



*Republic of Namibia*

STATEMENT  
BY

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MINISTER OF TRADE AND INDUSTRY

ON THE OCCASION OF THE  
ANNUAL GENERAL MEETING OF TEAM NAMIBIA

18 JULY 2013

WINDHOEK COUNTRY CLUB RESORT & CASINO

Director of Ceremonies;  
The Chairman of Team Namibia, Mr Tarah Shaanika;  
Distinguished members of the Board of Directors of Team  
Namibia;  
Guest speaker, Mr Lewis Pugh;  
The Team Namibia Secretariat;  
Team Namibia Members and Stakeholders;  
Invited Guests;  
Members of the Media;  
Ladies and Gentleman;

I am very grateful for having been invited to your Annual General Meeting. Earlier this year, we started a dialogue about Namibia's marketing strategy and how to improve the productive capacity for Namibian made consumer goods. We introduced our *Growth at Home* strategy and linked Team Namibia's goals and objectives to our overall development plan NDP4.

Today I would like to continue this dialogue and explore areas of alignment between our *Growth at Home* strategy and Team Namibia's strategy for gaining a sustainable competitive advantage for Namibian products and services.

The chosen topic for Team Namibia's AGM: "*Increased*

*Competitiveness for Namibian Products and Services*”, is in my opinion very relevant and I commend your organization for taking the initiative to review Team Namibia’s strategy under this heading.

At the core of our development plan for manufacturing is the need to trigger a commodity-based industrialization as the engine of growth and economic transformation. Namibia is endowed with significant human and natural resources that can be used to advance industrialization and structural economic transformation through value addition strategies in all sectors, but particularly in agriculture and agro processing, and in mining and mineral beneficiation.

Ladies and Gentleman, with an abundance and rising demand for raw materials Namibia exploited the commodity boom by forging new partnerships, boosting infrastructure investment and improving skills levels through heavy investment in education. But we can do better. Reliance on primary production and exports of raw materials entail huge forgone economic gain and income through the lack of value addition, the export of jobs to countries where value is added, and the exposure of risks due to the dependence on exhaustive commodities and fluctuations in demand and prices.

This perpetual dependency on primary commodities de facto marginalized the Namibian economy and similar African economies. The question is how we can avoid this marginalization from the global economy and instead achieve sustainable inclusive economic growth?

We agree with Carlos Lopes, who in the *“Economic Report on Africa”* states: *“On top of offering short- to medium term comparative advantages, commodity based industrialization can, with the right industrial policies, serve as a launching pad for long term diversification and competitiveness in new and non commodity sectors in Africa’s commodity rich countries.”*

Namibia is case in point. We can boast with a relative abundance of raw materials, both soft and hard, that lend themselves to beneficiation and industrialization. Soft raw materials include fish and other marine renewable resources, agricultural commodities such as livestock, grains and horticultural products, and natural resources like wildlife, natural vegetation, wood and timber, to mention a few. Hard commodities occurring in relative abundance are base metals (copper, zink and lead), precious metals i.e gold and silver, precious and semi-precious minerals (diamonds and other high value stones), industrial materials such as maganese,

fluorspar, dimension stones (granite, marble and sodalite).

Whereas the soft commodities generally have low technological content, lend themselves to small-scale production, are labour intensive, require a heterogeneous and diffuse infrastructure and rarely stay fresh in their natural state and require early processing, hard commodities and their utilization generally require more complex technologies and intensive use of large infrastructure (ports, roads and rail) that can also be used by other sectors.

Again Namibia is in a good position due her good and solid transport infrastructure. Equally, Namibia possesses reliable energy and water infrastructure, as well as high quality communication infrastructure.

Ladies and Gentlemen, it appears therefore that the Namibian economy embodies a typical commodity based economy with all the ingredients available to progress into a commodity based industrialized economy.

In addition to the resource base required for accelerated economic growth we have realize the importance of coordinated and complementary actions from the public and private sectors. Economic gain should be enhanced by the

removal of duplication in functions, improved service delivery and productivity through capacity building, better planning and co-ordination. We too, believe in Team Namibia's terms, follow the UUKUMWE principle which means collaboration or working together as a team towards a common goal.

Public-private dialogue has become widely recognized as an essential component of efforts to reform governance and the business climate. Dialogue improves the flow of information relating to social-economic-policy and improves buy-in into the policy development and its implementation and outcomes. Each side has distinctive reasons to participate in dialogue.

The government may aim to acquire input on business conditions, bolster legitimacy and develop broad consensus positions. Governments equally need inputs from business and non-government entities for the development of regulatory and supervisory frameworks for trade and business so as to ensure that consumers are protected from unfair and harmful practices.

On the other hand the private sector may aim to draw attention to issues, obtain better representation, secure support for business development, or streamline regulations.

In general, business seeks government's assistance in establishing a low-cost, predictable and stable business environment. Dialogue is designed to include private input into the creation of policy. It involves a mutual exchange of views, including bottom-up contributions to policymaking.

Public-private dialogue is increasingly becoming a relevant tool for promoting private sector development policy reforms through raising local private sector's voice in policy reform debates. It helps in improving business environments, stimulating competitiveness, increasing trust and fostering good governance through coordination, transparency and accountability.

Therefore Namibia recognized that organized partnerships where the private sector can have input into policy design could succeed to simplify at times complex legal and regulatory frameworks with the view to reducing the cost and time of doing business. They also serve to create a sense of ownership of reform programs among the business community, which makes policies more likely to succeed in practice, and reduces the communication gap between the private sector and government.

Having said that I wish to point out however that the ongoing

financial and debt crisis have come about, at least in part due to under regulation and an imbalance between government and private sector responsibilities. It is therefore important to strive for a new balance instead of diminishing the one for the benefit of the other.

A structured and inclusive public-private dialogue is needed to identify bottlenecks, opportunities and possible interventions for private sector development. In this regard, mind change is essential to ensure that the role of government changes from only controlling to a supervisory and facilitating service-oriented influence followed by accountability and mechanisms to address and resolve complaints and any malpractices. Accountability and good governance is equally important for the private sector.

We have put measures in place to make it easier, faster and more efficient for investors to conduct business in our country. One of the initiatives is the establishment of the Business and Intellectual Property Authority (BIPA) by our Ministry of Trade and Industry. Its mandate is to improve service delivery as the One-Stop Center for the central point for the registration of companies, as well as the protection of business, commercial and industrial property rights. Furthermore, it is tasked with the provision of general



advisory services on business registration and intellectual property rights to investors and the general public.

Another important area for the Ministry is to assure the quality of Namibian produce. Along with the Namibian Standards Institution (NSI) and amendments to the Metrology Act, the Ministry of Trade is improving provisions for the labeling and packaging of products in the Namibian market. I believe Team Namibia has plans to engage with the Namibian Standards Institution and other regulatory bodies to discuss long-term opportunities for standards endorsement of Namibian products and services.

The MTI plans to set up a new industrial development agency in Namibia to support all local industrial programmes and spearhead new initiatives and processes. The Namibia Development Corporation and Offshore Development Company will be realigned and transformed.

The topic of '*Made in Namibia*' of course directly relates to Team Namibia, in particular your planned initiatives of increasing competitive standards; stimulating consumer confidence in Namibian products and services and making a positive impact on economic sustainability through SMEs

It is essential for local producers to have access to local markets and establish themselves locally before attempting to break into the export market. Businesses that have established themselves in the domestic market and proven that they are competitive and sell quality products and services at a fair price; have a much better chance of making it elsewhere.

It is important to be aware that policy space to support domestic industry, production and exports is under pressure through globalization (including measures developed in the WTO which could have been intended to limit the extent to which industrialized economies could distort markets through subsidies) and market access arrangements (e.g. SACU, SADC, EPA).

Government resources to support any one sector are limited and need to be used at maximum efficiency within an effective monitoring framework, and need to be matched by private sector investment. We also need to recognize that there is a high risk that Government intervention may stifle competitiveness, thus our support mechanisms must be reversible and performance based. Ultimately we also want to see consumers benefit as a result of our interventions and we expect industry to pass on the benefits of efficiency gains to

consumers.

There is thus a great need for both Government and sector to better understand each other's objectives and constraints and to forge a collective approach to achieve mutual benefit. I believe that Team Namibia's mandate facilitates just that.

It is my understanding that Team Namibia is currently reviewing its membership criteria to endorse the Namibian component and quality standards of local products and services, which is an appreciated effort.

Ladies and Gentlemen

The '*Made in Namibia*' Expo is planned for October/November in Windhoek, which provides an excellent opportunity for Team Namibia members to showcase Namibian products and services. We also plan to launch the framework for Industrial Policy Implementation and Strategic Framework at this Expo and host a one-day conference on '*Growth at Home*' as part of this programme.

Meetings with representatives of the retail sectors will follow until September. As outlined in NDP4, it is the role of the Ministry of Trade and Industry to address the high-level strategy for retailers to shelve locally-produced goods as a

first choice. Again, I am encouraged to learn that Team Namibia has also engaged with retailers through your annual stakeholder survey to determine their support for Namibian products. With a new symbol that helps consumers to easily identify Namibian commodities, I encourage retailers to showcase the Team Namibia logo by way of in-store merchandising and advertising to help consumers identify our locally made products.

The Government as the largest single procurer realises that local sourcing could create a significant market for local producers. Therefore, the Government, through the Ministry of Finance, has introduced amendments to the Tender Board Act to ensure that public funds are used to procure goods and services from Namibian producers and suppliers not only as a matter of preference, but in certain cases exclusively.

In order to realize full and successful implementation of these measure these intended outcomes however, local companies need to invest in developing the capacity to produce goods and services that will result in value for money for the Government, consumers and beneficiaries. It is also important that these companies are truly Namibian entities and the financial and employment benefits are accruing to Namibians.

Support for small and medium sized industries is yet another focal point in our strategy for industrialization. Such support must include assistance to unlock, initiate and establish enterprises. It should also include the creation of linkages between small and larger entities. For instance the marketing of their products and marketing intelligence should be leveraged from such linkages with larger entities. The private sector, especially financial institutions are urged to make use of this significant business potential of servicing the SME sector with innovative business credit and lending solutions.

In conclusion, I want to thank the Team Namibia Board of Directors for their input in taking the first step towards realizing our vision of making Namibian products and services part of everyday life, which will in the long term make a positive impact on our economy.

I want to encourage Team Namibia members to become bold advocates to support your mandate of creating and sustaining the production of and trading with high quality products and services made in Namibia.

The big picture is good, we are moving in the right direction and I wish Team Namibia all the success in taking your organization to the next level.

Calvin Coolidge said, “*All growth depends upon activity. There is no development physically or intellectually without effort, and effort means work.*” Let us work together for a better tomorrow for all.

Thank you.