



MIT
Ministry of
Industrialisation
& Trade

STATEMENT BY

**HON. LUCIA IIPUMBU (MP),
MINISTER OF INDUSTRIALISATION AND TRADE**

**ON THE OCCASION OF THE
CONSULTATIVE MEETING WITH KAVANGO WEST BUSINESS
COMMUNITY**

WEDNESDAY, 19 MAY 2021, 09H00

**NKURENKURU COMMUNITY HALL, NKURENKURU, KAVANGO WEST
REGION**

Director of the Proceedings: Mr. Egidius Nambara - Deputy Director for Planning: Kavango West Regional Council

Hon. Sirkka Ausiku – Governor of Kavango West Region

Hon. Joseph Sivaku Sikongo – Chairperson of Kavango West RC

Hon. Jafet Muti – Mayor: Nkurenkuru Town Council

Mr. Robert Eiman: Head of SME Financing - Development Bank of Namibia

Senior Government Officials present here today

Officials of the Ministry of Industrialisation

Eminent Business Community;

Distinguished Invited Guests;

Media Fraternity

Ladies and Gentlemen

A very Good Morning to you all!

I am delighted to join you this morning at this consultative meeting for us to share ideas on how we can collectively support and innovate mechanisms aimed at realising the economic recovery and business revival in particular especially in areas within MIT's mandate such as manufacturing, industrialisation and value addition with support from our guiding policy documents such as NDPs, Harambee Prosperity Plan II, the Industrial Policy, Growth at Home Strategy as well as the overarching "Vision 2030".

Allow me at the beginning to thank all invitees for honouring our invitation despite your busy schedules. This is a clear attestation that we all value our businesses and indeed seeking intervention which can results into overall survival and recovery long term plan. I am also happy to note that in our midst we have a wide variety of stakeholders, from across many important sectors. It is further pleasing that our informal traders and SMEs are also represented at this meeting.

The COVID - 19 pandemic continues to cause major harm to the global economy, affecting trade, investment, industrialisation and general global supply and demand for goods and services. Namibia has not been spared from these economic devastations. The major economic activities in Kavango West Region which are mostly centred on agricultural activities was not spared by the severe negative impact of COVID – 19.

The agro-processing component of the growth at home strategy is key to prioritise. Lessons from the pandemic are that there is a need to magnify and upscale the local food production capacity and this is one key element that this region need to enhance to ensure that we have sufficient food supply which can compliment other efforts nationally.

Another key sector that has proven its resolve but also its immense diversification capital is the production of chairs, tables and related products from our endowed resources in this region (timber). Biomass and charcoal projects are also other areas which holds so much potential. Currently charcoal employs 10,000 Namibians with an immediate potential to double that amount. Key to this intervention will be revisiting the administrative ban on harvesting invader bush in communal areas.

This 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 presented various opportunities through lessons learned from the pandemic as well outlooks in particular, around domestic productive capacities in various areas and it is important to optimise these economic dynamism and translate

them into innovative ventures for economic sustainability. MIT will continue to support businesses through tailor made interventions which are customised to fit to our realities when resources permits.

Our informal sector and MSMEs development remains a priority in terms of policy certainty and support by the Ministry. The Ministry is therefore working on supportive legislations aimed at aiding informal economy participants to form part of the mainstream economy sector and to further ensure that our MSMEs grow from the infancy stage to large enterprises. We are aware of various challenges facing these categories of entrepreneurs which include among others operating infrastructural deficit, lack of entrepreneurial skills, lack of funding opportunities to mention but a few.

Ladies and Gentlemen

The Ministry is committed to deliver on its mandate by developing and managing 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, develop and expand the country's industrial base.

MIT Kavango East Regional Office which is based in Rundu remains committed to serve the business community in Kavango West region however the good news is that the Ministry will in the near future open a substantive regional office in Nkurenkuru to ensure that we bring services closer to the people of this region. The Ministry is also at an advanced stage to launch the school uniform project here in Nkurenkuru in the coming months to ensure that our school uniforms are manufactured locally.

The Ministry in its pursuit to improve local productive capacity, consumption of locally made products and shelving of our local

products in the local retailers launched the second phase of the Buy Local Grow Namibia Campaign in Rundu yesterday. The focus of the second phase of the Buy Local Grow Namibia campaign has the objective of capacitating the micro, small, medium enterprises as well as the informal sector to better understand various requirements for local market access. After identifying this lack of critical knowledge on the retailer requirements this is a noble initiative which we hope will gain momentum and be institutionalised

As you are all aware, the start of Trade under the African Continental Free Trade Agreement on the 1st January 2021, presents immense opportunities for expanded market access as well as growth and it places strong emphasis on SMEs, youth and women to ensure that the projected benefits are inclusive rather than being perceived to only serve the interest of Multi-National Companies and the already empowered.

The outbreak of the COVID-19 pandemic has not only affected the already contracting Namibian economy but also threatened the survival of many Micro, Small and Medium Enterprises (SMEs) across the country. The Ministry in its continued efforts and commitment to assist MSMEs continues to work with strategic partners in order to provide the much needed support to our entrepreneurs. The following Covid-19 relief interventions were administered during the period under review:

- 1. StartUp Survival Grant:** As part of the 2020 COVID-19 Relief Measures, the Ministry of Industrialization and Trade (MIT) together with StartUp Namibia with funds from the German Government successfully provided the COVID-19 Start-up Grant worth N\$ 15,000 each to MSMEs country-wide. The grant assists start-ups in offsetting the detrimental economic effects of the COVID-19 pandemic. Only four (4) businesses from Kavango West were among the beneficiaries.

2. SDGIF Grant Window 1: The Sustainable Development Goals Impact Facility (SDGIF) is an initiative established by UNDP Namibia and the Ministry, to provide small competitive matching business grants to women and youths in business, social enterprises and Micro, Small and Medium Enterprises (MSMEs) to address the financing gap emanating from these sectors. The recipients of the funding also receive tailored business development services and enterprise development training from the MIT EMPRETEC Business Development and mentorship from UNDP Accelerator lab to foster the nexus between business development services and development solutions. Disappointingly, only one (1) successful applicant from Kavango West benefited from first phase of SGDIF grant valued at N\$ 35 000. However, There is still opportunity for MSMEs in the region to benefit from the just ended second window and the upcoming third window of opportunity.

3. SADC Trade Related facility-The IUMP's Industry grant scheme: The IUMP is an agenda of the Ministry of Industrialisation and Trade aimed at improving production and supply capacity, efficiency and competitiveness of Namibian owned manufacturing firms. Again only one (1) of the successful applicants is from Kavango West region.

4. Public Facemask Production: In an effort to combat the spread of COVID-19 global health pandemic, about 21 877 face masks valued at N\$ 366 735-00 produced by Kavango West based SMEs were procured and distributed to the identified vulnerable categories of pensioners and marginalized children as well as inpatients.

5. Training - As part of entrepreneurship development and promotion, EMPRETEC Namibia in collaboration with the Directorate of Industrial Development is currently carrying out

a training on Gemstone Cutting and Polishing in Karibib. Four (4) youth from Kavango West are among 26 trainees undergoing training and this is commendable.

This calls for collective maximum efforts to be employed in order to ensure that our local MSMEs benefits from the available initiatives through dissemination of timely information.

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 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.

With these few remarks, I thank you while wishing you fruitful deliberations.