



REPUBLIC OF NAMIBIA

CONTRIBUTION TO THE BUDGET DEBATE BY HON. UTONI NUJOMA, MP,  
MINISTER OF LAND REFORM.

NATIONAL ASSEMBLY

Honourable Speaker,

Honourable Members,

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1. I take this opportunity to contribute to the on-going discussion on the National Budget Statement for the **2016/2017 Financial Year** that was presented by the Minister of Finance, Honourable Calle Schlettwein. I would like to register my support for the Budget and further extend my appreciation to the Honourable Minister, Deputy Minister, the Permanent Secretary and the entire Team for an inclusive budget.
2. I believe the National Budget Statement which was tabled in the backdrop of consecutive droughts has accurately identified the challenges and harnessed opportunities to turn the direction of our economy to respond to poverty eradication by addressing unemployment, extreme inequality and low economic growth.
3. Honourable Members, Namibia's economic prospects are intertwined with other regional and global economic developments. Considerable risks to the global recovery efforts still remain and global volatility and structural imbalances are far from resolved. The pace of economic growth has slowed in many countries but as a Nation we cannot allow ourselves to be complacent. The currency fluctuations vis a vis the international trading currencies, as well as the plummeting commodity prices are indeed exerting pressure on the local economy. In turn food prices have escalated placing a burden on the most vulnerable in society.
4. Our exports have seen substantial decline in global demand and in prices, ~~particularly~~ *particularly in China India*. The effects on our economy are apparent. As a Region, growth improved

moderately in 2014, to an average of **4.5 percent** compared with **4.2 percent in 2013**. GDP growth slowed remarkably in Southern Africa due to strikes in the mining sector, <sup>Fishing Sector</sup> energy shortages and low investor confidence. <sup>maybe</sup> However poverty remains high across the Region although growth is projected to pick up to **5.1% by 2017**, due to increased infrastructure investment, increased agricultural production and services.

5. Alongside global challenges and risks that could impact on the domestic economy, Namibia also faces socio-economic and structural challenges that need to be addressed urgently. These structural challenges and reforms are articulated in (NDP4), which also informs the budget in terms of inclusive growth, partnerships amongst role players in our economy, priorities in education and infrastructure investment, employment creation and the building of a capable and development oriented state. Our economic growth depends on our ability to convert the **Harambee Prosperity Plan** as articulated by His Excellency, the President Dr. Hage Geingob in December last year into actions that deliver on the promise for a better life for all.

## **EDUCATION**

6. Within the social sectors, Education was allocated **N\$16.2 billion**. This investment has a multiplier effect to the growth of our economy in perpetual terms. Although Namibia has made strides in the provision of training in technical fields through the **Namibia University of Science and Technology and the University of Namibia** more still needs to be done in the areas of **Survey and Mapping, Valuation and Land Use Planning**. I urge our institutions to seriously include these specialised areas of study.

## **HEALTH**

7. The health of our Nation is important as it is linked to development. The sector strives to bring quality medical services in the public and private sectors. The 2016/2017 budget sets aside an allocation of **NS\$7.23 billion to Health and Social Services**, a slight increase from last year's allocation of **NS\$6, 49 billion**.
  
8. While health care funding continues to shrink worldwide, health needs are constant, increasing exponentially through the challenges posed by **HIV/AIDS** and recently by the upsurge of cancer. In comparison to other countries Namibia's health indicators are better but our people expect an affordable and quality health care system, hence the need to recognise the current efforts made in this Budget towards health care and the introduction of a biometric card within the Public Service Medical Aid. As a country we should also interrogate the current status of our health sector, where we continue sourcing medical supplies from other countries thus making the provision of essential drugs more expensive. It is important that we devise ways to bridge this gap by working towards the local manufacturing of essential drugs whilst in the process also creating job opportunities.
  
9. The allocation of **NS\$2.9 billion** towards **Poverty Eradication and Social Welfare** for socio-economic challenges should be applauded. Although Namibia's economy has been experiencing positive growth, youth unemployment is still an issue that requires a multi-pronged approach. Increased access to cheap finance for individuals and small and medium enterprises will create opportunities to grow the economy. Politically Namibia has maintained peace, security and stability, ensuring a conducive environment for a thriving multi-party democracy, prerequisites for

investment. This allocation will contribute to projects aimed at social re-alignment and bringing dignity to our communities.

## **LAND**

10. Honourable Speaker, at this juncture allow me, to focus on a key issue whose role is crucial and imperative in bringing about economic empowerment, the issue of land. The agricultural land sector only received a total of **N\$613 million under the 2016/17 Financial Year** down from **N\$1.07 billion under the 2015/2016 Financial Year**, out of which **N\$327 million** down from **N\$807 million** under the 2015/2016 Financial Year is allocated for Land Acquisition and Farm Infrastructure Development – a figure that is way below the demands to implement one of the most important policies within the country. The Land Redistribution programme has the potential to respond immediately to the goal of poverty eradication if fully supported by adequate resources. However, I appreciate the socio-economic framework under which this budget was formulated and the demand to accomplish more with less.

11. Honourable Members, investment in public infrastructure, increased agricultural production and an active service industry are indentified as key drivers for economic growth. To this end, this budget has prioritized key projects in the economic and infrastructure sectors. The expansion of the Walvis Bay Port, the building and rehabilitation of the national railway and road networks, water infrastructure, logistics, energy and the Mass Housing Project. A total of **N\$44, 75 billion** of non-interest expenditure has been allocated to the economic and infrastructure sectors over the Medium Term Expenditure Framework to stimulate economic growth and thus address poverty. Investment in these sectors will spearhead growth.

12. It is my humble view that this budget will address its stated objectives and provides an appropriate response to the stated challenges and defines a path for socio-economic prosperity of our people. Once again, I congratulate the Minister of Finance and his Team for tabling the 2016/2017 National Budget and I fully support it.

I thank you