



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 ZAMBEZI REGION**

DATE: FRIDAY, 27 SEPTEMBER 2024 @14H30

VENUE: ZAMBEZI REGIONAL COUNCIL AUDITORIUM

KATIMA MULILO

Director of Ceremonies – Mr. Andreas Filippus: MIT Regional Head for Zambezi Region

Hon. Colonel (Rtd) Lawrence Alufea Sampofu - Governor of Zambezi Region

Your Worship Cllr. John Ntemwa – Mayor: Katima Mulilo Municipality

Hon. Councillors Present

Distinguished SMEs Representatives and Beneficiaries;

Invited Guests

Senior Government Officials

Members of the Media

Ladies and Gentlemen, and

Good Afternoon.

It is an absolute privilege to address you this afternoon at this exciting yet very important event where we are witnessing the handing over of equipment to our esteemed entrepreneurs in Zambezi 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 committed to supporting both our emerging and established business operators from various sectors to enable them to thrive in their entrepreneurial journey. We strongly believe that you play such a vital role in this the country's socio-economic development hence this support although limited can go a long way in enhancing your operational endeavors.

The Ministry continues to ensure that our regulatory framework is perfectly targeted at bringing about real change. Our Industrial Policy as well as our National SMEs Policy are therefore our key legislative documents 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.

Our recent census has demonstrated that we have a large portion of youthful population (70%) and we believe that it is the youth that participate and mostly active in business activities. It is therefore through efforts such as EAS and IUMP that our graduates both at tertiary and technical vocation training level can indeed be aided to acquire the necessary inputs to compliments their business activities and realise growth.

Ladies and Gentlemen,

Our last handover of equipment under the EAS in this Region was done in 2015 and we are happy that after almost ten year of hiatus due to budgetary constraints, the Government has revived this key support mechanism to address the challenges faced by our local entrepreneurs.

The MIT initiated the Equipment Aid Scheme (EAS) in 2009/10 under the leadership of our then Minister of Trade and Industry and our departed President Dr. Hage G. Geingob to primarily assist the MSMEs with production equipment to minimise the cost of business set-up and boost their production. This intervention is intended to help budding small entrepreneurs to improve and increase their productive capacities and product quality in particular, and to enhance business prospects, survival and growth in general.

The Scheme was however paused since 2016 until 2022. We have now revived this programme complimented by our bigger support interventions, the IUMP which is designed for the middle to large sized enterprises. I am also happy to inform you that these two programmes are well aligned to specific current business needs in our country.

To date a total number of about 3000 MSMEs have benefited from the EAS scheme across all fourteen (14) regions of our country. As a result, some of the MSMEs have graduated to large enterprises with enhanced production and seamless operations and serving as champions and role models for emerging entrepreneurs.

Furthermore, the Industrial Upgrading and Modernisation Programme (IUMP) grant scheme on the other hand is intended 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 technical training and coaching; product and market development, standards and quality management of new operations 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 and we are 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; manufacturing (inclusive of Handicrafts); Agro and Horticultural food processing; and the Refrigeration & Air-conditioning (RAC) Sector.

The MIT and the United States African Development Foundation (USADF) are also co-implementing a grant targeting cooperatives especially in the agricultural sector which is a niche in this region. We are therefore working closely with industry operators in order to enhance various sectors in order to produce products that can compete on a global stage and ensure food self-sufficiency in this country.

Ladies and Gentlemen,

The Ministry is filling the gap by driving these key business support initiatives despite the limited resources. Our call still goes out especially to our commercial banks to come on board and complement our efforts through the creation of tailor made financial support programmes targeting our MSMEs or to form partnerships with Government as part of their Corporate Social Investments.

Ministry will ensure 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.

Let me also implore up on all our beneficiaries here today to initiate and strengthen collaborative ties among each other 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 as we are preparing to take advantage 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

To this end, the Zambezi region recorded 24 approved beneficiaries receiving about N\$ 647,680.13 of the allocated funds. While for IUMP out of a total of 15 approved beneficiaries only 1 is from Zambezi region with a total allocated amount of N\$ 161,412.50.

We have noted with concern that most applicants failed to adhere to the set requirements while some could not complete their applications in full. It is also disheartening that none of these applicants sought assistance in the completion of their applications at our regional office just to ensure that they have met all the requirements.

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. We also 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.

Director of Proceedings,

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.

I THANK YOU