



**REPUBLIC OF NAMIBIA**

**STATEMENT BY HON. LUCIA IIPUMBU, MP**

**MINISTER OF INDUSTRIALISATION AND TRADE**

**ON THE OCCASION OF THE EQUIPMENT AID SCHEME (EAS) AND  
INDUSTRIAL UPGRADING AND MODERNISATION PROGRAMME  
(IUMP) GRANTS HANDOVER CEREMONY IN ERONGO REGION**

**DATE: THURSDAY, 19 SEPTEMBER 2024 @14H30**

**VENUE: TAMARISKIA HALL, SWAKOPMUND**

**Director of Ceremonies – Ms. Elfriede Stephanus: Director for Education: Erongo Regional Council**

**Hon. Neville Andre Itope: Governor of Erongo Region**

**Hon. Councillors Present**

**Distinguished SMEs Representatives and Beneficiaries;**

**Invited Guests**

**Senior Government Officials**

**Members of the Media**

**Ladies and Gentlemen, and**

**Good morning.**

I am delighted to stand before you for yet another handover of equipment to our entrepreneurs in Erongo region under our flagship support programmes; Equipment Aid Scheme (EAS) and Industrial Upgrading and Modernisation Programme (IUMP) grants.

The Namibian Government through the MIT is well aware of the vital role that the business sector play in the country's socio-economic development. Our intervention therefore finds its roots in our Industrial Policy as well as our 2016 National SMEs Policy which outlines specific programmes aimed at addressing identified key constraints to ensure effective success, growth and development of micro, small and medium scale enterprises (MSME) in the country.

Research has shown that low productivity due to lack of access to appropriate production machinery, technology, finances and inputs remains a key constrain impeding our businesses to thrive. This is mainly due to the high cost involved in sourcing or acquiring technology, machinery and other inputs required in the production process. The high costs are not only due to the high direct purchase costs, but access to financing from financial institutions and business capital remains a challenge as a result of high collateral requirement.

## **Ladies and Gentlemen,**

The last handover of equipment under the EAS in Erongo Region was done in 2014 and we are happy that after almost ten year of absence due to fiscal consolidation, the Government has noted the plight of our businesses hence we have decided to revive these key support intervention.

The Ministry of Industrialisation and Trade (MIT) initiated the Equipment Aid Scheme (EAS) in 2009/10 with the primary objective to aid the MSMEs with production equipment to minimise the cost of business set-up and boost their production. This intervention is intended to help nascent small entrepreneurs to improve and increase their productive capacities and product quality in particular, and to enhance business prospects, survival and growth in general.

However, the scheme was halted since 2015/2016 financial year until 2022, hence this has afforded us time to review the criteria to ensure that they are aligned to specific current business needs in the country.

Since the inception of this programme, to date a total number of about 3000 MSMEs have benefited from the scheme across all fourteen (14) regions. As a result, some of the MSMEs has grown to large enterprises with enhanced production, increased employment, and revenue while serving as champions and role models for emerging entrepreneurs.

Furthermore, the Industrial Upgrading and Modernisation Programme (IUMP) grant scheme on the other hand is designed to enhance productivity and competitiveness of selected middle level existing firms. The key difference here is that the business is expected to cover about 15% of the total costs while government provide 85% of the required funding.

The IUMP was established as a national extension of the sub - regional IUMP for the Southern African Development Community (SADC), with the objectives to; improve the competitiveness of local industries; contribute to the strengthening of industrial capacities of SMES and diversify national value-addition.

The programme provides targeted support in areas such as diagnostic studies and upgrading plans; supply and value chain analysis and management; technical training and coaching; product and market development, standards and quality management of new operations and maintenance techniques in the production cycle among others.

These two Industry grant schemes were set out to ameliorate Namibia's level of Industrialisation ambition as set out in our Growth at Home Strategy by targeting 11 growth sectors. Namely; Game Meat and value added Wildlife products ; Hides, Skins, Leather and Wool products; Metal Fabrication; Charcoal and other value added bush products; Gemstones and Jewellery; Cosmetics and Pharmaceuticals; Fish processing and value added Blue Economy products; manufacturing (inclusive of Handicrafts); Agro and Horticultural food processing; Dimension Stones processing and the Refrigeration & Air-conditioning (RAC) Sector.

### **Ladies and Gentlemen,**

The Ministry has therefore decided to fill the gap with the limited resources in line with our business development policies and programmes. However, at the high level, we continue to engage all stakeholder to ensure that business support requirements are relaxed to cater to the needs and conditions of our local businesses.

To ensure that these interventions yield the desired impact, the Ministry will ascertain that all beneficiaries will undergo training through our Empretec mentorship programme on the use of the equipment provided to them and general entrepreneurship mind set change. We will also ensure that our regional offices will continue to regularly monitor your business activities and operations to ascertain that these equipment are indeed used as expected to drive benefits to your respective enterprises.

As we endeavor to empower various enterprises in all 14 regions across the country, we are also specifically targeting to strengthen collaborative ties between various business establishments in an effort to encourage the formation of strategic partnerships. These collaborations are key in terms of ensuring that there is sufficient products for infusion in the local market and beyond especially in the context of the Africa Continental Free Trade Area (AfCFTA). You must therefore strengthen your capacities so that you remain competitive. You must also use these support mechanisms to scale and diversify our productive capabilities.

### **Ladies and Gentlemen**

In 2023, the Ministry placed the calls for both IUM and EAS schemes following budget allocation from treasury. The call for applications for the 2023/24 Financial Year which we are handing over today was placed in the local print media, the Ministry's official website, and social media platforms for a period of three (3) months from 01 July - 29 September 2023.

To this end, a total number of EAS **671** applications were received from across the country and **353** applicants were approved with the Erongo region recording about 39 applications received **of which 23 were approved receiving about N\$ 645,528.51 of the allocated funds.** While for IUMP out of **a total of 15 approved beneficiaries 3 are from Erongo region** with a total allocated amount of **N\$ 439,644.03.**

We have noted with concern that most applicants failed to adhere to the set requirements while some could not complete their applications in full despite their business seemingly viable. Allow me to encourage you therefore to seek sufficient information from the Ministerial officials during the submissions of your applications. MIT has established offices in all 14 regions in our efforts to bring services closer to our people. These regional offices country - wide remain available to provide detailed information on all support interventions that the Ministry offers including the application procedures.

In this regards I wish to inform the public that the Ministry has released the call for the next cohorts of application under these two programmes for the 2024/2025 Financial Year with the due date set for 10 October 2024. The good news is that we have added the creative sector and ICT as additional to benefit from these interventions.

I therefore, encourage existing and emerging indigenous small entrepreneurs especially the youth and women to take advantage of these support to improve their businesses and contribute to poverty reduction and national socio-economic development.

Through Today's handover of equipment, the Ministry is rededicating itself to creating a conducive environment for SMEs to flourish. This equipment will not only enhance the operational capacities of the beneficiaries but also contribute to the overall development of the local economies in all our regions. We are confident that this intervention will have a lasting impact on your businesses, enabling you to increase productivity, improve the quality of your products and services, and expand your market reach.

**Director of Proceedings,**

As Government continue to roll out similar support programs across the country, I urge you all to take full advantage of the opportunities presented to you. Let us work together to build a vibrant and sustainable business sector that contributes meaningfully to the development of our regions and our nation as a whole.

In conclusion, I would like to reaffirm the government's commitment to supporting our SMEs through continuous provision of equipment, capacity-building and mentorship programs, and providing the necessary infrastructure to operate from. Together, we can achieve our shared vision of a prosperous Namibia where no one feel left behind.

**I THANK YOU**