |
| 3. UNEMPLOYMENT LEVELS | 12 |
| 4. SOURCES OF INCOME | 14 |
| 5. ANNUAL CONSUMPTION BY REGION | 14 |
| 6. POVERTY INCIDENCE | 15 |
| 6.1 POVERTY IN OPUWO | 16 |
| 7. HOUSING SITUATION | 18 |
| SECTORIAL ANALYSIS | 21 |
| 8. PRIMARY SECTOR ACTIVITIES | 21 |
| 9. SECONDARY SECTOR | 30 |
| 10. SERVICE SECTOR ACTIVITIES | 39 |
| 11. EDUCATION SERVICES | 42 |
| 12 HEALTH SITUATION | 47 |
| 13 TRANSPORT NETWORK | 48 |
| 14 TRANSPORT SERVICES | 50 |
| 15. SECURITY SERVICES | 52 |
| 16. GOVERNMENT ADMINISTRATIVE SERVICES | 52 |
| 17 FINANCIAL SERVICES | 52 |
| 18. TOURISM AND HOSPITALITY SERVICES | 53 |
| 19. INFRASTRUCTURE DEVELOPMENT IN KUNENE REGION (2022/23-2024/25 MTEF) | 57 |
| 20. INVESTMENT OPPORTUNITIES IN KUNENE REGION | 58 |

Foreword

Welcome to our sixth report focusing on the town of Opuwo. First Capital Namibia through rigorous economic analysis aims to generate knowledge and insights on the workings and performance of Namibia's national, regional, and local authority economies. Through these research publications, we hope to provide inputs and guidance to policy makers on issues facing Namibia's towns and regional economies. Economic history teaches us that unless a country has a well-connected and integrated national, regional, and local authority economies, sustainable economic growth and economic prosperity cannot be realized and sustained irrespective of how much mineral resources the country is endowed with.

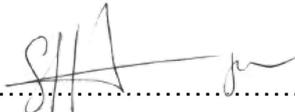
The Namibian economy is the sum of its fourteen regional economies. Every town and region have an important role to play in contributing to Namibia's economic growth and prosperity. The key to lifting Namibia's overall economic performance requires an understanding of the resource endowment, the comparative advantages, strengths, and challenges in each town and region. To build that understanding and inform Policy Makers at Local, Regional and Central Government Level, First Capital Namibia launched the first Regional Economic Profile Reports in 2018. These reports provide high-quality, consistent data that will enable policy makers to make well informed decisions. They also help analysts and the public to compare and better understand the roles that different towns and regions play in contributing to the Namibian economy. We believe these reports will support the decision-making at all levels and help generate discussions on how best to build a dynamic Village, Town, and regional economy.

The Opuwo report is the six economic profile report published by First Capital Namibia. The previous reports include Omaruru, Outapi, Rundu, Mariental and Keetmanshoop economic Profiles. These report covers a wide range of topics including the town's population, economic structure and performance, employment, unemployment, education, health, standard of living, businesses, and tourism. The report will enable the reader and policy makers to answer questions about their town and region with confidence, and showcase their town and region to the world by giving insights into the following:

- The town and the region's population as well as the demographic trends.
- The town and region's poverty profile, housing conditions and consumption patterns.

- The performance of the health and education sector in the town compared to other towns.
- The economic performance of the local economy relative to other towns and regional economies and the national average.
- How economic activity is spread geographically around the town and region.
- The business structure and the largest industries in the town, region and which industries are growing the fastest in terms of both GDP and job creation.
- Which occupations and qualifications have been growing in demand.
- The contribution of tourism to the town and the region's economy.
- The level of crime, safety and wellbeing of your town and region and compare it with other regions.

Finally, we at First Capital, believe that a well-targeted Regional/Local Authority Economic Growth Strategy that recognizes and targets each region and town's growth points (centres), resource endowment and comparative advantage will unleash and unlock Namibia's economic potential and bring sustainable economic prosperity.

Signature  Date..... 03 October 2022

DR Martin Mwinga

Fund Manager and Chief Economist

ACKNOWLEDGEMENT

We thank the Opuwo town council, Kunene regional council, Opuwo NORED, and councilors among others for their support in providing information which was useful in compiling this report. We equally thank all the hospitals, ministry of safety and security, ministry of education, and ministry of finance for providing us with information that made this report possible. Our gratitude is equally extended to all residents of Opuwo and the Kunene region in general for taking time to share their experiences. We also thank all offices that were consulted at the national level to provide us with information.

OPUWO TOWN BY NUMBERS

Demographics



Population

2011 Actual: 27,272

2022 Est. : 36,559



Households

2022 estimate: 5,500

Education



Teacher to learner ratio: 29

Cost to educate a learner: N\$4,119

Literacy rate



Namibia: 87%

Kunene: 61%

Opuwo: 70%

Health



Number of hospitals

One district hospital

Ratio of Doctor to patient

1 to 3,656 patients

Number of private health facilities

one private doctor and one dentist

Number of pharmacies

One pharmacy

Safety and security 2022 crime statistics



Residential Burglaries

Kunene: 83 cases

Rape

Kunene: 26 cases

Drug-related Crimes

Kunene: 50 cases

Murder

Kunene: 2 cases

Stock theft

Kunene: 110 cases

Access basic services



Water

Access: 77%

Cost

Cost: N\$ 55 per m^3

Electricity

Access: 75%



Housing

Deficit: 1,197

Houses

Transport fare from Opuwo

Ruacana: N\$ 120

Sesfontein: N\$150

Labour

Labour Force Participation Rate: 61 %



Socio-economic Risks

Risk 1 Drought

Risk 2 COVID-19

Sources of income

Salaries and wages: 52%

Cash remittance: 6%

Business, non- banking: 5%

Size of household in Agriculture

Livestock: 49.5%

Crops: 40.2%

Poultry: 4.8%

Business registration costs

Approval of building plans: N\$ 250

Cost of business certificates: N\$ 540

Registering a business: N\$ 286

1. DEMOGRAPHIC, SOCIAL AND GEOGRAPHIC SITUATION OVERVIEW

Kunene region covers an area of 115,293 square kilometers, this makes it the second largest region in Namibia after the //Karas region. The capital of the region is Opuwo. The town is situated about 720 kilometers north-northwest from Windhoek. The name Opuwo was given by the commissioner of Ondangwa, Hugo Hahn, who came in search of land to build an office. Upon his arrival, he asked the local headmen to give him land where he could build an office. He was then given a small plot, and when the headmen tried to give him more land, Mr. Hahn responded saying "Opuwo (meaning it's enough). He did not want any more land. That is how Opuwo got its name. The residents of Opuwo called it Otjihinamaparero at the time.

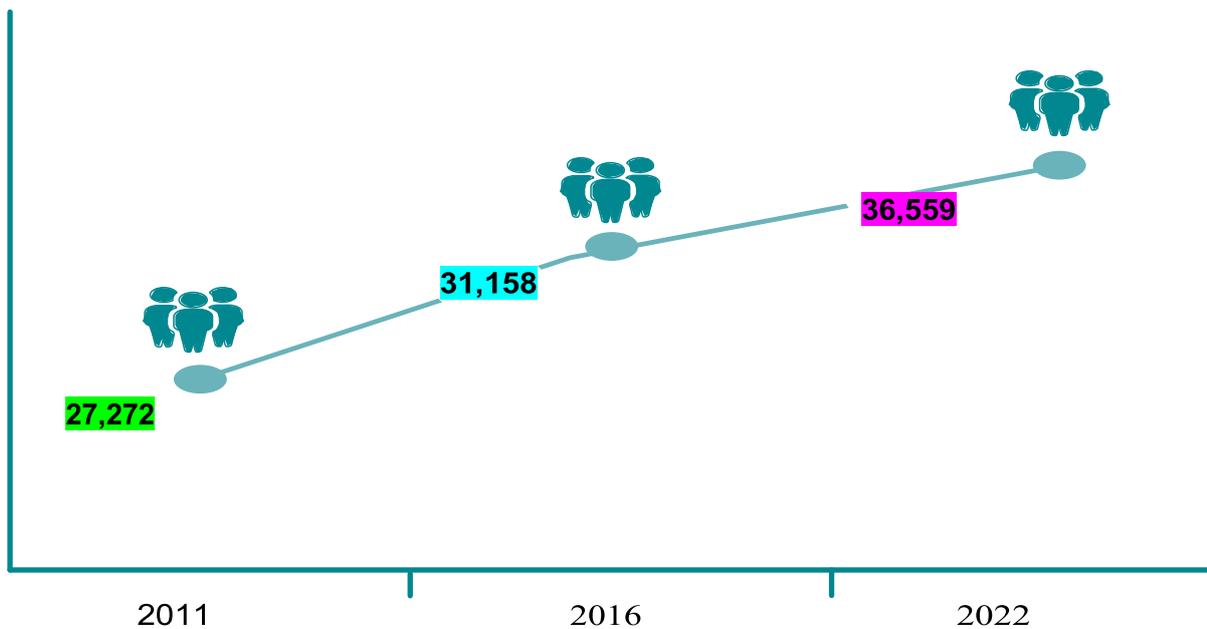
According to the 2011 National census, Opuwo had a population of 27,272 people. The town have the highest population in Kunene region and remains the region's commercial hub. Tourism and mining are among the growing sectors due to its variety of scenery, wildlife, and the discovery of iron ore. Kunene region boasts the presence of the big four, namely, the Leopard, Elephant, Rhino, and the Lion, which can be found roaming freely in their natural environment. Equally important, agricultural, and fishing, construction, and administrative and support service activities significantly contribute to the region's Gross Domestic Product.

The aim of this report is to give an in-depth overview of the economic profile of Opuwo to residents, policy makers and investors all around the world. The rest of the report is organized as follows: population demographics are provided in section one, clearly outlining the demographic trends, labour market, human development situation and poverty incidence in the region in comparison to other regions. This is followed by section two where we present an analysis of the economy of the town by sector as well as the cost of doing business in the town. The third section presents an overview of major investments by government budgeted under the current MTEF period (2022/23- 2024/25). Finally, the report provides investment opportunities in the Kunene region on page 58 followed by the conclusion.

1.1. Opuwo's population trends

According to the Namibian statistics Agency, Opuwo had a population of 27,272 in 2011. Equally so, the 2011 population census established that the town's population grows by 2.7 percent yearly. Using this growth rate, we estimate the population of Opuwo to have reached 35,598 in 2021 and expect it to be about 36,559 at the end of 2022 (figure1).

Figure 1: Population trend over time

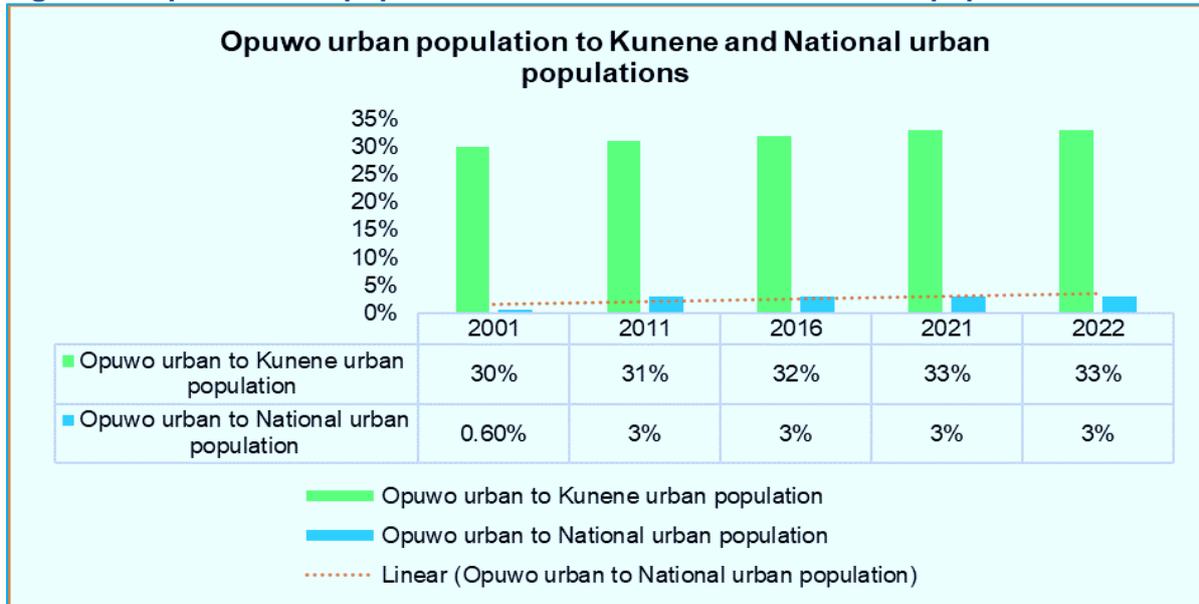


Source: 2011 National Census & First Capital Calculations

1.2. Opuwo population to Kunene and national urban populations

The figure below concurs with the 2001 and 2011 National census. Accordingly, the share of Opuwo's population to the national population rose drastically from 0.6 to 3 percent between 2001 and 2011 and remained constant at this rate until 2021. At the same time, Opuwo's population to Kunene's urban population increased by 1 percent each year from 2001 to 2021. The town's population grew considerably over the past 10 years due to the drought. Subsequently, people moved from villages to town in search for greener pastures due to the loss of their livestock. Correspondingly, the ratio of Opuwo urban to Kunene urban population rose from 30 to 31 percent, 32 and to 33 percent from 2001, 2011, 2016 and 2021 respectively.

Figure 2: Opuwo urban population to Kunene and National urban populations

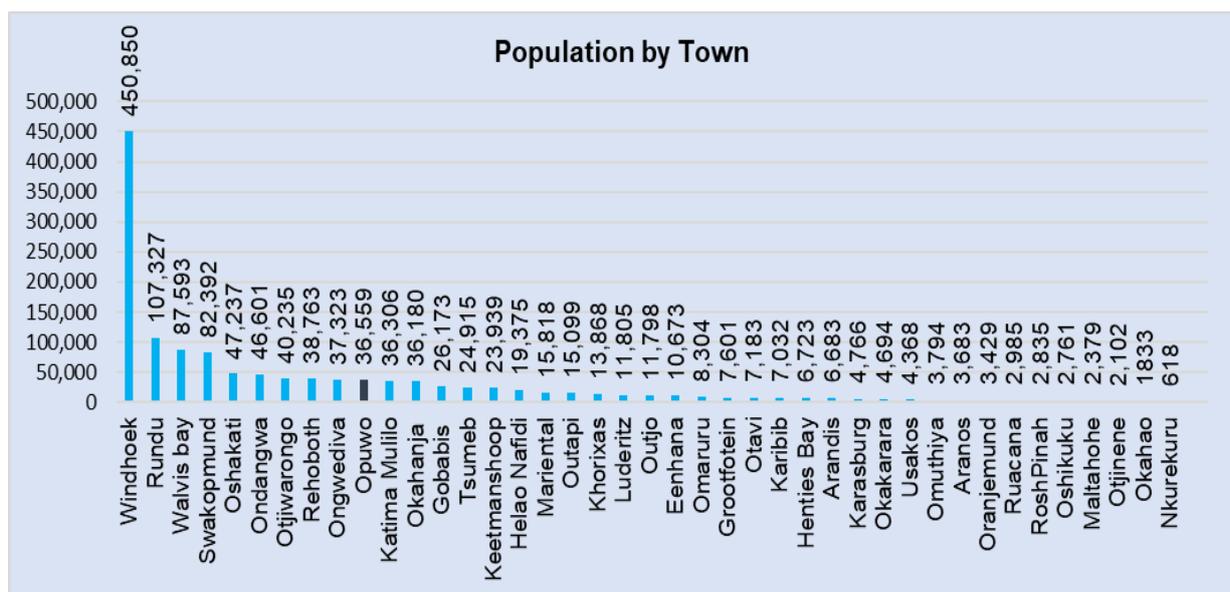


Source: 2011 National Census & First Capital Research

1.3 Population comparisons by town

Figure 3 below depicts the population of all towns in Namibia. Evidently, Windhoek leads in terms of population size. This is not surprising given the rate at which people move to the capital city in search for job opportunities and to further their education. It has an estimated population of 450,850 followed by Rundu with an estimated population of 107,327 and then Walvis Bay with a population of 87,593. Worth noting, Opuwo has an estimated population of 36,559 as pointed out earlier. This makes it the tenth highly populated town in Namibia.

Figure 3: Population of towns in Namibia

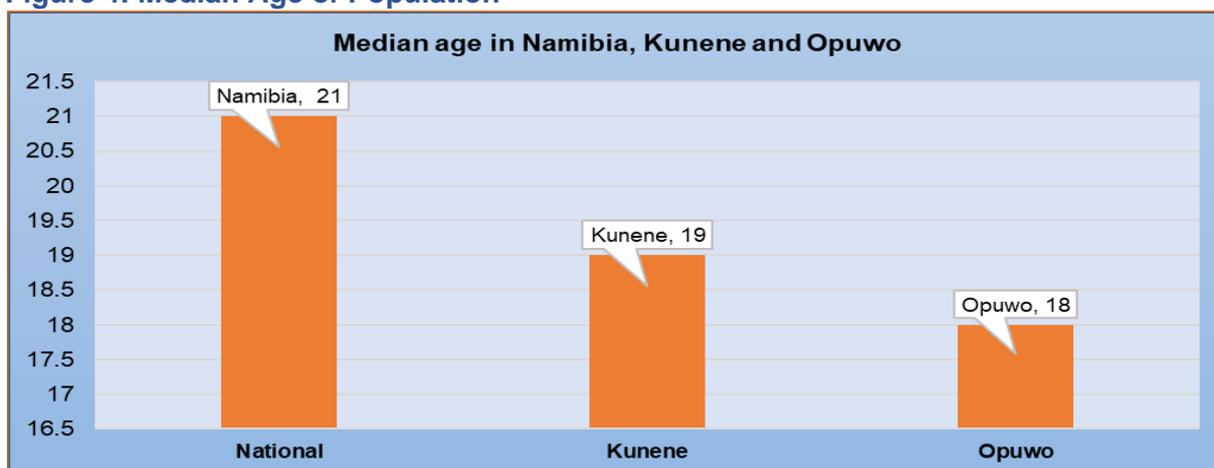


Source: 2011 National Census Projections & FC Research

1.4. Population Age Distribution

The median age is used to assess whether a population is young, intermediate, or old. Accordingly, a country is considered young if the median age is less than 20 and old if it is more than 30. Figure 4 below shows that the median ages are 21, 19 and 18 for Namibia, Kunene and Opuwo respectively. This indicates that the population of Opuwo is relatively younger than that for Kunene region and the entire country.

Figure 4: Median Age of Population



Source: 2011 national census

Table 1 below shows the age cohorts for Opuwo as well as that for Kunene region and Namibia. Categorically, the share of the population below 4 years accounts for 16.9 and 16.5 percent in Opuwo and Kunene region respectively. However, at the national level, this age group only accounts for 13.6 percent of the population. The highest proportion of the population at the national level was recorded in the age category between 15 to 59 years, which makes up about 65.5 percent of the population for Namibia and 51.5 and 50.1 percent for Kunene region and Opuwo respectively. Most importantly, it was established that there are fewer older people in Namibia, Kunene and Opuwo. The age category of those who are more than 60 years represents merely 4.1, 6.9 and 6.5 percent of the population respectively.

Table 1: Age cohorts in Namibia, Kunene and Opuwo

| | 0 - 4 years | 5 - 14 Years | 15 - 59 Years | More than 60 years old |
|---------|-------------|--------------|---------------|------------------------|
| Namibia | 13.6% | 16.8% | 65.5% | 4.1% |
| Kunene | 16.5% | 25.2% | 51.3% | 6.9% |
| Opuwo | 16.9% | 26.5% | 50.1% | 6.5% |

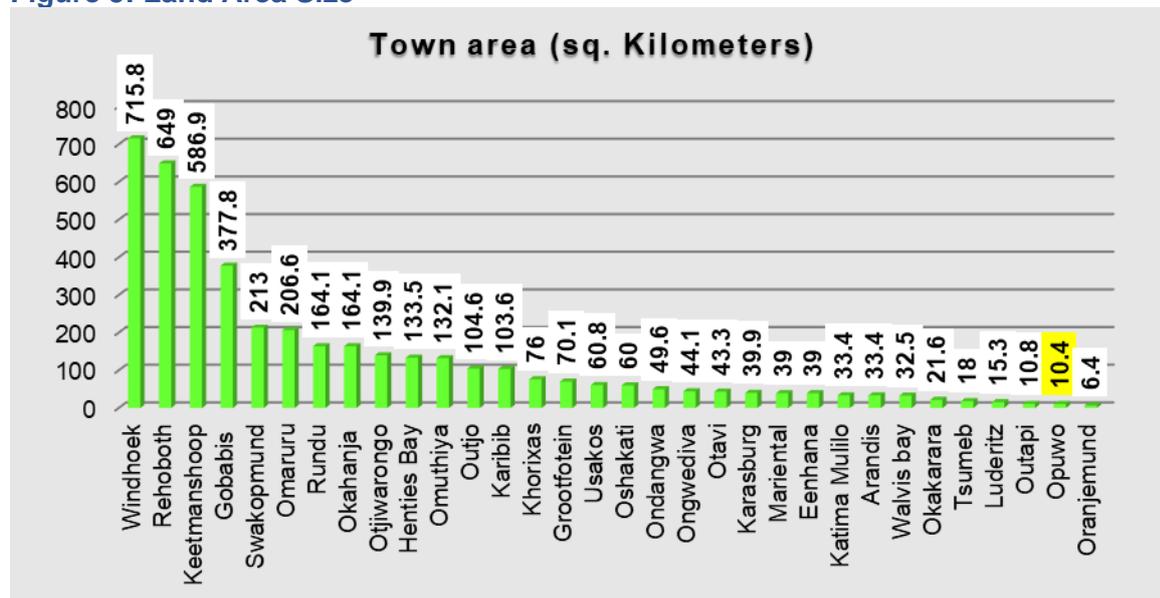
Source: 2011 National census and 2015 Kunene regional profile

2. GEOGRAPHIC AREA

2.1. Land Size

Figure 5 below presents the area of all urban towns in Namibia. Undoubtedly, Windhoek has the largest urban area in the country (715.8 square kilometers, followed by Rehoboth (649 square kilometers), Keetmanshoop (586.9) and then Gobabis with 377.4 square kilometers of urban land. The figure further shows that Opuwo is the fourth last town with the smallest size of urban land per square kilometer (10.8 square kilometers), followed by Oranjemund, Okahao and Nkurekuru with 6.4, 6.3 and 1 square kilometer of urban land respectively.

Figure 5: Land Area Size

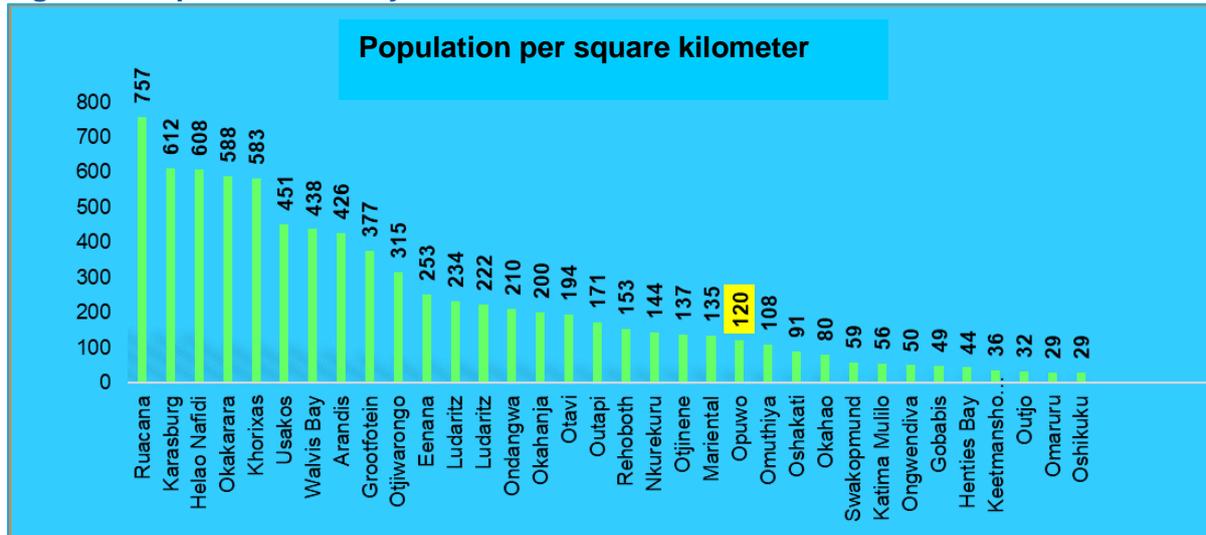


Source: 2011 National Census

2.2. Population Density

Population density is a measure of the number of people in an area. In Namibia, it is an illustration of the number of people per square kilometer. Primarily, measuring population density is imperative because it enables researchers and policy makers to quantify demographic information and assess relationships with ecosystems, human health, and infrastructure. In simple terms, the population density helps assess the ability of systems or infrastructures within a locale to cater for the needs of the people. Figure 6 below presents information of the population density of different towns in Namibia. Opuwo has a population density of 120 persons per square kilometer, Rundu has the highest number of 1,889 persons per square kilometer, followed by 1,064 in Tsumeb and then Windhoek with 884 people per square kilometer. The national population density stands at 193 people per square kilometer.

Figure 6: Population Density

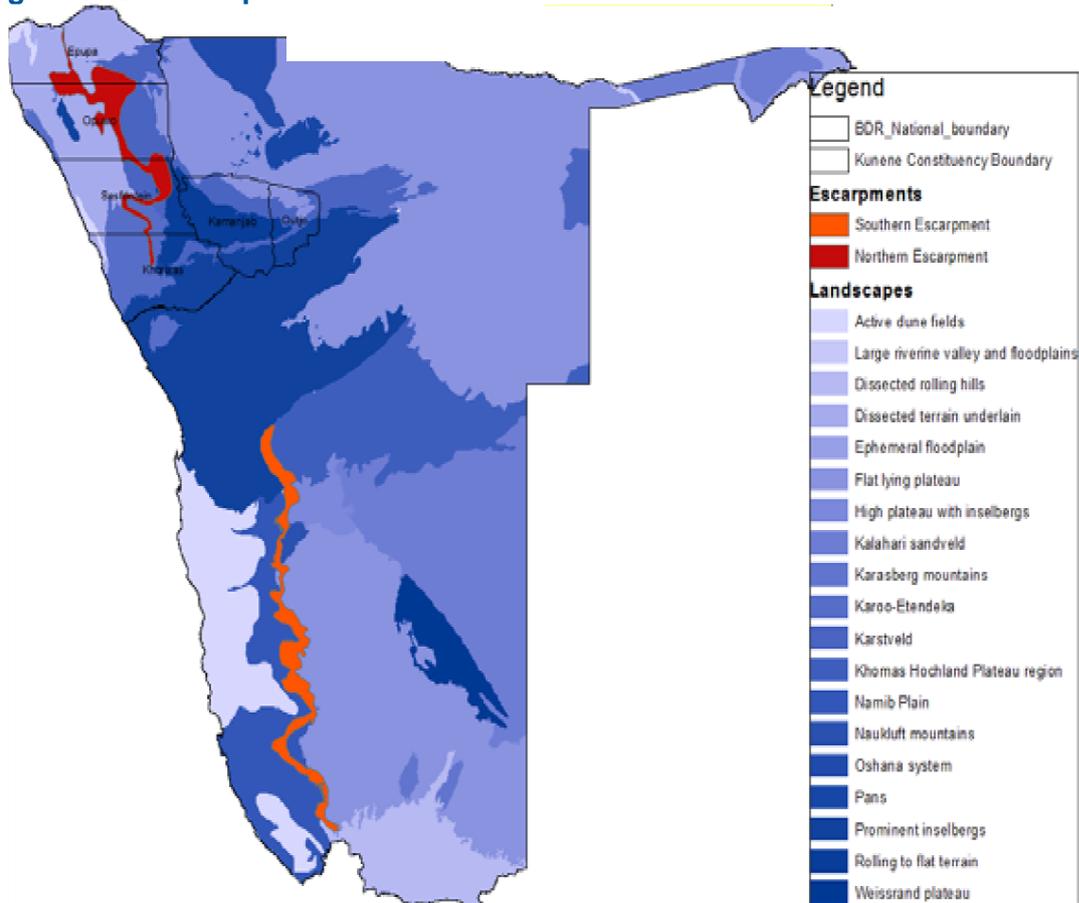


Source: 2011 National Census, FC Research & NHIES 2015/16

2.3. Landscape

Kunene Region’s physical geography is one of the virgin landscapes in the entire country. The natural mountainous landscape, rocks, minerals, soil, underground water, springs, and rivers represent the region’s valuable resources. Rock formations present some mining potential that could benefit the region economically. Furthermore, the soil, underground aquifers, springs, and perennial rivers have a major influence on agricultural production and tourism in the region. Kunene Region is a paradise of geological formations dating back to 250 million years with interesting spectacular rock formations that are clearly exposed. Equally so, the region consists of a great variety of rock formations, most of them are seen in landscapes of valleys, escarpments, mountains, and open plains (see figure 7 below).

Figure 7: Land scape



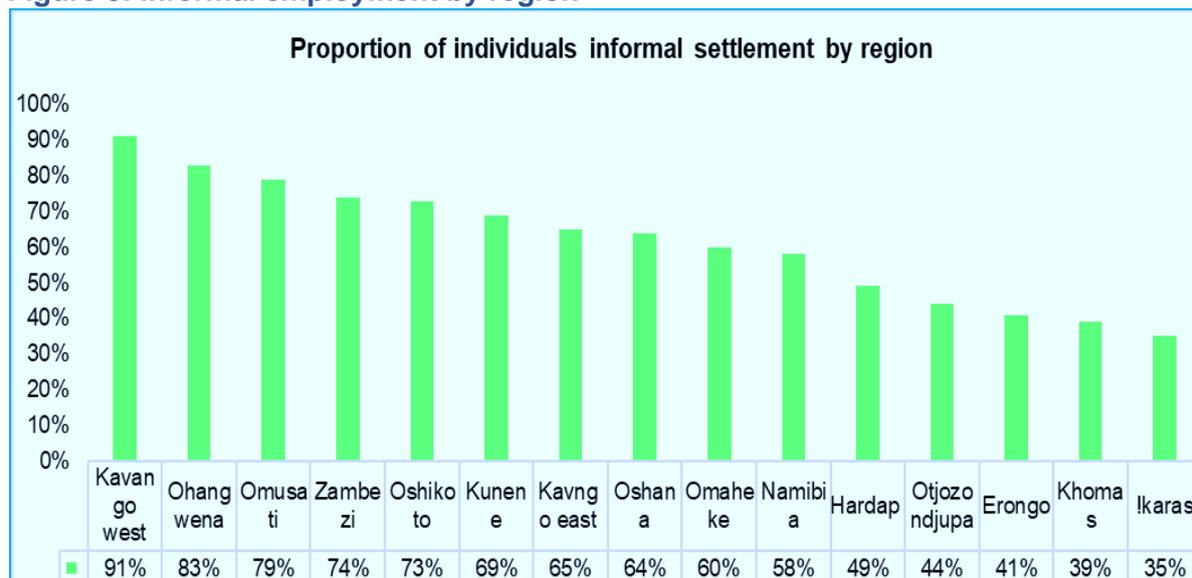
Source: *Kunene development profile*

3. UNEMPLOYMENT LEVELS

3.1. Formal and Informal Employment Situation

The 2018 National Labour Force (NLFS) Survey distinguishes between formal and informal employment with regards to whether an employee is provided with social protection such as a pension scheme, medical aid, and social security. Individuals without the above benefits are said to be informally employed. In the Kunene region, 69 percent of the people are informally employed (see figure 8 below). This is a cause for concern because it is much higher than the national level of 58 percent. Equally so, a large informal sector is positively correlated with low tax revenues, low productivity as well as high poverty and inequalities in the distribution of income and wealth.

Figure 8: Informal employment by region



Source: NLFS 2018

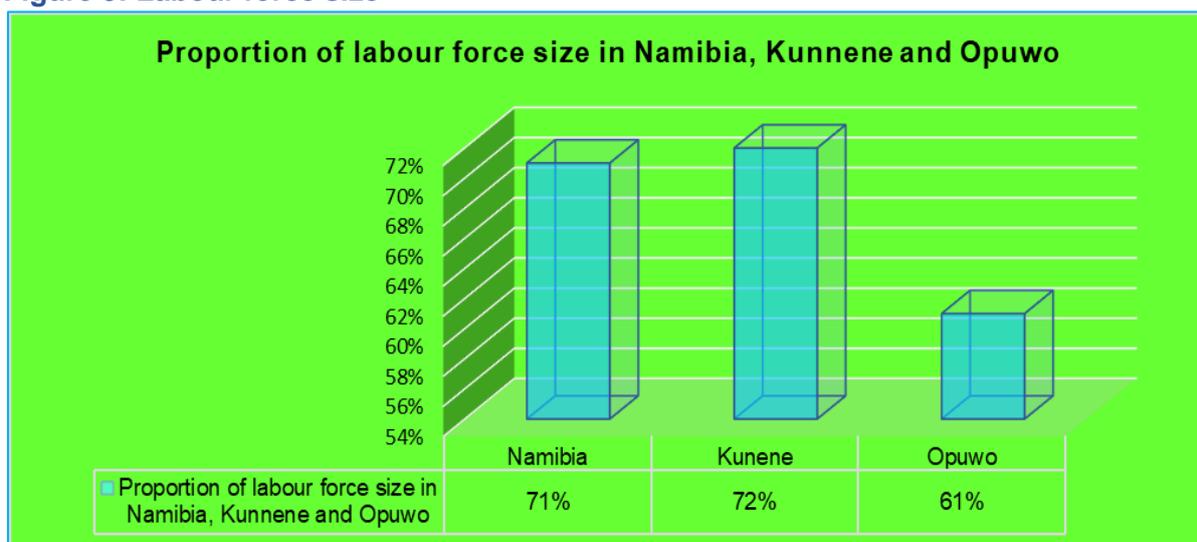
3.2. Unemployment situation

The tourism sector has been the largest contributor to the economy of Opuwo since independence. However, the COVID-19 pandemic which came with lock downs and restrictions of movements of people around the world negatively impacted the industry and town’s economy. Therefore, out of the total labor force composition of 22,427 in Opuwo, we estimate about 15,474 individuals to be unemployed. This translates to an unemployment rate of 69 percent. At this rate, the unemployment rate for Opuwo is way above the 34 percent national unemployment rate.

3.3. Labour Force Population in Opuwo

This research estimates the labour force size of Opuwo to be 22,427 which translates to a labour force participation rate (LFPR) of 61 percent. LFPR illustrates the proportion of the working age population who are employed, therefore, the higher the rate the better. In the case of LFPR, Opuwo is slightly lower than the national level, an indication that fewer people in Opuwo are part of the economy’s active workforce. Figure 10 below shows the percentage of LFPR for Namibia, Kunene region and the town of Opuwo. Opuwo LFPR is slightly lower than both the National and regional LFPR, with 71 and 74 percent respectively (see figure 9).

Figure 9: Labour force size



Source: LFS (2018), 2011 National Census & First Capital Research

4. SOURCES OF INCOME

Sources of income give an overview of how economic resources are distributed. An analysis of the sources of income provides an insight into how households make a living. Table 2 below presents the sources of income for Namibia, Kunene region and the town of Opuwo. The table further shows that salaries and wages dominate the sources of income for both categories representing 72 percent, 31.8 percent, 44 and 52 percent for urban Namibia, rural Namibia, Kunene region and Opuwo respectively. In addition, 10 percent of the population are dependent on old age pensions, 6 percent on cash remittances and 5 percent on businesses. Notably however, only 0.5 percent of the population depend on farming for a living.

Table 2: Sources of income

| | Salaries and wages | Cash remittance | Business, Non-banking | Old age pension | Farming |
|---------------|--------------------|-----------------|-----------------------|-----------------|---------|
| Namibia urban | 72.0% | 7.3% | 11.0% | 4.0% | 0.10% |
| Namibia rural | 31.8% | 12.4% | 6.4% | 19.3% | 0.60% |
| Kunene | 44.0% | 9.0% | 6.5% | 11.6% | 0.30% |
| Opuwo | 52.0% | 6.0% | 5.0% | 10.0% | 0.5% |

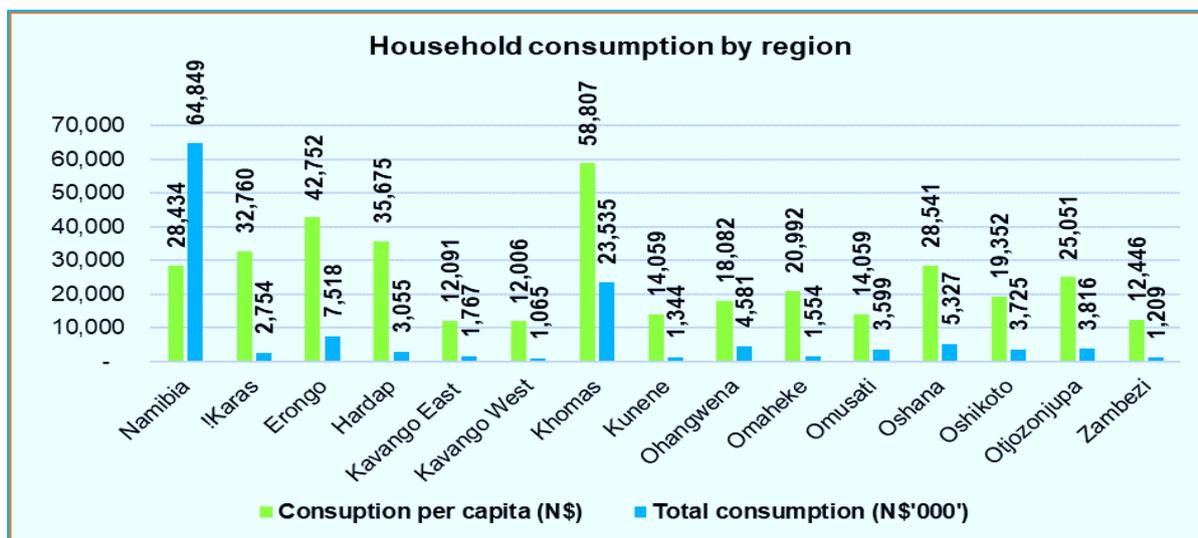
Source: NHIES and First capital research

5. ANNUAL CONSUMPTION BY REGION

This research uses the annual consumption by region as a proxy for the demand for goods and services in the region. Thus, a region with a higher regional annual consumption is said to have a higher demand for goods and services. On the figure below, total consumption is in

millions while consumption per head is in thousands. The 2015/16 NHIES revealed that Khomas region has the highest demand for goods and services in Namibia, followed by Erongo, Oshana, and Ohangwena with consumption levels of N\$ 7.5 million, N\$ 5.2 million and N\$ 4.6 million respectively. Most notably, Kunene region has an annual consumption of N\$1.3 million, it the region with the third highest consumption in the town (figure 10)

Figure10: household consumption by region



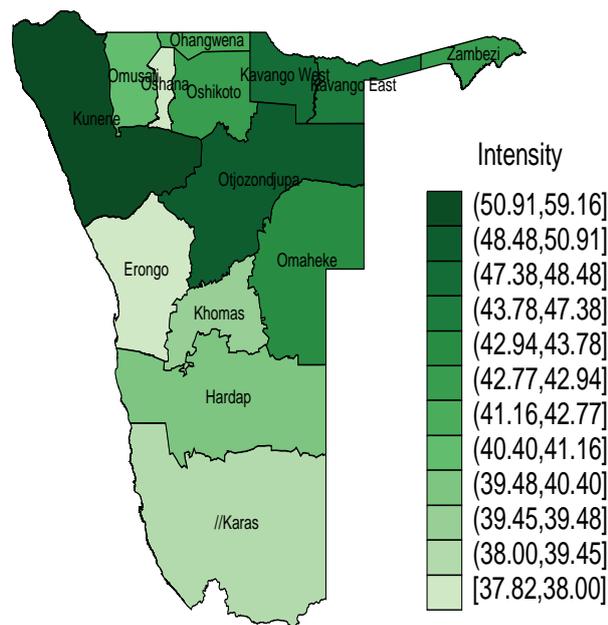
Source: 2015/16 NHIES

6. POVERTY INCIDENCE

Several countries define poverty as the lack of income. However, those who are poor themselves consider their experience of poverty much more broadly. For instance, a poor person can be disadvantaged in several ways at the same time. These may be poor health or malnutrition, a lack of clean water or electricity, poor quality of work or little schooling. Focusing on one factor alone, such as income, is not enough to capture the true reality of poverty. Thus, multidimensional poverty measures can be used to create a more comprehensive picture. It is for that reason that this report uses multidimensional poverty as a measure of poverty across the 14 administrative regions of the country.

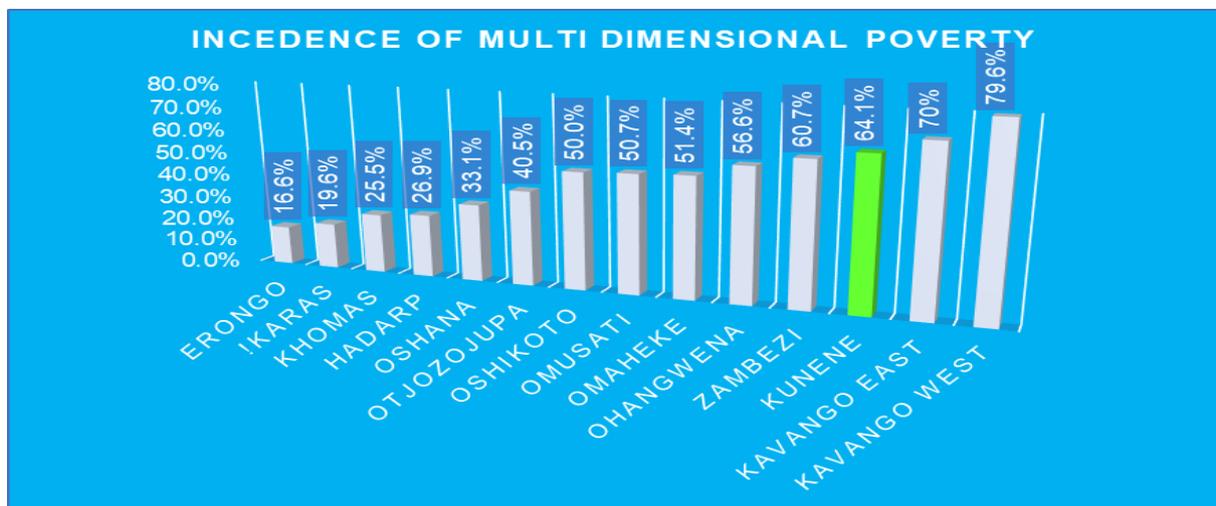
Figure 11 below shows that Kavango West, Kavango East and the Kunene region have the highest rates of both the prevalence and depth of multidimensional poverty. Evidently, the incidence of multidimensional poverty by region in the country is the highest in Kavango East, followed by Kavango West and then Kunene regions with 79.6, 70 and 64.1 percent respectively. On the other hand, !Karas region and Erongo regions are among the regions with the lowest rates for both the incidence and the severity of multidimensional poverty in the country (see figure 12).

Figure 11: Number of poor households



Source: Namibia Statistics Agency (NSA)/ United Nations Children’s Fund (UNICEF) 2021 MPI REPORT

Figure 12: Incidence of multidimensional poverty by region



Source: NSA/ UNICEF 2021 MPI REPORT

6.1 Poverty in opuwo

The Himba people are predominantly farmers. They raise different breeds of livestock such as goats, cattle, and sheep. The women collect firewood, search for water, cook and serve meals, and skillfully make things by hand. Some members of the tribe are religious and socially

inclined, worshipping the gods of their ancestors. They can be polygamous, marrying many of their girls at an early age. A lot of people lost their livestock due to drought that occurred for 10 years from 2011 to 2021. As a result, they had to move to town to better their living conditions. Figure 13 and 14 below shows the housing conditions of two families in Opuwo.

Figure13: Picture of Himba people at their house



Source: FC research

Figure 14: Picture of a women with three of her kids in front of their house

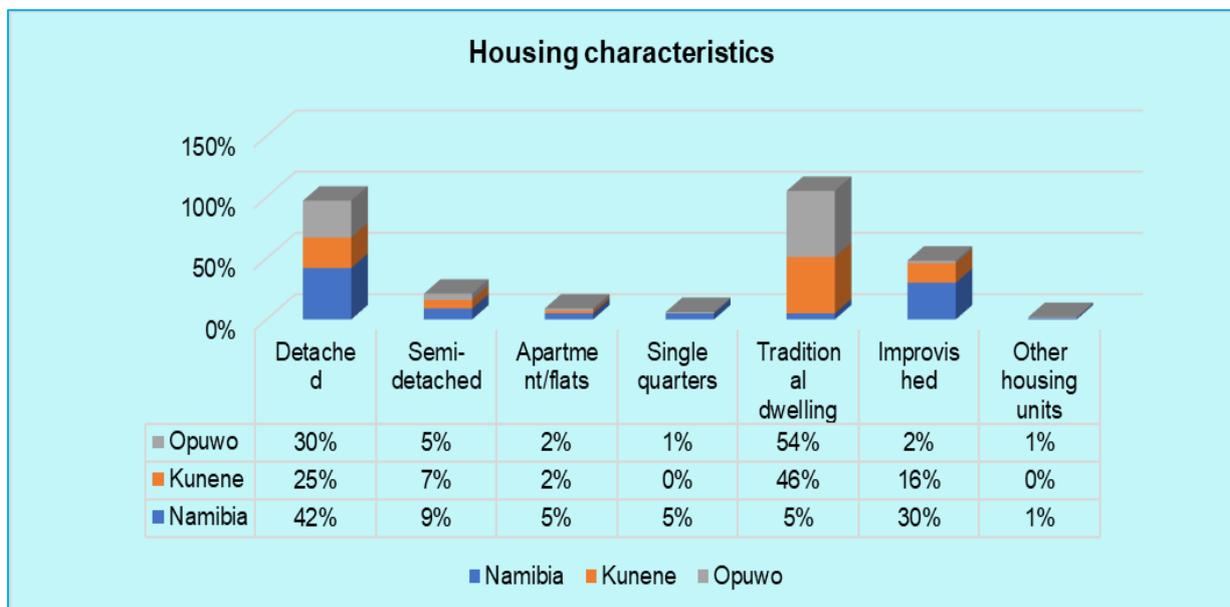


Source: FC research

7. HOUSING SITUATION

Over the years the town council of Opuwo has made considerable progress towards the delivery of housing and the provision of serviced land. For instance, during the 2020/21 financial year, 75 houses were constructed under Private Partnership Agreements and 68 plots were serviced. Figure 15 below, gives an overview of the characteristics of houses in Opuwo. Surprisingly, most houses in the town are traditional dwellings (54 percent), followed by detached houses (30 percent) and then semi-detached houses (5 percent) (see figure 15 below).

Figure 15: Housing characteristics



Source: 2015/16 NHIES, 2011 National Census & First Capital Research

In addition to figure 16, the pictures below show three main types of structures in Opuwo. The first picture shows houses in a middle-income settlement, while the second and third as well as the fourth presents houses for poor households.

Figure 16: Housing characteristics in Opuwo



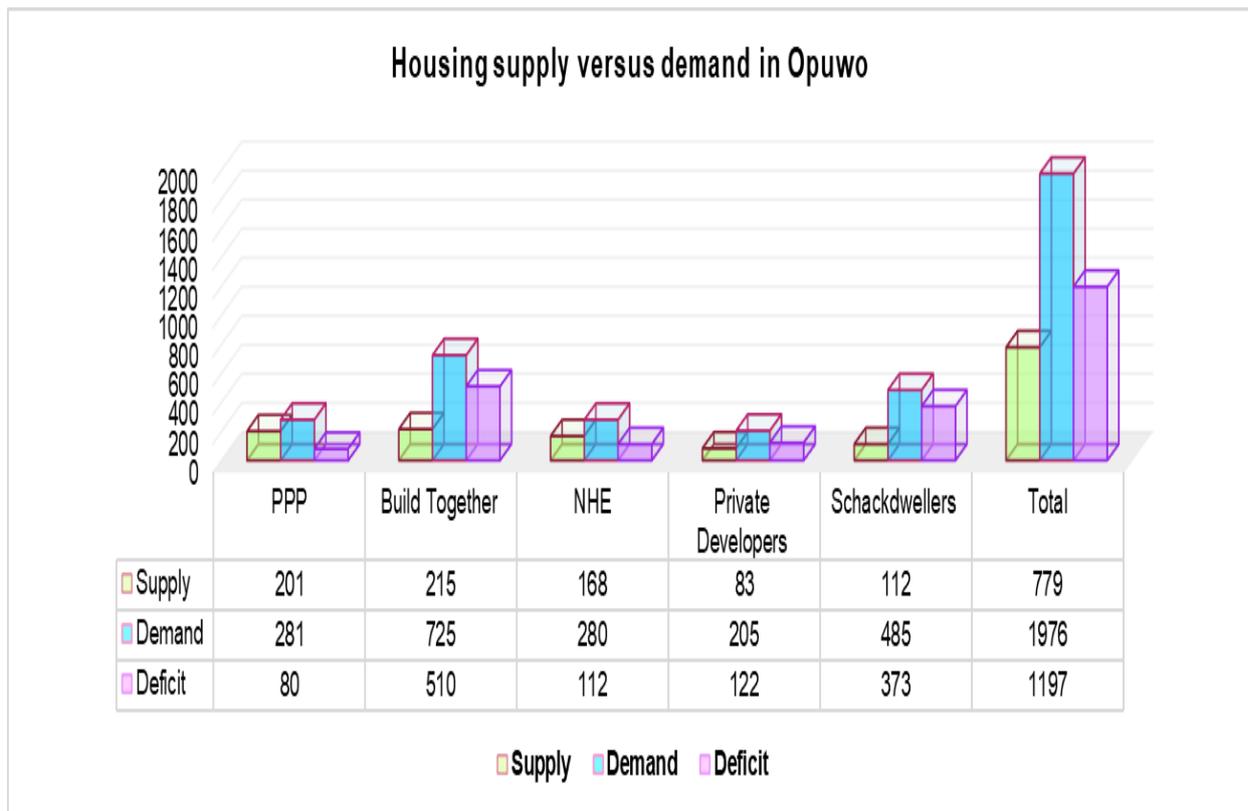
Source: Opuwo town council Facebook page

7.1. Supply versus demand for houses in Opuwo

This report uses the number of households on the waiting list of various respective building schemes in the town as a proxy for the demand for houses. Using this method, the total demand for housing in Opuwo is 1,976. This is comprised of a total of 485 people that live in impoverished houses (see figure 17). Moreover, figure 17 presents the number of those who applied for houses through various housing schemes in Opuwo and the number of houses supplied by these respective housing schemes. These are Public Private Partnership agreements (PPP), build together, NHE, private developers and the Schack dweller federation.

All in all, 281 residents applied for houses under the Public Private Partnership agreements, 725 under the build together program, 280 are on NHE's waiting list while 485 applied for housing under the Schack dweller federation. Figure 17 further shows that there is house deficit of 80, 510, 112, 122 and 373 under the PPP, build together, NHE, private developers and schackdweller federation respectively.

Figure 17: Supply versus demand for houses in Opuwo



Source: Opuwo Town Council

SECTORIAL ANALYSIS

8. PRIMARY SECTOR ACTIVITIES

This section summarizes economic activities in Opuwo and Kunene region.

8.1 Agricultural activities

8.1.1. Livestock Production and Programs for Sustainability

The most common agricultural activities in Kunene region are small stock farming, livestock, poultry, and horticulture. A significant number of residents interviewed indicated to be involved in either one or most of the common agricultural activities mentioned above. This was in line with the findings of the Household Income and Expenditure survey done in 2015/16 which found that most households or families living in the region were engaged in agricultural activities. Specifically, the 2015/16 NHIES shows that 12.2 and 2.4 percent of households living in Kunene region were engaged in livestock and crop farming activities while only 1.4 percent of the households were engaged in poultry farming activities (See table 3 below).

Table 3: Size of Households engaged in Agricultural Farming

| | Namibia | Kunene Region | Opuwo | Khorixas |
|---|---------|---------------|-------|----------|
| Livestock | 25.1% | 41.1% | 49.6% | 32.8% |
| Crops | 32.8% | 26.2% | 40.2% | 53.0% |
| Poultry | 13.5% | 6.0% | 4.8% | 1.8% |
| Others (Horticulture, Agro Processing)) | 1.7% | 2.0% | 2.0% | 2.0% |

Source: 2015/16 NHIES, 2011 National Census, Regional Reports and FC Research

8.1.2. Crop Farming Activities

Crop production in Namibia is dominated by the production of three crops namely: Maize, Mahangu and Wheat. Crop and vegetable production require good soil fertility, temperature and enough rain or sufficient water supply. However, Opuwo and its surrounding rural areas are not conducive for crop production due to the rocky soil type and low rainfall. Kunene Region especially Opuwo suffered from drought for 10 years consecutively. However, in 2018, the MAAF came up with an initiative to assist farmers. Beneficiaries were assisted with seedlings, irrigation pipes and water tanks which the ministry distributed.

8.1.3 Livestock Farming Activities

In Kunene Region, livestock farming is one of the key sources of livelihood to many rural households. The trading of animals during formal auctions especially in Outjo, Kamanjab,

Khorixas and informal sales in Opuwo, creates a source of income for farmers residing in these constituencies.

Equally important, the selling of animals from Kunene Region especially Kunene south to neighboring countries like Angola continues to boost the economy of the region. In support of the industry, the Government established 5 Quarantine camps to improve the quality and health of animals marketed: namely, at Swartbooi Drift, Ehomba, Khowarib, Condor, Palmwag, Otjakati and Omutambo-maowe, which is situated in Omusati region but under the jurisdiction of Opuwo state veterinary office.

8.1.4 Small stock farming

Cattle and Goats are the most common type of livestock in Kunene region. The total stock of cattle and goats in Kunene region is about 288,261 and 455,464 respectively. The table below depicts the number of livestock in Zambezi region, Oshana region, Omusati region, Ohangwena region, Oshikoto region, Kavango East and Kavango West regions as well as the in the Kunene region. Evidently, Kunene region with 455,464 goats has the highest number of goats in comparison to other regions and Kavango East has the least number of goats (858). The stock of sheep in Kunene region is 260,327 (see table 4 below).

Table 4: Livestock by region

| | Cattle | Sheep | | | Total | Goats | | |
|------------------|----------------|---------|------------|----------------|----------------|--------|---------------|----------------|
| | Total | Karakul | Dorper | Others | | Angora | Boerbok | Other |
| Zambezi Region | 172,467 | | | 302 | 3,020 | | | 61,636 |
| Oshana Region | 139,573 | | | 3,075 | 3,075 | | | 67,915 |
| Omusati Region | 299,701 | | | 16,921 | 16,921 | | | 211,411 |
| Ohangwena Region | 359,419 | | | 1,351 | 1,351 | | | 317,699 |
| Oshikoto Region | 228,110 | | | 6,165 | 6,165 | | | 5,547 |
| Kavango East | 4,124 | | | 10 | 10 | | | 858 |
| Kavango West | 120,778 | | | 250 | 250 | | | 46,400 |
| Kunene | 288,261 | | 135 | 260,192 | 260,327 | | 38,239 | 455,464 |

Sources: Meat Board of Namibia & Ministry of Agriculture

8.1.5 Wildlife animals' farming

The great Kunene is home to prominent number of wildlife conservancies which contributes significantly to Namibia's tourism industry. An example of these is the Etosha national park which is among the largest national parks in Africa. It was proclaimed a game reserve in March 1907 and elevated to the status of a national park in 1967. The Etosha national park has a total area of 22,270 square kilometer and gets its name from the large Etosha pan which is within the park.

Etosha is home to hundreds of species of mammals, birds, and reptiles, including several threatened and endangered species such as the black rhinoceros. Moreover, other conservancies in the region are: Otjindjere in the Opuwo urban constituency; Otjikongo in the Opuwo rural constituency and Ombombo Masitu in the Epupa constituency. These conservancies have diverse wildlife, particularly elephants and Kudu, including key species such as lions, elephants, and black rhinoceroses.

8.2 Opuwo Farmers Challenge

8.2.1 Drought

The Kunene region experienced persistent drought for the past 10 years except for 2022. Subsequently, the situation forced farmers to migrate from their villages to areas with better grazing for their livestock. Over the years, many cattle and goats have succumbed, leaving most families with no means of income. At initial stages of the drought, affected communities migrated to outskirts of Opuwo where grazing was better, some people moved to areas within the region and others moved their livestock to places outside the region such as Omusati and Oshana. Many carcasses of livestock mostly cattle were observed along many roads especially in Orupembe and Otjinungua areas (see figure 18).

Figure 18: A carcass of a horse that starved to death due to drought



Source: office of the governor of Kunene region

The relocation of livestock has affected the livelihood of the inhabitants more especially the school going children as they were forced to leave school and relocate with their parents. According to a task force consisting of members from the Governor's office and other government agencies most of the areas were very dry without signs of receiving rainfall during the 2021 rainy season. A summary of the observations and classification of the extent of drought in the areas visited is presented in table 5 below.

Table 5: Status of drought in Kunene region by area

| Area visited | Status | Area visited | Status |
|-----------------|----------|---------------------|----------|
| 1. Etanga | Dry | 10. Bersig | Dry |
| 2. Orupembe | Very dry | 11. Deriet | Very dry |
| 3. Serra Cafema | Very dry | 12. Twyfelfontein | Dry |
| 4. Otjinungua | Dry | 13. Sorris-Sorris | Dry |
| 5. Purros | Very dry | 14. Anixab | Dry |
| 6. Sesfontein | Very dry | 15. Khorixas | Dry |
| 7. Warmquelle | Very dry | 16. Otjokavare | Dry |
| 8. Khowarib | Very dry | 17. Omuramba | Very dry |
| 9. Palmwag | Very dry | 18. Okozongombe | Dry |
| 19. Otjamaungu | Dry | 24. Okanguati | Dry |
| 20. Otjimuhaka | Very dry | 25. Kaoko-Otavi | Dry* |
| 21. Enjandi | Very dry | 26. Oruvandjai-West | Dry* |
| 22. Onungurura | Dry | 27. Otjiu-West | Very dry |
| 23. Epupa | Very dry | 28. Okatumba West | Very dry |

Source: Kunene regional council

8.2.2. Lack of Abattoirs

There are no operating abattoirs in Opuwo town. This factor causes strains on farmers who want to slaughter their livestock and sell meat to get profit. Some farmers especially those on the outskirts of the town have resorted to self-slaughter which in most cases causes' meat to rot since there are no facilities to cool or freeze the meat. However, the Ministry of Agriculture has been upgrading the Opuwo abattoir from June last year. The upgrade is scheduled to be complete by December 2022 and is expected to start operations in January 2023.

8.2.3. Distance to Auctioning Venues

Farmers who live in the surrounding villages are challenged by the distance to auction venues. The distance also causes farmers to incur high transport costs when transporting their animals for auction. Some farmers have resorted to walking their livestock from the village to Opuwo to eliminate the associated transport costs.

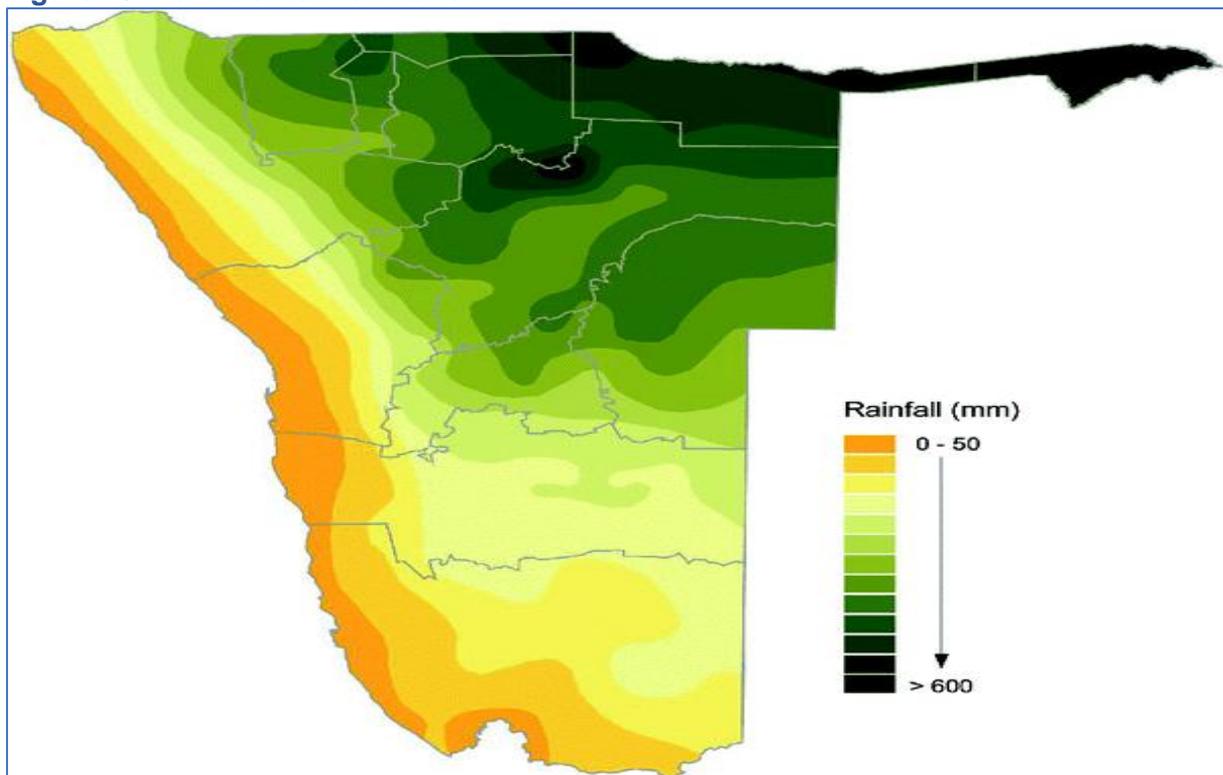
8.2.4. High Utilities Cost

Farmers, especially those involved in crop production who own irrigation facilities incur high electricity and water costs. Some framers are far from the town which makes it difficult to be connected to the town council water. Alternatively, these farmers have been pumping water from the Kunene River which is about 180 kilometers from the town. This process is costly, especially the equipment required. In the case of electricity most farmers around the town use solar energy, and costs are usually only those for buying the required solar equipment.

8.3 Rainfall patterns

There is not much rainfall in Opuwo all year long. The average temperature in Opuwo is 22.8 °C, precipitation is about 464 mm/18.3 inch per year. In 2022, the highest number of rainy days was recorded in March (14.73 days) and the lowest number in June (0.03 mm). Figure 19 below presents the rainfall patterns in Namibia. The dark areas show regions with higher rainfall and the orange and yellow areas shows low to average rainfall patterns. As expected, Zambezi and Kavango regions fall in the dark category which shows us that they receive more than 600mm of rainfall on an annual basis.

Figure 19: Namibia Rainfall Pattern

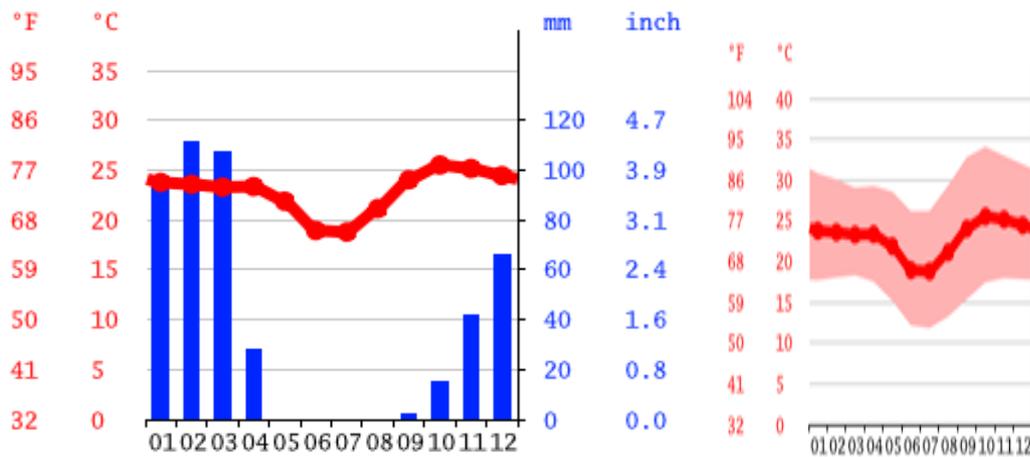


Source: Meteorological Service of Namibia

8.4. Temperature Patterns

The climate in Opuwo is referred to as a local steppe climate. The average temperature in Opuwo is 22.8 °C/ 73.1 °F. The temperatures are the highest in October, at around 25.5 °C | 77.9 °F while July is the coldest month of the year. According to the figure below, March (58.67 percent) has the highest relative humidity and September has the lowest relative humidity (19.29 percent) (See the figure 20 below).

Figure 20: Opuwo Average Temperature in Degree Celsius (m/s)



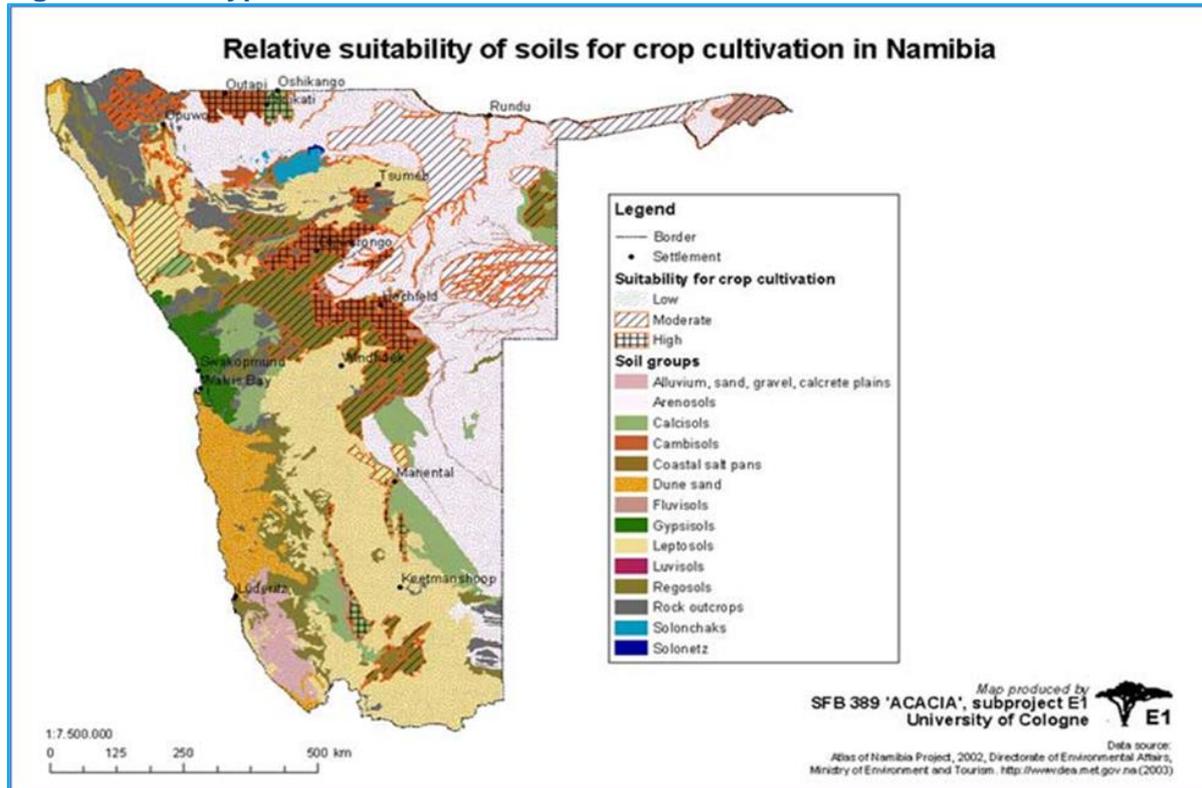
Source: *Weather Sparks & Climate _Data.org*

8.5. Soil Types

Kunene Region’s physical geography is one of the virgin landscapes in the entire country. The natural mountainous landscape, rocks, minerals, soil, underground water, springs, and rivers represent the region’s valuable resources. Rock formations present mining potential that could benefit the region economically. The soil, underground aquifers, springs, and perennial rivers have a major influence on agricultural production and tourism in the region.

Kunene Region is a paradise of geological formations dating back to 250 million years. The region has interesting spectacular rock formations that are clearly exposed. The region consists of a great variety of rock formations, most of them exposed in landscapes of valleys, escarpments, mountains, and open plains (see figure 21).

Figure 21: Soil types

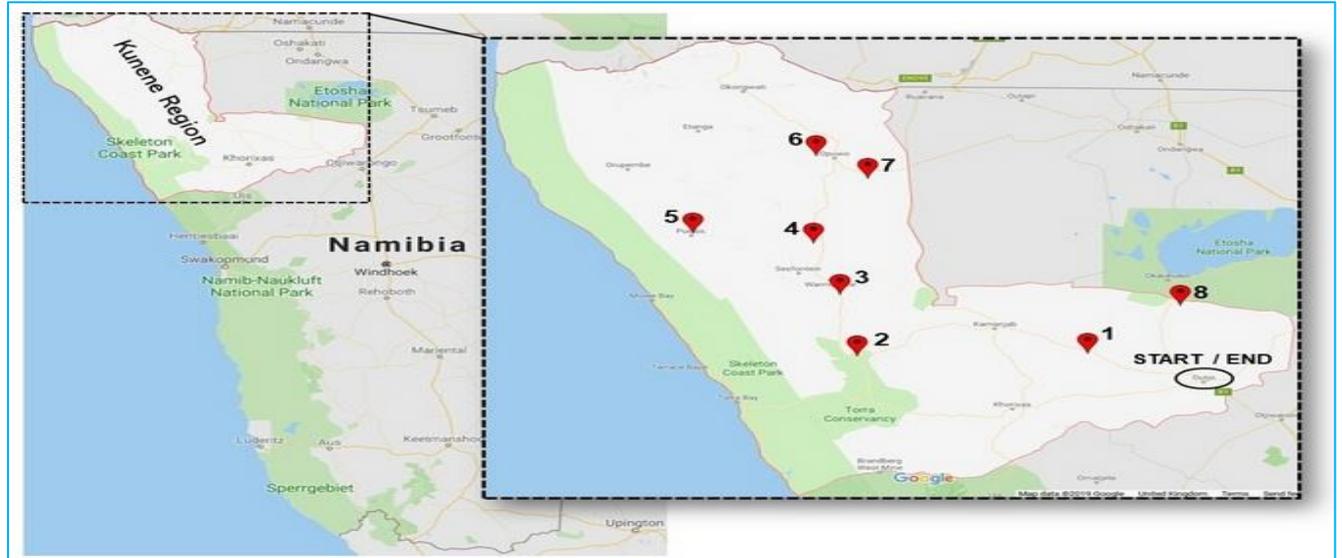


Source: University of Cologne

8.6. Mining and quarrying activities

Two of the most prominent mines in Opuwo are Omaue and Okumisira mine. The Omaue mine is situated 78 kilometers southeast of Opuwo and produces white stones used for tombstone related products. Equally so, Okomisira mine is situated about 90km north of Opuwo, it produces beryl commodities composed of sodalites. Other minerals found in the area include rare secondary bismuth species such as bismuth-rich mottramite, beyerite and bismutite. Other smaller scale mines sourcing rare minerals such as shattuckite, barite, anglesite and wulfenite are the Okandawasi, Onderra, Ongankwa and Kandesei pit and the Van der Plas and Otuani. See figure 22 for their respective geographical locations.

Figure 22: Location of mines in Kunene



Sources: Wikipedia

8.6.1 The Opuwo cobalt-copper project

This is currently under the exploration phase. The Opuwo cobalt-copper project currently employs between 10 to 20 people from nearby villages. The project has solid infrastructure including accommodation, fuel, and other essential supplies. Power is supplied by the nearby 320 MW Ruacana hydro power station, with a 66 kV transmission line running through the project.

Celsius Resources Limited raised the mineral resource estimate at its Opuwo cobalt-copper project in Namibia following a technical and commercial re-evaluation of the project. The updated mineral resource estimate covers a zone of approximately 13.5 kilometers. A capacity of 259,000 tons of cobalt is expected, which makes it possible for the town to be a significant battery metal supplier in the short to medium term (figure 23).

Figure 23: Location of Opuwo cobalt copper project



Source: Mining.com.au

9. SECONDARY SECTOR

In this section, we highlight the economic activities paying special attention to the processing and manufacturing of products for final consumption, costs of doing business and the education sector in the town.

9.1 Manufacturing and processing activities

There is little to no value addition in Opuwo. Opuwo rural constituency's main economic activities are in agriculture, communal livestock farming, trophy hunting, and Opuwo cobalt-copper project which will employ between 400 to 600 personnel once operations commence. Communal farmers generally sell their livestock through Meatco auctions and bargaining with Angolians and local people from the northern urban areas engaged in "kapana" businesses. The constituency is rich in minerals gems/precious natural stones, copper, and iron ore, but they are not yet fully explored to the benefit of the local people. The discovery of iron ore and copper in the mountains around the Opuwo town puts the town in a favorable position for the establishment of processing plants and industrial areas. This will result in job creation and value addition development of a manufacturing sector for its products, such as steel factories and others.

9.2. Electricity supply

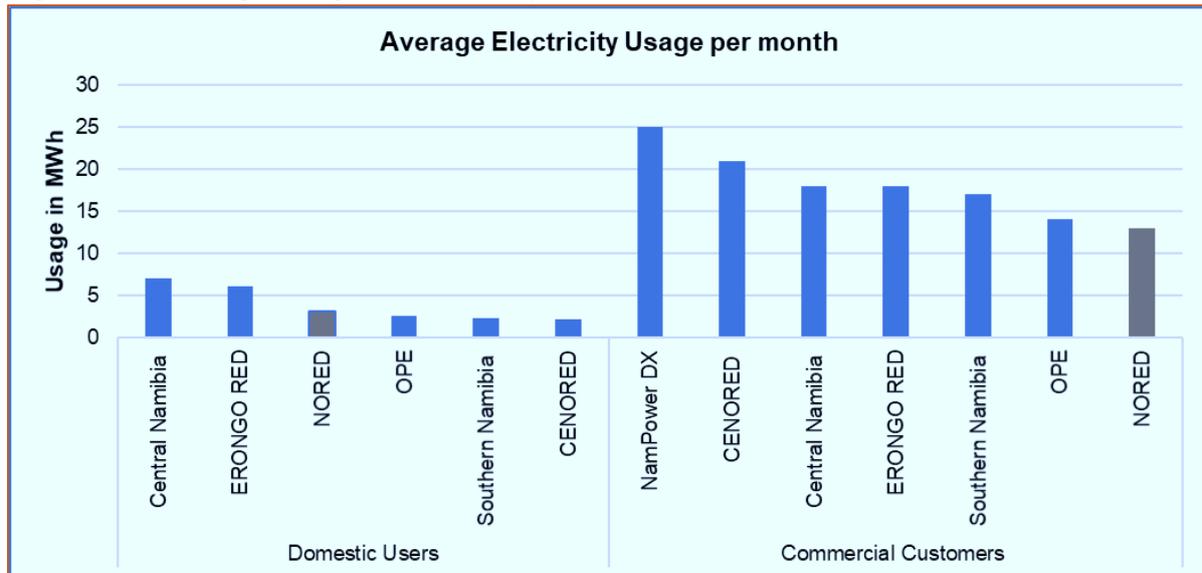
9.2.1. Electricity generation

Dams and weirs allow for hydropower generation along the course of the Kunene River. The current total of installed capacity along the river is 350 MW. This is however underutilized given the potential power generation capacity of over 2 300 MW along the river. Electricity is generated by Nampower and distributed by NORED to residents in Opuwo.

9.2.2. Electricity Usage

Individuals in Namibia use an average of 4-megawatt of electricity per hour on an annual basis. This translates into 333-kilowatt monthly. However, in Opuwo, an average of 9,765MWh, 3,615 MWh, and 2, 128MWh was used by residents, businesses, and places of worship respectively in 2021. Households use an average of 130 KWh of electricity monthly which costs them about N\$ 300.00 based on the Electricity Control Board's tariffs which are in effect from the 1st of February 2022 (see figure 24).

Figure 24: Average usage of electricity

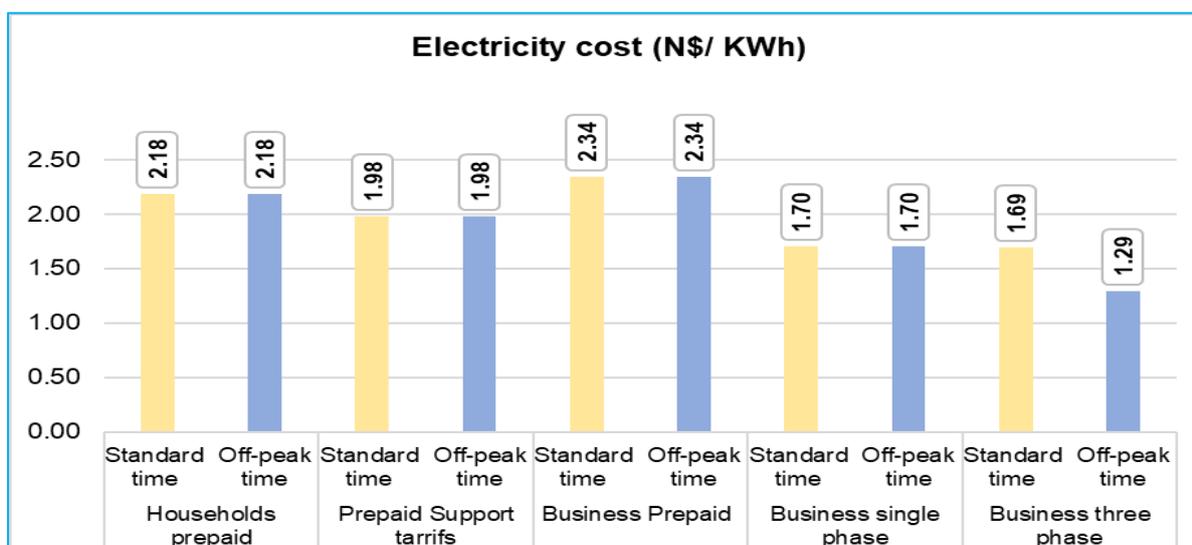


Source: ECB

9.2.3 The Cost of Electricity

The electricity charge to customers for the supply of electricity are the prices set out in the appropriate tariffs specified in the NORED Electricity tariff Schedule approved by the electricity control board of Namibia. The ECB approved a tariff increase of 3.3 percent which has been in effect from the 1st of February this year. Fortunately, the charge per KWH for households with prepaid electricity is the same during standard and off-peak time (N\$2.18). This helps reduce the cost of electricity to households. Equally so, the cost of electricity to pensioners is subsidized which reduces their cost to N\$ 1.98 per KWH. Surprisingly, businesses pay lesser tariffs than households. Their tariffs are in two categories namely the business single phase and the business three phase. The single-phase electricity charge is N\$ 1.70 throughout the day while the business three phase electricity charge is N\$1.69 and N\$1.29 during standard and off-peak time respectively (see figure 25 below).

Figure 25: Electricity charges

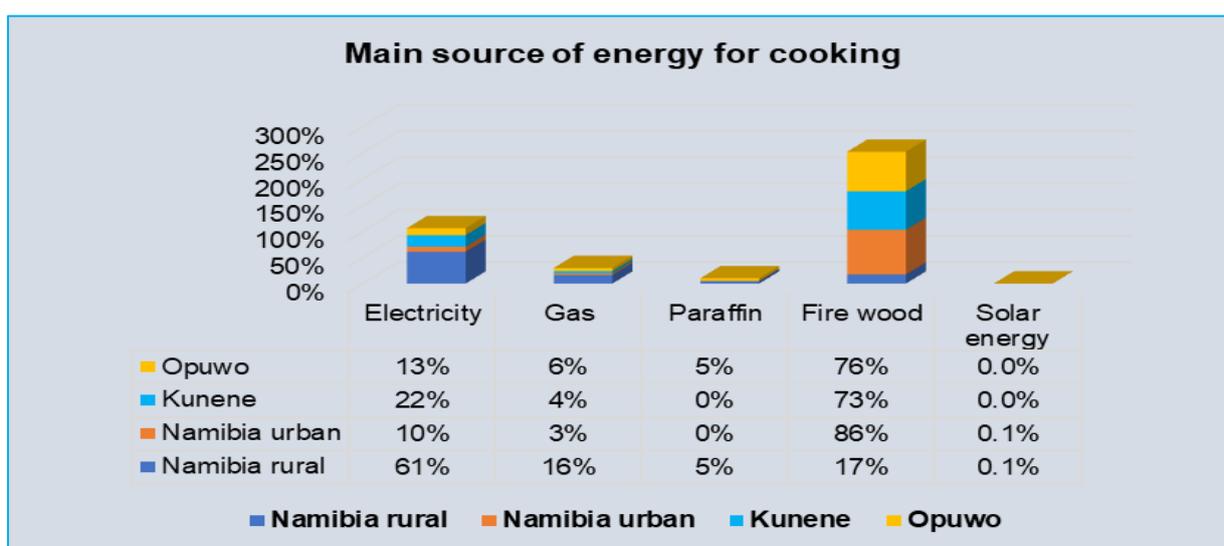


Source: NORED

9.2.4 Source of energy for cooking

The figure below shows that 61 percent of Namibians use electricity for cooking, 5 percent use paraffin, and 17 percent use firewood. At the regional level however, only 22 percent of residents use electricity for cooking in the Kunene region in contrast to 73 percent who use firewood. Opuwo follows a similar trend with the highest proportion of the population using firewood (76 percent) and fewer people using electricity (13 percent). This is among the reasons why their monthly electricity bill is low (N\$ 300) as stipulated above (see figure 26).

Figure 26: Main sources of energy for cooking



SOURCE: 2015/2016 NHIES and First Capita Research

9.3 Water supply

9.3.1. Water consumption

In Opuwo, households consume between 10 to 20 cubic meters, businesses between 85 and 150 cubic meters, schools between 200 and 400 cubic meters and hospitals between 3500 and 4500 cubic meters of water monthly.

9.3.2. Access to tap water

According to the town council of Opuwo, about 4 000 households out of an estimated number of households of 5 178 in the town have access to tap water. This equally means that 77 percent of the population have access to potable water. The 33 percent that don't have access to water such as those in the Epupa informal settlement get the water from nearby taps (See figure 27 below).

Figure 27: A men fetching water from a distance using a wheelbarrow

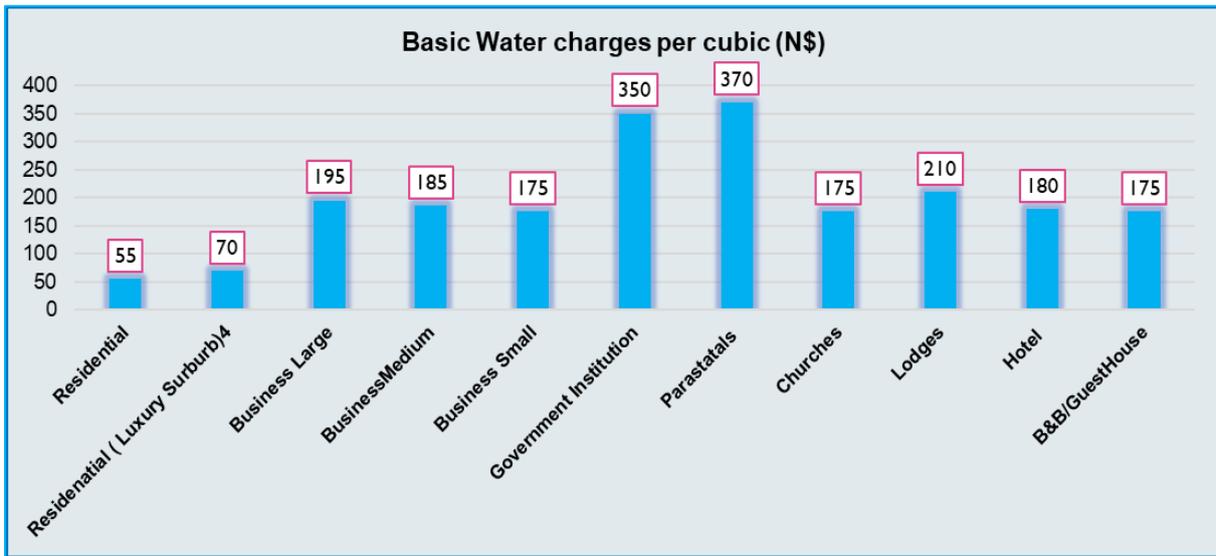


Source: Opuwo towns council Facebook page

9.3.3. Price of water

Figure 28 below summarizes the basic charges incurred by residents in normal and luxury suburbs, by businesses, parastatals, churches, lodges, hotels, and guesthouses. The figure shows that residents are charged N\$ 55 per cubic meter, residents in luxury suburbs pay N\$70 per cubic meter, parastatals are charged N\$ 370 per cubic meter while churches are charged N\$ 175 per cubic meter of water used.

Figure 28: Basic water charges per cubic meter (N\$)



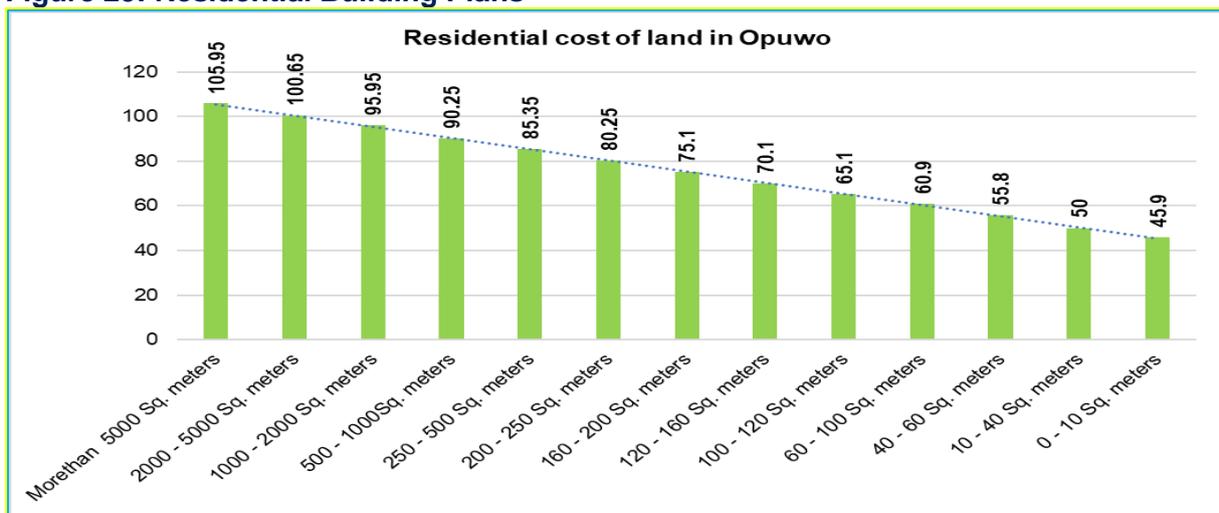
Source: Opuwo town council

9.4. Construction activities

9.4.1. Residential Building Plans

The Town council of Opuwo reviews and approves building plans at a fee charged based on the size and the building structure on the plan. A building plan on land between 0 to 10 square meters is charged at N\$ 45.90 per square meter, while a building plan between 120 and 160 square meters is charged N\$ 70.10 per square meter. The highest charge is that for land more than 5,000 square meters which is charged at N\$ 105.95 per square meter. The larger the size of the land, the higher the cost of a residential building plan (Figure 29).

Figure 29: Residential Building Plans



Source: Opuwo town council

9.4.2 Price of land in Opuwo

Table 6 shows prices at which the town council sells land. Residential plots are sold at N\$ 49.60 and at N\$ 55.60 in luxury suburbs. Institutional, Business, and industrial plots are sold at N\$ 60.90, N\$ 74.3 and N\$ 76.90 (See table 6 below).

Table 6: Land prices per square meter

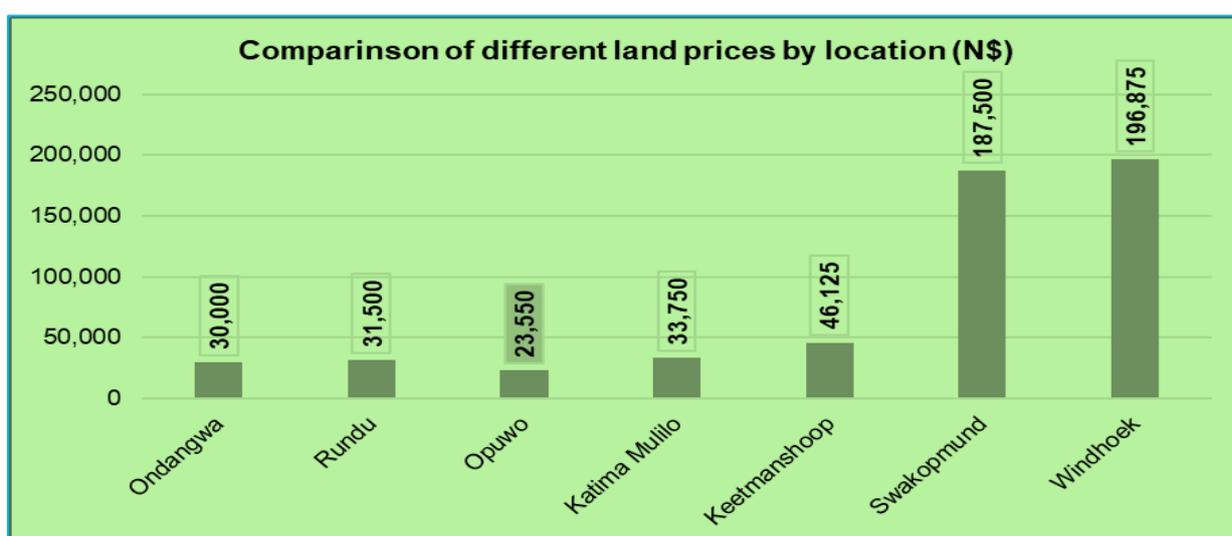
| Selling Of Erven (plots) Per Square Meter (N\$) | |
|--|------|
| Residential | 49.6 |
| Residential In Luxury Suburb | 55.9 |
| Institutional | 60.9 |
| Business | 74.3 |
| Industrial | 76.9 |

Source: Opuwo Town Council

9.4.3. Land prices in different towns

Figure 30 below indicates the average prices for serviced land in different towns in Namibia collected from recent transactions of local authorities from middle income suburb locations in various towns in Namibia. For comparison, the price per square meter of serviced land in each town is multiplied by the standard erven size of 375 square meters which this research finds an ideal area for a standard urban residential erf. Amongst the towns presented below, Windhoek (N\$ 196,875) has the most expensive plots while Opuwo has the cheapest plot costing N\$ 23, 550 followed by Ondangwa where a plot costs N\$ 30,000 (figure 30).

Figure 30: land prices by town



Source: Respective town councils and municipalities

9.5. List of major Government expenditure projects in Opuwo

Table 7 below summaries major capital projects budgeted for Opuwo and the surroundings in the 2022/23-2024/25 for the medium-term expenditure framework. In the 2022/23-2024/25 MTEF the government budgeted to spend a total of N\$ 193,2 million on a land purchase sub-program. This program put special focus on Opuwo rural and is expected to be complete by the end of 2024/25 financial year. While the construction of houses in Namibia (Mass housing development program, built together, shack dwellers federation of Namibia and NHE) is allocated a budget of N\$124,1 million over the same period. The latter of MTEF budget is aimed at addressing the housing shortages in the town. Furthermore, an amount of N\$ 108.2 million has been budgeted for the construction of Opuwo Aerodrome in 2022/23-2024/25 MTEF period. Lastly, N\$16.5 million will be spent on the construction of the Kunene regional headquarters during the 2022/23 financial year.

Table 7: Major capital projects in Opuwo (N\$ 000)

| | Project Name | Implementing Agency | 2022/23 | 2023/24 | 2024/25 | Start date | Completion date |
|----|---|---|---------|---------|---------|-------------|-----------------|
| 1 | Upgrading of Opuwo District Hospital | Health and Social Services | - | 3,000 | 5,000 | 01-Apr-2010 | 31-Mar-2025 |
| 2 | Upgrading of Network Infrastructure and Expansion of IT services to Regional Offices | Works | 255 | 984 | 3,000 | 21-Aug-2022 | 31-Mar-2030 |
| 3 | Renovation of Mureti Secondary School in Opuwo | Education, Arts and Culture | 2,500 | - | 5,000 | 01-Apr-2013 | 31-Mar-2025 |
| 4 | Renovation and Upgrading of Ministry of Agriculture Water and Land Reform (MAWLR) Buildings | Agriculture and Land Reform | 2,573 | 3,000 | 3,000 | 01-Apr-2000 | 31-Mar-2025 |
| 5 | Rehabilitation, Upgrading and Re-construction of oxidation Ponds of Sewer System | Works | 1,300 | 4,000 | 3,090 | 04-Jan-1993 | 31-Mar-2030 |
| 6 | Regional Geographic Mapping | Mines and Energy | 2,000 | 3,000 | 2,000 | 01-Apr-2012 | 31-Mar-2026 |
| 7 | Ongoing Renovations and Minor Capital Renovations | Works | 2,500 | 11,765 | 13,388 | 04-Jan-1993 | 31-Mar-2030 |
| 8 | MICT Office Construction (Regional Offices) | Information and Communication Technology | 8,000 | 22,000 | 30,000 | 01-Apr-2014 | 31-Mar-2026 |
| 9 | Land Purchase Sub-Programme | Agriculture and Land Reform | 61,384 | 61,412 | 70,412 | 01-Apr-2016 | 31-Mar-2025 |
| 10 | Extension, Upgrading and Construction of Regional Offices, Sub-Offices and Workshops | Works | 1,000 | 5,000 | 5,449 | 04-Jan-1993 | 31-Mar-2030 |
| 11 | Extension and Upgrading of the Meteorological Service Facilities | Transport | 2,998 | 2,000 | 54,000 | 01-Apr-2004 | 31-Mar-2030 |
| 12 | Expansion of Intranet and Implementation of E-Governance for MAWLR | Agriculture and Land Reform | 3,000 | 3,000 | 3,000 | 01-Apr-2008 | 31-Mar-2025 |
| 13 | Construction of Services Infrastructure in Opuwo | Urban and Rural Development | 1,419 | 3,476 | 3,360 | 01-Apr-2017 | 31-Mar-2025 |
| 14 | construction of Rural Development Centre Kunene Region | Urban and Rural Development | - | 1,000 | 1,000 | 01-Apr-2022 | 31-Mar-2025 |
| 15 | Construction of Regional Headquarters in Kunene | Home Affairs, Immigration, Safety and Security | 16,500 | 7,000 | - | 01-Apr-2015 | 31-Mar-2025 |
| 16 | Construction of Opuwo Aerodrome | Transport | 4,000 | 1,200 | 103,000 | 01-Mar-2012 | 31-Mar-2030 |
| 17 | Construction of Kunene Regional Office | Home Affairs, Immigration, Safety and Security | - | 1,600 | - | 01-Apr-2020 | 31-Mar-2025 |
| 18 | Construction of Houses in Namibia (Mass housing Development Programme, Built Together, Schack Dwellers Federation of Namibia and NHE) | Urban and Rural Development | 40,561 | 41,778 | 41,778 | 01-Apr-2013 | 1-Apr-2030 |
| 19 | Construction of a primary school at otuzemba | Education, Arts and Culture | 25,000 | 5,000 | - | 01-Apr-2014 | 31-Mar-2025 |
| 20 | Construction and Renovation of Homes of Safety and Shelters | Gender Equality, Poverty Eradication and Social Welfare | 500 | 500 | 520 | 01-Apr-2018 | 31-Mar-2025 |
| 21 | Comprehensive Conservation Agriculture Programme for Namibia | Agriculture and Land Reform | 3,000 | 3,000 | 3,000 | 01-Apr-2015 | 31-Mar-2025 |
| 22 | Beef Value Chain Development in the Northern Central Areas | Agriculture and Land Reform | 6,000 | 5,000 | 5,000 | 01-Apr-2012 | 31-Mar-2025 |

Source: MOF

9.6. Regional allocations over the medium term

Khomas region received the highest allocation over the MTEF period, which is 30 percent of the total Budget. This is attributed to major construction projects such as Windhoek-Hosea Kutako Road, Windhoek-Okahandja Road, construction of services (sanitation) and the on-going office blocks and other services in the region. The second highest allocated region is the Erongo region, mainly due to some key on-going Rail, road construction and other projects that are being implemented in the region such as Upgrading of Walvis Bay - Kranzberg Railway line, construction of Swakopmund - Henties Bay - Kamanjab link road and the upgrading of the MR 44: Swakopmund -Walvis Bay Road. Kunene region got N\$ 196 million for the current financial year and can expect to get about N\$ 188 million in the next financial year (Table 8).

Table 8: Regional budget allocations during the medium-term expenditure framework

| Region Name | Inside State Revenue Fund (N\$ 'millions') | | | Outside State Revenue Fund (N\$ 'millions') | | | MTEF Total | MTEF % Share |
|--------------|--|------------------|------------------|---|------------------|------------------|-------------------|--------------|
| | 2022/2023 | 2023/2024 | 2024/2025 | 2022/2023 | 2023/2024 | 2024/2025 | | |
| //Karas | 358,430 | 448,480 | 576,982 | 5,769 | 4,432 | 5,628 | 1,399,721 | 7 |
| Erongo | 1,294,253 | 532,423 | 304,414 | 822,397 | 370,357 | 678,329 | 4,002,173 | 19 |
| Hardap | 186,948 | 264,282 | 303,795 | 6,387 | 4,439 | 5,628 | 771,479 | 4 |
| Kavango East | 107,124 | 122,206 | 107,576 | 106,657 | 170,293 | 133,532 | 747,388 | 3 |
| Kavango West | 146,925 | 173,274 | 198,608 | 5,931 | 4,439 | 11,588 | 540,765 | 3 |
| Khomas | 1,268,708 | 1,151,272 | 1,002,181 | 1,383,639 | 546,753 | 967,649 | 6,320,202 | 30 |
| Kunene | 196,986 | 188,747 | 217,929 | 21,219 | 19,997 | 52,276 | 697,154 | 3 |
| Ohangwena | 162,547 | 168,847 | 193,468 | 20,571 | 20,995 | 23,422 | 589,850 | 3 |
| Omaheke | 173,798 | 283,839 | 300,135 | 34,591 | 32,982 | 49,226 | 874,571 | 4 |
| Omusati | 134,663 | 135,764 | 134,082 | 134,490 | 375,787 | 128,695 | 1,043,481 | 5 |
| Oshana | 160,141 | 250,111 | 322,906 | 79,832 | 132,484 | 105,931 | 1,051,405 | 5 |
| Oshikoto | 137,058 | 131,588 | 137,197 | 34,771 | 31,453 | 45,429 | 517,496 | 2 |
| Otjozondjupa | 516,401 | 477,755 | 417,986 | 18,407 | 64,574 | 22,178 | 1,517,301 | 7 |
| Zambezi | 99,426 | 120,102 | 231,431 | 44,353 | 326,845 | 351,794 | 1,173,951 | 5 |
| Abroad | 54,320 | 51,310 | 51,310 | 0 | 0 | 0 | 156,940 | 1 |
| Total | 4,997,728 | 4,500,000 | 4,500,000 | 2,719,014 | 2,105,830 | 2,581,305 | 21,403,877 | 100 |

Sources: MoF

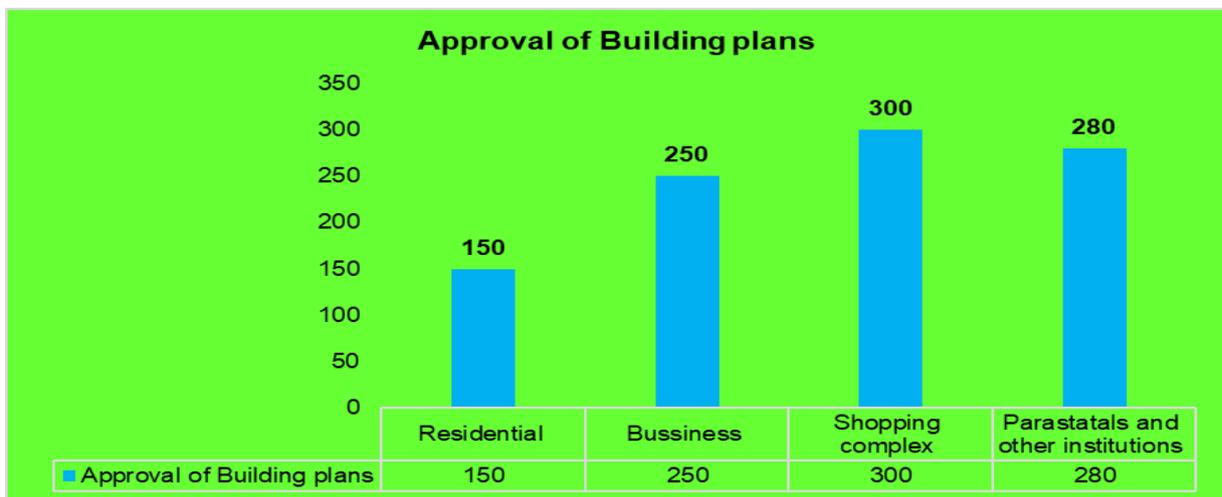
10. SERVICE SECTOR ACTIVITIES

This section summarizes the services activities provided in the town of Opuwo. These services range from educational, health, financial, Tourism, Transport and other administrative services provided by government and related offices.

10.1. Approval of building plans

Businesses are required to submit building plans to the town council for record keeping and assessment. A certain fee is required for a building plan to be approved. The amount paid depends on the type of the building to be constructed (see figure 31 below). Subsequently, for general residential flats, business shopping complex and parastatals N\$150, N \$ 250, N \$ 300 and N \$ 280 respectively is required for building plans.

Figure 31: Approval of building plans

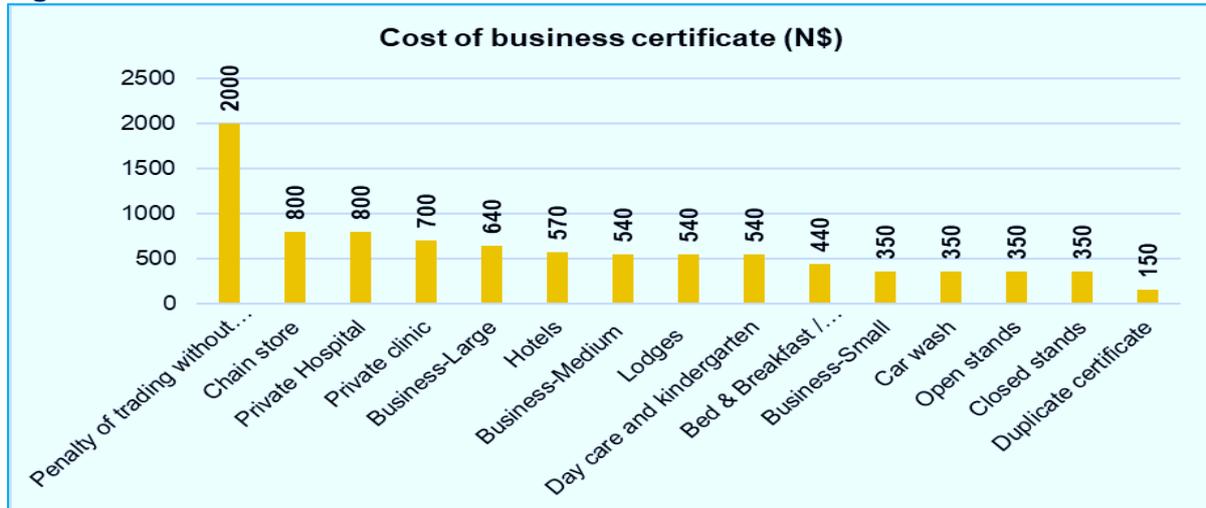


Source: Opuwo town Council

10.2. Cost of business fitness certificates

A fitness certificate is required before conducting any types of businesses in Namibia. This equally applies to Opuwo. The fee for a fitness certificate depends on the type of business except for chain stores and private hospitals which are charged the same fee of N\$ 800 as well as car washes, open stands and closed stands which are all charged N\$ 540. Another exception is for medium businesses, lounges and kindergartens which are charged \$ 540 each. All types of businesses are charged N\$ 150 for a duplicate of a fitness certificate. The penalty for operating without a fitness certificate is a fine of N\$ 2000 (see the figure 32 below).

Figure 32: Cost of business fitness certificates

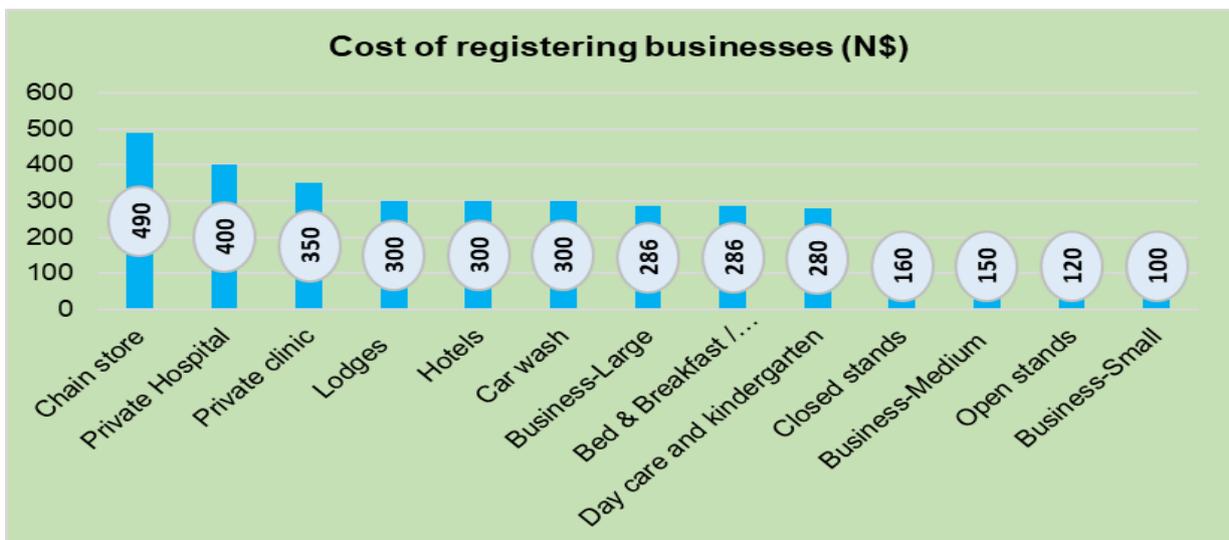


Source: Opuwo town council

10.3. Cost of registering a business

An analysis of data on the cost of registering businesses shows that chain stores pay N\$ 490 for registrations. Private hospitals, private clinics and lodges are charged N\$ 400; N\$ 350 and N\$ 300 for registration while open stands and small businesses pay N\$ 120 and N\$ 100 for registrations respectively. More so, the town council charges entrepreneurs N\$ 286 for registering large businesses and N\$ 300 for hotels and car washes (figure 33).

Figure 33: cost of registering businesses

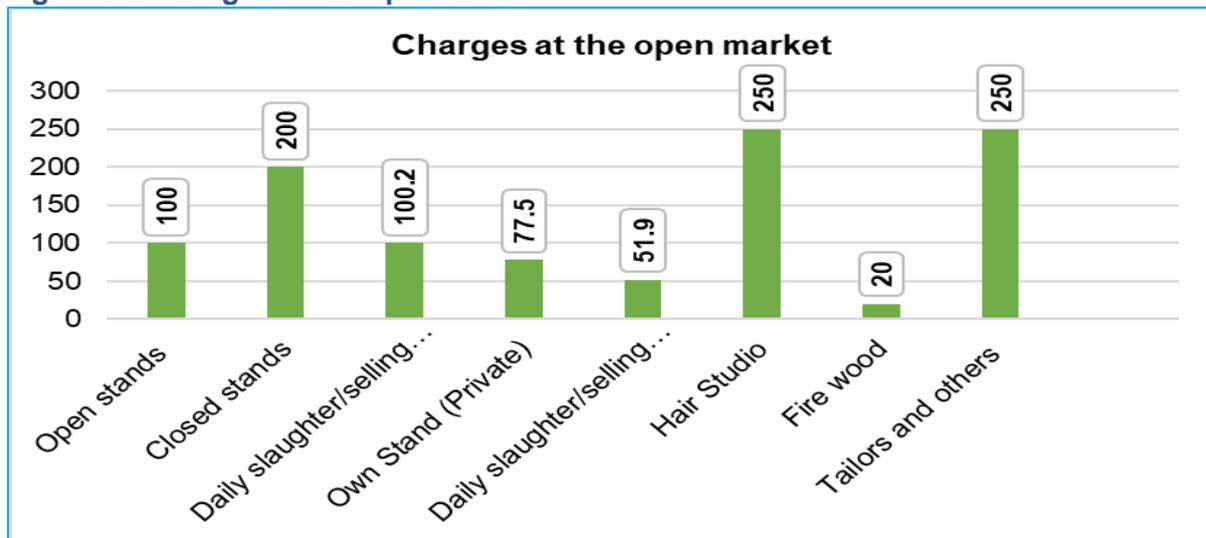


Source: Opuwo town council

10.4 Prices at the open market

There is an open market in Opuwo for use by residents at certain fees depending on the type of business conducted. Figure 34 below presents the amount paid for the use of the open market. Sellers pay N\$ 100, N\$ 200, N\$ 77.50 and N\$ 20 for open stands, closed stands, private stands and for the sale of firewood respectively (see figure 34).

Figure 34: Charges at the open market



Source: Opuwo town council

10.5 The cost of using local recreational facilities

People in Opuwo can access different town council facilities for different occasions. They however pay for the use of these facilities. For using the community hall, they can expect to pay between N\$ 350 and N\$ 500 on each occasion while N\$ 300 is payable for the use of the stadium (see table 9 below). Booking of the community hall is inclusive of the hall's equipment such as chairs, tables, and others. Due to the lack of recreational facilities in the town, the town council is also in a process of constructing a new recreational facility, which is going to be called Opuwo central park. In addition, there are other private recreational facilities which are also available to the residents of the town, such as, Mopane rest camp, which is about 3 km away from the town. Lodges and guesthouses within the town and outside the town also have recreational facilities which can be accessed by residents and visitors to the town.

Table 9: cost of using local recreational facilities

| Town council facilities | Price per occasion (N\$) |
|--------------------------------|---------------------------------|
| Community hall | 350 – 500 |
| Stadium | 300 |

Source: Opuwo town council

11. Education services

11.1. Access to education

Primary and secondary education

There are 34 primary schools in Opuwo, among which 17 are mobile primary units, and three are private schools. In addition, the town also have 5 secondary schools. Furthermore, the ministry of education established mobile units in the town to cater for farmer's children as they move from one area to another in search for grazing land. In addition to the above, a secondary school was recently completed in Opuwo.

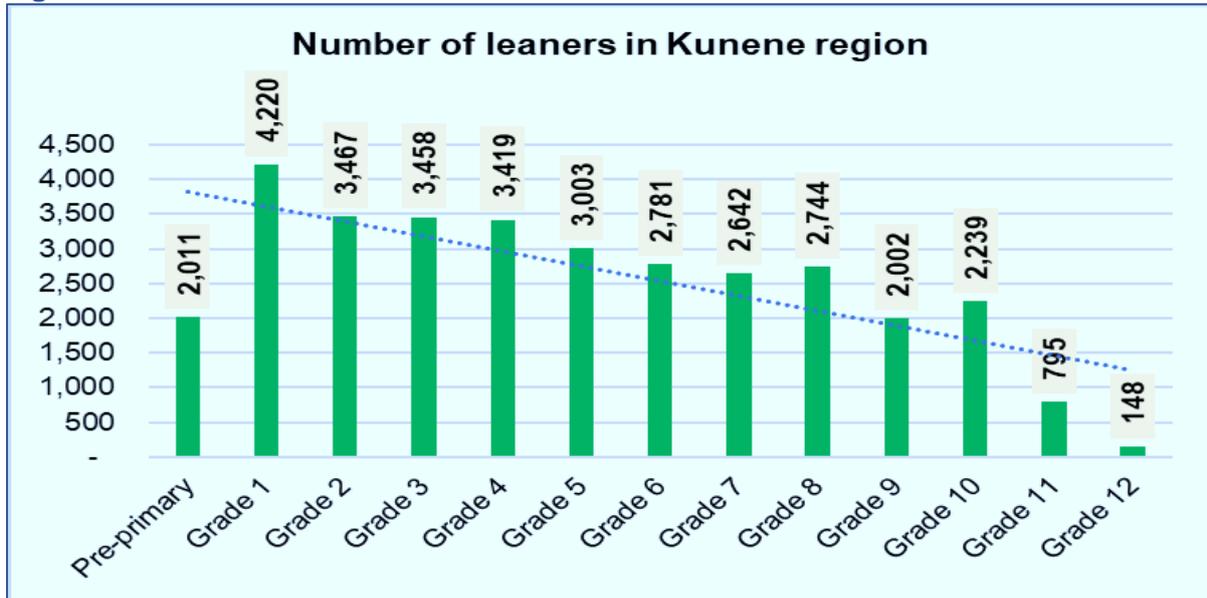
Tertiary education

COSDEC is the only institution of higher learning in Opuwo. It offers two courses namely: hospitality and office administration. There are currently 38 students enrolled for hospitality and 70 students enrolled for office administration. There is capacity to enroll and train more people but it is limited due to the lack of accommodation. In addition to COSDEC, Namibia University of science and technology has a distance learning facility in Opuwo. The facility enables distance students to submit assignments and seek academic advice on their studies.

11.2. Number of Learners in the Region

According to the Ministry of Education, during the academic year of 2022 there were a total number of 32,947 learners in the Kunene region. Figure 35 below shows the number of learners in the region according to their respective grades. Figure 35 further shows that there is negative correlation between the learners per grade and the grade level. Simply put, the number of learners falls as the grade level increases. Evidently, grade 1 has the highest number of learners (4, 220), followed by grade 2 (3, 467) and then grade 3 (3,458) while grades 11 and 12 only have 795 and 148 learners.

Figure 35: Number of Learners

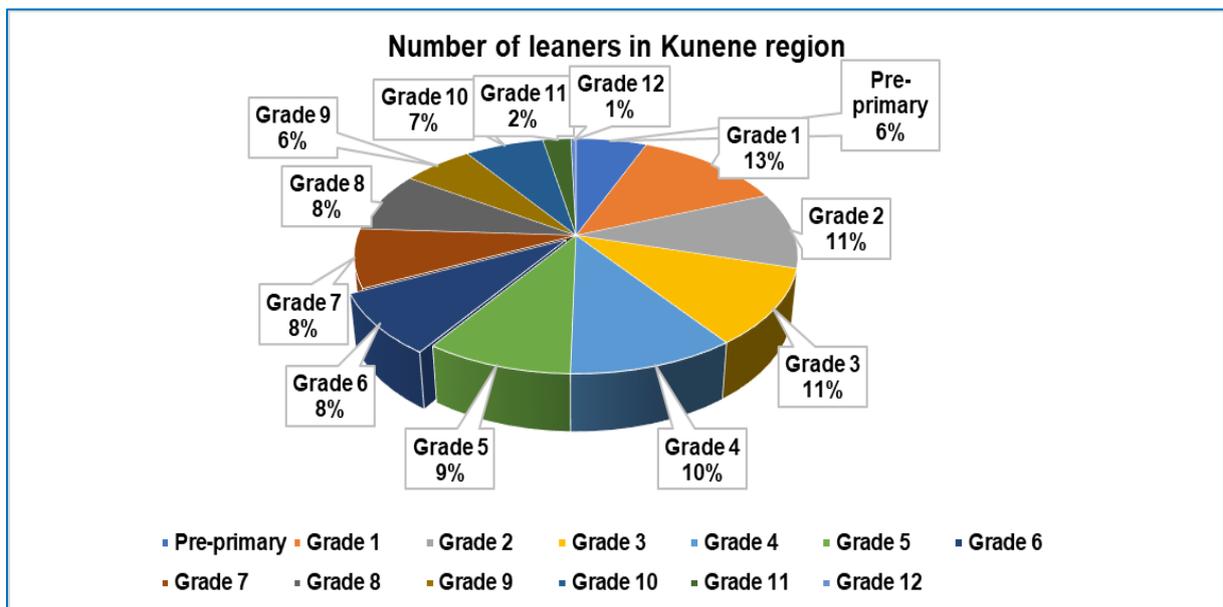


Source: MoE

11.3 Percentage distribution of learners in Opuwo

Figure 36 below shows the distribution of learners in the region by grade. As noted above, the higher the grade the fewer the number of learners in that respective grade. Thus, the highest proportion of learners (13 percent) are in grade 1 while the lowest are in grade 12 (1 percent).

Figure 36: Proportion of learners by grade

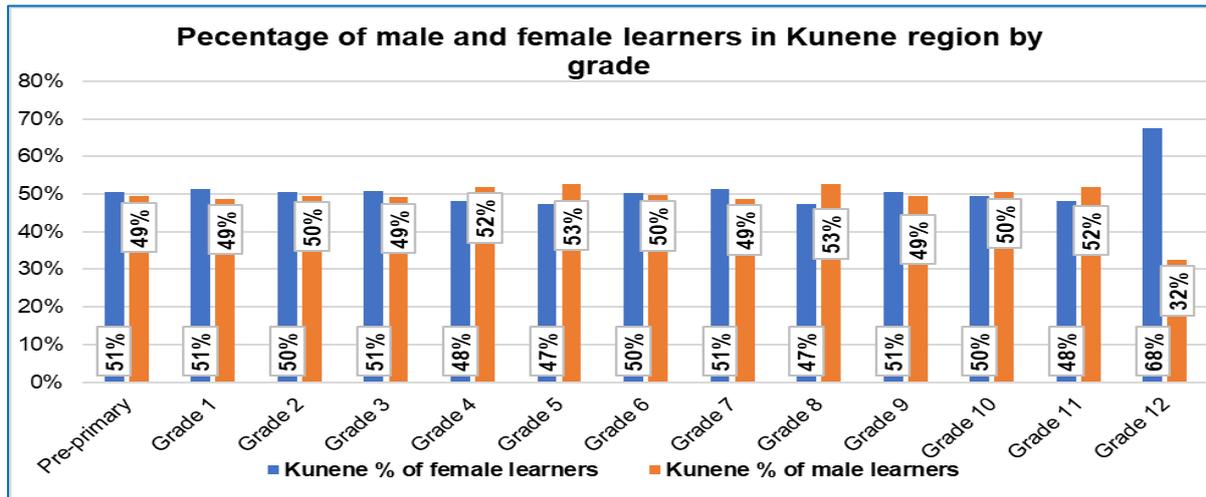


Source: MoE

11.4 Percentage of male and female learners in Kunene region by grade

The figure 37 below shows the proportion of male and female learners in the region by grade. Evidently, gender disparities are low from pre-primary to grade 11 except for grade 10 where there is 50/50 representation between males and females. However, 68 percent of grade 12 learners are female while only 32 percent are males.

Figure 37: Percentage of male and female learners in Kunene region by grade



Source: MoE

11.5 Learner to Teacher Ratio

The learner to teacher ratio indicates resource allocation to education. The learner to teacher ratio in Namibia is 24. In Kunene it is 29 and has been at this rate for two consecutive years before rising from 28 in 2020. Table 10 below presents learner to teacher ratios for all regions in Namibia from 2018 to 2022.

Table 10: Learner ratio to teacher ratios

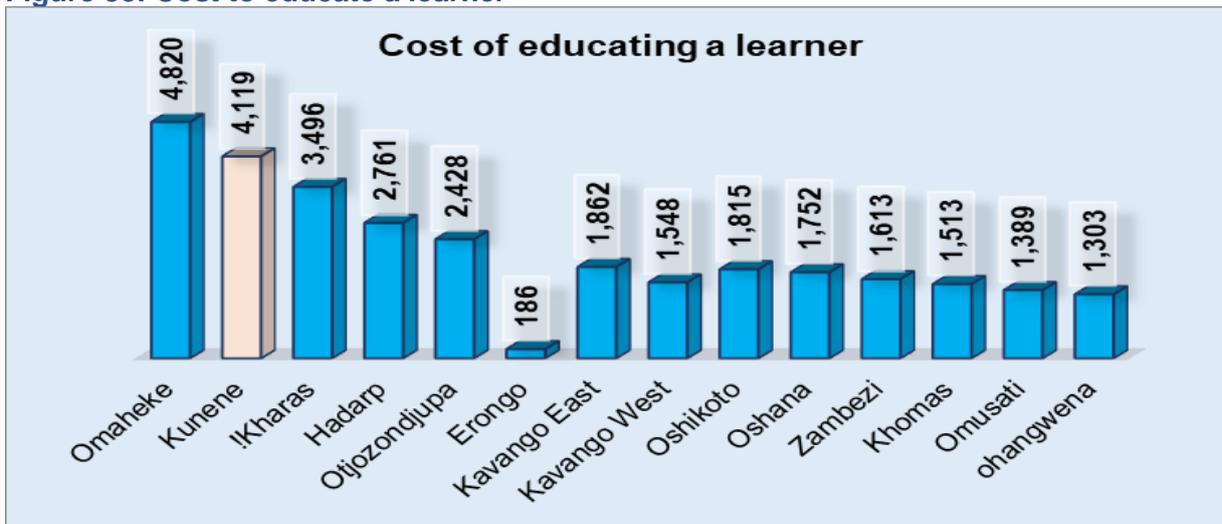
| | Teacher to learner ratios | | | | |
|--------------|---------------------------|------|------|------|------|
| | 2018 | 2019 | 2020 | 2021 | 2022 |
| //Kharas | 24 | 24 | 24 | 25 | 25 |
| Erongo | 26 | 26 | 27 | 26 | 25 |
| Hardap | 26 | 26 | 27 | 28 | 26 |
| Kavango-East | 32 | 31 | 32 | 31 | 32 |
| Kavango-West | 28 | 28 | 28 | 28 | 28 |
| Khomas | 23 | 23 | 24 | 26 | 26 |
| Kunene | 27 | 23 | 28 | 29 | 29 |
| Ohangwena | 26 | 27 | 27 | 27 | 27 |
| Omaheke | 27 | 27 | 28 | 30 | 31 |
| Omusati | 24 | 24 | 25 | 25 | 26 |
| Oshana | 24 | 24 | 24 | 23 | 23 |
| Oshikoto | 26 | 24 | 24 | 24 | 24 |
| Otjondjupa | 29 | 28 | 29 | 29 | 29 |
| Zambezi | 24 | 23 | 24 | 24 | 24 |

Source: MOE

11. 6. Cost to Educate a Learner

The cost of educating a learner in this context is the operational cost on education divided by the number of learners in the region. Kunene region has the second highest cost of educating a learner (N\$ 4,119) after Omaheke (N\$ 4,820). However, interpreting this information in relation to the efficiency of education can be misleading due to other confounding variables like the qualification and experience of teachers which is a determining factor for teacher's wages or the number of learners in the region in relation to teachers (Figure 38).

Figure 38: Cost to educate a learner



Source: MoE

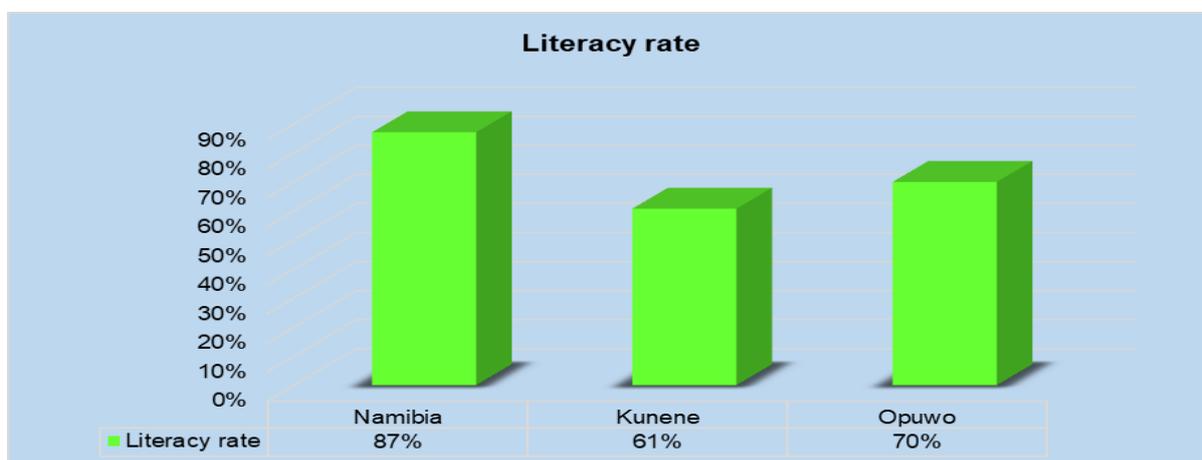
11.7. Education Budget Allocation by Region

During the current 2022/23 financial year Omusati region received the highest budget allocation of N\$145.8 million in comparison to other regions followed by Khomas and Ohangwena with N\$ 125.1 and N\$ 127.6 million respectively (see figure 39 below).

11.9 Literacy rate

Kunene region is dominated by people from marginalized communities. Consequently, it has the lowest literacy rate in the country. The literacy rate for Namibia is 87 percent, Kunene has literacy rate of 61 percent and Opuwo 70 percent respectively (see figure 41).

Figure 41: Literacy rate in Namibia, Kunene and Opuwo



Source: 2015/16 NHIES and FC Research

12 HEALTH SITUATION

12.1 National situation

Namibia has a dual system of health care servicing: public (serving 85 percent of the population) and private (15 percent) health care providers. The Ministry of Health and Social Services (MoHSS) is the main provider of public health services in Namibia. Currently, there are 1,150 outreach points, 309 clinics and health centers, 29 district hospitals and 4 intermediate and referral hospitals. The private sector is sizeable, with 844 private health facilities registered with MoHSS. A total of 342 health facilities (Hospitals, clinics & health centers, excluding outreach points) serves an estimated population of 1.9 million. On average the national public system has an infrastructure of 1 health facility per 5,700 populations.

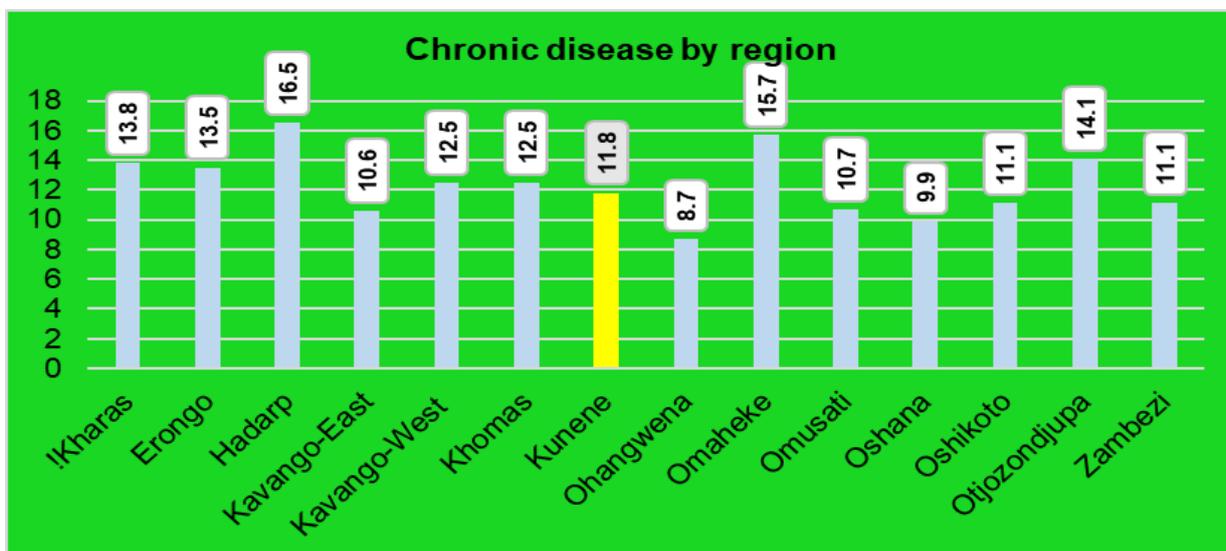
12.2 Situation in Opuwo

The health facilities in Opuwo consist of 1 district hospital and 20 clinics surrounding the town. In addition, there is also a private hospital, a private dentist practice and a pharmacy in the town. The state hospital has a bedding capacity of 100 beds, 20 maternity wards, 26 male wards and 28 female wards. Most importantly, it has 9 doctors, 33 registered nurses and 21 enrolled nurses. This study estimates 10 percent (3 655) of the population to be users of private medical facilities. The ratio of doctor to patient is 1:3656, this is higher than the 1:1000 ratio recommended by the World Health Organization.

12.3 Chronic diseases prevalence by region

Namibia has a disease prevalence rate of 12 percent of the population. Estimates of 269,400 individuals estimated suffer from a combination of chronic diseases. These diseases include Blood pressure, diabetes, cancer, joint inflammations, cardiac/heart diseases, respiratory diseases (e.g., Asthma), Chronic kidney diseases, Anemia, Epilepsy, and psychological/mental health illnesses. It is the 8th region with the highest percentage of individuals suffering from chronic diseases with a prevalence rate of 11.8 percent. Ohangwena region has the least population of individuals with chronic diseases at 9 percent prevalence rate (Figure 42).

Figure 42: chronic diseases



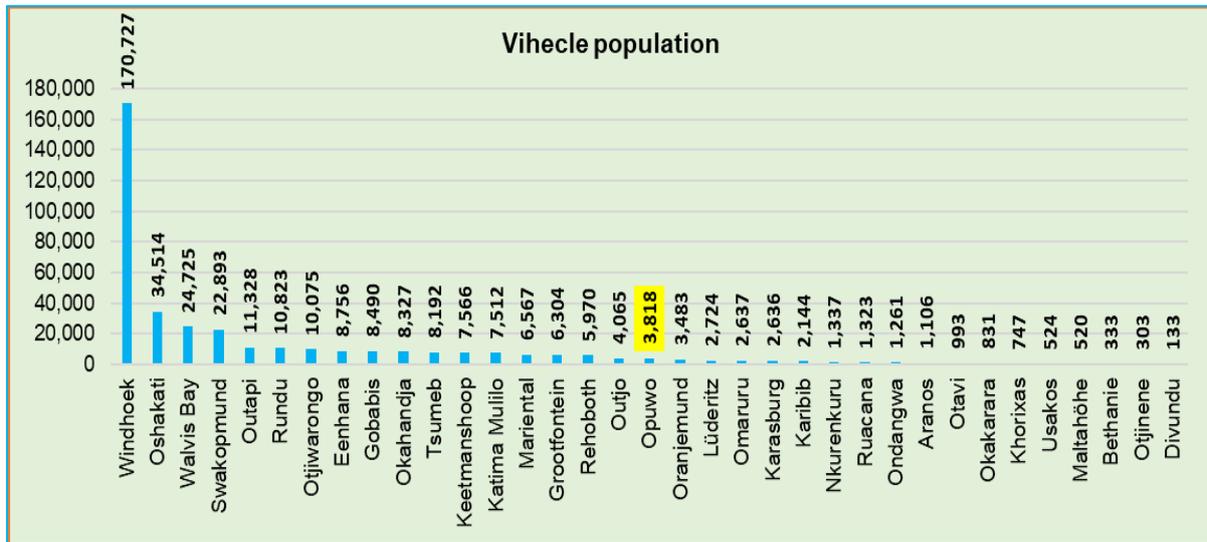
Source: 2011 Census

13 Transport network

13.1. Road Network

Namibia's road network is regarded as one of the best on the continent, road construction and maintenance is in accordance with international standards. The World Economic Forum reported Namibia to be the 23rd country with the best road infrastructure quality globally and the best in Africa. The country scored 5.2 out of 7 better than South Africa and Rwanda which scored 5.0. The Roads Authority's 2019/20 annual report shows that there were 4, 301 vehicles registered in Opuwo. During the same period, Windhoek had the highest vehicle population (170,727), followed by Oshakati with 34,514 and then Walvis Bay 24,725. Opuwo's vehicle population was 3,818 vehicles during 2019/20 financial year, this makes it the 18th town with the highest vehicle populations in Namibia (see figure 43).

Figure 43: vehicle population

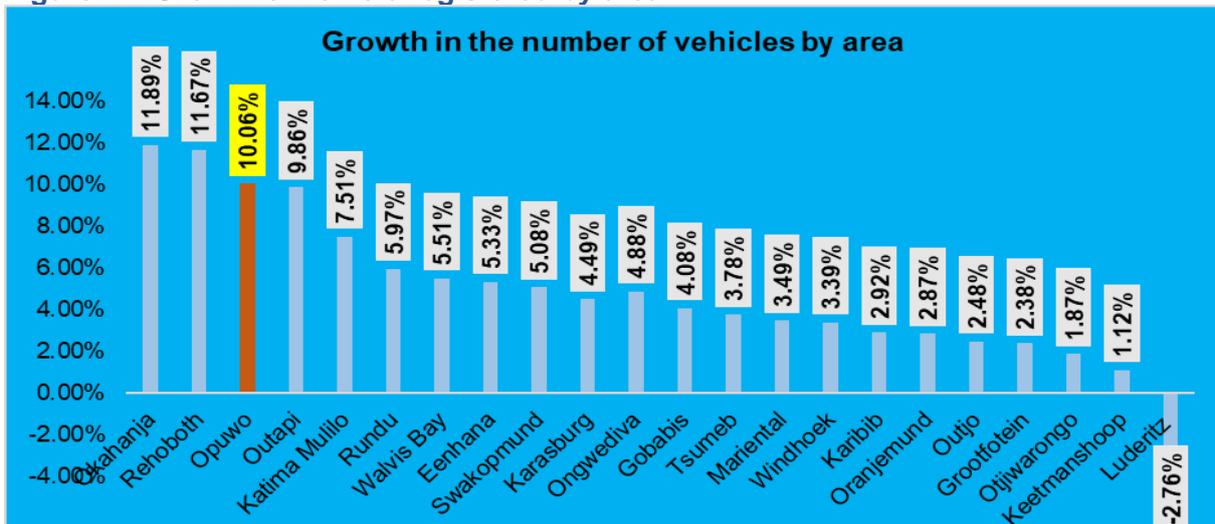


Source: Road authority

13.2 Growth of Vehicle registered by area

Figure 44 below shows the growth of number of vehicles registered per town on an annual basis. Okahandja recorded the highest growth rate in the number of vehicles registered while Lüderitz recorded a fall of 2.76 percent in the number of vehicles registered from 2018/19 to 2019/20. Most notably, Opuwo recorded the third highest growth in the number of vehicle registrations during the review period.

Figure 44: Growth of vehicle registered by area



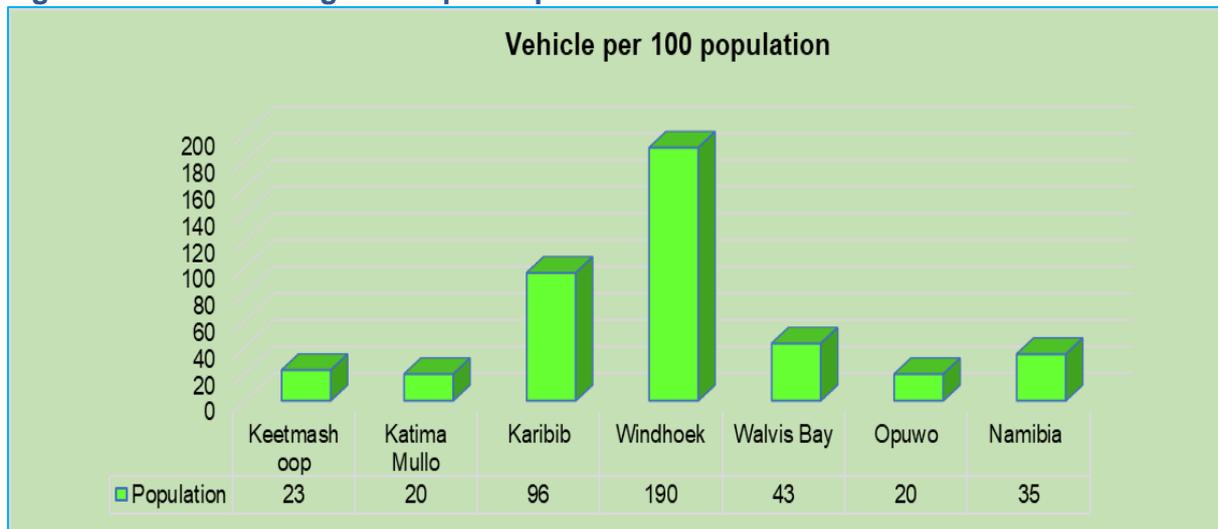
Source: Roads Authority

13.3. Vehicles per 100 population

At 4,301 vehicles registered in Opuwo, taking into consideration the population of the town, it stands out that vehicles owned per population are below the national average. There are 20 vehicles registered in Opuwo per 100 population compared to the national average of 35

vehicles per 100 population. However, the ratio of vehicles per population in Opuwo is much lower than that in Windhoek (190), Karibib (96) and Walvis Bay (43). See Figure 45 below.

Figure 45: Vehicles Registered per Population



Source: Roads Authority

14 Transport services

14.1 Travelling Services

The road transport is the most used mode of transport in Namibia and Opuwo is not an exception. Individuals in Opuwo travelling to the nearby towns use private small cars and minibuses. Due to the size of the town, there is one hiking point to various towns. Windhoek is about 780 km from Opuwo with an associated transport fare of N\$ 350. Travelling to Omakange is about 60 km, and cost around N\$ 60, while it cost N\$ 120 to travel 100 km to Ruacana. On the other hand, travelling to Sesfontein and Kamanjab is 150 km, and 231 km respectively, which cost N\$ 150 (see table 9 below). Moreover, there are taxies operating within the town charging N\$ 13 per trip. It is however important to note that, the taxi fare can be more depending on the destination and time of the day like in any other town in the country (see table 11).

Table 11: Transport fare from Opuwo

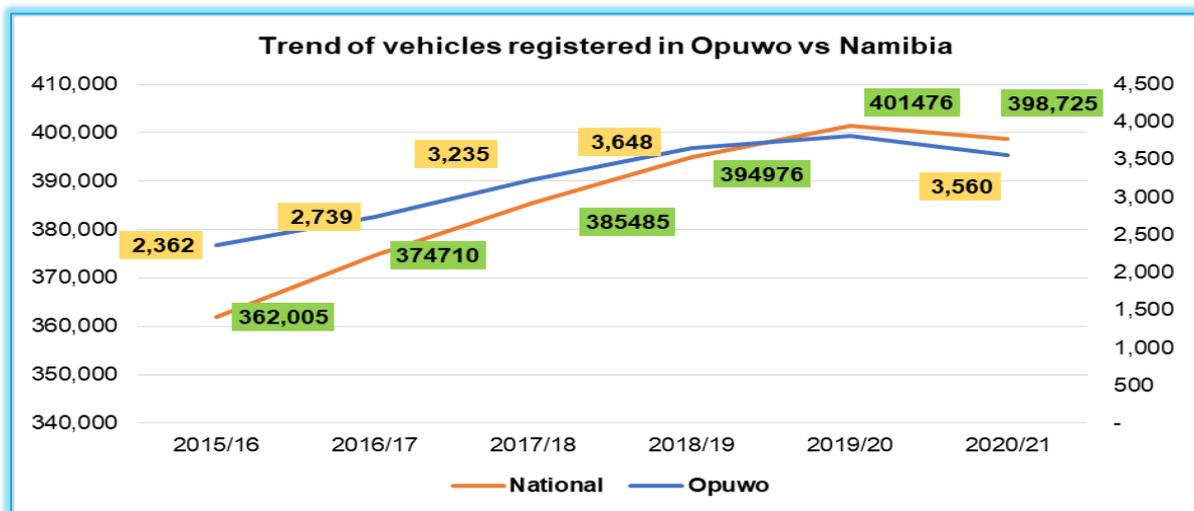
| Destination by Road | Transport Fare |
|---------------------|----------------|
| Etanga | N\$ 100 |
| Sesfontein | N\$ 150 |
| Omakange | N\$ 60 |
| Ruacana | N\$ 120 |
| Kamanjab | N\$150 |
| Okongwati | N\$ 100 |

Source: FC Research

14.2 Trend of vehicles registered in Opuwo vs Namibia

It is imperative to establish the trend of vehicle registrations over time in an area to enable policy makers initiate plans that improve efficiency on the roads. Figure 46 below captures the trends of vehicle registrations in Namibia and Opuwo from 2017/2018 to 2020/2021. Opuwo and Namibia exhibits similar trends of vehicle registrations. Figure 46 below shows that both trends exhibit upward trends from 2015/16 financial year to 2019/20. Shortly after that, both trends sloped downwards. This resulted from the fall of vehicle registrations, in Namibia they fell by 0.69 percent and in Opuwo they fell by 6.76 percent.

Figure 46: Trend of vehicle registered in Opuwo vs Namibia



Source: Road authority

15. Security services

Kunene region is among the safest regions in the country. The region's regional police headquarters is in Opuwo and has several other police stations in all towns. In addition, there are several security companies which help reduce crime in the region. These companies are G4S security company, Oshana security, Kunene security, Shilimela security, Falcon security and Omlow security. Table 12 below presents the regional crime statistics for Kunene region. Evidently, security forces in the region have significantly reduced drug crimes, stock theft, attempted murder, and murder.

Table 12: Kunene region crime statistics

| | Assult | Stock theft | Rape | Drugs | House breaking of business premises | Robbery | Residential house breaking residential premises | Attempted murder | Murder |
|------|--------|-------------|------|-------|-------------------------------------|---------|---|------------------|--------|
| 2020 | 130 | 204 | 11 | 100 | 49 | 22 | 85 | 5 | 7 |
| 2021 | 141 | 159 | 16 | 80 | 33 | 19 | 84 | 24 | 6 |
| 2022 | 127 | 110 | 26 | 50 | 32 | 12 | 83 | 5 | 2 |

Source: Namibian police

16. Government administrative services

Within the town, there are several government branch offices that are meant to provide most of the services provided by the respective ministries. The ministry of Agriculture has an office to provide advice to farmers on all farming activities. Furthermore, there is the ministry of gender, police and regional police headquarter, ministry of labour, Kunene regional council, ministry of works and transport, magistrate court and Opuwo veterinary services. The main aim of these ministries is to bring services closer to the people.

17 Financial services

17.1 Banking services

Opuwo town has three branches of commercial banks namely: First National Bank, Bank Windhoek, and Standard Bank serving clients with banking services and other financial products. There are 3 ATMs of First National Bank, 2 ATMs for Standard bank and 2 ATMs of Bank Windhoek. The deposit taking services of banks operating in Opuwo are supported by government employees working in local government ministries.

17.2 non-banking services

The non-banking financial sector in Opuwo is not well represented due to the size of the town. As a result, there is only Nampost savings bank in Opuwo.

18. Tourism and hospitality services

Kunene is classified as a prime tourist destination due to its rugged landscapes and ancient traditional diversity and practices. Tourism has been identified as a key economic sector for the region, predominated by wild animals in national parks and conservancies. The potential for further tourism development is very high due to its scenic beauty, wildlife, and the culture of its inhabitants. About 46 percent of the nation's conservancies are in Kunene, hosting wildlife such as desert elephants, rhinos, lions, and giraffes. Each conservancy offers guided tours with trained guides who have a wealth of information about the animals and the region.

There are about 36 conservancies in the region, their tour guides allow visitors to stop and enjoy while watching animals in their natural habitat, almost like a scene from one of the national geographic programs. After visiting one of the region's conservancies, a zoo will never be adequate. There are also private tour guides who provide information about the whole area. In addition, they can organize local tours upon tourists' request. Most of them also provide local traditional products such as carvings, necklaces, local stone, etc. made and owned by their local communities. There were 15 before the Covid-19 pandemic but now there are only 5.

Figure 47: Traditional houses for Himba people



Source: FC research

In Opuwo ancient traditions and modern times meet, as Opuwo is the centre of the Himba culture. Ovadhembra and Ovatusa (San) communities can also be found in Opuwo. The Himba and Ovatusa are independent people and are one of the last nomads of Namibia. They mainly survive by being Nomadic hunter/grazers and Himba society has a tight bond with the cattle that they graze. During the dry season the Himba and their cattle move from area to area in search for better grazing for their livestock.

Figure 48: A picture of the Himba people



Source: FC research

10.9.1 Trade exhibition

Opuwo has trade exhibitions in April each year. The event is meant to showcase the opportunities in the region and attract much-needed investment for business opportunities in Kunene. Opuwo's annual trade fair is trying to do away being seen as merely marketing platforms but as conduits for business innovation and catalysts for diversified economic growth within the town and region at large. The 2022 trade fair was held under the theme "Unlocking Trade Investment Opportunities Towards a shared economic vision amidst Covid-19 pandemic".

18.1 Epupa falls

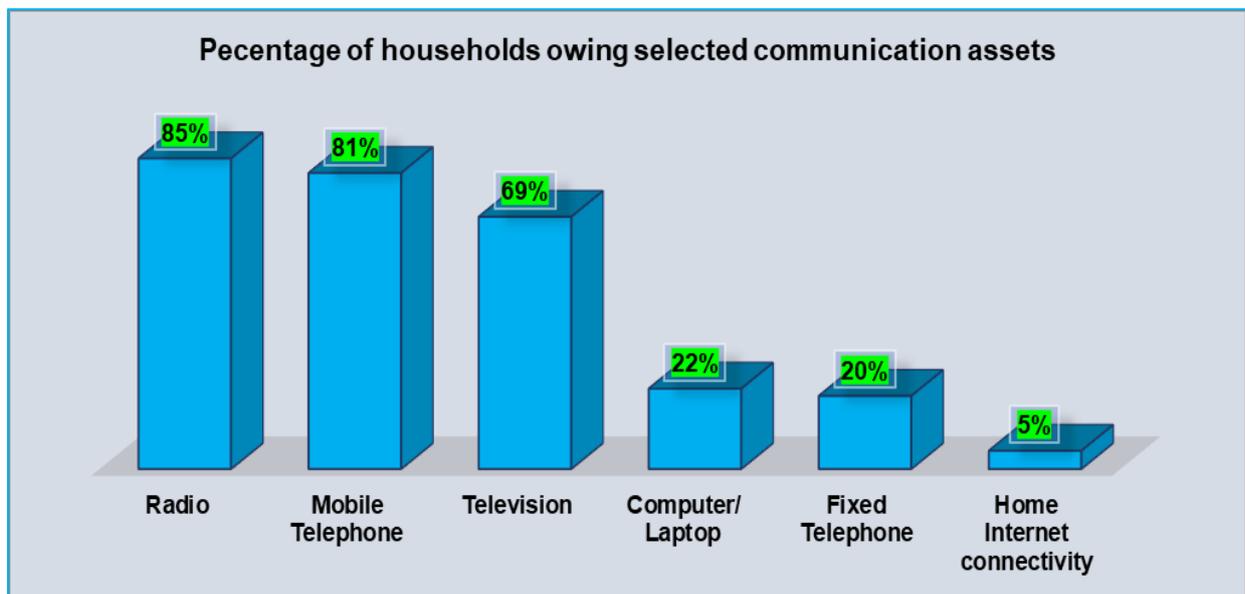
Epupa falls is a series of large waterfalls created by the Kunene River on the border of Angola and Namibia, in the Kaokoland area of the Kunene Region. The fall is about 180 kilometers from Opuwo. The settlement near the falls is also called Epupa. The name "Epupa" is a Herero word for "foam", in reference to the foam created by the falling water. The Epupa Constituency is therefore named after the falls. Furthermore, the falls are a major visitor attraction in Namibia because of the largely unspoiled environment, with fig trees, baobabs, makalani palms, and colored rock walls framing the falls.

18.2 Radio and television access and Internet access infrastructure

Although infrastructure development in Information and technology in most developing countries is a challenge, Namibia has made a striving effort in improving radio and infrastructure access and infrastructure. Telecommunication infrastructure development has always enabled the Opuwo residents to have access to information through radio and television. Opuwo town is one of the few towns in Namibia which have a community radio station called Kunene radio station. In Opuwo all 7 national radio channels in various languages of the country administered by the Namibian Broadcasting Corporation, (Nbc) can be accessed. Furthermore, there are 7 more private radio channels available to Opuwo residents which are equally accessible to most parts of the country. As shown in figure 51, most families in Opuwo own a radio given its affordability as well as the wide radio network access and given that it is widely known as a medium of communication in the country. Equally, since radio owners are not obliged to pay for license fees subjected to television owners, owning a radio remain affordable for many households. Access to television in Namibia is subject to annual license fees and having a decoder.

Moreover, Namibia telecommunication market is in much better position, in terms of development compared to African standards. This is due to infrastructure put in place by Telecommunication (Telecom), Namibia mobile telecommunication, MTN, Paratus and other service providers. Through observation and engagement with residents of Opuwo, it was evident that cellphones are widely owned and are medium of communication used by most individuals. MTC estimates that there are 2.5 million active cellphone users in the country, which could be an indication that almost every adult owns a cellphone, with some owning more than one cellphone. The access to telecommunication and internet in town is well catered. Using the list of residential telephones registered with Telecom (in directory) and the household population in Opuwo, we estimated the coverage of access to telephones to be 10 out of every 100 households. This is in line with the available statistics of national household survey. See figure 49 below.

Figure 49: Percentage of households owning selected assets



Source: 2015/16 NHIES, 2011 Census and First Capital Research

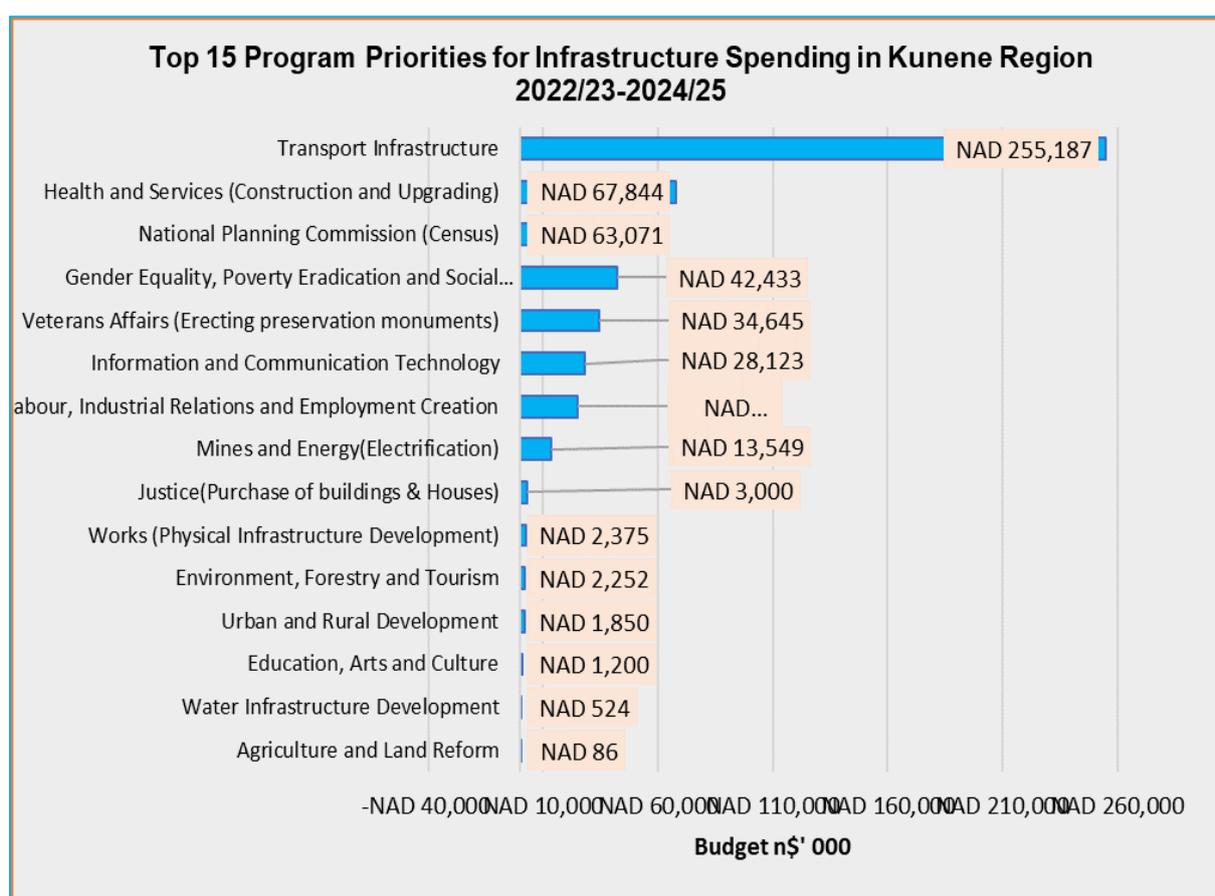
NATIONAL INFRASTRUCTURE PROJECTS

19. INFRASTRUCTURE DEVELOPMENT IN KUNENE REGION (2022/23-2024/25 MTEF)

19.1. Top Programs of national government expenditure

Government's top 15 spending priorities on capital projects in Kunene region are shown in figure 52 below. The highest priority during the MTEF period (2022/23-2024/25) was given to the construction, upgrade and maintenance of Transport Infrastructure in Kunene region which is budgeted to cost the government about N\$ 255.2 million. The second spending priority in Kunene region is on the construction and upgrading of primary health care centers which have a budget of N\$ 67.8 million. The government has further budgeted to spend about N\$ 42.4 million on construction and renovation of homes of safety and shelters. However, agriculture and land reform will receive a substantial amount of N\$ 86 million, this could be because of the climatic condition of the region.

Figure 50: 2022/23-2024/25 MTEF Capital expenditure by sector



Source: MoF

20. Investment opportunities in Kunene region

This section presents a summary on of investment opportunities in Kunene region. The region is seeing more investments in sectors such as agriculture, tourism, and mining. Refer to table 9 for an overview.

Table 13: Investment opportunities in Opuwo

| Project Name | Project Description | Budget (N\$) | Status of project |
|--|---|--|---|
| Regional abattoir | Investors can open a regional abattoir in Kunene region. | Estimated at N\$ 2 million | Project proposed by First capital research. |
| Commercial Cattle Feedlot | This was an is an agri-business/agricultural technology project where crop farming under the Centre Pivot and other irrigation technologies, cattle mixing, and batching technology will be introduced. The output capacity will be between 27,000 and 44,000 slaughter-ready cattle per annum. The project aims to have 90% occupancy on 5,000 head of cattle, improve the quality of herd and reduce the exportation of Namibian weaners on hoof to South Africa by 50% by the end of year 4 of the project implementation. | NAD 140 million | Not yet implemented |
| Desert Rose International Convention Center | The project will involve property and infrastructure development using all construction technology related methods. The intention is to develop the Namibia International Convention and Exhibition Center with a mixed-use residential and commercial village. | NAD 8 billion | Not yet implemented |
| Kunene Farmers services | Livestock are the main source of income for farmers in the Kunene region. The agro supply will therefore assist local farmers in eradication of animal diseases, crop pests and educate the Kunene region on their spread. | Investors are advised to conduct a feasibility study | Project proposed by First capital research |
| Establishment of Freight villages in Kunene region | Freight Villages (FV's) and their components, intermodal terminals, are vital infrastructure for a profitable combined transport system. Establishment and development of freight villages will have a positive impact on the overall economic development of the region. | Investors are advised to conduct a feasibility study | Project proposed by First capital research |
| Ruacana waterfront | The Regional Council seeks an investor / technical partner to develop the area around the waterfall and campsite into an attractive tourist destination. | To be determined | Not implemented |

21. CONCLUSION

This report gave an in-depth view of the economy of Opuwo. In conclusion, Opuwo is estimated to have about 5,500 households and a population of 36,559 by the end of 2022. The teacher to learner ratio in the town is 29 and the literacy rate is 70%. Notably, it will cost the government N\$4,119 to educate a learner in the Kunene region in 2022. This cost is calculated by dividing the total operational budget for the region by the number of learners. It was established that there is only one district hospital in Opuwo and 20 clinics surrounding the town. Furthermore, this report posits that 52% of households depend on salaries and wages, 6 percent on cash remittances and 5 percent on businesses. The proximity of the town to Angola and the northern regions present opportunities for the manufacturing sector particularly in the copper industry due the Opuwo cobalt copper project which is expected to start production in 2023.