

Summery of the Business Inventory

Introduction

The need for a database of formal businesses within the city of Windhoek was identified during the compilation of the Local Economic Development Strategy (LED Strategy). The Division of Economic Development within the Department of Economic Development, Tourism and Recreation was tasked to compile a business inventory in order to be able to do sector analysis, workforce analysis and also to have an update on the variation within the same sectors, as well the identification of highly required businesses within certain sectors. This exercise also gave the City of Windhoek the opportunity to record the difficulties experienced by business owners and at the same time giving them the chance to air their views regarding economic empowerment and upliftment within the city of Windhoek.

This is not a once-off exercise and need to be done regularly with consistent survey periods for the sake of comparisons. The main objective of the Business Inventory is to compile a list of the formal businesses within the city of Windhoek in order to address possible needs within certain areas of development and to make sure that development is in line with the capacity of the city.

Methodology

All formal businesses within the City of Windhoek was targeted with this survey. A group of 17 students from both the University of Namibia and the Polytechnic was recruited for data collection, which started on 4 July 2001. Initially the survey was scheduled for one month, but was extended for another month during which only two students were used to wrap up the process of data collection.

The ideal was to complete the questionnaire during the first visit to a business. However, this was not possible, as business owners were not always available at the time when they were visited. In these cases the questionnaire was left with the person in charge and picked up during a next visit to the business. Business owners were also telephonically contacted especially in the case of home businesses, which are not easy to trace. The questionnaire was faxed through to the business owner, who returned the completed questionnaire to our offices.

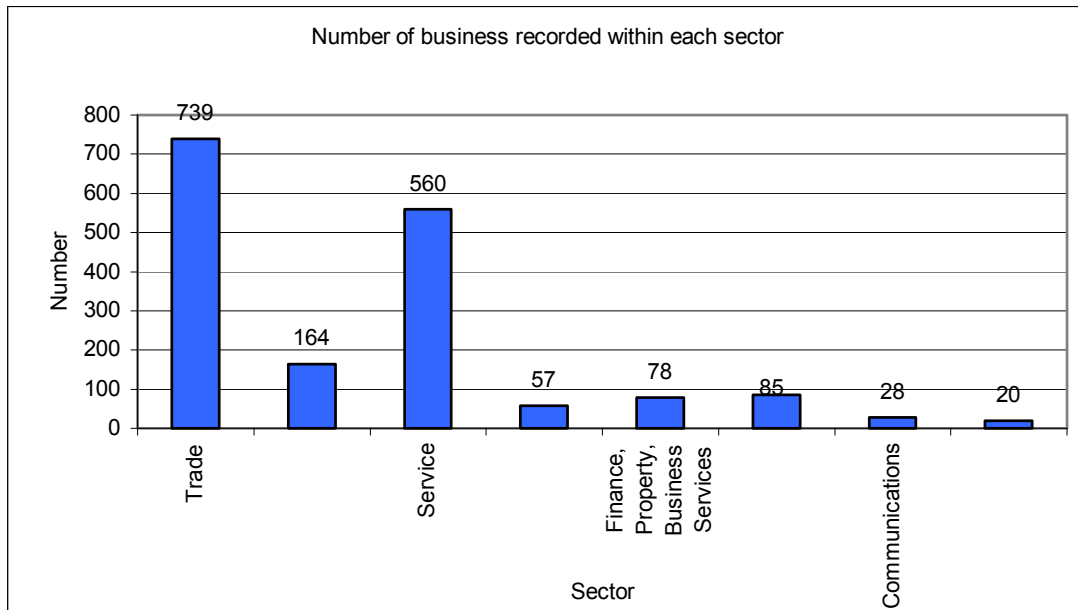
Problems experienced

The data collection process was delayed as business owners lost the questionnaires or forgot to complete the questionnaires. In some cases business owners were on business trips and the person left in charge was not allowed to complete any questionnaires. The enumerator then has to return to the business in two or three weeks time when the owner was available and sometimes has to come back a third or fourth time to pick up the questionnaire.

Another difficulty experienced was to trace the owners of businesses with business hours other than 08h00 – 17h00 schedules like restaurants, nightclubs, etc. These cases also resulted into more than one visit to the respondent.

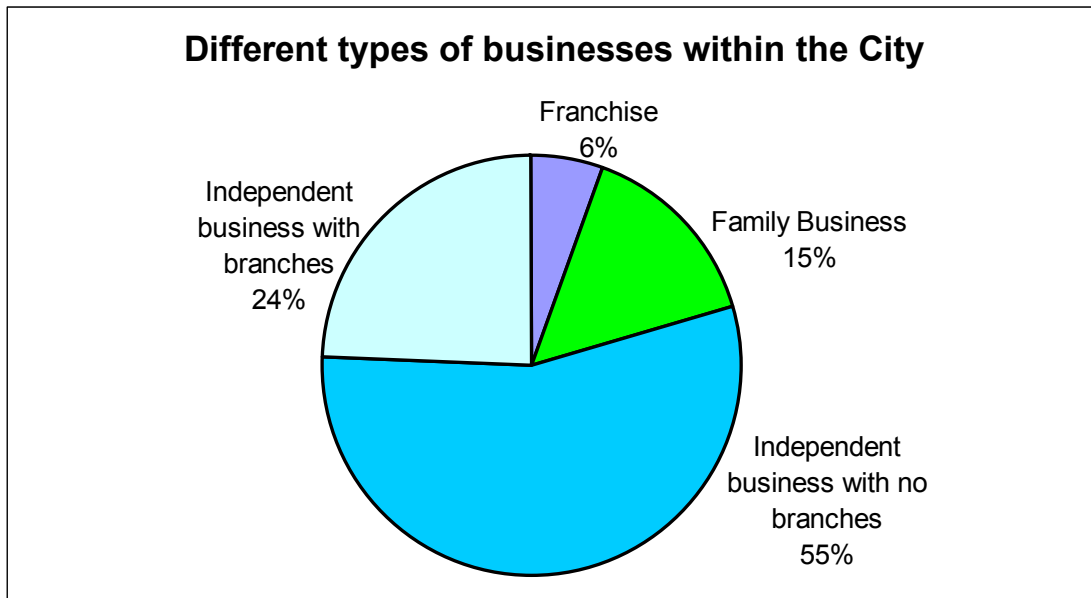
Results

Chart 1: Number of Businesses within each sector



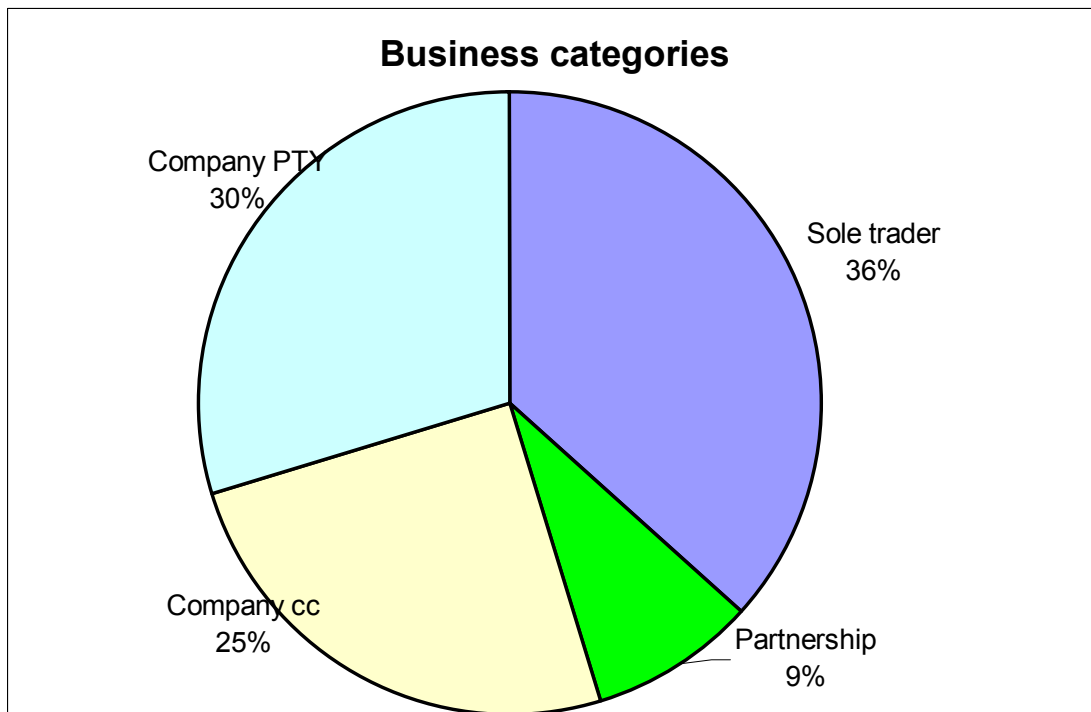
A total of 1731 business owners completed this question. *Chart 1* indicates that the Trade sector is the biggest sector followed by the Service sector. The Transport & Storage sector is smallest with only 20 businesses recorded in this sector.

Chart 2: The different types of businesses within the city



More than half of the businesses recorded (55%) are independent businesses with no branches. The remainder consists of independent businesses with branches (24%), Family businesses (15%) and Franchises (6%).

Chart 3: Business categories



Two thirds of the businesses within the city are run either by a Sole trader (36%) or as a Company PTY (30%). The remaining two categories apply to Companies cc (25%) and Partnerships (9%).

Table 1: Employment distribution

Sector	M: full time	F: full time	M: part time	F: part time
Trade	6824	4790	290	352
Manufacturing	4028	1257	197	57
Service	4856	2674	351	292
Building and Construction	1229	172	264	63
Finance, Property, Business Services	2782	2565	69	85
Tourism, Recreation	879	963	49	38
Communications	544	338	16	13
Transport and Storage	696	106	49	7
Total	21838	12865	1285	907

34703

2192

Sector	M: casual workers	F: casual workers	Percentages
Trade	1084	1091	33
Manufacturing	255	112	15
Service	1236	212	22
Building and Construction	320	84	5
Finance, Property, Business Services	12	13	15
Tourism, Recreation	70	25	5
Communications	44	34	2
Transport and Storage	47	2	2
Total	3068	1573	

F: Female

M: Male

Table 1 above gives a clear picture of the employment distribution within the city. Considering the gender aspect, for each of the three categories more males than females are employed. It also shows that business owners tend to employ rather casual workers than part time workers. Also note that the sector with the highest number of employees is the Trade sector, which is also the biggest business sector within the city.

Chart 4: Total number of workers employed in each sector



In *Chart 4* above, the information given in *Table 1* is graphically given with the exemption that gender is not considered in *Chart 4*.

Chart 5: Contribution of the types of workers to the total number of workers in the City

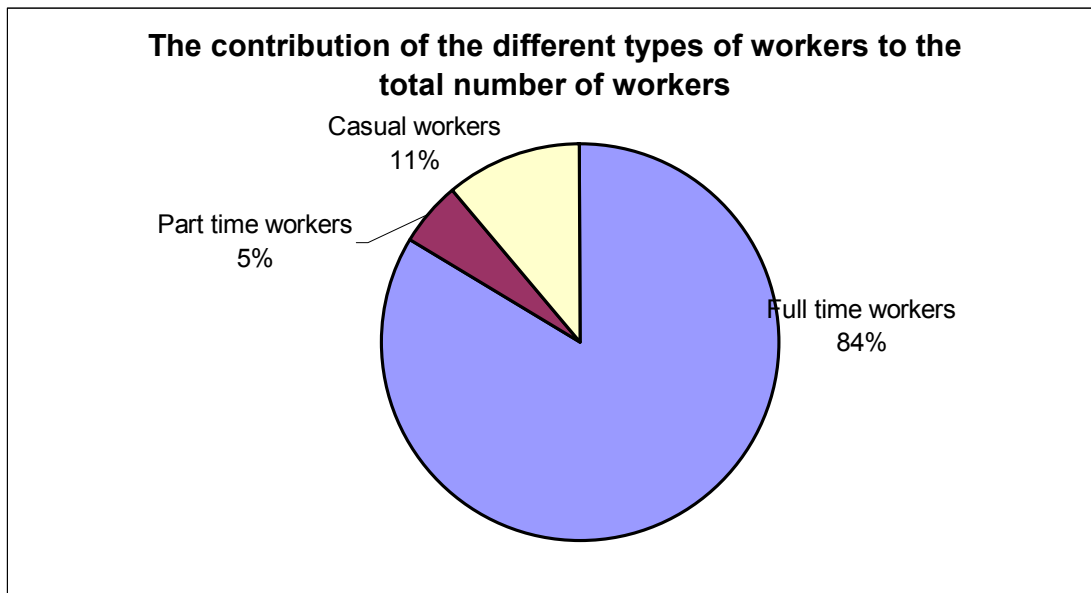


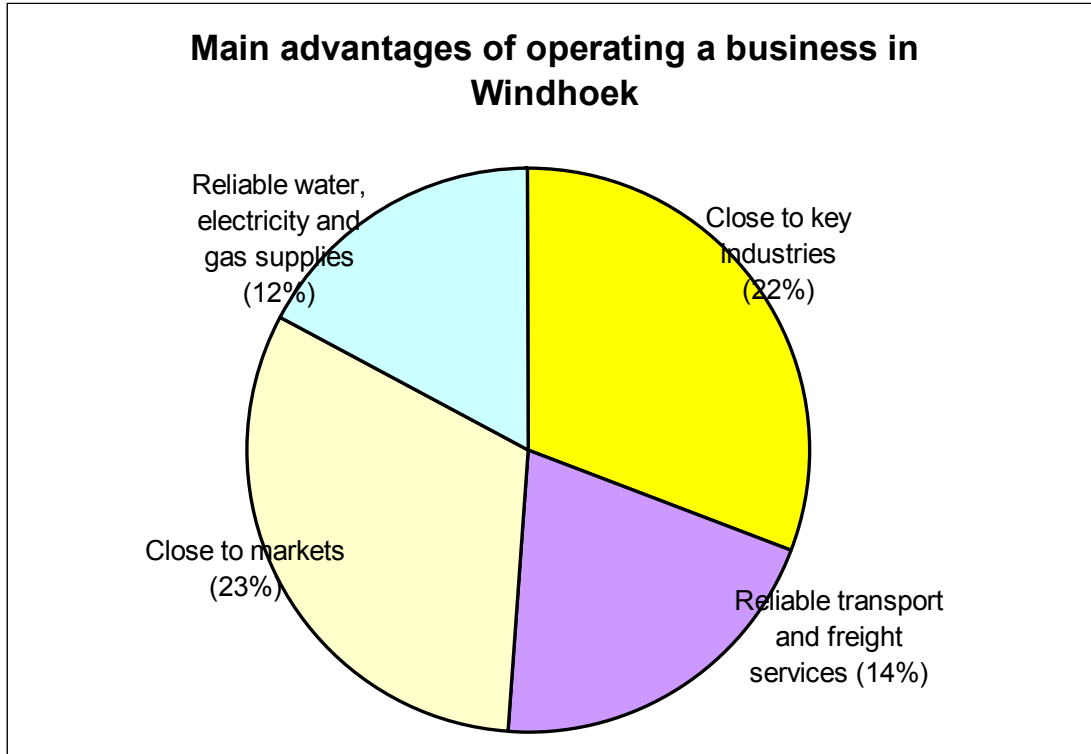
Chart 5 indicates the portion of workers engaged to the three different types of workers. Also note that workers are rather employed on a casual basis than part time.

Table 2: Indication of changes expected in the future: 2001-2003

Sector	Increase employees	Decrease employees	No change
Trade	296	49	376
Manufacturing	69	15	77
Service	225	31	294
Building and Construction	22	9	23
Finance, Property, Business Services	46	5	26
Tourism, Recreation	36	7	38
Communications	18	3	6
Transport and Storage	6		14
Total	718	119	854

Table 2 is an indication of the changes in employment numbers business owners expects in the future (2001-2003). Overall business owners in the Trade sector, Manufacturing, Services and the Transport & Storage sector, expect no changes. However, employment increases are expected in the Communications sector and the Finance, Property, Business services sector in the future.

Chart 6: Main advantages of operating a business in the city of Windhoek



Only the four main advantages are illustrated in **Chart 6**, thus only 71% of the response are represented in the chart. According to **Chart 6**, business owners rated the short distances to the key industries and to the markets the highest. Respectively 22% and 23% of the business owners tagged these two factors as the two main advantages for running a business in Windhoek. They also regard the reliable transport and freight services, as well as the reliable water, electricity and gas supplies as major reasons for doing business in Windhoek.

Chart 7: The main disadvantages for operating a business in Windhoek

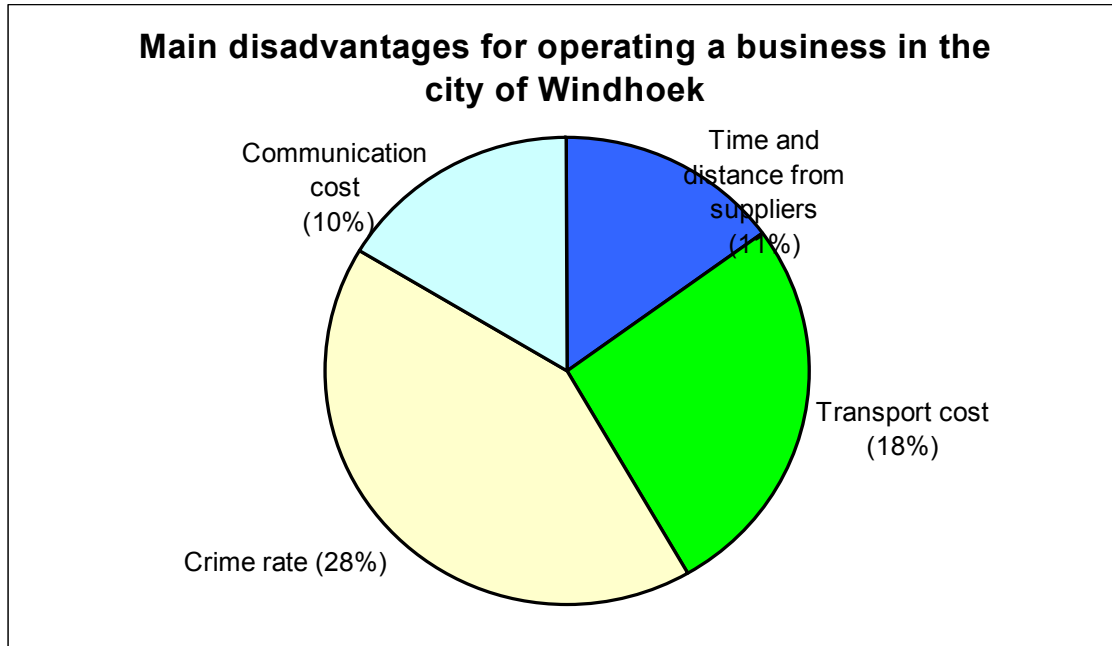
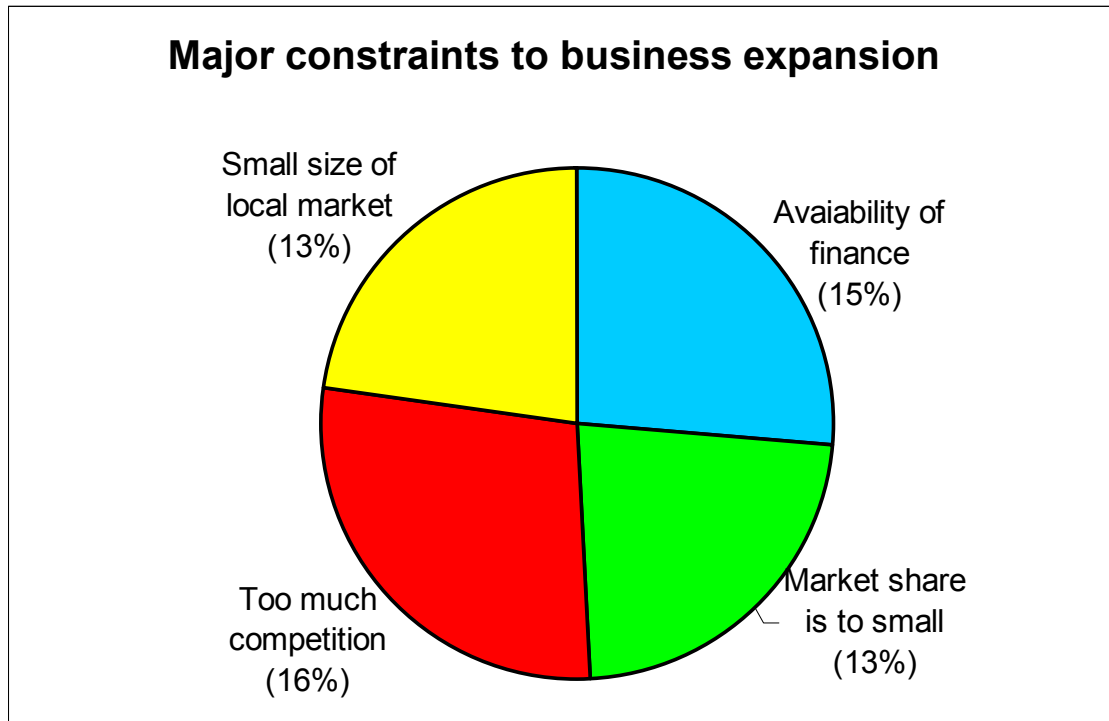


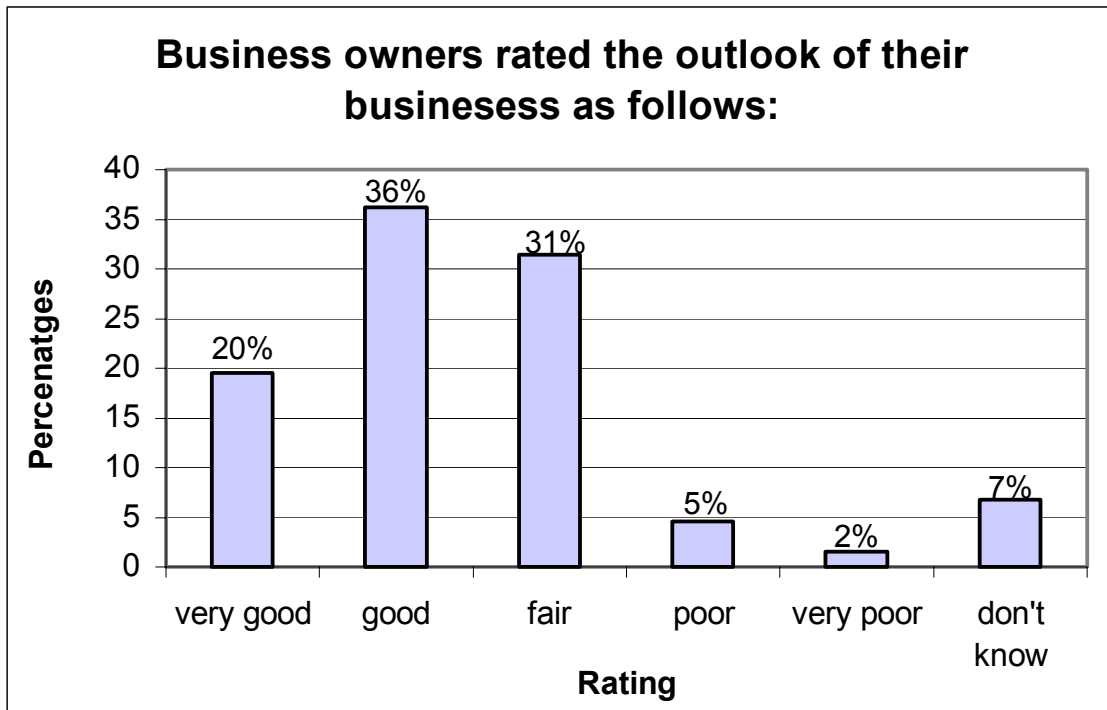
Chart 7 only shows the four main disadvantages for running a business in Windhoek and thus only 67% of the respondents are indicated here. Almost one third of the business owners (28%) indicated the crime rate as a disadvantage for businesses in Windhoek. Although the distance to key industries is indicated as an advantage in **Chart 6** above, 11% of the business owners reason that the distance and time from suppliers is a major disadvantage for businesses. Transport and Communication cost are also mentioned as disadvantages by respectively 18% and 10% of the respondents.

Chart 8: The major constraints to business expansion



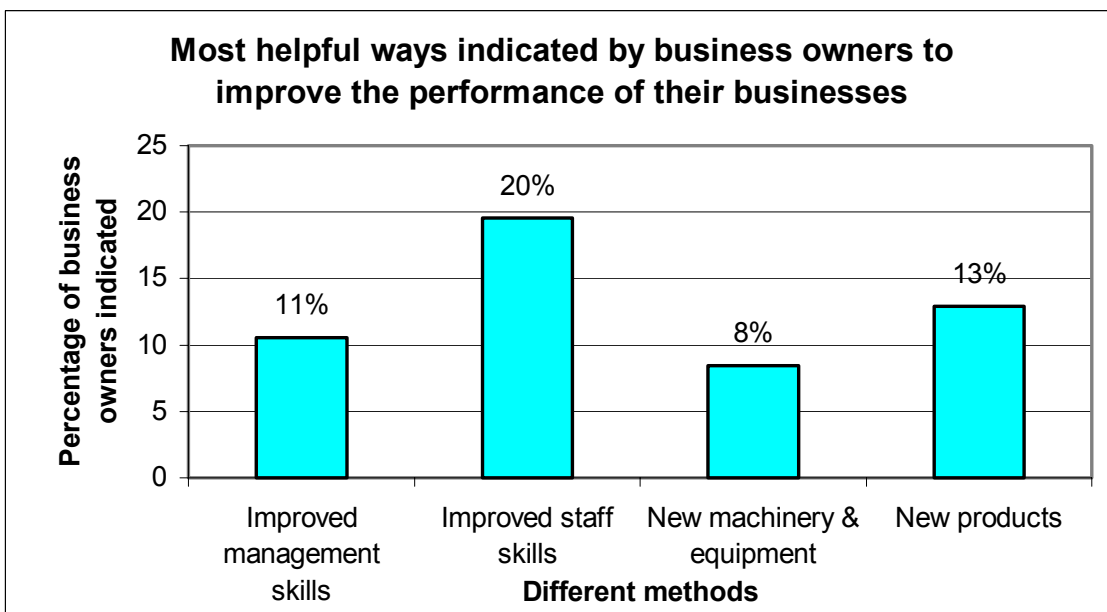
Only 57% of the total number of respondents are illustrated in **Chart 8**. The remaining 43% is scattered between the remaining five difficulties for business expansion, see the attached questionnaire. Too much competition (16%) and financial difficulties (15%) are mentioned as the two major constraints to business expansion. The business owners also indicated that the small local market (13%) and the small market share in Windhoek (13%) impede expansion further.

Chart 9: The general outlook of their businesses as indicated by the owners



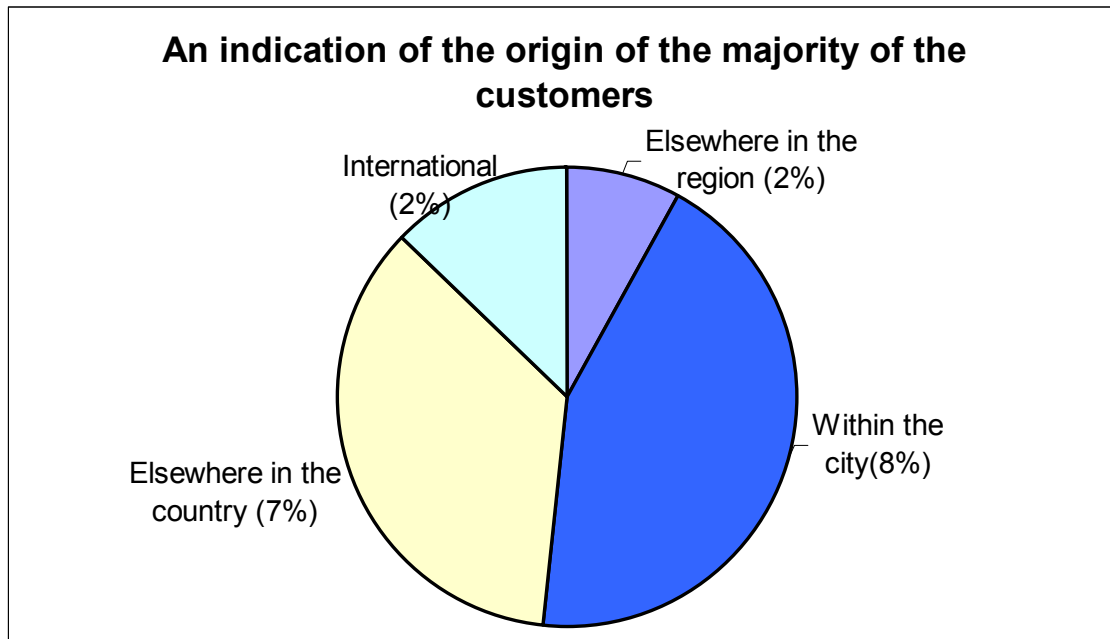
Only 20% of the business owners rated the general outlook of their business as very good, while more than two thirds rated their business good (36%) or fair (31%). 7% of the business owners did not know how to rate the success of their businesses.

Chart 10: Suggestions given by business owners for the improvement of business performance



Most (20%) of the respondents indicated that improved staff skills will help their business to prosper, see *Chart 10*. The expansion of their product range (13%), improved management skills (11%) and the upgrading of machinery and equipment (8%) were also mentioned as possible routes to higher turn over levels.

Chart 11: The origin of the customers



Only 323 respondents answered this question out of 1731. Nevertheless, *Chart 11* shows that most customers are from Namibia, 8% are located within the city of Windhoek and 7% are located elsewhere in the country. Only 2% respectively indicated international customers or customers from elsewhere in the region.

Practical suggestions on how to stimulate the economy of Windhoek City Council

The main concern of the business owners in general is the growing crime rate in city. Their solution suggested to this emerging problem is to create job opportunities and to control the influx of people from the rural areas. High crime rates do not only have a negative effect on socio-economic side of development in the city, but also ruin the image of the city in the eye of the tourist. International marketing and advertisements are not enough to promote a city where stability and safety are at risk. Security guards should be more visible especially in the city center and in parking areas, of which more is also needed. More public toilets with cleaning services in place, is also a concern and regarded as a necessity within the city center.

Respondents also complain about high water and electricity bills and suggested paid water meters to prevent and control corruption in this regard. The City of Windhoek was

also requested to target unprofessional behavior amongst staff members as far as possible.

Further suggestions include the development of features special to the city to increase the flow of visitors to the city, nationally and internationally. Examples include more and bigger parks and gardens, a zoo, late shopping hours, more shopping centers and malls, etc. Special incentives ought to be in place to invite and to lock in investors, which could lead to mass job creation especially in the case of factories. Two other factors to be considered for more business development are the availability of business erven and their unaffordable prices. Regarding entrepreneurs and other SMME's, training, guidance and financial assistance are requested. However, some business owners reason that strict rules and regulations should be implemented against hawkers.

Concern was also raised regarding trucks and taxi's in the city center. It was strongly suggested that these vehicles should be limited to specific routes in town to enhance traffic flow on the main routes to and from the city center.