

National Budget Debate

23

16 March 2011, National Assembly By

Hon. Tjekero Tweya, Deputy Minister of Trade and Industry

Honourable Speaker,
Honourable Members,
~~Distinguished Members,~~
~~Ladies and Gentlemen~~

I rise to first of all congratulate the Minister of Finance on her budget statement and to thank her for delivering what the country currently need, a budget with a clear sense of direction for Namibia and one that will ensure the country is able to move forward with a pattern of development that is people centred.

Hon. Speaker when we campaigned in the 2009 Presidential and General Election we told the voters that we would take this country to new heights, one in which the focus will be on people. In our manifesto, or should I say in our contract with the people of Namibia we talked about; amongst others; a country with sustainable development, economic growth and a bright future for all of us - in particular our women and young people.

The voters agreed, they said yes towards hope and prosperity as they overwhelmingly renewed the Swapo Party's mandate to continue building on the strong foundation laid 21 years ago.

To respond to the voice of the people, we have witnessed a budget that focus on People Centred Development; Poverty Eradication; Economic Growth; Improved Education; Improved Health Care.

As usually the case, some academics and so-called economists have expressed opposing views towards the budget and all they have observed is Government over-spending without waiting to analyse the implementation plan thereof or the

impact it will have on the majority of our people in the rural areas. The fact of the matter is our rural majority are not interested to hear cheap "statistical analysis" or "political" debates on the budget, but rather see actions that address their daily bread and butter issues. While I support the Hon Minister of Finance and would have liked to share more of my thoughts on the matter (with the "so-called" critics), my focus today is on some key issues that I personally think should be taken into account by this august house when debating the 2011/2012 budget.

Laws and regulations

Hon. Speaker and Hon. Members, you would agree with me that the Government of Namibia has moved a long way to create a conducive business environment for all the public and private sector players. It is the Government's responsibility to make sure that the laws and regulations that are anti-progress should be halted and promote and fast track those that would promote the 2009 Swapo Party Election Manifesto and in the long run the objectives set out in Vision 2030.

Having said that, we still remain with some laws, procedures and regulations that is seemingly created for the benefit of all, but in reality it creates exclusivity and promotes exclusion to the majority of our people. As we engage the debate on the budget, we should be cognisant of the fact that some of these laws, procedures and regulations in its current form will further exclude our people from benefitting from the Expansionary Budget as presented by the Hon. Minister of Finance. Some few examples:

- 1) The body/ies created to monitor standard of goods and services: it should be common sense that standards are set in order to address issues that could ~~dis~~advantage consumers, but to set stringent requirements to ^{access} ~~assess~~ goods and services with the intention of exclusion should be rejected. Such standards will only advance the bigger foreign companies through similar sister institutions to get their goods reviewed & rated faster thus allowing

them to sell their goods faster. Shouldn't we move to protect some of our infant companies/industry from this disadvantageous situation?

- 2) Government Procurement: Still the bigger companies have the means to manipulate their way through the process by submitting lower prices as a result of longer operating life of their companies. As part of the process to re-align this, the Government could draft Preferential Procurement Laws that would assist start-up of small companies to compete (especially Namibian entities owned by previously disadvantaged youth). 5.8billion or 14billion that is alluded to in the budget should directly go to Namibian companies so that we further build capacity, skills and experience for our people;
- 3) Provision of services to Government: Smaller jobs still given to well established companies;
- 4) Job requirements: entry-level jobs in the public and private sector ever require experience – who is born with experience if we are not committed to take in this young men and women and train them? *Educated, but no workplace when will they practice what they have studied?*
- 5) Out-dated by-laws of municipalities: elderly houses are being auctioned because of laws existing since 1930, how long should we allow the trend to continue?
- 6) Financial services companies: Insurance Companies, Medical Insurance, in this new era of technological and medical advancement - still our people are excluded and discriminated on the basis of gender and medical conditions, how long? *Discrimination is a crime, exclusion of Namibians is dehumanising and should be criminalised.*
We should declare war on all laws, procedures, regulations that exclude any Namibian from active participation in all spheres.

Hon. Speaker and Hon. Members; going forward we should now continually learn from our implementation plans and focus on those areas of laws, regulation & procedures that require amendments to better support growth, prosperity, enterprise, innovation and industrial development. Such initiatives should focus on areas that is anti-competition, anti-financial inclusion and anti SMME. Accessibility should go hand in hand with affordability, especially for the SMME enterprises.

SMME's

The sustainable development and growth of Small, Micro and Medium Enterprises (SMMEs) remains a key priority for government. The support to be provided by the Government in this area should include entrepreneurship development, financial and non-financial support programmes. The gap between those seeking assistance and those assisted is large and the reasons are varied, thus accelerated efforts to get an understanding of the real needs for the SMME's.

As more and more of previously marginalised Namibians enter the formal economy, we should make sure that Government Procurement Policy, greatly increase the size and accessibility of the market for products by small business.

To further bolster support for SMME's the Government should commit to continued monitoring of the business environment and undertake regulatory reviews to ensure sustainable SMME development. Equally importantly is to establish an entity that can regularly co-ordinate all SMME's support services.

Addressing the challenges faced by black and women entrepreneurs (especially the youth), should be another key area of focus for the Government in broadening economic inclusion and promoting transformation in the economy. Empowerment of the previously disadvantaged, needs to be implemented in an effective and sustainable manner in order to unlock meaningful participation in the mainstream of the economy by the majority of our people. The alignment and finalisation of the Government Empowerment Framework to other policies geared towards the same objective is thus important for economic empowerment. In addition, legislation aimed at empowering the previously disadvantaged should be punitive in nature to prevent circumvention in terms of implementation while on the other hand, developing incentives to promote compliance.

It is my view that economic transformation has been slow due to the exclusion of the majority of the marginalised. We talk of the constitution (in particular Article 23)

as our guiding document for equality and non-discrimination, but yet our action to continue exclude the majority is discriminating.

CHINA

Since the dawn of democracy, China has become the world's fastest growing trading partner. This is indicative of the strong and constructive relationship China has enjoyed over their trading years. They have managed to turn their country into an industrial nation due to the sacrifices and resilience to succeed. As a country with developed technology, China should explore and invest (with local participation) in breaking new frontiers rather than bringing in skills or technology that already exists in Namibia. We can take ^{and} learning from them which we can implement to help turn Namibia in an industrial nation.

China has managed to create its own "private" sector. We talk of private sector in Namibia, but who is this private sector here? Is it Namibian or foreign owned private sector, or are we not referring to well run franchise or branches here?

Our learning from China is the need for Namibia to create its own private sectors and competitive industries. Let us learn to identify our competitive industries; encourage and protect them to do well because that is our competitive advantages. By doing that we must always and intentionally involve the marginalised sector of our society. Let us not lose focus of our vision on creating our own private companies, our own pride.

Hon. Speaker and Hon. Members, we keep talking about an industrialised Namibia. Without an industrial policy which would ultimately encourage government to make and implement such plans, we will continue on the same path – a path which has failed to sufficiently reduce systematic unemployment, poverty and inequality.

Such policy would represent a significant step forward in scaling up our efforts to promote long term industrialisation and industrial diversification beyond our current reliance on traditional commodities and non-tradable services. It will contribute to the structural changes needed by expanding production in value-added sectors with high employment and growth multipliers. The Action Plan accordingly places emphasis on more labour absorbing production and services sectors, on increased participation of historically disadvantaged people and regions in our economy and would aim to facilitate, in the medium term, Namibia's contribution to industrial development in the African region. If we succeed, as we must, we will become more competitive in domestic and export markets

We should therefore remain optimistic that our engagement would develop a Partnership for Growth and Development to promote value added Namibian exports to the rest of the world, and increase inward investment in projects for beneficiation and additional tax revenue.

Just as I said last year, a plan that is not executed accordingly is just that, a plan. It is our responsibility as the representatives of the electoral to make sure that the budget is implemented in its entirety in terms of the 2009 Swapo Party Manifesto without fear or favour.

Honourable Speaker, against this background, I support the Hon. Minister of Finance and all involved in crafting this progressive budget. To the prophets of doom, thank you for their critics and for supporting the bill.

I Thank You.