

**THE DEBATE ON THE RATIFICATION OF SADC PROTOCOL ON INDUSTRY, A CONTRIBUTION BY
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Thank you for giving me the floor, Hounorable Speaker and Hounorable Members so that I can make my brief contribution on this very important topic regarding the ratification of SADC Protocol on Industry.

From the onset, it is important to note that all industrialised nations have developed good economic policies to promote their industries. For the Namibian government, industrialization remains an essential objective in the context of sustainable wealth and job creation. Namibia's industrial ambition is articulated in Vision 2030, which stipulates that the country should be characterized as "a prosperous and industrialised country, developed by her human resources, enjoying peace, harmony and political stability."

The objectives of industrialization as outlined in Vision 2030, emphasize the importance of a change in production so as to meet the following targets which amongst others include: that;

- i. The manufacturing and service sectors constitute about 80% of the country's Gross Domestic Product (GDP).
- ii. That the country largely exports processed goods, which account for not less than 70% of total exports.

The principles of Namibia's industrial policy states that due to the small population size and the need to benefit from economies of scale, the country's economic policy will be geared towards openness. This will ensure market access for domestically produced products and services.

Honourable speaker

Honourable members

I am mindful that our government is aware that opening the economy to much or too quickly might come with additional regulation and control, which may in turn result in undesirable investment and unintended consequences that may negate local industrialization efforts and initiatives. In order to leverage Namibia's competitive advantages and opportunities to

maximize the impact of interventions; there is a need to focus on special industrialization programme. As a point of departure, I will narrow my contribution to focus on the special industrialization programme with specific emphasis on Agro and Fishing processing as well as Steel manufacturing and Metal fabrication.

a) Agro Processing

Agro processing is the aspect of manufacturing that process raw materials and intermediate products that are derived from the agricultural sector such as processed meat, milk, dairy products and leather tanning. On the other hand, Crop production constitutes activities such as milling of maize, mahangu and wheat as well as oil pressing from vegetable seeds and juice processing from fruits.

The agro-processing industry offers a significant potential to increase value addition; to create jobs, income and export opportunities to enhance food security and reduce dependence on imports. According to Namibia's Policy Implementation and Strategic Framework, agriculture and the manufacturing of food products and beverages contribute approximately between 10-15% of the Gross Domestic Product (GDP) of the country.

b) Fish Processing

Secondly, the fisheries sector plays a strategic role within the Namibian economy, with respect to employment and contribute immensely to the Gross Domestic Product (GDP). As a result, Namibia's fishing industry has grown to become the second largest foreign currency export earner after mining. Hake is the greatest contributor to commercial fisheries, followed by Horse mackerel and pilchard.

It is important to emphasise that in developed markets, consumers increasingly prefer partially prepared products and ready-to-eat meals rather than raw products. As such, Namibia can take advantage of this transition by processing fish into a wide range of products which will increase the industry's value addition. At the moment, some of the value additions include filleting, canning, packaging, smoking, fish oil and fish meat production.

c) Steel manufacturing and metal fabrication

Thirdly, Namibia's Policy Implementation and Strategic Framework indicates that currently Namibia does not have its own steel production facilities we are fully dependent on imports which mainly come from South Africa. As such, opportunities have been identified to develop a Namibian steel manufacturing industry to meet the needs of the domestic market, foster the metal production sector, develop linkages into other sectors such as the construction industry as well as establish steel exports to neighbouring countries.

Honourable speaker

Honourable members

On the ratification of the SADC Protocol on Industry, the objective is to promote the development of diversified, innovative and globally competitive regional and national industrial bases to enable the region to achieve sustainable and inclusive industrial development. In implementing this Protocol member states shall co-operate in good faith, ensuring that national policy interventions and measures have regional focus and promote regional integration. Hence there is a greater need for state parties to adopt and implement policies and measures that promote cross border industrial investments to increase:

- a) Industrial production capacity and diversification, as well as value addition and wealth creation.

It is against this background that I urge all Honourable members of this August house to support the ratification of the SADC Protocol on Industry.

I thank you.