



REPUBLIC OF NAMIBIA

SPEECH BY HON. LUCIA IIPUMBU, MP

MINISTER OF INDUSTRIALISATION AND TRADE

ON THE OCCASION

**HANDOVER OF MINISTERIAL VEHICLES PROCURED FROM PEUGEOT
NAMIBIA PLANT (POAN)**

12 AUGUST 2021

Director of Proceedings – Dr. Michael Humavindu

Hon. Verna Sinimbo – Deputy Minister

Mr. Sikongo Haihambo – Executive Director

Mr. Lionel Matthews - Chairperson NIDA Board

Mr. Heinrich Mihe Gaomab II – CEO of NIDA

Mr. Robert van Rooijen - Chief Executive Officer of POAN

Distinguished invited guests;

Members of the Media;

Ladies and Gentlemen;

It is my great pleasure to attend this handover ceremony today where we will witness the receipt of 6 vehicles procured by the Ministry of Industrialisation and Trade (MIT) from Peugeot – Namibia Assembly Plant. His Excellency, Dr. Hage Geingob, President of the Republic of Namibia, officially launched and unveiled the Peugeot-Namibia plant on, 5 December 2018 at Walvis Bay. This was after investment agreement facilitating the joint-venture agreement was signed between Groupe PSA and the then Namibia Development Corporation (NDC) now Namibia Industrial Development Agency (NIDA) to assemble OPEL and PEUGEOT vehicles in Walvis Bay. The assembly anticipated to achieve a target volume of 5000 units by 2020 to meet the SACU countries market demand. It is pertinent to acknowledge that the plant was registered in 2018 as a special manufacturing warehouse allowing it to import components on a duty free basis. This was based on its application on the relevant Duty Remission Scheme (DRIS) forms from the Namibian Customs Office.

As we are all aware this investment project is a joint venture between the Namibian government (49% shareholding) and PSA Gruppe-now Stellantis after a merger (French-based automotive maker with 51% equity). The experience with the operations of POAN is based on a Semi Knocked-Down (SKD) assembly process in which motor vehicle components are imported into Namibia, partially stripped down at origin and reassembled in Namibia resulting in these posh vehicles we are seeing here today. We know that currently POAN is faced with a critical issue of an 18% duty on export ready vehicles. The importation of components is thus now unhindered bar for the Rules of Origin based duty at export-ready stages. This surely has implications on the competitiveness of POAN product and ultimately on the sustainability of the plant.

Both MIT and Ministry of Finance (MoF) recognised that the matter is sector-wide and will afflict any other entrant to the sector and therefore not exclusive to POAN. Cabinet approved in December 2019 the National Automotive Assembly Development Policy Framework-2019-2021 (NAADP). NAADP framework's chief objective is to ensure the development of local automotive assembly and creating the export potential of Namibia in the automotive sector. NAADP was therefore not intended as a single enterprise solution but a framework for the support of the automotive assembly sector in Namibia. Following the provisions of NAADP, the solution is embedded within the amendment of the APDP to domesticate it for Namibian automotive sector.

Currently, POAN has around 120 vehicles on the factory floor, which the company is unable to export due to the 18% effective tariff. The Namibia APDP is envisaged to solve this challenge. MIT has received the final draft for final review and gazetting.

Allow me at this juncture to thank all those who have procured their vehicles from POAN such as the Swakopmund Municipality and all other individuals and entities who has indeed so far answered our call to support this strategic investment initiative in the country. We are further urging our local private and public entities including the general public to start procuring these vehicles just as the Ministry of Industrialisation and Trade has done here today. This will enabled keeping the assembly plant afloat in the meanwhile to save jobs.

Finally allow me to urge our staff members especially those who will be responsible to drive these vehicles to ensure that they are handled sparingly.

I thank you.