



**Speech by Dr. Hage Geingob  
Minister of Trade and Industry**

**At the conference on  
“Sustainable Raw Materials Industry and Development Policy”**

**Berlin, 28 June 2012**

Your Excellencies,  
Distinguished Guests,  
Ladies and Gentlemen,

It is a great honour and privilege for me to address this important gathering today. I would like to thank my colleague Dirk Niebel, the Federal Minister for Economic Cooperation and Development, for inviting me to this conference. I appreciate the warm welcome and kind hospitality that has been extended to me and the entire Namibian delegation in this beautiful city, Berlin. It is often said that Namibia and Germany enjoy a special relationship. It is my hope that our presence here will further strengthen the relations between our two countries and peoples and identify new avenues for cooperation and collaboration in an area which is of tremendous importance.

I view this conference as an important platform to discuss some of the most important questions of our times. Questions such as:

- How should countries sustainably manage and utilise their natural resources in order to develop their economies, encourage innovation, create jobs, eradicate poverty, and protect the environment?
- How can resource-rich and resource-dependent countries develop equitable and mutually beneficial partnerships?
- How can we set up global raw material supply-chains and conclude international trade agreements which are fair, transparent and promote sustainable economic growth in both industrialised and newly industrialising countries?

I hope that this forum will generate interesting ideas and deliver valuable insights on these essential questions.

Ladies and gentlemen,

Raw materials are indispensable to the modern world. They are a fundamental input in all economic activities across sectors such as manufacturing, construction, energy, agriculture and transport. Raw materials form the basis of modern industries and are an essential component of the high-tech products and electronic consumer goods that have become so essential to our daily lives. Products such as mobile phones, computers, motor vehicles, solar panels and batteries. It is no exaggeration to say that the competitiveness of local industries and national economies in the 21<sup>st</sup> century will largely be determined by the ability to ensure the sustainable, affordable and secure supply of raw materials from local and global markets.

Namibia is a country rich in natural resources and we are fortunate to have a wide range of mineral deposits. We are the 4<sup>th</sup> largest producer of uranium and Namibian diamonds are known for their good stone size and quality. We have some of the largest deposits of copper and zinc in the world and produce a wide range of industrial minerals, semi-precious stones and dimension stones. Namibia also has hydrocarbon resources. The offshore Kudu Gas Field has proven recoverable reserves of 1.4 trillion cubic feet and recent geological data point to the existence of large oil deposits, both on and offshore. Geophysical surveys also indicate that Namibia possesses highly enriched rare earth resources and several companies are currently engaged in prospecting and exploration.

The mining sector is important to the socio-economic development of Namibia and contributes significantly to GDP, export revenue and government tax receipts. In order to facilitate the exploration and development of Namibia's mineral wealth, the Government has created a conducive and enabling environment which includes a sound regulatory framework, security of tenure and the provision of national geo-scientific data. It is an environment in which international investors can thrive. Indeed for the last 22 years, since national independence in 1990, Namibia has a solid track record of putting into place laws and policies which ensure a healthy and favourable business and operating climate for investors. We have maintained a high rank in international and regional competitiveness surveys and enjoy a good reputation as a desirable investment destination with political stability, good governance, a wide range of lucrative investment opportunities in various sectors and a good quality of life. Attractive incentives and tax breaks are available for companies which choose to manufacture in Namibia or export manufactured goods from Namibia into the region or beyond. A well developed infrastructure and secure and reliable transport corridors facilitate trade with our neighbours and provide access to a regional market of more than 300 million consumers.

Ladies and Gentlemen,

The Namibian Government welcomes investors in all economic spheres and recognises the important role that foreign direct investment can play in complementing our national efforts to stimulate growth, diversify the economy, increase the industrial base, and promote local value addition. At present the amount of mineral beneficiation in Namibia is very limited and most of our mineral resources are exported in their raw form or in semi-processed form.

This is a problem for several reasons. An economy that is focused almost exclusively on the extraction of resources with only limited manufacturing and value-addition is highly vulnerable to the volatility of world commodity prices and market vagaries. Moreover it is an economy that cannot generate jobs and wealth in order to lift its people out of poverty. The only way to build a strong and resilient economy, generate sustainable wealth and create jobs is to increase value addition to Namibian raw materials, the export of manufactured and processed goods, and the contribution of the manufacturing sector to GDP. In order to accomplish this, the Namibian government has adopted a series of industrial, trade and investment strategies that promote the development of productive industries across the country. The measures we have adopted are legitimate policy tools which are necessary in order to develop local industries, raise revenue and achieve a broad-based development. Namibia's resource wealth can be the bedrock of development but only if the people of Namibia benefit from their country's mineral resources in line with our policy of socio-economic upliftment and environmental sustainability. This approach is enshrined in our Constitution and Vision 2030, our national development plan.

The task of transforming national economies is Herculean in nature. We know that it will not be easy to transform the Namibian economy from one that is dominated by the export of raw materials and the import of finished goods for domestic consumption to an economy that incorporates downstream processing and value addition activities. In order to set the foundation for a new range of economic activities, we have to strengthen Namibia's capacity in mining and mineral processing and manufacturing, promote human resource development, improve skills (particularly of professional and

technical personnel), support industrial research and development, and make use of new and efficient technologies.

All of these are challenging but, at the same time, the opportunities and potential for cooperation and investment are great.

The example of the German company Schwenk, Namibia's top investor of the year in 2011, shows that foreign investments in natural resources can promote development and benefit the local economy and as well as the investor. I am sure that Mr. Hirth will tell you more about the operations of his company in Namibia, but allow me to share a few basic facts. Schwenk's Ohorongo cement factory is Germany's biggest investment in Namibia to date and is considered to be the most modern and efficient cement plant in Africa. All raw materials which are used in the production of the cement are sourced within Namibia either directly at the Ohorongo quarry or from other mines. Ohorongo provides employment to hundreds of Namibians and the company has an impressive corporate social responsibility programme that benefits the community in which it operates.

As Namibia's Minister of Trade and Industry, I sincerely hope that other German companies will follow the example of Schwenk and invest in the Namibian raw materials sector. We welcome German technology, know-how and innovation. In return we offer one of the most stable and secure investment climates in Africa and guarantee our support throughout the entire investment process. Namibia possesses many of the mineral resources which are of strategic interest to German industry. I therefore invite German companies to come to Namibia and participate in the exploration, mining and processing of these resources.

They can do this in partnership with Namibian companies and institutions who offer local knowledge and even financing, as the example of the investment of the Development Bank of Namibia in Ohorongo demonstrates.

Ladies and Gentlemen,

Namibia has taken note of the German Government's Strategy Paper for Africa and welcomes the inclusion of energy and raw materials as one of the six key areas of common values and interests that provide the basis of cooperation between Germany and African countries today. We too see the importance and value of closer collaboration on raw materials.

My message today is therefore a simple one: Namibia is open for business. We look forward to working together with Germany and German companies as true partners for the mutual benefit and prosperity of our countries and peoples.

I thank you for your kind attention and look forward to an interesting and engaging exchange of views on this very important topic.