

# **STATEMENT**

**BY**

**RIGHT HONOURABLE DR. SAARA KUUGONGELWA-AMADHILA,  
PRIME MINISTER**

**TO**

**A MOTION ON THE IMPACT OF CHINESE INVOLVEMENT IN THE  
NAMIBIAN CONSTRUCTION INDUSTRY TABLED BY HONOURABLE  
VAN WYK OF THE UNITED PEOPLES MOVEMENT**

Honourable Speaker  
Honourable Members,

1. First of all I would like to thank Honourable Van Wyk for raising the issue of the conditions and status of locals' participation in the Namibian construction industry.
2. At the same time, however, I need to caution that we should refrain from stereotyping issues of such serious nature and from castigating persons on account of their being non-nationals of our country.
3. In doing so, however, I would like to reiterate that Namibia is a country governed on the basis of Law and Order. Thus, foreign investors who

are attracted to our country to bring along their capital, their entrepreneurship and their technical knowhow are expected, like their local counterparts, to fully comply with all Namibian Laws, and non-compliance therewith attract penalties as provided for under our Laws. The government would, therefore, like to sternly warn Actors in our economy to desist from any violations of our Laws, as such will trigger full application of punitive actions as prescribed under our Laws, without fear or favour. In this regard, relevant public officials are urged to ensure that State Laws are fully enforced.

4. Honourable Speaker, having said that, allow me to make a few general remarks to contextualise the motion and to raise pertinent facts regarding Namibia's policy regarding foreign direct investment (FDI). We have been quite successful in attracting FDI to Namibia. In 2015 FDI inflow stood at N\$13 billion or close to 9% of the GDP.
5. While we welcome foreign investors to Namibia, we have not and we will not allow that such investments take place to the detriment of the Namibian investors, workers and the public interest. There are, as is the case in all countries around the world, appropriate checks and balances in place to prevent this from happening. We are thinking here of our Labour Laws that, amongst others, entrench fundamental

labour rights and protections and our Immigration Laws that regulate and control the entry of persons into, and their residence in, Namibia.

6. In addition, our Public Procurement Act of 2015 provides for preferential treatment in a number of ways. First, a public entity may limit participation in open advertised bidding proceedings (a) to citizens of Namibia; or (b) to entities incorporated in Namibia with no less than 51 percent equity that is owned by Namibian citizens of which no less than 30 percent is owned by previously disadvantaged persons. Secondly, in order to promote the empowerment of women, as provided for in Article 23(3) of the Namibian Constitution, and the youth, tender preference may be given to such groups and primarily to women who were socially, economically or educationally disadvantaged by past discriminatory laws or practices over any other category of previously disadvantaged persons.
  
7. As the Honourable Minister of Finance mentioned in his Budget Statement, the Public Procurement Act and the accompanying Regulations will come into force on 1 April 2017. The main changes will concern the institutional organisation for procurement management, new methods of procurement, and more effectiveness to the general principles of good governance, such as transparency,

competition, accountability, fairness and value for money. Another important aspect is that the new approach will be applicable to all public bodies, including the public enterprises.

8. Even the current Tender Board Regulations disallow a tenderer to import any labour, goods or services for supply in terms of a government tender except if local sources are exhausted.

9. Honourable Speaker,

The investment policy landscape is changing globally. Both developing and developed countries are either undertaking reviews or have reviewed their investment frameworks so as to provide an environment that facilitates investment while ensuring that governments are able to regulate investments in the public interest.

10. Namibia too has reformed its investment policy by passing the Namibia Investment Promotion Act last year in this august House.

The objective of this Act is the mobilisation and attraction of foreign and domestic investment to enhance economic development, reduce unemployment, accelerate growth and diversify the economy. This Act allows Government to provide for reservation of certain economic sectors and business activities to certain categories of investors,

such as the State, Namibians and Namibian entities, joint venture partnerships between Namibian investors and foreign investors, and foreign investors that meet certain prescribed requirements. The passing of this Act is an important step towards a “new generation” investment policy framework for Namibia, as it reflects some of the new international good practise in investment policy making. We have adopted the approach of developing a law of general application that covers all investors and their investment, regardless of origin. The Act does not allow us to grant better treatment to foreign investors than is provided to domestic investors, or to grant them enhanced protections that are not available to domestic investors.

11. Honourable Speaker,

I am mentioning these interventions to illustrate that, contrary to Honourable Van Wyk’s allegations, foreign investors do not receive free tickets to do what they want in Namibia, but they are subject to the same controls of their operations and activities. Government does, acknowledge however, that Laws are only as effective as their implementation and that continued public outcry about violations of our Laws, especially by foreign companies operators point to a need for public officials to step up law enforcement. As indicated earlier, full enforcement of State Laws is a duty of every Public Official, and

failure to carry it out, whether by omission or commission, constitute a violation for which they are accountable. Public officials are, therefore, called upon to address cases of violation of our laws without any hesitation and dispel any motion of tolerance by our country of such violations. Similar, the public is invited to report to the authorities specific cases of violations so that appropriate action is taken.

12. It is important to note that we also need to overcome capacity constraints by building the required skills, competencies and disciplines in order to reduce our dependency on foreign labour. With the establishment of the Namibia Training Authority (NTA), we have made good progress to establish an integrated Technical and Vocational Education and Training (TVET) system which is consistent, flexible and geared to the changing demands of the labour market. The focus is to promote TVET that is relevant, has quality and which produces technicians endowed with the appropriate skills, qualifications, values and attitudes to fill the occupational gaps as outlined in the National Human Resources Plan.

13. At this point, I would like to appeal to the construction industry professional bodies in the fields of architecture, engineering and quantity surveying to become more accommodative towards young graduates who are having great frustrations to register in their respective fields. I am not contemplating to lower qualification standards, but I am appealing to these bodies to understand the plight of many young graduated professionals and to assist them with advice on their options and opportunities.

14. The government is assisting these young graduates to get practical training and registration with professional bodies where that is required for their employment.

15. Honourable Speaker,

Despite the economic successes and a broad range of state policy, strategy and programme interventions aimed at overcoming economic disparities, entrenched inequalities continue to characterise the economy and act as a deterrent to growth, economic development, employment creation and poverty eradication. Vast racial and gender inequalities in the distribution of and access to wealth, income, skills and employment persist. As a consequence, our economy continues to perform below its full potential. It is against

this background that we will forge ahead to finalise the National Equitable Economic Empowerment Bill.

Finally, on the need to establish a Construction Industry Council, as a mechanism to support the local Construction Industry, besides the Public Tenders Preferences referred to above the government is engaged with the formulation of the Namibian Planning and Construction Council Bill. The Bill, amongst others, provides for the establishment of the Namibian Planning and Construction Council, and for the registration of persons engaged in the construction industry. The Bill will, once passed into Law, greatly strengthen the efforts of Government to support this very important sector of our economy and optimise benefits therefrom to the economy and local stake holders.

16. Efforts are thus ongoing to address the challenges facing our local industries in the construction and other sectors, and whilst acknowledging the need for stepped up implementation of these measures and for regular updates on progress made, I think that it is appropriate that our motion is aligned to the balanced and comprehensive approach taken by Government on this issue. That would obviate the need for referral of the motion to a Committee and



rather direct the focus of the House to work with relevant Government Offices to fully implement their respective roles in dealing with this matter.

I hope that this proposal will receive support of the Honourable Van Wyk and the entire Assembly.

I thank you.

