

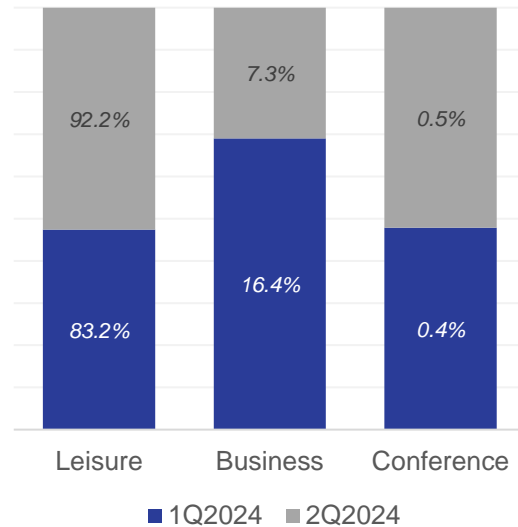
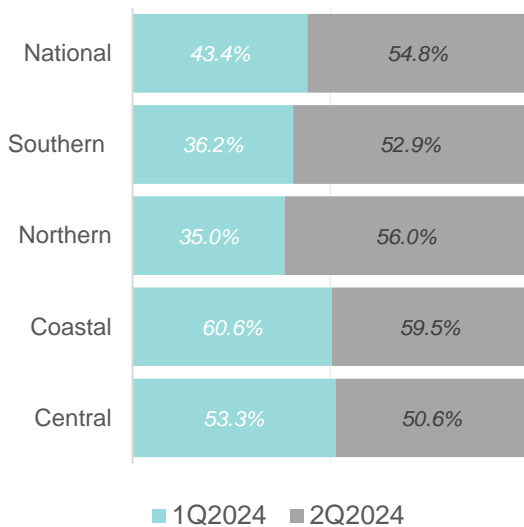


In the second quarter of 2024, the national average occupancy rate improved to 54.8%, up from 43.4% recorded in the first quarter of 2023 and 54.0% in the second quarter of 2019 (Figure 1). The Northern region saw an increase to 56.0%, while the Coastal and Central regions experienced slight declines to 59.5% and 50.6%, respectively. The Southern region also reported a rise to 52.9%.

Leisure travel remained the dominant segment in Q2 2024, contributing 92.2% to the room occupancy rate. Business travel decreased to 7.3%, and conference-related stays remained negligible at 0.5% compared to first-quarter figures. Although business and conference travel are present, they play a minor role compared to the majority of leisure travellers (Figure 2).

Figure 1: Occupancy rate per region – 1Q2024 to 2Q2024

Figure 2: Purpose of travel – 1Q2024 to 2Q2024



Source: HAN/SS

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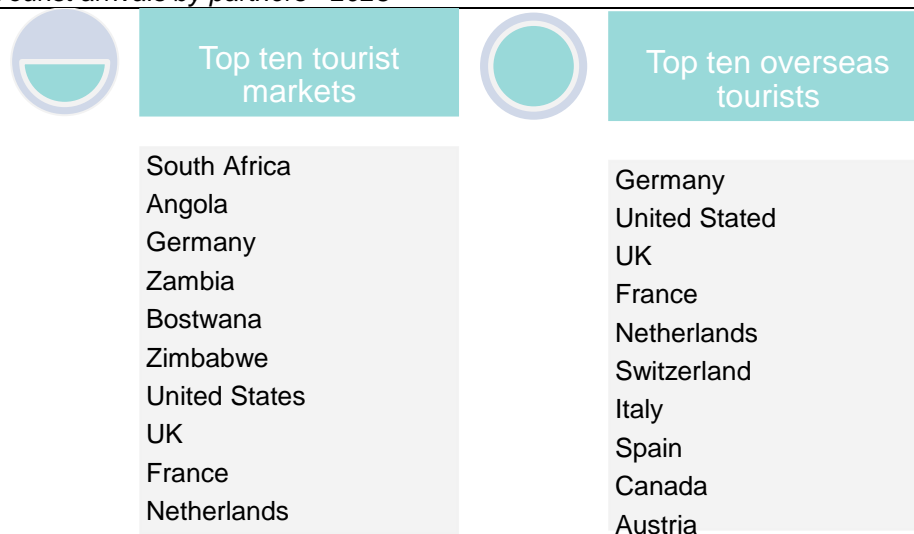
In June 2024, the countrywide occupancy rate across hospitality establishments was 47.3%, reflecting a decline from 60.3% in the previous month. This rate also decreased compared to 50.1% in June 2023 and 51.2% in June 2019. The northern region of Namibia recorded the highest occupancy rate for June, likely due to the inaugural Etosha Carnival held in Onanke village during this period. In contrast, the Central region experienced the lowest occupancy rate at 17.6%, despite hosting significant events like AViaDev Africa and the African Hospitality Investment Forum in Windhoek towards the end of the month.

Local travel saw an increase, with Namibian visitors occupying establishments rising from 17.7% in May 2024 to 22.5% in June 2024. Similarly, South African tourists doubled their share, climbing from 6.1% to 12.8% in June 2024.

While the rest of Africa's occupancy dipped to 0.8% in June 2024, European visitors, though still the largest group, decreased from 65.9% in May 2024 to 53.7% in June 2024. This decline likely reflects seasonal variations and shifting travel preferences, with Europeans traveling to warmer regions during their summer.



Figure 3: Tourist arrivals by partners - 2023



Source: Ministry of Environment, Forestry and Tourism/SS

According to the recently released tourist statistical report by the Ministry of Environment, Forestry, and Tourism, Namibia saw a significant influx of foreign arrivals in 2023, totalling 1,054,181 visitors. This figure represents a strong rebound in tourism, with an impressive growth rate of 87.4% from 2022 and 98.1% from 2021. The majority of these visitors were tourists, accounting for 81.9% (863,872) of the total arrivals, indicating a robust interest in Namibia as a travel destination. Same-day visitors made up 14.0% (147,922), while returning residents and other categories constituted 3.3% (34,793) and 0.7% (7,593), respectively.

South Africa, Angola, Germany, Zambia, Botswana, Zimbabwe, the United States, the UK, France, and the Netherlands emerged as the top ten tourist markets. Notably, overseas tourists primarily hailed from Germany, the United States, the UK, France, and other European nations, underscoring Namibia's appeal to international travellers (Figure 3).

Tourist entry points were dominated by southern border posts, accounting for 39.1% of arrivals, followed by northeastern border posts at 23.4% and Hosea Kutako International Airport (HKIA) at 11.2%. This distribution highlights the importance of land borders in facilitating regional tourism and the critical role of the main international airport.

The data reveals that 60.7% of tourists were male, with females making up 39.3%. This gender distribution, along with the primary purposes of visits being holidays (48.1%) and visiting friends or relatives (31.3%), suggests a leisure-driven tourism industry. Business travel constituted 15.8%, while in-transit visitors were only 3.6%.

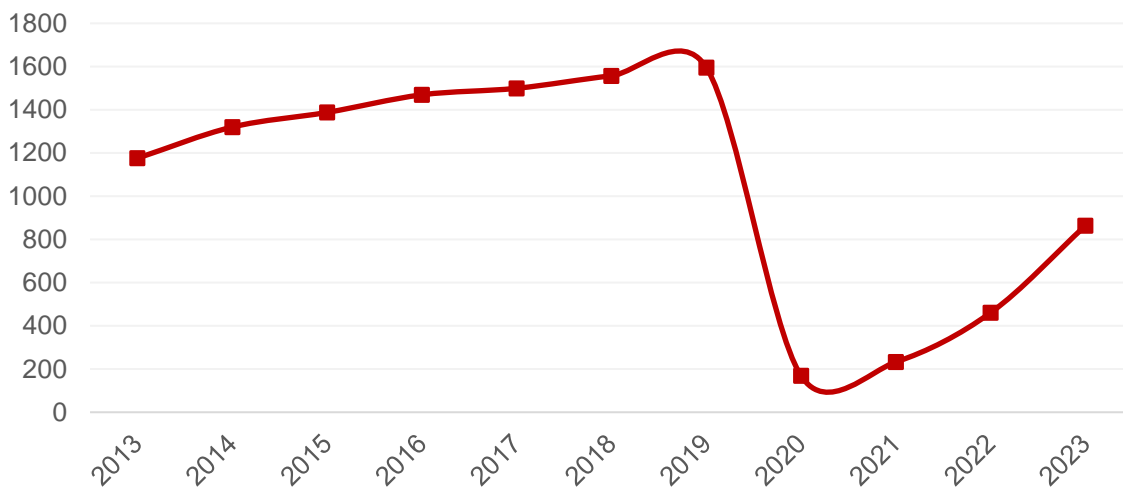
On average, tourists stayed for 14 nights in 2023, a slight decrease from 16 nights in 2022. Road travel was the most popular mode of transport (73.7%), followed by air travel (22.1%) and sea travel (4.2%), indicating the accessibility and infrastructure supporting road and air travel within the country.



The age profile of overseas tourists showed a significant portion of travellers were older, with 47.9% of American and 36.3% of European visitors being 60 years or older. Interestingly, 25.0% of Asian tourists were aged 40 and above. This demographic suggests that Namibia's attractions appeal to an older, possibly retired, demographic with more time and resources for extended travel.

Seasonality in travel patterns was evident, with the highest tourist arrivals occurring from May to August (31.9%), followed by September to December (36.8%) and January to April (31.4%). This seasonal distribution aligns with Namibia's climate and holiday seasons in major tourist markets.

Figure 4: International tourist arrivals per year (thousands) – 2013 to 2023



Source: Ministry of Environment, Forestry and Tourism/SS

SS Thoughts

Namibia's tourism sector has shown remarkable resilience and growth, buoyed by a diverse blend of regional and international visitors. With a strong emphasis on holiday and leisure travel and a notable interest from older tourists, there are significant opportunities for targeted marketing and infrastructure improvements to enhance the visitor experience and continue this positive trend.

Given that a significant portion of Namibia's top ten international tourists come from countries subject to new visa requirements, it is crucial for the industry and the Ministry of Tourism to proactively offer high-quality services. This will help sustain and further stimulate growth within the sector.

Furthermore, with the recent sharp rise in long-haul flight prices from Europe due to new climate levies and taxes, the Namibian tourism industry faces serious challenges in the coming months, according to the Hospitality Association of Namibia (HAN).



International trends

When looking cross-border, we observe a significant surge in transatlantic flights between the US and Europe, which can provide valuable insights for Namibia's tourism industry. The increase in flights and passenger numbers highlights key trends and strategies that could be beneficial for Namibia.

The data indicates a record-breaking 418,000 scheduled flights between the US and Europe from April to October, a 7% increase from the previous year. This rise is driven by strong demand from US travellers, supported by a stable dollar, making European destinations more affordable. This trend underscores the importance of exchange rates in influencing travel decisions and suggests that favourable currency conditions could similarly boost tourism in Namibia.

Moreover, the post-pandemic surge in international travel reflects a pent-up desire to explore, with many Americans eager to visit destinations like Italy, Spain, and France. This rebound in leisure travel, particularly in premium classes, compensates for the ongoing decline in corporate travel.

Notably, the capacity along transatlantic routes now exceeds pre-COVID levels, surpassing the figures from July 2019. United Airlines, for instance, scheduled over 722,000 seats in July 2024, a 3% increase from the previous year, while Air France boosted its seating capacity by over 15% to 279,000 seats. This aggressive expansion, coupled with strong demand, has sustained high yields on these routes, presenting a "pricing opportunity" for airlines.

Additionally, the emergence of low-cost carriers in the transatlantic market, though still a small fraction of the total, signals the importance of affordability in boosting travel demand. More than 7,300 flights by low-cost carriers like Norse Atlantic and Canada's Air Transat are scheduled between North America and Europe, accounting for about 5% of the market.

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