



Republic of Namibia

MINISTRY OF TRADE AND INDUSTRY

KEYNOTE ADDRESS

BY

CALLE SCHLETTWEIN

MINISTER OF TRADE AND INDUSTRY

REPUBLIC OF NAMIBIA

AT THE

THE MEATMA LAUNCH

ON

THURSDAY, 28 AUGUST 2014

AT

MEATCO NAMIBIA HEAD QUARTERS, WINDHOEK

Director of Ceremonies;

Hon. John Mutorwa, Minister of Agriculture, Water and Forestry;

Ms. Martha Namundjebo-Tilahun, Chairperson of MEATCO Board of Directors;

Distinguished Members of the Board of Directors of MEATCO Namibia;

Advocate Vekuii Reinhardt Rukoro, CEO of MEATCO Namibia;

Members of MEATCO Namibia Management;

Distinguished Guests;

Employees of MEATCO;

Members of the Media;

Ladies and Gentlemen;

Good morning to everyone. I am honored to be here today to deliver an address at this event that marks the official launch of MEATMA, an initiative of MEATCO, which is aimed at servicing the local market with a variety of finished consumer products.

Director of Ceremonies

Most of us are very familiar with the central role of MEATCO in the red meat sector. MEATCO is the main buyer of cattle produced in Namibia and also the largest exporter of high quality fresh and chilled beef to markets such as the European Union, Norway, South Africa and of recent Russia. What is now becoming more prominent is MEATCO's role in processing red meat into finished consumer products, which should become the household brand for top quality free range beef products for both, our domestic and export markets.

MEATCO as an entity that is currently driven primarily by producer interests has to respond to market forces aiming at diversification. An approach solely focusing at achieving the best price for producers at the farm gate is not sufficient anymore. To optimize economic gains from the red meat sector a more sophisticated value chain needs to be developed. We believe that Namibia cannot any longer rely on the exports of raw materials, in this case exports of weaners and slaughter ready cattle on the hoof or exports of beef in bulk.

I am therefore very pleased with this development, which is very much in line with our “Growth at Home Strategy” towards commodity-based industrialization. The emphasis of our “Growth at Home Strategy” is to encourage increased manufacturing and value addition to the country’s natural resources, the development and strengthening of local and cross-border value chains, and leveraging linkages and complementarities between and amongst the various sectors of our economy, including the SME sector. The expected outcomes of these activities are accelerated sustainable economic growth, job and wealth creation leading to a more equitable wealth distribution in the economy and tangible improvements in the social welfare of our people.

I would like to believe that this investment by MEATCO, as part of their longer term growth strategy, came as a result of this new policy approach towards value addition and our discussions with the red meat sector about the opportunities for growth in production capacity and product diversity and market expansion and the supporting role that our government could play. As such, it is one of the first private sector responses to our call as a

government to make more out of our raw materials and develop new markets.

Ladies and Gentlemen;

Agricultural production is the basis of what we see here today. Agriculture will continue to be a priority focus under NDP4 and the Government will continue to support it as a strategic sector over the NDP4 period and beyond. Agriculture has the potential to expand and create a substantial number of jobs. I have emphasized on other occasions that I expect that agricultural production will be one of the main drivers of our industrialization. In fact, very few countries other than the small island or city state economies of Singapore or Hong Kong have managed to industrialize without an agriculture base. It is thus essential that we continue to link agricultural production ever more closer to agro-processing and manufacturing in all its forms and this new development that we inaugurating today is a shining example of this.

While this is commendable, there are a number of challenges facing the agricultural and agro-processing sectors. For example it is difficult to put local products on the local market due to the high competition with imported products. Often the question is asked whether the country is utilizing the full potential of its varied agricultural resources to the benefit of the larger population, and how it can be justified to employ policy measures that seem to only benefit a few large companies. Furthermore, it is asked whether the country has been able to optimize the exploitation of these

resources by increasing value addition activities to the benefit of all communities?

As a Ministry responsible for manufacturing activity, the processing of agricultural goods and the promotion of resource-based development are of crucial importance. Without that we would be nothing other than an exporter of raw agricultural produce and consumers of imported food. We would remain pegged at the bottom of regional and global value chains and we would perpetuate our dependency for food on external sources.

Importantly, we have seen a huge difference in wealth creation and the number of job opportunities that exists in the productive part of a sector versus in importing and distribution. We can thus not afford to not take policy measures to improve and secure our own production capacity for the sake of the large-scale employment linked with our large producers and the imbalanced industrial development that we face in our region. To ensure that there is broader participation in production and value addition, with our interventions to support the growth of entrepreneurs and small business we are in the process of creating companies that will one day rival MEATCO. But for now want to commend MEATCO for walking the talk of value addition.

Director of Ceremonies

I am delighted to learn that the objective of MEATCO's MEATMA initiative is to consistently serve the nation at large with an affordable and reliable protein basket of high quality products. It is my fervent hope that the

Namibian consumers out there are well taken care of in this regard. Our people on a daily basis are at the receiving end of retail supply chains and marketing strategies decided in other countries which may have little regard for the interest of our producers and our consumers.

I believe that a great deal of awareness about this matter has already been created and we have the leading retail companies working now to develop a retail charter that would amongst others facilitate local supplier development and access of local products onto retail shelves. This new venture of MEATCO is a further contribution to securing access for domestic producers to our domestic market, and with that for consumers to have access to locally produced products.

I am therefore further pleased to learn that MEATCO will not only limit or confine itself to its current operations and scope within the MEATMA products, but will also broaden its activities by adding value through introducing additional can products like viennas, meatballs, chicken loaf and luncheon rolls – to widen the basket and choice for its customers.

Director of Ceremonies;

Ladies and Gentlemen;

Poverty and unemployment are among the most serious challenges faced by our nation and it is my earnest belief that this MEATMA endeavour is an important step by MEATCO joining us in alleviating these two problems. I am equally certain that with the future expansion of this initiative to also develop other processed products for the export market will further ease

the high rate of unemployment by creating the much needed jobs in our country.

I remain convinced of a great many opportunities in this regard and I am pleased to note that MEATCO is committed to take this initiative further and target other markets in our region, and help expand intra-SADC and intra-African trade. As a person who gets to travel frequently in our region, I can vouch for the fact that almost no other country in our region has access to the high quality red meat products that we enjoy in Namibia. Let us work together to gear up our production for this huge emerging market.

Ladies and Gentlemen;

With these few words, I renew my appreciation for the invitation and opportunity extended to me. This initiative marks the turning of a new page for MEATCO, i.e. to change from being a buyer and seller of raw material to a producer and retailer of a range of top quality Namibian beef products. It therefore gives me great pleasure to declare MEATCO's first MEATMA Outlet officially launched.

I thank you for your attention.