

BUDGET MOTIVATION STATEMENT FOR VOTE 19: MINISTRY OF INDUSTRIALISATION AND TRADE 2023/2024 FINANCIAL YEAR



PRESENTED BY
HON. LUCIA IIPUMBU, MP
**MINISTER OF INDUSTRIALISATION
AND TRADE**

NATIONAL ASSEMBLY, 29 March 2023



Republic of Namibia
Minister of Industrialisation and Trade



IN LOVING MEMORY (1975 - 2023)

The Ministerial budget for 2023/24 financial year is dedicated to the late Ms. Mbolioshili Liina Dolly Kandume - Amoomo.

HONOURABLE CHAIRPERSON OF THE WHOLE HOUSE COMMITTEE;

Honourable Members;

I stand here today with a dedication and fulfillment to present the estimates of expenditure for Vote 19: Ministry of Industrialisation and Trade for the Financial Year 2023/2024; and also share with you the achievements that we have marked during the Financial Year 2022/2023 and future prospects in what we aim to achieve.

As an economic cluster Ministry, our mandate is "...To develop and manage Namibia's economic regulatory frameworks that promote economic growth with the aim to increase trade and commerce related activities across the country and abroad, to attract Foreign Direct Investments (FDIs), and lastly to develop and expand the country's industrial base..."

Before I start with my motivation speech of the Budget, allow time and space to acknowledge and thank the Hon. Minister of Finance and the Director General of National Planning Commission (NPC) and their teams for tabling a budget under the theme “Economic Revival and Caring for the Poor”. Despite economic headwinds, they managed to increase our Ministerial budget by 22% of which will enable us to contribute towards Namibia's economic development. This budget provide us with an opportunity to revive some of the Ministerial activities that were put on hold due to economic challenges perpetrated by COVID-19 pandemic since end of 2019 to current, and followed by Russia -Ukraine War which have sent economic shock in the macro-economic activities across the globe such as high inflation rate in goods and services.

Honourable Chairperson;

Honourable Members;

I am proud to announce the following achievement by the Ministry during 2022/2023 Financial Year:

- 1) The **enactment and promulgation of the Metrology Act** which provides for legal units of measurements and legal metrology, technical regulations, national measurement standards and compatibility to international measurement standards. The Act designates the Namibia Standards Institution (NSI) as the head of metrology in Namibia, and repeals the Trade Metrology Act of 1973 and its amendments;
- 2) The **Namibia Investment Promotion and Facilitation Bill (NIPFA)** is in its final stages of consultations and expected to be promulgated in this calendar year. The bill encompasses the treatment and support for domestic and foreign investors and provides for sector reservations for Namibian investors;
- 3) Several national **consultations** were successfully conducted on the **Liquor Act and the Consumer Policy** in various regions of the Country such as Khomas, Erongo, Oshana, Omusati, Ohangwena Kavango East and West Regions;

- 4) The **Special Economic Zones (SEZ)** Policy was approved by Cabinet during this reporting period. At the micro level, the policy should support the diversification of the economy and enhance structural economic transformation.
- 5) Namibia is a signatory to the **African Continental Free Trade Agreement (AfCFTA)**, one of the major initiatives of the African Union (AU) to boost Intra African trade for regional and continental integration. To this end, **the Implementation Strategy and Action Plan 2023-2027 was launched** that detailed gaps and reforms needed to seize optimally opportunities presented by the Agreement;
- 6) The Ministry has successfully facilitated the following bilateral engagements under this current period:
 - Namibia // Angola Joint Trade Commission;
 - Namibia // Botswana Joint Trade Commission;
 - Namibia // Ghana Joint Trade Commission;
 - Namibia // South Africa BNC;
 - Namibia // Zambia Joint Trade Commission;
 - Namibia // Tanzania Joint Trade Commission;
- 7) On the SADC front, **Namibia ratified the Montreal Protocol of 1987, and was nominated to be the headquarters of the SADC Refrigerator and Air Conditioning Association.** This consolidate Namibia's ambition of becoming a Green Hydrogen hub. To this end, the National Cooling Strategy is to be tabled during the 2023-2024 period;
- 8) The Ministry through **EMPRETEC NAMIBIA** work with many partners to offer trainings on basic entrepreneurship, financial literacy and business modelling. During 2022, such trainings were conducted in **8 regions** and thereby benefiting **228 MSMEs**;

- 9) Furthermore, in terms of enterprise development, the **Ministry trained 24 students at the Karibib Gemstone Centre during 2022** of which **21** of them are now **absorbed in the diamond cutting and polishing sector**. This provides significant entry points for Namibia youth to enter the jewelry industry;
- 10) In the quest to bring business facilities closer to communities, I am delighted to inform you that Ministry completed **Opuwo and Tsumeb Business Parks**. These facilities provides rental space for our business communities up to 30% discount from the high market rates whilst also providing especially common platforms for certain sectors such as cosmetics and handicrafts;
- 11) The Garment and Textile Program launched **School Uniform Programme** as a key intervention relevant to enhance Growth at Home Strategy by reducing high school uniform costs and enhancing school uniform availability in the rural and remote areas. The Ministry opened a **School Uniform Manufacturing Factory in Nkurenkuru** last year under the Garment and Textile Program, just in time for the opening of the school year 2023.
- 12) The Ministry completed the **Biomass Project at Otjiwarongo in the Otjozondjupa District, under Special Industrialisation Programme (SIP) project**. The project aims to commercially demonstrate the production of animal feed, packaged charcoal and char from the utilization of our vast resources of invader bush. The project is funded by state (Government), Republic of Finland and UNIDO. Resultantly the Ministry has trained 40 MSMEs in full biomass project.
- 13) Finally, to further enhance provisions of service delivery to our citizens, the Ministry **opened its Office in the Kavango West Region**, in Nkurenkuru. This was highly welcomed by the residents who no longer have to commute over 130KM to Rundu for the Ministry's services.

**Honourable Speaker,
Honourable Members**

2023/2024 budget is a catalyst to revive key sectors of our economy for sustainable development. Thus, the budget serves as an important instrument for ensuring that the country's economic recovery initiatives are well coordinated. The Ministry's total budget allocation for the 2023/2024 Financial Year is **TWO HUNDRED AND NINETY- SEVEN MILLION, FIVE HUNDRED AND FIFTY-SIX THOUSAND NAMIBIA DOLLAR (N\$ 297 556 000)**.

- **OPERATIONAL BUDGET – N\$ 243,556,000**
(TWO HUNDRED AND FORTY-THREE MILLION, FIVE HUNDRED AND FIFTY-SIX THOUSAND NAMIBIA DOLLAR);
- **DEVELOPMENT BUDGET – N\$ 54,000,000**
(FIFTY-FOUR MILLION NAMIBIA DOLLAR)

This allocation indicates an increase of **N\$ 31,000, 000 (THIRTY-ONE MILLION NAMIBIA DOLLAR)** which represents an increase of 22.17% from the 2022/2023 budget for the Ministry.

The total operational budget of N\$ 243 556 000 million is allocated as follows:

Personnel Expenditure	N\$ 83 137 000
Goods and Other Services	N\$ 57 738 000
Subsidies and Other Current Transfers	N\$ 102 681 000

I will now present the budget allocations for each programme as follows:

- 1) **Trade Promotion Programme** -N\$ 138 784 627;
- 2) **Industrial Development Programme** -N\$ 61 214 461;
- 3) **Investment Promotion** -N\$ 4,151,049;
- 4) **Special Industrialisation Programme** -N\$ 26,234,769 ;
- 5) **Policy Supervision and Support Services** -N\$ 67,171,094 ;

Allow me to present the budget allocation for the state owned enterprises for the Ministry:

1)	Business Intellectual Property Authority (BIPA)	- N\$ 1,000,000;
2)	Namibia Competition Commission (NaCC)	- N\$ 24, 000,000;
3)	Namibia Estate Agency Board	- N\$ 1,600,000;
4)	Namibia Standard Institute (NSI)	- N\$ 31, 735,000;
5)	Namibia Trade Forum	- N\$ 2,000,000;
6)	Namibia Chamber of Commerce	- N\$ 500,000;

**Honourable Speaker,
Honourable Members**

Our priority areas for this year 2023 are amongst the followings:

- a) The enactment and promulgation of the Metrology Act and its Regulations;
- b) The enactment and promulgation of Namibia Investment Promotion and Facilitation Act;
- c) The enactment and promulgation of Property Practioner Act;
- d) The enactment and promulgation of National Competition Act;
- e) The Enactment and promulgation of National Consumer Protection Act;
- f) The tabling of the SEZ Bill in Parliament;
- g) The Tabling of Trade Management Bill in Parliament;
- h) Finalise the amendment of the Liquor Act;
- i) Position Namibia on the implementation of AfCFTA Strategy and Action Plan 2023 – 2027;
- j) Train approximately 1400 MSMEs under EMPRETEC Program;
- k) Open another School Uniform Manufacturing Factory at Ovitoto in the Otjozondjupa Region;
- l) Open the Tomato Processing Factory in the Omusati Region;
- m) Enhance regional integration through cementing already signed joint commission between African member states;
- n) Implement the SACU Industrialisation Strategy 2063;
- o) Implement Sustainable Development Goal – Impact Facility (SDG-IF) for Agriculture and Biomass industries;

- p) Fully implement National Single Window (NSW);
- q) Revive Equipment Aid Scheme (EAS)

We need to forge a greater spirit of 'Namibia First' in order to accelerate the economic recovery and growth which is the greatest challenge we are facing as a Government. I now move this motion by requesting the House to consider and approve the sum of TWO HUNDRED AND NINETY-SEVEN MILLION, FIVE HUNDRED AND FIFTY-SIX THOUSAND NAMIBIA DOLLAR (N\$ 297 556 000) for both the operational and development budget of Vote 19 - Ministry of Industrialisation and Trade:

Allow me, therefore, to applaud the MIT team - the Deputy Minister, Executive Director, Management and entire staff for implementing the Ministry's target programmes for the 2022/2023 financial year.

I NOW THEREFORE WISH TO IMPORE ON THIS AUGUST HOUSE TO CONSIDER AND SUPPORT THE VOTE.19 – MINISTRY OF INDUSTRILIASATION AND TRADE.

I THANK YOU FOR YOUR KIND ATTENTION AND SUPPORT; AND I SO SUBMIT,

**PROGRAMME 01 -
TRADE PROMOTIONS**

- This Programme intends to make Namibia competitive in business establishment, expansion, business and intellectual property protection, standards quality, exports and fair market competitiveness.

Domestic Trade Management

- The activity aims to develop appropriate legal regulations and institutional frameworks for effective business registration, operation of businesses, enforcement of intellectual property rights, standards, weights and measures, conformity to business assessment, competition, franchise and e-commerce.

ACHIEVEMENTS

1. The National Consumer Protection Policy 2020-2025 has been launched.
2. The National Competition Policy 2020-2025 has been launched.
3. The Copyright and Related Bill is at an advanced stage and will repeal the Copyright and Neighboring Rights Protection Act 6 of 1994.

001 – 02 External Trade Management

The main purpose of this activity is to increase the volume, value and range of Namibian goods and services for export, and to secure external markets and preferential market access conditions for local products in regional, continental and global markets, and includes Market Research and Product Development.

ACHIEVEMENTS

- Negotiated Phase 1 of AfCFTA Trade in Services Offer in the five priority services sectors (Business, Communication, Financial, Tourism and Transport).
- Negotiated 90% of AfCFTA tariff offers.

A National Single Window (NSW) is being finalised.

ACHIEVEMENTS

- Conducted a regional validation workshop on the draft Trade in Goods and Trade in Services Policy.

A National Single Window (NSW) is being finalised.

ACHIEVEMENTS

- Signed the NSW hosting agreement with NAMPORT.
- Participated in the market sounding exercise with prospective investors/companies.
- Reviewed the Walvis Bay Industrial Development Initiative (WIDI) proposals (which comprises the SEZ, New Container Terminal and NSW) and submitted the final report to the National Committee, and subsequently to the joint Cabinet Committee on (CCT-CCTED).

African Growth and Opportunity Act

ACHIEVEMENTS

- Developed and launched the AGOA Utilisation Strategy.
- Namibia commenced with exportation of beef, charcoal, beer, marble and precious stones to the US market.

Support to Industry Associations

ACHIEVEMENTS

- Namibia was licensed to operate the Global Standard (GSI 1) Bar Code for products to find shelf space globally under under Namibia trading code.

Construction of Trade/Business Centres

ACHIEVEMENTS

- Appointed new Board of Directors (AngoNam – a Namibian registered entity in Angola) to facilitate the operationalisation of AngoNam in Luanda.

Namibia International Trade Commission (NITC)

ACHIEVEMENTS

- The Trade Management Bill was presented to the CCL Incorporated the CCL comments on the Bill.

Market diversification

ACHIEVEMENTS

- Secured market access for firewood into Dubai, surgical masks into Botswana and Angola.

Trade Bilateral Engagements

ACHIEVEMENTS

- **Undertook Trade and Investment missions to Luanda, Angola and Lusaka, Zambia.**
- Signed the MoU on Trade, Investment and Industrial Cooperation with Angola.
- Facilitated the signing of the Agreement establishing the Business Forum (NCCI and Angola Chamber of Commerce).
- Botswana Joint Trade Agreement
- Zambia Joint Trade Agreement
- South Africa Joint Trade Agreement
- Tanzanian Joint Trade Agreement

**PROGRAMME 02 -
INDUSTRIAL AND
BUSINESS
DEVELOPMENT**

The programme is intended to promote manufacturing and entrepreneurship development. The programme's objective is to achieve industrial planning, employment creation and the development of a competitive industrial sector.

02-01 Industrial Planning and Development

Policies and strategies on industrial development to boost supply-side capacities of local industries and ensure an increased contribution of the productive sector to the country's GDP.

ACHIEVEMENTS DURING THE REPORTING PERIOD

IUMP Grant

- This is a SADC-wide industrial development initiative, aimed at upgrading industries' production output, capacity, efficiency, competitiveness and product quality.

Development of the SEZ Policy and regulations

- The Ministry developed the legal frameworks around the Special Economic Zones (SEZ) Policy-the draft law will now be subjected to legal reviews during the new reporting period.

ACHIEVEMENTS

- The following industrial and or business parks were completed- Opuwo, Tsumeb and Omaruru Business Parks.

02 – 02 Small Business Development

- Involves the development of policies and strategies to support entrepreneurs and enterprises in research and development, and the acquisition of specialised skills through short-term training to strengthen the implementation of both Industrial and Micro

	<p>and Small and Medium Enterprises (MSMEs) policies and the 'Growth at Home' strategy and EMPRETEC NAMIBIA.</p> <p>ACHIEVEMENTS</p> <ul style="list-style-type: none"> • During 2022, entrepreneurship trainings through EMPRETEC NAMIBIA were conducted in 8 regions and thereby benefiting 228 MSMEs. • During the reporting period 15 MSMEs in Agriculture, Manufacturing and Renewable Energy with an average grant of N\$70,000 were funded through the SDG Impact Facility.
<p>PROGRAMME 04 - SPECIAL INDUSTRIALIZATION</p>	<p>To increase the contribution of the productive sector to GDP and accelerate economic growth and activity towards enhancing growth in priority sectors.</p> <p>ACHIEVEMENTS DURING THE REPORTING PERIOD</p> <ul style="list-style-type: none"> • The oxidation ponds at the Northern Tannery were completed. • Electrification work at the Biomass Project in Otjiwarongo has commenced and all necessary equipment were bought.
<p>PROGRAMME 99 - POLICY CO-ORDINATION AND SUPPORT SERVICES</p>	<p>This programme is intended to ensure an enabling environment and high performance culture.</p> <p>99 – 01 Policies Supervision</p> <p>This activity provides for policy guidelines of programmes to ensure alignment to Ministerial Strategic Goals and National Development Goals (NDPs)</p>

99 – 02 Coordination and Support Services

This activity provides for administrative or support services to the operational units and agencies of the Ministry which requires to execute their core functions and achieve the strategic objectives in its Strategic Plan.

ACHIEVEMENTS DURING THE REPORTING PERIOD

- Achieved a 99% budget execution rate for the period under review;
- Maintained unqualified auditing report status.



COMMUNITY ENGAGEMENT



SDG IMPACT FACILITY



NATIONAL CONSUMER PROTECTION POLICY AND GS1 BARCODE LAUNCH



COMMUNITY ENGAGEMENT



NAMIBIA - BOSTWANA BI-ANNUAL MEETING



REGIONAL ENGAGEMENT



GENEVA MISISON



PARTICIPANTS AT NAM - US MISISON



ZAMBIA - NAMIBIA TRADE MISSION



DUBAI EXPO



BUY LOCAL GROW NAMIBIA -
INFORMAL SECTOR ENGAGEMENT



INVESTMENT SUMMIT



NAM - ZAMB MISSION IN TRADE



SCHOOL UNIFORM



NAM - US TRADE MISISON IN WHK



TWINNING PROJECT INAUGURATION



EPA TRADE FORUM



SCHOOL UNIFORM LAUNCH IN KAVANGO WEST



MARKET DIVERSIFICATION
- NAMIBIAN CHARCOAL
SEND OFF TO US MARKET



AFCTA AWARENESS CAMPAING



BUY LOCAL GROW NAMIBIA CAMPAIGN LAUNCH



AFCFTA COUNCIL OF MINISTERS



TRAINING FOR VENDORS



AGOA CONSULTATIVE MEETING



AFCFTA NATIONAL STRATEGY LAUNCH



MINISTERIAL VISIT TO KAVANGO CATTLE RANCH



HON. VERNA SINIMBO PICTURED WITH PARTICIPANTS AT TSEMBE COPPER FESTIVAL



OPENING OF NSI INSPECTION CENTRE AT WALVIS BAY



LAUNCH OF GST AND NATIONAL CONSUMER PROTECTION POLICY



KELP BLUE NAMIBIA PROJECT LAUNCH AT LUDERITZ



AFCFTA STRATEGY IMPLEMENTATION AND ACTION PLAN



BUY LOCAL GROW NAMIBIA CAMPAIGN



NSI HQ INAUGURATION



MIT NKURENKURU LAUNCH



SACU MEETINGS



US - NAM MISISON



LAUNCH NIPDB ONE STOP CENTRE



US - AFRICA BUSINESS FORUM



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