

## BUDGET MOTIVATION SPEECH

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18 MARCH 2016

Honourable Speaker, Honourable Members

I rise before this August House to motivate the budget request for Vote 26. The budget being requested will enable the National Planning Commission to carry out its Constitutional mandate, that of planning the priorities and direction of our national development.

A Chinese philosopher once said that “a man who does not plan long ahead will find trouble at his door”. This saying reflects the importance of planning in general and it is also true for economic development planning. Economic planning is a multifaceted and complex undertaking requiring everyone to pull together towards our national development dreams. We need to ensure that our national development planning processes are up to the requisite level of sophistication to ensure that we attain our developmental desired outcomes.

Economic planning plays a vital role in the process of economic development, especially when we face such enormous development challenges. For economic planning to be successful, we need to become better at prioritization and synchronization of activities given the scarce resources at our disposal. The aim of any national development planning should therefore be to utilize the available resources more effectively to achieve well-defined objectives. What we desire is that our resources are utilized effectively to increase our national income through the expansion of the production capacity of the economy in order to address the twin ills of poverty and income inequality.

Honourable Speaker, Honourable Members

So far what is clear to us is that in order for us to overcome our remaining development challenges, we need a total transformation of our economy. We need a transformation that is fundamental in nature and not minor tweaking of the status quo. The process of transforming the economy is complex and will require a transformational leadership from all of us. It requires our development planning process to remain adaptive in an ever changing and competitive environment. In this context Charles Darwin once said that, “it is not the strongest of the species that survive, not the most intelligent, but the one most responsive to change”.

If we agree that what we need is a fundamental transformation of our economy, then we also have to agree that the Government will need to play a key role in the transformation process. It will not be sufficient for the Government to play a facilitating role only. We are aware that the prevailing wisdom about economic development is that sustainable economic development is more likely to happen only when a country follows free-market economic policies – a system that prescribes that the state plays a minimal role in economic development and leaves the rest to the private sector.

The premise behind this proposition is that Governments inherently lack the necessary expertise to make informed business decisions. In other words it is not possible for Governments to identify successful business ventures. It is argued that given the profit motive, private sector business always has better information and therefore will make better business decisions. To further justify this proposition, it is argued that after all, decisions that are good for businesses are necessarily good for the economy and therefore for the general public.

Honorable Speaker, Honorable Members

Given our economic transformation agenda, it is our contention that it will be naïve of us to believe that a strict free-market economic development model will yield the desired results. What we need is a state-led economic development – where the state does much more than just providing a conducive environment for the private sector.

We are not suggesting a wholesale replacement of the private sector with the public sector. What we are, however, advocating is to dispel the notion that suggests that only private sector businesses can pick economic winners. We are also not suggesting that when picking winners, Governments cannot fail while doing so. There are numerous cases where Governments all over the world failed at picking winners – just as there are numerous cases of private sector failures.

What is necessary in picking economic winners is that the Government needs to become more adept in implementing our industrial policy. It is for us to continue to improve our process of identifying those economic sectors where there are untapped potential for economic growth and employment creation.

We also need to continue to strengthen our collaboration with the private sector – since it has also been proven that the exercise of picking economic winners is more likely to be successful when there is closer collaboration between the public and private sectors.

Honourable Speaker, Honourable Members

In order for us to plan effectively, we require consistent and timely data at regular intervals. We have made great strides in this regard. The establishment of the Namibia Statistics Agency (NSA) has started to fill our statistics gap and facilitated deeper analysis of challenges such as poverty and enabled us to develop evidence based development plans and policies.

We need to continue capacitating the NSA to ensure they grow and achieve the highest standards possible in statistics management. Such capacity will guarantee our capacity to remain responsive to our developmental challenges and plan effectively.

Another important aspect of our development planning process is monitoring and evaluation. Without an effective monitoring and evaluation system, we will not be in a position to know if we are making progress or not. Monitoring and evaluation will work only when all of us make it part of our responsibility. That is the only way we can correct ourselves.

Honourable Speaker, Honourable Members

As we all know, the NDP4 is coming to an end in March next year. In this respect, the NPC has started with the process to formulate the fifth National Development Plan. It goes without saying that we have learned important lessons from the formulation and implementation of NDP4. We will therefore make sure that NDP5 will be an improved product with a total buy-in of all the stakeholders. We look forward to your cooperation and we pledge that we will make sufficient time available for appropriate consultation.

In order for us to advance and fulfil our important Constitutional mandate during the fiscal year 2016/2017, the National Planning Commission will require an estimated budget of N\$216 million. I therefore implore all the Honourable Members to support our budget request.

I thank you.

