



Republic of Namibia

MINISTRY OF INDUSTRIALISATION AND TRADE

Tel: (+264 61) 283 7201
Fax: (+264 61) 220 227

Office of the Minister
C/O Dr. Kenneth Kaunda & Goethe Street
Private Bag 13340
Windhoek, *NAMIBIA*

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INTRODUCTION

1. Honorable Speaker I rise to respond to the various issues as raised by our Members of Parliament during the last two weeks of deliberations on the SADC Protocol on Industry. I sincerely thank them all for their comments and suggestions.
2. I should at first also express my sincerest appreciation that all members' contribution essentially supported the ratification of the Protocol. As a result, Honorable Speaker allow me to therefore frame my replies as a composite first and delve into some Members' specific issues raised that do not lend themselves to a general treatment.

GENERIC MINISTERIAL REPLIES

3. Honorable Speaker, a key question that arose was on what SADC meant by embracing the need for equitable industrialization. At the onset of frontloading industrialization in 2015, the region guardedly observed the need for equitable industrial development. Although on the aggregate it was recognized that the region's Manufacturing

“Growth at home”

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sector across the 14 regions of our country. This means that all 14 regions benefitted from this initiative as the distribution of these facemasks were made through the respective Regional Governors Offices.

8. Hon Bernadus Swartbooi expressed concerns with regard to Article 5 (i) and (m) as inconsistent with regional arrangements and that there is no mention of agriculture in the protocol. Further Hon Swartbooi cautioned against RSA not supporting industrialization of other countries in general. In addition, he raised further issues on report back mechanisms as well as a request for clarification on Article 8 (b). Honourable Swartbooi further lamented the lack of adequate financing for our industrialisation efforts.

To this we reply that suffice to say that the Protocol on Industry is very much consistent to the Maputo Protocol on the Rights of Women and Children. Article 19 of the Protocol ensures both gender and youth mainstreaming to ensure that these two groups, along with the people with disabilities are empowered whilst ensuring a need to promote ownership, access to finance and skills upgrading. In terms of Agriculture, the base sector for Agro processing is imputed duly as no agro processing can take place without throughput from Agriculture.

In terms of the RSA matter, our neighbor participated actively on the work of the Protocol and if we review their latest Automotive

and poultry masterplans, the element of regional industrial cooperation is promoted as well. This can only auger well for our bilateral and regional value chains development ambitions. At SADC the Member States have constituted a SADC Industrial Development Forum which is tasked to ensure the implementation of the Protocol and duly report to their respective authorities in the Member States. Article 8 on Joint Industrial Enterprises basically calls for the support and development of region wide industrial projects. For example both DRC and Namibia has the minerals required to develop electric vehicles, with RSA having actual industrial capabilities in automotive manufacturing. Instead of our lithium being exported raw, let us rather ensure the development of joint industrial enterprises in the region. In Europe, the example of the AirBus aeroplane manufacturing is a clear example of the intent of Article 8.

9. **Honourable Henny Seibeb suggested that it would have been better had the Protocol on Industry introduced earlier than the Protocol of Trade. He further requested clarity as to who will fund the items listed under Article 4. He also raised concern around the absence of cross border crimes in the Protocol and how to treat them. Finally Hon Seibeb wants to know how this Protocol supports MSMEs.**

To this we reply that indeed we could have sought our industrialisation efforts as a region or even as a continent much earlier. However the current awakening should be optimized and especially for SADC, the AFCTA is driving the impetus for industrial

development capacity more urgently. On the financing mechanisms around Article 4, there is work ongoing to ensure that the SADC Industrial Development Fund supports financing activities as envisaged.

And this also leads me to the matter around the financing of our industrialization agenda. Suffice to say, Fiscal Consolidation has put a serious dent on all the public systems in terms of our financing agenda. In the interim MIT will have to do with what we receive and investigate, other options with our Bilateral and Multilateral Partners as well as within the regional financing mechanisms alluded to above. On MSMEs, Article 7 is extensively deliberate to ensure their support. It calls for more access to finance, preferential procurement, and advanced technologies support and business linkages interventions such as Supplier Development Programmes.

10. Hon Emma Theofilus emphasizes on Article 11 and implored MIT to lobby for more centres of excellences through smart partnerships whilst making a beeline for Intellectual Property Rights legislation to support and protect MSMEs.

I reply herewith that this is very much welcome as indeed MIT agrees that innovation will underpin our economic diversification and ultimately our industrialisation ambitions. To this end for example, the MIT has launched in 2019 the Namibia Startup Incubation Centre through a smart partnership mechanisms. On

Intellectual Property Rights (IPRs), we also wholeheartedly agree that we need to continue to strengthen our patents and IPRs laws and policies to ensure that our innovations especially from the informal sector, Startups and general MSMEs are supported duly for our industrialization ambitions.

- 11. Honourable Nico Smit raised aspects to the validity of the Protocol, given earlier adopted policy documents; expressed concerns on the private sector not being accommodated; also indicated concerns on how this work will be financed and why infrastructure is not catered for. The Honourable member mentioned the lack of clear definitions for MSMEs and further indicated that there has been no action on matters related to SADC industrialization.**

We reply herewith that there is a hierarchy of documentation that applies to the development of international documents. National and indeed regional policies amongst member states are meant to first create contextual principles of cooperation. And indeed this is what the SADC Industrial Development Policy Framework of 2014 and the actual SADC Industrialization Policy and Roadmap 2015-2063 aimed to do. Both of these policy frameworks then called for an explicit binding instrument to ensure that the region does commit to industrialization. And that is where the Protocol comes in.

The August House, I believe, is very much aware of the fact that it is Protocols that becomes binding once at least two-thirds of

countries ratify them. For the Protocol, this is very much early days, however as Namibia was the Chair of the SADC as the protocol was developed, we remain leaders in ensuring the ratification of the Protocol and shall ensure constant lobbying at the SADC Industrial Development Forum for attaining binding levels of two-thirds member states ratification.

Further on the Private Sector has not been neglected at all since the frontloading of the Industrialisation agenda in SADC in 2015. Indeed the **SADC Business** Council, of which the Namibian **Chamber** of Commerce and Industry (NCCI) is a founding member, was launched as the overarching regional private sector platform to interact with the public sector on matters of regional economic development and industrialisation during the 4th Annual **SADC** Industrialisation Week in 2019.

Regarding a key concern that nothing is being done on industrialisation, we hereby reply that at SADC the Member States have constituted a SADC Industrial Development Forum which is tasked to ensure the implementation of the Protocol and duly report to their respective authorities in the Member States. The Forum, with the support of the SADC Secretariat has already validated value chains opportunities and collaboration in agro processing, services and mineral beneficiation in SADC during the period of 2019-2020. Our Private Sector also participated actively in these consultations. In addition *'Regional Gaps Analysis and Development of Regional Programme to Improve Industrial Competitiveness of SADC Member*

States' was recently completed to enable a coordinated response that will lead to enhancing the capability of each member state to participate in our regional industrialization efforts. This work is key as in it Member States also mention the need for capacity building around an Industrial Observatory, which will ensure harmonization of common definitions for matters such as MSMEs.

I have already earlier above made mention of the Regional Indicate Master Plan or the RISDP, which is the infrastructure masterplan for SADC and which in 2015, frontloaded industrialisation agenda and nowadays pivot infrastructure projects to support such an agenda. I have also earlier mentioned the work on the SADC Regional Fund, which is ongoing. There is a SADC Project Preparation and Development Facility (PPDF) as an instrument to facilitate the successful development of bankable projects for market presentation. Finally, All Member States must institute an Industrial Upgrading and Modernization Programme (IUMP). Namibia has been forerunner in this and has an IUMP already since 2012.

12. Honourable Sioka expressed concern on whether the marginalized are accommodated in the Protocol.

We reply thus indeed the Protocol in Article 19 ensures both gender and youth mainstreaming to ensure that these two groups, along with the people disabilities and are empowered whilst ensuring a need to promote ownership, access to finance and skills upgrading. Article 20 also further caution against marginalization of people

living with HIV/AIDS in our regional industrialisation efforts. Regarding the level of ratification by other member states, most SADC member states are at an advanced stage to ratify the protocol as they are currently undertaking their internal ratification processes.

13. I would like to further express my appreciation to all Hon. Members (Hon Dudu Murorua, Hon Albert Kawana, Honourable Elago and Honorable Karundu) for their general support of the Protocol and need to prioritize industrialisation.

CONCLUSION

In conclusion Honorable Speaker, I am confident that in our industrialization efforts as underpinned by our Growth at Home Execution Plan, we can overcome many of the challenges that may present themselves along the way, as long as the public, private and individual Namibians work together as one to transform our economy and position ourselves to secure opportunities at both the regional and global economy level.

I thank you!