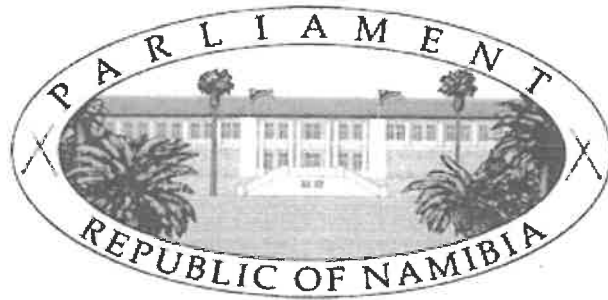


**7<sup>TH</sup> NATIONAL ASSEMBLY**



**REPORT ON THE BENCHMARKING VISIT TO THE LUANDA-ANGOLA, BY THE  
PARLIAMENTARY STANDING COMMITTEE ON ECONOMICS AND PUBLIC  
ADMINISTRATION**

**07 TO 11 AUGUST 2023**

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**List of Abbreviations**

- NDPs : Namibia Development Plans
- HPP : Harambee Prosperous Plan
- SME : Small and Medium Enterprises
- FDI : Foreign Direct Investment

## **1. BACKGROUND AND INTRODUCTION**

The Parliamentary Standing Committee on Economics and Public Administration, in adherence to its constitutional mandate, assumes the crucial role of overseeing the operations of the Executive. This oversight encompasses a spectrum of responsibilities, foremost amongst them being the planning and execution of Vision 2030.

Vision 2030 is more aptly regarded as a dynamic and adaptive process rather than a rigid plan. It represents an ongoing system capable of continuous enhancement. The essence of this vision envisions a prosperous and industrialized Namibia, developed through harnessing its human resources, fostering peace, harmony, and political stability. Given the rapidly evolving global landscape, the imperative of the Industrialization agenda has intensified. It is paramount to scrutinize how the Government's 4th industrial revolution aligns with existing programs to realize Vision 2030 across all government sectors and within the citizenry.

In light of the above, the Committee organized a Workshop, gathering pertinent stakeholders to comprehensively comprehend Vision 2030 and the National Development Plans (NDPs). This initiative encompassed a thorough examination of the targets, strategies, and outcomes from NDPs to NDP5 and HPP I and II. Stakeholders were presented with a comprehensive analysis of implementation outcomes, offering insightful critiques of processes, procedures, current achievements, and projected pathways to successfully navigate the course of Vision.

During the Workshop, numerous challenges impeding the effective implementation of national development programs were underscored. Notably, these included the slowdown and stagnation of the economy since 2015 and inadequate progress in manufacturing. Furthermore, hindrances to industrialization and trade enhancement were identified, ranging from

outdated laws and regulations to inadequate coordination in planning and implementation for joint projects, fragmented business support programs, and insufficient support through taxation and non-tax-based investments.

Contrarily, Namibia's abundant natural resources provide a critical foundation for the industrial development agenda. Consequently, an urgent call is made to formulate an inclusive growth agenda. Addressing the vocational and technical training and bridging the gap between rural and urban schools is imperative, striving to generate a pool of high-quality human resources essential for industrialization and improved quality of life.

Recognizing the remarkable contribution of the informal sector in propelling economies, it is imperative to acknowledge that development significantly contributes to minimizing the rural-urban dichotomy. The Government's active involvement in empowering and enhancing the capabilities of Small and Medium Enterprises (SMEs) can serve as a catalyst for such development.

Acknowledging the complexity of the Industrialization agenda under Vision 2030 and associated plans, coupled with the necessity to continuously bolster the capacity of Members of Parliament to reinforce Parliamentary Committees for effective oversight, the Standing Committee determined that a benchmarking/study visit to Angola would be invaluable. Angola, being one of the countries notably ranked high in terms of economic growth, competitiveness, industrial performance, and ease of doing business, presents an opportune learning ground. This study visit seeks to glean insights into their successful implementation of industrial development programs.

In light of these considerations, members of the Parliamentary Standing Committee on Economics and Public Administration, undertook, the benchmarking/study visit to Luanda, Angola from 7 to 11 August 2023.

## **2. COMMITTEE MEMBERSHIP**

The aforesaid Committee is comprised of twenty three (23) members of Parliament drawn from different political parties represented in the National

Assembly. However, due to budgetary constraints, only five members of Parliament and two staff members undertook the visit namely; Honourables; Natangue Ithete (Chairperson and Leader of the delegation), Gotthard Kasuto, Joseph Kauandenge, Maria Kamutali and Johanna Kandjimi. Members were accompanied by Ms Agnes N. Mukono (Committee Services) and Ms Brigitte Fikunawa (Research, Information and Editorial Services: RIPES).

### **3. OBJECTIVE OF THE VISIT**

The primary objective of this benchmark visit was to provide the delegation with a comprehensive understanding of how to effectively support the Executive in implementing industrial programs while ensuring effective checks and balances; to formulate policy changes to assist Namibia in achieving its Vision of a prosperous and industrialized nation by 2030 as well as to learn about the strategies implemented by Angola to grow the economic and how Angola has developed and implemented her industrial development programme.

**Specifically, the Committee shared experiences on the following:**

- (i) The regulatory framework for industrial development in Angola
- (ii) Rational for the selection of the national industrial development model and any observed obstacles to effective implementation
- (iii) Management of risks associated in the industrial development programme
- (iv) Achievements and challenges in the implementation of the national industrial programme

### **4. METHODOLOGY**

During the benchmarking visit, the Namibian delegation engaged with the following critical organizations and ministries in Angola:

- (I) Paid courtesy calls to the Honourable Speaker of the National Assembly of Angola as well as to H.E. Ambassador of Namibia in Angola
- (II) briefing meetings with the Standing Committee on Economies and Finance
- (III) held meetings with relevant Ministers, and key officials within the Angolan government ministries, including Trade and Commerce, Economic Planning, Social Action, Family and Women's Promotion, and the Luanda Bengo Special Economic Zone (ZEE).
- (IV) Site visit to industrial development projects by Government of Namibia in Angola (Tolatona) as well as tour to Antonio Agostino Neto Memorial and the National Museum of Military history

## **5. PURPOSE OF THE REPORT**

The purpose of the report is to inform the National Assembly about the findings of the benchmarking/study visit by the Committee as well as to recommend, discuss, consider and adopt the report.

## **6. MEETING PROCEEDINGS**

### **6.1. COURTESY CALLS**

The delegation paid courtesy call on the Honourable Speaker of the National Assembly, H.E. Mrs Carolina Cerqueira as well as the Ambassador of Namibia in Angola, H.E. Mr Patrick Nandago to discuss the purpose of the visit. During the meeting with the Ambassador, members were briefed about the excellent existing friendship between Namibia and Angola as well as the need for the two countries to continue to strengthen bilateral relations.

### **6.2. MEETING WITH THE PARLIAMENTARY STANDING COMMITTEE ON FINANCE AND ECONOMY**

Members were welcomed by the Chairperson of the above Committee, H.E. Aia-Eze Nacilia Gomes da Silva Tiroso. They were further briefed on the mandate and operations of the aforesaid Committee as well as an overview

of the Parliament of Angola. She noted that, the Parliament of Angola is a unicameral body and a representative of all Angolan citizens.

The Assembly is comprised of two hundred and twenty (220) Deputies elected according to the terms of the Constitution and the electoral law. Additionally, the Deputies are elected for a five year term by free, equal, direct, secret and periodic universal suffrage by citizens over 18 years of age and who resides in the country.

### **6.1 MEETING WITH LUANDA-BENGO SPECIAL ECONOMIC ZONE (ZEE)**

The Luanda-Bengo Special Economic Zone (ZEE), spanning 4,717 hectares situated in Angola's capital, Luanda hence, stands as a testament to Angola's diversification endeavours. The ZEE, was established over a decade ago, has evolved into the country's largest dedicated area for industrial projects. Beyond industry, it encompasses a commercial hub, housing projects, and a plethora of other services and non-industrial investments. The ongoing transformation of ZEE into a free-trade zone stands to maximize benefits for both national and foreign investors. This transition will be coupled with a specific and subsidized tax regime, further elevating its status as a central business platform regionally and internationally. The ZEE's engagement with investors from countries such as China, Eritrea, India, Lebanon, Portugal, and Turkey underscore its appeal and the diverse industrial sectors it accommodates. Primarily focusing on agriculture, food processing, light and heavy manufacturing industries, digital technology, and the pharmaceutical industry, the ZEE offers prospects for development and growth. Additionally, the ZEE ensures the provision of ancillary services, including housing and access to public transport for employees. The recent establishment of the investor and tenant services center, GAI, reflects the ZEE's commitment to efficient business operations and facilitation.

### **6.2 MEETING WITH THE MINISTRY OF INDUSTRY AND COMMERCE**

The delegation engaged with the State Secretary and officials of the Ministry of Industry and Commerce to comprehend Angola's approach to trade and investment. This encompasses investment promotion, entrepreneurship, SMEs



development, and the promotion of economic diversification and self-sufficiency. The discourse delved into policies, programs, and initiatives directed at industrial development, market expansion, economic growth, diversification, and the facilitation of a conducive environment for trade and investment. The Angolan government, aligning with the National Development Plan, has devised fiscal incentives to bolster SMEs and incentivize local and foreign investors, particularly in Agro-processing and minerals industrial enterprises. The delegation was apprised of Angola's three investment regimes, each structured to provide specific benefits based on the project's alignment with priority sectors. These regimes, namely the Pre-declaration, Special Regime, and Contractual Regime, present an attractive incentive structure to attract investment. Furthermore, the Angolan government's efforts in addressing infrastructure challenges, enhancing financial services, and establishing a risk assessment committee were also highlighted.

### **6.3 MEETING WITH THE MINISTRY OF ECONOMY AND PLANNING**

The Ministry of Economy and Planning, in its role of assisting the Executive in national economic development planning, showcased its strategic approach through initiatives like Angola 2050. This strategic framework embodies three fundamental principles: clarity of action and monitorable indicators, economic-financial coherence, and intersectoral articulation and adaptability. The objective is to steer the country towards economic diversification, leveraging manufacturing, agriculture, and livestock sectors. This diversification is aimed at poverty reduction, addressing income inequality, and creating employment opportunities.

### **6.4 MEETING WITH THE MINISTRY OF SOCIAL PROTECTION, FAMILY AND GENDER PROMOTION.**

During the meeting with the aforesaid Ministry, members were informed about the Kwenda social protection programme which is an initiative that the

government of Angola launched to address the country's social and economic challenges.

The Kwenda social programme addresses the difficulties in reaching the rural population by combining the digital tools with physical cash transfers. Furthermore, the Angolan government has established community centres in exceptionally remote communities with community workers to help facilitate physical cash deliveries to the poverty stricken.

The programme is based on a comprehensive and integrated approach that addresses the root causes of poverty and inequality. In addition to the cash transfer component, the program also provides for production inclusion in the fields of agriculture, livestock, fisheries, handcrafts, sewing, motor cycle taxis and other activities.

#### **6.5 VISIT TO NAMIBIA'S VACANT LAND IN TOLANA- LUANDA**

The delegation arranged for a visit to the vacant land situated in Tolana-Luanda, under the auspices of the Namibian Embassy in Angola. During the visit, the delegation received guidance from officials representing the Namibian Embassy.

It was communicated to the delegation that the Angolan Government generously granted a donated land to Namibia. Subsequently, the Namibian government, under the purview of the Ministry of Industrialisation and Trade, designated this land for the establishment of a Namibian Trade Hub. The primary objective of this hub is to facilitate the promotion and showcasing of Namibian products, as well as to offer leasing opportunities to businesses. Moreover, the delegation was informed that the conceptual framework for the Trade Hub has been formulated and the project/land has been duly registered under governmental ownership.

However, the Ministry of Industrialisation has encountered fiscal constraints, impeding its capacity to allocate resources for the development of the designated land. Additionally, discussions are currently underway to address this financial shortfall, with the aim of securing the necessary budgetary allocations for the development of the land. It was underscored that the strategic location of the land renders it potentially advantageous to Namibia, further emphasizing the importance of securing resources for its development.

## **7. KEY LEARNINGS AND TAKEAWAYS/LESSONS LEARNT**

Building on the insights and experiences gained during the benchmarking visit, the Namibian Parliamentary Committee on Economics and Public Administration has identified pivotal learnings and takeaways that warrant thoughtful consideration such as the following:

### **7.1. IMPORTANCE OF SPECIAL ECONOMIC ZONES (SEZs)**

Learnings from successful models, such as the Luanda-Bengo Special Economic Zone (ZEE), emphasize the potential of free-trade zones. These zones attract foreign direct investment (FDI), foster economic growth, and strengthen international trade relationships. The ZEE in Angola stands as a remarkable example of successful industrial development.

### **7.2. INCENTIVES FOR INVESTMENT PROMOTION**

Understanding Angola's investment regimes and associated tax incentives for various sectors can inform Namibia's policies. The investment regimes, including the Pre-declaration, Special Regime, and Contractual Regime, offer tax incentives and benefits to attract investment in priority sectors.

### **7.3. DIVERSIFICATION FOR ECONOMIC RESILIENCE**

Angola's approach to economic diversification, focusing on manufacturing, agriculture, and livestock sectors, offers valuable insights. Namibia can reduce poverty, address income inequality, and stimulate employment through a diversified economy.

#### **7.4. INFRASTRUCTURE DEVELOPMENT AND PLANNING**

Addressing infrastructure challenges in industrial development through comprehensive planning and investment can significantly boost private investment and the resilient growth of Micro, Small, and Medium Enterprises (MSMEs).

#### **7.5. ROLE OF THE INFORMAL SECTOR**

Recognizing the importance of the informal sector in economic flourishing, empowering and supporting SMEs is crucial to minimize the rural-urban divide.

### **8. CONCLUSION**

The benchmarking visit to Angola proved profoundly informative and beneficial for the Namibian Parliamentary Committee on Economic and Public Administration. The exchange of ideas and experiences with various organizations and ministries in Angola has provided valuable insights and lessons that can significantly contribute to Namibia's economic development, public administration, and overall social progress.

### **9. RECOMMENDATIONS**

In light of the insights gained, the Committee puts forth the following recommendations:

#### **9.1. POLICY REFORMS FOR INDUSTRIALIZATION:**

Advocate for policy reforms to streamline laws and regulations, encourage inter-sectoral linkages, and enhance investment support mechanisms to boost manufacturing and industrialization in Namibia.

#### **9.2. EDUCATION SYSTEM IMPROVEMENT:**

Propose policy changes aimed at improving the quality of vocational and technical training, reducing rural-urban educational disparities, and aligning the education system with the needs of industrial development.

### **9.3. SME SUPPORT AND INFORMAL SECTOR INTEGRATION:**

Suggest policies to empower and support SMEs, leveraging the potential of the informal sector to bridge the rural-urban divide and contribute to economic growth.

### **9.4. STRATEGIC INVESTMENT PROMOTION:**

Recommend the adoption of strategic investment promotion approaches, similar to Angola's, to attract foreign investors and promote local industries, particularly in priority sectors.

### **9.5. INFRASTRUCTURE DEVELOPMENT FOR INDUSTRIAL ZONES:**

Advocate for policies that support the establishment of industrial zones with robust infrastructure, access to energy and water, housing solutions, and transport connectivity to boost industrial growth.

### **9.6. ECONOMIC DIVERSIFICATION STRATEGY:**

Propose strategies to diversify Namibia's economy, reduce dependence on mining and natural resources sectors, and encourage sustainable growth by investing in agriculture, manufacturing, and other sectors.

### **9.7. STAKEHOLDER COLLABORATION AND ALIGNMENT:**

Advocate for collaboration and alignment between various government ministries, private sector, and stakeholders to ensure a cohesive and effective approach towards achieving Vision 2030.

### **9.8. BUDGETARY ALLOCATION FOR TOLANA-LUANDA LAND**

Given the crucial role of this initiative in promoting Namibian products and driving economic growth, the Ministry of Industrialisation and Trade must prioritize securing budgetary allocations for the Trade Hub's development. Efforts should be ramped up to expedite ongoing discussions to address the financial shortfall. Additionally, conducting thorough feasibility studies and cost-benefit analyses is advised to optimize resource usage and enhance the project's impact.

10. SIGNATURES

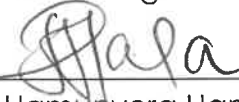
  
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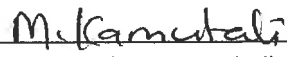
  
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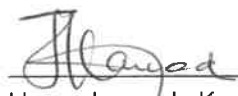
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