

REPUBLIC OF NAMIBIA



**STATEMENT BY H.E. DR HAGE GEINGOB, PRESIDENT OF
THE REPUBLIC OF NAMIBIA
AT THE NAMIBIA INVESTORS CONFERENCE
NEW YORK CITY
22 SEPTEMBER 2016**

Director of Ceremonies

Ministers present here

Ambassador Emvula, our representative at the UN

Ambassador Anjaba, our representative in the United States

Captains of Industry, from Namibia and from the United States of America

Members of the Media

Ladies and gentlemen

A few weeks ago, during the review of Namibia's international relations policy, I requested that Namibia's Policy on International Relations move away from "traditional diplomacy" to economic diplomacy. In that context, I noted that it is of little use for my to travel thousands of miles just to address the UN General Assembly for 7 minutes – this year we got 15 minutes.

We have, therefore, decided to put into practice what I said at the review our International Policy, and have turned this year's participation in the UN General Assembly into a true economic diplomacy event. We have scarce resources and we must use every opportunity to market investment opportunities in Namibia and solidify economic relations with our international partners. We do it, because we believe that one of the pre-conditions for sustainable inclusive development is partnerships. Governments alone cannot extend development to all. The private sector is an important partner in the developmental process that is why we also refer to it as the "engine of growth".

Since this is business event, I would like to focus my remarks on the question of why you should be investing in Namibia. There are many reasons, but in the interest of time, I would like make four key points:

- The democratic governance architecture;**

- **The macroeconomic architecture;**
- **The social architecture; and**
- **The unique value proposition for investing in Namibia.**

Firstly, Namibia has robust democratic and effective governance architecture. Since attaining independence, we have held six free and fair elections. That is why in less than three decades Namibia already has three democratically elected presidents. May I add, that my predecessors and I are in talking terms. We have established the Presidential Advisory Council comprising of the incumbent president and former presidents who from time to time confer on national matters. This is a growing trend in Africa that I refer to as the New Africa, where former leaders just like here in the USA, retire in dignity. I am glad that Namibia is setting the trend in Africa in this regard.

Not only do we have smooth elections and transfer of power in Namibia, transparent processes, well functioning systems, and institutions that are independent also characterize our governance architecture. Our governance architecture continues to be lauded by independent bodies such as the World Economic Forum, the Mo-Ibrahim Foundation, and the Heritage Foundation to name but a few.

With respect to Governance Indicators, Namibia consistently ranks among the top five in Africa and sometimes we are number one. For example, with regard to press freedom as measured by Reporters without Borders, we are number one in Africa, and with respect to Transparency, as measured by Transparency International we are rated number four on the continent.

We are not entirely happy to be among the best when it comes to Governance matters, because we would like to

lead the pack. That is why in our Harambee Prosperity Plan we have set bold targets with regard to Effective Governance and Service Delivery.

We would like to be number one when it comes to Transparency, Accountability and Press Freedom. We do not aspire to be number one to show off. To the contrary, we strive to be number one on these areas, because we are deeply convinced that they are the right things to do. Take for example Press Freedom. As a former freedom fighter, press freedom is one of the things we fought for. Even when I was Prime Minister the first time, I used to assure one of the stalwart editors in Namibia, that Government would never compromise on the freedom of the press. Therefore, we will not reign in on the freedoms of the press.

Let me also elaborate a bit on the drive for accountability and transparency. The ultimate outcome of these two

targets is captured into the following formula: $A+T=Tr$, that is Accountability and Transparency fosters Trust. This same formula is also applicable in the type of partnerships that we would like to promote in Namibia. Partnerships must be based on transparency, equality and trust.

Secondly, we have a strong macroeconomic architecture. Our economy might be small, but it is one of the best-managed economies on the continent. Supported by prudent fiscal and monetary policy, our budget deficits have been contained within sustainable levels, translating into Namibia having one of the lowest debt levels in the world as expressed as a ratio of GDP. To put this into perspective, following expansionary monetary policy, to stimulate economic activities our debt to GDP is projected to escalate to 39 percent this year. As investors, you will know that it is very rare to have a debt to GDP ratio of less than 60 percent these days.

Moreover, the bulk of our debt is denominated in domestic currency.

Further supporting our economic architecture is a sound financial system and a strong savings culture. The World Economic Forum rates the strength of our banking system as number 22 in the world. Our pension savings expressed as a ratio to GDP is among the highest in the world, and exceeds that of many OECD countries. Our pension and insurance industry is also well regulated. The head of the Government Institution Pension Fund who is here with us today can attest to that.

We remain optimistic about the long-term outlook for Namibia, as the key economic fundamentals, including fiscal sustainability and sustainability of our external current account remains intact. Testament to this is the fact that the Fitch rating agency recently reaffirmed Namibia's International Default Rate at BBB-, and bond

issuance in the South African and Namibian market at AA+, although the longer-term outlook was revised from stable to negative, inline with global economic outlook.

The Government of Namibia remains committed to managing the economy in a prudent and responsible manner, and has already instituted, expenditure, revenue and structural reform measures to address concerns raised by rating agencies about the medium-term outlook of Namibia.

We would like to use this opportunity assure all our partners, that there is no risk that Namibia will not honor debt obligation in the near and medium term. We remain bullish about the country's economic outlook. To quote from the recent Fitch report " Namibia' s growth remains impressive".

Thirdly, our social architecture is evolving. We continue to invest the bulk of our budget in social infrastructure,

most notably education and health services. As a result, we have lifted thousands of people out of poverty since 1990. School enrollment and literacy rates have increased dramatically, and access to health and social services has improved. We are on track to eliminating the transfer of HIV/AIDS from mothers to children, and life expectancy is on the increase.

Despite this good progress, social deficits persist. These, however, present enormous investment opportunities. That is why since assuming office I have declared a full scale war against poverty and concomitant inequalities. We recognize that the only sustained growth, will be shared growth. We need inclusive growth that will translate into creation of decent job opportunities for our citizens.

Let me use this opportunity to clarify some issues with

regard to the economic transformation conversation that we currently having in Namibia. For some of you that might not be aware of it, there are two sensitive issues that dominate this conversation, namely land reform and ownership of previously disadvantage Namibians in companies. On these two issues I would like to categorically state, that the Government of the Republic of Namibia would like to assure you that property rights are protected in our most supreme law and will be respected as such.

Fourthly, let me turn to the specific value proposition that Namibia offers to international investors. Namibia has a small population of just 2.3 million people. However, Namibia is located between two economic giants, South Africa and Angola with whom we have excellent fraternal relations. Not only that, Namibia is part of SACU, SADC, and has signed the tri-partite free trade agreement, which ultimately will lead to a

continental free trade area. In the final analysis, Namibia provides international investors access to a market of 700 million people. Namibia is part of an Africa that is rising and an Africa that is on the march.

In Namibia, our key value proposition for international investors is that we provide the gateway or the springboard into Africa. We have well-developed infrastructure, including world-class financial, telecommunications, educational and health services. Such that a decade ago, Angelina Jolie saw it fit to deliver her first born child Shiloh in Namibia. Namibia therefore offers your quality of life that is on par with the best in the world. In Namibia you will, therefore, have peace of mind.

Namibia further presents significant opportunities for investment in sectors such as Goods Manufacturing, Agriculture (Agro-processing), Transport and Logistics,

Tourism and Film making to name a few.

In our quest to become an industrialized and prosperous nation, outlined in the “Growth at Home” strategy, “Harambee Prosperity Plan” (HPP) and Vision 2030, we would like to see more American companies doing business in Namibia, which will stimulate economic growth and employment creation.

It is Government’s key responsibility to ensure delivery of public services and historically, government has been directly and exclusively delivering such public services. The pace of developing additional infrastructure is however limited – by available public resources. We believe however, that through Public Private Partnerships, we can leverage private sector investment to meet the developmental needs in our economy.

We acknowledge that Government alone cannot

shoulder the burden of extending development to all. The private sector has a crucial role to play in stimulating economic growth and job creation. We remain committed to creating conditions that will enable full participation of the private sector in the economy.

To this end, we are undertaking a number of reforms to facilitate the ease of doing business. For example, we are looking at the following areas:

- Ease of Starting a business through the establishment of an Integrated Client Service Facility, which will facilitate business registration, licensing, work permits, tax payments; and**
- Trading across borders by intensifying the efforts through the establishment and implementation of the One Stop Shop for trade.**

Furthermore, I recently assented the Namibia Investment Promotion Act, which provides, amongst others the promotion and protection of both domestic and foreign investment and dispute resolution mechanisms.

We have also outlined a number of Investment Incentives, detailed in the documents in your delegate pack, which we hope will inform your investment decisions.

I am accompanied by a delegation of vibrant entrepreneurs and business executives, looking for trade and investment opportunities, as well as joint ventures in diverse areas. I hope there has been sufficient Business-to-Business engagement that will lead to tangible results.

In conclusion, be assured that Namibia is open for business and we are looking forward to welcoming you to

Namibia in November when we host the International Investment Conference.