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Leap Namibia MD Ally Angula

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Winds of change sweep across Chamber

It is not only a year of national party elections, but for the NCCI it is also national leadership election year and with the prospect of new leadership, comes the prospect of change.

Every leader sets the pace according to their unique style and tonality.

As necessary as change is nationally, it is also good organisationally. NCCI's 2014 Annual General Meeting and Gala Dinner took place on Saturday 28 June 2014 and it was at these proceedings that the new President and Board of Directors of the Chamber were elected. Outgoing President, Mrs Martha Namundjebo-Tilahun handed over the baton to Mr Sven Thieme, after serving two consecutive terms (take a bow Madam President!).

I take this moment to honour and commend this woman of impact who has passionately served, advocated for and promoted Namibian enterprise. During her tenure, she has supported the Chamber to expand its mandate nationally, regionally, continentally and even globally. She has left the Chamber and Business Namibia on good ground.

Her successor, Sven Thieme is an inspired and inspirational leader, who introduced himself in his acceptance speech as someone *"passionate about our Namibia, creating a sustainable economy and helping our country to reach its full potential"*.

We are so glad he speaks "Chamber-nese!". We are indeed privileged to benefit from the guidance and support of a leader of his calibre.

Included on the AGM agenda was the Chamber's newly adopted strategic vision, which is *"To enable Namibia to become the most competitive economy in Africa by 2020"*. Implementation of this strategy will now be adopted by the newly appointed Board of Directors. The vision is inspiring and certainly attainable, provided all key stakeholders and implementers make it their own. The benefits for Namibia, once such an objective is realised, are greatly beneficial and in the interest of each and every citizen.

As from 14 July I have moved across to Team Namibia, where I will support that Team to realise an equally inspiring national mandate, but remain your dedicated ***NBJ*** Editor. As ***NBJ*** Editor I have had the opportunity to interview many exceptional leaders and have learnt that no matter the leadership position, it is about what you want to achieve and it is from there that a sense of purpose comes from.

Cheers, to purpose-driven leadership and of course, to change.

Editor,
Daisry Dumeni

Sven Thieme elected new NCCI President

The Executive Chairman of the Ohlthaver and List Group of Companies Sven Thieme is the new President of the Namibia Chamber of Commerce and Industry (NCCI).

Thieme was elected at the NCCI AGM held in Windhoek at the end of June. One of the country's most recognised business leaders, Thieme replaces outgoing President Martha Namundjebo-Tilahun who had been at the helm of the Chamber since 2010.

Thieme brings with him a wealth of experience to the board in which he previously served as the 1st Vice President. He will serve a two-year term from 2014 to 2016 with an option of an extension alongside 1st Vice President Sebby Kankondi and 2nd Vice President Sara Naanda.

Five board members - Lucia Hiveluah, Robby Amadhila, Theo Mberirua, Bisey Uirab and Onesmus Tobias Amadhila - were re-elected at the AGM, while MVA Fund CEO Rosalia Martins-Hausiku and Esther Akwaake joined the board for the first time.

Namundjebo-Tilahun, Inge Zaamwani-Kamwi and John Endjala will also serve on the board as immediate past presidents while Navin Morar and Leake S. Hangala will continue to serve as honorary Board members.

NCCI CEO Tarah Shaanika said the election has been made following a regulated, democratic, transparent and inclusive voting process.

"The election of such a high-calibre and experienced leaders is a testament to NCCI's resolve and we are counting on the Board to steer the Chamber leadership through the newly adopted strategy implementation process," said Shaanika.

Namundjebo-Tilahun said she was pleased with the progress the Chamber has made in the past two years.

"Our financial position is much stronger than it was four years ago and we even managed to register strong surpluses in the 2011 and 2012 financial years. Our tax liabilities which were accumulated in the past were completely cleared since the last AGM while the Chamber is now fully compliant with its tax obligations.

"We expanded our branch network from 19 branches four years ago to 27 today."

She said the Chamber's constitutional requirement of having branch representations in all the administrative regions has been almost realised, but for Kavango West where the branch representation is non-existent and Omaheke where the branch remains weak and dysfunctional.

NEW BROOMS: The incoming NCCI Board of Directors. Other members not in the photo are outgoing President Martha Namundjebo-Tilahun, Leake Hangala and Rosalia Martins-Hausiku

Namundjebo-Tilahun said the support of state owned and private companies to local suppliers of goods and services will be key in the country's industrialisation efforts.

"We cannot continue to import goods and services which can be produced and supplied by local businesses if we are to create profitable and sustainable local industries," she said.

During his acceptance speech at a gala dinner held after the AGM, Thieme echoed his predecessor's comments saying there is need to support local businesses, service providers and products if Namibia is to become economically stable.

"We need to share our local pride and foster a world-class reputation for Namibian products and services which will not only increase sales, but attract foreign investment to make a meaningful impact on the local economy," he said.

He added that through hard work and dedication "we can make our country synonymous with innovation and positive change and an inspiration to the rest of the African continent as well as the global business community."

Thieme said under his leadership, the NCCI will focus on stakeholder engagements and dialogue as they believe this to be the best strategy to improve the local business environment and make Namibia's economy competitive.

"As we move forward in ensuring that stakeholder engagement and dialogue does not only happen at the top, the NCCI will strengthen its branch network to guarantee representation in all corners of Namibia.

"Over the past 24 years we have made significant progress to build branches in most of our town and villages. However, more needs to be done to strengthen the capacity of all our branches and provide them with the necessary support needed to improve dialogue and results at regional levels," he said.

The AGM was attended by about 100 private sector leaders and the national NCCI branch executive leadership. The meeting was held under the theme "Doing Business in Namibia: Improving Value Chains and Business to Business Linkages."

NAMIBIAN BUSINESS AND INVESTMENT CLIMATE SURVEY

Business and Investment Climate Survey (NamBIC)
Land remains major stumbling block

VITAL DATA: Prime Minister Hage G. Geingob launched the 5th Annual 'Namibia Business and Investment Climate (NamBIC) survey report

The recently-launched Namibia Business and Investment Climate Survey 2014 (NamBIC) results indicate that businesses ratings of the investment climate in 2014 improved in most areas, except for the access to land.

Local businesses are upbeat about the general economic environment with a majority (84 percent) intending to invest and hire more people in 2014 albeit at a measured pace compared to the prior year. Seventy percent of the respondents are operating at or above full capacity and hence in theory need to invest or hire more people.

The upbeat outlook held by many is broadly in accordance with Namibia's macroeconomic environment, with an expansionary fiscal and accommodative monetary policy stance, low interest rates and inflation.

The 5th annual NamBic survey was launched by Prime Minister Hage Geingob at a breakfast ceremony hosted in Windhoek. NamBIC is the product of a successful partnership between the Namibia Chamber of Commerce and Industry (NCCI), Namibia Manufacturers Association (NMA), Institute for Public Policy Research, with the support of GIZ on behalf of the German Government. The study has been undertaken to provide insight to policy-makers and regulators on the most pertinent matters affecting the business environment in Namibia. The findings also inform the advocacy agendas for both the NCCI and NMA.

The 2014 survey reports on the perceptions and opinions of 597 businesses operating in Namibia, including those that are not NCCI and NMA members. Respondents represent both the formal and informal businesses, covering all economic sectors, nationally.

The 2014 results show that businesses' ratings of the investment climate have improved in the areas of crime, access to finance and tax rates. The following five (5) factors were highlighted to be the most challenging to business, requiring most urgent reforms to enable healthy business growth:

- Access to land
- Access to finance
- Competition and demand
- Skills
- Bureaucracy

The following recommendations were proposed by the publishers of NamBIC report to mitigate the above highlighted constraints:

- Address availability of serviced land
- Improve the geographical presence of development finance institutions
- Strengthen linkages between SMEs and large businesses and address supply side issues
- Promote sourcing of local products, industrialization, local entrepreneurial development, utilizing Public procurement as a tool
- Address skills (skills development strategy)
- Address bureaucracy. Improve transparency and accountability, to minimise corruption, protect property rights, improve governance and provide access to justice. Also important are improvements to the business laws, bankruptcy regulations and commercial justice systems.

Prime Minister Geingob welcomed the survey findings and urged more proactive dialogue to be initiated between public bureaucrats, private sector and the labour unions, so as to work together to resolve those highlighted, prohibitive factors.

Tarah Shaanika, Chief Executive Officer of the NCCI said the NamBIC report was complimentary to the existing business climate barometers such as the World Bank's 'Doing Business Report' and the World Economic Forum's 'Global Competitiveness Report'.

"By working through the (NamBIC) identified business challenges, NCCI endeavours to ultimately impact Namibia's ranking on the global competitiveness indexes, as a competitive economy to do business in, in Africa. Such reforms would help to boost our national performance and this is the strategy which has been adopted by the NCCI leadership going forward," he said.

As Namibia enters a new period geared towards a global market (surging imports), companies are not adjusting to the increasing international trade. Worries over the effects of climate change have not faded either as devastations of floods and drought seems to still linger in the minds of some respondents.

Against a backdrop of increasing competition and rising costs, businesses are paying close attention to the potential impact of government policies. In this year's survey, the percentage of respondents who say government procurement policy favours foreign businesses has increased.

Complaints about corruption and bureaucracy have also not died down. Specifically, survey respondents voiced continued concerns over difficulties in obtaining government tenders, inadequate access to capital, and inadequate protection from foreign competitors.

EBank roll out begins

New bank to leverage internet & mobile technology for cost effective, efficient and accessible banking

ACCESSIBLE BANKING: EBank Chairperson Monica Kalondo and Chief Executive Officer Michael Mukete ready for banking business

EBank, the country's latest commercial bank that promises to offer a new generation of banking products, has begun rolling out its banking products through a pilot phase expected to end in the next few weeks.

The bank's Chief Executive Officer Michael Mukete, a former Assistant Governor of the Bank of Namibia until his unceremonious exit at the end of last year amid concerns of a conflict of interest, announced the bank's plans recently at a media briefing.

Mukete said EBank's management team was now in place following the granting of a permanent banking licence by the central bank late in May.

Mukete said the next phase of the bank's roll out was the piloting of transaction processing within a controlled environment at various partners' premises.

At the same time, the bank will focus on the integration of its systems into NAMCLEAR that will allow it to be connected to other commercial banks.

Mukete said once this is done, the bank will formally launch its banking solutions to the public. This is expected to be around the third or fourth quarter of this year.

Although officials at the bank remain tight-lipped about the new entity's model and its operations, Mukete said EBank is a fully fledged commercial bank that leverages internet and mobile technology to deliver cost effective, efficient, accessible and user-centric banking for all.

"We cannot really go into details at this point, but what we can tell you is its unique distribution model that will make sure that our access and outreach to most of the communities in Namibia. As a new generation bank, EBank will be the first of its kind in Namibia, supported by a unique distribution network to ensure maximum reach and access for all. New generation banking solutions rely on the innovative use of technology to meet the expectation of clients for easy, safe and smart banking," Mukete said.

The EBank model will enable any Namibian, whether employed or unemployed, low, middle or high income earners, young or old, banked or unbanked to access banking services anywhere, anytime, the CEO said.

At the launch clients will access extensive functionalities through various channels which include internet, mobile and a network of partner agents and merchants.

Monica Kalondo, Chairperson of EBank, said with the advances in technology, internet use and the high penetration rates of mobile telephony, the EBank model is an appropriate solution for a market like Namibia and many other similar markets the world over.

She said the fact that there appears to be more cell phones than people in this country and other countries on the continent will augur well for the kind of banking model that they are setting up.

"That kind of penetration is actually much easier than the traditional kind of banking where you had a branch in a big town and everyone else fed off that branch. So we do believe that the kind of technology we are using is easily accessible to everybody including the unbanked. And I am not implying that we are limiting the technology that we are using to cell phones. Every single piece of available technology will be utilised by EBank," she said.

Kalondo said using a full spectrum of technology, which is fully accessible to all consumers, will ensure that the banking model will be all inclusive.

EBank is 42.5 percent owned by Point Break Group Namibia the same as South African based TYME who is a technical partner. The remaining 15.12 percent shareholding is owned by Namibian individuals including Kalondo and Martin Shipanga.

According to information on TYME's website, at each point in the retail banking value chain TYME focuses on reducing the cost of banking. TYME accordingly provides a seamless solution comprised of three core areas: user-centric design, hosted services and branch less operations.

TYME offers both virtual and physical identity capturing and validation solutions. This facilitates low cost, paperless and real-time customer account opening and servicing.

TYME was instrumental in the establishment of Mobile Money in South Africa.

Launched in November 2012, Mobile Money is effectively a bank account that can use electronic funds transfers (EFTs) from the traditional banking system. Customers can sign up for the service using their cellphones, and there are no monthly fees and no minimum balances. Money can be sent to anyone with a South African cellphone number.

Mobile Money is powered by MTN but its required banking partner is the South African Bank of Athens, through its distribution partner TYME, which runs the service. Pick n Pay and Boxer provide the stores for customers to deposit and withdraw cash.

NAMIBIAN COMPETITION COMMISSION

MEET OUR MANAGEMENT TEAM

*(**From Left**) Dr Michael Humavindu, Ms Vivienne Katjiuongua, Ms Nangosora Tjipitua, Ms Bridget E Dundee and Mr Vitalis Ndalikokule. (Seated) Mr. Heinrich Mihe Gaomab II*

Mr. Heinrich Mihe Gaomab II

Qualifications: MSc; Quantitative Economics (Warwick); Postgraduate Diploma in Quantitative Economics (Warwick); B.Comm Honours; (UWC)
Profession: Economist
Position: Chief Executive Officer and Secretary to the Commission & Ex Officio Board Member

Dr Michael Humavindu

Qualifications: PhD in Economics (Umea University, Sweden); MSc in Finance & Investment (Durham University, United Kingdom); MA in Economics (University of Stellenbosch, RSA)
Profession: Economist
Position: Director- Economics & Sector Research

Mr Vitalis Ndalikokule

Qualifications: LLM in Economics (UNAM); Postgraduate Diploma in Economics for Competition Law (Kings' College, University of London); Certificate in Management Development (University of Stellenbosch, RSA); B.Admin (UNAM, Namibia)
Profession: Economist
Position: Director – Mergers & Acquisitions

Ms Vivienne Katjiuongua

Qualifications: B-Juris and LLB (UNAM, Namibia); LLM (University of Western Cape, RSA); Postgraduate Diploma in Economics for Competition Law (King's College, University of London)
Profession: Admitted Legal Practitioner
Position: Director – Restrictive Business Practices

Ms Bridget E Dundee

Qualifications: PHD Candidate (University of Pretoria, RSA); MIB (Polytechnic of Namibia); BEcon Honours (University of Western Cape, Cape Town, RSA); Postgrad Education Diploma (UNAM, Namibia); BEcon (UNAM, Namibia)
Profession: Economist
Position: Technical Advisor to the CEO

Ms Nangosora Ashley Tjipitua

Qualifications: B. Juris; LL.B (UNAM); Certificate in Board Governance (University of Johannesburg); MBA Fellow (University of Stellenbosch); Admitted Legal Practitioner (High Court of Namibia).
Profession: Lawyer
Position: Corporate Secretary

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TULIMEVAVA FISHING CC

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Email: baasco@mweb.com.na
afn@iway.na

Tulimevava Fishing Cc with a fishing right in horsemackrel channel its social responsibility through Oshikoto Trust. The main purpose of the trust is to use funds to uplift and improve the quality of living standard of residents in Oshikoto region.

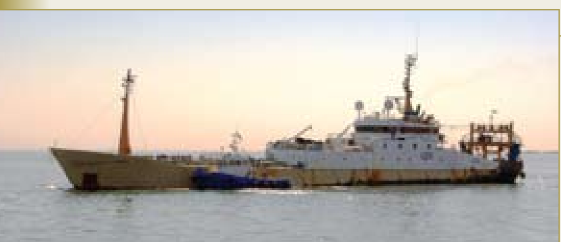
Tulimevava is a shareholder in Cavema Fishing Pty Limited that owned a Fishing vessel, Flipper 9 baptised Oshongo.

The 8 Members of Tulimevava Fishing CC

Back from left to right: *Nico Kaiyamo, Vilho Kamanya, Ottoman Gomachab and Rev. Edward Amadhila.* ***Front:*** *Betty Kaula, Andre Neethling (chairman) Maria Nehoya.* ***Insert:*** *Frieda Naibas*

The holding company, Cavema Offices in Walvisbay with membership of the shareholding companies (Camoposatu and Vernier).

Donations of various Creams and Hats for the Albinos in Oshikoto Region By Nico Kaiyamo to the Chairman of Oshikoto Regional Council, Hon. Max Nekongo.



The Cavema owned vessel Flipper 9 (baptised Oshongo)

Donation of Washing Machine to the Management of Nomtsoub Old Age Home by Ottis Gomachab

Donations of 40 000 to the Founding President for the Construction of Etunda School and Clinic

Trustco completes FIDES Bank acquisition

Trustco Group MD Quinton van Rooyen

Diversified financial services group Trustco has announced the acquisition of micro lender, FIDES Bank. After weeks of speculation, Trustco announced that it had acquired 100 percent shareholding in FIDES Bank. Trustco said the lender fitted its strategy and would set off the present student lending, mortgage lending and insurance businesses.

"The student lending business is of sufficient economic size to anchor the banks' balance sheet," Trustco said in a statement to shareholders announcing the acquisition. FIDES has five branches in Namibia with a loan portfolio consisting of 14,000 group lending borrowers and 357 SME borrowers.

Group MD Quinton van Rooyen said the company was thrilled by the prospect of entering the banking sector. He said the acquisition of a bank is a natural progression of the group's business model.

"We think this is such a great opportunity for Namibians and the previously excluded portion of bankable individuals and businesses. I think we can play a huge part," he said.

"As you know we started with student lending in 2005. What I like about that business is that we would not only create exceptional wealth for stakeholders and employees, but we would also provide Namibians with an opportunity to upgrade their skills.

"We are now taking it a step forward. We are now nurturing and supporting entrepreneurs. With my banking hat on, [I am thinking] there is such an opportunity for those people to acquire funding.

"We have basically a few products that we can incorporate into the bank using the Trustco financing model, and also mortgage loans. Remember, two years ago, we started providing loans at Lafrenz.

"So some of the parts are already there, we can just build on that and the bank is the perfect vehicle for that."

Former Nedbank MD Erastus Hoveka has been appointed CEO of the bank.

According to van Rooyen, Hoveka was instrumental in the due diligence process of acquiring the bank, and would play a key role in raising capital once the acquisition has been completed.

Trustco plans to raise money on the market through a combination of debt and stock to improve the bank's balance sheet and to ensure that it is well capitalised. It was not immediately clear how much capital the bank would look to raise.

"Our first order on the agenda is to improve the balance sheet significantly," van Rooyen said.

"Many banks that have tried to make a success of their business in the past and some current banks in the market do not have enough capital to be competitive banks.

"I think what my board will do, and what I will recommend is to use the loan facility that is there to make sure that we do a combination of debt and equity.

"In that way we can make sure that Namibians have a chance to be part of Trustco again and have access to banking profits by becoming shareholders and issue enough capital and make sure that the bank is properly capitalised," he said.

With a track record of innovation, van Rooyen sees technology and mobile phones in particular, playing a huge part in the new bank.

"We will start at ground level, start with the simple products then expand on that and we will obviously make use of technology, and mobile phones come into mind very quickly and obviously."

He said the bank would find it difficult to be profitable if it followed the traditional way of doing banking using bricks and mortar.

"If you want to be profitable and creative you need to change the way of traditional banking a bit. And I think that is exactly what we are going to do."

There are four established banks in the country in addition to the Government-sponsored SME Bank.

Further, the Bank of Namibia recently awarded a provisional banking licence to another bank, EBank, which also promises revolutionary banking products.

Not so long ago, the central bank also announced that it was considering several banking licence applications.

But despite this, van Rooyen said he is not worried about the competition in the Namibian banking sector.

"Competition just makes us smarter," he said.

"We did our market research; we know who are on the market. We know that there are five other banking licences on the cards. With top Namibian employees, a top business model and proper capitalisation, we will be there. I have respect for competition, especially for the established banks.

"SME Bank is a Government initiative that also wants to grant loans to SMEs. It's OK. Let there rather be too much money available for people who want to start businesses rather than too little money," he noted.

The Trustco Group MD said the banking business model would not necessarily bring profits from fees and interest like traditional banks.

"We have a plan, but that we will tell the market when we are ready.

"We have seen very lean banking models across the world. It will probably be a hybrid between a micro-bank and a very low cost bank and we are very excited about that," he added.

He, however, hinted at a contract-financing model.

"If you make money available to an entrepreneur you do not necessarily have to lend that person money.

"There are other ways to do it. You can do small partnerships. Think about a person who has a N$10 million dollar contract from Government to build 100 houses, as an example. The payment has security, government will pay, but the person must deliver the service.

"You can take a small equity stake in that business and you say we are not going to charge you interest but we will share the profits.

"You must make sure that there is an entrepreneur, a lawyer and an accountant very close to that individual to help him run his business. You only need to do that once or twice then the guy will be up and running.

"I think I see a model where we will be much closer to the individuals that take money from the bank."

He said Namibian businesses generally struggle to obtain funding because of the delays by traditional banks in making decisions, as they have to consult first with parent companies in South Africa.

Trustco's business model will, however, change that.

"I foresee a situation where we will take decisions quickly. Not always a favourable decision, but you will have a decision. There again I must commend Bank Windhoek whose decisions are taken locally. With Bank Windhoek you only wait a week for millions of dollars," he said.

Dundee Precious Metals

Namibia's premier copper manufacturer

PRECIOUS METAL: Tapping copper matte at the Ausmelt furnace

Dundee Precious Metals Tsumeb owns and operates the Tsumeb Smelter, the only facility of its kind in Namibia and one of only a handful of copper-processing companies in the world that can smelt complex metal concentrates, especially those bearing high volumes of arsenic.

The Tsumeb Smelter is unique in this respect, and therefore a value-added asset for Namibia's mining and manufacturing sectors.

Both blister copper (98.5% Cu) and arsenic trioxide (As_2O_3) are produced at the smelter. The blister copper is delivered to refineries in Europe for final processing, and the As_2O_3 is sold to third parties. The smelter is capable of processing 270,000-340,000 tons of metal concentrate per annum.

The smelter features a primary smelting furnace (Ausmelt), three Peirce-Smith converters and two oxygen plants, as well as dust-capturing baghouses, high-tech gas-cleaning and fume-extraction systems, state-of-the-art environmental monitoring equipment, a pneumatically operated arsenic plant, a slag-treatment mill and an international-standard hazardous waste storage site.

Currently, a N$2, 3 billion plant designed to convert sulphur dioxide into commercial sulphuric acid for sale to Namibia's uranium industry is in the early stages of construction. On the horizon is the installation of a modern, multimillion-dollar electric holding furnace that will enhance production output and place the Tsumeb Smelter square on the threshold of becoming a global competitor.

Dundee Precious Metals Tsumeb is a subsidiary of Dundee Precious Metals Inc. of Toronto, Canada. It employs more than 800 people, including contractors.

A forward-thinking company

Dundee Precious Metals Tsumeb has taken a significant step forward for environmental responsibility that has no precedent in Namibia.

Five state-of-the-art monitoring stations have been installed by the company to measure emissions not only at the Tsumeb Smelter, but also "beyond the fence line" in the greater Tsumeb community.

The cost of the stations alone – N$5 million – demonstrates the company's commitment to find pragmatic solutions and practices to environmental problems. The strategically placed monitoring stations are the first of their kind in Africa to measure arsenic trioxide levels. Plus they meet, and in some cases exceed, U.S. Environmental Protection Agency recommendations.

The units provide real-time, publicly accessible data about arsenic dust and other airborne particulates, as well as sulphur dioxide emissions, and give important information to company management to ensure the smelter continues daily to operate in a responsible manner.

Looking to the future, Dundee Precious Metals Tsumeb is also researching new and innovative ways to manage its arsenic waste products to minimize potential impacts on the environment and the human population. Currently, hazardous dust from smelting is stored in a licensed, appropriately engineered repository within the smelter complex.

Dundee management wants to go beyond legislative compliance by investigating ways to convert the waste dust into more benign forms and possibly even extract residual metal value from it in the process. For this exciting work, Dundee Tsumeb is partnering with scientists and metallurgists both locally and in Canada.

Business Personality Profile:

Daring Ally Angula ventures into male-dominated commercial farming

Leap Namibia Managing Director and Chief Strategist Ally Angula

Thirty-four-year old Ally ShaningwaInedhimbwa Angula has never shied away from challenges. Born in a SWAPO refugee camp in Lubango, Angola, to Matheus and Nangula Angula, Ally has taken up a trade one would rarely imagine a 34-year old woman tackling - commercial farming.

Ally, together with other young entrepreneurs, have created Leap Namibia – an integrated group of companies creating and capturing value through farming, manufacturing, retail and financial services businesses. Leap ventures are underpinned by the drive to impact, transform and enrich lives.

Leap Namibia, which Ally spearheads as Group Managing Director and Chief Strategist, aims to break the mould and do things that people would normally think are out of reach. "Our market focus is Namibia and the rest of the African Continent. We are embarking on this journey one project at a time to give us time to scale in a controlled manner," she tells Namibia Business Journal.

The first mega project that Leap has taken on is the farming operation which is housed under Leap Agribusiness (Pty) Ltd. This enterprise is based in Tsumeb on the D3001 road. The operations are currently focused on farming and supplying fresh produce to retailers and the general market.

"The operation commenced in 2013, with the infrastructure development; clearing of the land, drilling of boreholes for water, preparation of the field, installation of a fertigation tank (which combines the application of water and fertiliser to crops) and centre pivot (for irrigation).

We were fortunate enough within the four months of having commenced this infrastructure development to have a field ready for planting in early February

Some employees of Leap Agribusiness

MD Ally Angula at the farm

2014 with our first potato crop covering some 12.9 hectares," according to Ally. Harvesting was anticipated to start during June 2014.

Ally says the commercial farming venture was inspired by the drive to create value, produce something, grow something with the aim of capturing as much of the value as possible by either manufacturing for the end consumer or using produce as a component of end products that they can retail.

"We aim to become Namibia's most innovative farming operation and to ensure that we put us much of our produce through the chain in the Leap group of companies. We want to make sure that we do not use the supposed limitations in the Namibian market as stumbling blocks to why we cannot start any of our operations," she says.

The Leap farming venture has thus far impacted over 70 lives in Namibia. The enterprise has 18 permanently employed staff members and during the planting week over a four week period, 51 people were roped in. A further 150 people were expected to be taken on board during the three weeks of harvesting, grading and packing of farm produce for market.

"All this from a 13.6ha field (12.9 ha potatoes and 0.7ha maize for consumption by our workers). During the first week in May 2014, the construction of our storage facility commenced to ensure that we are able to safeguard our harvested crop. We are also embarking on the further development of our next 20 ha field, which we aim to split into smaller manageable blocks for planting of cash crops to fund the day-to-day running expenses of the month during the months when our main crop is in the ground. By the end of the year, we are hoping to have a total area of 120 ha cleared and to have horticultural produce that can be harvested on a regular basis," says an enthusiastic Ally.

How it all started

Interestingly, however, the path that the Leap farming venture took was not in the original plan. Leap was inspired to go into farming with the aim of researching for a fabric producing plant (bamboo) to support the company's manufacturing operation, initially being manufactured ready-to-wear garments.

"We, however, noted early on in the journey that when we started talking to the bankers they did not understand what we were trying to do. We wished to research a plant that they had not heard of in Namibia in any commercial setting or discussion. So we reframed our operations to still arrive at the same objective: identify a commercial crop that can generate money to fund some of the research costs; identify a crop that still challenges us to learn as much as we can and that most people are too scared to venture into as their first crop – break the mould that if you do things right; employ the right skill, buy certified seed, have a formal programme to follow from a disease and pest control point of view and most importantly be willing to learn from any mistakes as quickly as you can as a team," Ally relates.

However, Ally and her team soon found out that it was not all that easy.

"I was always one to say to people who complained about access to financing that as long as you have a great project and a great team to execute, funding is available. I have since learned that our institutions especially the ones set up to assist with developmental projects are not quite ready," she says.

Ally says the Leap farming venture has also taught her that support does not always come when you expect it and that resources in Namibia are truly limited.

"My approach is – let's start with what we have, let's start where we are and then as time goes on as we prove that we are capable and that we can execute, financing and support will come. The timing will never be right, the funding will never be enough – just start, one small step at a time. That's what we have done, we cleared 40 ha, due to the financing constraints, we have only planted 12.9 ha but we have a started, we have a field where we are planning on harvesting at least 500 tons plus. We have people that rely on us and their families to provide meaningful and dignified jobs," she says.

The fact that none of the insurance companies in Namibia offer crop insurance also makes it difficult to manage certain risks that as a business you have no control over, she says.

Early Life

A Chartered Accountant by profession, Ally Angula attended People's Primary School in Katutura, Centaurus High School and graduated with her first degree from the University of Namibia. She obtained her honours degree from the University of KwaZulu Natal, South Africa.

She is a registered Chartered Accountant in Namibia and South Africa.

"I completed my articles at KPMG in Windhoek, becoming a Partner in 2006 at the age of 26, at then Swart Grant Angula firm and a KPMG Partner in 2007. I learned a lot during my career at KPMG, proud to have signed off on audits of some of Namibia's biggest commercial entities. The exposure cannot be replaced by anything and to this day my blood is truly and genuinely blue," she says.

Earlier, Ally was part of the SWAPO children that were sent to East Germany (GDR) just before Namibia's independence. She came back to Namibia in August 1991 and has lived in Windhoek ever since.

Ally credits her mother for inspiring her to pursue what may seem to be impossible dreams.

Besides heading Leap, Angula also works at the Ministry of Finance driving the reform initiatives with respect to expenditure management and financial reporting.

Ally has served as a Council Member of the Institute of Chartered Accountants in Namibia (ICAN) and as a Board member of the National Qualifications Authority appointed by the Minister of Education. She currently serves as non-executive director for the Bank of Namibia, Old Mutual Life Assurance (Namibia), Rio Tinto's Rössing Uranium Limited Mine in Namibia, Oryx Properties Limited (a NSX primary listed company); as Vice Chairperson for Namibia's Petroleum Company - Namcor and is Chairman of Namcor Trading.

Ally is the Founding Curator for the World Economic Forum Global Shapers Windhoek Hub as well as an Archbishop Desmond Tutu Fellow.

But why farming?

Asked about what inspired her to venture into agriculture, away from the trade she spent years studying for, Ally's answer was simple.

"African women have been farmers for a long time. When you go to the rural areas it is the women that are in the fields, planting, weeding, harvesting. Farming is not new to us. What is new perhaps is farming commercially, using the latest available technologies to improve yield, selecting the best cultivars as a way of managing diseases once again to increase yields, using precision farming etcetera," she says.

"What drove me into farming commercially was the drive to want to impact the future of my country and this continent we call home. I have had pivotal moments in my life and events that took place that have given me a laser like focus on what is important to me and what I would like my life to be remembered for. By farming and doing other things I am basically just living out my dream," Ally continues.

Her advice to young Namibians wishing to venture into farming is simple - "Get your feet wet by trying new things".

"Farming contains the best lessons about running an operation, it teaches you to plan down to the tiniest detail – timing in farming is so precise you miss planting windows you have to wait for a long time to plant again. The best farmer is the one that walks his/her field, I am no stranger to my field, even with a qualified and experienced farm manager I know my field from all corners, I am there every week, I ask questions until I understand why a certain leaf has gone brown for example from the last time I was there," she says.

FIVE BASIC FACTS ABOUT ALLY ANGULA

- Driven
- Extremely ambitious
- Loves to control situations as much as possible, to have a say in outcome
- Is never a victim of a situation
- Laughter is her best medicine

NCCI signs MoU with Donetsk Chamber of Commerce and Industry

The NCCI and Donetsk Chamber of Commerce and Industry (South-Eastern Ukraine) signed an agreement for cooperation, establishing a formal relationship between the two Chambers, in the interest of their facilitative roles for trade and investment.

Businesses seeking facilitation to the Ukraine business community and markets can now receive guidance via the two Chambers, owing to this collaborative agreement.

NCCI
NAMIBIA CHAMBER OF COMMERCE AND INDUSTRY
The Premier Voice of Business Namibia

New Member joins NCCI Network

We are pleased to welcome Millennium Investment Holdings to our national member network. The Group joined the Chamber as a Corporate member in May 2014.

Millennium Investment Holdings (Pty) Ltd

Staff Departures

Ms Daisry Dumeni, Manager: Marketing and PR (and NBJ Editor) has decided to leave the Chamber to join Team Namibia as the Chief Executive Officer.

Though sad to see her go, we are confident that she will serve passionately and make a lasting contribution to Team Namibia. We wish her great success in her new office!

Ms Silvana Domke, who was Branch Administrator for the NCCI Swakopmund branch has served to the end of her contract and will now be returning home, to Germany.

Silvana was attached to the NCCI local office, through the Partnership for Economic Growth Programme (PEG) via the GIZ, on behalf of the German Government. During her time at the Chamber she has made a significant contribution by upholding a high standard of service excellence, commitment and by applying proactive management approach.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ROADS AUTHORITY
SAFE ROADS TO PROSPERITY
Ogilvy Namibia

RA's Windhoek-Okahandja freeway project shifts into high gear

It has been dubbed the 'Highway of Death' due to the many lives that have been lost on the ever busy 60km stretch of the B1 Highway between Windhoek and Okahandja.

But, thanks to a mega project by the Roads Authority of Namibia, bankrolled by the Government, many lives will soon be saved. The four-lane dual carriageway between the two centres is being extended from Brakwater right up to Okahandja.

"The accident rate on the existing road is very high as a result of limited passing opportunities and poor sight distance problems. The freeway will in principle change opposing two-direction traffic to parallel one-direction traffic, and will have long sight distances. These improvements will likely reduce fatal and serious injury accidents dramatically," says RA spokesperson Hileni Fillemon.

The road between Windhoek and Okahandja has witnessed many accidents over the years due to heavy traffic, especially during peak hours. Also, road users travelling between Windhoek and the coastal parts of Namibia, as well as those traveling to the north and north-eastern parts of the country make use of this road, making it one of the busiest roads in Namibia.

Apart from the high accident rate, part of the existing road pavement would not have lasted much longer structurally and strengthening of this important spine to the capital for the next 20 to 40 years had become essential.

The upgrading of the road will also include the construction of pedestrian bridges on the Windhoek Western Bypass, which is notorious for gruesome traffic accidents.

Speaking at a groundbreaking ceremony for the project, President Hifikepunye Pohamba said the new freeway, which will transform the road between Windhoek and Okahandja into a modern dual carriage way, will improve the flow of traffic between the two centres.

"It will enhance safety on this vital and busy stretch of road which also forms part of the important Walvis Bay Corridor. This road is a major artery for trade and commerce in our country. Our Government has decided to mobilise resources for the upgrading of this road to a modern and safer dual carriage way, because of its strategic importance to our country," the head of state said.

In addition to the upgrading of the Windhoek-Okahandja road, the RA plans to upgrade the Windhoek-Hosea Kutako International Airport, Windhoek to Rehoboth, Swakopmund to Walvis Bay and Omuthiya to Ongwediva roads to dual carriageways. Such investments will not only bring about significant reductions in traffic congestion but will also greatly improve road safety on these vital transport arteries.

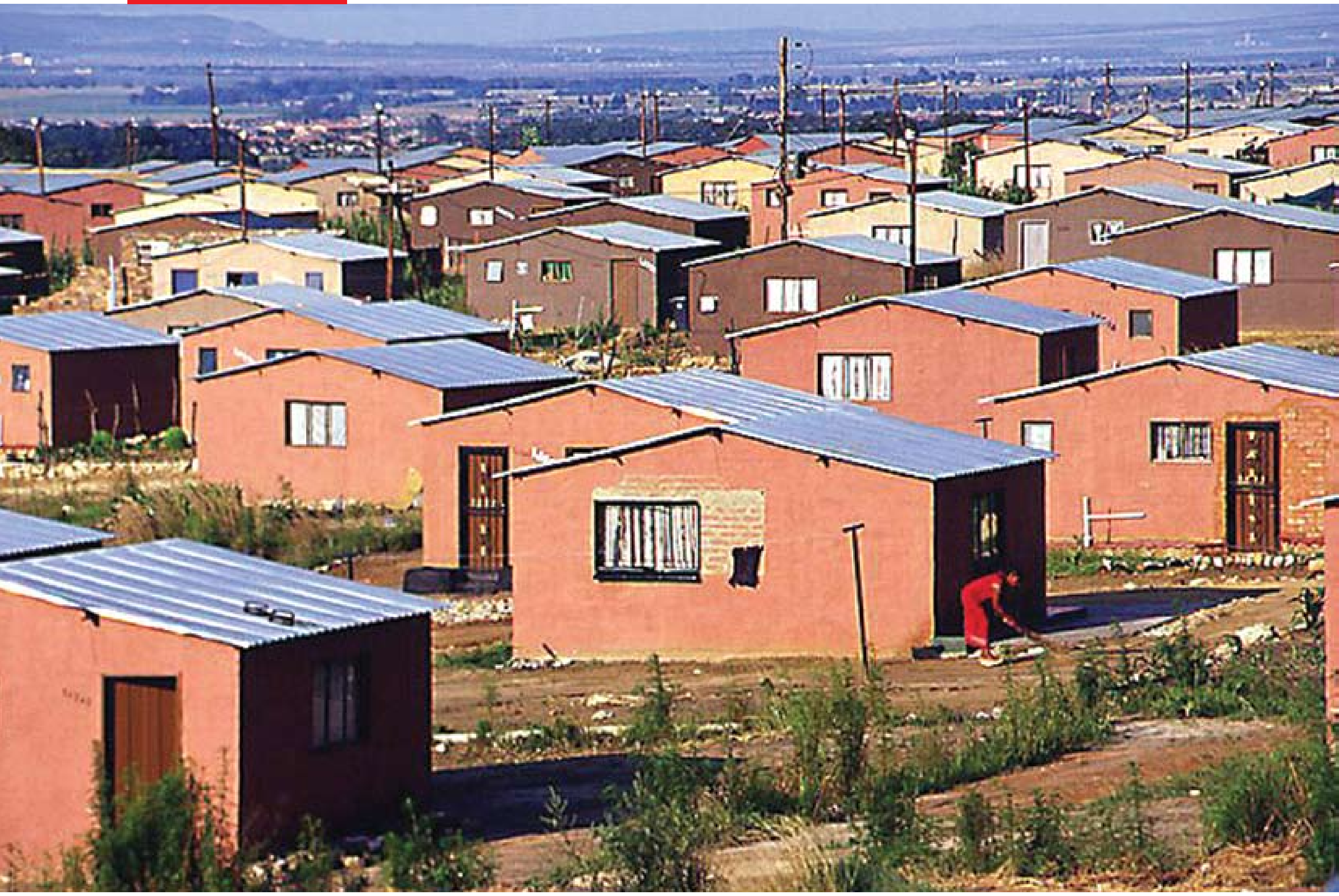
MEGA ROADWORKS: Construction work on the B1 Highway between Windhoek and Okahandja is in full swing, with the four-lane dual carriageway between the two centres being extended from Brakwater right up to Okahandja

The capital projects will also create hundreds of employment opportunities for Namibians in the construction of culverts, bridges, crushing and screening, and the final activities such as bitumen surfacing, road signs and road marking.

Work at the first two bridges on the Windhoek-Okahandja freeway has commenced and 60 employees have been recruited, of whom 10 are female.

Tenders were called in the second half of 2013 for the rehabilitation of Section 3 of the Windhoek – Okahandja road (TR1/6 or the B1 route) on the basis of a 7km extension of the existing freeway as from Brakwater to the existing Police control point (road block), and from there a 3-lane road to the Döbra River (Okapuka River on existing road signs).

The contract also included 5km of single carriageway service road, DR1545, to the east of the B1 for direct access to landowners. The contract period was 15 months and the contract amount was N$239.7 million when it was awarded to Grinaker-LTA in December 2013.



First Capital geared for GIPF housing loans

The First Capital Housing Fund (FCHF) which was appointed to administer the Government Institutions Pension Fund (GIPF) housing scheme says all systems are in place to successfully roll out the scheme.

The country's biggest pension fund, with an estimated market value of N$78 billion as of 30 April 2014, launched its long awaited housing loan scheme in May administered by First Capital Housing Fund. Martin Mwinga, CEO of First Capital Solutions, the holding company that created the FCHF special fund, said his company has the capacity to handle a project which has the potential to service around 90,000 clients.

He said they are well aware of the risks and shortcomings of administering such a fund, and that they had put risk management systems in place.

Mwinga said more than 1100 civil servants had already applied for the housing loans two weeks after the fund was launched with 700 of the applications coming from Windhoek alone.

The housing scheme, which will complement another housing loan scheme administered by a department under the Ministry of Finance, and the National Housing Enterprise's housing programme, is expected to fill a gap on the housing market. Although no official figures are available, conservative estimates put the housing backlog in the country at around 100,000 units.

"We didn't expect this reaction. Our offices are flooded with inquiries from 8am to 5pm, but we are managing the situation. "Most were just trying to find out if they qualify, but unfortunately most did not. This was mainly because they were highly-indebted, and purchasing a house would only worsen their situation," Mwinga said.

However, he said the scheme makes provision for highly indebted members to consolidate debts making them eligible for the housing loans. "We do help such members by offering them debt consolidation. That means if a member has taken a short-term loan that is affecting their income and house affordability, we can consolidate it into the housing loan.

"This helps to reduce their monthly short debt payments and increase the amount of their disposable income to enable them to qualify for a larger loan amount. This is something most banks don't do," Mwinga said.

GIPF's General Manager: Marketing and Corporate Communication Elvis Nashilongo acknowledged that the majority of the fund's members were highly indebted. "It is a fact that many of our members are deeply in debt and this prevents them from participating. Financial counselling and debt consolidation would therefore be part of our intervention," Nashilongo said.

Analysts have cautioned against the abuse of the fund by financially hamstrung members looking for a quick fix. They say the fund should guard against unscrupulous members who instead of investing the money acquired from the fund for its intended purpose might abuse the loan and buy themselves other luxuries.

However, Mwinga said the fund will not give out cash to successful loan applicants. "People initially came expecting to receive cash, but when they approach us, we expect them to have identified the house they want to buy, or the land they want to develop.

"We do not pay borrowers; the money is paid directly to the seller of the house/land after bond registration with lawyers. Even when you renovate, we pay the builder in stages and final payment on completion. No single penny is paid to the buyer," he said.

Mwinga added that applicants were required to bring in quotations from two different builders and the approved building plan before a decision is made which quotation is best. "Once we appoint the builder, we pay them directly, but in stages. The building is assessed according to progress reports, and when they finally hand over the house, and it meets specifications, final payment is made."

In addition, he said fund representatives in each region will inspect the houses and building sites before making final recommendations to the FCHF board of trustees and GIPF on whether to release funds.

Analysts have also raised concerns about members defaulting in the case of death, disability or voluntary separation. But, Mwinga noted that as an employer, Government generally does not retrench employees, so people had job stability. He said if people leave the employment of the state, their property would be withheld and they would have to take out another loan from commercial banks to repay GIPF as they no longer qualified for the loan.

"Of course, there is not much risk as this is asset-backed finance/loans. It is almost risk-free because the value of property appreciates over time, assuming there are no major political risks that disrupt the foundation of the country's economy.

"However, before we give loans, we will assess the economic prospects of that region. We have to look at it sustainably. "We would not want to expose GIPF funds to an area with long-term poor economic prospects or a region that is expected to become a 'ghost town' once one or two projects that carried the region collapses," Mwinga said.

GIPF UNLISTED INVESTMENT PORTFOLIO

"Our platform to unleash national development potential"

The Government Institutions Pension Fund (GIPF) is a Defined Benefit Fund managed by Trustees and legislated by the Pension Funds Act of 1956.

GIPF's mission is to safeguard and grow the Fund for the benefit of its stakeholders and Namibia.

With N$72.9 billion as at 31 December 2013, the GIPF is the largest pension fund in Namibia and a prominent regional player in the pension fund industry with over 100 000 members.

David Nuyoma
CEO

Introduction

In line with Regulation 28 of the Pension Funds Act, pension funds are required to hold a minimum of 35% of their investments in Namibian assets with the maximum of 3.5% in unlisted investments. Through this legislation, pension funds are encouraged to invest in the domestic market to ensure that Namibian savings are utilized to stimulate development.

By way of responding to this call, GIPF approved an Investment Policy for Unlisted Investments in 2008. The overarching objective of this policy is to make a meaningful contribution to the economy and developmental needs of communities by providing development capital to non-listed sectors with high growth potential. These types of financing include micro-financing, venture capital, development capital, buyout financing and property which falls out of the unlisted investment categories in terms of Regulation 29.

Within the spirit of this policy, the Fund has adopted a broad-based view to socio-economic development through private equity, a relatively new investment concept to Namibia which could enhance our ability to capture significant performance while reaping diversification benefits.

Given the risks associated with unlisted investments, the development of this policy took into consideration detailed studies of global best practices in this area. We believe that through this policy we are able to innovate and create an alternative asset class for investments of pension fund's assets. As is evident, the GIPF Unlisted Investment Policy has recorded success in job creation, infrastructure development and general economic growth. The ripple effect of our investments into this asset class is the multiplication of business entrepreneurs, an increase in the critical mass of sustainable businesses and stimulation of market activities.

Despite these remarkable benefits, we also believe that this policy allows us to better manage our investment risk through diversification of our asset portfolios. Surely, the risk of carrying all eggs in one basket is minimized when some assets are withheld from volatile listed markets.

We are very proud to be a pioneer of this concept in Namibia and we are of the view that the impact of our investments in this area would be robust and sustainable. It should also be noted that even though our unlisted investment objectives are developmental in nature, the protection and growth of our assets remains top priority.

Conville Britz
GM: Investments

Operational framework

The operational framework is designed to minimize risk by making use of professionals with specialized expertise in particular investment mandates. In terms of this set up, individuals with projects requiring finance shall not approach the Fund directly, but approach these service providers (Fund Managers) who have been appointed by the Fund for this purpose.

Moreover, the funds under the unlisted investment portfolio are housed in legal vehicles called a Bewind Trusts. The disbursement of GIPF funds to projects is done via these trusts on the basis of a draw down principle rather than the total value allocated to the Trusts. Any draw down can only be authorized after investment proposals have been thoroughly investigated and appraised. Some benefits associated with this arrangement are as follows:

- The funds invested by the GIPF remain the property of the GIPF.
- It allows for a tax look-through structure. All profits generated will be subject to tax, if applicable, in the hands of the investors, not the Trust. Other investors may also participate in the fund. This is to enable other pension funds, long-term insurers, foreign investors and, indeed, individuals to also participate. It is hoped that this will create mobile capital.
- Very onerous governance principles.
- The right of the GIPF to terminate a manager and appoint another in case of any diversion from mandates.

A number of Fund managers with specialties in areas of private equity, venture capital, debt and infrastructure financing have been appointed through public tender to participate as intermediaries and manage the allocated funds in line with GIPF objectives.

Elvis Nashilongo
GM: Marketing & Communication

Public accountability

As a public institution, GIPF has a duty to keep stakeholders informed about all its dealings as required in terms of good governance principles. This media project aims at profiling our investment initiatives within the national economy through the provision of financial capital to bankable business opportunities. We are obliged to tell this story because our stakeholders demand nothing less than full accountability and disclosure on how the Fund's assets are invested.

Our communication strategy in this regard is geared toward creating public awareness for the UIP and development projects funded through this initiative. While the overarching objective of the UIP remains to grow the Fund's assets and manage risk through diversification strategies, the positive effect of this policy on the local growth is substantial. Through this platform we shall provide an assessment of this positive impact to a variety of communities throughout the country. Additionally, this information campaign provides a practical meaning to the concept of mobilising domestic savings for national economic growth and development as advocated through Regulation 28 of the Pension Funds Act. The idea is to provide stimulus to the economy utilising domestic savings while reducing the impact of capital flight. This showcasing and branding of our UIP funded projects would assist to demystify the myth that our country has limited capacity for economic activities. We believe that our intervention through the UIP is noble and noteworthy. We are inviting you to watch this space.

Trust Funds and specific investment mandates as per policy objectives

Trust Name/Fund Manager	Nature of Mandate	Summary of Investments made as at 20 March 2014
Namibia Procurement Fund	Provision of short-term working capital facilities and medium-term asset backed financing to SMEs awarded tenders/ supply and/service contracts by reputable entities	N$154.3 million
Desert Stone Fund (DSF)/IJG	Target established traditional private equity,venture capital or Greenfield buinesses with growth capital	• MobiCash Payment Solutions (Pty) Ltd ("MobiPay") - N$14.7 million • Namibian Engineering Corporation through their subsidiaries of Power and Pulp and STAHL - N$32.4 million
Kongalend Renewable Energy Fund Trust	Provision of small loans for renewable energy and small & medium enterprises' credit financing	N$81.1 million
VPB Growth Fund	Target established traditional private equity, venture capital or Greenfield businesses with growth capital	N$32.0 million for a 28.9% equity stake in Ongwediva Medipark(Pty) Ltd
Frontier Property Trust	Invest in immovable, retail office or warehouse property or buy land for development purposes	Investments totalling N$241.9 million comprising of: • Gwashamba Property Development (Ondangwa) • Grove Mall in Kleine Kuppe(Windhoek) • Otjiwarongo Town Square • Ballot Street Office development
Konigstein Capital Investment Property Fund	Identify, adjudicate and develop various property projects	Investments in three housing/residential/office projects amounting to N$38.3 million comprising of: • Okahandja Housing Development Project • Hosea Kutako Apartments, Windhoek • River Port Development (Residential and Commercial units)
Preferred Investment Property Fund	Identify, adjudicate and develop various property projects	Investments in several development projects (residential , warehousing and office space) in excess of N$145 million, across the country, namely: • Weavers Nest (Windhoek) • Ferdi Consulting(Tsumeb) • Prolonganda (Okahandja) • Berseba Views (Windhoek) • Raino Trucking (Windhoek) • Dash CC (Arandis) • Eagle Views Development (Windhoek) • Ocean View Development(Swakopmund)
First Capital Real Estate Finance Fund	To provide mortgage loans to both GIPF and non-GIPF members. The investment mandate includes residential properties and municipal infrastructure funding	Investment in Outapi Town Council for servicing of land, amounting to N$9.9 million
SIM Namibia Real Estate Fund	Buy and hold real estate investment trust, target direct property investment and development	No investment to date
Tunga Real Estate Fund	Buy and hold real estate investment trust, target direct property investment and development	Invested in the development of three malls namely: • Arandis Convenience Centre N$18.3 million • Otjivanda Shopping Centre N$90.0 million • Rehoboth Shopping Centre N$80.2 million
Expanded Infrastructure Fund	Buy and hold real estate investment fund, target infrastructure such as toll roads, railways, telecom, bulk water, electricity etc.	• Invested N$11.9 million in Vision Investments cc contracted to service land on behalf of Swakopmund municipality

Some of the projects invested in

MobiPay

Gwashamba Mall (Ondangwa)

Grove Mall (Windhoek)

Solar Water (Otavi)

Otjiwarongo Town Square

Hosea Kutako Apartments

Glossary of terms

- **Unlisted Investment**: Unlisted Investment are investments made in a company or financial instrument that is not listed on a registered Stock Exchange.
- **Venture Capital**: This is a source of funding for a start-up company which is either in the form of debt or equity. This is usually the second source of funding after the initial investment made by the promoters or founders of a company.
- **Private Equity**: This is an investment into a company through taking up a portion of equity in a company that is not listed on a registered stock exchange.
- **Bewind Trust**: This is a trust registered by the Master of the High Court in terms of the Trust Monies Protection Act number 34 of 1934.
- **Draw Down**: Draw down is a process that is followed and a submission made, whereby the Bewind Trust makes a capital call on the commitment made by an investor.

GIPF

GIPF is a fund that provides pension benefits for civil servants and employees of member institutions.

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Government Institutions Pension Fund

GIPF

MEGA PROJECT: Founding President Dr Sam Nujoma and President Hifikepunye Pohamba get down to work to officially launch the construction of the new container terminal at the Port of Walvis Bay.

N$3,3b Walvis Bay container terminal to triple cargo handling capacity

The new container terminal currently being constructed at Walvis Bay will triple the port's container handling capacity and expand trade capacity by offering space for larger vessels, as well as more efficient cargo handling equipment.

The new container terminal will increase capacity to 1,050,000 containers per annum, while it is envisaged that by 2017, cargo volumes handled through the port will double, as compared to the figures of 2012.

Officially launching the construction of the new terminal President Hifikepunye Pohamba said completion of this project will bring about significant benefits, not only for NamPort as a company, but for the country as a whole.

"In terms of size, it stands as one of the biggest infrastructure development projects in our country's history. It will create significant employment opportunities both during construction as well as after its completion," he said.

Pohamba said the decision to expand the port of Walvis Bay was taken as part of Government's long-term strategy to develop infrastructure that will improve Namibia's economic competitiveness and strengthen the country's position as the preferred gateway for imports and exports to and from the Southern African Region.

"This is in line with the SADC Regional Strategic Indicative Development Plan (RSIDP), which calls for the facilitation of trade and increased investment to bring about deeper regional economic integration. In order to achieve this objective, it is vital for SADC member states to develop integrated, efficient and cost effective infrastructure such as ports, railways, airports, and roads that can be interlinked through the framework of transport and development corridors to facilitate trade and commerce," the President said.

Significant progress has been achieved in this area over the years, with the completion of projects such as the Trans-Kalahari and Trans-Zambezi High Ways. Trade volumes along the Walvis Bay Corridor reached a monthly record of over 95,000 tonnes in February this year. This is the highest monthly volume for the corridors so far. Statistics also indicate that countries such as Angola, Zimbabwe, Zambia and the DRC have shown increased growth in trade volumes, when compared to other countries that are served by the Walvis Bay Corridor Group.

Furthermore, imports from South America into the SADC Region via the Port of Walvis Bay, especially from Brazil are also increasing.

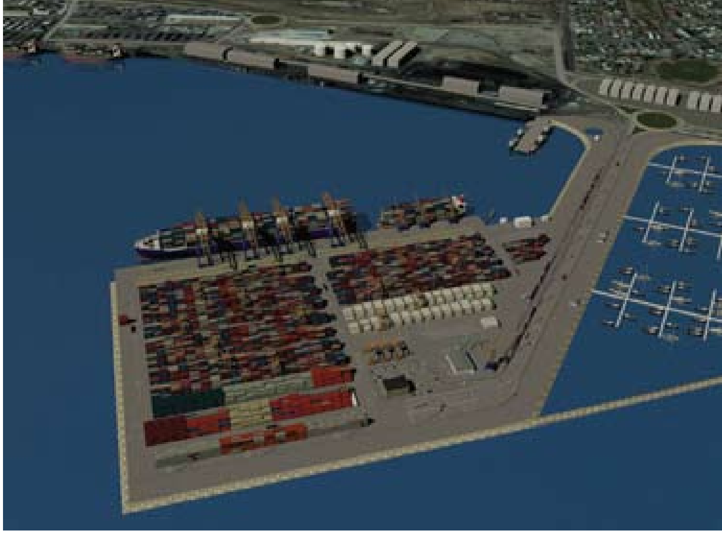
The head of state said the recently signed Bilateral Agreement between Namibia and Botswana for the construction of the Trans-Kalahari Railway Line will also contribute significantly to the strengthening and expansion of rail in the transportation of goods to different markets. In the same vein, other landlocked countries such as Malawi, Zambia and Zimbabwe will also benefit from this railway line, as it will provide them with a choice of transportation corridors.

"Due to Namibia's strategic geographic location, the new Container Terminal will go a long way to serve the land-locked countries in southern Africa as an important logistics hub. Nearly one out of three African countries is landlocked. Thus, there is increased focus on developing port infrastructure to serve such landlocked countries, " said Pohamba, adding that Namibia had already availed land and signed agreements for the establishment of dry port facilities, with land locked neighbours such as Botswana, Zambia and Zimbabwe, at Walvis Bay.

NamPort Chairperson Jerry Muadinohamba said the port authority was striving to position Walvis Bay as the logistics hub in terms of cargo handling.

He said in terms of growth at the port, 10 years ago in 2003 the port of Walvis Bay handled 2.3 million tonnes of cargo and 1,252 vessels visited the port. Ten years on in 2013 the port handled 6.1 million tonnes of cargo, 301,817 TEUs and received 1,541 vessel calls.

"The port of Walvis Bay's current container terminal can accommodate only 355,000 TEUs (20-foot equivalent units/the standard size container) per annum but a market study undertaken by NamPort forecasts container volumes at 863,000 TEUs in 2030. It is worth mentioning that despite the growth in volumes no major infrastructure investment, apart from optimising Berth 1 to accommodate larger vessels, was undertaken in the past three decades



HOW IT WILL LOOK: An artist's impression of the new Walvis Bay Container Terminal.

at the port of Walvis Bay," Muadinohamba said.

With its new capacity and state of the art cargo handling equipment in the form of ship to shore cranes, the new container terminal will offer capacity to accommodate larger vessels as well as provide improved productivity and ship turnaround time. This will enable the Port of Walvis Bay to attract new business and enhance current business with resultant increased cargo volumes and employment opportunities.

At the same time, the berths freed up by moving the container operations to the new container terminal will provide bulk handling berths which can accommodate larger bulk carriers and therefore attract increased trade through the port.

Donald Kaberuka, President of the African Development Bank Group (AfDB), which is financing the container terminal construction, said the project, which is the largest funding agreement signed between Namibia and the African Bank to date, will support the Government's effort in diversifying the sources of economic growth and opportunity in a manner that promotes higher productivity, resulting in sustained and inclusive economic development.

"Given the strategic location of the Port of Walvis Bay, it is for all intent and purpose a regional facility. Thus, the project has far reaching effects, benefiting the peoples, governments, and private sector of Namibia, Angola, Zambia, Botswana, the Democratic Republic of Congo, Zimbabwe and South Africa through increased opportunities for intra-regional trade, job creation and skills development," he said.

However, Kaberuka cautioned that hard infrastructure such as the containerised Walvis Bay port terminal on its own is only the beginning. "It must be accompanied by governance infrastructure that ensures maintenance, removal of non-physical barriers to regional trade and movement of people to which all African Governments are committed," he said.

DBN looks for new source of funding

Martin Inkumbi DBN CEO

The Development Bank of Namibia, which recently celebrated its 10-year anniversary, is set to enter the financial markets in a bid to inject fresh working capital as government threatens to scale down budgetary support to the bank.

Government has capitalised the operations of the bank since its inception in 2004.

During the launch of the bank 10 years ago, former President Sam Nujoma said the establishment of DBN would act as a vehicle for the private sector to invest in the economy through equity participation in the bank, but that has not happened as yet.

Speaking on the sideline of DBN's 10-year anniversary celebrations held in Windhoek recently, Finance Minister Saara Kuugongelwa-Amadhila disclosed Government's plans to wean the development bank from public funding after a decade of budgetary support.

"We have been growing them; 10 years is a long period. It shows that they have also realised significant growth when you look at the size of their balance sheet and the impact that they have had in the economy," Kuugongelwa-Amadhila said.

"I think that when we meet at the next annual general meeting, we would start to think in more strategic terms.

"I was whispering to them [management of the bank] that besides funding from the shareholder, we need to see a proposed strategy for funds mobilisation that would enable them to fund larger projects.

"This would especially be the case with the appearance of the SME Bank on the scene, which would relieve them of the responsibility to target SMEs."

The minister, however, could not give specific timelines of when the bank will go on the market.

"For now I'm not really able to give a date, but when we have a strategy in place we will talk about timelines," she said.

Martin Inkumbi, CEO of the Development Bank of Namibia said the bank was aware that it cannot depend on treasury allocations indefinitely.

He said the bank has already put in place a capital raising strategy.

"This year we would like to raise some money," he indicated.

"It is our plan to raise a bit of capital from the Namibian market and that is one of the reasons why I said it's very important that we keep a very close monitoring on the quality of our balance sheet which is determined by the quality of the loans we give."

From humble beginnings in 2004, DBN's balance sheet has now surpassed the N$2 billion mark.

Considered one of the best performing development banks in southern Africa, DBN's impairment ratio has mostly been lower than the regional benchmark of seven percent.

Inkumbi believes that this will serve the bank in good stead when it enters the financial markets. He said the DBN's healthy balance sheet will enable it to secure loans at favourable rates.

"If you have that [healthy balance sheet], then it means the market will know your clients are able to pay back and therefore they are more likely to give you money to lend further and they are more likely to give you that money at favourable terms.

"So it starts with managing a very good balance sheet as a bank for you to be able to raise capital in the market," he explained.

Inkumbi said the bank is still to make a decision on whether to take wholesale deposits from the public or to issue bonds.

"That we will still determine because it would need approval by the board, but as management we have already crafted our strategy.

"We will be able to share with you maybe towards the end of the year as the time comes when we will enter the market and what option we are going to take for now, for 2014," he said.

The Development Bank of Namibia has approved 1,446 facilities for 1,149 entities since it started operating. Of the approvals, 1,228 were for SMEs. The approvals had an estimated impact on 51,493 jobs and a value of N$ 4.046 billion, the bank said.

Meanwhile, the Development Bank of Namibia says its focus for the next 10 years will be on funding large or industrial projects that have a greater impact on economic growth and job creation.

DBN has focused mainly on funding start-ups and helping small and medium enterprises grow their business. The bank has also helped fund some large projects, state owned enterprises and some corporate entities which are fully owned by previously advantaged Namibians, but these have been few compared to the smaller projects.

According to Inkumbi, the bank's focus is likely to change in the next 10 years as its balance sheet grows.

DBN's loan book currently stands at N$1.75 billion while its balance sheet has surpassed the N$2 billion mark.

In line with this vision, DBN has set itself a target to build its in-house capacity to be able to fund huge or large industrial projects.

Inkumbi said focus will be on building the bank's capacity and expertise to understand and be able to evaluate industrial projects that have the potential to be successful and through that bring about the economic growth and employment creation needed in the country.

Finance Minister Saara Kuugongelwa-Amadhila

Companies warned against protection abuse

ENJOYING PROTECTION: The Namib Poultry Industries (NPI) factory which enjoys protection from foreign chicken imports

Companies enjoying Infant Industry Protection have been warned against abusing their protection by making abnormal profits at the public's expense.

Finance Minister Saara Kuugongelwa-Amadhila said companies that take unfair advantage of consumers will find it difficult to keep customers when the protection policy ends.

She said protection extended under Infant Industry Protection (IIP) was only aimed at giving the industries concerned a window of opportunity to learn.

She said industries enjoying protection should not hope that they will perpetually have Government protection and just continue to operate inefficiently.

The minister said the idea behind trade protection measures was to ensure that industries strengthen their capacity and achieve efficiency so that they can compete with foreign companies.

Government last year granted protection to Namib Poultry Industries (NPI) after the company complained that the N$600 million project was in dire need of any form of protection against cheap foreign imports blamed for losses running into millions of dollars.

However, chicken prices skyrocketed soon after Government invoked the Import Export Control Act of 1994 limiting the importation of poultry products to 600 tonnes a month.

Kuugongelwa-Amadhila cautioned that companies should not see Government protection as an opportunity to make "a super profit" and assume that IIP will lock out competition and charge whatever prices they wanted to because consumers would have no other alternative.

"That is a short sighted kind of approach. They are actually also supposed to make an effort to build up a customer base," she said.

She said businesses should first develop capacity to ensure recovery of their initial costs, develop their systems, skill their workers and establish business links with Namibian consumers.

Forming these links, she said, would enable Namibians to remain loyal to their brands even when full imports of foreign products resumed.

"Now, if they practically abuse the trust of the public during this period, then when the IIP is revoked- and it must in terms of the agreement that we have entered into - then these customers are not going to want to stick with them and eventually they [will fold].

"So I think it is very important that this facility is actually used in a strategic way. If companies utilise it well, it is very important for the country because it enables us to put up industries so that we can also create products that we trade in.

"We would not have to continue to rely on other people to produce the goods for us and create jobs [in foreign countries]; so we can also create jobs for our own people.

"But at the end of the day if we overprice, what is the point of having everybody employed but everybody cannot live; when [people] cannot survive on the salaries that they get because the cost of living has been artificially pushed up, because of the… monopolistic tendencies of some of these companies that enjoy this protection," she said.

Namib Mills MD Ian Collard said he believed that there was always a responsibility attached to the advantage of having IIP.

"From our side we want to be profitable but we would not like to have excessive prices of chicken…The aim is to be self-sustainable over an eight-year period.

"IIP is not just for one company, it's for the industry as

a whole. Everyone is free to put up another investment in that regard, which has been welcomed by the MTI and MoF, [competition] is always good for us in business," he said.

He admitted the possibility that the industry could lose customers due to price hikes.

"There is always the risk we can lose market share should IIP lapse in eight years, but we hope the industry will be healthier here and in South Africa and no dumping will be taking place," he said.

Besides, protection given to the poultry industry, Government has also given protection to the local dairy and the cement industries although these protections are under threat after importers of cement and dairy products took Government to court arguing that such protection measures are illegal.

Namib Dairies' import setback

Namib Dairies recently suffered a major setback when a High Court Judge ruled that Government had used the wrong legislation when it introduced quantitative restrictions on milk imports.

The court ruled that the Ministry of Trade and Industry should have used the milk imports restriction measures under the Control of Importation and Exportation of Dairy Products and Dairy Products Substitutes Act of 1986 instead of the Import and Export Control Act of 1994.

The High Court decision has again threatened hundreds of jobs in the local dairy industry as well as put the N$120 million Namib Dairies Super Farm investment in jeopardy.

Before the High Court ruling, Namib Dairies had expressed its gratitude to Government for the decision to limit the number of imported milk products into the country saying this had resulted in a revival of the local dairy industry as farmers were now restocking their herd size as sentiment in the sector was improving.

The Acting MD of Namibia Dairies Peter Gruttemeyer explained the rationale behind Government's decision to impose restrictions on milk products coming into the country from South Africa.

Gruttemeyer, who is also CEO of the Ohlthaver & List Group of companies, said local producers, with their high input costs, cannot compete favourably on price against cheap imports from South Africa.

He noted that imported dairy products – especially those from South Africa – are often produced with the use of hormones and Genetically Modified Organisms (GMOs).

Hormones stimulate dairy production, resulting in higher yields.

"This means that dairy producers in markets such as South Africa where GMOs are not banned are able to produce larger quantities of milk, at lower prices.

"In fact, the South African dairy market produces so much that it experiences a surplus. To 'get rid' of this surplus, the excess products are pushed into other markets, such as Namibia, at prices that are so low that local dairy producers cannot compete," Gruttemeyer said.

In his view, this was not only unfair to the local dairy producers, but also made it difficult for the country to develop a strong dairy industry of its own.

Namibia prohibits the use of GMOs mainly because the country exports its beef products to the European Union (EU), which bans the use of GMOs.

The use of GMOs in crop production has been a subject of much debate in recent years, and most countries in the developed world oppose the use of GMOs due to health concerns.

On the one hand, supporters argue that GMOs are "genetically superior" and are an answer to global food security.

They further argue that genetic modification does not result in a loss of nutritional value in these foods and the products are an eco-friendly alternative because they conserve the environment by using fewer resources to produce greater yields.

However, others fear that GMOs may have a link to higher incidences of cancer, childhood obesity, early puberty and other ailments such as heart disease and diabetes.

Some environmentalists also argue that GMOs actually pollute the air, water and soil, and there are worries that the heavy use of herbicides and pesticides used on GMO crops has toxic effects on human health.

Gruttemeyer justified the N$2 price differential between local dairy products and the imported products saying that besides choosing the high quality, healthier alternative, by supporting local dairy products, consumers will also support job creation in Namibia.

"This is your contribution to the long-term sustainability of the industry. By buying local dairy products, you empower Namibians all the way from the dairy farmer in the rural community, to the entrepreneur who makes plastic containers," he said.

The local dairy industry currently employs 1500 people directly and 15 000 people indirectly.

Last year, the Ministry of Trade and Industry (MTI) introduced policy and regulatory measures to preserve and nurture industrial and economic growth.

These measures included quantitative restrictions on the amount of selected imports entering Namibia.

Government took this decision in a bid to safeguard local industries, prevent excessive amounts of imports into the market and reduce the risk of job losses in the country.

"The restrictions have also renewed the confidence of dairy farmers in the industry and they are starting to restock their herd size which means more jobs – especially in rural communities," the Namibia Dairies Acting MD said.

Before the High Court ruling, Namibia had limited imports of milk to 500,000 litres a month and imports of yoghurt to 200,000 litres a month. Namibia's commercial dairy output is in the region of 2 million litres a month.

Gruttemeyer, however, noted that a total ban on dairy imports would not offer the right solution because it would deprive the consumer of freedom of choice.

"Competition is always welcome under reasonable and fair conditions. The decision lies with you, the consumer, to strike a balance between buying a product of high quality, while contributing to job creation in Namibia," he said.

IT'S TIME FOR WOMEN: Outgoing NCCI President Martha Namundjebo-Tilahun

Finland supports women to flourish as entrepreneurs

Women entrepreneurs in Namibia need more support to participate in the mainstream economy.

According to NCCI president Martha Namundjebo-Tilahun, women should conquer more space in Namibia's male dominated economy.

Speaking at an event in support of female entrepreneurs, the NCCI president said, "It certainly makes business sense to include more women in the cauldron of commerce".

The Namibia Chamber of Commerce and Industry (NCCI) in partnership with the Embassy of Finland and the Association of Women Entrepreneurs in Tampere, Finland conducted a plenary discussion on women's economic empowerment in Windhoek in May.

The event's theme was: "Equipping women with the necessary tools to enable their contribution to Namibia's economic development."

The NCCI established a 'Business Women Desk' in October 2012, to focus on and promote projects specific to creating sustainable women's economic empowerment.

The Desk is run by coordinator Joyce Mwangi-Nauyoma. It has been working on moulding rural women into better business owners by empowering them and increasing their opportunities to take part in mainstream business activities. The Desk is supported by the Finnish government.

Another project partner is the Tampere Women's Association in Finland. The women's desk project is called "Promoting Women Entrepreneurship in Namibia – From Women to Women".

With its support, the NCCI Business Women's Desk has trained up to 165 women entrepreneurs in the Karas Region.

They were trained in financial literacy, costing, pricing, budgeting, record keeping, planning, marketing, business coaching and mentorship.

The overwhelmingly positive results have been the development of better products, identification of new consumer markets, increase in individual business income and enjoying better living conditions. In some cases the entrepreneurs employed more people.

The project will in due course be rolled out into all regions in Namibia.

The objectives of the plenary session were to identify the most critical challenges facing Namibian women in business, to propose practical, implementable interventions and to ensure that these are assigned to individuals who will be required to account on progress made.

"We must provide women with access to training and business development services that will help them expand. Additionally, we must provide women entrepreneurs with effective networks that can support learning and leveraging of resources such as knowledge, business advice and mentorship," Namundjebo-Tilahun said.

The women discussed and debated the existing empowerment programmes in Namibia (both government and non-governmental) and access to financial resources, which remains limited.

"Often women in small towns do not know about loan options and if they do, they fear they might not qualify as the funds they want to obtain might be too small a sum," said Mwangi-Nauyoma. Lack of insight into markets and consumer preferences was another hurdle, Mwangi-Nauyoma pointed out. Part of the training in the Karas region was to enquire from larger companies also in the mining sector, what their procurement needs were so that female entrepreneurs could focus their production on the needs.

"A group of women in Karas is sewing school uniforms and other clothes. Despite several obstacles they manage to win more clients and could increase production," the Business Women's Desk coordinator said.

Outcomes committed to by the principle stakeholders are as follows:

- The Ministry of Gender Equality and Child Welfare together with the NCCI will commit to develop a central database containing specific data on Namibian female entrepreneurs such as location, product and/or service profile and records of support interventions received. The existence of such data would enable well-informed support programmes to be developed.
- From the experienced garnered with the Karas pilot project, NCCI will now proceed to roll out the same pilot project into 4 other regions (Oshana, Khomas, Erongo and Zambezi). This will avail the services of the NCCI Enterprise Development Programme to SME's, and the NCCI Business Women's Desk specifically to those women entrepreneurs operating in those regions.
- In its Development Policy, the Finnish Government aims at supporting the participation of women in economic activities and rejects any form of discrimination that gives rise to gender inequality in the economic sector. In line with this vision, the Finnish Foreign Ministry is funding the 'Business Women's Desk' project implemented by the NCCI and the Tampere Women's Association.

According to Mwangi-Nauyoma, the project aims at capacitating Namibian women entrepreneurs so that they can prosper and develop their businesses further.

Remarking in the keynote address, Namundjebo-Tilahun expressed her commitment to the development of more Namibian women into business, as the Ambassador of Finland in Namibia, Anne Saloranta, said, "The world needs women entrepreneurs, and women entrepreneurs need all of us. It is time to provide the support and tools to ensure that in 2014 and beyond, women-led businesses flourish."

Launching the PCLD (from left): EU Ambassador Raul Fuentes Milani, Esther Lusepani, Deputy Permanent Secretary, Ministry of Lands, German Ambassador Onno Hückmann, Lidwina Shapwa Permanent Secretary, Lands Ministry, Lands Minister Alpheus !Naruseb and Leonard Iipumbu, CEO of AgriBank. Photo by: German Embassy, Windhoek

N$416 million to develop potential of communal areas

Communal areas in several regions will be developed to unlock their economic potential over the next five years to the tune of over N$400 million.

It is envisaged that by 2019, over 700,000 hectare (ha) land should have benefited from investments in order to enhance agricultural production and integrate communal areas into the mainstream economy.

The funds flowing into the Programme for Communal Land Development (PCLD) stem from a financial cooperation between the Ministry of Lands, the European Union (EU) and the German government to improve the social and economic status of communal areas. The programme will be supported through an EU grant of 17 million euros (about N$248m) and 11.5 million euros (N$168 million) from the German Government through its development bank, KfW.

Lands Minister Alpheus !Naruseb launched the programme with German Ambassador Onno Hückmann, EU Ambassador Raul Fuentes Milani in early June.

The programme will be implemented through the KfW and Germany's agency for technical cooperation (GIZ). Another partner in the programme is Namibia's AgriBank. Together with the GIZ, the AgriBank runs a successful farmers' support programme for communal and commercial areas.

The objectives of the PCLD are to enhance sustainable land management practices as well as to improve productivity and market-orientation for communal farmers through securing land rights, land use and participatory development planning.

"This programme is to improve the social and economic status of communal areas," said Minister !Naruseb. "Building of the required capacity will result in conducting farming as a business in communal areas." Among the aims would be the development of the small-holding farming sector.

!Naruseb stressed that the fourth National Development Plan (NDP4) stipulated that agri-business was vital in determining pathways to the agriculture-led economic transformation of Namibia.

Important pillars of the programme will be to provide infrastructure investments and to improve access to advisory farming services. The PCLD contributes to increased productivity and market-orientation, thus advancing the integration of communal areas into the mainstream economy.

According to EU Ambassador Milani, secure land tenure was a critical component of economic development and social stability.

"If land tenure systems are perceived as legitimate, transparent and transferable, it will lead to increased agricultural investment at farm level, improved productivity and better resource management", said Milani.

The CEO of AgriBank, Leonard Ipumbu emphasised that "farming today is like any other business. This also goes for the communal farming sector which should be approached like a business."

Key areas of support to the PCLD include:

1. Improving tenure security through land rights registration and granting of long-term leaseholds in communal areas. To date about 48% of customary land rights have been registered, and the Ministry has made good progress in speeding up this process.

2. Harmonised land uses through integrated regional land use planning: The first integrated regional land use plan was completed for the Karas region and is now serving as a pilot plan for the other regions. Currently the integrated regional land use plans (IRLIP) in the Hardap and Kavango Regions are finalised. Furthermore, the Zambezi IRLUP is presently developed with the plan for Otjozondjupa Region starting shortly.
 Besides integrated regional planning, the Ministry developed a local level participatory planning (LLPP) modality to prioritise investments in areas selected for the PCLD.

3. The development of core farming infrastructure to increase the commercialisation of communal farming in selected areas, adapted to the local land use preferences. These investments will support the land-based economic development of the targeted areas and include boreholes, water reticulations systems, fencing, animal husbandry infrastructure and marketing investments.

4. Enhanced agricultural production through farming advisory services: This initiative will assist programme beneficiaries in the commercialisation of their operations, and promote land and animal management practises. This will lead to improved income and productivity of the land as well as improved market orientation of farmers in selected sites in the Northern Communal Areas (NCA).

5. Support for the Ministry and key stakeholder implementation capacity towards its mandate in communal areas. This includes training, equipment, the building and upgrading of regional offices.

The main target group of the PCLD are the local inhabitants in the selected areas. The Ministry developed the local participatory Planning (LLPP) strategy to prioritise investments in selected areas.

To date, three LLPP development plans have been finalised. The areas are Okongo, Ongandjera East and Otjetjekua in north-central Namibia. Within the next five years, seven regions will have benefited.

The private sector in the land reform programme through the Integrated Rural Development and Nature Conservation (IRDNC) and the Meatco Foundation are also engaged. These entities have approached the Ministry to render their expertise free of charge. Their services will primarily focus on rangeland management, animal husbandry, marketing, and how to approach farming as a business.

DBN celebrates 10th anniversary milestone

N$840m loans approved, 7 871 jobs impacted

10 YEARS OF GOOD BUSINESS: Prime Minister Hage Geingob, Finance Minister Saara Kuugongelwa-Amadhila, DBN Chairperson Elize Angula and DBN CEO Martin Inkumbi toast to celebrate the Bank's 10 years of existence.

The Development Bank of Namibia (DBN) this year marks 10 years of it existence having so far approved over N$840 million in loans, most of them going to small and medium enterprises.

Marking DBN's 10th anniversary, Prime Minister Hage Geingob pointed out the critical role DBN plays in the economic development of Namibia and poverty alleviation.

The middle income classification rules out foreign aid and loans, he said, in spite of the fact that poverty still affects many Namibians. Organisations such as DBN play an important role in transforming the economy of the country by providing finance to emerging entrepreneurs.

He said that DBN needs to play a role in ensuring equitable income distribution.

Geingob further stated that Namibia needs new sources of growth, and that these avenues would rely on human capital, particularly knowledge, to add value to Namibia's resources.

DBN Chairperson Elize Angula said the development bank was an innovator in the field of provision of finance on an inclusive basis, pointing to the development of Contract-Based Finance, which provides access to finance by enabling entrepreneurs to make loans using revenue streams from projects as repayment of loans.

Meanwhile, DBN says it has positioned itself for growth in coming years. The bank has geared itself to tackle challenges. The framework helps to manage the risk proactively by identifying risks, understanding the implications, and ensuring appropriate, proactive risk management, control, and reporting.

DBN would focus on sectors identified in NDP4, over and above its current operations, particularly manufacturing, transport and logistics, and tourism. The additional emphasis on these sectors would give impetus to the Bank's growth.

DBN CEO, Martin Inkumbi, said the Bank's activities had an impact on 7,871 jobs during 2013, of which 1,619 were new jobs and 3,084 were temporary jobs. This brings the total number of jobs impacted by the Bank since inception to 49,045.

Inkumbi said of the loans approved so far 93 per cent went to projects with involvement of previously disadvantaged Namibians. The effective BEE component was N$357 million and effective component allocations to women amounted to N$95.7 million. Projects at national level had the highest share of approvals at N$ 250.3 million, while the Khomas region followed at N$ 135.6 million. The Erongo region featured in third position with N$ 135.0 million, followed by Otjozondjupa with N$ 103.8 million and others with lower approvals.

The regional spread of allocations was as follows:

Regional Spread	**N$ m**	**% of total**
Erongo	135	16.1
Hardap	11	1.3
Karas	19.1	2.3
Kavango	28.1	3.3
Khomas	135.6	16.1
Kunene	15.7	1.9
National	250.3	29.8
Ohangwena	13.2	1.6
Omaheke	4.6	0.5
Omusati	30.1	3.6
Oshana	73.1	8.7
Oshikoto	8.4	1
Otjozondjupa	103.8	12.4
Zambezi	12.1	1.4
Total	**840.1**	**100**

The majority of approvals, 64.7 per cent, were made in the tertiary sector, followed by 35.1 per cent in the secondary sector. The key sectors of transport and manufacturing received 33.8% and 13.1% respectively, while the tourism sector received 7.2% of the loan approvals during the period.

The bulk of financing was allocated to the private sector, with sectoral allocation as follows:

Approvals by facility	**N$ m**	**% of total**
Public Sector	50	6
Private Sector	531.1	63.2
SME	259	30.8
Total	**840.1**	**100**

DBN continued to support local entrepreneurs through tender-based financing. A total N$149.1 million was approved in contract-based financing (bridging finance). These facilities supported tenders worth N$834.4 million.

Tenders supported	**N$ m**
Bridging finance approvals	149.1
Value of tenders supported	834.4
Bridging finance leverage ratio	5.6

DEVELOPMENT FINANCE: Prime Minister Hage Geingob and DBN Chairperson Elize Angula launch a booklet chronicling the Bank's first 10 years.

Competition in the Health Sector of Namibia

Mihe Gaomab II is the Chief Executive Officer of the Namibian Competition Commission

The Namibian Competition Commission regulates most sectors in terms of competition within Namibia, including the health sector.

Anecdotal evidence shows that Namibia's health sector comprises of a public and private sector. Statistics show that close to six percent of the Gross Domestic Product (GDP) in Namibia is spent on healthcare.

The Namibian government is cognisant that public health care is crucial in terms of its wider coverage, affordability and accessibility. Over 80 percent of the Namibian population relies on public health service provision and over 70 percent of healthcare spending is by Public Health Service provision.

There are four public referral hospitals in the country; Oshakati, Rundu, Katutura whereas the Windhoek Central Hospital serves as the national referral hospital. There are outreach services in form of clinics and mobile vans that reach wider geographical distribution of Namibians in terms of public healthcare access.

Namibia has a well organised private healthcare sector. The private healthcare sector is primarily based on various medical aid funds, medical administrators, medical service providers, private hospitals and private health professionals.

The usual manner for any sector, including the health sector, is to operate on competition basis through pricing, costing, structures and conduct that ensures a competitively efficient outcome providing cost sensitive and competitively priced medical service and/or medical product with high quality affordable and accessible health services.

The Commission has regard to the state of competition in any sector, such as the health sector in Namibia. The Commission has powers to investigate on merit and validity of any pro or anti competitive conduct of the entire sector and the actions of any parties in that sector. The Commission is cognisant that any sector in Namibia should work optimally achieving a competitively efficient outcome which is not only desirable for the sector but also for its market participants, interested stakeholders, and the consumer.

The Commission is in process of expanding its Act to ensure a formal market enquiry provisions that would understand sectors better such as the health sector but also to keep in check and streamline competition related factors (such as pricing, costing, structure, and conduct) that drive the sector for both the market participants, interested stakeholders and the consumer.

The Commission is guided by its Competition Law, 2003 and the rules governing the act of 2008 to investigate if needs be, any sector objectively and according to the legal and economic provisions. Commission has regard on administrative justice and procedural fairness to ensure a platform for everyone to articulate their positions, views, concerns, and positions about the functioning of any sector, including the health sector.

Namibia requires all sectors to be competitively efficient and stronger and dynamic that foster innovation, with improved quality of service with a fair and responsive pro-competition driven state. The health sector offers such conducive conditions in Namibia but leave more room for improvement whose medical needs of its market participants, interested stakeholders and consumers should be at the heart of how that sector functions and operates as a fully competitively regulated sector in Namibia.

COMING TO NAMIBIA: One of Emirates Gas LLC storage facilities in the UAE

LPG gas storage depot for Lüderitz port

Preparations have begun to construct a 3,000 tonne mounded liquefied petroleum gas (LPG) storage capacity at the port of Lüderitz.

The bulk storage facility will be used to supply gas for industrial use to the SADC Region. A distribution network will also be set up. The gas will be shipped from the United Arab Emirates (UAE) to Namibia. From Lüderitz, the distance to markets in Cape Town and Johannesburg in South Africa, Botswana, Zambia and Zimbabwe is much shorter.

The multi-billion project is carried out via a partnership between the Dubai-based Emirates National Oil Company (ENOC) and its subsidiary Emirates Gas LLC (EMGAS) with a company from Namibia and Botswana. ENOC is a State-owned company and has reportedly completed a comprehensive market study in Lüderitz, also for Botswana and neighbouring countries. A long term lease agreement for the use of land at the Lüderitz harbour was signed with NamPort last year.

Namibia's Ehalo Investments and the company Pula International from Botswana created the joint venture 'Corridor Gas & Oil Teminal' in May 2013 for this project. The joint venture already secured funding of US$30 million (about N$320 million) for the construction of the bulk storage from African Import and Export Bank. The Botswana-based Northcliff Advisory Group arranged the funding. Pula International is a subsidiary of Pula Holdings.

The joint venture sees a regional business opportunity due to the shortage of LPG from South African refineries as well as the lack of terminal import infrastructure in the SADC Region. According to the project proposal for the Lüderitz project, it is estimated that LPG consumption in Botswana alone will be 36,000 tonnes per annum.

According to Leevi Tshoopara of the JV Corridor Gas & Oil Terminal, distributors in the targeted markets were already identified. "Liquefied petroleum gas is used a lot in the SADC Region and a shortage is experienced with supplies. Namibia imports LPG from South Africa." The aim was to reduce the independence on LPG from South Africa," Tshoopara was quoted recently on a mining news website. "The company has obtained all approvals from the relevant government ministries - inclusive environmental clearance to proceed with the project," he said.

The construction involves a pipeline from the port berth to the planned storage facility, truck loading points, offices, a control room and comprehensive safety measures like firewater tanks and pumps as well as gas detectors. The LPG is to be trucked to the various regional destinations.

With the envisaged completion of the rehabilitation of the railway line from Aus to Lüderitz by September this year, a possibility exists to distribute the LPG from Lüderitz also by rail via Upington in the Northern Cape, South Africa.

"We are happy about this project as it will create jobs in Lüderitz and bring more business for the port and to the town," a Lüderitz businessman told NBJ. "We hope that local SMEs can secure work as sub-contractors during construction. There will also be spinoff effects for the local supply industry."

Namibia has in the last few years participated in trade expos in Dubai in the UAE.

In May 2011, former Trade and Industry Minister Hage Geingob and a 23 member delegation attended the first Dubai Annual Investment Conference, where Namibia presented itself as investment destination. Last year, the incumbent MTI Minster Calle Schlettwein and a Namibian delegation visited Dubai.

The future looks prosperous for Namibia's second port, which is mainly used by the fishing industry, but also as export harbour for Zinc. Rosh Pinah which mines zinc and produces zinc concentrate, has constructed a storage facility at the port of Lüderitz, which can store 40,000 tonnes of concentrate.

At the annual Mining Conference in Windhoek in May this year, NamPort CEO Bisey Uirab announced that Lüderitz will get a deep sea harbour. "The current port is rather shallow. Due to hard rock formations it will be difficult to deepen the Lüderitz harbour. As from 2020, NamPort plans to construct a deep sea harbour at Angra Point at Lüderitz," Uirab said.

Angra Point is the southern point of Redford Bay south of Lüderitz.

With the next phase of the Lüderitz waterfront project having kicked off, a new hotel will be constructed with 70 rooms, a shopping centre and luxury apartments are also planned. A maritime museum is to be added. The Polytechnic of Namibia will open a satellite campus at Lüderitz.

PILLAR: *The Husab uranium mine development near Swakopmund has reserves that contain the highest grade, granite hosted uranium deposit in Namibia*

Mining remains economic backbone

The mining industry showed a slight decline in 2013, but mining remains the backbone of the Namibian economy. With three mines under construction, mining is expected to grow phenomenally once they come into full production, said Veston Malango, CEO of Namibia's Chamber of Mines (CoM).

Speaking at the annual mining conference in May this year in Windhoek, Malango said that according to official statistics, the mining sector declined to 9.3% in 2013, down from 10.8% in 2012. Depressed prices for commodities internationally, higher input costs at mines and lower ore grades contributed to the slightly lower contribution to Namibia's GDP.

"Mineral exports in 2013 contributed 52.7% to total merchandise exports," Malango told the conference.

"Once construction for the Husab uranium mine, the B2 Gold mine near Otavi and that of the Tschudi copper mine near Tsumeb is completed, the mining sector's contribution to Namibia's economy will grow significantly," Malango stated.

Total revenue to the government from the mining sector in the 2012-13 financial year (FY) came to N$3.26 billion, up from N$2.69 bn in the 2011-12 FY, according to the annual report of the Chamber of Mines.

Mining and exploration companies collectively employed 7,582 people in permanent jobs during 2013.

Total direct and indirect employment – including temporary positions and fulltime contractors, came to 16,709 jobs last year, 1,571 more jobs than in 2012.

At the mining conference, representatives from State utilities NamWater and NamPower assured the industry that sufficient water and electricity would available, thus security of supply was safe over the next few years until the Kudu gas power plant would produce electricity in 2018.

With regard to water, NamWater has a supply agreement with the desalination plant of French company Areva at the central coast.

A second desalination plant – to be built by the government – is on the cards, as the towns of Swakopmund, Walvis Bay and Henties Bay are also expanding and require increased water supply.

Law for strategic minerals

The ongoing uncertainty in the mining sector about the mining of certain minerals declared by the government as 'strategic' in 2011, was raised at the mining conference. Strategic minerals are uranium, copper, gold, zinc, coal diamonds and rare earth metals. Only the State-owned company Epangelo Mining, established in 2008, is allowed to mine these minerals. It can form partnerships with other companies to extract the minerals.

The permanent secretary in the MME, Kahijoro Kahuure informed the conference that the government had started drafting a law regarding strategic minerals.

"In the not too far distance legislation might be in place to deal with this matter. There is a committee dealing with strategic minerals and a second committee - the technical committee - was put in place," Kahuure said. He did not give a time frame by when this will reach Parliament.

Mines and Energy Minister Isak Katali told the conference delegates that the 18-month moratorium – since September 2013 - on marine phosphate mining did not include exploration activities in this sector. The moratorium on uranium exploration was however still in place.

Value addition

Minister Katali provided clarity about value addition to minerals. There has been confusion about this after the government indicated its wish recently that minerals mined in Namibia should undergo some processing and value addition within the borders of Namibia before exported.

"Value addition is not the responsibility of the mining sector. The Ministry of Trade and Industry is responsible for that and the mining sector must provide the raw materials [for value addition]," Katali stated.

Kahuure informed delegates that a group of Scandinavian consultants contracted at the end of last year to conduct a study on local value addition and beneficiation of each mineral mined in Namibia, had produced a draft in May.

"Government will be briefed on the draft. It will then be forwarded to stakeholders for discussions," Kahuure said. "The aim is to draft a value addition strategy."

Kahuure chairs the joint value addition committee (JVAC) set up last year on the initiative of the Chamber of Mines. The fourth National Development Plan (NDP4) proposed the formation of such a committee. The aim is to improve Namibia's economic development through local value addition.

The Finance Ministry is yet to announce when the intended export levy for unprocessed raw materials taken out of Namibia, will come into effect. The export levy is expected to range between zero and two percent of the exported value on unprocessed minerals, fish, game, crude oil or gas and certain other products yet to be determined.

SEMP

The head of the Geological Survey of Namibia, Dr Gabi Schneider presented the second Strategic Environmental Management Plan (SEMP) on the uranium mining industry. SEMP is an over-arching framework addressing impacts of existing and potential [mining] developments through monitoring and management.

Assessments of various indicators like water and air quality and health of mine workers are rated through environmental quality objectives. These define tolerable limits of acceptable change due to the uranium mining in the Erongo Region.

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