

REPUBLIC OF NAMIBIA



Statement by Hon. Lucia Lipumbu, MP

Minister of Industrialisation and Trade

On the occasion of Stakeholders Consultations with

Business Community in Hardap Region

Monday, 08 March 2020

Persianer Hall, Mariental

**Director of Ceremonies,
Hon. Hon. Rev. Salomon April, Governor Hardap Region,
Mayors of Town Councils present,
All Honourable Councillors present
Captains of Industry and Businesses,
Distinguished Invited Guests,
Members of the Media
Ladies and Gentlemen**

Good morning, It is my distinct pleasure to be in your midst this morning to have this very important consultative meeting with you, may I begin by expressing my deep sense of honour in welcoming you all to this meeting.

Let me at the onset thank the Hon. Governor and all invitees for honouring our invitation despite your busy schedules, which attest to the importance you attach to business and economic survival and growth. I am glad to note that in our midst we have a wide variety of stakeholders, from across many important sectors. It is further gratifying that ordinary informal traders and SMEs are also represented at this meeting.

Ladies and Gentlemen

As we all know that the Ministry of Industrialisation and Trade is mandated to spearhead MSME development, develop and manage Namibia's economic regulatory framework, promote economic growth and development through the formulation and implementation of appropriate policies with the view to attract investment, increase trade, and develop and to expand the country's industrial base. All these cannot happen in vacuum, it is through consultative meeting that the Ministry can attain its mandate. I am therefore here today to engage and discuss with you on the matters pertaining to business development in the Hardap region and beyond and to hear from you on the challenges that are hindering your businesses to grow in your respective region.

The Government remain committed to work with the private sector and other stakeholders in order to find ways of taking our country out of the economic slump that was further exacerbated by the impact of COVID – 19. We believe that a thriving private sector is a prerequisite for economic growth and development. MIT will thus continue to prioritize the maintenance of a supportive environment for private sector growth. But for private sector growth to bring about a high and sustainable national economic growth and development, it is critical that such growth enhances local beneficiation,

including employment creation and market linkages, and that it promotes economic resilience, diversification and industrial development, while promoting market access for locally produced products.

The Ministry being responsible for MSMEs development have made effort to assist MSMEs in several ways such as giving them production equipment through its Equipment Aid Scheme Program, construction of SME parks through its implementation agency Namibia Industrial Development Agency (NIDA) and improved the production and supply capacity, efficiency and competitiveness of local enterprises through its Industrial Upgrading and Modernisation Program (IUMP) and the Empretec programme.

Ladies and Gentlemen

The government have recognised the importance of the MSMEs and the role it is playing to develop our economy , hence the Ministry is set to implement appropriate policies and programs with a view to enhance businesses growth these includes a draft National Informal Economy and Entrepreneurship Development Policy , that is currently in the pipeline. The policy's objective is to develop the informal economy and its participants into commercially viable and mainstream economy sector, which could contribute to the economic growth of our country and its inhabitant in a sustainable manner.

The policy will further seek to address challenges faced by informal economy including infrastructure, entrepreneurial development, and institutional support. Further, the policy is to be developed into a national business promotion act to help ensure that it is integrated with the Namibia Investment Promotion Act with the main emphasis on sector reservation and ensuring the attraction of viable and complementary foreign investment. This is important, as at times it is very evident that our past efforts of attracting and facilitating foreign direct investment has yielded outcomes that at times substitute and displace Namibians in various sectors such as those prevalent in our informal economy.

Ladies and Gentlemen

The impacts of Covid-19 on the local economy including the loss of income and jobs are clearly visible and has affected largely our businesses productivity and growth. Therefore, this calls for our maximum effort to build our businesses resilience, to ensure that Covid-19 does not surpass our effort to grow our businesses and threaten our business survival and sustainability.

The Ministry introduced various initiatives to support entrepreneurs hard hit by the pandemic in collaboration with development partners and other stakeholders, this includes the provision of Covid 19 grant to businesses that lost income during Covid 19 lockdown which resulted into 806 applications received by the Ministry. This resulted into 200 successful beneficiaries to which only one (1) successful applicant was from here out of eight (08) applicants from Hardap region. During the second intervention named COVID -19 Survival Grant, 13 out 1,121 applications were received from Hardap region and out of the 396 beneficiaries only three (03) were from this region while the rest did not meet the requirements set.

The IUMP programme resulted into only 1 successful applicants benefiting from this region whereby a total of 44 entrepreneurs benefitted under this programme nationally to the tune of N\$ 13 Million Namibian Dollars. It is very concerning to note that Hardap region is not actively involved in applying and participating in the Ministry's efforts to grow our business sector. I can only implore you to continue change this narrative going forward.

The Ministry also recently introduced the EMPRETEC Namibia programme to ensure that we train targeted beneficiaries the basic principles of entrepreneurship behaviour in order to increase our very low national entrepreneurial stock and innovation ranking. This programme in its initial stage received 71 applications countrywide whereby 18 applicants were selected to undergo the training, two (02) of the successful business trainees were from this region. This programme will still continue to be rolled out in the coming financial year.

The MIT has also facilitated the local production and distribution of facial masks to vulnerable people such as pensioners, children and people living with disabilities and I am happy to announce that about 14, 500 masks were distributed in Hardap region for these categories of beneficiaries.

Ladies and Gentlemen

I have already alluded above that the region, unlike a few others, do not actively participate in opportunities that are on offer from the Ministry. Last week, the Ministry announced the second phase of the Sustainable Development Goal Impact Facility (SDGIF) grants, an initiative developed and implemented by UNDP Namibia, Environmental Investment Fund, Standard Bank Namibia and the MIT to provide small competitive matching business

grants to tackle unemployment through impact driven innovation and entrepreneurship targeting sectors such tourism and hospitality and manufacturing. I urge you to visit our regional office here in Mariental to get more detailed information and the Ministry will further ensure that these information is disseminated through various platforms. The first phase of SDGIF grants for 2020 totalled N\$2.5 million and no beneficiary was from Hardap.

The Ministry also has an online platform called DIDDESS, which facilitate the issuing of MSMEs certificates. This database is important for us as, in the absence of a national business census; it allows us to use it as an important economic indicator of business trends nationally and regionally. In the case of Hardap region, it shows that since inception, we have received application totalling 469 for MSMEs certificates. Encouragingly the approval is 462 with only 7 rejected. Such a low rejection indicates business structures and planning that are very well developed and documentation that are in order and up to date. This should be applauded! At last count, total MSMEs certificates issued amounted to 11,000 nationally, thereby giving a fair representation for Hardap.

The DIDESS database is supplemented with a key platform that is aimed at enhancing doing business in Namibia. The platform called Integrated Client Service Facility (ICSF) was launched in December 2020 and is a one-stop-shop to register your business through one single point instead of spending valuable time going from one mandatory office to another. The ultimate aim is to ensure that the number of days to register a business in Namibia is reduced drastically and thereby improves our competitiveness ranking.

Ladies and Gentlemen

I have noticed that the Hardap region's business activities are constrained to a few sectors based on the MSMEs certificates facilitated thus far. It therefore depicts a very low sector diversification in the region. It also shows that there is a need to increase and expand the economic dynamisms and industrial base of the region. This is more as important as the Namibian Government is expanding the public procurement opportunities by expanding to other sectors such as meat, transport and other services. New paradigms such as local content requirements and set-asides are increasingly being introduced into our public procurement lexicon. I implore the business fraternity here to read the recently issued Public Procurement Directive issued on 26 November 2020 by the Ministry of Finance.

It shows local contents requirements of up to 65% on average and has an expanded list of opportunities for items such as poultry products, dairy products, fish and seafood, metal fabrication and construction related sectors such as building sands, stones and bricks. The Ministry of Industrialisation and Trade was very fortunate to work with the Ministry of Finance in 2019 to design the original list.

The Ministry launched the “Buy Local” “Grow Namibia” campaign to raise awareness on the importance of buying local and supporting our local entrepreneurs. The second phase of this campaign is envisaged early next month with a primary focus on ensuring that local producers and manufacturers are capacitated on standardisation and regulatory measures for the products to receive priority for stocking in retailers and export. The Buy Namibia campaign recognises the crucial role SME's, women owned businesses and local businesses in general play in creating jobs, strengthening community cohesion and build a long lasting culture of LOCAL FIRST which helps local entrepreneurs thrive. I therefore implore up on our local retailers to start procuring extensively locally manufactured and produced goods.

The Ministry is also on progress to finalise the **Special Economic Zones** Policy and accompanying legislation. The objective of the Policy Framework for the Special Economic Zones model for Namibia is to set policy provisions that define the governance structure, applicable investment incentives as well as to guide the transition from EPZ and Manufacturing Incentives Regimes to the SEZ incentives. The framework further provides measures aimed at strengthening the investment incentive policy function. The Policy Framework provides key input to the next stage, namely the drafting of an enabling SEZ Act.

Namibia has ratified the Africa Continental Free Trade Area (AfCFTA) which offers the country an opportunity to confront the significant trade and economic development challenges such as: Market fragmentation; Small size of our national economy; Narrow export base, caused by low manufacturing capacity; under developed industrial regional value chains as well as high regulatory and tariff and non-tariff barriers to intra Africa trade amongst others.

The AfCFTA would present Namibian industries with a larger market for goods and services exports and a larger source market for industrial inputs and consumer goods. Key to this is the development of a National strategy to implement this agreement. We believe that these strategy must be designed

and implemented taking into consideration gender, youth and other vulnerable groups in consultation with all stakeholders.

Ladies and Gentlemen

Namibia and the world have been wounded by the invisible disease and is hurting economically. Figures from the Namibia Statistics Agency indicates that our GDP will decline with about 8 percent lesser this year and unemployment has escalated due to loss of jobs in many affected sectors, while more than 39, 033 Namibians tested positive and about 430 have died as a result of Covid-19 and related illnesses. The disease has aggravated inequality and poverty and has further disrupted some socio-economic gains made during the past three decades. Let us therefore ensure that we adhere to all set protocols in place aimed at curbing the spread of this deadly virus while conducting our businesses in a safe and responsible manner.

Ladies and Gentlemen

Let us make use of this platform to deliberate on the modalities of our economic recovery post a prolonged recession and the negative impact of the Covid-19 pandemic on our economy while capitalizing on the opportunities available to relieve us of the burden. Your presence here today is a sign of our collective desire to see a positive change to our economic challenges. I am certain that this platform will allow these pertinent key issues to be discussed thoroughly and good implementable recommendations be advanced.

In conclusion, allow me to once again register my sincerest appreciation for being amongst you as we sit and have a conversation around doing business in Hardap for regional and national economic dynamisms!! This platform must allow us to interrogate how best and how far we have implemented policy interventions to address the challenges imposed by the COVID-19 pandemic on our economy.

I thank you