

REPUBLIC OF NAMIBIA



Statement by Hon. Lucia lipumbu, MP

Minister of Industrialisation and Trade

**On the occasion of Stakeholders Consultations with
Business Community in Erongo Region**

Friday, 12 March 2020

Swakopmund Municipal Chambers

**Director of Ceremonies,
Hon. Neville Andre Itope Governor of Erongo Region,
Mayor of Town Councils present,
All Honourable Councillors present
Captains of Industry and Business,
Distinguished Invited Guests,
Members of the Media,
Ladies and Gentlemen**

I am delighted to join you this morning at this consultative meeting to primarily exchange ideas on how we can collectively support and innovate mechanisms aimed at resuscitating the Namibian economy and business revival in particular in areas within MIT's mandate such as manufacturing, industrialisation and value addition. These efforts are fashioned in support of the NDPs and the Industrial Policy as well as the overarching "Growth at Home" Strategy, and how growth in industrial capacity can be attained.

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 informal traders and SMEs are also represented at this meeting.

The COVID -19 pandemic continues to cause severe harm to the global economy, affecting trade, investment, industrialisation, international travel and general global supply and demand for goods and services. Namibia has not been spared from these economic devastations. The major economic activities in Erongo Region which are mostly centred on the fishing, mining and tourism sectors have been severely hit by the impact of COVID -19.

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 pandemic has also unlocked opportunities and presents us with outlooks in particular, around domestic production capacities in various areas and it is important to optimise these economic dynamism and translate them into innovative ventures for economic sustainability. MIT's business support development initiatives has been customised to form part of the COVID-19 country wide recovery plan. The crisis will have a profound negative impact on economic growth but it is our believe that together with you as our key stakeholders we have an opportunity to reposition and explore immediate and recovery support to our economy.

The Ministry as the custodian for business development and support in general have made considerable effort to assist entrepreneurs in several ways especially during the early stages of pandemic and continues to work with strategic partners in order to provide the much needed support to our entrepreneurs. Government has also adopted various policies geared towards supporting especially the private sector to play its role in setting our economy on a better growth trajectory. MIT will continue to use these policies in our quest to enhance our industrial capacity and to optimize market access for locally made products. Government also seeks to promote SMEs development and economic inclusiveness.

In doing so, the informal sector remains a priority in terms of policy certainty and support by the Ministry. The Ministry is therefore working on a supportive legislation aimed at aiding informal economy participants to form part of the mainstream economy sector. The policy and its accompanying strategy will further seek to address challenges faced by informal economy including infrastructural deficit, entrepreneurial skills development through our development programmes such as Empretec Namibia, and institutional support.

Ladies and Gentlemen

During the past year, MIT collaborated with other stakeholders and embark up on various initiatives to support entrepreneurs hard hit by the pandemic, this includes:

- Allocation of Covid-19 grants to businesses that lost income during Covid-19 lockdown to which 160 business beneficiaries were from Erongo region.

- Distributed about 14, 790 facial masks (produced by Erongo based SMEs) to vulnerable people such as pensioners, children and people living with disabilities in this region.
- The IUMP programme resulted into 5 successful applicants benefiting from this region whereby a total of 44 entrepreneurs benefitted under this programme to the tune of N\$ 13 Million Namibian Dollars.
- The first phase of SDGIF grants for 2020 totalled N\$2.5 million and Erongo managed to successfully secure a fair share of these funds.

It gives me pleasure to note here that Erongo region has and continues to be proactive in applying and participating in the Ministry's efforts to grow our business sector. I can only implore you to continue with the trend!

Ladies and Gentlemen

Looking into the Erongo region dynamics points us to a few things. I have already alluded above that the region, unlike a few others, do actively participate in opportunities that are on offer from the Ministry. The Ministry announced recently 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 all entrepreneurs to take this available opportunity and apply for these much needed support grants.

Ladies and Gentlemen

In our quest to promote production and consumption of locally made products, the Ministry launched the "Buy Local" "Grow Namibia" campaign last year to raise awareness on the importance of buying local and supporting our local entrepreneurs. In Erongo region, "Buy Local, Grow Namibia" campaign was facilitated by the SMEs at SWAKARA Industrial Park in collaboration with our regional office and other stakeholders. 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.

This is one of the many aspects we can collaborate on as Government and private sector to ensure that these locally made produce receive the most priority in terms of procurement and shelf space for the benefit of our people and pool resources to provide conducive trading platforms for our informal traders.

The Ministry continue to play its role in ensuring sound investment polices to attract the much needed investments in the country. In this regards, work is at advanced stage in the promulgation of the NIPA while the recently established NIPDB will promote and facilitate local and foreign investments and new ventures, to contribute to economic development and job creation.

Ladies and Gentlemen

The Ministry is on progress to finalise the **Special Economic Zones** Policy and accompanying legislation in the current financial year. 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.

One of these mechanisms is the **Integrated Client Service Facility** [ICSF]. The ICSF is intended to serve as a one-stop-shop for foreign and local investors when establishing their business operation. It is, therefore, aimed at improving the business climate of the country, particularly where the existing public sector is not business friendly and make it easy for our people to do business locally. In this regard, MIT will be launched the ICSF in December 2020 with a hope to increase stakeholder confidence and collaboration with key strategic stakeholders to propel BIPA delivering value to its customers.

This consultation meeting comes at an opportune time when the whole world is seeking interpositions revolving around the explicit impact of the COVID –19 pandemic to the economies in order to concoct interventions and support measures for sustainable local entrepreneurial growth and post COVID –19 economic recovery strategies.

Ladies and Gentlemen

Given the context of Erongo, being a major business hub of our country, it is only befitting that I take this opportunity to provide this platform with update on our key agencies and their implementation agenda respectively. In terms of the Industrialisation mandate, we have the Namibia Industrial Development Agency (NIDA) whose mandate is to implement our requisite industrial policy and the Growth at Home provisions. The SME and Industrial parks will be alluded to in the presentation by our regional representatives which are constructed by NIDA at the Ministry's instructions. NIDA also serves as our investment agent as it carries a few shareholding in critical industries such as the automotive sector on behalf of the Ministry.

In Commerce, we have a vast number of key institutions such as the Namibia Standard Institute (NSI) which is responsible for the setting of standards and ensuring metrological platforms. Given key industries of the region such as the mining and fishing sector, it is imperative that the business community continues engaging and collaborate with NSI. Recently Namibia approved the National Quality Policy and I urged the business fraternity to acquaint itself with it.

Another key institution is the Namibia Competition Commission which is mandate to ensure a complete and fair trading market environment in Namibia. The NaCC also ensures the regulatory platforms for the approval and disapprovals of potential mergers and acquisitions in our country. Recently the MIT launched the National Competition Policy which not only ensures the provisions of standard competition provisions but also address new developments around sectoral market inquiries, price monitoring and an enabling access regimes for key sectors where there is rather more economic sense to utilize one infrastructure or asset amongst competing market players. In due time, these provisions will also be added to the ongoing work on amending the current Competition Act.

A key agency of the MIT is the Business and Intellectual Property Agency (BIPA) whose aim is to ensure the registration of business as well as key innovation pillars such as patents and intellectual property. BIPA is key to the business fraternity as well as the economy as a whole as it places a critical role for the ease of doing business in Namibia. Teething problems might have affected its service delivery in its initial phase, but I am of the firm opinion that, along with the launch of the ICSF, these will become problems of the past. BIPA is also reviewing key legislation such as the Company's Act and the Close Corporation Act to identify areas of modifications to ensure timely and efficient ease of doing business. These modifications are also aligned with developments in other legislations such as E-commerce.

We also have the Namibia Trade Forum (NTF) whose mandate is to ensure an effective public and private sector dialogue platform. The NTF is currently engaged on key items such as the Retail Charter, the Namibian Barcode centre as well as looking at policy dimensions around food security given our recent experience with the Covid-19 Pandemic.

Ladies and Gentlemen

Let us therefore 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. Allow me to add a few pointers that could also provide directions to our envisaged deliberations.

In 2016, along with other 9 Sector Growth Strategies, the MIT also launched the Seafood and Associated Value Chains Sector Growth Strategy. Although in the preceding years this specific sector did not receive much attention in our work, the COVID-19 Pandemic has once again reminded us of the need to pivot all our efforts towards national food security and self-sufficiency. Recognizing this outcome, the MIT has for example finance one of the beneficiaries under the IUMP to add value to their horse-mackerel products. I call upon us all to further deliberate and look at ways on how we can ensure a viable seafood sector in Namibia.

The seafood opportunity is also very much closely aligned to our government overall focus on optimizing our Blue Economy potential. In this matter which is also to be highlighted very much in the Harambee Prosperity Plan 2, the MIT sees a significant number of opportunities for industrialization for which the business sector here should take the lead in identifying and developing them.

Similarly the presence of a large resource sector provides ample opportunities for ensuring backward linkages especially with our MSME sector. Crucial to this is the quality and efficiency of supply to ensure that our MSMEs fully benefit from being in proximity of a large resource sector. Although very much in early discussions, the MIT along with a key player in the uranium sector are busy exploring the possibility of a Supplier Development Programme. I would submit that an SDP programme in the seafood industry would also very much help us all in our efforts to grow the Erongo economy and by extension the Namibian economy.

Further on the MIT is also at very much early stages of developing a beef cold storage facility at the coast to ensure that we attain the full value chain nodes of our beef exporting subsectors. The envisaged cold storage facility is not yet fully design and could also cater for other sectors such as the seafood industry and our horticulture sector as it is based on a modular framework.

Finally the Erongo region stands a very good chance to ensure that our provisions in the Sector Growth Strategy on Gemstones and Jewelry are attained. The MIT along with the Ministry of Mines and Energy are very much attuned to the need to ensure a viable sector for our small scale miners as well as overall development of the full value chain to ensure that more economic rent from this precious resource accrues to Namibia and her populace. To this end we are working on looking at the option of building a free valuation hub to allow our small scale miners to be able to partake in price discovery mechanisms of their mining activities. In terms entrepreneurship training and skills development, our efforts of training Namibians in gemstone cutting is continuing this year. The MIT has so far trained 300 gemstone cutters of which close to a 100 were absorbed in diamond cutting and polishing sectors. Currently as we speak we have another 26 trainees undergoing training.

In conclusion, to place the Namibian economy on a rigorous and sustainable growth path, the Namibian Government and the MIT in particular stands ready to provide support to the economy within the scope of its mandate. Overall, the recovery of the Namibian economy requires a multifaceted approach and I trust that this meeting will support that course through robust dialogue and inputs to the process of building a stronger Namibian economy based on improved fundamentals.

I thank you.