



Ministry of Mines & Energy
"promoting Namibia's mineral, geological and energy resources"

KEYNOTE ADDRESS
BY THE
HON. TOM ALWEENDO
MINISTER OF MINES AND ENERGY,
ON THE OCCASION OF THE
NAMIBIA INTERNATIONAL OIL AND GAS
CONFERENCE, SWAKOPMUND
24-25 APRIL 2019

The Chairman or Programme Director
Honourable Governor of Erongo Region, Mr Cleophas Mutjavikua
Ministers and Deputy Ministers present,
Honourable Members of Parliament
Members of the Diplomatic Corps
Distinguished guests
Members of the Media
Ladies and gentlemen

I would like to thank RichAfrica Consultancy for organising the 3rd Namibia Oil and Gas Conference and for extending an invitation to me to speak to you this morning. I am delighted to welcome you to our beautiful country and I am grateful for an opportunity to engage with international and local Oil and Gas companies present at this event.

I note with keen interest that the theme of this conference is “Building Partnerships to Transform Africa’s Oil and Gas industry. Oil and gas has become an important economic driver on the African continent as many African countries make discoveries. Discoveries such as the recent gas discovery in South Africa by Total, the 2010 Mozambique gas discovery as the biggest discovery in southern Africa and our own Kudu Gas discovered in 1974 are worth noting.

Oil and gas are the world’s most important and valuable commodities and constitute a major source of revenue for governments and corporations that control production and distribution. Nigeria and Angola as the leading Oil producers in Africa derive bulk of their revenues from the sale of oil. A major discovery is important for Namibia in these times of a volatile and challenging business environment characterised by a slowdown in the Namibian economy.

To achieve this requires a collective effort from both government and the private industry present here today, through the realisation of the importance of continuous oil and gas exploration activities. We value investment in our oil and gas sector in both upstream and downstream. As of recent about 18 Exploration wells have been drilled offshore Namibia with no major discovery but yielded an excellent geological understanding of the Namibian offshore margin and I encourage further investment in that space while we, the government provide a conducive environment by ensuring a stable policy framework.

Namibia has one of the most favorable petroleum fiscal regime and incentives in Africa that encourage equitable sharing of economic benefits when a discovery is made. Some of its key features include: Petroleum Income Tax is levied at 35%, state royalty of 5% and negotiable Additional Profit Tax when the Internal Rate of Return is greater than 15%.

Amongst the incentives that the sector offers includes the off road marine diesel fuel rebate, no capital gains tax, lowest royalty in the region, customs exemptions on importation of equipment and consumables and an ease of conducting business in Namibia as indicated by our high ranking in the Frazer Competitiveness index. With a petroleum legislation that is attractive and based on international best practices, this coupled with an approachable government makes Namibia the best place for your investments.

Many countries in the world including Namibia are dependent on oil imports and nations with surpluses often exercise disproportionate influence on the world. Currently in Namibia the private sector controls 100% of the imported refined products, the reinstatement of the 50% fuel import mandate through our state owned company (NAMCOR) remains a strategic objective of the government. This will be championed by the 75 Million Liters strategic Oil Storage Facilities in Walvis Bay which is almost completed.

Another key point aspect of investing in a new country is to look at the infrastructure. You will find that Namibia's infrastructure is excellent with a modern telecommunications system, a well-developed road network, and extensive electricity distribution grid as well as modern ports of Walvis Bay which is 30 kilometers away from where we are today. I hope you will find time during these 2 days to visit the port and see for yourself.

Ladies and Gentlemen, we look forward to the outcomes of these 2 days' engagements and discussions, and trust that sharing of developments and emerging trends in the industry will further galvanize us, both as individual countries and organisations, but also as a collective effort, to make an immense contribution to the improvement of the sector benefitting the entire country.

I thank you.