



STATEMENT BY TJEKERO TWEYA,
MINISTER OF INDUSTRIALISATION, TRADE AND SME DEVELOPMENT
NEW YEAR'S OFFICIAL WELCOMING ADDRESS

7TH FEBRUARY 2020 @ 09H00

Government Auditorium

- **Hon. Lucia Iipumbu, Deputy Minister of Industrialisation, Trade and SME Development,**
- **Ambassador Steve Katjiuanjo, Executive Director of MITSMED,**
- **Management and Staff of MITSMED,**
- **Management of NSI,**

- **Management of NACC,**
 - **Management of NEAB,**
 - **Management of BIPA,**
 - **Management of NTF,**
 - **Management of NIDA**
 - **Management of Expo 2020 Dubai**
 - **Distinguished invited guests**
 - **Members of the Media**
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A very good morning and welcome to 2020!

I am indeed delighted to be part of 2020 and it is a great pleasure to deliver remarks at this important and highly unprecedented intervention of the Ministry of Industrialisation, Trade and SME Development [MITSMED] so early in the year on this 7th day of February 2020.

Let me take this opportunity to, first and foremost, welcome you all back to work. I have no doubt that those of us who went on leave, rested well during the Christmas break and that you returned to your favourite ministry to confront the challenges of 2020 with renewed vigor and determination.

For the few colleagues who have worked during the December/January period; we thank you very much for keeping the ministry alive and kicking during this crucial Festive Season. I hope you will take your well deserved leave any time soon so that you can rest and return to work refreshed to help us take the bull by its horns to ensure MITSMED during 2020 is the best ministry to work for.

I also want to thank each and every one of you for all your individual and collective efforts, we as MITSMED staff and family, injected during the entire 2019 in the mandate of the Ministry and what we stand for. I would like to recognise the Deputy Minister [DM] in absentia, whose grand-mother passed away and DM went to pay her last respects. May her sole rest in peace.

I want to thank the management team for your toughness and the leadership you bring to MITSMED.

Last year, MITSMED was subjected to many highs and lows. However, despite the lows of the Ministry, we stood firm as a one unified family to make things work. We did our outmost best to discharge our respective roles, responsibilities and obligations towards the Ministry with distinction, viz-a-viz, the contraction of our economy, which had a direct impact on all sectors of society.

MITSMED was not spared by the economy. The Ministry, as you are rightfully aware, suffered the deepest budget cut during the 2019/2020 Financial Year and this left the ministry stranded that we could not carry out most of our critical key performance indicators. In some instances, we needed to reach out to our stakeholders in the private sector to help us host our Daan Viljoen Workshop, the first-ever Rent Control Board Workshop held in Walvis Bay and the finalisation of the NIPA Act to compensate the legal drafters for their breakthrough work.

However, the ministry suffered serious reputational damages when it was unable to support small-and-medium enterprises [SMEs] to support their development programmes to create jobs for local people.

Funds earmarked for SME programmes were redirected from MITSMED to another ministry for the Development Bank of Namibia [DBN] to manage.

Some elements even went so far disseminating FAKE news on social media misleading the public that MITSMED had development funds for SMEs. We were inundated by public and media enquiries how the funds work and how SMEs can access these funds. This was crisis management all the way. Despite all these set backs, we had good news as well.

Our Balance of Payment shows a trade deficit of N\$5.6 billion in the third quarter of 2019; and this is mainly because we are not yet an industrialised nation. Our import has always been more than our export since independence, however there was an improvement in the first quarter of 2019.

- Our manufacturing to GDP has decreased from USD4.7 billion in the second quarter of 2019 to USD4.5 billion in the third quarter of 2019,
- We have improved our global competitive score from 100 in during 2018 to 94 during 2019, despite the downgrade of the country by the credit rating agencies such as Moody and Fitch in the past two years;

- We have opened three commercial offices abroad, especially in the UK, Brazil and China. These offices are fully operationalised;
- We have participated in a lot of trade negotiations with the Southern African Custom Union, and some agreements had been realised;

Be that as it may, it is my sincere hope that this Financial Year will treat MITSMED differently to allow the Ministry of Industrialisation, Trade and Small-and-Medium Enterprise Development to live its true mandate to help SMEs with business development for this unprecedented sector of the economy to stimulate and fast-track job creation.

Our first-ever, Economic Growth Revival Summit, is expected to position Namibia strategically as a competitive investment destination. We have raised about N\$20 billion, even though some of those investments are not yet realised.

By the same token, MITSMED has gone all out, during 2019, to attract foreign direct investment to Namibia. We have invited various investors to Namibia to inject investments in various sectors such as water, energy, agriculture, transportation, affordable housing, tourism, manufacturing, etc. etc. to stimulate economic growth and job creation, while addressing urgent and pressing socio-economic and development needs. We, at MITSMED, must take a personal oath to be civil servants of class to be at the service of all Namibians and by-so-doing deliver breakthrough public service.

Our priority areas for this year 2020 are among others the following:

- Improve Namibia's competitiveness ranking by addressing ease of doing business through Integrated Client Service Facility,
- Profiling and appraisal of new investment opportunities in NDP5 priority sectors,
- Targeted investment promotion approach and development of a National Investment promotion strategy that is aligned to the Growth at Home Strategy, Industrial Policy, NDP5 and Harambee Prosperity Plan.

Taking an introspective look within the ambit of the Ministry; we have all the instruments to service Namibia and her people with distinction.

Let me reflect on people issues and engage our staff in our Human Resources [HR] department.

My call and plea to HR is to kindly do what you are appointed to do. It is imperative that we ensure we appoint the right people in the right jobs. Furthermore, it is equally imperative that we execute the shortest turn-around times in a normal recruitment to fill a vacancy. It is unacceptable that a vacancy more than one year to fill, why? Furthermore, I have noticed that some colleagues in HR are intentionally suffocating recruitment processes to achieve personal interest and ambition. I have specific examples I have experienced. My only appeal is let us maintain high standards of professionalism as we discharge our roles and responsibilities every day. This is applicable to all SOEs within MITSMED.

NSI: Talking about standards, we have the Namibia Standards Institute [NSI], a public enterprise within MITSMED and they have a strategic plan for the period 2017 to 2022. The Board, management and staff of the NSI should all be clear and committed to achieve and continue embarking on projects and initiatives during the FY 2020/2021 as outlined in your Strategic Plan and Annual Business Plan. There is a huge demand to substitute income goods with export goods.

NACC: As we live in a competitive environment, we have the Namibian Competition Commission of which the mandate is to safeguard and promote competition in the Namibian economy.

Since its establishment, the Commission has adjudicated over 625 mergers in various sectors of the economy.

The most prominent sectors include wholesale and retail trade sector, real estate and the manufacturing sectors. The Competitions Commission imposed employment conditions and as a result approximately 800 jobs were saved through its merger control interventions. Imagine in this tough economic conditions, MITSMED through the Commission prevented that 800 more Namibians be on the streets.

The Commission aims to promote the efficiency, adaptability and overall development of the Namibian economy as stated in the National Development Plans and Vision 2030. In 2020 the Commission will have to focus vigorously on merger control, investigation and prosecution of prohibited business practices to ensure inclusive growth and development.

I am aware that the Commission is in the process to develop its 5 year strategic plan to revitalise its mandate. I have directed the Board of the Namibian Competition Commission to revise the Competition Act, which I have learnt, is at an advanced stage.

The Bill will reflect the overall strategic vision of Government to talk to the mandate of the Ministry of Industrialisation, Trade and SME Development to increase and enhance economic growth and development. The revised Act must talk to the development agenda of Namibia. When industries receive infant industry protection [IPP], local companies hike prices of products that become unaffordable for local people.

BIPA: The Business Intelligence Property Authority [BIPA] should create an enabling environment for ease of doing business in Namibia. The Authority is an economic tool to reach out to all fourteen [14] regions of Namibia to simplify the registration of companies and capitalize on the opportunities offered by the Fourth Industrial Revolution to render state-of-the-art services to customers.

The Ease of Doing Business Report 2020 of the World Bank states Namibia has slightly improved its ranking from 172 to 165 in the category "Starting a Business".

The greatest realisation is to grow Intellectual Property [IP] and raise awareness across Namibia and improve competitive of businesses through IP is a development issue that requires Government support to roll out IP education and awareness. Benefiting from intellectual resources requires a deliberate investment into appropriate policy and legal frameworks, effective institutional framework, robust IP value strategy and a holistic, yet targeted, IP education.

It is not sufficient to simply create awareness on the value of IP amongst businesses if the financial institutions do not attached value to the IP rights and where business are unable to make use of their IP rights as collateral.

I have directed BIPA to focus on automation of its core business processes to make it easy for our people to do business locally. In this regard, BIPA will need to review BIPA's legislative framework in order to maintain good corporate governance, re-engineering of business processes and enhancing information and technology systems. Once these processes are in place, this will increase stakeholder confidence and collaboration with key strategic stakeholders to propel BIPA delivering value to its customers.

My expectation going forward is that BIPA develops and implement a robust public education strategy to create awareness on the BIPA mandate as well as the registration processes.

NTF: In order to improve service delivery, MITSMED established various agencies such as the Namibia Trade Forum that serves to institutionalise public and private sector dialogue with emphasis on international and domestic trade and investment policies.

NTF was established by Cabinet Decision directing the Ministry to hold frequent meetings through workshops, investment seminars and information briefings.

Amongst the key activities of NTF are effective public-private dialogue, implementation of the Retail Charter and the creation of the Namibia Barcode Centre that is very, very important and long overdue. Namibian products must find suitable space on Namibian retail shelves.

I have directed that the Namibia Barcode Centre be implemented a.s.a.p and this project is long overdue. Its postponement cannot be tolerated any longer.

Currently, Namibian companies are making use of the South African GS1 Centre to get barcode services. As such, Namibian products are identified in the global market as South Africa's. And this is unacceptable.

For Policy-makers in industrial development and trade frameworks, the barcode means enhanced traceability of local manufactured goods within the global market where the life history of any item can be tracked.

In this regard, the delivery of the Namibian Barcode Centre is, therefore, unprecedented and its urgent delivery is non-negotiable. MITSMED must ensure the delivery of this objective is like yesterday.

NIDA: The Namibia Industrial Development Agency is the implementing agent for all industrial development projects to create job opportunities, to grow the economy creating jobs for Namibians.

It is an open secret that we experience a serious contraction in the economy. However, not all is lost and there is, without a doubt, light at the end of the tunnel. In this regard, Namibia's economic prosperity is possible and the year 2020 offers an opportune time to assent to the much looked-for investment inflows, nurturing on value-added business propositions, translating the planning of mass employment industry interventions such as the free economic zone projects to realize into tangible outcomes contributing to our national development aspirations. It is here that the role and responsibility of NIDA is imperative.

NIDA should, in this regard, enhance the participation of Namibian SMEs in the mainstream industrial value chains ensuring they derive maximum benefits from foreign direct investments.

One of the major constraints in setting up industries in the rural sector has been the difficulties experienced in finding suitable locations and facilities to set up industries and the needs to incur heavy capital expenditure initially on

land and infrastructure which are basic requirements for starting up industries.

During this year, 2020; NIDA aims to achieve and contribute to develop local value addition, manufacturing and assembly initiatives to enhance export-driven economic growth.

The Agency must achieve greater ease of doing business environment targeting 100% occupancy rate through attractive infrastructure usage terms and affordable lease rates.

During 2020, NIDA aims to achieve and contribute to grow traditional and innovative industries able to create sustained economic activity and employment. In collaboration with its partners, NIDA will focus on the following interventions:

- ❖ NIDA to focus on regional representatives to drive the programmes on the ground to ensure that the objectives of these programmes are delivered,
- ❖ Attaining 10% higher output from its existing agricultural, forestry and rural-centered industries to create at least 400 direct jobs,
- ❖ Support the tailoring of essential garments, school uniforms, and related material and goods necessary for import substitution to create more jobs for Namibians,
- ❖ Create an enabling environment necessary for private sector to establish industry at source of raw materials and to stimulate the small and medium enterprises participation in formal trade,
- ❖ Through foreign investments, NIDA signed [MOUs] to establish:
 - [1] a world-class Walvis Bay Film Production Studio as well as amusement enterprise center,
 - [2] Industrial Park in Walvis Bay a multimillion, invite companies to establish companies in order to take opportunity of the AfCFTA. Partners have committed themselves.
 - [3] an International Convention Centre on the outskirts of Windhoek. Land is available for MITSMED to partner with investors. These three projects will change the face of Namibia as well as creating plenty of job opportunities for Namibians.

ESTATE BOARD: Embarked on a National roadshow to engage the public to give input in the development of the new Bill. The draft bill is in its final stage to be tabled in Parliament. NIDA initiatives are fully operational, the Namibia Estate Agents Board [NEAB] will create new opportunities for estate agents practitioners.

The NEAB regulates the estate agents profession by ensuring that all persons carrying out the activities of an estate agent as a service to the public are registered with the NEAB.

I have directed the Estate Agents Board to develop a new Namibia Property Practitioners Bill; and I am pleased that this Bill that will enable the Ministry to make progress in nation-building and improve the quality of life of Namibians is now finalised.

The draft Bill, makes provision for four categories of property practitioners namely, estate agents, property developers, auctioneers and property managers. It was imperative to add the abovementioned Property Practitioners, because the property landscape has changed since 1976.

The objectives of the Namibia Property Practitioners Bill will further assist us to transform the Real Estate Industry to reflect the demographics of the Namibian society. We are therefore eagerly waiting for the promulgation of the Namibian Property Practitioners Bill into an Act of Parliament.

Namibia Investment Promotion Act [NIPA]: As mentioned above, the private sector assisted in the facilitation of finalising the Act. The improved NIPA Act now ensures that its objectives are to promote sustainable economic development and growth through the attraction of both domestic and foreign investment. Revisions included the balanced role of Government to facilitate investment through clear and transparent procedures and the role of the investor to contribute to the enhancement of economic development objectives for the country.

The revised Namibia Investment Promotion Act is in its final stage of drafting for tabling in Parliament before it is signed into law by His Excellency, the President.

The revised Act is further addressing investment promotion, which has been included threefold. The first part includes the promotion, facilitation and policy related functions of the investment promotion agency. The second part addresses the responsibilities of the investment promotion agency to promote both domestic and foreign investment. The third provision details the efficient and effective administrative procedures available to investors through a one-stop-shop facility, referred to as the Integrated Client Service Facility [ICSF].

Dispute resolution as set out in the NIPA now allows for the investor to approach the Minister responsible for the Act to assist with the resolution of the dispute, including assigning a mediator or mediation panel. However, investors also have the option to approach the domestic courts for remedies.

Integrated Client Service Facility [ICSF] Project Background: In our pursuit to improve Namibia's competitiveness, MITSMED has been involved in several initiatives aimed at unpacking and addressing specific indicators for Ease of Doing Business in Namibia, as well as putting into place mechanisms for the enforcement of the new Namibia Investment Promotion law. One of these mechanisms is the Integrated Client Service Facility [ICSF]. The ICSF is intended to serve as a one-stop-shop for foreign and local investors when establishing their business operation. It is, therefore, aimed at improving the business climate of the country, particularly where the existing public sector is not business friendly.

Special Economic Zone [SEZ]: The letter and spirit of the Special Economic Zone is adequate to position Namibia as an ideal investment location, for both domestic and Foreign Direct Investment [FDI].

In this regard, Cabinet approved the implementation of the Special Economic Zones [SEZ] Policy Framework for Namibia, which MITSMED presented to the Ministry of Finance for finalisation.

Namibia is currently facing challenges to attract both Direct Foreign Investments and local investors simply because of the lack of competitive incentives. At present, our current incentives are not at par with what the world is offering us. As a result, this makes us less competitive to attract investors to Namibia.

The objective of the Policy Framework for the Special Economic Zones model for Namibia is to set policy provisions that define the governance structure, applicable investment incentives as well as to guide the transition from EPZ and Manufacturing Incentives Regimes to the SEZ incentives. The framework further provides measures aimed at strengthening the investment incentive policy function. The Policy Framework provides key input to the next stage, namely the drafting of an enabling SEZ Act or amendment of the NIDA Act. In this regard, the letter and spirit of SEZ is earmarked to allow all 14 regions to aggressively drive industrialisation to greater heights.

These areas are supported through special arrangements and systems that are often different from those that apply in the rest of the country. They are growth engines towards government's strategic objectives of industrialization, regional development and employment creation. In addition, Namibia was put under pressure to abolish the EPZ regime by end of 2019, failure to do so would result in the country risking to be blacklisted as a tax haven by the European Union [EU]. Should the country lands on EU's blacklist, it could have a severe impact on the economy.

EXPO 2020 DUBAI: Last year, Cabinet approved Namibia's participation in the forthcoming Expo 2020 Dubai, in the United Arab Emirates, along side 200 other countries to market themselves at this international marketing platform from the 20th October 2020 to 10th April 2021.

Cabinet directed MITSMED and other key stakeholders such as the Ministry of Mines and Energy and Ministry of International Relations and Cooperation to spearhead Namibia's participation at this international global showpiece. Dubai 2020 will be hosted under the theme: *Connecting Minds Creating the Future*, with three sub-themes, *Mobility, Sustainability and Opportunity*.

Namibia's theme for Expo 2020 is "Preserving and Utilizing Natural Treasures for Future Generations: The Opportunity of a Lifetime." The term "natural treasures" was selected to describe the wide range of precious resources Namibia is blessed with, ranging from energy, ecology, its dynamic people and culture. All of these resources are true treasures for the nation we as Namibians must preserve, nurture and sustain.

This is not the first expo Namibia is participating in. We took part in several world Expos, such as the 2000 Hanover held in Germany, 2008 Zaragoza in Spain, and lastly, the 2010 Shanghai Expo held in China. The Dubai Expo 2020 will attract about 25 million visitors, from about 200 participating countries that confirmed participation and it will be the first time for the Gulf Region to host an expo of this magnitude.

Namibia, together with forty-eight [48] other countries were supported by the host country, Dubai, to the value of USD1.5 Million. The Namibian pavilion aims to showcase its natural treasures to become a renewable energy hub in the region, unique landscapes and abundant wildlife, marine diamonds and minerals, as well our diverse cultural heritage.

Apart from renewable energy, we have also identified five [5] sub-sectors we will promote during the Expo and are mining, tourism [culture], education [innovation] and investment.

Namibia's participation at the Dubai Expo 2020 will drive benefits to the country in several areas such as:

- ✚ enhance awareness of the country's national brand,
- ✚ create a positive impact on the country's international economic outlook by investors,
- ✚ attract foreign investment in the energy, tourism, mining, infrastructure and manufacturing sectors to create jobs and boost the local economy,
- ✚ have a positive effect on the number of tourist arrivals in the country,
- ✚ increase exports of Namibian products, by creating new markets,
- ✚ increase in the use of Namibian ports,
- ✚ establish partnership in research, innovation and ICT and

✚ promote both economic and diplomatic ties with UAE.

At the end of the Expo, Namibia aims to leave a remarkable legacy in the minds of the pavilion visitors that will attract them to visit Namibia as tourists. We also expect to facilitate business joint ventures, secure FDI's for projects as well creating a demand for Namibian products.

If all systems go according to plan, we hope to launch the Expo 2020 Dubai on the 27th February 2020. Wide consultations with both the private and public sector are ongoing to create awareness and also gaining support to team-up our participation efforts as Namibians.

Cabinet appointed Ambassador Simon Mandjumo Maruta as Commissioner General of Section for Namibia for Dubai Expo 2020.

In conclusion, we have all heard the announcement of the President in his New Year's message that Cabinet will be trimmed to make Cabinet more responsive and appealing to the Harambee Prosperity Plan and Vision 2030.

On the 21st March 2020, we will mark Namibia's 30th Independence Anniversary and we, as Namibians and civil servants in particular, especially we at the Ministry of Industrialisation, Trade and SME Development; did we regardless who you are, ask yourself the question: **How did I, through my job at MITSMED help Namibia grow during 2019? And how will I, in my role help Namibia recover from its economic contraction for the country to grow so that it can employ more fellow Namibians in the 2020/2021 Financial Year?**

These are the questions we must ask ourselves as we do our jobs from Monday to Friday, from the 1st January to 31st December 2020.

I thank you for your kind attention.