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CHAMBER OF MINES PUSHES FOR PHOSPHATE MINING

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The potential socio-economic benefits that could be unlocked by the marine phosphate industry far outweigh the risk of causing substantial environmental damage, the concerns of which have delayed the development of phosphate projects in Namibia.

This is according to a recent article published by the Chamber of Mines of Namibia.

“The COVID-19 pandemic and prior economic challenges has plunged the economy into its deepest recession in recorded history, and the urgency to boost economic growth is now more crucial than ever,” the Chamber noted.

An economic impact assessment carried out by an independent South African firm, Stratecon Applied Economic Research, in 2018, highlights the economic growth potential for Namibia from the development of a marine phosphate and fertilizer industry.

According to the Stratecon report, the commercial activities of marine phosphate mining and associated industries can add 9% to GDP. The additional contribution will no doubt boost economic growth, and also provide some of the economic stimulus that Namibia desperately needs.

The Chamber further stated that phosphate mining and the production of fertiliser has the potential to create an additional 51,600 direct, indirect and induced jobs in Namibia.

“The biggest impact on job creation will be through the indirect supply chain linkages which include local businesses and service providers that will be created to service the needs of the mining, processing and fertiliser operations,” the Chamber added.

The Stratecon report indicates that Government stands to generate an additional N\$3.5 billion in taxes and royalties from the commercial activities of marine phosphate mining and fertiliser production, which can materially reduce budget deficits going forward, and the burden on Government to finance their activities through increased debt accumulation.

Marine phosphate mining and fertiliser production is expected to improve Namibia’s trade position by generating an additional N\$18.7 billion in export earnings, as adjusted to 2016 prices.

“The marine phosphate mining industry presents a realistic and sustainable economic growth opportunity to direct increased investment to Namibia, and revive economic growth, with proven potential to create long-term benefits for livelihoods, communities and the broader nation as a whole,” the Chamber stated.