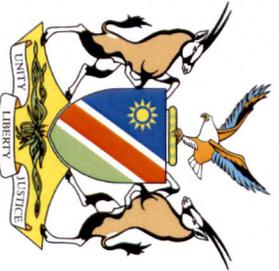




Budget Speech

2017/18



Ministry of Industrialisation,
Trade and SME Development

**GROWTH
AT HOME**

VOTE 19: MINISTRY OF INDUSTRIALISATION, TRADE & SME DEVELOPMENT

BUDGET SPEECH

BY

HON. IMMANUEL NGATJIZEKO, MP
MINISTER OF INDUSTRIALISATION, TRADE AND SME DEVELOPMENT

NATIONAL ASSEMBLY, 13 APRIL 2017

"Growth at Home"

Honourable Chairperson of the Whole House Committee

Honourable Members of this August House

It is with much humility that I stand and present to this August House, the estimates of expenditure for Vote 19: Ministry of Industrialisation, Trade & SME Development for the Financial Year 2017/18.

I herewith extend my appreciation to the Honorable Calle Schlettwein, Minister of Finance and Hon. Natangue Ithete, Deputy Minister of Finance for ensuring that the Industrialisation Ministry received appropriate allocations in the face of a tightening fiscal space.

I am also extending the same to Honorable Tom Alweendo the Minister of Economic Planning and Director General and Honorable Lucia Iipumbu the Deputy Minister for the supporting the Industrialisation agenda of Namibia in general and the Ministry in particular. I also wish to thank Honorable John Mutorwa, Minister of Agriculture, Water and Forestry for fruitful deliberations over the course of the year in terms of highlighting and profiling a key agro-processing project, the Kavango Cattle Ranch.

Members of this August house, we all are alighted to the 2017 period as the Year of Re-dedication as declared by His Excellency, Pres Hage G. Geingob as we continue to build the Namibian House free of poverty, underdevelopment and unemployment.

My Ministry, following the 2012 Industrial Policy, Growth at Home Strategy, our National Development Plan as well as the Harambee Prosperity Plan continues to vigorously pursue our industrialization agenda to ensure the full attainment of our economic structural transformation ambition. To this end, the Ministry will continue to focus on project implementation as well as the initiation of key projects intended for our Economic Turnaround. As our Growth at Home Execution Plan continues to guide us, our intervention will be still be centered on three pillars namely;

- Initiation and support for value addition and upgrading of our factories;
- Support for our products to access external market so that Namibian products are competitive; and
- Creating favourable investment and business climate locally.

The world markets experienced economic crises and Namibia could not be spared as it is part of the global economy. We needed to focus our efforts towards mitigating the potential impact on our own national economy. The Ministry of Industrialization, Trade & SME Development therefore remains committed to making its contribution to the national initiatives to build the Namibian House. As a leading agent for economic structural transformation through industrialization, trade, investment and enterprise development, we have made policy and other interventions in the past and will continue to do so in future, in order to support manufacturing activities, domestic and cross-border trade, and investment.

We have witnessed and continue to experience the vagaries of international trade which has had a profound impact on our economy in general and the export products in particular.

It is my belief therefore that the coming into effect of the Procurement Act will be used by Government to procure local as a stimulus to the development and growth of small scale manufacturers. This will help Government to discourage the country's dependency on importation of

products that could be manufactured in Namibia, promote investment and employment creation and ensure a strong industrial base.

Let me now reflect on the details of the budgetary allocations to Vote 19 for the 2017/18 fiscal year.

The total budget allocation to the Ministry of Industrialization, Trade and SME Development for the financial year 2017/18 is SIX HUNDRED AND THIRTY FIVE MILLION TWO HUNDRED AND NINETEEN THOUSAND NAMIBIA DOLLARS (N\$635,219,000).

This allocation is divided into THREE HUNDRED AND THIRTY MILLION ONE HUNDRED AND SEVENTY SEVEN THOUSAND NAMIBIA DOLLARS (N\$330,177,000) FOR THE OPERATIONAL BUDGET AND THREE HUNDRED AND FIVE MILLION FORTY TWO THOUSAND NAMIBIA DOLLARS (N\$305,042,000) for the Development Budget.

Activities in this ministry are grouped under five (5) main Programmes, namely:

- Trade Promotion
- Industrial and Business Development
- Investment Promotion
- Special Industrialization Initiatives
- Supervision and Support Services

The focus of the programmes indicated above and the specific allocations are discussed as follows:

1. TRADE PROMOTION PROGRAMME

An amount of ONE HUNDRED AND EIGHTY EIGHT MILLION THREE HUNDRED AND FORTY TWO THOUSAND NAMIBIA DOLLARS (N\$188,342,000.00) has been allocated to this programme. This programme consists of two main components, namely Domestic and External Trade Management.

1.1 Domestic Trade Management

An amount of EIGHTY FOUR MILLION NINE HUNDRED AND FORTY FOUR THOUSAND (N\$84,944,000.00) has been allocated to this activity.

This activity focuses on the development and adoption of an appropriate legal, regulatory and institutional framework for effective registration, establishment and operation of businesses; the registration, protection and enforcement of intellectual property, standards, conformity assessment and franchises; as well as promotion and safeguarding of consumer welfare and market competition, as important conditions for a vibrant and robust domestic economy.

Achievements:

- Conducted National Quality Policy (NQP) validation workshop to the industry
- Provided ISO 9001 training to clients
- Achieved 2% savings on operating costs
- Four (4) Namibia Dairies products have been certified during the current FY.
- The numbers of accredited methods were increased from 11 to 13 methods.

- Through its agency, the Namibia Competition Commission, the ministry achieved a number of milestones in its enforcement area. The year 2016 saw the Commission imposing fines amounting to N\$17.7 million.
- The Commission undertook research in some sectors of the economy to gain an in-depth understanding of how sectors and markets operate such as in the Construction industry
- As in previous years, the success of the Commission with regards to merger cases has continued in 2016 which saw successful determination of 46 mergers.

We will continue improving enforcement arm in 2017 with the aim of ensuring successful investigation, detection and prosecution of anti-competitive practices in the Namibian economy.

Under the domestic trade management activity, we intend to do the following in the 2017/18 financial year:

- Consolidate the organizational capacity of the Business and Intellectual Property Authority (BIPA) to perform registrations on behalf of the Ministry;
- Provide financial support for the full operationalisation of BIPA;
- Finalize the drafting of legal framework on consumer protection; and
- Provide financial support to strengthen functional capacities of the Namibia Competition Commission on competition matters inter alia promoting and safeguarding fair competition in Namibia by enhancing the efficiency, adaptability and development of its economy by ensuring successful investigation, detection and prosecution of anti-competitive practices in the Namibian economy.
- Provide financial support to strengthen functional capacities of the Namibian Standards Institution on standardization inter alia the upgrading of laboratories for the testing, inspection and monitoring of the quality of fish and fishery products and canned meat products to be fit for consumers' consumption and to comply with the requirements for export purposes.

Going forward, ensuring compliance, enforcement, research, stakeholder engagement and capacity building will remain a priority on the ministry's agenda.

We will continue to focus on improving the efficiency and effectiveness in the registration of companies, close corporations and intellectual property rights; consumer protection; competition matters; standards promotion and quality assurance.

1.2 External Trade Management

An amount of ONE HUNDRED AND THREE MILLION THREE HUNDRED AND NINETY EIGHT THIOUSAND NAMIBIA DOLLARS (N\$103,398,000.00) has been allocated to this activity.

Under this programme, the Ministry will continue to support activities geared towards trade promotion and facilitation of Namibian products to regional and international markets as well as to boost market diversification in terms of export destinations and import sources.

Achievements:

- Implementation of the Economic Partnership Agreement (EPA) with the European Union - Namibia having signed, ratified and deposited her instrument of ratification with the EU.

- Completion of the National Single Window Project feasibility study and presentation to the national stakeholders, who made valuable inputs. Establishment of a National Single Window environment in Namibia will improve trade facilitation and ease of doing business.
- The SACU-MERCOSUR Preferential Trade Agreement which was ratified by Parliament back in 2009 but remained delayed by the Mercosur party has now entered into force on 1st April 2016.
- With respect to COMESA-EAC-SADC Tripartite Free Trade Area (TFTA), the TFTA Framework Agreement has been concluded and substantial progress has been noted in concluding the annexes on rules of origin, trade remedies and tariff elimination, these are crucial to paving the ratification of the TFTA Agreement and its eventual implementation.
- In terms of market diversification and support to SMEs, government provided support to 206 SMEs to the tune of N\$ 1 386 511.6, to participate in local, regional, and international trade/export promotional events. In addition, Namibian beef was granted eligibility status for the USA market under AGOA dispensation. In the same vein, the Japanese market has been developed for Namibian charcoal products.
- In terms of trade facilitation, Namibia notified her Category A Commitments to the WTO.
- The Retail Charter Governance Council was established in October 2016, to oversee and monitor the implementation of the Charter, whose core objective is to ensure that locally produced products are afforded shelf space in the domestic wholesale and retail outlets, particularly from the SME sector.

For the Financial Year 2017/18, the focus under this programme will be on the following activities:

- Management of Bilateral, Regional and Multilateral Trade relations, to facilitate Namibia's engagement in bilateral, regional and multilateral trade and economic integration arrangements. In this regard, special attention will be on finalization of the negotiations towards the Tripartite Free Trade Area amongst the Common Market for East and Southern Africa (COMESA), East African Community (EAC) and Southern African Development Community (SADC); participation in the Continental Free Trade Area negotiations to advance Namibia's contribution in the implementation of Agenda 2063, as well as in the WTO process geared towards advancing further multilateral engagement on the "recalibrated" Doha Development Agenda; development of Namibia's Trade Policy Implementation Strategy and the Work Programme on Trade In Services.
- Development of Export Promotion Strategy to create a vibrant local business community which is directly engaged in a diverse and expanding export sector and fully capable of responding to commercial opportunities in the international
- National branding to create competitiveness and awareness and position Namibian products in the global market. The Ministry will work closely with national stakeholders and relevant international agencies to promote product branding and labelling so that Namibian products are easily identifiable and well marketed in external markets.
- Establishment of Namibia's National Convention Centre to provide the country with the much needed infrastructure to promote trade in services and market Namibia as a Meetings, Incentives, Conferences, and Exhibitions (MICE) destination.
- Delivering Phase One of the National Single Window environment establishment in order to facilitate and streamline import and export procedures which will reduce transaction costs in the conduct of business and cross border trade.
- Fast track the enactment of the International Trade Management Bill that will establish the Namibia Board of Trade (being the national body required under Article 14 of the 2002 SACU Agreement) to deal with issues related to unfair trade practices, tariff investigations and tariff setting.

2. INDUSTRIAL AND BUSINESS DEVELOPMENT PROGRAMME

An amount of THREE HUNDRED AND TWENTY TWO MILLION SEVEN HUNDRED AND SIXTY FOUR THOUSAND NAMIBIA DOLLARS (N\$322,764,000.00) has been allocated to this Programme. This programme consists of two main components, namely Industrial Planning and Development; and Small Business Development.

2.1 Industrial Planning and Development

An amount of TWO HUNDRED AND FIFTEEN MILLION NINE HUNDRED AND THIRTY THOUSAND NAMIBIA DOLLARS (N\$215,930,000.00) has been allocated to this activity

The purpose of this activity is to create conditions necessary for a robust and competitive industrial sector in the country. These activities are aimed at building and boosting the capacity of local industries to efficiently produce and supply goods and services to meet local and export demand. Some of the major interventions will be the following:

- Continuous support to local industries in the process of upgrading their production capacity through the Industry Upgrading and Modernisation Programme (IUMP) whilst also ensuring an appropriate monitoring and evaluation framework. To date 26 beneficiaries were assisted in ten regions of Namibia, in four sectors. These interventions have created job opportunities and increased export sales. However in order to optimize on the pilot programme, the Ministry recently secured funding to the value of N\$14 million through the SADC Trade Related Facility to ensure programmatic optimization;
- Continuing research on resource availability in the country and value chains in strategic sectors. The Ministry launched 10 Sector Growth Strategies in November 2016;
- Funding the NDC on its current development projects, infrastructure upgrading, and its transformation into the Namibia Industrial Development Agency (NIDA).
- Focused research on the identification of rural and regional industrialisation initiatives across all 14 regions of the country.
- Development of Industrial Infrastructure Masterplan to ensure a more coherent approach to the existing Sites & Premises programme in order to ensure effective structural transformation.
- Continue to promote gemstone cutting and polishing and training activities at the two centres managed by the Offshore Development Company (ODC) at Karibib and Keetmanshoop. So far over 80 graduates mainly youth has benefited from such activities.
- The ODC together with NIC finalised a Special Economic Zones Incentives proposal submitted to the MOF and MITSMED for consideration.
- Finally in terms of ensuring competitive industrialization environment, efforts will be applied to the development of a National Special Economic Zones Policy and the initiation of work to revise and review the 2012 National Industrial Policy.

2.2 Small Business Development

The Ministry in its driving efforts to execute its mandate as directed by the SME Policy of 1997 has formulated a number of Business Support Services Programmes (BSSP). These interventions were directed to promote manufacturing, value addition, and entrepreneurship throughout the country in particular, targeting the rural areas and those who can generate income regardless of their academic background and in return, creating more job opportunities.

This programme, among others, avails industrial sites/operating space to entrepreneurs to stimulate local economic activities at regional and local levels. It also assists aspiring entrepreneurs in accessing finances to conduct feasibility studies and develop business plans, provision of capacity building interventions to stimulate and nurture entrepreneurship, creativity, and innovation especially amongst the previously disadvantaged Namibians.

Other support services available to SMEs are in the form of the provision of productive equipment, machines, and inputs through Equipment Aid and Group Purchasing Scheme to enhance business production capacity, productivity and competitiveness, quality and standards compliance in the world market place.

I am pleased to report that for example:

- Cumulative before this reporting period, eight hundred and ninety five (895) entrepreneurs were assisted to acquire productive equipment under the Equipment Aid Scheme where they have created one thousand and eight hundred and ten (1810) jobs. During this reporting period a further 130 entrepreneurs were assisted to acquire equipment aid;
- The SME Bank has grown its balance sheet to N\$1,298 billion over the last four financial years. Customer deposits grew to N\$1,157 billion as at 31 January 2017. There was also notable growth in the Bank's loan book which currently stands at N\$620m.
- Over seven hundred and seventy six (776) SMEs were provided with financial assistance and other related services through the capitalization of the SME Bank;
- (14) business premises are under planning and construction of which 1,117 temporary jobs were created during construction; and
- Over fifty SME Industrial parks are in operation country wide, which accommodate six hundred and seventy six tenants (690). These 690 tenants have created over five thousand and eighty eight (5088) jobs in these occupied parks.
- 177 entrepreneurs have received training.
- The MSME National Policy (2016-2021) was tabled and approved by Parliament in November 2016
- A further crucial intervention to support small business development has been the creation by Government of the SME Bank, which as August Members of the house are aware is in need of further capitalization. To this end the Ministry will continue to engage other stakeholders such as the Ministry of Finance and National Planning Commission and the Attorney General towards finding a long term structural solution to ensure the bank's sustainability.

SME Bank is pleased to report that the Bank has made good progress since it opened its doors to the public in December, 2012.

As alluded earlier, the Bank has grown its balance sheet to N\$1,298 billion over the last four financial years. Customer deposits grew to N\$1,157 billion as at 31 January 2017. There was also notable growth in the Bank's loan book which currently stands at N\$620m.

LOAN APPROVED

Type of Customers	Number of Customers	Value of Loans
SMEs	776	N\$ 508,100,573
Retail (Personal Loans)	721	N\$ 49,087,317
Total	1,497	N\$ 557,187,890

TENDER FINANCING

Type of Customers	Number of Customers	Value of Loans
SMEs	186	N\$ 162,092,259

The Bank continues to support the SME sector within the limited resources available at its disposal as the Bank's customer deposit base is still low by average standards when compared to the other commercial banks in the country. The Bank has made a major contribution in assisting SMEs with tender finance to help the SMEs deliver on Government tenders. With more resources SME Bank would be able to make a major impact in this area.

Strategic Partnerships

SME Bank has been successful in forging partnership with some key stakeholders to ensure that it delivers more effectively on its mandate. During the year under consideration the Bank was able to form strategic partnerships with organizations such as National Commission on Research, Science and Technology [NCRST] and the National Housing Enterprises [NHE]. SME Bank also became a member of the Namibia Chamber of Commerce and Industrial [NCCI], which gives the Bank the platform to participate in all of the activities of NCCI to advance the Business agenda of the Country. The bank also became a member of The Financial Literacy Initiative [FLI] under the Ministry of Finance, which will enhance Financial Education as part of the Bank's mandate in making sure that the Namibian society is well vested in making right financial choices and decisions. The Bank continues to engage with the Environmental Investment Fund [EIF] to assist with the Green scheme loans. THE EIF facility now stands at N\$6,5 million.

Under the NCRST partnership, The SME Bank wishes to contribute and support the aims of NCRST by targeting beneficial areas in Research, Development and Innovation that place a special emphasis on Entrepreneurship Development. This will be promoting the upscaling of NCRST funded Innovation Projects that demonstrate potential for growth. The programme will bridge support for The SME Bank applicants to enhance their bankability through Research and Development. SME Bank has trained and empowered successful recipients of the NCRST Innovation Fund with adequate information to enable them to understand basic Business Management skills with the aim to graduate from small to bigger enterprises in the future.

The NHE partnership has resulted in the opening of an NHE account in SME Bank books to cater for all payments by NHE housing clients. SME Bank does not charge Cash Deposit Fees to all its customers. This gives NHE clients a competitive advantage to save on Low Cost Housing while NHE focuses on its mandate of increasing housing units in the country.

The SME Bank on its part has established a Home Loans Division, which has come up with tailor made concept on how best it can assist NHE in financing the low-income earners in obtaining houses. This partnership will ensure that all the beneficiaries of this housing initiative will benefit

from The SME Bank expertise by providing them with the Bank's cheap products and services.

As a bank, we acknowledge and applaud the President of the Republic of Namibia for the bold steps taken by introducing the Harambee Prosperity Plan (HPP) to address the various social challenges preventing Namibia becoming a prosperous nation and housing been identified as one of the major challenges facing Namibia as a whole.

SME Development-Training and Mentorship

Recently The SME Bank has engaged the Ministry of Poverty Eradication and Social Welfare on the Model of Entrepreneurship Development Program [EMPRETECH]. It has been agreed that SME Bank, Ministry of Poverty Eradication and Social Welfare and UNDP will collaborate to provide technical support for the establishment and implementation of the EMPRETECH programme in Namibia.

This integrated entrepreneurial capacity-building programme provides entrepreneurship training and technical assistance to promote MSME development by:

- Promoting entrepreneurship
- Foster individual entrepreneurial capabilities
- Building institutional capacity at country level
- Encouraging employment-creating investments.

All these activities will be carried out as part of one of the key Pillars of The Harambee Prosperity Plan of the Namibian Government.

Service Delivery

The Bank has been able to improve on its existing service delivery channels such as ATMs by further deploying more ATMs in strategic locations. The Bank has also enhanced its Cellphone Banking and Internet Banking services over the year.

The Bank successfully obtained its foreign exchange license during November 2016 to become an Authorized Dealer in foreign currency. This has paved the way for the Bank to provide new products and services to its clients. These products include the following:

- International Fund Transfers:
- Trade Finance – Documentary Letters of Credit (Imports & Exports)
- Documentary Collections (Import/Export)
- Foreign Guarantees
- Foreign Currency Accounts
- Buying and selling of foreign currency notes
- Exchange Control advisory services

With the Foreign Exchange licence in place the Bank has been able to to obtain licence from Mastercard that will enable Bank customers to transact using their SME Bank accounts at retail outlets while travelling within Namibia and abroad.

The Bank managed to complete its first phase of branch roll-out which entailed opening branches in Rundu, Ongwediva and Lafrenz (Windhoek). The branches in the first phase are all fully operational. The Bank will embark on the second and third phase of the branch roll-out which will improve visibility and accessibility of the Bank to the public, and consequently increase its customer and deposit base.

Challenges to Overcome

The Bank continues to see challenges from its developmental mandate which requires it to provide developmental finance to the MSME sector. This entails the Bank being able to provide development finance, medium to long-term lending to SMEs at more favourable terms than the other commercial banks do provide. The Bank is looking into innovative ways of raising the necessary capital that can enable it to meet this expectation.

3. INVESTMENT PROMOTION PROGRAMME

An amount of FORTY FOUR MILLION AND FIFTY THREE THOUSAND NAMIBIA DOLLARS (\$44,053,000.00) has been allocated to this Programme.

The purpose of this programme is to achieve an increase in number, value and nature of domestic and foreign direct investment in Namibia. This objective will be achieved by, among others, creating an enabling environment for investment, which involves having in place an appropriate legal and regulatory framework; a proper plan and strategy for marketing Namibia as a preferred investment location, supportive investment incentives and enhancing a positive competitiveness ranking of Namibia

Achievement during the 2016/17 financial year including

- The Namibia Investment Promotion Act has been signed into law. However enforcement of the law has been put on hold in order to address drafting issues within the Act.
- The ministry embarked on the establishment of the Integrated Client Service Facility or one-stop-shop aimed at improving the Ease of Doing Business in Namibia through streamlining the procedures of starting a business in Namibia. Core stakeholders (BIPA, Ministry of Finance, Ministry of Home Affairs and Immigration, Office of the Prime Minister, and Social Security Commission) have been extensively engaged. The project is structured in 3 phases, and the first phase has been completed.
- The revision of current investment incentives regime to ensure they continue being an effective tool for attracting the required quantity and quality of investments especially into the priority sectors of manufacturing, agro-processing, transport and logistics and tourism. In addition, the incentives regime will be aligned with the NDP5 priority areas. A submission to Cabinet was made on the amendment of the draft amendment in the Export Processing Zone (EPZ) Act to incorporate the Special Economic Zone (SEZ) regime. The amendment will allow for the introduction of Special Economic Zone incentives.
- The Invest in Namibia Investment Conference 2016 was hosted to promote selected projects and investment opportunities to potential investors. During the conference, a Joint Venture Agreement between MK International, a South Korean company and Otavi Rebar Manufacturing was signed to set up a reinforcing steel manufacturing plant. The Namibia Investment Centre and Foreign Economic Relations Board of Turkey (DEIK) signed an MOU on establishing

the Turkey-Namibia Business Council. A Non-Disclosure Agreement between and Cooperation agreement between Ongos Monte Christo City Development and its partners to develop the Harambee Valley project.

In addition, The Rosh Pinah 5MW Solar project has secured a partner, AEE Power a Spanish based company and held a ground breaking event on the 31 January 2017 in Rosh Pinah, which marks the official beginning of construction of the project.

Aquaponic is a Germany based company, with its local partner has secured land in the Erongo Region to develop a commercial aquaponic farm, which would grow horticultural produce (vegetables and herbs).

The Seoul Metropolitan Rapid Transit Corp submitted a proposal to develop the Commuter Rail Service Project between Windhoek Central and Suburbs, of which the Ministry Works and Transport will soon submit to Cabinet.

Namport is currently collaborating with the Sub-Sahara Africa Chamber of Commerce to host a 3 day Namport Trade and Investment Forum in May 2017, with the intention to promote Walvis Bay and the Namibian transport corridors as alternatives to historically preferred ports and routes currently used by US traders and shipping lines into Southern Africa. There are a number of other investment enquiries and follow-ups which has been received.

Priority intervention planned for the next MTEF or under HPP targets

- Finalise and implement the Integrated Client Service Facility to address ease of doing business and contribute to Namibia competitiveness ranking.
- Profiling and appraisal of new investment opportunities in four priority sectors (manufacturing, agro-processing, transport and logistics and tourism).
- Targeted investment promotion approach and development of an investment promotion strategy and plan that will align promotional activities, facilitation of inbound and outbound missions with the Harambee Prosperity Plan, National Development Plans, Industrial policy and the Growth at Home Strategy.

Policy interventions

- Implement the Investment Act
- Finalize and implement the Regulation
- Finalize and implement new Investment Incentives in priority sectors
- Finalise and implement Targeted investment promotion strategy
- Finalise and implement the Integrated Client Service Facility

Sector wide achievements recorded by NIC

- Support to the industries through the NCCI and WBCG.
- Jobs created during the period were 115
- Investment facilitated N\$ 687,200,000.00
- Facilitated inward and outward missions.

4. SPECIAL INDUSTRIALIZATION INITIATIVES

An amount of TWENTYTWO MILLION NINE HUNDRED AND SEVENTY ONE THOUSAND (N\$22,971,000.00) has been allocated to this programme.

The rationale for this programme is to give effect to the implementation of industrial development priority projects identified in the just approved Growth at Home Strategy, Namibia's execution for industrialization and the 4th National Development Plan and Harambee Prosperity Plan

Parallel to these developments, our focus in this coming year is to ensure the initiation and continuation of specific key projects that are aimed to help us realize our industrialization ambitions. To this end, the Ministry will immediately start and continue the implementation phase for new and ongoing projects such as the Kavango Cattle Ranch, Northern Tannery, Pharmaceutical Plant in Okahandja and the Brakwater Industrial Plots. In terms of performance Members of the House are herewith noticed that:

- The servicing of the Brakwater Industrial Plots which comprises of 25 hectare is 60% completed.
- The establishment of a Thatch Grass Centre at Rundu at project cost of approximately N\$37 million is now 96% completed and will be operational soon. The establishment of the Centre is aimed at providing a platform for skills transfer programmes, aimed at training members of the local community in the sustainable practice of cultivation, harvesting and management of thatch as a natural resource to the Kavango West, Kavango East and Zambezi regions
- The 34 hectare !Nara International Logistics Hub at Walvisbay is now 95% complete and will offer significant short to medium term industrial land space for both domestic and foreign industrialists with viable projects.
- The Pharmaceutical project is part of the Harambee Prosperity Plan and land has been secured whilst the Offshore Development Corporation is leading the work with technical assistance from Cuba.

Projects for our Economic Turnaround.

Allow me to inform members of this August House on the additional allocation that is meant to help spur our industrialization initiatives. To this end an amount of N\$70 million is allocated. This amount is meant to ensure the development of Projects for our Economic Turnaround. The funding envelope will thus cover new projects such as the:

- Karibib Gemstone Beneficiation Centre to ensure that our gemstones mined by small miners are appropriately priced and a viable value chain is developed;
- A Beef Cold Storage Facility at the 34 Hectare Industrial Land in Walvisbay to support our beef exports to be send through our ports and no longer through our Neighbouring countries ports;
- The Development of a Youth Development Project at Kavango Cattle Ranch to help ensure our efforts towards youth development;
- Development of automotive project with an European based automotive manufacturer; and
- Support of initial feasibility studies for projects in sectors as defined in our Growth at Home Plan.

In order to fast track the attainment of Vision 2030, the Ministry has decided to support research and implementation of projects. This activity is aimed at the implementation of the manufacturing strategic initiative in NDP4, through expansion of industrial capacity and value chain development. The Growth at Home initiative aims to develop local and regional value chains on the basis of the raw material resources available in Namibia.

5. POLICY SUPERVISION AND SUPPORT SERVICES

An amount of FIFTY SEVEN MILLION AND EIGHTY NINE THOUSAND NAMIBIA DOLLARS N\$57,089,000.00 has been allocated to this our fifth and last programme.

5.1 Policy Supervision

An amount of FOUR MILLION SIX HUNDRED AND FIFTY NINE THOUSAND NAMIBIA DOLLARS (N\$4,659,000.00) has been allocated to this activity.

The activity gives ministerial leadership and overarching oversight to ensure that the requisite policy and legal framework is formulated and implementation for the attainment of the ministry's mandate through proper alignment to other national development objectives and plans.

5.2 Coordination and Support Services

It involves the oversight roles exercised by the Accounting Officer and the rendering of administrative/support services to other directorates/departments and agencies under the ministry to facilitate the implementation of programmes and projects.

An amount FIFTY TWO MILLION FOUR HUNDRED AND THIRTY THOUSAND NAMIBIA DOLLARS (N\$52,430,000.00) has been allocated to this activity

Honourable Chairperson of the whole House Committee

Members of this August House

In conclusion, I move by requesting this August House to consider and approve the sum of SIX HUNDRED AND THIRTY FIVE MILLION TWO HUNDRED AND NINETEEN THOUSAND NAMIBIA DOLLARS ONLY (N\$635,219,000) for the operational and capital budgets of the Ministry of Industrialization, Trade and SME Development: Vote 19.

I THANK YOU FOR YOUR ATTENTION