

REPUBLIC OF NAMIBIA



**STATEMENT BY HON. LUCIA IPUMBU, MP
MINISTER OF INDUSTRIALISATION AND TRADE
AT THE STAKEHOLDERS CONSULTATIONS WITH NCCI
BUSINESS COMMUNITY IN KAVANGO EAST AND WEST
REGIONS**

**TUESDAY, 17 NOVEMBER 2020
REGIONAL COUNCIL AUDITORIUM**

Director of Ceremonies

Hon. Victoria Kauma - Constituency Councillor: Rundu Urban

All Regional and Local Councillors present

Ms. Charity Mwiya - CEO of NCCI

Mr. Geraldo Illarius - NCCI Branch Chairperson

Ms. Rachel Kock - Natanael - NCCI Rundu Branch

Dr. Michael Humavindu - DED: Industrial Development

Ms. Stacey Susa - Pinto - CEO: Namibia Trade Forum

Ms. Hellen Amupolo - Investment Manager: DBN

All Government officials present

NCCI members here present

Members of the Media

Ladies and Gentlemen

It is my great honour and privilege to address you at this meeting today as part of our engagement as the Ministry responsible for Industrialisation and Business operations in Namibia with the business community in the two Kavango regions. This platform is very important as this could not have come at a more opportune time as we are collectively carving our recovery approach in the midst of the COVID-19 Pandemic as well as the sustained economic depression. This process must also allow us to explore and innovate economic recovery strategies given the devastating impact of COVID - 19.

Ladies and Gentlemen

The Ministry of Industrialisation and Trade has carried out a succession of activities and interventions in response to the prevailing situation of COVID - 19. The chief aim is to develop and sustain the Nation's productive capacity to manufacture essential goods that are pivotal to our fightback against the pandemic and ensure business operations continuity. The key interventions amongst others are;

- MIT has developed and adopted national standards for the identified essential COVID-19 goods, PPEs and production of hand - sanitisers by local manufacturers,
- MIT has supported, coordinated and facilitated the production of public face-masks by local Micro, Small and Medium Enterprises (MSMEs) who previously benefited through the Ministry's MSMEs support interventions. The MIT managed the distribution of public face- masks to the vulnerable groups of our societies across all 14 regions,
- MIT ensured the provision of essential service certificates for businesses rendering essential services during lockdown and, finally
- MIT has been instrumental in putting in place various regulations and directives related to trade and business operations especially during lockdowns.
- MIT has launched the Buy Namibia campaign with the aim to stimulate local products and services consumption by calling on all Namibians to buy local in order to grow Namibia by purchasing local products first. This will in turn help Namibian businesses promote their products and services and encourages Namibian's to support their community by shopping locally.

The MIT has now focused more attention on ensuring that the production of medical masks gain prominent priority. The MIT has leverage platform as it had in the past financed FABLAB at NUST, which it has now started setting up for scale production of high end essential such as medical masks and hopefully respirator. The Ministry has procured key technologies such as 3D Printers for industrial scaling in the production of surgical masks. Training on the use of these machines is ongoing and

the Ministry will collaborate with stakeholders to ensure the commencement of production soon.

The Industrial Upgrading and Modernisation Programme (IUMP) grant scheme is one of the programmes under the Ministry which has yielded great results during these trying times. The scheme was designed to enhance productivity and competitiveness of selected firms, focusing on firm level diagnosis and implementation of supply-side and regional value chain interventions. The IUMP's Industry grant scheme was set out to enhance Namibia's level of Industrialisation by targeting 11 growth sectors. The SADC Trade Related Facility (TRF) assisted the Industrial Upgrading and Modernisation Programme (IUMP) with the awarding of industry grants to qualifying enterprises. This month 45 companies were awarded assistance to the tune of approximately N\$10 million.

Namibia has ratified the Africa Continental Free Trade Area (AfCFTA) which is an engine for economic growth and industrialization for sustainable development on the continent. The AfCFTA is envisaged to promote continental integration which will make Africa competitive by promoting productivity and enhancing competitiveness and value chains. Furthermore, the benefits would accrue to the producers, processors, exporters, importers, consumers and indeed the national economy overall. The private sector is a key stakeholder and beneficiary of the AfCFTA because businesses move goods and services and invest in-and-across borders.

As part of the implementation process, Namibia is in the process of developing a National AfCFTA Implementation Strategy and Action Plan.

The national strategy will enable us to identify key value addition and trade opportunities and the attendant constraints of optimally benefiting from the AfCFTA. The Strategy will provide the private sector with important entry points into the regional markets as well as alert the state to the required support to stakeholders.

Ladies and Gentlemen

The Kavango East and West regions are the breadbaskets of Namibia in terms of food production. I believe with lessons learned from the pandemic and the past drought seasons, we need to intensify efforts to ensure the revitalisation and enhancement of agricultural projects to ensure food sufficiency in the country and shelf space for locally produced products. The potential of the agro processing component in these two regions cannot be over emphasised. We therefore need to work together and ensure full operational capacity of the green schemes and other projects and put in place all relevant synergies for the benefit of our people.

The potential for the two Kavango regions to play their role as our breadbaskets is amply indicated by the recent blueberries investment. The Investment, which was also facilitated through our Commercial Counsellors in the United Kingdom, is indicating preliminary financial and social impact returns for our country. The Ministry shall ensure that through her investment promotion function that similar projects are identified and targeted for our breadbaskets regions.

Another component which needs our collective support is the timber value addition. Various literature and studies continues to indicate how Namibian timber is a portend for value addition not only locally but regionally. As a Ministry, we are extensively involved in seeking out such opportunities. Our industrial infrastructure in the two regions can be adapted easily to support value addition in the timber sector. The private sector need to invest in these resources for both local and international consumption. The MIT will continue to engage stakeholders such as NWR, the educational sector (both private and public), and overall governmental sector to see to it that we make deliberate efforts and procure these locally manufactured products.

Ladies and Gentlemen,

Allow me now to at this juncture briefly look at interventions in the informal sector and the Start-ups sphere.

The Ministry continues to coordinate activities aimed at mitigating the impact of COVID - 19 on our economy including forging collaborations with other stakeholders. To this end, mention must be made of our work with the German Government whom we have collaborated to construct the Start-Up Namibia Incubator Centre in Windhoek and it is indeed our hope that such an initiative will be rolled out countrywide if resources permits. To help ensure a lifeline to our start - ups we initiated the COVID-19 Start - Up Grants during the Lockdown Phase 1 period whereby over 874 Starts ups applied and we granted 240 successful business grants of N\$15,000 each. I am proud to state that 42% of the applicants were female owned start-ups companies. The two regions also benefited from these grants. The second batch of COVID - grants are still ongoing

which will finance around 500 start - ups to the tune of 15 000 Namibian Dollars each.

A final key intervention is ensuring appropriate trading platforms for our informal economic agents. This has been a pressing reality given that our informal economic agents trades in public spaces with very minimal supportive infrastructure to ensure public health and conducive environment to conduct their livelihood strategies. The MIT is therefore exploring alternative options to primarily identify alternative trading platforms for our informal economy agents. This will be done in collaboration with other stakeholders by identifying requisite sites across Namibia that are conducive for trading. This work will be a key foundation for MIT as we work towards unveiling for the first time ever, a National Policy on the Informal Economy Sector.

Ladies and Gentlemen,

The Ministry has embarked on drafting the new Namibia Investment Promotion Act (NIPA) with inputs from OMAs and the private sector to ensure that stakeholder inputs are obtained and that the new investment law would conform to all existing legislation. However, following the announcement by the President to establish a new Namibia Investment Promotion and Development Board (NIPDB), the Act is expected to also include the details of the Board's formation.

The new investment law once finalised, will address investor performance requirements, restrict economic subsectors to foreign investors, make investor registration compulsory and hence introduce a crucial aspect of investor tracking and management and clear guidelines

for investor dispute procedures. The revised NIPA Act will drive the economic reservation of these sectors for Namibians.

Ladies and Gentlemen

MIT remains committed to developing a competitive industrial sector in the country by having policies and strategies in place pertaining to industrial development to encourage the supply-chain capacity of local industries ensuring an increased contribution of the manufacturing sector to the country's GDP. The Ministry will also continue to develop industrial infrastructure by ensuring the availability of appropriate industrial premises and related infrastructure to make it easy for economic agents to create and operate industries especially for MSMEs.

The Growth at Home Strategy is comprehensive and have flagged sectors that can be prioritized. The agro-processing component of the growth at home strategy is key to prioritise. Lessons from the pandemic are that there is a need to magnify and upscale the local food production capacity and this is one key element that the Ministry will explore together with the Ministry of Agriculture, Water and Land Reform.

Another key sector that has proven its resolve but also its immense diversification capital is the Biomass and charcoal projects.

MIT together with UNDP and Ministry of High Education, Training and Innovation will continue to implement the EMPRETEC Programme to build capacity for MSMEs especially given that most of them are hard hit by the impact of COVID - 19. The programme will promotes entrepreneurship as a vital component of economic growth and development in the country.

COVID-19 INTERVENTIONS GOING FORWARD

1. The COVID - 19 pandemic has unlocked some opportunities and presents us with outlooks in particular, around domestic production capacities of Personal Protective equipment including but not limited to public and medical face mask production, medical testing kits, sanitizers, immune boosting medication as well as other medication related to the treatment of Corona virus etc.
2. MIT will ensure compliance by entrepreneur (including foreign operated businesses) to all the laws and regulations governing business operations in Namibia. Lately there has been enormous complains especially on the business establishments operated by non-Namibians. The Ministry has therefore devised a strategies to address those legitimate concerns. I am confident that BIPA's improvement of business processes will greatly improve ease of doing business both locally for our people and internationally for our investors. We will therefore implore the entity to embark up on a comprehensive review of our processes including legislative framework to increase stakeholder confidence.
3. The implementation key projects such as the retail sector charter and the GS1 accredited Bar Code Centre are very vital to ensure that Namibian products find shelf space in local retailer shops and to enhance traceability of local manufactured goods within the global market.
4. The Ministry will finalize the National Special Economic Zones Policy and accompanying legislation in the soonest fashion. This is to ensure

the stimulation of key industrial projects to help drive the economy towards a new growth path.

5. The Namibia Industrial Development Agency as the implementing agent for key industrial development projects of the Ministry plays a crucial role to achieve Industrialization, create jobs and realize economic growth in Namibian. In this regard NIDA will make use of all regional economic profiles under the National Planning Commission (NPC) to create economic zone projects to realize competitive outcomes that contributes to our national development ambitions. It is a known fact that rural areas are the most disadvantaged and more constrained in terms of setting up industries due to lack of infrastructures. The Agency must ensure to play an inclusive role to achieve and contribute to economic development and growth.
6. As a lesson from the manufacturing of public face masks and sanitisers, MIT has ascertained the manufacturing capacity of the local industry and will consider support initiatives aimed enhancing garments manufacturing and cosmetics sector, including the school uniforms project as directed by Cabinet to create more jobs for Namibians.

The crisis will have a profound negative impact on economic growth but it is our believe that together with other stakeholders we have an opportunity to reposition and explore immediate and recovery support to our economy. Let us therefore make use of this platform to deliberate on the modalities of our economic recovery post a prolonged recession and the negative impact of the Covid-19 pandemic on our economy while capitalizing on the opportunities available to relieve us of the burden.

Your presence today is a sign of our collective desire to see a positive change to our economic challenges. I am certain that this platform will allow these pertinent key issues to be discussed thoroughly and good implementable recommendations be advanced.

With these few remarks, I thank you while wishing you fruitful deliberations.