

STATEMENT OF HON. ERASTUS A. UUTONI ON THE 2011/2012 BUDGET DEBATE

- Hon. Speaker
- Honourable Members

Allow me to make my humble contribution toward the 2011/2012 appropriation bill under discussion.

This year's budget attracted more attention not only from members of Parliament, but people from all walks of life within the Namibian society.

It is an attractive budget in the sense that some members of society are happy with it like myself. Some are saying is too much, while others are asking why spend like there is no tomorrow? There are also others with the opinion that the budget will not achieve anything because there is no mention of increments of pension or orphans etc.

I am therefore, pleased to mentioned that this is really a good budget ever, because when you have a budget that provide a public democratic debate, it's an encouragement to the minister's concern and also to a certain extent the ruling SWAPO Party.

Hon. Speaker, I regard the public debate on the National Budget a good move and healthy in the interest of good democracy to National participation in the economic affairs of the country.

This year on the 11 March 2011 some Namibian economist spare no time, and organize short workshops for members for National Assembly on their views toward the 2011/2012 budget.

One of the presentation by FIRST CAPITAL ASSET MANAGEMENT entitled **Critical Review of the 2011/2012 National Budget presentation to National Assembly**, in addition to this title with the sub key words where mentioned which are: **Knowledge, Creativity , Solution.**

The presentation was more on to analyze how the newly introduced government programs , known as **TARGETING INTERVENTION PROGRAM FOR EMPLOYMENT AND**

ECONOMIC GROWTH(TIPEEG ECONOMIC GROWTH AND JOB CREATION) should be carried out.

The presentation was of the opinion that, in order for the Government to successfully achieve good results under these programs is only if such programs are broken down into phases such as:

- **Short Term of (1-3 Years):** In the short-run GNR will spend more than N\$100 billion to support economic growth and job creation and the following measures and suggest:
 - ✓ Expansionary Economic Policy Package (Fiscal Policy,etc)
 - ✓ Spending on Targeted Infrastructure (for future manufacturing in the medium term:
 - ✓ Subsidies to SOE's and targeted support to private Enterprises to boost production;
 - ✓ Regulatory intervention that affectively address market and state failures.

- **Medium Term of (3-5 Years):**
 - ✓ Agriculture based manufacturing (Agriculture Value Chain)
 - ✓ Government Targeted support program to induce the Private Sector to invest in targeted sector;
 - ✓ Other manufacturing activities, where Namibia has comparative advantage.

- **Long Term of (5 Years and beyond)**

It is a good proposal but in the **Long run of 5 years and beyond phase** is where I have a problem. The proposal says as full employment is achieved, the state must increasingly reduce its involvement in the economy, outsource and transfer ownership to private sector. It further said that Government confines its support interventions to knowledge and Capital intensive sector in order to remain competitive.

If Government happens to transfer and reduce its involvement in the country's economy then the nation will be in trouble. The reason is being for the experience we have learned with the private sector, for them is profit and not with social responsibility. If government for example leaves **NHE, DBN, NAMPOWER, and NAMWATER** as well as many others in the hands of private sector what to expect.

Our children will no longer afford to buy houses not even able to pay for water bills. A good example is mortgage bonds with the banks, whereby you have to pay and pay, you would not even want to ask for another loan before 20 years is complete.

Therefore, to me, for **TIPEEG** to produce or achieve good results only if National Planning Commission introduces awareness campaign, that will educate the population about the new government programs. However this should be done with the assistance of stakeholders such as the NCCI, DBN, Ministry of Trade and Industry and others.

This awareness campaign should be in the form of workshops targeting business people, Regional and Constituency development committees, youth groups and others to understand how, where and when to benefit from the 14,6 Billion allocated for employment and economic growth creation.

Further, the Development Bank of Namibia (DBN) on its own right can also organize awareness campaign through media and face to face presentations throughout the country. I believe that not many of our young people especially those with vocational skills know how to get this money from DBN. In addition, it seems to me that the same skilled young people have difficulties when it comes to the tendering process.

Hon. Speaker, I occasionally meet with most of the young entrepreneurs who wish to grow their business, but due to some difficulties, they express their dissatisfaction with the Tender Board. However, I understand that the issue with regard the tender board is with the drafters after **His Excellency the President Hifikepunye Pohamba** expressed his views on the tender board regulation to be reviewed.

Hon. Speaker, even after the tender board regulation is amended; still the problem will remain if the tender board together with other stakeholders such as NCCI, Ministry of Works and Transport do not engage entrepreneurs with workshop to educate them about the processes to enable them win future tenders.

Therefore, I believe that if this proposal is taken into consideration the unemployment situation will be something of the past in Namibia.

Hon. Speaker I support the Appropriation Bill.