



**REPUBLIC OF NAMIBIA
MINISTRY OF TRADE AND INDUSTRY**

STATEMENT

BY

**HON. CALLE SCHLETTWEIN,
MINISTER OF TRADE AND INDUSTRY**

AT

THE OFFICIAL HAND-OVER OF EQUIPMENT TO SMES

21 AUGUST 2013

SWANEVELDE COMMUNITY HALL, OTJIWARONGO

Check against delivery

Director of Ceremonies;

Hon. Samuel Nuuyoma, Governor of Otjozondjupa Region;

Your Worship the Mayor of the Town of Otjiwarongo;

Honourable Councillors;

Comrade Suzan Hikopua, SWAPO Party Regional Coordinator;

Distinguished SMEs Representatives and Beneficiaries;

Invited Guests;

Members of the Media;

Ladies and gentlemen;

I am gratified to address you this afternoon at this auspicious occasion to mark yet another handover of equipment to various SMEs in the Otjozondjupa region. In all seriousness, SMEs play a crucial role in the economy of any country, and Namibia is no exception in this regard.

As we are set to empower various SMEs in this region, our aim also is to strengthen the existing ties between MTI and the various SMEs in an effort to encourage an open dialogue between government institutions and the private sector to support my Ministry's "Growth at Home" strategy and your strategy to successfully graduate from

being mere SMEs to becoming big Namibian sustained and competitive companies.

Ladies and Gentlemen, A large section of Namibia's most disadvantaged population is engaged in micro, small and medium scale businesses. The Government recognizes the vital role that this small business sector can play in the country's socio-economic development.

In 1997, the Government through the Ministry of Trade and Industry launched the Policy and Programme on Small Business Development outlining specific pro-active policy interventions and programmes aimed at addressing identified key constraints to the effective success, growth and development of micro, small and medium scale enterprises (MSME) in the country.

One of the identified constraints is low productivity due to lack of access to appropriate production machinery, technology and inputs. This is mainly due to the high cost involved in sourcing or acquiring such technology, machinery and inputs, which cost is often beyond the reach and means of the budding MSMEs.

The high costs are not only due to the high direct purchase costs, but also the high cost of access to financing from financial institutions and business capital.

In keeping with my Ministry's small business development policy and programme, it is my pleasure to continue with the Ministry of Trade and Industry's Equipment Aid Scheme (EAS) aimed at assisting MSME, to procure productive machinery and equipment. This intervention is intended to help budding small entrepreneurs to improve and increase their productive capacities and product quality in particular, and to enhance business prospects, survival and growth in general.

To ensure that this intervention will have the desired impact, the Ministry will ensure that the beneficiaries are given training on the use of the equipment provided to them that regularly their activities are monitored, and are also provided with other requisite business development support services that are offered through the Ministry's Entrepreneurship Development and Nationwide Common Facility Centre Programmes.

Our regional offices country-wide remain available to provide detailed information on the Equipment Aid Scheme including the application procedures.

I therefore, encourage existing and emerging indigenous small entrepreneurs especially the youth and women to take advantage of this support to improve their businesses and contribute to poverty reduction and national socio-economic development.

Director of Ceremony, I would like to emphasise the main focus of the “Growth at Home” strategy, which links closely with your desired growth in the following areas:

- Higher and sustained economic growth and wealth creation, through diversification of our economy to achieve a higher percentage share contribution of manufacturing and value-addition to our natural resources to our GDP; as well as increased capacity of our local firms to produce and supply goods and services to the domestic and export markets.**
- For Namibians to benefit from the growth and wealth created especially from the exploitation of our resources through partnerships and employment opportunities.**

Our priority at this point in time is to diversify local value addition, stimulating confidence in Namibian products and services and increased competitive standards.

In conclusion, Ladies and Gentlemen, although government is the single largest procurer in the country, there is still no Government procurement policy that offers outright preference for the locally produced goods. We, in Government realise that such preferential treatment could create a significant market for local producers. Therefore, the Government, through the Ministry of Finance, has introduced amendments to the Tender Board Act to ensure that public funds are used to procure goods and services from Namibian producers and suppliers as a matter of preference.

In order for this measure to work for its intended outcomes, however, local companies need to invest in developing the capacity to produce goods and services that will result in value for money for the Government, consumers and beneficiaries. It is also important that these companies are truly Namibian entities and the financial and employment benefits are accruing to Namibians.

I THANK YOU ALL.