



*Republic of Namibia*

**Hon. C.H.G. Schlettwein**

**Minister of Trade and Industry**

**Talking points on key issues with the fishing sector**

**24 May 2013**

Representatives of the Ministries of Fisheries and Marine Resources and Trade and Industry

Esteemed invited guests in the fishing sector and sector role players

Coordinator of the Namibia Trade Forum and co-organizer of this consultation

Members of the media

Thank you for accepting our invitation to this meeting which is designed as a consultation with the key operators in the fishing sector and other institutions with a mandate to help the sector to grow.

My starting point for this consultation with the fishing sector – and the same for every other sector - is that Namibia's economic growth needs to be accelerated to deliver equitable benefits to the whole of society and reduce income inequality, and I want to consult this sector how we could jointly achieve this.

Our attainment of Vision 2030 and NDP4 goals will require closer cooperation between private and public sectors than ever before, and also a new and stronger role for Government as enabler, facilitator and initiator.

While other sectors such as logistics, tourism, manufacturing and agriculture have been given prominence in NDP4, few would argue that our fisheries sector would not continue to be very important as a source of employment and an earner of foreign exchange through exports.

Just as we recognized agricultural production and agro-processing as key pillars in Namibia's industrial policy, we would also like to consider fisheries and fish processing in the same way. In this regard we have recognized as Government that there need to be a coherent legal and policy framework to achieve optimal growth and sustainability of the sector, requiring that duplications, bottlenecks, inefficiencies and other constraints be identified and removed urgently, and that unused potential be used in full.

It is nevertheless important to be aware that policy space to support domestic industry, production and exports are under pressure through globalization (including measures developed in the World Trade Organization (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. Southern African Customs Union (SACU), Southern African Development Community (SADC), and the Economic Partnership Agreement (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 the private sector and in particular the fishing sector to better understand each other's objectives and constraints and to forge a collective approach to achieve mutual benefit.

From my perspective I would like to raise five specific issues with you, but you could of course add others:

- 1) The need for market diversification
- 2) The need for optimizing value chains
- 3) Links to logistics and other sectors
- 4) Optimizing the potential from mariculture and aquaculture
- 5) Securing supplies to the domestic market

Concerning the need for market diversification, I firmly believe that we cannot be as dependent in future on one or two export markets as we have been in the past. There is a high risk that we could be impacted by preference erosion in other markets and "behind-the-border" measures (technical barriers to trade = TBTs) geared at protecting domestic industry or consumer interests. Furthermore, although progress is being made in the EPA negotiations we are facing a unilateral deadline of 1 October 2014 on current market access arrangements with the EU and we need to be prepared also for the worst. I would accordingly like to request the industry's views on market diversification, as I am aware that this matter has been under discussion for a long time. I am aware of new market diversification opportunities for red meat and other products, and would be eager to know if we could include some fish products in the process.

On the need for optimizing value chains, I must highlight my concern about value addition outside the domestic economy rather than inside. This goes hand in hand with the problem of transfer pricing. I want us to interrogate this issue again, and build a common understanding of what can be done, and what support is needed from Government.

Links to logistics and other sectors are increasingly becoming important to us in the development of value chains. I think the fishing sector fully understands the importance of an efficient logistics sector and others, but I think more could be done to achieve coordination and use the purchasing power of the fishing sector to stimulate the manufacturing of inputs needed or the sourcing of services from other local companies.

On the need to optimize the potential from mariculture and aquaculture, I would particularly like to get an update on oyster production and how the industry copes with periodic red tides and other environmental disruptions, and what the export potential of the industry is for all forms of oyster and other shellfish products. We all know that our retail shelves are full of imported oyster and mussel products, and I am keen to understand what stands in the way of local value addition, for both the domestic and export markets.

Concerning the problem of securing supplies to the domestic market, I wish to express my concern that no industry should neglect the domestic market. We have a tendency to export the best, often all of the best, and leave inferior products for the domestic market. Sometimes we even have to import products for the domestic market because of exports. I think this also applies to fish products from what I have seen in the retail market.

This is not a healthy situation and I ask all of you to make arrangements to provide predictable supplies of the full range of fisheries products for the domestic market.

It will be helpful if we could focus on some joint interventions in all of these areas, and perhaps others too, to ensure further growth of the economy through the fishing sector.

I hope we could consider as a way forward how we could maintain dialogue and consultation, build common understanding and common objectives, and jointly develop solutions towards industrialization and trade.

I thank you