



REPUBLIC OF NAMIBIA

KEYNOTE ADDRESS

BY

HON. LUCIA IIPUMBU, MP

MINISTER OF INDUSTRIALISATION AND TRADE

**ON THE OCCASION OF THE OF THE INVEST IN NAMIBIA SESSION
AT THE 16TH US – AFRICA BUSINESS SUMMIT**

VENUE: THE KAY BAILEY HUTCHINSON CONVENTION CENTER.

DALLAS, TEXAS, U.S.A

WEDNESDAY, 08 MAY 2024

Director of Proceedings

H.E Dr. Mokgweetsi Eric Keabetswe Masisi – President of the Republic of Botswana

H.E Margaret Mensah-Williams - Ambassador Extraordinary and Plenipotentiary of the Republic of Namibia to the United States of America

Ms. Nangula Uaandja – Chief Executive Officer of the NIPDB

Esteemed Business Leaders present

Distinguished invited Guests

Private Sector Representative and Business Community

Members of the media

Ladies and Gentlemen

Good Morning,

I am deeply honoured and privileged to address you all today at the Invest in Namibia session of the 16TH U.S.- Africa Business Summit (USABS). This is a major platform that aims at cementing both trade and investment linkages between Africa and the U.S. Moreover, it is befitting that we thank the government of Botswana for graciously hosting the previous session in Gaborone last year. We therefore acknowledge and offer our gratitude to our previous host His Excellency President Masisi for the warm reception we were accorded last year.

Ladies and Gentlemen

On behalf of the Government of the Republic of Namibia, I would like to extend our profound thanks and sincere appreciation to the U.S Government and by extension the Corporate Council on Africa for the continuous developmental partnership as evidenced in convening this summit. Allow me therefore to sincerely thank the organisers, for hosting us at this session. I further wish to extend our appreciation for your warm welcome, generous hospitality, and the excellent arrangements made to ensure the successful outcome of this summit.

Today's event offers a unique platform for us to discuss various critical collaborative aspects within the Namibian context as well as a deep dive into investment opportunities therein. My key assignment today is to provide, through this keynote address the policy context governing productive development in Namibia within the trade, investment and industrialization agenda. My brief remarks shall therefore touch on policy dynamics, then address the enabling environment as well as associated policy dimensions and finally provide a highlight around our current work.

In terms of the legislative and policy foundations, Namibia's first national industrial policy was introduced in 2012. Prior to that, the country only had a White Paper on Industrial Policy of 1992. A Foreign Direct Investment Act was introduced in 1991 and an Export Processing Zone Act saw the light in 1995. Resultantly working with the National Treasury requisite incentives for manufacturers and export entities were availed through such legislations as released.

During December 2020, the existing manufacturing incentives were withdrawn as they were deemed unfavourable in terms of tax incentives. Subsequently the Ministry of Industrialisation and Trade introduced a National Sustainable Special Economic Zones (SEZ) Policy in October 2022 to replace the EPZ regime by December 2025. At the moment the Ministry is finalising the draft SEZ Bill, Namibia Investment Law as well as a National Informal Economy, StartUps and Entrepreneurship Policy. The Ministry is envisaging finalizing a new Industrial and Productive Development Policy by early 2025.

These policy drives mainly support trade and investments with a slight bias towards diversifications in various sectors. Namibia has further developed an Execution Strategy for Industrialisation (Growth at Home Strategy) with the aim to actualize the National Industrial Policy. Consequently, other policy foundations were enhanced which culminated in the development of our 10 Industry Growth Sector Strategies which were released in 2016 (for sectors such as seafood, steel fabrication, handicrafts, wildlife products, cosmetics, taxidermy, leather, game meat, jewelry, gemstone and Swakara wool) and an 11th Industry Growth Strategy on Invader Bush Processing/Biomass Value Chain was introduced in 2021.

At the regional front, Namibia continues to streamline the SADC Industrialisation Strategy and Roadmap and through this, Namibia ratified the SADC Industrialisation Protocol in 2021. Other work includes the development of our National Automotive Assembly Development Policy in 2019 and the Mineral Beneficiation Strategy was developed, in in 2021.

The key features of these industrial policy outcomes are local value addition, targeted and phased approach to investment development, supporting value chains development, bilateral, regional and continental and the safeguarding of policy space as well as ensuring competitiveness. At all times effort is placed on ensuring that such sectors are aligned to overall industrial aspirations at regional and continental levels.

Ladies and Gentlemen,

Allow me at this juncture to acknowledge the leadership and foresightedness of our departed President Dr. Hage G. Geingob in driving the country's shift in the new energy systems through the renewable energy agenda. The country has embarked up on a strategic initiative through the development and scaling of the green hydrogen ambitions including the green industrialisation endeavours.

Green industrialisation policy in our view, as a pillar within a national industrial and productive development plan is to foster green growth and the trajectory of economic development based on the sustainable use of non-renewable resources that also internalize fully environmental costs, especially those related to climate change.

Ultimately green technologies proliferation will support production techniques that economize on exhaustible resources and helps emit fewer greenhouse gases. Our key aim as industrial policy proponents is to incentivise green investments in technologies taking place at an appropriate scale duly. Green industrialisation agenda is therefore a critical plank within

industrial policy to mainstream the development of green technologies and investments.

In complimenting these efforts, the Namibian Government in collaboration with other stakeholders is undertaking a comprehensive skills development strategy to nurture local capacity and build the stock of skilled professionals in this sector. Furthermore, there are ongoing projects, which signals progress in integrating renewable energy into Namibia's energy mix.

Namibia's ratification of the Kigali Amendment to the Montreal Protocol also signal our resolve to move towards greener and low carbon industrialisation pathways. The Ministry has a National Ozone Unit with the explicit aim not only to manage the import and exports of hazardous gases but also to start supporting the development of our key industrial capabilities in heating, ventilation and cooling sectors.

At a larger systematic perspective, the ongoing collaboration pertaining to Energy transition and Critical Raw Minerals also provides ample space to embed green industrialisation agenda within other industrialisation ambitions. We can therefore, testify that we are on course to make sure that the investment climate in Namibia is accommodative of various key investments.

Ladies and Gentlemen

Despite the sobering trade statistics between Africa and the United States which is skewed in favour of the U.S, it is important to outline our key resolves and recommendations to ensure a viable outcome in terms of integrating Africa fully into the global value chains framework whilst securing its role in the energy transition. The creation of the African Continental Free Trade Area (AfCFTA) is Africa's resolve to directly confront the very low intra - African continental trade amongst ourselves.

We view the creation of the AfCFTA as a stepping stone for the creation of capabilities that can help Africa integrate effectively into the global value chains. In this instance, the support of the USA is important through various platforms such as AGOA in ensuring a competitive market outlet for African goods. In the same vein we should not forget the critical role of our micro, small and medium enterprises both in the informal and formal segments of our economies.

The Memorandum of Understanding signed between the United States of America Development Foundation (USADF) and the Namibian Ministry of Industrialisation and Trade is a key example of ensuring that entrepreneurship is fostered even at the micro level. Hence more of these initiatives need to be replicated in other collaborative efforts between the U.S government including the Private Sector and the African Continent .

Namibia further advocates for the establishment of the nexus between AGOA and AfCFTA as the combination of AGOA and AfCFTA is a game changer in terms of increasing the size of the market for African countries thereby

creating attractive environment for investment and allow the continent to industrialize. We are also calling for inclusive extension of AGOA which must include AU members states that have signed and ratified the agreement establishing the AfCFTA . This is important because AfCFTA allows for cumulation among African countries and regional value chains to form and enable better utilization of AGOA.

It is our fervent hope that such cooperation around investments and entrepreneurship development will be the basic building block of ensuring the ultimate collaborations with the U.S is optimised fully. Competitiveness for Africa's integration calls for frontloading digital capabilities that also support entrepreneurship. Ina December 2022 a memorandum of understanding between the Office of the U.S. Trade Representative and the AfCFTA Secretariat vitally includes the *'advancement of industrial and regional value chain development'* as a cooperation area. We are therefore advancing sector-focused policies and strategies mainstreaming the AfCFTA and addressing the capacity gap in the continent.

Similarly for aspects pertaining to energy, critical examination of how we can leverage the USA - Africa cooperation should be at the forefront. Despite our extremely low per capital carbon emissions, energy poverty is extremely high and renewable investment levels into Africa is not necessarily optimal. To this end our USA - Africa cooperation should invest critically in the early stages of energy project development such as project preparation and innovative finance that can support early-stage risk capital.

I thank you