

REPUBLIC OF NAMIBIA



**STATE OF THE NATION ADDRESS 2014
BY HIS EXCELLENCY DR HIFIKEPUNYE
POHAMBWA, PRESIDENT OF THE
REPUBLIC OF NAMIBIA**

27 MARCH 2014

WINDHOEK

**Check Against Delivery*

Honourable Dr. Theo-Ben Gurirab, Speaker of the National Assembly,
Honourable Asser Kapere, Chairperson of the National Council,
Your Excellency, Comrade Sam Nujoma, Founding President and Father of the Nation,
Right Honourable Dr. Hage Geingob, Prime Minister of the Republic of Namibia,
Your Honour Peter Shivute, Chief Justice,
Honourable Members of Parliament,
Esteemed Leaders of Political Parties,
Your Excellencies, Members of the Diplomatic Corps,
Distinguished Invited Guests,
Members of the Media,
Fellow Namibians,

Each year, for the past 24 years, the President of our Republic has come to this Chamber during the consideration of the Appropriation Bill in order to account to the nation, on the implementation of Government policies of the passing Financial Year by the Executive Organ, and also to inform the nation about future policies. This constitutional act reinforces the very essence of our democracy, as a government by the people, for the people. I am here this afternoon to fulfill that noble tradition, reflecting as it does, the fundamental virtues of our constitutional democracy.

Honourable Speaker,
Honourable Chairperson,

The passing Financial Year saw our country continuing to enjoy peace and stability, as we have done, since day one of the attainment of our national independence. The institutions of the State have continued to function and to fulfill their constitutional roles, thereby making it possible for our people to enjoy their fundamental human rights and basic freedoms.

In the policy arena, the nation has made encouraging strides in various aspects of public administration, service delivery, economic growth, employment creation, poverty alleviation and the empowerment of communities to pursue better and more rewarding lives. Through initiatives such as the *Targeted Intervention Programme for Employment Creation and Economic Growth (TIPEEG)*, Government was able to stimulate the creation of thousands of both permanent and temporary jobs in different sectors of the economy.

We are proud that over the last twelve months, Namibia has received several international accolades and favourable economic ratings for the good work our country is doing in the areas of media freedom, economic performance, and sound macro-economic management. Other successes were recorded in the fight against malaria and combating the HIV/AIDS pandemic, including the reduction in Mother-to-Child Transmission of the virus.

These international accolades indicate that, while there are challenges, there are indeed many things that THIS nation, is doing right. We will take these positive aspects, and replicate them across other areas to achieve more successes as we strive to achieve our national development goals and Vision 2030. The institutions and individuals who have helped our country achieve these important milestones have contributed to a stronger state of our nation. They deserve our commendation and praise. Credit should always be given where it is due.

Honourable Speaker,
Honourable Chairperson,

Namibia's macro-economic environment continued to be stable over the reporting period. This resulted in improved economic growth and increased development and investment in different sectors. Since 2010, the economy has shown sustained growth rates averaging above 5 per cent per year.

Proper and efficient tax collection is the lifeblood for the fiscus. Our Government is, therefore, carrying out reforms to improve revenue collection. These include initiatives aimed at strengthening the tax administration system, broadening the tax base, simplifying the tax system and providing tax relief for low- income earners. Prudent fiscal management has also enabled the Government to continue using financial policies to support the local economy in order to mitigate the external shocks caused by the global economic crisis. The 2014/2015 budget provides resources to the priority sectors, with the view to promoting sustainable economic growth, enhancing the capacity of our economy to create long-term jobs, and at the same time, strengthen social safety nets to shield vulnerable members of our society from extreme poverty and vulnerability.

Inflation, which affects our people's purchasing power, stood at an average of 5.6 percent in 2013. By January this year, it fell to 4.9 per cent, providing some relief to consumers. The Bank of Namibia maintained an accommodative monetary policy. The Repo Rate has remained at a relatively low level of 5.5 percent since August 2012.

Honourable Speaker,
Honourable Chairperson,

The purpose of the civil service is to deliver quality services to the public. The culture of effective and efficient service delivery must, therefore, permeate the whole system. That is what the public expects at all times in its interactions with Government.

Furthermore, the civil service is the engine driving the execution of policies and programmes. Without a competent, professional and efficient civil service, Government will not be able to deliver.

In this regard, I wish to emphasize the urgent need for all Offices, Ministries and Agencies, and Regional Councils to improve service delivery at all levels.

Accounting Officers, Chief Regional Officers and Chief Executive Officers of Local Authorities must ensure the finalization and speedy implementation of Strategic Plans in all institutions and by all staff members, during the new Financial Year, without exception. Those who do not carry out their duties or comply with Public Service Rules must be dealt with sternly. My message to our civil servants is this: Professionalism, efficiency, courtesy and quality service should always be your watch-words.

In addition, Accounting Officers and other civil service managers are directed to apply the Competency Framework, which was developed to serve as a tool of assessing the current state of knowledge, skills, and attitude of staff members. The aim is to enable NIPAM to develop appropriate training courses, in order to bridge the identified competency gaps.

During 2014/2015, the Office of the Prime Minister will develop a Recruitment and Retention Policy for the Public Service. The Policy is aimed at tackling the challenges related to recruitment and retention of scarce and specialized skills in the civil service.

Honourable Speaker,
Honourable Chairperson,

Namibia cannot afford to be left behind by developments in the information and communication technology sector. We need to harness these technologies in order to improve and expand service delivery.

As part of these efforts, the Office of the Prime Minister has finalized the *E-Government Strategic Action Plan for the Public Service* in order to further improve service delivery. Similarly, Government is modernizing the *Public Procurement System* to introduce capacities such as e-procurement and better management and processing of public tenders. Progress has also been made in extending the *GRN Intranet* to the Regions, in line with the Fourth National Development Plan. A *Public Asset Management Policy* is being developed to ensure effective management of State assets.

Honourable Speaker,
Honourable Chairperson,

As a matter of principle, all our social and economic policy interventions must be inclusive. This is the rationale behind our core belief that no Namibian should be left behind in our social and economic development efforts.

This principle should always guide our actions in bringing justice and relief for our people, especially those who have suffered the indignity of segregation and exclusion over decades.

It is incumbent upon us to ensure that women, children, the youth, veterans of the liberation struggle, people with disabilities, as well as residents of rural areas and informal settlements, are given opportunities to fulfill their potential and enjoy access to basic services.

Our approach to poverty alleviation, especially extreme poverty in our country, must, as a matter of necessity, continue to be multi-sectoral and multi-disciplinary. In this light, we will achieve sustainable results and broader impact on poverty alleviation, and eventual eradication, when all public institutions, including the State-owned Enterprises, co-ordinate their anti-poverty interventions.

Government will continue to fulfill its social obligation and provide social benefits to the targeted groups as a means of lifting our people from extreme poverty. The social benefit for foster children, as well as orphans and vulnerable children will be increased to N\$250 in the new Financial Year.

Steps will also be taken during the new Financial Year, to register all Namibians who are eligible for social benefits and to ensure that they receive what is due to them. This is an urgent matter because, for some of our people, this will be their only source of income.

Moreover, as part of our anti-poverty interventions, Government is paying special attention to the development of rural areas. The aim is to undo the legacies of the past, as a result of which, rural areas suffer disproportionately from under-development, marked by lack of infrastructure and public services.

It is for this reason that our Government has decentralized services such as Agricultural Extension, Issuing of National Documents, Motor Vehicle Registration, maintenance of public facilities and others.

Furthermore, feeder roads, Constituency Offices, Clinics, Health Centres and education facilities have been established in areas where there has been none in the past. The provision of these services and the establishment of facilities will be expanded in the new Financial Year and in the future, under the auspices of various Offices, Ministries, Agencies and State-owned enterprises.

Honourable Speaker,
Honourable Chairperson,

Our commitment to gender equality is unquestionable. Consequently, we have adopted domestic policies and acceded to regional and international treaties and protocols, such as the SADC Protocol on Gender, which calls for 50/50 representation of women in decision-making positions. We believe that by implementing these commitments, and by empowering more Namibian women to participate in decision-making processes and leadership roles, we will unlock immense energy and potential for the development of our nation.

A multi-sectoral co-ordination mechanism for the implementation of the National Gender Policy has been developed and will be submitted to Cabinet during the 2014/2015 Financial Year.

The nation condemns all forms of gender-based violence and other criminal acts, which have been perpetrated against Namibian women and children. I wish to state again that the Government will continue to combat this evil relentlessly, including through the implementation of measures that I announced to the Nation on 21st February this year.

I take this opportunity to commend our people for joining hands in condemning gender-based violence, and for speaking with one voice during the National Day of Prayer against gender-based violence, which took place on 6th March 2014.

We will also address the situation regarding teenage pregnancies in the country, especially in rural areas. It is incumbent upon parents, guardians as well as community, spiritual and traditional leaders to teach, promote and facilitate a stable upbringing of our youth, based on the values of self-respect and respect for others.

Honourable Speaker,
Honourable Chairperson,

Our youth represent the nation's best hope for the future and are, indeed, a central and vital component in the achievement of our national development goals. To become effective agents for change and catalysts, however, our youth must acquire modern skills and competencies.

I assure our young people that Government will continue to address the challenges they face and implement interventions to promote their welfare and enable them to secure a brighter future.

Honourable Speaker,
Honourable Chairperson,

Education is the foundation for our country's socio-economic development and prosperity. It is through education that we will unlock the full potential of our people and enable them to contribute to the social and economic development of the nation.

We will continue to plan and make the necessary investments in order to modernize the sector, and make it more responsive to the socio-economic and development needs of our country. The year 2013 saw the introduction of the *Inclusive Education Policy*, which will regulate and guide the inclusion of all Namibian children in teaching and learning activities.

Honourable Speaker,
Honourable Chairperson,

We have demonstrated over the years that we will not hesitate to provide the resources and make the necessary efforts to achieve the national goals and objectives in this important sector.

As Government, we have demonstrated our commitment to ensuring the nation deserves to receive value for the investments made, not only in education, but other sectors as well. In this context, all stakeholders should work together in order to achieve our stated goals.

It is particularly important to prioritize early childhood development and learning. This is the best education investment we can make in our children, our communities, and our country. Research has proven that early childhood development creates a strong foundation for academic performance, reduces the repetition of grades and drop-out rates, and contributes to higher graduation rates at secondary and tertiary levels. For the sake of our country's future, the development and expansion of pre-primary education should enjoy greater attention.

Since the abolition of the payment of school development fees in public schools in 2012, enrolment figures at pre-primary and primary school levels have increased significantly. At Pre-primary school level, enrolment increased from under 15, 000 learners in 2012, to more than 24,000 in 2013. Similarly, Grade 1 enrolment increased from under 66,000 to more than 74, 000 learners in 2013. From 2016, the payment of school development fees will be abolished at the secondary school level.

With support from the Millennium Challenge Account, the availability of textbooks reached the 1 to 1 ratio at secondary school level, and 1 to 2 ratio, at the primary school level. These resources must be maximized to contribute to better performance by our learners and to the overall improvement in examination results in our schools. I challenge our learners, teachers, and all stakeholders in education to do their part to ensure higher pass rates at all levels.

Another positive development is the expansion of the *School Feeding Programme* from 270,000 during 2013 to over 330,000 beneficiaries currently. An additional amount of N\$50 million was mobilized to feed more learners, as a result of the drought.

The current school curriculum will be reviewed during the 2014/2015 Financial Year. Panels of experts will participate in the preparation of content, as well as teaching and learning materials of various subjects. The revised curriculum will be implemented through a phased-in process, starting in 2015.

At tertiary level, enrollment now stands at over 26,000 students in public institutions. However, in Vocational Education and Training institutions, the number of graduates has not shown significant improvement, despite increased allocation of resources to this sector. I encourage our young people to enroll and take advantage of training opportunities in our VTCs to gain skills.

From the 2015/16 Financial Year, Government will implement the Funding Framework for Public Tertiary Institutions. The framework is designed to facilitate an efficient, transparent and equitable allocation of resources to tertiary education institutions.

Additional resources have been allocated to the *Namibia Students' Financial Assistance Fund* in the new budget in order to benefit more students at tertiary levels. The *Vocational Education and Training Levy*, which will mobilise resources from the corporate sector to support training programmes, has been introduced and will become effective in April 2014. I encourage the private sector to fully support this worthy initiative.

Despite challenges, our education sector has won international recognition. Last year, Namibia was awarded the 2013 UNESCO International Literacy Prize for our efforts in improving the quality of life of disadvantaged adults and out-of-school youth.

Many of the measures I have outlined flow from the implementation of the recommendations of the 2011 National Education Conference.

Honourable Speaker,
Honourable Chairperson,

Our Government remains committed to ensuring that our nation has access to a working, reliable, affordable and accessible public health care and service delivery system. We are, therefore, sustaining substantial public investments in health infrastructure, training of personnel, procurement of medicines, as well as the strengthening and modernization of our policies and health administration systems.

It is for this reason that I appointed a *Presidential Commission of Inquiry into the Health Sector* in 2012. The Commission has made many valuable recommendations, which are being implemented across the health sector in order to improve the quality of services.

In addition to the maintenance and modernization of existing health facilities, new clinics and health centres were built across the country. These include eight Primary Health Clinics, Primary Health Centres, and various hospital components, such as an administration block at Usakos Hospital, accommodation facilities at St. Mary Hospital, a Maternity Ward at Opuwo Hospital, the completion of a Nuclear Medicines Unit at Oshakati Hospital and other projects.

In the area of training, there are currently, more than *five hundred* enrolled nurses and midwives who are undergoing training at various health training centres locally. Training is also being provided for Pharmacy Assistants, Radiography, and Environmental Health practitioners. We are proud that Namibia is training our own doctors locally. Fifth year Student Doctors at the UNAM School of Medicine are currently undergoing clinical trials and will graduate in 2015. This will be the first group of locally trained doctors. One hundred and twenty-three (123) young Namibians have received scholarships to study medicine and pharmacology in the Russian Federation.

In addition, several Namibians have been sent to countries such as Cuba, the People's Republic of China, South Africa, Tanzania, and Zambia to train as doctors. I wish to point out that about 65 Cuban medical doctors are now serving in our public health facilities as part of bilateral cooperation between our two countries.

Honourable Speaker,
Honourable Chairperson,

We are making deeper in-roads in combating the HIV/AIDS pandemic. Over the last three years, notable reductions were recorded in new infections as the campaign on zero new infections, and zero HIV-related deaths gained momentum. Similarly, the prevention of mother-to-child transmission strategy has produced good results.

The Ministry of Health and Social Services will soon launch the National Strategy to Eliminate *Mother-to-Child Transmission (e-PMCT)*.

I am pleased that Namibia has received international recognition and praise for our achievements in the fight against HIV/AIDS. While we are encouraged by these commendations, all Namibians must continue to combat this pandemic relentlessly, to prevent new infections. An HIV-free generation is within reach.

I wish to express my sympathies to the families of loved ones who lost their lives as a result of the cholera outbreak in the Kunene and Khomas Regions. Despite these unfortunate fatalities, the outbreak has been contained. Steps are being taken to ensure speedy response and better preparedness in case of future outbreaks.

Against this background, I urge the health authorities, community leaders and heads of households to promote hygiene at community and household levels. This will contribute greatly to the prevention of the spread of diseases such as cholera in our communities.

In order to further broaden access to quality health care, our Government has mandated the Social Security Commission to investigate the feasibility and funding options of the introduction of *Universal Health Coverage* in the country. An Advisory Committee has been established to co-ordinate this important work.

Honourable Speaker,
Honourable Chairperson,

Adequate shelter is one of the most basic needs for dignified human existence. Therefore, we will continue to do our best to ensure that more and more Namibians enjoy access to this basic necessity. According to statistics, the housing backlog in Namibia stands at 100,000 units. This number increases by more than 3000 units every year.

In supporting existing initiatives, our Government launched the National Mass Housing Programme to address the challenge. The plan is to build at least 185,000 houses over the next 17 years at a cost of N\$47 billion.

During the 2014/2015 Financial Year, we aim to build more than 5000 houses in different towns across the country.

The Programme is being implemented alongside other housing provision initiatives such as the Build-Together Programme and support to the Shack Dwellers Association. Government has also initiated amendments to the Pension Funds Act to enable pension fund members to access their pension benefits and invest in building their own houses, including in non-proclaimed areas, such as villages.

Honourable Speaker,
Honourable Chairperson,

The achievement of national food security through local food production is an important priority for our Government. It is for this reason that we have continued to allocate funds for investment in Green Scheme Projects and to provide support to subsistence farmers through agricultural extension services.

Significant progress has been made and major milestones were achieved at our Green Scheme Projects during the period under review. Several Projects have, not only recorded good harvests, but more land has been put under cultivation. To date, close to 4,000 hectares of land are now under cultivation as part of the Green Scheme Initiative.

I am happy to state that a substantial quantity of the maize meal that was distributed as part of drought relief efforts was sourced from our Green Scheme Projects. This demonstrates that we are making good progress in the area of domestic food production.

Moreover, we are encouraged that Namibian farmers have responded positively to the establishment of the National Fresh Produce Business Hubs, which are now serving as ready markets for local crop producers. Both the Ongwediva and Rundu Fresh Produce Hubs are now operational. The construction of the Windhoek Fresh Produce Hub will commence in the 2014/2015 Financial Year.

Honourable Speaker
Honourable Chairperson,

The livestock sector remains an important pillar of our agriculture industry. In order to mitigate the impact of the drought on livestock farmers, the Government initiated the Livestock Marketing Incentive Scheme. This resulted in the marketing of more than 360,000 small stock and more than 104,000 large stock units. About N\$55.6 million has so far been spent on the scheme, including assistance for leasing of grazing areas.

The new Meatco Bill, which is aimed at securing greater participation of our communal farmers in the commercial marketing of cattle, and indeed a fairer representation in the meat industry, is receiving attention.

I am pleased to state that our Agricultural Research Institutions are conducting research on indigenous livestock breeds that are hardy and well-adapted, to become part of our national herd. Namibia managed to control the outbreaks of sporadic animal diseases that were reported in some parts of the country. This has ensured continued access for our beef and other meat products to our existing regional and international markets. Currently, zoo-sanitary agreements for the export of meat are being negotiated with the People's Republic of China and the United States of America.

Honourable Speaker,
Honourable Chairperson,

In order to mitigate the impact of the drought that was experienced in our country over the past few years, our Government availed resources to provide water, for both human and animal consumption in affected communities. This included the construction of water pipelines to extend the availability of water, as well as the rehabilitation, drilling and installation of boreholes in different parts of the country, especially in rural areas.

Another milestone in the water sector is the commencement of the construction of the Neckartal Dam in the //Karas Region. Upon completion, the dam will support irrigation projects covering 5000 hectares of land. A Desalination Plant is being built at Mile 6, in order to supplement water supply to the mines and coastal towns in Erongo Region.

Honourable Speaker,
Honourable Chairperson,

The drought experienced during the review period was described as the worst in thirty years. It affected thousands of Namibians and resulted in the loss of thousands of livestock and wild animals. Government has so far spent more than N\$583 million to deal with this disaster.

The funds were used to assist affected communities and households through the provision of drought food relief, livestock marketing, and provision of water, including the procurement of water tanks and drilling of boreholes.

I commend the Office of the Prime Minister and other stakeholders for efficiently undertaking the national response to this disaster. I also wish to express our deep appreciation to all the countries, organizations and individuals who gave us valuable support to deal with the drought.

Although good rains have fallen in many parts of the country in recent weeks, other areas remain vulnerable, due to inadequate rainfall for crop cultivation, and poor grazing for livestock.

We should remain vigilant and plan in advance in order to deal with future droughts and floods more effectively. I call upon the Office of the Prime Minister to accelerate the development of the Disaster Risk Management Framework and Guidelines, as part of the implementation of the National Disaster Risk Management Act.

Honourable Speaker
Honourable Chairperson,

Land reform is a standing item on the Government's agenda. It remains one of the most critical aspects of governance and transformation that is critical to bringing about social justice and poverty alleviation in our country.

We will continue to do what is necessary to ensure the success of our land reform objectives. In this context, the Agricultural (Commercial) Land Reform Act of 1995 was amended to close legal loopholes that have been exploited by some land-owners to circumvent the legal provisions that give the State the right of first refusal in transactions for the sale of commercial land.

In order to improve productivity and promote sustainability, our Government has made resources available, not only for the purchase of land for resettlement purposes, but also for the rehabilitation of water infrastructure on resettlement farms. Solar-powered water systems were installed on several resettlement farms during the review period.

Honourable Speaker,
Honourable Chairperson,

For our economy to grow and for our country to prosper, we need to have world class physical and communication infrastructure. Our roads, railways, harbours, airports, and bridges must be in a good state of repair, to serve as effective conduits to facilitate economic activities and the smooth movement of people.

During the period under review, various road and bridge construction projects were completed around the country. Others are currently underway. These include Trunk Road 15 from Tsumeb via Tsintsabis to Katwitwi, as well as various bitumen and gravel road projects that have been finalized or are being planned for implementation in Kavango, Omusati, Oshana, Ohangwena, //Kharas, Khomas, Kunene, Omaheke, Hardap, Zambezi, Oshikoto, Erongo and Otjozondjupa Regions. Several feeder roads were also constructed to facilitate safer travel and access to public services for residents of rural areas.

Honourable Speaker,
Honourable Chairperson,

Namibia is determined to take full advantage of our geographic location as the gateway to the Southern African Region. Towards this end, our Government is implementing strategic initiatives that will put our country in a position to become a modern transport hub for imports and exports to and from Southern Africa.

As part of this strategy, we have placed focus on providing services such as availing Dry-Dock Ports to neighbouring land-locked countries in SADC. Other strategic initiatives include the development of the SADC Gateway Port between Swakopmund and Walvis Bay, as well as the expansion of the Walvis Bay Harbour.

Similarly, the recent signing of an agreement between Namibia and Botswana on the construction of the Trans-Kalahari Railway, which is estimated to cost about N\$120 billion, is a significant project in infrastructure development efforts, here at home and in the SADC Region. We will work with Botswana to complete this project speedily.

There is no doubt that these projects hold strategic importance for Namibia and will go a long way in strengthening the competitiveness, job creation, and increased levels of performance of our national economy.

One of the major infrastructure projects to be completed in recent years was the First Phase of the Northern Railway Extension Project from Tsumeb via Ondangwa to Oshikango on the border with Angola. Our focus in the current Medium Term Expenditure Framework will be on the construction of the railway line from Ondangwa to Oshakati and thereby link these growing towns to the national rail network.

Honourable Speaker,
Honourable Chairperson,

As our population grows and industries expand, the demand for electricity also grows. This poses a major challenge for our country due to inadequate local power generation capacity. The situation was exacerbated by a recent announcement by ESKOM, from where Namibia imports the bulk of our electricity, that the electricity available for exports will be reduced significantly. This will have a direct negative impact on power supply to our country. In order to ensure continuous supply of electricity for the country, our national power utility, Nampower has launched the Short Term Critical Supply Project, covering the period from 2012 to 2016.

The project involves the refurbishment of the Van Eck Coal Power Station in Windhoek and the replacement of turbines on Units 1, 2 and 3 at Ruacana Hydro Power Station.

It also includes the replacement of all diesel-generator sets at Paratus Power Station in Walvis Bay; and securing short-term power purchase agreements with suppliers in the SADC Region. Where needs arise, diesel generators will be leased and deployed to meet electricity shortfalls.

It is critical for Namibia to waste no time to implement local projects that will ensure security of electricity supply for our country. On this score, I take note that progress

has been made by both upstream and down stream developers of the Kudu Gas-to-Power Project. This includes the signing of a power off-take and equity participation agreement between NamPower and the Copperbelt Energy Company of Zambia.

The Techno-Economic Feasibility Study of the Baynes Hydropower and the Environmental Social Impact Assessment Study for this project, have been completed. Namibian and Angolan teams will meet in the near future to iron out the remaining issues and decide on a final development scenario for this project. The completion of these two projects will add more power to our national power grid.

Our investments in the expansion of renewable energy through the Solar Revolving Fund continue. The Fund provides loans for members of the public to acquire solar installations for their homes and businesses. During the 2013/2014 Financial Year, four hundred and forty-one (441) loans, amounting to N\$11, 9 million were issued by the Fund. Six (6) schools in Omusati Region were also electrified with containerized solar systems during the period under review.

Honourable Speaker,
Honourable Chairperson,

Namibia has embarked upon the search for oil and gas. While the drilling campaigns undertaken by some companies have not discovered commercial quantities of oil, the data collected during the drilling has proven useful. We remain hopeful that oil will be discovered in Namibia in the near future.

Honourable Speaker,
Honourable Chairperson,

The infrastructure development initiatives I have outlined are aimed at improving the economic competitiveness of our country. This, in turn is vital to our country's realization of our national development goals. Towards this end, through the Ministry of Trade and Industry, our Government has adopted various policy initiatives to boost the competitiveness of our economy.

These include improving the ease of investing and doing business in our country, broadening market opportunities for Namibian products at home and abroad, as well as bringing about sustainable economic performance through the *Growth at Home Strategy*. The strategy focuses on increased manufacturing and value addition to local products, provision of support to Small and Medium Enterprises (SMEs), and the protection of emerging industrial value chains.

It also aims to intensify the transformation and diversification of the structure and content of our economy, so that innovation, manufacturing and the development of

value chains assume the centre stage of economic activities.

The objective of these interventions is to attain improved balance of payments, sustained economic growth, creation of more jobs, and poverty reduction.

Specific measures being implemented include:

- The tabling of the *new Investment Bill* during the 2014/2015 Fiscal Year, to replace the existing Foreign Investment Act;
- Establishment of an *Integrated Investor Service Centre*, as well as a *Web-based Company Registration System* to facilitate speedier registration of companies; and
- Establishment of a *Single Window System* to consolidate the services related to import and export regulatory requirements.

Other measures to boost competitiveness include:

- further capital injections into the *SME Bank* to enable it to provide funding to the SME sector, and
- the establishment of the *Technology Centre at the Polytechnic of Namibia*.

The Centre will provide specific productive skills and know-how to emerging and aspiring entrepreneurs, especially the youth and women on the design and manufacturing of market-ready products, that meet local and global market quality standards. Government will also continue assisting SMEs to acquire production equipment and technologies through the *Equipment Aid Scheme*. The Scheme has been running successfully for several years and has benefited hundreds of local SMEs.

The *Public-Private Partnership (PPP) Guidelines* have been finalized. What remains is the tabling of a PPP legislation to enable government to facilitate private sector participation in national development programmes.

Furthermore, Cabinet has approved the review of the current *Policy and Programme on Small Business Development*. This will lead to the establishment of a more robust and effective policy framework and support system, which has the capacity to grow and sustain this important sector and its potential to contribute to job creation and economic growth. The review process and adoption will be completed during the 2014/2015 Financial Year.

Another aspect of this strategy, involves Government support to SMEs in order to secure finance, production technologies, serviced land and premises, as well as

markets for their products. For example, market stalls have been established at several locations across the country, enable rural women and informal traders to conduct business in modern facilities.

The objective is clear. In order to empower our people, we must increasingly bring them into the mainstream economy. Towards this end, institutions such as the Development Bank of Namibia, the SME Bank and Agribank have been mandated to provide access to capital for the SME sector.

Honourable Speaker,
Honourable Chairperson,

Namibia continues to be a net exporter of capital. Steps have, therefore, been taken in order to stem this outflow and to promote the investment of domestic savings in the local economy to support development and job creation at home. Towards this end, Regulations 15 and 28, and the new Regulation 29 relating to Pension Funds Act and the Long-term Insurance Act were gazetted and came into force in January 2014.

Honourable Speaker,
Honourable Chairperson,

Namibia remains committed to regional, continental and multilateral economic integration. We are also committed to trade facilitation processes and arrangements through SACU, SADC, AU and the World Trade Organization. We will continue to participate in the EPA negotiations with the European Union.

In all these processes, we are conscious of the need to ensure that Namibia's policy space to implement domestic measures that are aimed at growing our industrial base and safeguarding local industries is not eroded.

As we consolidate the existing market access arrangements, we are also intensifying our effort to diversify market opportunities for our exports. Our focus is to secure markets in the People's Republic of China, the Russian Federation, India, South-East Asia and the Gulf Region.

Our Government has also implemented policies to facilitate trade within Africa, especially neighbouring countries. These include the installation of state-of-the-art Inspection Scanners at strategic border points, and the establishment of One-Stop Border Post operations.

Together with other SACU Member States, we have adopted a comprehensive Customs Development Programme aimed at increasing trade facilitation gains at regional and national levels. We are also committed to the on-going negotiation

process on the institutional and revenue sharing arrangements within SACU, which is part of the priority areas under the new SACU Vision.

Honourable Speaker,
Honourable Chairperson,

Mining continues to be an important pillar of the national economy. It is pleasing that the sector has continued to attract significant foreign investments, thereby confirming Namibia's status as one of the most attractive countries in the world for foreign investors in mining.

Some of the new mining ventures in the country include the Husab, Otjikoto and B2Gold Mines, which are currently under construction. The construction of the Tschudi Mine near Tsumeb, will start soon. These projects will contribute to our Gross Domestic Product and export earnings. They will also create thousands of employment opportunities for our people, contribute to the revenue and boost economic development.

The Diamond sector has shown significant improvement, as compared to reduced production experienced in the 2012/2013 Financial Year. During the review period, diamond production at Namdeb increased, mainly from the offshore sites and better carat grades. This positive trend is expected to continue with the opening of the Sendelingsdrift Mine in mid-2014.

Shareholder representatives are currently reviewing the GRN/De Beers Sales Agreement. Full negotiations in this regard are expected to start soon.

In order to boost value addition to Namibian diamonds and secure jobs in the cutting and polishing industry, the needs of local cutting and polishing factories are being assessed, with the view to increasing the supply of rough diamonds to local factories by the Namibia Diamond Trading Company.

Honourable Speaker,
Honourable Chairperson,

Other sectors of our economy, such as fishing and tourism continue to make tangible contributions to the national economy.

Since the two sectors are directly linked to the conservation of our marine and environmental ecosystems, our Government will continue to implement policies aimed at promoting sustainable growth and conservation in these sectors. We will pursue initiatives that are aimed at expanding economic empowerment through the allocation of concessions and rights of exploitation in fishing and tourism.

Honourable Speaker,
Honourable Chairperson,

The best guarantor of fundamental human rights and freedoms is a functioning and effective Judiciary, forming part of a strong, well-resourced and reliable criminal justice system; ensuring that our law enforcement agencies, courts and the Correctional Services work hand-in-hand to fulfill their respective mandates.

In this context, Government continues to provide resources and capacitate our law enforcement agencies to combat crime more effectively. An amount of N\$435 million is allocated to NAMPOL in the new budget to recruit and train about 2,800 Police Officers.

Government has also taken steps to address concerns about the slow delivery of justice and to reduce the back-log of cases in our courts. For this purpose, mobile courts will be set up to try the cases at affected Police Stations around the country. Moreover, dedicated courts will be established to handle traffic offences, while measures will be introduced to ensure that Prosecutors maximize their allocated time in courts.

I commend our law enforcement officials who put their lives on the line every day in order to maintain law and order in our country. Their efforts have resulted in the successful prosecution of many offenders who committed crimes in the country.

In the same vein, I would like to commend the Namibia Defence Force for the sterling work it is doing in protecting the territorial integrity of our Republic. I also commend them for their good work in peace-keeping operations as well as assistance to civil authorities during national emergencies such as the drought and outbreak of diseases. The welfare of our men and women in uniform will continue to enjoy attention.

Honourable Speaker,
Honourable Chairperson,

There should be no doubt about our commitment to combat corruption. While recognizing challenges experienced, we welcome the progress made so far in the investigation and prosecution of cases of corruption.

No effort should be spared to ensure justice and bring perpetrator to book. In order to fight this evil more effectively, the long over-due Whistle Blowers and Witness Protection Bill is currently receiving attention. In addition, as of January this year, two dedicated courts have been established in Windhoek to handle cases of corruption.

Moreover, an Asset Forfeiture Unit will be established at Oshakati to complement the work of the Windhoek-based Unit to ensure that criminals do not benefit from the proceeds of crime or ill-gotten gains.

Honourable Speaker,
Honourable Chairperson,

I take this opportunity to commend the Electoral Commission of Namibia on the recent completion of the General Registration of Voters, which took place from 15th January to 2nd March 2014. According to provisional statistics, released last week by the ECN, one million, one hundred, and sixty two thousand, three hundred and sixty six voters were registered, during the General Registration of Voters.

Supplementary Registration will be conducted in September this year, in order to accommodate voters who were not able to register during the General Registration and those who will have turned 18 years old, by then. The Namibian Constitution guarantees all our citizens who are 18 years or older, the right to vote and elect leaders of their choice. Our nation is now looking forward to the National Assembly and Presidential Elections, which will take place towards the end of this year.

I would like to use this important national platform to restate our Government's position that no provocation, intolerance or violence will be tolerated, either before, during or after the elections. Our people should be allowed to exercise their democratic right to elect leaders of their choice in peace and security.

Honourable Speaker,
Honourable Chairperson,

We are an African country whose destiny is intertwined with that of our Continent. Our foreign policy is anchored on the promotion of international peace and security, the peaceful resolution of conflicts, and defending what is just.

In this context, Namibia continues to support the peoples of Western Sahara and Palestine in their struggle for self-determination and independence. We, therefore, call for the full implementation of the United Nations' Resolutions on Western Sahara and Palestine.

In pursuing our foreign policy objectives and fulfilling our international obligations, Namibia continues to participate in the activities of SADC, SACU, the African Union, the United Nations, the Non-Aligned Movement and the Commonwealth.

We are also participating in UN peace-keeping operations and maintenance of world peace and security. Currently, members of the Namibia Defence Force are serving in

South Sudan as part of the UN Mission.

Last year, our Minister of Foreign Affairs led SADC Electoral Observer Missions to Swaziland as well as Madagascar, on my behalf as Chair of the SADC Organ Troika on Defence and Security.

During the period under review, I undertook missions to represent Namibia at regional and international fora, such as SADC, SACU, the AU and the UN. I also led high-level delegations to a number of countries in order to strengthen bilateral relations and economic co-operation between Namibia and those states.

In the same vein, I received a number of Heads of State and Government who paid State Visits to our country. The latest was His Excellency Goodluck Jonathan, President of the Federal Republic of Nigeria, who concluded a successful State Visit to our country last week.

Honourable Speaker,
Honourable Chairperson,

This is the last time that I am addressing this joint sitting of our legislature as Head of State and Government. I, therefore, take this opportunity to express my special and sincere appreciation and profound gratitude to all our lawmakers and their respective parties for the co-operation and support rendered to me as Head of State and Government over the years.

Honourable Speaker,
Honourable Chairperson,

I call upon all our people to come together as one nation, to embrace unity regardless of political affiliation, race, creed, colour or ethnic background, to march together hand-in-hand and make the State of our Nation stronger. As we move forward, we should spare no effort in our resolve to make our country more competitive economically, and thereby achieve our national development goals.

Let us do our very best as a nation and as citizens to bring about social justice for Namibian children, women, senior citizens, veterans of the national liberation struggle, and our citizens who live in rural areas and informal settlements.

Let us also continue to give honour and respect to all our heroes and heroines, Whose Blood Waters our Freedom.

Honourable Speaker,
Honourable Chairperson,

I have always and I continue to believe that the future of our country is safe and secure. Therefore, I reiterate this confidence here today, unreservedly. I have no doubt that, through efficient and effective implementation of our policies and programmes, Namibia will continue to grow and flourish for the benefit of all our people.

Long Live the Republic of Namibia!

I thank you.