



REPUBLIC OF NAMIBIA

MINISTRY OF INDUSTRIALISATION AND TRADE

STATEMENT BY HON. LUCIA IIPUMBU

MINISTER OF INDUSTRIALISATION AND TRADE

**ON THE OCCASION OF THE SACU MINISTERIAL INVESTMENT
ROUNDTABLE**

12TH - 13TH APRIL 2022

GABORONE, BOTSWANA

Salutations

- **His Excellency Dr. Mokgweetsi Eric Keabetswe Masisi - President of the Republic of Botswana;**
- **Hon. Mmusi Kgafela - Minister of Investment, Trade and Industry, Botswana;**
- **Hon. Manqoba Khumalo - Minister of Trade and Industry, Eswatini;**
- **Hon. Dr. Thabiso Molapo - Minister of Lesotho;**
- **Hon. Ebrahim Patel - Minister of Trade, Industry and Competition, South Africa;**
- **His Excellency Wamkele Mene - AfCFTA Secretary General;**
- **Ms. Paulina Mbala Elago - Executive Secretary of SACU;**
- **Mr. Norman Moleele, CEO - Business Botswana;**
- **Mr. TP Nchocho, CEO - Industrial Corporation of South Africa;**
- **Ms. Vera Songwe, Executive Secretary - UNECA;**
- **Representatives of the International Finance Corporation;**

- Ms. Leila Mokaddem, Director General - African Development Bank;
- Mr. Keletsoitse Olebile, CEO - Botswana Investment Trade Centre;
- Mr. Sibani Mngomezulu, CEO - Eswatini Investment Promotion Agency;
- Lesotho National Development Corporation;
- Ms. Nangula Uaandja, CEO - Namibia Investment Promotion Development Board;
- Representatives of InvestSA;
- Dr. Joel Sentsho, chairperson of SACU Technical Committee on Industrialisation, Export and Investment Promotion;
- Members of the Media
- Participants in SACU Ministerial Investment Roundtable

Director of Ceremony/Moderator;

Ladies and Gentlemen,

Allow me to first express my sincerest gratitude to the Government of the Republic of Botswana for hospitable hosting and accommodation, on the onset to our arrival.

The SACU Ministerial Investment Roundtable is taking place when world leaders are still struggling to manage the current economic crisis. The haunting global economic environment has a critical and dire impact on the efforts of the SACU Member States to achieve accelerated industrialisation and economic recovery. Over the past two decades, the global economy experienced two large negative shocks: the global financial crisis (GFC) in 2009, and the COVID-19 pandemic in 2020-21. These two shocks have caused growth to be erratic and at times unbalanced, with global recessions in 2009 and 2020.

In addition, the shocks have posed major challenges for economic management, as attention has been focused on crisis management and recovery, diverting attention, focus and much needed resources from long-term growth needs. For many countries, limited financial buffers have been depleted and debt levels have risen, weakening public sector balance sheets.

The COVID-19 pandemic has created a great deal of anxiety and uncertainty among the world economies, and disruption to trade, migration, and investment flows. According to the International Monetary Fund's (IMF) World Economic Outlook, global growth in 2020 was a negative 3.1%, significantly lower than the 0.1% contraction recorded during the global financial crisis (GFC) and the slowest growth in over four decades.

Director of Ceremonies

I would also like to indicate that as a country, Namibia aims to participate fully at this Investment Conference through projects, which are being showcased at the Ministerial Investment Roundtable. These are in beef, horticulture and agro-processing, sectors mainly. In addition, there are numerous opportunities for both public and private sector driven projects that can support investments in these sectors.

Apart from investment projects, we must use this august forum to reflect on policy innovations around industrialisation and investment-making. For example we should investigate further opportunities for task - trading enhancement such as our weaner trade that flourish either with Namibia and South Africa and Botswana and South Africa to enable more value addition path-nodes. Equally Namibia has projects such as the Kavango Cattle Ranch that lends itself to the development of regional and bilateral value chains.

The Cosmetics and Essential Oils sector has advanced in terms of production domestically and thus participation in the regional value chain is possible. In Namibia for example, our exportable firms increased from 5 in 2016 to more than 35 by 2021 through concerted efforts by the Namibian government and development partners.

Equally, as a region we need to guard and covet our natural active ingredients sector against undue exploitation, which is the bedrock of both the pharmaceutical and cosmetics sector. Efforts are much needed to reduce the exportation of our natural ingredients in raw form whilst we import large quantities of value added products thereof.

I will further want to support that this platform deliberations should continue to indicate, from an industrial policy perspective, how we all

could harness the SACU rebates and duty drawbacks to develop these identified value chains further.

A key common theme around these investment and business opportunities is the cost structure that points to high tariffs on energy and in certain sectors other inputs such as - for example the cost of the feed in poultry an input tends to be a major cost component in certain value chains. A common approach to reduce these high input costs must also be investigated from a SACU regional industrial policy perspective.

Distinguished Guests,

Let me conclude by emphasizing that it is important to note that global production is increasingly carried out through global value chains (GVCs). Trade plays a major role in the long-term recovery from the negative economic impacts of COVID-19; therefore, SACU needs to ensure that opportunities for trade and investment integration into global value chains are maximized.

The launching of the African Continental Free Trade Area (AfCFTA) has emerged as an opportune pathway for SACU's drive towards post-pandemic recovery and building resilience: market diversification and enhancement of its industrial productive capacity.

Finally, Ladies and Gentlemen,

Allow me now, to once again thank the Government of the Republic of Botswana, SACU Secretariat, all invited institutions, as well as participants who have made this event to be a realisation.

I wish us all fruitful deliberations!

I Thank You.