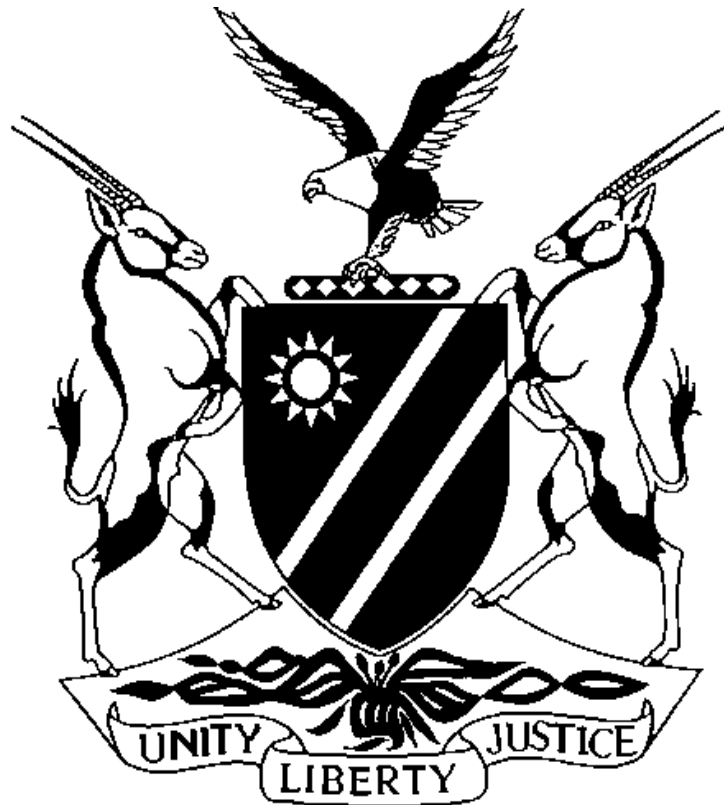


REPUBLIC OF NAMIBIA



STATEMENT BY

HON. C.H.G SCHLETTWEIN, MP

MINISTER OF TRADE AND INDUSTRY OF NAMIBIA

**ON OCCASION OF THE BILATERAL MEETING WITH THE VISITING
CHINESE MINISTER OF COMMERCE, H.E. CHEN DEMING**

Windhoek, 19 February 2013

Your Excellency Chen Deming, Minister of Commerce of the People's Republic of China, and your esteemed delegation

Distinguished guests

Members of the media

Ladies and gentlemen

It gives me great pleasure to welcome you, Minister Chen and your delegation to our beautiful country Namibia. Given the cordial bilateral relations that exist between our two sisterly countries that date back to many years ago, you and your delegation have every reason to feel at home.

I am particularly grateful for this opportunity for us to meet to take stock of our bilateral economic relations and cooperation, and explore how we can improve such co-operation for greater mutual benefits.

Mr Minister, the solid bond of friendship that exists between our two countries at the political and diplomatic levels provide a conducive ground for greater economic cooperation especially increased investment and trade between our two nations.

While it can be said that the political objectives under the Non-Alignment Movement framework that of freeing ourselves from colonial domination have largely been realized, the same cannot be said of the economic imperative to change our status from being largely a supplier of primary resources to and also a market for products from industrialized and developed economies in other parts of the world.

It is a worrisome reality that countries in Africa, Namibia included that are richly endowed with mineral and other natural resources have remained poor and economically underdeveloped, with a significant number of their citizens still living in severe poverty. One of the main root causes of this is the continued dependence on the production and export of primary commodities that are prone to fluctuations in demand and prices in the global market. The huge investments in resource extraction have also unfortunately not resulted in the much needed jobs given that such extractive operations are often capital intensive and the minerals so extracted are often exported in their raw form.

The phenomenal economic rise of former colonies such as China, India, Brazil, South Africa, and others which also experienced similar experiences of colonial domination however offers a ray of hope to Namibia and Africa as a whole, to develop local capacities and start claiming their place in the global economy on the basis of equality and mutual benefit. Given the reality in the saying that “there is strength in unity”, Namibia supports mutually beneficial alliances such as South-South co-operation framework and the Forum on China-Africa Cooperation (FOCAC).

As a nation, we have a long-term vision and desire to become an industrialized country by the year 2030 as per our long-term national development roadmap, Vision 2030.

The reality that we face is that we cannot achieve the required level of economic growth and ensure prosperity for all our citizens by being and continuing to be largely an exporter of raw materials or unprocessed goods and also an importer of almost all the goods that we consume.

What does Namibia require in her crucial journey of development?

We need to increase our industrial capacity and output with a special emphasis on local value addition to our own resources to the highest degree so as to create new economic benefits and employment. For this purpose, we are working on deliberate policy measures to support and grow our industries to build the requisite production capacities as well as to secure market access for our products in the regional and global markets. The assistance of friends like China will be a great boost to our national endeavors in this regard.

For us to build a critical production mass, we recognize the need for foreign direct investment to supplement domestic savings and investments especially in our priority areas such as manufacturing and value addition as well as transfer of skills and technology. To aid both our investment promotion drive as well as to enhance the growth of our existing businesses, we have put in place appropriate legal and regulatory instruments to provide a conducive environment for business to flourish and to in turn create jobs and wealth for the benefit of our people.

I am pleased to note the huge investments by Chinese investors in Namibia. A notable one is the joint venture partnership investment between Chinese, Namibian companies as well as others in the Husab Uranium Project. We wish to see similar partnerships in other sectors especially manufacturing and other priority industries.

Mr Minister allow me to also renew our gratitude to your Government for the concessional loan that it provided to Namibia in 1997 through China's Export-Import Bank, which loan enabled the establishment of a tannery and leather- processing project in the northern part of Namibia. In the spirit of friendship, the equipment and technical services for the project were also sourced from China. The project is important in that it is involved in adding value to one of the resources found in our country especially in that part of the country, hides and skins.

Your Excellency, ladies and gentlemen

In order to develop and support increased industrial production and capacity at home, we need preferential market access for our products as well as genuine partnerships based on the principle of mutual benefits. This is particularly important given the small size of our domestic market, excluding the regional market of SACU and SADC. In this connection, it is pleasing to note the conclusion of the agreement on exports of Namibian beef and fish products, which has been negotiated by the Ministries of Agriculture of our two countries.

The assistance of the Minister and Ministry of Commerce will also be appreciated in expediting the certification process so that actual exports can take place.

Mr Minister, you will agree with me that business links and partnerships will take place easily if members of the business communities in the two countries have an opportunity to meet and are in touch with each other.

As such, Namibia welcomes and applauds China's decision to implement the "special plan on trade with Africa", which entails facilitation of investment and trade missions to Africa as well as support to African countries to hold products exhibitions with a view to helping African countries to showcase and export their goods to China. As the Minister tasked with the development of local industrial capacity and facilitation of market access for Namibian products, I am looking forward to working with you in implementing this decision in the interest of our two countries.

I also applaud China's commitment under the 5th FOCAC to extend aid-for-trade to African countries, to provide technical support for the intensive processing of African agro-produce and industrial raw materials, as well as to help Africa to increase exports of products with high value added and to intensify exchanges with African countries in trade and industrial policy planning.

As evident even from China's economic development experience, the small and medium scale industry sector is a crucial vehicle for sustainable national socio-economic development. Namibia equally places great emphasis on the growth of its SME sector as an important source of wealth and employment creation and distribution as well as poverty alleviation.

As such, the Government through the Ministry of Trade and Industry has devoted resources and put in place a number of SME support programs including the SME bank, as a tool to provide affordable financing to the SME sector. The assistance of China in boosting the financial and technical capacity of this instrument will be highly appreciated.

Given the existing cordial bilateral relations between our two countries and in the spirit of FOCAC declarations, we look forward to closer economic co-operation in areas of mutual interest. As we embark on a journey towards a more just and equitable society where the benefits of growth and development are shared by all citizens, we are cognizant that the support of friends like China is very crucial. In this regard, we are looking to friends such as China for win-win partnerships that will help us to meet our developmental challenges mainly

- To reduce the high unemployment rates, which hold severe threats to socioeconomic development; and
- The urgent need to diversify our economy in terms industrial production capacity as well as exports both in terms of product range, quality and markets.

In conclusion, I renew my welcome to you, Mr Minister and your delegation. I look forward to fruitful deliberations and closer co-operation between our two Ministries in the interest of boosting trade and investment between our two sisterly countries. And I thank you.