

BUDGET SPEECH BY HONOURABLE LUCIA IIPUMBU MARCH 2016

Honourable Speaker

Honourable Member

Let me start by congratulating the Honourable Minister of Finance, Comrade Calle Schlettwein, for presenting a progressive budget. He managed to present a stimulative budget and fiscal stance under conditions that require fiscal consolidation due to unfavourable domestic and external economic circumstances, compounded by unfavourable climatic conditions. The prevailing unfavourable economic environment requires that we economize, eliminate wastage and unproductive capital expenses. This budget attests to the sensible way in which the SWAPO Party led Government continues to manage our economy and affirms that the country is in responsible and accountable hands.

Countries that have managed to graduate from developing to developed status, has done so, by managing high economic growth rates through effective use of the budget as an instrument to stimulate domestic and inward looking investment. The presented budget has same ambitions, by being national development oriented, through targeting real growth and improving the general living conditions of the people. It moves away from allocation or appropriation to actualisation and implementation.

The budget targets sectors that have direct impact on the poor, while at the same time emphasising macroeconomic stability, which creates future fiscal space to continue pursuing our development objectives and goals. The budget addresses current challenges of poverty, social welfare, timely and reliable as well as affordable services to the public. It further creates an environment that promotes employment creation as a long-term solution to eradicate poverty. The scaling up of investment in human capital through high allocations to education and health sectors have feedback effects in the long-term on the supply-side of the economy.

Honourable Speaker

Honourable Members

The budget is well aligned with NDP4 and covers the areas we have prioritised. We must therefore use this budget to ensure that manufacturing activities grows to the aspired level. It is no longer right that business particularly shops operating in Namibia, such as Edgars, Foschini,

Markhams and many others, do not have shelf spaces for Namibian products. We want to see these shops sell products made by our young people who have demonstrated their talents in the fashion industry.

Equally, shops such as Ackermanns and the PEPs of this world, must not only ensure local sourcing of school uniforms for our children, but that they must also engage in social responsibilities towards our schools, and activities towards our children. They must not only be here to sell and make money that they speedily repatriate to their countries of origin.

If the private sector is not responding to these opportunities to produce and manufacture goods, especially those where there is sufficient demand, maybe it is high time that government considers putting up factories to manufacture things, such as uniforms, locally and prohibit the importation of these items. We have many of the Ramatex graduates who can be employed there and in return, this will have an impact in the growth of our economy. It will have contributed to creating more jobs and contribute to the skills development.

Honourable Speaker

Honourable Members

I welcome the principled move through the proposal to amend regulation 15, 28, 29 to raise the threshold of domestic investment. It does not make sense that we go around the globe to lure others to come and invest in our economy, yet year-in, year-out, our savings migrate across our border to create opportunities in other economies. We must take the risks in our economy, and then we will be able to convince others to come and invest here as well.

The recent economic downturn and the market volatility across the globe offer lessons that things are not necessarily always rosy outside. Those who have invested locally in properties and in bonds can attest that returns have been better here at home. As the saying goes, “local” is indeed “lekker”. So, as Namibians, let us invest at home and in our economy.

At times we might think that we are not doing well however slowly but surely we are getting there. I was humbled by a recent agronomic report that indicates that our domestic production of horticulture increased to 52%, which means only 48% was imported during the last rain season. It is an achievement and surely, our green schemes are gaining momentum in terms of their production. The establishment of AMTA, which has committed to buy all the fresh produce from

our producers and distribute to our local supermarkets, played a vital role in growing the horticulture sector. We must double our efforts so that we can claw back that remaining 48% and make sure we process and add value to those produces here, locally.

Honourable Speaker

Honourable members

It is important that our revenue sources remain stable and grows alongside our expenditure. In this regard, the budget provides comfort with the outlined tax policy proposals over the MTEF period. Similarly, the budget must be commended for taking a stance on alcohol abuse, which contributes to social evils, eating at the fabric and character of our society. We must continue unequivocally emphasizing the message set in the budget, that drinking must be moderated. These measures, however, will only be successful if educative and preventive programmes on these social challenges are effective.

Furthermore, the budget acknowledges the importance of the SOE and the goods and services they provide to the public. However, there is need to do more in terms of strengthening and applying control over our State – Owned Enterprises. Dividends and profit share contributed by SOEs need to be increased. Regulations on SOEs need to be enforced and adhered to and penalties to be imposed especially on those who are not honouring such regulations. This will ensure that we maximise on strengthening our revenue collection efforts.

Honourable Speaker

Honourable Members

The budget presented to this august house is a budget for all and leaves no Namibian out. In particular, all projects must ensure that youth, and women benefit in all the 121 constituencies in line with the provisions of the Procurement Act that we passed last year in this August House. The rural areas and informal settlement remain our critical focus and the successful implementation of this budget will go a long way in fulfilling the promises we made to the people during our campaigns.

Honourable Speaker

Honourable Members

In conclusion, I wish to emphasize that budget funds are not free money. It is PEOPLE'S SWEATS! The OMAs must therefore, ensure that the budget resources are efficiently and optimally used. In all implementation, we must first think efficiency, efficiency, and efficiency. If we do that, than we would have moved towards realising our dream of an industrialised Namibia, developed by her people, particularly the youth, where we will all live in peace and harmony.

We must therefore form a united front and join hands on the war towards poverty reduction.

“The people united shall never be defeated and indeed a people united to achieve common goods for all members of society will always emerge victorious”.

I thank you and I support the bill