



Republic of Namibia

KEYNOTE ADDRESS

BY

CALLE SCHLETTWEIN

MINISTER OF TRADE AND INDUSTRY

REPUBLIC OF NAMIBIA

AT THE

LAUNCH OF MMI HOLDINGS NAMIBIA

ON

WEDNESDAY, 23 JULY 2014

AT

HILTON HOTEL

Check Against Delivery

Director of Ceremonies;

Mr. Rairirira Mbetjiha, Chairperson of the Board of MMI Holdings Namibia;

Board Members and Management of MMI Holdings Namibia

Mr. Jason Nandago, Group CEO of MMI Holdings Namibia;

Mr. Nicholaas Kruger, CEO of MMI South Africa;

Distinguished Guests;

Captains of Industry;

Members of the Media;

Ladies and Gentlemen;

I am very happy and grateful for being invited to launch the MMI Holdings Namibia as a result of merging Metropolitan Holding and Momentum Holding Groups .

Director of Ceremonies;

Allow me at this juncture to extend greetings from the Right Honourable Prime Minister Dr. Hage Geingob, who would have loved to be here with you, but due to equally other important prior commitments is unable to be here with you, and instead directed that I represent him at this auspicious occasion.

Ladies and Gentlemen;

The MMI Holdings Limited was created from the merger between Metropolitan Holdings and the Momentum Holdings Group in 2010, both well established and successful companies. On the 1st July 2012,

Metropolitan Namibia acquired a 51% shareholding in Momentum Namibia that was held by First National Bank of Namibia. This acquisition concluded the last chapter in the transaction as MMI Holdings already held the 49% shareholding that was owned by Momentum South Africa.

You informed that one year later, MMI Holdings Namibia was formed on the 1st July 2013, following the merger of Metropolitan Life Namibia Limited and Momentum Life Assurance Namibia Limited. Following the creation of MMI Holdings Namibia, the group owned duplicated life licensed entities and IT Systems. The decision to consolidate the life licenses and IT systems was to obtain business efficiencies and cost effectiveness that occurred as a result of the merger

This approval which came into effect on the 1st July 2014, consolidating the life licenses of Metropolitan Namibia and Momentum Namibia, which will change to MMI Holdings Namibia. The key rationale for merging Metropolitan and Momentum was the complimentary fit, of the market segments they serve, and their product offerings, which had limited overlaps.

The combined businesses have given you greater market penetration, increased scale, as well as a stronger capital base, and a very solid a human resources capacity. The merger has also enabled you to diversify risk, enhance product offering, and establish a far larger presence in Africa.

Thanks to Namibia's conducive environment, which ensures for businesses to operate freely and flourish. This is particularly so due to Namibia's;

- well-functioning public institutions,
- the respect for the rule of law and the independence of the judiciary
- protection of property rights
- the maintenance of peace and stability
- good transport infrastructure, and particularly a
- well-developed financial markets and confidence in the financial institutions.

In ranking reports, whether from the World Bank on the ease of doing business or the World Economic Forum on competitiveness our financial sector is consistently ranked high.

We have however to recognize that many services in the financial sector are expensive and unaffordable for especially the low-income groups and SMEs. Also, our economy is still very skew and some of that skewness is very evident in the financial sector. The NamBic survey for instance found that access to finance is the number one impediment for both, small and large business entities. Other findings the NamBiC Survey results indicate that businesses' ratings of the investment climate have improved in the areas of crime, access to finance and tax rates.

I am therefore pleased to hear that MNI has specific capacity to service the low-income groups of our society. I want to hope that MNI would utilize this capacity to also venture into servicing SMEs. SMEs are responsible for a 12 % contribution to GDP, which is considerable. They are however

exposed to risks for which mitigating insurances have to be developed and I see good business opportunities developing in this sector.

In a similar vein one has to observe that expenses for health services and medical aid schemes are increasing much faster than inflation and are becoming unaffordable for many in the low and middle-income groups.

I am pleased that your vision “ *to be a significant player and leading provider of choice in satisfying the insurance, investment, savings, pension fund and health administration needs of the retail and institutional customers in Namibia in our selected market segments,*” coupled with the strength of MMI Holdings Namibia to provide life assurance, investment and savings needs to the lower to middle income market will put you in a position to broaden service provision to those groups that remain excluded. Equally, Momentum Namibia’s offering, which consist of employee benefits, retirement benefit solutions, life assurance, savings and investment products for the middle to higher income markets could erode skewness in financial services to hitherto excluded market segments. Methealth Namibia Administrators should mitigate health risks for families at affordable rates to low and middle-income groups.

In this connection, we recognize the need for effective public-private dialogue and partnership not only to create a conducive environment for business to operate and flourish, but to also ensure that the resultant outcomes serve both your targets of being profitable and viable and our targets i.e. that jobs are created, that wealth is created and that such wealth is distributed more equitably.

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Ladies and Gentlemen;

Having said all these, the creation of MMI Holdings on the 1st July 2014, consolidating the life licenses of Metropolitan Namibia and Momentum Namibia made perfect business sense to streamline the market segments they serve, and their product offerings which rather had limited overlaps.

It is therefore my hope that the newly created MMI Holdings will provide improved life assurance, investment and savings needs to a broad spectrum of income groups but especially to the lower and middle income groups. This merger I hope will also lead to an improved health care fund administration and asset management needs of the Namibian market.

In conclusion, I re-affirm the Government's position and view about the important role of the private sector as the engine for growth and an important partner in national economic development.

In the same vein, it is my fervent hope that the merger will provide you with greater market penetration, increased scale, a stronger capital base, and an efficient human resources capacity.

It should enable you to diversify risk, enhance your product offering, and establish a far larger presence in Namibia and beyond our borders, as Namibia is a signatory to the SACU agreement of 2002 and the SADC Trade Protocol and Free Trade Area, which regional integration processes provide access to a larger market for goods and services from Namibia.

Nevertheless, the Government further remains ceased with exploring new markets while consolidating new ones.

Ladies and Gentlemen;

I renew my appreciation for the invitation and opportunity extended to me and on this note, it is my distinct pleasure to declare the MMI Holdings Namibia officially launched.

I thank you