



High and dry

The Namibian government is lifting its moratorium on new casino licences, opening the door for the development of the country's entertainment and tourism industry

The Republic of Namibia is in southern Africa bordering the Atlantic Ocean to the west, Angola and Zambia to the north, Botswana to the east and South Africa to the south and east. The name of the country is derived from the Namib Desert which is considered to be the oldest desert in the world.

It gained independence from South Africa in March 1990 following the Namibian War of Independence and before that was known as German South-West Africa then later as South-West Africa.

The dry lands of Namibia were inhabited since early times by Bushmen, Damara and Namaqua and since the 14th century AD by Bantu who came with the Bantu expansion.

The country became a German colony in 1884 in a bid to forestall British encroachment and remained a German colony until the end of World War I. In 1920 the League of Nations mandated the country to South Africa and although they wanted to incorporate Namibia into its territory it never officially did so.

It was said the only reason Germany showed an interest was because of the natural deep water harbour of Walvis Bay, which was under British control.

In 1966 uprisings and demands by African leaders led the United Nations to assume direct responsibility over the territory and the South West Africa Peoples Organisation became the official representative of the Namibian people in 1973. However Namibia remained under South African administration during this time and following internal violence South Africa installed an interim administration in 1985.

With the exception of Walvis Bay (a harbour town which remained under South African control for a few more years) Namibia obtained full independence from South Africa in 1990. Sam Nujoma was sworn in as the first President of Namibia whilst Walvis Bay was ceded to Namibia at the end of the Apartheid in South Africa in 1994.

Since independence Namibia has successfully completed the transition from white minority apartheid rule to

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parliamentary democracy. The Swapo Party has won every election since independence and the transition from the 15 year rule of President Nujoma to his successor Hifikepunye Pohamba in 2005 went smoothly.

Today, Namibia has a population of 2.1 million and is the world's 34th largest country, but is the second least densely populated country in the world (after Mongolia) and around half the population live below the poverty line. Agriculture, herding, tourism and the mining industry form the backbone of Namibia's economy and around 25 to 40 per cent of the population depends on subsistence agriculture or herding.

Namibia is divided into 13 regions and subdivided into 107 constituencies whilst the landscape consists of five geographical areas – the Central Plateau, Namib Desert, Great Escarpment, Bushveld and Kalahari Desert.

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Namibia's economy is tied closely to South Africa's due to their shared history. Mining is the biggest contributor accounting for 25 per cent of the country's income. Namibia is part of the Common Monetary Area comprising Lesotho, Swaziland and South Africa and both the South African rand and Namibian dollar are legal tender in

NAMIBIA: VITAL STATISTICS

Capital: Windhoek
Population: 2,128,471
Land Area: 823,290sq.km
Median age: 21.4 years
Languages: English, Afrikaans, German, other
Currency: Namibian Dollars (N\$)
Government: Republic
Chief of State: President Hfikephunye Pohamba (since 2005)
Head of Government: Prime Minister Nahas Angula (since 2005)
Cabinet: Cabinet appointed by the president from among members of the National Assembly.
Elections: Next elections 2014.

Casinos: 3
Casino operators: 2
Casino Slots: 500
Casino Tables: 29
Total slots: 1,700
Casino Revenue: N\$16m per year

Namibia although the dollar is not accepted tender in South Africa.

The country is a superb transport and communications base and as such is a leading advocate of regional economic integration. State owned enterprises operate in key areas of the economy and the government has stakes (often 100 per cent) in companies in sectors such as telecommunications, energy, water, postal services, mining and tourism. The country has a high unemployment rate of around 50 per cent.

Tourism is a rapidly growing sector of the Namibian economy and it is the third largest source of foreign exchange after mining and the fisheries. Although the three quarters of the total visitors originate from other African regions, other international travellers are now attracted by the country's unique mix of political stability, cultural diversity and geographical beauty.

Angola represents the largest visitor market to Namibia followed by South Africa and Zambia. Some 21 per cent of tourists however come from Europe with Germany leading the way followed by the UK, France and Italy. The number of tourists in 2009 increased by over five per cent from the previous year to 980,173 and tourism contributes around 14 per

cent to Namibia's GDP. The country generally attracts eco-tourists who wish to escape to different climates and natural geographical landscapes. Sport hunting is popular and extreme sports have also become popular.

THE GAMING MARKET

After independence Namibia introduced the Casinos and Gambling Houses Act in 1994 which today is operated under the Ministry of Environment and Tourism. This law saw a controlled casino market with a ban on new casino licences at the time when the cabinet established a commission of inquiry to investigate the detrimental impact gambling could have on society and the ease in which licences were issued.

Illegal gambling had been attributed to a situation where licences were required to operate a gambling house but not those wishing to buy or supply machines meaning anyone can buy or supply a machine to a venue, whether the venue is licensed or not.

Since the promulgation of the Casinos and Gambling Houses Act in 1994 some 254 gambling houses licences (there are a total of 1,700 slots in the Namibian market) and three casinos licences were issued. Act 28 in 1996 imposed a moratorium on the issuance of new gambling house licences, but not on casino licences and a new gaming bill was drafted.

However the lengthy process in developing the new bill caused an 'explosion' of illegal gambling in certain areas and problems at this time included a licensing board who offered fake licences for private fees.

The former deputy director of gambling, casinos and lotteries in the Ministry of Environment and Tourism, Sackey Namugongo was sentenced last year to eight years in jail for corruption. Namugongo was convicted on 19 charges of corruption from selling gambling house licences in 2006 to the tune of more than N\$300,000 and pocketing the money.

Meanwhile, in 2006 the government announced that it would plan to lift the moratorium on new gambling licences which had been in place for the last 10 years. The Minister of Environment and Tourism said he would make amendments to the Casinos and Gambling Houses Act to close certain loopholes to prevent illegal gambling and also drop the ban on the issuance of new casino licences (not gambling house licences).

The idea was simple. Other than diamonds and cattle ranching there is little in Namibia to develop, and the expansion of a tourist trade would help boost the economy. Since this time a further three casino licences have been issued bringing the total number of casino licences to six. However at the moment the extra three licences are not yet operational. The Directorate of Tourism was set up to develop the tourism industry and was re-structured in 2001 to become more streamlined and focus on the development of tourism and regulate the gambling industry.

It has two divisions - Tourism Development and Gambling and is headed by Director Sem Shikongo and Deputy Director Olga Katjiuogua. The Gambling division is then further divided into two divisions - Gambling Inspection and State Lotteries.

The Gambling Inspection licences, implements, regulates, controls and inspects the conduct of gambling in Namibia and carries out the functions and duties of the Gambling and Casino Board. The State Lotteries sub division is responsible for the promotion and conduct of the National Lotteries and administration of the lotteries fund.

The Lotteries Act was introduced in 2002 which established a lottery board to oversee the conduct of the National Lottery and the administration of the National Lottery Trust Fund and the Social Upliftment Fund, for the authorisation and supervision of benevolent lotteries.

The lottery was set up to benefit social welfare and sport and cultural activities. The act stated that a percentage of the gross proceeds of the lottery should be applied for prizes and administration however this should not exceed 50 per cent of the provision of prizes and 30 per cent for administrative and operating expenses.

The Casinos and Gambling Houses Act of 1994 established a Casino Board and covered the following points:

- Casino licences are available to accommodation establishments in the Windhoek area with at least four stars, at least 100 rooms, a valid liquor licence and approved building plans
- Casino licences are available to accommodation establishments in other areas of Namibia with at least three stars, at least 50 rooms, valid liquor licence and approved building plans.

The directorate is now drafting a new Gaming and Entertainment Bill which will make the provision for the lifting of the moratorium on gaming house licences when it is passed. Public consultations on this bill are due to commence soon.

Vataapi Kauuova of the Ministry of Environment and Tourism said: "This bill is still under discussion and consultations must first be carried out and at this point in time we cannot divulge any information concerning it."



- Applications for licences are submitted to the board and then published in the Gazette for objections which can be made no later than 21 days after publication.
- Existing licence holders pay annual licence fees and monthly levies to the government of approximately N\$15m per year.
- The casino is open to those over the age of 18 years. Underage gamblers can be fined up to N\$5,000 or face imprisonment of up to six months. The operator faces fines of up to N\$10,000 and a possible 12 month imprisonment.
- The casino is open for inspection at any time to check licences, players, gaming machines. Those operating without licences can be fined up to N\$100,000 or face imprisonment of up to five years.
- The following are types of licences, fees and levies:

1. Transfer and removal free application: N\$1,000

2. Transfer and removal of gaming

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certificate: N\$2,000

3. Levy of 5% total income per machine

4. Yearly licence fee per number of machines: 1-5 machine N\$250; 8-10 machine N\$500; 11-20 machines N\$1,000

5. Casino application fees: N\$25,000

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"Consultations must be carried out with the public before the bill will be forwarded to the legal drafters for them to fine tune it into legal language. Hopefully we are planning to do this in the first quarter of 2011."

CASINOS - WINDHOEK

As the capital of Namibia, Windhoek

rests on an inland plateau surrounded by two deserts. It is described as a city with a continental atmosphere with historical buildings dating back to German colonial rule. It is home to around 200,000 people and just outside the city are wildlife reserves. It features the best hotels in Namibia and the city is also famous for its hot springs.

KALAHARI SANDS HOTEL AND CASINO is operated by Sun International. The hotel has 173 rooms in total and is situated in the Gustav Voigts Shopping Centre. The casino has 140 slots which operate with a smart card system plus 10 tables including four American roulette, four Blackjack and two Poker tables.

In 2006 the casino underwent a N\$13.5m refurbishment which included the welcome lounge, casino extension inclusive of non-smoking and smoking areas, a Salon-Privee for VIP gamblers and a wellness centre. It became the first casino in Namibia to boast a smoking and non-smoking area.

WINDHOEK COUNTRY CLUB RESORT is operated by Legacy Hotels and Resorts and features a 152 room hotel in a resort which offers swimming pool, restaurants and bars, golf course and conference facilities. The casino offers a total of 182 slots including 81 video machines, 69 reel machines and 12 poker machines plus 10 tables including one Racing Poker, one Stud Poker, two American Roulette and four Blackjack tables.

SWAKOPMUND

German for 'Mouth of the Swakop' this is a city on the coast of north western Namibia. It is the capital of the Erongo district and a seaside resort with 42,000 inhabitants. It is known for its extreme sports and was founded in 1892 as the main harbour for German South West Africa.

SWAKOPMUND HOTEL AND ENTERTAINMENT CENTRE

is built in and around the old German Station Building and the hotel is operated by Legacy Hotels and Resorts. Legacy owns and manages four and five star hotels and leisure resorts in key tourism areas in Africa including Nigeria, Ghana, Namibia and South Africa. The hotel has 89 rooms and features the Mermaid Casino which has 180 slots and nine tables including three American roulette, three Stud Poker, four Blackjack and Hold é m and Stud poker tables plus a bar service.

There are also gaming licences issued for Safari Hotel in Windhoek, Punyu Casino in Ondangwa and Protea Pandu in Ondangwa which are all not yet operational.