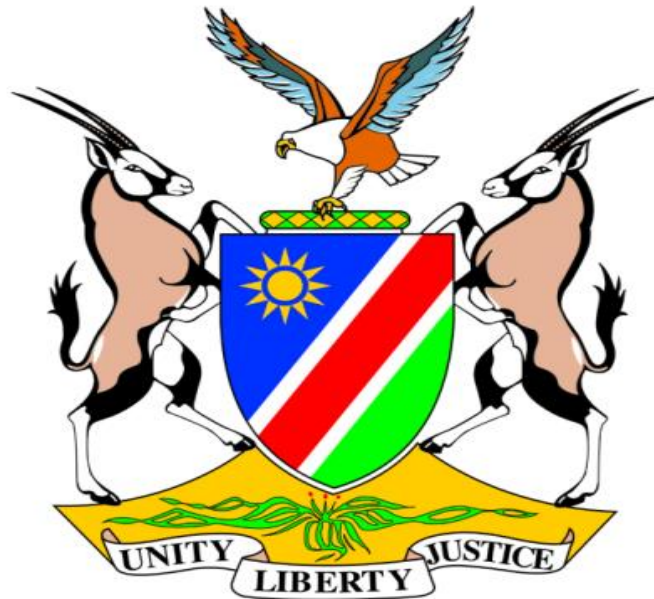


REPUBLIC OF NAMIBIA



KEYNOTE ADDRESS BY HIS EXCELLENCY DR. HAGE G. GEINGOB, PRESIDENT OF THE REPUBLIC OF NAMIBIA, AT THE UNVEILING OF THE PEUGEOT-OPEL ASSEMBLY NAMIBIA PLANT

DECEMBER 5, 2018

WALVIS BAY

ERONGO REGION

Check against delivery

Honourable Tjekero Tweya, Minister of Industrialisation, Trade and SME Development;

Mr. Emre Karaer, Vice President of Peugeot Namibia;

Honourable Cleophas Mutjavikua, Governor of the Erongo Region;

Honourable Ministers present;

Honourable Lucia Ipumbu, Deputy Minister of Industrialisation, Trade and SME Development;

Honourable Deputy Ministers Present;

Your Excellency Madame Claire Bodonyi, Ambassador of the French Republic in Namibia;

Members of the Diplomatic Corps;

Your Worship Immanuel Wilfred, Mayor of the City of Walvis Bay;

**Regional Councilors;
Captains of Industry;
Members of the Media;
Ladies and Gentlemen**

I am pleased to be here to officiate at this landmark event – the unveiling of the Peugeot Opel Assembly Plant in Namibia.

This is a significant event for the development of the Erongo Region, most notably Walvis Bay. However, its significance is further amplified by the fact that it augments our national development aspirations and signifies to the international community, Namibia's intent to become one of the premier destinations for Foreign Direct Investment in Africa.

From the onset of our independence, it has been the Namibian Government's objective to create conditions necessary for increased investment and the development of a competitive industrial sector. Furthermore, in recent years, we have intensified efforts to promote local value addition and strengthening of forward and backward linkages within the Namibian economy.

According to the World Bank research, stable sources of foreign financing play an integral role in leveraging the growth potential of developing economies. Among other capital flows, Foreign Direct Investment is often considered a superior alternative due to the attributed benefits it brings to the host economy: permanence in the long run,

knowledge spillovers, and other positive externalities. (Sanchez-Martin, et al., 2015)

We should always be mindful of the fact that Government's efforts to attract Foreign Direct Investment to Namibia's shores are not merely for the purpose of establishing factories, but these investments should ultimately buttress our efforts to boost local enterprise development and increase the entry and participation of emerging and existing businesses into the mainstream economy.

Namibia is still faced with the triple challenge of severe pockets of poverty, unemployment and unequal distribution of income. These are

the lingering legacies of our country's past, which was characterized by the politics of structural economic exclusion, among other things. Sustained and shared economic development is viewed as a "condicio sine qua non" for redressing imbalances of the past and eradicating these scourges from the fabric of our society.

Hence, it is our hope that the Peugeot Opel Assembly Namibia Plant, will be a project that will bolster the diversification strategy set out in our Growth at Home Strategy. We expect our local small and medium enterprises to incur benefit from this investment, further enabling Namibia to realize the positive externalities and spillovers from FDI. The

automotive industry is one of the sectors identified in our Growth at Home Strategy as a priority sector. We believe, that by attracting investment into automotive, we will help diversify our economy and support our ambition to become a regional gateway that offers a stable political and economic environment for multinationals, such as Peugeot-Opel, to establish regional headquarters and manufacturing facilities.

Ladies and gentlemen,

FDI theory states that the location decisions of Multinational Enterprises are determined by the relative location advantages of particular countries for certain activities

(Nachum & Wymbs, 2002). In terms of location advantages, Namibia offers a strategic location to investors, as a gateway into the Southern African market. Through our port of Walvis Bay, which is the pinnacle of our transport corridor concept, we are able to provide access to other all destinations within SADC, including land locked countries that have become sea-linked through the Walvis Bay Corridor. Due to trade arrangements such as the South African Customs Union (SACU) and the Free Trade Agreement under SADC, presence in Namibia translates into having access to a market of 330 million people. Namibia is signatory to the African Continental Free trade Area Agreement (AfCFTA), an instrument that has gained

traction and expected to increase market access to over 1 billion people.

Furthermore, in terms of our SADC Industrialization Strategy, which was approved in 2015 and aligns with our Continental Vision, Agenda 2063, we have affirmed our commitment to the promotion of industrial development and Regional Value Chains, as a means to achieve poverty alleviation and the economic emancipation of the people of our region.

We are cognizant of the fact that the primary objective of all investors, whether multinationals or local small and medium enterprises, is to make profit. This is the

essence of business. However, given the socio-economic realities within our region, it is pertinent that investors remain conscientious of issues such as the high level of youth unemployment, gender parity and undertake all efforts to support our development agenda.

While the interest of business is primarily the triple bottom line, to make profits, the business of Government is to deliver social returns. Maintaining peace, stability, social cohesion and unity – those are our measures of profit. That is my triple bottom line.

Ladies and gentlemen,

Economic growth is a necessary condition for human progress, but not sufficient in itself to guarantee holistic economic development. Economist and Philosopher Amartya Sen holds the belief that, “Economic growth without investment in human development is unsustainable and unethical”. For this reason, Government has deployed several strategies to ensure that Namibia not only becomes one of the most competitive economies on the continent, but also boasts the most educated and skilled workforce. It is therefore pleasing to note the recruitment of a fairly young and diverse workforce at this Plant, who will gain

added expertise through technological transfers.

Through the Harambee Prosperity Plan, we have identified practical training to enhance skilled labour, including the increase of Grade 10 and 12 pass marks, improving the quality of technical and vocational education and training, as well as measures to enhance labour productivity, which will contribute to our human development goals, under the sub-pillar of Economic Competitiveness.

Improving the competitiveness of our workforce is becoming increasingly urgent with the advent of the 4th Industrial Revolution. This is the new reality, which is

characterized by digitization, artificial intelligence and robotics. Machines are taking over and nowhere is that more profound than on the assembly lines of the automotive industries. Robots are replacing the jobs of factory workers. Although the continued automation of the workplace represents a significant shift, we are not pessimistic. We believe that by properly educating and training our workforce we will avoid the onset of structural unemployment that could result as a consequence of automation.

Ladies and gentlemen,

Having outlined the various policy frameworks that guide our Government's

industrialization agenda, I wish to now focus attention on this investment milestone.

The journey that has brought us here has been filled with challenges. There are a number of countries in the region that would have been happy to host this project, but the negotiations revealed the commitment of the Namibian Government and Peugeot, to make Namibia the preferred choice for this Assembly Plant. I believe that together with Peugeot we have commenced a journey down the path towards mutual success and prosperity. This investment signifies our intent to realize our own industrial revolution in Namibia. A revolution, which will for many decades and years, enable us to provide work,

a high standard of living, as well as security and prosperity for our people.

The Peugeot Opel Assembly Plant is another example of the fruits of the robust Franco-Namibia relationship. Let me thank our French partners for the excellent job they have done. In the same vein, let me also express my gratitude to all the local Offices, Ministries and Agencies, whose hard work and determination have made this project a reality. You have all contributed towards creating the necessary conditions for this investment. I know look forward to unveiling this landmark project.

I thank you.