

REPUBLIC OF NAMIBIA



Statement by Hon. Lucia Ipumbu, MP

Minister of Industrialisation and Trade

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

Monday, 29 March 2020

Paresis Hall, Otjiwarongo

Director of Ceremonies - Mr. Terry Ujamba
Hon. James Uerikua, Governor: Otjozondjupa Region,
Adv. Inge Zaamwani - Kamwi – Presidential Advisor
Hon. Marlyn Mbakera – Chairperson of Otjozondjupa Regional Council
His Worship Mr. Candy Shivute Mayor of Otjiwarongo Municipality and all
Mayors of Town Councils present,
All Honourable Councillors present
Captains of Industry and Businesses owners,
Distinguished Invited Guests,
Members of the Media,
Ladies and Gentlemen

Good morning and thank you for honouring our invitation to this important event. Let me thank the Hon. Governor for assisting us to convene this meeting and everyone in attendance for being here despite your busy schedules, this attest to the importance you attach to our collective efforts to business and economic survival. I am glad to note that in our midst we have a wide variety of stakeholders, from across many important sectors including the informal traders' representatives and SMEs.

The COVID – 19 pandemic has caused major disruptions to business operations due to measures put in place to curb the spread of the pandemic. This was not done to cause any harm however Government had to balance between both saving lives and maintaining business operations. The MIT has therefore embark up on various initiatives aimed at identifying critical challenges facing the business community in order to devise specific and tailor made policies and plans which are responsive and supportive to our businesses. This consultation is one of such activities which we have arranged to canvas ideas on how we can collectively support and innovate mechanisms aimed at resuscitating the Namibian economy and business revival in particular.

The Ministry also carried out and launched the Private Sector Development Survey last week which specifically assessed the impact of COVID – 19 and general business climate in Namibia. The survey was carried out between 01 October to 15 November 2020 when the social and economic impact of restrictions imposed to contain the spread of

the Covid-19 pandemic became evident. The results of the survey indeed indicated that COVID – 19 pandemic has impacted businesses negatively.

Ladies and Gentlemen

Coming closer to home, Otjozondjupa region is one of Namibia's agricultural hub due to good rains in the triangle area and there is indeed a need to optimise resource in order to reap maximum benefits. The pandemic has taught us a lesson to be self-reliant in terms of food production and it is indeed for this reason that we need to look at mechanisms of forging collaborative efforts to achieve our objectives. This region is also key in tourism and mining activities. We need to work hard to support these sectors while looking at the economic dynamics of this region. We also need to look into other potential business activities in the region, to revive the economy and create the much needed employment opportunity in the country.

The Ministry has designed various programmes and interventions to assist businesses including our MSMEs in several ways such as:

- Provision of production equipment through the Equipment Aid Scheme Program
- Construction of Industrial and SME parks through our implementation agency Namibia Industrial Development Agency (NIDA)
- Improve of the production and supply capacity, efficiency and competitiveness of local enterprises through the Industrial Upgrading and Modernisation Program (IUMP)
- The Ministry also recently introduced the Charcoal training which is taking place here in Otjiwarongo as a way of imparting skills to enable Namibians in order to join the mainstream economy.

Ladies and Gentlemen

The informal economy provides means of survival to majority of our citizens. The Ministry has therefore embarked to implement appropriate policies and programmes with a view to enhance businesses growth by drafting the National Informal Economy and Entrepreneurship

Development Policy and wide consultations will be carried out to get your inputs. The policy's objective is to develop the informal and the Start-ups economy and its participants into commercially viable businesses which could contribute to the economic growth of our country and its inhabitants in a sustainable manner. This policy will further address various challenges such as operating facilities, access to finance, training and skills development to mention but a few.

We have also taken note of the challenge faced by both local and foreign investors willing to invest in the country as such the Namibia Investment Promotion Act is due for finalisation in the next few months and I am glad to mention that there is a component of sector reservation for local businesses. 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 Ministry of Industrialisation and Trade and the entire Government is fully aware of the difficulties that Micro-Small-Medium Enterprises and start-ups face in accessing financial support from various funding institutions. Traditional financial institutions are often reluctant to fund MSMEs, because of the perceived risk associated with MSMEs, lack of, or sometimes limited enterprise development experience, the long-term expectation of profitability as well as risks inherent in financing relatively small business propositions with few assets. Turning a business idea into a profitable business venture therefore remains a distant dream for too many young entrepreneurs with brilliant ideas out there.

To address some of the above challenges that impede the growth of MSMEs sector, the Ministry of Industrialisation and Trade (MIT) has embarked on targeted MSMEs support interventions with development partners such as United Nation Development Programme (UNDP Namibia), SADC – TRF, European Union, UK High Commission to Namibia and GIZ. The different support services offered by MIT and development partners' forms part of our "Growth at Home" strategy that aims to de-risk the investment environment and offer more opportunities to MSMEs

to unlock local entrepreneurship potentials. MSMEs have proven to be key drivers of industrialisation and structural transformation around the globe, and the same can be said here in Namibia.

Last year, despite various economic challenges and due to the budgetary fiscal consolidation, the Ministry forged considerable collaborative efforts with other stakeholders to support entrepreneurs hard hit by the pandemic this includes:

- Provision of COVID -19 grant to businesses that lost income during COVID - 19 lockdown
- Facilitation of the local production and distribution of facial masks to vulnerable people such as pensioners, children and people living with disabilities
- Provision of funding grants IUMP programme (SADC – TRF)
- Sustainable Development Goal Impact Facility (SDGIF) grants
- Entrepreneurial and skills development under our empretec programme including the Charcoal training.

Specific statistics will be provided during the presentations. It gives me pleasure to note that Otjozondjupa region has and continues to be proactive in applying and participating in the Ministry's efforts to grow our business sector and strongly encourage you to continue taking part in these opportunities.

The Ministry is currently calling for applications for 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 Otjiwarongo to get more detailed information and the Ministry will further ensure that these information are widely disseminated through various platforms.

I am aware that many stakeholders and businesses many at times complained that our information sharing processes needs improvements. I therefore urge all stakeholders to collaborate in sharing

these much needed information and opportunities to our business community and I further implore you to constantly visit our regional office for any available programmes. MIT will continue to support initiatives that will help businesses grow sustainably, by creating a nurturing entrepreneurial environment that is combined not only with financial support but also with technical business development services and policies that enables ease of doing business.

Ladies and Gentlemen

The MIT has recognised the importance of e-commerce including the need to harness efforts towards the Fourth Industrial Revolution (4IR). Further lessons from the pandemic are also such that with the limitation of physical interaction, it is important to put in place systems which can serve different clients in the comfort of their convenience. To this end the Ministry has introduced the integrated client Service Facility (ICSF) system in December 2020 which would ease the burden of business registration to both locals and international businesses and investors. This system also act as a one-stop - shop to register your business through one single point instead of expending valuable time going from one requisite 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.

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.

The MIT further launched the Import/ Export (IMEX) Online System. The virtual platform is a strategic tool for trade facilitation that will enable traders to submit documentation and data requirement for import/export permits electronically. The objective of the portal is to reduce time and cost associated with domestic trade procedures and trade facilitation thus improving Namibia's competitiveness. With the African Continental Free Trade Area (AfCFTA) gaining momentum,

harmonious trading and facilitation of cross border services will yield immense benefits to the trading sector.

Ladies and Gentlemen

During our consultations with other regions, it emerged that procurement of locally made products remains a challenge as imports continue to dominate our local products. I therefore implore both the public and private sector to adhere to the local procurement directive issued by the Ministry of Finance. On the other hand the Ministry embarked up on 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 due to kick off in two months' time 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 Ministry is also at an advanced stage in acquiring the bar code for Namibia which will ease the process of shelving local products in our retail shops.

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.

Ladies and Gentlemen

Namibia and the world have been wounded by the invisible disease and is hurting economically. Local statistical data indicates that our GDP will decline this year while unemployment has escalated due to loss of jobs in many affected sectors, while the country continue to record a high number of COVID – 19 cases and deaths. The pandemic has

aggravated inequality and poverty and has further disrupted some socio-economic gains. Let us therefore ensure that we adhere to all set protocols in place aimed at curbing the spread of this deadly virus as there are developing third wave possibilities and let us conduct our business activities in a safe and responsible manner. 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.

Ladies and Gentlemen

Let use of this platform to deliberate on the modalities of our economic recovery post the persistent 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 the challenges facing our businesses and the economy in general. I am certain that this platform will allow these pertinent key issues to be discussed thoroughly and good implementable recommendations be advanced.

I thank you