

# **REPUBLIC OF NAMIBIA**



**KEYNOTE ADDRESS BY HIS EXCELLENCY DR. HAGE  
GEINGOB, PRESIDENT OF THE REPUBLIC OF NAMIBIA,  
ON THE OCCASION OF OPENING OF THE INVEST IN  
NAMIBIA INTERNATIONAL CONFERENCE**

**NOVEMBER 8, 2016**

**SAFARI COURT HOTEL AND CONFERENCE CENTRE**

**WINDHOEK**

*Check Against Delivery*

**Excellencies,**

**Distinguished International and Namibian guests,**

**ladies and gentlemen,**

**On behalf of the Government and the people of the Republic of Namibia, it is my great pleasure and honor to welcome you to the Invest in Namibia International Conference. I would like to thank all of you for attending this conference, as it is a sign that Namibia has a story to tell that the world is interested in hearing. May you feel at home in the Namibian House.**

**Let me also thank all of those who have been involved in making this event possible. To pull off an event of this magnitude is no minor achievement.**

**This Conference is held under the theme: *Promoting Investment for Inclusive Growth and Industrialisation* as recognition that domestic and foreign investments are critical enablers in promoting economic growth, industrialization, diversification and wealth creation.**

**Before coming to some of the specifics of the conference, I would like to tell you a story about Namibia. It is a fantastic story that is grounded in the rich history of Africa.**

**Namibia is a product of International Solidarity, and the birth of our Nation was midwived by the United Nations. During the dark days of the struggle, we were able to persevere due to the support and assistance from many of**

**our allies and friends around the world. The peace and security that you see, the vibrant Windhoek that you see, is a result of this international solidarity. Today, as we are faced with what we refer to as the second phase of our struggle, namely economic transformation, we are glad that we can once again join hands with our international friends to seek solutions to the challenges we face.**

**A mere twenty-six years old, Namibia has made tremendous strides in establishing firm democratic governance architecture. Free and fair elections are regularly conducted in Namibia. So far we have had six such elections, and I am already the third democratically elected president. My predecessors and I are in good terms, and when needed, I do not hesitate to call on their good counsel. This is the Africa, we are working towards, a Africa where former leaders are respected and retire in dignity.**

**Namibia's institutions are strong. Our judiciary is independent and the rule of law prevails. The media, the fourth estate is part of our nation building machinery and it certainly helps that they are regarded as the freest on the African continent according to *Reporters Without Borders*.**

**We are working hard to continuously strengthen our governance architecture. That is why our Harambee Prosperity Plan is grounded in the pillar of Effective Governance. We believe that Effective Governance, buttressed by accountability and transparency, are important to increase trust levels between all stakeholders in a democratic society and in the world. As potential investors, we would like to assure that you could put your trust in the Namibian institutions and political system.**

**We are committed to the policy of transparency and accountability and while I will work tirelessly alongside my team to promote Namibia as a viable investment destination, I would like to once again re-iterate that the Presidency welcomes courtesy visits and engagements with business people, but the tendency to seek appointment for the specific discussion of business plans and tenders is not welcome. My advice is that those requiring guidance, seek the counsel of Line Ministers or technocrats. This is to encourage the process of multi-layered decision-making, which encourages transparency and discourages rent-seeking behavior.**

**The Government has ensured that Namibia has a conducive environment for doing business. Our infrastructure is on par with the developed world, medical services and recreational facilities are available, our financial systems are of world class standard and we have an array of shopping malls, a vibrant retail sector and top hotels and lodges, all providing a high standard of living for the foreign investor to live in Namibia should he or she desire.**

**Africa has become one of the fastest growing regions of the world. The genesis of the African growth story was partially due to increased demand for commodities, but fundamentally due to improved macroeconomic management systems. Africa's narrative is no longer a narrative of mismanagement of economies, but an Africa that is rising, and an Africa that is on the move.**

**Namibia is on the march and we set the pace in many macro-economic, governance and social indicators. Our macroeconomic architecture is in place. Some of the key indicators that attest to this include:**

- Well contained debt in relation to GDP, with an Internal Default Rating of BBB- by Fitch;**
- Robust economic growth, although there is slight slowdown in economic activity this year;**
- Huge contractual savings in search of local investment opportunities; and**
- A sound banking system that is rated number 22 in the world by the World Economic Forum.**

**When it comes to socio economic architecture, Namibia has made significant strides in 26 years. Despite adverse initial conditions, including racial segregation and one the highest income gaps in the world, Namibia has managed to lift half a million people out of poverty. This was achieved through deliberately attuning fiscal policy to be pro-growth and pro-poor. In this connection, the bulk of budgetary allocations have been directed to our education, health and social protection systems.**

**We are aware that deficits remain in our socio economic architecture. These include access to decent shelter and sanitation. This presents an opportunity to investors, and we hope that there will be matchmaking between Namibian and international entrepreneurs on these important matters.**

**Namibia's success story has also led to some challenges. Due to rapid economic growth, the economy has expanded by a factor of close to 30 times in nominal terms. This has put some pressure on infrastructure development, including electricity, water and transport. If these critically enabling**

**infrastructure are not up scaled very soon, it will restrain Namibia's growth outlook. Just to be clear, this is not a Namibia specific challenge, but is something that is experienced by the entire African continent due to rapid economic growth. However, as I stated before, these challenges present enormous opportunity for investors.**

**To entice private investment, we have decided to open our economy by actively embracing Public Private Partnerships that meet the expectation of both parties. After all, one of the key tenets of the Harambee Prosperity Plan is partnership. It must, however, be partnerships that are mutually beneficial and grounded in the spirit of mutual trust and transparency.**

**We inherited a country characterised by a skewed economy. Over the years we have implemented policies aimed at redressing these inequalities, with the knowledge that our peace and stability would be jeopardized if we don't ensure inclusive economic growth.**

**Namibia's economy has continued to grow at an average of 5% in recent years, despite the global commodities downturn which has negatively affected resource based countries. As I have mentioned, our macro-economic architecture is sound and characterized by decades of growth and stability. It is pertinent that we focus our attention on the gaps within our socio-economic architecture and the disparity in income inequality.**

**After 26 years, it is time to focus on the objective of prosperity for all. Our shared aspirations are communicated through slogans which most Namibians have embraced such as "No Namibian Should Feel Left Out," "War on Poverty," "One Namibia, One Nation and of course "Harambee". The**

**narrative has been established, the conversation has started and here we are to actualize our aspirations.**

**This is done with the knowledge that it is only through embracing our sense of national identity and unity that we can tackle the huge task of eradicating poverty and growing our economy.**

***According to Joseph Stiglitz, "Of all the costs imposed on our society by the top 1 percent, perhaps the greatest is this: the erosion of our sense of identity in which fair play, equality of opportunity, and a sense of community are so important."***

**Even in countries like the United States, the Government understood that continued inequality carries negative consequences in terms of national unity and stability. Prior to my trip to the United States in September this year, a journalist posed a question as to how I would explain NEEEF to the Americans. I replied by saying that it was due to social inequalities that Affirmative Action Policies were put in place in the United States. Namibia, which remains one of the countries with the highest income gaps in the world, therefore has every right to pursue broad-based economic empowerment.**

**We have therefore put in place policies that are aimed at redressing these social imbalances. These policies include Vision 2030, the National Development Plans and lately, the Harambee Prosperity Plan, which is aimed at accelerating Namibia's economic growth and bringing about shared prosperity.**

**It is in connection with the above realities that we are approaching broad-based economic empowerment, or what we call the New Equitable Economic Empowerment Framework, in short NEEEF, within the spirit of consultation. We are confident that the final document will enjoy the buy in of all those who wish to seek Namibia achieve its aspiration of an inclusive economy.**

**Let me now say a few words on the new Investment Protection Act. This act was recently enacted and provides, among other things the following:**

- The promotion of sustainable economic development and growth through mobilization and attraction of foreign and domestic investment to enhance economic development, reduce unemployment, accelerate growth and diversify the economy;**
- The reservation of certain economic sectors and business activities to certain categories of investors; and**
- The provisions of dispute resolution mechanisms in the event of a dispute over an investment.**

**The Act also, as in many countries around the globe, gives the Minister of Industrialization, Trade and SME Development the option, in the interest of national security and public interest, to reserve certain sectors for certain categories of investors or for the State or Namibians.**

**I would like to state that experience has taught us that investors may appreciate stable environments, as well as other benefits offered by**



**conducive investment climates, but ultimately an investor will go wherever there is an opportunity to make maximum profit. Namibia has been a bastion of stability for over two decades but we have seen investors investing in countries with less stability, less safety and less security. This is because in Africa, resource availability will always outweigh a conducive investment climate. This is why we have had to put in measures that will allow us to derive maximum benefit from our natural resources through building win-win partnerships with investors while providing a conducive investment climate.**

**Our main focus is on value addition. By adding value to our resources, we will be able to increase our industrial output and thereby increase our exports of finished and high quality goods to regional and international markets. Value added activities will create the necessary value chains within the economy that will lead to industrialisation. Through the Ministry of Industrialization, Trade and SME Development, we have developed the *Growth at Home Strategy* which aims to place emphasis on commodity based industrialisation through the strengthening of local and national value chains. With a variety of locally produced products for the export market, our global trade balance will become positive, as we start exporting Namibian made products.**

**Investors and the investment projects they bring to our country form an integral part of our economic agenda. We have an economic plan in place, which is based on the premise of teamwork and unity, where all of us pull in the same direction for the benefit of all. Government will continue to ensure that we create an economic environment that promotes and encourages investment.**

**Through the implementation of the Harambee Prosperity Plan, we hope to bring about new partnerships by uniting all significant actors in our economy for the purpose of ensuring that Namibia establishes itself as the primary destination for investment in Southern Africa, for the benefit of Namibians not just today, but tomorrow, and in the years and decades to come. This can only come to fruition if we make the most of the platform provided by this conference to pursue partnerships, which will lead to the announcement of major investment projects. One of the expected outcomes from this Conference is the signing of investment Memoranda of Understanding by interested investors. Thus, I encourage serious discussions and negotiations aimed at achieving these expectations.**

**As you will see, the focus areas in which projects are being promoted are primarily the Harambee Prosperity Plan priority areas of economic development, infrastructure development, affordable housing, agro processing and manufacturing. Twenty-two projects will be presented at this conference. Some are Government driven, while others are private sector driven. Promoters and experts will be onsite to explain the details.**

**These are not the most rosy of times for investors worldwide. According to the International Monetary Fund, Global growth is projected to slow to 3.1 percent in 2016 before recovering to 3.4 percent in 2017. Issues such as the uncertainty of the ultimate impact of Brexit and weaker-than-expected growth in the United States have put further downward pressure on global interest rates. Financial market sentiment towards emerging market economies has improved with expectations of lower interest rates in advanced economies, reduced concern about China's near-term prospects following policy support to growth, and some firming of commodity prices.**

Despite this slowed growth, opportunities for investment still exist. As Robert Arnott once said, *"In investing, what is comfortable is rarely profitable."* Add to this Albert Einstein's assertion that, *"In the middle of difficulty lies opportunity"*, then we understand that there is more to investment than positive economic outlooks and although it may not seem comfortable to invest at the moment, it may turn out to be the most profitable decision in the long term. In the current difficult economic outlook lies opportunity for those that are bold.

The key drivers of economic growth in Africa are still there despite the slower than average growth forecast. For example, the fact that population sizes are increasing together with urbanization trends and technology usage means that there are still many opportunities for investment. Furthermore, the rise in the middle class as well as the abundance of national resources in sub Saharan Africa still remain key drivers for investment.

Similarly the long-term outlook for Namibia remains good. Key economic fundamentals, including fiscal sustainability and sustainability of the external current account remains intact. 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.

**In conclusion, I would like to state that we are intent on building a robust, and inclusive economy characterised by sustained growth; and we aim to achieve this through partnerships with the Private Sector and investors both local and international. Once again, let me quote Joseph Stiglitz who said, "*The only true and sustainable prosperity is shared prosperity*". Ladies and gentlemen, it is my hope that over the next several days we will pursue investment opportunities that are aimed at creating sustainable and shared wealth. Let us focus on value addition rather than resource extraction. Let's aim to pursue the principles of shared prosperity and be prepared to give a little to get a little for the benefit of all our people. Let us use this platform to invest in a more inclusive Namibia, a more inclusive Africa and a more inclusive world, characterised by sustainable and shared prosperity. I wish you all stimulating and thought-provoking discussions as you uncover the tremendous opportunities Namibia has to offer. I welcome you once more to Namibia, a Namibia that is open for business. I thank you.**