

NAMIBIAN GOVERNMENT FIGHT CRISIS WITH STATE BUDGET



Namibia tourism industry was doing well last five years but with the economic crisis hitting the country's source market, expectations for 2009 are rather gloomy.

In the past years the Republic of Namibia witnessed a **positive tourism growth**. Numbers of foreign visitors were continuously increasing. In 2007 approximately 929,000 tourists came to the south African country. The biggest source market is the Republic of South Africa with 250,000 visits in 2007. South Africans even may pay with their national currency in the neighboring Namibia. The numbers of visitors coming from Europe were also rising in the past years. The biggest European source market is Germany, the UK, France and the Netherlands. Smaller markets are Portugal and Spain.

However, with the global economic crisis hitting Europe hard, the **numbers of visitors are likely to fall**. South Africans may also change their tourism behavior and thus the current expectations for the Namibian economy are rather bleak. Tourism as well as mining are important parts of the country's economy but in 2009 both sectors are facing decline.

According to **Fenata**, an umbrella organization that represents Namibia's private tourism sector, tourists are not yet canceling their trips en mass. Hunting market, however, already witnesses a serious drop in bookings and local tour bus operators talk about 15-20 per cent decrease in bookings. Investment in tourism infrastructure is therefore expected to drop significantly and so will job opportunities. This is especially unpleasant for a country with 30 - 40 per cent unemployment rate.

Officials want to encourage the development of infrastructure. "It is important to ensure that Namibia 'is ready' when the world economy recovers," Tom Alweendo, the Governor of Bank of Namibia said. The Government has a development budget of N\$5 billion for the year 2009 which is 50 per cent more than last year. According to Fenata, it is also necessary to develop **domestic tourism** which poses an important source of business.

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