

# REPUBLIC OF NAMIBIA



**KEYNOTE ADDRESS BY HIS EXCELLENCY**

**DR. HAGE G. GEINGOB,**

**PRESIDENT OF THE REPUBLIC OF NAMIBIA,**

**AT THE OPENING OF THE ECONOMIC GROWTH  
SUMMIT**

**JULY 31, 2019**

**WINDHOEK**

*Check against delivery*

- **Directors of proceedings;**
- **Comrade Nangolo Mbumba, Vice-President of the Republic of Namibia;**
- **Former President of the Republic of Namibia, Comrade Hifikepunye Lukas Pohamba;**
- **The Right Hon. Saara Kuugongelwa-Amadhila, Prime Minister of the Republic of Namibia;**
- **Honourable Netumbo Nandi-Ndaitwah, Deputy Prime Minister and Minister of International Relations and Cooperation;**
- **Hon. Prof. Peter Katjavivi, Speaker of the National Assembly;**
- **Hon. Margaret Mensah-Williams, Chairperson of the National Council;**
- **Your Lordship, Chief Justice Peter Shivute;**

- **Hon. Ministers and Deputy Ministers;**
- **Hon. Members of Parliament;**
- **Comrade Sophia Shaningwa, Secretary-General of the Governing Party, SWAPO;**
- **Honourable McHenry Venaani, Leader of the Official Opposition and all other leaders of opposition parties present;**
- **Your Excellencies, Members of the Diplomatic Corps;**
- **Hon. Laura McLeod Katjirua; Governor of the Khomas Region; and all Regional Governors present;**
- **His Worship Muesee Kazapua; Mayor of the City of Windhoek; and other mayors present;**
- **Honourable Regional and Local Authority Councilors;**

- **Distinguished Members of the High Level Panel on the Economy;**
- **Local and international speakers and moderators;**
- **Captains of Industry;**
- **Distinguished Guests;**
- **Members of the Media;**
- **Ladies and Gentlemen,**

**I wish to express my sincere gratitude and appreciation to all of you for gracing this milestone event. We are gathered here as leaders, investors, experts and bureaucrats, to exchange views and ideas on Namibia's response to the economic headwinds, as we forge a path towards recovery and growth.**

**Namibia is a country with a unique legacy of leadership. Our Founding Father, Comrade Sam Nujoma, who represents the first wave of extraordinary African leadership, laid the solid foundation for our development by forging a nation out of a divided people; securing peace, reconciliation and nationhood. Comrade Nujoma was followed by my predecessor, Comrade Hifikepunye Pohamba, whom we are honoured to have amongst us today. Comrade Pohamba consolidated our gains by maintaining peace and stability. Through a peaceful and much lauded transfer of power, I was democratically elected the third President of the Republic of Namibia, with the task to usher the**

**nation into the epoch of prosperity. A tall order.**

**This is Namibia's unique legacy of leadership - the Trinity - as we are referred to, meet as required to consult, under the auspices of the Presidential Advisory Council, which I established to tap into the wise counsel of my predecessors.**

**Namibia's robust Governance Architecture, defined by peace, stability, unity and the rule of law, remains intact after 29 years. Peace and stability are necessary conditions for development, while unity is essential for social cohesion. It is for this reason I have underscored the principle of**

**inclusive governance, to safeguard unity. I strongly believe that inclusivity spells harmony, while exclusivity spells conflict.**

**The rule of law prevails in Namibia, while an independent judiciary upholds the law. We are regularly refining our processes, systems and institutions. Our governance approach is built upon consultation and partnership, where people are treated as equals, in our ongoing efforts to deepen trust. Transparency and accountability will result in improved levels of trust and to this end, I have coined the mathematical formula:  $T+A = Tr$  [Transparency plus Accountability equals Trust].**

**Ladies and gentlemen,**

**Despite our achievements in governance, deficits persist in our socio-economic architecture. Too many of our People face the scourge of poverty daily, while a large wealth gap and income disparities persist from our history of systemic exclusion. The status quo cannot continue and these structural imbalances will be redressed.**

**It is in light of this background and the prevailing economic climate, that I announced in my 2018 State of the Nation Address, Government's intent to convene an economic summit of this nature. Furthermore I appointed a High Level Panel on the Economy in March 2019 to**

**look at alternative, practical solutions, aimed at redressing the triple challenge of unemployment, income and wealth inequalities and poverty. This Economic Growth Summit is therefore a flagship output of the work of the Panel and is expected to yield private-sector led economic revival.**

**From the onset, I underscore the historic significance of this event, as this is no ordinary economic summit; but rather an undertaking to determine the economic destiny of our country.**

**We need to move with unity, purpose, direction and urgency, in order to emerge victorious and deliver Prosperity for All. Ultimately, it is us; we - the people of**

**Namibia, together with our Partners, to determine whether or not, we succeed or fail.**

**Programme Director,**

**The perpetual process of nation building is at its best when we engage the collective knowledge, experiences and genius of all, in the united pursuit of a common goal. As inhabitants of the Namibian House, the onus falls directly on us to formulate effective plans that will guarantee our economic success. These plans should speak to the socio-economic reality of Namibia. The moment has dawned upon**

**us, where we should reaffirm our existing tripartite consensus on an inclusive economic growth model. The expected outcomes of this Summit should result in positive, long-term impacts on our economy.**

**With our Vision 2030, five-year interval National Development Plans and the Harambee Prosperity Plan – Government’s impact plan to fast track development towards Vision 2030, we are single-mindedly pursuing our vision of a “United, Prosperous and Inclusive Namibian House”. We are not only pursuing this course as Government, but in tandem with the private sector, labour, the youth, civil society and academia.**

**Ladies and gentlemen,**

**Namibia has been confronted with unprecedented headwinds as a result of the global economic slowdown, falling commodity prices and exchange rate fluctuations. This in turn has resulted in subdued economic growth and contraction.**

**Our challenges are compounded by our country's classification as an Upper Middle-Income Country by the World Bank, which takes our GDP and divides it by our small population, thus deriving a high per capita income. This calculation is**

**faulty and fails to consider the fact that due to past injustices, Namibia is still faced with a highly skewed income distribution. The impact of this classification is that it has reduced Namibia's access to affordable debt financing and grants.**

**The protracted drought, projected to be one of the worst in recent history, has not helped our economic efforts either. The reality of climate change has become an ever-apparent phenomenon. Extreme weather patterns such as floods, extensive droughts and even further land degradation have placed Namibia in a precarious position. Rainfall patterns have mostly been erratic and the frequency of**

**drought has accelerated. The drought has negatively affected household food security and our exports.**

**Given these headwinds, it is clear that public revenue has declined while demands for social protection continue to rise and employment opportunities remain limited. There is therefore need to expand on the targeted interventions we have undertaken. I argue that every crisis presents opportunity to take difficult decisions. This is the time to shake the tree and ensure that further corrective measures required to boost economic transformation will be effectively undertaken. To create a conducive investment environment, we have**

**commenced with reforms to the regulatory processes in order to smoothen the Ease of Doing Business.**

**Our economic situation has compelled us to rethink our developmental path, which has had a disproportionate reliance on Government expenditure. This approach cannot be sustainable in the long run. There is thus need buttress ongoing reforms, to ensure a more conducive business environment and reduction in bureaucratic bottlenecks.**

**Fiscal reforms will continue, so that funds are allocated to priority areas, with high impact on economic and social**

**development, while directing resources to capital projects with a high rate of return.**

**Equally so, we recognize that a robust and growing economy, one creating decent and gainful employment is a prerequisite for the mid-to-long term growth of the private sector.**

**I reiterate once again that in order to revive our economy in a sustainable manner, we all have to play our part – the public sector including public enterprises, private sector, civil society, trade unions and development partners. The private sector as the engine for economic growth should therefore subscribe to our common**

**agenda for inclusive growth and shared prosperity.**

**As Government we are prepared to play our part and meet all stakeholders halfway. This is why we undertook a policy of fiscal consolidation, the deepest since Independence, for the purpose of preserving macroeconomic stability through the reduction of non-essential public expenditure. We are however aware that fiscal consolidation alone will not lead to sustained economic growth, job creation and poverty eradication.**

**Ladies and Gentlemen,**

**As a precursor to this Summit, the High-Level Panel on the Namibian Economy worked tirelessly to identify initial policy and regulatory bottlenecks that are prohibiting our economy from progressing at the desired pace of development. The Panel made several subsequent recommendations to assist policymakers to turnaround the current economic situation.**

**These recommendations will inform our discussions over the next two days and beyond. Of the several recommendations tabled, six (6) key issues emerged, namely:**

- i. The National Equitable Economic Empowerment Bill (NEEEB);**
- ii. The Namibia Investment Promotion Act of 2016 (NIPA);**
- iii. Central Procurement Board of Namibia;**
- iv. Loan-to-Value Regulations;**
- v. Domestic Savings Application; and**
- vi. VISA regulations.**

**I will use this opportunity to provide clarity on Government's stance on these pertinent policy matters.**

**With regard to wealth redistribution and creating conditions for inclusive growth, we recognize that Government cannot do it alone. Income and wealth disparities remain a global and local concern. We**

**have one of the most unequal societies in the world, as a result of historic structural exclusion. As Nobel Laureate Professor Joseph Stiglitz rightly cautions, “The only prosperity that will be sustained is shared prosperity. Prosperity that is not shared will not be sustainable.” Those who have benefited historically from Namibia’s economy must therefore be willing to share their gains. Redressing the skewed nature of our economy is therefore both a political and business imperative.**

**Namibians have been politically empowered through the attainment of Independence and self-governance. We have, as Government, over the last decade commenced the process to facilitate**

**broad-based economic empowerment. While some previously disadvantaged Namibians have been benefited from empowerment opportunities, we acknowledge that it has not yielded the desired level of broad-based transformation.**

**In order to equitably redress structural inequality, empowerment opportunities must benefit a wider population. I have repeatedly stated that when we speak of poverty eradication and shared prosperity, we are not connoting that every citizen will live in opulence and excess.**

**Rather, as author Rick Riordan asserts, "Fairness does not mean everyone gets the same. Fairness means everyone gets**

**what they need.” Our aim is to ensure we produce a society in which every citizen has equal opportunity to receive the basic requirements for dignified life and to pursue their talents with equal opportunity.**

**We have understood concerns raised by the private sector on NEEEF, in particular on the Ownership Pillar. We also are aware that finalizing the Bill will provide policy certainty, which in turn should reduce capital outflow and unlock domestic and foreign direct investments.**

**Let me use this opportunity to provide clarity on this pertinent aspect:**

- i. The compulsory 25 percent equity stake has been removed. However all Pillars will remain and be taken into account for enterprises doing business with Government and applying for natural resource licensing.**
- i. The definition of the term 'Previously Disadvantaged Person' for the purpose of NEEEB refers to Namibian Citizens that were racially disadvantaged by colonial and apartheid laws and practices before 21 March 1990. Details will be unpacked during the session on Public Sector Reforms on Day Two of this Summit.**
- ii. NEEEB will refer to the need for Sector Charters. The equity threshold will be determined in the Sector Charters.**

**iii. On the funding mechanism, Government cannot carry the sole burden of financing empowerment transactions. It must be a collective responsibility, including financial institutions, private sector and participating enterprises.**

**To this end we commend those businesses that have already completed empowerment transactions, without waiting for the enactment of the law; for one does not need to be compelled by law to do what is morally correct.**

**iv. Finalization of NEEEB is one of our key priorities and the Bill will be tabled in Parliament within six months.**

**As we forge ahead towards a new economic identity that is reflective of a more equitable post-independence Namibia, I should make it categorically clear – that it is not our intent to take away from those who have, but rather to grow the Namibian economy so that more Namibians can own and manage productive economic assets.**

**Programme director,**

**Moving onto the Namibia Investment Promotion Act; Investment is an essential catalyst for economic growth and it is for**

**this reason, Government sought to revise the investment legislation, with a view to mobilizing and attracting domestic and foreign investment for economic development.**

- i. Where we are now: Subsequent to promulgation, the Act was put on hold to accommodate broader inputs by the private sector. Substantive amendments were effected to address concerns raised, such as that the Act was cumbersome and too bureaucratic and defeating its intended purpose as an instrument to promote investment.**
- ii. Government has finalized revisions and the Bill will be tabled to the Cabinet Committee on Legislation and**

**thereafter Cabinet before proceeding to Parliament. The Act could be operational by end of this Financial Year.**

**Programme Director,**

**Public procurement can be leveraged to stimulate business activities. However a number of bottlenecks have been identified in the functioning of the Central Procurement Board of Namibia:**

**Government has agreed with the proposal to have the Public Procurement Act reviewed and amended where necessary, which process will begin during the current financial year.**

**A detailed response to the specific recommendations will be delivered during the session on Public Sector Reforms on Day Two of this Summit.**

**Ladies and Gentlemen,**

**As part of enhancing our Ease of Doing Business, we have undertaken several reforms to position our VISA processes more competitively. Namibia has exempted diplomatic and official passport holders from 53 African countries from VISA requirements, so as to bolster Intra-African mobility, State-to-State engagement and investment. With the adoption of the Continental Free Trade Area Agreement, the free movement of**

**people and goods within Africa has become evermore imperative.**

**Pertaining to the tourist, business and resident VISA regulations; Government has introduced some of the following measures to simplify entry requirements.**

**Including but not limited to:**

- i. The introduction of e-visa or visa at entry point at a nominal fee;**
- ii. Provision of easy access for work VISA for highly-skilled professionals and sought-after skills;**
- iii. Provision of easy access for residence VISA for expatriate retirees;**
- iv. Offering residence VISA on the back of capital investment, with a to-be-defined threshold; and**

**v. Multiple entry VISA for businesspersons atleast for a five year period at a time.**

**Programme Director,**

**The proposed Non-Deductibility of Royalties in the mining sector has been raised as a key concern. Government appreciates the merits of the arguments presented and will study the full detail and revert with a comprehensive policy approach. In the meantime, Government will not proceed with intended amendments to the current position.**

**Ladies and gentlemen,**

**In addition to the above, we are aware that access to land has also been a business concern. Namibia is a country governed by the Rule of Law and the right to private property is guaranteed by our Constitution. At the moment, both domestic and international investors may, by law, acquire land in the municipal areas, either through outright purchase, rent or leasehold agreement.**

**As resolved during the Second National Land Conference of October 2018, there is need to address historical injustices in terms of land ownership. Amendments to**

**land ownership legislation would be effected within the provisions of the law.**

**Programme Director,**

**As I move to a close,**

**We are at a critical point in our history and this Summit is our opportunity to shape our collective destiny. Fate has provided us with opportunities but it is the decisions we take that determine the outcome of our future. We are in full control of our choices and our actions. But the decisions at this Summit have the potential to become harbingers of growth and opportunity. Adversity is given during the journey of life and history was written**

**by those who responded ingeniously to adversity. I am therefore pleased to note the international and diverse representation of Summit participants. Namibia stands to learn and benefit from established global best practices.**

**I call on all participants to seize this significant moment and the available opportunities to steer Namibia towards a destiny of economic equity, opportunity and shared prosperity.**

**As a people, we have traversed through a history of many glorious victories. The economic challenges of the past few years might have left some of you despondent and hopeless. We should, however, remain hopeful. As we endured the difficult**

**periods, we have always demonstrated our resilience and optimism for a better tomorrow.**

**I have no doubt that with this Economic Growth Summit; we are rising again, crafting a better tomorrow, today. Together, we are starting a beautiful journey of creating a confident and brighter future of inclusive prosperity for our nation.**

**I wish you all, inspired, spirited and insightful deliberations. It is my distinct privilege to declare the Namibia Economic Growth Summit, officially open.**

**Thank you.**