



REPUBLIC OF NAMIBIA

STATEMENT BY

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MINISTER OF TRADE AND INDUSTRY

ON OCCASION OF A

CHINA-NAMIBIA BUSINESS FORUM

27 MARCH 2013

WINDHOEK, NAMIBIA

Director of proceedings

Ms. Martha Namundjebo-Tilahun, President of the NCCI

Mr Wan Jifei, Chairman of China Council for the Promotion of International Trade (CCPIT)

H.E. Xi Shunkang, Ambassador of the People's Republic of China to the Republic of Namibia

Distinguished captains of industry from China and Namibia

Members of the media

Ladies and gentlemen

I am delighted to be here to officiate at this important business event, which brings together business sector representatives from China and Namibia, with the aim of exploring avenues for mutually beneficial trade and investment linkages and partnerships. I wish to thank the NCCI for the invitation, and both the NCCI and CCPIT for organising the seminar.

Director of ceremonies, Ladies and Gentlemen

China and Namibia have cordial relations dating back to the years of Namibia's struggle for independence. On the economic front, China is also an important trading partner as well as a source of foreign direct investments into Namibia and SADC, especially in infrastructure development, mining and energy. Globally and especially in the face of the financial meltdown, China has emerged as a significant exporter of capital. As Namibia seeks to diversify its trade links and export destinations, she is looking to the Chinese market with keen interest.

Figures on Namibia's trade with the world indicate that Namibia's imports from China in 2012 grew by nearly 63% in comparison to 2011, thus making China the

third largest source of imports for Namibia in that year. While bilateral trade between China and Namibia has grown, the trade balance is highly skewed in favour of China and Namibia would like to see a gradual move towards a more balanced trade level.

I am however hopeful that the situation will change when exports from to China from new mining activities in Namibia, which are underway kick off in the near future. The two Governments are also at an advanced stage to finalise modalities for the resumption of exports of fisheries products as well as the start of exports of Namibian beef to China.

But above all, our desire to increase trade and investment between the two countries depends on the ability of the two business sectors to engage and establish mutually beneficial linkages and partnerships. This Seminar is therefore a step in the right direction, and it is my hope that your engagements will result in partnership arrangements that will further boost bilateral trade and economic co-operation.

Director of Ceremonies, ladies and gentlemen

Namibia seeks to become an industrialised and prosperous nation by the year 2030. However our drive towards accelerated economic growth, industrialisation and global competitiveness is hampered by among others:

- Our current limited or narrow industrial base, with heavy reliance on the primary sector;
- Where local industries exist, they face a number of supply-side constraints and stiff competition from imports from low-cost countries;
- Our exports, especially agricultural and fisheries goods are constrained by the imposition of subsidies and sanitary and phyto-sanitary restrictions as well as

unilateral decisions by some of our trading partners, while our minerals are also prone to market price fluctuations; and

- The high cost of production technologies and technical know-how.

The challenges that we are facing on the national front are often linked to and exacerbated by the increasing trend of globalization, which creates challenges for both Governments and the private sector especially in the least developed and developing countries.

The Government of Namibia recognizes that the national challenges that we face can only be effectively addressed through effective public-private partnerships, and private direct investments is a key requirement.

In order to address our current supply-side challenges, for instance, we need foreign direct investments that will help us to boost our capacity to produce more efficiently and competitively through the introduction of appropriate production technologies and technical know-how. We particularly need FDI that will help us to add value to our natural resources, so that we can export value added and manufactured goods that will fetch higher prices and also create more jobs than it is the case when we export raw materials. Foreign companies also have a better chance to leverage on their market connections back home and elsewhere, thereby helping our exports. In general, we would welcome foreign direct investments and trading arrangements that do not crowd-out domestic investment and bring about unfair competition to local traders, but FDI that rather complements what we do not have and need.

Ladies and Gentlemen

As the Minister responsible spearheading and creating the necessary environment for trade, investment and industrial development in Namibia, I am re-focusing the attention and work of the Ministry towards achieving **‘Growth at Home’**. I want the private sector and all players in the trade and industry sector to come on board on this journey towards achieving accelerated and sustained economic growth and for us to ensure that the impact of our work is visible through tangible improvements in the socio-economic welfare of the citizens of our country.

Our “Growth at Home” theme means that while we are committed to trade with other nations of the world and welcome foreign direct investments from other countries, we would want any such trading and investments to be done in line with our national development agenda, policies and laws.

Namibia is currently implementing its Fourth National Development Plan (NDP4), and has identified priority sectors for development, namely manufacturing, agriculture and agro-processing, transport and logistics and tourism. As you pursue business partnerships here today, therefore, I would like you to take note of and align your investment pursuits to the national industrial development framework.

Director of ceremonies, ladies and gentlemen

It is gratifying to note that the desire of Namibia and other African countries to see more Chinese investments in other sectors beside retail and construction is also shared by Chinese Authorities. On 19 February this year, I had the privilege of receiving and meeting with my Chinese counterpart, H.E. Chen Deming, with whom I had very fruitful discussions on what we need to do to strengthen bilateral economic co-operation.

A few days ago, the Chinese Vice Foreign Affairs Minister, H.E. Zhai Jun, in his address at the Africa Business Seminar held in China recently (on 18 March) urged Chinese companies to work to benefit their African host economies by investing in industries such as power generation, agriculture, textiles and communications that create jobs and generate tax revenues. The Vice Minister was quoted saying: "...making quick money and leaving is a myopic action, and catching fish by draining the pond is unethical".

This highlights a shared vision and partnership between the two Governments. It is my fervent hope that the private sectors from China will heed this call from the Government.

Distinguished Ladies and gentlemen

In recognition of the important role of the private sector as the engine of growth and an important partner in national economic development, the Namibian Government has since independence pursued and put in place a policy and regulatory framework and invested in public infrastructure that creates and ensures a favourable environment for business to operate in and flourish. We have reformed and continue to reform our regulatory and administrative systems to increase the ease of doing business and have introduced a range of incentives to reduce the cost of doing business and to attract investments into key industries.

In our drive to create an investor-friendly environment, we also recognize that physical infrastructure is the wheel of economic activity. Accordingly, the Government directly and through public institutions has made and continues to make huge investments into the expansion and modernization of our road, rail, harbor, air and telecommunication infrastructure.

The main thrust of our infrastructure development programmes is to turn Namibia into a major gateway to and from Southern Africa so that investors in Namibia and elsewhere in the region can conduct their business and access their markets easily, speedily and cost-effectively through Namibia. The efficient deep water harbor of Walvis Bay and the Trans-Caprivi and Trans-Kalahari Highways linking Namibia to its land-locked neighboring countries of Botswana, Zambia and Zimbabwe, rounds off Namibia's appeal as a gateway location for imports and exports.

In conclusion, I re-affirm the commitment of the Government towards maintaining a business friendly environment in the country and to provide the necessary support and safeguards to investors, both domestic and foreign.

I wish you fruitful engagements and trust that you will use this forum to establish mutually beneficial relations that will boost existing trade and investment levels between the two countries.

It is now my pleasure to declare this Forum officially open. And I thank you for your attention.