



Republic of Namibia

STATEMENT

BY

HON. CARL HERMANN-GUSTAV SCHLETTWEIN

MINISTER OF TRADE AND INDUSTRY

ON

THE OCCASION OF THE OFFICIAL OPENING

OF

SCHOOLTEX AND SPORTWEAR

AT

TOWN SQUARE, WINDHOEK

ON

MONDAY, NOVEMBER 17, 2014

Director of Ceremonies, Hon. Tjekero Tweya;

Ms. Beauty Mathupi, owner and manager of M&M Innovations

Mr Junius Mungunda, CEO of Standard Bank, Namibia

Distinguished Guests;

Members of the Media;

Ladies and Gentlemen;

I am delighted and grateful to each and every one of you for having made time to attend this important event this morning, in witnessing the official opening of the Schooltex and Sportwear retail outlet.

Schooltex and Sportwear Close Corporation is part of M&M Innovations, a Namibian garment manufacturing company of school, sport and safety wear, which was supported by the Ministry of Trade and Industry under the scheme aiming to encourage investment in value addition and local production as part of our growth at home strategy thereby achieving import substitution. The company was founded in February 2001, and its owner worked tirelessly throughout the years for her company to become a successful entity that we are witnessing today.

I am particularly pleased that the company is not only focussing on the manufacturing in Namibia of school uniforms and other school wear, but also to venture into the retail sector with locally produced goods, thus answering to the joint call of my colleague the Minister of Education and I

for the manufacturing and selling of such items in Namibia. It is through initiatives such as these that we can supplement imported goods with locally produced goods and indeed that we can stop exporting jobs. I trust that many other Namibian companies will emulate this excellent example.

As the Minister of Trade and Industry, I am delighted to be associated with this great initiative and achievement. M&M demonstrated that with hard work, “*Growth at Home*” is achievable and can be translated into tangible results. I therefore want to commend M&M for the courage to take risk and for the hard work to make their dream a reality. All of this is very much in line with our %Growth at Home Strategy+ towards commodity-based industrialization.

Ladies and Gentlemen

The value in venturing into retailing is demonstrated by an example of how value is created along the value chain. I use a shirt as an example:

Value for shirts:

- Production 1-4%
- Logistics 5-8%
- Support 1-5%
- Technology 7-17%
- Marketing (retail) 70%

From this example it becomes clear that about 70% of the value is captured by marketing and retailing. For the Namibian economy to maximise the

value share in any value chain, it is important to also partake in those links where the greatest value is generated. In garment value chains, it is indeed the marketing and retail link.

Namibia cannot afford to forgo economic gains and income as a result of lack of value addition at home, export of job opportunities to countries where value is added, and the exposure to risks due to dependence on exhaustible commodities and fluctuations in demand and prices. Namibia's manufacturing capacity participate in distribution and retailing need to be accelerated to deliver equitable benefits of economic growth, additional job opportunities and equitable wealth sharing to the whole of society.

Our economy must be geared towards a higher level of value addition, a better value capturing in value chains and enhanced local supply-side capacity as well as better co-ordination and collaboration between all role players in the economy, including public-private dialogue.

Our government is convinced that SMEs are important sources of sustainable employment creation and are, therefore, crucial to the success of an enterprise economy and hence its commitment to the development of the SMEs sector. What Ms Beauty Mathupi has done here completely validates our confidence in the potential of the SME sector. I am astounded to learn that M&M started with only 6 employees, but today the company has a staff complement of 83 permanent staff, has two factories, a dispatch factory and a warehouse. And now they have added a retail outlet to their profile. This does show initiative, the ability to take risks and

dedication and hard work towards building Namibia to become the industrialized nation that we all want by 2030.

The Ministry of Trade and Industry has through the years supported M&M Innovations with support services ranging from participation in International Exhibitions, sourcing exposures to China for competitive industrial inputs, provision of production equipment; and today the Ministry through the Sites and Premises and rental support programme has secured this space for them to enter the retail market.

This will not only allow the company to enter the retail sector and interact directly with customers but will give each one of us as consumers a chance to get access to locally produced garments and wear the %Growth at Home+ brand with pride. Many of us have school going children and until now we have been purchasing school uniforms and sports clothing manufactured elsewhere, thereby contributing to the development of industries in other countries at the expense of our own potential to industrialize. We all now have an opportunity to make sure that this initiative does not die out but grows into an industry that will contribute to employment creation and poverty alleviation. I thus call on everyone to support M&M Innovations with this important endeavour and make a success of it.

I encourage all consumers to give feedback to the company regarding quality and customer service, it is through such feedback that they will become stronger and more competitive. I trust that Ms Mathupi will feel

encouraged to do more and expand the range of her products to include the uniforms of more schools, potentially all the schools in the country.

Barely a year after the Ministry launched the %Growth at Home+strategy we are already bearing the fruits of its success by officially opening the first retail outlet that will sell locally produced garments under the brand. Let us all stand behind this great initiative and build our brand. Let us all embrace %Growth and Home+and we all shall grow at home.

Having talked about adding retail to and domestic value chains let me take this opportunity to brief everybody about progress made in the development of our retail charter.

As announced earlier, we have embarked on developing a Retail Charter as a voluntary instrument through which certain benchmark and ambitions are agreed upon by the sector shareholders. The overall goal is to develop a retail sector in Namibia that meaningfully contributes and strives in our economy. The Charter Committee task to develop the different pillars of the charter has been composed and launched. The pillars include:

- “ Local sourcing
- “ Namibian ownership
- “ Enterprise development
- “ Marketing visibility and Shelf-space availability for new products
- “ Youth and women participation
- “ Consumer protection

- “ Capacity building
- “ Transparency protection

It is important to note here that this Retail Charter will create benchmarks for addressing goals needed to transform the economy towards an industrialized economy. It is a voluntary charter and its outcomes will be binding on the whole retail sector. I therefore invite all stakeholders in the retail sector to participate.

Director of Ceremonies;

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 Schooltex & Sportwear cc. as well as M&M Innovations, as a retailer and producer of a range of top quality Namibian garments. It therefore gives me great pleasure to declare Schooltex & Sportwear outlet officially opened.

I thank you.