

Namibia Grape Company and Capespan Renew Commitment in Landmark Agreement, Extending Partnership to 2045

Windhoek, Namibia – On November 5, 2024, Namibia Grape Company (NGC) and Capespan marked a historic milestone in their collaboration by officially renewing their partnership in an extended contract through to 2045. Held at the Standard Bank Blue Bank Head Quarters, the event brought together distinguished leaders from the Namibian government, NGC, Capespan, and Standard Bank Namibia, underscoring the significant economic and social impact of this collaboration.

In his welcome address, Erwin Tjipuka, Chief Executive of Standard Bank Namibia, expressed pride in supporting this landmark deal, which he noted exemplifies the bank's mission to drive Namibia's growth. "At Standard Bank, our purpose is clear: "Namibia is Our Home, We Drive Her Growth". Our purpose is rooted in a commitment to uplift our communities and support the progress of Namibia. Through our partnerships, collaborations, and financing solutions, we strive to make a meaningful impact. A strong example of our purpose in action is what we have come to witness today, reflected in our partnership with the Namibia Grape Company and in turn Capespan, who jointly manage and market a world-class table grape farm. This public-private partnership has demonstrated resilience and success over time, establishing itself as a true jewel in the Namibian agriculture industry. Through this collaboration, the Namibian government, through the Namibia Grape Company, plays a pivotal role in uplifting local communities by creating jobs and bringing Namibian-grown grapes to the international market. This partnership highlights our commitment to fostering sustainable growth and proudly presents the positive impact we aspire to make across Namibia," he said.

Lionel Matthews, Head of Corporate Advisory Division Monasa Advisory & Associates expressed his satisfaction around the journey to materialize this agreement within 18 months. The in-depth business and financial analysis were undertaken whereby stakeholder management played a critical role to present and achieve a sustainable solution for the business, he mentioned.

Capespan's Managing Director, Charl Du Bois, emphasised the transformative nature of their partnership with NGC. He noted Capespan's deep roots in the Southern African table grape industry and its extensive contributions to NGC, including infrastructure improvements and international market access. "Through our international network, we have connected NGC to leading global markets, allowing consumers in over 35 countries

to enjoy these delicious, sun-kissed grapes from the Namibian desert,” Du Bois stated. He expressed Capespan’s commitment to growing these opportunities further, expanding shipments through Walvis Bay, and strengthening their impact on the Namibian economy. Capespan, through our international network, has provided access to leading international table grape breeding programmes such as Arra, Bloom, and recently Sunworld. “With new plantings, improved infrastructure, access to world class breeding programmes and best farming practices, the NGC managed to increase production from 1.4. million cartons in 2007 to 2.4 million cartons in 2024, a phenomenal 71% increase, he concluded.

The keynote address was delivered by Namibia’s Minister of Sports, Youth, and National Service, Honorable Agnes Tjongarero, who applauded the partnership’s role in job creation and economic empowerment. “This collaboration not only strengthens Namibia’s presence in the global market but also brings meaningful employment and development to our communities,” she said, highlighting the nearly 2,000 seasonal and full-time jobs created by the project. “I am also pleased to note the emphasis on social responsibility within this agreement. The commitment to supporting the Aussenkehr community as well as our youth through the immediate shareholder, the National Youth Service is commendable. It reflects a holistic approach to business that values not only economic success but also social and environmental well-being. As we move forward, I am confident that this partnership will yield significant benefits for all stakeholders involved and particularly address the funding requirements of the National Youth Service,” she added.

Richwell Lukonga, Chairperson of Namibia Grape Company Board (NGC), voiced optimism about the future, saying, “with any partnership it reaches a form of maturity that requires review, reflection, and assessment. From an NGC perspective, the partnership provided an opportunity to overcome its financial distress, reach a form of sustainability and create much needed employment, both permanent and seasonal. However, NGC and its shareholder (Namibia Youth Service) are aspiring to create more impact and greater beneficiation for Namibia and Namibian businesses. Various conversations and communication were had between the board of NGC and Capespan about a review and change in the model and partnership between since 2020. This culminated in a landmark meeting held on 16-17 November 2023 where the parties agreed on a modality for a new partnership,” he mentioned.

The key principles agreed upon for the joint venture (JV) between NGC and Capespan aim to establish a balanced distribution of risk and reward, ensuring equitable participation from both parties. Under these principles, ownership of the JV will be divided with a 51% stake held by NGC and a 49% stake held by Capespan. Additionally, the lease cost or guaranteed profit for NGC will increase to N\$17 million per annum, with a 3.5% annual escalation, providing financial stability over a 20-year period. NGC will cover the farm's capital expenditure requirements, proportional to the JV percentage, while both NGC and Capespan will share the annual working capital needs, including any incurred losses. Capespan will benefit from a long-term marketing agreement for the fruit produced by the JV, subject to review every five years," he added. He emphasised NGC's commitment to further expansion and to setting a high standard for Namibian agriculture on the global stage.

The official signing ceremony concluded with the symbolic signing of the contract, signifying a renewed commitment to a partnership that has spanned nearly two decades and will now extend for another 20 years. This historic event represents not only a step forward for Namibia's agricultural sector but also a testament to the potential of strategic partnerships in fostering sustainable development.

The Namibia Grape Company and Capespan look forward to many more successful seasons, with both organisations committed to delivering high-quality Namibian grapes to global markets and creating lasting socio-economic benefits for the Namibian people.

Pic 1 : Caption: Nangula Shailemo, Hon. Agnes Tjongarero, Erwin Tjipuka, Richwell Lukonga, Charl Du Bois and Angelo Petterson

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