

ANNUAL REPORT 2015/16



Namibia Tourism Board

TABLE OF CONTENTS

1. Vision, Mission and Values
2. Chairperson's Message
3. Board of Directors
4. Chief Executive Officer's Message
5. Management Team
6. Marketing Report
7. Tourism Industry Performance Analysis
8. Quality Assurance Review
9. Corporate Services Summary
10. Financial Statements

VISION

"Namibia renowned as the most sought after tourism destination in Africa."

MISSION

"To sustainably market and develop tourism to and within Namibia by exceeding our visitors' experiences and expectations, adding value to our stakeholders, and yielding an enhanced quality of life for all our people."

WHO WE ARE

The Namibia Tourism Board (NTB) is a statutory body under the Ministry of Environment and Tourism (MET). It champions the development of Namibia's hospitality, travel and tourism industry, one of the country's key service sectors and economic pillars. NTB regulates and monitors the tourism industry; facilitates industry capacity-building and, markets and promotes Namibia as a world class tourism destination.

The NTB's active promotion of Namibia is done through its network of 2 foreign offices, which are located in Germany to cover greater continental Europe and in South Africa. We also have representation in United Kingdom and China. Globally, these offices and representative agencies strengthen Namibia's market presence internationally through targeted identification of potential partners in the travel trade and segments of consumers that may choose to travel to Namibia. There are also creative media initiatives and roadshows to build an awareness of and an affinity for Namibia as a world class travel destination.

CHAIRPERSON'S MESSAGE

MS. ANNASCY MWANYANGAPO



Despite a fair amount of gloom and doom, particularly the Ebola outbreak in West Africa which frightened a significant amount of tourists away from travel to all parts of Africa, tourism in Namibia looks healthy, and is set to grow even further in 2016.

Tourist arrivals to Namibia grew by 13.63 percent in 2015 to reach 1.5 million tourists, up from 1.32 million in 2014. This performance is above the global average, which saw a 4.7 percent increase in tourist arrivals worldwide.

Major growth markets were Germany, South Africa and Angola. There were declines in tourist arrivals from France, United Kingdom and China. Efforts have been made to develop the United Arab Emirates market, but it has not been doing well. Further analysis is needed to determine the reasons for this poor performance.

While growth in tourist arrivals is noted, the national average bed occupancy rate decreased to 29 percent in 2015 from 39 percent when compared to 2014. Notable factors that have contributed to this decrease are that international travellers are buying down (staying less days in hotels or registered accommodation facilities) and opting for self-drive and camping tours or staying with friends and relatives.

UNWTO maintains that prospects for 2016 remain positive, with international tourist arrivals expected to grow 4 percent worldwide. It is now up to Namibia, as a tourism destination of choice, to seize this opportunity to harness tourism's growth.

On the domestic front, economic and natural constraints remain the biggest barrier against increased

rates of travel by Namibians within the country. The majority of adult Namibians in the population taking our recent Domestic Tourism Survey stated that they cannot afford leisure travel. This view is reinforced by increased housing costs, high food prices, increases in municipal fees, fuel and car maintenance costs, and drought, which has put domestic consumers under significant pressure.

From the brand equity perspective, Namibia maintained its performance as per World Economic Forum (WEF) ratings. Analysing Namibia's products on offer relative to competing destinations in Africa, revealed that South Africa, Mauritius and Botswana are still ahead of Namibia on most brand recognition and desirability scales.

The Namibia Tourism Board was a driving force to set-up a national curriculum in tourism and hospitality training. This curriculum was handed-over to the Namibia Training Authority (NTA) and these are currently undergoing a review process, in which NTB participates. This programme was aimed at developing skilled tourism industry workforce in Namibia. A concerted effort will be required to carry out in-depth tracer study to collect data that can indicate whether this initiative made any impact and to measure the level of that impact when compared to the state of affairs in 2005.

NTB has in place, a preliminary incentive programme to support and assist qualifying SME tourism enterprises to generate increased market access. NTB's contribution towards the cost of SME participation in international platforms and road shows, not only reduces the cost for these emerging enterprises, but also unlocks market potential and drives sales, which in turn stimulates enterprise growth and employment creation.

During the year under review, NTB assisted two (2) SMEs to participate in the Three Cities China Road Show and three (3) SMEs to participate in the Internationale Tourismus-Börse (ITB) held in Berlin, Germany. Also, four (4) trophy hunting outfitters were assisted to participate in a hunting fair in Salzburg, Austria. However, NTB is currently reviewing the SME support programme to ensure increased and relevant impact for its participants.

I take this opportunity to thank all our visitors, industry partners and stakeholders, and not least our fellow citizens, for their support for our shared objective of making Namibia an irresistible tourist destination. I would also like to convey my gratitude to fellow Board Members, and the NTB staff and management team for their valued cooperation and contributions.

BOARD OF DIRECTORS



Ms. Theopoltina Namases
Vice Chairperson



Ms. Annascy Mwanyangopo
Chairperson



Mr. Paul Brinkmann
Member



Dr. Sam Shikongo
Member



Ms. Meriam Onesmus
Member

RESPONSIBILITIES OF BOARD MEMBERS

Board members oversee and monitor organisational performance and the achievement of NTB's strategic goals and objectives. The Board assumes the responsibility of reviewing and approving corporate strategies, budgets and financial plans.

GOVERNANCE AND STRUCTURE

The NTB has a board of five (5) members that was appointed in April 2014 for a 3-year tenure that shall end at the end of March 2017. Ms Annascy Mwanyangapo was appointed as the Chairperson, and Ms. Theopoltina Namases as the Vice Chairperson. Established Committees are the Audit Committee (Chaired by Ms Meriam Onesmus), the HR and Remuneration Committee (Chaired by Ms Theopoltina Namases, Marketing Advisory Committee (Chaired by Mr Paul Brinkmann), and Standards and Industry Human Resources Advisory Committee (Chaired by Dr Sem Shikongo).

CONDUCT OF BOARD AFFAIRS

Board Members' activities are determined by the powers, duties and responsibilities conferred on it by the appointing authority, being the portfolio Minister responsible for Tourism. These matters are typically detailed in the Namibia Tourism Board Act, 2000 (Act 21 of 2000) and State-owned Enterprises Act, 2006. Board members are required to act as agents of change in addition to their traditional fiduciary responsibilities such as corporate turnaround, restructuring, and financial sustainability amongst others. A regular review of the financial authorisation and approval limits is performed to ensure that the authorisation and approval limits are kept up-to-date and relevant.

During each financial year, the Board Members enter into performance agreements with the Chief Executive Officer (CEO) and senior management team who are evaluated in order to assess the overall administration and fulfilment of NTB mandates.

CHIEF EXECUTIVE OFFICER'S REPORT

Mr. DIGU //NAOBEB



The NTB strives to ensure that tourism remains an important and vibrant economic pillar through long-term strategic planning and by forging partnerships, driving innovation and promoting excellent standards in the tourism sector. It markets Namibia's multi-faceted appeal as a premier business, leisure, adventure and conservancy tourism destination, and promotes empowering and customised experiences through the "Namibia.... Endless Horizon" destination brand.

Destination Marketing Highlights

The NTB jointly hosted the Namibia Academy in conjunction with the Hospitality Trade Fair (HTTFC) a program of the Hospitality Association of Namibia (HAN). The event was held at the coast. This NTB/private sector event was attended by 55 international buyers and decision-makers who interacted and networked with about 70 Namibian traders. Due to resounding success of this event, it was agreed to make this a permanent bi-annual event on the tourism calendar.

The NTB also participated under the 'guest of honour banner' at the Colmar Tourism Fair in the scenic Alsace region of France.

The main business proposition to build the domestic tourism market has been inspiring and encouraging Namibian residents to take short travel breaks during the international tourism off-peak season (such as the Easter and Christmas festive seasons and regional school or Namibian national holidays) in order to slowly build a culture of travel within Namibia.

NTB will be embarking on an exercise to align international and domestic strategies to speak in uniformity as one tourism brand. Market insights will be used to develop unique campaigns tailored to the specific needs to develop unique campaigns tailored to the specific needs of our target markets. Other key elements of the marketing strategy review are to heighten our focus not only to mirror leisure travel which is based on scenery and wildlife, but to consider niche markets such as adventure travel, cultural tourism and business (Meetings, Incentives, Conferences, and Events - MICE) segments. This strategy should increase demand for Destination Namibia, particularly in the off-peak tourism season.

Financial Overview

For the 2015/2016 financial period the total budget available to NTB was N\$83.8 million comprised of the government grant allocation of N\$22 million, KORA All AFRICAN MUSIC AWARD Special Project of N\$24 million and own-funds of N\$37.8 million generated through NTB revenue streams, of which, tourism levies contributed about N\$ 29.8 million. The total expenditure that was geared for NTB operations and activities was N\$60.3 million and KORA All AFRICAN MUSIC AWARD Special Project amounted to N\$23.5 million bringing total expenditure to N\$94.9 million, which resulted in Net Operating Deficit of N\$11.1million, which was serviced with reserve funds.

Even as we celebrate this milestone and look ahead, it is fitting to reflect on how far we have come. Much of what has been achieved is owed to the foresight and indomitable spirit of the Board Members of NTB. I would like to express my deepest appreciation to our industry and community partners and to the management and staff of NTB for their tireless dedication and passion. I would also like to thank the Namibian Government, through our line Ministry of Environment and Tourism, the Namibian public, and in particular the media, for their support of NTB's work and their enthusiastic participation in tourism initiatives.



MANAGEMENT TEAM



Mr. Digu //Naobeb
Chief Executive Officer



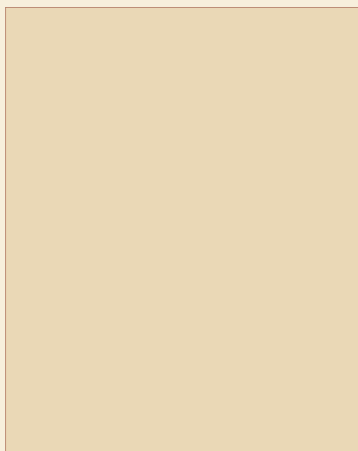
Mr. Benedict Nakuta
Head Corporate Services



Mr. Freddie H. Scholtz
Acting Head Finance



Mr. Bornventura Mbidzo
Head Industry Services



Head Marketing
Vacant

MARKETING REPORT: CONTINENTAL EUROPE

The aim of the Namibia Tourism Board's efficient and well-equipped customer care unit in Frankfurt is to provide correct information on frequently asked questions, product-related enquiries and actual tourism developments. The positioning of Namibia as a boutique, unique and safe all-year-round destination is the highest priority and consistent communication of Namibia's Unique Selling Points via various marketing platforms contributed towards Namibia's positive image across Europe.

All incoming and outgoing data is captured electronically in order to deliver accurate statistics and to ensure effective execution of the fulfilment strategy. More than 6,149 consumer enquiries from all over Europe were processed and comprehensive info packs were distributed by the NTB's Frankfurt office. At least 1,248 trade partners (travel agents and tour operators) received promotional material and sales tools.

The dedicated website for the German-speaking market (www.namibia-tourism.com) attracted 255,471 unique visitors and generated 621,404 page views during the period under review. This website currently hosts the profiles of 192 German, Swiss and Austrian tour operators who all pro-actively sell group tours, self-drive and special interest trips to Namibia. The "Namibia: Luxus der Weite" Facebook page attracted 662 new users and own content placements generated a minimum reach of 265,772.

Call-to-action initiatives in joint ventures with selected European destination specialists and travel agents, which aimed at generating awareness of Namibia in general and bookings in particular, resulted in 19 monothematic brochures and flyers which were distributed to at least 264,000 European consumers via NTB's in-house channels.

Under the auspices of the Ministry of Environment and Tourism and the Motto "Namibia – Undiscovered Places, People and Wildlife" French-and-German-speaking visitors from the Alsace region had the unique opportunity to see, hear, feel and taste Namibia at the Salon International du Tourisme et des Voyages (SITV) tourism fair in Colmar, France. As Guest of Honour, Namibia's strong presence and vibrant energy attracted hundreds of people to the impressive Namibian pavilion which reflected the look and feel of an authentic Namibian village on an area of 1,000 m². The bilateral relations between the Omusati Region and the Haut Rhin were highlighted by means of a replica of a traditional Oshiwambo hut in which visitors had the opportunity to explore some of the Oshiwambo cultural and traditional instruments and tools showcased by the Omusati Regional Council. The Namibia Tourism Board Europe's strategy of Integrated Marketing ensures that each promotion segment (Consumer, Trade, PR and Online) is linked by using all marketing channels: Offline, Online and Social Media by all project partners. All major marketing initiatives are part of a 360° approach and are not stand-alone activities.

All campaigns were supported by pro-active communication via NTB's in-house marketing and PR channels (NTB website, Facebook page, E-newsletters and Press releases). The Namibia Tourism Board successfully negotiated the inclusion of either the National Carrier or other international airline partners, as well-established outbound tour operator and Namibian product partners who all received prime positioning among a highly relevant target group.

During the period under review, the Namibia Tourism Board pro-actively targeted artists with an affinity for adventure travel by means of brand cooperation with the lifestyle brand Crumpler, a leader in the segment of top quality lifestyle bags and travel gear. The "Win a romantic Adventure in Namibia"-campaign was promoted via Crumpler's entire promotional network namely on their homepage and dedicated landing page; the Crumpler customer newsletter and blog; their Facebook page; the Crumpler stand at the Photo & Adventure Show in Vienna, the Crumpler online shop; Point of Sales (POS) promotions in 6 Crumpler stores in Germany and GoogleAdWords. The Namibia promotion reached at least 586,900 consumers. The campaign started in November 2015 and the lucky winner was drawn on Valentine's Day.

Namibia has been promoted as an authentic and conservation-focused travel destination for outdoor and fun sport lovers by means of an online marketing cooperation with the German "green" outdoor outfitter VAUDE, that produced a trailer highlighting the Vertriders Burning Mountain (Brandberg) biking project as well as the "Bikes for a better life" community project in Katutura. The Namibia promotion generated 27,665 page views on the VAUDE website and reached 25,000 subscribers of the VAUDE online newsletter. Exactly 12,441 people entered the competition and 2,425 people were interested to receiving more information on Namibia. The Namibia Tourism Board pro-actively counteracted the scepticism about African countries during the Ebola scare by means of ongoing positive media coverage. During this critical period, NTB was in the fortunate position to generate extensive consumer awareness by means of brand cooperation with a market leader in dairy products and a leading bakery chain.

Namibia was prominently featured during the launch of a new product line by Müller Milch, Germany's largest producer of dairy

products. The new "Froop goes Wild" yoghurt with the flavour of African fruits (Marula and Baobab) was a perfect match for a joint multi-channel promotion which included a TV-spot as well as an online promotion on a dedicated landing page featuring a Namibia sweepstake. The TV-spot was screened 2,496 times on 26 different TV channels in Germany and Austria, potentially reaching over 10 million viewers.

Destination Namibia was selected as preferred partner for the "Big 5"-campaign with Kamps, a leading brand for bakery products. Namibia was prominently positioned in 485 Kamps bakeries which are centrally located throughout Germany; these bakeries service 6 million people per month. Kamps created a pastry called "Fruchtplunder Namibia" using fruits in the colours of the Namibian flag. The main elements of the multi-channel campaign were a dedicated landing page; a promotion on the Kamps Facebook page; raffle cards; posters in the pedestrian zones; displays in the shops; money tray inserts and a call-to-action offer by a leading tour operator in dispensers on the counters in all shops. More than 50,000 people viewed the dedicated landing page and 25,000 followed the campaign on Facebook; 20,000 people entered the competition and almost 500 were interested in receiving more information on Namibia.

The Namibia Tourism Board also pro-actively targeted close to 5 million outdoor and adventure enthusiasts by means of a brand cooperation with the outdoor brand McKinley. Namibia was destination of choice for McKinley's summer collection. The production team and models travelled to Namibia for the photo shoots and destination features. As part of their social responsibility, 60 McKinley rucksacks were donated to the Mondesa Youth Opportunities Trust. Two Namibian kids were selected for the photo shoots with the children's collection, which were donated to the kids afterwards. Apart from the promotion via all social media channels, absolute highlights of the campaign were the monothematic Namibia feature in the outdoor magazines Weitblick and SportsLife (with a total circulation of 350,000); the point of sales (POS) promotion in 1,000 InterSports shops in Germany, Austria and Switzerland and the promotion of Namibia on the McKinley stand at the Outdoor and Adventure consumer show in Friedrichshafen.

Close to six million self-drive SUV enthusiasts were targeted via successful brand cooperation with the internationally renowned automobile brands of Ford and Land Rover. The Namibia Tourism Board achieved the positioning of Namibia as ideal self-drive destination within the promotional campaign for the launch of the Ford Ranger in the Austrian and Swiss markets. Ford developed a dedicated landing page, produced flyers and the #RoadtoNamibia campaign was promoted in the showroom of 400 Ford dealers in Austria and Switzerland and on the Ford pavilions at the Vienna Auto Show 2016 and the Geneva Auto Salon 2016. As part of an ongoing partnership with Land Rover, Namibia was again the only destination ever to be promoted at the one of the largest automobile shows, namely the IAA in Frankfurt. Production of the iconic Land Rover Defender was stopped in 2015 and the very last Land Rover Defender exported to Germany was released for a Namibia promotion. Land Rover, in close cooperation with the Namibia Tourism Board developed an online platform called "Defender Moments", which is a photo contest with the 'last' Defender as prize for the lucky winner. Participants had to enter a picture of a typical Defender experience. Almost 50,000 images were uploaded on the Land Rover Experience landing page, which has been visited by close to 1,35 million Land Rover fans to select the best image. Each voter had the chance to win a Land Rover Experience Tour to Namibia. Both winners were announced at an exclusive Land Rover outdoor day in May 2016.

A strategic partnership between NTB and one of the strongest brands in long-haul holidays resulted in a city-light destination campaign linked with a price-driven offer at all the German main train stations during the Easter week-end in 2015. The illuminated billboards were in a position to be viewed by a minimum of 5 million travellers.

The NTB was fortunate to secure a partnership with the most successful independent movie production and distribution company in the German media landscape to jointly promote the release of the colourful BBC 3D Documentary "Afrika – Das magische Königreich" (Original title: Enchanted Kingdom 3D). Main feature of this multi-channel promotion was an editorial and sweepstake which were promoted on a dedicated landing page; on the online platform and weekly supplement of a leading national newspaper (610,000 unique users and 45,000 subscribers); on the online platform of a leading travel trade publication (30,088 web counts and 11,000 newsletter subscribers), on 30,000 flyers and posters that were distributed nationwide; a decoration competition at 1,000 travel agencies and a high-profiled consumer events including an exclusive screening in the Cinema Complex in Hamburg. More than 10,000 people participated in the sweepstake and approx. 3,000 indicated that they were interested to receive more information about Namibia.

Namibia was the destination of choice for the production of 6 episodes of the popular Dutch TV show "Freek's Wilde Wereld"

(Freek's Wild World). More than one million viewers watched this show on the Dutch National TV channel NPO during prime time. NTB not only supported the production team during the planning phases but also successfully negotiated a testimonial by the presenter Dr Freek Vonk, who is a celebrity in the Netherlands. The production company donated a video clip of a powerful testimonial by one of the most popular Dutch TV presenters.

The NTB partnered with a renowned YouTuber management company to support six of Germany's most popular YouTube stars (Michael Schulte, TC vonY-TITTY, Jokah Tululu, MaximNoise, MrTrashpack and Pesh von Digges Ding Comedy) on a promotional trip to Namibia. The trip was initiated and accompanied by Kwaito musician Eric (EES) Sell. The group travelled through Namibia with EES' popular VW Bus which was branded with the NTB and partner logos. Their daily experiences had an enormous reach and could be followed under #RoadTripNamibia by 4,513,304 YouTube subscribers, 376,091 Facebook fans, 384,906 followers on Twitter and 209,010 Instagram subscribers.

Galvanising the travel trade

The main objective of trade education and trade support is the on-going positioning of Namibia as an all-year-round destination, to improve length of stay, to achieve geographical, by widening of the number of locations within Namibia, where the tourists visit while in Namibia, to maintain strategic partnerships, to support the travel agents and tour operators to improve sales to Namibia and to introduce Namibian business partners to the international market.

The Namibia Tourism Board directly reached at least 4,421 travel agents, sales staff, call centre staff, product managers and decision-makers by means of 8 road shows, 3 E-Learning programmes, 1 distant learning course, 4 Network Namibia events and 8 educational trips hosting 123 travel agents and product managers in Namibia as NTB driven activities. All presentations and trainings gave an overview of Namibia's unique selling points (regions, infrastructure, seasons, tourist attractions and highlights) with special focus on the national carrier, cultural diversity and product developments. Particular focus was also on promoting Namibia's "Green Season", a marketing initiative between Namibia Tourism Board, Air Namibia and our industry partners to stimulate sales in order to increase travel to Namibia during the low season period.

The Namibia Tourism Board directly secure exchange of market intelligence and trends in terms of consumer demand and travel patterns by means of effective key account management. More than 192 B2B meetings with product managers, decision-makers and corporates resulted in effective joint marketing initiatives which were in line with market demand and development.

The Namibia Tourism Board proudly hosted the 5th edition of the popular international trade networking event "Namibia Academy" and for the first time in its history the event was in partnership with the HAN Tourism Trade Forum (HTTF). The NTB and HAN joined hands to offer the Namibian travel industry and international partners a new and enlarged networking and business platform by merging NTB's "The World meets Namibia" networking event and HAN's HTTF, under the united banner of the "Namibia Academy Meets HTTF".

This pilot project successfully positioned a record number of 215 Namibian tourism product and service providers. Sixty-five product managers and decision-makers of leading international tour operators from South Africa, Botswana, Zambia, Zimbabwe, Europe, China, the United States and Canada and UAE have signed up for the event. More than half of these arrived from the European source markets – from Germany, Austria, Switzerland, Spain, France, Italy, the UK, Belgium, the Netherlands, Poland, the Czech Republic, Hungary, Estonia, Latvia and Norway.

The Namibia Academy combines product workshops with educational trips to explore product developments among the newly developed self-drive routes "Four Rivers", "Omulunga Palm" and "Arid Eden" as well as the popular "Cape to Namibia" route. The main objective of the Namibia Academy is to showcase product developments in strategically chosen regions, as well as to provide a professional platform for interactive discussions and negotiations.

Destination Namibia proudly presented its 24th Namibia stand at ITB, the world's leading annual travel show, which took place in Berlin, Germany. Namibia was able to strengthen its reputation as a trendy and boutique long-haul destination that offers a highly professional, diverse, pristine and high quality tourism product among 187 exhibiting countries. Spectacular images by photographer, McKinley, on large eye-catching banners, stating the theme "Namibia. The Adventure starts here" overlooked the Africa hall and were visible from far.

The ITB 2016 kicked-off with the traditional pre-ITB briefing session for the Namibian exhibitors, which also saw a large number

of European trade representatives joining. More than 500 B2B meetings took place on the Namibia stand and at least 2,000 consumers visited the front information counter. Characteristic of ITB 2016 was however again the strong and positive team spirit among our 30 Namibian partners, who all contributed to Namibia's success story in the European market.

Galvanising the MICE segment

The Namibia Tourism Board is specialized on the incentive segment and focus is on stimulating high-yield incentive travel during the low season. In partnership with Namibian DMC's, the NTB hosted 27 MICE decision-makers from Germany and Italy in Namibia. NTB participated at 5 high-profiled MICE events in Germany and France reaching 195 quality contacts. The Namibia Tourism Board is one of the founding organizations of the Destination Circle, a cooperation of Tourism Boards and Convention Bureaus targeting the MICE market in Germany by means of joint events and workshops.

Galvanising the media

Under the umbrella of the Visiting Journalist Programme (VJP), more than 50 selected TV journalists and bloggers as well as editors and freelancers from leading travel and lifestyle magazines, selected newspapers and trade magazines from Germany, Austria, Switzerland, Belgium, The Netherlands, Luxemburg, France, Italy and Denmark travelled to Namibia.

Focused PR activities such as a quarterly electronic newsletter "Namibia Post" and the distribution of 10 media releases to more than 450 media contacts in Germany, Austria and Switzerland, various interviews with the European travel trade media, media events and cross-promotions with media partners created on-going awareness for Namibia in general and generated additional positive media coverage in particular.

The NTB captured and analysed 2,138 tourism-related articles on Namibia in the German-speaking market. These articles had a total potential circulation of 72,911,836 that represents a minimum advertising value (AVE) of EUR38,867,767.

The Benelux countries generated a minimum of 199 articles with a potential circulation of 11,399,120 and AVE of at least EUR 823,328 in the Netherlands. At least 51 articles were published in the French market with a potential circulation of 8,579,360 and AVE of EUR 676,000. In Italy, 115 articles may have reached 12,082,202 readers.



MARKETING REPORT: UNITED KINGDOM

Enhancing the destination image and attractiveness in the established markets

Galvanising the consumer focus

Aside from educating the travel trade, consumer focus is also an important part of the UK strategy. Consumer activity is varied from multichannel print and online campaigns to consumer events with key note speakers, from BBC journalists to wildlife celebrity presenters.

In 2015/16, NTB UK were involved in 5 VIP consumer evenings which attracted over 500 interested consumers to the talks, all of which were in partnership with 2 UK tour operators. The tour operators acted as the call to action for any enquiries generated on the night, and promoted their 2016/17 tours, in a bid to push sales to Namibia. On average, 20 percent booked as a direct result of the talk while others will book holidays the following year. The talks were held by BBC presenters such as Kate Humble and Simon Reeve. Marketing activities surrounded each talk to ensure further reach.

Multichannel consumer campaigns are an important marketing strategy to grow the Namibia brand, drive bookings and allow us to reach a country wide profiled demographic. NTB UK delivered a multichannel campaign in collaboration with UK trade (who in the UK travel trade?) and Land Rover, which included channels such as print, online, digital, email, and social media, with the objectives of driving increased UK arrivals to Namibia. The campaign saw a total reach of 2,216,999, and drove bookings to Namibia.

NTB UK also ran a social media campaign with South African Airways, following the success of the multichannel consumer campaign with Taylor Morris. The campaign was Free of charge (FOC), and saw a total reach of 8,867.

In terms of relating these efforts to bookings, these activities and others, collectively have had a positive effect with the UK being one of fastest growing markets for Destination Namibia demonstrated by an increase of 10 percent overall growth in arrivals to Namibia year-on-year and an increase of average length of stay to 17 nights.

Galvanising the Travel Trade

Another important element of the overall strategy is the travel trade approach. The majority of UK bookings are made through the trade and they play a vital role in the growth of UK numbers to Namibia. The trade strategy is made up of education, planning and measurement, product development, trade distribution, airline partnerships, trade co-op partnerships, private sector involvement and shows and events.

NTB UK edited the copy for the online training programme, Namibia Know It All, to ensure it is more user-friendly and includes key information and news from the destination, to enable sales agents to sell Namibia with confidence. The programme will be relaunching in May 2016. NTB's UK online training programme has a reach of 20,000, and with these changes, NTB UK expects this number to increase over 2016/17.

NTB UK attended 4 workshops throughout 2015/16 (including 3 South African Tour Operators Association) training evening events and Celebrate Africa in September 2015). In total, NTB UK trained 90 sales agents and met with 18 tour operator product managers. On average 8 monthly tour operator and training meetings were conducted throughout the year. NTB UK has a total of 94 UK tour operators listed on our website all selling a range of Namibia products.

Following our trade support, NTB UK was runner-up at the SATOA Awards for Best Tourism Board.

Galvanising the Media

In 2015-16 NTB UK helped promote the destination through a series of PR initiatives, including press release distribution, media liaison, and event organisation as well as through the visiting journalist programme. The main focus for the fiscal year was to continue to promote Namibia as a luxurious destination while emphasising its incredible landscape. This year NTB UK have continued to forge key relationships with luxury media, such as City A.M., the Sunday Times Travel Magazine and the Financial Times 'How to Spend It' supplement. In addition to this, the team has forged a strong relationship with Harrods Magazine; promoting Namibia as the ultimate luxury destination and creating the potential for a 2016/17 press trip for this high end publication.

In mid-January 2016, five top UK writers visited Namibia on a group trip in partnership with tour operator Explore. The aim of the trip was to promote the action-packed experiences available to visitors, including scaling sand dunes in Sossusvlei, photo safaris in Etosha National Park and scenic drives through the Namib Desert.

The NTB UK team invited a select group of media who write for publications that are exceptionally well-respected in the travel literature world and those with high readership nationally. The attendees were Rough Guides online (UVM 1,500,000), Choice magazine (65,000), Lonely Planet online (UVM 10,300,000), the Sunday Mail (circ. 187,583) and Manchester Evening News (circ. 52,158). The itinerary took the group to Sossusvlei, Etosha National Park, Swakopmund and the Namib Desert.

Throughout the year a total of 8 journalists visited Namibia on either group or individual visits. Among individual trips organised was one for luxury lifestyle media title, Glass Magazine (circ. 425,000), highlighting the luxury offerings in the destination such as Hoanib Skeleton Coast camp; the resulting covering will appear over 2 pages in Glass Magazine's Summer 2016 issue. Another highlight was Chris Osburn's visit for City A.M. (circulation 96,349) which has resulted in multiple pieces of coverage, both print and online, whilst reaching the huge London businessmen audience of the newspaper. In addition, the NTB UK team organised for the Financial Times' (circ. 202,826) writer David Clare to visit the destination, resulting in a large article focusing on national parks and conservation within their 'How To Spend It' glossy supplement.

The NTB UK PR team represented Namibia at the annual HB Portfolio Regional Roadshow. The team visited six cities across the UK and Ireland to spread the word about the destination to 39 key journalists.



MARKETING REPORT: UNITED ARAB EMIRATES

Harnessing the growth potential of emerging markets

Galvanising the Consumer Focus

The UAE consumer has a good appetite to discover Africa in general, especially after the extensive marketing done by Kenya. The Namibian trade has entered this environment to offer travel packages that respond to the UAE market's needs. We have focused on the Arabian Travel Mart and the Abu Dhabi hunting fair, although they are trade events.

Galvanising the Travel Trade

The Namibian Tourism Board focused on the Arabian Travel Mart Fair was the major event in that market and undertook trade educational trips to Namibia with product managers of reputable Tour Operators in the UAE and media. Sales calls, daily response to enquiries and electronic engagement was done through the agent appointed by NTB locally.

Galvanising the Media

Media Educational Trips were undertaken to NAMIBIA with a selected reputable media groups from the UAE. Namibian attractions were showcased in both print and broadcast media in the UAE.

MARKETING REPORT: REGIONAL MARKETS: BOTSWANA, ANGOLA, ZAMBIA, ZIMBABWE

Galvanising the MICE segment

The MICE segment is a growing field in the industry and Namibian events are more and more known by SADC countries (as well as internationally) as a source market for MICE venues. The challenge is to attract the more profitable larger conferences with over 3,000 participants. Currently, Namibia does not have the infrastructure capacity to efficiently host such larger events. Additional capital investments geared specifically to promote the MICE market such as a national conferencing center, more business class accommodation and restaurants near such a center, improved ICT and local ground transportation capacity (within the hosting city and around the country for pre-post event visits), are needed. There are over 4,500 conferences that could be bid on internationally and Namibia would stand a reasonable chance of winning a few of these events.

Of note is the fact that Botswana showed an increase in interest in holding end-of-year corporate functions at the Namibian coast.

Galvanising the Travel Trade

The NTB has focused on Namibia's immediate neighbours for a couple of years, while we are target the whole of Africa for destination marketing. We hosted a successful 5th Namibian Academy where prestigious tourism operators were invited to participate to learn more about Namibia and network with the local tourism industry for possible partnerships.

The tourists from Zambia, Zimbabwe and Botswana visit Namibia mostly for commercial reasons, using the Walvis Bay port entry to import their goods, especially cars. This segment grows meaningfully every year. The tourist numbers from those countries are increasing annually, but are dominated by the large number of Angolans who come to Namibia each year. The 2015 MET arrivals statistics records over 447,000 Angolan arrivals and nearly 352,000 arrivals from South Africa. The current global pressure on the Angolan economy due to the drastic decrease in crude oil prices has seen that large number of arrivals decrease in 2015 over 2014 by 5%.

Galvanising the Media

SADC region journalists were invited to visit during the Namibia Tourism Expo for educational trips resulting in publications from their countries on various topics about Namibia. The Angolan media was again engaged and Namibia received free TV coverage during all events. Namibia received coverage at Feira Internacional de Angola (FILDA) worth millions of dollars in TV exposure, as well at BITUR Luanda, the tourism fair. Moreover, during the Angolan educational and benchmarking in Namibia and in Angola between NTB and Infotur, Namibia received more TV, radio and written media exposure.

MARKETING REPORT: NORTH AMERICA

Enhancing the destination image and attractiveness in the established markets: United States of America

Galvanising the CONSUMER FOCUS

The North American tourists, originating both from the United States and Canada, are inevitably part of a long-haul market to Namibia. Although there a slight decrease in the number of tourist to Africa from 357 923 in 2014 to 350 572 in 2015 indicated a 2.1% decrease Namibia had an increase in numbers of tourist arrival from the US market. In 2014 we receive 28 787 North Americans and percentage increase is 10% growth from the previous years. There is an increased interest in adventure and ecotourism, as well as sustainable tourism that benefits local communities and does no harm to the environment. Namibia is well positioned to market this message, considering its world-wide fame in the world of conservation. Namibia is arguably one of the most active African destinations online, with a robust website and active Facebook page. Namibia is able to capture the trust of the North American traveller through its engaging, compelling online presence

Galvanising the TRAVEL TRADE

Trade Fam Trips

The FAM trip participants generated interest in Namibia as a tourist destination through several means. Travel trade participants listed Namibia tour itineraries on their websites and wrote about their experiences in blog posts,

Familiarization trips are of key interest to North American travel trade and identified two in key niche areas during 2015/2016. Special interest tourists are high value, low impact and have a high propensity to share their experience with friends and family. The focus of the FAM trips was to introduce quality photography, adventure-centric world-class cycling experiences and conservation sites that are note-worthy and award-winning. It also encourages trade to add new or additional Namibian tours to their portfolios.

The purpose of the fam trips was to build strong relationships between North American travel trade and media and Namibian tour operators and to increase the number of Namibian itineraries on offer by North American agents and operators. We anticipate that each operator hosted will sell at least 2 full trips or more to continue with steady growth.

Road-shows

The NTB North American Road Show took place between September 8 and September 17, 2015 in Toronto, Atlanta, Miami and Orlando. It was organized with the goal of increasing awareness of Namibia in a personalized format allowing for small group discussions between Namibian suppliers and North American trade, and also for NTB to revisit strong markets such as Toronto, and make connections in new markets, notably Atlanta, Miami and Orlando.

Toronto

Prior to the event, the participants gathered to discuss the trip's strategy and the format for the events. Total RSVPs: 24 and 19 attendees.

Atlanta

The NTB had their first ever networking event in Atlanta, Georgia, to meet new trade in one of the United States' most populous and important travel hubs. Total RSVPs: 16 and 13 attendee

Miami

The NTB had their first ever networking event in Miami, FL to meet new trade in a prolific travel trade hub in the US. Total RSVPs: 48 and 41 attendees

Orlando

The NTB had their first ever networking event in Orlando, FL. The smaller turn out allowed for more personal conversations and connections between the suppliers and attending North American trade. Total RSVPs: 12 and 7 attendees

Namibia Tourism Board is participating in the SAA On-show Solutions Africa Showcase in the US and Canada. This year together with other African Tourism Board, we attend the show in Los Angeles, Dallas, Boston and Toronto. This year Destination Training is incorporated in the road-show as a value added opportunity for Tourism Boards. Travel professionals who attend learn

the latest updates about the region, ensuring they receive the competitive edge that will power their ability to sell travel to this lucrative and specialized market segment. For regular exhibitors, the organizers have chosen markets where we can meet new buyers and grow our footprint in the USA, while accommodating time for follow-up sales calls. For new exhibitors, the workshops facilitate introductions with key buyers – African specialists who already have a good knowledge of what the Southern African region has to offer.

Namibia Tourism Board was allocated a 20 minutes slot to train and do destination presentation together with the product presentation of Namibia Wildlife Resorts. This was followed by the network events whereby we had the opportunity to sell the destination one- one and B2B with the invited tour operators and booking agents. Namibia was represented by Namibia Tourism Board, Namibia Wildlife Resorts and Ongava Namibia Exclusive to complement the destination.

Los Angeles was attended by 68 operators and we manage to reach 47 operators during the speed dating process. The event was very successful in terms of the enthusiasm from the operators wanting to know Namibia as destination.

Dallas was a bit weak with the attendance. This was the first time that the Africa Show-case was done in Dallas. Only 6 out of the 37 attended the destination presentation and the rest we manage to see during the network session. Although the turn-up was not successful the operators that we networked with are very keen to add Namibia as a destination in their itineraries.

Boston was attended by 83 operators. The destination presentations room was packed and we made sure to utilise the opportunity to give more information on the destination. A lot of questions were asked and one could see that there is a huge interest from the tour operator wanting to sell Namibia. We had to make follow-up after the presentation during the network session. We manage to reach 53 operators during the speed dating.

Toronto event was attended by 83 operators. Also in Toronto the destination presentation room was full and event was well attended. We manage to reach 45 operators during the network session. We met with operators that are already selling Namibia and are interested in participating in the NTB organized familiarization trips in order to experience the destination and know more.

APTA is the Association of Promotion of Tourism to Africa and the focus is to engage with associations who are purely selling Africa in order to maximise our presence in the US market which will then lead to more tourists coming to Namibia. This serves as a platform for buyers and sellers in the African travel and hospitality industry to meet, mingle and grow their mutual interests and only invite tour operators and booking agents that specifically sell Africa as a destination and its goals and purposes is to promote tourism to Africa through educational, networking and marketing opportunities amongst the travel trade in Africa and North America.

The opportunity was for Namibia Tourism Board to train the various operators on destination Namibia and its offering. Namibia Tourism Board was given the opportunity to do presentations on the destination and also on the products it has to offer within the national park and protected areas.

NTB presented NWR products in order to complement the destination presentation and to give a background of types of accommodation facilities, advantages and benefits and other activities they can find within the National Parks and protected areas in Namibia. The presentations were well received by the attendees and they felt that the training was needed for more Americans to know Namibia and also be in a better position to help sell the destination. It was an eye opening for the operators in attendance. The event was attended by all APTA chapters from various cities in the USA.

NTB Trade Fair - The Travel Industry Exchange

The Travel Industry Exchange was held from the 15th-17th of September at the Disney Coronado Springs Resort in Orlando, FL. NTB was an event sponsor and 750 suppliers & trade attended.

Galvanising the MEDIA

Namibia has been extensively covered in the North American media, however, it is important to continuously work with journalists to ensure that the destination stays top of mind. Media participants shared their experiences through video, Facebook, Instagram and blog posts. These FAM trips were successful because of the interest and exposure these packages, itineraries and posts generated with the participants' loyal clients and followers.

Media FAM Trip:

The objectives were to generate positive earned media about Namibia in the North American press, to increase the buzz about Namibia online through the promotion on social media channels of the media participants, and to keep Namibia top of mind among North American tourists. Photography tourism is a high-value niche that is growing in the North American market and is an important focus for journalists who use visual assets to create new types of media like photo essays or video clips. This trip focused on introducing North American press to cultural and photographic experiences in Namibia.

MARKETING REPORT: CHINA

Harnessing the Growth Potential of emerging markets: China

Chairman Xi Jinping will meet Hage Geingob President of Namibia in South Africa in the end of November, 2015 to deepen the cooperation in infrastructure improvement. The ties and relations between the two nations in 2016 will be further strengthened, which will bring more opportunities for tourism, cultural and business exchanges.

China had 120 million outbound visitors in 2015 and they spent 104.5 billion US dollars, an increase of 12% and 16.7% compared with 2014.

It is expected that the outbound tourism will see a substantial increase as a result of more convenient visa policies, summer holiday travel peak, and operation of more international flights. In addition, with the implement of "One Belt and One Road" strategy this year, China's outbound tourism market is endowed with more opportunities.

Galvanising the CONSUMER FOCUS

According to MET Tourist Arrival Statistics Report 2014, the number of Chinese arrivals to Namibia was 11,681, 16.9 % increase from 2013. All statistics show us that China is becoming an important source market to destination Namibia.

The positioning of Namibia as a high-end destination in Africa with nature, wildlife, African culture, adventure as well as luxury in space and time is our priority and the key to communicate with Chinese consumer. Meanwhile, travelling in safety is highlighted through every marketing project in China.

To effectively reach target consumer, NTB China not only approached trade and media partners, but also looked for cross-over smart partner to conduct joint promotion. For example, "New Chinese Tourist Campaign" (New Chinese Tourists are travel-savvy, well-educated, and mostly under 45 years of age. They do not follow typical travel patterns of rushed trips to as many famous destinations as possible, instead they slow down and develop more interest in specific regions and participate in activities, if service are adapted and communicated according to their needs) successfully reached about 1 million target audiences. The total circulation of related coverage in China equaled 16 million.

Galvanising the TRAVEL TRADE

NTB participated in China Guilin International Tourism Exhibition 2015 on 29-31 May, 2015 and Beijing International Tourism Exhibition 2015 on 26-28 June, 2015, respectively attracted more than 4,000 and 8,000 visitors. Through these travel fairs, the branding awareness of Namibia was enhanced greatly.

Besides, Team China successfully organized 2015 NTB China Road-show in Beijing, Shanghai and Hong Kong (took place November 9-13). 8 travel and trade partners of Namibia participated. More than 300 Chinese tour operators were invited to attend NTB China road-show to communicate with Namibian partners.

In terms of trade on-going management, NTB China regularly conducted more than 120 sales calls (at least 10 sales calls per month) for NTB China to follow up with.

Besides, NTB China arranged 12 tour operators to visit Namibia separately to attend Expo and networking in 2015. The trade educational trips were hosted with specific theme with product managers and decision makers of selected Chinese tour operating companies.

In addition, NTB China strengthened the cooperation with CYTS, UNIWAY and GZL International Travel Service to jointly promote Namibian tour products. Through the mutual efforts, they have brought about 260 pax Chinese visitors to Namibia in 2015.

Galvanising the Media

The primary aim of the Public Relations in China is to raise the position of destination Namibia among consumers in great China region. More than 136 tourism-related articles with topics of nature and rustic, self-driving, culture, landscape (south region), wildlife, Africa craft have been published and reached more than 800 million readers, generated minimum media coverage in value of USD10 million.

4 journalists from Chinese leading travel and lifestyle magazine, 2 key opinion leaders were invited to travel Namibia for an educational tour. With the theme of "When Canyons meet Deserts", the group travelled capital Windhoek, Kalahari Desert, Fish River Canyon in the Nama Karoo Desert, the Succulent Karoo Desert, Luderitz, Sossusvlei in the Namib Desert; experienced activities including sundowners, visiting Kalahari farmhouse, game drive, Ghost Town tour, Sossusvlei excursion, etc. Meanwhile site inspections of Kalahari Sands Hotel, Luderitz Nest Hotel, Canyon Lodge, Canyon Village, Canyon Roadhouse, and Solitaire Country Lodge were well arranged for the group to know about mature tourism facilities of accommodation and exciting activities in southern Namibia.

The short inspection tour lasted 9 days and started with a visiting of 2015 Namibia Tourism Expo in Windhoek. The education tour resulted in more than 6 in-depth feature stories (25+ pages) and the total media value reached USD 753,696

In terms of social media development, NTB China attracted over 42,000 followers from NTB Chinese WeChat and Weibo accounts where effectively made closer ties with trade, media and those potential Chinese tourists.



MARKETING REPORT: DOSMETIC MARKET

Harnessing the growth potential of the Namibian domestic market

CONSUMER MARKETING – Realising the market shift

It is NTB's desire to achieve profitable, sustainable tourism growth in Namibia by promoting domestic tourism. It is our goal to achieve high levels of bed occupancy rates all year around, not just in the peak season. NTB has programs to encourage local potential leisure tourists to consume the services offered within the country.

NTB was active and visible last year, interacting with the potential domestic consumers through trade fairs using competitions with prizes.

Galvanising the Travel Trade

NTB involved industry participants from various regions of the country at local trade fairs to offer them exposure to the tourism industry and give them empowerment support. The Namibia Tourism Board conducts regular training sessions on a regional basis for the Namibian travel trade to educate them on new industry trends and practices during an annual stakeholder meeting. NTB participated in three local trade fairs: Namibia Tourism Expo, Walvis Bay Expo, and the Ongwediva Trade Fair.

During the Namibia Tourism Expo educational trips combined with a network with the local trade was organised as well. In Ongwediva tours were offered providing exposure to the local service providers of facilities and activities, through competitions and to local authorities to engage them closely in tourism. Namibia 5th Academy organised by NTB invited 60 International and Regional buyers from around the world, who collaborated with thirty local operators.

Galvanising the MEDIA

NTB organised workshops and media conferences around the Namibia Tourism Expo and disseminated information about important events and industry specials. Locally, NTB communicates mainly through e-mails and its website to the trade. Equally, NTB advertised in magazines, journals and newspapers to achieve its mandate.

MARKETING REPORT: ONLINE MARKETING

Harnessing the Growth Potential of Online Marketing

Galvanizing NTB Website: The NTB responsive website revamp has been completed and launched. Component such as the bulk SMS line and email capacity has been added to the Content Management System (CMS).

Galvanizing Digital Marketing: A digital marketing seminar was hosted by NTB on the 15 September 2015. The main objective of the seminar had been to educate the tourism industry on how to generate content and convert more leads online. NTB welcomed more than 180 participants and the feedback from them has been overwhelming. Participants came from the hospitality industry, media, transport and air travel industry, advertising agencies, publication companies to name but a few.

At the opening of the seminar the CEO of the Namibia Tourism Board Digu //Naobeb said that Namibia as a tourism destination was competing with the world and online presence was regarded as a tourism infrastructure.

"Online marketing offers enormous value while levelling the playing field for establishments and operators of all sizes and budgets," he said. He added: "It is important for tourism players to use emerging technologies and digital marketing to explore how else their product and services can benefit current and potential customers. By adding value it is easier to convert returning visitors into customers," //Naobeb said.

Galvanizing Marketing Tourism toolkit: This project is in response to the Deputy Minister Tommy Nambahu's call for readily available Namibian tourism information – across the world.

Furthermore, each and every week, NTB Marketing receives a lot of requests for brochures and any other collateral materials from government offices especially those that are involved in promoting Namibia abroad. NTB spends a lot of money in printing and sending this information as requested. With this information kit, embassies and stakeholders will be provided with readily available information which they can print themselves for brochures, maps etc. This way, NTB will save on printing and shipping costs.

Online marketing collated materials which include digital brochures, travel guides, maps, photographs and promotional videos in a memory stick and the plan is to disseminate to all the stakeholders across the globe.

This information and data will also be distributed to all ministries and parastatals.

The objectives of this project are:

- To reach out to all Namibian embassies and offices by providing them with readily available tourism information materials
- To educate all Namibian promoters abroad about tourism in Namibia and its dynamics.
- To reach out to the Namibian tourism stakeholders in our effort as NTB to cement our relationship
- To minimize costs for NTB in printing and shipping costs upon requests

Galvanizing content collection for NTB online marketing platforms: NTB online marketing (OM) partnered with Venture publications to supply content for online marketing. This contractual agreement has ended on the 31 March 2015. Since March 2015 online marketing has been refreshing and updating old content for the new blogs as well as social media.

Online marketing sought the service of three (3) freelance content writer/travel journalists. These content writers/journalists were sent on a 7-10 day tour around all four corners of the country and they were tasked with the responsibilities of writing seven (7) blog type articles each and generate content on behalf of the NTB.

The exercise was a professional engagement aimed at producing well-researched industry related content that we can use to populate the website as well as feed our social media platforms.

Looking at the web statistics, the articles made a reach of over 2.5 million online through the blog, as well as social media.

Some of the highlights derived from these articles are as follows:

- One of the writers Ms. Martha Kamkuema was interviewed on a popular travel show on Radio Talk 702 based in Johannesburg about her experiences travelling in Southern Namibia.
- Top South African DJ from Good Hope FM will be visiting Namibia this month and will be highlighting his journey on social media. His travel to Namibia is inspired by stories from NTB Blogs.

#SharemyNamibia Campaign with Musician Gazza: Share My Namibia is an Online Marketing campaign aimed at promoting domestic and international tourism to engage travellers online while showcasing the incredible adventures that awaits them. The main focus of the campaign is to encourage local Namibians to discover the wonders of the country, travelling to new places and experiencing new adventures. It is designed to generate content while providing real-time and personal accounts (from a Namibian prospective) of what Namibia has to offer. The idea is to make use of Namibian celebrities with a large number of followers on social media and other online platforms.

For this 2015/2016 campaign – NTB chose musician Gazza; Namibia's no.1 musician with a total of over 253,000 online Fans – Gazza is the most sought after role model with a high influence in social media.

Gazza was chosen because of his clean image and high number of follower's online and would be a good ambassador in promoting Namibia Tourism.

The campaign kicked off in Windhoek with Gazza set to travel to the 4 – rivers route on an activities packed adventure. The top musician travelled on a 7 night/8day action-packed itinerary to give him a full Eastern Namibian experience. He was accompanied by a Namibian journalist who was responsible for writing articles on his activities as well as covering accounts about the sites of interest that were visited.

For the duration of the tour, Gazza documented himself in the form of videos/photo updates in real time regarding his experiences/adventures while on tour. These were also shared on NTB social media platforms.

Highlights for the campaign:

- Over 3 million impressions were made online

- Over 150 #sharemyNamibia hashtags were used
- 7 Articles produced and published in The Namibian Newspaper
- 2 Radio Interviews

INDUSTRY PERFORMANCE ANALYSIS

The focus of NTB Research Unit's effort for 2015 was mainly on collecting business intelligence (levy return and accommodation capacity data), overseeing comprehensive and dedicated surveys to collect updated statistics on domestic tourism, and compiling a tracer study on Tourism SMEs sponsored through NTB's training and market support program.

The following were research documents compiled by the NTB:

- (a) Accommodation Statistics 2015
- (b) Tourism SME Empowerment Survey 2015
- (c) Domestic Tourism Survey 2015

(a) Tourist Accommodation Statistics 2015

Statistics on capacity and utilization of accommodation were compiled on a regular basis by the Namibia Tourism Board from the levy return data submitted by the registered accommodation establishments.

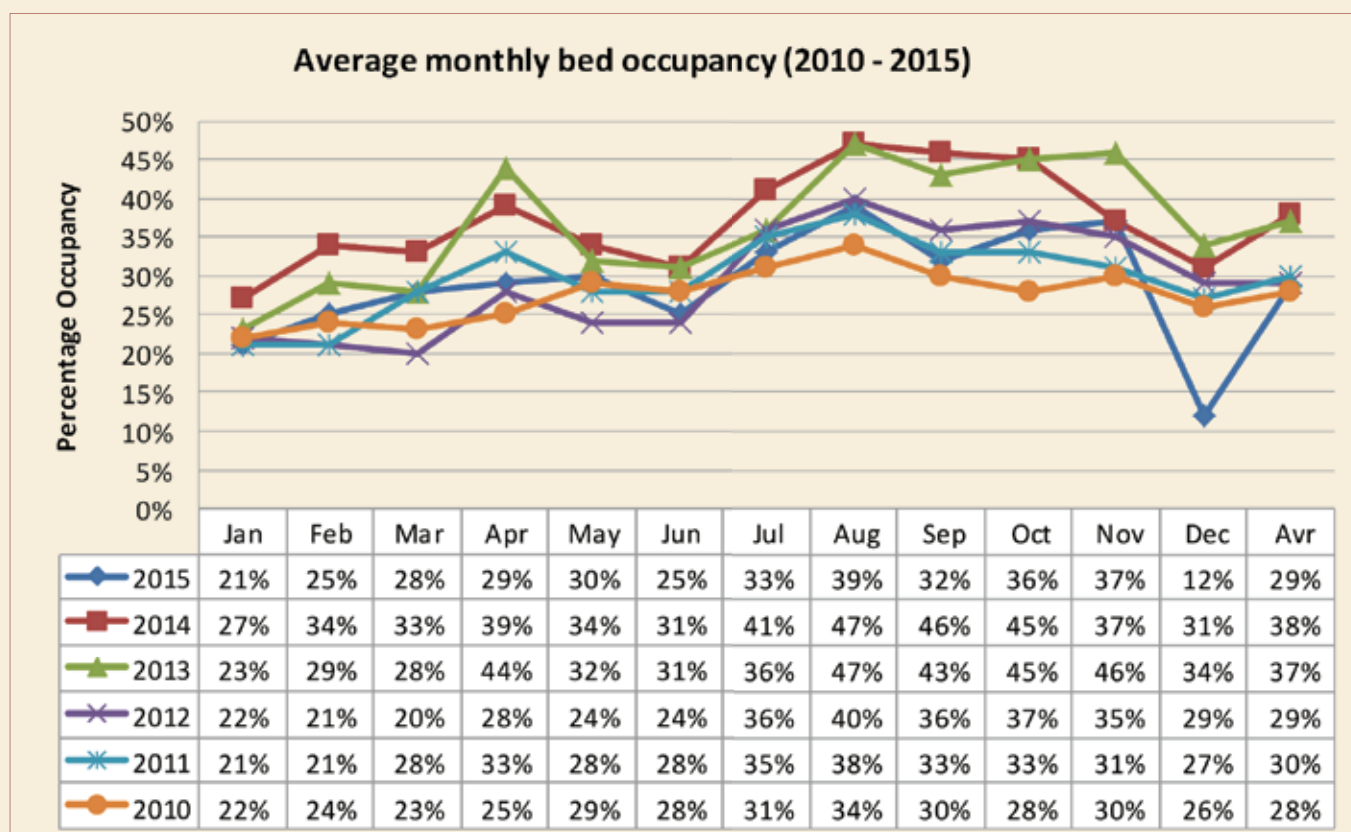
This statistics report only reflects data from those establishments that have submitted returns as required by law on the specific due dates. It was noted that the two-monthly submission rates were low compared to total number of registered establishments and that occupancy and revenue stats submitted did not reflect true occupancy and performance of individual establishments. Efforts are being made to rectify this situation through planned improvements to data collection and its associated operational and legal frameworks.

Accommodation Utilisation

Bed occupancy rates

The average monthly bed occupancy rate for 2015 was 5% percentage points lower than that of 2014, as indicated in figure 1 below. Year 2015 also had the lowest monthly occupancy rate in December in period 2010 - 2015.

Figure 1: Bed occupancy rate by month (2010 - 2015)



April/May, and July to November remains the tourism peak season in Namibia as illustrated by Fig.1 above

Figure 2: Bed occupancy rate by month (2015 vs 2014)

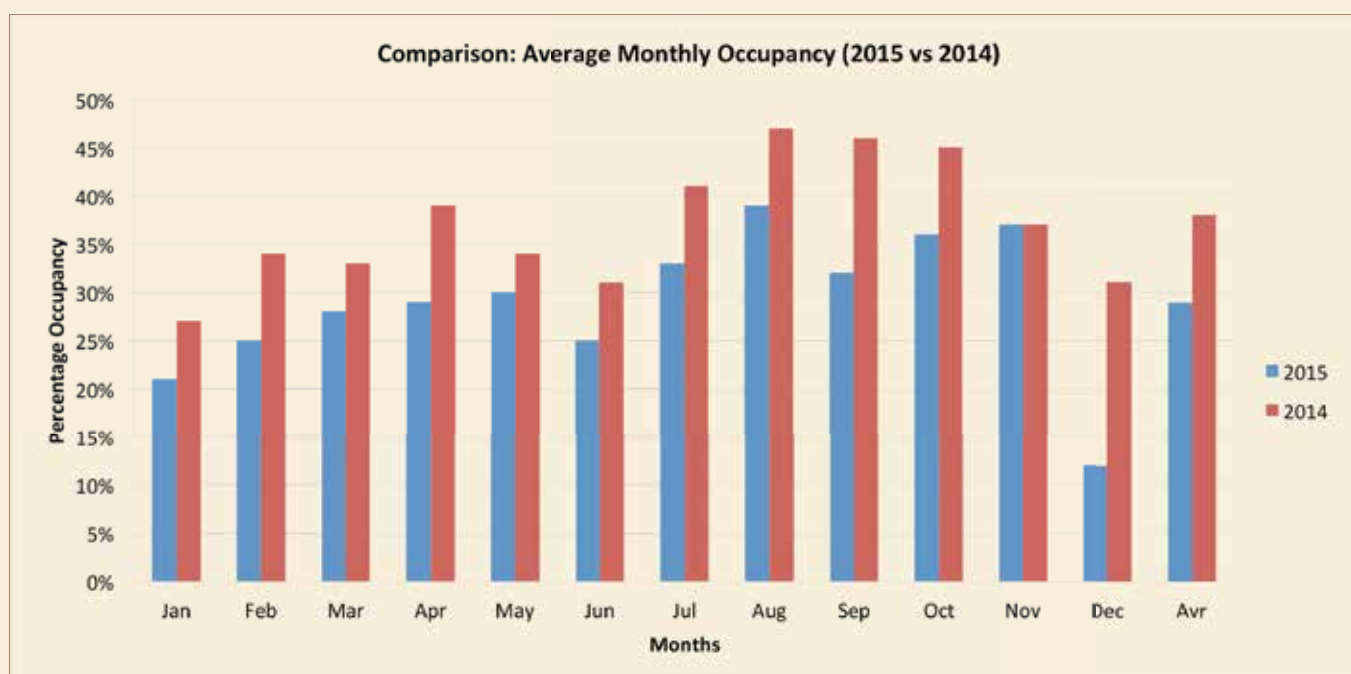
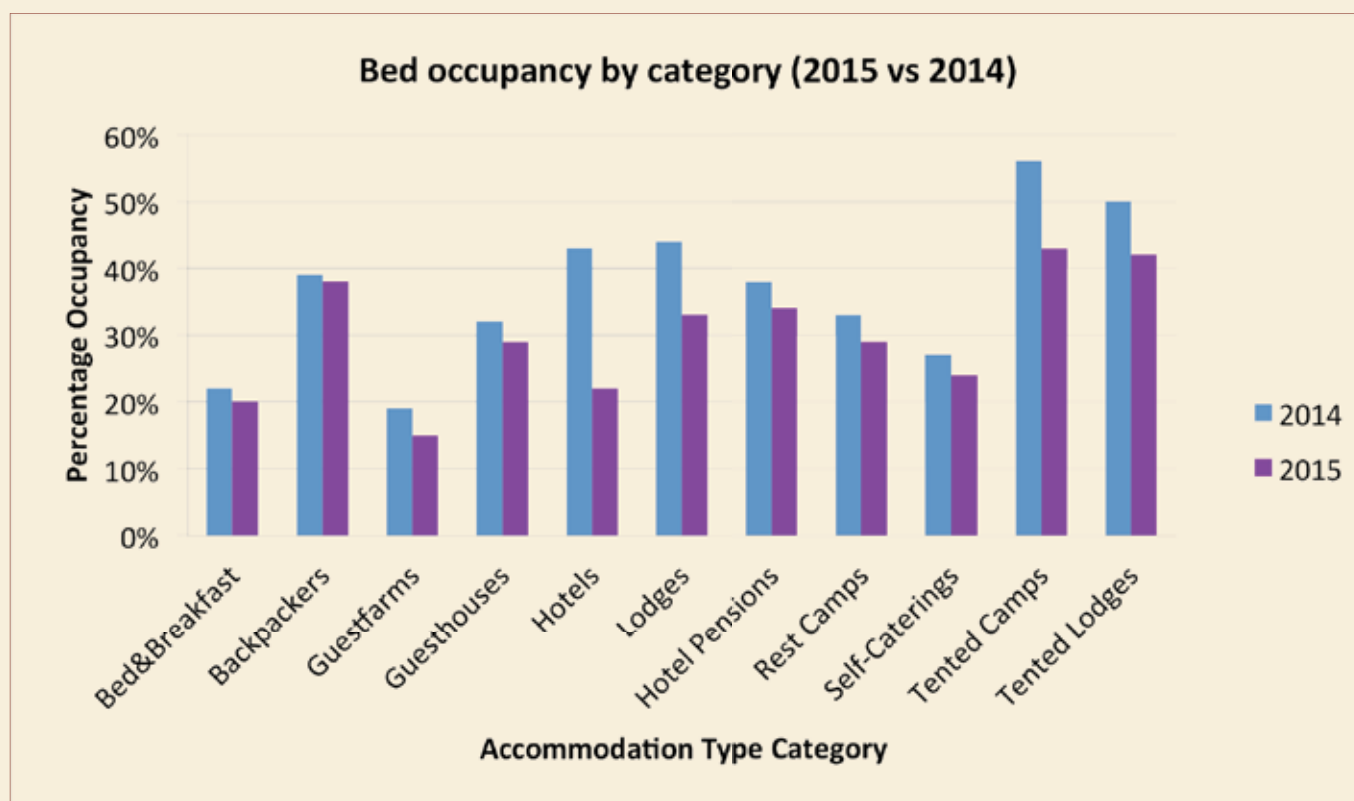


Figure 2 above shows that with the exception of November, bed occupancy rates for Jan - December 2015 were generally poorer compared to 2014. The discrepancies are more pronounced in the peak months of April, July, September and December.

Figure 3: Average Bed occupancy rate by category (2015 vs 2014)



Hotels (down 21 percent), Lodges (down 11 percent), Tented camps (down 13 percent) and Tented lodges (down 8 percent) were the most affected by overall decrease in bed occupancies from previous year 2014.

Figure 4: Average Bed occupancy rate by region (2015 vs 2014)

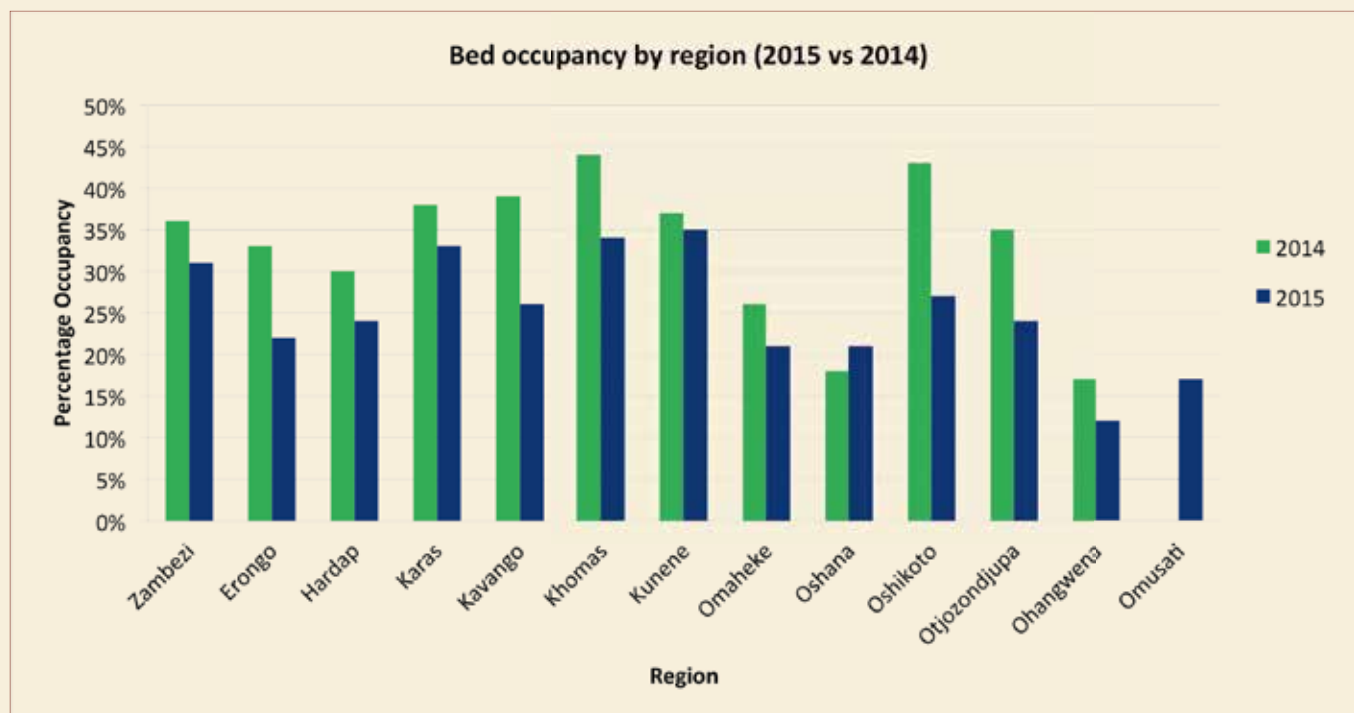


Figure 4 above illustrates that despite slight improvements in the regional average bed occupancy rate for Oshana (+3 percent) and Omusati (+17 percent), the average regional bed occupancy was down by 5 percent from 2014. The regions most affected were Erongo (-11 percent), Khomas (-10 percent), Oshikoto (-16 percent), Kavango (-13 percent) and Otjozondjupa (-11 percent) regions.

(b) Tourism BEE Survey 2015

The Namibia Tourism Board adopted a Black Economic Empowerment (BEE SME) Policy in 2009. As a part of the programs to promote the policy, NTB implemented a training and capacity building program (TCBP), and a marketing support program (MSP) for tourism SMEs. The driving principles behind the NTB's BEE policy and program was the goal of widening the base of beneficiaries from tourism in Namibia and a recognition of the necessity of broad-based empowerment program to spread benefits to Namibians from all regions and different sub-sectors of the tourism economy in order to achieve overall growth and development for the sector.

NTB commissioned a BEE SME tracer study intended to determine the impact the policy and programs made in participants' tourism businesses e.g. in terms of skills enhancement, improved productivity, business expansion and growth since their graduation from the programs. Also, to consider whether this intervention led to better performance of tourism SMEs and whether the program could be improved to serve the needs of intended beneficiaries. The typical NTB BEE SME is owner-managed and employs 1 – 10 people, and is represented in the full spectrum of tourism categories with some predominance in the accommodation subsector. More than 97 percent of all SME respondents surveyed were still commercially active, and there was a strong desire by these SMEs to grow and expand their businesses with sufficient financial support.

NTB BEE SMEs value the impact, significance and quality of entrepreneurship training to enhancing their business skill set, and fully support the continuation of the NTB BEE Policy and Program albeit with more variety in training offerings. Most SMEs indicated the need for additional training and mentorship as well as financial support as some of the key constraints. There was low mobility of participants from training support to market support (40 percent) with some evidence that the latter could potentially contribute more to the financial sustainability of the enterprises. There was poor regional participation of BEE SMEs in the NTB program, with eight regions currently not included in terms of representatives of those areas available to participate in the program. The program participants selected needed to be more gender sensitive in terms of its empowerment focus.

Table 1: Number of SMES trained by NTB

A. Training & Capacity Building Program				
Initiative	Year	No of Intake	Graduants	% Completion
Entrepreneurship ENVC course	2010/11	33	20	60
Entrepreneurship ENVC course	2011/12	37	34	91
Marketing for Entrepreneurs	2012/13	50	44	80
Entrepreneurship ENVC course	2013/14	51	34	66
Total		170	132	74.25 Average

TABLE 2: Number of SMEs provided by NTB with market support

B. Marketing Support Program			
Initiative	Year	No of SMEs	Status
Germany & Switzerland Mini Roadshow	2009	6	5 still active
Germany Mini Roadshow	2010	6	All active
Opportunities in Tourism Workshop (WB & SWK)	2011	5	All active
Opportunities in Tourism Workshop (LUD)	2011	5	All active
China Roadshow	2011	5	All active
USA Roadshow	2012	3	All active
Tourism Xchange Week (Johannesburg RSA)	2012	10	All active
Total supported by NTB		40	

WB = Walvis Bay

SWK = Swakopmund

LUD = Lüderitz

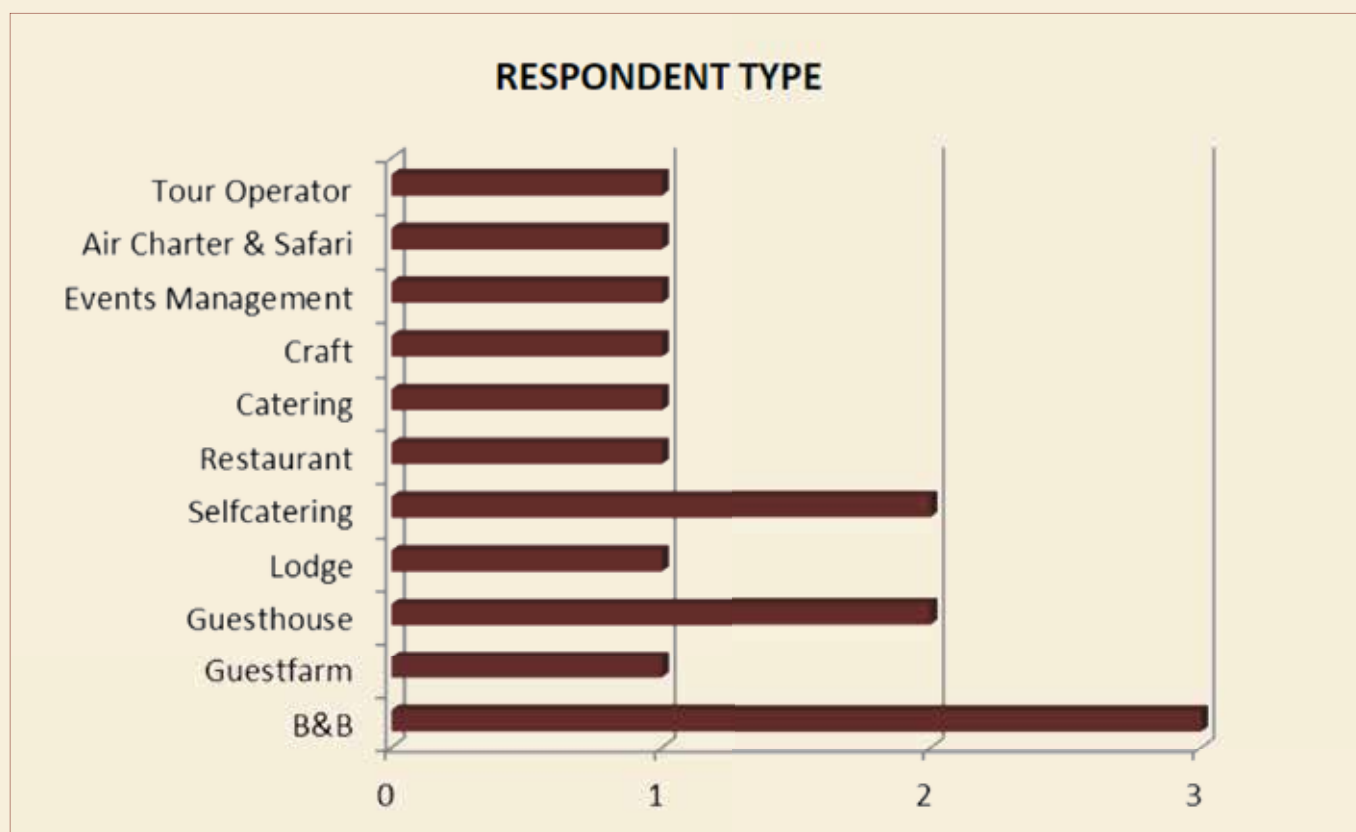


Fig 1: Representation of SMEs

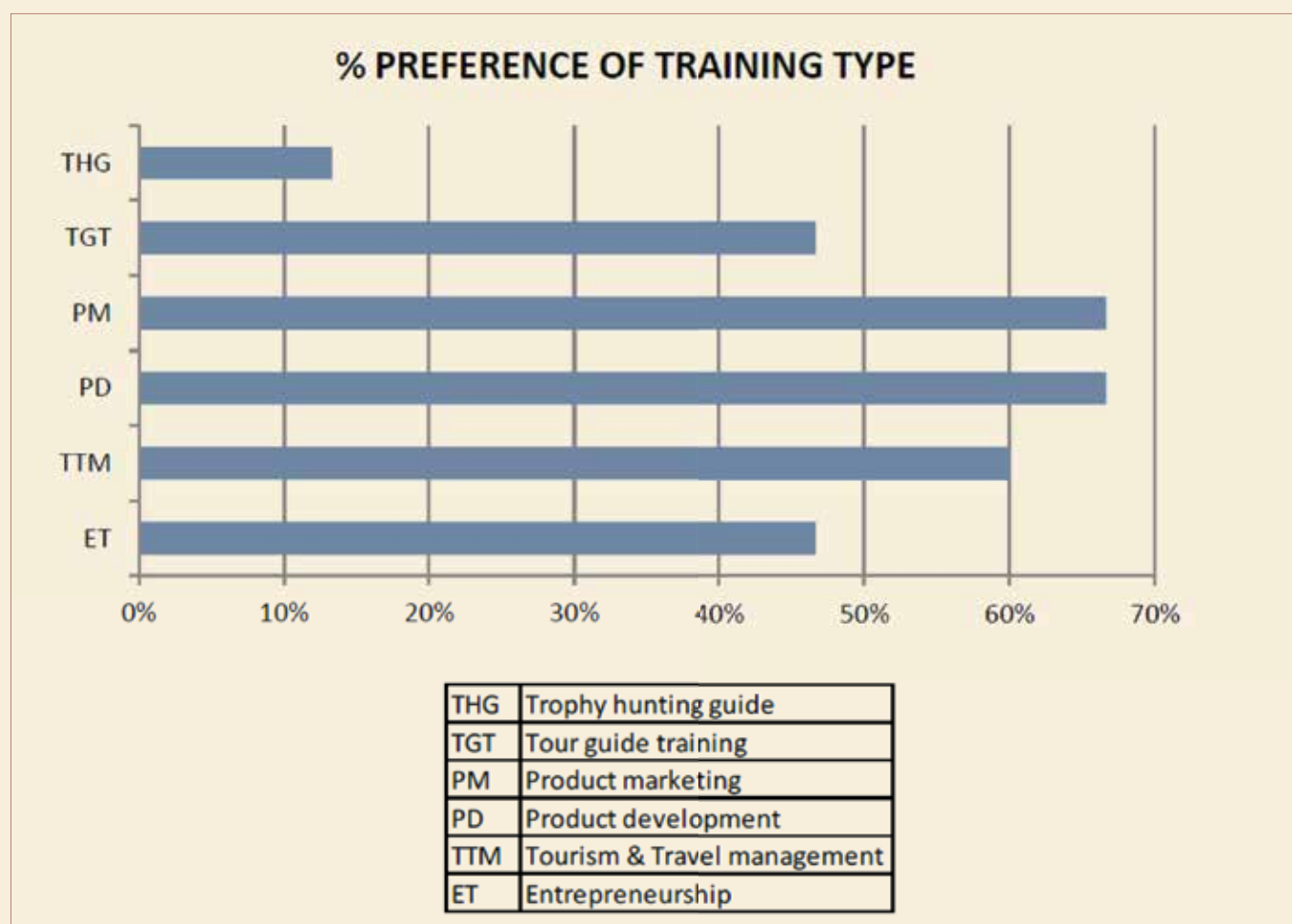


Fig 2. Training Preference (Needs) of SMEs

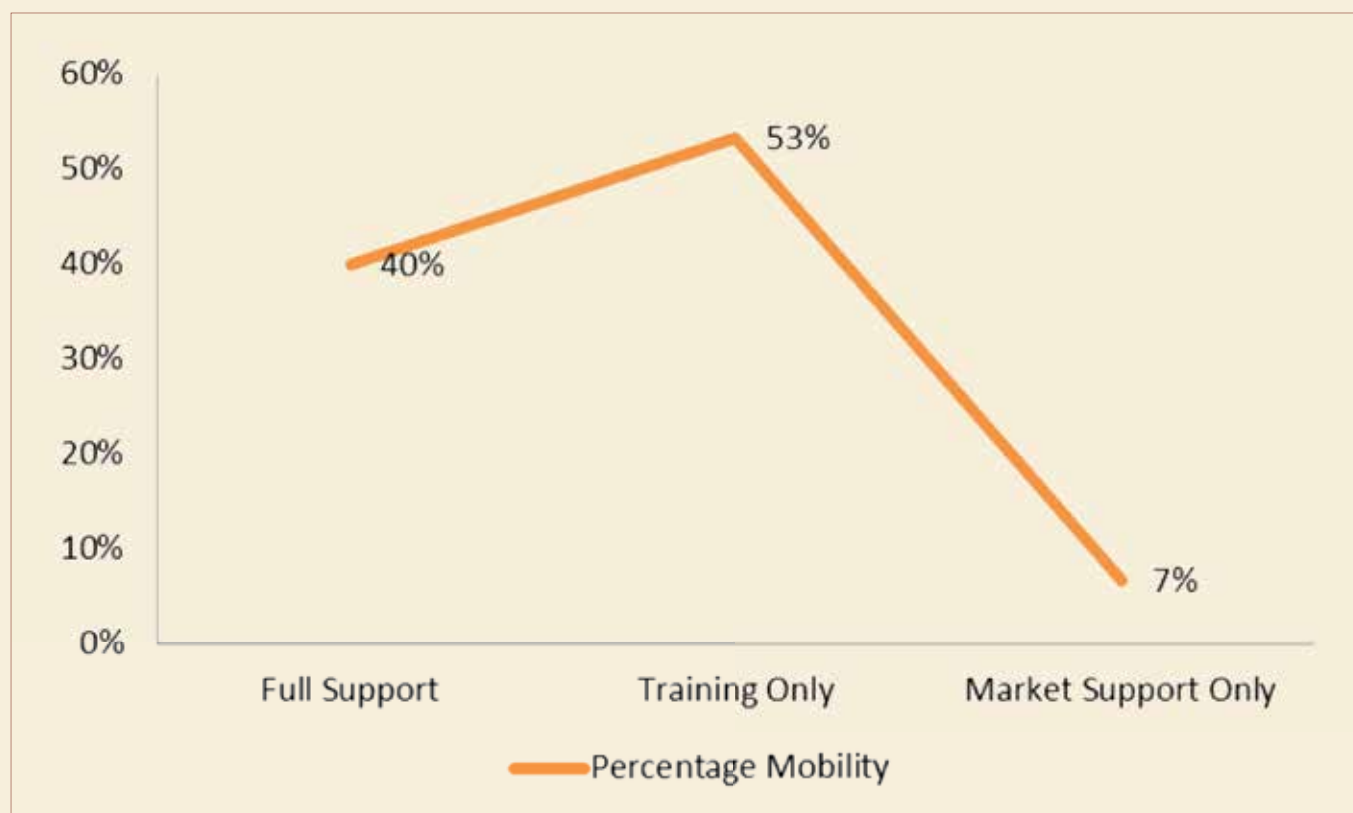


Fig 3. Mobility of SMEs through full BEE program

(c) Namibia Domestic Tourism Expenditure Survey 2015/16

NTB and the Directorate of Tourism (DoT) launched a joint research project to obtain more credible and updated statistics on domestic tourism. The objective of this intervention was threefold:

- (i) to obtain more recent data required for Table 2 of the Tourism Satellite Account (which deals with expenditure of domestic tourists) needed to update the 2016 edition.
- (ii) to improve on sampling methodology and learnings of the 2006/7 survey and to provide a framework for the successful repetition of same study in future.
- (iii) to obtain much needed data for evidence based planning and development of the sector.



This 2015/16 domestic tourism expenditure survey was more comprehensive and distinguished in a number of respects: First, sample has been raised to 3,000 households, 3 times the previous size. Second, the December 2015 month was included in this survey and the issue of recall of respondents was being addressed through various mechanisms and, third, the methodology – unlike in previous survey - focused more on the middle to upper income groups.

Domestic Tourist Statistics Highlights

TOURIST EXPENDITURE



Day Trips *2.05 million*
Day Trip Spend *N\$2.04 billion*



Overnight Trips *3.74 million*
Overnight Trip Spend N\$ *N\$4.26 billion*

Expenditure

N\$ *Average Spend per Day Trip* *N\$ 993*

Expenditure

N\$ *Average Spend per Person per Night* *N\$ 220*

All Trips *5.79 million*
All Trips Spend *N\$6.30 billion*

TOURIST TRENDS

Day Trips

Purpose of Visit



VFR	24%
Shopping	17%
Business	16%

Transport Used



Car	81%
Bus	10%
Taxi	9%

Most Popular Months to Travel



December	14%
September	11%
November	10%

Most Popular Activities



VFR	81%
Shopping	31%
Eating Out	17%

Overnight Trips

Purpose of Visit



VFR	32%
Holiday	32%
Wedding/Funeral	19%

Transport Used



Car	71%
Bus	23%
Taxi	5%

Most Popular Months to Travel



December	21%
August	11%
September	9%

Most Popular Activities

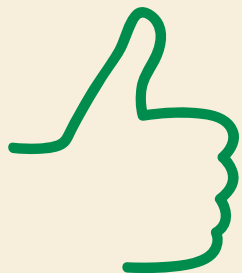


VFR	65%
Shopping	29%
Wedding/Funeral	23%

TOURIST EXPERIENCE

(FOR OVERNIGHT TRIPS)

Thumbs Up

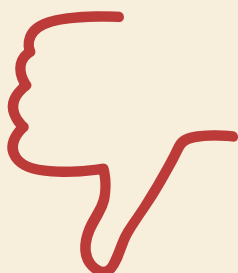


Enjoyed trip **18%**

*Meet with family
and friends* **16%**

Good business **10%**

Thumbs Up



*Bad roads
and traffic* **18%**

Bad day **12%**

Weather **8%**

LENGTH OF STAY / ACCOMMODATION UTILISATION

Average Length of Stay



5.4 nights

Accommodation Used



*Friends and
relatives* **55%**

Second home **24%**

*Serviced
accommodation* **12%**

LENGTH OF STAY / ACCOMMODATION UTILISATION

Average Length of Stay**5.4 nights****Accommodation Used****Friends and relatives****55%****Second home****24%****Serviced****accommodation****12%**

Based on the outcomes of this survey, NTB and all tourism stakeholders will need to develop appropriate strategies and interventions in the domestic market to improve bookings in serviced accommodation, increase service delivery from those establishments, prioritize tourism product awareness in regions, and engage other stakeholders to improve tourism support infrastructure (road access and maintenance, increased police protection during tourism peak season, signage, etc).

QUALITY ASSURANCE REVIEW

Tourism Routes

The NTB completed the development of three Tourism Routes in Northern Namibia with the generous financial and technical assistance from the Millennium Challenge Account Namibia (MCA-N) as a part of the funding compact (2009-2014). These routes stretch from North-west (Arid Eden Route), central north (Omulunga Palm Route) to North-Eastern (Four Rivers Route) part of Namibia.

Seven combined meetings were held with the routes coordinators under the period of review. Each of the MCA-N funded routes had one (1) meeting whereas the maize triangle route had two separate meetings organised by the ministry of regional and local government.

Table 1: Tourism Routes Developed

Route	Number of meetings
Arid Eden Opuwo	1
Omulunga (Ondangwa)	1
Four River Kavango (Shanvura Kavango)	1
Four rivers Zambezi (Zambezi)	1
Cape-to-Namibia (Windhoek)	One (1) Open Africa
Maize Triangle (Tsumeb and Windhoek)	2

Executing Regulatory Mandate

Table 1: Registrations Profile

Classes/Categories of Tourism Business	Number of registered businesses by end March 2015	Newly registered businesses till end March 2016	Total
Accommodations establishments	1969	108	2077
Regulated businesses	2051	87	2138
Total	4020	195	4215

Notes:

- (a) A total of 108 new accommodation business were registered
- (b) A total of 87 new regulated businesses were registered
- (c) 195 combined new businesses were registered during the period under review

Table 2: Inspections Profile

Classes/Categories of Tourism Business	Routine Inspections for existing businesses	Registration Inspections for new businesses	Star Grading Inspections	Total
1. Accommodation establishments	1005	230	0	1235
2. Regulated businesses	843	231	0	1074
Total	1848	461	0	2309

Summary

- 1. A 5.5 percent growth in accommodation establishment is noted with a 4 percent growth in regulated businesses
- 2. Fewer routine inspections were conducted due to budgetary constraints
- 3. No grading inspections were undertaken during the review period

NOTE: The increase in business registration is attributed to increased law enforcement operations to identify illegal and unregistered tourism operations and such has increased the levy contribution

Industry Capacity Building Interventions

Capacity Activity/ies conducted	Objective	Description of the industry capacity building intervention	Number of Participants attended	Number of participants
School Career Awareness Campaigns	<ul style="list-style-type: none"> To create Tourism and Hospitality career awareness amongst school learners especially the grade 10 to 12 and members of the public To create publicity for the Tourism and Hospitality as an economic sector To introduce the Namibia Tourism Board to the audience 	Conducted career guidance at schools for the Grade 10 – 12 learners	Ohangwena Region Karas Region (Namibia Career Expo and NUST Career Fair) Kunene Region Otjozondjupa Region	650 1921 736 1167
Customer Service Skills training	<ul style="list-style-type: none"> To train Tourism/Hospitality entrepreneurs in Customer Service Skills To sensitize Tourism/Hospitality entrepreneurs on Customer Service Skills and its importance in a competitive Tourism/Hospitality sector 	A two (2) day training for Customer Service Skills training for the sector	Zambezi Region Kunene Region	57 candidates attended the programme and received Certificate of Attendance
HRD Advisory Committee	<ul style="list-style-type: none"> To up skill the Tourism/Hospitality sector's Customer Service Skills for implementation in the business environment To be a working group which is a link between the three main stakeholders in national human resources development: tourism administrators, tourism industry and education/training providers? 			

Capacity Activity/ies conducted	Objective	Description of the industry capacity building intervention	Number of Participants attended	Number of participants
	<ul style="list-style-type: none"> To sustain and update the national HRD Strategic plan to ensure relevancy and to monitor progress made in human resources development To promote and support relevant HRD activities aimed at improving the overall standard and service quality of the tourism industry 			

Summary

1. There is an on-going Trophy Hunting Project with the Previously Disadvantaged Namibians (PDN), a group of four (4) individuals were supported to attend the Salzburg Hunting Fair (Feb 2016) under the review period.
2. A total of 114 persons were trained in customer service skills in Zambezi and Kunene respectively.
3. Career fair exhibitions were held with a total audience of 4 474 in Kunene, Otjozondjupa, Khomas and Ohangwena respectively.

CORPORATE SERVICES

A total staff compliment of fifty four (54) permanent staff members -excluding seven (7) vacant positions at Head Office- are employed at the Head Office situated in Windhoek and excluding eight staff members employed at NTB offices situated in Frankfurt (4) and Cape Town (4) respectively .

Fig 1: Staff Profile

JOB CATERGORY	Racially Disadvantage		Racially Advantage		Persons with Disability		Non Namibians		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Executive Management	3	0							3	0
Middle Management	4	3	1						5	3
Other staff	17	25				1			17	26
Total Permanent Employees	24	28	1			1			24	29
Casual/Temporary or internship	0								0	0
TOTAL	24	28	1			1			25	29

All staff members employed at the Head Office are Namibian citizens and all, with the exception of one (1) are classified as belonging to the previously disadvantaged group and it is worth noting that 54 percent of the permanent staff members employed at the Head Office are female with one staff member with a disability among its permanent employees at the Head Office.

Staff Academic Qualifications

NTB boasts a well-educated Team with some members of Executive Management in possession of a Master's Degree in Tourism and a Master's Degree in Business Leadership (MBL) whilst some Executive (EXCO) members are in the process of completing MBA Programmes and other post graduate qualifications.

Fig 2. Staff Qualifications Profile

QUALIFICATION TYPE	EXECUTIVE MANAGEMENT	MANAGEMENT	OTHER STAFF
Postgraduate (Postgraduate Diploma, Masters degree, etc)	3	2	0
Graduate (Bachelors degree)	0	5	11
Diploma			13
Certificate			5
Grade 12			12
Grade 10 and below			2

Two middle management staff members are equally in possession of Master's Degree qualifications (MBA) whilst another middle management staff member is currently enrolled for a MBA Programme.

The overwhelming majority of other staff members are in possession of a tertiary education qualification either in the form of a Certificate, Diploma or Bachelor Degree and only 21 percent of permanent staff members are not in possession of a tertiary education qualification.

Presently eight (8) staff members are active students in various fields such as Business Management and Administration (Post and Undergraduate levels), Tourism and Marketing Management, Supply Chain and Logistics, either on a distance or part-time mode which is further testimony that NTB employees practically subscribe to the continuous education concept Life Long Learning.

Fig 3. Employment type

POSITION BAND	FIXED TERM CONTRACT EMPLOYEES	PERMANENT EMPLOYEES	CONTRACT EMPLOYEES
Executive Management	3	0	
Middle Management	3	4	
Other staff	0	44	
TOTAL	6	48	

NTB staff establishment comprises of the following:

- Six Executive managerial positions,
- Eleven middle management positions and
- Approximately 56 non-management positions

Staff Turnover

During the period under review three staff members have resigned (one middle management member, one supervisor and one ordinary staff member) which translates into a staff turnover of 6 percent which is within acceptable levels vis-a-vis best practices related to labour related evaluations of staff turnover management

Fig 4. Staff Resignations

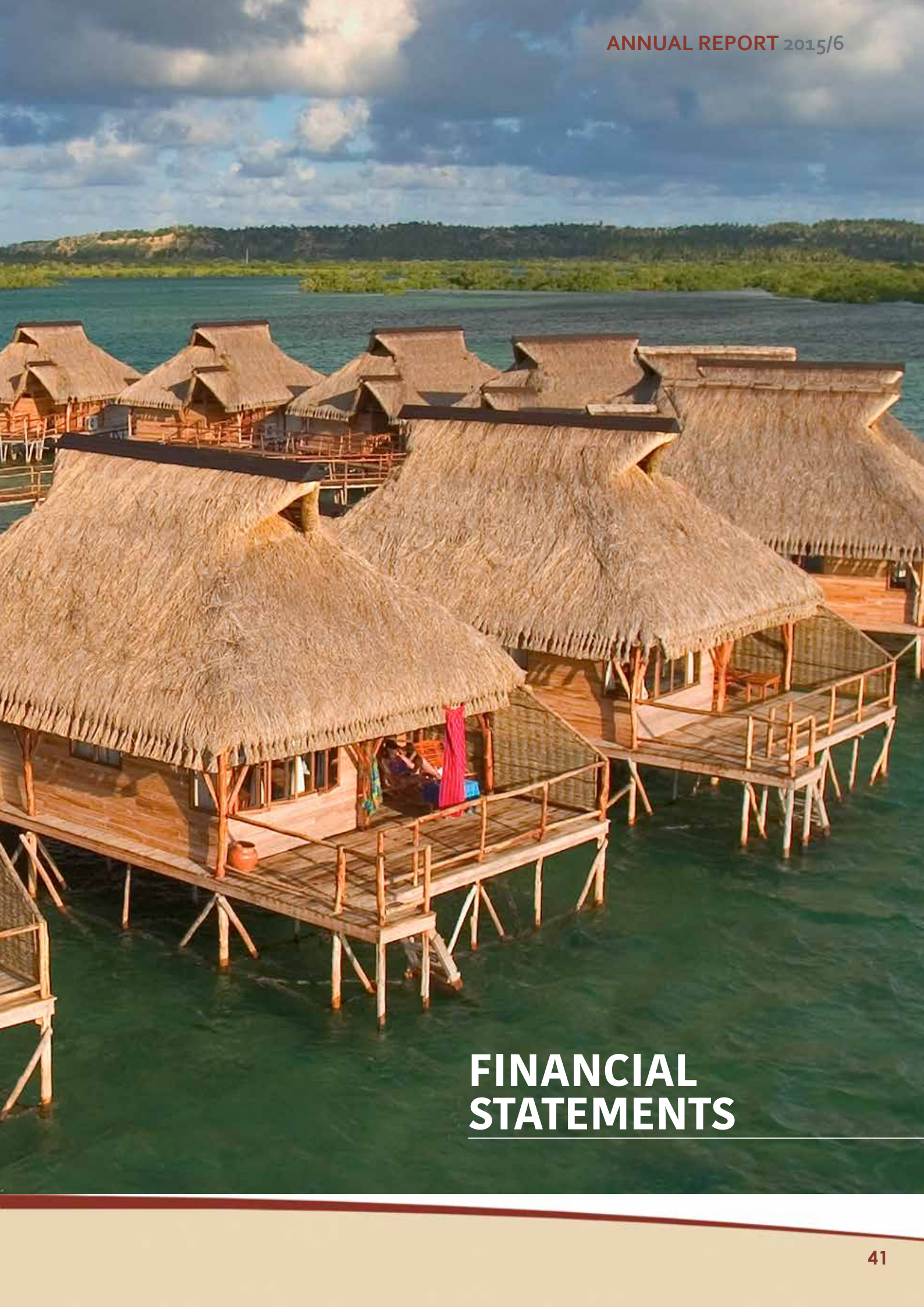
	Staff Resignations		
JOB CATERGORY	Male	Female	TOTAL
Executive Management	2		2
Middle Management		1	1
Other staff	3	1	4
TOTAL	5	2	7

Fig 5. Staff Training and Development

Name of Course	Number of staff enrolled	Success Rate
Master's Degree in Business Administration	2	On-going. Successful progress/ advancement on year- year -to - year basis
Bachelor's Degree in Public Management	1	On-going.
Bachelor's Degree in Business Management	4	On-going.
Diploma: Supply Chain and Logistics	1	On-going. Successful progress/ advancement on year- year -to - year basis
Diploma in Marketing Research	1	On-going. Successful progress/ advancement on year- year -to - year basis

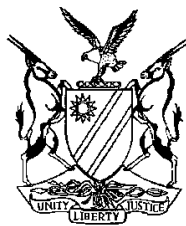
The above statistics suggest that NTB staff subscribes to the notion of life-long learning and self-development which augers well for the organization in the context of the importance of human resources development, talent management, capacity building, succession planning linked to the realization of NTB's stated strategic goals and objectives.





FINANCIAL STATEMENTS

REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Namibia Tourism Board for the financial year ended 31 March 2016, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

WINDHOEK, May 2017

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NAMIBIA TOURISM BOARD
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

1. Report on the financial statements

1.1 INTRODUCTION

The accounts of the Namibia Tourism Board (herein after referred to as the “Board” as per the Act) for the year ended 31 March 2016 are being reported on in accordance with the provisions set out in Section 15(3) of the Namibia Tourism Board Act, 2000 (Act 21 of 2000).

The firm Strategies Chartered Accountants of Windhoek has been appointed in terms of Section 26(2) of the State Finance Act, 1991, to audit the accounts of the Board on behalf of the Auditor-General and under his supervision.

Figures in the report are rounded off to the nearest Namibia Dollar. Deficits are indicated in brackets.

I certify that I have audited the accompanying financial statements of the Namibia Tourism Board for the year ended 31 March 2016. These financial statements comprise of the following:

Annexure A: Report of the Board;
Annexure B: Balance sheet;
Annexure C: Income statement;
Annexure D: Cash flow statement; and
Annexure E: Notes to the annual financial statements.

The financial statements were submitted by the Accounting Officer to the Auditor-General on the 26th September 2016 in compliance with Section 15 (2) (b) of the Namibia Tourism Board Act, 2000.

2. MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 15 (2) (a) of the Namibia Tourism Board Act, 2000 (Act 21 of 2000) and relevant legislation, and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

3. AUDITOR’S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Powers and duties

Section 25(1) (c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) All reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) All reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and
- (c) The expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26(1) (b) (iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the qualified opinion.

4. ACKNOWLEDGEMENT

The assistance and co-operation given by the staff of the Board during the audit is appreciated.

5. KEY AUDIT FINDINGS**5.1 FIXED ASSETS**

An unexplained difference amounting to N\$ 530 903 was found between the asset register (N\$ 64 621 728) and the financial statements (N\$ 64 090 826). The recalculation of depreciation expense revealed that depreciation was understated by N\$ 1 341 712 in the financial statements.

Recommendations

It is recommended that the Board ensures that the Fixed Asset Register is regularly reviewed and reconciled to the general ledger. The depreciation rates used by the system in calculating depreciation expense should be in line with the Board's depreciation policy as disclosed in the financial statements.

5.2 Trade Creditors

The auditors were unable to verify amounts totalling to N\$ 768 369 on the accrued list. As supplier invoices were not submitted for audit purposes.

Recommendation

It is recommended that the Board perform regular reconciliations to avoid misstatements of the financial statements.

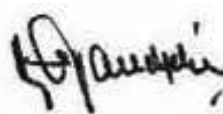
6. BASIS FOR QUALIFIED AUDIT OPINION

- Unexplained variance on property, plant and equipment amounting to N\$ 530 903;
- Understatement of depreciation expense amounting to N\$ 1 341 712; and
- Accruals totalling N\$ 768 369 could not be supported by supplier invoices.

7. QUALIFIED AUDIT OPINION

The accounts of the Namibia Tourism Board for the financial year ended 31 March 2016, summarized in Annexures A to E, were audited by me in terms of Section. 15(3) of the Namibia Tourism Board Act, 2000 (Act 21 of 2000).

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Audit Opinion paragraph, the financial statements present fairly, in all material respects the financial position of the Namibia Tourism Board as at 31 March 2016.



WINDHOEK, May 2017

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

**NAMIBIA TOURISM BAORD
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

The Board presents its report for the years ended 31 March 2016.

1. BUSINESS AND OPERATIONS

The Board's business and operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

The Board is engaged in promoting tourism in Namibia according to statutory agreements.

2. STATEMENT OF RESPONSIBILITY**Directors' Responsibility for the Financial Statements**

The Board's Directors are responsible for the preparation and fair presentation of these annual financial statements and for ensuring regularity of the financial transactions. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Board is also responsible for the system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatements and losses. Nothing has come to the attention of the Board to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the board has every reason to believe that it has adequate resources in place to continue its operations for the foreseeable future.

3. FINANCIAL RESULTS

The Board's deficit on ordinary activities for the years is shown below. Annual results can be summarized as follows:

	2016	2015
	N\$	N\$
Revenue	81 403 157	76 203 140
Interest received	808 009	1 838 240
	82 211 166	78 041 380
Other Income	1 552 625	405 565
Expenditure	(93 841 413)	(81 307 231)
Interest paid	1 093 987	-
Net deficit for the year before adjustments	(11 171 609)	(2 860 286)
ADJUSTMENTS	1 034 430	-
Net deficit for the year	(10 137 179)	(2 860 286)
Cash and cash equivalents	20 735 140	24 546 022

4. PROPERTY, PLANT AND EQUIPMENT

The Board acquired property plant and equipment of N\$ 16 030 282 (2015: N\$ 25 663 921) during the year under review.

Additions consisted mainly out of the building costs capitalized during the 2016 financial year.

5. EVENTS SUBSEQUENT TO THE YEAR END

There were no significant subsequent events.

6. BOARD OF DIRECTORS

The Board consisted of the following members during the accounting period:

	Date of Appointment	End of Term
Ms Annascy Mwanyangapo (Chairperson)	09 September 2014	31 March 2017
Ms Theopoltina M. Namases (Vice Chairperson)	01 April 2014	31 March 2017
Mr Paul Brinkmann (Board Member)	01 April 2014	31 March 2017
Ms Meriam Onesmus (Board Member)	01 April 2014	31 March 2017
Dr Sem Shikongo (Board Member)	01 April 2014	31 March 2017

**NAMIBIA TOURISM BOARD
FOR THE FINANCIAL YEAR ENDED 31 MARCH**

7. APPROVAL

The financial statements were approved by the Board on 15 February 2017 and signed by the Chairperson:



**Ms Annascy Mwanyangapo
Chairperson**

Windhoek, March 2017

ANNEXURE B

NAMIBIA TOURISM BOARD

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	Note	2016 N\$	2015 N\$
ASSETS			
Non-current assets		69 535 806	57 191 649
Property, plant and equipment	2	64 090 826	49 621 089
Intangible assets	3	5 444 980	7 570 560
Current assets		22 203 864	26 184 082
Trade and other receivables	4	1 468 724	1 638 060
Cash and cash equivalents	5	20 735 140	24 546 022
TOTAL ASSETS		91 739 670	83 375 731
FUNDS AND LIABILITIES			
Funds and reserves			
Accumulated funds		61 547 765	71 684 944
Current liabilities		10 262 950	11 690 787
Trade and other payables	6	7 392 283	9 280 069
Provisions	7	1 368 430	2 410 718
Short Term Portion of Loan	13	1 502 237	-
Long Term Liabilities			
Long Term Loan	13	19 928 955	-
TOTAL FUNDS AND LIABILITIES		91 739 670	83 375 731

NAMIBIA TOURISM BOARD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 MARCH

	Note	2016 N\$	2015 N\$
Revenue	8	81 403 157	76 203 140
Other Income	12	1 552 625	405 565
Other operating expenses		(93 841 413)	(81 307 231)
Operating deficit	9	(10 885 631)	(4 698 526)
Interest Received	10	808 009	1 838 240
Interest paid		(1 093 987)	-
Net deficit for the year before adjustments		(11 171 609)	(2 860 286)
ADJUSTMENTS		1 034 430	-
Net deficit for the year		(10 137 179)	(2 860 286)

ANNEXURE D

NAMIBIA TOURISM BOARD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH

	Note	2016 N\$	2015 N\$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash Receipts from Customers		81 403 157	76 203 140
Cash Paid to Suppliers		(90 371 527)	(70 037 341)
Cash (utilised) / generated by operations	11	(7 968 370)	6 165 799
Interest received	10	808 009	1 838 240
Interest paid		(1 093 987)	-
Net cash (outflow)/ inflow from operating activities		(9 254 348)	8 004 039
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(16 030 282)	(25 663 921)
Proceeds from sale of property, plant and equipment	2	42 556	-
		(15 987 726)	(25 663 921)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term loan proceeds		22 000 000	-
Long term loan repayments		(568 808)	-
	13	21 431 192	-
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		(3 810 882)	(17 659 882)
CASH AND CASH EQUIVALENTS –BEGINING OF THE YEAR		24 546 022	42 205 904
CASH AND CASH EQUIVALENTS –END OF YEAR	5	20 735 140	24 546 022

NAMIBIA TOURISM BOARD
NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED
31 MARCH

1. ACCOUNTING POLICIES

1.1 Introduction

The annual financial statements set out in Annexures B to E were prepared on the historical cost basis, and incorporate the following principal accounting policies, which are consistent in all material aspects with those applied in the previous year.

1.2 Revenue recognition

Revenue comprises grants received from the Government of the Republic of Namibia and from other sources to defray costs necessarily incurred by the Namibia Tourism Board as well as levies and fees collected in terms of the Namibia Tourism Board Act, 2000 (Act 21 of 2000).

1.3 Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investments.

1.4 Property, plant and equipment

All property, plant and equipment are initially recorded at cost and adjusted for any impairment in value.

Impairment losses and reversal of impairment losses are recognised in the income statement.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

- Motor vehicles	20%
- Furniture and fittings	20%
- Office equipment	20%
- Computer equipment	33.30%

1.5 Provisions

Provisions are recognised when the Board has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

ANNEXURE E

NAMIBIA TOURISM BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH

1. ACCOUNTING POLICIES (Continued)**1.6 Government Grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis relative to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to the deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

1.7 Intangible assets

Transactions

Foreign currency transactions are recorded, on initial recognition in Namibian dollars, by applying to the foreign currency amount the exchange rate between the Namibia dollars and the foreign currency at the date of the transactions.

At each balance sheet date:

- (a) Foreign currency monetary items are reported using the closing rate,
- (b) Non- monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction, and
- (c) Non- monetary items which are carried at fair value denominated in a foreign currency are reported using the exchange rates that exist when the fair values were determined.

Net investment in foreign currency

Exchange differences arising on a monetary item that, in substance, forms part of the net investments in a foreign entity are classified as equity in the financial statements until the disposal of the net investment, at which time they are recognised as income or expenses.

Foreign operations that are integral to the operations of the Board

The financial statements of a foreign operation that is integral to the operations of the Board are translated using the same standards and procedures as if the transactions of the foreign operations had been those of the Board itself.

1.8 Financial instruments

Financial instruments carried on the statement of financial position include trade and other receivables, cash and cash equivalents, investments, leases and borrowings. The particular

NAMIBIA TOURISM BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH

1. ACCOUNTING POLICIES (Continued)

recognition methods adopted are disclosed in the individual policy statements associated with each item.

1.9 Intangible assets

Computer software programs are expensed in the year in which they are acquired, unless when it forms part of the cost of an intangible asset that meets the recognition criteria of IAS 38, paragraph 18-67.

After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortization and the accumulated impairment losses.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Computer software	20%
-------------------	-----

NAMIBIA TOURISM BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH

2. PROPERTY, PLANT AND EQUIPMENT

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$
Land	1 865 313	-	1 865 313	1 865 313	-	1 865 313
Building	60 729 784	-	60 729 784	44 748 425	-	44 748 425
Motor Vehicles	5 089 050	(3 865 575)	1 223 475	5 089 048	(2 910 203)	2 178 845
Furniture and fixtures	1 705 168	(1 605 047)	100 121	1 699 136	(1 519 464)	179 672
Office equipment	409 881	(388 912)	20 969	417 201	(343 620)	73 581
Computer equipment	4 315 740	(4 164 576)	151 164	4 844 942	(4 269 689)	575 253
	74 114 936	(10 024 110)	64 090 826	58 664 065	(9 042 976)	49 621 089

ANNEXURE E

NAMIBIA TOURISM BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH (Continued)

2. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Carrying Value 01 April	Additions	Disposals	Depreciation	Carrying Value 31 March	Carrying Value 01 April	Additions	Depreciation	Carrying Value 31 March
	2016				2015				
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Land	1 865 313	-	-	-	1 865 313	1 865 313	-	-	1 865 313
Building	44 748 425	15 981 359	-	-	60 729 784	19 614 337	25 134 088	-	44 748 425
Motor Vehicles	2 178 845	-	-	(955 370)	1 223 475	3 162 155	-	(983 310)	2 178 845
Furniture and fixtures	179 672	-	-	(79 551)	100 121	255 326	12 386	(88 040)	179 672
Office equipment	73 581	9 383	(3 567)	(58 428)	20 969	131 698	5 267	(63 384)	73 581
Computer equipment	575 253	39 540	(19 290)	(444 339)	151 164	230 331	512 180	(167 258)	575 253
	49 621 089	16 030 282	(22 857)	(1 537 688)	64 090 826	25 259 160	25 663 921	(1 301 992)	49 621 089

NAMIBIA TOURISM BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH

(Continued)

Details of Properties

Erf no 8716, Windhoek

The property consists of Erf 8716, Windhoek, and measures 2,239 square meters and is registered under the title deed T933/2013

3. INTANGIBLE ASSETS

	2016			2015		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$
Computer software	10 627 901	(5 182 921)	5 444 980	10 627 901	(3 057 341)	7 570 560
	10 627 901	(5 182 921)	5 444 980	10 627 901	(3 057 341)	7 570 560

The carrying value of intangible assets can be reconciled as follows;

	Carrying value at beginning of year	Additions	Amortisation	Carrying value at end of year
	N\$	N\$	N\$	N\$
2016				
Computer software	7 570 560	-	(2 125 580)	5 444 980
	7 570 560	-	(2 125 580)	5 444 980
2015				
Computer software	10 627 901	-	(3 057 341)	7 570 560
	10 627 901	-	(3 057 341)	7 570 560

NAMIBIA TOURISM BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH
2016 (Continued)

	2016	2015
	N\$	N\$
4. TRADE AND OTHER RECEIVABLES	1 468 724	1 638 060
Trade receivables	7 456 067	5 588 187
Provision for doubtful debts	(6 342 412)	(4 841 058)
Employee costs in advance	61 600	80 602
Prepayments	277 525	674 385
Deposits	15 944	135 944
5. CASH AND CASH EQUIVALENTS	20 735 140	24 546 022
Cash on hand	1 925	3 019
Bank Balances	11 621 490	15 827 457
Investments*	9 111 725	8 715 546
*The investments balance relates to the unutilized funds from the FNB Mortgage (Note 13)		
6. TRADE AND OTHER PAYABLES	7 392 283	9 280 069
Trade Payables	5 292 708	5 741 474
Ministry of Environment and Tourism	-	2 500 000
Accrual expenses	2 099 575	768 349
Suspense Account	-	270 246
7. PROVISIONS	1 368 430	2 410 718
Provisions : Leave Days	385 822	1 469 580
Provisions : Bonus	982 608	941 138

NAMIBIA TOURISM BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH
(Continued)

	2016	2015
	N\$	N\$
8. REVENUE	81 403 157	76 203 140
Profit on sale of property plant and equipment	19 699	-
KORA All African Music Awards Project GVT grant	23 999 999	-
Operational Grant	22 000 000	50 000 000
Suspense Account	268 151	-
Additions renovations and alterations	108 500	100 485
Application fees	467 200	386 407
Levies Received	29 390 631	23 762 360
Interest on Outstanding Levies	1 929 707	-
Registration fees	60 400	69 554
Replacement fees	80 620	55 950
Participation fees	3 078 250	1 828 384

As the cost of the KORA All African Music Awards Project was N\$ 23 506 234, the remaining balance of the remaining grant will be refunded to the Ministry of Environment and Tourism Treasury per the instruction of the Permanent Secretary issued on the 13th of January 2017, subsequent to the financial year end.

NAMIBIA TOURISM BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH 2016

(Continued)

	2016	2015
	N\$	N\$
9. OPERATING SURPLUS		
Operating (deficit)/surplus is stated after:		
<i>Expenditure</i>		
Auditors' remuneration	925	-
Depreciation and amortisation	3 299 945	3 427 572
KORA All Africa Music Awards Project	23 506 234	-
Provision For Bad Debts	1 501 354	2 739 759
Operating lease rentals	2 520 721	3 865 787
-Premises	2 253 289	3 605 963
-Motor vehicles	-	2 557
-Other assets	267 432	257 267
Foreign currency movements	(226 516)	81 167
10. FINANCE INCOME- Interest income	808 009	1 838 240
-From outstanding levy	-	354 645
-From financial institutions	808 009	1 483 595

NAMIBIA TOURISM BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH

(Continued)

	2016 N\$	2015 N\$
11. CASH GENERATED BY OPERATIONS		
Net operating deficit	(11 171 609)	(2 860 286)
<i>Adjustments for:</i>		
Depreciation and amortization	3 663 268	3 427 572
Interest received	(808 009)	(1 838 240)
Movement in provisions	(1 042 288)	2 571 655
Non-cash government grants	-	(3 342 370)
Profit on disposal of fixed assets	(19 699)	-
Interest paid	1 093 987	-
Prior year adjustments	1 034 430	-
OPERATING SURPLUS BEFORE CHANGES IN WORKING CAPITAL	(7 249 920)	(2 041 669)
CHANGES IN WORKING CAPITAL	(1 718 450)	8 207 468
Trade and other receivables (increase)	169 336	5 511 724
(Decrease) / increase in trade and other payables	(1 887 786)	2 695 744
Cash (utilized) / generated by operations	(8 968 370)	6 165 799
12. OTHER INCOME		
(Loss) / gain on exchange differences	(226 516)	81 167
Other income	1 779 141	324 398
	1 552 625	405 565

NAMIBIA TOURISM BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH

(Continued)

	2016	2015
	N\$	N\$

13. LONG TERM LOANS

In order to finance the remaining construction costs, the Namibian Tourism Board took out a long term finance lease of N\$ 22 000 000 at an interest rate of Prime less 1.35%, which currently equates to 8.65% per annum from FNB Bank. The balance on the long term loan is represented below:

Short Term Portion of Loan	1 502 237	-
Long Term Portion of loan	19 928 955	-
	21 431 192	-

14. DIRECTORS EMOLUMENTS

Emoluments received

Directors Fees

Directors Other Services

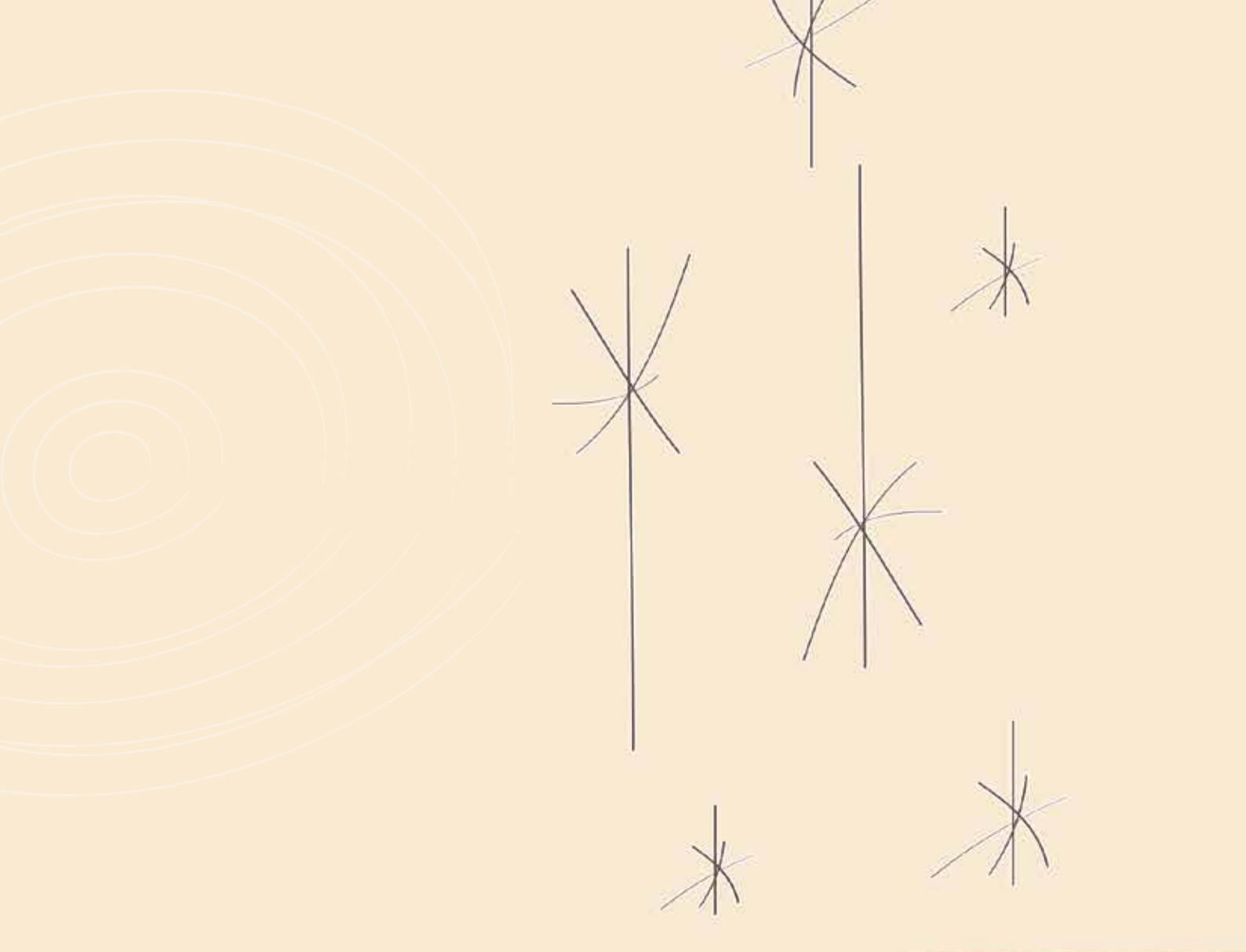
225 772	277 026
223 181	-

NOTES

[illegible]

NOTES

[illegible]



NTB Windhoek - Namibia
Private Bag 132244, Windhoek
Tel: +264 61 290 6032
Fax: +264 61 254 848
Email: info@namibiatourism.com.na
www.namibiatourism.com.na