

Political and economic stability

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PRESIDENT OF THE REPUBLIC OF NAMIBIA

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I am pleased to be associated with this highly prestigious and international publication called FIRST Magazine.

My current visit to London is focused primarily on the promotion of trade, investment and tourism. I am pleased that this publication will aid our efforts to highlight the comparative advantages and investment opportunities that Namibia can offer to potential investors. We have put in place highly competitive incentives to bolster our efforts aimed at the promotion of trade, expansion of the tourism sector, broadening the manufacturing base, and modernising our services sector. These efforts form part of a strategic and deliberate focus of my Government.

On the occasion of this Official Visit to the United Kingdom, I personally wish to thank Her Majesty the Queen, her Government and the British people for the invitation extended to me to visit this country as a guest of the British Government. This visit will not only strengthen the already excellent bilateral and diplomatic relations existing between our two countries but also serves as an opportunity for Namibian industries to sell their services in this strategic market.

At independence in 1990, Namibia inherited an economy characterized by a narrow industrial base and heavy dependence on the production and export of primary commodities such as beef, fish and minerals.

In order to overcome this structural weakness, the Government committed itself to a strategy of economic diversification aimed at creating more dynamic industrial and service sectors through increased manufacturing activities, promotion of value addition to locally produced raw materials and the modernisation of our financial and telecommunication sectors. Today, we have a modern financial sector and our telecommunication network has been fully digitilised, without a single analogy switch.

In order to fast-track the attraction of investments into the country, Namibia adopted a number of policy intervention including the Foreign Investment Act and the Export Processing Zone (EPZ) with highly competitive incentives. The Foreign Investment Act provides, among other things, for equal treatment of national and foreign investors, full protection of investments and it places no obligations on investors

in respect of requirements for local participation.

The EPZ regime on the other hand is a vehicle for attracting export-oriented domestic and FDI into our manufacturing sector. It is a tax free environment, with free industrial location and a manufacturing and value addition orientation.

Geographically, Namibia is a large country, with a population of some 1.8 million people. We pride ourselves on political stability and a multi-party democratic system of Government. The country is strategically located along the south western Atlantic Coast of Africa, which makes it an important gateway for imports and exports to and from the sub-region.

Many destinations in Southern Africa are easily accessible via our ports, roads, railways and with the national airline, Air Namibia. The airline also flies frequently to and from Europe, via London (Gatwick) and Frankfurt in Germany. Namibia also provides access to wider markets of some 200 million people through its membership of various regional groupings such as SADC and the ACP-EU trade agreements.

In 2004, Namibia adopted Vision 2030, a long term development framework to guide the country's development and strategies to achieve its national objectives. Vision 2030, our five year National Development Plans and our Poverty Reduction Strategy are linked to Namibia's international commitments, the Millennium Development Goals (MDGs).

This linkage provides a direction in which all stakeholders and partners should be moving including Government departments, academic institutions, communities and civil society. Our aim is to mobilise local resources as well as support from international development partners to improve the quality of life of the people of Namibia and to bring them on par with industrialised nations by the year 2030.

Namibia's classification as lower middle income country has left it without the traditional support through development aid and soft loan financing. Within these limited parameters, we have moved towards increased commercial trade and investments to overcome the socio-economic discrepancies that still exist, including the challenges of HIV/Aids, poverty and unemployment.

Although the economy is heavily dependent on the

extraction and processing of minerals for export, the mining sector only employs about 3 percent of our work force. More than 50 percent of the population is directly or indirectly dependent on agriculture.

The Government, is therefore, attaching greater importance to the transformation of the agricultural sector through the Green Scheme Policy which is aimed at steering a new green revolution.

Our marine resources are among the richest and most productive in the world with unpolluted fishing grounds. After independence, the Government implemented a resource management system that incorporates a highly effective and efficient system of monitoring, incorporating control and surveillance measures in order to help our fish stocks to recover. Over the years, our surveillance efforts have been very effective against illegal fishing by foreign fleets.

Like many other nations, Namibia regards illegal, unreported and unregulated fishing as a serious threat to fish stocks at the national, regional and international level. As such, we view it as the greatest threat to sustainability of fisheries and marine resources. Fishing rights or rights of exploitation remain the central element of the Government's fisheries management regime.

Both internationally and domestically, Namibia continues to promote our tourism industry on the basis of a unique variety of wildlife, natural wonders, contrasting beautiful scenery and the diverse cultures of the friendly Namibian people.

The tourism sector is the fastest growing in our national economy in terms of its contribution to our Gross Domestic Product. The number of tourists who visit the country has increased tremendously in recent years. Tourism is now the third largest contributor to the country's total GDP after mining and fisheries. As we try harder to penetrate international markets, we will retain our focus to improve and increase market share in the European tourist market. The overall 3.9 percent growth experienced by Namibia in the European source markets against the 8.3 percent in other overseas markets is an indication that the country still faces a daunting challenge in exploiting the European market fully.

We will continue to address challenges such as socio-economic inequalities, poverty and unemployment, which can impede the growth and development of our country. For this reason, my Government has decided to invest heavily in education and training of our people, especially in areas of science, technology, mathematics and

skills development. Above all, we will continue to embrace policies that promote economic growth such as manufacturing and value addition.

These efforts will involve different sectors such as the refining of base metals, developing mariculture and aquaculture, crop production, food processing, cement production, textile and garment production, leather and leather products, glassware and ceramics, steels manufacturing, electronic assembly and automotive components.

Namibia is open for business and I invite potential investors and entrepreneurs to come and explore the opportunities that our country has to offer. I wish to thank FIRST Magazine for bringing our message to their distinguished readership. **E**

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