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NAMIBIA BUSINESS REVIEW

Where Business meets ideas

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Will govt pay back DBN's N\$1 billion hospital loan?

• TIRI MASAWI

The government is facing questions over its ability to repay a N\$1 billion loan from the state-owned Development Bank of Namibia (DBN) for the construction of the Windhoek District Hospital.

Last month, *Namibia Business Review* revealed that nearly one in four DBN loans goes unpaid, exposing the bank's struggle to recover money from clients, a situation that has already weakened its financial performance. Yet, despite this track record, DBN announced last week that it is lending N\$1 billion to the government, an institution notorious for delaying payments.



DBN spokesperson Jerome Mutumba confirmed to *Namibia Business Review* last week that the funding is a loan, not a grant, but refused to share repayment details. "I can safely confirm for you that it is a loan not a grant. We will expect the government to pay back. However, I cannot give you more details aside from this as

"The DBN is a state-owned enterprise – the state is its shareholder. Now, in line with its business, to lend for economic development, DBN being a state entity, should the state be lending to itself? For a venture/project unassociated with profit making."

this infringes on client privileges. I suggest you engage the Ministry of Finance on the finer details of the loan going forward." Questions sent to the Ministry of Finance were not answered. The N\$1 billion loan, disbursed through the Ministry of Health and Social Services, is part of a national push to expand healthcare infrastructure.

CONTINUE ON PAGE 2

Nandi-Ndaitwah's lean Cabinet promise fades as costs rise

• DONALD MATTHYS

The decision by President Netumbo Nandi-Ndaitwah to expand her executive by appointing seven deputy ministers has drawn criticism over rising government expenditure, with analysts warning it may reverse earlier cost-cutting efforts.

The appointments come more than a year after Nandi-Ndaitwah assumed office on a promise of a lean Cabinet aimed at improving



> Charles Mubita



> Hambeleleni Ndjaleka



> Anselm Marungu



> Edward Wambo



> Theresia Brandt

efficiency and reducing pressure on public finances. Upon taking office, she reduced the number of ministers from more than 20 to 14, while merging ministries and eliminating deputy minister positions as part of that strategy. However, last week's appointments of seven deputy ministers and two advisors signal a shift in approach. Those appointed include Charles Mubita as minister in the Presidency, alongside several deputy ministers across key portfolios.

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DBN called it a “significant milestone” for strengthening Namibia’s health system under the government’s roadmap initiative, aligned with the Medium-Term Expenditure Framework.

The funds will go towards building the 500-bed Class C Windhoek District Hospital, which aims to ease bed shortages in the Khomas Region and support the development of Nkurenkuru, Otjiwarongo, and Ondangwa District Hospitals.

Corporate governance expert Ntelamo Ntelamo questioned whether it is appropriate for the state to lend to itself.

“The DBN is a State-Owned Enterprise – the state is its shareholder. Now, in line with its business, to lend for economic development, DBN being a State entity, should the State be lending to itself? For a venture/project unassociated with profit making.”

Ntelamo provided a deeper look at repayment challenges. He argued that better governance could have come from using DBN dividends or advancing funds through its social investment vote rather than issuing a loan.

“As it stands; the government will have to source money from somewhere to repay the loan, if at all, as the hospital is a public, non-profit institution. Thus no money will be generated from its operations to repay the loan.”

He added that a loan must be properly accounted for and repaid.

“A loan is what it says it is. Without



“This investment demonstrates the power of coordinated financing by the Ministry of Finance in addressing national priorities while ensuring a holistic approach to healthcare delivery that will have a lasting impact on our communities

> Titus Ndove

pre-empting, it might be difficult to enforce the loan repayment, whose terms must also be checked. If at some point the government has been extending continued subsidy/capitalisation to the DBN, this will further complicate the actual repayment of the loan in question.”

Namibia Business Review last month reported that nearly one in four people who borrowed money from the Development Bank of Namibia is not paying it back.

The bank’s own figures show that 22% of its loans are now defaulting, raising fresh questions about risk, oversight and who is benefiting from state-backed funding. This means that more than N\$1 out of every N\$5 loaned by DBN is not being repaid. With 22% of its loan book non-performing and N\$579 million written off in a single year in 2024.

Ntelamo warned that failure to repay

could reflect poorly on DBN’s governance.

“Should the loan not be repaid, it will reflect in the DBN’s books as unpaid, which may reflect badly on its governance – as substantial funds were loaned out when the DBN should have known it was a bad deal, and it had an opportunity to classify the funding accurately.”

Landless People’s Movement (LPM) spokesperson Lifalaza Simataa criticised the government for a lack of transparency.

“The Ministry of Health has not had a good track record when it comes to infrastructure nor procurement. Such a massive loan could potentially not be recouped, or worse, will have the ministry indebted, where funds from its budget would then need to return to the bank.”

Simataa also raised concerns about interest rates, repayment timelines, and whether Namibian construction compa-

nies, workers, and supplies would benefit.

“The nature of the contract and procurement process, down to is this an opportunity open to Namibian construction companies or has the construction company been handpicked.”

ECONOMY BOOSTER

Mutumba said the hospital project will boost economic activity through construction, local procurement, and job creation, while allowing DBN to invest capital into development-oriented assets.

DBN CEO Titus Ndove highlighted the strategic value of the loan.

“This investment demonstrates the power of coordinated financing by the Ministry of Finance in addressing national priorities while ensuring a holistic approach to healthcare delivery that will have a lasting impact on our communities.” **NBR**

These include Moses //Khumub (Vice President’s Office), Hambeleleni Ndjaleka (health and social services), Hans Haikali (works and transport), Anselm Marungu (environment, forestry and tourism), Wenzel Kavaka (information and communication technology), Edward Wambo (home affairs, immigration, safety and security), and Theresia Brandt (justice and labour relations).

In addition, two advisors have been appointed: Hilma Nicanor to the minister of defence and veterans affairs, and Kristofine Aili Nuunyango to the minister of works and transport.

The Namibian reported yesterday that new appointments could cost taxpayers about N\$5.5 million annually, with each deputy minister earning about N\$65 000 per month. Leader of the Independent Patriots for Change, Panduleni Itula, criticised the move, questioning its policy direction and fiscal rationale.

“To me, it’s a signal of somebody who doesn’t have a clue what they want to do in terms of governing this Republic,” he told **Namibia Business Review** yesterday.

He added that the expansion appears to contradict earlier efforts to contain expenditure. “If the intended appointments in 2025 were to reduce the expenditure of the government, this one doesn’t seem to be doing the same thing, it’s contrary to that,” Itula said.

Itula said that deputy minister roles add limited administrative value while increasing the wage bill, which already exceeds N\$36 billion.



> Hilma Nicanor

“The deputy ministers are basically a decorative feature of a ministry, simple as that,” he said.

Political analyst Ndumba Kamanya said the appointments raise concerns about evidence-based governance.

“Any appointment initiative must be backed up by data and evidence to make sure that you are doing the right thing,” he said.

He added “These appointments really are a last blow, if I may say so, because I have been patient to give the president a benefit of the doubt, but with this, I think it’s time to critically look at governance. There is a problem there.”

Analyst Henning Melber told **Namibia Business Review** that the expansion adds pressure to the national budget and signals a reversal of earlier fiscal discipline.

“This partly reverts from the lean gov-



> Kristofine Aili Nuunyango

ernment initially proclaimed and much applauded,” Melber said, adding that the move suggests insufficient long-term planning during the transition period.

Melber also said the appointment of Mubita to the Presidency underlines the tendency towards more centralised power and further expands direct influence and control of the already executive authority of the president. “This could be seen as little confidence in the cabinet. Promoting members of the National Council to deputy ministers is also noteworthy. It elevates office bearers elected in a regional context to national governance positions. This begs the question where their competence lies in the individual portfolios they are appointed for,” Melber said.

He also noted that the appointment of Mubita to the Presidency may indicate a shift toward more centralised executive

control.

Political analyst Johan Coetzee echoed similar concerns, warning that the expansion could undermine confidence in fiscal management.

“It is very clear that what candidates say before being elected and what they do after election are two different things,” Coetzee said.

Coetzee said it’s just more than a year into the presidency and this is already happening. “I mean, if the cabinet was too lean, what about the performance contracts that have been signed with the different ministers? Have we seen any performance in terms of that? Nothing at all and now, appointing deputy ministers and advisors is not just escalating the bill, but it’s going back on the previous promise about a lean Cabinet,” he said.

He added that the growing number of appointments could increase costs without corresponding improvements in efficiency.

“And it seems more and more like business as usual,” he said.

Despite the criticism, Nandi-Ndaitwah, speaking during the announcement last week, said the appointments are aimed at strengthening government delivery.

“These appointments are intended to further strengthen the executive arm of government,” she said.

“They must be understood within the broader context of accelerating implementation, improving institutional coordination, and ensuring that government programmes translate into tangible improvements in the daily lives of our people.” **NBR**

Ballotti calls for new parastatal to support small businesses

"N\$81m allocation for small business development is not enough to drive growth and job creation."

• STAFF WRITER

Deputy minister of education, innovation, youth, sport, arts and culture, Dino Ballotti, says the N\$81 million allocation to small business Development under budget vote 15 is not enough to meaningfully support Namibia's Micro, Small and Medium Enterprises (MSMEs).

Budget vote 15 is under the Ministry of Industries, Mines and Energy.

Writing on social media last week, Ballotti said he was not given an opportunity to contribute during the budget debate due to time constraints, but felt compelled to weigh in on the debate.

"It is my view that the N\$81 million budget is unfortunately not sufficient. The programme plays a key role in driving the Growth at Home strategy, particularly in supporting micro, small and medium enterprises – businesses ranging from very small informal traders to more established local companies," he said.

Ballotti compared Namibia's approach with other countries in the region, saying that several nations have dedicated ministries and agencies focused on small business development.

These include South Africa's Department of Small Business Development, Botswana's Ministry of Entrepreneurship, and Zambia's Ministry of Small and Medium Enterprise Development, among others.

"Now, we do not have any dedicated ministry that leads our entrepreneurial agenda, and we accept. But, we also do not have a dedicated MSME agency," he said.

He said that the absence of a focused and deliberate micro, small and medium enterprises institution limits efforts to



> Deputy minister of education, innovation, youth, sport, arts and culture, Dino Ballotti.

improve access to finance and markets, support skills development, formalise informal businesses and drive economic diversification.

"Honorable Minister (industries, mines and energy), with humility and respect, I shall advocate for why it is essential that we strongly consider the elevation of this sector," he said.

Ballotti also called for stronger support of local production, citing the continued presence of imported goods such as bottled water and school uniforms.

"A practical example, we must do away with South African water in Namibia, it can not continue, it must not continue. Secondly, ban school uniforms being imported into Namibia. We have the capacity and we will very quickly scale local manufacturing," he added.

He further highlighted the role of trade fairs in supporting entrepreneurs, saying that Namibia had around 35 such events in 2024, with potential for more across

local authorities.

"These fairs need targeted support and we need to be using these platforms to empower and better support entrepreneurs," he said.

Ballotti proposed consolidating existing allocations from trade and investment promotion, the Namibia Investment Promotion and Development Board (NIPDB), and Small Business Development to establish a dedicated MSME agency.

"From the approved N\$139 million budget from Ministry of International Relations and Trade, the approved NIPDB's N\$94 million budget and your approved N\$ 81 million that totals N\$314 million.

Let's chop up these approved funds and create a dedicated MSME Development Agency," he said.

He said that such an agency must go beyond administrative functions.

"Honorable Minister, an MSME agency must never merely be an office that hands out BIPA forms, it will be a well resourced, targeted, elevated organisation that will push our job creation agenda," he said.

"Finally, if we are serious about economic diversification, we need a home for MSME support. I do support your vote, and in the language of the house, I so submit." **NBR**

Namibia to pump N\$8 billion into power projects by 2030

• TIRI MASAWI

Namibia is set to spend about N\$8 billion on power generation projects as it pushes toward energy self-sufficiency by 2030.

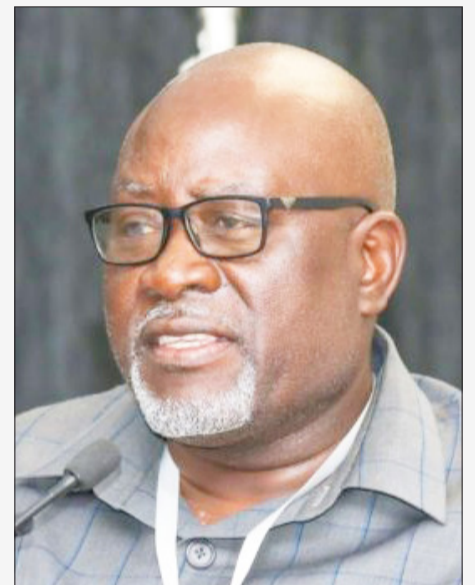
Minister of industries, mines and energy Modestus Amutse told Parliament last week that the total cost of national energy investments would be around N\$8 billion, mobilised through international partnerships. The initiatives aim to increase generation capacity from the current 759 megawatts to 903 megawatts in the 2026/27 budget, making regional energy integration a cornerstone of the country's long-term strategy.

"Looking ahead, the bidding process set by NamPower for the construction of the 120-megawatt Solar Independent Power Producer programme is expected to be completed by June 2026," Amutse said. The programme will offer six private-sector investors the chance to each develop and operate a 20-megawatt solar plant.

The minister highlighted that the energy generation and transmission industry has created over 600 jobs, mainly for unskilled and semi-skilled workers. "This ensures that Namibians, especially those in rural communities, benefit directly from the ongoing 40-megawatt Biomass project near Tsumeb," he said.

Other key projects include the 100-megawatt Sores/Gaib Solar Power substation in Rosh Pinah and the 51-megawatt Omburu Battery Storage system near Omaruru. Several major transmission and substation projects have also been completed, such as the 132 kV Namib-Diaz transmission line (//Karas Region), the 132 kV Sekelduin Substation (Erongo Region), and the upgraded Khomas 220/66 kV substations (Khomas Region).

"In the area of renewable energy, the Ministry through its stakeholders such as NamPower continues to expand its reach countrywide," Amutse said. He noted that the 51-megawatt Battery Energy Storage System at Omburu will



> Minister of industries, mines and energy Modestus Amutse

be completed by August 2026, and the 44-megawatt Diaz Wind Project by June 2026.

Construction is also underway at the 100-megawatt Sores/Gaib Solar Power Station, expected to be operational by December 2026, and the 40-megawatt biomass power plant at Otjikoto, expected by June 2027. "We will also begin construction of the 45-megawatt Lithops Battery Energy Storage System near Arandis next year," he added.

Amutse said these projects will secure Namibia's energy supply, stimulate local industries, create jobs, support skills development, and strengthen the integration of clean energy into the national grid. "The completion of the strategic 400-kilovolt Obib-Oranjemund transmission line strengthens our southern network and positions Namibia as a key player in the evolving regional power market," he said.

He also highlighted cross-border cooperation with Angola through the 880-megawatt Baynes Hydropower Project and the Angola-Namibia (ANNA) Transmission Interconnector. The government is fast-tracking the medium-term implementation of the ANNA project within two years to import hydro-power and provide affordable energy in Namibia. **NBR**

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• SOLOMON EKANEM

Africa's largest uranium producer, Namibia, hosts a new high-grade critical mineral site after Australian-listed Askari Metals (ASX: AS2) reported Phase 1 trenching results at its 100%-owned Uis Project, confirming extensive polymetallic mineralisation.

The results highlight strong tin, lithium, tantalum, and rubidium along a 2.2-kilometre pegmatite trend, supporting potential resource definition and future mining development.

These minerals are considered critical metals due to their essential role in modern technology and industrial applications. Tin is used in electronics and alloys, lithium powers batteries for electric vehicles and energy storage, tantalum is crucial for capacitors in high-tech electronics, and rubidium has applications in specialty electronics and atomic clocks.

Trenching was completed on roughly 40-metre spacing to guide follow-up drilling in the second half of 2026. Peak results included 8,340 ppm tin, 0.57% lithium oxide, 299 ppm tantalum, and 2,380 ppm rubidium, with lithium grades exceeding commonly used cut-off thresholds for spodumene pegmatites.

The discovery therefore positions Namibia as a potential key supplier of materials underpinning the global technology and green energy supply chain, highlighting both strategic and economic significance for the country.



Namibia unveils new high-grade critical mineral site

A strategic boost for Namibia's mining sector

The discovery positions Namibia, Africa's largest uranium producer, as an emerging critical minerals hub, complementing its established revenue streams from uranium, diamonds, and base metals. Critical minerals such as lithium and tantalum are in growing global demand for batteries, electronics, and renewable energy technologies, meaning successful development could generate substantial export revenues and strengthen

Namibia's strategic role in the continent's mining landscape.

With tin prices hovering around US\$46,000 per ton and peaks of US\$57,000 per ton, the project could contribute substantially to national mining revenues, attract foreign investment, and create employment in a region already benefiting from established infrastructure, including the Walvis Bay deepwater port. Executive Director Gino D'Anna noted that the project's proximity to the operating Uis tin mine provides lo-

gistical advantages and untapped potential for multiple pegmatite targets. "The Uis Project is shaping up to be a major strategic asset, offering substantial economic upside," he said.

As Namibia seeks to diversify beyond traditional minerals, discoveries like Uis underscore the country's potential to capture a growing share of Africa's critical minerals market, with long-term implications for revenue, industrial development, and global supply chain relevance. **BUSINESS INSIDER AFRICA**

Namibia plans cleaner flights by 2030



• STAFF WRITER

Namibia is advancing toward the adoption of sustainable aviation fuel (SAF), a key goal set by the International Civil Aviation Organisation (ICAO) to cut carbon emissions in the aviation industry.

ICAO has set a target for member states to use at least 5% SAF within the next five years. However, the timeline allows countries flexibility depending on availability and local conditions.

SAF is a renewable, "drop-in" jet fuel substitute made from waste oils and agricultural residues. It can reduce life-

cycle carbon emissions by up to 80% and is compatible with existing engines and infrastructure, though current supply is limited and requires blending with conventional jet fuel.

Speaking at a workshop organised by the Namibia Civil Aviation Authority (NCAA) in partnership with the Swiss government last week, ICAO representative Cesar Valarde explained the targets.

"We must understand that the targets are not cast in stone and are mostly set depending on the progress being made by individual countries.

Member countries hold the decision on how they want to go about implementation of their plan. For example, Kenya has already started exporting raw material to Europe for processing.

However, the model that Namibia or any other country decides to use will align with national economic goals. We mostly support a transformation that improves local economies," he said.

Valarde added that Namibia is preparing to meet the targets without stifling growth or sustainability for local airlines. In general, all ICAO members aim to transition to SAF by 2050.

At the workshop, Namibia also launched a feasibility study on SAF. Spearheaded by the NCAA, the study is a key step toward establishing a domestic SAF industry. In a speech read in her absence, NCAA Executive Director Toska Sem said the launch symbolises Namibia's commitment to SAF and highlights progress in adopting clean energy across sectors.

The study, part of ICAO's ACT-SAF program, will examine the feasibility of producing SAF locally and evaluate feedstock availability. It aims to align Namibia with global aviation decarbonisation goals and ICAO's "No Country Left Behind" initiative, which seeks to build a competitive SAF industry to reduce carbon emissions in aviation.

The project involves the NCAA and ICAO and builds on Namibia's participation in the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and the ACT-SAF program since 2024. **NBR**



> Toska Sem

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For any enquiries, please contact Mr. Lazarus Shangano on +264614317000 or email: pmu@ncrst.na



"non-compliance remains widespread"



NTB CEO warns tourism players to follow rules

Tourism players under fire for dodging levies

• STAFF WRITER

The Namibia Tourism Board (NTB) has sounded the alarm over poor compliance in the tourism sector, warning that failure to pay levies and follow regulations is threatening the industry's credibility and growth.

NTB chief executive officer Sebulon Chicalu raised the concern during the Know Your Namibia Tourism Board campaign last week.

"The Namibia Tourism Board was established under the NTB Act 21 of 2000, with a clear mandate to regulate, register, and ensure standards within the tourism industry. This mandate is not optional. It is not negotiable. It is the law," he said.

However, Chicalu said that non-compliance remains widespread.

"Yet, we continue to see businesses operating without registration, operators failing to meet levy obligations and a growing gap between regulation and compliance," he said.

Chicalu also warned about the rise of illegal operators and scammers exploiting tourists and undermining legitimate businesses.

"No tourism destination in the world succeeds without strong compliance.



< Sebulon Chicalu

Regulation is essential for credibility, quality and sustainability," he said.

Chicalu said that tourism is recognised as a key driver of economic growth under National Development Plan 6, but warned that growth without compliance is risky.

"But let us be clear: Growth without compliance is not development. Growth without regulation is unstable," he said.

Chicalu said the Know Your Namibia Tourism Board campaign aims to change behaviour and enforce accountability across the sector.

"Through this campaign, we are saying to every tourism operator in Namibia: Know Namibia Tourism Board; Understand your obligations; Comply with the law; Contribute to a stronger industry," he said.

He added that the NTB will intensify nationwide outreach and enforcement.

"We are making it clear that Namibia Tourism Board is not distant; we are present, accessible, and ready to support. But we are equally firm in our responsibility to enforce compliance," he said.

Chicalu emphasised that compliance is key to protecting Namibia's reputation and ensuring fairness in the industry.

"Through the KNOW Namibia Tourism Board Campaign, under the theme 'Comply Today for a Safer Namibian Tourism Tomorrow,' we are sending a clear and urgent message to the entire nation," he said.

He called on all stakeholders to support efforts to strengthen the sector through full compliance. **NBR**



EDITORIAL

The more things change, the more they remain the same

Last week, President Netumbo Nandi-Ndaitwah appointed seven deputy ministers, a Minister in the Presidency, and an advisor to the minister of defence.

This comes after she began her term with a strong push for a leaner, more efficient administration focused on cost containment and improved delivery. Her record over the past year has earned praise for financial prudence – from cutting middlemen in the health system, which saved over N\$200 million, to reinvesting those funds into pressing national needs.

This approach stood out in Africa as a break from the politics of patronage that dominate many governments.

By contrast, her predecessor, Hage Geingob, ran a bloated executive that included personal advisors on top of the usual ministers and deputies. Nandi-Ndaitwah's initial promise was a smaller Cabinet capable of doing more with less.

The somersault of last week raises pressing questions. Is the president still committed to a lean, high-performing team?

Has the focus on efficiency and cost savings given way to the default African model of large, expensive executives with limited results? Only time will tell.

While the argument that ministers need support is valid, this should have been communicated from the outset.

Reversing the course a year into her term gives the impression that the more things change, the more they remain the same.

Critics have long questioned the value of deputy ministers, often seeing them as "lame ducks" who wait to step in for ceremonial duties that could easily be handled by senior civil servants.

Going forward, it is imperative for the President to clearly explain the rationale behind this shift, and how it aligns with her stated goals of efficiency, delivery, and fiscal responsibility.



Nandi-Ndaitwah's initial promise was a smaller Cabinet capable of doing more with less"

Exemplary Elements of Stellar MSME Governance



• DUMISANI NTINI

We acknowledge the critical role played by Namibia's micro, small and medium enterprises (MSMEs) in employment creation, economic participation and sectoral diversification. From construction and logistics to retail, agriculture and services, MSMEs form the operational backbone of the economy. It is crucial for us to note however, that as these enterprises grow, a key question emerges: What does robust governance look like at the MSME level?

Granted, corporate governance is often associated with large organisations, complex board structures and rigid regulatory reporting frameworks. However, robust governance is not necessarily defined by size. Robust governance is defined by enterprise maturity. For Namibian (and numerous emerging market) MSMEs, governance maturity can be observed through practical, measurable indicators. These indicators do not require complex systems, but they require discipline.

One of the most fundamental indicators of governance maturity from our perspective is clarity of ownership. A well-governed MSME should demonstrate exactly who owns the business, including the percentage shareholding of the said owner(s). Furthermore, the rights and responsibilities attached to ownership of the enterprise should be expressly stipulated. MSMEs should also be able to demonstrate the existence of shareholder or partnership agreements. In many growing enterprises, ownership remains informal or simply assumed. This can be injurious as it creates risk, particularly during disputes, when succession events arise or in the midst of external investment discussions. It can be concluded that clarity of ownership is a critical pillar of good governance.

The MSME's governance maturity can also be reflected in how it has defined roles and responsibilities, as well as in its decision-making authority regime. It is not uncommon, in early-stage businesses, for founders to manage all aspects of operations. As the business grows however, this model becomes unsustainable. It is generally agreed that robust governance requires clear role definitions across finance, operations and administration. There should also be vividly documented decision-making authority to outline limits and controls. Where possible, the MSME's structures should provide for separation between oversight and execution. When roles are unclear, accountability weakens. When accountability weakens, it follows that operational risk increases.

Financial governance, reflected in two principal factors (i.e. financial discipline and financial transparency) is a central indicator of governance maturity. A well-governed MSME demonstrates consistent financial record-keeping, separation between business and personal finances, and regular financial reporting (monthly or quarterly at the very least). Basic internal controls, such as approval thresholds or dual signatories should also be clearly evident. It must be remembered that financial opacity is one of the most common causes of business instability. Transparency significantly strengthens the enterprise's resilience.

Every business faces risk. However,

governance maturity is reflected in how those risks are understood and managed. Risk awareness and control are therefore two critical components. MSMEs should be able to identify their key operational, financial and compliance risks. These risks should then be documented in a simple risk register. An exercise of utmost importance for the MSME is the definition of control measures to mitigate the risks identified and stated in the risk register. For context, common risks across Namibian MSMEs include cash flow volatility, supplier dependency, regulatory non-compliance and workplace safety incidents. In addressing a very common misconception, let us understand this fact... Governance does not eliminate risk. It ensures that risk is recognised and managed both intentionally and deliberately.

Ethical behaviour is a defining feature of formidable governance. Respecting that ethical standards and conduct are fundamental facets, it is crucial for the mature MSME to have, at a rudimentary level, a basic code of conduct. There must also be clear expectations regarding procurement, financial integrity, as well as employee behaviour. There should be consistent enforcement of the ethical standards agreed upon, regardless of position. In emerging and developing markets, reputation is a critical business asset. Ethical governance has been known to enhance credibility with clients, partners and financiers.

While MSMEs are not expected to establish formal boards per se, some level of oversight is essential. Basic oversight mechanisms are recommended for MSMEs. These mechanisms may take the form of advisory boards, external mentors or consultants (loosely referred to as 'mastermind groups'), and regular strategic review meetings. Oversight introduces accountability as well as perspective. It reduces the risk of insular decision-making and strengthens the enterprise's strategic direction.

Namibia's MSMEs are required to have an understanding of regulatory obligations. With regard to compliance awareness, MSMEs should be alive to their business registration requirements, their tax obligations and existing labour regulations. There are usually also some industry-specific compliance standards that the enterprise must adhere to. Non-compliance often arises not from intent, but from lack of awareness. Structured governance helps in ensuring that compliance is monitored and maintained.

Considering the above, we reiterate that governance maturity enables continuity, clarity and sustainable growth. MSMEs must move beyond founder dependence toward structured systems, clear reporting and aligned decision-making. Embracing governance principles can greatly assist businesses in strengthening resilience, attracting investment and improving accountability. In Namibia and emerging economies at large, the most successful enterprises will not necessarily be the largest. They will be those built on disciplined, well-governed foundations.

• The views expressed are of the author, Dumisani F. Ntini, Governance & Strategy Practitioner and Founder of Global Governance Group, a cross-jurisdictional governance, risk and systems advisory operating across Australia and emerging markets. Contact: operations@governancegroup.org.

• CHINEDU OKAFOR

The Dangote Petroleum Refinery received ten cargoes of crude last month from the Nigerian National Petroleum Company Limited (NNPC), according to the owner of the facility and Africa's richest man, Aliko Dangote.

This figure represents a major increase in crude supply to Africa's largest refinery, as Nigeria cranks up efforts to boost domestic gasoline output amid the war in the Middle East, which continues to weigh down the global energy market.

Dangote acknowledged the increased deliveries, indicating a temporary improvement in feedstock supply at the world's largest single-train refinery, as seen on Bloomberg.

This development signifies that the facility will achieve an operational level more commensurate with Nigeria's fuel requirements, as the current supply aligns more closely with the metrics identified by David Bird, the company's Chief Executive Officer, as essential for reaching full refining capacity.

Back in March, the refinery's CEO, David Bird, identified inefficiencies in the naira-for-crude arrangement as a drag on profitability.

He stated that the refinery needed to receive 13 to 15 cargoes each month to meet national demand.

"What we see under that agreement, we should be getting about 13 to 15 cargoes a month. And that's what we could process to meet the domestic fuel requirements of Nigeria.

Currently, we're only getting five. So, that's an underperformance against that



Dangote confirms March crude supply to Africa's largest refinery doubled

pre-agreed volume contract," David Bird stated.

Even with the increase, current supply levels, however, remain much below that threshold, frequently hovering around five cargoes outside of the March increase.

This disparity emphasizes the significance of constant crude allocations if the refinery is to fulfill its intended role in changing Nigeria's downstream industry.

Despite the March surge, uncertainty remains over crude supply to the plant.

According to previous reports, the NNPC upped its cargo allocations from five to seven for May loading.

However, senior refinery officials informed The PUNCH that they were unable to confirm any such increase, indicating persistent communication and coordination issues.

The supply inconsistency comes at a critical time for Nigeria, which is working to stabilize its local gasoline market in the face of global oil volatility, especially tensions with Iran.

A consistent flow of crude is required for the refinery to continue production and satisfy local consumption.

GROUND SHIFTING

Nigeria's oil trade dynamics shifted dramatically in 2025, with crude imports related to the Dangote Refinery reaching

\$3.74 billion, an unexpected event for a country famed for its crude exports.

This data was contained in the latest Balance of Payments report of the West African country's central bank, which cited the refinery's crude oil acquisitions as a significant factor influencing the nation's current account.

Per the report, Nigeria's current account surplus was \$14.04 billion in 2025.

While this represents a drop from the \$19.03 billion posted in 2024, it remains a substantial improvement compared to the \$6.42 billion surplus recorded in 2023. The reduction from the previous year was attributed in part to changing oil trading patterns, particularly the importation of crude for domestic processing, linked to the world's largest single-train refinery.

Export numbers reflect this transition, with crude oil shipments declining to \$31.54 billion in 2025 from \$36.85 billion in 2024, a 14 percent decrease.

Despite this dip, Nigeria's goods account improved, with a surplus of \$14.51 billion, up from \$13.17 billion in 2024.

This surge was primarily driven by activities related to the Dangote refinery, as well as improved performance in other export areas, as seen in the Punch.

The export of refined petroleum products was a major highlight, bringing in \$5.85 billion for the year. Increased gas

exports also contributed to the improving trade position.

At the same time, the refinery's operations seem to be changing Nigeria's import profile. With more locally refined fuel available, the country's reliance on imported petroleum products has decreased dramatically.

Fuel imports fell drastically to \$10 billion in 2025, down from \$14.06 billion the year before, an almost 29 percent decrease.

However, this development was partially offset by an increase in non-oil imports, which rose to \$29.24 billion from \$25.74 billion in 2024, indicating sustained demand for foreign goods.

The central bank's report further highlighted a rise in investment outflows, as Nigerians raised their holdings in both direct and portfolio investments abroad this past year.

Overall, Nigeria's balance of payments remained favorable, with a surplus of \$4.23 billion in 2025. Though this sum is lower than the \$6.83 billion reported in 2024, it still represents a rather stable external position.

Meanwhile, the country's external reserves expanded, reaching \$45.75 billion at the end of December 2025. This marks a 13.83 percent gain year on year, aided by increased inflows and improved external buffers. ***BUSINESS INSIDER AFRICA**

IPC MP wants Petroleum Amendment Bill pulled from parliament

• STAFF WRITER

Independent Patriots for Change (IPC) member of parliament Michael Mwashindange has urged Parliament to withdraw the Petroleum Amendment bill, citing "three fundamental concerns namely: revenue certainty, risk allocation, and institutional accountability."

The bill proposes placing Namibia's upstream oil sector under the presidency.

Mwashindange told Parliament last week that IPC is not opposing the bill for the sake of opposition but is calling for precision in Namibia's petroleum framework. He said there is a need for a framework that strengthens the country's balance sheet, protects future generations, and treats Parliament as the custodian of public funds.

"We from this side of the aisle are not calling for this bill to go back for the sake of going back. We are calling for precision," he said. He added "We are calling for a petroleum framework that strengthens Namibia's balance sheet rather than



"We are calling for precision"

> Michael Mwashindange

promising it. One that protects future generations rather than front-loading political wins. And it must treat Parliament not as a formality, but as the ultimate custodian of the public purse."

He told Parliament that the bill increases executive discretion over fiscal terms, cost recovery, and state participation, without legally binding protections. "The Bill before us does not sufficiently hardwire these protections into law. Instead, it defers too much to regulations and future agreements.

These are documents that will not pass through this Parliament for the nation's scrutiny," Mwashindange said.

Mwashindange warned that excessive discretion under the bill could create fiscal opacity and unpredictable revenues for the state.

"While flexibility is often defended as investor-friendly, excessive discretion without firm statutory guardrails intro-

duces fiscal opacity.

Namibia cannot afford a petroleum regime where projected revenues vary wildly based on negotiated outcomes rather than predictable laws," he said.

He cautioned that countries that fail to ring-fence petroleum revenues and standardize fiscal terms often face revenue leakage, delayed state income, and fiscal shocks.

"I must caution that uncertain petroleum revenues undermine fiscal planning, debt sustainability, and medium-term expenditure frameworks.

We cannot responsibly budget for education, health, employment creation for our youth, and infrastructure on the basis of revenues that are legally unsolidified and politically negotiable," Mwashindange said.

Mwashindange also highlighted that the Bill increases the state's exposure through equity in oil projects, yet does

not clarify how associated risks will be managed.

"Where the state assumes equity, it also assumes risks such as: exploration risk, price risk, and operational risk. Yet the Bill is largely silent on how these contingent liabilities will be transparently reported, capped, and integrated into national fiscal risk statements," he said.

He concluded by cautioning that Namibia cannot repeat past mistakes in its petroleum sector, and that Parliament must be assured that state participation is financially safe and risks are properly disclosed.

"Namibia cannot enter the petroleum era repeating the mistakes of the past. Optimism should not replace actual discipline. Political ambition should not outpace institutional capacity," Mwashindange said.

He said if the state is to participate in oil exploration and production, Parliament must ensure such participation is financially neutral or accretive over the project lifecycle. "Borrowing and guarantees linked to petroleum operations must be authorised and disclosed clearly. Downside risks must be stress-tested against oil price volatility. This Bill does not provide that assurance," he said. **NBR**