

2017



www.tgh.na



ANNUAL RESULTS KEYNOTE BY DR QUINTON VAN ROOYEN



EXPERIENCE COUNTS

Who has the most expertise to run government?



OR



EXPERIENCE COUNTS

So who has the most expertise to run business?



OR



WHAT GOVERNMENT DOES WELL

- A proper and timeous turn towards fiscal consolidation
- Dignity in the face of unjustified criticism
- 53rd Worldwide on Transparency Index
- 24th Worldwide on Press Freedom Index
- Significant reduction in poverty via social grants
- Namibia's growing maturity on the world stage – a fantastic international reputation
- Above-average spend on social grants

WHO OWNS WHO IN NAMIBIA

No	Company	Year	Net Worth	Total Assets	Origin	Gov
1	Nampower	2016	18 173	30 233		100%
2	Bank of Namibia	2016	7 280	34 214		100%
3	Rössing	2016	4 479	6 787	Australia	3%
4	Capricorn Investment Hol.	2016	4 274	32 334	Namibian	
5	FNB Namibia Holdings	2016	4 041	34 186	RSA	
6	Namport	2016	2 952	6 208		100%
7	Development Bank Namibia	2016	2 875	4 594		100%
8	Standard Bank Namibia	2016	2 790	27 213	RSA	
9	Trustco	2017	2 492	5 156	Namibian	
10	Bidvest	2016	2 304	3 160	RSA	
11	Agibank	2015	1 960	2 412		100%
12	Nedbank	2016	1 924	13 829	RSA	
13	Old Mutual	2015	1 732	17 707	RSA	
14	Sanlam	2015	1 670	10 981	RSA	
15	Namibia Airports Company	2013	1 634	2 113		100%
16	Namdeb	2011	1 428	6 640	RSA	50%
17	Social Security Commission	2010	1 427	1 611		100%
18	Namibia Breweries	2016	1 257	2 470	Namibian	
19	MTC	2016	1 185	1 848	Portugal	66%
20	Namwater	2008	997	1 454		100%
21	Oryx Properties	2016	938	2 399	Namibian	
22	Namcor	2016	511	876		100%
23	Telecom Namibia	2013	509	2 409		100%
24	Meatco	2016	408	1 000		30%
25	Agra	2016	320	857	Namibian	
26	Nampost	2015	227	4 464		100%
27	Nictus	2016	155	1 617	Namibian	
28	Trans Namib	2013	47	1 179		100%
29	MVA	2016	26	854		100%
30	RCC	2011	16	433		100%
Total			70 031	261 238		

TOP 30 COMPANIES BY NET WORTH

- Government owns 58% of the net worth of the top 30 companies in Namibia where the financial information is available.
- 29% is owned by foreigners and only 13% by Namibians including the GIPF as shareholder.
- After independence, government invested heavily in business as they did not have confidence in the private sector, which was mostly white, to deliver prosperity to the people.

(Amounts in NAD Millions)
(Road Fund Administration & Air Namibia excluded due to negative net worth)

SEEMS GOVERNMENT IS NOT SO GOOD AT DOING BUSINESS

Company	Year	Net Worth	Total Assets	Revenue	Net Profit
Nampower	2016	18 173	30 233	5 006	(286)
Bank of Namibia	2016	7 280	34 214	591	(527)
Namport	2016	2 952	6 208	1 458	247
Development Bank Namibia	2016	2 875	4 594	447	207
Agibank	2015	1 960	2 412	156	47
Namibia Airports Company	2013	1 634	2 113	191	50
Social Security Commission	2010	1 427	1 611	329	311
Namwater	2008	997	1 454	408	60
MTC (66%)	2016	782	1 220	1 486	324
Namdeb (50%)	2011	714	3 320	2 767	409
Namcor	2016	511	876	648	140
Telecom Namibia	2013	509	2 409	1 312	(166)
Nampost	2015	227	4 464	1 013	(3)
Meatco (30%)	2016	122	300	541	4
Trans Namib	2013	47	1 179	527	(194)
MVA	2016	26	854	577	132
RCC	2011	16	433	561	20
Total		40 252	97 894	18 018	753

(Amounts in NAD Millions)

RoE

2%

The net worth owned by Government is N\$ 40.3 billion with total assets of N\$ 97.9 billion and a net profit after tax of N\$ 753 million. The net profit contribution of MTC and Namdeb was 97.6%.

PRIVATE COMPANIES WHERE FINANCIAL INFORMATION IS AVAILABLE TO THE PUBLIC

	Company	Year	Net Worth	Total Assets	Revenue	Net Profit	<i>(Amounts in NAD Millions)</i>	
1	Capricorn Investment Hol.	2016	4 274	32 334	2 963	939		
2	Trustco	2017	2 492	5 516	1 246	530		
3	Namibia Breweries	2016	1 257	2 470	2 426	373		
4	Oryx Properties	2016	938	2 399	288	106		
5	Meatco (70%)	2016	286	700	1 262	9		
6	Agra	2016	320	857	1 577	43		
7	Nictus	2016	155	1 617	931	31	RoE	
	Total		9 722	45 893	10 693	2 031	21%	

Some of the above Namibian companies have already substantial shareholding by the GIPF (Bank Windhoek, Breweries and Oryx Properties) and other institutional investors.

WHO IS BETTER AT CREATING OPTIMAL WEALTH?

Ownership	Net worth	%	Assets	%	Revenue	%	Net profit	%	RoE
Government	40 252	57	97 894	37	18 018	36	753	12	2%
Foreign	20 057	29	117 811	45	21 552	43	3 694	58	18%
Namibian	9 722	14	45 893	18	10 693	21	2 031	30	21%
Total	70 031	100	261 598	100	50 263	100	6 392	100	9%

- Wealth is concentrated in the hands of Government and foreign shareholders.
- **We should focus on unlocking the wealth of SOE's – turn them into the jewels of Namibia's economic crown that they were intended to be.**

THE DUTY OF BUSINESS

- Create wealth, be profitable, and pay taxes
- Accelerate local human capital development
- Be competitive and become world leaders in their industry sectors
- Must be exemplary corporate citizens & display excellence in corporate governance.

WHAT GOVERNMENT CAN DO FOR BUSINESS

- Create a environment in which the private sector can operate within predictable and well defined rules.
- Create a fiscal policy that is sustainable and keep inflation low and stable.
- The economy must be open for trade with the rest of the world and foreign direct investment is encouraged.
- The cost of capital must be kept as cheap as possible to encourage investment.
- The issue of corruption and crime must be addressed by the state.
- Limit Namibian exposure to negative influences from disintegrating neighboring states.
- Minimize Government involvement in business.
- Allow skills to be imported and to be transferred quickly and efficiently.
- Be a responsive government as capital is fluid and business operates at a fierce pace.

Let business focus on improving the RoE of the economy, and via that, reduce poverty and unemployment for all. Let government create the enabling environment to allow business to accomplish this.

Let us do more, what each does best, for a greater Namibian future.

QUESTIONS? ASK NOW!



Otherwise, please consult our results as
published on our website:

