

Contribution by Hon. Sebastiaan Karupu to the 2016/17 budget

Hon. Speaker,

Hon Members,

It is my singular honour to address you at this very important Post-Budget hearing which seeks to interrogate The 2016/17 National Budget Statement, presented to Parliament by the Hon Minister of Finance, Cde Calle Schlettwein, on the 25th of February, 2016.

Hon. Speaker,

Hon. Members,

Allow me to first and foremost commend the minister of Finance and that of National Planning Commission, the Consultants and their team for drafting this important piece of legislation and for being innovative in identifying some areas on which policies are to be made to avert possible threat to our economy.

As you are all aware, the 2016/17 National Budget was presented under the theme, "**Towards Pro-growth Fiscal Consolidation**", which simply means that now than ever before, our government has to tackle the economic challenges facing Namibia from all angles (fronts). It is no coincidence that this theme is in sync with the Namibia's declared war on poverty – as enshrined in the Vision 2030. The emphasis, Hon. Members, is on inclusive growth – where no Namibian should feel left out.

To this end, I call on all members to critically aim at seeking a deeper appreciation of the policy measures proposed in the 2016/17 National Budget;

- assess the impact of the proposed Budgetary measures on the key sectors of the economy and on the ease;
- interrogate the extent to which the budget restores confidence in the economy in order to attract Foreign Direct Investment;
- Ensure that the proposed measures responded to the new real needs of our people.

As indicated in the Budget Statement, the 2016/17 National Budget was presented against a backdrop of numerous economic challenges and the Hon. Minister must be seriously commended for a job well done on putting together a credible document clearly stating how the economy will navigate these challenges. The major task ahead, therefore now is to translate the proposals put forward in the budget into tangible action to ensure macroeconomic stability and higher GDP growth in 2016 and beyond. It will be important, then, for this Honourable House to thoroughly cross-examine the budgetary proposals to ascertain whether they facilitate the achievement of the above objectives.

Hon. Speaker,

Hon. Members,

A budget is an effective policy tool for national resource distribution and management to attain the desired optimal economic growth and development and as such the Hon. Ministers's budget contains well balanced and aligned priority spending. It is against these backgrounds that I would like to give some of the major highlights of how well the budget is aligned and highlight commendable key priorities of the 2016/17 Budget.

Firstly the Hon. Minister should be commended for maintaining a strong fiscal discipline under difficult challenges. The Budget proposes a notable spending cut equivalent to a 1.6 per cent reduction from the previous year's budget and a 7.3 per cent cut from the indicative ceiling for FY2016/17 proposed in the previous MTEF. This gives us a total budget of N\$66.00 billion, equivalent to 34.9 per cent of GDP. Members should appreciate Government's decision to come up with effective programmes and measures that ensured such a disciplined budget.

Furthermore, the minister should be commended for delivering a budget that is very conservative and tight and informed by challenges that the country is faced with which include slowdown in the revenues, unemployment, drought and alias remained strict and tight.

Hon. Members, the need to be disciplined can never be over emphasized because these are difficult times and the world economy is also not performing, minerals are on the decline, eminent drought hence the need to be disciplined.

Hon. Speaker,

Hon. Members,

It is imperative to come up with well aligned priority spending model, and the tabled budget did exactly that.

To **boost Economic and Infrastructural Development**, the budget proposes an allocation of 22.2 per cent of the total non-interest expenditure or some N\$13.56 billion to the economic and infrastructure sectors. This money will be used for investment in growth enhancing infrastructure, including in the logistics, water and energy sectors. These funds are earmarked for key projects such as the rehabilitation of the national railway, the on-going expansion of the Port of Walvis Bay, several national roads, water infrastructure, the Mass Housing Programme and increased funding to the Public Financial Institutions for private sector support and SME development.

Social welfare development is our government's top priority thus over 46 per cent of the total non-interest expenditure was rightfully allocated to the social sectors to protect and improve on the achievements we have made in the areas of education, health, poverty eradication and social welfare as well as the housing sector.

Hon. Speaker,

Hon. Members,

To ensure that our hard earned independence is protected an amount of N\$13.01 billion for FY2016/17 was rightfully allocated. The budget has ensured a continued investment in peace, public safety and rule of law.

Administering peace and justice does not come cheap and therefore the budget has made the rightful allocation of N\$6.03 billion to the public administration sector to support effective governance and efficient administration of the public sector and functional realignments to the structure of Government.

It's my strong conviction that once all the proposed measures and program are fully supported, the long term survival of our economy is guaranteed. Inflation, unemployment, poverty and income inequality will be a thing of the past. My humble request goes to the executors of the budget; all public Offices, Ministries and Agencies to prioritise their expenditures on the activities that will changes the poorest communities of this country's lively hood. I urge them to execute their mandatory duties to their upmost best and insure that no cent earmarked for the development of the community is send back to the treasury.

Let me conclude by encouraging each one of us to focus our energies on proffering solutions rather than fault-finding so as to guarantee through the oversight, representational and legislative mandate, we as Parliamentarians have a role to play in making 2016 a year of economic growth and success.

The people of Namibia expect that.

We should, on their behalf, ensure that public funds are fully accounted for. Political affiliation should not and must never prevent us from critically looking at the Budget whose eyes and ears see nor hear any political tentacles. We are a solidly one anchored Parliament.

I THANK YOU.

