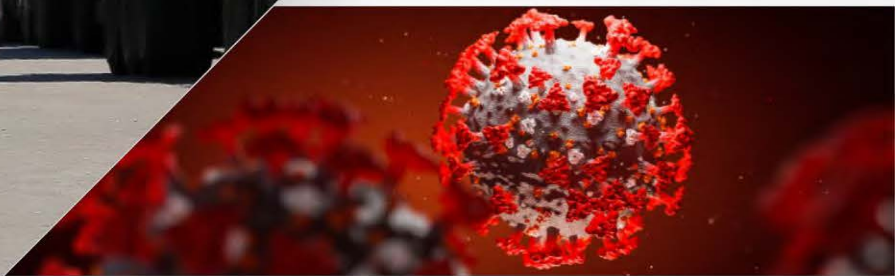




**Namibia  
State of Logistics**

# 2020 Report

**and the challenge of COVID-19**



Supported by  
**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH



NAMIBIAN - GERMAN  
**CENTRE FOR  
LOGISTICS**

## Document Preparation Details

This document has been prepared to summarise the findings of a study carried out by the Namibian-German Centre for Logistics into the current state of logistics in Namibia during the period from 2018 to 2020 and the impact of the Covid-19 pandemic on the industry. It updates studies carried into Namibian logistics in 2012 and 2018. The study has been undertaken by the research team on a wholly independent basis making use of contemporary data available in the public domain and surveys conducted by the team. It reflects the opinions of the authors based on review and analysis of the available evidence.

Document Authors:

Mr Brighten M. Simasiku  
Ms Lydia L. Jackie

Namibian-German Centre for Logistics  
Private Bag 13388  
No 3 Haydn Street  
Windhoek West  
Windhoek  
Namibia.

Website: <http://centreforlogistics.org>  
Tel: +264 61 207 2909  
Fax + 264 61 207 2908

Dr Christopher J. Savage  
Zorro Logistics Ltd.  
75 Clifton Common  
Brighouse  
West Yorkshire HD6 1QP  
UK.

For all enquiries related to this research, please contact:  
Mr Brighten M. Simasiku  
Tel: +264 61 2072758  
Email: [bsimasiku@nust.na](mailto:bsimasiku@nust.na)



978-99916-884-0-5

Namibia University of Science and Technology, February, 2021

## Acknowledgements:

The development of this State of Logistics Report for Namibia has benefitted from the support of several institutions, notably, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the Namibia University of Science and Technology and the Walvis-bay Corridor Group (WBCG). Several ministries of the Government of the Republic of Namibia also gave support most notably the Ministry of Works and Transport, Ministry of Finance.

Additionally, the following generously shared data which was helpful in preparing the report - the Namibia Statistics Agency, Namibian Ports Authority, Directorate of Customs and Excise, Roads Authority, TransNamib Holdings Limited, and Namibia Airports Company. Many more individuals than can be mentioned by name, both professional colleagues and students alike, participated in discussions and gracefully provided most valuable comments on earlier drafts. To all contributors, anonymous and those singled out, this report benefited immensely from your invaluable contributions.

## **TABLE OF CONTENTS**

<b>FORWARD .....</b>	<b>1</b>
<b>EXECUTIVE SUMMARY.....</b>	<b>2</b>
<b>1 INTRODUCTION .....</b>	<b>3</b>
1.1 GENERAL .....	3
1.2 THE STATISTICS.....	3
1.3 THE COVID-19 IMPACT ASSESSMENT .....	4
<b>2 STATE OF LOGISTICS - FINDINGS .....</b>	<b>5</b>
2.1 THE STATISTICS.....	5
2.2 THE COVID-19 IMPACT ASSESSMENT .....	25
2.3 QUESTIONNAIRE ANALYSIS – THEMATIC ANALYSIS.....	35
<b>3 STATE OF LOGISTICS – CONCLUSIONS .....</b>	<b>38</b>
3.1 DISCUSSION.....	38
3.2 CONCLUSION .....	40
3.3 THE FUTURE.....	40
<b>BIBLIOGRAPHY .....</b>	<b>42</b>

## TABLE OF FIGURES

Figure 1: Total Exports and Imports December 2019 to December 2020. Source: Namibia Statistics Agency .....	5
Figure 2: GDP annual growth rate, 2013 – 2019 Source: Namibian Statistics Agency, 2020.....	6
Figure 3: Expenditure on GDP, Current prices (2013 -2019) Source: National Accounts 2019 .....	7
Figure 4: Logistics value added as a proportion of GDP (2013 – 19).....	7
Figure 5: LPI aggregated, 2012-2018 score (1-low, 5=high) Source: World Bank 2018 /20.....	8
Figure 6: Namibia's international border crossings .....	9
Figure 7: Trading across borders in Namibia-components of border compliance. ....	10
Figure 8: Cargo handled Ports of Walvis-bay & Lüderitz combined 2016 – 19.....	11
Figure 9: Comparison landed & shipped v's transshipped freight tonnes 2016 – 19. ....	12
Figure 10: Containers handled by the two ports, 2016 – 19.....	12
Figure 11: Liner shipping connectivity index. Source: UNCTAD, 2019 .....	13
Figure 12: Walvis-bay global connectivity Source: Namibian Ports Authority, 2019.....	13
Figure 13: Walvis-bay SADC connectivity: Source: Namibia Ports Authority, 2019 .....	14
Figure 14: Namibia's liner shipping bilateral connectivity index (2017 - 18).....	14
Figure 15: Corridors linking Namibian ports to neighbouring SADC countries. Source: Namibia Ports Authority, 2019.....	15
Figure 16: Market share of transit volumes, 2018-2019 Source: Mupupa, 2019 .....	15
Figure 17: Total throughput Walvis-bay, metric tons (2016-2018) .....	16
Figure 18: Walvis-bay port showing the container terminal built on reclaimed land. Source: P. Mupupa, Namport, July 2019 .....	16
Figure 19: TEUs handled by Walvis-bay 2019/20 .....	17
Figure 20: Walvis-bay vessel visit overview 2019/20.....	17
Figure 21: Corridor length in Kilometres.....	18
Figure 22: Namibia's rail network. Source: TransNamib Holdings Ltd., Integrated Annual Report 2018/19... ..	19
Figure 23: Percentages of freight carried 2018/19. ....	20
Figure 24: TransNamib Rail Corridors.....	20
Figure 25: Namibia's airports, airlines and destinations as of 2017 Source: Namibia Airports Company. ....	21
Figure 26: Added of air transport to GDP (n\$ million).....	22
Figure 27: Mobile telephone network coverage Source: MTC Annual Report 2020 .....	23
Figure 28: Fibre cable routes. Source: Telecom Namibia Holdings Annual Report, 2017/18 .....	24

## LIST OF TABLES

Table 1: Total freight (in million tonne-kilometres) by year. Namibian corridors Source Namibian Ports Authority. ....	18
Table 2: Ranked thematic analysis with RAG coding.....	35

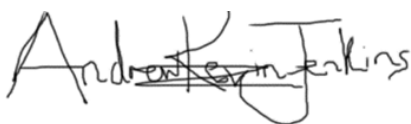
## FORWARD

In 2012, the first documented analysis of Logistics in Namibia was published. Entitled “Logistics in Namibia: Issues and challenges” (Savage, Fransman, & Jenkins, 2012) the report laid the foundations for the systematic collection and analysis of data. The 2012 report was necessary given the dearth of documented information about the logistics industry in Namibia and incorporated results of interviews with 25 key stakeholders. Findings from the interviews included a universal agreement on the importance of logistics to Namibia, a multiplicity in the understanding of the term “logistics”, the strength of the continuing influence of South Africa as the dominant economic power in southern Africa and contrasting views on the main factors limiting logistics development, including infrastructure, attitude, government, customs, training, railways, corruption and driver shortage.

The following report, “Namibia State of Logistics” (NSoL) (Odero, 2018), represented an assessment of the logistics sector with a focus on the macroeconomic environment as well as domestic and international logistics performance. The NSoL report (2018) documented the size and contribution of logistics to the economy, its linkages to business cycles and the consequences of regulation, policies and decisions which affect its performance. Whilst recognizing that performance in some areas was good, such as Namibia’s logistics performance index (LPI) score of 2.73 (aggregated 2012-2018), the NSoL (2018) report commented that “greater attention is required in managing international logistics sustainably to ensure that Namibia could become a “logistics nation” for the SADC region by 2025” (page ix).

Since the first reported case of COVID-19 human infection in November 2019, the world has been badly affected by the COVID-19 pandemic. Thus far, there have been over 75 million confirmed global cases of COVID-19 and just under 1.7 million deaths (WHO, 20/12/20). These figures would have undoubtedly been far worse had it not been for governments curtailing economic activity. Namibia, for example, initiated a State of Emergency on the 17th March 2020 and a subsequent national lockdown. This, however, has had severe economic consequences. Namibia’s economy was, arguably, in a weak position before the pandemic. Many questions remain unanswered. Will new mutations of COVID-19 become resistant to vaccines? Will vaccines become widely available to developing countries? Will the economy quickly rebound? One thing is certain, the logistics sector will be key to recovery. Whilst some industries have closed completely, or have had economic activity dramatically curtailed, the good news is that the logistics industry is resilient. Essential supply chains have continued to operate, goods have been transported and delivered and trade has continued to take place, allowing businesses, communities and individuals to survive.

This report builds upon the work of the first two reports (2012 and 2018). Whilst it was not always possible to compare data from the 2012 and the 2018 reports with this 2020 report, because of different methodologies as well as data availability and collection methods, this NSoL has attempted to establish, amongst other things, the impact of COVID-19 on the logistics sector in Namibia based on a survey of 38 stakeholders. The results and analysis of this survey will be invaluable in formulating a government and industry response to the pandemic.



Dr Andrew K. Jenkins  
Principal Lecturer, The Business School, University of Huddersfield.



## EXECUTIVE SUMMARY

Logistics is vital to the economy and way of life of every country in the world (McKinnon, 2021). Namibia is no exception so it is important to monitor and report regularly on the state of its logistics. This report builds on the previous versions from 2012 and 2018. The Covid-19 of 2020 has had a devastating impact on the health of the peoples of the world as well as their trade and business; it has also had a major impact on all aspects of logistics and supply chains both global and local. Therefore, as well as providing conventional statistical logistics data, this report includes a substantial section that investigates the pandemic's impact through the eyes of its stakeholders and practitioners.

It found that, prior to Covid, the industry was following the Namibia's economic trajectory as measured by its GDP but that it was then hit by the pandemic. Like all other countries' industries, it has suffered from reduced demand and been affected by delays as well as additional regulations but, although weakened, has survived.

It needs to regroup, reflect, cooperate and plan for a future that, for the moment at least, is still full of uncertainties. If it can do so successfully, it may hold the key to Namibia's prospects as it has the potential to play a major role in the country's recovery from Covid-19 and lead in its drive towards becoming a logistics hub for the SADC region by 2025.



# 1 INTRODUCTION

## 1.1 GENERAL

It was intended that this report would follow the basic pattern of its predecessors (2012 & 2018) updated to become the template for those to come, thus providing a vehicle to monitor the county and its logistics industry's progress through time. Unfortunately, due to the Covid-19 pandemic, 2020 has witnessed a period of disruption that is unprecedented in modern times. This has affected the lives of peoples throughout the world resulting in personal losses that, although varying in intensity from country to country, represent tragedies of Shakespearian proportions. There have, inevitably, been major disturbances in the world's supply chains which have had a massive impact on the associated logistics. In the light of this, simply updating the 2018 report by revising the figures would be pointless as the results would be meaningless and potentially dangerously misleading. Further, those people working in or affected by Namibia's logistics industry have been far too busy dealing with the repercussions of the pandemic to be concerned about updating statistics that have little value at this time. This means that many apparently significant statistics are, at best, out-of-date or simply inaccurate.

Therefore, this report is in a shortened format that makes supplements the available statistical data with the views of the stakeholders to assess the impact of Covid-19 on Namibia's logistics industry and that of the surrounding SADC / SACU region, during 2020. It must be borne in mind that Covid-19, like all pandemics, does not respect time delimiters such as year ends, any more than it is inhibited by international borders. So, its impact is on-going and the end point is far from certain so any assessment must be incomplete. Nevertheless, this report gives a useful picture of Namibian logistics during this difficult period. It is therefore of interest and value in its own right and as way marker or milestone for when the pandemic has passed and Namibian logistics has established its 'New Normal'. We must also be aware that this virus is not going to disappear, rather it is likely to be a permanent feature of life which means that we shall have to learn to live with it, hopefully mitigated by vaccination regimes and adapt our ways of working to suit. In turn, this means that the data and KPIs required to monitor the State of Logistics are difficult to predict and may well be different from those used previously.

As the above shows, the disruption to the world's supply chains and its countries' logistics industries in 2020 has been so dramatic that any statistics gathered at that time are likely to be meaningless in terms of monitoring continuous performance or predicting future trends. Notwithstanding this, data sets from the 2018 report have been included and updated where available. It must be noted that, because of the international and domestic situation, these should be ringfenced and not treated as showing the true state of logistics at this time. It is intended that, once the pandemic has run its course to the point where the supply chain and logistics industries are stable, the figures will be updated and rationalised to develop a revised form of the report, which will form the template for future editions and tracking progress going forward.

The good news is that logisticians are tough and resilient so that, throughout the world, essential supply chains have been kept open, goods have been delivered and trade has continued allowing most people and many companies to survive.

## 1.2 THE STATISTICS

The purpose of statistics is to measure features of an operation, economy or other entity so that they can be monitored and managed in order to make good decisions, as Peter F Drucker is alleged to have said, "that which cannot be measured, cannot be managed" (Drucker, 1959). To be of value statistics, like all data, have to be accurate, up-to-date and, above all, relevant. The statistics included in the 2018 State of Logistics report were those that were deemed to be relevant at the time. Inevitably, some were not ideal because either they were not found to be useful by those who need them or they were not updated regularly and accurately enough to reflect trends and progress. Therefore, part of the role of the 2020 version was to update the list of data recorded, editing out any that did not meet the 'usefulness test' and including any additional ones that stakeholders felt would be genuinely useful and which could be measured accurately and regularly. That is of itself a find fairly difficult task but the 'Gray Rhino' (Wucker, 2016) of Covid has made it almost impossible because a) stakeholders were too busy to give it sufficient attention and b) the unprecedented nature of Covid's impact meant that it was virtually



impossible to predict which data would be of value for its assessment. Nevertheless, it is important for reports to provide some continuity. So, where it has been possible to update statistics and tables from the 2018 report, they have been included. Once the pandemic has run its course so that supply chain and logistics industries are stable, the figures will be updated and rationalised to develop a revised form of the report, which will form the part of the template for future editions and tracking progress going forward.

### **1.3 THE COVID-19 IMPACT ASSESSMENT**

The purpose of this part of the report is to identify and explore the impact of Covid-19 on the contemporary issues and trends in the Namibian logistics industry. Previous research (Odero, 2018) (Savage, Fransman, & Jenkins, 2012) has established beyond doubt that logistics is of paramount importance to Namibia as it is to almost all developed and emerging nations. Further, this is supported by the perceptions of its stakeholders which include parastatals, retailers, government and facilitators such as the Walvis-bay Corridor Group as well as those working in or supporting the industry. Without logistics, businesses could not operate, trade would cease and goods including foodstuffs would not reach the populace (Singh, Kumar, Panchal, & Tiwari, 2020). Therefore, anything that affects logistics will potentially have a serious impact on the people and country of Namibia.

## 2 STATE OF LOGISTICS - FINDINGS

### 2.1 THE STATISTICS

#### SIZE AND CONTRIBUTION OF THE LOGISTICS SECTOR

Logistics and trade are inextricably linked as without logistics trade cannot happen and without trade there would be little need for logistics. Figure 1 shows the total exports and imports for the year to December 2020 (Namibia Statistics Agency, 2021). Commenting on this, Alex Shimuafeni (Statistician General & CEO, Namibia Statistics Agency) stated that, "The month of December 2020 saw Namibia's total merchandise trade declining to the level of N\$16 billion, which is 19.7 percent and 0.5 percent less than its level of N\$20 billion and N\$16.1 billion recorded in November 2020 and December 2019, respectively" (Shimuafeni, 2021). The 20% decline in trade between November and December 2020 and the 5% decline between December 2019 and 2020 are both significant. The latter shows that year on year there is a fairly stable condition with, perhaps a small decrease in trade. The former suggests that the influence of Covid-19 was beginning to take effect with an adverse impact as the year drew to a close. The impact felt in trade will be reflected in the nations logistics industry and is not dissimilar to the picture in other parts of the world although, if the figures are meaningful, the adverse effect has perhaps manifested itself slightly slower. Unfortunately, it is apparent that the full impact has yet to be felt and that this will continue into 2021 and probably well beyond. The following data and statistics, and indeed those of future years, can be expected to reflect the trading volumes. Please note that, because of the issues above and the difficulties in obtaining up-to-date and accurate statistics, all of the data, tables and graphs should be treated with caution. This is particularly true of those where the owners have not updated the statistics since the previous report. In most cases these have been omitted from the report but some were considered to be of sufficient significance to be retained. For the readers convenience, figures containing data up-to-date to 2019 or later have black borders whilst the others, which have less reliable provenance, have been framed in red.



Figure 1: Total Exports and Imports December 2019 to December 2020. Source: Namibia Statistics Agency

Figure 1 also reveals that the value of exports in December 2020 reduced by 10.7 percent and 4 percent to the level of N\$7.8 billion from its level of N\$8.7 billion in November 2020 and N\$8.1 billion observed in December 2019. Imports also showed a similar trend, falling by 26.6 percent when compared to November 2020. However, when compared to its level of N\$8.1 billion recorded in December 2019, imports improved by 3 percent. Following the developments in exports and imports, Namibia's total merchandise trade with the rest of the world weakened by 19.7 percent from its level of N\$20 billion in

November 2020 to the current value of N\$16 billion while deteriorating by 0.5 percent from its level of N\$16.1 billion recorded in December 2019.

The gross domestic product (GDP) of a country is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. It can act as a 'scorecard' of that country's economic health.

Figure 2 gives the percentage (year on year) movement in Namibia's GDP 2013 - 19. It shows that from a rise at the start of the period, the gains receded until 2016 where there was no growth.

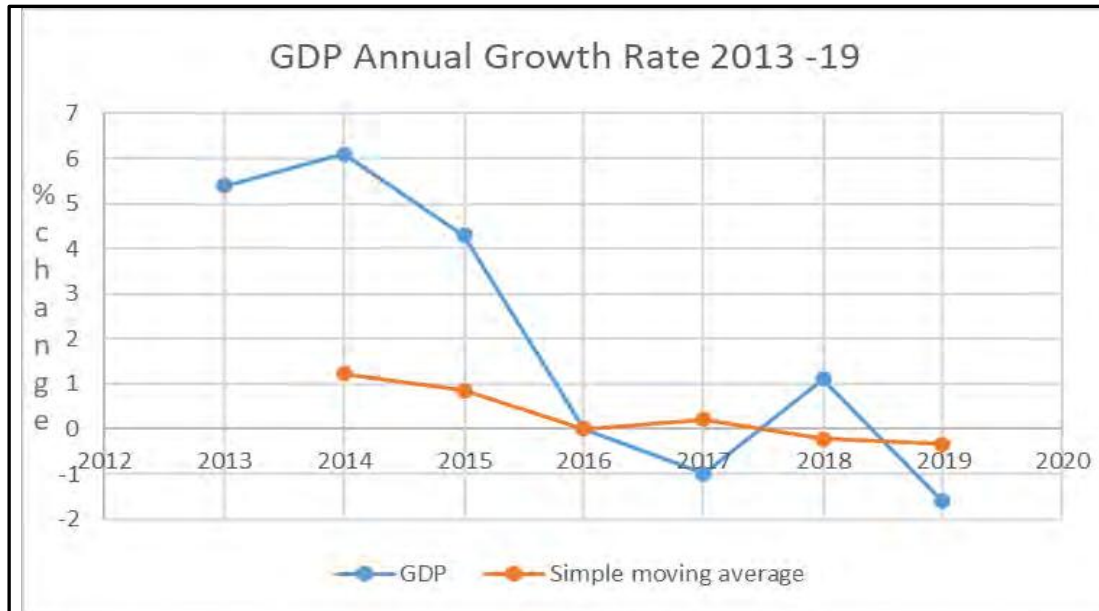


Figure 2: GDP annual growth rate, 2013 – 2019

Source: Namibian Statistics Agency, 2020

Since then, the rate has fluctuated slightly but not strayed far from zero. It is noticeable that the 2019 figure is significantly poorer than the previous year and, since this is before the onset of the corona pandemic, it must be expected that there will be a further fall in 2020. Figure 3 gives the expenditure on GDP, Current prices (2013 – 19). In terms of international trade, exports of goods and services stood at N\$64 billion in 2019, down from N\$64.7 billion in 2018 (i.e. 35.7 percent to 35.3 percent of GDP at market prices in 2018 and 2019 respectively). On the other hand, imports increased from N\$82.6 billion (45.6 percent) in 2018 to N\$ 85.2 billion (or 47 percent of GDP at market prices) in 2019.

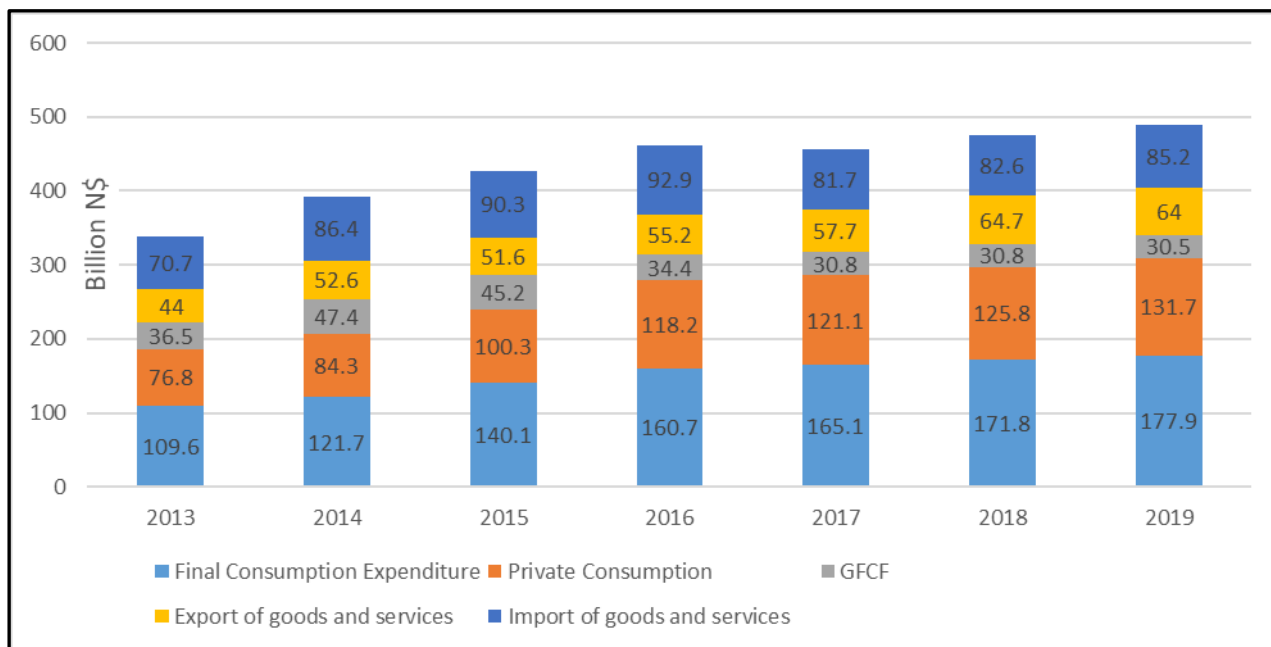
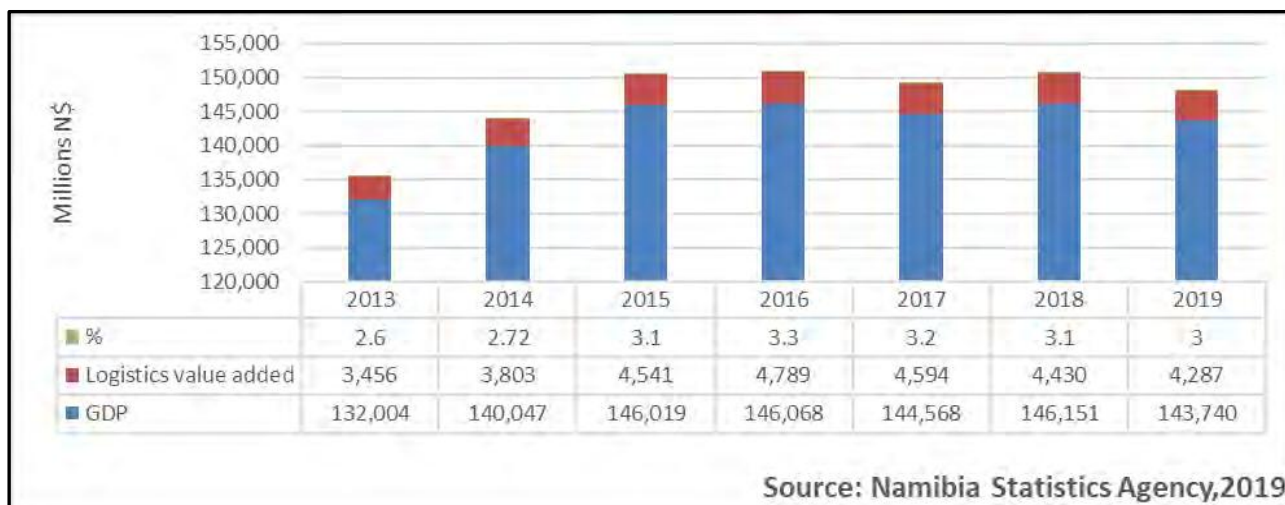


Figure 3: Expenditure on GDP, Current prices (2013 -2019)

Source: National Accounts 2019

In 2019, final consumption expenditure of GDP was N\$178 bn; up from N\$ 171.8 bn the previous year at current prices (Figure 5). Out of this, private consumption accounted for 74 percent (N\$ 131.7 bn) in 2019; down from 73.2 percent (N\$ 125.7 bn) in 2018. Gross fixed capital formation (GFCF) expenditure was N\$ 30.5 bn in 2019 (or 16.8 percent of GDP at market prices); up from N\$ 30.8 bn in 2018 (or 17 percent of GDP at market prices).

As noted above, GDP can act as a 'scorecard' of that country's economic health, so it is useful to understand the contribution that the logistics sector makes to it.

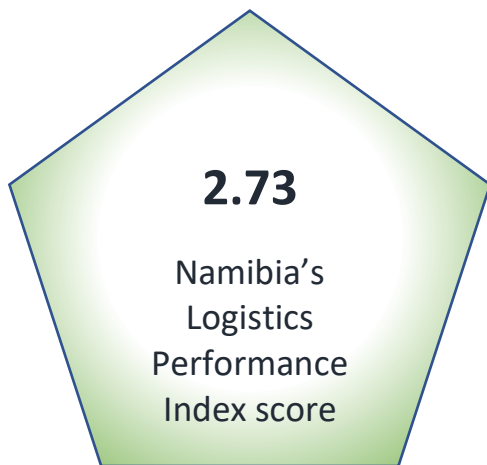


Source: Namibia Statistics Agency, 2019

Figure 4: Logistics value added as a proportion of GDP (2013 – 19).

Figure 4 gives logistics added value as a proportion of GDP (2013 – 19), it shows that the sector grew over the period by an average of 3%. It should be noted that the contribution reached a peak of 3.3% in 2016 and then fell steadily to 3.0% in 2019. According to the National Accounts (Namibia Statistics Agency, 2019), transport and storage made relatively higher contribution to the logistics value addition relative to GDP compared to other logistics sectors. The value of exports in December 2020 reduced by 10.7 percent and 4 percent to the level of N\$7.8 billion from its level of N\$8.7 billion in November 2020 and N\$8.1 billion observed in December 2019. Imports also showed a similar trend, falling by 26.6 percent when compared to November 2020. However, when compared to its level of N\$8.1 billion recorded in December 2019, imports improved by 3 percent. Following the developments in exports and imports, Namibia's total merchandise trade with the ROW weakened by 19.7 percent from its level of N\$20 billion in November 2020 to the current value of N\$16 billion while deteriorating by 0.5 percent from its level of N\$16.1 billion recorded in December 2019.

## OVERVIEW OF NAMIBIA'S LOGISTICS PERFORMANCE



According to the World Bank's assessment of 2018 (World Bank, 2015), Namibia's Logistics Performance Index (LPI) overall score was at 2.73. This ranked it 80<sup>th</sup> in the world (World Bank, 2018)(i.e. in the top 50% (Arvis, et al., 2018)). It should be borne in mind that this has not been updated since then. In fact, of the nearby countries shown in figure 5, the only score that has been updated is that of South Africa.

The six dimensions of trade logistics analysed in the LPI score include: efficiency of customs and border management clearance, the quality of trade and transport infrastructure, ease of arranging competitively priced shipments, competence and quality of logistics services, ability to track and trace consignments and the frequency with which shipments reach consignees within scheduled or expected delivery times.

consignments and the frequency with which shipments reach consignees within scheduled or expected delivery times.

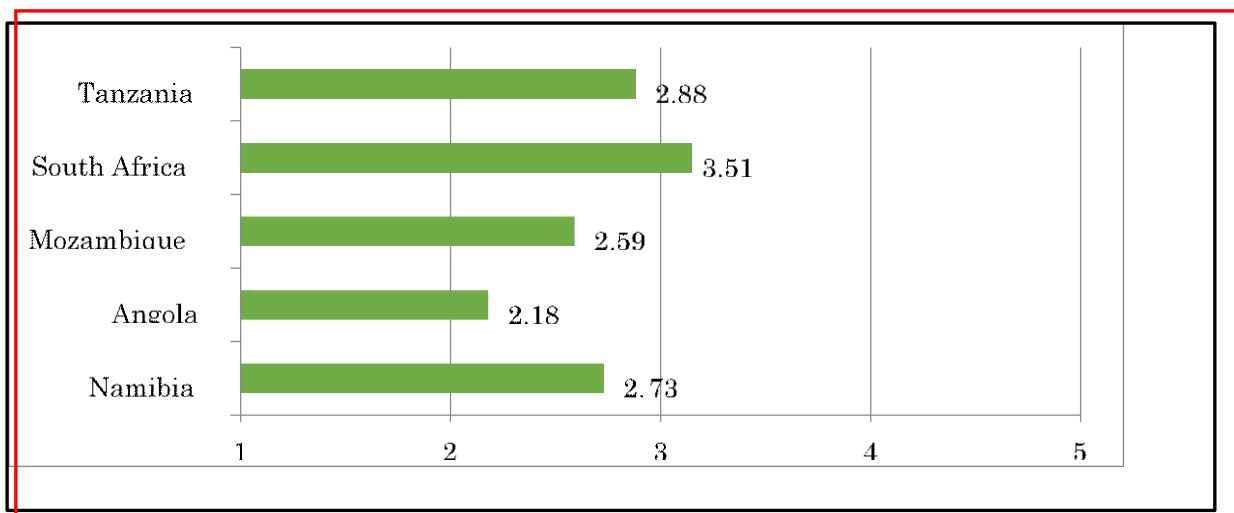


Figure 5: LPI aggregated, 2012-2018 score (1=low, 5=high)

Source: World Bank 2018 /20





**TIME TO IMPORT: BORDER COMPLIANCE**

As of 2018, on average, it took 48 hours and US\$ 200 to complete clearance and inspection required by customs authorities and other agencies for exports and 78 hours (US\$ 442.5) for port or border handling charges (Figure 7). Comparatively, it takes 2.8 hours at a cost of US\$ 145 to process imports. For imports, no clearance and inspection are required by agencies other than customs and it takes 5 hours to complete port or border handling. As of 2020, this will have lengthened considerably and be subject to significant variations due to the requirements of testing and additional paperwork for Covid-19 clearance.

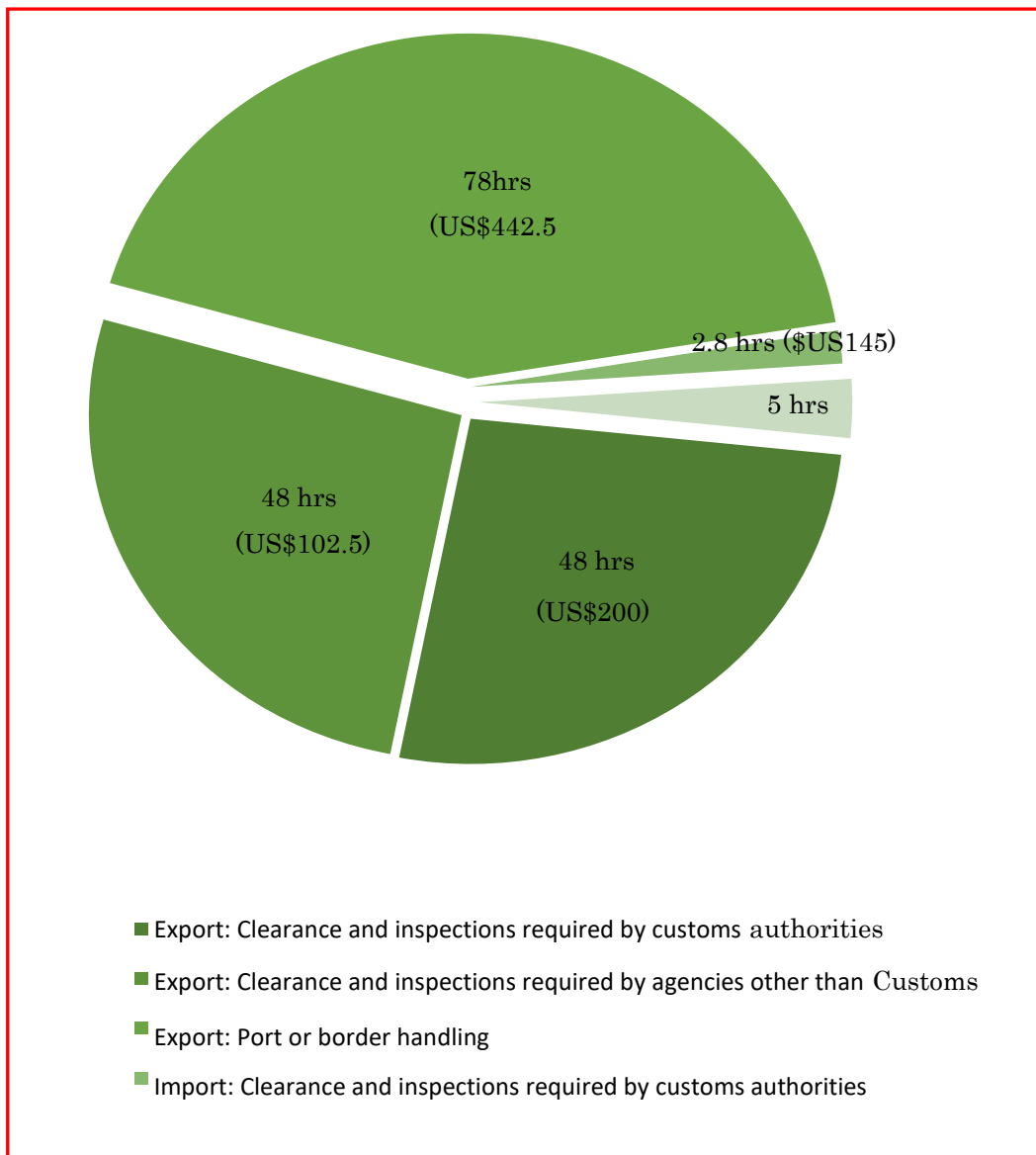


Figure 7: Trading across borders in Namibia-components of border compliance.  
 Source: 'Doing Business 2018: reforming to create jobs – Namibia', World Bank, 2018

*QUALITY OF TRADE AND TRANSPORT INFRASTRUCTURE*

The main function of logistics is to facilitate trade. To do this it is vital that there is a fully functioning infrastructure network of interconnected ports, roads, railways and airports. Together these form the transport routes and corridors that must be developed into trade corridors to support Namibia’s proposed logistics hub for SADC / SACU.

**NAMIBIAN SEAPORTS**

In order for Namibia to trade with the rest of the world without importing and exporting via its neighbouring countries such as South Africa, it is essential that its ports and corridors function efficiently and effectively. The combined total of freight tonnage handled by ports of Walvis-bay and Lüderitz dropped slightly between 2016/17 and 2017/18 but recovered and grew slightly in 2018/19, averaging approximately 5.55 million tonnes/annum over the three years – see figure 8. NB it is not possible to compare this to previous years as the reporting period was changed during 2015/16. During 2018/19, Walvis-bay was responsible for 92.7% of the total cargo handled whilst the port of Lüderitz handled 7.3%.

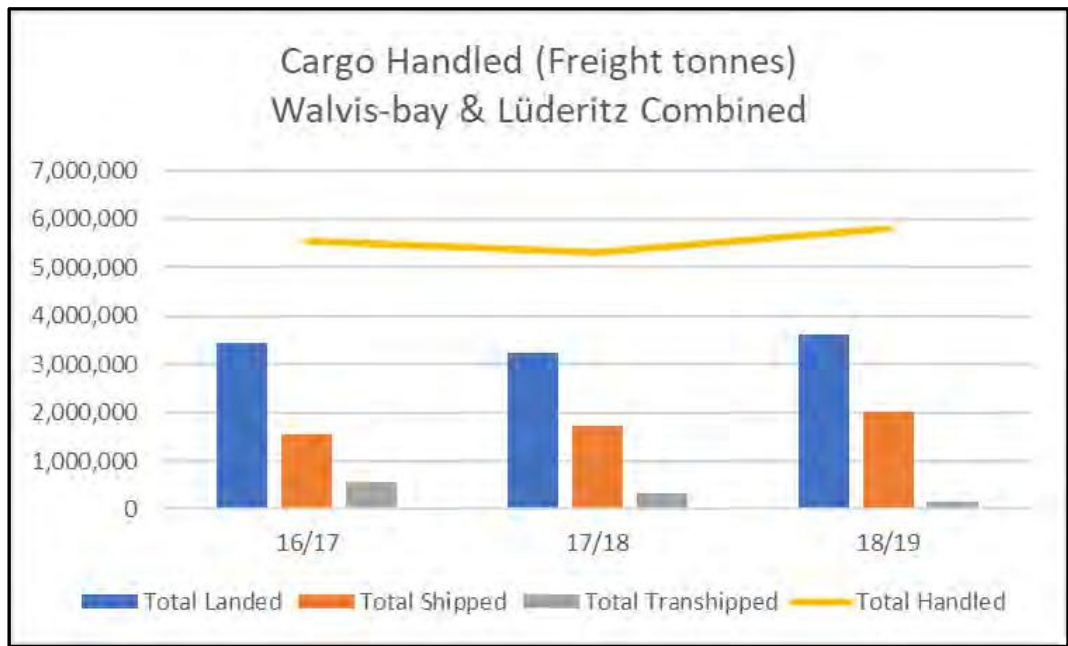


Figure 8: Cargo handled Ports of Walvis-bay & Lüderitz combined 2016 – 19.  
Source: Namibia Ports Authority, Annual Report 12 months ended 31 March

It should be noted that during this period, whilst landed and shipped volume rose, transhipped ones in both Bulk / Break bulk and Containerised fell significantly – see figure 9.



Figure 9: Comparison landed & shipped v's transshipped freight tonnes 2016 – 19.  
Source: Namibia Ports Authority, Annual Report 12 months ended 31 March 2019.

This situation is mirrored in the containerised traffic where the overall volume handled fell by 27% between 2016/17 and 2018/19 but the combined landed and shipped volumes increased by 24%. This was because, in the same period the transshipment volume fell sharply by 76% from a recorded 105,565 to 24,942 TEUs – see figure 10.

The impact of these changes will have been mixed. The increase in landed and shipped volumes show that both imports and exports grew during the period, which is good for Namibia’s trade and economy. It has the potential to stimulate business and create jobs. The fall in container transshipment numbers should not have a direct impact on the nation as a whole as these containers never leave the port so an increase in their numbers does not lead automatically to greater volumes of good flowing into, through or out of the country.

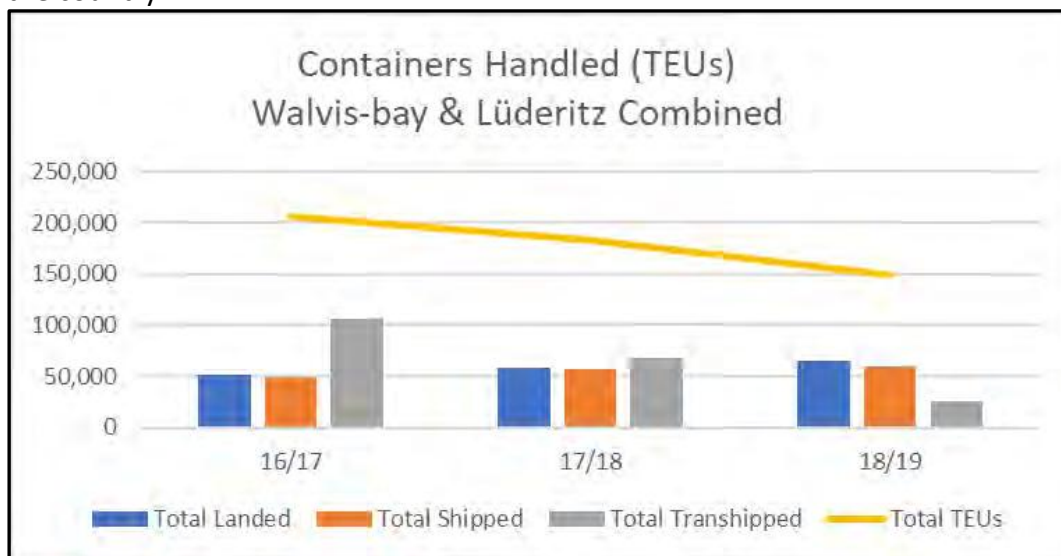


Figure 10: Containers handled by the two ports, 2016 – 19.  
Source: Namibia Ports Authority, Annual Report 12 months ended 31 March 2019.

It does, however, represent a loss of revenue to the ports as they generate a charge for each container ‘lift’, whether it be on or off of a ship, and can also charge for storing the boxes on the quayside.

It must be noted that the above figures were taken from Namport’s 2019 Annual report. Therefore, all of the data relates to the period before Covid-19 began to have an impact on trade both locally and globally. It is to be expected that figures for 2020 and beyond will be significantly reduced by the decline in world trade as well as by specific regulations and restrictions at the two ports.

During the period covered by this report, mainline carriers such as: COSCO, Maersk, PIL, MSC, MACS, and OACL make weekly calls at the Port of Walvis-bay contributing to Namibia’s ranking and score in Liner Shipping Connectivity Index (LSCI) (Figure 11).

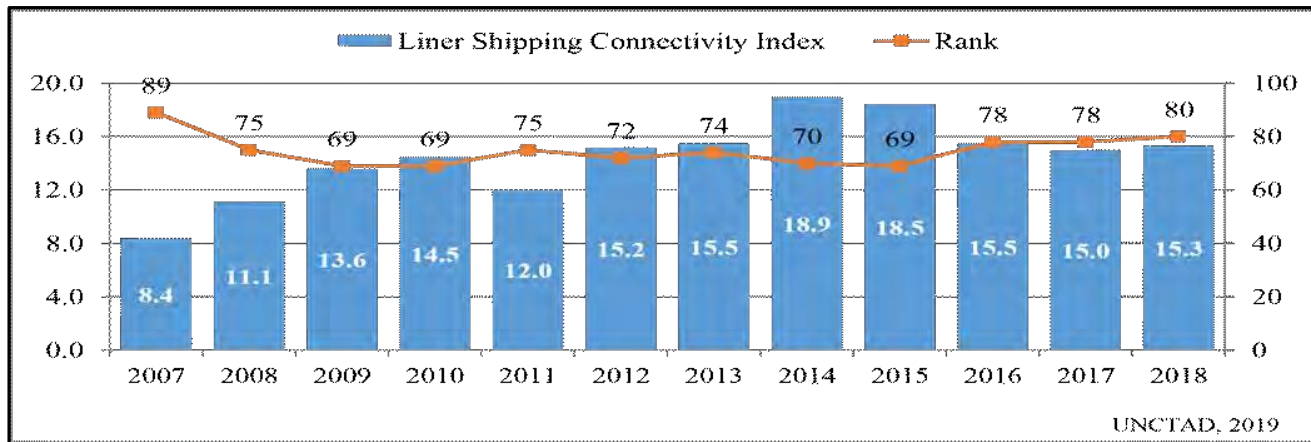


Figure 11: Liner shipping connectivity index.

Source: UNCTAD, 2019

These liner services are part of a network of interlinked provisions combining a number of regional and global ports (Figures 12 & 13). The liner shipping bilateral connectivity index (LSBCI) shows Namibia's integration level into global liner shipping networks (Figure 14) (United Nations Centre for Trade and Development (UNCTAD Statistics), 2019). This forms a vital part of the global supply chain for copper, wooden products and tobacco, which are important exports of neighbouring SADC countries that transit through Namibia’s seaports facilitating exports, this connectivity links Namibia to global supply chains enabling it to import commodities, materials and goods such as frozen products (mostly fish, beef and poultry), vehicles on wheels, machinery, mining chemicals (Sulphur and Sulphuric acid), steel, and ceramic tiles.

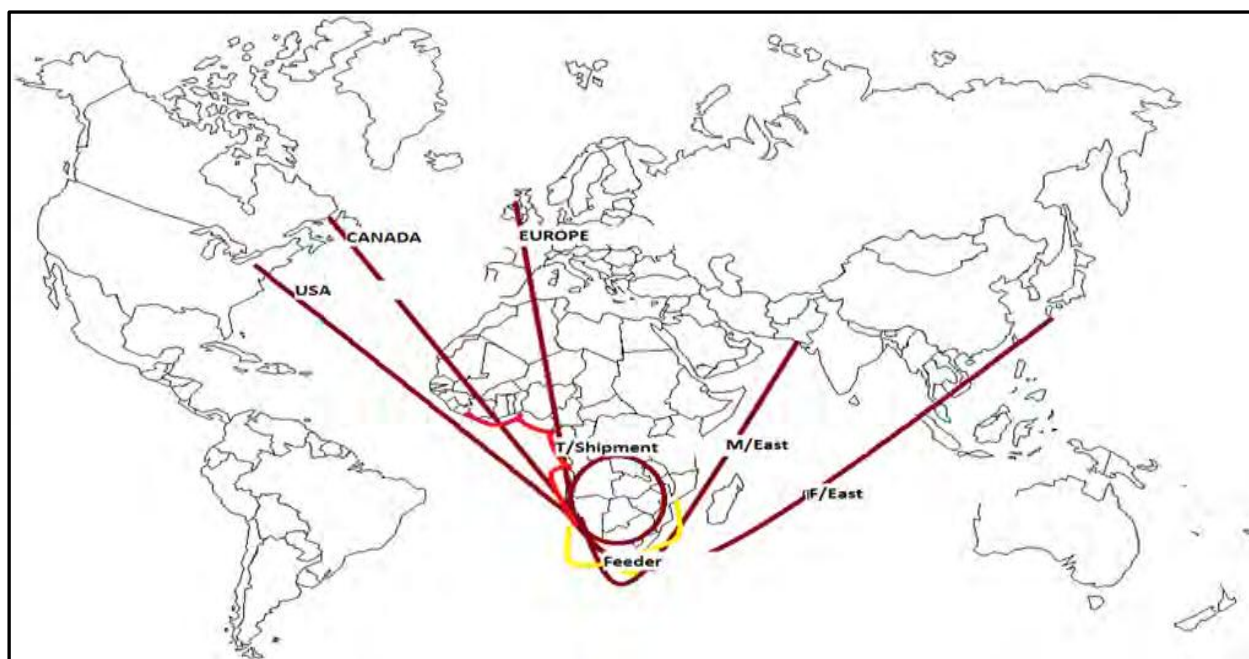


Figure 12: Walvis-bay global connectivity

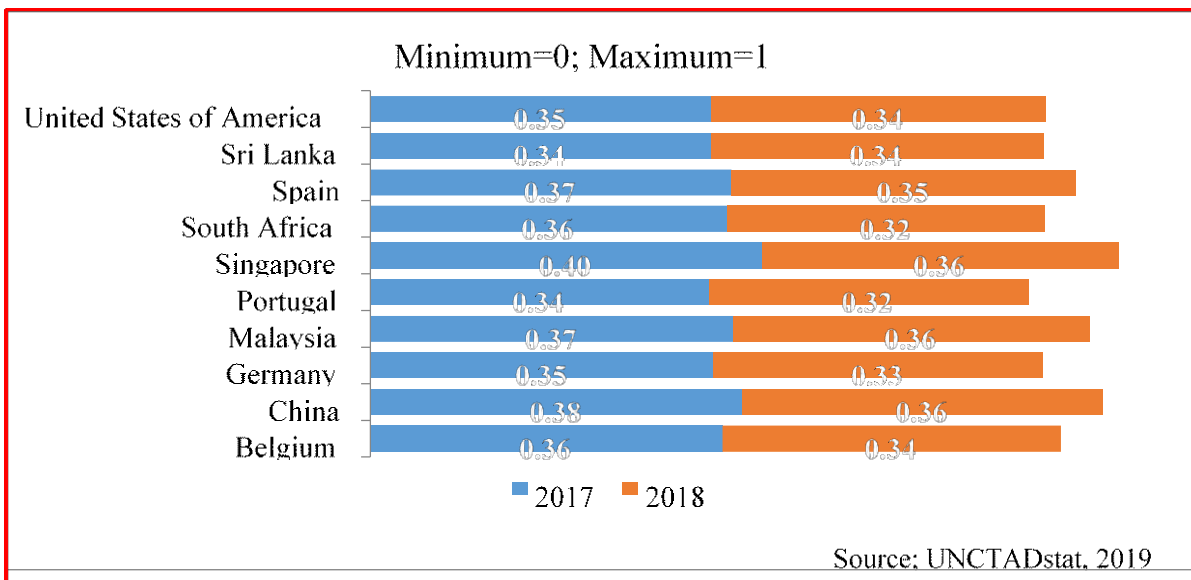
Source: Namibian Ports Authority, 2019





Figure 13: Walvis-bay SADC connectivity:

Source: Namibia Ports Authority, 2019



Source: UNCTADstat, 2019

Figure 14: Namibia's liner shipping bilateral connectivity index (2017 - 18)

As well as facilitating exports, this connectivity links Namibia to global supply chains enabling it to import commodities, materials and goods such as frozen products (mostly fish, beef and poultry), vehicles on wheels, machinery, mining chemicals (Sulphur and Sulfuric acid), steel, and ceramic tiles. This trade is supported by the corridors such as that connect Namibia's ports to her neighbours – see figure 15.

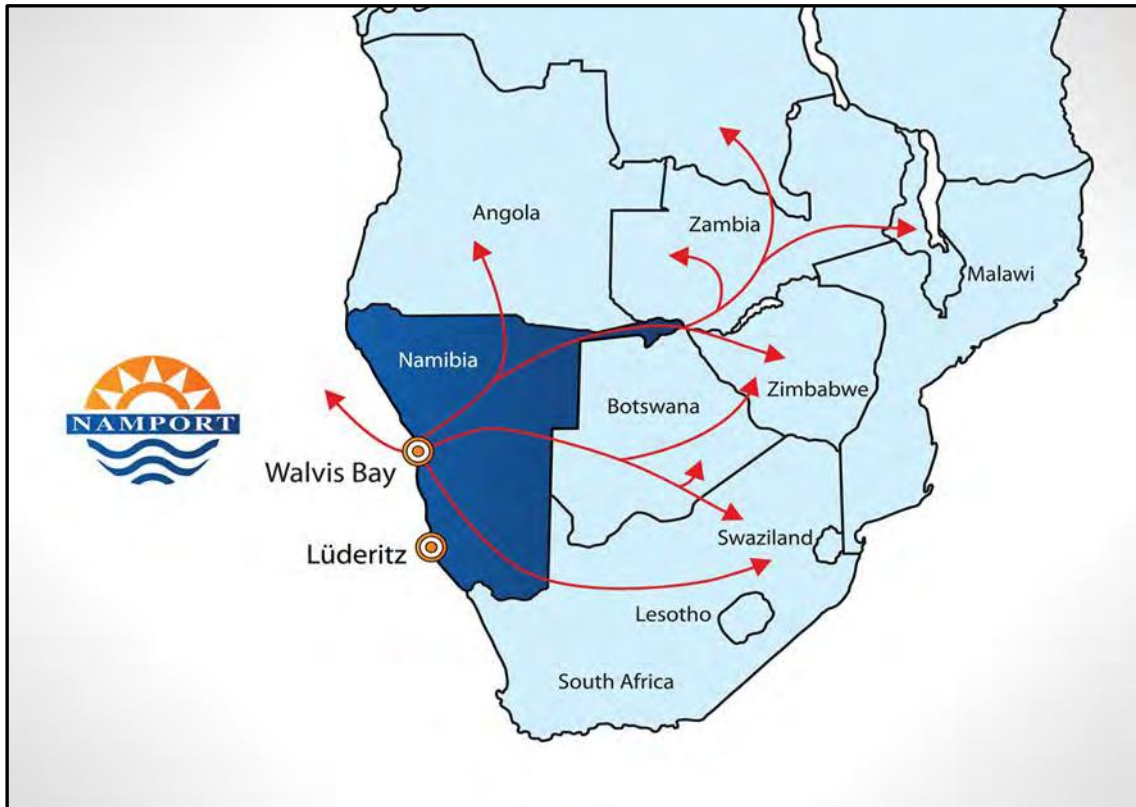


Figure 15: Corridors linking Namibian ports to neighbouring SADC countries. Source: Namibia Ports Authority, 2019.

Transit cargos are important as they create employment and revenue that supports the corridors and may assist with any spatial development initiatives. According to Mupupa (2019): Zambia, Angola, Democratic Republic of Congo (DRC), Botswana and Zimbabwe are the main markets for transit cargo by volume (Figure 16).

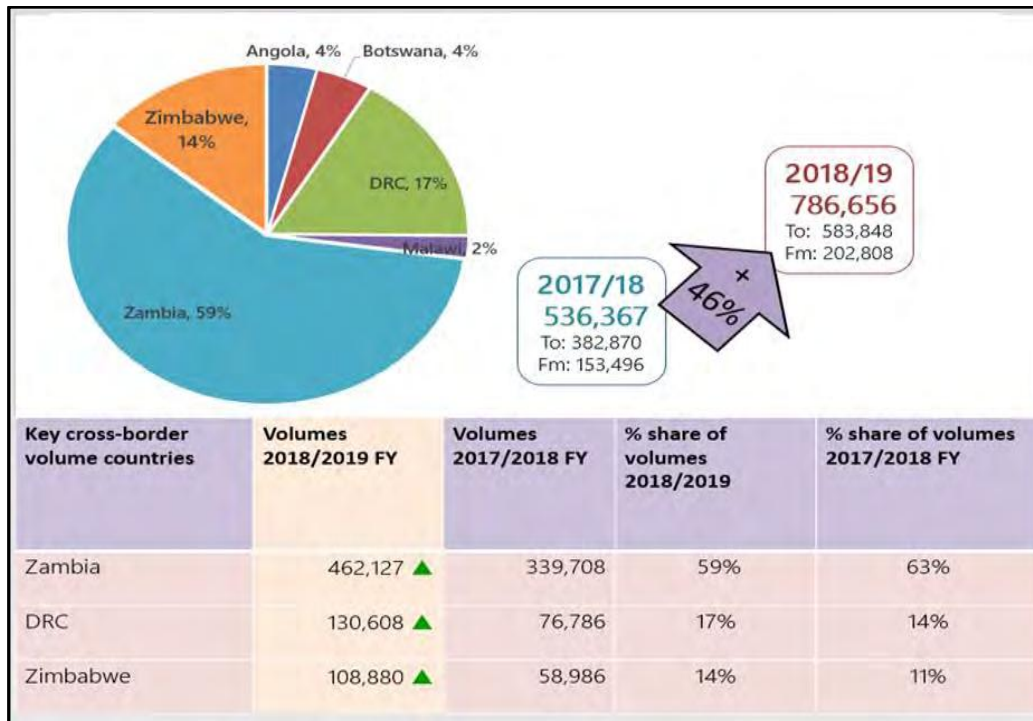


Figure 16: Market share of transit volumes, 2018-2019

Source: Mupupa, 2019

Zambia is the dominant market for transit cargo for both imports and exports going through the Port of Walvis-bay (Figure 16 & 17).



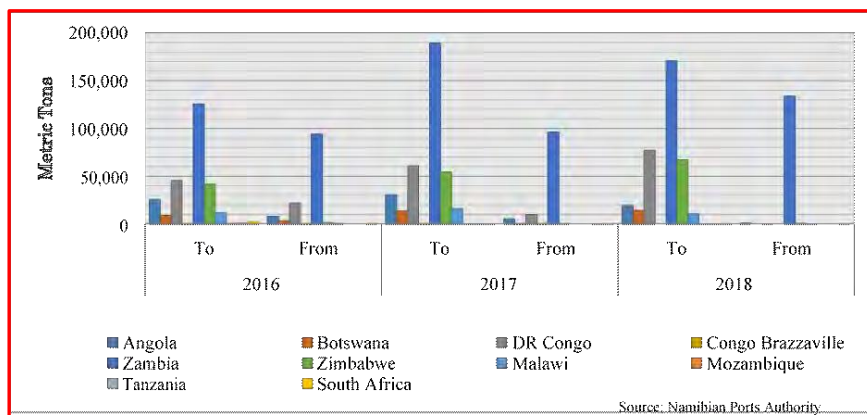


Figure 17: Total throughput Walvis-bay, metric tons (2016-2018)

In 2019, Zambia imports accounted for 59% of all inbound transit cargo via the Port of Walvis-bay, down from 63% in 2018. Similarly, Zambian exports comprising mostly copper and wooden products accounted for 79% of total outbound transit cargo by volume (metric tons) in 2019, down from 88.7 percent in 2017.

Walvis-bay port and its connectivity are a key factor in the future growth of Namibian trade. Its development is therefore of great significance to the state of logistics. Some recent progress is illustrated by figure 18, which gives a before and after aerial view of the port showing the new container terminal that has been built on reclaimed land (Mupupa, 2019). Ongoing projects include: a liquid bulk terminal at the North Port, which is 95 % complete and has been operational since 2019.

The new container terminal is fitted with state-of-the-art Ship to Shore Cranes (STS) with the capacity to considerably exceed quayside productivity levels normally achieved by Mobile Harbour Cranes. The STS



Figure 18: Walvis-bay port showing the container terminal built on reclaimed land. Source: P. Mupupa, Namport, July 2019

Cranes are fitted with Rubber tire gantry cranes, which provides improved stacking capacity and efficiency. In addition, the Terminal Operating System (TOS) was upgraded and includes new features that allows for yard and equipment optimization on a real-time basis in comparison with conventional style of yard planning and equipment deployment that was time consuming and costly. There are private off-dock container yards used for storage of loaded import and export containers within the port (e.g. the Zambia Dry Port, a bonded warehouse operated by Africa Union Cargo, offering a range of services such as cargo handling and storage, trans-loading, stuffing and cross packing, bonded warehousing, clearing and forwarding, etc

There are private off-dock container yards used for storage of loaded import and export containers within the port e.g. the Zambia Dry Port, a bonded warehouse operated by Africa Union Cargo, offering a range

of services such as cargo handling and storage, trans-loading, stuffing and cross-packing, bonded warehousing, clearing and forwarding, etc.

Besides the Port of Walvis-bay having full truck scanners for checking containers being loaded onto a vessel, tracking devices such as radio frequency identification (RFD) tags for tracing and tracking are a standard requirement for trucking businesses.

In addition, Namport accepts payment for port charges through automatic debiting on local accounts as well as by cash and bank deposits. As part of port improvement, a number of initiatives are being implemented to address challenges of globalisation, rising customer expectations, pressure for environmental awareness in port operations, pressure for operational consistency, increased productivity and efficiencies, as well as improved business operations. An example is the Tariff Review Study already mentioned. Other examples include Port Automation and the National Single Window (NSW) Initiative.

As a final overview of the port, figure 19 give the month-by-month profile of containers handled (in TEUs) for

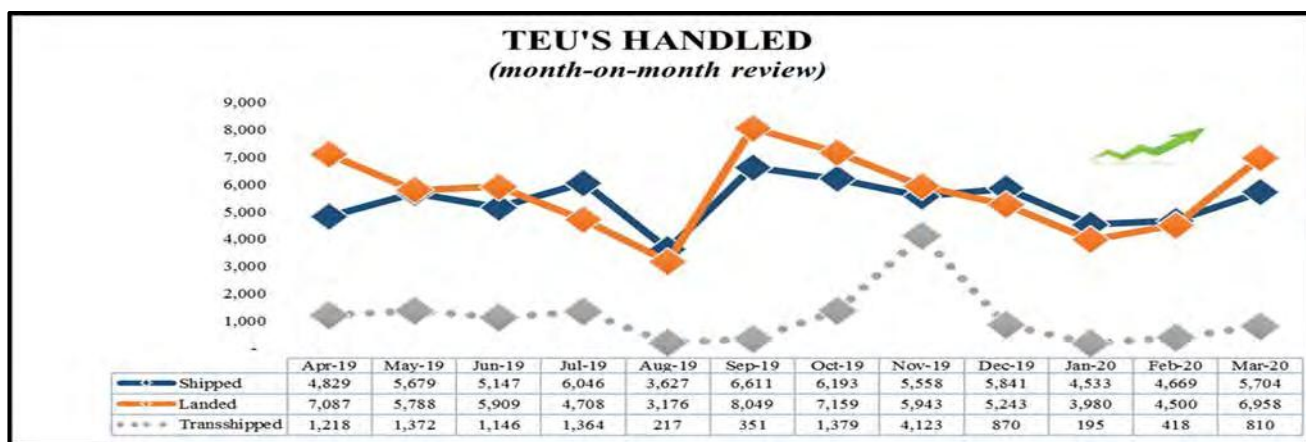


Figure 19: TEUs handled by Walvis-bay 2019/20

the year to March 2020, whilst figure 20 shows the vessel calls, gross tonnage and pilotage service statistics for the same period.

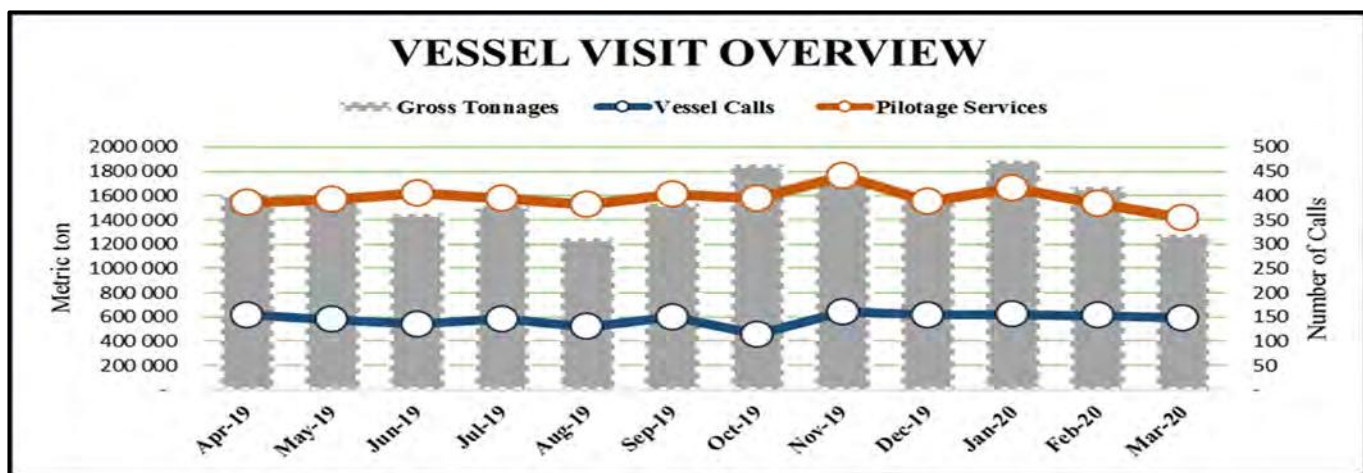


Figure 20: Walvis-bay vessel visit overview 2019/20

### ROAD TRANSPORT

Despite the long distances involved and the efforts of the state-owned enterprise (TransNamib), the majority of inland transport in Namibia is by road freight. Namibia’s road infrastructure is well established and accounting for more than 72% (Shimuafeni, 2021) of total tonne-kilometres of goods transported including transit cargo, is highly dependent on transport corridors. These connect the ports with Namibia’s towns, cities and hinterland as well as to the neighbouring countries, figure 21 shows their lengths. The Walvis-bay Ndola-Lubumbashi Development Corridor is the longest in length (2,690 Km) and connects Namibia to neighbouring SADC countries such as Botswana, Zambia, Zimbabwe and the Democratic

Republic of Congo. Together with the Trans-Kalahari corridor, which is 1,551 km in length, this provides a fast and comfortable road link between Namibia’s port of Walvis-bay on the Atlantic coast, and landlocked neighbouring countries. The Trans-Cunene Corridor (1551 Km) extends through the northern part of Namibia into southern Angola, and the Trans-Oranje Corridor (1550 Km) links the Port of Lüderitz with the Northern Cape Province of South Africa.

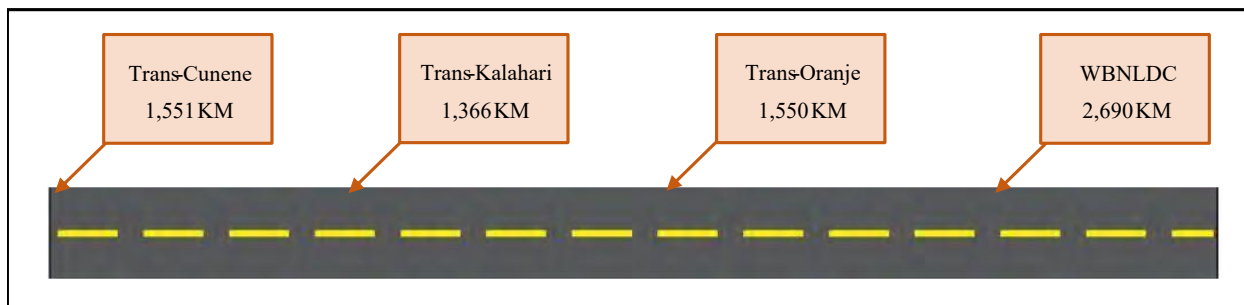


Figure 21: Corridor length in Kilometres

At the time of writing, February, 2020, volume figures for the period 2018/20 are not available. Table 1 shows the total road freight by year tonne-kilometres (TKM) transported along each corridor for the three years to 2018. In 2017, 1,150 million TKM of freight was transported along WBNLDC, up 39.2 percent from 2016 when 826.1 million TKM was transported. The comparative volume for Trans-Cunene was 54.1 million TKM in 2017, up from 50.5 million TKM in 2016 (or 7.1 percent annual increase), while TCK experienced a decrease of -7.3 percent from 20.5 million TKM in 2016 to 19.0 million TKM in 2017.

Table 1: Total freight (in million tonne-kilometres) by year. Authority.

Namibian corridors Source Namibian Ports

Corridor	2016	2017	2018
Walvis Bay-Ndola Lubumbashi Development Corridor	826.1	1,150	1,094.40
Trans-Cunene Corridor	50.5	54.1	30
Trans-Kalahari Corridor	20.5	19	20
Trans-Oranje Corridor	Missing data	Missing data	Missing data

It can be expected that the 2020 volumes will have decreases significantly because of Covid-19. In an article in the Southern Times (Southern Times, 2020), Trans-Kalahari Corridor chief executive officer, Mr Leslie Mpofu, said, “Volumes of cargo on the Trans-Kalahari Corridor have decreased as a result of ongoing lockdowns in many countries.”

### CROSS-BORDER TRANSPORTATION

Namibia is a signatory to the Convention on International Transport of Goods and the Kyoto Convention for Harmonisation. Accordingly, transit of goods is facilitated through, among other things, a regional vehicle insurance, which provides coverage in more than one country. A regional driver’s license/certification also allows truckers to transport goods across borders. Equally, multi-entry visas are granted to drivers who regularly operate across borders. Cabotage is prohibited throughout SADC and most of SACU, but cabotage permits of may be required and / or the ‘Third Country Rule’ may be applied in some cases, subject to justification on the basis of local capacity and demand (World Bank, 2015).

Inevitably, there will be delays as well as transit times at and between borders. These will have been exacerbated during 2020 because of the need for testing, quarantine, administration and other Covid-19 related issues.

## RAIL TRANSPORT

Namibia's rail infrastructure, which is owned by the Government, has a total length of 2687 km across the country. Of this, about 48% meets the minimum SADC stipulated standard of 18.5 tons /axle load. The remaining sections are between 16.5 and 17.5 tons/axle load (Tjijorokisa, 2020). The network (Figure 22) carries passenger and freight traffic, with both services being operated by TransNamib. Namibia's rail network has a role to play in SADC supply chains but is somewhat inhibited as its infrastructure is only connected to the South African network, with which it shares the same gauge (i.e., Cape gauge – 1.067 m). Exchange of locomotives takes place at Nakop in the border between the two countries. There is no transloading near the border. Only crew interchange takes place at the border-crossing and the process takes maximum one hour.



Figure 22: Namibia's rail network. Source: TransNamib Holdings Ltd., Integrated Annual Report 2018/19

The total freight volume moved during the financial year (2018/19) was 1,590,936 tonnes, which represents an increase of 8.53% compared to the previous financial year (Tjijorokisa, 2020). Overall, transportation of building materials was the biggest contributor to the freight volumes. The positive performance is attributed to a number of factors such as:

- Mining: increased copper concentrate volumes, coal, and marble
- Bulk Fuel: improved and quick turnaround of tankers, new fuel depots at Ondangwa
- Bulk Liquid: increased acid trains from Tsumeb to Arandis and from Walvis-bay to Arandis.
- Building materials: increased volumes from cement, increased frequencies of weekly train loads of sand cement and bricks business.

Figure 23 shows the percentages of the main categories of freight carried in 2018/19.



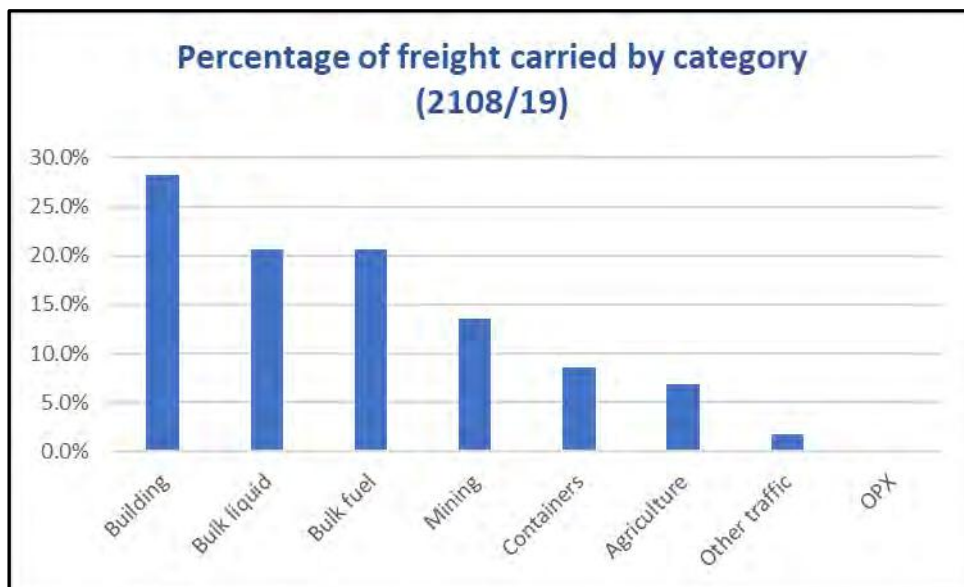


Figure 23: Percentages of freight carried 2018/19.  
 Source: TransNamib Holdings Ltd., Integrated Annual Report 2018/19

Figure 24 shows the current TransNamib rail corridors. There is potential to link with other networks e.g. Botswana, Zambia, Angola, DR Congo and Zimbabwe, but this will require infrastructure developments between each pair of countries for example: Although the railway line runs up to the border with Angola, it is not connected yet as Angola still needs to extend their railway infrastructure to the border.

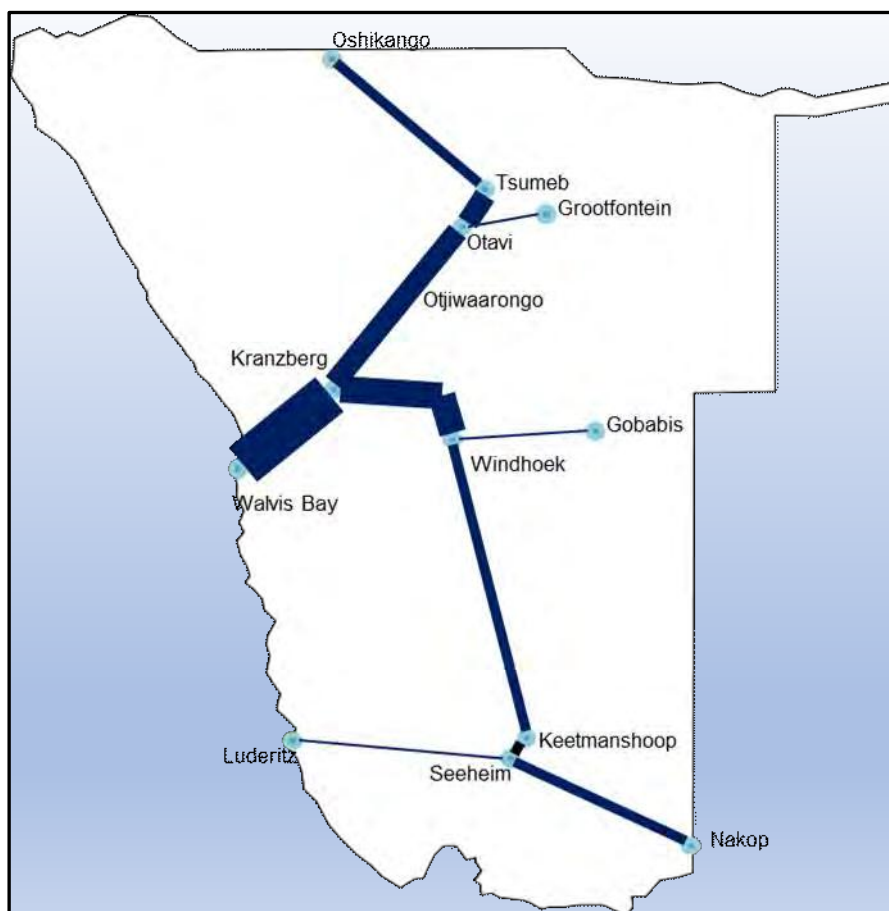


Figure 24: TransNamib Rail Corridors.

As mentioned above, TransNamib does operate passenger services. This does not feature prominently in the 2018/19 annual but it does mention its aspiration to be trusted by its customers and passengers to get them and their freight delivered safely and efficiently also that a new passenger ticket booking system would be introduced by November 2019. There is a flagship luxury service known as 'The Desert Express'; it was not active during that financial year but there were plans for it to be reactivated.

## AIR TRANSPORT

No report on a nation’s logistics would be complete without reference to air transport, which has the potential to contribute to both freight and passenger transport. Unfortunately, at the time of writing, no updated current data has been made available. Therefore, the following section has been reproduced from the 2018 report. Globally, the air transport industry has been the worst sector to be hit by the 2020 Covid pandemic. Therefore, the following should be treated with appropriate caution.

Namibia has a network of eight airports, the main hub being Hosea Kutako International Airport (HKIA). In 2007, Namibia had an Air Connectivity Index (ACI) of 1.7 percent. In comparison, the top three countries by rank were United States (22.8 percent), Canada (13.4 percent) and Germany (12.1 percent). South Africa with ACI of 3.6 percent was ranked 100 out of a total of 200 countries (Arvis and Shepherd, 2011). The entry of some new international carriers such as Ethiopian, Qatar, Royal Dutch Airlines (KLM) and Condor into HKIA (Figure 25) means that the country’s connectivity may have changed but the true position cannot be assessed until the post-Covid situation has been established.



Figure 25: Namibia's airports, airlines and destinations as of 2017  
Company.

Source: Namibia Airports

Following the world financial crisis of 2008/9, the contribution of air transport dipped and only recovered after 2012. In 2016, the value added of air transport reached an all-time high of N\$554.1 million before it declined to N\$510.7 million in 2017, a decrease of 7.83 percent. Figure 26 shows the value added of air transport to GDP (N\$ million).



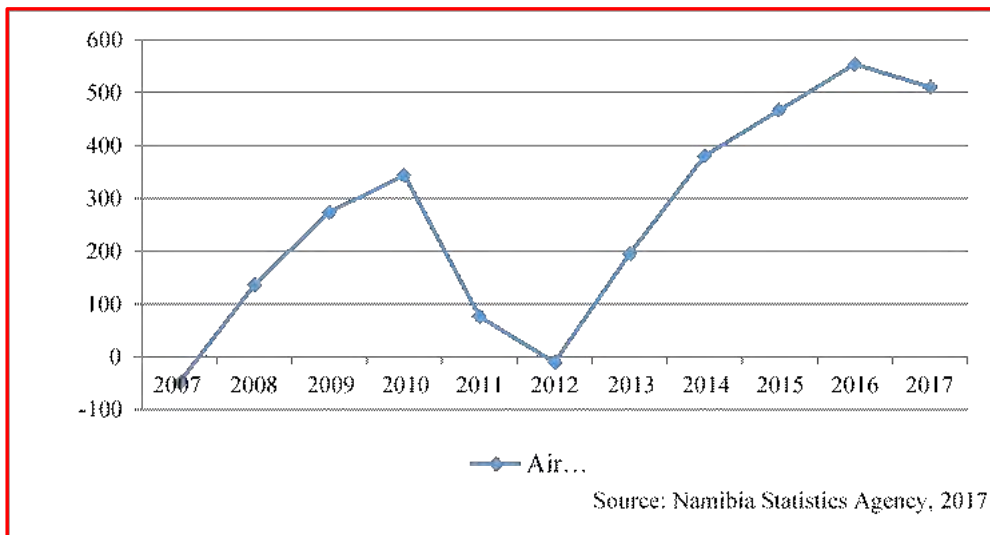


Figure 26: Added of air transport to GDP (n\$ million)

## IT NETWORK

Modern logistics has become highly dependent on information technology (IT) for its operation. As part of this, it is necessary to make use of the Internet for communications, location and security. The impact of Covid around the world has made this more apparent as, for example, many more people and companies are ordering goods and services on-line with the expectation that they will be delivered. This means that IT availability (Internet and mobile telephone coverage) is an important contributor to logistics performance.

Two of Namibia's leading information technology (IT) service providers, namely Telecom Namibia and Mobile Telecommunications (MTC) provide 95 percent mobile phone network population coverage (Figure 27 shows the mobile telephone network coverage). Mobile phone subscriptions are recorded at 119.16 per 100 inhabitants. On the television and broadcasting front, Namibia has successfully implemented the Digital Terrestrial Television (DTT) migration from analogue to digital television as required by the Telecommunications Union and DTT coverage has increased to 74.4 percent. The latest generation DTT standards enable the delivery of audio, video and data services to fixed, portable and mobile devices.

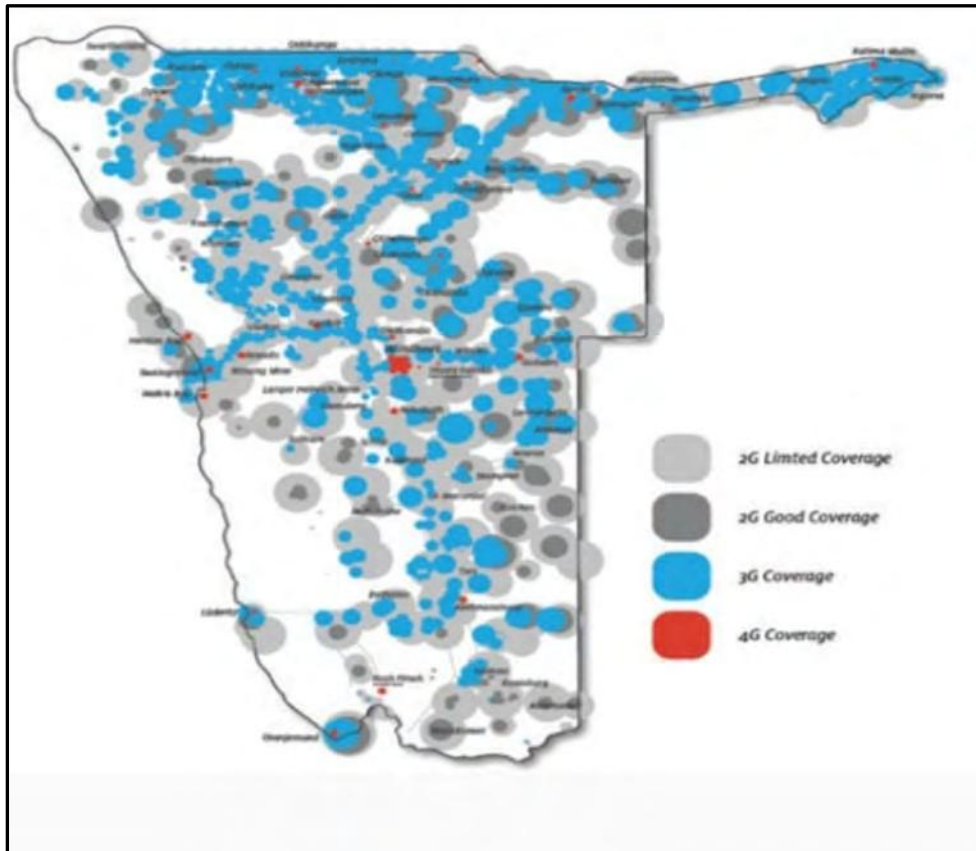


Figure 27: Mobile telephone network coverage Source: MTC Annual Report 2020

In addition, Namibia has been connected to the West Africa Cable System (WACS) since May 2012. This connection is expected to result in increased broadband capacity and accelerate the uptake of internet-based services and internet access in the country. Current international link capacities through the WACS have been recorded at 5 Gigabytes per second. The government network backbone infrastructure has been redesigned and is being upgraded to be able to carry the increased bandwidth capacity of 600 Megabits per second from WACS. Figure 28 shows fibre cable routes (Telecom Namibia Holdings, 2018).

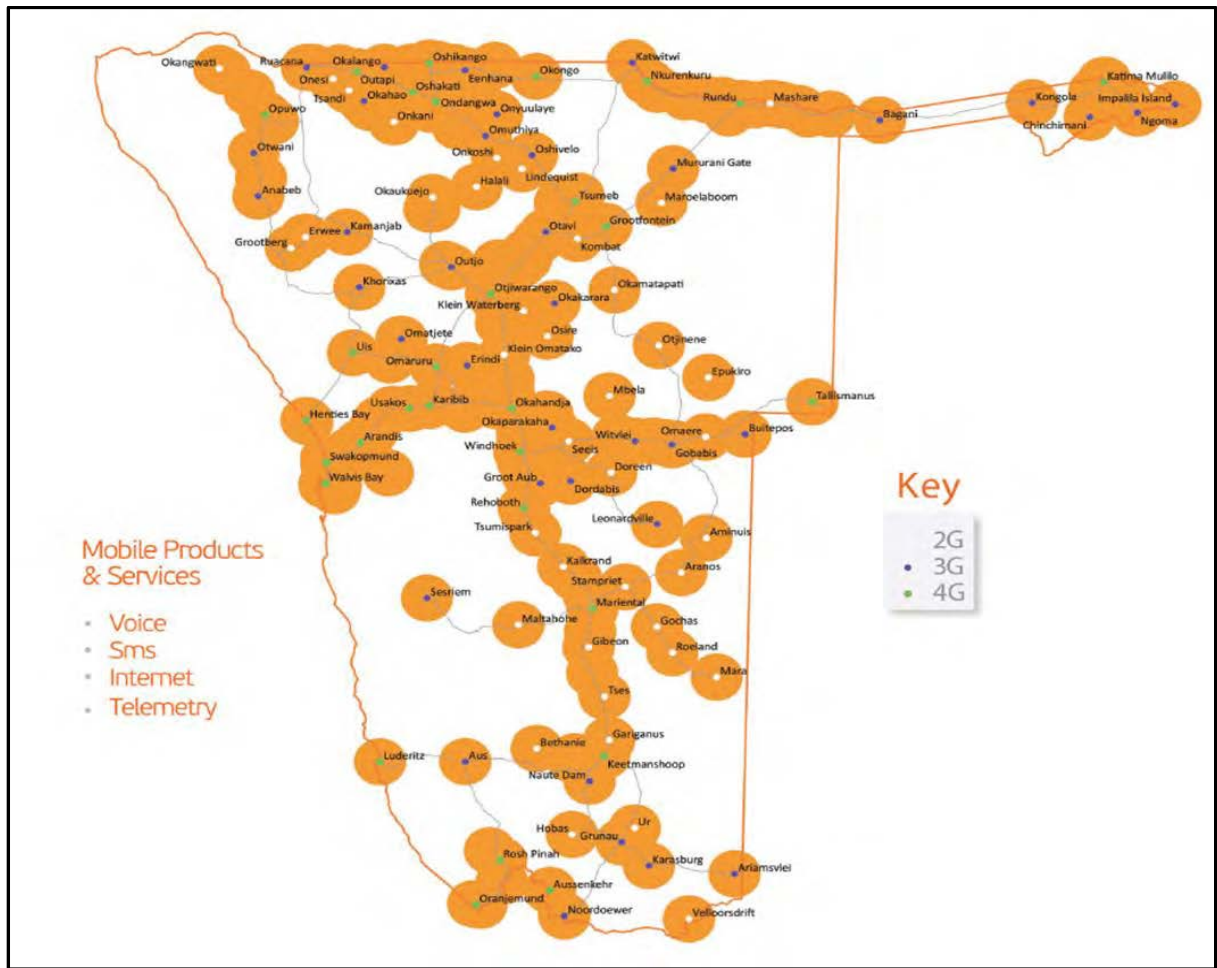


Figure 28: Fibre cable routes.

Source: Telecom Namibia Holdings Annual Report, 2017/18

## 2.2 THE COVID-19 IMPACT ASSESSMENT

To gauge the impact of Covid-19 on Namibian logistics, a questionnaire-based survey was conducted by the Namibian German Centre for Logistics (NGCL) under a series of headings looking first at the immediate effect on the people and organisations concerned and then widening this to cover Namibia as a whole, the SADC/SACU region and finally the global logistics community. Respondents were also asked to summarise their views on the State of Logistics at the time of questioning. These sets of responses were then summarised to gain a view of the state of logistics, compare it with that in 2012 and, where appropriate Namibia's logistics industries with that of organisations in Europe and the UK.

### QUESTIONNAIRE ANALYSIS – STAGE ONE

The survey was conducted by members of the NGCL staff and endeavoured to cover a broad cross-section of the Namibian logistics community geographically as well as functionally to provide a purposefully selected sample for matrix (Cassell.C & Nadin.S, 2008) analysis. The responses were anonymised but the stakeholder group to which each respondent belonged was recorded to allow any significant differences in perception between the groups to be identified and analysed at a future date if required. Some points to note:

- The survey was closed on 17th December, 2020. Therefore, it provides a 'snap-shot' of events and opinions at that time but cannot take account of any subsequent changes or experiences.
- At that point there were 38 valid responses – all of which are included in the following analysis.
- To gain an idea of which answers seem to be most popular or significant, the responses for each question were tabulated so that the number of similar results for each question could be counted.
- These totals were used to calculate the percentage of similar answers for each question.
- The following tables show most popular ten answers for each question as indicated by the percentages.
- In some instances, there was not a clean cut-off point after ten answers as a number of different answers shared the same (low) percentage. Since these were invariably small percentages (i.e. <2%), the analysts either used their judgement to select and include the most significant responses.
- The exception is Question 7 for which only two answers were repeated, the rest being unique. Therefore, it was not appropriate to aggregate the answers.

The following is a tabulated list of the 'Top ten' responses question by question with a brief summary of the most salient points in each case together with a short comparison to the results of a similar survey conducted on Europe and the UK in Autumn 2020:

**Q1. What was the worst effect that Covid-19 had on your business?**

As the title implies, this question was intended to find out what respondents perceived to be the worst impact on their business. The ‘top ten’ reactions can be summarised / combined under a smaller number of interrelated topics:

Issues:

<b>Q1. What was the worst effect that Covid-19 had on your business?</b>	
<b>Response</b>	<b>%</b>
Reduced sales/revenues	18%
Loads delayed by border restrictions	15%
Loss of clients	10%
The company was not regarded as essential and had to close down temporarily	7%
Company not severely affected as they had a special permit	6%
Reduced volumes (e.g. from RSA)	6%
Retrenchment of employees	4%
Receiving expired stock	3%
Having to split teams to retain operations & cover +ve tested staff	3%
Low supply of products to consumers	1%

1. Revenue loss - Unsurprisingly, the most responses here relate to reductions in sales, revenue and / or customers. This is a common feature across the logistics world and has only varied as a result of a particular company’s ability to avoid the impact as a result of local circumstances, diversify or restructure their business. The biggest issue in most cases was the speed of the cut-off (of demand) and therefore the inability to predict or prepare. In some cases, this led to temporary business closures.
2. Borders - the second most common topic related to border delays, which contribute to other problems such as shortage of goods (and therefore sales, etc.) and out-of-date stock.
3. Employees - the final general set of issues all relate to the impact on employees and include the adoption of shift working, Covid testing and retrenchment. NB this latter term seems to be specific to the region and for international comparison it is necessary to look for others such as ‘furloughing’ or ‘job retention schemes’.

The exception:

4. Essential businesses and permits – some businesses, apparently regarded as ‘essential’, were given government approved permits that enabled them to operate relatively normally and so did not suffer severe loss of revenue, etc.

**Comparison with European / UK Survey (EUKS):**

Very similar – the top EKUS response to an identical question was ‘Immediate reduction in order volumes / customer base’ at 20% followed by interruption of supply and border / freight leg issues that together accounted for another 20%.

**Q2. How did the business deal with that problem?**

This was a dual-purpose question in that by finding out how people reacted to their businesses’ problems, it was possible to get a feel for their resilience and flexibility as well as the longevity of the impact on the business. The key issues from the reactions can be summarised as follows:

1. Regulation - most people tried to adapt to the situation by espousing Covid rules related to sanitisation, travel, etc.
2. Costs – many businesses tried to reduce costs by measures such as salary reductions.
3. Human resources (HR) – again many businesses introduced employee related measures such as retrenchment, shift working or rotation (home / office working).
4. Inventory related – modifying processes to order in bulk, early or locally to reduce the impact of supply chain delays or failures.
5. Promotion – a few businesses were planning to reduce prices.
6. No solution – somewhat worryingly almost ten percent of respondents had not found any solution to their problems. It is not clear whether this was due to a lack of skill /initiative on the part of the respondents or the problems were genuinely insoluble.

<b>Q2. How did the business deal with that problem?</b>	
<b>Response</b>	<b>%</b>
Adapting to new changes and adhering to the set Covid-19 rules and regulations	11%
Business introduced cost cutting measures such as reducing salaries of employees	8%
No solution	8%
Rotating operators between home and office	8%
(Planning) reduction in price rates	6%
Implementing shifts for employees	6%
Company had a special permit during lock-down	4%
Promotions	4%
Placing orders in advance	4%
Retrenchments of employees	4%

### Comparison with EUK Survey:

Somewhat different – the top EKUS response to an identical question was ‘furloughing staff’ at 17% NB enabled by the governments offering financial support. This was followed by much more positive actions such as ‘refocussing business (e.g. replacing general haulage with pallet network work) at 10% and replacing products or suppliers (7%). No respondents gave ‘no solution’ as their answer.

### Q3. Do you have a plan for (post-Covid) recovery (& what is it)?

Again, there were two facets to this question: finding out how quickly a business may recover once Covid is waning and gauging the ability of staff to plan. The summary of reactions was:

<b>Q3. Do you have a plan for (post-Covid) recovery (&amp; what is it)?</b>	
<b>Response</b>	<b>%</b>
Do not have a plan for post Covid recovery other than to continue adhering to Covid-19 rules and regulations	33%
Implementing cost cutting measure by eliminating unnecessary spending	10%
Offer discounted rates to clients to regain their trust	4%
Investing in online infrastructure to ease communication	4%
Expanding clientele basis by negotiating better trade agreements with partners	4%
Developing an agile supply chain that caters for uncertainties	4%
Sourcing from local suppliers	4%
Benchmarking with other companies, so we invest in selling products online	2%
Stock pile enough raw material to mitigate delays	2%
Prioritizing the health and safety of our employees	2%

1. None – very worryingly, by far the most common response (over 30% of answers) stated that they did not have a plan for post-Covid recovery other than to adhere to regulations. Again it is uncertain whether this was because the respondents felt that this was a strategic issue which they were not responsible for, they were too busy ‘fire-fighting’ or they did not have the ability to address this problem.
2. Cost – again, businesses will try to cut costs.
3. Supply chain related – employing supply chain management tactics such as: agility, local sourcing, stockpiling, partnerships and benchmarking to increase resilience and / or robustness.
4. HR – prioritising employee health and safety.
5. Client related – using measures such as discounting to regain clients and their trust.



**Comparison with EUK Survey:**

Again, this was somewhat different – the top EKUS response to an identical question was ‘no plan needed as impact has been minimal or business has recovered [by changing strategy]’ at 15%. This was followed by more positive actions such as ‘Develop business that succeeded during first Covid wave’, ‘Constant hunt for new, sustainable business’ and ‘work on-line as much as possible’ all at 7%.

**Q4 The long-term impact of Covid on logistics locally and globally.**

This set of questions (4a, b and c) were aimed at assessing the future impact on the logistics industry within Namibia and further afield. The components are all important with the last having the greatest potential for long-term impact due to the interlinked nature of global supply chains which enable Namibia’s import and export trade. Some of the answers are a little confusing as some respondents replied stating ‘what had happened (to them)’ rather than ‘what they expected to happen in the future’.

**Q4(a). What do you think the long-term impact of Covid-19 will be on your company?**

The question set starts off from a local perspective by asking the respondents to consider their own organisation. Summary of key interrelated issues:

1. Loss of revenue – by far the greatest number of answers (almost 25%), related to losses in revenue whether in direct volume reduction or because of loss of clients.
2. Personnel related – the next biggest set of responses (about 10%) concerned loss of employees either temporary due to ‘retrenchment’ (lay-off) or permanent.
3. No impact – a similar percentage of respondents predicted that there would be no long-term impact, in some cases because they had managed to work during lockdown thanks to ‘special permits’.
4. Loss of productivity – a slightly lower percentage were inefficiencies and slow operations in some cases, due to skilled personnel shortages.
5. Others were concerned about increased operating costs due to the need to procure sanitising materials or safety equipment.

**Comparison with EUKS.**

Again, the focus was rather different – the top EKUS response to an identical question was ‘greater use of online meetings rather than travelling’ at 12%. This was followed by more positive actions such as ‘Development of home delivery’ (9%) and ‘Developing the restructured business to enhance sustainability and improve cash to cash cycle’ at 6%. The more negative response of ‘reduced 2020/21 profits’ also accounted for 6% of the responses.

<b>Q4 (a) What do you think the long-term impact of Covid-19 will be on your company?</b>	
<b>Response</b>	<b>%</b>
Low revenues and uncertainties especially now that Covid-19 is still persisting	14%
Losing some valuable employees	7%
Reduced productivity due to retrenchments	5%
No or minimal long term impacts	5%
Reduced number of clients	5%
Loss of clients	5%
There are no long-term effects as the business had a special permit to work during the lockdown	4%
Increased costs due to the procurement of masks, sanitisers, internet devices for the employees and fumigation services	4%
Recovering lost clientele and gaining their trust	4%
Slow operations due to staff shortages.	4%

**Q4 (b). What do you think the long-term impact of Covid-19 will be on the Namibian Logistics Industry?**

This question widens the perspective by asking the respondents to consider the national industry.

Summary of key interrelated issues:

1. Unemployment - almost 20% of respondents predicted a significant number of job losses in some cases due to company closures.

2. Connected to this there was a fear that reduced revenue will have restricted the industry's growth and that its recovery will be limited by factors such as fewer clients and an increase in 'less than truck loads'.
3. Supply chain delays and 'jams' – again people anticipate damage and restrictions to supply chains.
4. 10% felt that there would be no long-term effects as companies will recover in time.
5. Other issues raised included post-Covid debts and pressure on companies to comply with new safety regulations.

**Comparison with EUKS.**

There was no question in this survey relating to Namibia. The equivalent question focused on the future impact on the UK/European industry. Again, the focus was more positive. The top response was 'Parcel and trunking services will grow at the expense of inflexible hauliers' at 13%, followed by 'Good for flexible

<b>Q4(b) What do you think the long-term impact of Covid-19 will be on the Namibian Logistics Industry?</b>	
<b>Response</b>	<b>%</b>
Unemployment	13%
There are no major impacts, logistics and transport companies will recover in time	10%
Supply chain 'jam' from manufacturing through to consumers'.	10%
Reduced revenue basis for logistics and transport companies/loss of clients	8%
The industry growth has been impacted and it is less competitive	8%
Fewer companies and jobs	4%
Debts	4%
Less than full truck loads will increase	4%
Pressure on service providers to meet Covid 19 regulations	4%
Closure of logistics and transport companies	2%

3PLs and local delivery services' at (10%). More negative responses included 'Some hauliers will fail', 'Increased delays at borders' and 'Transport costs will rise whilst availability falls' all at 8% each.

**Q4 (c). What do you think the long-term impact of Covid-19 will be on the logistics industry worldwide?**

This question widens the perspective further by asking the respondents to consider the global industry.

Summary of key interrelated issues:

1. Supply chain disruption and delays – by far the greatest number of answers (almost 50%), related to delays in some form such as: border closures, quarantine, shipping difficulties, disruption, slow movements or less transport.
2. Technology - Some people (5%) identified the need to invest in technology.

3. Business problems – a similar percentage were concerned issues with business due to the shrinking global economy and reduced revenue.
4. No impact – a small number of respondents predicted that there would be no long-term impact.
5. Other suggestions were wide-ranging and fairly evenly distributed.

**Comparison with EUKS.**

**Q4 (c) What do you think the long-term impact of Covid-19 will be on the logistics industry world-wide?**

Response	%
It is severely affected, there are too many delays due border closure and the quarantine of goods	11%
Less transportation of goods	5%
Short to medium effects	5%
Shipping difficulties & delays	5%
Disruption, inefficiency and slow movement throughout the worldwide supply chain	5%
Disruptions in supply chains, resulting in product unavailability	5%
Shrinking global economy	5%
Reduced revenues for businesses	5%
Investing in technology and sustainability is essential for survival (of logistics)	5%
There are no major impacts, logistics and transport companies will recover in time	5%

Again, the respondents had mixed views but generally tried to look for ‘positives’ – the top EKUS response to an identical question was: ‘Reshoring (by EU &UK companies’ at 13%. This was followed by more pessimistic comments such as ‘International shipping costs will rise’ and ‘Air freight charges will stay high’ (22% in total). This was followed by 15% relating to various suggestions regarding risk avoidance (e.g. by supplier diversification or moving production closer to the markets and avoiding China).

**Q5. Perceptions of the logistics industry.**

As well the disruption caused to people and businesses, a major event such as the pandemic can have a significant effect of people’s perception of any service or industry. This can be positive, negative or neutral. During ‘normal times’ logistics and supply chain are hidden industries that the general public are blissfully unaware of until something goes wrong and their expected deliveries fail to appear or supplies of goods ‘run out’. Therefore, anything that changes that awareness, whether in a positive or negative way, could be seen as of potential benefit. Experiences across the world have shown that, during the pandemic, people have slowly started to become aware of the vital role played by these industries in facilitating business, trade and everyday life. The two questions in section five were an attempt to see if this effect has been replicated in Namibia and, if so, whether the perception extends beyond the country regionally, internationally or globally. The investment in and development of logistics is vital to the future of Namibia so it important to establish what that impact has been.

**Comparison with EUKS.**

This question was not part of the EKUS survey so no comparison is available. It is worth noting, however, that greater awareness on the industry (mainly positive) arose in the answers to all sections of EKUs question 4.

**Q5 (a). How do you think the pandemic has affected people’s perception of the logistics industry within Namibia?**

This question looks at the local situation giving a view of how people have responded to the industry’s efforts to date; it will influence whether they work sympathetically to solve problems or adversarially, which will hinder operations and recovery. The top responses are tabulated below:

**Q5(a) How do you think the pandemic has affected people's perception of the logistics industry within**

Response	%
They realised the importance of logistics (& its people)	33%
Stigmatisation of cross-border drivers	12%
Peoples perception has not changed	9%
It taught them that logistics plays a major role in ensuring product availability	7%
Only few people understand what logistics really mean, most people do not even value the role played by truck drivers during this Covid period	7%
Awareness of volume of imported goods	5%
People are slowly starting to understand logistics, thanks to Covid	2%
Lack of confidence due to failures in the supply chain	2%
Customers fear 'catching Covid' from delivered products.	2%
Badly, due to loss of income	2%

Summary of key interrelated issues:

1. Positive raised awareness – almost 50% of the respondents began to appreciate the role played by logistics and its people.
2. Negative – Sadly, about 20% of the respondents showed raised awareness but in a negative way (e.g. fear of infection from products, stigmatisation of cross-border drivers and loss of income or [supply chain] confidence).
3. More than 15% reported no change in perception and / or a continued lack of awareness of logistics' role.

**Q5(b) How do you think the pandemic has affected people's perception of the logistics industry**

Response	%
People now understand the importance of the sector (& its people)	17%
The closing of borders was an eye opener	7%
People have become reluctant to ship because of costs & delays	7%
It made them realise that logistics is the means by which products can be made available	4%
People's perceptions about logistics have not changed	4%
Realisation of the 'Global Village'	4%
Reduced service level agreements	4%
Reduced revenue and increased stock shortages	4%
Brought too many uncertainties	2%
Awareness of potential of on-line ordering, etc.	2%

**Q5 (b). How do you think the pandemic has affected people's perception of the logistics industry internationally?**

This component looks further afield to assess people's view of the performance of the world-wide supply chain and logistics network. Like the first it will influence how they work to solve problems but also how confident they are in international shipping. In turn, this will affect tactics such as stock building, sourcing and exporting.

Summary of key interrelated issues:

1. Positive raised awareness – about 20% of the respondents began to appreciate the role played by logistics and its people.
2. Negative – again about 20% of respondents gained greater awareness but in a negative way (e.g. border closure impact, [supply chain] uncertainties and a reluctance to ship).
3. A smaller percentage had no change in perception.
4. Similar numbers became aware of the 'Global Village' concept.
5. A very small number reported an increase in awareness of the potential for on-line ordering.

## Q6. Please give one word or short phrase to describe the current state of Namibian Logistics Industry?

Since the main purpose of this report is to understand the state of Namibia’s logistics industry, it is important to give respondents an opportunity to express their opinions. Also, these responses give an indication of how perception of the industry has changed since the first survey in 2012. It must be borne in mind that that perception will almost certainly have been influenced by the impact of Covid and how the industry dealt with it.

Q6. Please give one word or short phrase to describe the current state of Namibian Logistics Industry?	
Response	%
It is somehow, there is still much to be done in terms of building more roads	9%
It is on recovery mode	9%
Young and growing	7%
Serves its purpose but needs to become more competitive	7%
Productive	5%
Volatile	5%
Reliable	5%
Stable	5%
It is not consistent	2%
The situation is not good, business is slow as compared to how it use to be	2%

Summary of key interrelated issues:

1. Negative – the greatest group of respondents (25%) suggesting ideas such as: ‘inconsistent’, ‘much to be done (especially building infrastructure)’, ‘needs to be more competitive’ and ‘volatile’.
2. Positive – over 20% of respondents used optimistic terms such as: ‘young and growing’, ‘productive’, ‘reliable’ or ‘stable’.
3. Neutral – just under 10% felt that it was ‘in recovery mode’.

### Comparison with EUKS.

This question was not part of the EKUS survey so no comparison is available.

## Q7. Do you have any comments or final thoughts on this topic?

This question was included to allow respondents to give their views on any related matters that they felt had not been covered by the survey. Unsurprisingly, this produced a ‘scatter-gun’ response so it is not practical to summarise these in grouped percentages. They are tabulated below and answers will, however, be used in the narrative portion of the report where appropriate. In outline.

Summary of key issues:

1. Approximately 25% gave no answer to this question.
2. A significant number (≈ 20%) gave negative responses such as: ‘disruptions are intense’, ‘people left unemployed and indebt’, ‘associated industries such as tourism and education are affected’ and ‘we have been unable to meet our KPIs’.

3. The remainder gave responses that were either neutral such as: 'keep safety measures' or 'a wide range of stakeholders need to provide advice', optimistic, e.g.: 'we've learned about hygiene', 'industry must position itself for a post-Covid boom' or cargo movement is inevitable (& will continue) or/and constructive, for instance: 'survey results will help companies prepare for similar, future events', we need to embrace lessons for future development' and 'Covid should not be an excuse for failure'.

### **Comparison with EUKS.**

Again, the EUKS respondents had mixed views but there was some 'clustering' and people showed more interest in strategic issues: For example: 12% of their responses focused on the 'Difficulties and uncertainty of forecasting', whilst a total of 27% cited issues related to digitisation including 'Greater online activity' and 'More remote working'.

## Q7. Do you have any comments or final thoughts on this topic?

Response	%
No comment	24%
We've learned a lot about hygiene	6%
People need to keep to safety measures until Covid ends	3%
Disruptions brought by Covid are intense	3%
Covid came with so many effects, but we are hopeful things will get better soon	3%
Hopefully the results of this survey will help companies towards preparation of the industry for any pandemic that will arise in the future	3%
Covid affected many businesses in the logistics sector	3%
Covid should not be an excuse of failure, companies should apply all preventative measures	3%
We have come to recognise that an organisation should have an emergency escape plan that can mitigate a disruptive event that may occur	3%
Lobby governments to influence policies leading to logistics recovery and future resilience.	3%
Covid has reshaped the global supply chain, hence the industry has to change the way of doing business in order to mitigate similar challenges in the future	3%
Covid has the potential to cause more job losses in the logistics industry	3%
Namibia is highly dependent on external factors and therefore more vulnerable than self-sufficient countries	3%
Logistics needs to be understood by the mass for every organisation to have a sustainable supply chain	3%
Covid affected a lot of people, it left people unemployed and in debts	3%
A wide range of stakeholders have an interest in logistics & need to provide input / advice	3%
Other industries like tourism and education has been badly affected	3%
Lack of confidence due to frequently changing procedures	3%
It would be best if these surveys are supplemented by workshops, webinars	3%
Covid-19 has affected our businesses, we are below target, we have not been able to meet our KPIs	3%
Covid has given many lesson, we need to embrace them for better future growth.	3%
Industry must position itself for post-Covid boom	3%
Cargo movement is inevitable (& will continue)	3%
Covid is the push we needed to evolve and be innovative	3%
Need for continuous improvement and benchmarking of best practices	3%



## 2.3 QUESTIONNAIRE ANALYSIS – THEMATIC ANALYSIS

The analyses used in the above section gave a breakdown of the answers that show the commonest responses to the questions. Their interpretation gives an insight into people’s feelings that can also be used for comparison with similar surveys in other countries or regions. Although this is interesting and useful, as most of the questions are fairly ‘closed’ the answers to any one of them may give a slightly distorted view of the overall situation. To address this, the summarized responses were re-examined in a second stage to try extract themes (topics, ideas and patterns of meaning that come up repeatedly) from the data and combine them, using critical realism principles, to give a better overview of people’s perceptions of the crisis and its impact on logistics. It also attempts to identify differences and similarities throughout the surveyed population.

The 17 most commonly occurring themes identified are shown in table 2. It should be noted that questions 5 (a & b) deal with the concept of the public’s perception of logistics, which is itself a theme. Therefore, its answers together with those of Q6 have been largely excluded from this analysis but have been considered in the discussion and conclusions.

Table 2: Ranked thematic analysis with RAG coding.

Logistics and the Impact of Covid-19 (2020) - Thematic analysis.						
	Total	%	RAG	Red	Amber	Green
Reduced sales/volumes/revenues	50	14.62%	↓	15%	0%	0%
HR / employee related (e.g. retrenchment, shifts, redundancy)	46	13.45%	↓	13%	0%	0%
Border restrictions & supply chain delays	45	13.16%	↓	13%	0%	0%
No plan, comment, etc.	29	8.48%	↓	8%	0%	0%
No or minimal effect (inc. 'special permit holders')	26	7.60%	↔	0%	8%	0%
Stock issues (expired, late, unobtainable, sourcing change . . .)	26	7.60%	↓	8%	0%	0%
Restructuring, diversifying or refocusing operations (e.g. develop agile S/C)	18	5.26%	↑	0%	0%	5%
Promotions & other measures to regain client trust and expand the client base	15	4.39%	↑	0%	0%	4%
Adapting to (& cost of) Covid health & safety regulations	15	4.39%	↓	4%	0%	0%
Company closures (temp/perm.)	13	3.80%	↓	4%	0%	0%
Transport volume and costs	13	3.80%	↓	4%	0%	0%
Supply chain / cross industry collaboration	12	3.51%	↑	0%	0%	4%
Cost cutting measures	9	2.63%	↑	0%	0%	3%
Use of on-line (& other) technology	9	2.63%	↑	0%	0%	3%
Forward / contingency planning	9	2.63%	↑	0%	0%	3%
Depts and other finance issues	7	2.05%	↓	2%	0%	0%
	342	100.00%		71%	8%	21%

The table shows the ranking by the frequency of occurrence of the main themes. It also uses a RAG (red, amber, green) annotation to indicate whether each theme is broadly positive, negative or neutral in terms of the state of logistics.

Unsurprisingly, the biggest group of answers (≈15%) relate to the theme of **lost sales, revenue and clients**. For most people the impact of Covid was completely unexpected and so sudden that, in many cases, business almost stopped trading overnight. Comments such as “We lost half the clients we had” [transport operator], ‘Sales / revenue decreased . . . the company could not get materials at the right time [user] or “a negative impact on sales and marketing” [user], were typical responses from the survey. Conversely, about half that number reported ‘No or minimal effects’. These included those considered essential and having special permits “had a special permit which . . . allowed us to operate as usual” [distributor], “not badly hit . . . kept transporting goods to the worst hit areas” [transport] and “Minimal – we were classified as an essential service . . . ” [user].

Apart from immediate loss of orders, probably the most significant issues from a business viewpoint were those associated with **border problems**. Survey comments included: “our loads were delayed by

restrictions at the borders” [distributor], “Covid 19 affected our inflow of raw materials . . . . . due to traffic checkpoints and road blocks” [user] and “operations and processes delayed due to delayed material” [other]. This was also illustrated by the heavy activity on ‘WhatsApp Groups’ such as ‘Border Covid 19 Monitoring’ and Trans Cunene Corridor’. The causes were many and various including: medical testing, customs checks, congestion, roadblocks. All will have added to the frustration of users and operators and will have exacerbated the situation leading to loss of business and even potential company closures.

Inevitably border delays combined with manufacturer stoppage and supplier failures lead to **stock issues** and these account for another significant tranche of the themes. Their impact can appear as late arrivals “we always received our inventory late” [user], out-of-date stock,” we also received expired products” [user], unsuitable substitutions or shortages, all of which will have knock-on effects such as further delays, stock write-offs, service failures and lost sales “the delivery of product to our customers was delayed by long traffic queues and strict access regulations” [user]. These in turn can lead to sourcing changes “no choice but to look for new suppliers” [user], loss of clients, debts, banking problems and even business failures. Further, these issues may cause **transport shortages** “a decline in schedules” [transport] and **increased charges** “a significant increase in costs . . . airfreight industry to be impacted” [distributor] , which can lead to reduced revenue and company closures, “Most companies in the logistics sector have been shut down” [distributor] thus starting the whole process again.

Anything that affects businesses will also have an impact on people and this is reflected in the number of **human resources** (HR) related responses, which roughly equate to those due to border problems. Affecting all levels from the shop floor to executives, these are quite wide ranging and encompassed: shift changes, redundancy, remote working and loader shortages as well as temporary or permanent laying off of workers. Comments from the survey included: “salary cuts up to 50%” [Transport], “allowed employees to operate virtually” [user], “had to recruit temporary employees to assist with loading” [user] “low productivity that resulted from the reclusion of employees” [transport], “employees briefed that there would be no salary increase” and “Unemployment” [transport]. In addition to these direct effects, respondents commented on the impact of Covid health and safety requirements “prioritising the health and safety requirements of our employees” [distributor]. These led to increased costs “sanitiser for employees, fumigation and buying masks” [user] and operational inefficiencies “Covid regulations continue to cause delays and inefficiency” [transport]. Whilst vital for the safety of all, once again these facets will lead to increased costs and loss of productivity and have a knock-on effect on the viability of logistics firms and the industry as a whole.

In contrast to the above themes, which all have negative impact on the industry, there were some that appear to be neutral or positive. The neutral responses mainly related to businesses that were **not affected** “The company had a special permit . . which allowed us to operate as usual” [distributor]. There were some, however, that believed that the industry will recover without any specific remedial action “The Namibian logistics industry will not be disadvantaged permanently, I see no long-term effects” (transport).

The positive responses could be split into two broad groups, those that can be considered as defensive and those that are more active or even aggressive. Of the former, the most commonly occurring were related to **restructuring, diversifying or refocusing** operations (to concentrate on what remained or became viable during Covid): “the logistics industry has to change the way it conducts its business” [other], “We need to diversify our logistics operations to satisfy our customers” [user], “Industry must position itself for post-Covid” [distributor], “or **promotions** “tried . . . increasing sales through promotions” [distributor], “promotions on certain materials” [transport] followed by **cost cutting** “had to cut down costs” [distributor], “the business introduced cost cutting measures” [transport], “come up with cost cutting measures” [distributor]. The more active responses included: **Supply chain / cross industry collaboration** “increased collaboration and coordination across all players . . . the Namibian logistics industry” [other], **Use of on-line (& other) technology** “drastic measures in innovation and on-line technology” [other], “Investing in technology and sustainability is essential for survival (of logistics)”

[distributor] and “Change in business model towards innovation & technology” [other], **Forward / contingency planning** “Re-strategizing to position ourselves” [user], “adjust to the new strategic constraints” [distributor], “Worldwide contingency plans & partnerships”[other] and “Need for contingency plan for future disruption” [transport].

A less obvious impact of the pandemic has been its effect on public perception of the logistics. In normal times, logistics and the supply chain are hidden industries that are “invisible as long as shelves are full” [user], so “few people understand what logistics really means” {transport, distributor and other}. In times of crisis, when shortages start to occur, “travelling restrictions and border closures led to out of stock situations” [distributor], people begin to notice its existence: “The pandemic has made people realise the important role of logistics” [user] and “people now understand that logistics is an essential service” [transport]. This can be a positive: “logistics plays a major role” [transport] or “logistics is the means by which product is made available” [distributor] and “people realised that the industry can continue operating regardless of disruption in the world” [distributor], but can also be negative: “blamed for lack of goods and financial difficulties” [transport] or “truck drivers were stigmatised, especially at the border crossings” [other]. There were some people who are still not aware of its existence: “people’s perception has not changed” [distributor] or “No change!” [transport]. But these are very much in the minority. In general, public perception has been raised and, even where this was negative, it provides an opportunity to build a positive future.

Finally, it is interesting to look at the stakeholder’s overall views of the Namibian logistics: Stakeholders believe in the industry: “It is somehow” [distributor] and “. . . is serving its purpose” [user], although their opinions of it vary, for example: “Productive” [transport], “promising” [distributor], “reliable” [transport] and “stable” [user] contrasting with “needs to improve to become more competitive” [transport], “volatile” [user] and “It’s no longer consistent” [transport].

Most agree that it needs investment, particularly infrastructure: “it needs a lot of improvements in terms of roads, etc” [distributor], “there is still much to be done in terms of building more roads” [transport]. Nevertheless, although some are pessimistic “(there is a) Lack of confidence due to frequently changing procedures” and “(the industry) may close” [transport], many give the industry the benefit of any doubt saying “It is on recovery mode” [user] and “Young and growing” [other] and, perhaps most significantly, observe that: “Cargo movement is inevitable (& will continue) [distributor].

In summary, logistics roles on to support trade and ensure that people are fed. The 2020 Covid-19 pandemic has hit it hard but, although reduced and weakened it has survived.

## 3 STATE OF LOGISTICS – CONCLUSIONS

### 3.1 DISCUSSION

The two previous SoL reports (Savage, Fransman, & Jenkins, 2012) and (Odero, 2018) imply a feeling of optimism about Namibian logistics. The latter concludes that ‘Namibia is set to become a logistics hub for the SADC region by 2025’ and lists a number of proposed developments that ‘are likely to determine the state of logistics in Namibia going forward’. Of course, this was written before the Covid-19 pandemic struck, so the impact on trade and logistics could not be anticipated. It is therefore, unrealistic to assess any developments to determine whether the mooted potential has been realised and difficult even to decide whether that optimism was justified. Examining this report for the changes predicted in 2018 (Odero), it is apparent that there have been some positive developments. For example: in port infrastructure with the new container terminal built on reclaimed land and in rail freight, where the volumes increased by 8.5% in 2018/19. Unfortunately, those volumes are still very small compared to road which carries over 70% of freight. It is not realistic to assess road developments since no new data were made available, but comments in the Covid survey suggest that “there is still much to be done in terms of building more roads” [transport], which is less encouraging. In terms of information technology, the IT / mobile network improved but uptake of logistics systems has not been captured, so again the overall impact on logistics is as yet unknown. Unsurprisingly, air transport was static due to Covid regulations.

The statistical elements of the report show that GDP started falling from 2014, was fairly flat from 2016, and became negative in 2019 (see figure 2). As noted in the introduction, logistics activity is inextricably linked to trade and therefore to GDP, so logistics’ behaviour will have followed GDP movement. The logistics performance index (LPI) has not been assessed since 2018, so cannot provide any guidance. The logistics’ contribution (to GDP) reached a peak of 3.3% in 2016 and then fell steadily to 3.0% in 2019 (see figure 4), which suggests that, even in 2018/19, optimism may have been a little misplaced. The arrival of Covid-19 on the global stage in 2020 reduced demand, almost overnight in some cases, cutting trade and therefore the need for logistics. It also deepened and intensified transport and logistics’ usual everyday issues. Once people began to understand the need for additional control to protect the public from the pandemic, particularly with respect to international borders and transport, the necessary regulation exacerbated the problems by adding delays, stock write-offs, etc. As Shelleygan Petersen reports in the Namibian (Petersen.S, 2021), ‘The logistics sector in Namibia had to adjust to constantly changing travel restrictions, weekly Covid-19 tests and endless border control queues’. The situation was made worse once countries instigated ‘lockdowns’, no fly zones and similar measures. Apart from the immediate impact, there were a number of less obvious problems. For example, (Khan.O, 2020) states that:

- once few, if any, passenger flights were operating and jets were grounded, the belly-hold capacity contracted drastically reducing available airfreight volume and increasing the price.
- ships already at sea, were instructed to slow down because, with economies going into lockdown, the demand for products such as: gas, oil, ores, fashion and new cars was evaporating and ports were too congested to accommodate more vessels or cargo.

All of this made logistics more difficult and added costs as people struggled to keep vital supply chains working as well as saving businesses and jobs. In this environment it is no wonder that ‘fire-fighting’ came to the fore and efficiency took a back seat. Any measures of logistics capacity, effectiveness or efficiency in 2020 would be seriously skewed and of no use for comparison purposes. Although statistics and data are important, they only tell part of the story. Logistics, like almost all human activities depends on people and, importantly, on their perceptions. Therefore, it is important to take note of the findings of the ‘2020 State of Logistics Report (Covid-19) Questionnaire’ based survey.

Examining the survey, various themes become apparent. Whilst most of them are very negative, there are others that are, or with sufficient effort can be made, positive. The themes are linked and linkages form sequences, which can be viewed as: chronological, logical or random. It would be easy for the industry to become overwhelmed by the transport and logistics difficulties as well as by the human troubles. If this were to happen, there is a danger of the problems being allowed to become a vicious circle, which could set the industry back many years and could even lead to the national component being effectively wiped out: 'Disruption, inefficiency and slow movement throughout the worldwide supply chain', 'Closure of logistics and transport companies' and 'Unemployment' being comments from across the spectrum of respondents. Fortunately, logisticians are stubborn, resourceful and resilient individuals who will work together to keep the business going, the supply chains running, goods in the stores as well as people employed, fed and clothed. This spirit is illustrated by the distributor who said, "Covid should not be an excuse of failure", more recently by a member of the 'Border COVID19 Monitoring WhatsApp Group', "there must be no TIA (this is Africa) excuses" and 'Cargo movement is inevitable (& will continue)' another distributor.

The responses to the survey run the full gamut from despair through reluctant acceptance to optimism, with some people inevitably, choosing to 'bury their heads in the sand' by trying to ignore the issues. This is not surprising and is difficult to comment on, but is perhaps worth comparing with the similar survey from Europe and the UK (EUKS), which took place earlier in the Covid tragedy in countries that had been and were being hit very hard by the pandemic. The responses to the base questions about the impact on the businesses and countries are very similar as most companies were affected both quickly and, in some cases, disastrously. The differences become apparent in the forward-looking questions in the (EUKS) responses: Whilst there were the expected pessimistic comments like 'International shipping costs will rise' and 'Air freight charges will stay high', these were tempered by practical suggestions such as, 'a constant hunt for new, sustainable business', 'greater use of online meetings rather than travelling' and risk avoidance (e.g. by supplier diversification or moving production closer to the markets and avoiding China). Almost all realised that the industry is at a crucial stage and flexible companies will survive, but other may not. Some focused on future issues such a 'difficulties and uncertainty of forecasting' but many were more positive citing 'Development of home delivery' and 'Exploiting the restructured business to enhance sustainability and improve cash to cash cycle'. The more ambitious have decided to treat the reduced activity period forced on them by the pandemic to carry out strategic reviews and longer-term planning. Typical responses here, included: 'E-commerce growth has been 'turbocharged' by several years, which is good for business'. Bearing in mind the need for risk assessment, they envisage 'Greater alternative scenario planning by logistics companies. (e.g. stock location, dealing with panic buying)' to ensure 'readiness (service, people and equipment) for when demand restarts'. It is also noticeable that a number of respondents recognised that changes necessary to deal with Covid may present an opportunity to develop greener more sustainable supply chains by decarbonising transport (McKinnon.A & Ojala.L, 2020) and (McKinnon.A, Decarbonizing Logistics: Distributing Goods in a Low Carbon World, 2018).

One question that needs to be addressed is why were the European / UK responses generally more positive than the Namibians ones? To answer would require specific research but several possibilities suggest themselves: is it the that Namibian industry, like the country, is still young and emerging? Could it be a question of the education and experience of the respondents or even difference in the national psyches? Whatever the reason, as the 2012 report concluded, there is a challenge to the Namibian industry to build on its strengths and address its weaknesses if it wishes to support Namibia's trade, attract inbound investment and become the gateway to southern Africa.

## 3.2 CONCLUSION

In both surveys, people recognised the potential dangers and damage brought about by supply chain disruption and this is supported by statistics. Risk is always an issue and Covid-19 has shown us how disastrous events that have not been planned for can be. To minimise risks in the future, there may need to be kind of 'Reverse Globalisation' that will lead to a reduction in long distance sourcing and shipping to reduce risk and environmental impact. Interestingly it is felt that this may benefit Eastern Europe and Africa (EUKS). This can be seen as encouraging for Namibia because the port infrastructure development mentioned above may affect shipping connectivity in a positive way. This was recognised in an article entitled 'Standing tall in the region: The preferred seaport in Africa' (Republikein, 2021). Cited by the Trans Cunene Corridor (WhatsApp Group) this states that Namport has set itself the target of becoming the preferred gateway for the SADC market and beyond, which is decidedly optimistic.

So, rather than sinking into the slough of despond, the Namibian logistics industry has the opportunity to break the vicious circle of problems by following the lead of its counterparts from other parts of the world, reviewing what has happened and cultivating the positive elements to plan for a logistics industry that will not only help the country to recover from Covid, but grow and develop. The aim should be not just to repair the old industry but to plan to build on proven strategies from around the world to create a new industry, fit for the 2020s and beyond making use of concepts such as:

- Cross supply-chain collaboration
- On-line / digital technologies
- Strategic planning, using scenario modelling
- Risk assessment supported by disaster planning.
- Supply chain shortening (or possible reverse globalisation or reshoring)

This needs to be underpinned by education and training. emphasis must be to make use of genuine medium / long-term planning not just 'make a plan' for the immediate future. If done successfully, such a 'new look' logistics industry could help create virtuous spiral where positive feedback loops improve business further to help Namibia in her aspirations to become the SADC's logistics hub and enhance its trade.

## 3.3 THE FUTURE

Until much more is known about the duration and aftereffects of Covid-19, it is impossible to predict what will happen to logistics either globally or locally in Namibia.

Whatever happens, the global logistics industry must survive, without it, the countries and indeed the world, could not operate, 'Logistics is a complex mix of freight transport, storage, handling, inventory management and all the IT required to co-ordinate these activities. It is a function that we all take for granted but without which our economy, indeed whole way of life, would collapse' (McKinnon, 2021). Whether individual companies will be part of it and what roles will be played by specific counties is another matter; those that are rigid or just want to return to the way things were, will probably fail. Those that are flexible, forward looking and innovative have an opportunity to develop, diversify and thrive. If there is sufficient drive, co-operation and creativity across the industry in Namibia, it could flourish and help the country to become the logistics hub for the SADC region by 2025.

If it is to succeed, it is vital for Namibia to learn from other countries experiences, take advantage of international assistance and plan for recovery (Paul & Chowdhury, 2020) and (Mckinsey & Company, 2020). As mentioned in 1.2 above to be managed any progress must be monitored (Drucker, 1959); therefore, it is vital that a SoL report is researched and produced regularly. To be of true value it will need

both quantitative and qualitative data. The former could be similar to those used in the 2018 version (Odero) but with the data topics refined to reflect those that are of most relevance and use to stakeholders, and are updated by their providers. The latter should focus on topics that such as: barriers to development, intermodal transport, logistics related IT systems, green logistics and logistics hubs as recommended in the 2012 version (Savage, Fransman, & Jenkins) and various subsequent research papers such as: (Logistics in Namibia: Issues and Challenges – re-engineering for competitiveness., 2013) and (The impact of the logistics skills gap on customer service in southern Africa: Evidence from Namibia and the Republic of South Africa., 2014).

Moving forward by learning, training, planning and innovation can give Namibia's logistics sector a bright future that has the potential to bring great benefits to the country.



## BIBLIOGRAPHY

- Arvis, J.-F., Ojala, L., Wiederer, C., Shepherd, B., Raj, A., Dairabayeva, K., & Kiiski, T. (2018). *Connecting to Compete 2018: Trade Logistics in the Global Economy*. The World Bank. Retrieved from <https://lpi.worldbank.org/>
- Cassell, C., & Nadin, S. (2008). Matrix Analysis. In Thorpe, R., & Holt, R., *Qualitative Management Research*. London: Sage.
- Drucker, P. (1959). *Management Science, Vol. 5, No. 3, Long-Range Planning—Challenge to Management Science*. Retrieved from <https://doi.org/10.1287/mnsc.5.3.238>
- Fransman, L., Heyns, G. J., Luke, R., & Savage, C. J. (2014). The impact of the logistics skills gap on customer service in southern Africa: Evidence from Namibia and the Republic of South Africa. *1st Customer Service Management in Namibia Conference*. Windhoek.
- Fransman, L., Jenkins, A. K., & Savage, C. J. (2013). Logistics in Namibia: Issues and Challenges – re-engineering for competitiveness. *Logistics Research Network Conference*. Birmingham, UK.
- Khan, O. (2020, October). Rethinking supply chains. (Kendrick, A., Ed.) *Focus*, 22(10), 50-51. Retrieved February 23, 2021
- McKinnon, A. (2021, February 27). *Alan McKinnon: Professor of Logistics*. Retrieved 2021, from <https://www.alanmckinnon.co.uk/>
- McKinnon, A. (2018). *Decarbonizing Logistics: Distributing Goods in a Low Carbon World*. Kogan Page.
- McKinnon, A., & Ojala, L. (2020, June 23). *Covid-19: Supply Chain Management and Freight Logistics - Webinar*. Retrieved from International Transport Forum : <https://www.itf-oecd.org/covid-19-supply-chain-management-freight-logistics>
- Mckinsey & Company. (2020, October 9). COVID-19 and supply-chain recovery: Planning for the future. Mckinsey & Company. Retrieved from <https://www.mckinsey.com/business-functions/operations/our-insights/covid-19-and-supply-chain-recovery-planning-for-the-future#>
- Mupupa, P. (2019, July 10). Business development partner. *Namibia Port Authority, Presentation, Logistics Hub Forum*,. Grootfontein.
- Namibia Statistics Agency. (2021). *Namibia Trade Statistics Bulletin December 2020*. Windhoek: Namibia Statistics Agency.
- Odero, K. K. (2018). *Namibia State of Logistics 2018 Report*. Windhoek: NUST.
- Paul, S., & Chowdhury, P. (2020). A production recovery plan in manufacturing supply chains for a high-demand item during COVID-19. *International Journal of Physical Distribution & Logistics Management, Vol. No. ahead-of-print*. doi:<https://doi.org/10.1108/IJPDLM-04-2020-0127>
- Petersen, S. (2021, February 25). Spotlight on Transport & Logistics: Logistics Sector Hit by Covid-19 Disruptions. *The Namibian*, p. 3. Retrieved February 25, 2021, from <https://www.namibian.com.na/public/uploads/documents/603741f3cdf91/transport-logistics.pdf>
- Republikein. (2021, February 23). Standing tall in the region: The preferred seaport in Africa’.
- Savage, C. J., Fransman, L., & Jenkins, A. K. (2012). *Logistics in Namibia: Issues and Challenges*. Windhoek: Polytechnic of Namibia.
- Shimuaferi, A. (2021). *Namibia Trade Statistics Bulletin December 2020*. Namibia Statistics Agency. Windhoek: Namibia Statistics Agency.

Singh, S., Kumar, R., Panchal, R., & Tiwari, M. (2020). Impact of COVID-19 on logistics systems and disruptions in food supply chain,. *International Journal of Production Research*,. doi:10.1080/00207543.2020.1792000 Southern Times. (2020, April 17). Volumes decline on Trans Kalahari Walvis-bay corridors. *Southern Times*. Retrieved from <https://southerntimesafrica.com/site/news/volumes-decline-on-trans-kalahari-walvis-bay-corridors>.

Telecom Namibia Holdings. (2018). *Telecom Namibia Holdings Annual Report*. Telecom Namibia Holdings.

Tjijorokisa, S. (2020). *Integrated Annual Report 2018/19*. TransNamib Holdings Ltd.

United Nations Centre for Trade and Development (UNCTAD Statistics). (2019). *Liner Shipping Connectivity Index 2018*. Retrieved from Liner Shipping Connectivity Index 2018. United Nations Publications. New York and Geneva, available at <https://unctadstat.unctad.org/>: <https://unctadstat.unctad.org/>

World Bank. (2015). *Trade Facilitation for Global and Regional Value Chains in SACU'*. Retrieved February 20, 2021, from <https://openknowledge.worldbank.org/bitstream/handle/10986/23831/Mapping0global0ctor0level0overviews.pdf?sequence=1&isAllowed=y>

World Bank. (2018). *Aggregated LPI*. World Bank. World Bank. Retrieved February 20, 2021, from <https://lpi.worldbank.org/international/aggregated-ranking>

Wucker, M. (2016). *The gray rhino: How to recognize and act on the obvious dangers we ignore*. Macmillan Press.



# Namibia State of Logistics Report 2020 & the challenge of COVID-19



Supported by  
**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

