



**MINISTRY OF INDUSTRIALISATION AND TRADE**

**VOTE 19:**

**BUDGET MOTIVATION STATEMENT**

**FOR 2020/2021 FINANCIAL YEAR**

**PRESENTED BY**

**HON. LUCIA IIPUMBU, MP**

**MINISTER OF INDUSTRIALISATION AND TRADE**

**NATIONAL ASSEMBLY, 12<sup>TH</sup> JUNE 2020**

**Hon. Chairperson of the Whole House Committee  
Hon. Members of this August House,**

I stand before this August House to introduce, motivate and seek your support for the allocation of a total budget of **N\$ 174,781,000 (One Hundred Seventy-Four Million Seven Hundred and Eighty-One Thousand Namibia Dollar)** to Vote 19, Ministry of Industrialisation and Trade, for the Financial Year 2020/2021.

Before I motivate the budget allocated of Vote.19 (Ministry of Industrialisation and Trade), Let me take this opportunity to thank His Excellency the President Dr. Hage G. Geingob for the responsibility assigned to me and Deputy Minister Hon. Verna Sinimbo. At the same time, I would also like to congratulate the Minister of Finance, Comrade Iipumbu Shiimi and his esteemed staff of the Ministry of Finance for preparing and tabling a budget for the Financial Year 2021/21.

The Ministry of Industrialisation and Trade has responded positively to COVID – 19 by carrying out a series of activities, among others; coordinating the production of hand – sanitisers by local manufacturers, production of masks by local MSMEs who benefited through the Ministry’s MSMEs support interventions, distribution of masks to the vulnerable groups of our societies across all 14 regions, provision of essential service certificates for businesses rendering essential services during the lockdown and putting in place various regulations and directives related to trade and business operations. The Ministry continues to coordinate activities aimed at mitigating the impact of COVID – 19 on our economy including forging collaborations to manufacture medical masks and respirators using 3D technology and we are currently working with the Ministry of Basic Education, Arts and Culture to facilitate the manufacturing of facemasks for learners.

The allocation of this Ministry consists of operational budget of **N\$ 122,781,000** (*One Hundred Twenty-Two Million Seven Hundred and Eighty-One Thousand Namibia Dollar*); and development budget of **N\$ 52,000,000** (*Fifty-Two Million Namibia Dollar*). The following are the Ministry's programmes:

### **PROGRAMME ONE: TRADE PROMOTION**

A budget of **N\$ 19,932,000** (*Nineteen Million, Nine Hundred and Thirty-Two Thousand Namibia Dollar*) has been allocated to TRADE PROMOTION programme.

This programme consists of two main components, namely; "Domestic and External Trade Management".

With **Domestic Trade Management**, the focus is to increase the export of Namibian goods and services to external markets. The key activity of this programme focuses on the development and adoption of the following legal, regulatory and institutional frameworks for an effective vibrant and robust domestic economy:

- The National Single Window project to facilitate and streamline import and export procedures, which will reduce transaction costs in the conduct of business and cross border trade;
- Establishment of GS1 accredited Bar Code Centre which aims at enabling manufacturers to meet minimum requirements for shelf space entry of retail outlets and large supermarkets;
- Conduct 1<sup>st</sup> phase of the supplier development program to enhance and develop capacity for selected Namibia clothing and apparel manufacturers.
- Mobilise additional retailer outlets to sign-up to the retail charter with the aim of increasing the number of Namibian manufactured products.

In order to create a conducive and a competitive business environment and enhance business growth in the country, the Ministry will embark on the following policy frameworks:

- National Consumer Protection Law
- National Competition Policy;
- National Intellectual Property Policy;
- National Quality Policy;
- Finalisation of Liquor Law Amendments.

With **External Trade Management**, the Ministry continues to utilize the trade agreements to secure preferential market access for local products in continental and international markets:

Despite regional economic challenges within SACU and SADC, Namibia remained steadfast by improving its ranking in Africa on trading across borders from 14<sup>th</sup> position during the Financial Year 2019/20 to 13<sup>th</sup> during this current Financial Year 2020/21

**Honourable Chairperson of the Whole House Committee  
Honourable Members,**

## **PROGRAMME TWO: INDUSTRIAL AND BUSINESS DEVELOPMENT**

### **(MICRO, SMALL AND MEDIUM ENTERPRISES)**

A budget of N\$ **51,459,000** (*Fifty-One Million, Four Hundred and Fifty-Nine Thousand Namibia Dollar*) has been allocated to INDUSTRIAL AND BUSINESS DEVELOPMENT programme.

This programme consists of two main activities; namely Industrial Planning and Development; and Small Business Development.

With **Industrial Planning**, the Ministry's focus is to develop a competitive industrial sector in the country. This programme deals with the development

of policies and strategies pertaining to industrial development. The objective is to encourage the supply-chain capacity of local industries ensuring an increased contribution of the manufacturing sector to the country's GDP.

Furthermore, the "Growth at Home" Strategy focuses on the following sectors:

- Agro-processing;
- Leather and Leather Products;
- Pharmaceutical;
- Semi-precious stones and Jewellery;
- Charcoal and Biomass Industry; and
- Personal Protective Equipment (PPEs) to combat COVID-19 pandemic

The Ministry will table a proposal to support more youth in the Charcoal production to Cabinet this year. Charcoal production will also help anchor the Biomass Industrial Park that the Ministry initiated in collaboration with United Nations Industrial Development Organisation (UNIDO) and the Finnish Government. The Biomass Industrial Park is to produce animal feed and export grade packaged charcoal and briquettes. The Ministry will also work on standards to ensure that the majority of our people are not excluded from participating in the sector. Building on the Charcoal Strategy of 2016 the Ministry will work on a Biomass Sector Development Policy for completion in 2021.

During this period, the following key policy and sectoral work are to be embarked upon:

- National Special Economic Zones Policy and accompanying Draft Bill.
- Ratification of the SADC Protocol on Industrialisation.
- Poultry Sector Masterplan
- Automotive Sector Masterplan, which aims to, built on the 2019-2021 Automotive Assembly National Policy.
- Biomass Sector Development Policy.

***"Growth at Home"***

The **Industrial Infrastructure Development**, the activities are aimed at ensuring the availability of appropriate industrial premises and related infrastructure to make it easy for economic agents to create and operate industries.

The scarcity and high cost of serviced industrial land in most part of the country makes it extremely difficult to promote investment opportunities and industrial development in the country.

To date, the Ministry through the Namibia Industrial Development Agency [NIDA], has constructed over forty-nine [49] SME and industrial Parks countrywide, accommodating six hundred and seventy-six [676] business operators. These operators have created jobs for five thousand and eighty-eight [5, 088] people on a permanent basis and during the construction phase of these parks, seven thousand two hundred and seventy-seven (7, 277) jobs were created.

**Some of the key projects the Ministry has recently completed are:**

Keetmanshoop Garment Factory: Construction was completed in 2016. This facility is now operational and helped with public face masks manufacturing project.

Keetmanshoop Furniture Factory: Construction was completed in March 2017.

Northern Tannery Plant (Ondangwa): Currently being advertised seeking for the operator.

Brakwater Industrial Park has been completed. 25 Hectares have been subdivided into fully serviced 15 industrial erven.

Walvis Bay Industrial Park is completed. 31 Hectares were sub-divided into 9 industrial erven.

Kavango Thatch Grass Logistics Centre: construction is completed. Currently work is ongoing on ensuring a tenant to occupy the Centre.

Outapi and Opuwo Industrial Parks: Outapi Park is completed. Opuwo construction is at 90%.

The **Small Business Development** programme is meant to boost entrepreneurship among the local population and increase the entry and participation of emerging and existing small businesses into the mainstream economy. However since 2016 key flagship schemes such as Equipment Aid Scheme has not received any budgetary allocations and consequently were not available ever since.

The MIT together with the Ministry of High Education, Training and Innovation however, launched the EMPRETEC Programme last year with a budget of N\$ 5 million and has so far trained 106 entrepreneurs, 40 entrepreneurs from vulnerable groups as well as 26 Business Advisors certified by UNCTAD. Further training is set to continue after the National Emergency period. The Ministry has introduced in 2018 an online platform that has reduced the issuing of SME Certifications turnaround period from 3 days to within 1 hour. Since the introduction of the online system, the Ministry has issued 11,319 SME Certificates with 191 rejected.

## **SCHOOL UNIFORM PROJECT**

Cabinet has directed the Ministry in conjunction with the Ministry of Education, Arts and Culture to phase out, the importation of public schools uniforms into Namibia, over a period of 2 years, in favour of locally manufactured attires.

The Ministry embarked on the implementation of this project by appointing a Textile and Garment Expert to assist with the assessment of the production capacity of existing SMEs in the garment industry. We are planning to launch the project in the next six months in Nkurenkuru, Kavango East Region.

**Honourable Chairperson of the Whole House Committee  
Honourable Members,**

### **PROGRAMME THREE: INVESTMENT PROMOTION**

A budget of N\$ **2,417,000** (*Two Million, Four Hundred and Seventeen Thousand Namibia Dollar*) has been allocated to INVESTMENT PROMOTION programme.

This programme aims to achieve an enabling environment for increased domestic and Foreign Direct Investment (*FDI*) for Sustainable Economic Growth and help reduce unemployment in the country. As you are aware, the promotion aspect of this programme has been transferred to the Office of the President under **Namibia Investment Promotion and Development Board** upon the new announced government structure by His Excellency, President Dr. Hage Geingob on 16 March 2020. However the policy part remains with the Ministry.

#### **Our achievements with Investment Promotions are as follows:**

- The Integrated Client Service Facility or One-Stop-Shop aimed at improving the Ease of Doing Business in Namibia to simplify the processes of starting a business in Namibia which is in its final stages of finalisation.
- The revision of current investment incentives regime to ensure they continue being an effective tool for attracting the required quantity and quality of investments under NDP5.



**Priority policy interventions planned for 2019/20 Financial year are as follows:**

- Finalise and implement the revised Namibia Investment Promotion Act and its regulations;
- Finalise and implement new Investment Incentives in priority sectors and the Targeted investment promotion strategy

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Honourable Members,**

**PROGRAMME FOUR: SPECIAL INDUSTRIALISATION PROGRAM  
(SIP)**

A budget of N\$ **54,223,000** (*Fifty-Four Million, Two Hundred and Twenty-Three Thousand Namibia Dollar*) has been allocated to SIP programme.

This programme has been developed to give effect and achieve the significant expansion of Namibia manufacturing sector. This in turn will result in expanded industrial output, diversified products, enhanced value additions, as well as develop and strengthen existing value chains. As already alluded to, the ongoing development projects budgeted for this financial year are as follows:

- Beef Cold Storage Facility at the 31 Hectare Walvisbay Industrial Park,
- Karibib Gemstone Valuation Hub,
- Construction of Phase 2 of the Namibia Standard Institute Testing and Inspection Centre at Walvis Bay

**Some of the industrialisation projects that the Ministry has embarked upon over the last two years are:**

*“Growth at Home”*

- Revitalising the Kavango Cattle Ranch;
- Naute Dates/Grapes Development Project;
- The Biomass Industrial Value Chain Project in tjiwarongo.

**Honourable Chairperson of the whole House Committee  
Honourable Members,**

**PROGRAMME FIVE: POLICY CO-ORDINATION AND SUPPORT SERVICES**

I am seeking support of this August House for an amount of N\$ **46,750,000** **(Forty-Six Million, Seven Hundred and Fifty Thousand Namibia Dollar)** to be allocated to our last Programme: POLICY CO-ORDINATION AND SUPPORT SERVICES.

The purpose of this programme is foundational as it provides policy guidelines, directives and administrative support to the Ministry's identified programmes and activities. Effective service delivery requires enabling environment, legislative framework and basic infrastructure in place. On this connection, we will implement policy and legislative reforms in the areas of retail charter; standards; Industrial Planning and Development, Ease of Doing Business in Namibia, SME development, Liquor Licensing and Operations; and lastly, Namibia Investment Promotion Act which are aimed at enhancing Namibia's competitiveness both on the continent and globally.

**Honourable Chairperson of the Whole House Committee  
Members of this August House**

I wish to take this opportunity to extend my appreciation to our Deputy Minister and the staff for their support, hard-work and shared commitment to serve our Country, Namibia. We are equally grateful to the Ministers of Finance and Economic Planning/National Planning Commission and their staff for the

effort that they have made to find resources to allocate to us in the face of limited resources and competing needs. I admit that our sector deals with some of the pressing issues in the country such as Industries and SME Development which require more resources but we understand the precarious economic situation we found ourselves in as a country.

In such a situation, one just needs to device new strategies and smart mechanisms of doing more with less. As we are deliberating on this vote, we should remain duty bound to build our nation and preserve the ideals of the Namibian House. We should therefore uphold the decorum of the house, while maintaining our moral compass at all times. Every tree that bears fruits have no control over bearing good or bad fruits. But as human beings we make a choice on how we want to be remembered. The legacy we leave behind should worth emulating by the generations to come. The battles we need to fight in this house should at all times be on ideas and not on personalities. We have a collective moral obligation to serve the Namibian people while respecting each other.

In conclusion, I move by requesting this August House to consider and approve the sum of **ONE HUNDRED SEVENTY-FOUR MILLION SEVEN HUNDRED EIGHTY-ONE THOUSAND NAMIBIA DOLLAR (N\$ 174 781 000)** for both the operational and capital budgets of the Ministry of Industrialization and Trade: Vote 19.

**I THANK YOU FOR ATTENTION AND SUPPORT, AND SO I SUBMIT HON. CHAIRPERSON**