

**STATEMENT BY HON. C.H.G. SCHLETTWEIN,
MINISTER, MINISTRY OF TRADE AND INDUSTRY
AT THE OSHAKATI TOWN COUNCIL BUSINESS BREAKFAST
MEETING
OSHANDIRA LODGE**



REPUBLIC OF NAMIBIA

14 FEBRUARY 2014

Director of Ceremony,

Hon. Clemens Kashuupulwa – Governor of Oshana Region

**Her Worship Ndaamonoghenda Hamunyela-Deputy Major of
Oshakati**

Hon Regional and Local Authority Councilors

Mr. Thomas Indji – Chairperson of NCCI Northern Region

Mr Werner lita, CEO of the Oshakati Town Council

The regional SWAPO Party coordinator, cde Kapollo

The distinguished Police Commissioner

Distinguished, business community,

Members of the Media,

Ladies and Gentlemen,

I would like to take this opportunity to thank you most sincerely on behalf of the Ministry of Trade and Industry and the Government of the Republic of Namibia and indeed on my own behalf, for inviting me to this most important occasion on your annual calendar, and also, for the kind words of welcome you have extended to me and my delegation.

Master of ceremony, I would fail in my speech if I do not say a few words about the organization that led us to coming here together.

First and foremost, I would like to commend the visionary leadership of the Oshakati Town Council and the organizers for the dedication and commitment shown to hosting this important day in the annals of your Region. I sincerely say this because such events require enormous time, energy and financial resources.

Ladies and gentlemen,

Let me begin by saying that our Government is working hard to address the social and economic challenges facing our nation. It is the policy of the SWAPO-Party led Government that no Namibian should be left behind. It is for this reason that the Government continues to develop policies that are aimed at achieving the desired outcomes. Therefore, specific attention is engrossed on the development of the key sectors of our economy, particularly manufacturing, agriculture, mining, fisheries and tourism.

You may recall that last year, our Government through the Ministry of Trade and Industry adopted the Growth at Home Strategy whose emphasis is industrialization, manufacturing and value addition. The Growth at Home Strategy aims to reinforce the importance of accelerating economic growth, reducing income inequality and increasing employment. Government alone will not

achieve this without the involvement of the private sector. Hence, occasions like this are very much appreciated as they bring us closer to the successful realization Vision 2030.

Ladies and gentlemen

On our journey for industrialization, the Government of the Republic of Namibia will continue to implement practical policies aimed at encouraging investment, industrialization and economic growth. We will continue to put measures in place to support the local small and medium enterprises (SME) so that they can become more profitable and effectively participate in the country's mainstream economy. In this context, mechanisms have been put in place to ensure that local businesses especially SMEs access public tenders for the provision of services and implementation of Government funded development projects. This facility is accessible through the SME Bank Bank of Namibia and the Development Bank of Namibia.

Other interventions by the Government just to mention a few are such as the:

- Business Sites and Premises Development Programme; which gives affordable Sites and Premises to SMEs, and thus reduces or takes care of the portion of money SMEs

would have borrowed to construct their own premises in order to produce products or trade;

- Business Support Service Programme, where business plans and feasibility studies are developed, entrepreneur training and mentorship services among others are offered free of charge to entrepreneurs;
- Equipment Aid Scheme – Government recognizes the important role that the SME sector can play in the socio-economic development of Namibia. To this end the Ministry of Trade and Industry has put in place this intervention to assist the SMEs to acquire appropriate production technology in the form of equipment and machinery to improve their productivity and competitiveness;
- The Export Marketing Assistance Programme (EMAP) which is designed to promote growth of trade and to enable export manufacturers to be competitive. The purpose of this programme is to assist exporters of Namibian manufactured products in respect of activities geared towards the development of new export markets.

Ladies and gentlemen

In addition to the above mentioned interventions, let me also take this opportunity to inform you that during the past two years, Government has taken policy decisions in the form of Infant Industry Protection (IIP), and Quantitative Restrictions (QR) in order to develop and safeguard Namibia's interest in the cement, poultry and dairy industries. These interventions should not be seen as barriers to trade but rather as contingent measures enacted to defend local producers in certain circumstances.

In 2012 and 2013 Government afforded an infant industry protection to the cement and poultry industries respectively. The rationale for the approval was; IIP is a measure enabling us to develop and support new industries and it is afforded to us by virtue of being a member of the South African Customs Union (SACU). It is derived from Article 26 of the Southern Africa Customs Union Agreement (2002); which is also in line with the multilateral trading system, the WTO, GATT Article XVIII and Article 21 of the SADC Trade Protocol. Infant Industry Protection ladies and gentlemen, is designed to enable infant industries that are still in the learning to survive competition from the old

industries. This measure comes in a form of tariff and can run for a period of eight (8) years.

With regard to quantitative restrictions (QR), QRs are trade policy measures aimed at import substitution and in turn to relieve pressure on the balance of payments. In this regard, Government instituted QRs in two sectors namely the dairy and poultry value chains, where some local productive capacity exists to achieve such import substitution.

The use of these measures is perceived in the eyes of the relevant importers as a disguised form of protectionism against the idea of free trade. It is also considered to be partly the cause of consumer price increases. I want to assure you that the principle of such useful instruments is in particular for ensuring a fairer international trading system in the absence of global competition rules, and providing relief and space for the ability to maintain a sustainable balance of payment situations. Moreover, their role in sustaining industrial development and job creation and ensuring that monopolistic tendencies of importers, which if unchecked would threaten domestic productive capacity, cannot be over emphasized.

Ladies and gentlemen, as we all know, Namibia is still a de facto colonial economy which consumes what it does not produce (finished goods and intermediaries) and produces what it does not consume (raw materials such as minerals, fish and agricultural products).

Without economic development, without food security, without value addition and benefaction of our raw materials, without full employment, without wealth creation and more equalized wealth distribution our Vision 2030 will remain illusive and meaningless. We will remain an economically colonized nation. As nation we don't have a choice but to industrialize and to continue devising strategies to defend and sustain local and upcoming manufacturers, which is to grow at home.

At the same time, I would also like to encourage you to take advantage and participate in these industries that government has decided to safeguard and also develop other industries. Let Namibians also benefit from the downstream industries that come along with such. Some of our interventions are challenged, but be assured that the Government of the Republic of Namibia will not waiver in its efforts to prevent or reduce the risk of job losses and related socio-economic negative effects; but will make Namibia a

self-reliant industrialized nation who places great importance on food security, full employment for all her citizens, equal opportunities and a more equalized income distribution.

While we develop our domestic productive capacity, we must at the same time support these industries. We should where ever possible make use of services provided by Namibian service providers, consume commodities made in Namibia, support domestic and regional value chains. It is with such support that we shall brake the nasty cycle of consuming what we do not produce and produce what we do not consume.

I am equally proud to mention that Government Ministries are hard at work in developing strategies and in some cases establishing institutions that can help us to deal with issues related to industrialization such as unfair trade practices, infant industry protection, technology transfer, business intellectual property; etc. In this regard the Ministry of Trade and Industry is in the process of establishing two institutions, namely the Business Intellectual Property Authority (BIPA) and Namibia Board of Trade (NBT). BIPA will be responsible to facilitate and promote the efficient and effective registration of business and intellectual property and to keep and administer the registers with regard thereto; to promote the conduct and use of business and

intellectual property in Namibia; to facilitate, streamline, simplify, harmonize and expedite business and intellectual property procedures, registrations, filings and searches.

The Board of Trade on the other hand will deal with the issues related to the control of import and export of goods; amendment of customs duties; tariffs, rebates, refunds, drawbacks, infant industry protection and other matters connected to international trade.

Ladies and gentlemen

I must point out that for successfully addressing these and other developmental challenges, it is vital that we strengthen the lines of cooperation and communication between government and the private sector. We together are stronger than each one on their own. We therefore must cultivate a culture of sharing information and consulting by all means with the aim to complement each other's actions.

In this connection, I wish to urge you all to regularly visit our offices or invite us to your industry meetings so that we are all informed about important trade matters and activities that are of concern to all of us for the benefit try of all Namibians. The

Ministry of Trade and Industry is to your avail. Join me in the Growth at Home Strategy, let us together bring about accelerated economic growth in Oshakati, let us together grow the Namibian economy.

I thank you.