



**REPUBLIC OF NAMIBIA
MINISTRY OF INDUSTRIALISATION AND TRADE**

MOTIVATION STATEMENT BY

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**FOR RATIFICATION OF SOUTHERN AFRICA DEVELOPMENT COMMUNITY (SADC)
PROTOCOL ON INDUSTRY**

FEBRUARY 2021

NATIONAL ASSEMBLY

Honourable Speaker,

Honourable Members of the National Assembly,

I rise to introduce and table for consideration and subsequently ratification by this House, the Southern Africa Development Community Protocol on Industry.

Honourable Speaker,

Honourable Members,

The advent of the African Continental Free Trade Area (AFCTA) with trading that started on 1st January 2021 heightened the need to appreciate SADC's common approach on industrialisation.

In 2015, SADC decided to frontload the Industrialisation Agenda. Consequently the SADC Industrialization Strategy and Roadmap (SISR) 2015-2063 was approved in 2015.

To ensure the viable implementation of the SISR, SADC developed the Costed Action Plan for the Strategy covering 2015-2030, which was subsequently approved by Summit in March 2017 in Eswatini.

As part of the implementation of the SADC Industrialisation Costed Action Plan, the protocol on industry was adopted, which the Summit endorsed on 17th August 2019 and was signed by 11 Heads of States and Government.

The specific goals of the Industry Protocol are:

- Promote equitable industrialization in a coordinated manner;
- Strengthen both regional and national capabilities in industrial policy making;
- Facilitate the development of globally competitive Micro, Small and Medium Enterprises;

- Promote the production and regional trade in essential raw materials, intermediate products and industrial inputs;
- Promote industrial innovation, diversification and skills development;
- Promote sustainable and inclusive industrial development that encourage the promotion of the environment and the optimal utilization of our natural resources which our region is richly endowed with;
- Ensure cooperation in the protection of intellectual property rights, the integration of gender dimensions in all industrial development initiatives in the region;
- Promote regional cooperating in technical regulation, standards, metrology, product certification and accreditation and the sharing of industrial data.

Honourable Speaker,

Honourable Members,

By advancing industrialisation, the SADC region can be able to catch-up economically and move closer to the level of present day developed countries. SADC has been left behind because of a lack of quality infrastructure and the scarcity of skills necessary to accelerate industrial development.

It is therefore essential for SADC Member States to ensure the process of ratification of the Industry Protocol, as this is a key pillar in our efforts to ensure that industrialisation takes place.

The Industry Protocol key objectives are also primed to ensure a realisation of regional industrialisation on a firmer footing. Allow me to highlight a few of these objectives and how they are aligned to our national aspirations and actions.

The Protocol calls for the development of prioritised regional value chains among Member States. Value Chains in sectors of **agroprocessing, mineral beneficiation, pharmaceuticals, consumer goods, capital goods and services** are identified as having demonstrable potential to deepen regional integration through enhancing intra-regional trade and cross-border investment flows. These sectors are also the same that we have identified nationally through our Growth At Home Execution Plan of the National Industrial Policy of 2012.

The Protocol also calls for MSMEs to be supported to master advanced technologies, enhance their competitiveness and to be financially supported. Further supplier development programmes and business linkages programmes are key objectives of the Protocol in terms of the MSME development strategies. These strategies are also very much aligned to the key development interventions Namibia has identified in the 2016 MSMEs National Policy. The MIT also launched in 2020 a Digital Centre with one of our Development Partners to shore up digital skills for our MSMEs sector.

A key objective in the Protocol also pertains to Preferential Policy mechanisms especially around public procurement. The Protocol calls for a minimum threshold of regional content especially for MSMEs and that regional public procurement of raw materials, goods and services will help increase in our bid to enhance intra-regional trade. Once again these objectives and strategies speak to our efforts, throughout the Public Procurement Act of 2015 and recent Directives issued by the Ministry of Finance in December 2020 to shore up local content especially for locally manufactured goods and services.

Finally a key objective centers around the alignment on sanitary and phytosanitary (SPS) measures and promotion of technical standards that will ensure sustainable industrial practices. These objectives are neatly aligned to our recently approved National Quality Policy as well as the draft Metrology Bill that is in the purview of this August House for deliberations during the course of this year.

Honourable Speaker,

Honourable Members,

It should be noted that Namibia was instrumental in ensuring the development and adoption of the Protocol. The Protocol was developed and successfully completed during the 2019 period under the Chairmanship of Namibia.

It should also be noted that Namibia is a forerunner in implementing a National Industrial Modernisation and Upgrading Programme (IUMP) since 2012. The IUMP is a requirement for all Member States to adopt in the SADC Industrialisation Strategy.

Resultantly Namibia received a financial envelope from the SADC-Trade Related Facility to rightsize the IUMP as per the requirements under SISR. More than 40 business received grant funding to the value of N\$13 million in 2020.

For the Protocol to come into force, at least two-thirds or 11 Members States have to ratify.

Namibia will therefore demonstrate leadership in being amongst the first to ensure ratification of the Protocol. To date, Seychelles is the first country to have ratified the Protocol and Namibia will most likely be amongst the other first Members States to do so.

Allow me therefore, at this juncture to table the **Ratification of the SADC Protocol on Industry** for your consideration and ratification.

Your positive consideration and ratification of this Protocol, Honourable Members, will reinforce and grant momentum for the speedy implementation of our regional industrialisation ambitions and rightsize the SADC region to ensure her optimal participation in regional, continental and global value chains.

I am counting on your usual and continued support.

I thank you