Address of
Honourable Hage G. Geingob
Minister of Trade and Industry at the
Agricultural Investment Conference

Safari Court Hotel & Conference Centre
Windhoek, 15 September 2010

Honorable Minister of Agriculture, Water and Forestry
Director General of FAO
Distinguished representatives of UNIDO, World Bank, African Union, and SADC
Excellencies
Members of the Diverse Farming and Related Industries
Ladies and Gentlemen

I am happy to be at this conference co-organized by the Ministry of Trade and Industry, the Ministry of Agriculture, Water and Forestry, and various manufacturers. This partnership is implicit in any agro-based value chain.

The Ministry of Agriculture, Water and Forestry interacts with the farmers to facilitate the production of raw materials, the manufacturers add value to the raw materials, and the Ministry of Trade and Industry facilitates this value addition and product promotion.

The presence of the Ministry of Finance is also important for obvious reasons. In taking this integrated approach, all of us become value partners. I believe that the most important outcome of this meeting would be to build on this value partnership.
Agriculture is one of the most important sectors of the Namibian economy not because of its contribution of the country’s GDP, but because it provides livelihood to half of the Namibian population. Its importance, however, belies the challenges agriculture must face.

Many of these challenges are unique to arid lands; others deal with product mix, productivity, competitiveness, and marketing. It is my hope that many of the experts attending the conference would be able to focus on some these issues.

As you know, Namibia’s economy relies heavily on mining, with agriculture’s contribution to the country’s GDP just 6%. Other important sectors include tourism, fisheries, and manufactures. Our objective is to diversify our economy by increasing the contribution of agriculture and manufactures so that our dependence on extractive industries is reduced, and, at the same time, we are able to create jobs for the many unemployed. To give you an idea of the potential of this sector, food processing and beverages account for some one-third of the manufactures and one-half of the manufacturing jobs. Further, fresh and processed foods are the largest import category. In order to meet consumer demand for fresh and processed foods, we need to expand our agriculture and agro-industries. There is also potential for the diversification of the product mix, as has been shown by the cultivation of dates and grapes in the country. With the return of peace in Angola, still newer agriculture opportunities are opening up in the north where water is available. Elsewhere, too, technologies offer ingenious solutions, such as, conservation of water, desalination, and introduction of hardy breeds and varieties.
Ladies and Gentlemen

In order to facilitate the transformation of agriculture, promotion of agro-industries, and to increase their contribution to GDP and exports, we have sought to incentivize investment, regardless of whether it is local investment or foreign direct investment. Some of the concrete incentives include:

- no restrictions on the establishment of private businesses. (Note: under the commercial agricultural land reform legislation there are certain restrictions concerning the foreign ownership of agricultural farmland;
- constitutional guarantees against expropriation without compensation;
- Facility for export processing zones (EPZ's) where special incentives exist. We have multi-industry EPZ in Walvis Bay, but individual company EPZs can be anywhere in the country. Incentives for EPZs include exemption from customs, import and export duties and any tax on equipment and goods; exemption from income, profit and sales taxes; no taxes on corporate profit; and no labor strikes and lockouts.
- However, in certain industries there are local content requirements to exempt final products from duties under the SACU.
- Qualified workers in various professions are available in Namibia but the majority of workers are semi-skilled but often experienced and willing to learn. Companies willing to train workers are entitled to 25% tax deduction on the costs incurred in training.
- EPZ businesses are given preferential access to foreign exchange in order to repay foreign debt, and remit royalties, profits and dividends. In fact, they operate outside the normal foreign exchange regime in Namibia, and can have foreign currency accounts at local banks.
- The Foreign Investment Act also allows for the right to international arbitration in the event of a dispute with the government.
• Namibia has a well-established banking system. The Offshore Banking Act regulates the conduct of offshore financial services.

• All foreign direct investments are allowed many of these benefits, including the remittance of dividends, repatriation of capital within the Rand Common Monetary Area (CMA) framework.

This is certainly not the comprehensive list. We will be glad to provide bespoke list for your specific interest. However, I should mention that there are other incentives that are equally relevant. These include Namibia’s SADC and SACU membership that expands the markets considerably. Our multi-modal transport system is business-friendly, our roads are excellent, the Trans-Caprivi, and Trans-Kalahari Highways provide fast and economical linkages with the land-locked countries, and Walvis Bay provides efficient access to other ports.

Namibia has direct air links to major cities of sub-Saharan Africa. International flights to and from Frankfurt and London link Namibia to Europe, and North America. There are excellent air connections to the rest of the world through Johannesburg. Our telecommunications system covers the whole country with mobile phone services, and internet.

According to ONDD (Office National Du Docroire/the Belgian Export Credit Agency), risk assessment for Namibia is quite informative for the investors. For instance, short term political risk is 1 on a scale of 1 to 7, with 1 being the lowest risk. On the same scale, war risk 1, risk of expropriation and government action 1, and transfer risk 3. This ranking of political risk assessment is an indicator, albeit indirect, of our commitment to building a peaceful and prosperous country in line with our Vision 2030.
We, at the Ministry of Trade and Industry are focused on accelerating the creation of work opportunities for the citizens. In this context, agribusiness, agro-technology, agro-inputs, agro-logistics, and agro-finance businesses provide excellent venues for enhanced contribution of the agriculture sector to the country’s GDP, and for employing increasing number of semi-skilled Namibians. Agriculture industry’s sub-sectors, that is, agro-technology, agro-logistics, and agro-finance need particular attention not only in the commercial agricultural sector, but also in the communal or small-scale sector.

Provision of irrigation, and plant nutrition in conditions where there is limited amount of water opens up many business opportunities, such as, manufacture of made-to-order fertilizers, seeds and drip irrigation. Adding value to cereals, horticultural produce, honey, and ranching for export to neighboring countries, or further afield, or for sale locally opens up potential for manufacturing facilities, such as, breakfast cereals, animal feed, wine making, cookies manufacture, processed meat, cheese, leather goods manufacture, furniture manufacture, and many more.

We, at the Ministry of Trade and Industry, and indeed at the whole government level, are open for business to address general or specific concerns of investors, entrepreneurs, and industrialists. At the communal level, it is important to think in cooperative terms, to build on individual strengths. Provision of common services enhances value for money particularly if cooperatives are run professionally. These cooperatives will certainly help expand the agriculture sector, and thereby expand the need for inputs. They could, and should, become significant exporters to the neighboring countries, particularly with the development of complementarities.
At the finance level, our commitment to starting an SME Bank should help in opening up new opportunities for farming, farm implement manufacturers, suppliers, and traders for the previously disadvantaged group. We are also working on the Namibia Development Corporation becoming even more involved in property development to house SMEs in all the thirteen regions of the country. NDC could also undertake building skyscrapers to house offices, of build condominium-cum-office skyscrapers. Such an involvement would not only create many jobs, but would also facilitate reasonable rentals for the new enterprises.

I also visualize us starting programs in all the thirteen regions where we will be able to identify potential entrepreneurs, provide guidance through mentor programs, provide them supervision, help them with the acquisition of technology, and finance to become successful entrepreneurs. I also feel that we need to put structures in place to provide the necessary backstop, so that we work with the premise that ‘failure is not an option’. Subsequently, we can build of this success in all the thirteen regions towards our aspired goal of development for all. The bottom line is this – we are committed to creating a favorable investment climate for local and foreign investors. In this process, our objective is to benefit from food security, economic diversification, and job creation. It is really a win-win relationship.

I therefore invite the investors, businessmen and women, and manufacturers to look at Namibia as a place where they can do rewarding business. And, may I once again emphasize that, in addition to other incentives, we offer our investors an environment of democracy, peace, personal and financial security, world-class amenities for the workers and their families, and great climate.
Ladies and gentlemen

Those of you who have come from outside Namibia should take some time out to visit various parts of our country to get a feel of what we have to offer. We hope many of you will find Namibia an attractive place for business.

I thank you.