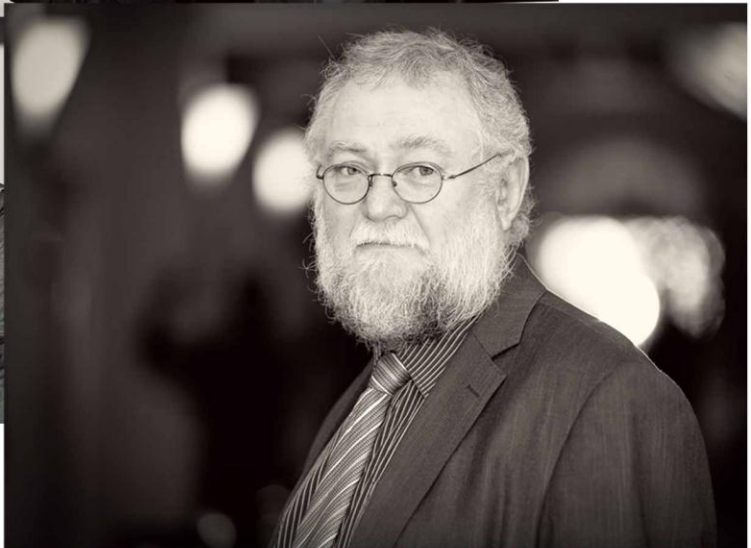
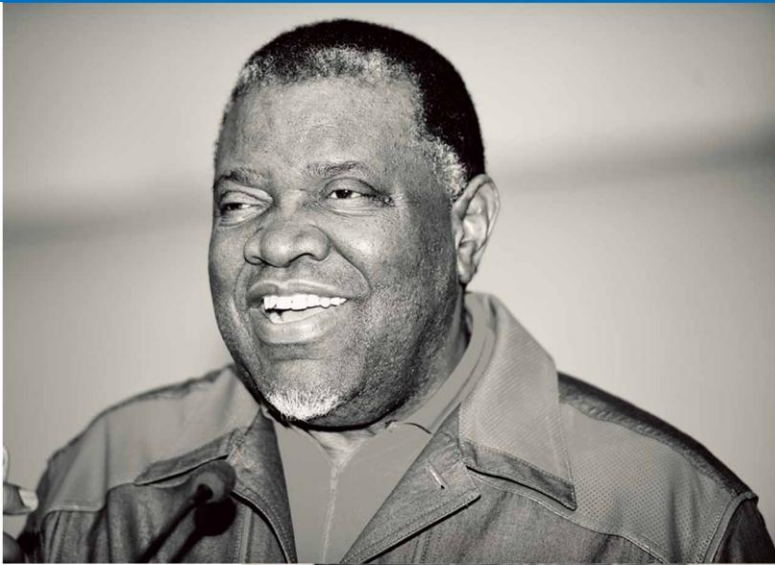




# MINISTRY OF TRADE AND INDUSTRY ANNUAL REPORT 2012/13



"GROWTH AT HOME"

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*Kindly note that our website has been hacked, the site is under re-construction and we apologize for inconvenience caused.*

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## Abbreviations

ACRWC	African Charter on the Right and Welfare of the Child
AU	African Union
BEE	Black Economic Empowerment
BRICS	Brazil, Russia, India, China and South Africa
BIPA	Business and Intellectual Property Agency
COMESA	Common Market for Eastern and Southern Africa
CORAL	Congo Oil Refinery Plant
CRC	Convention on the Rights of the Child
DID	Directorate of Industrial development
DIT	Directorate of International Trade
DRC	Democratic Republic of Congo
EAB	Estate Agents Board
EAC	East African Community
EPA	Economic Partnership Agreements
EU	European Union
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GRN	Government Republic of Namibia
HQ	Headquarter
HRH	His Royal Highness
IPR	Intellectual Property Rights
IUMP	Industrial Upgrading and Modernization Programme
MOF	Ministry of Finance
MTEF	Medium -Term Expenditure Framework
MGECW	Ministry of Gender, Equality and Child welfare
MTI	Ministry of Trade and Industry
MTP	Medium Term Plan
NACC	Namibia Competition Commission
NCCI	Namibia Chamber of Commerce and Industry
NDC	Namibia Development Corporation
NDP	National Development Plan
NMA	Namibia Manufacturers Association
NPC	National Planning Commission
NTB	Namibia Tourism Board
NSI	Namibia Standards Institute
ODC	Offshore Development Corporation

PDC	Product and Development Centre
PTA	Preferential Trade Agreement
SACU	South Africa Customs Union
SADC	Southern Africa Development Countries
SME	Small Medium Enterprise
TIPEEG	Targeted Intervention Programme for Employment and Economic Growth
UAE	United Arab Emirate
UNDaO	United Nations Delivery-As-One
UNIDO	United Nation Industrial Development Organisation
UN	United Nations
USD	United States Dollar (Currency)
WBCG	Walvis Bay Corridor Group
WTO	World Trade Organization

## FOREWORD



### **HON. CARL SCHLETTWEIN, MINISTER OF TRADE AND INDUSTRY**

It gives me great pleasure to briefly refer in this Foreword to the scope of our work for the year under review, and secondly, to share with the reader what can be expected of the Ministry in the short to medium term. In this edition of our Annual Report, we cover the highlights for 2012; including missions led by my predecessor the Rt. Hon. Prime Minister. Dr. Hage Geingob; report on the activities initiated by the Ministry, and reflect on the budget.

Let me hasten to acknowledge the immense contributions made by former ministers in this portfolio, with a very special emphasis on the sterling job done by Dr. Geingob who left behind a ministry that operates like a well-oiled machine. It is now up to both MTI management and staff to run with the baton handed on to us. The watchwords will be ongoing improved service delivery and continuously rededicating professionalism.

The long awaited SME Bank has become a reality and fully functional. The roll-out to other regions will follow soon, with initial branches earmarked for strategically in towns in the north, west, south and the east parts of the country. Furthermore, business registration is going through a process of re-engineering, developing an in-house build computerised system - the Integrated Company Registration System (ICRS), linked to all MTI regional offices to enhance efficient service delivery. This process will culminate in the establishment of the Business and Intellectual Property Authority (BIPA) as approved by Cabinet.

I am proud to share with you that the Equipment Aid Scheme, which identifies various factors that constrain the effective growth and development of the micro, small and medium scale enterprises in the country, has experienced an exponential growth, considering the number of applications received. The overall objective of the

Equipment Aid Scheme is to reduce the cost of business set-up, operation, expansion and output of SMEs through the provision of production equipment and machinery. This intervention has improved the quality of life of the beneficiaries, products and services of many SMEs country-wide, thus reducing the level of unemployment. About 433 SMEs have benefitted from this programme, resulting in the creation of 8 252 jobs during the year under review. The expenditure for the programme during the financial year amounted to N\$ 43 million.

In the coming year, I am eagerly looking forward to the revitalization of Namibia Development (NDC) and the Offshore Development Corporation (ODC) in a combined new format of as new industrial development agency that will support our implementation of Namibia's first industrial policy. A further priority is to conclude consultation on our new investment bill and establish our Board of Trade to manage imports and exports and handle trade remedies. I also look forward to mutually beneficial outcomes from the negotiation towards an Economic Partnership Agreement (EPA) between SADC countries and the European Union, noting that while progress has been made, new threats have emerged which could jeopardize the results we were aiming for.

In this year I also expect the realization of our initiatives for trading centres in Pointe Noire (Republic of Congo) and Lubumbashi (D.R.Congo), the commencement with our envisaged new headquarters; and improved synergies between our headquarters and our regional offices, as well as our headquarters and our commercial offices abroad. Similarly, synergy with our private sector is crucial and will be a major theme in the coming year.

Namibia is still faced with daunting challenges in terms of unemployment, poverty, and inequality. Much needs to be done to produce well-trained workers with relevant skills needed by industry. GRN, in consultation with development partners, the private and public sector, should continue working towards achieving the objectives set out in NDP4, the Millennium Development Goals and Vision 2030. As a key ministry and change agent, MTI is in an ideal situation to turn around the fortunes of many Namibians by helping GRN to create an enabling environment to attract significant foreign direct investment (FDI); and to increase the number of jobs through SMEs. The significant role to be played by the recently established SME Bank should never be under-estimated. I believe that, with the required focus, Namibia can become a fully industrialized country with a knowledge-based society as envisaged in Vision 2030.

**Carl. H. G. Schlettwein, MP**  
**Minister**

## **Part one: General Information**

### **1.1. VISION**

To be the leading Ministry in the drive towards industrialization, the realization of an export-driven economy and making Namibia a preferred FDI destination in order to achieve increased and sustainable economic benefits and employment for Namibians and international competitiveness.

### **1.2. MISSION**

To create an enabling environment for increased domestic and foreign direct investment, trade and industrial development, and to position and safeguard the interest of Namibia in the regional and global economy.

The Ministry of Trade and Industry is responsible for the development and management of Namibia's economic regulatory regime, on the basis of which the country's domestic and external economic relations are conducted. It promotes growth and development of the economy through the formulation and implementation of appropriate policies to attract investment, increase trade, develop and expand the country's industrial base.

### **1.3. CORE VALUES**

**Integrity:** Consistent, Honest and Trustworthy in our dealings with Clientele and stakeholders

**Quality:** Deliver Quality and Standard services in line with the Public Service Charter

**Transparency:** Perform our duties in a fair, open and honest manner

**Accountability:** Be responsible and accountable in the performance of our duties

**Efficiency:** Deliver timely, efficient and effective service to the public

**Professionalism:** Provide and execute our duties in a competent and skillful manner

**Creativity and Innovation:** Strive towards Creativity and Innovation to improve productivity in a cost and effective manner

**Foresight:** Foresee problems and take proactive actions to respond swiftly and effectively to challenges



## 1.4. STRATEGIC OBJECTIVES

- ❖ Investment promotion
- ❖ Promotion of manufacturing activity
- ❖ Growth and diversification of the Namibia's exports and export markets
- ❖ Promotion of growth and development of SMEs

## 2.0. LEGISLATION ADMINISTERED BY MTI

### **2.1. MTI is responsible for administering the following legislation (Table 1)**

<b>Name of Act</b>	<b>Purpose</b>
1. Companies Act, 2004 (Act No.28 of 2004).	To provide for the incorporation, management and liquidation of companies; and to provide for incidental matters.
2. Close Corporations Act, 1988 (Act No. 26 of 1988).	To provide for the formation, registration incorporation, management, control and liquidation of close corporations.
3. Foreign Investment Act, 1993 (Act No. 24 of 1993 as amended).	To make provision for the promotion of foreign investments in Namibia.
4. The Import and Export Control Act, 1994 (Act 30 of 1994).	To provide for import and export control.
5. Price Control Act, 1964 (Act 25 of 1964 as amended).	To provide for the control of prices.
6. Regulation of Monopolistic Conditions Act, 1955 (Act 24 of 1955 as amended).	To provide for the prevention or control of monopolistic conditions.
7. Trade Practices Act, 1975 (Act 76 of 1975).	To provide for the control of certain advertisements; to restrict the giving or supply of benefits and the use of trade coupons in connection with the sale of goods or the rendering or provision of certain services; to prohibit or control certain trade practices.
8. Trades and Occupational Licences Repeal Act, 1995 (Act 10 of 1995).	To repeal the laws relating to trades and occupational licences.

## **2.2. Public entities reporting to the Minister (Table 2)**

<u>Name of Public Entity</u>	<u>Enabling Legislation</u>	<u>Purpose</u>
<p>1. Namibia Standards Institution (NSI)</p> <p>The Chief Executive Officer Mr R.A. (Othy) Kaakunga Namibia Standards Institution Tel: +264 61 386400 Fax: +264 61 386454 Email: <a href="mailto:info@nsi.com.na">info@nsi.com.na</a> Website: <a href="http://www.nsi.com.na">www.nsi.com.na</a></p>	Standards Act, (Act No. 18 of 2005)	The NSI was established to promote the use of standards and quality assurance and control in industry, commerce and public sector; provide conformity assessment services; certification of systems, product and personnel systems; inspect and test products and materials; and trade (legal) metrology – enforcement of product labelling, weights and measures
<p>2. Namibia Competition Commission (NCC)</p> <p>The Secretary: Namibia Competition Commission Mr. Mihe Gaomab II Tel: +264 61 224622 Fax: +264 61 401900 Email: <a href="mailto:mihe.gaomab@nacc.com.na">mihe.gaomab@nacc.com.na</a> Website: <a href="http://www.nacc.com.na">www.nacc.com.na</a></p>	Competition Act (Act No. 2 of 2003).	The NCC is tasked to promote competitive market conditions through investigation and prosecution of anti-competitive activities; reviewing and approving mergers and exemption applications; and disseminating information to businesses, consumers and other stakeholders.
<p>3. Offshore Development Company (ODC)</p> <p>The Chief Executive Officer (Acting) Mr. Phillip Namundjebo Tel: +264 61 283 7360 Fax: +264 61 231 001 Email: <a href="mailto:odc@odc.com.na">odc@odc.com.na</a> / <a href="mailto:Phillip.namundjebo@odc.com.na">Phillip.namundjebo@odc.com.na</a> Website: <a href="http://www.odc.com.na">www.odc.com.na</a></p>	Export Processing Zone (EPZ) Act (Act No. 9 of 1995 as amended).	ODC is mandate is to promote and market investment opportunities under Namibia's EPZ, monitor and coordinate all EPZ related activities and provide an umbrella facilitative service to approved investors in the country. The Company also develops and leases serviced industrial and business sites and factory shells to entrepreneurs.

<p>4. Namibia Development Corporation (NDC)</p> <p>The Managing Director (Acting) Mr. Pieter de Wet Tel: +264 61 206-2294 Fax: +264 61 223854 Email: <a href="mailto:pieter.dewet@ndc.org.na">pieter.dewet@ndc.org.na</a> Website: <a href="http://www.ndc.org.na">www.ndc.org.na</a></p>	<p>Namibia Development Corporation Act (Act No. 18 of 1993).</p>	<p>The objects of the Corporation are to promote, develop and support all sectors of the Namibian economy for sustained economic growth and the economic empowerment of its people in conformity with the development strategies and policies of the Government of the Republic of Namibia.</p>
<p>5. Namibia Estate Agents Board</p> <p>The Manager Mr. Richard Steen Tel: +264 61 249885 Fax: +264 61 234709 Email: <a href="mailto:manager.neab@iway.na">manager.neab@iway.na</a> Website: <a href="http://www.neab.iway.na">www.neab.iway.na</a></p>	<p>Estates Agents Act (Act No. 112 of 1976).</p>	<p>The purpose of NEAB is that of regulating and controlling the activities of estate agents in the public interest. In this regard, the Board is tasked with protecting consumers in estate agency transactions while having regard to the interests of the industry; maintaining and promoting the standard of conduct of the industry; and regulating the activities of the estate agents in general.</p>
<p>6. Walvis Bay Export Processing Zone Management Company (Pty) Limited</p> <p>The Manager Mr. Jan Kruger Tel: +264 64 205 095 Fax: +264 64 206 132 E-mail: <a href="mailto:wbepzmc@iway.na">wbepzmc@iway.na</a> Website: <a href="http://www.wbepzmc.iway.na">www.wbepzmc.iway.na</a></p>	<p>EPZ Act (Act No. 9 of 1995).</p>	<p>Responsible of managing and promoting the EPZ regime in Namibia's premier harbor town, Walvis Bay. In this regard, the Company provides investment facilitative services such as acquiring and servicing industrial land; construction and leasing of industrial factories; processing and facilitating applications for EPZ status, work permits and visas, and other investor needs.</p>
<p>7. Namibia Trade Forum</p> <p>National Coordinator Ms. Ndiitah Nghipondoka-Robiati</p>	<p>Cabinet Decision No. 17<sup>th</sup>/02.08.05/007.</p>	<p>To act as the main consultative body representing the private sector views to the government. It thus serves as the highest public</p>

<p>Tel: +264 61-379500  Fax: +264 61-306604  Email: <a href="mailto:nrobiati@ntf.org.na">nrobiati@ntf.org.na</a>  Website: <a href="http://www.ntf.org.na">www.ntf.org.na</a></p>		private partnership on international trade and investment matters.
<p>8. SME Bank</p> <p>Chief Executive Officer  Mr. Tawanda Mumvuma  Tel: +264 61 430 1000  Fax: +264 61 4301040  Email:  Website: <a href="http://www.smebank.com.na">www.smebank.com.na</a></p>	<p>Cabinet Decision No. 6<sup>th</sup>/  07.12.04/2005.</p>	<p>To develop the SME sector in Namibia to increase value added production, services, jobs and income through affordable financial services &amp; business support.</p>
<p>9. Interim BIPA</p> <p>Chairperson of the Interim Board  Ms. Dagmar Honsbein  Tel: +264 61 283 7262  Fax: +264 61 222 576  Email:  <a href="mailto:dhonsbein@polytechnic.edu.na">dhonsbein@polytechnic.edu.na</a></p>	<p>Business and Intellectual Property Authority Bill, 2013.</p>	<p>To be a central focal point for the registration, administration and protection of business, industrial and intellectual property.</p>
<p>10. Interim Board of Trade</p> <p>Board Member  Ms. Patricia Liswaniso  Tel: +264 61 283 7297  Fax: +264 61 238 786  Email: <a href="mailto:pliswaniso@mti.gov.na">pliswaniso@mti.gov.na</a></p>	<p>Cabinet Decision No. 5<sup>th</sup>/  14.03.06/008    ( Bill is being drafted)</p>	<p>To administer import and export activities on behalf of MTI and serve as Namibia's national body in the future SACU tariff board.</p>

## **Part Two: HIGHLIGHTS OF THE YEAR 2012/ 2013**

### **3.0. DR. GEINGOB'S TENURE**

#### **3.1. MTI CELEBRATES INTERNATIONAL WOMEN'S DAY**

The Ministry of Trade and Industry joined the rest of the world in celebrating International Women's Day under the theme: "Connecting Girls, Inspiring Futures" at Nampower Convention Centre in Windhoek on 8 March 2012.

In his keynote address, Hon. Dr. Hage Geingob said the following - In support of the efforts by the Ministry of Gender Equality and Child Welfare, to further highlight the plight of women, MTI is also present to add its voice to strengthen all Namibian women, especially those in the business arena. Namibian women participated in the liberation struggle and during and after the liberation struggle, some became prominent and visible. However, the majority of them have never been acknowledged properly, either in the media or elsewhere. Today, it is these thousands of women who have become the victims of horrendous atrocities by men. The country must come together against the perpetrators of senseless violence against women. Women should respect their husbands and men their wives as a measure to minimize violence. The men who are violent should receive the highest degree of punishment ever possible with no tolerance.

The Hon. Minister said he is happy for and support initiatives such as the Zero Tolerance Mass Media Campaign on Gender Based Violence by the Ministry of Gender Equality and Child Welfare. The Ministry of Trade and Industry will continue to create conditions that are conducive to give women an equal chance in the betterment of the economy of Namibia. The SME bank is assisting in the economic advancement of women through collateral free loans, and commercial banks are advised to help too, because the economic empowerment of women is high on the Ministry's agenda. The Ministry has set up the Equipment Aid Scheme to empower disadvantaged Namibians. Women are encouraged to enter into joint ventures with local and foreign investors, making use of tender preferences. The Government of Namibia is willing to help women who approach their offices for help.

#### **3.2. MTI CELEBRATES DAY OF THE AFRICAN CHILD**

On 18 June 2012 in a packed hall of the Nampower Convention Centre, the Ministry of Trade and Industry joined the rest of the African continent in celebrating the day of the African Child. The event was organized by the ministry as an outreach programme aimed at creating awareness of the day and to draw the Namibian Children's attention to entrepreneurship and its significance in contributing to employment creation and economic growth by engaging in research and development.

Children between the ages of 9 and 18 from schools such as; Van Ryn Primary, People's Primary, Theo Katjimune Primary, Augheikas Primary, Hakahana Project School, Eros Girls, Namibia Primary, Rocky Crest

Senior Secondary, Eldorado Senior Secondary, Centaurus High, Immanuel Shifidi Senior Secondary and Hage Geingob Senior Secondary participated in the event. The children performed activities such as sitting in management offices, leading as director of ceremony and participating in panel discussions, etc. The aim was to honor the memory of those killed, and be emboldened by the courage of those who participated in the 1976 June 16<sup>th</sup> marches, and also to draw attention to the lives of African Children today and to celebrate the day with joy and vibrancy.



**Participating learners receiving gifts from the Hon. Minister – Dr. Hage Geingob**



**Learner from Eros Girls and Van Rhyn Schools**



**In the colorful uniform: Augheikas Primary School Choir**



**Learners from Hage Geingob and Rocky Crest Schools**

The Day of the African Child began in 1976 in Soweto, South Africa, where the youth decided they were tired of waiting for a better future, being continuously victimized, being told to follow certain limited study fields and tired of only dreaming and not seeing their dreams become a reality. They were tired of being economically marginalized and decided to march in their thousands to stand up against the injustice of the apartheid system. Although a lot of them lost their lives in the Soweto uprising, 16 June gave hope to the African Child. However, in



order to make sure the spirit of that historic day is not forgotten, African countries decided to ratify and sign the Convention on the Rights of the Child (CRC) and the African Charter on the Rights and Welfare of the Child (ACRWC) in order to protect children, being the only two instruments covering the whole spectrum of civil, political, economic, social, and cultural rights.

Since Independence, the Government of Namibia made efforts to strengthen children's rights to freely and fully participate in political, legal, social, cultural and economic development. The Ministry of Trade and Industry introduced various programmes, one of which is the Open Day initiative which was first held in 2010, to help SMEs grow their business entities which in turn contributed to the economic growth of Namibia and young people also benefited greatly.

#### **4.0. KEY MISSIONS LED BY HON. MINISTER GEINGOB**

Among others, below are the missions.

##### **4.1. MINISTER WINS INTERNATIONAL AWARD**

Hon. Dr Hage G. Geingob, Minister of Trade and Industry, was awarded the prestigious PRIX DE LA FONDATION 2012, by His Royal Highness (HRH) Prince Jean De Luxembourg in Baku, Azerbaijan, on Saturday, 30<sup>th</sup> June 2012. The award took place in the framework of an official ceremony, as part of the 23<sup>rd</sup> Annual Session of the Crans Montana Forum, under the Chair of Mr Ilham Aliyev, President of the Republic of Azerbaijan.



**Hon. Dr Hage Geingob - Minister of Trade and Industry (Centre), receives the Crans Montana Forum's Prix de la Fondation 2012, presented to him by Prince Jean de Luxembourg (Left)**

The decision to confer the prestigious award on Hon. Dr. Geingob was taken by the Board of the Crans Montana Forum, under the Chairmanship of His Royal Highness Prince A. Von und zu Liechtenstein, said Ambassador Jean-Paul Carteron, Founder and Executive Chairman of Crans Montana Forum, before the Minister received his award. Ambassador Carteron, stated that Hon. Dr. Geingob, was chosen to be the recipient of the award, given his exceptional leadership role in both Namibia and on the international scene, which spoke volumes and needed no further elaboration. On his part, after being conferred the award, Hon. Dr. Geingob, dedicated his award to the people of Namibia and Africa for ensuring that democratic systems and institutions were in place and indeed working. Prior to the award ceremony, Hon. Dr. Geingob also participated and addressed a plenary session of the Crans Montana Forum, on the topic “the key role of Africa in the growing South-South cooperation”. Other past recipients of this prestigious award include among others, US President Barack Hussein Obama, Kenyan Prime Minister, Raila Amollo Odinga, Armando Guebuza, President of Mozambique, Senegalese President Abdou Diouf, former President of Ghana, Jerry Rawlings, former UN Secretary General, Boutros-Boutros Ghali, the late Yasser Arafat of the PLO, and the late Prime Minister of Pakistan, Benazir Bhutto.

## **4.2. Conference on Sustainable Raw Materials Industry and Development Policy**

In attendance at this important bilateral gathering of Namibian and German government and business leaders, was Dr. Geingob’s German counterpart, Hon. Dirk Niebel, Federal Minister of Economic Cooperation and Development, who was thanked for inviting Dr Geingob to Germany.

Dr Geingob challenged the conference to consider three pertinent questions, namely:

- How should countries sustainably manage and utilise their natural resources in order to develop their countries, encourage innovation, create jobs, eradicate poverty, and protect the environment?
- How can resource-rich countries and resource-dependent countries develop equitable and mutually beneficial partnerships?
- How can we set up global raw material supply-chains and conclude international trade agreements which are fair, transparent and promote sustainable economic growth in both industrialised and newly industrialising countries?

The Hon. Minister emphasized the importance of raw materials in manufacturing, construction, energy, agriculture and transport, and listed products such as mobile phones, computers, motor vehicles, solar panels and batteries. He was of the opinion that the competitiveness of 21<sup>st</sup> century industries and economies will largely be determined by the ability to ensure the sustainable, affordable and secure supply of raw materials from local and global markets. He mentioned Namibia’s wide range of mineral resources, its position as fourth-largest uranium producer in the world, its high-quality gem diamonds, its large deposits of copper and zinc, industrial minerals, semi-precious stones and dimension stones as well as hydro-carbon resources, and highlighted the proven 1.4 trillion cubic feet of natural gas in the Kudu Gas Field as well as the recent geological



data that point to the existence of large oil deposits, both on and offshore. Namibia is also endowed with highly-enriched rare earth metals.



**Hon. Dr Hage Geingob at the conference sustainable raw material industry and development policy.**

The Minister furthermore pointed out that the Namibian Government has put in place a conducive and enabling environment for potential investors with a sound regulatory framework, security of tenure, and the provision of national geo-scientific data. Namibia's consistent high ranking in international and regional competitiveness surveys and its good reputation as a desirable investment destination with political stability, good governance, and a wide range of lucrative investment opportunities are important building blocks that are attractive for investors, the Minister said. Tax breaks and other incentives are offered to companies who opt to manufacture in Namibia or wish to export manufactured goods from Namibia into the region and beyond. Well-developed infrastructure and communication systems and reliable transport corridors facilitate trade with Namibia's neighbors and provide access to a regional market of more than 300 million consumers, according to the Minister.



**The Namibian delegation that attended the Conference on Sustainable Raw Material Economy and Development Policy, held in Berlin, Germany.**

The Minister then stressed the importance for Namibia of Foreign Direct Investment (FDI) to stimulate growth, diversify the economy, increase the industrial base, and promote local value addition/mineral beneficiation. He also mentioned how Namibia's resource wealth should benefit the nation in line with our national development plan, Vision 2030. A prerequisite for this is "that we strengthen Namibia's capacity in mining and mineral processing and manufacturing, promote human resource development, improve professional and technical skills, support industrial research and development and make use of new and efficient technologies" said the Minister. Minister Geingob concluded his presentation by acknowledging the German Government's Strategy Paper for Africa "which includes energy and raw materials as one of the six key areas of common values and interest that provides the basis of cooperation between Germany and African countries today". He singled out the German company Schwenk as the top investor in Namibia for the year 2011. Schwenk's Ohorongo cement factory is Germany's biggest investment in Namibia to date and is the most modern cement plant in Africa. He invited German companies to participate in the exploration, mining and processing of Namibia's natural resources.

## 5.0. INCOMING MISSIONS

### 5.1. UNITED ARAB EMIRATES DELEGATES VISIT WINDHOEK – NAMIBIA

A meeting was held with delegates from the UAE delegates at the Nampower Convention Centre in conjunction with the Namibia Tourism Board.



Hon. Dr Geingob, pioneering the relationship between Namibia and the United Arab Emirates indicated that the country wants to cement relationships and learn more than a thing or two from their Arabian counterparts. He further stated that, “we want to see what the likes of Dubai can add to help our development as a nation. The input and criticism is invaluable and a means of improving Namibia in areas where it lacks”.

Mr Digu Naobeb, in his statement, indicated that this was an exploratory meeting to understand the mindset of operators from Namibia as well as their philosophy. He said “We want to know how Namibia can develop economically, to diversify and to try and source investors from the UAE. It is a sharing of culture and information that will enable business to flourish”.

### Delegates' Views

Following the high praises, the delegates voiced a few concerns that were deemed important. “The issue of waiting for visas and connection of flights may fatigue customers because customers want efficient service and passing through the South African Consulate in Dubai (which requires 4-5 days for a traveler to be cleared) could discourage potential tourists”, said one of the delegates. He further suggested that instead of tourists connecting multiple flights, the Namibian Airports Company could partner with Emirates Airline and co-share expenses to create a one-way flight commuting directly to-and-from Dubai. He said “Unless the national airline (Air Namibia) can provide flights to Dubai or travel agents do the ‘dirty work’, the biggest step would be bringing in Emirates, which will definitely boost the tourism”.

Moreover, despite the lavish traditional cuisine they enjoyed, the UAE delegates also requested that lodges and hotels incorporate halal meat in their menu, so that possible tourists of a Muslim culture could feel at home. “The Namibian desert is alive, the wildlife is fantastic, the abundance of aloe’s is refreshing, so Namibia definitely is a promising tourist destination”, said the group leader and Namibia representative and promoter of the upcoming ‘The Arabian Travel Mart’, the largest Tourism Expo in the Middle East’. The delegates were on a weeklong familiarization trip and heaped praise on the natural tourism aspects that Namibia boasts, as compared to the synthetic tourism that has blossomed in various parts of the UAE. Thrilled at the experience, the delegates were impressed with “fantastic” lodges and wild animals, citing the thrill of seeing leopards, elephants and cheetahs, among others.



**Hon. Minister Geingob, his team and UAE delegates**



## 5.2. BILATERAL MEETING WITH CHINA

After extending a warm word of welcome to H.E. Mr Chen Deming and his delegation from the People's Republic of China, Minister Schlettwein acknowledged the excellent bilateral relations between Namibia and China. Minister Schlettwein started off by saying that “the solid bond of friendship that exists between our two countries at the political and diplomatic levels provide a conducive ground for greater economic cooperation, especially increased investment and trade between our two nations”.

He pointed out however that “while it can be said that the political objectives under the Non- Alignment Movement Framework – that of freeing ourselves from colonial domination – have largely been realized, the same cannot be said of the economic imperative to change our status from being largely a supplier of primary resources to and also a market for products from industrialized and developed economies in other parts of the world”.

The Minister went on to say that “Despite being richly endowed with mineral and other natural resources, Namibia has remained poor and economically under-developed with a significant percentage of the population living in severe poverty. This is mainly due to our continued dependence on the production and export of primary commodities that are prone to fluctuations in demand and prices in the global market. The huge investments in resource extraction have also unfortunately not resulted in the much-needed jobs ... (because) the minerals ... are often exported in their raw form”. He was of the opinion that “the phenomenal economic rise of former colonies such as China, India, Brazil, South Africa, and others ... offers a ray of hope to Namibia and Africa as a whole, to develop local capacities and start claiming their place in the global economy on the basis of equality and mutual benefit”.

Minister Schlettwein further stated that Namibia “supports mutually beneficial alliances such as South-South Cooperation and the Forum on China-Africa Cooperation (FOCAC)”. He also emphasized the fact that - in terms of Vision 2030 - Namibia envisages to become a fully industrialized country by the year 2030. The Namibian Government, according to the Minister, is “working on deliberate policy measures to support and grow our industries to build the requisite production capacities as well as to secure market access for our products in the regional and global markets”.

The Minister then referred to the significance of Foreign Direct Investment (FDI) as a means to build a critical production mass, “to supplement domestic savings ... in areas such as manufacturing and value addition as well as transfer of skills and technology”. He also assured the Chinese delegation that Namibia has “put in place appropriate legal and regulatory instruments to provide a conducive environment for business to flourish and to in turn create jobs and wealth for the benefit of our people”.



**Right: H.E. Chen Deming - Minister of Commerce: People's Republic of China and H.E Ambassador Xin Shunkang - Chinese Ambassador to Namibia**

He also noted the huge investments by Chinese investors in Namibia, and singled out the Husab Uranium Project, a joint venture partnership investment between Chinese, Namibian and other companies. Namibia would wish to see similar partnerships in manufacturing and other priority industries, said the Minister. Minister Schlettwein thanked the Chinese Government for the concessional loan provided to Namibia in 1997 through China's Export – Import Bank which enabled the establishment of a tannery and leather-processing facility in Northern - Namibia. This project adds value to Namibia's natural resources, namely to our hides and skins.

In his concluding remarks the Minister touched on issues such as the need for preferential market access for Namibian products in China, and genuine partnerships based on the principle of mutual benefits. He noted the conclusion of the agreement on exports of Namibian beef and fish products negotiated by the ministries of agriculture of Namibia and China, respectively.

Minister Schlettwein was hopeful that his Chinese counterpart, Mr Chen Deming, would assist in expediting the certification process so that actual exports can commence. Other aspects raised by the Minister were: China's Special Plan for Africa, which entails facilitation of investment and trade missions to Africa as well as support to African countries to hold products exhibitions in China; China's fifth FOCAC to extend aid-for-trade to African countries; and China's anticipated assistance to boost the financial and technical capacity of Namibia's recently-established SME Bank.

## **Part Three: PROGRAMME PERFORMANCE**

### **6.0. Voted Funds (Table 3)**

<b>Main Appropriation N\$'000</b>	<b>Adjusted Appropriation N\$'000</b>	<b>Actual Amount Spent N\$'000</b>	<b>Under Expenditures N\$'000</b>
727 860 000	727 860 000	709 996 933	17 863 067
<b>Responsible Minister:</b>	<b>Minister of Trade and Industry</b>		
<b>Administering Department</b>	<b>Ministry of Trade and Industry</b>		
<b>Accounting Officer:</b>	<b>Permanent Secretary of Trade and Industry</b>		

As of 25 March 2013

### **6.1. Aim of Vote**

Ministry of Trade and Industry is charged with the responsibility of spearheading the development and expansion of the country's trade and industry sector, as an important source of growth, employment and the country's ability to compete in the regional and global markets. In this regard, the Ministry devises appropriate policy and legal frameworks and programmes for attracting and facilitating domestic and foreign direct investment, promoting and entrepreneurial culture and a dynamic local industries sector, as well as for expanding and diversifying industrial production, export markets and sources of production inputs.

### **6.2. Performance per programme**

#### **6.2.1. INDUSTRIAL DEVELOPMENT**

##### **(a) Industrial Policy: Namibia Industrial Policy Implementation and Strategic Framework**

Following the recently cabinet adopted Namibia's Industrial Development Policy, the Ministry is at an advanced stage of developing a strategic framework which shall outline the milestones along with specific strategies and implementation plans for the next five years to take us a step closer to Vision 2030. Industrial Policy and Strategic framework, however, it is not the domain of a single Government Ministry – in this case the Ministry of Trade and Industry – alone, but it spans across a range of Government Ministries, Institutions, Government agencies and private sector stakeholders. In this connection, Government continues to believe that the private sector, in particular the domestic private sector remains the engine of economic growth and job creation, and we will do whatever is necessary in terms of support to the private sector to flourish, in the context of equitable distribution of wealth and corporate social responsibility. In this regard it would be fundamentally important that

all economic player and support institutions consolidate and align their strategies so as to ensure that they speak to both the Industrial policy and NDP4. It is cardinaly important to state that the strategic framework shall also consider current and ongoing efforts and strategies in order to spur the achievement of the desired outcomes, and ensure alignment to the NDP4. Also, to be contained in the strategic framework would be a strong emphasis on the monitoring and evaluation element of the implementation of the industrial policy. This fundamental strategic framework should, however, be read in conjunction with the policy document itself.

## **(b) Industrial Infrastructure Development**

The Government recognizes the vital role which the Small and Micro Enterprise plays in the socio-economic development of Namibia. Hence, through its Site and Premises Programme, the Ministry continues honoring its mandate of providing a conducive business environment by developing business and industrial infrastructure such as multi-purpose SME modules, industrial parks, and common facility centers. These facilities are made available to business operators, especially SMEs at affordable rental charges.

Emerging and existing entrepreneurs need various support services like marketing, business facilitation, technical expertise, resources for financing and business management during their start-up phase to enhance their prospects of survival. SME parks and similar mechanisms are intended to provide a conducive atmosphere and a range of critical support services and needed facilities to nurture and support SMEs. These efforts are geared towards ensuring enhanced value addition, economic and export diversification as well as sustained competitiveness of Namibian products. It is laudable to mention that the growth of infrastructural development across Namibia has allowed SMEs to grow faster, stronger and contribute meaningfully to the national growth.

## **(c) Industry Sector Analysis and Planning**

The Ministry recognizes the fact that policies and programmes cannot be more successful than the accuracy of their respective underlying assumptions. As such, the Ministry continues to closely observe the trends of both the international and domestic markets to enable us to diligently and accordingly align our policy measures to be compatible with the needs of our economy.

Moreover, the Ministry continues to identify and support critical and /or strategic economic sectors in an attempt to nurture them in order to bring about the necessary economic diversification and ensure growth at home and enhance competitiveness of our exports in niche markets. However, accurate predictions of the economic trend should be augmented by industrial and economic studies to produce reliable statistics. The Ministry continues rolling out such sectoral studies in addition to industry consultations as part of our evidence-based planning to improve the living standards of the Namibian people.



#### **(d) Namibian National Industrial Upgrading and Modernization Programme (IUMP) Launch**

The Ministry of Trade and Industry, through the Directorate of Industrial Development, launched the Namibian Industrial Upgrading and Modernization Programme (**IUMP**). The programme is aimed at developing support mechanisms that enhance the development and expansion of industrial activities in key economic sectors that contribute to economic growth and development of the country as envisaged in Vision 2030 and NDP4, and also address supply - side constraints. The programme will focus on 4 sectors namely: Agro-food processing, Fisheries processing, Pharmaceuticals (including Cosmetics and Traditional African Medicines), and Minerals (Metallic and non-Metallic).

The Permanent Secretary of the Ministry of Trade and Industry, Dr. Malan Lindeque, gave the keynote address on behalf of the Hon. Deputy Minister – Mr. Tjekero Tweya at the official opening of IUMP, with the aim of addressing the supply-side constraints and facilitating effective and competitive participation of Namibia's industries in the world economy.



**Permanent Secretary – Malan Lindeque cuts the ribbon to officially launch IUMP, holding the booklet is Mr. Moses Pakote while Ms Petrina Nakale looks on.**

In the context of improving Africa's effective participation in world trade, the African Union has identified modernization, growth and competitiveness of industries and related services as well as regional integration as fundamental development objectives that are in conformity with the goal of the African Union's drive for Accelerated Industrialization in Africa. Although the region possesses great industrial potential with an abundant natural resource base, the SADC region has a relatively weak industrial base, except for Botswana,

South Africa and Mauritius. Economic development in the SADC region is limited due to inadequate export items, poor infrastructure networks, high dependence on capital and intermediate goods, legal obstacles, use of poor technologies and inadequate corporate governance.

The formulation of the Industrial Upgrading and Modernization Programme for the SADC region was validated by the SADC Member States in April 2008 and eventually adopted by the SADC Ministers of Trade and Industry in June 2009. The Namibian economy is an export oriented economy relying on primary products and a broad industrial base to achieve a diversification of economic activities across different sectors, and production efficiency at industry level is called for. The development of the Namibia IUMP is aiming at facilitating greater participation of Namibian enterprises in the regional and global markets. Namibia will be looking forward to receiving both technical and financial support from Development Partners during the implementation stages of the Programme. The Namibian Government declared Namibia as a 'self-starter' for the United Nations Delivery-As-One (UN DaO) programme and will work closely with all Development Partners in realizing the Namibian development goals. Namibia needs both technical and financial support in order to remove supply-side constraints. This is made possible by an improvement on both the productive and trade capacities in the country, thereby enhancing the global competitiveness and fostering regional integration.

### **(e) Equipment Aid Scheme (EAS)**

This scheme is designed to create an environment for self-employment; strengthen capacities of SME entrepreneurs as well SME service providers; and develop entrepreneurial spirit and skills through technology acquisition. The scheme targets SMEs in all thirteen regions, primarily in the manufacturing sector. To support the graduation of SMES and other small business into the economic mainstream additional support is provided to established businesses that are already in operation at the level of producing goods and services that might need further product development diversification to improve the quality of their goods and services, as well as to increase their production and clientele. These are labeled as business "Champions" by the Ministry in order to cultivate entrepreneurship throughout the country and create confidence in business development despite the many risks and challenges that new enterprises face.

The Ministry aims to support at least one champion per each region who are either mainly focusing on manufacturing and adding value to natural resources.

During the period under review, N\$ 33.4 million was allocated for the programme Business & entrepreneurial development & promotion. The major activity under this programme is equipment aid taking the whole allocation N\$ 43 million.

### Champions Approved during 2012/2013 Financial Year (Table 5)

Promoter Name	Region	VALUE OF EQUIPMENT TO BE PURCHASE/ REGION, N\$
Mr. Steve Biko Nghiwewelekwa	Ohangwena	1 500, 000.00
Mr. Joao Paulo Dos Santos	Kavango	1 500, 000.00

### SMEs Approved during 2012/2013 Financial Year (Table 6)

NO	REGION (SMEs)	NUMBER OF APPLICATIONS APPROVED	VALUE OF EQUIPMENT TO BE PURCHASE/ REGION, N\$
1	Caprivi	22	1 852, 378.00
2	Erongo	34	1 729, 227.00
3	Hardap	33	1 736, 021.00
4	Karas	37	1 976, 284.00
5	Kavango	51	4 161, 483.00
6	Khomas	60	3 470, 688.00
7	Kunene	36	1 753, 092.00
8	Ohangwena	16	1 077, 387.00
9	Omaheke	20	968, 022.00
10	Omusati	34	5 396, 380.00
11	Oshana	24	3 397, 183.00
12	Oshikoto	25	1 437, 627.00
13	Otjozondjupa	39	1 515, 230.00
<b>GRAND TOTAL</b>		<b>433</b>	<b>30, 470, 440.00</b>

The N\$33.4 million comprises of figures in tables 5 and 5.

## 6.2.2. INTERNATIONAL TRADE

### i. Trade and Exports

Namibia recorded an increase in the value of exports from N\$37billion recorded during the 2010/11 financial year to N\$38 billion during 2011/12, representing a 2.7% increase. This increase has been attributed to an increase in the exports of articles of iron or steel, ores, slag and ash and animal or vegetable fats due to an increase in demand in the world market.

It is also pleasing to note that exports of manufactured products as percentage of total exports increased albeit slightly from 22.2% in 2010 to 22.4% in 2011, according the Bank of Namibia and National Statistics Agency.

In keeping with its trade and export development and promotion mandate, the Ministry implemented a number of initiatives geared towards facilitating export and market opportunities for Namibian entrepreneurs and products during the period under review. In particular, the Ministry provided financial and technical support to local trade fair organizers, local companies and entrepreneurs to participate in trade fairs and exhibitions as well as in business missions at home, in the region and internationally. Some one hundred and ninety nine (199) companies benefited from this support for which the Ministry spent some N\$2,548,734 during the reporting period.

In addition to the above and in line with its effort to encourage local entrepreneurship and boost the productive capacity of local entrepreneurs to produce and market their products to meet the demand of the domestic and export markets, the Ministry hosted the first ever “Made in Namibia” Expo in 2011. The exposition event served to showcase the range of products produced by local small and medium scale entrepreneurs from all the 13 regions. In addition to the exposure, the Ministry also used the event to devise measures for addressing some shortcomings or constraints that were identified on the part of the local entrepreneurs and the exhibited products in terms of product quality, packaging, branding, labeling and production technology. In its continued effort to create additional market opportunities for Namibian exports, the Ministry of Trade and Industry devised a strategy to develop trade centers in neighboring countries for the warehousing and distribution of Namibian products in some target markets. In this regard, the Ministry acquired land in the Republic of Congo during the period under review and plans to construct a trade center in that country for this purpose in addition to the acquisition and similar plans for Angola. There are similar plans for DRC. Increased sales will encourage high investment in trade and industrial activities back home, which in turn will create employment opportunities. Beyond SACU and SADC, the Ministry of Trade & Industry continues to lead Namibia’s engaging in negotiating the retention and expansion of preferential market access into the EU market under the SADC-EU Economic Partnership Agreement (EPA) arrangements. Although there are still some unresolved issues, some progress has been made with the European Commission (EC) whereby the EC formally agreed to the inclusion of the contentious issues that Namibia had raised to be included in the final EPA. The negotiation process is however protracted due to the complexity of the issues under negotiation, the different levels of economic development and interests between the parties.

## **ii. Namibia - China Trade**

Namibia through the Ministry of Trade and Industry in partnership with the Embassy of the People’s Republic of China and the China Foreign Trade Centre held a promotional business conference opened by Hon. Zhong Shan – Vice President of Commerce, under the theme: “Win-Win Cooperation Boundless Opportunities” at Windhoek Country Club Hotel on 29 June 2012. At the event, Namibian companies were presented with lucrative business opportunities through an introduction to China’s Canton Trade Fair products showcased via a video.

Hon. Shan in his speech emphasized that it is common knowledge that China is the largest developing country and Africa hosts the largest group of developing countries. So far, China has been the biggest trading partner of Africa and Africa has been the fourth largest destination of Chinese investment. The China Import and Export Fair, also renowned as the Canton Fair, is co-hosted by the Ministry of Commerce of China and the Guangdong Provincial Government with China Foreign Trade Centre organizing the Fair and it has been held annually since its inauguration in 1957. A tour at the Canton Fair enables you to purchase quality products and explore the vast Chinese market. The Canton Fair provides a gateway for foreign companies to the Chinese market. The Fair has set up an International Pavilion and invites overseas enterprises to exhibit in the Pavilion. The Canton Fair has always been committed to providing comprehensive and human-oriented services for exhibitors and buyers from home and abroad.



The Deputy Minister of Trade and Industry, Hon. Tweya, in his statement said that the China Import and Export Fairs are an important channel of China's foreign trade and a demonstration of its opening up policy, promoting the country's foreign trade and economic communication. With the advantage of the Chinese manufacturing industry and oriented by international demand, the Canton Fair shows many kinds of quality products, both from China and overseas. In each trade fair session, new products account for over 80% of the total mix. The Canton Fair Product and Trade Promotion Centre (PDC) was newly set up as a platform for international design institutes and Chinese manufacturing enterprises, organizing various - events including design shows, design forums and match-makings according to different categories of products in different phases of the Fair. The Canton Fair also witnesses the progress of China's protection on Intellectual Property



Right (IPR) in the exhibition industry. China Foreign Centre has the responsibility of serving Chinese and overseas enterprises, upholding the concept of 'Customers are the principal and priority'. The Canton Fair built up an inquiry centre on its official website, developed the mobile phone software (Canton Fair App), established a better platform for trade cooperation and communication, optimizing the 'BEST' platform to facilitate exhibitors and buyers and promoted the online pre-registration service.

### **iii. GROUND BREAKING CEREMONIES**

**(THE NAMIBIA TRADE CENTRES IN POINTE NOIRE, THE REPUBLIC OF CONGO & LUBUMBASHI, THE DEMOCRATIC REPUBLIC OF CONGO: 24 – 28 SEPTEMBER 2012)**



Following the directive of Cabinet Decisions no. 38th /11.12.01/004 and 1st /29.01.02/001, the Ministries of Trade and Industry; Agriculture, Water and Forestry; and Finance were mandated to explore and put in place mechanisms to promote and facilitate the export of Namibian meat and meat products to Angola and DRC. In pursuit of this mandate, Namibia through the Ministry of Trade and Industry, has acquired land in Pointe-Noire from the Government of the Republic of Congo and in Lubumbashi from the Democratic Republic Congo for the purpose of constructing Namibia Trade and Industrial Estates. The Estates will be used as hubs for the

promotion and trading of Namibian goods and services in these markets and further in West and Central Africa - such as Meat and meat products, fish and fish products, beer and beverages, dairy products, cereals and other agro and industrial products from Namibia will be showcased at these hubs. Hon. Tjekero Tweya, Deputy Minister of Trade and Industry led a delegation to Pointe-Noire and Lubumbashi, which comprised of 17 officials from the Ministry of Trade and Industry, Private Sector organizations (Namibia Chamber of Commerce and Industry, Namibia Manufacturing Association, Engineers, Architects), and the media (Namibia Broadcasting Corporation and Nampa). The main aim of the official trip to the Congos was for Namibia to officially receive the land and officiate at the groundbreaking ceremonies in Pointe-Noire and Lubumbashi on 26 and 28 September 2012, respectively.

## **The Namibian Sites**

Both Governments of the Republic of Congo (Congo) and the Democratic Republic of Congo (DRC) availed land to the Namibian Government for the purposes of constructing cold and dry facilities for the promotion and trading of Namibian products & services such as meat, beer and beverages, fish and other products. This was also aimed at intensifying the bilateral co-operation between Namibia and the Congos in the area of trade and investment, as well as enhancing and strengthening the South-South co-operation.

- **Site in Pointe-Noire, Republic of Congo**

The Republic of Congo officially handed over three (3) hectares of land in Pointe-Noire to the Namibian Government. A Decree that proved the allocation was signed by the Minister of Lands of that country and the land allocated is for an open-ended period, in return for no financial compensation and in accordance with the reciprocity clause between Namibia and Congo. Initially, Namibia wanted to purchase ten (10) hectares of land in Pointe-Noire, but only three (3) hectares were made available, free of charge within the Port's Real Estate space due to the historical relationship that exists between the two countries. The Congolese Government decided not to sell the land but to give it to Namibia on a 99-years lease agreement. The land is sandy, bushy and is located on the Portland at the outskirts of town along the ocean and is opposite the CORAF (Congo's Oil Refinery Plant) compound. The land is accessible by road, though there is a need for a proper road infrastructure and development. The site has easy access to service utilities such as electricity, water, etc.



**Envisaged Namibia Trade and Industrial Estate to be built in Pointe Noire - Republic of the Congo.**

- **Site in Lubumbashi, DRC**

On 28 September 2012, the Democratic Republic of Congo handed over thirty three (33) hectares of land and ownership title deeds to the Government of the Republic of Namibia which were received by Hon. Tjekero Tweya, Deputy Minister of Trade and Industry. The land is situated in Shinga Village in the Kipushi District, Katanga Province, 26 km from Lubumbashi and 90 km from the border between the DRC and the Republic of Zambia, along the Kasumbalesa Road.



**Envisaged Namibia Trade and Industrial Estate to be built in Lubumbashi – DRC.**



The structure of the Estates will consist of a residential park, warehouses, wholesales, logistical hub, exhibition space, offices, apartments, truck port and fuel service centre among others.

## **Economic and Social Implications**

The construction of the cold and dry facilities in the two Congos aims to provide the following:

- Provide a safe and enabling environment for Namibian business people and service providers alike in creating a type of “One Stop Shop” between Namibia and its counterparts in the rest of Africa
- Market diversification and enhancing trade between Namibia and the rest of Africa;
- Stimulate employment of people and growing the economy and thus enhance revenue earnings of GRN
- Assist communal farmers (especially North of the Red Line) to have market access for their meat.

## **Challenges**

Doing business in the Congos could be profitable, however, there are many challenges that have to be taken into consideration, such as:

### • **Language Barriers**

French is the official language spoken in the two Congos and that makes it difficult for the English speaking countries to communicate without an interpreter. Language barriers as well as differences in culture may hinder business.

### • **Bureaucracy**

All the decisions are either made in Brazzaville or Kinshasa the capital cities of the Republic of Congo and DRC, respectively. This centralized approach makes it difficult to conduct any kind of business without approval from the capitals. For any decision to be made, the information has first to be sent to the Capitals and has to go through many levels of decision makers for one to get an answer. For instance, regarding the ground-breaking ceremonies in the Congos, the programmes and invitations had to be approved in the capitals cities although the ceremonies were taking place in Lubumbashi and Pointe-Noire, respectively.

## • **Huge Financial Costs**

It is very expensive to get any kind of services done in the Congos, especially in Lubumbashi. The exchange rate of the local currencies against the US dollars is very much devalued, for instance, 1 USD = 916 Congolese Franc (DRC). The services providers prefer payment in US Dollars and the prices are inflated. As a result, the Ministry incurred huge financial expenses to host the groundbreaking ceremony and the reception in Lubumbashi. Many of the expenses were hidden costs that were covered from the contingency funds. The recent expenses were only for the ceremonies. The Ministry is yet to spend in both Congos on the following:

- Clearing of the sites;
- Construction of the Estate in different phases;
- Connection of the utilities such as electricity and water to the sites;
- Salaries of the employees; and general maintenance of the sites.

### **6.2.3. NAMIBIA INVESTMENT CENTRE**

#### **i. Briefing on Investment Bill**

The laypersons draft bill has been finalized and is ready for the legal drafting process. During October 2012, letters from the Minister were sent to his counterparts of all economic Ministries for final input on the draft bill.

In the meantime, the NIC also embarked on drafting Terms of Reference for engaging Consultants to draft the methodology for the establishment of the Integrated Client Service Centre, as well as determining restricted sectors for investment. The IISD has once again offered to assist with drafting the regulations regarding the restricted sectors, thresholds for investment and any other regulations required for the proper implementation of the law. The aforementioned studies are expected to be completed during the first half of 2013.

#### **ii. Investments**

Namibia continues to be an attractive destination for private investments including foreign direct investments (FDI) due to the country's liberal economic policy regime and the business friendly legal and regulatory that has been put in place since independence. The country thus continues to attract FDIs albeit in reduced numbers and values due to the adverse financial and economic conditions prevailing in the global economy especially the developed world.

According to the Bank of Namibia, FDI inflows rose substantially to N\$6.5 billion during 2011 in comparison to N\$5.2 billion in 2010, representing a 25.3 per cent increase. Most of such investments are however largely in the resources sector particularly the mining and energy sectors.

In addition to attracting and facilitating FDI, the Ministry has facilitated and continues to facilitate linkages and partnerships between Namibian business people and their counterparts in and from other countries with a view for

them to establish mutually beneficial business partnerships – joint ventures or other business relations. In this regard, the Ministry organised and hosted outward business missions to about 17 countries in which local business people took part from various regions of the country during the period under review. Furthermore, the Ministry also hosted inward trade and investment exploratory missions for various delegations from 12 countries. These missions have been used to market investment opportunities in Namibia and to promote mutual beneficial business linkages between Namibian and foreign entrepreneurs.

In order to ensure a conducive legal and regulatory environment, the Ministry of Trade and Industry commissioned a review of the existing laws on investment (Foreign Investment Act, 1991 and Export Processing Zones Act, 1995) and the drafting of a new law to replace the Foreign Investment Act. The draft Investment Bill has already been prepared and is undergoing refinement. The new law is expected to provide a better framework for attracting, facilitating, retaining and regulating investments (domestic and foreign direct investments) and will also better clarify investment procedures and the rights and obligations of both the host country and investors.

The tabling of the new law on investment as well as the planned re-positioning and harmonization of the functions of the various agencies under the Ministry that are charging with the responsibilities of promotion investment and industrial development, namely the Namibia Investment Center, the Offshore Development Company and the Namibia Development Corporation, are planned during the 2013/14 fiscal year.

## **6.2.4. COMMERCE**

### **I. Ease of Doing Business**

To aid both our investment drive as well as enhance the growth of our existing businesses, there is an urgent need to improve the ease of doing business in Namibia and enhance the country's competitiveness regionally and globally. Namibia has slipped ranking in terms of various competitiveness ranking indices over the years, with a negative impact of the perception of the country's image as an investment location. The main areas of weakness are starting a business, education, health, labor productivity and labor relations, technology adaption and innovation, and research and development.

It is the view of the Ministry of Trade and Industry that the cost of starting-up a business in the country can be reduced through enhanced policy coordination amongst the various regulators and providers of services to the business sector, especially through the harmonization and simplification of regulatory procedures, the establishment a "one-stop-shop" client service system, and reducing the processes and time it takes to register and start a business in the country. In this regard, the Ministry of Trade and Industry plans to initiate urgent consultations and coordination with other Government institutions and other role players in areas or sectors where the country has fared poorly such as business registration, education, health, labour and land,

and to lead national efforts aimed at mapping out a national strategy to address the identified barriers to investment and doing business in the country starting in the 2013/14 fiscal year.

## II. SME and manufacturing sector

The development and growth of the SME sector continues to be one of the areas of priority and focus of the Government and the Ministry's programmes over and in the past and coming years. Various interventions have been designed and are being implemented. One of such is the Equipment Aid Scheme, which is aimed boosting the efficiency and productivity of SMEs and the quality of products they produce. During 2010 – 2013 MTEF periods, the Ministry procured and provided sets of production equipment to some 1,141 needy individuals and SMEs in the various regions of the country. This intervention has created thousands of new jobs through new business initiatives that have been started and helped to sustain and expand job opportunities in existing small scale businesses.



The other SME support interventions by the Ministry include the construction and provision of affordable business premises across the country; feasibility studies and business plan consultancy services; business mentorship services; and market linkages.



**Small-scale garment making, Ohangwena**



**Tuhafeni garment factory, Windhoek Northern Industrial area**

Noting the labor-intensive nature of the textile and garment making sector, and thus its high potential to contribute to the reduction of employment and poverty in the country, the Ministry of Trade & Industry devised measures that saw the construction of a fully equipped garment-making factory in Windhoek as well as support to some 19 self-help tailoring businesses in Khomas, Omusati, Oshana, Oshikoto, Kunene, Ohangwena and Otjozondjupa regions. The assistance to the latter is in the form of equipment and training in various aspects of tailoring and general business management skills. The employment impact of this intervention is 72 jobs of which 65 of the employed are women.



#### **Karibib Gemstone Centre: Training of unemployed youths in gemstones cutting and polishing**

During the reporting period, the Ministry of Trade and Industry commissioned the construction of some 10 community markets, 14 business and industrial parks, and a slaughterhouse. Four (4) of the community markets have been constructed and completed in Tsumeb, Onethindi, Ruacana and Keetmanshoop, while 3 more such markets are under construction in Karasburg, Kalkveld and Outjo, and 3 are under planning in Gibeon and Gochas. Of the planned 14 business parks, 2 have been constructed and completed in Omuthiya and Okakarara, while 7 are under construction (in Ongenga, Eenhana, Onayena, Grootfontein, Oshakati, Rundu and Walvis bay) and near completion. The design and planning of the remaining 5 (in Opuwo, Omaruru, Tsumeb, Divundu and Katima Mulilo) is at an advanced stage. The construction of the business infrastructure by the Ministry in needy areas has not only resulted in the provision of affordable business premises to SMEs but has increased the visibility and chances for such businesses to grow and sustain jobs.



The construction of these facilities has been done at a total cost of N\$335,185 million, and has resulted in some 4,191 permanent and temporary jobs.



In response to the persistent difficult for most SMEs to access affordable financing, the Ministry spearheaded and facilitated seed capital and technical assistance to enable the establishment of the SME bank, which bank has SME financing as its main focus. The bank officially opened its doors for business in the last quarter of 2012, and its SME lending role will obviously further boost the performance and growth of the sector and consequently its potential contribution to national economic growth, employment and poverty reduction.

Overall, the Ministry's support has had a positive impact on the development and growth the SME sector and its ability to contribution to the country's GDP. Some of the people assisted especially with equipment started new businesses thus adding to the number of enterprises in the country, while those who are in existence were able to improve their performance and increased their chances of success and to contribute to job creation and national economic growth.

### **III. Manufacturing and local value addition**

In order for Namibia to become an industrialized country, it needs to transform the structure and content of its economy from being primary sector driven to a stage where the output and percentage contribution of the manufacturing and value addition sector is comparatively high. This will help the country to not only increase its export basket, but to also earn more revenue from its exports given that manufactured and value added goods have a high value. A dynamic local industrial and manufacturing sector will give rise to sustainable growth and employment opportunities, and help to reduce the high dependency on imported manufactured goods.

According to national accounts, the manufacturing recorded a 14% contribution to the country's GDP in 2011, making the sector the main contributor in the secondary industries sector. The sector thus recorded an annual

growth of 1% in 2011 as compared to 0.5 % in 2010. The observed increase is attributed to growth in diversification into agro-processing including game meat and other manufacturing activities.

Namibia has attracted and continues to attract huge investments in the mining and energy sectors. Such investments have however not resulted in equally high number of jobs because these activities are highly capital-intensive. In order for Namibia to derive optimal benefits from its mineral and natural resources, there is a need for the country to devise deliberate strategies to encourage local value addition. Given its leading role in promoting industrial development and manufacturing, the Ministry undertook a number of activities during the period under review. Some of the highlights in this area are the drafting and approval of the Namibia's Industrial Policy by Parliament in the last quarter of 2012 as well as the formulation and launch of an Industrial Upgrading and Modernization Programme through which the Government will provide targeted support to boost the production capacity, efficiency and competitiveness of local industries. Other measures taken by the Ministry of Trade and Industry to ensure that local industries are efficient and capable of producing goods that meet national and international quality assurance standards include budgetary support to enable the Namibia Standards Institution (NSI) to develop and expand its laboratory testing and inspection capacity and facilities in the country. One such inspectorate facility for fisheries products was built and brought into operation at Lüderitz during the period under review.

## **6.2.5. ADMINISTRATION AND FINANCE**

### **i. MTI End of Year Function and Change of Guard**

At the end of each year, the Ministry of Trade and Industry holds an end of year function designed to bring management and employees together for the common good of promoting team work through socializing. This is also an opportunity to bid farewell to the ending year, recognize its successes and failures while at the same time welcoming a new year with its challenges. The MTI end of year party took place on Tuesday, the 11<sup>th</sup> of December 2012 at the Windhoek Country Club.

At the event, challenges encountered and achievements attained during the period under review were mentioned. Among them is the development and approval of Namibia's first Industrial Policy; opening of the SME Bank; crafting the new Investment bill (draft); celebration of the African day of the Child. Preparing ahead, areas needing priority in 2013, include Industrial Policy Implementation strategy; a new structure for the Ministry and realignment of agencies and SOEs.

The 2012 end of year party was a very special event to the ministry and its staff. In a way, the event received and congratulated Hon. Mr. Calle Schlettwein on his appointment as the new Minister of Trade and Industry. In the same vein, bidding a fond farewell to the former Minister of Trade and Industry Hon. Dr. Hage Geingob,

appreciating the good leadership skills rendered and wishing him all the best in his new role as Rt. Hon. Prime Minister of the Republic of Namibia.



*In the middle: Rt. Hon. Prime Minister, Dr. Hage Geingob flanked by Hon. Calle Schlettwein – Minister of Trade and Industry and Dr. Malan Lindeque – Permanent Secretary.*

## ii. MTI Staff Meeting

The Ministry of Trade & Industry is responsible for spearheading two very important sectors, which are not only wide in scope but very critical for the realization of the national socio-economic development goals of our country. “We are at the centre to take Namibia to prosperity as per our VISION – 2030 and NDP4” Hon. Calle Schlettwein.

Hon. Schlettwein in his first address to the staff as the new Minister of Trade and Industry, mentioned that the Namibian economy is a resource economy where we sell what is not value added to utilize raw material for the purpose of wealth creation at home to be able to supply locally and competitive outside. He further said, Namibia is a member of a globalized economy, hence the need to move growth at home to optimize the opportunity given within the regional economy.





**Hon. Calle Schlettwein, addressing MTI staff.**

He emphasized the areas needing urgent improvement, among others are the following;

- The re-organization and capacitation of the Ministry branch offices in all the 13 regions of the country,
- To proactively review the existing 1997 Small Business policy and programmes,
- Improvement in the rate at which applications for assistance (equipment aid and others) is processed and enhancement of service delivery to the public, and
- State Owned Enterprises (SOEs) to make themselves more relevant and responsive to the changing needs of Namibia and the world at large.

He opined that state owned entities should be reorganized and he used the opportunity to advance the objectives of the Ministry. The Small Medium Enterprise (SME) bank is recognized as an engine to economic growth. Namibian Development Corporation (NDC) and Offshore Development Corporation (ODC) to develop both domestic and external projects and be refocused on industrialization on SME level. Namibia Standards Institute (NSI) to ensure competitiveness regarding standard both domestically and internationally.

He called upon the Ministry staff to adhere to public service principles, in ensuring service delivery, be time conscious and transparent, and anticipate the needs of the clientele by integrating personal and institutional values. In his concluding remarks, Hon. Schlettwein stated that a future solution to some of the issues mentioned earlier lies in building the new MTI headquarters with more space and better facilities, improving

connectivity between head office and regional offices. “We need to restructure the Ministry, to enable us to execute these important programmes and growing agenda effectively”.



**MTI Staff at the meeting.**

### **iii. STRATEGIC CONSULTATIVE MEETING WITH PARTNER ORGANIZATIONS AND SECTORAL STAKEHOLDERS**

After welcoming everyone and conveying good wishes for the New Year to all attendees, the Minister stated that it was both a privilege and a challenge to follow in the footsteps of his predecessor, Dr. Hage Geingob.

Setting the tone for this high-level gathering of MTI leaders, Minister Schlettwein made the following statement: “The Ministry of Trade and Industry and all its partner organizations have a crucial role to play in spearheading industrialization and economic development in our country. Our mandate is derived from the Vision 2030 objective of becoming an industrialized nation, as well as NDP4 and its emphasis on creating an enabling environment for growth in key economic sectors including logistics, manufacturing, agriculture and tourism”. He then touched on Government’s role in industrialization as set out in Namibia’s first industrial policy approved by Parliament in 2012 in terms of which value addition to our resource endowment and creating value chains within our borders and across our region are envisaged.

Stating the fact that “Namibia is de facto a colonial economy”, the Minister argued: “Our reliance on the primary sector for the export of raw materials creates jobs and wealth in those countries to which they are exported, not in our own.” He further reasoned that we “cannot achieve the required level of economic growth to ensure prosperity for all by remaining primarily an exporter of raw materials and an importer of consumer goods.”



**Mr. Koos van Staden at the gathering – Project Manager: Namibia Development Corporation**



**Participants at the consultative meeting**

What is needed to transform the Namibian economy is to “increase our industrial capacity and output to use our own resources and add the highest possible degree of value to them to create new economic benefits and employment”, he continued, adding that we will need “policy measures such as infant industry protection, investment incentives, export taxes on raw materials and other forms of support required, to ensure that we can establish new industries and that they will have access to the raw materials that we produce.

Hon. Schlettwein further envisioned for MTI during 2013 the implementation of a new programme “to modernize and upgrade existing medium to large industries to enhance productivity and competitiveness”, and he expressed the importance of domestic and foreign investment in priority areas to help transfer skills and technology to Namibia. Changes to the legal framework for investment will be proposed by MTI this year, and efforts are under way to “improve the ease of doing business in Namibia and enhance our competitiveness as a nation”, he stated, reiterating that “we can reduce the cost of starting-up a business through enhanced policy coordination ... to simplify regulation”.

In terms of the SME sector the Minister is eager to see the full roll out of services of the new SME Bank and foresees the review of the SME policy with the aim of better integration of support services.

Other aspects in the pipeline for the MTI in the short to medium term highlighted by the Minister:

- Support industry to develop new products and refine others
- Support industry to establish and comply with standards, to certify their export products
- Propose amendments to the Metrology Act to improve provisions concerning labelling and packaging of products
- Explore new models of customs clearance procedures and trade facilitation
- Ensure that more Namibian products are able to reach the domestic market
- Engage with the retail sector and develop a charter of good practice
- Make the market fair and level for all players
- Advance the establishment of a regulatory framework for consumer protection
- Secure market access through trade agreements (COMESA, EAC, India, EU)

Hon. Schlettwein then listed a range of institutional reforms which MTI needs to put in place to address the daunting challenge of industrialization. These are to:

1. Establish the Namibia Board of Trade
2. Establish a new Industrial Development Agency
3. Establish a new Business and Intellectual Property Authority
4. Restructure the Ministry of Trade and Industry

The Minister called for the full support and cooperation of MTI's management team as a prerequisite to shepherd the above listed initiatives home. He also pledged to interact and consult with the trade and industry sector's broader stakeholder and partner community.

He concluded his remarks by stating the overall theme for 2013 'Growth at Home' and appealed to all stakeholders - management, rank-and-file members, as well as agencies – to play their role “and deliver services to our citizens in an efficient manner”, and added that he is a believer in team work, because, “**T**ogether, **E**veryone **A**chieves **M**ore”. (**TEAM**)

#### **iv. MTI Management Planning Workshop for 2013/14**

The Ministry embarked upon a retreat for all management staff to prepare for the year that lies ahead under the theme '**Growth at Home**'. The main event took place at Daan Viljoen, from 4 – 7 February 2013. Hon. Schlettwein reminded the staff of the Ministry's mandate derived from the Vision 2030 objective of becoming an industrialized nation, as well as the 4th National Development Plan and its emphasis on creating an enabling environment for growth in key economic sectors including logistics, manufacturing, agriculture and tourism. The Ministry of Trade and Industry and all its partner organizations have a crucial role to play in spearheading industrialization and economic development in our country.





“Our mandate is derived from the Vision 2030 objective of becoming an industrialized nation, as well as the 4th National Development Plan and its emphasis on creating an enabling environment for growth in key economic sectors including logistics, manufacturing, agriculture and tourism”.

He reiterated that, success over the daunting challenge of industrialization can be attained by embarking on a range of institutional reforms. The focus among others not limited to the following:

- Establish the Namibia Board of Trade to advance tariff regimes in SACU that would encourage industrialization and to oversee the implementation of infant industry protection and anti-dumping measures,
- Establish a new industrial development agency in Namibia to support all industrial programmes and spearhead new initiatives, and process which will include the realignment and transformation of *inter alia* the Namibia Development Corporation and the Offshore Development Company,
- Establish a new Business and Intellectual Property Authority entity responsible for business and intellectual property registration as part of our efforts to improve the ease of doing business in Namibia,
- Restructure the Ministry of Trade and Industry to be able to execute these important programmes and growing agenda effectively. It is this Ministry and its specialized agencies that must shoulder the responsibility to drive industrialization, and
- Strengthen coordination of the Ministry sector as required in NDP4 and to expand partnership approach to develop excellent cooperation, teamwork and partnership with all of the organizations.

## V. Internal Audit

The Internal Audit office resumed its activities in December 2012 after the appointment of a Chief Internal Auditor. Below are the activities carried out during the remainder of the period under review;

- Annual Plan drawn during the remainder of 2012/13 financial year was approved by PS;
- Draft Internal Audit Charter is prepared;
- Draft Audit Committee Terms of Reference forwarded to the Ministry of Finance and Auditor General Office for inputs;
- Consultation is on-going to implement Risk Management Policy/ Framework for the Ministry with potential service providers; and
- Procurement System and Registration of Companies Process audit reports finalized.

## Vi. Financial and Asset Management

Government resources, like any other resources, are limited and have to be applied to competing needs. In this regard, special attention was given to ensuring that the financial and other resources allocated to the Ministry were deployed, utilized and managed in strict adherence to Treasury and other relevant guidelines and on the basis of value for money, efficiency and accountability principles.

### 6.2.6. TIPEEG IMPLEMENTATION REVIEW

**The Ministry of Trade and Industry was rated the most effective implementer of TIPEEG by the National Planning Commission – Coordinator of the programme at the retreat attended by Accounting Officers (PS/ DPS).**

#### (a) Performance in 2011/2012

TIPEEG got an allocation of N\$5.5 billion (after virementation) and N\$4.8 billion was spent which translated in an execution rate of 87%. A total of 26,292 jobs were created in 2011/2012 FY. Out of this number, 7, 611 are permanent while 18,681 are temporary jobs. In addition, MRLGHRD reported 943 jobs created with the funds committed for 2011/12FY but implementation occurred during 2012/13FY.

This brings the total jobs to 27,235. **(Not yet final at the time of printing)**. The Namibian Economy growth of 4.8% driven by the “Construction sector” attributable to construction works in the public sector through TIPEEG. (Source: NSA).



## (b) Performance in 2012/2013

TIPEEG got an allocation of N\$4.2 billion and N\$2.5 billion was spent (as at 19 Feb 2013) which translated in an execution rate of 59.3%. Execution including commitments stands at 71.6%. Due to virement from non-TIPEEG projects to TIPEEG projects the TIPEEG allocation increased with N\$129.7 million. A total of 13,885 jobs were created as at December 2012. All in all, N\$9.7 billion of the estimated N\$14.7 billion has been released so far and N\$7.3 billion is spent (75.3%). In total 41,120 jobs have been created, about 40% of the 104,000.

### TIPEEG implementation progress report (Table 4)

Ministry/ Vote	Budget (N\$'000)	Spent (N\$'000)	Total (End 2012)	Job Dec	Ex Rate
Trade & Industry	254, 315	141, 114	8, 252		55.5 %



**Construction sector boosts Namibia's Economy**

### Overall observations

- Majority (80%) of contractors are SMEs (some new comers)
- SMEs seemed encouraged and are asking for more work

- Many contractors (SMEs) are having programmes such as:
  - Internships
  - On-the-job training
  - Qualified training
- Beneficiaries (employees) are definitely transforming from being unskilled to semi-skilled – (improving their employability).

## 7.0. Human Capital Management and Oversight

### 7.1. Human Resource Management and Development

The following developments were recorded in respect of staffing and human resource development during the period under review:

- 21 New appointments and transfers from other O/M/As;
- 3 Promotions
- 6 Transfers to other O/M/As and resignation from Public Service; and
- 2 Deaths

### 7.2. Human Resource Development

Being a specialized Ministry, staff members at various levels and especially at professional levels were given opportunities and sponsorship to pursue short-term and long-term career and competence enhancing training, especially in fields relevant to their assigned jobs or to the skill needs of the Ministry.

**The table below highlights some of the training undertaken during the reporting period.**

Training Course	Male	Female	Total
Degree qualifying	2	7	9
Financial Management	4	3	7
Registries Management	0	3	3
Human Resource Management	0	3	3
Customer Service	13	18	31
Business Communication & Report Writing	26	44	70
Gender Training sponsored by the Ministry	7	3	10
Others (short term induction & supervisory)	49	63	112
<b>TOTAL</b>	<b>101</b>	<b>144</b>	<b>245</b>

## 8.0. CONCLUSION

The Ministry of Trade & Industry is responsible for spearheading two very important sectors, which are not only wide in scope but very critical for the realization of national socio-economic development goals of our country. We are at the centre to take Namibia to prosperity as per our VISION – 2030 and NDP4.

It therefore suffices to say that a well-developed and competitive trade and industrial sector is the source of employment, the production of goods and services that are much needed in the country and for exports to other countries; a means for addressing existing social inequities; and important source and basis for wealth creation and economic growth and competitiveness.

The editorial team would wish to thank all officials who made it possible for us to produce this latest Annual Report. We register our appreciation to all those who assisted us with research; who drafted articles and sub-reports; who made photographs available; who compiled statistics; who verified information and facts, who advised us in general, as well as those who worked from behind the scenes, encouraging us to present a high-quality document.

We are confident that our Hon. Minister - when submitting this Report to Parliament - would be able to do so with pride, knowing fully well that all statements contained herein are based on facts and are reflecting the vision and ethos of the Ministry of Trade and Industry.

Last but not least, we hope that ministry staff will take ownership of the contents of this edition of the Annual Report and will implement the philosophy of the ministry in the way they execute their individual duties from day to day.

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## 10. ORGANOGRAM



**Annexure A:**

Hon. Schlettwein's Speech at Strategic Consultative Meeting With Partner Organizations And Sectoral Stakeholders.



**MINISTRY OF TRADE AND INDUSTRY  
TALKING POINTS  
OF  
HON. CALLE SCHLETTWEIN,  
MINISTER OF TRADE AND INDUSTRY (MTI)  
AT  
THE OFFICIAL OPENING OF THE MINISTRY'S MANAGEMENT RETREAT  
ON  
MONDAY, 04 FEBRUARY 2013  
AT THE NAMPOWER CONVENTION CENTRE, WINDHOEK**

**Director of Ceremonies;**

**Hon. Deputy Minister;**

**Permanent Secretaries;**

**Managing Directors and Chief Executive Officers of the agencies and State-owned enterprises in the trade and industry sector;**

**Officials of the Ministry of Trade and Industry and other Offices / Ministries / Agencies;**

**Representatives of the private sector and industry associations;**

**Distinguished Members of the Diplomatic Corps;**

**Invited guests;**

**Ladies and Gentlemen,**

1. I want to sincerely thank everyone for coming to this meeting despite the many planning activities taking place at this time of the year to prepare for what lays ahead. My best wishes to all of you and your families for this New Year.
  
2. It is equally a great privilege and significant challenge to follow in the footsteps of someone of the stature of Dr Hage G Geingob, former Minister of Trade and Industry.
  
3. The Ministry of Trade and Industry and all its partner organizations have a crucial role to play in spearheading industrialization and economic development in our country. Our mandate is derived from the Vision 2030 objective of becoming an industrialized nation, as well as the 4th National Development Plan and its emphasis on creating an enabling environment for growth in key economic sectors including logistics, manufacturing, agriculture and tourism.
  
4. The role of the State in this industrialization process is outlined in Namibia's first industrial policy approved by Parliament in 2012. A major element of this policy, and also the plans mentioned, is the adding of value to our resource endowment and creating value chains within our borders and across our region.
  
5. The reality that we face is that Namibia is de facto a colonial economy. Our reliance on the primary sector for the export of raw materials creates jobs and wealth in those economies to which they are exported, not in our own. Therefore we cannot achieve the required level of economic growth to ensure prosperity for all by remaining primarily an exporter of raw materials and an importer of consumer goods. Our policy interventions will accordingly have to focus on this transformation.

6. First, we need to increase our industrial capacity and output to use our own resources and add the highest possible degree of value to them to create new economic benefit and employment. For this purpose, we will need all the policy measures available us to support our industries to establish and find a place in the market. In this regard we will use measures such as infant industry protection, investment incentives, export taxes on raw materials and other forms of support required, to ensure that we can establish new industries and that they will have access to the raw materials that we produce. In the coming year we will also begin to implement a new programme to modernize and upgrade existing medium to large industries to enhance productivity and competitiveness.

7. We need to encourage investment, both foreign and domestic in our priority areas to help transfer skills and technology to Namibia and develop products and services for our domestic market, our region, and the rest of the world. It will be essential to focus investment to our priority economic areas and enable joint ventures and partnerships with Namibians to ensure that investments have a broader development impact. We will thus propose changes to the legal framework for investment in the coming year.

8. To aid both our investment drive as well as enhance the growth of our existing businesses, we need to improve the ease of doing business in Namibia and enhance our competitiveness as a nation.

I am convinced that we can reduce the cost of starting-up a business through enhanced policy coordination amongst all the various regulators to simplify regulation.

9. A continued focus from our side must be to further grow the SME sector and help the thousands of small businesses in Namibia to increase their production and competitiveness to ensure livelihoods and grow employment. In this year we will see the full roll out of the services from the new SME bank established and we will review our SME policy with the aim of better integration of support services.

10. Although we are able to produce, for which our industry must be commended, high value niche products that are able to enter the best markets anywhere in the world, the range of such products is still too limited. We therefore will support industry to develop new products and refine others, and continuously adjust to new market trends.

11. In this regard we will support our industry to establish and comply with standards that are recognized anywhere in the world and to certify their export products to ensure that these enter world markets. Further to this we will propose amendments to the Metrology Act to improve provisions concerning labeling and packaging of products in the Namibian market.



12. We recognize the difficulties and costs of conducting trade across borders in our region and we will work to explore new models of customs clearance procedures and trade facilitation in collaboration with other partners in Government.

13. We need to ensure that more Namibian products are able to enter our domestic market which as we know is dominated by imported goods and international procurement and distribution systems. No Namibian producer should continue to struggle to sell their products in our own market. It is my intention that we engage with the retail sector and develop a charter of good practice and remove whatever constraints that may be there.

14. I will further strive to make our market fair and level for all players and I will encourage our competition authority to use all their powers to combat abuse of dominance, collusion and unfair business practices.

15. The welfare and interests of our consumers equally need to be protected, and in this year we will advance the establishment of a regulatory framework for consumer protection.

16. I recognize the importance of secure market access through trade agreements. In addition to our economic integration models such as SACU and SADC, through which we aim to overcome our limited market size as a country, we are in the process of negotiating several trade agreements.

Included here are the trade agreement negotiations with COMESA and the EAC, India, as well as the European Union.

17. We seem to be approaching the conclusion of the EPAs negotiations but a few important areas remain to be resolved. I trust that it would be evident that our success in industrialization will require a wide range of policy measures and targeted interventions, and it is in this context that we need trade agreements such as the EPAs to accommodate and not obstruct our policy objectives.

18. To help us make a success of the daunting challenge of industrialization, we need to embark on a range of institutional reforms.

Amongst these is to:

- ☐ establish the Namibia Board of Trade to advance tariff regimes in SACU that would encourage industrialization and to oversee the implementation of infant industry protection and anti-dumping measures;
- ☐ establish a new industrial development agency in Namibia to support all our industrial programmes and spearhead new initiatives, and process which will include the realignment and transformation of *inter alia* the Namibia Development Corporation and the Offshore Development Company;

□ establish a new Business and Intellectual Property Authority entity responsible for business and intellectual property registration as part of our efforts to improve the ease of doing business in Namibia; and finally

□ we need to restructure the Ministry of Trade and Industry to enable us to execute these important programmes and growing agenda effectively. It is this Ministry and its specialized agencies that must shoulder the responsibility to drive industrialization. This will be no easy task especially given the dynamic environment in which we operate, which is characterized by fast and rampant changes in the world, ongoing regional integration agendas, stiff global competition and a currently depressed world economy.

19. Our agenda in the trade and industry sector is thus characterized by extensive reform and innovation and many of our current initiatives. Several of these have been initiated by my predecessor Dr Geingob, the former Minister of Trade and Industry and the team I found here in the Ministry of Trade and Industry. Much of my task will be to build on these and to shepherd these initiatives home. I therefore rely on your much needed assistance in this regard.

20. Finally, Ladies and Gentlemen, it is my hope that we could further strengthen coordination of our sector as also required in NDP4 and to expand our partnership approach. In this regard it is my wish to develop excellent cooperation, teamwork and partnership with all of the organizations represented here today, and many more.

I have already had introductory meetings with some of the partners present or represented here, but I had wanted to have this opportunity to interact and consult with the broader stakeholder and partner community in the trade and industry sector early in this year.

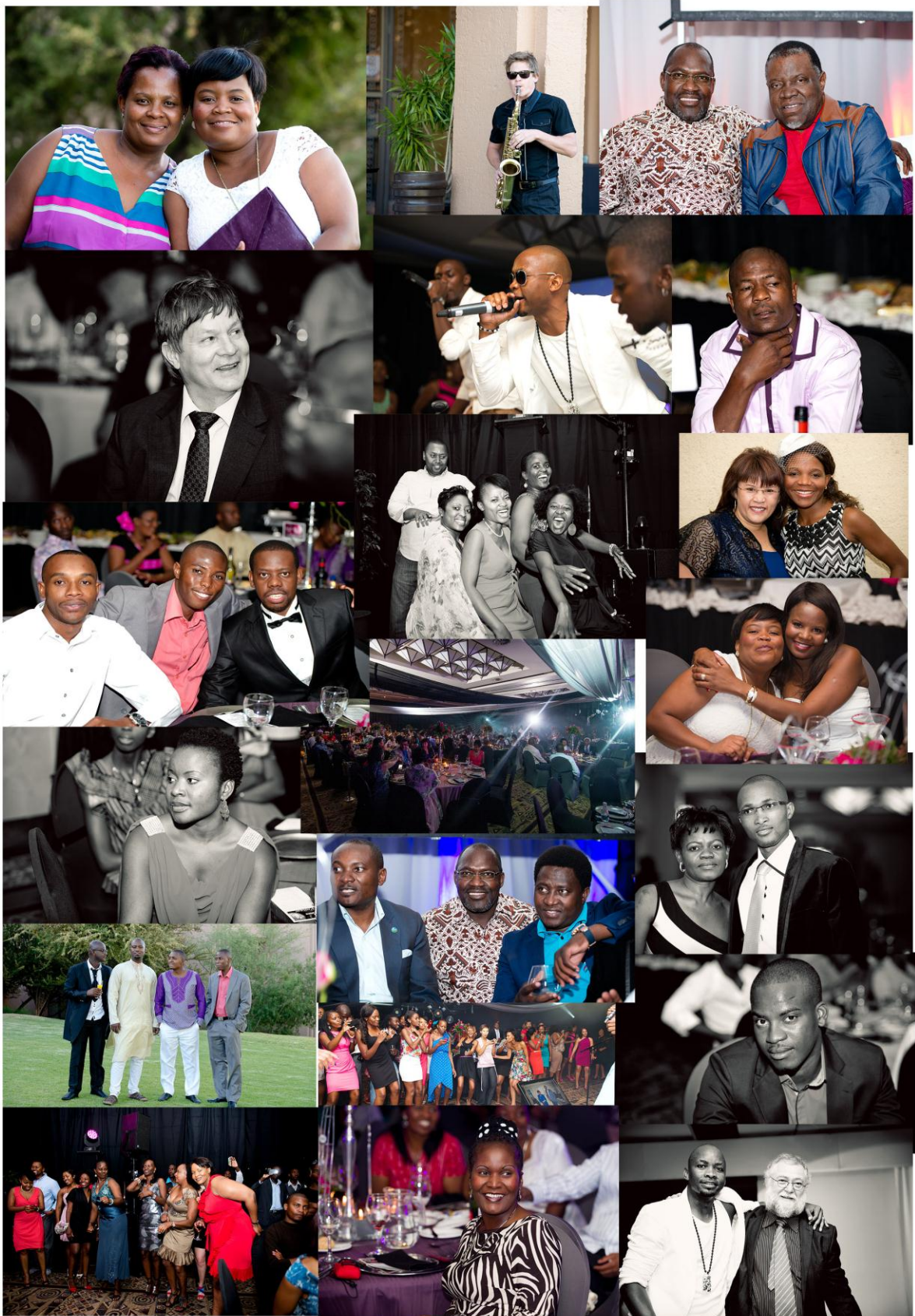
21. We have a very extensive briefing and planning meeting in the rest of this week to prepare for this year. From here on we will refine our planning and could benefit from guidance and advice that anyone here today may wish to offer.

#### **Distinguished Guests, Ladies and Gentlemen;**

22. As an overall theme I have chosen '**Growth at home**' for this financial year, despite the many factors outside our control that determine growth. I want to refocus our sector on the need to accelerate economic growth and making the impacts of our work felt through tangible improvements to the socio-economic welfare of all Namibia's citizens. I also have borrowed from the old saying: „Think globally but act locally“, to re-emphasize that each and every official in the Ministry and our agencies has the responsibility to play his/her role and deliver services to our citizens in an efficient manner. I hope that in a year's time we would be able to look back with a sense of achievement that we have collectively done our best to achieve growth at home.

23. I am a strong believer in teamwork as a winning recipe and formula. Nowadays the acronym “TEAM” is translated into: “**T**ogether, **E**veryone **A**chieves **M**ore”. Let us therefore work together to harness the growth of the trade and industry sector, and to transform Namibia into an industrialized, competitive and prosperous nation.

**I thank you**













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