

REPUBLIC OF NAMIBIA



**STATEMENT BY HIS EXCELLENCY
HIFIKEPUNYE POHAMBWA, PRESIDENT
OF THE REPUBLIC OF NAMIBIA,
ON THE OCCASION OF THE OFFICIAL
OPENING OF OHORONGO CEMENT PLANT**

03 FEBRUARY 2010

**FARM SARGBERG
(NEAR OTAVI)
OTJOZONDJUPA REGION**

**Check Against Delivery*

Director of Ceremonies,
Right Honourable Prime Minister, Comrade Nahas Angula,
Honourable Ministers,
Honourable Members of Parliament,
Honourable Governors,
Your Excellency, Mr Egon Kochanke, Ambassador of the Federal Republic of Germany,
Your Excellencies Members of the Diplomatic Corps,
Mr Gerhard Hirth, Chairman of Ohorongong Cement and Chief Executive Officer of the Schwenk Group,
Dr Detlev Rose, Chairman of Polysius AG Germany,
Distinguished Invited Guests,
Members of the Media,
Ladies and Gentlemen,

Two years ago, we gathered here to witness the Ground Breaking Ceremony for the construction of the Ohorongong Cement Factory. Today, I am delighted to be here at this much-anticipated event, the official opening of the Ohorongong Cement Factory. I have been following, with keen interest, the developments of this project. Thus, like many Namibians and the investors, I am pleased to see this important project realized.

This major project, like other investments in the country, both big or small, are indeed welcome as they help us to realise our economic development objectives. This particular investment will enhance and accelerate development of both physical and communication infrastructure, while contributing to the provision of housing and the growth of our towns, especially the newly proclaimed areas, where the demand for the construction of houses and other facilities is high. Cement is an important ingredient in these activities.

I must say, we have all been eagerly awaiting for the day when Ohorongong Cement Factory would open its doors and more importantly, when the first bags of cement would roll off the production line onto the Namibian market. I view the opening of this factory and the commencement of production as a significant development. It provides a welcome boost for our economy, especially in light of the prevailing economic hardships experienced by many economies around the world.

Our Government welcomes the opening of this factory, bearing in mind that it will have positive impacts on the industrialization of our national economy as envisaged in Vision 2030.

I am pleased that the investment policies that our Government has put in place are continuing to bear fruit by attracting Foreign Direct Investments such as this one.

At an overall cost of N\$2.5 billion, this is a significant investment, which indicates that Namibia is a viable and attractive location for foreign investors. We expect that it will have a multiplier effect in terms of employment creation and service industries that could develop around this major project.

In terms of numbers, employment in the cement industry in Namibia has historically been low. However, Ohorongong Cement (Pty) Ltd has now changed this reality as it currently employs about 200 employees on this site. At full capacity, the factory will employ a total of 300 persons.

This is a welcome development indeed and I wish to use this opportunity to commend the Schwenke Group and assure them of our Government support for this initiative.

Internationally, research has shown that for each direct employment created, five more indirect jobs are created as a result of the multiplier effect.

I am informed that here in Namibia and in the case of Ohorongo Cement Factory, this effect is estimated to be close to 7 times. This will result among other things, from the establishment of distribution networks in rural areas, where basic infrastructure needs to be created.

In addition, I am informed that contracts have already been concluded with third party service providers for services such as laundry, canteen and transportation of various items. It is also commendable that Ohorongo Cement has sourced raw materials that are required in its production processes from local suppliers. These include minerals such as gypsum and iron ore. This represents value addition to these natural resources for the benefit of our people. I am also happy to learn that items such as protective clothing have been sourced from local suppliers.

Director of Ceremonies,

The positive impacts of this project on our local economy are indeed many. Apart from value addition to natural resources and employment creation, the project will also generate valuable foreign currency earnings through exports.

It is estimated that 300,000 tons of cement will be exported annually, generating approximately US\$45 million. At the current exchange rate, this amounts to over N\$320 million in export earnings. In my book, this is a very significant development and it deserves commendation by all of us.

I am happy to learn about Ohorongo Cement's commitment to the provision of knowledge and transfer of skills through training of its work force. I am informed that discussions have started with the Polytechnic and the University of Namibia to identify areas in which partnerships for training can be established. A skilful workforce is a productive workforce. As such, a company that trains its workforce to acquire skills and competencies is going in the right direction.

With this plant, Namibia has made history because this is not only the most modern cement plant in the region, but also in Africa. Namibia is therefore proud to have her own cement plant.

Director of Ceremonies,

As a country, we are committed to environmental protection and to the conservation of our natural environment. For us, this is a constitutional imperative. We are also committed to the promotion and use of alternative and renewable energy. Our Government has taken note of the environmental friendly approach and practices adopted by Ohorongo cement in its operations. This is in line with our policies and international obligations to promote environmental conservation and to do our part in combating global warming, through the reduction of emissions of harmful gases into the atmosphere.

Director of Ceremonies,

I wish to commend the company for establishing the Ohorongo Otavi Community Trust through which it implements its Corporate Social Responsibility strategy. Through the trust, several projects have already been initiated for the benefit of the residents of Otavi and surrounding areas. One of such initiatives is the renovation of Otavi Health Clinic. I urge Ohorongo Cement and indeed other investors to plough back into the communities in which they operate. In this manner, they will complement our Government's efforts to combat poverty in our country.

The success of any initiative depends on hard work and dedication. To this, I also wish to add team work. In this regard, I call upon the management of the company to promote and maintain harmonious labour relations with its entire workforce.

Similarly the employees should work with dedication and commitment. We expect this cement factory to be an exemplary work place, in terms of the promotion of the well-being of the workers, occupational health and the safeguarding of all the rights of workers.

Let me once again commend the Schwenke Group and Ohorongo Cement (Pty) Ltd for successfully building and commissioning this important project.

We have no doubt about the immense benefits that this project holds for our country. It is, therefore, my pleasure to declare the Ohorongo Cement Factory officially commissioned. I wish you success in this important undertaking.

I thank you.