Ministry of Industrialisation and Trade

AGOA

AFRICAN GROWTH AND OPPORTUNITY ACT

NATIONAL AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA) UTILIZATION STRATEGY AND ACTION PLAN FOR NAMIBIA

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Ministry of Industrialisation and Trade

NATIONAL AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA) UTILIZATION STRATEGY AND ACTION PLAN FOR NAMIBIA

2019 – 2025

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LIST OF ACRONYMS AND ABBREVIATIONS

AGOA	African Growth and Opportunity Act
AMTA	Agro-Marketing and Trade Agency
ATF	Agricultural Trade Forum
CIA	Central Intelligence Agency
DB	Doing Business
DFQF	Duty-free Quota-free
DRC	Democratic Republic of the Congo
EPZ	Export Processing Zone
FDI	Foreign Direct Investment
FDA	Food and Drug Administration
FMD	Foot and Mouth Disease
FSSC	Food Safety System Certification
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GSP	Generalized System of Preferences
HAACP	Hazard Analysis Critical Control Point
IMF	International Monetary Fund
INP	Indigenous Natural Products
IRD	Inland Revenue Department
ISO	International Standards Association
ITC	International Trade Centre
LDCs	Least Developed Countries
M&E	Monitoring and Evaluation
MFN	Most Favoured Nation
MIT	Ministry of Industrialisation and Trade
NAB	Namibia Agronomic Board
NAMPORT	Namibia Port Authority
NANCi	Namibian Network of the Cosmetics Industry
NCCI	Namibia Chamber of Commerce and Industry
NIC	Namibia Investment Corporation

NIDA	Namibia Industrial Development Agency
NSI	Namibia Standards Institution
NSA	Namibia Statistics Agency
NTB	Non-Tariff Barriers
NTF	Namibia Trade Forum
RECs	Regional Economic Communities
RoO	Rules of Origin
SACU	Southern Africa Customs Union
SADC	Southern Africa Development Community
SADCAS	SADC Accreditation Service
SPS	Sanitary and Phyto-Sanitary
TBT	Technical Barriers to Trade
TCB	Trade Capacity Building
TCF	Third Country Fabric
TVET	Technical and Vocational Education and Training
UNAM	University of Namibia
US	United States
USDA	United States Department of Agriculture
USG	United States Government
USAID	United States Agency for International Development
USITC	United States International Trade Commission
USTR	United States Trade Representative
WEF	World Economic Forum
WRAP	Worldwide Responsible Accreditation Production

EXECUTIVE SUMMARY

This report contains Namibia's African Growth and Opportunity Act (AGOA) Utilization Strategy. The purpose of the strategy is to provide a comprehensive plan on how Namibia can increase its exports to the United States (U.S.) under the AGOA Preference Program. The AGOA Preference Program is a non-reciprocal unilateral trade arrangement that was established two decades ago in order to promote bilateral trade and investment between the U.S. and sub-Saharan African (SSA) countries.

The AGOA Preference Program was enacted on May 18, 2000 and has been amended six times over the course of its twenty-year existence. The last amendment to the Act extended the program by a decade – from July 2015 to September 2025. This is the longest extension of the Act designed to provide time to transition the relationship between the U.S. and sub-Saharan Africa into a reciprocal trade arrangement. There is currently no commitment to continue AGOA in its current form beyond September 2025. This creates an opportunity for SSA countries, including Namibia, to envision a new trade and investment relationship with the U.S. post-2025.

To that end, the Ministry of Industrialisation and Trade (MIT) of Namibia requested the USAID Southern Africa Trade and Investment Hub (USAID TradeHub) to facilitate the development of a National AGOA Utilization Strategy for Namibia. The strategy focuses on diversifying and increasing Namibia's exports to the U.S. under AGOA. One of the reasons why Namibia has not taken advantage of the AGOA Preference Program more effectively is due to the lack of a National AGOA Utilization Strategy that would position some of the country's industry sectors to enter and establish a market presence in the United States.

The strategy consists of four key components, namely: (a) a situational analysis, (b) the utilization strategy, (c) an action plan, and (d) a monitoring and evaluation (M&E) framework. In developing the strategy, MIT provided strategic guidance and led several consultative workshops as well as one-on-one consultations with private and public players, as well as civil society and representatives of international development partners in Namibia.

In developing the AGOA Utilization Strategy for Namibia, it was important to align it with Namibia's Vision 2030 Industrial Policy, the National Development Plan (NDP5), as well as the "Growth at Home" policy all of which focus on three key areas, namely,

- Supporting value addition, upgrading and diversification for sustained growth;
- Securing market access at home and abroad; and
- Improving the investment climate and conditions.

Therefore, AGOA eligible sectors that were suggested during the consultative process – namely, fish, beef, specialty foods, indigenous natural products (INPs), marble/home décor, leather and leather products, table grapes, dates, and handicrafts – were considered within the context of Namibia's trade and industrial framework to ensure policy consistency and alignment.

The strategy noted several key features of Namibia's trade relationship with the United States. Firstly, there is a declining long-term trend in Namibia's exports to the United States, which declined from US$256 million to US$149 million between 2014 and 2019, respectively. However, the short-term snapshot of the annual change between 2018 and 2019 looks somewhat positive. In 2019, exports from Namibia to the United States increased by 11%, up from US$135 million in 2018. The country's exports under AGOA as a share of its total exports to the United States remain low, although it increased to 3% in 2019, up from 1% in 2018.

Secondly, from a sectoral perspective, Namibia's exports to the United States are dominated by minerals and precious metals – all of which constitute a combined 66% of the country's exports. It is against this background that the AGOA Utilization Strategy for Namibia finds critical relevance. The strategy focuses on how Namibia can diversify, secure market access and grow its exports to the United States by taking advantage of preferences under AGOA.

There are several sectors that were considered under the strategy, and these were grouped according to the potential turnaround time that the country can secure market access and establish and/or increase exports in the U.S. market. These sectors include:

- *Short to immediate term product sectors:* i.e. beef, fish, semi-precious stones and marble, devil's claw; table grapes and dates; leather and leather products;
- *Intermediate term product sectors:* i.e. specialty foods, handicrafts / arts and crafts; and
- *Long-term product sectors:* i.e. oils and extracts of Indigenous Natural Products (INPs).

The above-mentioned sectors were part of several sectors that were suggested by stakeholders during workshops and one-on-one consultations. The selection of the sectors was based on a combination of methods which included:

- AGOA eligibility;
- Previous and existing exports;
- Current and potential capacity to produce and export, based on research and key informant interviews and consultations; and
- Comparative advantage of Namibia,

Using a combination of these approaches, the strategy outlined sector specific interventions which require urgent attention in order to unlock the potential of selected sectors. A detailed implementation matrix for the AGOA Utilization Strategy outlined 13 cross-cutting interventions. The implementation matrix also provided guidance on the strategic activities and institutions that will lead and support the initiatives in order to avoid duplication of effort. The M&E framework provided the key performance indicators against which progress would be measured.

The implementation plan will be the tool for ensuring effective management and implementation of the strategy. Implementation efforts will be led by the AGOA Reference Committee and its Secretariat, with MIT being the custodian of the strategy.

I. INTRODUCTION

1.1 Situation Analysis

1.1.1 Overview of AGOA

The African Growth and Opportunity Act (AGOA) is a unilateral and non-reciprocal trade preference program which provides duty-free (and largely quota-free) market access into the United States (U.S.) for eligible products from eligible sub-Saharan African (SSA) countries. The Act has been in existence for two decades, having been amended half a dozen times since its promulgation on May 18, 2000. The current cycle of AGOA stretches from July 2015 to September 2025, which is the longest extension in the history of the preference program.

The objective of AGOA is to strengthen the trade and investment relations between the United States and the sub-Saharan African region through the promotion of free-market systems, reduction of tariff and non-tariff barriers, strengthening of the private sector, and the promotion of civil society in the expression of political freedoms. Overall, such reforms are envisioned to increase exports from sub-Saharan Africa to the United States. Ultimately, bilateral trade between the two regions is expected to lead to increased economic growth.

The AGOA preference program builds on and extends the benefits of the Generalised System of Preference (GSP) which has been in existence since 1974. With AGOA, the scope of eligible products that would be exported duty free increased from 4,600 when it was only GSP to over 6,400 with GSP and AGOA (using HS6 Classification), of which over 700 are agricultural products. In addition to the 4,600 items enjoying duty-free status under the U.S. GSP program, the duty-free products under the AGOA trade initiative also consist of over 1,800 new tariff line items, including some apparel, footwear, wine, luggage, handbags, watches, certain motor vehicle components, chemicals, steel and many others.

1.1.2 AGOA Eligibility Criteria

Each year, the U.S, President designates SSA countries that are eligible to benefit from AGOA. There are several conditions that SSA countries must fulfil to be deemed eligible for AGOA, and these include a continual progression towards establishing:

a) A market-based economy;
b) Rule of law, political pluralism and right to due process;
c) Elimination of barriers to U.S. trade and investment;
d) Economic policies which reduce poverty;
e) A system to combat bribery and corruption; and
f) Protection of internationally recognized workers' rights.

In addition to the above-mentioned conditions, a country must not engage in activities undermining U.S. national security or foreign policy interests and gross violations of internationally recognized human rights. Eligibility requirements including product-specific and general trade rules of origin (RoO) are set out in legislation (https://www.trade.gov/agoa).

1.1.3 Rules of Origin

According to the RoO for AGOA, beneficiaries can only export under the preference program if:

a) The product is directly exported from the beneficiary country;
b) At least 35% of the value of the product is originating from the beneficiary country (local cumulation); and
c) Up to 15% of the required 35% may be of U.S. origin and/or the remainder from other AGOA beneficiary countries (regional cumulation).

Furthermore, AGOA eligible least developed countries (LDCs) qualify for the Third Country Fabric (TCF) provision. The TCF provision is a special rule that allows LDC beneficiary countries duty-free quota-free (DFQF) market access into the United States for apparel made from fabric imported from any country, including non-AGOA beneficiary countries. Under the AGOA preference program, an LDC is defined as a country whose per capita income is less than US$1,500 per person per year. However, there are exceptions to this provision, and specific middle-income countries such as Namibia, as well as Botswana and Mauritius have been granted the same benefits as LDCs (e.g. TCF provision) under AGOA.

1.1.4 Highlights of the 2015 AGOA Extension

The AGOA Trade Preferences Extension Act (2015) was signed into law in June 2015 and provided an extension of the preference program by 10 years to September 30, 2025. The extension includes the TCF provision, which are critical to the development of the textiles and apparel industry in sub-Saharan Africa.

The Act promotes compliance of the eligibility criteria by providing greater flexibility to the United States to withdraw, suspend, or limit benefits under AGOA if it is determined that such action will be more effective than termination. The key highlights of the AGOA Trade Preferences Extension Act (2015) include:
An out-of-cycle which allows the U.S. President to review, at any time, whether an AGOA beneficiary is making progress towards meeting eligibility requirements with a 60-day notification period prior to termination from being an AGOA beneficiary.

a) Emphasis on promoting the role of women and youth in social and economic development in sub-Saharan Africa.
b) The United States Trade Representative (USTR) to consider requesting Regional Economic Communities (RECs) to prepare biennial AGOA Utilization Strategies to encourage greater regional integration. The development of the Namibia Utilization Strategy is consistent with this specific recommendation.
c) The U.S. trade capacity building (TCB) agencies are expected to provide appropriate resources to assist the development and implementation of the biennial AGOA utilization strategies.

While the U.S. Government (USG) is committed to continued and improved trade with sub-Saharan Africa, there is currently no commitment for the extension of AGOA in its current form after September 2025.

It is important to note that there are less than six years remaining till the conclusion of the current iteration of AGOA, with no certainty of further extension. It is therefore critical for beneficiary countries to think of the long-term trade relationship they anticipate having with the United States beyond AGOA, in preparation for the possibility of a discontinuation of the preference program.

1.1.5 Benefits Under AGOA

The AGOA preference program has been lauded as a significant shift in U.S. foreign policy on Africa. AGOA is the cornerstone of trade and investment relations between the United States and SSA countries and has defined economic engagement between the two parties over the past two decades. The decade-long extension of AGOA up to September 2025 presents an opportunity for beneficiary countries to reshape future economic relations by ramping up trade and investment promotion efforts. A critical emphasis of the AGOA Trade Preferences Extension Act (2015) is on boosting trade and investment, as well as promoting regional integration. The critical areas of focus have already been outlined in Section 1.1.2.

Broadly, and through the eligibility criteria outlined therein, AGOA has helped encourage countries to consider governance and economic reforms needed to support economic growth and investment. More specifically, the benefits of the AGOA preference program have mainly been centered around the duty-free market access for eligible products from SSA countries exporting into the U.S. market. However, there are several benefits that can be drawn from AGOA with respect to Namibia. These include:

a) **Tariff advantages:** Exports from Namibia have a significant tariff advantage over those from non-AGOA eligible countries, making Namibian products more competitive in the U.S. Tariff exemptions on textiles and apparel products under AGOA are as high as 30%.
b) **Wide range of eligible products:** The AGOA extension offers an increased range of eligible products (over 6,400 products) which allows more diversified exports to the United States from Namibia, as well as an opportunity to develop local value chains.
c) **Opportunities for regional integration:** AGOA provides an opportunity to deepen regional integration through the development of regional value chains, production sharing and collaboration to meet volumes required by the U.S. market.
d) **Capacity building of associations and institutions:** AGOA can enable local institutions to be strengthened and to also build capacity through technical assistance and TCBs provided by various USG agencies such as the USAID Southern Africa Trade and Investment Hub (USAID TradeHub) whose mandate is to provide technical assistance to AGOA beneficiary countries to facilitate the utilization of the program.
e) **Promotion of women in social and economic development:** The AGOA Trade Preferences Extension Act (2015) encourages the promotion of women in social and economic development. The increased participation of women in labour and management of firms will help increase the quality and quantity of available labour for industries engaged in export trade.
f) **Job creation:** AGOA has been credited for creating and supporting 300,000 jobs in the sub-Saharan Africa region since its inception. More utilization of AGOA will lead to more jobs in export industries in Namibia.
g) **Long term relationships:** Namibian companies that utilize AGOA will be exposed to the U.S. market and can create strategic alliances and supply chain/trade relationships with their U.S. counterparts. Such strategic alliances and relationships will continue after the expiry of AGOA.
h) P**roviding firms international exposure:** Namibian companies seeking to export under AGOA will gain much needed experience and will be better positioned to explore other alternative markets due to their ability to meet U.S. standards.
i) **Annual AGOA Forum:** The United States and sub-Saharan Africa meet annually for the Trade and Economic Cooperation Forum – otherwise known as the AGOA Forum – to discuss trade and investment issues which helps to resolve any concerns and map a way forward.

1.1.6 AGOA Statistical Overview

Over the years, the AGOA program has successfully increased exports to the U.S. from and foreign direct investments (FDI) to SSA countries resulting in substantial benefits to the region. At the heart of the AGOA regulations are provisions that allow for duty-free and quota-free treatment for eligible textile and apparel products. Despite the impressive performance of the export sector for some AGOA eligible SSA countries, it is acknowledged that only a few countries have taken full advantage of the variety of exports under the AGOA trade preference program. In addition, the variety in the non-oil export products to the U.S. under the program remain limited. Over the years, the most exported products under AGOA are from the textile and apparel sector.

As seen in the Table 1, Namibia exports to the United States decreased from US$256,220,000 in 2014 to US$134,878,000 in 2018. Namibia ranked the 6th highest Southern African Development Community (SADC) exporter to the United States in 2014. This has seen Namibia drop one place down from 7th in 2017 to ranked 8th place in 2018.

Table 1. SADC exports to the U.S., US$000, 2014-2019

Country	2014	2015	2016	2017	2018	2019	Percent Change 2018/19
South Africa	8 278 624	7 437 219	7 015 036	8 019 713	8 547 519	7 633 977	-11%
Angola	5 477 548	3 009 896	2 916 524	2 650 635	2 781 142	1 037 173	-63%
Madagascar	217 448	322 267	441 781	743 793	892 151	848 215	-5%
Mauritius	401 353	394 888	334 778	285 363	318 885	343 376	8%
Lesotho	361 248	329 809	310 592	30 834	429 235	334 636	-22%
Botswana	317 999	225 286	444 976	775 652	482 088	276 865	-43%
Namibia	**256 220**	**110 529**	**116 954**	**138 497**	**134 878**	**149 101**	**11%**
Tanzania	86 236	106 686	152 732	131 442	98 092	133 372	36%
Malawi	80 259	60 641	75 584	64 512	56 616	92 543	63%
Zambia	55 646	58 609	69 521	66 703	203 326	91 722	-55%
Zimbabwe	64 645	63 810	23 537	47 294	66 875	46 998	-30%
Eswatini	81 527	19 915	16 996	19 578	13 319	15 882	19%
Mozambique	99 848	109 897	127 477	156 544	122 773	14 586	-88%
Seychelles	3 891	5 839	5 596	12 639	7 311	9 294	27%
Congo-Kinshasa	154 378	153 455	149 102	86 612	4 889	2 204	-55%
Comoros	2 086	1 212	2 675	5 071	2 984	2 038	-32%
Total	**15 938 956**	**12 409 958**	**12 203 861**	**13 234 882**	**14 162 083**	**11 031 982**	**-22%**

Source: https://dataweb.usitc.gov/scripts/REPORT.asp

Table 2. SADC's exports under AGOA & GSP, US$000, 2017-2019

Country	2017	2018	2019	Percent Change 2018/19
South Africa	2 938 647	2 379 033	1 973 354	-17%
Angola	2 270 618	2 066 732	605 007	-71%
Lesotho	290 418	31 959	301 132	842%
Madagascar	155 449	194 041	239 528	23%
Mauritius	159 569	1 576	142 586	8947%
Malawi	43 299	40 181	72 973	82%
Tanzania	40 851	42 829	55 324	29%
Eswatini	NE	7 505	9 688	29%
Zambia	7 176	88 885	5 584	-94%
Namibia	**2 284**	**1 718**	**4 515**	**163%**
Mozambique	1 058	7 863	852	-89%
Botswana	991	-	4	-
Comoros	-	-	-	-
Congo-Kinshasa	NE	NE	NE	
Seychelles	NE	NE	NE	
Zimbabwe	NE	NE	NE	
Total	**5 910 360**	**4 862 322**	**8 400 198**	**-30%**

Source: https://dataweb.usitc.gov/scripts/REPORT.asp

Table 1 also shows that despite a declining long-term trend in Namibia's exports to the United States, the annual change between 2018 and 2019 increased by 11% – increasing from US$135 million to US$149 million, respectively. This saw Namibia moving one place up the regional export rank, from the 8th largest to the 7th largest exporter in SADC. Table 2 shows that out of the country's total exports to the United States, the share of exports under AGOA increased from 1.3% in 2018 to 3% in 2019. Exports under AGOA are expected to more than double from US$1.7 million in 2018 to US$4.5 million in 2019. The sectors driving growth include precious metals (which constitute a combined 66% of the country's exports), as well as agriculture and fisheries. Figure 6 and Section 2 outline these sectors in greater detail.

As a side-note, it is important to note that the United States International Trade Commission (USITC) database provides data that is different from the ITC Trademap, which is an alternative source that is extensively used in order to get product level trade trends. Differences could be due to several factors, such as accounting or statistical errors, differences in import and export parity prices which can be attributed to the reporting of importer or exporter etc. Given these data differences, the most important perspective to gain from the provided statistics are the general trends in growth and direction of markets.

1.2 Namibia's Economic Background

1.2.1 Overview of Namibia's Industrial Policy

Namibia has a Vision 2030, Industrial Policy and a National Development Plan (NDP5) which focuses on three Strategic Intervention Areas namely:

- Supporting value addition, upgrading and diversification for sustained growth;
- Securing market access at home and abroad; and
- Improving the investment climate and conditions.

In implementing the industrial policy, Namibia has devised a plan named "Growth at Home" which focuses on the three aforementioned intervention areas, but targeting several sectors of the economy which include:

- Agro-processing (particularly in beef, game, vegetables and fruit value addition, dairy, leather, wool – with value addition processes which extend to textiles pelts silk etc.);
- Fish processing (targeting horse mackerel, diversifying crayfish markets, fish certification etc.);
- Automotive industry – which also focuses on manufacture of agricultural machinery and vehicles;
- Steel manufacturing and metal fabrication;
- Chemical industry, including production of mineral fertilizers, and caustic salts which can be used to manufacture feed, in addition to salt for human consumption.
- Jewelry industry linked to the country's diamond mining industry.

What is clear from Namibia's industrial policy is the centrality of agriculture and agro-processing, and the importance of developing domestic and international markets to sustain the envisaged future growth in the economy. Given the relatively small size of the Namibian market, the point of seeking out and diversifying international markets is particularly important in sustaining growth.

1.2.2 Overview of Namibia's Trade and Investment Policy

Namibia's key export markets are largely shaped by the country's trade agreements which include the following:

- Southern Africa Customs Union (SACU);
- Southern Africa Development Community (SADC);
- Southern Africa Development Community – European Union Economic Partnership the (SADC-EU EPA);
- Southern Africa Development Community – European Free Trade Association – Free Trade Agreement (SACU-EFTA FTA);
- SACU MERCOSUR Preferential Trade Agreement (PTA);

Namibia and its SACU partners finalised the Southern Africa Customs Union – Mozambique – United Kingdom Economic Partnership the (SACU-Moz-UK EPA) on September 10, 2019. Moreover, the African Continental Free Trade Agreement (AfCFTA) came into force on May 30, 2019, with trade expected to start in June 2019.

Promoting and facilitating trade, investment, and the introduction of new technology is a core element of the Industrial Policy Implementation and Strategic Framework, which is being implemented by the Namibia Industrial Development Agency (NIDA). In the "Growth at Home" industrial policy implementation framework, the nature of Intervention will involve targeted investment promotion campaigns that will be implemented, based on the following systematic approach:

- Identification of investment opportunities based upon the results of value chain analyses and feasibility studies carried out for the Sector Growth Strategies / Special Industrialisation Programme;
- Prioritization of promising target groups based on assessment of relevant investment trends and of the competitive environment;
- Identification and profiling of potential investors based on criteria such as growth potential, recent investment activities, regional presence etc.;
- Development of target group specific investment promotion tools and support packages;
- Implementation of investment promotion campaigns with an individualized approach of potential investors focusing on leading investment / trade fairs, complemented by missions / events and cooperation with intermediaries; and
- Systematic follow-up and support of identified domestic and international businesses with investment plans.

The investment targets set out in the Industrial Policy Implementation and Strategic Framework is to achieve the following by 2020:

- Significant increase of number of high-quality investment projects attracted contributing towards value addition and employment creation;
- Investors for defined industrial development and value addition projects of the Special Industrialisation Programme successfully identified and supported; and
- Namibia among the top three destinations for foreign direct investment within SADC.

1.2.3 Overview of Namibia's Economic Performance

Namibia is an upper middle-income country, with a per capita income of US$5,931 (World Bank 2020). The Namibian economy is closely linked to South Africa with the Namibian dollar pegged one-to-one to the South African Rand. Namibia receives 30% to 40% of its revenue from SACU through the revenue sharing pool. However, SACU revenues are volatile and are expected to decline over the next five years.

Namibia is largely a service-driven economy – with services accounting for 67% of the economy, followed by manufacturing[1] (26.3%) and agriculture[2] (6.7%). Namibia's economy is heavily dependent on the extraction and processing of minerals for export. Mining accounts for about 12.5% of Gross Domestic Product (GDP) but provides more than 50% of foreign exchange earnings. The Government of Namibia have emphasized the need to add value to raw materials, do more in-country manufacturing, and exploit the services market, especially in the logistics and transportation sectors.

Namibia's economy remains vulnerable to world commodity price fluctuations and drought. Namibia normally imports about 50% of its cereal requirements; in drought years, food shortages are problematic in rural areas. A high per capita GDP, relative to the region,

[1] *This includes meatpacking, fish processing, dairy products, pasta, beverages; mining (diamonds, lead, zinc, tin, silver, tungsten, uranium, copper).*

[2.] *This includes millet, sorghum, peanuts, grapes; livestock and fish.*

obscures the country's unequal income distributions; the current government has prioritized exploring wealth redistribution schemes while trying to maintain a pro-business environment. GDP growth in 2017 slowed to about 1%. Due to contractions in both the construction and mining sectors, as well as an ongoing drought, growth hovered below zero in 2017 and 2018, with expectations that 2019 will remain below zero. However, growth in 2020 is expected to grow modestly by 1.55% (see Table 3 below).

Table 3. Macro-economic indicators for Namibia

	2014	2015	2016	2017	2018	2019	2020 Est.
GDP (PPP) (US$ Billions)	24,09	25,82	26,38	26,64	27,27	27,71	28,70
Real GDP Growth Rate (%)	6,35	6,09	1,12	(0,87)	(0,08)	(0,18)	1,55
GDP Per Capita (US$)	5 718	5 160	4 854	5 725	6 013	5 842	5 963
Inflation (Average Consumer Prices)	5,35	3,40	6,73	6,15	4,29	4,80	5,50
Exchange Rate (N$/US$)	10,84	12,75	14,71	13,32	13,24	13,94	14,32
Population (Millions)	2,24	2,28	2,32	2,37	2,41	2,46	2,51

Source: IMF (2019)

Namibia has a labour force of 956,800 people, 31% of which are employed in agriculture: 14% in manufacturing, and 54% in the services sector (CIA Factbook, 2019). However, unemployment has been steadily increasing, against a stagnant economy. About half of Namibia's people are unemployed while about two-thirds live in rural areas; roughly two-thirds of rural dwellers rely on subsistence agriculture.

1.2.4 Overview of Namibia's Business and Investment Environment

The "Growth at Home" policy focuses on improving Namibia's investment climate and conditions. The implementation document notes that "Namibia needs to become more attractive to enterprises and investors both domestic and foreign". This Strategic Intervention Area aims at fostering a climate and conditions that are conducive to the sustained development and expansion of businesses in the country. Key emphasis is placed on addressing Namibia's major competitiveness gaps – particularly in the areas of skills, access to land and registration of businesses and intellectual property. The Strategic Intervention Area of improving the investment climate recognizes the vital role that Small and Medium Enterprises (SMEs) play in Namibia's industrialization and socio-economic development. Furthermore, it aims at creating an efficient institutional set-up which ensures collaboration between the private and public sectors and other stakeholders to jointly address remaining challenges in the business environment. The target of the Growth at Home is to achieve the following by 2020:

- Namibia is the most competitive economy in the SADC region, according to the standards set by the World Economic Forum (WEF).
- Investment climate surveys show that businesses feel that the climate and conditions in which they operate are more conducive, with respect to the availability of skilled labour and access to land.
- Namibia has improved by at least 10 ranks in the "Starting a Business Category" in the 2019 World Bank's Doing Business Report.

Table 4 below outlines the key parameters that define Namibia's competitiveness and compares them with other countries in the region.

Table 4. Comparison of General Costs and Other Indicators

Cost element	Namibia	Malawi	Ethiopia	Kenya	South Africa	Zambia
Mean monthly wage skilled/semi-skilled (US$)	Variable	368-413.13	74-84	120-150	1485.59/ 269.77	252-350
Weekly working hours	45hrs/week	48hrs/week	48hrs/ week	45hrs/ week	45hrs/week	48hrs/week
Overtime allowed/week	10 hrs/week	12 hrs/ week	25 hrs/ week	20 hrs/ week	10 hrs/week	No limit
Ret EPZ/MFEZ factory (US$/m2/month)	n.a.	6 to 11	n.a.	2 to 3.70	4 to 15	8 to 15
Electricity (USc/kWh)	15c/kWh[3]	7c/kWh	1c-3c/ kWh	18c-20c/ kWh	11.7c/kWh (Municipal)	9c/kWh to 25c/kWh
Water Cost (US$)[4]		0.76/100m3	0.19-0.58/ m3	0.58-2.00/ m3	8c/kWh (Eskom)	0.79/100m3
VAT on imports	0.021/100m3	16.5%	15%	16%	0.032/100m3	16%
Corporate tax	15%	30%	30%	30%	15%	35%
Bank Interest rate (local currency)	32%	Min. 33.8%	Min. 5%	Min 18%	28%	Min. 37.5%
Work Permits for expats (US$)	Min 5.5%	Max 42.8%	Max 11%	Max 20%	10.5%	Max. 45%
Availability of industrial Parks	Max 10.5%	176.46	Yes	Yes	111.57	3 377
Availability of land for construction	Yes	Yes	Yes	Yes	Yes	Yes

Source: Prepared with information from the World Bank Doing Business SADC Regional Report 2019

[3] *The World Bank Doing Business Report – Namibia 2020 edition (pg. 17).*

[4] *Water cost for Namibia was drawn from Department of infrastructure, Water and Technical Services the (pg. 62) No-Domestic Consumers charged a tariff of N$23.26/m^3.*

Every year, the World Bank releases a report called "The Doing Business Report" which sheds light on how easy or difficult it is for a local entrepreneur to open and run an SME-size business when complying with relevant regulations (World Bank, 2017). According to the World Bank's Doing Business reports, Namibia's "Doing Business" ranking has been worsening over time, dropping from 104 out of 190 assessed countries in 2018, to 106 in 2019, and 107 in 2020[5]. The increasing "Doing Business" rankings reflect that Namibia's investment environment is comparing unfavourably with other economies – it might not be necessarily due to a worse investment environment, but rather, a lack of improvement in the existing business conditions.

Figure 1 below shows that Namibia ranks poorly in several business climate indicators compared to other countries. Specific indicators in which Namibia ranks above 100 include Starting a Business (165), Registering Property (173), Trading Across Borders (138) and Resolving Insolvency (127). However, Namibia continues to fare relatively well in other indicators such as Enforcing Contracts (64), Getting Electricity (76), and Getting Credit (80).

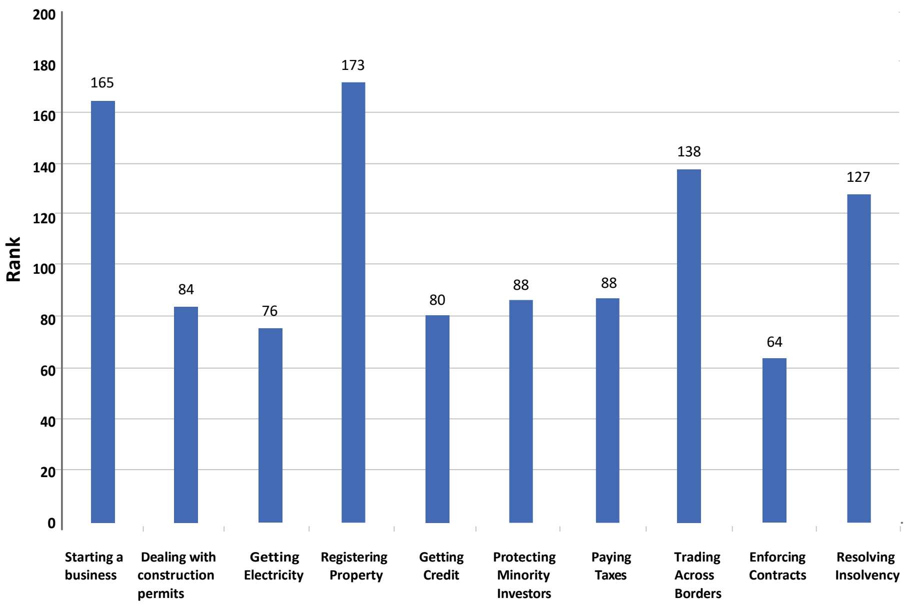

Figure 1.Namibia's Rankings on Doing Business (2020)

Source: World Bank Doing Business (2020)

[5] The higher the rank, the worse the country's status compared to others

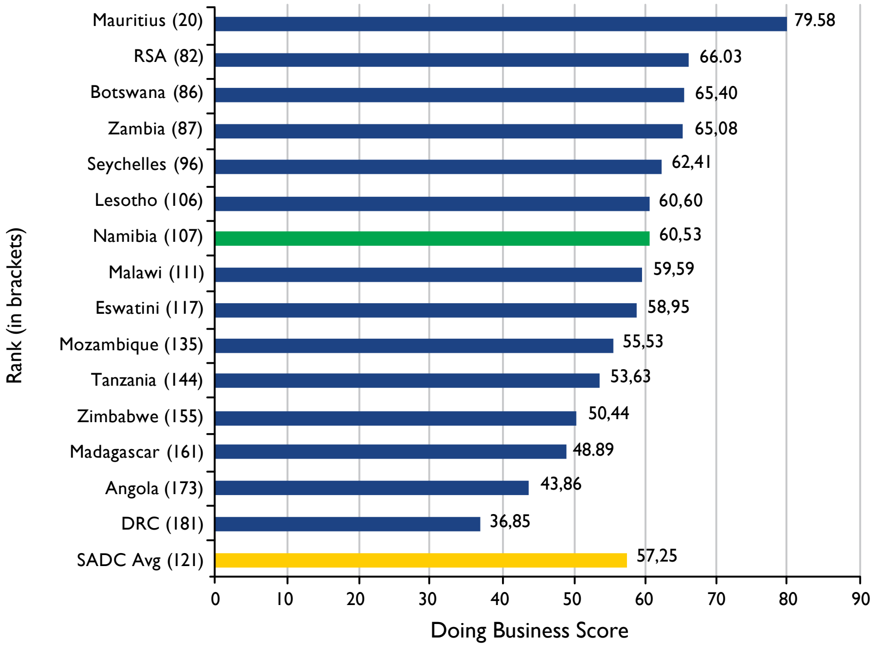

Figure 2. How Economies in SADC Rank on the Ease of Doing Business in 2020

Source: World Bank Doing Business (2020)

Figure 2 above compares how Namibia has performed with respect to its regional peers. From a SADC perspective, six countries are ranked better than Namibia and places the country above the regional average for the overall Ease of Doing Business. Compared to the five SACU countries, Namibia is fourth in the ease of doing business, only ranking above Eswatini. Table 5 breaks down the overall Doing Business rankings into their constituent components and compares these with the SADC regional average.

Table 5. Namibia's Rankings on Doing Business Indicators in 2019

Indicator	Namibia Ranking (2020)	Namibia Ranking (2019)	SADC Average (2019)	Highest Ranked SADC Country	Ranking of Highest ranked SADC Country
Trading across borders	138	136	119	Eswatini	32
Getting Credit	80	73	93	Zambia	3
Enforcing contracts	64	58	131	Mauritius	27
Protecting minority investors	88	99	104	Mauritius	15

Indicator	Namibia Ranking (2020)	Namibia Ranking (2019)	SADC Average (2019)	Highest Ranked SADC Country	Ranking of Highest ranked SADC Country
Registering Property	173	174	118	Mauritius	35
Paying Taxes	88	81	97	Mauritius	6
Starting a business	165	172	133	Mauritius	21
Resolving insolvency	127	125	117	Mauritius	35
Getting electricity	76	71	130	Mauritius	34
Dealing with construction permits	84	83	109	Mauritius	15

Source: Prepared with information from the World Bank Doing Business SADC Regional Report 2019

Table 5 above shows that there are six indicators where Namibia performed better than the SADC regional average. These are: getting credit; enforcing contracts; protecting minority investors; paying taxes; getting electricity and dealing with construction permits. All the indicators that were worse than the regional average (i.e. above regional average) should be considered priority areas for improvement to enhance the business climate in Namibia, with the target to be at least equal or better than the regional average. Namibia should therefore focus on reducing time and cost incurred when trading across borders, registering property, starting a business, and resolving insolvency. Reducing the time and cost spent by business complying with requirements and regulations of the aforementioned factors will increase the country's competitiveness.

1.2.5 Overview of Namibia's Trade

1.2.5.1 Structure of Namibia's Exports by Regional and International Markets

Overall, Namibia's exports have increased by 25% over the past five years, from US$4.6 billion in 2015 to US$6.4 billion in 2018. Driving the growth of Namibia's exports has been the increase in various regions which include:

- The Middle East, which has grown the quickest over the past five years, with Namibia's exports growing six-fold from US$45.2 million in 2015 to US$279 million in 2019.
- Asia and the Far East were the second-fastest growing region for Namibian exports, doubling from US$260 million to US$1.9 billion over the same period. Growth in Asia and the Far East has mainly been driven by China, where exports increased from US$157 million to US$1.6 billion between 2015 and 2019 underpinned by uranium exports which started in 2018[6].

[6] *Namibia is one of the world's largest producers of uranium, and the Chinese-owned Husab uranium mine began producing uranium ore in 2017 and is expected to reach full production in August 2018 and produce 15 million pounds of uranium a year.*

The data mentioned above trends are unpacked further in Table 6 below to provide a more elaborate picture of the structure of Namibia's export markets.

Table 6. Namibia's key export markets by region, US$'000 2015-2019

	2015	2016	2017	2018	2019
Total	**4 628 292**	**4 815 846**	**5 229 361**	**7 488 296**	**6 445 568**
SADC	2 518 640	2 000 803	2 194 331	2 362 027	2 334 552
Rest of Africa	21 062	20 809	45 574	47 739	36 959
EU (28)	741 673	880 372	1 075 314	2 190 836	1 411 863
EFTA	712 772	1 054 873	656 995	70 604	24 678
Eastern Europe	2 987	1 535	8 444	3 516	5 724
Middle East	45 173	131 980	266 006	235 991	278 609
Asia & Far East	259 720	229 144	358 323	1 548 826	1 882 849
United States of America	88 032	125 925	136 138	112 748	137 247
Rest of Americas	81 528	55 816	55 612	40 100	230 675
Others	156 705	314 589	432 624	875 909	102 412

Source: Prepared with information from the ITC Trademap (2020)

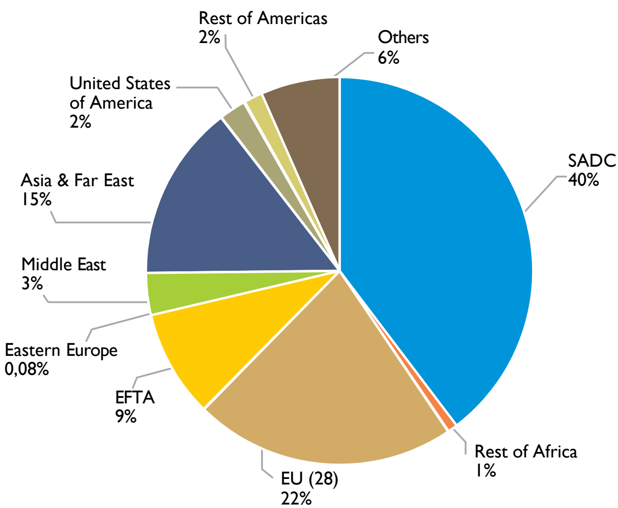

Figure 3. Namibia's export markets by region, 5-year average (2015-2019)

Source: Adapted from ITC Trademap (2020)

Key markets driving Namibia's growth in exports is the SADC market, which accounts for an average of 40% of the country's exports over the period 2015 to 2019 (see Figure 3 above). The EU is the second-largest market, which accounts for 22%, with the EFTA region making up 9%. Asia and the Far East account for 15% of the country's exports.

1.2.5.2 Structure of Namibia's Exports (& Imports) by Product Sectors

The trade analysis in this strategy will be done at three levels, namely, at the Harmonised System (HS) two, six and ten-digit level. As shown in Figure 4 below, Namibia's reliance on mineral exports is apparent, with 60% of its exports being pearls, precious stones and metals; ore slag and ash; copper and its articles, as well as zinc and its articles. Rich alluvial diamond deposits make Namibia a primary source for gem-quality diamonds. Marine diamond mining is increasingly important as the terrestrial diamond supply has dwindled. The rising cost of the mining of diamonds, especially from the sea, combined with increased diamond production in Russia and China, has reduced profit margins. Namibia's economy remains vulnerable to world commodity price fluctuations given its reliance on minerals.

One of the largest export sectors is the fish industry, which makes up an average of 11% of Namibia's exports. Related to the fish industry is the ship and boat manufacturing industry, which accounts for 58% of exports. Exports of live animals are the major key export sub-sector in agriculture (2%), with food manufacturing being dominated by the beverage industry (2%). Industrial machinery and parts make up 2% of the country's top 10 list of exports. Table 6 below outlines the trends in exports for the top 10 products, ranked according to the average exports between 2015-2019 value of exports.

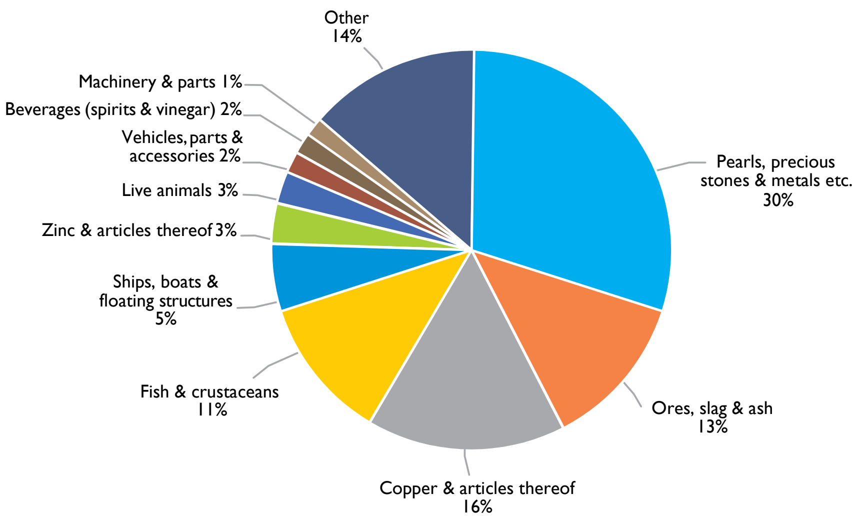

Figure 4. Namibia's major exports to the world (2015-2019)

Source: Prepared with information from the ITC Trademap (2020)

With Figure 4 providing a snapshot of Namibia's average exports over a five-year period, Table 7 unpacks the trends over time to provide more detailed annual data during the same period. The sectors are ranked by average value of exports over the period 2015 to 2019. As such, the rankings reflect a similar picture to that shown in Figure 4.

Table 7. Namibia's Top 10 exports to the World, US$'000, 2015-2019

Code	Product Description	2015	2016	2017	2018	2019
'71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewelry; coin	1 543 554	1 597 209	1 966 516	1 958 589	1 460 062
'26	Ores, slag and ash	445 707	842 462	628 088	825 420	896 653
'74	Copper and articles thereof	635 939	385 972	411 853	1 557 650	1 638 527
'03	Fish and crustaceans, mollusks and other aquatic invertebrates	560 248	599 338	680 511	731 086	694 871
'89	Ships, boats and floating structures	24 207	224 388	202 035	884 678	221 481
'79	Zinc and articles thereof	155 214	167 017	221 322	201 071	187 091
'01	Live animals	122 927	70 005	192 767	210 121	147 275
'87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	117 891	60 381	97 275	113 585	116 991
'22	Beverages, spirits and vinegar	127 186	78 627	77 758	91 754	102 297
'84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	87 613	54 924	78 192	91 410	116 673
	Others	807 806	735 523	673 044	822 932	863 647
TOTAL	**All products**	**4 628 292**	**4 815 846**	**5 229 361**	**7 488 296**	**6 445 568**

Source: Prepared with information from the ITC Trademap (2020)

From an import perspective, Namibia's largest imported product categories over the past five years are fuels and oils, which account for an average of 12% of the country's total imports. Vehicles and railway or tramway rolling stock, and parts, and accessories thereof are the second-largest imports, making up 9% of the country's total imports, followed by machinery, mechanical appliances, nuclear reactors, boilers, and parts (9%); ships and boats (7%). Overall, mineral and mineral products collectively make up 19% of the country's imports – consisting of copper and its articles (6%), precious pearls, stones, metals and jewelry (5%), Ores, slag and ash (5%) and articles of iron or steel (3%) (see Figure 5). Table 8 complements Figure 5 by outlining the trends in Namibia's imports over the period 2014 and 2018 in a fashion similar to that shown in the export trade narrative.

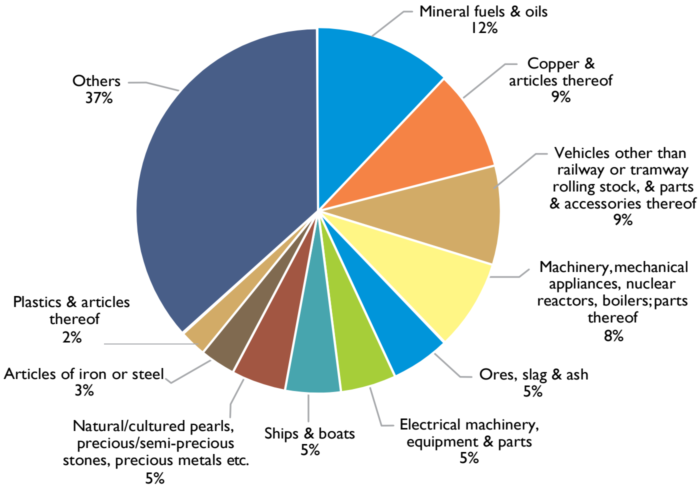

Figure 5. Namibia's major imports from the world (2015-2019)

Source: Prepared with information from the ITC Trademap (2019)

Table 8. Namibia's Top 10 imports from the World, US$'000, 2015-2019

Code	Product Description	2015	2016	2017	2018	2019
'27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; minerals etc.	1 137 642	842 742	686 721	859 587	943 755
'74	Copper and articles thereof	303 320	292 600	304 576	1 145 968	1 271 725
'87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	845 442	630 091	620 084	588 294	554 046
'84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	720 709	565 994	584 106	602 983	539 989

Code	Product Description	2015	2016	2017	2018	2019
'26	Ores, slag and ash	336 271	218 449	578 074	365 683	540 714
'85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television etc.	416 947	334 134	373 220	381 531	308 875
'89	Ships, boats and floating structures	323 488	369 273	58 549	816 137	223 672
'71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad etc.	203 285	539 362	422 664	331 020	268 079
'73	Articles of iron or steel	332 254	194 309	222 968	226 999	208 870
'39	Plastics and articles thereof	173 986	146 182	156 968	197 364	204 909
	Others	2 903 813	2 587 908	2 770 273	2 773 374	2 644 904
TOTAL	**All products**	**7 697 157**	**6 721 044**	**6 778 203**	**8 288 940**	**7 709 538**

Source: Prepared with information from the ITC Trademap (2020)

With Namibia's top 10 traded products and commodities dominated by mining and manufactured goods, there are several strategic sectors that have been outlined in sub-Section 1.2.1 that are contained in the "Growth at Home" policy, and which are considered for the AGOA Utilization Strategy for Namibia. These sectors include:

- Agro-processing: particularly in beef, game, leather and leather products, and wild fruits; and
- Fish processing: targeting horse mackerel, diversifying crayfish markets, fish certification etc.

Furthermore, there are additional strategic sectors that the AGOA Utilization Strategy for Namibia will focus on, which were gathered from stakeholder consultations. These include:

- Specialty foods, specifically ancient grains such as pearl millet (for example, specialty products from organic whole grain pearl millet flour such as biscuits and cereal preparations);
- Marble and semi-precious stones: more specifically, marble in its various forms and design for various home fittings and tiling; as well as various semi-precious stones;
- Arts and handicrafts such as wood carving, basket weaving, pottery (clay) etc.;
- Indigenous natural products (INPs) for specialty vegetable oils (typically used for cosmetic ingredients) such as marula oil, kalahari melon seed oil and ximenia oil; and
- INPs such as "devil's claw", which are used as raw materials for medicinal extracts and products.

2. NAMIBIA'S TRADE AND INVESTMENT RELATIONSHIP WITH THE UNITED STATES

2.1 Analysis of Namibia's Exports under AGOA

The United States makes up an average of 2.1% of Namibia's exports and is the 12th largest export partner, ranked by 2019 export data. However, Namibia's exports to the United States increased by 56% between 2015 and 2019, falling from US$88 million to US$137 million, respectively (Trademap, 2020). Important to note is the fact that Namibia's exports to the US in 2015 were exceptionally low, and actually the lowest since 2004. Overall, the US share of Namibia's exports averaged 4% over the period 2001-2019, peaking at 10% in 2005, and ranging between 2% and 3% over the past five years. It is against this background that the AGOA Utilization Strategy for Namibia finds critical relevance. The strategy focuses on how Namibia can secure market access and grow its exports in the United States by taking advantage of preferences under the AGOA facility.

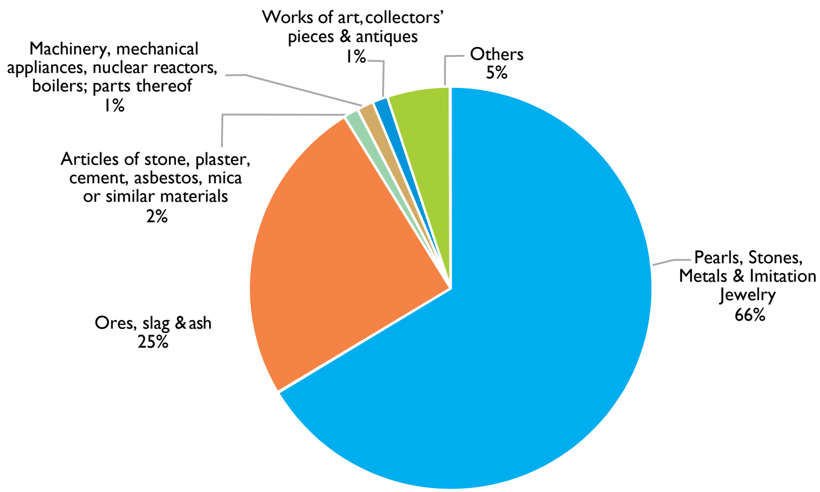

Figure 6.Namibia's Major Export Commodities to the US (average % 2015-2019)

Source: Adapted from ITC Trademap (2020)

From a sectoral perspective, Namibia's exports to the United States are dominated by "natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewelry; coin" – all of which constitute a combined 66% of the country's exports. Given the dominance of this sector in Namibia's exports, it would be worthwhile considering diversifying the sectoral mix further by deepening exports in other industries such as agriculture and fisheries – where Namibia has promising trade potential. For instance, the fisheries and beef industries are strategic sectors that have the potential to increase their share of exports to the United States.

Table 9 below outlines Namibia's sectoral exports to the United States under different preference programs, namely, the Generalised System of Preferences (GSP) as well as AGOA. With respect to AGOA, minerals, metals, precious and semi-precious stones still account for a significant portion, although most of the products are exported under GSP. Mineral exports claimed under AGOA preferences increased from US$30,000 in 2017 to US$1.3 million in 2019, thanks to an upsurge of exports in marble (blocks and slabs) and granite products (polished, decorated or otherwise worked). Total AGOA+GSP exports increased from US$2.2 million to US$4 million from 2017 and 2019, respectively.

Table 9. Namibia exports under AGOA, US$000, 2016-2019

Sector	2016	2017	2018	2019
Agricultural products:				
GSP	16	4	426	380
AGOA	0	0	4	51
Forest products:				
GSP	83	41	0	0
AGOA	0	0	50	0
Chemicals and related products:				
GSP	14	7	33	0
AGOA	0	0	0	0
Energy-related products:				
GSP	2	0	0	0
AGOA	0	0	0	0
Textiles and apparel:				
GSP	0	1	0	0
AGOA	0	0	0	0
Minerals and metals:				
GSP	1,351	2,194	917	2,749
AGOA	0	30	284	1,299
Machinery:				
GSP	0	0	0	4
AGOA	0	0	0	0
Transportation equipment:				
GSP	0	6	0	0
AGOA	0	0	0	0
Miscellaneous manufactures:				
GSP	0	0	4	32
AGOA	0	0	0	0

Source: USITC (2020) [7]

[7] *https://pubapps2.usitc.gov/africa/by_country.jsp*

In the agricultural sector, total AGOA+GSP exports increased sharply from US$16,000 to US$430,000, driven by increases in exports of bones and horncores, as well as specialty vegetable oils from INPs. It is clear from the data that the AGOA preference program is still under-utilized, as it accounts for less than 1% of Namibia's total exports to the United States. A key underlying observation is that low utilization of AGOA also reflects a degree of limited diversity in the country's exports. The data outlined in Table 9 above is consolidated in Table 10 below to provide a broad summary of Namibia's utilization of the GSP and AGOA preference programs.

Table 10. Namibia's total exports to the U.S. by program, US$000, 2016-2019

All sectors:	2016	2017	2018	2019
AGOA (including GSP provisions)	1 465	2 284	1 718	4 515
GSP	1 465	2 254	138	3 165
AGOA	-	31	338	1 349
No programme claimed [8]	116 954	136 213	134 878	140 072

Source: USITC (2020)

The table shows that most of Namibia's exports to the United States are not claimed under any specific preference program. Yet there is potential for various sectors of the economy to grow and export to the United States. The prevailing sentiment is that there are specific sectors that can play a key role in this regard, which is a key objective of this strategy. Moreover, there is evidence that some exporters and their U.S. clients are unaware of the preferences accorded their products. This means that some of Namibia's exports which qualify for AGOA preferential duties are not declared as eligible, and therefore, exporters (and U.S. importers) are missing out on potential benefits of competitiveness.

2.2 Namibia's AGOA Eligible Products Exported to Other Countries Excluding the United States

The small share of Namibia's exports to the United States relative to the country's overall exports begs the question of the destination of Namibia's AGOA eligible products. Table 6 outlined the various regional markets that Namibia exports to. Table 11 expands on Table 6 by showing the top 20 tariff lines that are AGOA and GSP eligible which are exported to other regional and international markets. Namibia exports considerable levels of AGOA and GSP eligible products to the rest of the world (RoW).

[8] *Derived from Namibia's total exports to the US: https://pubapps2.usitc.gov/africa/total_agoa_import_suppliers.jsp*

Table 11. AGOA (+GSP) eligible products currently exported from Namibia, US$000, 2017-2019

Product code	Product label
'71023900	Diamonds, worked, but not mounted or set (excluding industrial diamonds)
'71023100	Non-industrial diamonds unworked or simply sawn, cleaved or bruted (excluding industrial diamonds)
'26121000	Uranium ores and concentrates
'68029100	Marble, travertine and alabaster, in any form (excluding tiles, cubes and similar articles
'97050000	Collections and collector's pieces of zoological, botanical, mineralogical, anatomical, etc.
'74031100	Copper, refined, in the form of cathodes and sections of cathodes
'85446090	Electric conductors, for a voltage > 1.000 v, insulated, n.e.s: other
'68029300	Granite, in any form, polished, decorated or otherwise worked
'33019090	Extracted oleoresins; concentrates of essential oils in fats, fixed oils, waxes and the like, ...
'88023000	Aeroplanes and other powered aircraft of an unladen weight > 2000 kg but <= 15000 kg
'84314990	Parts of machinery of heading 8426, 8429 and 8430, n.e.s: other
'84081000	Compression-ignition internal combustion piston engine "diesel or semi-diesel engine"
'25010000	Salt (including table salt & denatured salt) pure sodium chloride & sea water
'90158000	Instruments & appliances used in geodesy, topography, hydrography, oceanography, hydrology etc.
'38249060	Chemical products and preparations of the chemical or allied industries, etc.
'25151200	Marble and travertine, merely cut, by sawing or otherwise, into blocks or slabs of a square etc.
'84715000	Processing units for automatic data-processing machines,
'85299060	Parts suitable for use solely or principally with transmission and reception apparatus
'99990020	Household furniture and other household effects, new or used
'84321000	Ploughs for use in agriculture, horticulture or forestry

Source: ITC Trademap (2020)

Namibia's exports to the United States of America			Namibia's exports to the world		
Value in 2017	Value in 2018	Value in 2019	Value in 2017	Value in 2018	Value in 2019
55 231	73 277	60 867	157 130	193 344	165 520
33 518	28 921	38 706	1 369 772	1 456 591	959 594
41 192	-	20 227	312 724	657 991	758 073
717	216	4 184	1 955	2 780	7 508
1 491	1 537	1 614	4 967	5 518	6 016
-	3 556	-	20 978	203 167	212 688
-	-	2 913	377	18	2 958
486	731	1 366	2 650	3 007	1 790
122	392	1 028	394	594	1 272
-	-	1 194	686	2 240	10 080
-	103	854	5 420	6 352	8 429
4	818	1	3 681	2 335	1 195
1	768	-	21 366	28 467	4 905
405	8	159	684	1 855	3 108
-	-	541	28 140	29 848	9 470
349	82	55	20 989	19 067	20 854
466	-	-	522	427	157
-	-	421	-	-	424
38	327	50	1 998	2 038	1 465
-	-	401	81	27	447

2.3 How a Product Qualifies for AGOA Duty-Free Treatment

A product qualifies for AGOA duty free treatment if it meets the following RoO requirements and other related conditions:

a) The product must be included in the list of GSP eligible articles, or included in the list of AGOA products, or be a qualifying apparel or textile item;
b) The product must be imported into the United States directly from an AGOA beneficiary country or pass through another country in a sealed container and addressed to a location in the United States;
c) The product must be grown, produced and manufactured within an AGOA eligible country, and/or fulfil the RoO requirements for general or apparel items;
d) If raw materials are imported from a foreign (non-AGOA) country into the AGOA country to be used in the manufacture of an AGOA eligible product, the sum of the cost of the materials used to produce the product in the AGOA beneficiary country, plus cost of processing must be at least 35% of the total value of the final product when it is exported to the United States;
e) In the case of clothing and apparel, the 35% does not apply directly, but instead, the goods need to comply with the respective RoO requirements; and
f) The U.S. importer must request duty-free treatment under AGOA on the relevant customs entry form (Form 7501) by placing a "D" in column 27 in front of the U.S. tariff number that identifies the imported product.

2.4 Comparative Advantage for Namibia

The Organisation for Economic Cooperation and Development (OECD) maintains that comparative advantage is one of the principal theories in understanding international trade and the benefits of trade liberalization. However, comparative advantage is a concept of relative costs of production. No country can develop a comparative advantage in everything, and in the same vein, any single country has a comparative advantage in the production of some product, commodity or service.

The main sources of comparative advantage for Namibia which can be strategic conduits to increase the country's utilization of AGOA include:

a) Relative abundance of reasonably priced, educated and stable labour force;
b) Conducive climate for some indigenous natural plant species;
c) Availability of natural resources such as abundant supply of mineral resources; and
d) A competitive investment environment shaped by effective incentive schemes.

2.5 Development of the National AGOA Utilization Strategy for Namibia

USAID TradeHub agreed to support the Government of Namibia to develop an AGOA Utilization Strategy and Action Plan that will help to guide targeted support for identified priority export products and sectors. The strategy focuses on proposing interventions that could be considered in addressing supply and market access constraints.

There are several SADC countries that are either in the process of developing, or already have developed an AGOA Utilization/Response Strategy. These include Botswana, Eswatini, Lesotho, Malawi, Madagascar, Mauritius, Mozambique and Zambia. As discussed earlier, the development of AGOA Utilization Strategies is in line with the recommendation of the AGOA Trade Preferences and Extension Act (2015).

The scope of work (SoW) for developing the AGOA Utilization Strategy for Namibia is summarized as follows:

a) A comprehensive AGOA Utilization Strategy for Namibia in alignment with the African Unions guidelines on developing an AGOA Strategy;
b) Identify and analyze existing and potential AGOA export competitive products for Namibia and assess the export readiness thereof;
c) Analyze existing trade related policies especially the National Trade Policy, National Export Strategy, Services Strategy and Aid for Trade Strategy, legislations and regulations with the aim to advise on their reviews for alignment with the developed strategy;
d) Identify and analyze international market trends for existing and potential AGOA export products, with recommendations on market penetration and product positioning in the U.S. market;
e) Identify export constraints such as non-tariff barriers to trade (NTBs), sanitary and phytosanitary (SPS), technical barriers to trade (TBT) within the identified priority sectors to meet the U.S. market requirements and standards;
f) Recommend a capacity building mechanism in the priority sectors thus ensuring value addition to exports;
g) Analyze elements of the Namibia Industrial and Investment Policies to suggest a mechanism for investment incentives to attract FDI, especially U.S. investors into Namibia;
h) Develop a framework to assist Namibia businesses to create business and financial linkages with U.S. companies, capacity building and financial agencies; and
i) Identify trade options for Namibia if the AGOA benefits by the USG are not extended beyond 2025 to Sub-Saharan Africa.

Under the overall guidance and supervision of the Office of the Director for Ministry of Industrialization and Trade (MIT) and working closely with assigned officer(s) from the Ministry to ensure ownership of the final document, institutional memory and continuity, the USAID TradeHub will perform the following activities:

a) Advise Namibia on setting up an AGOA Reference Group/Stakeholder Consultation Committee to help spearhead the review and development of an AGOA Utilization Strategy;
b) Developing and presenting a final inception report for the assignment of developing Namibia's AGOA Utilization Strategy, and conducting consultations with producers and projects of identified products with export potential to the US under AGOA;
c) Conducting a situation analysis to review the current economic environment and the performance of Namibia including a comparison of the AGOA performance for Namibia against other SACU and SADC countries, coupled with literature review to evaluate experiences of selected successful AGOA/GSP eligible countries;

d) Analyzing collected data from the literature review and during stakeholder consultations involving representatives of both public and private sector entities;
e) Developing an initial draft AGOA Utilization Strategy for Namibia focusing on other potential products for export to the United States;
f) Advising Namibia on a M&E framework based on Result Based Management (RBM) principles to track progress in the implementation of AGOA strategic goals for Namibia;
g) Conducting a stakeholder validation workshops to confirm the validity of the draft strategy before incorporating suggested changes into the final document followed by the submission of the final AGOA Utilization Strategy to the USAID Southern Africa for approval before submitting the document to MIT for final approval and launch.

The development of this AGOA Strategy for Namibia was based on identifying AGOA eligible products with potential for exports through an analysis of the country's trade data over the period 2014-18 and designing a product-specific export strategy to increase utilization of the AGOA preference programme. The resultant AGOA Utilization Strategy and Action Plan for Namibia will help to guide targeted support to develop the identified priority export products and sectors by addressing supply and market access constraints.

3. AGOA UTILIZATION STRATEGY

3.1 Introduction

As already discussed, the main objective of this strategy is to focus on increasing and broadening the scope of exports to the United States under AGOA to ultimately help Namibia increase utilization of the AGOA preference program. The overarching strategy for Namibia is to pursue niche markets for some identified potential export products on the one hand, while continuing to deepen existing and broaden to new markets, on the other. The products for the niche markets can be increased over time as more markets are established, spurred by increased demand for Namibia's products in the U.S. market. Meanwhile, Namibia would need to increase its production capacity of the selected products to satisfy current and potential demand.

The strategy aims to guide Namibia to formulate a sustainable export driven program to facilitate increased exports of value-added products. To achieve this, the formulation of the required strategy must involve all stakeholders including the private sector, civil society and development partners. More critically, there is need for increased coordination to facilitate improved production capacity of the selected and targeted products coupled with increased production of high value crops where agricultural products are involved.

Figure 7 depicts other suggested activities to help Namibia to unlock and increase utilization of the AGOA preference program, in addition to suggested product specific and general interventions.

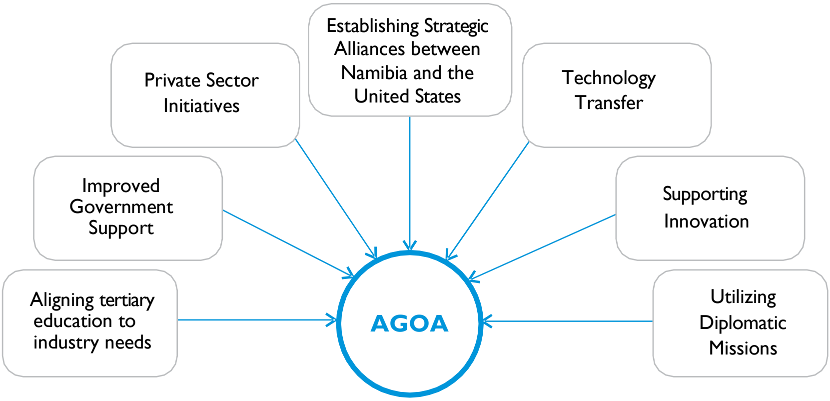

Figure 7. Unlocking the AGOA Unilateral Trade Preference Program

The detailed implementation plan in Section 4 of this strategy includes strategic objectives, performance indicators, anticipated deliverables and proposed lead and support institutions responsible for the implementation of the strategy. Also outlined is the timeframe for implementation, which is partitioned into three key phases, namely, short term (one to two years), medium term (between two and five years) and long term (over five years). The objective of highlighting the strategic activities and the specific implementing entities is to provide clarity, avoid duplication of effort and to facilitate effective implementation of the strategy, guided by clear M&E activities.

3.2 Broad Strategy Directions

The AGOA Utilization Strategy for Namibia seeks to address the constraints identified during the review of the economic environment and the performance of Namibia as well as feedback from stakeholder consultations. This approach allows Namibia to identify the growth and competitiveness of its exports to the U.S. market under AGOA.

3.2.1 Goal

The focus of this strategy is to enable Namibia to increase utilization of the AGOA preference program by developing a strategy to increase and diversify exports of products with potential to grow in the U.S. market. The strategy provides Namibia with actionable recommendations to achieve this goal. The target is to increase current exports from Namibia to the United States under AGOA over the next five years up to 2025.

3.2.2 Outcome

Successful implementation of the AGOA Utilization Strategy for Namibia will result in increased exports to the U.S. market under the AGOA preference program, buoyed by exports from a diverse product base. This outcome will be achieved by developing the production capacity and export potential for some identified sectors and key products, developing strategic initiatives to eliminate constraints and increasing productivity while improving the competitiveness of Namibia's products in the U.S. market.

3.2.3 Objective of the Strategy

The AGOA Utilization Strategy for Namibia provides a prioritized roadmap for developing competitiveness of exports under AGOA. The commodity and sectoral focus will be on niche products whose production potential can be increased to meet the demand of specific market segments in the US. The strategy provides guidance on the support required to develop the identified export products by addressing constraints related to policy, supply and market entry requirements. The overall objective of the strategy is to take full advantage of the AGOA preference program by capitalizing on the duty-free market access. The specific objectives of the AGOA Utilization Strategy are as follows:

a) Increase the activities and awareness of the AGOA preference program in Namibia;
b) Identify priority sectors and products with potential for increased export to the U.S. market under AGOA;
c) Identify policy responses and build capacity to resolve supply constraints and market entry requirements for products to facilitate increased utilization of exports under AGOA; and
d) Promote policies that facilitate increased FDI and propose relevant complimentary incentives.

3.3 Priority Export Products for Namibia, Product Specific Constraints and Suggested Strategic Interventions

The selection of the recommended products and sectors with potential for export to the United States from Namibia under the AGOA preference program was done using a combination of methodologies including looking at previous and existing exports; current and potential production capacity based on research and feedback from discussions held during stakeholder consultations as well as identified comparative advantage for Namibia.

The final prioritized potential sectors and products were further informed by the following:

a) AGOA (including GSP) eligibility for the product;
b) Duty exemption rate;
c) Availability of natural resources;
d) Capacity and potential for development;
e) Contribution to job creation and poverty reduction;
f) Existing and potential production;
g) Investment that can be break even within five years;
h) Potential for inclusive growth and local involvement;
i) Potential for niche markets;
j) Potential for regional integration;
k) Tariff rate for non-AGOA beneficiary countries;
l) U.S. market potential; and
m) Unique product characteristics.

The recommended potential export products or sector for Namibia for support under the AGOA preference program were also selected in view of their potential for export development, based on existing or previous performance coupled with information from the ITCs Export potential map on Namibia products shown in Figure 8 on the next page.

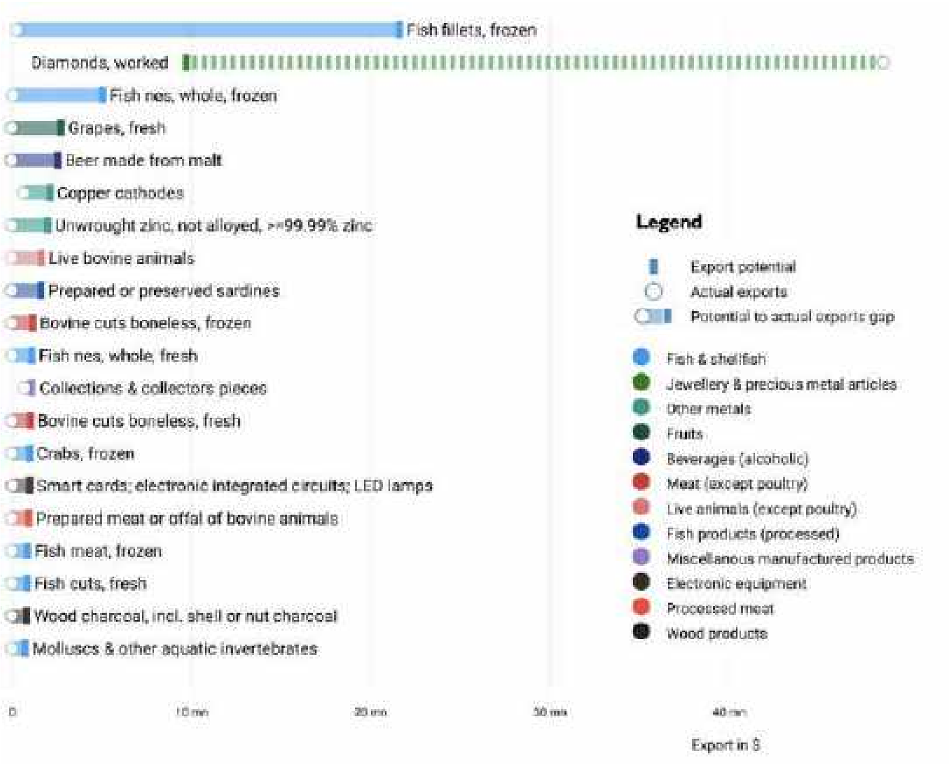

Figure 8. Namibia's products with potential for export to the United States
Source: ITC Trademap (2020)

Based on Figure 6, the suggested priority sectors with potential for exports to the United States under AGOA are detailed in Table 12 through Table 14, and these include:

- Immediate term product sectors: beef, fish, marble/home décor, devil's claw;
- Inter-mediate term product sectors: specialty foods, handicrafts/arts and crafts; and
- Long term product sectors: oils of INPs as well as leather and leather products

Section 3.3.1 through 3.3.3 outline these sectors and articulates their specific constraints, which are critical areas from which recommendations are drawn for consideration.

3.3.1 Short Term (1-2 years) Priority Exports

The short-term category consists of Namibia's products which have a potential for export to the United States under the AGOA program within the next one to two years. These products are either already being exported or have been exported before, so the aim would be to increase exports or find markets for the products in the United States within this period. The suggested priority export products during this period are fish, beef, and marble/

home décor, table grapes and dates (see Table 12 below for summarized detail). During the period, Namibia would need to resolve several constraints outlined in Table 14, and under sub-sections which articulate sector-specific constraints. Resolving these constraints will be a significant step which increases the country's potential to grow its exports to the United States. Emphasis should be put on increasing production and extending the range of these products and to increase sales using marketing tools (i.e. improved product, increased promotion, price reductions, increased use of technology etc.).

Table 12. Potential Short Term (1-2 years) Priority Exports to the U.S. under AGOA

	Production Description	U.S. Import Market Size (US$000)	Key Import Sources	Import Sources SSA	Other Information
Beef:	Boneless Beef: HS020130 (See Table 13 for specific tariff lines)	US$2 607 552 AGOA Preference: TRQ with out of quota duty of 4.4 cents/kg (US$0.044/kg)	Australia (45%) New Zealand (37%) Nicaragua (6%) Uruguay (6%) Mexico (2%) Canada (1.6%) Costa Rica (1.3%)	None. Namibia is the only country in sub-Saharan Africa to get market access for beef.	Namibia during February 2020 started exporting its first consignment for boneless beef to the USA. Beef exports to the US are expected to be 860 tons by the end of 2020, with volumes projected to increase to 5700 tons in 2024.
Fish[9]:	Frozen Hake HS030366 HS030378 HS030399	US$4 145	Argentina (48%) Uruguay (11%) New Zealand (11%) Chile (4%) Ecuador (8%) Peru (8%) Canada (4%)	South Africa (5%) is the only SSA supplier of frozen hake for the US	Namibia used to export frozen hake and remains present in the US market for hake fillets. However, Namibia does not have the volumes to supply the US with rock lobster. Processing factory in Port Lüderitz shut down due to operational difficulties.
	Hake Fillets HS030474 HS030420 HS030429	10 685	South Africa (25%) China (21%) New Zealand (17%) Namibia (11%) Argentina (10%)	South Africa leading supplier for hake fillets.	
	Rock lobsters HS030611	217 937	Brazil (20%) Bahamas (20%) Honduras (19%) Nicaragua (13%) South Africa (9%)	South Africa among the top 5 suppliers of US rock lobsters	

[9] *The product codes for frozen hake were changed in the 2012 HS revision. Therefore, the data analysis merged HS030366 with HS030378 and HS030399 to ensure time series consistency. Likewise, frozen hake fillets also consolidated HS030474, HS030420 and HS 030429 to cater for revisions over time.*

Production Description		U.S. Import Market Size (US$000)	Key Import Sources	Import Sources SSA	Other Information
Marble/ Home Decor	Trimmed Marble HS251511	1 465	Italy (51%) France (19%) Brazil (8%) China (3%) Cyprus (1%)	n.a.	Namibia's marble quarrying and processing industry is still in its nascent stage, and there is some recent market presence from 2017 and 2018.
	Marble cut into blocks HS251512	3 769	Italy (40%) China (20%) Egypt (8%) Turkey (7%) Spain (3%)		
	Simply cut or sawn marble: HS680221	50 840	Italy (27%) China (18%) Turkey (18%) India (7%) Greece (6%)		
	Marble, travertine and alabaster, in any form: HS680291	1 097 693	Italy (30%) China (22%) Turkey (29%) India (4%) Brazil (3%)		
Dates	HS080410 Fresh or dried	US$60,992 AGOA: Free MFN: 13.2 cents/kg (US$0.132/kg)	Tunisia (36%) Algeria (12%) Israel (20%) Mexico (11%) Pakistan (9%)	South Africa (0.3%)	Dates exports have been focusing on Ramadan period. With shifting periods, Namibia should start looking at new markets.
Table Grapes	HS08061020	US$1,602,548 Free: AGOA but duty of $1.13/m3 btwn Feb 15-Mar 31	Chile (57%) Mexico (26%) Peru (16%)	South Africa (0.1%)	Previous experience (challenges with market entry requirements) and competing with closer sources like Peru and Chile brings competitiveness challenge.
	HS08061060	Free AGOA but Duty of $1.80/ m3 between July 1 – Feb 14			
INPs for Medicinals: Devils Claw Extract	HS 121190 (Namibia) HS 1211909290 (United States) Plants, parts of plants, incl. seeds and fruits, used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh or dried, whether or not cut, crushed or powdered (excluding ginseng roots, coca leaf and poppy straw)	US$168 419 (2018 imports)	China (30%) Mexico (11%) India (7%) Fiji (7%) Turkey (6%)	South Africa (1%) Nigeria (1%) Senegal (0,3%)	Namibia is already in the US market and has exported 6 tons in 2017 and 2.4 tons in 2018.

Source: ITC (2020), Key Informants (2019)

3.3.1.1 Fish

Namibia's total fisheries production averages 490,000 tons per year, and this includes the volume of aquatic species caught for all commercial, industrial, recreational and subsistence purposes[10]. From 2001 to 2008, Namibia exported about half of its fish production. From 2009 onwards, exports as a share of production increased to 76%. A large share of industry exports consists of various forms of frozen fish, which account for 96% of total fish exports. The remainder are crustaceans, mollusks, live fish and fish sold fresh or chilled.

Namibia's fish exports were primarily focused on three key products, namely, frozen hake and hake fillets, as well as rock lobsters. Exports of rock lobsters seem to have ceased in recent years as the industry struggled from operational difficulties and low volumes. Figure 9 and 10 outline Namibia's exports of frozen hake and frozen hake fillets over the period between 2001 to 2019.

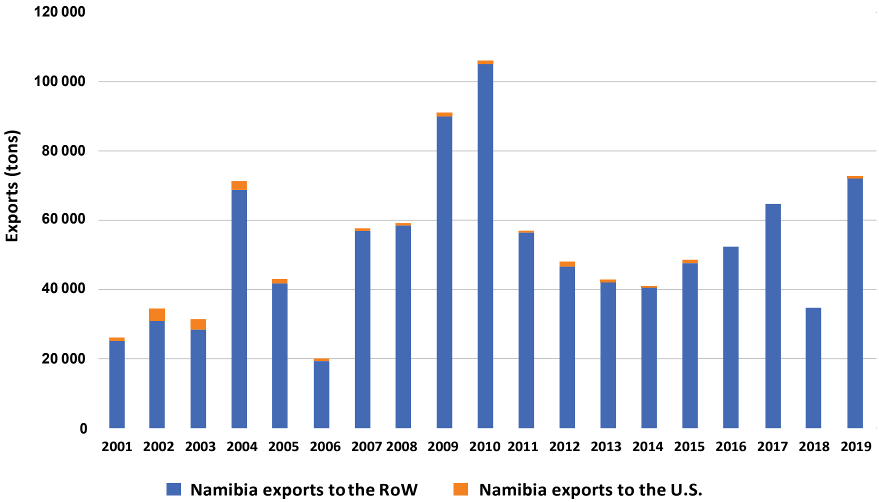

Figure 9. Namibia's exports of frozen fillets, tons, (2001-2019)

Source: ITC Trademap (2020)

In terms of frozen hake fillets, Namibia has not exported to the United States since 2015. Before then, Namibia exported an average of 788 tons per annum (between 2001 and 2015). Thus, exports of hake fillets to the United States accounted for 2.8% of the Namibia's overall hake fillet exports.

Meanwhile, Namibia has not exported frozen hake to the United States since 2012. Pre-2012, Namibia used to export an average of 417 tons per annum (i.e. 2001 to 2011). There has been a substantial decline in Namibia's hake exports since 2010. From 2010

[10] The harvest from mariculture, aquaculture and other kinds of fish farming is also included. Source for these statistics were drawn from: https://www.indexmundi.com/facts/indicators/ER.FSH.PROD.MT/compare?country=na. The average fisheries production takes the period from 2001 to 2016.

onwards, Namibia's export volumes for hake averaged just under 20,000 tons per annum, compared to just under 60,000 tons in the period between 2001 and 2009. Nonetheless, the United States has an import demand of 1,418 tons per annum – which is valued at over US$4 million. There is scope for Namibia to meet part of the U.S. market's import requirements. There several large fish producers in Namibia such as Seawork, Hangana Seafood, and Tunacor Fisheries, which are large exporters that primarily target the EU market.

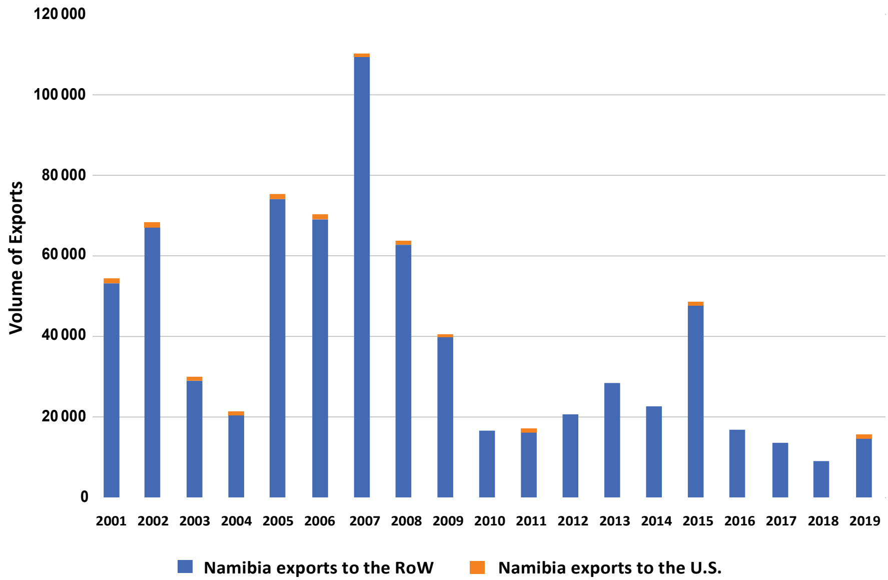

Figure 10. Namibia's exports of frozen hake, tons, (2001-2019)

Source: ITC Trademap (2020)

Overall, Namibia's fish industry exports to the United States have fallen from a peak of US$12.4 million in 2001 to US$194,000 in 2018 – a decline of 24.3% per annum since the inception of AGOA. The share of the United States in Namibia's fish exports declined from 4% to 0.03% over the same period. Table 13 outlines the Sector / Product Specific Constraints for Fish exports in general, and the US market in particular.

Table 13. Constraints and strategic interventions for fish

Constraint	Proposed strategic interventions
EU-biased supply chain integration, relationships and partnerships	The dominance of the EU, mainly due to historical ties, trade agreements and supply chain networks which have been built over many years. Many firms prioritize the EU market due to the fact that Namibian firms have supplier agreements with retail chains in the EU market; and do private labelling of fish and fish products for wholesale and retail chains. Except for Seaworks and Hangana and more recently Tunacor (which bought out Spanish shareholding in 2014), all other companies in Namibia's fish industry have a Spanish interest or shareholding. This means that the Spanish market is a priority market for most of Namibia's fish industry, rather than the U.S. market.
Differences in tastes and preferences	The main fish exported by Namibia – the Cape hake – is not a preferred product in the U.S. market. Hake is a white meat fish, associated with another type of fish called "whiting" – which is a low value fish that is associated with preferences in the low-income segments of the market. Hake is also considered to be "flat" in taste and does not have the flavours that the U.S. market predominantly looks for. Due to this perception of hake, it is difficult to increase the prices offered for hake in the U.S. market, which are not as high as they are in other markets such as the EU. The Alaskan and Southern pollocks set the price for the U.S. market, and it tends to be extremely competitive. The pollocks are also a familiar type of fish compared to the cape hake
Namibia's limited volumes and scale	The U.S. market consumes mostly hake fillets and rock lobsters (tails) from Namibia, with the latter being consumed as a by-product from lobster processing. However, Namibia's rock lobster sub-sector has not been doing well and does not have the quantities to meet the demands of the U.S. market. There is only one firm in Port Luderitz, Namibia, dealing with lobster processing, and the only strategy to capitalize on the U.S. market would be to look at niche markets for lobsters to penetrate specific market segments. Namibia has been producing, on average, 200 tons per year over of rock lobster. Production in the previous season was about 180 tons. This is much smaller than the South African industry, which produces an average of 2,60

Constraint	Proposed strategic interventions
Limits set by the natural resource stock and Namibia's government policy	The orange/red roughy or slimehead (deep sea perch) was a fish that used to be exported to the United States. However, a moratorium was placed on the fish a decade or so ago, and that ban has not been lifted ever since. For the rest of the fish, if the market share for Namibia is to increase in the U.S. market, it means that in theory, the exporters have to divert exports from existing markets and channel them into the United States. The reason for this is that there is a limit to how much the industry can grow, which is set by the existing resource stock of fish in the sea, and the maximum sustainable yield (MSY) – which is equal to what the industry takes out minus the fish mortality rate. Overall, the Namibian fish sector is a mature industry which has reached its MSY. • However, hake is yet to reach MSY, but growth projections suggest that the industry will take about 20 years to attain it. • Hake has maintained a total allowable catch (TAC) of 154 against an allocation of 180. • Although hake is not AGOA/GSP eligible, it enters the United States duty-free due the Normal Trade Relations (NTR) (formerly Most Favored Nation (MFN) duty rate. Government has set some specific fishing quotas for firms, and these are capped to ensure that the fish population can be replenished.
Technical support for developing fish markets in the United States	The fish industry has more supply chain connections with Spanish and EU market supermarket chains. However, there are specific firms that are seeking to diversify markets but have limited budgetary and technical support to invest in efforts to develop market presence in the United States. Fish industry associations and specific firms can coordinate with USAID and the USAID TradeHub to get technical support to promote new fish products targeting the U.S. market. The Baltimore Show is a key platform that can be strategically used for firms to gain a foothold and re-establish Namibian fish exports of hake fillets and other new products.

Source: Adopted from Stakeholder Consultations (2019)

3.3.1.2 Beef

Namibia has a national herd population that has fluctuated between 2.8 and 2.9 million cattle over the period 2014 and 2017 (FAO, 2020). Meat production has been on a declining trend, falling from 39,431 tons to 33,283 tons over the same period, a 16% decline in production (ibid). Of Namibia's overall meat production, approximately 22% is exported, on average, between 2014 and 2017.

The EU is Namibia's largest export market for beef, accounting for an average of 78.5% of the country's beef export volumes between 2014 and 2018. The second largest market is South Africa, which takes about 18.5% of Namibia's overall beef export volumes (see Figure 11 on the next page.

Namibia's exports of frozen beef cuts have been on a downward trend over the recent past, owing mainly due to a precipitous decline in exports to South Africa (see Figure 11). In South Africa, imports have become minimal due to recurrent droughts which have led to high levels of slaughtering, which have amply supplied its domestic market. Moreover, recent outbreaks of Foot and Mouth Disease (FMD) in South Africa have also led to bans in exports, which have also added to the country's local supply, and consequently, declining imports. Namibia is eligible to export to the United States boneless (not ground) beef raw products such as primal cuts, chucks, blade, and beef trimmings (HS0201300 and HS02013090).

While exports of cuts have been declining, exports of live animals have been on an upward trend. Namibia's value of live cattle exports to South Africa increased 4-and- a-half-fold from US$35 million in 2014 to US$163 million in 2018. The value of exports between 2018 and 2019 declined a third, to US$109 million, assumedly due to the FMD outbreaks in South Africa which have led to declining parity prices.

In 2002 and again in 2005, the Government of Namibia requested approval to export meat (beef) products to the United States. Namibia stated that, if approved, its immediate intent was to export boneless (not ground) raw beef products such as primal cuts, chuck, blade, and beef trimmings to the United States.

Some18-years down the line later, we are able to export. Protocols over the Food Safety and Inspection Service (FSIS) of USA and the Namibian Directorate of Veterinary Service (DVS) ensured all technical areas are cleared and in accordance with various protocols established.

Namibia was granted access to the U.S. market in 2016 but has been waiting for labelling approval to start exports. According to Meat Corporation of Namibia (Meatco), labels for export to the United States were completed by 2019.

Namibia exported its first consignment in February 2020, the 25-tonne consignment is expected to arrive through the port of Philadelphia by March 2020, with volumes projected to increase to 5,700 tons in 2024.

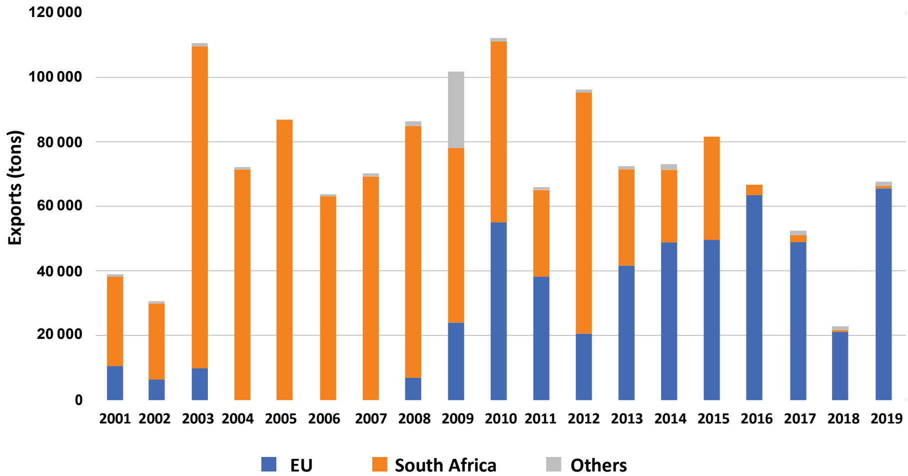

Figure 11. Namibia's beef export trends, tons, (2001-2019)
Source: ITC Trademap (2020)

As an AGOA beneficiary country, Namibia has a duty-free (in-quota) for beef exports to the United States and can only be charged a 26.4% (over-quota) tariff when the quota has been exhausted (see Table 14 below). However, the quota is high with a reported average fill rate of around 70% over the years. Therefore, the beef quota has not been constraining exports of beef to the United States.

The beef tariff rate quota (TRQ) for the United States is allocated historically with the largest shares going to Australia and New Zealand, smaller shares go to Argentina, Japan, and Uruguay. The "other countries or areas," are allocated 64,805 MT on a first-come, first-served (FCFS) basis. However, most of these "other countries or areas," which are AGOA eligible do not qualify to export beef to the U.S. market because of the prevalence of Foot and Mouth Disease (FMD) in the countries. Only Mauritius and Madagascar are considered to be FMD free while areas of Botswana, Namibia and South Africa have FMD- free zones.

Regarding other competition to Namibia for the "other countries or areas," 64,805 MT allocation, non AGOA countries such as Costa Rica, Honduras, Ireland, Lithuania, and Nicaragua can use the quota but pay a preferential duty rate of US$0.44/kg. However, after 2020, competition by existing countries for this TRQ will lessen as the 2004 Dominican Republic-Central America FTA (CAFTA-DR) is fully implemented. As a result, Nicaragua, which accounted for nearly 80% of quota use in 2015, will have unlimited access, creating opportunities for exporters like Namibia.

Table 14. Applicable Preferential Market Access for Beef exports

TS Code	Brief Product Description	Applicable U.S. Preferential (duty-free or reduced rate) tariff program	U.S. Tariff Rate Quota	Tariff Rate if not under AGOA
02013010	High-qual. beef cuts, boneless, processed, fresh or chilled.	AGOA/GSP Eligible	Duty-free in-quota with a 26.4% over-quota tariff	4%
02013030	Bovine meat cuts (except high-qual. beef cuts), boneless, processed, fresh or chilled.	AGOA/GSP Eligible	Duty-free in-quota with a 26.4% over-quota tariff	10%
02013050	Bovine meat cuts, boneless, not processed, fresh or chilled.	AGOA/GSP Eligible	Duty-free in-quota with a 26.4% over-quota tariff	4.4 cents/kg
02013080	Bovine meat cuts, boneless, fresh or chilled.	Not AGOA/GSP Eligible		2018 Normal Trade Relations (NTR) duty rate (formerly known as the Most Favored Nation (MFN) duty rate) 26.4%
02013002	High-qual. beef cuts, boneless, processed, fresh or chilled, descr in gen.	AGOA/GSP Eligible	Duty-free in-quota with a 26.4% over-quota tariff	4%
02013004	Bovine meat cuts (except high-qual. beef cuts), boneless, processed, fresh or chilled., descr in gen.	AGOA/GSP Eligible	Duty-free in-quota with a 26.4% over-quota tariff	10%

TS Code	Brief Product Description	Applicable U.S. Preferential (duty-free or reduced rate) tariff program	U.S. Tariff Rate Quota	Tariff Rate if not under AGOA
02013006	Bovine meat cuts, boneless, not processed, fresh or chilled, descr in gen.	AGOA/GSP Eligible	Duty-free in-quota with a 26.4% over-quota tariff	4.4 cents/kg
02013010	High-qual. beef cuts, boneless, processed, fresh or chilled., descr in add.	AGOA/GSP Eligible	Duty-free in-quota with a 26.4% over-quota tariff	4%
02013030	Bovine meat cuts (except high-qual. beef cuts), boneless, processed, fresh or chilled, descr. in add.	AGOA/GSP Eligible	Duty-free in-quota with a 26.4% over-quota tariff	10%
02013050	Bovine meat cuts, boneless, not processed, fresh or chilled, descr. in add.	AGOA/GSP Eligible	Duty-free in-quota with a 26.4% over-quota tariff	4.4cents/kg

Source: USDA (2016)

The United States does not intervene in quota allocation; rather, this is at the discretion of the exporting countries. For example, some countries distribute licenses to exporters and prescribe a TRQ that is offered on a FCFS basis. In the case of Namibia, Meatco and under its mandate can determine a system by which it can export until the firm reach it is a specific fill-rate. The specific quota size would be based on historical exports of Namibia to the world, since there are no exports to the United States that can be used as a point of reference.

Table 15 outlines the constraints to production and export for Namibian farmers – particularly from marginal areas – range from small herd sizes, diseases, poor grazing, high mortality rates, poor extension services, inadequate market information as well as inadequate provision of marketing infrastructure such as marketing pens, inadequate dipping services and the cultural practices which cited as primary reasons for keeping livestock.

Table 15. Constraints and strategic interventions for beef

Constraint	Proposed strategic interventions
Droughts and increasing aridity	Currently farmers are resorting to the use crop residue to ameliorate the effect of lack of grazing. They further indicated that they would seek information from those who know because there is poor extension and veterinary services. Re-occurring drought has reduced the national herd and farmers need time to rebuild their herd.
Lack of access to feed input	Feed is a major problem impacting herd size. Suggestions have been made to start projects that produce fodder for communal areas as they often supplement with crop residue in dry seasons which is not adequate and does not provide enough nutrition resulting in high mortalities during dry months.
Limited access to local formal markets from smallholder farmers	Lack of proper markets in the vicinity of the farmers is indicated as a major challenge for marketing livestock by smallholder farmers. Farmers also indicated that there is lack of information on formal markets which results in high transaction costs which prevents them from making use of formal markets. Meatco may need to expand its market infrastructure to more areas that are accessible to communal and smallholder farmers. Smallholder farmers indicated that due to lack of proper markets, they use private sales as an alternative option to market their livestock.
Risks of disease outbreaks	Namibia is prone to sporadic outbreaks of diseases such as Lumpy Skin Disease (LSD), which has restricted the country's market access to other major markets such as China.
Marketing of Namibian Beef to US buyers	A deliberate and strategic marketing campaign to market Namibian beef in the US market will help to penetrate and establish a growing market share in the US. To that end, it is critical for institutions such as USAID Southern Africa Trade and Investment Hub to provide continued technical support in linking Meatco to potential new buyers in the US for the niche Namibian brand. This could be done through support for participation in trade shows, roadshows and/or inward/outward bilateral trade missions.
Quota and volumes of exports	Namibia has a share within the TRQ of 64 805 tons and will need to compete with countries such as Costa Rica, Honduras, Ireland, Lithuania, and Nicaragua. With a major share of beef being exported to the EU, the country's stock of beef exports to the US is expected to grow to 5 700 tons by 2024. However, growth to the US market could grow further given that South Africa's struggle with FMD outbreaks over the past two years or so, which has led to a glut in supply within the South African market (given export bans). Namibia's weaner and "on-the-hoof" exports to South Africa have fallen by as much as 27% – and this presents a new opportunity to expand export volumes to the US.

Constraint	Proposed strategic interventions
Exportation of live animals	For many years, the number of cattle slaughtered in Namibia remained fairly constant at approximately 150,000 cattle per year, with Meatco's market share at approximately 80%. However, this scenario has changed significantly, especially after the drought of 1995/96. Over time, less and less cattle of the total cattle marketing were slaughtered in Namibia, while the export of live animals suddenly increased from 2016 onwards. Meatco's share dropped to less than 20% of the total marketable animals in 2017. Competition from South African feedlots increased exponentially, and it seems there was a deliberate strategy aimed at changing the production system in Namibia from slaughter ox production system to weaners' production system. This will have severe consequences for the Namibia production system, as was experienced during 2018/19 when the South African authorities closed the borders due to the foot-and-mouth disease outbreak in South Africa. The feedlots stopped purchasing weaners in Namibia with a huge negative effect on the weaner producers in Namibia. It was a challenge to maintain throughput at the abattoir and processing plant on the back of record numbers of animals exported to South-Africa and a very competitive local market for slaughter animals. For Meatco, the biggest concern is that the national cattle herd is getting younger and smaller. Namibia needs to manage the export of young animals and starts with a dedicated restocking scheme for the farmers, as herd building will take much longer.
Competitive sourcing of production inputs	The Namibia Agriculture Policy promotes competitive sourcing of production inputs for primary agricultural and processed agricultural products. In this regard, it is strategic for Namibia to source slaughterable cattle from the areas that are declared by the World Organization for Animal Health (OIE) within the Southern African Customs Union for slaughter and export to the USA. This requires a review of the rules of origin to operationalize this strategy which promotes creation of a regional beef value chain and also to increase the share of the quota and meet the demand by US customers. To sustain the business model, feedlot development has become an important strategic avenue for Meatco, as a reliable cattle supply stream especially after drought and during the off-season (September-January) each year. This stream is not always economical due to the increasing cost of imported fodder. Hence, competitive sourcing of affordable fodder is of paramount to Meatco to sustain its throughput and service its clients in the USA market.
Lack of sufficient and consistent throughput for abattoirs	Processors (particularly Meatco, as a major market player) note a lack of sufficient throughput due to insufficient supply of animals in the domestic market. Meatco has to import additional animals from Botswana to keep operating at reasonable capacity.

3.3.1.3 Semi-precious stones and marble/home decor

Mining is an important sector in the Namibian economy, contributing about 12% of GDP and accounting for around two thirds of Namibia's export revenues. However, semi-precious stones account for a modest share of exports of the overall product category of pearls, stones, metals and jewelry[11]. Out of US$1.7 billion worth of exports, semi-precious stones account for US$365,000 per annum over the past five years, on 0.02% share of overall exports within the overall product category.

Between 10% and 20% of all semi-precious stones (i.e. colored gemstones) output is currently processed in the country. The colored gemstone value chain is highly fragmented at all levels, from exploration and mining to processing, manufacturing, distribution and retail (MITSMED, 2016). Trade in rough gemstones consists of three key local retail markets, namely:

- Direct sales by miners;
- Unregistered informal traders and retailers:
- Local formal traders and retailers

Form an international trade perspective, Namibia's exports of unworked gemstones have increased from US$128 million in 2001 to US$409 million in 2019. Thus, exports of unworked gemstones have quadrupled over a 20-year period. Over the past five years, Namibia's exports of unworked stones have been to key markets such as South Africa (35%), China (20%), Mauritius (11%), and United States (9%), among others (see Figure 12).

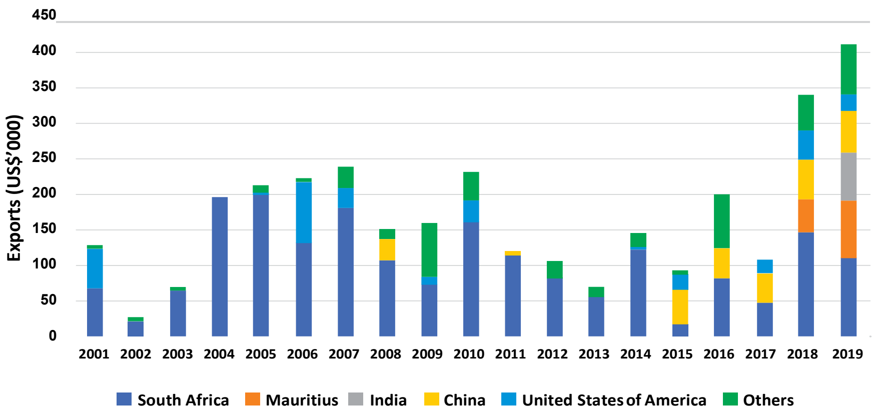

Figure 12. Namibia's unworked gemstone exports, US$'000, 2001-2019

Source: ITC Trademap (2020)

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[11] In terms of the Harmonized System (HS) classification, trade with semi-precious and precious stones (excluding diamonds) is classified under the 2-digit code 71, which Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewelry; coin.

At 4-digit code level, its 7103, which comprises both unworked stones (rough gems) and worked stones (cut and polished gemstones), but no jewelry articles (i.e. gems that are strung, mounted or set).

Meanwhile, prime-quality rough gems are typically exported unprocessed, and these account for between 80% to 90% of the total output of semi-precious stones. These are exported out of the country as rough gems are further processed into key markets such as South Africa, Germany and the United States of America. A small percentage of the rough colored gemstones are sometimes imported back into Namibia, cut and/or polished to international standards, as an input for the local jewelry manufacturing activities.

Lapidary (i.e. first-stage processing or working of rough gemstones, mainly cutting and polishing) and trade in worked gemstones is typically processed through the following marketing channels:

- Informal individual cutters and polishers; who trade informally in open spot markets like the Henties Bay Junction gemstone market outside Usakos, Windhoek's Independence Avenue carpark, Swakopmund (Aquarium carpark), etc.
- Formally registered individual cutters and polishers;
- Formal lapidary SMEs; i.e. vertical integration of lapidary and jewelry manufacturing (e.g. Southern Gems and Desert Gems).

Worked gemstone exports have been on the decline, falling from US$317,000 in 2015 to US$15,000 in 2019 (see Figure 13). The fall in exports of worked gemstones has also been matched by an increase in rough unworked gemstones – which suggests that the industry is shifting and preferring to export the latter, rather than the former. The largest market over the past five years has been South Africa and Germany – both markets collectively account for an average of 88% of Namibia's worked gemstone exports.

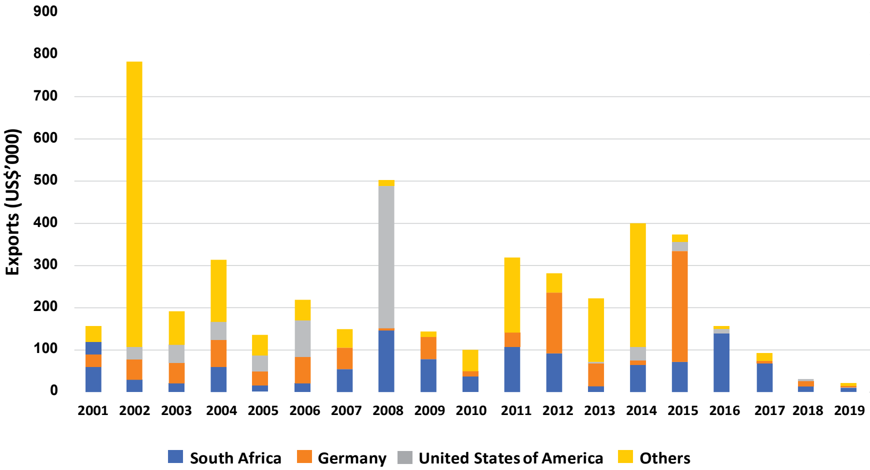

Figure 13. Namibia's worked gemstone exports, US$'000, 2001-2019

Source: ITC Trademap (2020)

At the 6-digit level, a further distinction is made between rough and worked stones, with the code 710310 comprising precious stones (other than diamonds) and semi-precious stones, unworked or simply sawn or roughly shaped, while the code 710399 refers to worked gemstones.

The marble quarrying sector is still a nascent industry in Namibia, with one big company (i.e. BC Stone) seemingly the single largest player in this sector. There are other smaller players in quarrying, but none in processing. Associations would be useful in coordinating the quarrying part of the value chain.

The Namibian marble industry benefited from the trade tensions between the United States and China, and its market share in the United States has grown to fill the gap created by trade tensions between the two countries. Growing the U.S. market share has been done through attendance of some of the biggest trade show in the United States, such as the Kitchen & Bath Industry Show (KBIS, https://www.kbis.com) (the next of which is January 21-23, 2020 in Las Vegas). Support to attend these shows, for the purposes of growing and developing markets for new products would be useful.

There are broadly three different types of product classes that refer to this sector, and these are as follows:

- **HS251511: Marble and travertine, crude or roughly trimmed –** Namibia exports an average of 17,411 tons worth US$4.7 million per annum, and this mainly goes to Italy (58%), South Africa (26%) and China (15%).
- **HS251512: Marble and travertine, merely cut, by sawing or otherwise, into blocks or slabs of a square or rectangular shape –** Namibia exports roughly 57,186 tons worth US$12.8 million per year, with exports going to China (70%), Italy (14%) and South Africa (12%).
- **HS680221: Marble, travertine and alabaster articles thereof, simply cut or sawn, with a flat or even surface –** processed marble exports under this tariff line have averaged US$315,000 per year, all of which were exported to Italy. However, the United States and China emerged as new markets in 2018, with the former accounting for US$226,000 of the country's exports in that particular year.
- **HS680291: Marble, travertine and alabaster, in any form (excluding tiles, cubes and similar articles of subheading 6802.10) –** China and the United States are Namibia's key markets. China accounted for US$1.1 million and US$2.5 million in 2018 and 2019, respectively. The United States took up US$717,000 in 2017, with exports expected to exceed US$1.2 million by the end of 2019.

Table 16 outlines product-specific constraints for marble/home décor constraints with their associated proposed interventions.

Table 16. Constraints and strategic interventions for semi-precious stones and marble industry

Constraint	Proposed strategic interventions
	Marble/home decor
Lack of technical skills in marble quarrying and processing	There is a skills gap and there are few locals who can operate some of the specialized machines in processing and quarrying. The key industry player – BC Stone – noted attempts made to approach the National Training Association (NTA) to develop a curriculum that address the skills gaps in the industry. However, there has not been a response to requests to develop the curriculum.

Constraint	Proposed strategic interventions
Lack of technical skills in marble quarrying and processing	Part of the problem is that Namibia's Technical and Vocational Education and Training (TVET) system is fragmented between different types of TVET providers. Generally, there is a lack of active labour market interventions, career guidance, mapping of jobs. Moreover, employers are challenged in implementing apprenticeship programmes in the country. There is a general need for industry and private sector to provide industrial attachment of places for trainers and trainees. The industry and specific companies can participate in 12 industry skills committees to develop sector skills plans, labour market qualifications and assess competency of learners. Government and development partners, and industry associations have a critical and collaborative role to play. Government and Development partners can provide funding for TVET institutions. Meanwhile, companies and industry associations can advocate and specify demand for specific skills that can be integrated in TVET curricular, Industry can engage in world skills competitions, apprenticeship schemes, tech transfer with TVET centres, training of trainers, or provide a TVET levy to support learning institutions
Lack of accredited laboratories and an accreditation recognized certification system that can test hard materials	Materials of the finished product are lab tested for density, water, hardness etc. The industry has to send samples to labs based in foreign markets they supply product (such as Europe and China), in order to get certification in those particular countries. The Namibia Standards Institute (NSI) could assist in providing a recognized certification system that can allow for local testing of materials which can lower production costs.
	Semi-precious stones
Lack of a deliberate and sustained market development strategy targeting the US market	Upgrade existing technology at the stone centres for cutting and polishing semi-precious stones; Support company investment in state-of-the-art technology for cutting and polishing, and fabrication of ornamental products through grants or purchases; Work with equipment suppliers to provide equipment for training;
A marketing and promotion strategy for Namibian gemstone products	Conduct a market survey to ascertain the size and properties of the US market for a range of intermediate and end-products, including buyer requirements, customer preferences and relevant market trends Develop a marketing and promotion strategy for prioritized products and market segments within the US Support the implementation of additional marketing and promotion tools outlined in the strategy (e.g. online sales platforms)

Constraint	Proposed strategic interventions
	Semi-precious stones
Implementation of quality and sustainability certifications in the natural coloured gemstones VC	Identify and adopt best practices in the field of quality and sustainability management and certifications for jewelry products, including practical recommendations for their application in the Namibian coloured gemstones VC; Support the implementation of identified best practices and recommendations; Support testing facilities, laboratories, training activities and equipment, and auditing and certification processes for Namibian associations and companies, according to the requirements of the standards to be adopted
Joint branding and promotion initiative	Develop an insignia brand for intermediate and end products made in Namibia ("Namib gems"), including promotion tools and activities; Support the elaboration of selected promotion materials related to the insignia brand (e.g. documentary, ads, (social) media campaigns, etc.); Support participation of processors and manufacturers in regional and international trade fairs; Showcase Namibian jewelry at international shows in the US, and make other promotion efforts in the tourist market segment;
Support to private-sector associations and cooperatives	Appraise organisational weaknesses of associations and cooperatives in the value chain, with their participation; Formulate tailor-made organisational development plans; Provide ongoing advisory, mentoring and training for implementation and monitoring of organisational development plans;

Source: Adopted from Stakeholder Consultations (2019); MIT (2016)

3.3.1.4 Table Grapes and Dates

Namibian table grapes growers spread along the Orange River, in Amriasvlei, Aussenkhr, Keetmanshoop, Komsberg and Nodoower. The key dates producers in Namibia include Karas Dates, Desert Fruit Namibia, Al Dahra Agriculture Namibia, NDC Naute, Orange River Irrigation Project, Achill Investment /Silverlands. Small producers are Joydale Boerdery and Kitchen 51. Almost all dates firms also produce table grapes. The top four farms are producing about 5,000 tons and project producing over 10,000 tons by 2022. The Government of Namibia through the Namibia Industrial Development Agency (NIDA) has investments in dates projects.

[12] *6 735 299 x 4.5kg boxes*
[13] *7 119 037 x 4.5kg boxes*

In the 2018/19 season, Namibia exported 30,309 tons[12], with the expectation that the industry will increase exports to 32,036 tons[13] during the 2019/2020 season. In terms of composition, 48% of exports are white grapes, 42% red grapes and 10% black grapes.

The key export markets are the EU (particularly the UK, Netherlands and Belgium) and the Middle East (United Arab Emirates, Saudi Arabia and Qatar), and South Africa. Namibia has started negotiations to export to China as well. Figure 14 outlines the trends in Namibia's table grape exports between 2001 and 2019. Important to note that there are some notable discrepancies between some key statistics provided by industry and those reported by ITC Trademap. The source of the discrepancy could be due to several factors such as reporting errors, as well as timeline differences between calendar year versus seasonal year reporting. Nonetheless, what is more important to note are the general trends of the exports, which provide a general guide of growth and expansion into different markets.

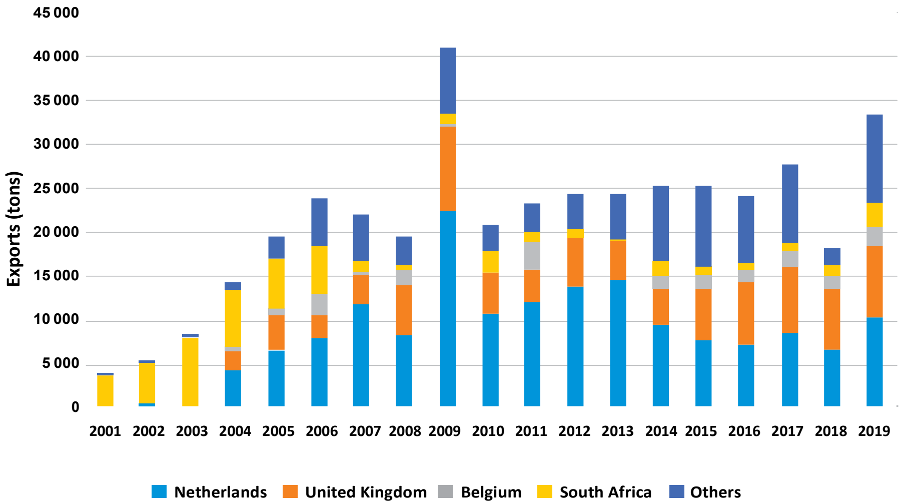

Figure 14.Namibia's fresh grape exports, tons (2001-2019)

Source: ITC Trademap (2020)

Between 2014 and 2018, Namibia exported an average of 566 tons of dates (fresh or dried) per annum. Key markets are South Africa, which accounts for an average of 58% of Namibia's dates exports, as well as Europe (UK) and the Middle East (UAE) (see Figure 15). The date industry is increasing investment and hectarage under date production, exploring value addition into healthy products, to diversify their markets. Organic date farming is set to become a core strategy of penetrating and establish presence in key markets.

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[13] *https://www.agmrc.org/commodities-products/fruits/dates*

[14] *https://www.agmrc.org/commodities-products/fruits/dates*

The companies are open to linkages with U.S. buyers. Dates consumption in the United States and globally has been increasing as more consumers become aware of the health benefits of dates. The Agricultural Marketing Resource Center (AgMRC)[14] reports[14] that while the United States exported 21.8 million pounds of fresh dates valued at $67.1 million in 2017-18 season (mainly from California) to Australia, Canada, and the UK also imported 76.1 million pounds of fresh dates valued at $79.5 million mainly from Tunisia, Israel, and Pakistan. Namibia and South Africa can increase their footprint in the United States.

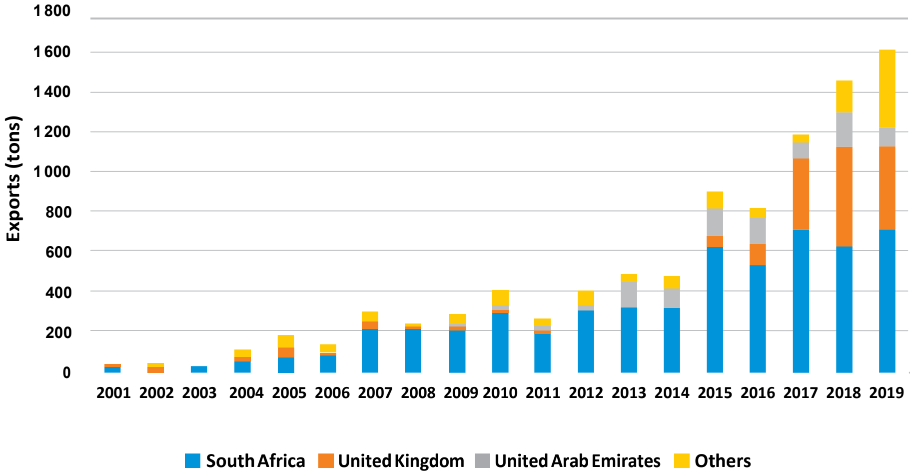

Figure 15. Namibia's exports of dates, tons (2001-2019)

Source: ITC Trademap (2020)

Product Specific Constraints: Table Grapes/Dates

The key issue facing table grape growers is that of Sanitary and Phytosanitary (SPS) issues. Table grape producers have not been keen about the U.S. market due to SPS issues which require 10 days cold treatment before being shipped to the United States. This increases the total time for grapes to reach the U.S. market increases to about four weeks, whereas it takes 23 days to Europe from Cape Town. Further, the key competitors Peru and Chile, are closer to the United States than Namibia and have the same harvest season with Namibia. While airfreighting grapes is an option, it is expensive and requires a market guarantee. Most companies are looking to diversify their export markets further to include China, and only a few are open to exploring the U.S. market. One company in Namibia has started organic grape trials, and another bio-farming which present an opportunity to export to the United States should the results in terms of quality and volume be encouraging.

Beyond the SPS issues, there are other critical constraints, such as lack of expanded market linkages to identify new and prospective buyers, as well as a lack of organic certification for dates and table grapes. Table 17 below outlines the strategic interventions for these specific constraints.

Table 17. Constraints and interventions in the table grape and date industry

Constraint	Proposed strategic interventions
Establish more market linkages and develop markets in the United States	USAID TradeHub may connect dates and table grape growers with the Namibian Embassy in Washington to link with the South African Consulate in New York regarding the annual Fresh Produce Outward Selling Mission (OSM) scheduled for September / October of each year for possible participation. More information about the OSM will be shared with the companies. Details of organic table grapes firms will be shared with the South African Consulate General in New York, following their request for such supplier information for linkages with interested U.S. buyers.
Lack of certification for organic products	In partnership with EcoCert Southern Africa, the USAID TradeHub will explore conducting an Organic Awareness Seminar, in partnership with the Date Palm Growers Association which covers both Namibia and South Africa. While primarily focusing on dates growers, interested table grapes firms will be encouraged to attend.

Adopted from Stakeholder Consultations (2019)

3.3.1.5 Devil's Claw *(Harpagophytum procumbens)*

Harpagophytum procumbens, also called grapple plant, wood spider and most commonly devil's claw, is a genus of plants in the sesame family, native to southern Africa. "Devil's claw grows naturally in Namibia and is regarded as one of the most economically important INPs in the country. In 1977, devil's claw was listed in Namibia as a protected species under the Nature Conservation Ordinance of 1975. In terms of this legislation, a permit is required for harvesting, trading in and exporting devil's claw. Namibia is the largest single supplier of devil's claw in the world, with the first large-scale exports commencing in 1962. Between 2015 and 2019, Namibia exported an average of 765 tons of devil's claw worth an estimated US$3.7 million. Figure 16 below shows Namibia's international markets for devil's claw, with major markets being France (45%), Poland (13%) and Germany (23%) accounting for 80% of the value of exports of Namibia's product. Other markets include South Africa which takes an average of 5%, Italy (4%) and Spain (3%).

A major concern and on-going challenge have been the proportion of sustainably harvested devil's claw in relation to overall devil's claw exports from Namibia. The volume of Namibia's exports has been declining over the past five years, but average export volumes between 2015-2019 (765 tons per annum) have been 78% higher compared to historical trends (i.e. 1992-2012, which averaged 430 tons per year). Product-specific constraints affecting devil's claw are similar to those faced by other INPs, which are outlined under sub-section 3.3.3.1 and whose associated interventions are described in Table 25.

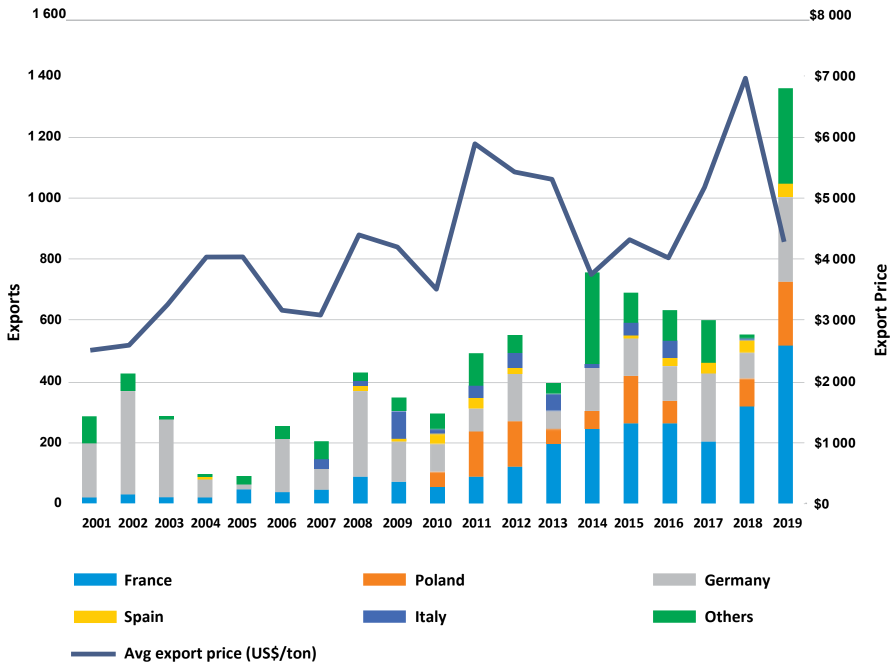

Figure 16. Namibia's exports of devil's claw extract (2011-2019)

Source: ITC Trademap (2020)

3.3.2 Medium Term (2-5 years) Priority Exports

Medium-term priority exports are products that have a potential for export to the United States under the AGOA program within the next two to five years. These products might not be exported to the United States yet, but Namibia holds a comparative advantage in and would require resources and investments that would trigger the industry sectors build and develop markets before they can begin exports within a period of or have been exported before, so the aim would be to increase exports.

Table 18 on the next page outlines the key products that can be considered for export to the United States in the medium. These include table grapes and dates, specialty foods (organic pearl millet products), and handicrafts.

Table 18. Medium Term (2-5 years) Priority Exports

Production Description		U.S. Import Market Size (US$000)	Key Import Sources	Import Sources SSA	Other Information
Specialty Foods[15]	HS100829 Mahangu (millet)	US$1,182 MFN: 0.32 cents/kg AGOA: Free	China (55%) Canada (14%) India (7%) Germany (5%) Haiti (5%)	Ghana (5%) Senegal (2%) Mali (1%) Sierra Leone (0.04%) Kenya (3.9%) Ethiopia (0.4%) South Africa (13.1%)	Namibia produces organic pearl millet and processed into organic whole grain pearl millet flour, cookies/biscuits and cereal preparations.
	HS1102906000 Mahangu (millet) flour	US$9,024 MFN: 9% ad valorem AGOA: Free	Canada (49%) India (18%) South Africa (4%) Spain (3%) UK (3%)	South Africa (4%) Kenya (4%) Ghana (1%) Senegal (0,2%) Rwanda (0,2%)	
	HS1905901049 Biscuits & similar baked products	US$523,937	Mexico (22%) Canada (24%) Thailand (5%) Israel (4%) Italy (4%)	n.a.	
Handicrafts (This is broad, only selected 2 tariff lines)	42010060: Basketwork, wickerwork and other articles made directly of plaiting materials of heading 4601, nesi; loofah articles MFN Duty: 6%	US$218,727 (2017 imports) Country of origin; no special programs claimed: 75.7% GSP:24% AGOA: US$12.7 (2017	China (54.9%) India (19.2%) Vietnam (13.4%) Thailand (7.8%) Canada (2.4%)	Madagascar (0.1%) South Africa, Senegal, Kenya, Ghana, Botswana	Need to establish trading houses that handle the marketing and monitor production and quality aspects of the products
	69120050: Ceramic (o/than porcelain of china) household articles and toilet articles (o/than table and kitchenware, nesoi)	US$64,950 (2017 imports) Country of origin; no special programs claimed GSP:2.6% AGOA: <1%	China (87.4%) Vietnam (2.3%) Thailand (1.9%) Italy (1.4%)	South Africa (US$20.7 in 2017) less than 1%	

[15] *Namibia produces other additional organically products such as organic honey, bambara nuts, mtete, manguni, makweve, matau etc. However, the volumes of these products were not determined at the time of drafting the strategy.*

Production Description		U.S. Import Market Size (US$000)	Key Import Sources	Import Sources SSA	Other Information
Leather and Leather Products	41041990 Hides and skins of bovine “incl. buffalo” or equine animals, in the wet state “incl. wet-blue”, tanned, without hair on, whether or not split (excluding further prepared and full grains, unsplit and grain splits):	US$1,343 (2018 imports) MFN: 3.3% GSP: 0% Non-AGOA	Mexico 56% Germany 1% Slovakia 1% UK 9%	South Africa, but not significant.	Namibia is currently producing wet blue leather but none of it is being exported to the United States.
	410719(50-80) Leather “incl. parchment-dressed leather” of the whole hides and skins of bovine “incl. buffalo” or equine animals, further prepared after tanning or crusting, without hair on (excluding unsplit full grains leather, grain splits leather, chamois leather, patent leather and patent laminated leather, and metallised leather)	US$76,381 (Average 2014-18 imports) MFN: 2.4%-5% AGOA: 0%	Italy 68% Brazil 7% Belgium 4% Argentina 3% Mexico 3%	South Africa supplies an average of US$9,400 per annum.	Namibia has virtually no market presence in the United States. However, it exports to EU markets and China. This could be a sign of the industry’s competitiveness
Leather and Leather Products	410799 Leather “incl. parchment-dressed leather” of the portions, strips or sheets of hides and skins of bovine “incl. buffalo” or equine animals, further prepared after tanning or crusting, without hair on (excluding unsplit full grains leather, grain splits leather, chamois leather, patent leather and patent laminated leather, and metallised leather).	US$36,766 (2017 imports) MFN: 2.4%-5% AGOA: 0%	Italy 50% Mexico 16% Brazil 15%	Very meagre exports from South Africa and Zimbabwe	Namibia has virtually no market presence in the United States. However, it exports to EU markets and China. This could be a sign of the industry’s competitiveness

Production Description		U.S. Import Market Size (US$000)	Key Import Sources	Import Sources SSA	Other Information
Leather and Leather Products	HS:410150 HS:410190 Blue Hide Leather, The blue hide is a result of a by-product of livestock industry.	US$15 million (2017-19 avg) for HS410150 & US$3.4 million (2017-19 avg) for HS410190	HS:410150 Canada, Brazil and Australia HS:410190 Belgium, UK, Thailand, Italy and Mexico etc.	HS:410150 South Africa, Djibouti HS:410190 Zimbabwe, Cote D'Ivore,	Products of industry: wet blue, shoes, exotic products, (crocodile ostrich leather etc.), upholstery. Leather industries create approximately 300 plus with the production of shoes per year of 14 000 pair. Meatco Tannery export 90% of its Blue hide and 10% is for the local market.

Sources: ITC Trademap (2020), USITC (2019).

3.3.2.1 Specialty Foods – Organic pearl millet products (mahangu)

Namibia produced an average of 44,455 tons of millet over the ten years between the 2009 and 2018 seasons. The estimated area under production has fluctuated between 142,125 ha and 421,212 ha over the same period, with yields averaging 0.17 tons/ha (see Figure 17 below). Overall, only 2% of millets produced are marketed formally through Agro-Marketing and Trade Agency (AMTA), with the rest being consumed for domestic households or sold informally within communities and villages (FAO, 2020).

Namibia currently does not export any millet, with all the produce being consumed domestically. However, the country regularly imports millet from India and South Africa, with Germany and Angola supplying minimal and irregular volumes. In 2018, Namibia's millet imports peaked at 1,261 tons, with India supplying 1,205 tons, and South Africa 49 tons.

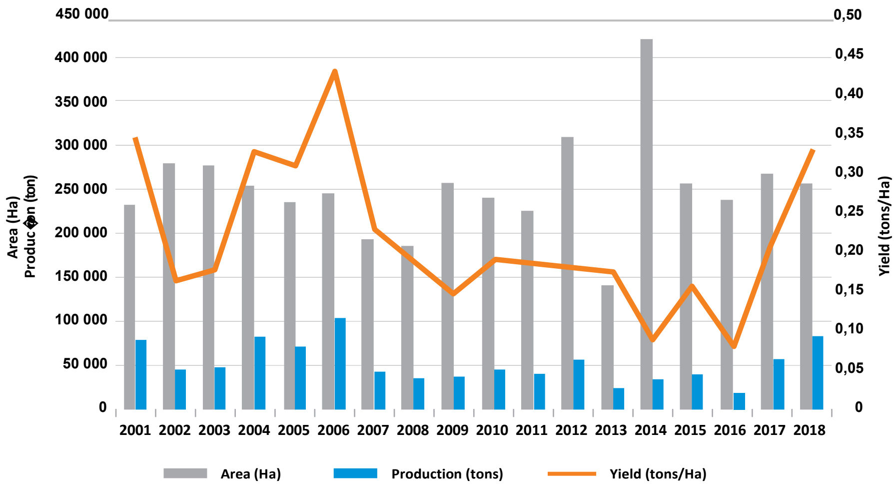

Figure 17. Namibia's millet production trends, (2001-2018)

Source: FAO (2020)

Over the five years between 2011 and 2015, the U.S. imported an average of 686 tons per annum worth US$1.2 million. Over half of the millet imported into the United States comes from China, with the rest coming from Canada, India, Germany, and Haiti, among others. There are several SSA countries that export millet to the United States, and these include Ghana, Senegal, Mali, Sierra Leone, Kenya, Ethiopia, and South Africa. Collectively, SSA countries contribute a relatively small share of the U.S. volumes, supplying an average of 76 tons per year (11% of average millet imports).

In line with Namibia's industrial policy, key considerations can be made to explore the potential for value-added millet products, such as millet flour and cookies or biscuits. Such kinds of products, if marketed as organically produced, would make for an attractive niche product line that can be sold directly to specialty food shops. Further assessments would need to be made on the country's productive capacity to expand grain production and agro-processing capacity to make value-added millet products. Initial indications suggest that the arid to semi-arid conditions are well suited to millet production. However, it is not clear how much more land can be brought into production for commercial production.

In mapping the productive and agro-processing potential, there are several constraints that would need to be overcome, and these include:

- Lack of commercialization of mahangu production;
- Lack of certification for organic products; and
- Lack of scale and volumes.

The constraints above-mentioned are summarized in Table 19 below, together with the set of interventions that stakeholders felt would need to be considered to overcome them.

Table 19. Constraints and interventions in the millet industry

Constraint	Proposed strategic interventions
Lack of commercialization of mahangu production	Commercialization of the crop through regulation and support institutional infrastructure for price discovery. Currently, the crop is not market driven, with AMTA mandated to buy any mahangu production that farmers deliver at a set price. • Capacity building and training of farmers on appropriate production techniques. • Research and extension support.
Lack of certification for organic products	The government could ask development partners such as the USAID Southern Africa Trade and Investment Hub, and technical partners such as Ecocert Southern Africa to assist in conducting an Organic Awareness Seminar with AMTA, mahangu processors, NAB and mahangu producers. This value chain approach would ensure that organically produced mahangu maintains its organic status throughout the chain, for export to the United States.
Lack of scale and volumes	To produce more, the industry has to support mahangu production at farm level. This means that the government and private sector have to collaborate in providing a package of interventions and reforms that can increase the scale of production such as: • Capacity building and training of farmers on appropriate production techniques. • Research and extension support. • Provide incentives that can promote the production of millets, and substitute for current imports.

Source: Adopted from Stakeholder Consultations (2019)

3.3.2.2 Handicrafts

Handicrafts (i.e. wood carving[16], basket weaving, pottery etc.) is a significant economic activity, particularly in the north-eastern parts of Namibia in the Kavango East and West regions, as well as the Zambezi region. Communities that are engaged in handicraft do not export themselves, but rather, either sell directly to visiting tourists, or sell to large traders who purchase in bulk for on-selling in other distant markets and tourist areas. Communities note that direct sales are typically with European tourists that either visit the villages or purchase at some of the main craft centres such as Mashi, Ngoma and Mbirajwe. In areas such as Katima Mulilo, all community members that are engaged in crafts become part of the Caprivi Arts Association, by default. The Caprivi Arts Association currently has a membership base of more than 300 members.

The handicrafts industry is currently beset by a few challenges, which is hampering its growth prospects, and these include:

- A perceived lack of interest by the youth, whose participation in the industry has remained limited. Stakeholders noted that there is a risk of losing craft skills if the lead and elderly generation does not pass their expertise the younger generation of talent that can lead and advance the sector in the future
- The lack of funding to support the operations of the Crafts Centers. The key Craft Centers in the Kavango and Zambezi region are either closed or operating infrequently. For instance, the Ngoma market has closed, and the Mbiranjwe market only works intermittently.
- The lack of business entrepreneurship and skills, which partly explains why the Craft Centers are not fully operational, and in some cases, dysfunctional. There is a need to explore skills training and capacity building in business and entrepreneurship to ensure competent management of Craft Centers and respective Associations. This is an area in which more youth and women to get involved in actively. Youth and women could take up management roles of the crafts centers if they are not interested in the actual craftsmanship.
- Lack of a Marketing Agency that can support Crafts Centers, Arts Associations, and their members with access to overseas markets to sell their products. A Marketing Agency is critical to connecting the producers of arts and crafts with potential buyers, and this agency can become part and parcel of an umbrella association representing craft centers and associations. This approach will be in creating value for membership associations.

Arts and Crafts firms and associations claim that there is enough productive capacity to meet demand surges if constraints outlined above are addressed. Table 20 below outlines some strategic interventions that were proposed by stakeholders and industry players to unlock further growth and export potential.

[16] *To be AGOA eligible, wood carvings must not be from trees considered as endangered species*

Table 20. Constraints and Interventions in Arts and Crafts

Constraint	Proposed strategic interventions
Lack of interest by the youth and women	A deliberate capacity building programme targeting youth and women to promote skills transfer and technical know-how of make handicrafts, arts etc. The programme can be designed as a formal curricular that can be offered in a TVET set up.
Lack of business and entrepreneurial skills	Linked to the technical training of youth and women, is also the business and entrepreneurship training to allow for more youth and women to actively get involved in the management of the crafts centres.
Lack of funding to support operations of the crafts centres.	Some of the key craft centres lack funding to operate optimally, and this is primarily due to a lack of funding. The Ngoma market and the Mbiranjwe market can be key pilot programmes that can be resourced by government to support the arts and crafts industry.
Lack of access to overseas markets	Support the establishment of a Marketing Agency for the arts and crafts industry, which will support members and craft centres with access to markets through participation at trade shows and outward missions.

3.3.2.3 Leather and Leather Products

Namibia's leather value chain contributes approximately US$195.7 million to the Namibian economy and has created at least 2,071 job opportunities (MITSMED, 2015). The country's leather industry is a critical sector that is built on the agricultural sector's 4,500 farms that produce livestock, which is a source of skin/hides that are a by-product of farm production, and an input in the production of leather. Namibia's livestock population is relatively small by global standards, and consists of:

- A cattle population of 2,370,000 (which is 0.14% of global market share and 1% on the African continent) and processes 162,459 raw hides.
- A sheep population of 2,930,000 sheep (which makes up 0.27% of global production and 1.3% within Africa), and processes 725,000 skins.
- A goat population of 2,235,000 goats (which is 0.24% of global production and 0.8% within Africa) and processes 320,000 skins.

This farm production base supplies the country's seven export abattoirs, and 65 small abattoirs and one operational feedlot with animals for slaughter. The animal skins are taken by:

- Three major tanneries are functional (i.e., Meatco (Okapuka), Nakara , and Brukkaros); and
- Currently, Namibia (Meatco Tannery) export its Wet Blue hide mostly to Italy and China and uses agents to export to America from Italy. Meatco could directly export to the USA market if linkages with the clientele and a market is developed there.
- A few other small community-based tanneries (e.g., Dune Tannery close to Mariental).

The tanneries produce wet blues, pickled skins and tanned hides. They focus primarily on chrome-tanning processes. Semi-processed leather (e.g., wet blue) and upholstery leather constitute 90% of the total quantity of leather exported, whilst 10% has further value- added locally.

Namibia imports vegetable-tanned leather from South Africa and other countries, mostly to serve the needs of manufacturers of finished goods. This includes some 26-known micro, small, and medium enterprises (MSME) that manufacture leather-related products.

Beef cattle (bovine) are the most important raw material used in the leather industry globally, and Namibia is no exception. Wet blue is the first stage of leather processing, and the current contribution of wet blues to the Namibian GDP is larger than that of locally produced value-added products (Meatco, 2020). The production of wet blue in Namibia is export-oriented, and export volumes peaked at 5,382 tons in 2016 following six consecutive years of production increases. From 2010 to 2016, the amount of wet blue exports increased by 46%, but declined by 44% from 2016 and 2019.

Revenues have been on a declining trend over the past five years in US$ terms, falling from US$12.9 million to US$3.7 million over the five-year period between 2015 and 2019. This 71% fall in export revenues could be attributed to several on-going factors such as declining production owing to the aridity of vast parts of Namibia's farmland, coupled with worsening droughts. Declining revenues matched with falling volumes after 2016, and this has been argued to be caused by changes in the regulatory framework, as Namibia's borders were opened for exports of animals on the hoof. Figure 16 below shows trends in exports of wet blue leather, both in value and volumes. Also shown in Figure 16 are the key markets which Namibia exports its wet blue leather to, and how the structure of the country's exports has evolved over the period 2001 to 2019.

The major market for Namibia's wet blue leather is Italy, which accounted for an average of 75% of the value of the country's total wet blue leather exports. The other key markets are the UK, which took an average of 7% of Namibia's wet blue exports over the past five years (2014-2018), followed by China (6%) and South Africa (4%). Namibia's markets for wet blue leather have become more diversified over time, compared to the period 2002 to 2007 in which Italy was almost the exclusive destination market. Now there are a few other options, which also include Botswana, Hong Kong, Switzerland, and Tunisia.

There is virtually no trade in leather between Namibia and the United States, despite the potential for trade (see Table 21 below). The U.S. market is a large but declining market for wet blue leather – with imports falling by 29% from US$116 million in 2015 to US$82 million in 2019 (see Figure 18). The decline in the U.S. market for wet blue leather is part of a longer-term trend, which, from existing data, can be traced back to 2006 when U.S. imports were US$122 million (Data from Trademap, 2020). Instead, the U.S. market imports more of processed leather (under tariff heading HS4107)[18], most of which Namibia exports to South Africa.

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[17] *Apart from the tannery, Nakara has four retail stores in Namibia, which offer various value-added and finished products such as handbags, clothing, game skins and other leather-related apparel.*

[18] *Product: 4107: Leather further prepared after tanning or crusting "incl. parchment-dressed leather", of bovine "incl. buffalo" or equine animals, without hair on, whether or not split (excluding chamois leather, patent leather and patent laminated leather, and metallised leather) show a less detailed product description*

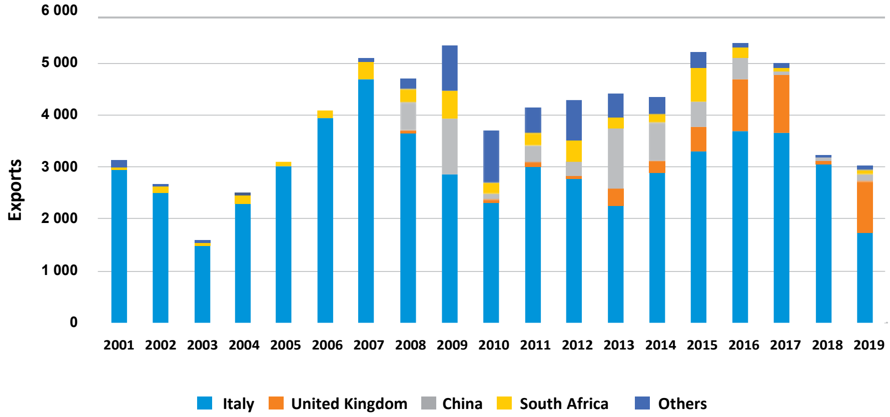

Figure 18. Namibia's wet blue leather export trends, (2002-2019)

Source: Data from ITC Trademap (2020) [19]

Table 21 outlines the exports (a) Namibia's exports to United States; (b) U.S. imports from world and (c) Namibia's exports to world under three key tariff headings: HS410719; HS410799 and HS41041990.

Table 21. Namibia's trade potential for leather, US$000, 2017-2019

HS code	Product Label	Namibia's exports to U.S.			U.S. imports from world			Namibia's exports to world		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
410719	Leather "incl. parchment-dressed leather" of the whole hides and skins of bovine "incl. buffalo" or equine animals, further prepared after tanning or crusting, without hair on (excluding unsplit full grains leather, grain splits leather, chamois leather, patent leather and patent laminated leather, and metallised leather)	0	9	0	75,010	92,644	106,572	1,952	1,200	2,724

[19] *Product 410419: Hides and skins of bovine "incl. buffalo" or equine animals, in the wet state "incl. wet-blue", tanned, without hair on, whether or not split (excluding further prepared and full grains, unsplit and grain splits).*

HS code	Product Label	Namibia's exports to U.S.			U.S. imports from world			Namibia's exports to world		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
410799	Leather "incl. parchment-dressed leather" of the portions, strips or sheets of hides and skins of bovine "incl. buffalo" or equine animals, further prepared after tanning or crusting, without hair on (excluding unsplit full grains leather, grain splits leather, chamois leather, patent leather and patent laminated leather, and metallised leather)	0	3	4	26,468	17,352	15,293	5,310	2,179	2,762
41041990	Hides and skins of bovine "incl. buffalo" or equine animals, in the wet state "incl. wet-blue", tanned, without hair on, whether or not split (excluding further prepared and full grains, unsplit and grain splits): other	0	0	0	1,294	1,344	1,042	9,326	6,512	5,519

Source: Data from ITC Trademap (2020)

There is scope for trade in all the three tariff lines outlined above, given that Namibia exports to the RoW on the one hand, and U.S. imports from the world on the other. There is a need for further in-depth consultations with Meatco and various tanneries to establish the precise reasons and possible market structural constraints that are giving rise to this scenario. There might be supply chain issues that were not captured in the initial round of consultations. At face value, however, trade statistics in the leather and leather industry seem to suggest a degree of trade potential between the United States and Namibia, particularly for the specific lines outlined in Table 21.

Several constraints affect the leather and leather products industry, some of which have already been outlined and discussed. These include declining production of cattle owing to recurrent droughts, as well as changes in policy, which led to cattle export on the hoof.

However, there are additional constraints that can be urgently addressed by stakeholders concerning the U.S. market, and these include training and skills development, capacity building of industry associations, as well as product branding and marketing. Table 22 outlines both the constraints mentioned above as well as the strategic interventions that could be considered to support the industry to penetrate and establish a market presence in the United States.

Table 22. Constraints and Interventions in the leather and leather products industry

Constraint	Proposed strategic interventions
Training and skill development	• Provide training and mentoring at grassroots level to improve the quality of hides and skins • Develop specialised skills through subject-matter expert exchange programme, such as SES (Senior Expert Services) • Develop educational programmes in collaboration with higher education institutions in Namibia • Develop learning contents, materials and curriculum • Conduct trainings and awareness campaigns
Capacity building for the Leather Industries Association of Namibia (LIAN)	• Provide LIAN with technical expertise to help support efforts of aligning market requirements with quality assurance measures for the U.S. market and specific U.S. buyers. • Support activities to build capacity of LIAN to improve its efficiency and effectiveness, so that LIAN can implement the leather industry growth strategy and AGOA utilization strategy at sector level. Provide support for LIAN to strengthen it for better representation for the interests of the industry
Product branding and marketing strategy	• Assist the industry to develop marketing strategy to sell locally manufactured niche products in Namibia as well as to obtain export market access • Provide support for the industry to raise the local market awareness about Namibian leather products in the U.S. market • Assist MIT and LIAN to design a Namibian brand for leather products geared for U.S. buyers • Help support the development of marketing strategies for each product • Support the industry to conduct generic and targeted U.S. marketing campaigns

Source: Key Informants, MIT

3.3.3 Long Term (Over 5 years) Priority Exports

Products in the category of "over 5 years" require more resources, time and investment to resolve impediments and unlock market access into the United States. To a large degree, these are products that may require more rigorous regulatory compliance and standards on the one hand, and substantial production planning and scaling up of volumes on the other. The products that were identified include specialty vegetable oils (otherwise known as INPs) as well as leather and leather products. The products outlined are unpacked in Table 23 below, to provide a synopsis of the U.S. market size and potential for Namibia to export.

Table 23. Long Term (Over 5 years) Priority Exports

Production Description		U.S. Import Market Size (US$000)	Key Import Sources	Import Sources SSA	Other Infor-mation
Specialty vegetable oils: Marula oil, kalahari melon seed oil and ximenia oils[20]	HS151590 Non-specified vegetable oils, excluding soybean, groundnut, olive, palm, sunflower, coconut, rape linseed, maize, castor and sesame oil.	US$166,078	Mexico (23%) Spain (13%) India (6%) France (10%) Canada (10%)	Kenya (0,56%) Ghana (0,19%) Uganda (0,02%) South Africa (0,03%) Zimbabwe (0,001%)	n.a.

Source: ITC Trademap (2019), USITC (2019)

3.3.3.1 Indigenous Natural Products (INP) derivatives

Cosmetic ingredients such as marula oil21, kalahari melon seed oil and ximenia oil22 – which are some of the most economically important INPs in the country – were suggested for consideration under the long-term category for potential export products. Such vegetable oils are used in a wide range of industries. Industry sources indicate that specialty vegetable oils are predominantly used in cosmetics. Moreover, they indicate that the share of vegetable oils used in cosmetics is growing, compared to food use. Cosmetic manufacturers increasingly use vegetable oils instead of mineral oils in their products. However, data to specify the share of exports and production volumes for specialty vegetable oils and cosmetic products is not available. Nonetheless, the specific key oils that were identified through stakeholder consultations are profiled in Table 24 on the next page.

[20] *Fixed vegetable fats and oils and their fractions, whether or not refined, but not chemically modified (excluding soya- bean, groundnut, olive, palm, sunflower-seed, safflower, cotton-seed, coconut, palm kernel, babassu, rape, colza and mustard, linseed, maize, castor and sesame oil)*

[21] *Marula processing also produces pulp as a by-product which is currently unused in Namibia, and therefore disposed of as waste. However, in countries such as Botswana, the pulp goes through further value addition to manufacture additional products such as snacks, as well as flavoring for drinks and jams.*

Table 24. Key indigenous vegetable oils in Namibia

Common Name	Scientific Name[23]	Geographic Distribution	Primary Fatty Acid Profile
Kahalari melon seed oil	Citrullus lanatus seed oil	Originates from western Kalahari region of Namibia and Botswana, planted throughout much of sub-Saharan Africa	Omega 6 (Linoleic acid)
Marula seed oil	Sclerocarya birrea seed oil	Marula occurs throughout most of sub-Saharan Africa, outside the humid forest zone. Its naturally occurring in parts of Namibia.	Omega 9 (Oleic acid)
Mongongo/ manketti seed oil	Schinziophyton rautanenii kernel oil	Grows from southern Democratic Republic of Congo, southern Tanzania and Angola south to Namibia, Botswana and northern South Africa	Omega 6 (Linoleic acid)
Ximenia oil	Ximenia Americana seed oil	Ximenia oil is naturalised in southern Africa, growing in semi-desert, open country at low altitudes.	Omega 9 (Oleic acid)

Source: CBI (2018), Stakeholder Consultations (2019)

There are no specific trade data on the aforementioned vegetable oils. However, they are included in the product group of non-specified vegetable oils, excluding soybean, groundnut, olive, palm, sunflower, coconut, rape linseed, maize, castor and sesame oil (HS15159090). Namibia exports an average of 1,240 tons of INP oils, with 92% of this volume being exported mainly to Angola. In terms of volume, Zambia is the second largest market accounting for an average of 7% over the period 2012-2017. However, Zambia has not imported any oils since 2014. Exports to Italy, China, South Africa, the UK, France and Japan are small and inconsistent.

Namibia's exports to the United States became marginally stronger between the period 2015 and 2017, when the United States imported 1.5 tons per annum worth about US$31,600 per year. The U.S. market has an import demand which averages US$166 million per year. There is scope for Namibia to export its oils targeting specific niche markets. Over the last five years, SSA countries accounted for less than 1% of specialty vegetable oils supply to the United States, with Kenya and Ghana accounting for over half of this small share.

Global consumers are increasingly interested in the story behind the cosmetic products that they use. At the same time, cosmetic companies want their products to stand out from the competition. Cosmetic brands are finding inspiration from specific regions which consumers

[22] *Ximenia is a naturally growing wild fruit, and it is produced for factories in Windhoek who produce cosmetic oil for bulk exports to Europe (i.e. Italy). Recently, a big investment to set up a factory has been initiated, and the factory is expected to start production in early 2020.*

[23] *International Nomenclature of Cosmetic Ingredients (INCI) name.*

see as exotic or mystical, responding to consumer interest. Cosmetic brands are increasingly telling the story of a particular region in their marketing. Often, they use key, indigenous ingredients from that region to base their marketing concept on.

International firms are developing product ranges based on a beauty ritual in a specific region and use key, indigenous ingredients from those regions to base their marketing concepts on. In these product ranges, cosmetic brands do not only use vegetable oils from a specific region but also include other ingredients, such as essential oils and botanical extracts. Vegetable oils and other ingredients from Namibia can benefit from this trend.

There were several constraints that hamper the production and export potential of INPs and derivative products, and these are outlined in Table 25 below.

Table 25. Constraints and interventions in the INP industry

Constraint	Proposed strategic interventions
General/ Miscellaneous Constraints	• Bureaucratic and time-consuming process of processing administrative paperwork to facilitate exports. • Demand from some of the importers is high and there might be a lack of supply capacity to provide required volumes on a consistent basis. • Labelling of packaged products – barcoding equipment is not available in Namibia and producers have to rely on South African companies to do it for them.
Marketing	Work out a marketing story Namibia's vegetable oil and defining what sets it apart from competitors. For example, the Namibian brands can link the oil they sell to a traditional use in cosmetics. The industry can and its firms can provide your buyers with good-quality pictures or videos to support the marketing of the story; for example, pictures of the origin of your oil and traditional or local production processes.
Export promotion and diversification of markets	There is a need for diversified new markets, both local and international. To that end, developing markets in the U.S. for Namibian oil and cosmetic products is critical and this will require a considerable investment through a partnership between private sector, government and development partners.
Lack of product certification (organic)	Certification of products is too costly. Therefore certification, would require financial and technical support that can reduce the cost of certifying products. This will be aligned with buyer requirements for natural ingredients for cosmetics and information on certifications for natural ingredients. It will be important to certify the vegetable oils according to natural or organic standards if the final product is also certified.
Consumer education on the products that are manufactured in Namibia	Local and export (regional and international) markets require consumer and product education to provide knowledge to customers on how good the Namibian produced products are.

Constraint	Proposed strategic interventions
Lack of accreditation for locally made products	Lab testing for oil is done in South Africa. Therefore, for testing labs, there is a need to set up accredited laboratories. This could involve liaising with the Namibia Standards Body in aligning and coordinating efforts of developing labs within the framework of the existing quality assurance systems.
Quality of raw materials	There are general concerns regarding the quality of raw materials due to low-input production systems and lack of sound agronomic practices. Therefore, there is a general sentiment that Namibian producers need to understand the quality requirements of traders and follow meticulous practices to ensure that the raw material commodities conform to quality specifications required for processing. In order to attain this, the industry could consider the following interventions: • Capacity building and training of farmers on appropriate production techniques, and • Research and extension support.
Traceability	Market access requirements in terms of quality control, traceability and sustainability are critical. Firms will need to show where the extract comes from and where it is processed. If you make an ethical claim for your vegetable oil, support this claim with evidence. Which benefits does your product offer to local communities, how many communities are you helping? Provide your buyers with specific information and figures about your impact.

Source: Adopted from Stakeholder Consultations (2019

3.4 Identified Key Cross-cutting Constraints to Increasing Utilization of AGOA

As already discussed earlier, this strategy aims to guide Namibia on the support needed to develop the identified export products by addressing constraints related to policy, supply, and market entry requirements to take full advantage of preferential market access under AGOA. In addition to the product-specific constraints already highlighted throughout Section 3.3, Namibia would need to consider addressing some key cross-cutting constraints, which will affect all product sectors.

3.4.1 Insufficient Knowledge of the AGOA Program and Benefits

Stakeholder consultations revealed a general lack of knowledge of the AGOA preference program and its benefits to specific eligible product sectors. The lack of knowledge of AGOA has contributed, to a large degree, to the limited utilization of the preference program incentives by Namibian producers.

3.4.2 Inadequate Awareness of U.S. Market Requirements

Related to the sub-section 3.4.1, the constraint of lack of knowledge implies the need for awareness of U.S. market entry requirements. The stakeholders noted the importance for firms to understand the quality and procedural issues that would apply to their specific products in order to understand the prerequisites that would allow them to capitalize on the benefits of AGOA. It appears that most Namibian producers have limited knowledge of the U.S. market and the associated market entry requirements for their products. There is a general perception that U.S. market entry requirements are severely restrictive, particularly with respect to processed products. Therefore, producers look to Europe and the regional markets (i.e., SACU and SADC). Moreover, most Namibian producers lack the expertise on how to market their products to the U.S. market. When the USAID TradeHub conducted U.S Market Entry Requirements workshops in the region in 2018/2019, Namibia was not covered.

3.4.3 Inadequate Productivity and Production Capacity

Generally, inadequate productivity and production capacity are major constraints that affect producers across the region, including Namibia. Part of the reason for the country's low productive capacity is due to a lack of ready supply of raw materials, limited access to finance and investment, and a general lack of suitable or modern equipment. This constraint is even more critical when exporting to the U.S. market, in which buyers demand a large and consistent supply of volumes to service the country's enormous market size.

3.4.4 Insufficient Funding and Limited Access to Investment

As noted in Section 3.4.3, lack of access to affordable finance and limited investment can hinder the growth and implementation of new business ideas. This could be resolved through interventions which target funding arrangements that target SMEs that are engaged in or have the potential to export under AGOA.

3.4.5 Cost of Compliance with U.S. Regulations and Standards

Technical regulations, standards, and conformity assessments continue to increase the costs of doing business within the global trading system. The International Organization for Standards (ISO) defines standards as documented agreements containing technical specifications or other precise criteria to be used consistently as rules. Guidelines or definitions to ensure that materials, products, processes, and services are fit for their purpose. The United Nations (UN) Food and Agricultural Organization (FAO) maintains that the main objective of standardization is that all companies in a given economic sector adhere to the same standards (i.e., the same procedures or product specifications) resulting in ease of logistical procedures, facilitate trade, prevention of consumer deception and improvement in quality. However, improvement in quality will only be achieved when the advocated standard requirements are an improvement in relation to common practice.

The Food Safety Modernization Act (FSMA) upgraded the role of the U.S. Food and Drug Administration (FDA), allowing it to mandate standards for foreign growers, processors, and packers to be equal to standards in the United States. Any producer exporting food products to the United States would be required to register with FDA as food exporters are required to ensure that food products exported to the United States are safe for consumption. Any food products imported into the United States are subject to FDA inspection when entering the country, and the FDA may detain imported products if the shipments are found to be non-compliant with U.S. requirements.

Consequently, although not mandatory, certification of food processors by accredited organizations to food safety standards such as the Hazard Analysis Critical Control Point (HACCP) and ISO/Food Safety System Certification (FSSC) 22000 are a common prerequisite to ensure compliance with U.S. requirements. In addition, there are also private standards from buyers that suppliers must comply with for their products by the buyer. Furthermore, producers must satisfy other U.S. Government and market conditions such as safe labour practices for workers, Worldwide Responsible Accreditation Production (WRAP) certification, and Fairtrade certification, among others.

Currently, Namibia has no accredited testing laboratories or certification bodies to provide the required services. This means that any producers requiring such services can only get from other countries, mainly South Africa, adding to the cost of production, which ultimately reduces the competitiveness of local products.

3.4.6 Establishment of Export Processing Zones (EPZs)

Namibia has already adopted a policy for the establishment of an Export Processing Zone (EPZ) regime to serve as a tax haven for export-oriented manufacturing enterprises in the country, in exchange for technology transfer, capital inflow, skills development and job creation. The creation of export processing zones (EPZs) ostensibly targets strategic areas with some incentives that are meant to attract investors – both local and foreign. The EPZs would prioritize specific export-led value chains through a market-led approach. During stakeholder consultations, there was a general concern that the prioritization of value chains, particularly in agriculture, is not market-led. The view that resonated with stakeholders is that the EPZ concept can be a complement that food hubs and green schemes and can be used as a model to commercialize millets and wild fruits production by demarcating land in and around existing food hubs and green schemes. The EPZs and green schemes are envisaged as structured PPPs to attract private sector investment. The purpose of this approach is to bring some under-developed land into production and promote the production of niche products and commodities that can be exported to the United States.

3.4.7 Non-Tariff Barriers (NTBs) to Trade

Non-Tariff Barriers (NTBs) to trade are typically restrictions that go beyond their legitimate intended purpose and have the deliberate (and sometimes unintended) effect of increasing the costs and time of doing business. Non-Tariff Measures (NTMs) are government restrictions on trade that are applied for a range of public policy reasons such as safety, health, and consumer information. The terms NTBs and NTMs are often used interchangeably to mean one and the same thing, with both having the same effect of increasing the cost of importing or exporting goods and services. These most cited NTB noted by the private sector during the stakeholder consultations are the border delays and the amount of paperwork needed to transport containers into the region to countries such as Zambia, Angola, and the Democratic Republic of the Congo (DRC).

3.5 Strategic Interventions to Address Cross-Cutting Constraints

The broad guidelines of a proposed integrated institutional infrastructure for Namibia's AGOA Utilization Strategy are outlined in Section 4. The structure is spearheaded by an AGOA Stakeholder Consultation/Reference Committee comprising both public and private sector and civil society organizations. The task of the reference group is to ensure the effective implementation of the AGOA Utilization Strategy. The AGOA Stakeholder Consultation/Reference Committee will be co-chaired by the private sector and MIT, with the latter being the custodian of the strategy. The Namibia Trade Forum (NTF) will be the AGOA Secretariat, tasked with ensuring the day-to-day functions of the implementation of the AGOA strategy are carried out. The Secretariat will need to develop a budget for the implementation of the AGOA Utilization Strategy for Namibia and present this to the AGOA

Reference Committee for approval. Table 26 below provides some suggested interventions to address each of the aforementioned cross-cutting measures.

Table 26. Cross-cutting constraints and strategic interventions

Constraint	Proposed strategic interventions
Insufficient knowledge of the AGOA Program and its benefits.	a) MIT to suggest an appropriate AGOA Secretariat structure for approval by the AGOA Reference Committee; b) The AGOA Reference Committee requests MIT/NTF (The AGOA Secretariat) to develop and implement a countrywide awareness campaign on the AGOA Preference Program and its benefits; c) The AGOA Secretariat to include export-oriented service providers in the awareness campaign to provide information on their services; and d) The AGOA Secretariat to champion the development of a robust information dissemination program to provide information on AGOA to targeted local and US-based stakeholders.
Insufficient awareness of the US market requirements	a) AGOA Secretariat to organize required sector specific workshops on U.S. market requirements with support or input from U.S. sector experts; b) AGOA Secretariat to distribute information on U.S. market requirements to targeted exporters; c) AGOA Secretariat to develop database on AGOA eligible products to make it easily accessible; d) AGOA Secretariat to link the database on AGOA eligible products to websites of other strategic organizations to websites of other strategic organizations (e.g. USG agencies, World Bank, other development partners, all government ministries, NIC, NIDC, NCCI, NSI, etc.); e) AGOA Secretariat to organize required sector specific workshops on U.S. market requirements with support or input from U.S. sector experts; f) AGOA Secretariat to organize required sector specific workshops on U.S. market requirements with support or input from U.S. sector experts; g) AGOA Secretariat to distribute information on U.S. market requirements to targeted exporters; h) AGOA Secretariat to develop database on AGOA eligible products to make it easily accessible; i) AGOA Secretariat to link the database on AGOA eligible products to websites of other strategic organizations to websites of other strategic organizations (e.g. USG agencies, World Bank, other development partners, all government ministries, NIC, NIDC, NCCI, NSI, etc.); j) MIT, NAB and NSI to provide a list of common requirements, standards, general import documentation, technical regulations, U.S. FDA and U.S. Customs and Border Protection (CBP) requirements to AGOA Secretariat for sharing with relevant stakeholders; k) AGOA Secretariat to establish a link between U.S. buyers, Namibia producers and the United States and Namibia private sectors through their respective Chambers of Commerce; l) MIT to provide support to the Namibia Trade Attaché in the United States for the next five years to help conduct market research and to promote Namibia products in the United States or appoint a U.S.-based company to carry out this particular function; and m) AGOA Secretariat through MIT to help identify and request from the various USG agencies for required information and support for TCB to develop private sector business associations and networks in the U.S. market to facilitate export development.

Constraint	Proposed strategic interventions
Inadequate productivity and production capacity	a) Inland Revenue Department (IRD) to identify and facilitate implementation of export included incentives; b) MIT to coordinate the introduction of business linkage programmes between SMEs and large organizations to promote private sector development and create a local market for SMEs; and c) Government to ensure consistent economic and regulatory policies
Cost of compliance with US regulation and standards	a) NSI to help expedite the strengthen the QI system including the accreditation of new labs to service private sector and assist producers to comply with required U.S. standards and regulations; b) NIDC, NCCI, ATF, NAB and NSI, as well as other agencies to facilitate producers of selected products to get required certifications; c) NIDC, NCCI, ATF, NAB and NSI, as well as other agencies to identify and engage potential sponsors who can provide funding for training of trainers on relevant standards and regulations; and d) MIT and NSI to engage development partners to provide support to ensure compliance with U.S. standards and regulations
Inadequate funding and limited access to investment	a) Bank of Namibia (BoM) to facilitate the reduction of the current cost of finance and provide affordable funding to unlock the bottlenecks to increase production capacity and productivity; b) NIDC to identify investment requirements for potential investors particularly from the United States and help meet the expectations of critical investors to attract more FDI; c) MIT and NIDC to capacitate of form a national Doing Business Committee to help identify and implement activities to improve the Ease of Doing Business Indicators; d) NIDC to engage the USG agencies and other development partners to implement an investor roadmap and an audit of the regulatory reforms that are needed to improve the business environment; e) MIT to engage the SADC Secretariat on the SADC Investment sub-Committee Program to develop a SADC Regional Action Programme on Investment aimed at addressing barriers to investment aimed at addressing barriers to investment and contribute to improving the investment climate in the SADC region.
Establishment of Export Processing Zones (EPZs)	a) Previously, the ODC developed and leased serviced industrial and business sites and factory shells – a function that is now presumably a mandate of NIDA. b) NIDA to map the already developed four multi-purpose industrial parks with firms that are looking to develop a market in the US to take advantage of AGOA. c) For example, the Park at Oshikango and Ondangwa can focus more on INPs and vegetable oils. d) The other industrial and business Parks in Windhoek can focus on leather and leather products; e) Katima Mulilo – Arts and crafts; f) A new industrial park in Katwitwi in the Kavango Region can focus on specialty foods such as mahangu production and processing

Constraint	Proposed strategic interventions
NTBs to trade	a) Inland Revenue Department (IRD) and Namport to expedite the implementation of the WTO Trade Facilitation Agreement to facilitate cross border trading; b) MIT to develop and/or implement a national NTB to trade strategy to facilitate the elimination of NTBs to reduce the time and cost of doing business; c) MIT and the NAB to conduct regular NTB surveys to continuously identify and resolve NTBs; d) MIT to create capacity for the monitoring of NTBs as a national mechanism that tracks and coordinates the elimination of NTBs, and e) MIT to create awareness and encourage stakeholders to use the COMESA-EAC-SADC tripartite NTB Monitoring mechanism to help resolve NTBs.

While Namibia has potential to diversify its exports to the United States under AGOA, the issue which affects most sectors is the lack of productive capacity. Namibia would need to provide support measures which help firms, particularly SMEs, to increase their productive capacity in order to improve production and be able to export to the United States and other parts of the world. Building capacity might also, at first, entail developing intra-SADC trade, as a means of increasing production capabilities for export markets. With respect to export to the United States, identifying and focusing on niche markets for identified priority products could be a key strategy to penetrate and gain market share in the United States. To grow market share in the United States, Namibia has to increase production beyond current levels through increased supply capacity and investments in the targeted sectors. Critically, FDI from other countries with substantial export experience would be critical in increasing production of the prioritized target products, as well as attracting much needed expertise and technology.

3.6 Suggestions to Facilitate Faster Clearance of Exports to the United States

Below is a list of suggested ways to facilitate faster clearance of merchandise to the United States:

a) Include all information required on your customs invoices;
b) Prepare your invoices carefully, type them clearly and allow enough space between lines. Keep the data within each column;
c) Mark and number each package so it can be identified with the corresponding marks and numbers appearing on your invoice;
d) Show a detailed description on your invoice of each item on your merchandise contained in each individual package;
e) Mark your goods legibly and conspicuously with the country of origin unless they are specifically exempted from country-of-origin marking requirements, and with such other marking as is required by the marking laws of the United States;
f) Comply with the provisions of any special laws of the United States that may apply to your goods, such as laws relating to food, drugs, cosmetics, alcoholic beverages, radioactive materials etc.
g) Observe the instructions closely with respect to invoicing, packaging, marking, labelling, etc. sent to you by your customer in the United States;
h) Work with CBP to develop packaging standards for your commodities;
i) Establish sound security procedures at your facility and while transporting your goods for shipment;

j) Consider shipping on a carrier participating in the Automated Manifest System; and
k) If you use a licensed customs broker for your transaction, consider using a firm that participates in the Automated Broker Interface.

3.7 Resource Mobilization and Financing

Following the approval and the formal launch of the AGOA Utilization Strategy for Namibia and its implementation plan (outlined in Section 4), a preliminary estimation of the level of effort and related budget should be submitted through the AGOA Secretariat for approval before implementation. The required resources could be leveraged from existing and prospective development projects funded by various donor organisations.

4. ACTION PLAN

The action plan indicates the specific strategic objectives, activities and expected outcomes as detailed in the implementation Plan Matrix in Table 27 under Section 4.1. The implementation plan will be the main tool for ensuring effective management and implementation of this AGOA Utilization Strategy for Namibia led by the AGOA Secretariat in liaison with MIT and the AGOA Reference Committee. The institutional structure for the implementation of this AGOA Utilization Strategy will be determined by the AGOA reference committee during the validation of the strategy.

4.1 Detailed Implementation Matrix

As noted, the Namibia AGOA Utilization Strategy described throughout this document is synthesized by an implementation outlined in Table 25 below. The synthesis of the implementation plan outlines 13 strategic objectives, which are unpacked by interventions, indicators, deliverables/outputs, the organizations that will lead and support the various activities, as well as the timing. The strategic objectives mentioned therein include:

- Establish effective institutional structure for the national AGOA Utilization Strategy for Namibia;
- Create awareness of the AGOA preference program, its benefits and the United States; market requirements countrywide for the priority export products for Namibia.
- Enhance Marketing of Namibian products in the United States;
- Improved market information and intelligence among exporters;
- Facilitate increased production and productivity;
- Enhanced capacity to comply with required U.S. Standards, technical regulations and market requirements to improve competitiveness;
- Enhance business regulatory legislation to improve the competitiveness of Namibia exports
- Engage local and regional USG agencies on technical assistance and TCB programmes
- Facilitate reduction of NTBs to trade
- Facilitate the establishment of required sector associations and capacitate existing associations to increase coordination of required assistance
- Facilitate an investment friendly environment
- Provide grants and soft loans for start-ups, SMEs, women entrepreneurs and businesses owned by other disadvantaged groups
- Attracting U.S. investment and purchasing commitments and/or arrangements into selected sectors.

Table 27. Namibia's AGOA Utilization Strategy Implementation Matrix

Strategic Objective	Activity/Intervention	
1. Establish Effective institutional Structure for the national AGOA Utilization Strategy for Namibia.	• Confirm proposed AGOA Institutional Structure (see Section 4 of Strategy which outlines M&E framework). • Develop Scope of Work (SoW) for the AGOA Secretariat. • Capacitate the AGOA Secretariat to conduct AGOA activities.	
2. Create awareness of the AGOA preference program, its benefits and the U.S. market requirements countrywide for the priority export products for Namibia.	• Develop a robust information dissemination programme on AGOA activities for Namibia including doing business in the United States, AGOA success stories available export development programs, potential market leads and with links to other useful websites. • Develop an easily accessible AGOA website with a section on responses to frequently asked questions (FAQs). • Hold periodic AGOA awareness workshops using U.S. experts wherever possible, targeting producers of potential priority export products. • Circulate AGOA related information to exporters through print and electronic media. • Organize trade missions and participation by Namibian export-ready firms at suitable trade shows targeting products of potential priority export products.	
3. Enhance Marketing of Namibian products in the United States	• Confirm agreed AGOA institutional structure and any personnel set up for U.S. presence to drive AGOA activities. • Update or develop and publish promotional material on AGOA for use by those in the US such as a handbook of AGOA and the AGOA strategy. • Provide the AGOA team in the United States with information on available products, quantities as well as current and potential production capacity etc.	

	Key Performance Indicator	Deliverable/Output	Implementing Body: Lead Institution	Implementing Body: Support Institution	Timing: S	Timing: M	Timing: L
	• Progress reports on implementation of the AGOA through reports by the AGOA Secretariat during scheduled AGOA meetings as proposed in the M&E section. • Feedback and presentations from the AGOA Secretariat. • Number of activities/ initiatives implemented from the AGOA Strategy	• Effective implemented of the AGOA Utilization Strategy • Increased volume of exports under AGOA • Increased volume of the FDI in the priority sectors for the AGOA Strategy	AGOA Reference Committee	Namibia Trade Forum (NTF) Ministry of Industrialization and Trade (MIT): International Trade Division	X		
	• Number of visits to AGOA website (hits), and queries received as well as responses to the queries. • Number of AGOA awareness workshops organized per year, number of participants at each workshop, and feedback received from workshop participants. • Size of email distribution list and quantity/quality of feedback from the recipients. • Number of missions organized, and trade shows attended as well as number of participants from Namibia per year.	• Increased awareness of the AGOA trade preference program, how to utilize it and its benefits. • Increased utilization of the AGOA preference program and number and amount of priority export products from Namibia to the US under the AGOA facility. • Confirmed investors per priority sectors. • Annual percentage increase in investment.	AGOA Secretariat/ AGOA Reference Committee	MIT, NTF, NCCI, ATF, USAID Mission/ U.S. Embassy in Namibia, the USAID TradeHub	X		
	• Number of activities to enhance marketing of Namibian products in the United States. • Required AGOA promotional material to be developed and planned activities per year.	• Completed AGOA set up for Namibia. • Developed and shared annual activity programme. • Enhanced marketing activities for Namibian products in the United States.	MIT	MIT: International Trade Division Ministry of International Relations and Cooperation	X		

Strategic Objective	Activity/Intervention	
4. Improved market information and intelligence among exporters	• Link Namibia and the U.S. private sector players through their respective chambers of commerce. • Establish a focal point for enquiries about exporting under AGOA to facilitate access to information required by exporters. • Profile the priority potential export sectors and products, and target U.S. buyers to create much needed awareness to create linkages and facilitate exports. • Engage sector exports to help identify specific U.S. buyers, participate at appropriate trade shows, and promotional activities as well as conducting market research to understand market requirements.	
5. Facilitate increased production and productivity	• Identify and provide required technical assistance to increase production/productivity of the prioritized potential export products • Encourage the commercialization of mahangu and the structured trade of INPs by facilitating viable sources of funding for farmers and producers to purchase required inputs and equipment while guaranteeing markets. • Identify and facilitate implementation of export inclined incentives. • Coordinate introduction of a business linkage programmes between SMEs and large firms to promote private sector development and create a local market for SMEs • Facilitate provision of high-quality low-cost inputs to mahangu farmers and financing of INP producers to increase production. • Ensure guaranteed markets and prices for local producers through support measures and policies.	
6. Enhanced capacity to comply with required U.S. Standards, technical regulations and market requirements to improve competitiveness	• Identify compliance requirements in targeted U.S. markets and communicate the information to relevant organizations in Namibia. • Conduct a needs assessment for QI organizations in Namibia and develop a programme to address the needs. • Facilitate interaction between AGOA priority products and sectors and QI institutions providing required support on quality issues. • Conduct an assessment to determine current available laboratory services and their capabilities to provide accredited services. • Work with SADC Accreditation Service (SADCAS) to build capacity of local laboratories to provide required services. • Provide an update on the establishment NSI.	

Key: S – Short Term (1 year); M – Medium Term (2-5 years); and L – Long Term (Over 5 years)

	Key Performance Indicator	Deliverable/Output	Implementing Body: Lead Institution	Implementing Body: Support Institution	Timing: S	Timing: M	Timing: L
	• Number of producers informed of opportunities to export to the U.S. market under the AGOA preference • Quality and quantity of available information on the U.S. market requirements • Number of trade shows and participants attended	• Increased business transactions on AGOA reported by exporters per quarter. • Increased exports to the United States under the AGOA preference program.	NTF	MIT, NCCI, ATF, the Hub	X		
	• Available capacity building programs to facilitate production and productivity. • Farmers involved in commercial production of mahangu, and producers, traders and manufacturers of INP obtain secure markets from U.S. buyers. • Government policies aimed at guaranteeing markets and prices for Namibia's priority export products.	• Increased productivity per AGOA priority product and sector. • Increased exports and profits per sector.	Namibia Agronomic Board, (NAB), Namibia Standards Institutions (NSI), AMTA.	MIT, UNAM Dept of Food & Nutrition, Namibian Network of the Cosmetics Industry (NANCi)	X		
	• Capacity needs identified • Number of QI programs developed • Organizations provided with required capacity building	• Enhanced QI and better competitiveness of local firms. • Improvement in the participation of local firms in standards/ quality related issues. • Increase in level of support in programs on quality improvement and accredited facilities. • Namibia exports of the identified products able to meet U.S. standards and technical requirements.	Namibia Standards Institute (NSI)	MIT, NSI, SADCAS, SADCASQAM, SADCASTAN, SADCTRLC, NIDC, development partners		X	

Strategic Objective	Activity/Intervention	
7. Enhance business regulatory legislation to improve the competitiveness of Namibia exports	• As outlined in under point (a), establish the AGOA Utilization Strategy institutional structure and allocate responsibilities. • Identify and implement essential incentives for the proposed priority products	
8. Engage local and regional USG agencies on technical assistance and TCB programs	• Identify capacity building requirements for priority sectors. • Identify technical assistance required to facilitate export development and to increase investment in Namibia. • Identify local and regional USG agencies offering required TCB and technical assistance. • Identify the conditions for accessing the available support from the USG agencies.	
9. Facilitate reduction of NTBs to trade	• Develop a national NTB strategy and action plan to facilitate the elimination of NTBs to trade to reduce border delays and costs caused by the delays. • Conduct regular NTBs surveys to continue identifying and resolving the NTBs • Establish a committee to address NTBs as a national mechanism tor monitoring and coordination of NTB elimination. • Identify and implement relevant trade facilitation tools. • Identify customs administration procedures that require improvement • Facilitate awareness and encourage increased use of COMESA-EAC-SADC tripartite NTB monitoring mechanism.	

	Key Performance Indicator	Deliverable/Output	Implementing Body		Timing		
			Lead Institution	Support Institution	S	M	L
	• AGOA Institutional Structure established and operational. • Number of identified required incentives per priority sector. • Available incentives per AGOA priority sector. • Conditions and approved budget for the incentives.	• Business regulatory environment enhanced and cost of doing business reduced. • The number of incentives provided and beneficiaries per sector. • Improved production capacity and competitiveness.	AGOA Secretariat, NAB.	MIT, NAMPORT, NIC, Relevant government departments/ ministries, development partners such as the USAID TradeHub.		X	
	• List of capacity building requirements for priority export products sectors. • Identified local and regional USG agencies offering relevant and TCB technical assistance. • Support required per AGOA priority products/ sector. • Assistance provided by available USG agencies locally and in the United States.	• Increased number of technical capacity building programs provided per sector and those assisted. • Number of technical assistance programs. • Increased number of participants and/ or firms assisted and amount technical assistance provided.	Namibia Industrial Development Agency (NIDA)	MIT, USAID TradeHub, US Embassy in Namibia, other development partners.	X		
	• Administration procedures targeted for improvement. • Number and effectiveness of trade facilitation tools implemented. • Awareness creation workshops on the use of NTB monitoring mechanism.	• Improved efficiency at ports and borders. • Reduced delays at borders resulting in reduced time and cost of doing business. • Improved competitiveness and improved ability to meet orders. • Reduction in NTBs and time taken for them to be resolved. • Increased reporting of NTB and reduced time and cost of doing business.	MIT	Inland Revenue Department (IRD), Ministry of Finance, SADC & SACU Secretariat, NAB, ATF		X	

Strategic Objective	Activity/Intervention	
10. Facilitate the establishment of required sector associations and capacitate existing associations to increase coordination of required assistance	• Facilitate stakeholder to form or strengthen sector associations or body (e.g. arts and crafts) to help identify and coordinate the common needs of the sector. • Identify capacity needs for each association and provide necessary interventions.	
11. Facilitate an investment friendly environment	• Identify the expected investment requirements by potential investors and work on meeting the critical expected investors requirements. • Reduce all rankings for “Ease of Doing Business” Indicators over the next five years through regulatory reforms. • Capacitate institutions such as the NIC and other relevant agencies by providing requisite training, resources and legislation to enhance their effectiveness. • Visit successful countries on implementing regulatory reforms such as Rwanda to learn from their experience. • Engage USG agencies to access TCB to improve the investment climate and to be assisted with how to access investment from American businesses.	
12. Provide grants and soft loans for start-ups, SMEs, women entrepreneurs and businesses owned by other disadvantaged groups.	• Review of AGIA priority products and sectors to identify opportunities for projects requiring assistance • Develop a programme and mechanism for providing and managing grants and loans for small businesses and start ups • Engage USG agencies and other development partners to access available TCB and any funding assistance.	
13. Attracting U.S. investment and purchasing commitments and/or arrangements into selected sectors.	• Profile sectors that require investment • Develop investment matrix featuring investment incentives	

	Key Performance Indicator	Deliverable/Output	Implementing Body		Timing		
			Lead Institution	Support Institution	S	M	L
	• Number of sector associations formed or assisted. • Sector specific capacity needs identified. • Number of workshops and participants trained per year.	• Increased number of associations in priority products/ sectors • Increase in production capacity per AGOA priority sector.	MIT, Association at community level e.g. Indigenous People Business Forum (IPBF)	NTF, ATF, NCCI, Other sector associations, development partners		X	
	• Annual reduction in rankings on Ease of Doing Business Indicators • Improved international competitiveness rankings for Namibia on Ease of Doing Business, Global Competitiveness Index and Heritage Foundations, etc.	• Increased FDI per year from the US. • Number of companies investing in Namibia per year.	NIC	MIT (NIC), ATF, NCCI, NTF, NIDA Other sector associations, development partners		X	
	• Number of available projects for SMEs and women owned businesses per priority sector. • Demand for support and available budget for grants/loans for projects in Namibia's priority sectors or products • Number of assisted start-ups, SMEs and women.	• Increased exports under AGOA in the priority sectors/ potential products by start-ups, SMEs, women-owned businesses, and other vulnerable/ disadvantaged groups (e.g. youth).	NCCI, NIDA, Development Bank of Namibia (DBN)	MIT, Ministry of Finance, development partners		X	
	• Value of new investments (US$) from US firms.	• Investment Roadshow in the US OR Inbound Mission for US Investors in Namibia.	NIC	USAID TradeHub, USAID Mission/ U.S. Embassy in Namibia.		X	

4.2 Monitoring and Evaluation (M&E) Framework

The AGOA Trade Preferences Extension Act (2015) specifies that AGOA eligible countries develop utilization strategies on a biennial basis to effectively make use of the benefits of the preference program. In addition, each beneficiary country should publish the public versions of its AGOA utilization strategy on the country's relevant internet website. Meanwhile, the USTR will publish versions of all AGOA Utilization strategies on the website of the Office of the United States Trade Representative.

The AGOA Utilization Strategy for Namibia will apply to the entire period of the extension of AGOA, but its implementation will start should ideally start immediately after its formally launched until the 30th September 2025. The strategy will be reviewed after every two years to ensure continued relevance in line with the AGOA Trade Preferences Extension Act (2015).

The M&E framework for the strategy will be based on the following foundational principles:

a) The AGOA institutional structure (to be determined by the AGOA Reference Committee) will shape the mechanism and functioning of the M&E system. To ensure effective implementation of the strategy, progress would need to be reported to the Office of the President by the co-chairs of the AGOA Reference Committee through Cabinet.
b) The AGOA Secretariat will be required to provide scheduled and periodic updates on the implementation of progress including a report on any issues impending implementation.
c) The AGOA Utilization Strategy implementation plan matrix will be the main tool for assessing progress and performance spearheaded by the AGOA Secretariat in liaison with the AGOA Reference Committee.
d) During the first year of implementation of the strategy, the AGOA Reference Committee and the AGOA Secretariat should meet monthly and, as and when required to review implementation progress. Thereafter, the frequency of meetings and engagements can be determined by the AGOA Reference Committee, in line with progress and targets.
e) The AGOA Secretariat will produce a report every six months to report on progress made rolling out the implementation plan, backed by latest statistics on Namibia's exports under AGOA.
f) The report will be used to update cabinet and the Office of the President on the progress through the AGOA Reference Committee

The AGOA Utilization Strategy for Namibia will be reviewed annually during the period of the AGOA preference program to ensure its continued relevance in line with the recommendations of the AGOA Trade Preferences Extension Act (2015). To add, this process would bring alignment with any changes that may be made to policy and national development plans.

4.3 Institutional Structure for the AGOA Utilization Strategy for Namibia

An institutional structure and M&E framework would be critical to ensuring the effective management and implementation of the strategy. Feedback received during the development of this strategy indicated that besides the lack of a focused strategic approach, an effective institutional support mechanism would be critical to ensure that the opportunities from AGOA are put to full use. An effective institutional support mechanism would need to be backed by a strong and robust monitoring and evaluation system which ensures the provision of regular information on progress made in implementing the strategy. This would ensure that challenges related to implementation are adequately addressed and interventions are made timeously. The institutional structure for the AGOA utilization strategy for Namibia will be determined by the AGOA Reference Committee.

As the case with the development of the AGOA Utilization Strategy, the proposed institutional structure for its implementation must consist of both private and public sector stakeholders, as well as civil society. The composition and balance of all stakeholders is critical to ensure inclusivity and adequate representation from sectors of the economy that will be also on the ground in implementation of the strategy.

As noted earlier, the AGOA institutional structure will be led by the AGOA Steering Committee which will be co-chaired by private sector and MIT. The AGOA Steering Committee will be responsible for overseeing the implementation of the AGOA Utilization Strategy for Namibia and providing strategic guidance on operationalizing the implementation plan. The AGOA Reference Committee will consist of representatives from entities such as:

a) Ministry of Industrialization and Trade (MIT)
    - Namibia Trade Forum (NTF);
    - Namibia Standard Institution (NSI);
    - Namibia Industrial Development Agency (NIDA) – which is a merger of the Namibia Development Corporation (NDC) and Offshore Development Corporation (ODC);
    - Namibia Investment Centre (NIC);
    - Namibia Investment Promotion and Development Board (NIPDB)
b) The Ministry of Agriculture, Water and Forestry;
    - Agro-Marketing Trade Agency (AMTA);
    - Namibia Agronomic Board (NAB);
c) Ministry of Finance;
    - Inland Revenue Department (IRD)
    - Namibia Statistics Agency (NSA)
d) Ministry of Environment, Forestry and Tourism;
e) National Port Authority in Namibia (NAMPORT)
f) University of Namibia (UNAM), Department of Nutrition;
g) Agricultural Trade Forum (ATF);
h) Private sector Umbrella and Commodity Associations, such as:
    - Namibia Chamber of Commerce and Industry (NCCI);
    - Namibia Manufactures Association (NMA);
    - Confederation of Namibian Fishing Associations;
    - Namibian Network of the Cosmetics Industry (NANCi);
    - Chamber of Mines of Namibia (CoM);
i) National Union of Namibian Workers (NUNW).

The AGOA Secretariat will be chaired by an appropriate body that already has a mandate to perform trade and investment promotion functions. Such bodies potentially include the NTF and NIC, but this will be determined by MIT. Meanwhile, MIT assume the custodianship of the strategy. As MIT temporarily leads the initial efforts of putting forward a proposal for constituting the full composition of the AGOA Steering

Committee, the AGOA Secretarial function will remain a part of MIT in the interim, until an appropriate body takes over the coordination function at a later stage once the structure has been endorsed and adopted. The AGOA Secretariat will consist of a lead coordinator and support staff that will run the day-to-day business of implementing the strategy. The AGOA Secretariat will work closely with the MIT and other relevant special sub-Committees that report to the AGOA Reference Committee to ensure the implementation of agreed activities and deliverables. Such sub-committees could potentially be two, namely, (i) export promotion and development, and (ii) monitoring and evaluation. The subcommittees will be tasked with the respective functions of promoting Namibia's exports into the U.S., and monitoring the implementation of the strategy.

To complement the set-up outlined above, Namibia will also need to ensure that it has effective representation in the United States to facilitate the identification of market opportunities on the ground and increase demand for Namibian products. The proposed set up should include the establishment of an AGOA Desk at the Namibian Embassy in the United States working with various government agencies such as NTF to provide a vital link between AGOA exporters in Namibia and prospective buyers in the United States.

Having effective representation in the United States will also help expedite issues by taking advantage of the time differences between the United States and Namibia. The AGOA Secretariat at the NTF and the AGOA Desk at the Namibian Embassy in the United States should work closely with the U.S. Embassy in Windhoek, and other USG Agencies such as USAID Namibia, USAID/Southern Africa to identify opportunities and take advantage of the AGOA preference program. In addition, MIT and the AGOA Coordinator will need to work closely together with all relevant USG agencies to effectively utilize the available technical support and TCB programmes offered by USG agencies, such as the USAID Southern Africa Trade and Investment Hub.

Immediately after the launch of the approved AGOA Utilization Strategy for Namibia, the AGOA Reference Committee should organise a strategic planning meeting to facilitate the implementation of the strategy and to help integrate the strategy into the public investment planning and budgeting process for Namibia.

APPENDIX A

List of Namibia's exports to the world, excluding the United States, (US$000), 2015-2019

Product code	Product label	Value in 2015	Value in 2016	Value in 2017	Value in 2018	Value in 2019
Total	**All products**	**4 540 260**	**4 689 921**	**5 093 223**	**7 375 548**	**6 308 321**
'74	Copper and articles thereof	635 939	384 007	411 853	1 554 094	1 638 527
'71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewelry; coin	1 499 285	1 534 965	1 877 723	1 856 333	1 360 448
'26	Ores, slag and ash	406 790	793 244	586 896	825 420	876 426
'03	Fish and crustaceans, mollusks and other aquatic invertebrates	560 020	599 338	680 511	731 086	694 614
'89	Ships, boats and floating structures	24 203	224 382	202 028	884 676	221 480
'79	Zinc and articles thereof	155 214	164 111	221 316	201 071	187 089
'01	Live animals	122 927	70 005	192 767	210 121	147 275
'87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	117 868	60 354	97 258	113 581	116 990
'84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	85 807	53 781	77 101	90 221	114 695
'22	Beverages, spirits and vinegar	127 184	78 625	77 758	91 754	102 291
'02	Meat and edible meat offal	96 037	68 387	76 230	73 702	95 662
'27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	103 023	47 525	79 615	43 079	90 612
'08	Edible fruit and nuts; peel of citrus fruit or melons	35 406	32 440	42 003	57 149	65 432
'25	Salt; sulphur; earths and stone; plastering materials, lime and cement	57 810	54 989	60 426	63 153	63 572
'39	Plastics and articles thereof	14 057	8 016	14 777	47 285	52 736
'72	Iron and steel	12 884	10 925	13 154	26 307	52 565
'44	Wood and articles of wood; wood charcoal	32 553	29 542	29 933	38 163	52 112
'73	Articles of iron or steel	13 334	159 659	41 567	51 404	49 229

Product code	Product label	Value in 2015	Value in 2016	Value in 2017	Value in 2018	Value in 2019
'85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	82 866	54 122	33 868	37 226	39 480
'38	Miscellaneous chemical products	32 377	20 931	40 455	32 752	33 509
'16	Preparations of meat, of fish or of crustaceans, mollusks or other aquatic invertebrates	59 272	39 609	28 787	43 058	27 117
'40	Rubber and articles thereof	4 231	1 317	20 659	22 844	23 227
'28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	14 314	5 598	8 065	22 874	18 987
'19	Preparations of cereals, flour, starch or milk; pastry cooks' products	14 639	14 838	13 488	14 692	14 450
'90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof	17 211	7 281	6 264	12 988	13 663
'41	Raw hides and skins (other than fur skins) and leather	25 382	19 667	21 059	18 575	13 217
'24	Tobacco and manufactured tobacco substitutes	3 680	4 519	15 501	21 979	13 052
'88	Aircraft, spacecraft, and parts thereof	2 216	34 211	3 209	3 652	12 397
'23	Residues and waste from the food industries; prepared animal fodder	20 565	19 853	14 874	14 200	11 421
'99	Commodities not elsewhere specified	5 841	6 722	9 240	55 312	9 406
'12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder	4 694	3 469	4 308	5 264	7 334
'07	Edible vegetables and certain roots and tubers	6 373	7 137	7 747	9 490	6 802
'11	Products of the milling industry; malt; starches; inulin; wheat gluten	10 802	4 168	4 730	5 708	6 785

Product code	Product label	Value in 2015	Value in 2016	Value in 2017	Value in 2018	Value in 2019
'48	Paper and paperboard; articles of paper pulp, of paper or of paperboard	28 548	14 624	8 331	11 137	6 008
'94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings	16 200	3 779	8 039	5 373	5 231
'68	Articles of stone, plaster, cement, asbestos, mica or similar materials	2 809	959	4 197	5 620	4 769
'97	Works of art, collectors' pieces and antiques	3 524	3 368	3 558	4 440	4 738
'76	Aluminium and articles thereof	3 024	2 462	4 767	4 323	4 372
'69	Ceramic products	660	258	412	506	3 770
'70	Glass and glassware	4 049	3 739	3 320	2 969	3 647
'32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks	2 178	883	1 000	1 458	3 089
'82	Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal	2 366	1 790	2 768	2 903	2 926
'15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	4 639	3 532	2 109	1 828	2 765
'33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations	2 459	1 675	1 748	2 389	2 362
'34	Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, 'dental waxes' and dental preparations with a basis of plaster	3 489	1 016	1 238	1 362	2 331
'63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	6 363	3 838	2 297	1 958	2 217
'31	Fertilisers	499	784	873	1 182	2 120

Product code	Product label	Value in 2015	Value in 2016	Value in 2017	Value in 2018	Value in 2019
'43	Fur skins and artificial fur; manufactures thereof	5 541	3 648	2 517	2 858	1 957
'04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included	834	207	1 955	2 827	1 915
'47	Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard	1 574	1 546	2 321	2 225	1 851
'29	Organic chemicals	2 396	6 395	925	1 526	1 758
'78	Lead and articles thereof	56	325	333	6 029	1 717
'83	Miscellaneous articles of base metal	2 357	1 324	994	945	1 629
'86	Railway or tramway locomotives, rolling stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electromechanical) traffic signaling equipment of all kinds	785	1 456	6 393	15 580	1 536
'17	Sugars and sugar confectionery	2 172	1 612	741	1 174	1 482
'30	Pharmaceutical products	1 064	1 667	1 619	1 319	1 228
'21	Miscellaneous edible preparations	2 202	1 925	2 001	1 150	1 142
'64	Footwear, gaiters and the like; parts of such articles	1 468	1 529	1 644	1 066	1 014
'05	Products of animal origin, not elsewhere specified or included	961	627	781	919	992
'61	Articles of apparel and clothing accessories, knitted or crocheted	1 399	1 059	635	604	831
'56	Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof	1 830	352	1 340	1 830	758
'95	Toys, games and sports requisites; parts and accessories thereof	837	447	871	485	680
'62	Articles of apparel and clothing accessories, not knitted or crocheted	532	475	334	459	558

Product code	Product label	Value in 2015	Value in 2016	Value in 2017	Value in 2018	Value in 2019
'18	Cocoa and cocoa preparations	229	138	112	442	433
'93	Arms and ammunition; parts and accessories thereof	601	387	504	2 516	384
'13	Lac; gums, resins and other vegetable saps and extracts	79	29	13	23	293
'92	Musical instruments; parts and accessories of such articles	182	91	951	74	286
'49	Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans	22 472	336	1 758	366	284
'20	Preparations of vegetables, fruit, nuts or other parts of plants	728	558	1 208	711	282
'35	Albuminoidal substances; modified starches; glues; enzymes	211	55	108	120	278
'55	Man-made staple fibres	55	73	174	27	272
'96	Miscellaneous manufactured articles	823	428	467	468	264
'42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silkworm gut)	382	273	264	253	263
'10	Cereals	264	193	49	46	184
'36	Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations	144	585	144	650	161
'09	Coffee, tea, maté and spices	270	256	530	589	119
'57	Carpets and other textile floor coverings	246	130	64	148	108
'58	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery	48	6	14	96	98
'59	Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use	126	51	114	68	90

Product code	Product label	Value in 2015	Value in 2016	Value in 2017	Value in 2018	Value in 2019
'65	Headgear and parts thereof	161	128	95	84	83
'81	Other base metals; cermets; articles thereof	137	43	43	73	82
'51	Wool, fine or coarse animal hair; horsehair yarn and woven fabric	84	73	132	135	76
'52	Cotton	99	70	214	99	62
'91	Clocks and watches and parts thereof	295	784	419	176	59
'54	Man-made filaments; strip and the like of man-made textile materials	17	20	32	12	35
'66	Umbrellas, sun umbrellas, walking sticks, seat-sticks, whips, riding-crops and parts thereof	36	50	13	14	32
'67	Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles of human hair	18	14	23	46	30
'50	Silk	5	23	55	3	15
'37	Photographic or cinematographic goods	27	6	3	7	11
'80	Tin and articles thereof	6	28	29	19	10
'06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	847	12	443	589	10
'60	Knitted or crocheted fabrics	8	17	12	11	9
'46	Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork	13	11	4	22	8
'75	Nickel and articles thereof	4	5	0	0	6
'53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn	0	8	0	1	1
'45	Cork and articles of cork	24	6	4	3	1
'14	Vegetable plaiting materials; vegetable products not elsewhere specified or included	0	0	0	2	0

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