

REPUBLIC OF NAMIBIA



MINISTRY OF INDUSTRIES, MINES AND ENERGY

**STATEMENT BY HON. NATANGUE ITHETE, MP, DEPUTY PRIME MINISTER AND
MINISTER OF INDUSTRIES, MINES AND ENERGY, ON THE OCCASSION OF
MOTIVATION OF THE BUDGET OF VOTE 15 FOR THE 2025/2026 FINANCIAL YEAR.**

07 MAY 2025

NATIONAL ASSEMBLY
**Check Against Delivery*

**Honourable Chairperson of the Whole House Committee,
Honourable Members,**

I rise to present and table the budget for **Vote 15: Ministry of Industries, Mines and Energy** for 2025/2026 Financial Year (FY). I commend Hon. Ericah Shafudah, Minister of Finance, and Hon. Kaire Mbuende, Director General of the National Planning Commission, and their teams, for crafting a well-articulated national budget for the 2025/26 FY. In the same light, I thank my Ministry team led by our Executive Director and Accounting Officer, Mr. Ben Nangombe and Ms. Ester Kaapanda, for crafting and preparing the ministerial budget. A special attribute to my predecessors Mr. Tom Alweendo and Ms. Cornelia Shilunga for leading the ministry and attaining some of the victories that we are celebrating today.

Amongst other national priorities, the budget places focus on the importance of socio-economic development of our country through industrialization and exploitation of natural resources for the benefit of all our people.

One of the last financial year's major milestones was the groundbreaking of the 40-MegaWatt (MW) biomass power plant in Tsumeb. Work on the project has started and the facility will increase the contribution of renewable sources to our national energy mix, ensuring consistent and reliable electricity for national demand. The biomass plant will anchor the grid, giving us flexibility to integrate more clean energy sources.

We also inaugurated the 54MW Anixas II Power Plant in Walvis Bay. While it currently runs on Heavy Fuel Oil, it is designed to switch to natural gas, and in the future, could also be modified to run on green hydrogen. Additionally, we commissioned the 25MW Khan Solar Power Plant in Usakos, marking another contribution of renewable sources to energy mix.

After the approval of the National Electrification Policy by Cabinet in 2023, we set a clear goal of universal access to electricity by 2040. We are talking about connecting about 400,000 households to power. These include peri-urban households on the outskirts of our towns and cities, which are located near existing power lines. We view them as the most cost-effective to connect in the short term. Those in more outlying areas will require creative and innovative approaches such as solar and off-grid solutions.

We have re-engineered our processes to accelerate implementation. Instead of managing all projects from the Ministry level, we have partnered and signed Service Level Agreements with Regional Electricity Distributors (REDs), local authorities, and NamPower to leverage on their resources and experiences to get the job done.

However, these milestones were not achieved without challenges across sub-sectors. For example, limited human resources were stretched thin by the growing demands. This affected the implementation of inspection plans, compliance monitoring, and the execution of key projects. High fuel margins and levies negatively impacted on affordability and the overall security of supply.

The Ministry has been faced with the underutilization of many of the 148 Micro, Small, and Medium Enterprises (MSME) and Industrial Parks across the country. These parks were constructed and made available to Micro-, Small- and Medium Enterprises (MSMEs) at affordable rates to promote business activities, income generation, job creation, and overall local economic development. Immediate steps will be taken to remedy the situation and revitalize the industrial facilities. These include addressing inadequate oversight of the facilities and developing a comprehensive strategy for their full utilization.

Honourable Chairperson of the Whole House Committee,

For the 2025/2026 Financial Year, the Ministry of Industries, Mines and Energy is requesting a budget allocation of N\$ 637,497,000 (Six hundred and thirty-seven million, four hundred and ninety-seven thousand Namibia Dollars) to carry out its activities. The requested amount is to be distributed amongst the following programmes:

PROGRAMME 1: PROMOTION OF LOCAL AND FOREIGN INVESTMENT EXPLORATION – N\$28,5 MILLION

Through this programme, the Ministry continues to embrace innovation to stimulate investment in the mining sector. The Ministry developed the Namibia eGovernment Portal (online applications system) to facilitate the online application for mineral rights and related transaction. The Portal improves efficiency, transparency, deepens public trust. In June 2025, the payment functionality will be added to allow clients to make online payments.

PROGRAMME 2: CREATION OF KNOWLEDGE OF NAMIBIA'S GEOLOGICAL RESOURCES - N\$81,1 MILLION

Through this programme, the Ministry undertakes integrated and multidisciplinary mapping of Namibia's mineral and energy resources potential. This allows the Ministry to deliver required baseline geoscience data that is used to target various applied and innovative geoscience solutions to harness these resources for socio-economic development of our country.

During the 2024/2025 Financial Year, the Ministry put mechanisms in place to facilitate easy access of data and information generated through geoscientific surveys and research to the broader public.

For this Financial Year, the Ministry will, among other things, promote greater understanding of the geological wealth and mineral potential of the Kunene and other Regions.

PROGRAMME 3: ENERGY SUPPLY AND SECURITY – N\$388,1 MILLION

Electrification is the largest component of our overall budget, and rightfully so. As I stated earlier, Namibia is on a mission to achieve universal access to electricity by 2040. This requires us to connect over 400,000 households that do not currently have access to electricity. With the current level of funding, we estimate 10,000 connections will be made this year.

We are aware that electricity is now a basic need, a catalyst, and enabler of economic growth, provision of health services, education, as well as poverty eradication. We are working at fast pace to electrify our communities. Every school, clinic, and home we connect reinforces the foundation for future development, unlocks productivity and opportunities for our people.

An amount of N\$56,3 million is allocated for the development of power generation infrastructure. It will fund preparatory work for the Baynes Hydro Power Station, a joint project between Namibia and Angola. It is one of Namibia's most strategic energy infrastructure undertakings, with the potential to supply our country with ample clean, reliable electricity at prices that are far more stable and competitive than fossil fuels. Through this project, the country will secure energy independence through a sustainable, long-term solution. Specific actions include essential groundwork, including technical studies, transmission planning, dam design, and supporting infrastructure.

PROGRAMME 4: PROTECTION OF NAMIBIA'S DIAMOND INDUSTRY - N\$40,1 MILLION

The program is dedicated to the protection and promotion of Namibia's diamond resources, through robust regulatory oversight. As the diamond industry evolves, the Ministry will prioritize proactive measures to ensure sustainable management and to mitigate risks. These efforts include Strategic Staffing, Enhanced Oversight Mechanisms, Commitment to Accountability and Transparency, and International Collaboration and Obligations.

PROGRAMME 5: PETROLEUM SUPPLY AND SECURITY N\$9.6 MILLION

In order to fulfil the mandate of ensuring security of petroleum supply in Namibia, the Petroleum Affairs Directorate is allocated an operational budget of N\$9,6 million for the 2025/2026 Financial Year.

Through the National Energy Fund, the Ministry continues to subsidize energy prices as per its mandate, while collecting levies imposed on controlled petroleum products and electricity.

Fuel prices were subsidised to the total amount of N\$328 million and N\$100 million was expanded to cover electricity tariff under-recoveries. We will continue to insist on compliance in the sector. We will monitor international and local markets, to ensure that petroleum products imported into the country are competitive and reflect the actual cost incurred. We will explore alternative ways to secure security of supply of petroleum products at affordable prices.

Namibia imports 100% of its petroleum product needs. We will therefore ensure that budget execution supports security of supply, accessibility and affordability of petroleum products to the nation.

PROGRAMME 6: INDUSTRIAL AND BUSINESS DEVELOPMENT – N\$ 50 MILLION

For the 2025/26 Financial Year, the Industrial and Business Development Programme, an amount of N\$50 million (Fifty Million Namibia Dollars) has been allocated, while the Domestic Trade Management Programme receives an amount of N\$127,384,264 (*One Hundred and Twenty-Seven Million, Three Hundred and Eighty-Four Thousand and Two Hundred and Sixty-Four Namibia Dollars*).

The main purpose of the **Industrial and Business Development Programme** is to create a conducive environment focusing on the enhancement and strengthening of the industrial sector in the country. During the 2025/26 Financial Year, our focus will be on the development of Industrial Infrastructure. The Ministry plans to construct three (3) industrial parks, one each at Omaruru, Walvis Bay, and Tsumeb. Furthermore, the Ministry will renovate nine (9) existing Micro, Small and Medium Enterprises (MSMEs) and Business Industrial Parks at places such as Eenhana, Epako (Gobabis), Katima Mulilo, Keetmanshoop, Oshakati, Rundu and Windhoek. The Ministry is also planning to construct modern Informal Traders' Platforms at Henties Bay, Mariental, Nkurenkuru, Okalongo, and Opuwo.

The overall objective of **Small Business Development** is to boost entrepreneurship, stimulate innovation, facilitate access to modern technology as well as provide capacity building to both emerging and existing MSMEs for sustainable inclusion into the mainstream economy.

PROGRAMME 7: DOMESTIC TRADE MANAGEMENT PROGRAMME - N\$ 127,384,264

This Programme focuses on the creation of a conducive business environment through the formulation, implementation, monitoring of policies and regulations to ensure a well-functioning domestic market environment, promote fair trade practices, and protect consumer rights. Under this Programme, the Ministry provides policy oversight to key State-owned Enterprises (SOEs) such as: Namibia Standards Institution (NSI); Namibia

Competition Commission (NaCC); the Business and Intellectual Property Authority (BIPA); and Namibia Estate Agents Board (NEAB).

During the 2024/25 Financial Year, the key activities and achievements undertaken include: Stakeholders' consultation and public awareness campaigns in all fourteen (14) on the commencement of the Metrology **Act 2005 (Act No.5 of 2022); publication of** over 270 Namibian standards in different areas to enhance safety, quality, and market access for local goods; and hosting of 58 training sessions across multiple sectors (including health, manufacturing, and agriculture) to reinforce the importance of compliance with such standards.

The Property Practitioners, 2024 (Act No. 11 of 2024) was promulgated, ushering in a new era in the property industry.

Planned activities for the 2025/26 Financial Year, under this programme, include: finalization of the drafting of regulations for the Property Practitioners, 2024 (Act No. 11 of 2024), finalization of the Draft Consumer Protection Bill; as well as the commencement of the drafting of regulations for the Chemical Weapons Bill.

The ongoing Green Hydrogen Conformity Readiness Assessment focuses on defining national standards in the green hydrogen sector. By establishing a clear framework, the National Standard Institute (NSI) aims to support Namibia's aspirations to become a leader in green hydrogen production and export, contributing to economic diversification and sustainability.

PROGRAMME 8: POLICY COORDINATION AND SUPPORT SERVICES – N\$ 89,7 MILLION

This programme provides administrative support to the core functions of the Ministry and maintains effective internal control systems for the Ministry. Part of the allocation will go towards risk assessment in the Ministry, upgrading the Ministry's Regional Offices and the expansion of IT infrastructure.

Honourable Chairperson of the Whole House Committee, Honourable Members

As representatives of the people, we must always strive to foster unity of purpose in advancing our country's development agenda and the well-being of the people we serve. I have no doubt that under the able leadership of Her Excellency, Dr. Netumbo Nandi-Ndaitwah, the President of the Republic of Namibia, we will achieve our aspirations, our goals and our objectives.

With these words, Hon. Chairperson of the Whole House Committee, I respectfully request this August House to approve the budget allocation for

Vote 15, Ministry of Industries, Mines and Energy, in the amount of N\$ 637,497,000 (Six hundred and thirty- seven million, four hundred and ninety- seven thousand Namibia Dollars).

I thank you.