



**REPUBLIC OF NAMIBIA**

**OUTCOME OF THE DISPOSAL OF THE GOVERNMENTAL OBJECTIVE FISH QUOTA OF 15, 948 METRIC TONS (MT) OF HAKE AUCTION HELD ON 16 APRIL 2021**

**BY**

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**DATE: 31 MAY 2021**

Fellow Namibians,

1. In October last year, we announced that a Technical Committee has been put in place and directed to plan future Governmental Objective Fish Quota Auction(s) for Hake, Monk and Horse Mackerel, and that government will continue to be transparent in this process. This has since been done. The purpose of this statement is therefore to provide an update on the outcome of our first fish auction since then, for Hake that was held on the 16 April 2021 by the Ministry of Finance as provided for in the ambit of the law.
2. As you would recall, the Government of the Republic of Namibia decided to sell the fish quota for Governmental objectives through a competitive auction to the highest bidder. The aim was to determine the correct value of Namibia's fishery resources with the view to ensuring that the country fully benefits from her natural resources.
3. The auction received a total of thirty-eight (38) bids, which consisted of twenty-six (26) bids for Wet Hake and twelve (12) bids for Freezer Hake. Nonetheless, after evaluating for compliance with the bid security deposit and bank guarantee requirements, only 23 bids complied. The overall demand at the auction was strong, with a total subscription of N\$404.3 million. In terms of volume, a total of 46,858 MT was applied for, although only 15,020 MT were valid.
4. A total of N\$156.1 million was raised from the primary auction, sold as N\$131.1 million from 11,164 MT of Wet Hake and N\$25.0 million from 2,000

MT of Freezer Hake. This left an undersubscription of 2,784 MT of Freezer Hake. The unallocated MTs were re-offered to unsuccessful participants with valid bids at the weighted average prices established by the auction, N\$11,745.90 for Wet Hake and N\$12,508.50 for Freezer Hake. The participants had the prerogative to take up the unallocated quota as either Wet Hake or Freezer Hake.

<b>PRIMARY AUCTION</b>			
<b>HAKE 15,948 Metric Tons</b>			
Auction date	16-Apr-2021		
Settlement date	07-May-2021		
	<b>Wet Hake</b>	<b>Freezer Hake</b>	<b>Total</b>
<b>Amount on offer (MTs)</b>	<b>11,164</b>	<b>4,784</b>	<b>15,948</b>
Metric Tons Subscribed	37,466	9,392	46,858
Amount Subscribed	306,021,360	98,319,240	404,340,600
Valid Bids	150,906,900	25,017,000	175,923,900
<b>Metric Tons Allotted</b>	<b>11,164</b>	<b>2,000</b>	<b>13,164</b>
<b>Amount Allotted</b>	<b>131,131,040</b>	<b>25,017,000</b>	<b>156,148,040</b>
Total Number of Bids Received	24	11	
Bids Allotted in Full	8	4	
Bids Allotted Partially	1	0	
Lowest / Marginal Price	9,080	8,000	
Best / Highest Price	15,150	14,120	
Weighted Average Price	11,745.90	12,508.50	
Lowest Price Allocated in Full	9,150	8,000	
Lowest Price Allocated Partially	9,080	0	
Bid to Cover Ratio	2.33	3.93	
<b>Unallocated Metric Tons (MTs)</b>			<b>2,784</b>

**Supplementary Auction**

5. At the supplementary auction, a total of 2,784 MT was allotted successfully, with 1,484 MT and 1,300 MT sold as Wet Hake and Freezer Hake, respectively. The supplementary auction raised N\$33.7 million, consisting of N\$17.4 million from Wet Hake and N\$16.3 million from Freezer Hake. All successful participants settled their dues by the cut-off settlement date.

<b>SUPPLEMENTARY AUCTION HAKE 2,784 Metric Tons</b>			
Auction date	16-Apr-21		
Settlement date	07-May-21		
	Wet Hake	Freezer Hake	Total
<b>Amount on offer (MTs)</b>			<b>2,784</b>
Total Metric Tons Subscribed	1,484	1,300	2,784
<b>Total Amount of Valid bids</b>	<b>17,430,907</b>	<b>16,261,050</b>	<b>33,691,957</b>
<b>Metric Tons Allotted</b>	<b>1,484</b>	<b>1,300</b>	<b>2,784</b>
<b>Amount Allotted</b>	<b>17,430,907</b>	<b>16,261,050</b>	<b>33,691,957</b>
Total Number of Bids Received	2	2	
Bids Allotted in Full	2	2	
<b>Weighted Average Price</b>	<b>11,745.90</b>	<b>12,508.50</b>	

6. **With that, we are pleased to announce that in total, the Hake auction raised a total of N\$189.9 million from the sale of 15,948 MT, inclusive of N\$40,000 raised from application fees. Of these funds N\$183.9 million have already been deposited into the State Revenue Fund at the Bank of Namibia and the balance of N\$6 million will be settled next week. The Ministry of Finance and Ministry Fisheries and Marine Resources consider the Hake auction a success, as shown in improved prices from the reserve price of N\$6,000 to N\$11,745.90 for Wet Hake and N\$8,000 to N\$12,508.50 for**

Freezer Hake. Had these quota been disposed off at the reserve prices, the Government would have raised only N\$102.3 million, compared to the actual outcome of N\$189.9 million. Such an outcome confirms auctioning as a good mechanism to facilitate price discovery in the sector and allocate natural resources to the market.

7. The same auction principles will apply for the upcoming auctions for other fish species. The advertisements for the Horse Mackerel auction are currently running in the local media, and the auction is scheduled to take place on 18 June 2021.
8. Finally, It should be always noted that, as a government we are conducting these auctions with noble intentions. Although the first auction did not yield the desired outcome, the results that we are announcing today is a clear demonstration of government's seriousness and commitment to support the country's socio economic priorities, promote transparency and ensure that Namibia fully benefits from her natural resources. We would like thank fellow Namibians, the fishing sector, local and international players as well as Union members for support. We appeal to all these stakeholders to continue working closely with Government for the country to realize her noble objectives.

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