

Economic Contribution of Mining in Namibia

The Chamber of Mines of Namibia (CoM) represents the interests of all the major mining and exploration companies active in the country, and manages their dealings with Government and other stakeholders. The Chamber is celebrating 42nd anniversary in 2012, having been formed in 1969 and has a total membership of 101.

Unfortunately, Namibia's official statistics on mining's contribution to Gross Domestic Product (GDP) are produced with a significant lag. This is expected to change with the establishment of the Namibia Statistics Agency (NSA). Figures produced by the Central Bureau of Statistics for 2010 show that overall mining growth remained limited following the extraordinarily tough year of 2009. Mining's direct contribution to GDP fell further to 8.8% despite signs of recovery in diamond mining. This figure distorts the importance of the mining industry as it does not include revenues from zinc refining, diamond cutting and polishing and copper smelting, all products of mining. With consideration of these contributors, mining remains by far the largest sector of the Namibian economy.

Diamond mining regained its status as a greater contributor to GDP than non-diamond mining. Total value added from mining fell to N\$7.2 billion in 2010 from N\$8.0 billion in 2009. Mineral products excluding cut and polished diamonds) contributed 54% of Namibia's total merchandise exports.

Despite the modest recovery, the mining sector once again spent more on fixed investment – approximately N\$4.3 billion, than Government or indeed any other single sector of the economy, accounting for just under a quarter of all fixed investment in the country. A lot of exploration expenditure is not being captured in the official statistics and that the real figure is even higher.

The mining industry spent some 55 million NAD on training and skills development, awarding 110 new bursaries to tertiary institutions in 2011. The Namibian Institute of Mining and Technology (NIMT), continues to produce between 300 and 500 artisans of excellent quality each year. These critical skills form the backbone of the industry. The mining industry is fully supportive of NIMT by sponsoring hundreds of students on full bursary, as well as offering job attachments to many more students.

The CoM through its members, has consistently supported NIMT since its inception as the brainchild of the Rossing Foundation. It is this unflinching support that allowed for the establishment of the NIMT Northern Campus at Tsumeb and the NIMT Southern Campus at Keetmanshoop. Ongopolo Mining contributed the buildings and infrastructure and De Beers contributed 2 million NAD towards the establishment of the Northern Campus. Mining companies contributed N\$ 5.5 million towards the establishment of the NIMT Southern Campus which was officially inaugurated on 20th March 2009.

The mining industry is a significant employer, but as it must remain internationally competitive, so it is becoming more advanced and automated each year. Growth in employment will only come through a fertile and conducive environment for exploration, leading to the creation of new mines. The mines and exploration companies collectively employed 7,306 people in permanent positions in 2011, an increase of 459 employees or 6.7% on the employment figures for 2010. Including temporary employees and full time contractors, the total direct employment figure of the mining and exploration industry is 14 328. It is estimated that the multiplier effect for each employee is around 7. Therefore it is likely that the mining industry directly and indirectly provides an income for some 100 000 people. This is indeed a significant figure in a country with a population of only 2.3 million but with an exceptionally high unemployment rate.