



# APPROPRIATION BILL 2019/2020

## CONTRIBUTION BY HON TD MURORUA



04 April 2019

*Def*  
**Hon Speaker Hon members,**

I would first and foremost like to thank the Hon Minister of Finance, Hon Calle Schlettwein for tabling the budget and like to make my humble contribution on behalf of the UDF Party on the Appropriation Bill for 2019/2020.

*Def*  
**Hon Minister, of Finance**

I salute you for your statement on page 2 in paragraph 4 that this budget aspires to secure a new platform of sustainable economic growth that is broadly shared by all Namibians. But I fail to see the steps of how to achieve this and how it is going to be shared broadly by all Namibians. I will asked only one question here and that is: How many companies were allocated the railway tender. How does this auger with your own statement and also with the procurement rules. How would it be if only one company would be allocated a tender to build houses in the entire Namibia, or build roads? I am just thinking whether this is "broadly shared" by all Namibians or whether it is not what you caution us on page 29 about the creation of elites or cliques.

<sup>DeP</sup>  
**Hon Speaker,**

The Hon Minister is stating that this budget is to resuscitate growth and jobs but on point 22 you are stating that stakeholders inputs has been sought in the development of the Equitable Economic Empowerment Bill which resulted in compromises that should diminish investor concerns while retaining the spirit of the intended policy objectives.

<sup>DeP</sup>  
**Hon Speaker, Hon Members,**

It is not clear what these compromise are

- Did we compromise that these investors can bring in their labor forces?
- Did we compromise that we are going to give them tax breaks? Or what are the compromises?

It is needless to mention it, but we must all agree that the development we so much want in Namibia is for the people of Namibia, and any development that does not assist in the improvement of Namibian people should not be welcomed. These compromises that we are making are basically adherences to the conditions by investors or those countries from whom we are borrowing money for assistance. Now if these loans or investments has to be paid back with money derived through tax from Namibians, why should we make compromises that would not be of assistance to Namibians.

<sup>DeP</sup>  
**Hon Speaker, Hon Members,**

Under point 16 the first bullet, it is said that revenue has grown by 3.8 percent over the past three years while our expenditure was growing relatively by a 0.4 percent.

My question here Hon Speaker, Hon Members is, how can our National economy be in a recession while our revenue outgrows our expenditure by 3.4 percent?

<sup>Def</sup>  
**Hon Speaker, Hon Members,** on page 9 it is mentioned that with the implementation of the Public Procurement Act, capacity Challenges aroused, could the Hon Minister please appraise this August House and the Nation at large what these capacity challenges are before we come to the envisaged National Workshop that would assess and address these challenges.

<sup>Def</sup>  
**Hon Speaker, Hon Members,**

We would further like to know the progress with the development of the regulations in the energy sector with regards to the government's plan to replace the current single buyer model with the Modified Single Buyer Market Model and whether the current single buyer did not influence the new planned regulations since it is very difficult for the Independent Power Producers to be granted a Power Purchase Agreement and that we may later be affected by the Loadsheddings in RSA or implement such Loadsheddings ourselves.

<sup>Def</sup>  
**Hon Speaker, Hon Members,**

On the reduction of poverty and wealth inequalities the Hon Minister is stating statistics of 1990 and compare them to national poverty status of 2015/16.

The National Population of 1990 is not what it was in 2015/16. We had our latest population census in 2011 and our income and expenditure



survey was in 2014/15. So why not use the latest figure. By the way unemployment was also not so high in 1990 as it is now the case and you yourself is stating this under point 20 on page 11 that Namibia is still the second most unequal society in the world. I would like to motivate it by stating that, by 1990 we did not see people at each and every traffic robot begging for money. The boom of people coming to bigger towns and cities in search for a better life was also not so rife.

*Def*  
**Hon Speaker, Hon Members,**

On the Domestic Economy, I really congratulate the Namibian government for the establishment of the Peugeot Car Assembly Plant in Walvisbay. It is indeed a very good initiative but I would like to know <sup>from</sup> the Minister of Finances is, ~~whether~~ <sup>if</sup> to cement the sustainability of this Assembly Plant, the Cabinet has any agreement that our Ministers and the Public Organs of state are from now on going to buy Peugeot Vehicles or are we going to stick to the usual German and Japanese brands of vehicles.

*+ where*  
Furthermore one would really like to know why <sup>the</sup> zeal that was in our government leaders to strike a 50 percent ownership deal in NAMDEB got lost, that we cannot materialized the same deals with other mining giants eg. Rossing, Husab, Langer Heinrich, Rosh Pinah and the likes and that while we are also having a legal instrument in the forum of Epangelo Mining which is in essence also a state owned Enterprise that can help us to cement the Namibian Government's Growth at Home strategy and thus strengthen our economic situation.

Hon Speaker, Hon Members, on the Fiscal Policy Developments I would further like to know from the Minister of Finance how we can maintain revenue buoyancy over the medium- term while we are experiencing collection pressure for non-mining company tax and value added tax.

I am also very grateful to the Minister of Finance for telling us the stance of our Public debt as a nation as it was on 31 March 2019 but one would also like to know what percentage of the GDP the Public debt has to be, to be regarded as high, normal or low and most importantly what the <sup>ceiling</sup> ~~threshold~~ of Namibia's Public debt is.

<sup>df</sup>  
**Hon Speaker, Hon Members,**

I also would like to congratulate the Minister of Finance for his stance that significant increase in domestic revenue through higher and additional taxes will do more harm than good to the economy. I thank you Hon Minister Calle Schlettwein for that.

I further thank you for your cautioning remarks to all Offices/Ministries/Agencies to live within their means, yet I think that it is very important to make this August House aware of the fact that no single O/M/A is keeping its individual bank account. Monies are allocated but remain in the Fiscus and if and when any OMA would want to make a payment, they first have to obtain a Treasury Warrant Approval for expenditure from the Fiscus approved by the Minister of Finance and only after such approval is granted, the payment is done by the Minister <sup>who</sup> ~~which~~ is none other than the Minister of Finance. So any overspending is than done by the Minister of Finance as <sup>per</sup> my layman's understanding of the processes and procedures ~~we~~ <sup>you</sup> are supposed to follow.



Dep

**Hon Speaker, Hon Members,**

On the leveraging of state assets in the telecommunication sector to ease financing obligations and mitigate increases in debt stock, I must say that the nation is already aware that government intends to list the MTC shares or else sell it to GIPF, but I think we will be killing the goose that lays the golden eggs for government. Hon Speaker, Hon Members, would it not be better to levy or charge the foreign uses on our telecommunication traffic like Facebook, Microsoft Word etc. and maybe slightly increase the tariffs of communication since we are one of the cheapest in Africa and so we can secure a sustainable recoupment strategy to ease our obligations and mitigate the debt stock. At the same time we will continue to gain from the taxes paid and the revenue earned, we would not be sharing with anybody as sole owner but still continue to have our services delivered to the Nation.

Dep

**Hon Speaker, Hon Members,**

I would further like to know whether the stabilization of the growth of Government debt on page 21 point 62 at 52.3 percent of GDP is the policy of our government or whether it is just an indication and further more I would like to seek clarity on the last bullet of point 62 dealing with the implementation of revenue – raising tax policy read together with point 51 stating that increased in domestic revenue through higher and additional taxes will do more harm than good to the economy?

Dep

Hon Speaker, Hon Minister in point 63 bullet 4 you are making references to Thomas Pikelly and I also agree with you on this statement that empirical evidence on public sector remuneration in Namibia shows that

there is no correlation between high salaries and productivity. But while I agree and support the fact that the government of Namibia concur with this statement, I would like to get confirmation whether it is an official stance of our government and the ruling Party since there is an employment guideline that children of the liberation struggle should get preferential consideration for employment is now being reconsidered. I therefor once again thank you Hon Minister and the leadership of the Ruling Party that you concur as stated in this paragraph. Thank you.

Hon<sup>Dep</sup> Speaker, Hon Members, I am a little bit concerned about the allocation made to Higher Education, Training and Innovation specifically when I think of how the Vocation<sup>al</sup> Training Centres and that as<sup>a</sup> nation we have to produce a technically skilled labor-force that would really be able to build this nation and address the issue of industrialization, unemployment and poverty all over Namibia. Mainly because I am of the opinion that we need to work into the agricultural field of vocational training of our people to be able to farm more profitable and be able to do more value addition to their products.

In conclusion, Hon<sup>Dep</sup> Speaker, I would like to, while I am mindful of the situation at PSEMAS state that a 100 percent hike of the members contribution in one go is really very difficult for the members. I also thank the Minister for the N\$50.00 increment of the Old Age Pension and with these few words I support the Appropriation Bill.

I thank you

